

SURREY HEATH BOROUGH COUNCIL

Surrey Heath House
Knoll Road
Camberley
Surrey
GU15 3HD

Tuesday, 14 July 2020

To: The Members of the Surrey Heath Borough Council

Dear Councillor,

You are hereby summoned to attend a meeting of Surrey Heath Borough Council to be held in the Council Chamber, Surrey Heath House on Wednesday, 22 July 2020 at 6.00 pm. The business which it is proposed to transact at the meeting is set out below.

Please note that this meeting will be recorded and live streamed on
<https://www.youtube.com/user/SurreyHeathBC>

Yours sincerely

Tim Pashen

(Acting) Chief Executive

1. Apologies for Absence

To report apologies for absence.

2. Minutes

To approve as a correct record the minutes of the Annual meeting of the Council held on 20 May 2020.

3. Mayor's Announcements

4. Leader's Announcements

5. Declarations of Interest

Members are invited to declare any Disclosable Pecuniary Interests and non-pecuniary interests they may have with respect to matters which are to be considered at this meeting.

6. Questions from Members of the Public

To answer questions, if any, received under Council Procedure Rule 10 (Paragraph 3 of the Public Speaking Procedure Rules).

7. Questions from Councillors

To deal with questions, if any, received under Council Procedure Rule 11.

8. Executive, Committees and Other Bodies

To receive the open minutes of the following bodies (minutes reproduced in the Minute Book), to answer questions (if any) in accordance with Council Procedure Rule 11.5 and to consider the recommendations as set out below:

- (a) Executive – 26 May and 23 June 2020, and the recommendations from 21 July 2020

3/E Watchetts Tennis Court Redevelopment

RECOMMENDED to Full Council that the Capital Programme be increased by £135,000 to fund the redevelopment of the Watchetts Tennis Court.

17/E EM3 LEP - Bid for funding - Surrey Heath Online Retail Experience (SHORE)

RECOMMENDED to Full Council that the Capital Programme be amended by £10,000 to fund the Council's contribution towards the Surrey Heath Online Retail Experience project.

At its meeting on 21 July 2020 the Executive will be asked to make the following recommendations:

The Executive will be advised to RECOMMEND to Full Council that

- (i) actual capital expenditure for 2019/20 of £7.895m against a budget of £40.328m be noted;**
 - (ii) the carry forward budget provision of £32.406 million from 2019/20 into 2020/21 be approved;**
 - (iii) revised 2020/21 Capital Programme of £33.885 million be noted;**
 - (iv) the final capital prudential indicators for 2019/20 be noted**
- (b) Planning Applications Committee – 30 April, 28 May 2020 and 18 June 2020.

- (c) Audit and Standards Committee – 20 April 2020
- (d) External Partnerships Select Committee – 9 June 2020
- (e) Joint Staff Consultative Group – 25 June 2020
- (f) Performance and Finance Scrutiny Committee – 1 July 2020
- (g) Employment Committee – 9 July 2020

8/EC Pay Policy Statement 2020/21

RECOMMENDED to Full Council that the Pay Policy Statement 2020/21, as set out at Annex A to the agenda report, be adopted.

9. Motions

- (a) Councillor Sashi Mylvaganam to move that

“this Council RESOLVES that

- (i) concern about articles which have appeared in the national press in respect of the Council’s property investments which suggests possible multi-million pound valuation losses in the Council’s property investments in Camberley Town Centre be noted;
- (ii) in order to protect the current and future financial interests of Surrey Heath Borough Council Taxpayers, Financial Officers, in conjunction with the Council’s Auditors, and/or other independent organisation, be asked, subject to budget approval, to produce a report, to be presented to the next Full Council Meeting, detailing the purchase costs of property purchased by the Council as investments for treasury management since January 2016, together with independently ratified valuations of those property investments as at the time of purchase and at end of the last financial year and a current valuation, as at the date of this Council meeting;
- (iii) in the event that the valuations as at the end of the last financial year show an erosion of more than 25% of the purchase costs, or 50% of the current valuation, a further independent report be commissioned, subject to budget approval, from the Council’s Auditors or other qualified company or institution (in accordance with the Council’s Contract Standing Orders) into:
 - a) the strategic rationales behind each property investment made since January 2016;
 - b) the procedures followed in respect of each investment to

ensure that all Council Standing Orders and protocols were adhered to correctly;

- c) the amount paid for each property investment made since January 2016 to assess if proper value for money at the time of purchase was obtained for Borough Council Taxpayers in respect of each investment;
- d) the actual and forecasted rental income, and all other critical financial aspects, to assess whether the full financial costs, risks and benefits were properly evaluated;
- e) whether the most appropriate financial methods and mechanisms, for both the short and long term benefit of Council Taxpayers, were used to fund each property investment made since January 2016; and
- f) Based upon a), b), c) and d). above, to produce recommendations in respect of procedures to be adopted in future property investments to ensure best practice is followed for the ongoing security and benefit of Council Taxpayers; and

(iv) Financial Officers, based upon the findings of the independent report(s), and taking further independent advice, as necessary, produce a Property Investment Strategy report in time for the 2021/22 Budget setting process, detailing options in respect of the future management and deployment of the Council's property investments to ensure prudent financial management.”

