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DATE: 11 January 2011

To: Members of the  
**STANDARDS COMMITTEE**

Dr Simon Davey (Chairman)

Mr Jonathan Prince (Vice-Chairman)

Mr Richard Allen, Councillor Peter Dean, Councillor Peter Fookes, Mr Nicholas Marcar, Councillor Alexa Michael, Councillor Tom Papworth and Councillor Stephen Wells

A meeting of the Standards Committee will be held at Bromley Civic Centre on  
**WEDNESDAY 19 JANUARY 2011 AT 7.00 PM**

MARK BOWEN  
Director of Legal, Democratic and  
Customer Services.

## A G E N D A

- 1 **APOLOGIES FOR ABSENCE**
- 2 **DECLARATIONS OF INTEREST**
- 3 **MINUTES OF THE MEETING HELD ON 7TH JUNE 2010 AND MATTERS ARISING**  
(Pages 3 - 14)
- 4 **QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING**  
To hear questions in writing by the Director of Legal, Democratic & Customer Services by 5pm on Thursday 13<sup>th</sup> January and to respond.
- 5 **DISPENSATIONS**  
To consider any requests received for dispensations from Members of the Authority.
- 6 **CODE OF CORPORATE GOVERNANCE** (Pages 15 - 34)

**Mark Gibson, the Council's Chief Internal Auditor, will attend to lead a discussion on the report.**

**7 THE LOCALISM BILL**

**The Monitoring Officer, Mark Bowen, will make a presentation on the implications of the Localism Bill, published in mid-December. The Chief Executive and Leader of the Council have been invited to participate in the discussion that will follow.**

**8 MONITORING OFFICER'S GENERAL REPORT (Pages 35 - 38)**

**9 RAISING CONCERNS - ANNUAL REPORT (Pages 39 - 48)**

**10 ETHICAL INDICATORS (Pages 49 - 52)**

**11 STANDARDS COMMITTEE WORK PROGRAMME (Pages 53 - 54)**

**12 LOCAL GOVERNMENT ACT 1972 AS SUBSEQUENTLY AMENDED**

**The Chairman to move that the Press and public be excluded during consideration of the items of business listed below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of confidential information.**

**Items of Business**

**Schedule 12A Description**

**13 COMPLAINTS (IF ANY)**

## STANDARDS COMMITTEE

Minutes of the meeting held on 7 June 2010

### Present:

Dr Simon Davey (Chairman)  
Mr Jonathan Prince (Vice-Chairman)  
Mr Richard Allen, Councillor Peter Fookes, Mr George Kidd, Mr Nicholas Marcar, Councillor Alexa Michael and Councillor Tom Papworth

### Also Present:

Councillor John Getgood  
Mr Bob McQuillan, Chief Planner

#### **1 ELECTION OF CHAIRMAN**

Dr Simon Davey was elected as Chairman for the Municipal Year 2010/11, with Mr Jonathan Prince elected as Vice-Chairman.

The Chairman welcomed new members of the Committee attending their first meeting (Mr Kidd, Mr Allen, Councillor Alexa Michael and Councillor Tom Papworth).

Martin Curry, who had served for some time on the Committee, was no longer a councillor; the Committee agreed that it would be appropriate to express its appreciation for the valuable contribution he had made over that period.

**RESOLVED that the Monitoring Officer be requested to write to Martin Curry on behalf of the Committee expressing its appreciation and thanks.**

#### **2 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Peter Dean and Councillor Stephen Wells.

#### **3 DECLARATIONS OF INTEREST**

Mr Nicholas Marcar declared a potential prejudicial interest in the matters discussed under Minute 8, Discussion with the Chief Planner, due to current personal dealings with that department; he withdrew from the meeting for this item and took no part in the discussions.

#### **4 MINUTES OF THE MEETING HELD ON 9TH MARCH 2010 AND MATTERS ARISING**

The Committee were interested to see a copy of the results report for the staff survey (Minute 43) as soon as practicable; and they agreed to invite the Assistant Chief Executive (Human Resources) to discuss any areas with specific ethical dimensions at their meeting in February.

Whilst disappointed not to win the LGC Standards and Ethics award category, the Committee expressed its appreciation for the effort that had gone into preparing and presenting the submission by Mark Bowen, Sheila Bennett and Jonathan Prince.

**RESOLVED that the Minutes of 9<sup>th</sup> March 2010 be agreed as a correct record.**

**5 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING**

There were none.

**6 DISPENSATIONS**

No requests had been received.

**7 MATTERS ARISING FROM PREVIOUS MEETINGS**

The Committee were pleased with the format of the report put forward.

They noted the items that had already been pursued and achieved, and requested that these be retained as a running record of issues completed.

It was agreed that the Assistant Chief Executive (Human Resources) should be invited to the Committee's February meeting.

Pursuing the issues outstanding concerning pursuing further opportunities for joint working and the composition of independent member recruitment panels had been held over pending some indication of the overall future approaches to local government standards issues, although on the former point it was noted that the Council already had cooperation protocols in place with Kent, Bexley and Medway.

**RESOLVED that progress on matters outstanding from previous meetings be noted.**

**8 DISCUSSION WITH CHIEF PLANNER**

The Committee welcomed Bob McQuillan, Chief Planner, who was attending to feed back on responses to issues raised at the October 2009 meeting.

These included:

- Whether changes to sub-committee composition might assist in reducing sensitivities concerned in balancing the role of Councillors as decision-makers on planning applications as opposed to local ward representatives, and consequent perceptions of predetermination.

The Committee's previous concerns and thoughts had been considered, but it was felt that the benefits of the current arrangements outweighed those of alternative approaches such as area based committees. Only one ward had a single councillor where this could prove especially problematic. On the occasions where ward councillors have wished to take a clear stance on a planning matter, there are two options which have been successfully employed. Either the councillor on Plan Sub Committee makes clear the need to avoid predetermination or the ward councillors address the planning committee and leave before the debate and decision takes place. These issues had been covered in new councillor induction sessions focussing on ethical issues. In general it was felt that there was scope for councillors to operate between decision-making and representative roles depending on the issues under consideration without compromising their effectiveness.

- Ways in which planning sub committees could express their disagreement with planning inspectors' decisions where recourse to the courts was unlikely to be economic or effective.

In cases where an appeal decision is not challengeable through the Courts but where Committee have ongoing concerns about the decision, the Council sends a letter to the Quality Assurance section of the Planning Inspectorate highlighting the issues giving rise to disquiet. Whilst there was no direct measure of impact possible it seemed sensible to ensure that these concerns were properly registered so they could be taken account of when decision-making processes and effectiveness were under review..

- Publication of information on the Council's website.

The material published on the website has recently been reviewed and updated, which will be continued to keep abreast of increasingly frequent changes in planning regulations.. Links exist to other areas of independent advice or redress depending on the issue being complained about (process or decision itself) such as the Ombudsman, the Planning Portal and elsewhere the Standards Committee.

- The need for clear summing up by Planning Sub Committee Chairmen

This is now reflected in a clear statement of the reasons for granting permission. Chairmen now ensure that, particularly where the officers recommendation is not agreed, the reasons for the decision is clear. It remains the case that items recommended for refusal on Section 4 of the agenda cannot be permitted unless the application is first deferred so that the reasons for the decision can be fully available.

