



Audit and Governance Committee

Date: Monday, 22 February 2021
Time: 10.00 am
Venue: A link to the meeting can be found on the front page of the agenda below.

Membership: (Quorum 3)

Matthew Hall (Chairman), Richard Biggs (Vice-Chairman), Susan Cocking, Rod Adkins, Janet Dover, Barry Goringe, Mike Parkes, Bill Pipe, Clare Sutton and Bill Trite

Chief Executive: Matt Prosser, South Walks House, South Walks Road, Dorchester, Dorset DT1 1UZ (Sat Nav DT1 1EE)

For more information about this agenda please contact Democratic Services
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A G E N D A

Page No.

1 APOLOGIES

To receive any apologies for absence.

2 MINUTES

5 - 8

To confirm the minutes of the meeting held on 18 January 2021.

3 DECLARATIONS OF INTEREST

To receive any declarations of interest.

4 PUBLIC PARTICIPATION

To receive questions or statements on the business of the committee from town and parish councils and members of the public.

Public speaking has been suspended for virtual committee meetings during the Covid-19 crisis and public participation will be dealt with through written submissions only.

Members of the public who live, work or represent an organisation within the Dorset Council area, may submit up to two questions or a statement of up to a maximum of 450 words. All submissions must be sent electronically to susan.dallison@dorsetcouncil.gov.uk by the deadline set out below.

When submitting a question please indicate who the question is for and include your name, address and contact details. Questions and statements received in line with the council's rules for public participation will be published as a supplement to the agenda.

Questions will be read out by an officer of the council and a response given by the appropriate officer at the meeting. All questions, statements and responses will be published in full within the minutes of the meeting.

The deadline for submission of the full text of a question or statement is 8.30am on 17 February 2020.

5 UPDATE ON THE ACCOUNTS FROM THE EXTERNAL AUDITOR

To receive a verbal update from Aidan Dunn, Executive Director, Corporate Development.

6 QUARTER 3 FINANCIAL MANAGEMENT REPORT 9 - 32

To receive a report from Aidan Dunn, Executive Director, Corporate Development.

7 COUNCILLOR CODE OF CONDUCT ARRANGEMENTS 33 - 98

To consider a report by Jonathan Mair, Corporate Director, Legal & Democratic.

8 REVIEW OF THE COUNCIL'S BORROWING 99 - 106

To consider a report by David Wilkes, Service Manager, Treasury & Investments.

9 FORWARD PLAN 107 - 110

To consider the work programme for the Committee.

10 URGENT ITEMS

To consider any items of business which the Chairman has had prior notification and considers to be urgent pursuant to section 100B (4) b) of the Local Government Act 1972. The reason for the urgency shall be recorded in the minutes.

11 EXEMPT BUSINESS

To move the exclusion of the press and the public for the following item in view of the likely disclosure of exempt information within the meaning of paragraph 3 of schedule 12 A to the Local Government Act 1972 (as amended).

The public and the press will be asked to leave the meeting whilst the item of business is considered.

There are no items of exempt business.

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DORSET COUNCIL - AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 18 JANUARY 2021

Present: Cllrs Matthew Hall (Chairman), Richard Biggs (Vice-Chairman), Susan Cocking, Rod Adkins, Janet Dover, Barry Goringe, Mike Parkes, Bill Pipe, Clare Sutton and Bill Trite

Apologies: There were no apologies for absence.

Also present: Ian Howse (Deloitte)

Officers present (for all or part of the meeting):

David Trotter (Risk and Resilience Officer), Jim McManus (Corporate Director - Finance and Commercial), Marc Eyre (Service Manager for Assurance), Rupert Bamberger (Assistant Director SWAP), Mark Payne (Business Development Team Leader), Andrew Billany (Corporate Director of Housing, Dorset Council), Richard Ironside (Service Manager for (Finance) Policy and Compliance), Heather Lappin (Head of Strategic Finance), Gill Vickers (Corporate Director, Adult Care Operations) and Sian White (Service Manager, Finance)

41. Minutes

The minutes of the meeting held on 16 November 2020 were confirmed as a correct record and would be signed at a later date.

42. Declarations of Interest

No declarations of disclosable pecuniary interests were made at the meeting.

43. Public Participation

There were no public questions or statements.

44. Internal Audit 2020/21 Plan Progress Report

Rupert Bamberger, Assistant Director, SWAP, introduced a report on the Internal Audit 2020/21 Plan Progress report. On behalf of the committee the Chairman asked that thanks be passed onto all the staff at SWAP for all of their hard work. Members of the committee asked a number of questions in relation to the report in respect of:

- Duplicate payments
- Areas of non-compliance
- Number of outstanding recommendations
- Level of data protection training taking place
- Transformation

Transport Operators Licence.

Decision

That the report be noted.

45. Risk Management Update

Marc Eyre, Service Manager for Assurance, introduced the Risk Management Update report. Members of the committee discussed the report and asked questions relating to:

The procurement of a replacement transport management system (Trapeze).
The Chairman requested a revised date for this procurement exercise.

The Chairman also requested that officers set up a meeting with himself, Cllr Turner and Cllr Bartlett to discuss a way forward for dealing with the Vehicle Operators Licence and PUWER Regulations.

In response to a query from the Chairman, the Service Manager for Assurance agreed to liaise with the Health & Safety Team on how health and safety reports could be incorporated into information provided to councillors.

Councillors also discussed:

Highlighting self-insurance on the Risk Register;

Implementing a 5x5 risk matrix;

How to assess mitigation measures put in place;

Failure to adapt services and communities to the impact of a changing climate – the Service Manager for Assurance agree to seek a response from the risk owner on whether the council was lagging behind.

Decision

That the report be noted.

46. External Audit Update: Update on the points raised by Deloitte at the meeting of the Audit & Governance Committee on 16 November 2020.

The Executive Director for Corporate Development introduced an item on the external audit update. Ian Howse from Deloitte provided members with an update on progress; it was hoped that the audit would be completed by mid February. The Chairman hoped that the audit to be available for the next Audit & Governance Committee meeting on 22 February 2021.

47. Council Tax Briefing

Mark Payne, Business Development Team Leader gave a presentation on Council Tax. The presentation slides would be sent to all members of the council, for information, after the meeting.

48. Redmond Review Briefing

The Service Manager for Finance Policy & Compliance gave a presentation on the Redmond Review, the independent review into the oversight of Local Audit and the transparency of local authority reporting by Sir Tony Redmond.

The Democratic Services Team were currently investigating training options for members of the Audit and Governance Committee and the Chairman asked members to respond to the survey on training needs.

49. Constitutional Changes

The Corporate Director for Legal & Democratic and Monitoring Officer updated the committee on a change to the Constitution implemented under delegated powers. The Procedural Rules had been updated to require political group leaders, in addition to the Chairman of Council, to be consulted on whether a Notice of Motion submitted by a councillor was valid.

50. Forward Plan

The committee noted the Forward Plan.
As a change to the published Forward Plan it was agreed to add the External Audit Update to the February meeting.

51. Urgent items

There were no items of urgent business.

52. Exempt Business

There were no items of exempt business.

Duration of meeting: 10.00 - 11.50 am

Chairman

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Audit & Governance Committee 22 February 2021 Q3 financial management report

For Decision

Portfolio Holder: Cllr G Suttle, Economic Growth and Skills

Local Councillor(s): N/A

Executive Director: Aidan Dunn, Executive Director, Corporate Development

Report Author: Jim McManus
Title: Quarter 3 financial management report
Tel: 01305 221235
Email: jim.mcmanus@dorsetcouncil.gov.uk

Report Status: Public

Recommendation:

That the Committee notes the Senior Leadership Team's quarter 3 forecast of outturn for the Council for 2020/21 as reported to the Cabinet on 19 January 2021 and raises any questions or challenges that it may have.

Reason for Recommendation:

The Committee's terms of reference refer to "the Council's risk management framework including the internal control environment, integrity of financial reporting and governance arrangements".

Effective financial management is a cornerstone of this responsibility and understanding and challenging the quarterly financial management reports to Cabinet supports this.

1. Executive Summary

Dorset Council's governance arrangements involve review of the quarterly financial management reports by the Audit & Governance Committee after they have been received by the Cabinet.

This report covers the quarter 3 report that was presented to Cabinet on 19 January 2021.

The Cabinet report is attached as Appendix 2. Members may also wish to refer to minutes of the Cabinet meeting for further information regarding the discussion of the report.

2. Financial Implications

The Cabinet paper reports a forecast overspend of £18.6m for 2020/21; an improvement of £9m since quarter 2. The report itself summarises the main changes since the previous quarter and sets out analysis by individual directorate for the Committee's review. That detail is not repeated in this covering report.

Despite continuing improvement in the period, only a small amount of this reduces financial pressure for 2021/22 – because the majority of changes are already built into the budget process.

The position with the Dedicated Schools Grant (DSG) is not a feature of our financial reporting anymore, as Regulations clarify that responsibility for this falls to the Department for Education (DfE) rather than to local tax payers until 31 March 2023. However, DfE is currently working with the Council to understand our DSG position better. Further updates on these discussions and on the ensuing work will be reported in due course.

However, the Council is carrying the cumulative overspend on DSG of £21.8m as a negative reserve in its balance sheet. Further overspend of around £16m is also forecast for this year.

3. Climate implications

None identified.

4. Other Implications

None identified.

5. Risk Assessment

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: High

Residual Risk: High

There are significant assumptions and risks in the forecast. The position is still very volatile and much of that is set out in the Cabinet report.

The key risk is that the impact of COVID-19 is sustained and not only does this materially impact upon our current reserves, but also makes the budget strategy and MTFP extremely challenging.

6. Equalities Impact Assessment

N/A

7. Appendices

1. Summary of COVID v other pressures

2. Cabinet financial management report 3 November 2020

8. Background Papers

None

Footnote:

Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

Appendix 1

Directorate	Net Budget	Forecast Outturn	Forecast (Overspend)/ Underspend		Covid-19	BAU & Savings
	£k	£k	£k	%	£k	£k
People - Adults	122,537	137,493	(14,957)	(12.21%)	(7,343)	(7,614)
People - Children's	75,075	83,928	(8,853)	(11.79%)	(8,517)	(337)
Place	66,246	79,539	(13,293)	(20.07%)	(11,846)	(1,447)
Corporate Development	25,455	25,332	122	0.48%	(1,355)	1,478
Legal & Democratic Services	6,182	9,764	(3,582)	(57.93%)	(3,826)	245
Public Health	0	0	0	0.00%	0	0
Total Service Budgets	295,495	336,057	(40,562)	(13.73%)	(32,887)	(7,675)
Central Finance	(296,799)	(318,799)	22,000	(7.41%)	7,400	14,600
Whole Authority	(1,304)	17,258	(18,561)		(25,487)	6,925

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Cabinet

19 January 2021

Quarter 3 (Q3) financial management report

For Decision

Portfolio Holder: Cllr G Suttle, Finance, Commercial & Capital Strategy

Local Councillor(s): N/A

Executive Director: A Dunn, Executive Director, Corporate Development

Report Author: Jim McManus

Title: Corporate Director, Finance & Commercial

Tel: 01305 221235

Email: jim.mcmanus@dorsetCouncil.gov.uk

Report status: Public

Recommendations:

1. Note the Senior Leadership Team's forecast for Dorset Council's revenue budget position at the end of Q3 and the change since Q2;
2. comment on the actions/proposals to improve the position during the year and consider further action to address the budget gap;
3. note the latest position on the capital programme and the impact this is having on capital financing in the revenue budget (appendix 1);
4. note the current positions on collection funds and collection rates and the impact that the council tax position in particular might have on local preceptors. Also note the Government consultation on support for local tax losses in 2020/21;
5. note the impact that Spending Review 2020 (SR20) has had on the expectations for this year. Impact on the budget strategy and medium-term financial plan (MTFP) are covered in a separate report.

Reason for recommendation:

The Council has responsibilities to deliver against its 2020/21 revenue budget and capital programme whilst maintaining adequate reserves. Cabinet wishes to understand clearly the financial impact and consequences of the Council's response to the Covid-19 pandemic as well as other matters affecting the financial performance and position.

Understanding the current year's position and performance is a key component of assurance around the Medium-Term Financial Plan (MTFP) and budget strategy.

1. Executive summary

- 1.1 This paper comes to Cabinet to provide the third update on the financial impact of Covid-19 and other matters on the current year's financial performance.
- 1.2 The report also updates Cabinet on the progress of the capital programme at a summary level and summarises the impact of SR20 on this year's prospects. The impact for 2021/22 and beyond is covered in the budget strategy report.

2. Financial implications

- 2.1 Financial implications are covered throughout this paper.

3. Wellbeing and health implications

- 3.1 None specifically identified in this report.

4. Climate implications

- 3.1 None specifically identified in this report.

5. Other implications

- 4.1 None identified in this paper. The Council is taking action to reduce its operating costs before 1 April 2021 to deliver a balanced budget and a sustainable MTFP. Detailed implications of that have been shared with Councillors through the scrutiny process as part of consultation on the development of the MTFP and budget strategy 2021/22.

6. Risk assessment

- 5.1 The Q3 forecast sets out continuing, significant risks for the Council in dealing with the current pandemic and its longer-lasting financial implications. The Council has reserves, some of which can be used as a short-term measure to balance the budget, but longer-term use of reserves is not sustainable. This was a key issue in developing, scrutinising and finalising the budget strategy proposals for 2021/22.

Current Risk: High

Residual Risk: High

7. Equalities Impact Assessment

- 6.1 None.

8. Appendices

- 1. Capital programme summary 2020/21
- 2. Summary of approved projects from £15m capital fund 2020/21

9. Background Papers

Quarter 1 financial management report to Cabinet.

Quarter 2 financial management report to Cabinet.

Cabinet budget strategy paper, February 2020.

MTFP and budget report to Cabinet October 2020.

10. Covid-19 context update

10.1 The Covid-19 pandemic continues to adversely affect Dorset Council's income and expenditure levels despite the Council's efforts to mitigate and manage the impact. At the end of Q1, Dorset Council was forecasting an overspend of £43m for the financial year. At Q2 this had moved on to £27.6m and at Q3, the estimate of outturn is an overspend of £18.6m.

10.2 This continued improvement in the financial forecast reflects the Council's cautious approach to financial management. The initial financial forecasts were prudent and based on the financial and economic assessment of a prolonged period of lockdown. During the summer, the easing of restrictions and the reduced level of local infections led to a partial recovery in income and a reduction in anticipated expenditure levels, allowing Dorset Council to refocus on its transformation programme. Management also took a series of in-year actions to reduce planned expenditure such as implementing recruitment controls and accelerating some of the convergence activities.

10.3 The Council has also worked closely with Government to ensure that the financial consequences of Covid-19 are understood at a national level. The regular briefing of Dorset MPs, direct communication with Government Ministers and senior civil servants, combined with the close work with organisations such as the Local Government Association and County Councils Network have all helped Government understand the acute financial pressure that Covid-19 has placed on Local Government. Government has responded during the course of the year providing significant additional funding which improved the Council's financial position, though not enough to fully cover the budget gap caused by the pandemic.

10.4 These factors of increased funding, reduced expenditure, and higher than anticipated income levels enabled the forecast overspend to be brought down, despite the continued uncertainty surrounding the national and local picture as we entered the autumn and winter period.

10.5 Despite the improving position, the overspend remains a significant concern, and the financial uncertainty continues. The current local and national restrictions are continuing to cause service and financial pressures and there is still material risk in the forecast for the last quarter of the year.

11. Forecast of outturn, Q3 2020/21

11.1 The paragraphs below provide an overview of the position for each directorate as set out in the table.

Directorate	Net Budget	Forecast Outturn	Forecast (Overspend)/ Underspend	
	£k	£k	£k	%
People - Adults	122,537	137,493	(14,957)	(12.21%)
People - Children's	75,075	83,928	(8,853)	(11.79%)
Place	66,246	79,539	(13,293)	(20.07%)
Corporate Development	25,455	25,332	122	0.48%
Legal & Democratic Services	6,182	9,764	(3,582)	(57.93%)
Public Health	0	0	0	0.00%
Total Service Budgets	295,495	336,057	(40,562)	(13.73%)
Central Finance	(296,799)	(318,799)	22,000	(7.41%)
Whole Authority	(1,304)	17,258	(18,561)	

People Services – Adults and Housing

11.2 The budget is forecast to overspend by £14.957m (12.21%) a movement of £0.67m since Q2. In light of the new national lockdown the pressures on the budget are likely to increase as we go into Q4 and this will be kept under review.