(b) Councillor Rodney Bates to move that

“this Council RESOLVES to

- (i) formally support the general principle of unitary authorities within local government and agree that any such unitary authority affecting Surrey Heath should be ideally around the region of 300,000 to 500,000 residents;
- (ii) oppose the principle of a single unitary authority to cover Surrey on the grounds that such a unitary authority would be too big, too remote and not in the best interests of Surrey Heath residents;
- (iii) instruct the Acting Chief Executive to formally open negotiations with neighbouring authorities (not just within Surrey) with a view to Surrey Heath forming part of a unitary authority;
- (iv) confirm that it has no formal position or preferred option at this stage regarding the specific unitary grouping that it wishes to be part, but believes that all options must be thoroughly and positively reviewed

and properly considered; this includes the establishment of a network of locally Parish/Town type Councils which could deal with localised issues, including certain planning functions;

- (v) instruct the Acting Chief Executive to convene regular Group Leader meetings to update on the various options as they progress and to bring forward a report to Full Council once all options have been clearly worked through;
- (vi) ask the Acting Chief Executive to send a copy of this motion to the Chief Executives and Leaders of all of Surrey Heath's neighbouring authorities, other Surrey Boroughs, and Surrey County Council to inform them of the Council's position."

10. Windlesham Community Governance Review - Next Steps (Pages 7 - 16)

To consider the report of the Returning Officer (attached).

11. Governance Working Group (Pages 17 - 36)

To consider the report of the Executive Head of Corporate (attached).

12. Section 151 Officer

To consider the report of the Acting Chief Executive (report to follow).

13. Leader's Question Time

The Leader to answer questions from Members in relation to the Executive functions.

14. Exclusion of Press and Public

The Mayor to move "That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the consideration of the business set out in items 15, 16 and 17 below on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 3 of Part 1 of Schedule 12A of the Act."

15. Executive and Committees - Exempt

To receive the exempt minutes (reproduced in the Council Minute Book), to answer questions (if any) in accordance with Council Procedure Rule 11.5 and to consider any recommendations.

- (a) Executive – 26 May 2020
- (b) Employment Committee – 9 July 2020

12/EC Options to replace the post of Chief Executive

This recommendation will be dealt with separately at item 16 of this agenda.

16. Options to replace the post of Chief Executive

To consider the report of the Executive Head of Transformation and the recommendation from the Employment Committee (report to follow.)

17. Review of Exempt Items

To review those items or parts thereof which can be released as information available to the public.

Windlesham Community Governance Review - Next Steps

Portfolio:	Non-executive function
Ward(s) Affected:	Bagshot; Lightwater; Windlesham & Chobham

Purpose of Report

The purpose of this report is to enable the Council to make a formal decision on the governance arrangements of the Windlesham Parish area and determine the recommended options for the second stage of the Community Governance Review consultation.

1. Reasons for Recommendations

- 1.1 It is necessary for the Council to formally conclude the Windlesham Community Governance Review (CGR) in line with the statutory timetable which is scheduled to finish on 31 July 2020.
- 1.2 It should be noted that due to the Covid-19 pandemic it was not practicable to undertake further consultation during the period of Government imposed lockdown. Legal advice on the implications of extending a CGR beyond its statutory timeframes concluded that given the unprecedented nature of the pandemic this was an appropriate way forward and interested parties were informed of the decision to pause the CGR.

2. Background

- 2.1 In May 2019, the Council received a Community Governance Petition calling on the Council to “create a separate and devolved parish council for Windlesham village and residents only”. The petition was subsequently deemed to be valid, a Community Governance Review was triggered and an initial consultation on the petition’s request took place between August and October 2019.
- 2.2 At the close of the consultation period, 668 individual responses had been received, which equates to 5.0% of the electorate in the whole of the Windlesham Parish Council area (based on electorate figures at 1st September 2019). The consultation elicited a wide range of opinions on the options proposed and a report summarising the outcomes was considered by the Council on 26th February 2020.

Consultative Group Meeting

- 2.3 At its meeting on 26 February 2020, the Council considered the outcomes of the first round of consultation. It was acknowledged that there were differing opinions on the most appropriate way forward and that continuing the status

quo with regard to Windlesham Parish Council was not an option. The Council subsequently resolved that a consultative group would be set up to consider and provide input into the second stage of the Windlesham Community Governance Review. To ensure that all points of view were considered the consultative group would include representatives from:

- Windlesham Parish Council
- Bagshot, Lightwater and Windlesham Residents' Associations and Community Facebook Groups
- The petitioners
- Borough Councillors for the impacted wards
- County Councillors for the impacted wards
- Officers

The Consultative Group met on 18th March 2020.

- 2.4 At its meeting on 18th March 2020, the attendees were informed that the petition to trigger a Community Governance Review had been the result of dissatisfaction amongst residents of Windlesham village over what they perceived to be a disconnect between the Parish Council and local residents. Something that, in the petitioner's view, had been compounded by the Local Government Boundary Commission for England's (LGBCE) 2016 review of the Borough and Parish Council boundaries which resulted in the redrawing of the parish council's wards and what in the petitioners' view was a reduction in representation at parish level for Windlesham residents.
- 2.5 At the meeting, representatives from Windlesham Parish Council (WPC) acknowledged the concerns of the petitioners; however, it was stressed that parish councillors had always considered themselves to have been elected to serve all residents of the parish area and not just those living in the ward that they were elected to represent and that decisions were made on the basis that each of the three villages were considered to be equal partners in the Parish. It was also the Parish Council's contention that the villages' representation would be stronger if they remained as a single entity and that the size of the Parish Council meant that it could leverage certain economies of scale that would not be possible if the Parish Council was broken up.
- 2.6 The Consultative Group was informed that some members of the Parish Council had met prior to the meeting to try and develop a compromise solution that would enable WPC to remain as a single entity whilst at the same time giving the individual villages greater autonomy over local matters. These discussions had given rise to a suggestion that the Parish Council disband its smaller committees and form three new local committees, one for each village. It was proposed that these local committees, of six councillors drawn from the associated wards, would meet on a monthly basis and hold devolved responsibility for any decisions relating to the village it covered. There would be some decisions including, but not limited to, the setting of the precept, signing off the annual accounts and the annual governance statement and personnel matters which would remain subject to approval either by full Council or a Personnel Committee.