The Chief Planner advises councillors if he feels that a particular course of action could lay the Council open to challenges resulting in a likelihood of costs being awarded against the Council.

- Quality Assurance processes on reports and information available to the sub-committees to ensure robust decision-making.

Application reports are subject to a number of internal checks so that no one officer is responsible for the report preparation, recommendation and presentation to Committee. A case officer's report is checked by at least two other more senior officers before a recommendation and decision is made. Performance measures tended to focus on objective issues such as time taken to process applications rather than more qualitative issues such as the style or content of reports; although some comfort might be drawn from the high proportion of planning appeals upheld and the lack of adverse Ombudsman judgements in recent years.

- The order in which speakers address planning sub committees.

The present arrangement is that a speaker disagreeing with the recommendation speaks first. It is considered that this gives all speakers the best chance to put their views before sub-committees. It is quite often the case that neither speaker is a planning professional. Given the strength of views often involved in planning issues and the high take-up of the opportunity to address sub-committees on both sides, the absence of complaints or adverse comments about these arrangements would seem to indicate that they were not regarded as a problem.

The department lays a heavy emphasis on standards and ethical issues, with its own local guidance last reviewed in April 2009; the Standards Committee would be invited to contribute thoughts as and when this was next put forward for review and revision.

The Committee thanked Mr McQuillan for attending the meeting and exploring and discussing these issues further.

## **9 DISCUSSION WITH LEADER OF LABOUR GROUP**

The Committee welcomed Councillor John Getgood, Leader of the Labour Group on the Council.

Councillor Getgood stated that he shared Councillor David McBride's comments at the March Standards Committee meeting about the good relations between councillors and officers in the borough; he too supported the Member/Officer protocol, and hoped that it would develop a higher profile for the future.

Whilst believing that the outcome of the Standards Board investigation into concerns about ex-Councillor Willetts' conduct was appropriate, he did express the view that a firmer handling of some of his behaviours in certain

public settings such as Council meetings might have helped to contain the situation more successfully; although it was accepted that this was only one aspect of a series of complaints which covered exchanges with staff in other settings. He also acknowledged that there had been repeated efforts to bring home the impact and gravity of these behaviours to ex-Councillor Willetts by successive Chief Executives (as well as by his own Group) over an extended period of time which had not had any sustained effect on his conduct and that various protocols had been put into place to try and manage his contact with officers at different levels. Whilst no-one had been happy with the length of time taken to bring the investigation to fruition, it was accepted that this was a complicated and difficult process, and that to achieve an appropriate outcome all relevant information had to be carefully and systematically gathered to build an overall picture of the gravity of the situation.

Councillor Getgood also raised some concerns over the acceptance of any hospitality from developers or potential contractors because of the danger of public suspicion about the effect this might have on finely balanced decisions. The Committee noted that detailed guidance was awaited over the next month or so on the implementation of the Bribery Act which had been passed earlier this year, which would cover hospitality amongst other things. The Committee discussed other related issues such as the desirability of publishing material from the Register of interests and details of both hospitality offered and/or accepted. It was agreed that these issues should be pursued further at either the Committee's September or November meeting (depending on when guidance was received) in the light of the wider Bribery Act guidance, and alongside other government guidance on increasing transparency of information available online about public expenditure, hospitality and remuneration.

The Committee discussed other issues with Councillor Getgood such as the ethical dilemmas and issues involved in establishing ways of working within a Council with such a large majority party, in order to balance ward representation and wider scrutiny roles, and to ensure that issues were raised effectively for consideration by decision-makers. The Committee noted the Council's efforts to build in safeguards for minority groups, such as early adoption of a 'councillor call for action' approach in allowing requests for items to go onto scrutiny agendas, and the speaking rights for minority parties not sitting on the Executive enshrined within recent constitutional changes. Councillor Getgood felt that officers were even-handed in providing briefings when requested. The issue of whether committee reports flagged up ethical issues explicitly enough was touched on, and it was decided that this could be revisited during the November discussions on the wider ethical governance framework.

The Committee thanked Councillor Getgood for his attendance, and for stimulating discussion on such important ethical issues.

## **10 MONITORING OFFICER'S GENERAL REPORT**

The Committee received a report covering a variety of issues, in particular speculation concerning future changes to the standards regime following various government announcements over the past few weeks. Currently any proposed changes were unclear, and the current regime remained in force until primary legislation was moved to make any changes. The Committee would be updated and have an opportunity to debate the implications of any proposals as soon as further information emerged although it was unclear when this might be.

The Committee welcomed the inclusion of Standards issues within various induction sessions and materials.

**RESOLVED that the Committee:**

- 1) notes the recent review of the local standards framework issued by Standards for England in March 2010;**
- 2) notes references to changes to the standards regime contained within the May 2010 Conservative-Liberal Coalition agreement**
- 3) notes actions taken to incorporate standards and ethical governance content into the councillor induction programme**
- 4) notes the outcomes of a pan-London Assembly of Standards Committee Chairmen and Monitoring Officers held in February 2010;**
- 5) agrees the attendance of Mr Richard Allen at the Annual Assembly of Standards Committees in October 2010; and**
- 6) notes the outcome of the standards complaint submitted by this Committee to Standards for England for consideration in December 2008**

**11 ETHICAL INDICATORS**

The Committee expressed an interest in certain complaints statistics within the report, and in having more information on how these were handled to secure improvements in processes. As part of the discussion on the ethical audit follow-up at the September meeting the Committee agreed to consider whether this report could be expanded, to complement other discussions on raising the profile of these issues more generally.

In the meantime the Committee would be circulated with information on the current Ombudsman's Annual Letter and the Council's 'Getting It Right' Annual Report.

**RESOLVED that the information provided within the report be noted.**

**12 STANDARDS COMMITTEE WORK PROGRAMME 2010/11**

The circulated Work Programme was endorsed, subject to the addition of:

- A report back from the Assistant Chief Executive (Human Resources) on ethical issues from the staff survey in February 2011;
- Further discussion of the Bribery Act guidance and increased information transparency as they relate to acceptance and publication of hospitality and publication of interests in September or November 2010
- The inclusion of a report exploring the local implications of proposed changes to the national standards regime as soon as these were published (timing as yet uncertain)

The Committee were keen to be able to indicate particular issues they wished to have covered in certain reports, e.g. the Annual Whistleblowing report. It was agreed that if these ideas were passed to the Chairman in good time, he would then request officers to ensure that these aspects were incorporated into any reports drawn up for Committee discussion.