11.3 Throughout Q3 effective budget controls and processes have continued to be in place to manage and monitor costs especially in light of the current pandemic. These will continue and be kept under review as the national and global position develops. During Q3 we were seeing an improving budget position and had been on track to report a reduction from the Q2 prediction of approximately £0.25m.

11.4 However, due to Health partners asking for care arrangements previously agreed and confirmed as funded to be reviewed (£0.57m) and additional pressure through emergency bed and breakfast accommodation (£0.35m) due to the pandemic, a new pressure arose. Though the impact of this has been mitigated in part, through underspends in other parts of the service, it has still created an increase in the forecast overspend at this point of £0.67m compared to Q2.

11.5 The Adult Care Packages forecast has increased since Q2 by £0.54m. There are several factors that have influenced this:

- Dorset Clinical Commissioning Group (DCCG) sought a retrospective review of the financial agreements previously made regarding the Covid Scheme 1 Hospital Discharge Programme and the costs that were being claimed by both Dorset Council and BCP due to pressures from National Health Service England (NHSE). As a result, an offer of £0.57m into a Pooled budget was made and agreed by both DCCG and NHSE. Dorset Council and BCP agreed to this negotiated contribution in spirit of partnership working across the system. DCCG

unlike others had asked for a significantly higher contribution which was not agreed.

- The forecast for Locality and Mental Health packages has had a net increase of £0.28m, with two new high-cost packages (£0.85m & £0.86m) offset by several smaller reductions in care packages.
 - There has been a £0.15m reduction in income relating to services users not being able to attend Tricuro day centres due to Covid-19. Negotiations are taking place with Tricuro and there will be a one-off adjustment in Q4.
- 11.6 There has been an improvement in Adult Care Operations of £0.37m. £0.26m is due to staffing vacancies and delays in recruiting to posts. Agency staff have been employed where necessary, to cover priority vacancies while recruitment of permanent employees takes place. £0.11m is a reduction within the Mental Capacity Acts and Best Interest Assessments (BIAs) forecast due to the lack of availability of Assessors.
- 11.7 The Housing forecast has increased by £0.59m since Q2 mainly due to a provision of £0.35m for additional pressures on emergency bed and breakfast accommodation – largely due to ongoing homelessness pressures relating to extended Covid-19 arrangements and cold weather which were anticipated to have ceased in September.
- 11.8 £0.13m of this is due to an increased bad debt provision. Work is taking place within the Housing Directorate to review and chase outstanding debt and to improve processes, but this is challenging in the current climate with the measures in place - and being strengthened - to protect the financial circumstances of vulnerable people.
- 11.9 There has been a £0.11k increase in the Housing Subsidy Shortfall forecast following additional pressures from Covid-19 and the *Everyone In* initiative. Further costs and demand are anticipated within bed and breakfast-type emergency accommodation likely to result in additional costs of £0.35m by year end. The prolonged cold weather period has triggered the *Severe Weather Emergency Protocol* raising the cost of emergency accommodation, due to 17 people previously sleeping rough, being taken in. These costs are mitigated in part by the Ministry for Housing Communities and Local Government (MHCLG) funding for the *Safe Sleep* initiative from 4 January, with The Lantern Trust supporting up to ten people in appropriate temporary accommodation.
- 11.10 As mentioned in the Q2 report the funding received from MHCLG, alongside that approved by Cabinet to acquire properties for temporary accommodation, will help manage these charges moving into 2021/22.

People Services - Children

- 11.11 The People Services - Children's budget is forecast to overspend by £8.853m (11.79% of budget). This is a worsening forecast of £1.145m since the Q2 position.
- 11.12 The majority of the cost pressure is in social care, now forecast to overspend by £6.418m. These can be summarised as follows:
- unachieved additional income targets of £0.400m
 - overspends on external placements for children in care £5.937m
 - other social care project overspends including Children With a Disability services £0.750m
 - additional service manager support (Fostering) £0.115m
 - underspends against travel budgets -£0.110m
 - fostering underspends -£0.718m.
- 11.13 External placements were budgeted at 177, alongside assumptions about costs and settings giving rise to an estimated budget requirement of £17.6m. At end of December there are 187 placements, with a forecast cost of £23.520m. This highlights how relatively small changes in children numbers in external placements can have a dramatic effect on the financial position and illustrates the volatility in planning assumptions.
- 11.14 Director's Office is now forecasting to underspend by £0.177k. This includes £229k of Covid-19 related additional unbudgeted expenditure (total unbudgeted expenditure in relation to Covid-19 across all Children's Services budgets is over £900k) with additional costs falling to appropriate budget headings, or to Directors Office. There are unbudgeted costs of £81k in relation to a proposed new SEND facility. Savings are forecast in relation to the consultancy budget (£103k) and an assumption of savings in relation to staffing restructure work that is subject to clarification (£200k).
- 11.15 The Education and Learning budgets are forecast to overspend by £2.522m. The main causes are:
- Lost trading income with schools and academies £1.050m
 - Projected overspends in relation to SEN transport £1m
 - In-house nurseries projected deficit £0.300m
- 11.16 With the new national lockdown now in place, all of these figures need revisiting as services come under pressure.
- 11.17 As noted previously, there is also a projected shortfall of £0.052m against income recovery from Dedicated Schools Grant (DSG), however this could change as the basis for income recovery is subject to a wide-reaching

review, which has recently concluded and which will be discussed with Schools Forum in the final quarter of this financial year.

Dedicated Schools Grant

- 11.18 Members may recall that in previous financial reports, mention has been made of the overspend on the High Needs Block (HNB) of the DSG. Dorset Council closed 2019/20 with a DSG cumulative overspend of £21.8m and the overspend being predicted for 2020/21 is currently £18.2m.
- 11.19 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2020 prescribe accounting treatment for DSG overspends that accrue. The Regulations were brought in because overspends were – and continue – to accrue to an increasing number of Councils nationally.
- 11.20 The Regulations require that the overspend be shown as a negative reserve in the Council's balance sheet, and this is not the responsibility of the Council. However, this is only for a time-limited period and after three years, any residual deficit on the DSG overspend will revert to the Council.
- 11.21 Dorset Council has a deficit reduction strategy and continues to develop this with schools and other partners. In recent weeks, work has also started with representatives from the Department for Education who are supporting the deficit reduction work whilst developing the sufficiency strategy and SEND capital strategy work. Cabinet will be updated on progress.

Place Services

- 11.22 Place Directorate budget is forecast to overspend by £13.3m (20.07%). This is £1.4m better than at Q2. The majority of the overspend (£11.8m) is attributable to Covid-19-related income shortfalls/excess costs. £1.2m is due to savings that are unlikely to materialise and the remaining £0.3m is caused by various continuing pressures.
- 11.23 The ongoing impact of Covid-19 means the Directorate is continuing to operate in a very challenging financial climate. Many of the services have seen significant losses of income over the spring and early summer but with the easing of lockdown restrictions over the later summer months, income had improved, notably in the car parking area, although other areas have seen a continuation of income reductions. The forecast was based on data before the third lockdown was announced, so the financial position could deteriorate due to the closure and reduction of some services in coming weeks.
- 11.24 The Directorate has also borne additional Covid-19 staffing costs due to the additional responsibilities incurred during shielding. Under normal circumstances, these teams would have been undertaking capital projects, with full cost recovery from the capital budget into revenue. There have

also been other costs, ranging from agency cover for shielding/isolating staff, to cleaning materials and PPE.

- 11.25 Several services had savings targets built into the base 2020/21 budget. The impact of the pandemic has meant it is unlikely these savings will be realised this year as effort has been required to support residents to manage the response to the pandemic.
- 11.26 There is also a growing number of significant business as usual (BAU) financial pressures that the Directorate is forecasting, particularly within Dorset Travel and Commercial Waste & Strategy. The forecast includes overspends against the school transport budget, while the volatile Dry Mixed Recyclate (DMR) market is causing increased costs.

Corporate Services

- 11.27 Corporate Services is the collective name for services across Corporate Development and Legal & Democratic Services. This includes Finance and Commercial Services, Human Resources and Organisational Development, ICT Operations, Digital and Change, Business Intelligence, Communications and Engagement, Legal Services, Assurance, Democratic and Electoral Services and Land Charges.
- 11.28 The projected overspend for these services at the end of Q3 is £3.46m. A very similar position to that reported at Q2.
- 11.29 The budget pressure on Corporate Services due to the Covid-19 response totals £5.1m. Aside from this, Corporate Services would therefore underspend by £1.72m. This comprises £1.1m from early achievement of savings for 2021/22, and £0.62m from vacancy management and convergence savings.
- 11.30 The majority of expenditure due to the Covid-19 response relates to the purchase of whole council PPE coded to the emergency planning budget and mortality support facilities (£3.5m).
- 11.31 Central Government support is available to support councils' pandemic responses and compensate for lost income and sales. This funding is reported within the Central Finance area and likely to be distributed at year end. For Corporate Services, this is approximately £0.6m.

12. Public Health

- 12.1 The settlement announced a real-terms increase to the overall public health grant in 2020/21. The grant for Dorset Council grew from £13.172m to £14.072m (£0.9m increase).
- 12.2 The Covid-19 pandemic has meant substantial changes have had to be made to public health services and additional support has been needed to mitigate both the physical consequences of the virus, and the economic and mental health consequences of lockdown and social distancing measures. This has created additional cost pressures on both Public Health Dorset and the wider system.

12.3 Public Health Dorset recognises that Dorset is facing significant financial challenges so agreed that any cost pressures in the service relating to Covid-19 would be funded through the grant uplift or other system partners and no call would be made on the MHCLG funding.

13. Central finance

13.1 Central budgets include the main sources of the Council's funding; council tax, business rates and general grants (such as new homes bonus and rural services delivery grant). The additional, non-ringfenced Covid-19 funding of £25.1m is also included here (though some of this total was actually spent in 2019/20), as is our expected income of around £7m from the sales, fees and charges support scheme from the Government which partially offsets shortfalls mentioned in individual directorates' performance, noted earlier.

13.2 Due to slippage on the capital programme in 2019/20 and due to better cash balances than predicted at the budget setting stage, there have been savings in the capital financing budget. Around £4.1m of this is in the minimum revenue provision (MRP) budget and £0.8m on net treasury management performance. These savings expectations have been factored into the 2021/22 budget proposals.

13.3 An underspend of £4.5m is also being released from the contingency budget at this stage. It may be possible to release further underspend from this budget during the closing months of the financial year as not all of it is yet committed.

13.4 The budget also set targets of £3m cost reductions from transformation projects and a further £3m from better procurement and contract management. Whilst transformation work continues, these savings cannot be delivered this year as the organisation's resources were deployed in support of Covid-19 response and recovery.

13.5 The Joint Public Health Board's new partnership agreement for the shared service has resulted in Dorset Council being able to invest £0.5m in activities outside the shared service but still within the grant conditions. This is currently forecast in the central finance area.

13.6 Central budgets remain at risk from reductions in income from council tax and business rates. Our estimated collection shortfall for the year, based on 31 December 2020 data is £7.5m for council tax (our forecast provides for estimated loss of £10m). For business rates, the corresponding figures feed through to a potential shortfall of nearly £2m for the Council (with a forecast of £3m).

13.7 The Spending Review for 2020 (SR20) announced Government support for collection funds this year. The scheme, referred to as the *council tax and business rates income guarantee scheme*, will be paid next year to compensate councils for 75% of irrecoverable losses in collection funds this year. The scheme is still at the consultation stage, so we await

confirmation of the final details of its operation, but it will result in support for whatever the eventual irrecoverable losses on the funds will be. This support is not yet factored into the forecast, but our initial estimate is that it might not be worth a material amount in any event.

- 13.8 This is because the scheme is intended to support *irrecoverable losses* rather than slow payment. The majority of the issue faced by the Council at present is non-payment or slow payment rather than irrecoverable loss and Government has made it clear that it wishes councils to continue to pursue slow and late payment as usual and it will not compensate for these amounts. Our forecasts therefore provide for £13m of “losses” in total, but it will be a matter of judgement at year-end, as to exactly how much of this late payment the Council wishes to make provision for in its accounts. A lower provision would reduce the size of the financial burden in-year and would mean a more positive view was taken on the Council’s ability to recover these late payments.

14. Reserves

- 14.1 The Council’s overspend will need to be financed. Bringing six Councils together generated a general fund of £28.2m and allowed other earmarked reserves to be reviewed and repurposed because the risk profile of the new Council is different from its predecessors. This will enable us to fund the current year’s projected overspend but it does affect the council’s resilience and ability to mitigate future risks.
- 14.2 We continue to review our reserves but at this stage no formal recommendation is coming forward to Cabinet for further repurposing of these funds. It is important that the Council provides adequate reserves for the risks that it faces and anything other than short-term use of reserves is unsustainable without plans to top them up. They can only be spent once and if they are not cash-backed this will also trigger an increase in the Council’s borrowing.
- 14.3 The impact on reserves has been a key driver in addressing areas of overspend during the year and has also informed the representations made to Government for additional financial support. The Council is pleased that Government continues to listen to the sector and collect data to inform additional funding being brought to councils through SR20 as described in the budget strategy paper.

15. Additional Covid-19 funding

- 15.1 As well as its own £304m net budget, the Council has also received and/or administered other funds during the course of the year that Government has chosen to distribute to/through local authorities. Some of these are described below. New grants continue to come through – even as this report is written, so it cannot be guaranteed as 100% accurate at the time of reading. Future finance reports will give additional updates.

Business grants

- 15.2 The Council was given an initial allocation of £133.7m for this scheme which Government closed on 30 September. Dorset Council 6,615 payments of £10k to small businesses, 1,280 payments of £10k to smaller retail, hospitality and leisure (RHL) businesses and a further 1,124 payments of £25k to larger RHL businesses.

Discretionary grants

- 15.3 In response to feedback about the first tranche of grants, Government announced further business support through a round of discretionary grants, funded at 5% of our estimated total potential payments through the tranche 1 funding - amounting to just over £6m. Again, this scheme closed on 30 September by which time Dorset Council had made 1,619 payments to distribute this funding.
- 15.4 After the schemes were closed, Government called for the return of the £20.7m unspent funding. MHCLG have agreed our reconciliation which confirms the effective control and reporting that this Council put in place to administer this funding.

Additional round of business grants

- 15.5 On 5 January, the Chancellor announced a further £4.6bn national fund for business top-up grants. Details of this are not clear at the time of writing but the affected business in the retail, hospitality and leisure sectors will be eligible for one-off grants of up to £9,000, depending on the rateable value of premises. There will also be a further £594m nationally to support businesses not eligible for these grants but which are affected.

Business rates relief

- 15.6 As well as grants, businesses in Dorset have further benefitted from the Government's decision to extend business rates reliefs this year. In 2020/21, 3,464 Dorset businesses will benefit by more than £54.5m through all types of discount.

Reopening high streets safely

- 15.7 A national fund of £50m means £335k for Dorset Council to prepare for and support the safe reopening of high streets and other retail spaces.
- 15.8 This new money will support practical measures so businesses can re-open quickly when they are allowed to, staff get back to work and customers return to shops, confident it is safe.

Infection control grant

- 15.9 Dorset Council's infection control grant totalled £9.4m. 80% of this is being distributed to care homes within our geographical area on a 'per-bed' basis and to Care Quality Commission (CQC) regulated community care providers. The remaining 20% of the funding will be used to support the full range of providers to manage infection control.

Test & trace payment scheme

- 15.10 The test and trace scheme went live from 28 September 2020 with Dorset Council making the claim process available from 12 October 2020 in line with Government requirements. The scheme runs until 31 January 2021 and claimants qualify for a payment if they meet the conditions for either the standard scheme or the discretionary scheme. Dorset has been allocated £134k for the standard scheme and £80k for the discretionary scheme, with a further £40k coming to the Council as funding for administration of the grant under the *new burdens* doctrine.