- 2.7 The Consultative Group acknowledged that this approach would provide a suitable compromise to the current impasse and the Clerk to the Parish Council had been tasked by the Parish Council to develop this proposal in more detail.
- 2.8 It should be noted that the way that Windlesham Parish Council operates and conducts its business is an internal matter for the Parish Council and not one which the Borough Council has any input into or influence over.
- 2.9 Notwithstanding this, it should be noted that under the current warding arrangements Bagshot has 8 parish councillors, Lightwater has 7 parish councillors and Windlesham has 3 parish councillors. Consequently if membership of a local committees was restricted to the ward members elected to represent that village there is the risk of inefficient and undemocratic decision making occurring in the Windlesham Local Committee.

Windlesham Parish Council Warding Arrangements

- 2.10 One of the drivers for Community Governance Reviews is to ensure that local decision making is efficient and effective. Whilst the Borough Council has no influence over the internal workings of the Parish Council the Community Governance Review process does provide the Borough Council with an opportunity to assist the Parish Council with its internal reorganisation by redrawing the Parish's ward boundaries to provide the Windlesham area with a greater standalone representation on the Parish Council.
- 2.11 The Parish Council would prefer that each village was represented by 6 parish councillors i.e. a reversion to the position that was in place prior to the 2016 Review. It should be noted that the changes made by the 2016 review were brought about in an effort to equalise the electorate:councillor ratio across the Parish and any changes suggested as a result of a community governance review must be approved by the LGBCE. Consequently, this option if it was pursued by the Borough Council is unlikely to gain consent.
- 2.12 An alternative option would be for the Borough Council to recommend to the LGBCE that Windlesham Parish Council's ward boundaries be redrawn so that the parish ward of Bagshot is split into two new wards, namely one that is co-terminus with the current KC: North Windlesham polling district and which would encompass the Snows Ride estate area in the northern part of Windlesham village and a ward covering Bagshot village made up of the areas within the KA and KB polling districts.
- 2.13 Not only would this proposed change provide Windlesham Village with a larger standalone representation on the Parish Council, it would also ensure that the requirements of Schedule 2 of the Local Democracy, Economic Development and Construction Act 2009 ("the 2009 Act") which requires a parish ward to lie wholly within a single borough electoral ward or county electoral division would be met.

- 2.14 If a decision was to be taken to re-ward the Parish Council by restructuring the current ward of Bagshot into two new wards (one covering Bagshot and the other encompassing the northern area of Windlesham) then it is suggested that the two wards created should be named Bagshot and Windlesham North and that the current Windlesham ward be renamed Windlesham South.

Windlesham Parish Council Ward Member Allocation

- 2.15 If the Council was to pursue this option, a view would need to be taken on how many councillors would represent each ward. Windlesham Parish Council has indicated that it considers the current number of ward councillors (18) to be an appropriate number to enable it to conduct its business effectively and efficiently.
- 2.16 It is incumbent on the Borough Council to ensure that any alterations to the current representation do not hinder or constrain the Parish Council's work, either through nominating a level of councillors that is so great that decision making becomes unwieldy nor so small that decision making is no longer robust and is liable to gerrymandering. The Council has received no information to suggest that the current size of WPC is inappropriate, and taking the views of WPC into account, it is considered appropriate that the size of WPC remain at its current level of 18 councillors.
- 2.17 The current breakdown of Councillor:Electorate ratio by ward is set out in table 1 below;

Table 1 – Current Electorate Representation			
Ward Area	Councillors	Electorate*	Councillor: Elector ratio
Bagshot	8	5,675	1:709
Lightwater	7	5,466	1:781
Windlesham	3	2,464	1:821
Total WPC Area	18	13,605	1:756

*Electorate based on Electoral Register figures as at 1st March 2020

- 2.18 Taking into account the need to ensure that the ratio of councillors to electorate is balanced across the wards, alongside the LGBCE's 2016 decision to reduce the number of councillors in Windlesham and the reasoning set out at paragraph 2.16 above for keeping the number of councillors at 18, it is proposed that the number of councillors for the new Bagshot ward be set at 6 and the number of councillors for the new Windlesham North ward be set at 2. The number of Councillors in the renamed Windlesham South ward would remain at 3.
- 2.19 This would give the village of Windlesham an overall Councillor:Electorate ratio of 1:706 a figure that puts it roughly in line with Bagshot and Lightwater

villages at 1:769 and 1:787 respectively. A detailed breakdown can be found in the following table.

Table 2 – Proposed Electorate Representation				
Ward Area	Councillors	Electorate*	Councillor: Elector ratio	
Bagshot	6	4,611	1:769	
Lightwater	7	5,466	1:781	
Windlesham North	2	1,064	1:532	1:706 (5 councillors in total)
Windlesham South	3	2,464	1:821	
Total WPC Area	18	13,605	1:756	

*Electorate based on Electoral Register figures as at 1st March 2020

- 2.20 It is proposed that, if approved, these arrangements be introduced at the next Parish Council elections in May 2023. In the interim it would be for WPC to decide which of their Councillors sat on the Windlesham Local Committee.

Parish Council Name

- 2.21 The Consultative Group's discussions raised the concern that the name of the Parish Council could be considered an anomaly which resulted in confusion with many residents believing that it did not provide services to their village. In the course of the discussions, the Parish Council indicated that, notwithstanding the historic nature of the Parish Council's name, they would be amenable to changing the name to better reflect the nature of its geographical area.
- 2.22 The name of an existing parish council can be changed through community governance reviews under section 82 of the Local Government and Public Involvement in Health Act 2007 and the Borough Council as the principal authority could make a change as part of the current Windlesham CGR. Alternatively, Section 75 of the Local Government Act 1972 makes provision the Principal Area Authority to change the name of a parish at the request of that Parish Council.
- 2.23 During the discussions whilst there was no consensus on an alternative name, a number of suggestions were made including The Three Villages Parish Council and Bagshot, Lightwater and Windlesham Parish Council. The Borough Council would be minded to be guided on the outcome of any recommendations from WPC on this matter.