**RESOLVED that**

- 1) the Work Programme be endorsed subject to the additions listed above; and**
- 2) the September meeting be moved from Wednesday 15<sup>th</sup> September to Monday 13<sup>th</sup> September**

The Meeting ended at 9.25 pm

Chairman

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PART 1 - PUBLIC

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**Decision Maker:** Standards Committee

**Date:** 19<sup>th</sup> January 2011

**Decision Type:** Non-Urgent                      Non-Executive                      Non-Key

**Title:** **MATTERS ARISING FROM PREVIOUS MEETINGS**

**Contact Officer:** Sheila Bennett, Assistant Director, Democratic and Customer Services  
Tel: 020 8313 4484 E-mail: sheila.bennett@bromley.gov.uk

**Chief Officer:** Mark Bowen, Director of Legal, Democratic and Customer Services

**Ward:** N/A

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1. Reason for report

1.1 **Appendix 1** updates Members on matters arising from previous meetings. 6 “live” matters are listed, the oldest of which dates from June 2010.

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2. **RECOMMENDATION(S)**

2.1 **The Committee is invited to consider progress on recommendations made at previous meetings.**

<b>Non-Applicable Sections:</b>	Policy/Financial/Legal/Personnel
Background Documents: (Access via Contact Officer)	N/A

### Corporate Policy

1. Policy Status: Existing policy. The Committee receives an update on matters arising from previous meetings at each meeting.
  2. BBB Priority: Excellent Council.
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### Financial

1. Cost of proposal: No cost
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: n/a
  4. Total current budget for this head: £There is not a budget for the work of the Standards Committee. Any costs need to be met from virements from other Budget Heads.
  5. Source of funding: Existing budgets
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### Staff

1. Number of staff (current and additional): The Director of Legal, Democratic & Customer Services is designated the Council's Monitoring Officer. The Assistant Director, Democratic and Customer Services, supports the Standards Committee. )
  2. If from existing staff resources, number of staff hours: Monitoring the Committee's matters arising takes up to an hour per meeting
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### Legal

1. Legal Requirement: No statutory requirement or Government guidance. The Standards Committee and standards system are requirements of the Local Government Act 2000, as amended by subsequent legislation, most recently by the Local Government & Public Involvement in Health Act 2007, but there is no statutory requirement for this particular report.
  2. Call-in: Call-in is not applicable. The report does not involve an executive decision.
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): This report is intended primarily for the benefit of Committee Members.
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments: N/A

<b><u>Minute Number/Title</u></b>	<b><u>Committee Request</u></b>	<b><u>Update</u></b>	<b><u>Action by</u></b>	<b><u>Completion Date</u></b>
<b><u>2009/10</u></b>				
17. December 2009 - Discussion with Chief Planner	Chief Planner to attend a future meeting to update on outcome of suggestions made	Deferred from March to June meeting	Bob McQuillan	7/6/2010
38. March 2010 - Minutes and Matters arising	Future agendas to have a matters arising report as a standard item	Implemented June 2010 onwards	Sheila Bennett	7/6/2010
	Report to November 2010 meeting on ethical standards framework, with committee members providing good practice examples for consideration	Deferred pending further consideration of proposed legislation affecting the Standards regime (Localism Bill, published mid-December 2010)	Mark Bowen/Sheila Bennett	Tba
41 – March 2010 – Discussion with Liberal Democrat Group Leader	Member Officer protocol promotion to be considered as part of next communications plan revision	Communication plan work deferred pending further consideration of proposed legislation affecting the Standards regime	Sheila Bennett	Tba
42 – Assistant Chief Executive – Human Resources	ACE (HR) to present staff survey findings to a future meeting of the Committee	Outcomes of staff working group on action planning yet to be produced.	Charles Obazuaye	March 2011
43 – Monitoring Officer’s General Report	MO to investigate feasibility of closer joint working with other authorities	Further information awaited	Mark Bowen	Tba
	MO and Chairman to pursue changes to future make-up of independent member appointment	Further information awaited, but future make-up of the Committee dependent on proposed legislation affecting the Standards regime	Mark Bowen/Simon Davey	Tba

	Panels, to allow greater independent member participation			
9 – Labour Party Leader	Further consideration of issues around gifts and hospitality to be explored	To be discussed when Committee looks at Bribery Act implications for local government – item to be programmed	Mark Bowen/Mark Gibson	Tba

# Agenda Item 6

Report No.  
LDCS11015

London Borough of Bromley

Agenda  
Item No.

PART 1 - PUBLIC

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**Decision Maker:**       **Standards Committee**  
                                  **Audit Sub-Committee**

**Date:**                    **19<sup>th</sup> January 2011**  
                                  **6<sup>th</sup> December 2010**

**Decision Type:**       Non-Urgent                    Non-Executive                    Non-Key

**Title:**                   **CODE OF CORPORATE GOVERNANCE**

**Contact Officer:**     Mark Gibson, Assistant Director Resources (Audit and Technical)  
                                  Tel: 020 8313 4295   E-mail: mark.gibson@bromley.gov.uk

**Chief Officer:**        Paul Dale, Director of Resources and Deputy Chief Executive

**Ward:**                    N/A

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1.    Reason for report

2.    The revised Code of Corporate Governance has been drafted by officers and is issued for consultation with the Standards Committee and the Audit Sub-Committee. The Code of Corporate governance sets a broad ethical framework for the council. The council is subject to scrutiny and intervention from a range of external bodies including the Local Government Ombudsman and the Courts.

3.    The revised Code incorporates the additional governance requirements resulting from CIPFA's *Statement on the Role of the Chief Financial Officer in Local Government (2010)*. It also provides a framework for ensuring that the Annual Governance Statement reflects compliance with the CFO Statement.

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4.    **RECOMMENDATION(S)**

3.1.   **That the Committee considers the revised code for adoption by the Council.**

### Corporate Policy

1. Policy Status: Existing policy. The Standards Committee is responsible for Member conduct and ethical governance in Bromley.
  2. BBB Priority: Excellent Council.
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### Financial

1. Cost of proposal: No cost
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: N/A
  4. Total current budget for this head: £N/A
  5. Source of funding: N/A
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### Staff

1. Number of staff (current and additional): N/A
  2. If from existing staff resources, number of staff hours: N/A
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### Legal

1. Legal Requirement: Statutory requirement. The Standards Committee and standards system are requirements of the Local Government Act 2000, as amended by subsequent legislation, most recently by the Local Government & Public Involvement in Health Act 2007.
  2. Call-in: Call-in is not applicable.
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The Code of Corporate Governance has the potential to impact on any person who has contact with a Member of Bromley Council and the overall perception of the Council.
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

- 3.1. Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with, and where appropriate, lead their communities.
- 3.2. Bromley Council, as a public organisation, is committed to ensuring the highest possible standards of governance in order to fulfil the four key roles of a local authority:
  1. To engage in effective partnerships and provide leadership for and with the community.
  2. To ensure the delivery of high quality local services whether directly or in partnership or by commissioning.
  3. To perform a stewardship role which protects the interests of local people and makes the best use of resources.
  4. To develop citizenship and local democracy.
- 3.3. The existing Code of Corporate Governance, approved by Full Council in April 2009, is in accordance with the *Delivering Good Governance in Local Government: Framework* issued in 2007 by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE).