Test & trace service support grant

- 15.11 Dorset Council has been allocated £1.3m from this fund to provide support to local authorities in England towards expenditure in relation to the mitigation against and management of local outbreaks of Covid-19

Local restrictions support grants

- 15.12 Government has devised a number of grant schemes under the umbrella of Local Restrictions Grants. These grants cover the second lockdown and subsequent tier systems since 2 December 2020. The grants are paid to business ratepayers and are fully funded by Government. Government has provided councils with 80% of estimated funding in advance. A new tranche of grants will apply from 5 January 2021 (lockdown 3) but details and funding are yet to be received.

Grant	Description of grant	Funding	Award (number)	Award value
LRSO Closed (addendum)	Businesses that were required to close under the national restrictions between 5 November 2020 and 2 December 2020	£9,378,252	3,112	£4,766,254
LRSO open	Businesses affected by Tier 2 restrictions during the period from 2 December 2020 to 19 December 2020 where businesses are open Further funding will be received post 19 December	£2,367,946	Payments will commence Jan 2021	TBC
LRSO closed	Businesses affected by Tier 2 restrictions during the period 2 December 2020 to 19 December 2020 where businesses are closed Further funding will be received post 19 December	£79,993	Payments will commence Jan 2021	TBC
LRSO sector	Businesses which have been required to close since 23 March 2020 (Nightclubs, dancehalls and adult entertainment establishments)	Funding included with LRSO Closed (addendum)	Two identified	TBC
LRSO – Christmas Grant	Support for “wet led” pubs during the Christmas period	£249,600	72	£72,000

Additional Restrictions Support Grant (ARG)

- 15.13 This is a single allocation based on £20 per head of population (ONS 2019 Mid-Year Population Estimates) for each local authority to use to run a discretionary grant scheme, for example to closed businesses that do not have a rateable value or have costs that are significantly higher.
- 15.14 For Dorset with a population of around 378,000, this amounts to some £7.57m. Discretionary grants can also be paid to businesses that are severely impacted rather than closed. The allocation can also be used for other direct business support at the discretion of the local authority, for example support for businesses from Growth Hubs. The grant is a one-off payment for Local Authorities in financial year 20/21 and is to be used in 20/21 and 21/22 and will not be renewed.
- 15.15 The ARG forms part of the local restrictions support grants package. It is for businesses that are required to close under the imposed coronavirus restrictions that do not qualify for the Local Restrictions Grants. The ARG also provides for support for the wider business community. The full allocation of £7,570,160 has been received and payments can be made up to 31 March 2022. To the end of Q3 745 payments amounting to £707,014 have been made.

Local authority compliance and enforcement grant

- 15.16 Dorset Council has been allocated £161k of the £60m national funding (£30m to councils) from this source to spend on COVID-19 compliance and enforcement.

School transport grants

- 15.17 Dorset Council has received two tranches of funding totalling £744k to support the additional costs of school transport/SEN transport for the autumn term. Beyond that, the situation will be kept under review.

Active travel fund

- 15.18 This funding has come to Dorset in two tranches totalling £567k. The grant supports local transport authorities with producing cycling and walking facilities. The funding is in 2 tranches:
- tranche 1 supports the installation of temporary projects for the Covid-19 pandemic
 - tranche 2 supports the creation of longer-term projects.
- 15.19 The funding was announced by the Secretary of State on 23 May 2020 as part of the work to combat the COVID-19 pandemic.

Sales, fees and charges support scheme

- 15.20 The Council has submitted two claims to MHCLG to recoup lost sales, fees and charges for the council. Not all income streams are covered and the first 5% of all losses are borne by the Council. Thereafter 75p in the £1 of lost income is receivable. Dorset Council has claimed a total of £5.4m through the scheme with another return to be completed to cover the period to the end of March. The scheme has also been extended into Q1 of 2021/22.

Clinically extremely vulnerable individuals (CEV)

- 15.21 £220k of a national funding total of £32m has been allocated to Dorset Council. This is calculated at £14.60 per CEV from a national total of 15,150 people.

Council tax hardship fund

- 15.22 A grant of £2.6m was allocated to Dorset to support working-age Local Council Tax Support (LCTS) claimants. Not all of this has yet been distributed but will be allocated by the end of the financial year.

Outbreak management fund

- 15.23 Given that all of the country was effectively been locked down and put into the highest tier “very high” all areas are now to receive funding. Those authorities who were already in receipt of it will not get any more but for Dorset Council this amounts to around £3m.

Covid winter grant scheme

- 15.24 A national fund of £170m translates into a £922k allocation for Dorset to provide support for vulnerable families with children who are particularly affected by the pandemic. The grant is being administered by Children's Services.

LA emergency assistance grant for food and essential supplies

- 15.25 An allocation of £341k is coming to Dorset Council and being administered in Children's Services for support to those who are struggling to afford food and other essentials due to Covid-19.

16. Capital expenditure and financing

- 16.1 Appendix 1 sets out the summary position on the capital programme. The 2019/20 capital programme was underspent and that slippage therefore rolled into 2020/21. The underspend on capital in previous years is a contributing factor to the underspend on the capital financing budget mentioned earlier.
- 16.2 The budget approved by Cabinet in February 2020 included £15m of unallocated capital funding which was fully financed, but work had at that stage not been completed to identify the priority areas for spend. Appendix 2 therefore sets out the bids to that capital fund which Cabinet has already approved.
- 16.3 The Capital Strategy and Asset Management Group (CSAMG) continues as the officer group responsible for review of capital bids and recommending them to Cabinet. The review work for the 2021/22 budget is in progress and further details are set out in the budget strategy report.

17. Next steps

- 17.1 The Council has continued to refine its forecasting as the year has progressed and updates its financial models as estimates become actual results. Our projections for the remainder of the year are still just that and risk around them remains. Monthly updates to the forecast are still carried out and shared with relevant portfolio holders. We also continue to feed latest forecast predictions for this year into the MTFP and budget strategy as part of our continuous financial management process.
- 17.2 Despite the risks, our forecast position has improved, though it is also clear that the cost of the pandemic cannot be contained within our current budget envelope - even with Government's current support. The budget strategy has therefore been established against a backdrop of the risk of loss of council tax, business rates and other income in future. The tapering and eventual end of the furlough scheme and other support for individuals and businesses will affect their ability to pay and a number of income streams on which the Council relies will be impacted – beyond the support being offered by Government - so we continue to address our cost base and commercial aspirations accordingly.

18. Development of medium-term financial plan (MTFP) and budget strategy 2021/22

- 18.1 A separate report on the budget strategy and MTFP is coming to the January Cabinet meeting, so this paper does not repeat that work in any real detail.
- 18.2 The budget strategy has been developed as part of a continuous process of financial management, ensuring events in the current year are fed-into the MTFP model and evaluated as well as paying attention to new pressures, opportunities affecting 2021/22 and beyond, and the substance of the Spending Review and local government finance settlement.

19. Conclusions

- 19.1 The Council has made considerable savings since reorganisation and further convergence savings are being made as the Authority's operations stabilise - even during the pandemic. Whilst many of these savings have been realised already, the budget report still includes further efficiency from bringing the predecessor councils together.
- 19.2 Although the situation has improved during the year, Covid-19 has had a dramatic impact on the Council's finances with a loss of income and increased expenditure. Whilst the announcement of some further funding from Government is very welcome, we will not see this translate into a baseline funding increase and we must therefore look to continue to close the budget gap in future years, ourselves. The Spending Review was also for a single year only, 2021/22, with further funding programmes still uncertain.
- 19.3 The Council therefore continues to focus on reducing further, the current year's operational and financial pressures, refining its financial modelling and transforming itself to deliver better outcomes for Dorset residents within the budget available.

Aidan Dunn

Executive Director of Corporate Development

Footnote:

Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

Appendix 1

Summary of capital programme 2020/21

	Slippage from 19/20 £000	Approved Budget £000	Changes £000	Total £000
<u>Fully externally funded</u>				
Spend	14,434	18,032	21,509	53,975
Grant	(14,434)	(18,032)	(21,509)	(53,975)
Net	0	0	0	0
<u>Partially externally funded</u>				
Spend	13,610	13,660	5,710	32,980
Grant	(1,017)	(11,900)	(3,935)	(16,852)
Net	12,593	1,760	1,775	16,128
<u>Council funded</u>				
Spend	18,262	34,360	(6,254)	46,368
Grant	0	0	0	0
Net	18,262	34,360	(6,254)	46,368
<u>Total</u>				
Spend	46,306	66,052	20,965	133,323
Grant	(15,451)	(29,932)	(25,444)	(70,827)
Net	30,855	36,120	(4,479)	62,496

Appendix 2

Summary of approved projects from £15m capital fund

		2020/21	2021/22	2022/23
	Approval date	£000	£000	£000
Balance of unallocated bid from approved budget paper		15,000	6,410	3,124
Residential sufficiency in Weymouth	03/03/2020	(3,065)	(1,072)	
Compulsory Purchase of Long Term Empty Property	28/07/2020	(255)	(489)	
IT programme	28/07/2020	(1,450)		
ITS Asset Replacement Programme	28/07/2020	(200)		
Slipway extension and storage solutions	28/07/2020	(135)		
Healthy Homes Dorset	28/07/2020	(75)	(75)	(75)
Acquisition of temporary accommodation	08/09/2020	(3,130)	(1,650)	
Dinah's Hollow	06/10/2020	(130)		
Acquisition of AV1 robots for schools	SLT	(150)		
Balance of unused funds		6,410	3,124	3,049

Audit & Governance Committee 22 February 2021 Councillor Code of Conduct Arrangements

For Recommendation to Council

Local Councillor(s): All Councillors

Executive Director: J Mair, Corporate Director, Legal & Democratic

Report Author: Jonathan Mair
Title: Monitoring Officer
Tel: 01305 224181
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Report Status: Public

Recommendation:

That the Committee recommend that the Full Council:

1. Adopt the Local Government Association Model Councillor Code of Conduct including those provisions of the Model Code relating to other registrable interests.
2. Invite Dorset's Town and Parish Councils to consider adopting the LGA Model Code.
3. Adopt the proposed new arrangements for dealing with Code of Conduct complaints against Councillors

And

That the Committee resolves that it should be updated at each of its meetings about code of conduct complaints received and that an annual monitoring report should be presented in May each year.

Reason for Recommendation:

To support councillors in maintaining high standards of conduct and to ensure a proportionate approach to the assessment and hearing of complaints against councillors.

1. Executive Summary

This report is in two parts. The first part makes recommendations about the adoption of a new councillor code of conduct. The second part recommends new arrangements for the assessment and hearing of complaints that councillors have breached the code.

The proposals considered in this paper concern how councillors should behave and how any complaints that councillors have not behaved as they should can be made, how they are assessed and investigated.

This paper does not concern the separate legal requirements governing councillor's disclosable financial interests – these are specified in law and alleged breaches are investigated by the police.

Part 1 - Proposed adoption of a new Councillor Code of Conduct:

[The Localism Act 2011](#) requires that Dorset Council (as a relevant local authority) must promote and maintain high standards of conduct by its members. To help achieve this there is a particular requirement that the Council must adopt a code dealing with the conduct expected of councillors when they are acting in that capacity.

Ahead of the formation of Dorset Council on 1 April 2019 the Shadow Authority adopted the code of conduct included as appendix 1.

Although very few conduct complaints have been made against Dorset Council Councillors it is important that as part of promoting high standards of conduct the Council should review its code against what is regarded as best practice.

As part of its work in supporting all tiers of local government to continue to maintain high standards of leadership and performance the Local Government Association (LGA) has recently completed work to develop a [new model councillor code of conduct](#), included as appendix 2. The LGA sees a link between high standards of leadership and high performance and it is in this context that the new model code has been developed and is now recommended for adoption.

After a proposed joint statement, introductory text and definitions the code includes paragraphs or sections addressing purpose, general principles and

application. It then goes on to address the minimum standards of behaviour expected of all councillors. It does this in ten main sections based upon the principles of conduct in public life.

My experience is that members of the public and councillors can sometimes be confused about the circumstances in which the Code applies. The section of the new model code dealing with application of the code provides more detail than previously about the circumstances in which the requirements of the code apply to councillors and under “Application of the Code of Conduct” it lists 4 situations when the code would apply, including where a councillor gives the impression they are acting as a councillor or council representative, but also when they refer publicly to their role or use knowledge they could only obtain in their role as councillor.

The model code is also helpfully direct in the application of its requirements to individual members in a series of “As a councillor I...” statements.

The Localism Act leaves councils free to adopt their own codes of conduct, restricted only by the need for any code to be consistent with the principles of conduct in public life. In line with this freedom the LGA advises that the model code is a template for authorities to adopt either in whole or with local amendments.

One particular part of the model that members are invited to consider is the inclusion of a new category of “other registrable interests” and proposed restrictions on participation when a councillor has such an interest (see paragraphs 6 and 7 of Appendix B to the proposed model code). At present councillors are required only to comply with the legal minimum by disclosing your “disclosable pecuniary interests” and these are interests of yourself and your spouse or partner only. The proposed model goes further in defining a new category of other registrable interests and by bringing within scope the interests of relatives or “close associates”. As a result the financial and well-being interests of the councillor, friend, relative, close associate and body would become disclosable.

There is value in a consistent approach across Dorset and many Parish and Town Councils followed Dorset Council’s lead by adopting our current code. It is suggested that if Dorset Council does adopt the LGA Model Code then Towns and Parishes should be invited to consider adopting the same code.

Part 2 – Arrangements for dealing with Code of Conduct complaints against Councillors:

Dorset Council has operated arrangements for the assessment and investigation of complaints for almost two years.

Based upon our experience to date this report recommends what are thought to be more proportionate arrangements, ones designed to ensure that complaints are addressed formally and that councillors and complainants are treated fairly.

As at present, the proposed arrangements make no distinction between Dorset Council Councillors and Parish and Town Councillors - the procedure to be followed, the assessment criteria and hearing arrangements.

The main differences between the current and proposed new arrangements concern:

- Greater clarity: The proposed new procedure includes a straightforward flow chart illustrating at a glance how the procedure operates. It also describes in a more structured way than the previous procedure:
 - Who can be complained about
 - What can be complained about
 - What cannot be complained about and
 - How to complain
- Anonymity and confidentiality: As at present, any complaint should be in writing and anonymous complaints would not be accepted. As under the current arrangements there is the ability for a complaint to be made confidentially so that only the Monitoring Officer and the Independent Person know the identity of the complainant but this is now exceptional. In fairness to the councillor complained about the expectation is that the councillor should know who has complained about them.
- Emphasis on local resolution: Experience has shown that people move too quickly to escalate complaints about Parish and Town Councillors to Dorset Council without attempting a local or informal resolution. The proposed new arrangements place greater emphasis upon local resolution, giving examples of where this might be appropriate.
- How complaints are assessed: At present complaints are assessed by the Monitoring Officer in consultation with an Independent Person and three Dorset Council Councillors. The arrangements can be cumbersome and time consuming and there is no opportunity for a councillor to provide initial comments on a complaint. The proposed new arrangements would see complaints assessed by the Monitoring Officer in consultation with an Independent Person. The new arrangements are linked to stricter timescales for informing complainants and councillors about complaints and include an opportunity for the councillor complained about to respond at the assessment stage.
- A single stage approach to hearings: At present the Hearings Sub-Committee conducts a two stage hearing, the arrangement for which can give an impression of unnecessary duplication. The proposed arrangements provide for a single stage hearing.
- How complaints are monitored: At present there are no monitoring arrangements and there is no formal learning from complaints. It is

proposed that the Audit and Governance Committee will be updated at each of its meetings and that the May meeting will receive an annual report.

2. Financial Implications

No new financial implications for the purposes of this report.

3. Well-being and Health Implications

No well-being and health implications have been identified in preparing this report.

4. Climate implications

No climate implications have been identified in preparing this report.

5. Other Implications

None.