Next Steps

- 2.24 In view of the strength of feeling generated by the CGR, it is considered incumbent on the Borough Council to conduct a second round of consultation on any proposed changes to WPC. In view of the CGR timetable and the

restrictions placed on residents by the Covid-19 Pandemic these could be light touch and consist of a letter to all households, information on the Council's website and messages distributed through the Council's social media networks. The consultation would inform residents of the preferred course of action and invite any feedback.

3 Resource Implications

3.11 To date, all the work carried out to progress the Community Governance Review including the cost of the initial consultation has been absorbed into existing budgets. This has included, but is not limited to:

- Postage of first round consultation letters to all eligible voters - £3,500 approximately
- Legal Advice - £2,900 (Excl. VAT)

3.12 Depending on the nature of the consultation, costs would range from £3,500 for a similar consultation as in the first stage to £13,000 for a formally run postal advisory poll. It should be noted that there is currently no specific budget provision for these additional costs.

4 Alternative Options

4.1 Alternative options include:

- i. To keep the current status quo and not proceed with any further consultation.
- ii. To develop an alternative electoral arrangement for Windlesham Parish.

4.2 It must be noted that the recommendations set out in section 2 of this report represent a way forward that was negotiated and agreed by the Consultative Group.

4.3 It should also be noted that, notwithstanding any decision by this Council in its capacity as the Principal Authority, and the costs incurred therein, any decision on whether to alter the existing arrangements for Windlesham Parish Council would still be subject to the approval of the Local Government Boundary Commission for England.

5 Recommendations

5.1 The Council is advised to RESOLVE that:

- (i) A second round of consultation is undertaken in the Windlesham Parish area with the following recommended options:

That:

- a. A new parish ward co-terminus to the current KC polling district is created and named Windlesham North ward of Windlesham Parish Council

- b. A new parish ward co-terminus with the KA and KB polling districts be created and named Bagshot Ward of Windlesham Parish Council
 - c. The Windlesham ward of Windlesham Parish Council be renamed Windlesham South ward of Windlesham Parish Council
 - d. Windlesham Parish Council be renamed to better reflect its geographical boundaries;
- (ii) A report be brought back to Council setting out the outcome of the second round of consultation and making final recommendations on the Windlesham Community Governance Review;
- (iii) The Community Governance Review timetable be updated, as set out at Annex A to this report; and
- (iv) Windlesham Parish Council's undertaking to fundamentally restructure its governance process be noted.

Background Papers: None

Annexes None

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Executive Head of Service: Richard Payne – Electoral Registration Officer and Returning Officer

Community Governance Review – Revised Timetable

Stage 1	1	Report to full Council	24 July 2019	Council determines terms of reference of community governance review
	2	Publish terms of reference	5 August 2019	Council publishes terms of reference and notifies stakeholders of the commencement of the review.
	3	Initial consultation period on the options set out in the terms of reference	5 August 2019 to 28 October 2019 (12 weeks)	Consultation letters to: <ul style="list-style-type: none"> • every household in Windlesham parish • Surrey County Council • Borough and County Councillors in the affected area • Windlesham Parish Council • Borough councillors representing those parishes • Local residents' and amenity groups operating within those parishes • Local businesses operating within those parishes
	4	Consider responses to initial consultation	29 October 2019 31 December 2019	Consider submissions and prepare draft recommendations for report to Council
	5	Report to full Council	26 February 2020	Council to receive details of outcome of initial consultation and consider draft recommendations
	6	Publish draft recommendations	9 March 2020	Council publishes draft recommendations for further consultation.
Stage 2	7	Initial Working Group Meeting	18 th March 2020	
	8	Council Meeting	22 July 2020	
	9	Consultation Starts	w/c 3 August 2020	First week of August
	10	Consultation Period Finishes	1 September 2020	4 week period
	11	Consider responses to further	2 September – 30 September	Consider further submissions and prepare final

Annex A

	consultation	2020	recommendations for report to Council
12	Report to full Council	14 October 2020	Council to receive details of outcome of further consultation and consider final recommendations
13	Publish final recommendations	19 October 2020	Publish final recommendations
14	Final recommendations submitted to the LGBCE for consultation	w/c 19 October 2020	LGBCE to confirm if it agrees to the changes to the protected electoral arrangements.

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Governance Working Group

Portfolio:	Non-executive function
Ward(s) Affected:	all

Purpose:

The Council is asked to consider the recommendations of the Governance Working Group in relation to:

- (i) the Employment Committee and its Sub Committees; and
- (ii) Financial Regulations in respect of ex-gratia payments.

1. Background

- 1.1. The Working Group met on 29 May 2020. At this meeting it considered a number of issues and made recommendations which are addressed below.

2. Review of the Employment Committee

- 2.1. The Working Group reviewed the purpose and Terms of Reference of the Employment Committee (EC) and its sub committees following several months of operation.

Grievance and Disciplinary Processes for Senior Staff

- 2.2. The Working Group reviewed the process for managing disciplinary and grievances for senior officers. At present, all disciplinary and grievances relating to Statutory Officers are referred to a Hearing Sub Committee for determination by Members, but for non-statutory senior officers the responsibility rests with the Head of Paid Service; however, in cases where there is a conflict of interest, the Head of Paid Service can refer the matter to Members to determine.
- 2.3. The Group considered a suggestion that disciplinary and grievances for all senior officers are referred to Members for determination. Having discussed this proposal, the Working Group recommends that the Head of Paid Service remains responsible for any disciplinary and grievances for non-statutory senior officers. However, it proposes strengthening the wording on the Head of Paid Service referring any matters to a Sub Committee in the event of the Head of Paid Service being conflicted by reasons of impartiality, prior involvement or other relevant considerations.