The Framework sets out six core principles for good governance:

1. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
  2. Members and Officers working together to achieve a common purpose with clearly defined function and roles
  3. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
  4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risks
  5. Developing the capacity and capability of Members and Officers to be effective
  6. Engaging with local people and other stakeholders to ensure robust public accountability
- 3.4. In June 2009, CIPFA launched its *Statement on the Role of the Chief Financial Officer in Public Service Organisations*. The Statement supports CIPFA's work to strengthen governance and financial management across the public services. The Statement sets out five principles that define the core activities and behaviours that belong to the role of CFO and the governance requirements needed to support them.

The CFO in a public service organisation:

- is a key member of the leadership team, helping it develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest
- must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risk are fully considered, and alignment with the organisation's financial strategy
- must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively

To deliver these responsibilities the CFO:

- must lead and direct a finance function that is resourced to be fit for purpose
- must be professionally qualified and suitably experienced

- 3.5. CIPFA recommends that organisations should use the Statement as a framework to benchmark their existing arrangements, and that they should report publicly on compliance to demonstrate commitment to good practice in both governance and financial management. CIPFA also recommends that organisations should report publicly where their arrangements do not conform with the compliance framework, explaining the reasons for this, and how they deliver the same impact as those in the Statement.
- 3.6. CIPFA's *Statement on the Role of the Chief Financial Officer in Local Government (2010)* applies the principles and roles set out in the public services Statement to local government. The CFO in local government is not only bound by professional standards but also by specific legislative responsibilities. Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and appoint a CFO to have responsibility for those arrangements. In Bromley this is the Director of Resources.
- 3.7. The recommendations of the Statement are expected to be consolidated into the CIPFA / SOLACE *Delivering Good Governance in Local Government: Framework* over the next year. In the interim CIPFA has issued an Application Note setting out how the additional governance requirements should be reflected in an authority's Code of Corporate Governance. We have amended the current Code of Corporate Governance accordingly by highlighting these additional governance requirements.
- 3.8. The Code now consists of four parts:
1. An introduction which has been amended to include reference to the new requirements
  2. The Code itself
  3. A glossary
  4. An appendix showing the key policies and processes that underpin the Council's compliance with the Code (Appendix A)
- 3.9. In addition the Application Note recommends a voluntary 'comply or explain' approach in the Annual Governance Statement. In undertaking this year's AGS review we were able to confirm that Bromley's financial management arrangements conform with the governance requirements of the Statement. In brief the CFO should be professionally qualified, report directly to the Chief Executive and be a member of the leadership team, with a status at least equivalent to other members.

In addition no other significant governance issues were identified during the review.

- 3.10. In their *2009/10 Report to those charged with governance*, presented to General Purposes and Licensing Committee on 27 September 2010, the external auditors PwC reported that 'Following the government announcement that Comprehensive Area Assessment (CAA) is to be abolished, all work on Use of Resources for CAA ceased at the end of May. Therefore, we have not completed this work as planned, however, we are able to confirm that the findings from the work completed before the announcement showed continued strong performance in the areas where the Council was previously assessed as performing well.' In addition they

commented that 'A number of areas of good practice were identified, including the impact that the Council's Standards Committee has on the wider governance arrangements ...'

In the previous 2009 Use of Resources assessment Bromley scored a 3 - 'performing well' for the theme 'Governing the Business - does the organisation promote and demonstrate the principles and values of good governance?'

3.11. Recently Internal Audit undertook a *Review of Corporate Governance Audit for 2010/11*. As part of this audit they selected 2 of the 6 core principles to review the evidence supporting their compliance:

- Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risks

The review of evidence supporting these principles was satisfactory. Overall, the conclusion of this audit was that full assurance can be placed on the effectiveness of the overall controls.

#### 4. LEGAL IMPLICATIONS

4.1 There are no specific legal requirements for preparing a Code of Corporate Governance. However, the Accounts and Audit (Amendment) (England) Regulations 2006 S.I. 564 require Members to conduct a review of the internal controls within the organisation and the Code forms part of the evidence to support this review. The Code of Corporate governance sets a broad ethical framework for the council. The council is subject to scrutiny and intervention from a range of external bodies including the Local Government Ombudsman and the Courts.

<b>Non-Applicable Sections:</b>	Policy/Financial/Personnel
Background Documents: (Access Contact Officer)	CIPFA / SOLACE publications: Delivering Good Governance in Local Government: Framework Statement on the Role of the Chief Financial Officer in Local Government (2010) Application Note to Delivering Good Governance in Local Government: a Framework

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# London Borough of Bromley

## BROMLEY - CODE OF CORPORATE GOVERNANCE

### Introduction:

Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, provide leadership to their communities.

Effective corporate governance and the capacity to lead and manage change are essential to meet the ever increasing challenges for the public sector. Good governance is important to all involved in local government and a key responsibility of the Chief Executive, the Leader of the Council and other statutory governance Chief Officers.

### Bromley Council recognises that:

- Good governance leads to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes for citizens and service users.
- Good governance enables an authority to pursue its vision effectively, as well as underpinning that vision with appropriate mechanisms for control and management of risk.
- All authorities should aim to meet the standards of the best and governance arrangements should not only be sound, but also be seen to be sound.

**The Council's corporate governance framework is based upon guidance issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) in 2007 and recommended as best practice.**

The CIPFA/SOLACE 'Delivering Good Governance in Local Government' framework identifies four key roles of a local authority:

1. To engage in effective partnerships and provide leadership for and with the community
2. To ensure the delivery of high quality local services whether directly or in partnership or by commissioning
3. To perform a stewardship role which protects the interests of local people and makes the best use of resources
4. To develop citizenship and local democracy

The framework is based upon the following six core principles of good governance:

1. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
2. Members and Officers working together to achieve a common purpose with clearly defined function and roles
3. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
5. Developing the capacity and capability of Members and Officers to be effective
6. Engaging with local people and other stakeholders to ensure robust public accountability

The six core principles each have a number of supporting principles with associated requirements and the attached Code of Corporate Governance sets out how the Council aims to meet these requirements.

Bromley Council is committed to applying these principles and is satisfied that it already has a well established and robust Constitution and other good governance documents and arrangements in place. Bromley's Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that decision making is efficient, transparent and accountable to local people. Some of the procedures are required by law such as the Code of Conduct for Councillors, while others are a matter for the Council. The key policies and processes that underpin the Council's compliance with these principles are set out in Appendix A.

The Constitution Improvement Working Group was established in 2008 to look at proposals to improve the Constitution of the Council. Since then the Working Group has produced four reports: 'Proposals for Full Council – November 2008' that suggested ways to make it more relevant to the interests and concerns of our residents; 'Proposals for Executive Decision Making and Scrutiny – January 2009' which recommended reforms to the Portfolio Holder meeting process and as a result the need for more than 40 meetings was eliminated by improving the pre-scrutiny arrangements in the Policy Development and Scrutiny committee meetings. In their third report 'Proposals for Reform of Leadership, Executive and other functions – October 2009', the Working Group made a number of proposals to ensure that the Council's Constitution met the requirements of the Local Government and Public Involvement in Health Act 2007, these included greater powers and a four year term for the Leader of the Council. The fourth report in March 2010 recommended a number of minor constitutional changes.