6. Risk Assessment

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: Low

Residual Risk: Low

7. Equalities Impact Assessment

This report raises no equalities implications, providing a common code of conduct and framework applicable to all councillors.

8. Appendices

Appendix 1 – the current Dorset Council Councillor Code of Conduct

Appendix 2 – [the proposed LGA Model Code of Conduct](#)

Appendix 3 – the current procedure for the Assessment and Hearing of Complaints

Appendix 4 – the proposed new Arrangements for dealing with Code of Conduct complaints against Councillors

9. Background Papers

None.

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Part 4 – Codes and Protocols

MEMBERS' CODE OF CONDUCT

The Code of Conduct, as set out below, was adopted by Shadow Dorset Council with effect from 1 April 2019.

1. Introduction

1.1 Dorset Council has a duty to promote and maintain high standards of conduct by its councillors. This Code of Conduct sets out the conduct that is expected of councillors when carrying out Council business or representing the Council.

1.2 The Code of Conduct is to be interpreted in a way that is consistent with the following principles:

Selflessness Councillors should act solely in terms of the public interest.

Integrity Councillors 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 Councillors must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability Councillors are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness Councillors 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 Councillors should be truthful.

Leadership Councillors 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.

2. General Obligations

2.1. A Councillor must

- (a) comply with this Code of Conduct and any other of the Council's policies, protocols and other procedures relating to the conduct of councillors;

- (b) treat others with respect;
- (c) when using or authorising the use by others of the Council resources act in accordance with the Council's reasonable requirements;
- (d) take into account any relevant advice provided by the Chief Finance Officer; or Interim/Appointed Monitoring Officer, when reaching decisions on any matter
- (e) inform the Interim/Appointed Monitoring Officer of the receipt of any gifts and hospitality that they estimate has a value of more than £50 and the name of person providing the gift or hospitality.

2.2 A Councillor must not –

- (a) do anything which may cause the Council to breach the Equality Act 2010;
- (b) bully any person;
- (c) intimidate or attempt to intimidate any person who is or is likely to be –
 - (i) a complainant,
 - (ii) a witness, or
 - (iii) involved in the administration of any investigation or proceedings, in relation to an allegation that a councillor (including them) has failed to comply with this Code of Conduct; or
- (d) do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, the Council.
- (e) disclose information given to them in confidence by anyone, or information acquired by them which they believe, or ought reasonably to be aware, is of a confidential nature, except where –
 - (i) they have the consent of a person authorised to give it;
 - (ii) they are required by law to do so;
 - (iii) the disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person; or
 - (iv) the disclosure is reasonable and in the public interest; and is made in good faith and in compliance with the Council's reasonable requirements;
- (f) prevent another person from gaining access to information to which that person is entitled by law; or
- (g) behave in a way which could reasonably be regarded as bringing their office or the Council into disrepute;
- (h) use or attempt to use their position improperly to confer on or secure for them or any other person, an advantage or disadvantage; or
- (i) use the Council's resources improperly for political purposes (including party political purposes).

3. **Disclosable Pecuniary Interests**

- 3.1 A Councillor must register any disclosable pecuniary interest (see Appendix A) that they or their husband or wife, civil partner or any person that they are living with as husband or wife or civil partner, as if they are their own interests, when they know about them.
- 3.2 A Councillor must register any disclosable pecuniary interests with the Monitoring Officer within 28 days of:
- (a) being elected or appointed to office;
 - (b) this Code of Conduct being adopted;
 - (c) declaring an unregistered interest at a meeting of the Council; and
 - (d) becoming aware of any new interests or changes in those interests
- 3.3 A Councillor who is aware or ought reasonably to be aware that they have a disclosable pecuniary interest in any business of the Council who attends a meeting of the Council at which that business is discussed, must disclose to the meeting the existence and nature of the interest at the beginning of the meeting or when it becomes apparent that they have such an interest. Where information about an interest has been agreed with the Monitoring Officer to be sensitive, the Councillor need only declare the existence of the interest.
- 3.4 A Councillor who has a disclosable pecuniary interest in any business of the Council must not take part in the consideration of that business and must withdraw from the room where the meeting is being held unless they have been granted a dispensation by the Monitoring Officer

4. **Sensitive interests**

Where you have an interest (whether or not it is a disclosable pecuniary interest) and the nature of the interest is such that you and the Monitoring Officer consider the disclosure could lead to you or a person connected with you being subject to violence or intimidation, special rules apply to registration of the interest. The elements of the Register of Interests that are in the public domain must not include details of the interest but will instead refer to the details being withheld in accordance with section 32 of the Localism Act. You need to disclose the interest at a meeting, but the disclosure is limited to a statement that you have a disclosable pecuniary interest which falls within an exemption in the Act without further details being given.

5. **Gifts and Hospitality**

The Council will maintain a public Register of Gifts and Hospitality to you and your party. This is for Gifts and Hospitality which exceed an estimated £50 in value at any one time. You are asked to keep this Register up to date by notifying (in writing) the Monitoring Officer within 28 days of any receipt of such a gift or hospitality so that this can be entered in the Register. Such matters are

not included in the Regulations for disclosable pecuniary interests and therefore will not require a disclosure and withdrawal at a business meeting.

6. **Monitoring and review**

This Code will be kept under review by the Council.

APPENDIX A

Disclosable Pecuniary Interests

1. For the purposes of this Appendix

“the Act” means the Localism Act 2011;

“body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“land” excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

“M” means the person M referred to in section 30 of the Act;

“member” includes a co-opted member;

“relevant authority” means the authority of which M is a member;

“relevant period” means the period of 12 months ending with the day on which M gives a notification for the purposes of section 30(1) of the Act;

“relevant person” means M or any other person referred to in section 30(3)(b) of the Act; and

“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(b) and other securities of any description, other than money deposited with a building society.

2. The following are disclosable pecuniary interests.

<i>Subject</i>	<i>Prescribed description</i>
Employment, office, trade, or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M. This includes any payment of financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	Any tenancy where (to M's knowledge)— (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
Securities	Any beneficial interest in securities of a body where— (a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or; (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 relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

MEMBER COMPLAINT PROCESS (Article 9.02(a))

1. INTRODUCTION

- 1.1 The Localism Act 2011 requires the Council to adopt its own Code of Conduct and to agree procedures for dealing with alleged breaches of that Code of Conduct. The Code of Conduct sets out the general standards of behaviour that are expected of Councillors and also the arrangements for the registration and declaration of financial and other interests
- 1.2 Parish and Town Councils within the Council's area are also required to adopt their own Code of Conduct. The Localism Act 2011 requires any complaints about breaches of those Codes by Parish or Town Councillors to be dealt with under the Council's arrangements.
- 1.3 References to 'councillors' include elected members and co-opted members of the Council and Town and Parish Councils in its area.

2. MAKING A COMPLAINT

- 2.1 Complaints should be made in writing to the Monitoring Officer, using a form provided by him/her if possible.
- 2.2 Anonymous complaints will not be considered.
- 2.3 In the interests of fairness and natural justice, the Councillor who is the subject of the complaint will normally be told who has complained about them and the details of the complaint. There may be occasions where the complainant requests that their identity is withheld. Such a request will only be agreed in exceptional circumstances.

3. WHO WILL DEAL WITH THE COMPLAINT?

- 3.1 The Initial Assessment of any complaint will be dealt with, in the first instance, by the Monitoring Officer or in the event of a conflict of interest, by a deputy Monitoring Officer.

- 3.2 Any investigation under Stage 2, will be conducted by the Monitoring Officer or a person appointed by him. His/her investigation report will be considered by the Council's Standards (Hearing) Sub-Committee, who will also conduct any hearing under Stage 3.
- 3.3 The Independent Person will be able to attend any meetings held under stages 2 and 3 of the process.

4. HOW WILL ANY COMPLAINT BE DEALT WITH?

4.1 Stage 1 – Initial Assessment

The Monitoring Officer will consider the complaint, in consultation with the Independent Person. The Monitoring Officer will consider whether:

- (a) The complaint is about the conduct of a councillor or lay or co-opted member of the Council or a town or parish council within the Council's area;
- (b) the Councillor was a councillor at the time of the incident giving rise to the complaint;
- (c) the Councillor was a councillor at the time of the complaint;
- (d) the matters giving rise to the complaint would, if proven, be capable of breaching the Code of the relevant local authority.

4.2 If the complaint fails one or more of these tests, or if the Monitoring Officer in consultation with the Independent Person is satisfied that the complaint is immaterial, no further action will be taken.

4.3 Unless the complaint is about a failure to disclose a Disclosable Pecuniary Interest or other criminal behaviour, if the complaint satisfies the tests in paragraphs 5.1 or 5.2 the Monitoring Officer will prepare a report for the Standards (Assessment) Sub-Committee to consider. The Councillor, and if they are a Town or Parish Councillor, the relevant Town or Parish Clerk, will be informed of the receipt of the complaint and that a report is being prepared for the Standards (Assessment) Sub-Committee.

4.4 In considering the Monitoring Officer's report and assessing the complaint the Standards (Assessment) Sub-Committee will have regard to the criteria set out in Appendix A.

4.5 The Standards (Assessment) Sub-Committee may:

- (a) reject the complaint or to decide to take no action – in which case the Sub-Committee will give their reasons for doing so;
- (b) seek an informal resolution (including, for example, an apology, or mediation); or

- (c) ask the Monitoring Officer to investigate the complaint.
- 4.6 A copy of the complaint and a summary of the Standards (Assessment) Sub-Committee will be sent to the Councillor and to the complainant by the Monitoring Officer.
- 4.7 **Stage 2 – Investigation**
- The person appointed by the Monitoring Officer will examine any available evidence of the alleged breach. They will usually interview the complainant, the councillor and, if appropriate any witnesses. They will prepare a report setting out:
- (a) the agreed facts;
 - (b) any facts which are not agreed and the conflicting evidence; and
 - (c) their conclusion on whether or not there has been a breach of the Code of Conduct.
- 4.8 **Stage 3 – Hearing**
- The Standards (Hearing) Sub-Committee will consider the report. It will reach a view on disputed facts and decide whether or not to accept the conclusion of the Investigating Officer on the alleged breach of the Code of Conduct. The Sub-Committee may:
- (a) dismiss the complaint;
 - (b) refer the complaint to the Monitoring Officer to seek an informal resolution;
 - (c) hold a hearing of the Committee.
- 4.9 The hearing will be to make a final decision on whether or not a Councillor has breached the Code of Conduct and, if so, to decide whether any sanction should be imposed.
- 4.10 The hearing will normally be held in public, in order to promote public confidence and ensure fairness and transparency. The Sub-Committee may resolve to exclude the public and press for any part of the hearing where confidential or exempt information is considered and will usually do so when coming to its decision. The Sub-Committee may decide:
- (a) to take no further action;
 - (b) to seek an informal resolution between the complainant and the subject councillor (if agreed by both parties);
 - (c) to censure the Councillor;

- (d) to recommend to the Councillor's Group Leader (or in the case of an ungrouped councillor recommend to Council) that the Councillor is removed from any Committees or Sub-Committees of the Council, either for a specified period or until the next Annual Meeting of the Council, when seats on Committees will next be allocated;
- (e) to instruct the Monitoring Officer to request the Councillor to attend training;
- (f) to recommend the Group Leader to remove the Councillor from all outside appointments to which they have been appointed or nominated by the Council;
- (g) to withdraw facilities provided to the Councillor by the Council, such as a computer and/or e-mail and internet access for a specified time;
- (h) to exclude, for a specified period of time, the Councillor from the Council's offices or other premises, with the exception of meeting rooms as necessary for attending Council, Committee and Sub-Committee meetings.

APPENDIX A – ASSESSMENT CRITERIA

1 Initial Tests

- 1.1 The complaint is about the conduct of a councillor or lay or co-opted member of a council within the Council's area;
- 1.2 the Councillor was a councillor at the time of the incident giving rise to the complaint;
- 1.3 the Councillor was a councillor at the time of the complaint;
- 1.4 the matters giving rise to the complaint would, if proven, be capable of breaching the Code of the relevant local authority.

2 Sufficiency of information

- 2.1 Has the complainant provided sufficient information to allow the Sub-Committee assessing the complaint to understand the issues complained of? If insufficient information is provided, the Sub-Committee will not normally proceed with assessment of the complaint.

3 Seriousness of the Complaint

- 3.1 Does the complaint appear, on the available information, to be trivial, vexatious, malicious, politically motivated or 'tit for tat'?
- 3.2 Other than in particularly serious cases a complaint will not generally be referred for investigation if the Councillor has offered an apology, or if the Sub-Committee takes the view that the complaint can reasonably be addressed by other means.
- 3.3 Given the public interest in financial and other resources being used efficiently referral for investigation is generally reserved for serious complaints where alternative options for resolution are not considered by the Sub-Committee to be appropriate.

4 Length of Time Elapsed

- 4.1 Except in exceptional circumstances a complaint will not be referred for investigation when it is made more than 20 working days from the date upon which the event giving rise to the complaint took place.

5 Multiple Complaints

- 5.1 A single event may give rise to similar complaints from a number of complainants. These will generally be treated as a single complaint with multiple complainants.

MEMBERS AND OFFICERS PROTOCOL

1. Introduction

- 1.1 The conduct of both Members and officers is governed by the Codes of Conduct detailed in Part 5 of the Council's Constitution. The purpose of this Protocol is to guide Members and Officers of the Council in their relations with one another in such a way that ensures that the Council runs smoothly.
- 1.2 The relationship between Members and Officers is based on the following principles:
- (a) the Council is a democratically-elected local authority delivering a range of services to the people of Dorset;
 - (b) the Council is a single entity;
 - (c) the separate functions of the Council are part of the Council as a corporate body;
 - (d) in everything they do, Members and officers of the Council must act within the law and comply with relevant codes of conduct;
 - (e) dealings between Members and officers are based on mutual trust and respect;
 - (f) the relationship must exist on a professional basis only so that the ability of an officer to deal impartially with Members or political groups cannot be questioned;
 - (g) officers should not approach Members on matters to do with employment matters except as agreed by the Head of Paid Service.
- 1.3 Officers and Members each have their own roles to play in the work of the Council and care should be taken to avoid one encroaching upon the other.

The role of Members

- (a) To provide the political direction and leadership of the Council. Members are accountable through the ballot box for their actions as Members.
- (b) As part of the controlling group to see that services are delivered by officers in accordance with the policies and plans approved by the Council.
- (c) To receive appropriate professional advice from officers and to have that advice recorded, so that all Members are fully aware of the implications of their decisions and have the assurance that their decisions comply with the law.
- (d) To make reasonable comment and ask questions about the Council's decisions and performance both at formal meetings and informally. An officer's seniority and area of responsibility will determine what are reasonable comments and questions.

The role of Officers

- (a) To serve the whole Council as a single corporate body while recognising the differences between the Council's functions.
- (b) To provide wherever practicable, support to all Members in their representational role and act to uphold the rights of Members in law and under this Constitution.
- (c) To take decisions within their area of responsibility which have been delegated and/or nominated to them but recognising that, where functions have not been delegated/nominated to officers, it is the right of Members to take the final decisions in the light of officers' advice.
- (d) To provide factual, honest and objective advice. The advice and the actions officers take should be politically neutral and should serve the interests of the Council as a whole. Officers do not give advice on party political matters.

2. Officer advice to Members and Party Groups

- 2.1 For the proper functioning of the Council as a whole, officers will normally be permitted to share information freely between them.
- 2.2 Where the information has been given on the basis of party political confidentiality:
 - (a) officers will respect that confidentiality unless they believe that any action appears to be in conflict with the law, or would amount to an abuse of the processes of the Council and in those circumstances may share that information with other officers where they believe it to be necessary to check the legality, financial probity or procedural regularity of any action disclosed by that information.
 - (b) The request for party political confidentiality will be honoured by any officers with whom the information is shared.
- 2.3 Where party political confidentiality has been requested, officers may invite those Members requesting confidentiality to agree to the information being shared with the other political groups on the grounds that it would assist the more effective functioning of the Council; however, in the absence of any such agreement to waive confidentiality, officers will continue to respect it.
- 2.4 Where there is a change in the controlling party, officers will act in relation to the new controlling party and opposition parties in the same way as they did for the old and will continue to respect any continuing party political confidentiality.
- 2.5 Officers are not required to attend political party group meetings. They will only do so by invitation, with the express authority of the Chief Executive, an Executive Director and/or a Corporate Director. The Chief Executive, Executive Director and/or Corporate Director will have the right to nominate other officers to attend at his sole discretion.