Exceptional Payments to Senior Officers and Acting Up to Senior Roles

- 2.4. The Working Group considered a proposal to amend the Exceptional Payments Policy to make it clear that, with the exception of Acting Up Allowances, the Policy would apply to officers on Grades 1-9 only. It also considered a proposal to amend the EC's Terms of Reference to state that the

Committee will be responsible for agreeing any ex gratia payments to senior officers, unless a decision on such payments is reserved to the Council.

- 2.5. The Working Group recommends that the Appointment Sub Committee's Terms of Reference are amended to clarify that any acting up appointments to senior roles will be made by an Appointments Sub Committee; this will be applicable where the duration of the acting up role is greater than a month. It also recommends that any Acting Up Allowances agreed in relation to senior officer roles will be decided by an Appointments Sub Committee at the time of interview for an acting up role.

Incremental rises for the Head of Paid Service

- 2.6. The Working Group discussed the process for review of the remuneration for the Head of Paid Service, including incremental rises, which is currently reserved for decision by the Full Council. Incremental progression through pay scales is based upon the assessment of performance in annual appraisals and the EC's Terms of Reference provide for the Committee to review all appraisals for the Head of Paid Service. As a result, the Working Group discussed whether decisions on incremental rises for the Head of Paid Service should be made by the EC, rather than the Council.
- 2.7. Taking into account concerns raised about the contractual nature of incremental rises and legal advice provided, the Working Group agreed on balance to recommend that the EC should make any decisions on incremental rises for the Head of Paid Service.

Senior Management Restructures and Recruitment of a Chief Executive

- 2.8. The Working Group supported additions to the Committee's Terms of Reference to include a clear process for agreeing senior management restructures and any process for the recruitment of a Chief Executive.

Minor Amendments

- 2.9. A minor amendment to the Scheme of Delegation of Functions to Officers to reflect the delegation of functions to the Employment Committee is proposed and is set out at Annex C.

3. Review of Financial Regulations - ex-gratia payments

- 3.1. The Working Group considered revisions to Section 9 of Financial Regulations, which have been reviewed with the intention of addressing Browne Jacobson's Independent Investigation recommendation in respect of the authorising of advance or ex gratia payments to senior officers.
- 3.2. The Working Group proposes that Financial Regulations are updated to provide that:
 - (a) Any ex-gratia payments to Statutory Officers or the Executive Head of Transformation must be authorised by 2 statutory officers, excluding themselves;

- (b) Any ex-gratia payments to non- Statutory Officers, excluding the Executive Head of Transformation, must be authorised by the Executive Head of Transformation and a statutory officer; and
- (c) In order to provide sufficient resilience, in the absence of the officers named at (a), the Deputy Monitoring Officer and Deputy Section 151 Officer can authorise ex-gratia payments to Statutory Officers and the Executive Head of Transformation.

3.3. The arrangements at paragraph 3.2 concern the authorisation of the payments, which would only be undertaken after any decision of the Employment Committee or Full Council as relevant.

4. Options

4.1. The Council has the option to agree the changes proposed, not agree these proposals, or propose any other alternatives as considered appropriate.

5. Resource Implications

5.1. Any resource implications relating to the proposals relate to opportunity costs which can met from within existing budgets.

6. Recommendation

6.1. The Council is advised to RESOLVE that

- (i) the Terms of Reference of the Executive, Committees and Other Bodies at Part 3 of the Constitution, be amended as set out at Annex A to this report;
- (ii) the Officer Employment Rules at Part 4 of the Constitution be amended as set out at Annex B to this report;
- (iii) the Scheme of Delegation of Functions to Officers at Part 3 of the Constitution, be amended as set out at Annex C to this report; and
- (iv) Financial Regulations be amended, as set out at Annex D to this report.

Annexes

Annex A – Proposed revised Terms of Reference of the Employment Committee and its sub committees.
Annex B – Proposed revised Officer Employment Rules
Annex C – Proposed revised Scheme of Delegation of Functions to Officers
Annex D – Proposed revised Financial Regulations (ex-gratia payments)

Background Papers:

None

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Executive Head of Service:

Richard Payne – Executive Head of Corporate

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PART 3 - RESPONSIBILITIES FOR FUNCTIONS

SECTION E

TERMS OF REFERENCE OF THE EXECUTIVE, COMMITTEES AND OTHER BODIES (extract)

EMPLOYMENT COMMITTEE

1.1 To agree amendments to Terms and Conditions of Employment for Staff and Human Resources policies, as referred by the Joint Staff Consultative Group.

1.2 To recommend the annual staff pay award to the Council.

~~1.3 In accordance with the procedures at Part 4, Section J of the Constitution, to oversee any disciplinary allegations regarding disciplinary matters relating to the Statutory Officers of the Council, namely the Head of Paid Service, Monitoring Officer, and Chief Finance Officer (Section 151 Officer), or any grievances raised by or against a Statutory Officer.~~

~~4.41.3~~ To set the Terms of Reference for an Independent Investigation as relevant.

~~1.5 To receive any reports from the Independent Investigator and refer any matters to a Hearing Sub-Committee, as appropriate.~~

~~4.61.4~~ To decide whether to suspend a Statutory Officer.

~~1.5~~ To make recommendations to the Council for any mutually agreed departures for a Statutory Officer.