**The Code of Corporate Governance also incorporates the additional governance requirements resulting from CIPFA's 'Statement on the Role of the Chief Financial Officer in Local Government (2010)'. CIPFA's Statement sets out five principles that define the core activities and behaviours that belong to the role of the Chief Financial Officer (CFO) and the governance requirements needed to support them.**

The CFO in a local authority:

1. is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest
2. must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the authority's financial strategy
3. must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively

To deliver these responsibilities the CFO:

4. must lead and direct a finance function that is resourced to be fit for purpose
5. must be professionally qualified and suitably experienced

We confirm that Bromley's financial management arrangements conform with the governance requirements of CIPFA's statement. The Director of Resources has the role of Chief Finance Officer.

### **Annual Governance Review**

The Council conducts an annual review of its governance arrangements, including the system of internal control. The purpose of the review is to provide assurance from a number of sources including Members, Chief Officers, internal and external audit, other review agencies and inspectorates that corporate governance arrangements are adequate and operating effectively; or where gaps are revealed, action is planned that will ensure effective governance in future.

The outcome of the review is published in the Annual Governance Statement which forms part of the Annual Report and Statement of Accounts

October 2010

## BROMLEY – CODE OF CORPORATE GOVERNANCE

<b>Core Principle 1: Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.</b>	
Supporting Principles:	The Council will:
Exercising strategic leadership by developing and clearly communicating the Council's purpose and vision and its intended outcome for citizens and service users	develop and promote the Council's purpose and vision
	review on a regular basis the Council's vision for the local area and its implications for the Council's governance arrangements
	ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners
	publish an annual report on a timely basis to communicate the Council's activities and achievements, its financial position and performance
Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning	decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available
	put in place effective arrangements to identify and deal with failure in service delivery
Ensuring that the Council makes the best use of resources and that tax payers and service users receive excellent value for money	decide how value for money is to be measured and makes sure that the Council or partnership has the information needed to review value for money and performance effectively
	measure the sustainability impact of policies, plans and decisions
	ensure that timely, accurate and impartial financial advice and information is provided to assist in decision making and to ensure that the Council meets its policy and service objectives and provides effective stewardship of public money and value for money in its use
	ensure that the Council maintains a prudential financial framework; keeps its commitments in balance with available resources; monitors income and expenditure levels to ensure that this balance maintained and takes corrective action when necessary
	ensure compliance with CIPFA's Code on a Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code

## BROMLEY – CODE OF CORPORATE GOVERNANCE

<b>Core Principle 2: Members and Officers working together to achieve a common purpose with clearly defined functions and roles.</b>	
Supporting Principles:	The Council will:
Ensuring effective leadership throughout the Council and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function	set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the Council's approach towards putting this into practice
	set out a clear statement of the respective roles and responsibilities of other Council Members, Members generally, senior officers and of the leadership team and its members individually
	ensure that the Chief Finance Officer (CFO) reports directly to the Chief Executive and is a member of the leadership team with a status at least equivalent to other members. If different organisational arrangements are adopted, explain the reasons publicly, together with how these deliver the same impact
Ensuring that a constructive working relationship exists between Council Members and Officers and that the responsibilities of Members and Officers are carried out to a high standard	determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for the collective decision of the Council, taking account of relevant legislation, and ensure that it is monitored and updated when required
	make the Chief Executive (and Head of Paid Service) responsible and accountable to the Council for all aspects of corporate and operational management
	develop protocols to ensure that the Leader and Chief Executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained
	make the Director of Resources (who is currently the Chief Finance Officer and Section 151 Officer) responsible to the Council for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control
	appoint a professionally qualified CFO whose core responsibilities include those set out in the Statement on the Role of the CFO in Local Government and ensure that they are properly understood throughout the authority
	ensure that the Council's governance arrangements allow the CFO direct access to the Chief Executive and to other leadership team members
	ensure that the CFO: <ul style="list-style-type: none"> <li>• leads the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively</li> <li>• has a line of professional accountability for finance staff throughout the organisation</li> </ul>

	<p>ensure that budget calculations are robust and reserves adequate, in line with CIPFA's guidance</p>
	<p>ensure that appropriate management accounting systems, functions and controls are in place so that finances are kept under review on a regular basis. These systems, functions and controls should apply consistently to all activities including partnership arrangements, outsourcing or where the authority is acting in an enabling role</p>
	<p>make the Director of Legal, Democratic and Customer Services (who is currently the Monitoring Officer) responsible to the Council for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with</p>
	<p>ensure that Chief Officers contribute to the overall leadership of the Council, and work collectively on the strategic management of the Council and the co-ordination of Council-wide initiatives and projects to develop cross service policies through regular meetings of the Chief Officers' Executive</p>
<p>Ensuring relationships between the Council, its partners and the public are clear so that each knows what to expect of the other</p>	<p>develop protocols to ensure effective communication between Members and Officers in their respective roles</p>
	<p>set out the terms and conditions for the remuneration of Members and Officers and an effective structure for managing the process, including an effective remuneration panel</p>
	<p>ensure that effective mechanisms exist to monitor service delivery</p>
	<p>ensure that the Council's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated</p>
	<p>establish a medium term business and financial planning process to deliver strategic objectives including:</p> <ul style="list-style-type: none"> <li>• a medium term financial strategy to ensure sustainable finances</li> <li>• a robust annual budget process that ensures financial balance</li> <li>• a monitoring process that enables this to be delivered</li> </ul> <p>ensure that these are subject to regular review to confirm the continuing relevance of assumptions used</p>
	<p>when working in partnership:</p> <ul style="list-style-type: none"> <li>• ensure that Members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Council</li> <li>• ensure that there is clarity about the legal status of the partnership</li> <li>• ensure that representatives of organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions</li> </ul>

**BROMLEY – CODE OF CORPORATE GOVERNANCE**

<b>Core Principle 3: Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.</b>	
Supporting Principles:	The Council will:
Ensuring Council Members and Officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance	ensure that the Council's leadership sets a tone for the organisation by creating a climate of openness, support and respect
	ensure that standards of conduct and personal behaviour expected of Members and staff, of work between Members and staff and between the Council, its partners and the community are defined and communicated through codes of conduct and protocols
	put in place arrangements to ensure that Members and employees of the Council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and puts in place appropriate processes to ensure that they continue to operate in practice
Ensuring that the organisational values are put into practice and are effective	develop and maintain shared values including leadership values both for the Council and staff reflecting public expectations, and communicate these with Members, staff, the community and partners.
	put in place arrangements to ensure that procedures, operations, systems and processes including those for financial administration, financial control and protection of the authority's resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice
	develop and maintain an effective Standards Committee
	use it's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the Council
	in pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values will be demonstrated by partners' behaviour both individually and collectively