- 2.6 Where it is possible that persons other than Members will be present at a political party group meeting to which an officer has been invited, the Chief Executive, Executive Director and/or Corporate Director will be informed before the meeting, and s/he will take this into account in arriving at his/her decision.

3. **Support services to Members and Party Groups**

- 3.1 Support services and resources must only be used on Council business and should never be used in connection with any political or campaigning activity or for private purposes.

4. **Members' access to information and to Council documents**

- 4.1 Members have various statutory and common law rights to access information.

Members may ask the Chief Executive, an Executive Director and/or any Corporate Director or other officers nominated by them for such information, explanation and advice as they may reasonably need in order to assist them in discharging their role as a Member. This can range from a request for general information about some aspect of the Council's activities to a request for specific information on behalf of a constituent.

- 4.2 A Member does not have a right to "a roving commission" to examine documents of the Council. Mere curiosity is not sufficient. The crucial question is the determination of the "need to know". This question must initially be determined by Officer holding the document in question. In the event of dispute, the matter shall be determined by the Head of Paid Service, an Executive Director or a Corporate Director,

- 4.3 In addition to the above a Member may request information under the Freedom of Information Act 2000, and various other legislative provisions including the Local Government Acts of 1972 and 2000 provide a statutory right of access to documents. Any document which is in the Council's possession and contains material relating to any business to be transacted at a meeting of the Council, a Committee or Sub Committee is to be open to inspection by any Member. However, there is no right of inspection where it appears to the Chief Executive that a document discloses certain classes of exempt information as set out in Access to Information Procedure Rules.

- 4.4 The Code of Conduct limits the ability of a Member to disclose confidential information. Further information of rights of access can be found in the Access to Information Procedure Rules – Part 2 of the Constitution.

5. **Correspondence**

- 5.1 Openness and transparency should underpin the work of the Council. Accordingly, blind copies ie correspondence where some of the intended recipients are deliberately hidden from others, should not be sent.
- 5.2 Official letters on behalf of the Council should normally be sent in the name of the appropriate Officer, rather than in the name of a Member. It may be appropriate in certain circumstances (eg, representations to a Government Minister) for a

letter to appear in the name of a Member, but this should be the exception rather than the norm. Letters which, for example, create obligations or give instructions on behalf of the Council should never be sent out in the name of a Member.

6. Involvement of Ward Members

- 6.1 Whenever a public meeting is organised by the Council to consider a local issue, all the Members representing the Ward or Wards affected should normally, as a matter of course, be invited to attend the meeting. Similarly, whenever the Council undertakes any form of consultative exercise on a local issue, the Ward Members should be normally be notified at the outset of the exercise.

OFFICER CODE OF CONDUCT

1. Introduction

- 1.1 This Code together with the policies described in paragraph 3 set out the standards of conduct expected of all council employees (“Officers”).
- 1.2 Officers should be aware that a failure to comply with this Code could result in disciplinary action in accordance with the Council's disciplinary policy

2. Officers' obligations

- 2.1 All Officers have a general obligation to maintain the Council's reputation and should not do anything to adversely affect this – whether in work or outside of work.
- 2.2 Officers are expected to:
 - (a) give the highest possible standard of service to the people of Dorset and to provide appropriate impartial advice. This applies whether the service is provided in person, over the phone, via email or any other method.
 - (b) be responsible for their own actions and behaviour and should seek to avoid any conduct that would lead any reasonable person to question their motivation or intentions.
 - (c) raise any concerns about service provision or practice which affect the integrity of the Council, including any fraud, bribery, corruption or other malpractice. Where appropriate, and where raising the concern is in the public interest, the Council's Whistle-blowing Policy should be followed.
 - (d) be politically neutral when advising Members or the Council.
 - (e) avoid inappropriate relationships with Members, Contractors or other Officers.
 - (f) treat everyone with the same professional standards regardless of gender, gender identity, age, marital or civil partnership status, colour, race, nationality or other ethnic or national origin, religion or belief, disability, sexual orientation, pregnancy or maternity, criminal background, trade union activity or political belief.
 - (g) in accordance with arrangements determined by the Council, declare any interest, outside employment or receipt of gifts or hospitality that would have to be declared by Members.
 - (h) avoid conflicts of interest between work for the Council and other employment and interests outside of work. This includes the not using of

Council information, resources and intellectual property for personal gain or for the benefit others who might use it in such a way.

- (i) use public funds in a responsible and lawful manner.
- (j) to comply with the Supporting Policies where applicable.

3. **FRAUD, CORRUPTION AND BRIBERY**

- 3.1 The Council, the Head of Paid Service, Executive Directors and all Corporate Directors have a zero-tolerance commitment to issues of bribery and corruption.
- 3.2 Officers should report to their line manager or any Executive Director any corrupt offer that is made to them. Officers should also inform their line manager of any situation that they identify which they consider could result in the Council, its Members or Officer being vulnerable to fraud, corruption or bribery.

4. **SUPPORTING POLICIES AND PROCEDURES**

List relevant policies

PROTOCOL FOR MEMBERS AND OFFICERS ON PLANNING PROCEDURES

1. Introduction

- 1.1. Public confidence in the planning system, whether that is determining planning applications or taking enforcement action against breaches of planning control, is essential to the acceptance of the restrictions which it imposes upon individuals, and that confidence can only be achieved if Members and officers not only act, but are seen to act in a manner which is fair, impartial and in the general public interest of the area as a whole.
- 1.2. Determination of a planning application is a formal administrative process involving rules of procedure, rights of appeal and an expectation that decision makers will act reasonably and fairly. Procedural unfairness can leave planning decisions vulnerable to legal challenge in the High Court.
- 1.3. This Code applies to every Member irrespective of whether or not he or she is a member of the Planning Committee and to all Officers. It is supplemental to the Members' Code of Conduct.

2. Pre-determination

- 2.1. Since any planning matter must be determined on its merits, taking into account all material planning considerations, Members must not make up their minds on a planning issue before they all have all the relevant information. Decisions can only be taken after full consideration of the officer's report and information and discussion at the Planning Committee meeting. This does not mean that Members cannot hold strong views about an application.
- 2.2. However, if a Councillor fully commits him- or her-self to a particular view on a planning application, such that their mind is no longer open to the consideration of the merits of the case, that Councillor should not take part in the debate or vote on an application.

3 Pre-application discussions

- 3.1 Members have an important part to play in community engagement. Members who take part in pre-application discussions either with applicants or objectors need to be aware of the:
 - (a) need to remain impartial;
 - (b) danger of giving inconsistent or inappropriate advice particularly when not all the facts are known so advice should be limited to matters of process;
 - (c) need for an officer to be present during any such discussions where practicable; and
 - (d) the fact that they are not negotiators.

- 3.2 On the basis of “no surprises” where potential issues are brought to Members’ attention during any pre-application discussion at which it was not practicable for an Officer to be present they should alert Officers to the issue as soon as possible and not leave it to the Planning Committee meeting.

4 Lobbying of Members

- 4.1 Lobbying, whether by applicants, objectors or those in support of an application, is a normal part of the political process and can take the form of meetings, both private and public, formal presentations or correspondence. It is an essential part of the process that local concerns can be expressed. However, care must be taken to ensure that lobbying does not call into question the integrity and fairness of the planning process or an individual Councillor. When lobbied, members of the Planning Committee should take care about expressing an opinion which could be taken as an indication that they have already made up their mind on the issue and are no longer open to consideration of the merits of the application. Instead they should give procedural advice including suggesting that contact is made with the case officer.
- 4.2 If Members do express an opinion, care should be taken to state that this is a preliminary view only and the final decision will be reached when all the facts are available at the Planning Committee meeting.
- 4.3 Any written or electronic correspondence received should be passed by the Member who is main addressee (if the e-mail is addressed to all members of the Planning Committee, this will be the Chairman of the Planning Committee) immediately to the case officer for recording on the file and for communication to all Planning Committee members.
- 4.4 Members of the Planning Committee should take care when attending meetings in connection with development proposals or submitted planning applications unless such meetings have been arranged as Councillor briefings as part of the formal process. Members should take advice from the Monitoring Officer before deciding whether to attend meetings that appear to have been organised for lobbying purposes.
- 4.5 Members of the Planning Committee consider whether any contact with an applicant, objector or landowner is significant, and if so, disclose such contact prior to any decision being taken on the application. This should be formally recorded in the record of the Planning Committee meeting.

5 Lobbying by Members

- 5.1 Ward Members have an important role to play as representatives of their communities and to bring local information to the decision-making process. Ward Members may therefore become involved in discussions with Officers about individual applications. However, they should remember that it is very easy to create the impression that they are using their position to influence the progress

of the application. Any discussions with Officers should be seen to be open and above Planning Committee. Officers should make a note on the file of any such discussions.

- 5.2 Ward Members who are not members of the Planning Committee can make representations on planning applications in their Ward and may attend meetings of the Planning Committee and, with the Chairman of Planning Committee's agreement, can address the Planning Committee on such applications in accordance with the protocol on public speaking at Planning Committee meetings. Any representations or address should relate to the planning merits of a planning application. This will not apply if the Councillor is also a Parish/Town Councillor and the Parish/Town Council is the applicant.
- 5.3 When making representations on behalf of their constituents, Members should make it clear that it is their constituents' views and not their own that are being expressed. Furthermore, any representations on behalf of constituents must be expressed in such a way that no individual or group feels that they have been unfairly represented.
- 5.4 Members should avoid lobbying Planning Committee Members and exerting of undue pressure on planning officers for a particular recommendation.

6 Membership of another local authority

- 6.1. A Councillor who is also a member of another tier of local government should have regard to the guidance on interests in this Code. If in doubt about the nature of their interest, Members are recommended to seek further advice from the Monitoring Officer.
- 6.2. Members of the Planning Committee who are also members of another tier of local government should adopt the practice of making it clear, when they participate in a debate on development proposals at a Parish/Town meeting, that the views they express are based upon information before them at that time, and might change in the light of further information at the Council's Planning Committee Meeting.

7 Political group meetings

- 7.1 Given that the point at which a decision on a planning application is made cannot be before the Planning Committee meeting when all available information will be to hand and has been duly considered, any political group meeting prior to the meeting of the Planning Committee should not be used to decide how Members should vote. Furthermore, the Ombudsman takes the view that the use of political whips at group meetings in this way may be considered as maladministration.

8 Scheme of delegation

- 8.1 The detail of the Scheme of Delegation is set out in Part 3 of the Constitution.

Applications by the Council or in respect of Council-owned land

- 8.2 Applications submitted by the Council or made by any person in respect of Council-owned land will be determined by the Planning Committee.

Applications by Members and Officers

- 8.3 Whilst it is perfectly legitimate for any Member or Officer to submit a planning application, it can easily give rise to suspicions of impropriety unless handled properly. Accordingly:
- (a) all such applications will be reported to and determined by the Planning Committee.
 - (b) while any application from a Member or Officer should usually be identified as part of the registration process, Members and Officers are encouraged to draw the fact that such an application has been submitted to the attention to both the Head of Service for Planning (or any other Officer nominated by him/her) in writing and also the relevant case officer within 21 days of the date of the application being submitted to help ensure its identification.
 - (c) where an application is submitted by someone other than a Member, but in relation to land or a building in which the Member has a registered legal interest (which for the purpose of this code means a legal interest registered at HM Land Registry in the name of the Member), the Member is also encouraged to provide such notification as identified above. Note that this is in addition to any duty the Member may have regarding the disclosure of any interest including any Disclosable Pecuniary Interest for the purposes of the Member Code of Conduct.
 - (d) any Member or Officer who submits a planning application must not take part in or seek to influence the decision-making process relating to that application.
 - (e) any Member or Officer who acts as an agent for people pursuing a planning matter with the Council must not take part in the decision-making process for that proposal, nor seek in any way to influence it.

Reports to the Planning Committee

- 8.6 All planning applications to be determined by the Planning Committee will be the subject of a written report from the case officer. The report should aim to be as accurate as possible and include a summary of the substance of representations received, the relevant policies, identify any other material considerations, contain an appraisal of the application and give a recommendation. Where the recommendation is contrary to policy or is a departure from the development plan, the report will identify this and provide reasoned justification.

- 8.7 Officers may report additional information received after the publication of the Planning Committee report at the meeting.

9 **Decision-making**

The legal framework

- 9.1 The Town and Country Planning Act 1990 requires the Council to have regard to the provisions of the development plan, so far as material to the application and to any other material consideration. Furthermore, the application is to be determined in accordance with provisions of the development plan unless material considerations suggest otherwise.

Determination of applications contrary to Officer's advice

- 9.2 Decisions should be based on any written report prepared by Officers. However, Members are not obliged to accept and follow the professional advice given by Officers. Nevertheless, when Members are minded to determine an application contrary to the Officer recommendation they should ensure that they have sound and convincing planning-based reasons for doing so, with evidence to support those reasons whether they are reasons to refuse an application, or to grant planning permission as a departure from the development plan.
- 9.3 The mover of the motion must set out their reasons as part of the motion and if seconded, it may be appropriate for the Planning Committee to adjourn for a few minutes to allow Officers to consider the reasons. Where officers have doubts about the validity of the reasons given, then consideration should normally be given to the deferral of the application to the next meeting so that the reasons may be considered and tested further.
- 9.4 Before a vote is taken or consideration is given to deferral, the Chairman of the Planning Committee should ensure that the Officer is given the opportunity to explain the likely implications of any subsequent decision.
- 9.5 When Members decide to determine an application contrary to the Officer's recommendation, the minute will state the reasons for the decision and if those reasons are to be based on development plan policies, identifying the relevant policies and stating in what way the application supports or infringes those policies. A copy of the minute will be placed on the application file.

10 **Site visits**

- 10.1 It is the responsibility of each Member to familiarize himself/herself with the location of any proposed development. This might well include seeking to view the site from areas that are accessible to the public. In no circumstance should a Member enter onto private land without the permission of the owner and occupier. Exceptionally, where the impact of the proposed development is difficult to visualise both from the submitted plans and other supporting material a committee site visit may be agreed. The site visit will be carried out in accordance with arrangements that will ensure that it is conducted fairly and without risk of bias or predetermination.

11 Interests

Fundamental principle

- 11.1 It is a fundamental principle that those who have a significant interest in the outcome of a particular planning application or enforcement matter should not make decisions in relation to that application or matter. This applies to Members and Officers alike.

Declaration

- 11.2 Members should declare and register those interests identified in the Code of Conduct for Members. Members with a Disclosable Pecuniary Interest in a planning application or enforcement matter should not take part in any discussions about the application or matter and leave the room during any discussions.
- 11.3 Where a Councillor has a personal interest e.g. the applicant is a relative, friend or close associate or there has been previous personal dealings acrimonious or otherwise, they should think whether their involvement in the decision-making process would compromise the General Principles set out the Code of Conduct for Members. If it would they should not take part.
- 11.4 Officers who discover that they have an interest in a planning matter should, in addition to any requirement of the Officers' Code of Conduct, cease to act and report the interest to their immediate manager who will reallocate the matter to an Officer without an interest in it. The Officer having an interest will not take part in any part of the decision-making process in respect of that application.

Monitoring Officer to advise.

- 11.5 Members and Officers who are unsure whether to declare an interest should seek advice from the Monitoring Officer, before the Planning Committee meeting, although the final decision whether to make a declaration and/or to withdraw from the meeting will always be one for the individual.

12 Councillor training

- 12.1 Town and Country Planning is a specialised field and both the Local Government Association and the Royal Town Planning Institute place particular emphasis on the need for Members to have an adequate knowledge of the planning process. The Council will provide training that all members of the Planning Committee must undertake before taking part in any Planning Committee meetings. Members have a responsibility to ensure that they understand the fundamental principles and keep up-to-date with developments.
- 12.2 Training will be arranged for Members when there is a change in the composition of the Planning Committee or when there are material changes in legislation, policy guidance or practice.