~~4.71.6~~ To agree any mutually agreed departures for a non-Statutory Executive Head of Service or Head of Service.

~~4.81.7~~ To undertake any review of the remuneration for the Head of Paid Service ~~including, where relevant, incremental progression, or any payments in accordance with the Exceptional Payments Policy,~~ and make any relevant recommendations to the Council.

~~4.91.8~~ To review all appraisals for the Head of Paid Service and, where relevant, agree any incremental progression.

~~1.9~~ In the absence of the Head of Paid Service, to make any decisions on payments to senior officers (Tier 2 officers) in accordance with the Exceptional Payments Policy.

~~1.10~~ To make any decisions on ex-gratia payments to the Chief Executive, Executive Heads of Service and Heads of Service in accordance with Financial Regulations.

~~1.11~~ To consider any recommendations for senior management restructures and make recommendations to the Full Council.

~~4.101.12~~ To agree the recruitment process for the Chief Executive/ Head of Paid Service.

APPOINTMENTS SUB COMMITTEE

- 1.1 This Sub Committee is a sub-committee of the Employment Committee, to be made up of 5 members of the Employment Committee, to be appointed by the Executive Head of Corporate.
- 1.2 To shortlist and interview candidates for the post of Chief Executive and to make recommendations to Council.
- 1.3 To interview and appoint staff to the posts of Executive Head of Service and Head of Service.
- 1.4 To interview candidates to act up to the Chief Executive role and make recommendations to Council.
- 4.31.5 To interview and appoint staff to Acting Up roles in relation to Executive Head of Service and Head of Service positions.
- 4.41.6 To recommend the appointment of the Head of Paid Service, the Monitoring Officer and the Section 151 Officer.
- 1.7 To interview applicants for the role of Independent Person and to make recommendations as to the appointment to Council in accordance with Section 28 of the Localism Act 2011.
- 4.51.8 The Appointments Sub Committee will be supported by a senior officer and a Human Resources officer.

HEARING SUB COMMITTEE

- 1.1 This Sub Committee is a sub-committee of the Employment Committee, to be made up of 3 members of the Employment Committee, to be appointed by the Executive Head of Corporate.
- 1.2 To ~~appoint an Independent Investigator to investigate~~ receive any grievances or allegations of misconduct ~~against concerning any Statutory Officers or any grievances by Statutory Officer,~~ and determine whether to commission reports from an Independent Investigator, or to take no further action.
- 1.3 To hear and determine any grievance or disciplinary matters relating to a Statutory Officer.
- 1.4 Where the disciplinary action proposes the dismissal of a Statutory Officer, to refer the decision to an Independent Panel and the Council.
- 1.5 To receive any grievances or allegations of misconduct concerning non- statutory Executive Head of Service or Head of Service, as referred by the Head of Paid Service, and determine whether to commission reports from an Independent Investigator, or to take no further action.
- 4.51.6 To hear any grievance or disciplinary matters against an Executive Head of Service or Head of Service, as referred by the Head of Paid Service.
- ~~1.6~~ ~~To hear and determine any grievance raised by or against a Statutory Officer.~~

1.7 The Hearing Sub Committee will be supported by a Human Resources officer.

APPEALS SUB COMMITTEE

- 1.1 This Sub Committee is a sub-committee of the Employment Committee to be made up of 3 members of the Employment Committee, to be appointed by the Executive Head of Corporate.
- 1.2 To hear and determine any appeals made by a Statutory Officer in respect of any disciplinary action taken against them by the Council, with the exception of where the Council has made a decision to dismiss that officer.
- 1.3 To hear and determine any appeal regarding disciplinary action taken against any Executive Head or Head of Service.
- 1.4 To hear and determine any appeal relating to a grievance raised by or against a Statutory Officer or an Executive Head of Service or Head of Service.

1.5 The Appeals Sub Committee will be supported by a Human Resources officer.

INDEPENDENT PANEL

- 1.1 To review any recommendations to dismiss a Statutory Officer and compile a recommendation to the Full Council in respect of this decision.

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PART 4 - PROCEDURAL RULES
SECTION J
OFFICER EMPLOYMENT RULES

1. Recruitment and appointment

1.1 Declarations

- (a) The Council will draw up a statement requiring any candidate for appointment as an officer to state in writing whether they are the parent, grandparent, partner, child, stepchild, adopted child, grandchild, brother, sister, uncle, aunt, nephew or niece of an existing councillor or officer of the Council; or of the partner of such persons.
- (b) No candidate so related to a councillor or an officer will be appointed without the authority of the Chief Executive or an officer nominated by him/her.

1.2 Seeking support for appointment

- (a) Subject to paragraph (c), the Council will disqualify any applicant who directly or indirectly seeks the support of any councillor for any appointment with the Council. The content of this paragraph will be included in any recruitment information.
- (b) Subject to paragraph (c), no councillor will seek support for any person for any appointment with the Council.
- (c) Nothing in paragraphs (a) and (b) above will preclude a councillor from giving a written reference for a candidate for submission with an application for appointment.

2. Recruitment of Head of Paid Service (Chief Executive), Executive Heads of Service and Heads of Service

Where the Council proposes to appoint the Head of Paid Service (Chief Executive), Executive Heads of Service, and Heads of Service and it is not proposed that the appointment be made exclusively from among existing officers, the Council will:

- (a) draw up a statement specifying:
 - (i) the duties of the officer concerned; and
 - (ii) any qualifications or qualities to be sought in the person to be appointed;

- (b) make arrangements for the post to be advertised in such a way as is likely to bring it to the attention of persons who are qualified to apply for it; and
- (c) make arrangements for a copy of the statement mentioned in paragraph 1 to be sent to any person on request.