## BROMLEY – CODE OF CORPORATE GOVERNANCE

<b>Core Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risks.</b>	
Supporting Principles:	The Council will:
Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny	develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the Council's performance overall and that of any organisation for which it is responsible
	ensure an effective internal audit function is resourced and maintained
	develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based
	put in place arrangements to safeguard Members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice
	develop and maintain an effective Audit Committee which is independent of the executive and scrutiny functions
	ensure that the Council's governance arrangements allow the CFO direct access to the Audit Committee and external audit
	put in place effective, transparent and accessible arrangements for dealing with complaints
Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs	ensure that those making decisions whether for the Council or a partnership are provided with information that is fit for the purpose - relevant, timely and gives clear explanations of technical issues and their implications
	ensure that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately
	ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance of the authority
	ensure the Council's governance arrangements allow the CFO to bring influence to bear on all material decisions
	ensure that advice is provided on the levels of reserves and balances in line with good practice guidance (Local Authority Accounting Panel Bulletin 77 – Local Authority Reserves and Balances)
Ensuring that an effective risk management system is in place	ensure that risk management is embedded into the culture of the Council, with Members and managers at all levels recognising that risk management is part of their job

	<p>ensure the Council's arrangements for financial and internal control and for managing risk are addressed in annual governance reports</p>
	<p>ensure the Council puts in place effective internal financial controls covering codified guidance, budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval processes</p>
	<p>ensure that effective arrangements for whistle blowing are in place to which Officers, staff and all those contracting with or appointed by the Council have access</p>
<p>Using their legal powers to the full benefit of the citizens and communities in their area</p>	<p>actively recognise the limits of lawful activity placed on the Council by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of the community</p>
	<p>recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on Councils by public law</p>
	<p>observe all specific legislative requirements placed upon the Council, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into its procedures and decision making processes</p>

## BROMLEY – CODE OF CORPORATE GOVERNANCE

<b>Core Principle 5: Developing the capacity and capability of Members and Officers to be effective.</b>	
Supporting Principles:	The Council will:
Making sure that Members and Officers have the skills, knowledge, experience and resources they need to perform well in their roles	provide induction programmes tailored to individual needs and opportunities for Members and Officers to update their knowledge on a regular basis
	ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the Council
	ensure the CFO has the skills, knowledge, experience and resources to perform effectively in both the financial and non financial areas of their role
	review the scope of the CFO's other management responsibilities to ensure financial matters are not compromised
	provide the finance function with the resources, expertise and systems necessary to perform its role effectively
Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group	assess the skills required by Members and Officers and make a commitment to develop those skills to enable roles to be carried out effectively
	embed financial competencies in person specifications and appraisals
	ensure that Members' roles and responsibilities for monitoring financial performance / budget management are clear, that they have adequate access to financial skills and are provided with appropriate financial training and tools on an ongoing basis to help them discharge their responsibilities
	develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed
	ensure that effective arrangements are put in place for reviewing the performance of the Council as a whole and of individual Members and agreeing an action plan which might, for example, aim to address any training or development needs
Encouraging new talent for membership of the Council so that the best use can be made of individuals' skills and resources in balancing continuity and renewal	ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Council
	ensure that career structures are in place for Members and Officers to encourage participation and development

## BROMLEY – CODE OF CORPORATE GOVERNANCE

<b>Core Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability.</b>	
Supporting Principles:	The Council will:
Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships	make clear to itself, all staff and the community to whom it is accountable and for what
	consider those institutional stakeholders to whom the Council is accountable and assess the effectiveness of the relationships and any changes required
	produce an annual report on the activity of the scrutiny function
Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the Council, in partnership or by commissioning	ensure that clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements to ensure that they operate effectively
	hold all formal councillor or partnership meetings in public unless there are good reasons for confidentiality
	ensure that arrangements are in place to enable the Council to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and will establish explicit processes for dealing with these competing demands
	establish a clear policy on the types of issues it will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result
	on an annual basis, publish a performance plan giving information on the Council's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period
	ensure that the Council as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so
	Making best use of human resources by taking an active and planned approach to meet responsibility to staff

## BROMLEY - CODE OF CORPORATE GOVERNANCE

<b>GLOSSARY OF TERMS</b>	
<b>TERM</b>	<b>DEFINITION</b>
Chief Executive	The Council's Head of the Paid Service, and chief policy adviser. The Chief Executive heads the Chief Officer's Executive, which is the officer managerial board including all the departmental Chief Officers.
Chief Finance Officer	The Chief Finance Officer is responsible for the administration of the financial affairs of the Council. In Bromley this is the Director of Resources.
Chief Officers	Chief Officers have a strategic role, advising Members on their areas of particular expertise, and contributing to the overall leadership of the Council; and also a managerial role, ensuring that the services they are responsible for focus on delivering excellent customer service, and making the most effective use of departmental resources to achieve that goal.
CIPFA	The Chartered Institute of Public Finance and Accountancy is one of the leading professional accountancy bodies in the UK and the only one which specialises in the public sector. It is responsible for the education and training of professional accountants and for their regulation through the setting and monitoring of professional standards.
Constitution	Sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that decision making is efficient, transparent and accountable to local people. Some of the procedures are required by law such as the Code of Conduct for Councillors, while others are a matter for the Council to decide.
Head of Paid Service	Every Council must designate one of its officers as its Head of Paid Service. They are responsible for the staffing of the authority; ensuring that the work of officers is effectively co-ordinated and making sure the organisation runs efficiently. In Bromley this is the Chief Executive.
Members	Locally elected councillors.
Monitoring Officer	Every Council must designate one of its officers as its Monitoring Officer. They are responsible for ensuring the lawfulness and fairness of Council decision making, compliance with Codes and Protocols, and promoting good governance and high ethical standards. In Bromley this is the Director of Legal, Democratic and Customer Services.
Officers	Paid council employees.
Section 151 Officer	Every Council must designate one of its officers as its Section 151 Officer. They are responsible for the proper administration of the organisation's financial affairs, preparing the Council's statement of accounts in accordance with proper practices, keeping proper accounting records and taking reasonable steps to prevent and detect fraud. In Bromley this is the Director of Resources.
SOLACE	The Society of Local Authority Chief Executives and Senior Managers is the representative body for senior strategic managers working in the public sector. The Society promotes public sector management excellence and provides professional development for its Members who come from all areas of the public sector.

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**CODE OF CORPORATE GOVERNANCE – CORE PRINCIPLES AND RELATED KEY POLICIES AND PROCESSES APPENDIX A**

<b>Core Principles</b>  <b>Key Policies / Processes</b>	Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area	Members and Officers working together to achieve a common purpose with clearly defined functions and roles	Promoting the values for the authority and demonstrating , good governance, conduct and behaviour	Taking informed and transparent decisions which are subject to effective scrutiny and managing risks	Developing the capacity and capability of Members and Officers to be effective	Engaging with local people and other stakeholders to ensure robust public accountability
Annual Audit Letter			•	•		
Annual Governance Statement	•			•		
Annual Report and Statement of Accounts	•					•
Anti-Fraud and Corruption Strategy			•			
'Are we on track?' – performance monitoring	•	•			•	
BBB 2020 Vision	•	•				•
Building a Better Bromley	•	•			•	•
Capital Strategy	•					
Code of Conduct for Members			•	•		
Communications Strategy	•				•	•
Constitution		•		•		•
Contract Procedure Rules / Standing Orders	•		•	•		
Corporate Induction Process			•		•	
Corporate Operating Principles	•					
Customer Access Strategy					•	•
Customer Service Charter	•					
Equality Scheme			•		•	•
Executive and Resources PDS Committee Annual Report				•		•
Financial Regulations			•	•		
Financial Strategy	•	•	•			