13 Officers' professional obligations

- 13.1 Many Planning Officers are Chartered Town Planners and are bound by the Code of Professional Conduct of the Royal Town Planning Institute (RTPI) which imposes certain professional obligations including conflicts of interest and continuing training. Breaches of that Code may be subject to disciplinary action by the RTPI.

14 Breach of this code

- 14.1 If anybody wishes to make an allegation that a Councillor has breached this Code, such allegation should be made to the Monitoring Officer.

Local Government Association

Model Councillor Code of Conduct 2020

Joint statement

The role of councillor across all tiers of local government is a vital part of our country's system of democracy. It is important that as councillors we can be held accountable and all adopt the behaviors and responsibilities associated with the role. Our conduct as an individual councillor affects the reputation of all councillors. We want the role of councillor to be one that people aspire to. We also want individuals from a range of backgrounds and circumstances to be putting themselves forward to become councillors.

As councillors, we represent local residents, work to develop better services and deliver local change. The public have high expectations of us and entrust us to represent our local area; taking decisions fairly, openly, and transparently. We 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, we should be able to undertake our role as a councillor without being intimidated, abused, bullied or threatened by anyone, including the general public.

This Code has been designed to protect our democratic role, encourage good conduct and safeguard the public's trust in local government.

Introduction

The Local Government Association (LGA) has developed this Model Councillor Code of Conduct, in association with key partners and after extensive consultation with the sector, as part of its work on supporting all tiers of local government to continue to aspire to high standards of leadership and performance. It is a template for councils to adopt in whole and/or with local amendments.

All councils are required to have a local Councillor Code of Conduct.

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. The LGA can also offer support, training and mediation to councils and councillors on the application of the Code and the National Association of Local Councils (NALC) and the county associations of local councils can offer advice and support to town and parish councils.

Definitions

For the purposes of this Code of Conduct, a “councillor” means a member or co-opted member of a local authority or a directly elected mayor. 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 who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee”.

For the purposes of this Code of Conduct, “local authority” includes county councils, district councils, London borough councils, parish councils, town councils, fire and rescue authorities, police authorities, joint authorities, economic prosperity boards, combined authorities and National Park authorities.

Purpose of the Code of Conduct

The purpose of this Code of Conduct is to assist you, as a councillor, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow councillors, local authority officers and the reputation of local government. It sets out general principles of conduct expected of all councillors and your specific obligations in relation to standards of conduct. The LGA encourages the use of support, training and mediation prior to action being taken using the Code. 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 Code of Conduct

This Code of Conduct applies to you as soon as you sign your declaration of acceptance of the office of councillor or attend your first meeting as a co-opted member and continues to apply to you until you cease to be a councillor.

This Code of Conduct applies to you when you are acting in your capacity as a councillor which may include when:

- you misuse your position as a councillor
- Your actions would give the impression to a reasonable member of the public with knowledge of all the facts that you are acting 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.

You are also expected to uphold high standards of conduct and show leadership at all times when acting as a councillor.

Your Monitoring Officer has statutory responsibility for the implementation of the Code of Conduct, and you are encouraged to seek advice from your Monitoring Officer on any matters that may relate to the Code of Conduct. Town and parish councillors are encouraged to seek advice from their Clerk, who may refer matters to the Monitoring Officer.

Standards of councillor conduct

This section sets out your obligations, which are the minimum standards of conduct required of you as a councillor. Should your conduct fall short of these standards, a complaint may be made against you, 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 local authority employees, employees and representatives of partner organisations and those volunteering for the local authority 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. You should not, however, subject individuals, groups of people or organisations to personal attack.

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

In return, you have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and report them to the local authority, 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 local authority employees, where concerns should be raised in line with the local authority'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 local authority.

Officers work for the local authority 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. You 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, you 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 local authority; 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.

Local authorities must work openly and transparently, and their proceedings and printed materials are open to the public, except in certain legally defined circumstances. You 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 local authority 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 local authority into disrepute.

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

You are able to hold the local authority 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 of Conduct.

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.

Your position as a member of the local authority provides you with certain opportunities, responsibilities and privileges, and you make choices all the time that will impact others. However, you should not take advantage of these opportunities to further your 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 local 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 authority or of the office to which I have been elected or appointed.**

You may be provided with resources and facilities by the local authority to assist you in carrying out your duties as a councillor.

Examples include:

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

These are given to you to help you carry out your 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 local authority'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 my local authority.

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 you as a councillor to demonstrate high standards, for you to have your actions open to scrutiny and for you not to undermine public trust in the local authority or its governance. If you do not understand or are concerned about the local authority's processes in handling a complaint you should raise this with your Monitoring Officer.

Protecting your reputation and the reputation of the local authority

9. Interests

As a councillor:

9.1 I register and disclose my interests.

Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of members of the authority .

You need to register your interests so that the public, local authority employees and fellow councillors know which of your 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 you by allowing you to demonstrate openness and a willingness to be held accountable. You are personally responsible for deciding whether or not you should disclose an interest in a meeting, but it can be helpful for you 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 disclosed by you 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 local governance is maintained.

You should note that failure to register or disclose a disclosable pecuniary interest as set out in Table 1, is a criminal offence under the Localism Act 2011.

Appendix B sets out the detailed provisions on registering and disclosing interests. If in doubt, you should always seek advice from your 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 local authority or from persons who may apply to the local authority 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 your position and the reputation of the local authority, you should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you 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 you could accept it but must ensure it is publicly registered. However, you do not need to register gifts and hospitality which are not related to your role as a councillor, such as Christmas gifts from your friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with your duties as a councillor. If you are unsure, do contact your Monitoring Officer for guidance.

Appendices

Appendix A – The Seven Principles of Public Life

The principles are:

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 disclose 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

Within 28 days of becoming a member or your re-election or re-appointment to office you must register with the Monitoring Officer the interests which fall within the categories set out in **Table 1 (Disclosable Pecuniary Interests)** which are as described in "The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012". You should also register details of your other personal interests which fall within the categories set out in **Table 2 (Other Registerable Interests)**.

"Disclosable pecuniary interest" means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in Table 1 below.

"Partner" means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

1. You must ensure that your 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.
2. A 'sensitive interest' is as an interest which, if disclosed, could lead to the councillor, or a person connected with the councillor, being subject to violence or intimidation.
3. Where you have a 'sensitive interest' you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

Non participation in case of disclosable pecuniary interest

4. Where a matter arises at a meeting which directly relates to one of your Disclosable Pecuniary Interests as set out in **Table 1**, you must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest, just that you have an interest. Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.
5. Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it

Disclosure of Other Registerable Interests

6. Where a matter arises at a meeting which **directly relates** to one of your Other Registerable Interests (as set out in Table 2), you must disclose the interest. You 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 it

is a 'sensitive interest', you do not have to disclose the nature of the interest.

Disclosure of Non-Registerable Interests

7. Where a matter arises at a meeting which **directly relates** to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in Table 1) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You 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 it is a 'sensitive interest', you do not have to disclose the nature of the interest.
8. Where a matter arises at a meeting which **affects** –
 - a. your 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 you need to disclose under Disclosable Pecuniary Interests as set out in **Table 1**

you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied

9. Where a matter **affects** your financial interest or well-being:
 - a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
 - b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You 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 it is a 'sensitive interest', you do not have to disclose the nature of the interest.

10. Where you have a personal interest in any business of your authority and you have made an executive decision in relation to that business, you must make sure that any written statement of that decision records the existence and nature of your 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 the 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 the councillor or his/her spouse or civil partner or the person with whom the

	<p>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 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 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 (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>

	spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.
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* 'director' includes a member of the committee of management of an industrial and provident society.

* '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.

Table 2: Other Registerable Interests

<p>You have a personal interest in any business of your authority where it relates to or is likely to affect:</p> <ul style="list-style-type: none"> a) any body of which you are in general control or management and to which you are nominated or appointed by your authority b) any body <ul style="list-style-type: none"> (i) exercising functions of a public nature (ii) any body directed to charitable purposes or (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)
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Appendix C – the Committee on Standards in Public Life

The LGA has undertaken this review whilst the Government continues to consider the recommendations made by the Committee on Standards in Public Life in their report on [Local Government Ethical Standards](#). If the Government chooses to implement any of the recommendations, this could require a change to this Code.

The recommendations cover:

- Recommendations for changes to the Localism Act 2011 to clarify in law when the Code of Conduct applies
- The introduction of sanctions
- An appeals process through the Local Government Ombudsman
- Changes to the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012
- Updates to the Local Government Transparency Code
- Changes to the role and responsibilities of the Independent Person
- That the criminal offences in the Localism Act 2011 relating to Disclosable Pecuniary Interests should be abolished

The Local Government Ethical Standards report also includes Best Practice recommendations. These are:

Best practice 1: Local authorities should include prohibitions on bullying and harassment in codes of conduct. These should include a definition of bullying and harassment, supplemented with a list of examples of the sort of behaviour covered by such a definition.

Best practice 2: Councils should include provisions in their code of conduct requiring councillors to comply with any formal standards investigation and prohibiting trivial or malicious allegations by councillors.

Best practice 3: Principal authorities should review their code of conduct each year and regularly seek, where possible, the views of the public, community organisations and neighbouring authorities.

Best practice 4: An authority's code should be readily accessible to both councillors and the public, in a prominent position on a council's website and available in council premises.

Best practice 5: Local authorities should update their gifts and hospitality register at least once per quarter, and publish it in an accessible format, such as CSV.

Best practice 6: Councils should publish a clear and straightforward public interest test against which allegations are filtered.

Best practice 7: Local authorities should have access to at least two Independent Persons.

Best practice 8: An Independent Person should be consulted as to whether to undertake a formal investigation on an allegation, and 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.

Best practice 9: Where a local authority makes a decision on an allegation of misconduct following a formal investigation, a decision notice should be published as soon as possible on its website, including a brief statement of facts, the provisions of the code engaged by the allegations, the view of the Independent Person, the reasoning of the decision-maker, and any sanction applied.

Best practice 10: A local authority should have straightforward and accessible guidance on its website on how to make a complaint under the code of conduct, the process for handling complaints, and estimated timescales for investigations and outcomes.

Best practice 11: Formal standards complaints about the conduct of a parish councillor towards a clerk should be made by the chair or by the parish council, rather than the clerk in all but exceptional circumstances.

Best practice 12: Monitoring Officers' roles should include providing advice, support and management of investigations and adjudications on alleged breaches to parish councils within the remit of the principal authority. They should be provided with adequate training, corporate support and resources to undertake this work.

Best practice 13: A local authority should have procedures in place to address any conflicts of interest when undertaking a standards investigation. Possible steps should include asking the Monitoring Officer from a different authority to undertake the investigation.

Best practice 14: Councils should report on separate bodies they have set up or which they own as part of their annual governance statement and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness and publish their board agendas and minutes and annual reports in an accessible place.

Best practice 15: Senior officers should meet regularly with political group leaders or group whips to discuss standards issues.

The LGA has committed to reviewing the Code on an annual basis to ensure it is still fit for purpose.

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MEMBER COMPLAINT PROCESS (Article 9.02(a))

1. INTRODUCTION

- 1.1 The Localism Act 2011 requires the Council to adopt its own Code of Conduct and to agree procedures for dealing with alleged breaches of that Code of Conduct. The Code of Conduct sets out the general standards of behaviour that are expected of Councillors and also the arrangements for the registration and declaration of financial and other interests
- 1.2 Parish and Town Councils within the Council's area are also required to adopt their own Code of Conduct. The Localism Act 2011 requires any complaints about breaches of those Codes by Parish or Town Councillors to be dealt with under the Council's arrangements.
- 1.3 References to 'councillors' include elected members and co-opted members of the Council and Town and Parish Councils in its area.

2. MAKING A COMPLAINT

- 2.1 Complaints should be made in writing to the Monitoring Officer, using a form provided by him/her if possible.
- 2.2 Anonymous complaints will not be considered.
- 2.3 In order for it to be considered a complaint must also:
- Identify the member(s) complained about
 - Identify the provisions of the code of conduct said to have been breached
 - Provide sufficient information for an initial assessment of the complaint to be made
 - Be clear about what remedy is being sought.
- 2.3 In the interests of fairness and natural justice, the Councillor who is the subject of the complaint will normally be told who has complained about them and the details of the complaint. There may be occasions where the complainant requests that their identity is withheld. Such a request will only be agreed in exceptional circumstances.

3. WHO WILL DEAL WITH THE COMPLAINT?

- 3.1 The Initial Assessment of any complaint will be dealt with by the Monitoring Officer or by a deputy Monitoring Officer.
- 3.2 Any investigation under Stage 2, will be conducted by the Monitoring Officer, a deputy Monitoring Officer or a person appointed by the Monitoring Officer

("the Investigating Officer"). His/her investigation report will be considered by the Council's Audit and Governance (Hearing) Sub-Committee, who will also conduct any hearing under Stage 3.

- 3.3 The Independent Person will be able to attend any meetings held under stages 2 and 3 of the process.

4. HOW WILL ANY COMPLAINT BE DEALT WITH?

5.1 Stage 1 – Initial Assessment

The Monitoring Officer or a deputy Monitoring Officer will consider the complaint and in particular will consider whether:

- (a) the complaint is about the conduct of a councillor or lay or co-opted member of the Council or a town or parish council within the Council's area;
 - (b) the Councillor was a councillor at the time of the incident giving rise to the complaint;
 - (c) the Councillor was a councillor at the time of the complaint; and
 - (d) the matters giving rise to the complaint would, if proven, be capable of breaching the Code of the relevant local authority.
- 4.2 If the complaint fails one or more of these tests, or if the Monitoring Officer or a deputy Monitoring Officer in consultation with the Independent Person is satisfied that it would be disproportionate to investigate the complaint, no further action will be taken.
- 4.3 Unless the complaint is about a failure to disclose a Disclosable Pecuniary Interest or other criminal behaviour (see paragraph 4.7 below), if the complaint satisfies the tests in paragraphs 4.1 or 4.2 the Monitoring Officer or a deputy Monitoring Officer will prepare a report for the Audit and Governance (Assessment) Sub-Committee to consider. The Councillor, and if they are a Town or Parish Councillor, the relevant Town or Parish Clerk, will be informed of the receipt of the complaint and that a report is being prepared for the Audit and Governance (Assessment) Sub-Committee.
- 4.4 In considering the report and assessing the complaint the Audit and Governance (Assessment) Sub-Committee will have regard to the criteria set out in Appendix A.
- 4.5 The Audit and Governance (Assessment) Sub-Committee may:
- (a) reject the complaint or to decide to take no action – in which case the Sub-Committee will give their reasons for doing so;

- (b) seek an informal resolution (including, for example, an apology, or mediation); or
- (c) require the complaint to be investigated.

4.6 A copy of the complaint and a summary of the Audit and Governance (Assessment) Sub-Committee will be sent to the Councillor and to the complainant by the Monitoring Officer or the deputy Monitoring Officer.

4.7 A complaint that involves an allegation of a breach of a Disclosable Pecuniary Interest will be referred to the Police and will not at that stage be subject to any further investigation by the Council. Where a complaint involves allegations in addition to one relating to a Disclosable Pecuniary Interest, those additional allegations will not usually be investigated following the completion of any police investigation.

4.8 **Stage 2 – Investigation**

The Investigating Officer will examine any available evidence of the alleged breach. He/she will usually interview the complainant, the councillor and, if appropriate any witnesses. The Investigating Officer will prepare a report setting out:

- (a) the agreed facts;
- (b) any facts which are not agreed and the conflicting evidence; and
- (c) their conclusion on whether or not there has been a breach of the Code of Conduct.

4.9 **Stage 3 – Hearing**

The Investigating Officer's report will be circulated with the agenda as an exempt item. Having resolved to exclude the press and public from the meeting, the Audit and Governance (Hearing) Sub-Committee will consider whether the press and public should continue to be excluded further from all or any part of the hearing. Before making its decision the Sub-Committee may ask the Investigating Officer and the councillor complained about (if present) for their views.