3. Appointment of Head of Paid Service (Chief Executive)

- (a) The Full Council will approve the appointment of the Head of Paid Service (Chief Executive) following the recommendation of such an appointment by a committee or sub-committee of the Council. That committee or sub-committee must include at least the Leader or one Member of the Executive.
- (b) The Full Council may only make or approve the appointment of the Head of Paid Service (Chief Executive) where no well-founded objection, as determined by the Monitoring Officer, has been made by the Leader or any Member of the Executive.

4. Appointment of Monitoring Officer and Section 151 Officer (Chief Finance Officer)

- (a) The Full Council will approve the appointment of the Monitoring Officer and Section 151 Officer (Chief Finance Officer).
- (b) The Full Council may only make or approve the appointment of the Monitoring Officer and Section 151 Officer (Chief Finance Officer) where no well-founded objection, as determined by the Monitoring Officer, has been made by the Leader or any Member of the Executive.

5. Appointment of Executive Heads of Service and Heads of Service

- (a) A committee or sub-committee of the Council will appoint the Executive Heads of Service and Heads of Service. That committee or sub-committee must include at least the Leader or one Member of the Executive.
- (b) An offer of employment as the Executive Heads of Service or Head of Service will only be made where no well-founded objection, as determined by the Monitoring Officer, from the Leader or any Member of the Executive has been received.

6. Other appointments

(a) Officers below Head of Service

Appointment of officers below Heads of Service level is the responsibility of the Head of Paid Service or his/her nominee, and may not be made by councillors.

(b) **Deputy Monitoring Officer and Deputy Section 151 Officer**

The appointment of the Deputy Monitoring Officer is the responsibility of the Monitoring Officer and the appointment of the Deputy Section 151 Officer is the responsibility of the Section 151 Officer.

7. **Disciplinary action**

(a) **Suspension**

The Head of Paid Service, Monitoring Officer and the Section 151 Officer may be suspended by the Council, the Employment Committee or, where short notice is required, by the Executive Head of Transformation on the instruction of the Employment Committee Chairman for up to 10 working days pending further decision by the Employment Committee, whilst an investigation takes place into alleged misconduct.

(b) **Disciplinary Process**

Any disciplinary action taken in respect of Statutory Officers, will be conducted in accordance with the following:

- (i) Any allegations of misconduct will be ~~refer to~~ referred the to Employment a Hearing Sub Committee which will decide whether to appoint an Independent Investigator to investigate the allegations or whether no further action should be taken.
- (ii) Where an investigation is appointed, ~~the Employment that~~ Hearing Sub Committee will receive the investigator's report and consider whether to refer the matter to a new Hearing Sub Committee, or whether no further action should be taken.
- (iii) A Hearing Sub Committee will consider whether the allegations are substantiated and, if so, whether one of the following outcomes is appropriate:
 - a) Dismissal;
 - b) Disciplinary action short of dismissal;
 - c) Informal action, such as training or mentoring;
 - d) No further action.
- (iv) In cases where the recommended action is dismissal of a Statutory Officer, an Independent Panel will be appointed in accordance with Regulations¹ and the decision maker must have regard to (A) any advice, views and recommendations of the

¹ Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015

panel, (B) the conclusions of any investigation into the proposed dismissal and (C) any representations from the relevant officer.

- (v) In cases where the recommended action is dismissal of a Statutory Officer, the decision will be referred to the Full Council for decision, having followed the process at (iv) above.
- (vi) An Appeals Sub Committee will consider any appeals by a Statutory Officer to any disciplinary action taken against them where the action imposed falls short of dismissal.

Any initial disciplinary action taken in respect of non-statutory Executive Heads of Service and Heads of Service will be dealt with under authority delegated to the Head of Paid Service. However, it may on occasion be appropriate for a matter to be referred by the Head of Paid Service to Members, in which case the matter will be conducted in accordance with (i) – (iii) above.

(vii) An Appeals Sub Committee will consider any appeals by a non-Statutory Executive Head of Service and Heads of Service to any disciplinary action taken against them.

(viii) All Disciplinary processes considered by Councillors will be carried out in accordance with the Disciplinary & Grievance Policy and Procedures for Statutory and ~~Other Senior Officers~~ non-Statutory CMT Officers in the Council's HR Policies and Procedures.

(c) **Officers below Head of Service**

Councillors will not be involved in the disciplinary action against any officer below Head of Service level except where such involvement is necessary for any investigation or inquiry into alleged misconduct, though the Council's disciplinary, capability and related procedures, as adopted from time to time may allow a right of appeal to members in respect of disciplinary action.

8. **Dismissal**

Councillors will not be involved in the dismissal of any officer below Head of Service level except where such involvement is necessary for any investigation or inquiry into alleged misconduct, though the Council's disciplinary, capability and related procedures, as adopted from time to time may allow a right of appeal to members in respect of dismissals.

9. **Grievances**

- (a) Any grievances raised by or against a Statutory Officers, will be heard by a Hearing Sub Committee. Any appeals will be heard by an Appeals Sub Committee.

- (b) Except in cases where (c) applies, any grievances raised by or against a non-Statutory Executive Head of Service or Head of Service will be dealt with by the Head of Paid Service.
- (c) Any grievances raised by or against a non-Statutory Executive Head of Service or Head of Service ~~may~~ must be referred by the Head of Paid Service for determination by a Hearing Sub Committee, where reasons of impartiality, or other relevant considerations, make it appropriate to do so.
- ~~(b)~~(d) Any appeals relating to grievances for Statutory Officers and non-Statutory Executive Heads of Service or Heads of Service will be referred to an Appeals Sub Committee for determination.
- ~~(c)~~(e) All Grievances considered by Councillors will be carried out in accordance with the Disciplinary ~~& and the~~ Grievance Policy and Procedures for Statutory and ~~Other Senior Officers~~non-Statutory CMT Officers in the Council's HR Policies and Procedures.