**CODE OF CORPORATE GOVERNANCE – CORE PRINCIPLES AND RELATED KEY POLICIES AND PROCESSES**

<b>Core Principles</b>  <b>Key Policies / Processes</b>	Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area	Members and Officers working together to achieve a common purpose with clearly defined functions and roles	Promoting the values for the authority and demonstrating , good governance, conduct and behaviour	Taking informed and transparent decisions which are subject to effective scrutiny and managing risks	Developing the capacity and capability of Members and Officers to be effective	Engaging with local people and other stakeholders to ensure robust public accountability
Forward Plan of Key Decisions	•			•		•
Foundation Strategies	•					
'Getting it Right' - complaints, compliments and suggestions	•	•		•		•
Gifts and Hospitality Code of Conduct			•			
Learning and Development			•	•	•	
Local Area Agreement	•	•				•
Local Development Framework	•					
Local Strategic Partnership Terms of Reference and Code of Conduct	•	•	•	•		
Member / Officer Protocol		•	•	•		
Performance Appraisal and Development Scheme	•				•	
Portfolio Plans	•					
Public Consultations / Meetings		•			•	•
'Raising Concerns' whistle blowing			•	•		•
Register of Interests			•	•		
Risk Management Strategy	•		•	•		
Scheme of Delegation		•	•			
Standards Committee Annual Report			•	•		
Treasury Management Strategy	•	•	•			

Report No.  
LDCS11017

London Borough of Bromley

Agenda  
Item No.

## PART 1 - PUBLIC

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**Decision Maker:** Standards Committee

**Date:** 19 January 2011

**Decision Type:** Non-Urgent Non-Executive Non-Key

**Title:** MONITORING OFFICER'S GENERAL REPORT

**Contact Officer:** Sheila Bennett, Asst Director, Democratic and Customer Services  
Tel: 020 8313 4484 E-mail: sheila.bennett@bromley.gov.uk

**Chief Officer:** Mark Bowen, Director of Legal, Democratic and Customer Services

**Ward:** Borough-wide

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1. Reason for report

1. To update the Committee on the publication of the Localism Bill, and the status of the current Standards regime; and the resignation of one of the Independent members.
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2. **RECOMMENDATION(S)**

**That the Committee**

- 2.1. notes the recent publication of the Localism Bill on 13 December 2010;
- 2.2. notes that until any further legislation is passed, the current Standards regime remains in being; and
- 2.3. notes the resignation of Mr George Kidd from the Committee and requests the Monitoring Officer to pass on the Committee's thanks to him for his interest in its work during his tenure

### Corporate Policy

1. Policy Status: Existing policy. The Standards Committee is responsible for Member conduct and ethical governance in Bromley
  2. BBB Priority: Excellent Council.
- 

### Financial

1. Cost of proposal: N/A
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: There is not a budget for the work of the Standards Committee. Any costs need to be met from virements from other Budget Heads.
  4. Total current budget for this head: £0.
  5. Source of funding: n/a
- 

### Staff

1. Number of staff (current and additional): The Director of Legal, Democratic & Customer Services is designated the Council's Monitoring Officer. The Assistant Director, Legal & Support Services provides support as Deputy Monitoring Officer, with the Assistant Director, Democratic and Customer Services, supporting the Standards Committee.
  2. If from existing staff resources, number of staff hours: Varies, depending on issues arising
- 

### Legal

1. Legal Requirement: Statutory requirement. The Standards Committee and standards system are requirements of the Local Government Act 2000, as amended by subsequent legislation, most recently by the Local Government & Public Involvement in Health Act 2007.
  2. Call-in: Call-in is not applicable.
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The standards system has the potential to impact on any person who has contact with a Member of Bromley Council where that person considers the Member has breached the Code of Conduct.
- 

### Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments:

### 3. COMMENTARY

#### Localism Bill

3.1. On 13 December 2010 the Localism Bill received its First Reading in Parliament, with no debate at that stage. This Bill will be on the Order Paper for a Second Reading debate on 17 January 2011.

It proposes abolition of the current standards regime and model code of conduct, which the Committee will be able to discuss following a presentation being given as another item on this agenda. It also covers a wider range of issues relating to Council decision-making and structures, including:

- giving councils a general power of competence
- allowing councils to choose to return to the committee system of governance and allowing for referendums for elected mayors in certain authorities
- introducing local accountability for councillor conduct and a criminal offence of deliberate failure to declare a personal interest in a matter
- giving residents the power to instigate local referendums on any local issue and the power to veto excessive council tax increases
- allowing councils more discretion over business rate relief
- providing new powers to help save local facilities and services threatened with closure, and giving voluntary and community groups the right to challenge local authorities over their services.

Other key areas include proposed changes to both housing and planning and regeneration planning and processes.

3.2. Until any further legislation is passed, the current standards regime will remain in being, with the Standards Committee continuing in its role of local filtering and hearing of complaints against councillors relating to alleged breaches of the Member Code of Conduct.

3.3. Pending more clarity and consideration of the future work and role of this Standards Committee in the context of these changes, a number of items which were on the Committee's Work Programme have been held back.

#### Committee Membership

3.4. Mr George Kidd, an independent member, resigned from the Committee on 16 November 2010. No moves have as yet been taken to recruit a replacement, given the uncertainties surrounding the future work and role of this Committee.

<b>Non-Applicable Sections:</b>	Policy, Financial, Legal and Personnel
Background Documents: (Access via Contact Officer)	

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Report No.  
LDCS10200

London Borough of Bromley

Agenda  
Item No.

PART 1 - PUBLIC

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**Decision Maker:** Standards Committee

**Date:** 19 January 2011

**Decision Type:** Non-Urgent Non-Executive Non-Key

**Title:** RAISING CONCERNS - ANNUAL REPORT

**Contact Officer:** Joy Connor, Assistant Director, Legal and Support Services  
Tel: 020 8313 4760 E-mail: joy.connor@bromley.gov.uk

**Chief Officer:** Mark Bowen, Director of Legal, Democratic and Customer Services

**Ward:** N/A

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1. Reason for report

- 1.1 The purpose of this report is to up-date the Committee on relevant issues and the operation of the Council's Raising Concerns ("Whistle Blowing") Policy.
- 

2. RECOMMENDATION(S)

- 2.1 The Committee notes the information contained in this report.