NOTE: To promote public confidence and ensure fairness and transparency, the hearing will normally be held in public. However, the Sub-Committee may resolve to exclude the public and press for any part of the hearing where confidential or exempt information is considered and will usually do so when coming to its decision (see Appendix B).

4.10 The Audit and Governance (Hearing) Sub-Committee will reach a view on disputed facts and decide whether or not to accept the conclusion of the Investigating Officer on the alleged breach of the Code of Conduct. The Sub-Committee may:

- (a) dismiss the complaint;
- (b) refer the complaint to the Monitoring Officer to seek an informal resolution;
- (c) hold a hearing of the Sub-Committee (which depending on the circumstances may or may not be held on the same day as the initial consideration of the Investigating Officer's report).

4.11 The hearing will be to make a final decision on whether or not a Councillor has breached the Code of Conduct and, if so, to decide whether any sanction should be imposed.

4.12 The Sub-Committee may decide:

- (a) to take no further action;
- (b) to seek an informal resolution between the complainant and the subject councillor (if agreed by both parties);
- (c) to censure the Councillor;
- (d) to request the Councillor to give an unequivocal apology ;
- (e) to instruct the Monitoring Officer to request the Councillor to attend training;
- (f) to refer the matter to the full Council (in the case of a Town and Parish Councillor refer the matter to the relevant Town or Parish Council).

5. IS THERE A RIGHT OF APPEAL?

5.1 There is no right of appeal against the decision of the Audit and Governance (Hearing) Sub-Committee.

6. HOW WILL THE DECISION BE PUBLICISED?

6.1 A summary of complaint, the Audit and Governance (Hearing) Sub-Committee's findings and decisions shall be sent to the Councillor and in the case of a Town and Parish Councillor to the clerk of the relevant Town or Parish Council, and unless the Sub-Committee agrees otherwise due to exceptional circumstances, be published on the Council's website.

APPENDIX A – ASSESSMENT CRITERIA

1 Initial Tests

- 1.1 The complaint is about the conduct of a councillor or lay or co-opted member of a council within the Council's area;
- 1.2 The Councillor was a councillor at the time of the incident giving rise to the complaint;
- 1.3 The Councillor was a councillor at the time of the complaint;
- 1.4 the matters giving rise to the complaint would, if proven, be capable of breaching the Code of the relevant local authority.

2 Sufficiency of information

- 2.1 Has the complainant provided sufficient information to allow the Sub-Committee assessing the complaint to understand the issues complained of? If insufficient information is provided, the Sub-Committee will not normally proceed with assessment of the complaint.

3 Seriousness of the Complaint and proportionality

- 3.1 Does the complaint appear, on the available information, to be trivial, vexatious, malicious, politically motivated or 'tit for tat'?
- 3.2 Other than in particularly serious cases a complaint will not generally be referred for investigation if the Councillor has offered an apology, or if the view is taken that the complaint can reasonably be addressed by other means.
- 3.3 Given the public interest in financial and other resources being used efficiently referral for investigation is generally reserved for more serious complaints where alternative options for resolution are not considered by the Sub-Committee to be appropriate. A complaint may be regarded as serious in its own right or when considered in conjunction with a serious of incidents/complaints.

4 Length of Time Elapsed

- 4.1 Except in exceptional circumstances a complaint will not be referred for investigation when it is made more than 20 working days from the date upon which the event giving rise to the complaint took place.

5 Multiple Complaints

- 5.1 A single event may give rise to similar complaints from a number of complainants. These will generally be treated as a single complaint with multiple complainants.

APPENDIX B – GUIDANCE ON THE EXCLUSION OF THE PRESS AND PUBLIC AT HEARINGS

1 Initial Considerations

- 1.1 The purpose of publicity in the determination of complaints that a councillor has breached the code of conduct is to:
- (a) promote the public interest;
 - (b) maintain public confidence in local government;
 - (c) maintain proper standards of conduct; and
 - (d) is consistent with the proper discharge of the Council's functions in accordance with the Human Rights Act 1998 which provide for a public hearing .

2 Presumption in favour of openness

- 2.1 Given the purpose of publicity, there is a presumption that the Audit and Governance (Hearings) Sub-Committee will proceed with the hearing in public.

3 Exceptional circumstances

- 3.1 The Sub-Committee may however override the presumption in favour of openness if it is satisfied that there are exceptional circumstances which outweigh the public interest in the hearing being open to the public before excluding the press and public and proceeding in private for all or part of the hearing. Common examples of exceptional circumstances include the following (the list is not exhaustive):
- (a) health;
 - (b) sexual allegations;
 - (c) vulnerable third parties;
 - (d) public order;
 - (e) the protection of the private life of the parties requires; or
 - (f) where the complainant is an employee of the authority to which the councillor complained about is a member.

4 Announcement of decision

- 4.1 Even if the whole or part of a hearing has been held in the absence of the press and public, the Sub-Committee will normally announce its decision in

public. If necessary, there may be a public and a private record of the decision made.

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Arrangements for dealing with Code of Conduct complaints against Councillors

**Note: Add foreword by the Chairman of the Audit and Governance Committee
Councillor Matt Hall**

What is a Code of Conduct complaint?

Dorset Council has adopted a code of conduct for its Councillors (also known as Members) and Co-opted Members, which is available for inspection on the council's website [\[LINK\]](#) and on request from the Monitoring Officer.

Each of the parish and town councils in Dorset have adopted a Code of Conduct for their Councillors and Co-opted Members which they publish on their own website.

A Code of Conduct complaint is one that alleges that a Dorset Council or Dorset parish or town Councillor or Co-opted Member has failed to comply with their council's code of conduct.

Dorset Council is required to have arrangements in place to investigate and reach decisions about Code of Conduct complaints.

These arrangements set out:

1. who you can complain about
2. what you can complain about
3. what cannot be complained about
4. how to make a complaint
5. how Dorset Council will deal with such complaints

1. Who you can complain about?

You can complain about Councillors and Co-opted Members of Dorset Council or any Town or Parish Council in the area of Dorset Council. A co-opted Member is a voting member of a council or one of its committees, who was appointed to their position rather than being elected.

2. What can you complain about?

You can complain about the conduct of current, individual Councillors or Co-opted Members.

The conduct complained of must be covered by the Code of Conduct and must have occurred during the Councillor or Co-opted Members time in office.

The conduct complained of must have happened in the last 20 working days. It could be a one-off incident or the last incident in a series of connected events (if a series of connected events is complained of all the connected events may be considered as part of the complaint even if some of the events are older than 20 working days). Only

in exceptional circumstances will a complaint received outside the timeframe be considered.

Types of complaint alleging breach of Code of Conduct may include:

- unlawfully discriminating against someone
- failing to treat people with respect
- bullying any person
- intimidating any person involved in any investigation or proceedings about someone's misconduct
- doing something to prevent those who work for the authority from being unbiased
- revealing information that was given to them in confidence, or stopping someone getting information they are entitled to by law
- damaging the reputation of their office or authority, where the conduct is linked to their public role and not in their private capacity
- using their position improperly, to their own or someone else's advantage or disadvantage
- misusing their authority's resources
- allowing their authority's resources to be misused for the activities of a registered political party
- failing to register an appropriate interest correctly
- failing to register any gifts or hospitality (including its source) that they have received in their role as a member worth over £50.00.

3. What cannot be complained about under these arrangements?

The following types of complaint cannot be considered under these arrangements:

- Complaints about a Councillor or Co-opted Member who is no longer in office cannot be considered.
- Complaints about the conduct which happened before a Councillor or Co-opted member were elected, co-opted or appointed to their council, or after they have resigned or otherwise ceased to be in office cannot be considered.
- Complaints about a council as a whole or people employed by it cannot be considered under these arrangements.
- Complaints about dissatisfaction with a decision or action of a Council, one of its committees or employees, a service provided by a Council or a Council's procedures, cannot be considered under these arrangements.
- Complaints which relate to conduct (one-off incident or the last in a series of connected events) which happened over 20 working days ago, unless there are exceptional circumstances.
- Where the complaint alleges criminal conduct (including failure to register or declare a Disclosable Pecuniary Interest or voting at a council meeting where such an interest exists), this is a matter for the police and cannot be dealt with under the Code of Conduct. The Monitoring Officer will consider whether it is appropriate to refer to the Police. No further action will be taken in relation to such complaints until any related criminal/regulatory investigation, proceedings or processes have been concluded. Complainants may refer criminal allegations directly to the Police.

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4. How to make a complaint

Complaints must be submitted in writing to Dorset Council's Monitoring Officer using the Code of Conduct complaint form [\[LINK\]](#). Please remember to send any documents that support your complaint, with your form.

You will need to set out details of your complaint including:

- Identify the Councillor(s) or Co-Opted Member(s) complained about
- The conduct that caused you to complain
- What part of the code of conduct do you think has been breached
- when the incident complained of took place
- what remedy you are asking for

It is very important that you set your complaint out fully and clearly and provide all the information at the outset.

For complaints concerning the conduct of a parish or town councillor you will also be asked if you have raised your complaint with the clerk of the council and what attempts have been made to resolve your complaint before submission of a complaint to the Monitoring Officer.

When complete, your form should be sent to the Monitoring Officer:

On line: [website?]

E-mail: jonathan.mair@dorsetcouncil.gov.uk

By Post: Monitoring Officer, Dorset Council, County Hall, Colliton Park, Dorchester, Dorset, DT1 1XJ

The Monitoring Officer will not normally consider a complaint unless it is in writing and a complaint form has been received. This is to ensure that all of the relevant information is provided and, where necessary, consent to share information has been obtained so that the complaint can be processed.

If you do not have access to the internet or have difficulty completing the form, please contact [\[NUMBER\]](#) for assistance.

Where a complaint is made against more than one councillor, a separate complaint form must be completed in respect of each councillor.

If you are making the complaint on behalf of a number of individuals, please nominate one person as the single point of contact to whom all correspondence will be addressed.

Before you complain

Before you send us your complaint, you should be aware that anonymous complaints will not normally be investigated.

You may request that your identity is withheld but this will only be agreed by the Monitoring Officer in exceptional circumstances. The Monitoring Officer has to balance the right of the Councillor complained of to properly understand the complaint against them and respond to it, with your rights as Complainant. This normally means that the Councillor will need to be told who is making the complaint. You will be informed if your complaint cannot be investigated without disclosing your identity and be provided with the opportunity to proceed or withdraw your complaint.

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5. How Dorset Council will deal with complaints

Initial Check

The Monitoring Officer will check that your complaint is covered by these arrangements and consult with an Independent Person before making a decision.

(An Independent Person is someone appointed by the Council to give an independent view on complaints about councillors and co-opted members. They are not employed by the council and act voluntarily. An independent person must be consulted by the Council before it makes its decision on an allegation that it has decided to investigate. The Independent person is also available to be consulted by a councillor or co-opted member if their behaviour is the subject of a complaint.)

The initial checks are:

- Is the complaint about a current, individual Councillor or Co-opted Member
- Is the conduct complained of is covered by the council's Code of Conduct?
- Did the conduct complained of occur during the Councillor or Co-opted Members time in office?

Did the conduct complained of happened in the last 20 working days (one-off incident or the last incident in a series of connected events even if some of them are older than 20 working days) and/or whether there are any exceptional circumstances for considering a complaint received outside this timeframe.

- Is the complaint about criminal conduct.

Within 5 working days of receiving your complaint the Monitoring Officer will write to you to acknowledge receipt of your complaint and confirm if it is covered by the complaint process or not.

If the complaint is covered by the complaint process, then within 5 working days of receiving your complaint the Monitoring Officer will also write to the Councillor or Co-opted Member with details of the complaint. In exceptional circumstances, the Monitoring Officer may keep your identity confidential if considered necessary or may delay notifying the Councillor or Co-opted Member of the investigation where this may prejudice the investigation.

The Councillor or Co-Opted Member will be invited to respond within 5 working days, or longer at the discretion of the Monitoring Officer, including providing details of witnesses and relevant information and documents.

The Councillor or Co-Opted Member will be advised of their right to seek the views of the Independent Person throughout the process and contact details will be provided.

Monitoring Officer Assessment

At this stage the complaint is confidential. You and the Councillor or Co-Opted Member complained of are asked not to disclose information about the complaint to anyone else.

The Monitoring Officer will consider the complaint and after consultation with an Independent Person (either in person or electronically), take a decision:

1. That no further action should be taken, and the complaint is dismissed.

Where a complaint is dismissed the case is closed and a letter will be sent to you and the Councillor or Co-opted Member complained of with an explanation for the decision. (Where the complaint relates to a town or parish Councillor or Co-opted Member the Monitoring Officer will also write to the town or parish clerk with the decision). The Councillor or Co-Opted Member has the option to request that details of the complaint and outcome be published. If not, details of the complaint remain confidential. The decision is final and there is no right of appeal.

Below are some examples of circumstances where no further action may be appropriate:

- The complaint is the same or substantially the same as a complaint previously dealt with and there is nothing further to be gained;
- The complaint is trivial or discloses such a minor or technical breach of the Code that it is not in the public interest to pursue
- The complaint is or appears to be malicious, politically motivated, tit-for-tat or otherwise submitted with an improper motive and the complaint is not considered to disclose sufficiently serious potential breaches of the Code to merit further consideration
- The councillor has provided a satisfactory remedy to the complaint
- There is evidence to suggest a potential breach of the Code, but the circumstances do not warrant further action.

2. Refer the complaint for local resolution (which might involve an apology or training or some other form of mediation)

Where the Monitoring Officer considers a potential breach has occurred, they can decide to refer your complaint for informal resolution. This might include councillor training or referral to the political group leaders or the town or parish council or an apology.

Where the Monitoring Officer decides on local resolution you and the Councillor or Co-opted Member complained of will be sent the decision with an explanation. (Where the complaint relates to a town or parish Councillor or Co-opted Member the Monitoring Officer will also write to the town or parish clerk with the decision).

The Councillor or Co-opted Member has the option to request that details of the complaint and outcome be published on the council's website. If not, details of the complaint remain confidential.

If the Councillor or Co-opted Member agrees with the local resolution and carries it out, the decision will be final, will conclude the complaint and there is no right of appeal.

If the Councillor or Co-opted Member does not agree with local resolution or fails to carry it out the Monitoring Officer will refer the complaint for investigation and inform you and the Councillor or Co-opted Member.

Below are some examples where local resolution may be appropriate:

- Less serious complaints where the Councillor or Co-opted Member wishes to put their actions right;
- A general breakdown in relationships at the Council where other action such as mediation might help;
- Complaints where the public interest in conducting an investigation does not justify the costs of such an investigation;
- Where there is a lack of experience or the Councillor or Co-opted Member may benefit from training or mentoring;
- Where the issue appears to be in the political arena and therefore appropriate for referral to a leader(s) of a political group to deal with;
- Where it appears that the town or parish council would be best placed to resolve the issue;
- Where there is the same alleged breach of the Code by many of the council's Councillors or Co-opted Members, indicating a poor understanding of the Code and authority's procedures;

3. Refer the complaint for investigation

Where the complaint has raised a potential breach, that the Monitoring Officer, in consultation with the Independent Person, decides:

- cannot be resolved by local settlement and / or
- is serious enough to warrant investigation,
- or where a Councillor or Co-opted Member has failed to agree or carry out local resolution,

the Monitoring Officer will appoint an investigator.

This could be an appropriately skilled council officer from this or another council, or an external investigator. The investigation will be proportionate and include interviews with everyone the investigator decides will help them assess the complaint and reach a conclusion on whether there has been a breach of the Code of Conduct.

The Monitoring Officer will write to notify you of the decision to refer your complaint for investigation, with an explanation. (Where the complaint relates to a town or parish Councillor or Co-opted Member the Monitoring Officer will also write to the town or parish clerk with the decision).

In exceptional circumstances, we may keep the identity of the complainant confidential if we agree it is necessary, or we may delay notifying the Councillor or Co-opted Member of the investigation where this may prejudice the investigation.