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PART 3 – RESPONSIBILITIES FOR FUNCTIONS

SECTION B

SCHEME OF DELEGATION OF FUNCTIONS TO OFFICERS

(Extract)

Head of Paid Service

	Authority	Function
1.	<p>To make all decisions in relation to Human Resources functions in accordance with the Council's Policies and within budgetary provision, except (a), (b), (c), and (d) below which are reserved to Full Council, (e) <u>and (f)</u> which <u>are</u> resolved to the Employment Committee, and (g) which is reserved to the Appointments Sub Committee:</p> <p>(a) the appointment of the Chief Executive and the statutory posts;</p> <p>(b) the adoption of the annual Pay Policy Statement;</p> <p>(c) the approval of and amendments to the Pension Policy Statement;</p> <p>(d) the settlement of any staff pay award;</p> <p><u>(e)</u> amendments to Terms and Conditions of Employment for Staff and Human Resources Policies;</p> <p><u>(e)(f)</u> <u>any other decisions identified in the Employment Committee's Terms of Reference;</u> and</p> <p><u>(f)(g)</u> the appointment of Executive Heads and Heads of Service.</p>	Non-executive

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SURREY HEATH BOROUGH COUNCIL FINANCIAL REGULATIONS (extract)

APRIL 2016

9. Salaries, Wages, Pensions and Expenses

9.1 Salaries, Wages and Pensions

9.1.1 The Executive Head of Transformation will pay all salaries, wages, pensions, compensations etc. to all employees or former employees of the Council. This will be under arrangements approved and controlled by the Executive Head of Finance in consultation with the Executive Head of Transformation.

9.1.2 The Chief Executive, Executive Head of Service or Head of Service concerned must notify the Executive Head of Transformation who will in turn notify the Executive Head of Finance as soon as possible of anything affecting such payments, particularly:

- appointments, resignations, dismissals, retirements, redundancies, deaths, suspensions, secondments and transfers;
- absence from duty due to sickness, maternity, compassionate or unpaid leave;
- all changes in remuneration for employees on Surrey Heath Borough Council conditions of contract;
- changes in remuneration apart from normal increments, pay awards and agreements affecting all other employees;
- information necessary to maintain records of service for superannuation, income tax, national insurance and similar matters.

9.1.3 All employees must be appointed in accordance with the Regulations of the Council and the approved establishments, grades and rates of pay.

9.1.4 All time records or other pay documents must be in a form set or approved by the Executive Head of Transformation. Line managers are responsible for approving officer timesheets, as necessary.

9.2 Travel, subsistence and other allowances

9.2.1 The Executive Head of Finance is responsible for the payment of expense claims by staff in accordance with the Council's travel and subsistence policy, Mileage claims are the responsibility of the Executive Head of Transformation and are paid through the payroll system. These officers will:

- (i) Make arrangements for paying all authorised travel and subsistence claims.
- (ii) Ensure that taxable allowances and benefits are accounted for, recorded and returned, where appropriate, to HM Revenue and Customs.

9.2.2 Certification of travel and subsistence claims is taken to mean that journeys were authorised and expenses properly and necessarily incurred for business purposes, and that allowances are properly payable by the Council, ensuring that cost-effective use of travel arrangements is achieved.

9.2.3 Claims by Officers

All claims for payment of officers' car allowances, subsistence allowances, travelling and incidental expenses incurred on official duty must be properly certified by an authorised officer and submitted to Payroll or Finance as appropriate on the approved form or using the electronic kiosk. The signatory must ensure that proper documentation to support mileage and other items claimed is supplied by the claimant.

9.2.4 All claims for the payment of work or qualification training and course expenses (provided prior approval for the course has already been granted), including related subsistence and travel expenses, must be signed off by an authorised signatory in the same service. The claim should be submitted to Human Resources for certification but if high level then the Executive Head of Transformation. Claims for conference expenses must be signed by a properly authorised officer and submitted to the Executive Head of Finance.

9.2.5 Claims by Members

Payments to members, including co-opted members of the Council or its committees, and to officers who are entitled to claim travelling or other allowance, must be made by the Executive Head of Corporate on receipt of the properly completed claim form.

9.2.6 Certification by or on behalf of the Chief Executive, Executive Head of Service or Head of Service means that the certifying officer is satisfied the journeys were authorised, expenses properly and necessarily incurred and that the allowances are properly payable by the Council.

9.3 Ex-Gratia Payments

9.3.1 Ex-gratia payments are one-off payments made to an employee or former employee as a gesture of goodwill, and not because there is a legal or

contractual obligation to do so. They include compromise settlement agreements and other payments made for loss of office.

- 9.3.2 All ex-gratia payments made to staff below Head of Service level must be approved by the Chief Executive, after consultation with the Section 151 Officer and the Executive Head of Transformation.
- 9.3.3 All ex-gratia payments made to the Chief Executive, Executive Heads of Service, or Heads of Service must be approved by the Employment Committee, unless the decision is reserved to the Full Council.
- 9.3.4 Any ex-gratia payments to the Chief Executive, another Statutory Officer, or the Executive Head of Transformation, as agreed by the Employment Committee or Full Council, must be authorised by two of the Head of Paid Service, the Monitoring Officer or the Section 151 Officer. In the absence of these officers, the Deputy Monitoring Officer or Deputy Section 151 Officer can authorise these payments. An officer must not authorise a payment to him or herself.
- 9.3.5 Any ex-gratia payments to Executive Heads of Service or Heads of Service, excluding Statutory Officers and the Executive Head of Transformation, as agreed by the Employment Committee, must be authorised by the Executive Head of Transformation and a Statutory Officer.

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