Investigation Report

The Investigating Officer will prepare a report setting out:

- (a) the agreed facts;
- (b) any facts which are not agreed and the conflicting evidence; and
- (c) their conclusion on whether or not there has been a breach of the Code of Conduct.

The report will be supplied to you, the Independent Person and the Councillor or Co-opted Member for any comments to be provided to the Investigating Officer within 10 working days.

The report will then be finalised and sent to the Monitoring Officer, Independent Person, you and the Councillor or Co-opted Member.

The Monitoring Officer will arrange a meeting of the Audit and Governance (Hearing) Sub-Committee.

Meeting of the Audit and Governance (Hearing) Sub-Committee

This will be a public meeting unless the Councillor or Co-opted Member request the hearing takes place in confidential session and the Committee agrees. The Investigating Officer will be invited to present their report. You and the Councillor or Co-opted Member, any representative or witnesses may be asked to attend and be questioned by the Committee. The Independent Person will be invited to attend for the Committee to seek their view before making a decision.

The Committee will decide whether there has been a breach of the Code of Conduct and, if so, what action is appropriate.

Within 5 working days of the hearing the Monitoring Officer will write to notify you and the Councillor or Co-opted Member of the Committee decision with reasons.

Where the Council makes a decision on an allegation of misconduct following a formal investigation, a decision notice will be published as soon as possible on our website, including a brief statement of facts, the provisions of the code engaged by the allegations, the view of the Independent Person, the reasoning of the decision-maker, and any sanction applied

The decision of the Hearings Sub-Committee is final and there is no right of appeal.

6. How Dorset Council will Learn from Complaints

Things do not always happen in the way they should and councillors and co-opted members do not always behave as they should, in accordance with their Code of Conduct.

Dorset Council is a learning organisation. Sometimes a hearing might result in sanctions being imposed upon a councillor but it is also important for all councillors to be able to learn from complaints.

In addition to acting upon individual complaints the Council will, through the Audit and Governance Committee, receive monitoring information about complaints and an annual report on councillor and co-opted member conduct. The focus in doing so will be upon helping individual councillors, Dorset Council as a whole and the 163 Parish and Town Councils in Dorset to maintain high standards of conduct.

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Audit and Governance Committee Monday, 22 February 2021 Review of the Council's Borrowing

For Decision

Portfolio Holder: Cllr G Suttle, Finance, Commercial & Capital Strategy

Local Councillor(s): All

Executive Director: A Dunn, Executive Director, Corporate Development

Report Author: David Wilkes
Title: Service Manager (Treasury and Investments)
Tel: 01305 224119
Email: david.wilkes@dorsetcouncil.gov.uk

Report Status: Public

Recommendation:

That the Committee note and comment upon the report.

Reason for Recommendation:

To better inform members of the Council's borrowing position and activity in accordance with the requirement to ensure money and resources are used wisely.

1. Executive Summary

This report provides an update on the Council's borrowing position and activity as at 31 January 2021.

2. Financial Implications

This report summarises the Council's borrowing position and activity in the financial year to date. There are no other financial implications arising from this report.

3. Well-being and Health Implications

There are no well-being and health implications arising from this report.

4. Climate implications

There are no well-being and health implications arising from this report.

5. Other Implications

There are no other implications arising from this report.

6. Risk Assessment

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: HIGH

Residual Risk: Medium

Borrowing is an inherently risky area of activity and a number of controls are embedded in its operation. The key borrowing risks are highlighted as part of the capital strategy and treasury management strategy approved by Council as part of the budget setting process.

7. Equalities Impact Assessment

There are no equalities implications arising from this report.

8. Appendices

Appendix 1: Outstanding Borrowing as at 31 January 2021.

9. Background Papers

Dorset Council Capital Strategy 2020/21

Dorset Council Treasury Management Strategy 2020/21

A&G Treasury and Banking Update November 2020

10. Introduction

10.1 Local authorities may borrow to fund capital expenditure not yet permanently financed or to cover temporary cashflow shortfalls.

10.2 All capital expenditure not financed from external sources (government grants and other contributions) or the Council's own resources (revenue, reserves and capital receipts) leads to a borrowing requirement.

10.3 The total of all the Council's past capital expenditure less total financing

applied other than debt is known as the Capital Financing Requirement (CFR) – the Council’s underlying need to borrow.

- 10.4 Debt is only a temporary form of finance as loans must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP) or from the proceeds of selling capital assets (capital receipts).
- 10.5 The CFR increases with any new debt-financed capital expenditure and reduces with MRP and any capital receipts used to replace debt.
- 10.6 The Council’s borrowing activity is conducted within the framework of CIPFA’s Prudential Code for Capital Finance and Treasury Management Code of Practice. All borrowing decisions are made within the parameters of the Capital Strategy and Treasury Management Strategy approved by full Council as part of the Budget Strategy report.
- 10.7 The main objective when borrowing has been to strike a balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should long-term plans change a secondary objective.
- 10.8 With short-term interest rates remaining much lower than long-term rates, it continues to be more cost effective in the near term to use internal resources or borrow rolling short-term loans instead of committing to long term agreements. This strategy has enabled the Council to reduce net borrowing costs (after foregone investment income) and to reduce overall treasury risk but a balanced portfolio of short and long-term borrowing has been maintained.
- 10.9 In order to reduce risk and keep interest costs lower than they would otherwise have been the Council uses balances and reserves (internal borrowing) to keep external borrowing below the CFR rather than investing those balances and reserves in full.

11. Borrowing as at 31 January 2021

- 11.1 At 31 January 2021 the Council held £210.5m of loans summarised in Table 1 below and a schedule of all outstanding loans in Appendix 1.

Table 1: Summary of borrowing at 31 January 2021

	PWLB	Local Authorities	Banks	Other Lenders	Total
	£m	£m	£m	£m	£m
Fixed Term Maturity	81.8	25.0	25.6		132.4
Fixed Term Annuity	2.6	-	-	-	2.6
LOBOs	-		11.0	19.5	30.5
Other Borrowing	-			45.0	45.0
Total	84.4	25.0	36.6	64.5	210.5

- 11.2 The Council can and has borrowed from a variety of lenders including central government (through the PWLB), other local authorities and other public bodies, banks and other corporate bodies. The type of borrowing can also vary:
- 11.3 **Fixed Term Maturity:** The majority of the Council's borrowing (£132.4m) is fixed term maturity. A fixed interest rate is applied at each payment date and the principal is repaid in full at the maturity date.
- 11.4 **Fixed Term Annuity:** The Council holds two holds two fixed term annuity loan agreements with a combined outstanding value of £2.6m. All payments are fixed but the principal repaid increases and interest charges reduce at each payment date.
- 11.5 **Lender's Option Borrower's Option (LOBOs):** The Council holds £30.5m of Lender's Option Borrower's Option (LOBO) loans. The lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. To date no lenders have exercised their options on these loans.
- 11.6 **Other Loan Agreements:** The Council holds two 'other' loan agreements with a combined outstanding value of £45m. The rate of interest on both loans is fixed until the first option date (after 25 years) at which point the lender can request repayment in full having given six months' notice. The lender then has further options to request repayment at five yearly intervals thereafter until the loans mature.

12. Maturity Structure of Borrowing

- 12.1 The Treasury Management Strategy mitigates the Council's exposure to refinancing risk by setting limits on how much debt can mature at any one time. Current borrowing against those limits is summarised in the table below:

Table 2: Maturity structure of borrowing at 31 January 2021

	Actual £m	% of Total Borrowing	Upper Limit	Lower Limit	Complied Yes/No
Under 12 months	30.5	14.5%	25%	0%	Yes
12 Months to 2 Years	1.0	0.5%	25%	0%	Yes
2 Years to 5 Years	11.1	5.3%	25%	0%	Yes
5 Years to 10 Years	10.0	4.8%	35%	0%	Yes
10 Years to 15 Years	19.5	9.3%	35%	0%	Yes
15 Years to 20 Years	0.0	0.0%	35%	0%	Yes
20 Years to 25 Years	0.0	0.0%	45%	0%	Yes
25 Years to 30 Years	0.0	0.0%	45%	0%	Yes
30 Years to 35 Years	41.8	19.9%	45%	0%	Yes
35 Years to 40 Years	15.0	7.1%	45%	0%	Yes
40 Years to 45 Years	0.0	0.0%	45%	0%	Yes
45 Years to 50 Years	56.0	26.6%	45%	0%	Yes
50 Years and above	25.6	12.2%	75%	0%	Yes
Total	210.5	100.0%			

13. Early Repayment of Borrowing

- 13.1 Long term loan agreements generally include clauses allowing for the early repayment of borrowing to the lender. These clauses typically have mechanisms for calculating a premium (or discount) to compensate the lender (or borrower) for their loss of interest over the remaining life of the loan.
- 13.2 These premia or discounts are calculated based on the difference between the rate of interest in the agreement and current comparable rates of interest available for the remaining life of the loan. Premia will be at their highest when current interest rates are significantly lower than in the agreement and the loan also has a long remaining life.
- 13.3 The schedule of borrowing at Appendix 1 includes the estimated premia for early repayment.
- 13.4 In April 2019 two LOBO loans totally £20m were repaid for a combined premium of £9.2m, delivering estimated annual revenue savings of £150k.

There have been no other early repayments of borrowing since the inception of Dorset Council.

14. Treasury Management Advisers

- 14.1 The Council employs professionally qualified and experienced staff with responsibility for making borrowing and investment decisions supported by external advisers. The Council currently employs Arlingclose as treasury management advisers.
- 14.2 This approach ensures that the Council has access to a wide pool of relevant market intelligence, knowledge and skills, that would be very difficult and costly to replicate internally. However, whilst advisers provide support to the internal treasury function, final decisions on treasury matters always remain with the Council.

Footnote:

Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

Appendix 1: Dorset Council - Outstanding Borrowing as at 31 January 2021

DC Ref	Lender	Agreed by	Loan Type	Drawdown Date	Date Matures	Next Option Date	Years to maturity	Amount Drawdown	Amount Outstanding	Estimated Premium	Interest Rate	Annual Interest	
Loan 2	PWLB	DCC	Annuity	25/07/2003	25/03/2023	n/a	2.1	14,185,506	2,570,548	150,000	4.70%	120,816	
Loan 3	PWLB	DCC	Annuity	21/12/2004	25/03/2023	n/a	2.1	256,144	46,251	2,000	4.65%	2,151	
Loan 10	PWLB	DCC	Maturity	01/03/2006	25/03/2051	n/a	30.2	8,815,800	8,815,800	3,500,000	3.95%	348,224	
Loan 11	PWLB	DCC	Maturity	09/10/2006	25/03/2052	n/a	31.2	15,000,000	15,000,000	6,700,000	4.10%	615,000	
Loan 12	PWLB	DCC	Maturity	02/08/2007	25/09/2052	n/a	31.7	8,000,000	8,000,000	4,400,000	4.55%	364,000	
Loan 13	Barclays	DCC	Maturity	30/07/2007	30/07/2077	n/a	56.5	15,600,000	15,600,000	13,300,000	4.625%	721,500	
Loan 14	PWLB	DCC	Maturity	23/08/2007	25/09/2053	n/a	32.7	10,000,000	10,000,000	5,400,000	4.45%	445,000	
Loan 24	Lancashire County Council	DCC	Maturity	25/09/2011	25/11/2059	n/a	38.8	15,000,000	15,000,000	9,100,000	4.39%	658,500	
Loan 28	PWLB	DCC	Maturity	07/09/2010	25/02/2025	n/a	4.1	10,000,000	10,000,000	1,100,000	3.74%	374,000	
Loan 29	PWLB	DCC	Maturity	07/09/2010	25/03/2030	n/a	9.2	10,000,000	10,000,000	2,100,000	3.98%	398,000	
Loan 30	PWLB	DCC	Maturity	03/11/2011	25/03/2021	n/a	0.1	20,000,000	20,000,000	200,000	3.30%	660,000	
Loan 31	Siemens	DCC	LOBO	25/09/2012	25/09/2032	25/09/2022	11.7	10,000,000	10,000,000	1,600,000	2.60%	260,000	
Loan 32	Siemens	DCC	LOBO	16/11/2011	21/12/2032	21/12/2022	11.9	9,500,000	9,500,000	1,600,000	2.53%	240,350	
Loan 47	BAES Pension Funds	DCC	Other	07/11/2019	07/11/2067	07/11/2042	46.8	20,000,000	20,000,000	10,400,000	2.52%	504,000	
Loan 48	BAES Pension Funds	DCC	Other	11/12/2017	11/12/2065	11/12/2035	44.9	25,000,000	25,000,000	20,400,000	3.90%	975,000	
Loan 61	Barclays Bank	WPBC	Maturity	14/11/2006	16/11/2076	n/a	55.8	10,000,000	10,000,000	9,100,000	4.79%	479,000	
Loan 62	KBC Bank N.V.	WPBC	LOBO	14/11/2006	16/11/2076	14/11/2021	55.8	11,000,000	11,000,000	13,900,000	4.59%	504,900	
Loan 65	Wandsworth Borough Council	DC	Maturity	03/09/2020	03/06/2021	n/a	0.3	10,000,000	10,000,000	-	0.50%	50,000	
Total / Weighted Average								30.3	222,357,450	210,532,599	102,952,000	3.67%	7,720,441

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Audit and Governance Committee Forward Plan 2021

Date of Meeting	Item	Purpose / Key lines of Enquiry	Lead councillor / officer
22 February 2021			
	Financial Report Quarter 3 2020/21 (Theresa Leavy & Vivienne Broadhurst to attend)	To review and scrutinise the Quarter 3 finance report as presented to Cabinet	Portfolio Holder – Finance, Commercial & Capital Strategy Officer contact - Executive Director – Corporate Development & S151
	Constitutional Changes	To receive a report on the revised Code of Conduct for Councillors and to review the process for the assessment of Code of Conduct breaches. To report to the committee on any changes made to the Constitution under powers delegated to the Monitoring Officer, to seek the views of the committee on any proposed changes requiring full Council approval and to receive an update on the 12 month review of the Constitution.	Portfolio Holder – Leader of the Council Lead Officer – Corporate Director - Legal & Democratic Service Monitoring Officer
	Review of the Council's Borrowing	To review and monitor.	Portfolio Holder Finance, Commercial and Capital Strategy Officer contact – Service Manager for Treasury and Investments

19 April 2021			
	Value for Money Report	6 monthly update	Portfolio Holder – Corporate Development & Change Officer contact – Head of Business Intelligence and Corporate Communications
	Internal Audit Update Report, Audit Planning Process for 2020/21 and Audit Charter	To receive an updated position on work progress, along with a report on the proposed audit planning process for 2021/22 and to receive a copy of the Audit Charter.	Portfolio Holder – Leader of the Council Officer contact – Corporate Director – Legal & Democratic Services & Monitoring Officer and Executive Director – Corporate Development & S151
	External Audit Update		Portfolio Holder – Leader of the Council Deloitte
	Annual Audit Opinion Report 2020/21	To receive the annual opinion report for the 2020/21 year.	External Audit
	Risk Management Update	To review and challenge the council's corporate risk register including the effectiveness of the controls identified to bring down the level of risk to an acceptable level	Portfolio Holder – Leader of the Council Officer contact – Service Manager for Assurance
	Annual Governance Statement	To review and challenge the content of the statutory Annual Governance Statement ahead of its signing by the Leader of Council and Chief Executive	Portfolio Holder – Leader of the Council Officer contact - Corporate Director – Legal & Democratic Services & Monitoring Officer

Other items raised by Audit and Governance Committee requiring further consideration

Issue	Notes	Date raised
Workforce stress / mental health issues	The committee have raised this as a potential area of work but note that it is linked to current transformation work	At committee on 7 November 2019
How Dorset Council holds and shares information	<p>It is understood that some work is being undertaken in this area.</p> <p>A councillor workshop on the Dorset Council transformation programmes is being held on 10 January 2020. The suggestion is that councillors attend this session and following this, the committee give further consideration to whether any further work is required in this area</p>	At committee on 7 November 2019
Schedule of debt	Jim Mcmanus agreed to produce a schedule of debt and the areas in the Capital Budget funded by borrowing.	At pre-meeting on 8 February 2021

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