### Corporate Policy

1. Policy Status: Existing policy.
  2. BBB Priority: Excellent Council.
- 

### Financial

1. Cost of proposal: No cost
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: N/A
  4. Total current budget for this head: £N/A
  5. Source of funding: N/A
- 

### Staff

1. Number of staff (current and additional): Nil
  2. If from existing staff resources, number of staff hours: Nil
- 

### Legal

1. Legal Requirement: Statutory requirement. Public Interest Disclosure Act 1998
  2. Call-in: Call-in is not applicable.
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): All employees and contractors
- 

### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments: N/A

### **3. COMMENTARY**

- 3.1 A copy of the Council's Raising Concerns, Confidential Reporting Policy is attached for ease of reference. It is also available on the Council's intranet and the Council's website.
- 3.2 The Policy was reissued in 2007 identifying new Directorate roles and, where appropriate, new contact details. Where contact details have changed more recently, these have also been updated. New posters have been displayed on notice boards across the Council. There is a quick link on the front page of onebromley which then takes you to the detailed policy and other documents. A link has also been provided from the section of the Council's website entitled 'Our Standards of Conduct'.
- 3.3 A copy of the Policy has also been provided to the Council's contractors so that they are aware of the Council's commitment to the highest possible standards of openness and accountability and so that they are aware of how to raise any concerns about possible wrongdoing.
- 3.4 In the last year (from the previous Annual Report to this committee in October 2009 to the end of September 2010) three issues have been reported under the scheme. In each instance they were not matters that fell within the Confidential Reporting Policy but the concerns were considered and dealt with appropriately.

### **4 POLICY IMPLICATIONS**

- 4.1 The foundation of this policy is the Council's commitment to the highest standards of openness, probity and accountability in public service. It recognises that employees and contractors will only come forward about possible wrongdoing, in many cases, if confidentiality and their anonymity is preserved.

### **5 FINANCIAL IMPLICATIONS**

- 5.1 There are no immediate financial implications as the duties of Raising Concerns Officers are performed by volunteers without additional remuneration. Expense might be involved should it become necessary to set up an independent inquiry into any particular issue but this has not arisen so far and it is not likely to be a frequent occurrence.

### **6 LEGAL IMPLICATIONS**

- 6.1 This policy is subject to legal supervision as the Assistant Director, Legal & Support Services, under the direction of the Director of Legal, Democratic & Customer Services and Monitoring Officer, has overall responsibility for implementing the policy. However, the person wishing to raise a concern is not obliged to do so via either any departments' Raising Concerns Officer or Legal Services. Concerns can be raised with the Chief Executive, Chief Financial Officer, Monitoring Officer or Internal Audit or any specialist units the Council may have, direct. The objective is to balance the protection of the person raising the concern from possible victimisation or harassment and to encourage high standards of openness, probity and accountability in Bromley's services. The policy strikes a balance between achieving the objective of enabling people to come forward confidentially with genuine concerns whilst, at the same time, discouraging allegations put forward frivolously or maliciously or for personal gain.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	

# CONFIDENTIAL REPORTING CODE

## CONFIDENTIAL REPORTING POLICY

### 1. PREAMBLE

- 1.1 Employees are often the first to realise that there may be something seriously wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice.
- 1.2 The Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment we expect employees, and others that we deal with, who have serious concerns about any aspect of the Council's work to come forward and voice those concerns including concerns about Members of the Council. It is recognised that most cases will have to proceed on a confidential basis.
- 1.3 This policy document makes it clear that you can do so without fear of victimisation, subsequent discrimination or disadvantage. This Confidential Reporting Policy is intended to encourage and enable employees to raise serious concerns first within the Council rather than overlooking a problem or 'blowing the whistle' outside.
- 1.4 The policy applies to all employees and those contractors working for the Council on Council premises, for example, agency staff, builders, drivers.
- 1.5 These procedures are in addition to the Council's complaints procedures and other statutory reporting procedures applying to some departments. Chief Officers are responsible for making service users aware of the existence of these procedures.
- 1.6 This policy has been discussed with the relevant national trade unions and professional organisations and has their support. It has also been discussed with the local trade unions and Staff Side Secretary.
- 1.7 This Code also takes into account the requirements of the Public Interest Disclosure Act 1998.

### 2. AIMS AND SCOPE OF THIS POLICY

- 2.1 This policy aims to:
  - encourage you to feel confident in raising serious concerns and to question and act upon concerns about practice
  - provide avenues for you to raise those concerns and receive appropriate feedback on any action taken depending on the nature of the complaint and the subsequent action taken
  - ensure that you receive a response to your concerns and that you are aware of how to pursue them if you are not satisfied

- reassure you that you will be protected from possible reprisals or victimisation if you have a reasonable belief that you have made any disclosure in good faith.

2.2 There are existing procedures in place to enable you to lodge a grievance relating to your own employment. The Confidential Reporting Policy is intended to cover major concerns that fall **outside** the scope of other procedures. These include:

- conduct which is an offence or a breach of law
- disclosures related to miscarriages of justice
- health and safety risks, including risks to the public as well as other employees
- the unauthorised use of public funds
- possible fraud and corruption
- sexual, physical, verbal or financial abuse of clients, or
- other unethical conduct (wrong doing).

2.3 Thus, serious concerns that you have about aspects of service provision or the conduct of officers or Members of the Council or others acting on behalf of the Council can be reported under the Confidential Reporting Policy. This may be about something that:

- makes you feel uncomfortable in terms of your experience or the standards you believe the Council subscribes to; or
- is against the Council's Constitution and policies; or
- falls below established standards of practice; or
- amounts to improper conduct.

### **3. SAFEGUARDS**

3.1 Harassment or Victimisation

3.2 The Council is committed to good practice and high standards and wants to be supportive of employees.

3.3 The Council recognises that the decision to report a concern can be a difficult one to make but you will be doing your duty to your employer and those for whom you are providing a service.

- 3.4 The Council will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action to protect you when you raise a concern in good faith.
- 3.5 Any investigation into allegations of potential malpractice will not influence or be influenced by any disciplinary or redundancy procedures that already affect you.

#### **4. CONFIDENTIALITY**

- 4.1 All concerns will be treated in confidence and every effort will be made not to reveal your identity if you so wish. At the appropriate time, however, you may need to come forward as a witness.

#### **5. ANONYMOUS ALLEGATIONS**

- 5.1 This policy encourages you to put your name to your allegation whenever possible.
- 5.2 Concerns expressed anonymously are much less powerful but will be considered at the discretion of the Council.
- 5.3 In exercising this discretion the factors to be taken into account would include:
- the seriousness of the issues raised
  - the credibility of the concern; and
  - the likelihood of confirming the allegation from attributable sources.

#### **6. UNTRUE ALLEGATIONS**

- 6.1 If you make an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against you. If, however, you make an allegation frivolously, maliciously or for personal gain, disciplinary action may be taken against you.

#### **7. HOW TO RAISE A CONCERN**

- 7.1 As a first step, you should normally raise concerns with your immediate manager or their superior. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if you believe that management is involved, you should approach the Chief Executive, Chief Financial Officer, Monitoring Officer, Internal Audit or any specialist units the Council may have established (for example the Anti-Fraud Team)

7.2 Concerns may be raised verbally or in writing. Staff who wish to make a written report are invited to use the following format:

- the background and history of the concern (giving relevant dates);
- the reason why you are particularly concerned about the situation

7.3 The earlier you express the concern the easier it is to take action.

7.4 Although you are not expected to prove beyond doubt the truth of an allegation, you will need to demonstrate to the person contacted that there are reasonable grounds for your concern.

7.5 In order to obtain advice/guidance on how to pursue matters of concern you should contact one of the Designated Officers details of which are displayed on the staff intranet. If you have any problems in finding out about them, you can contact Joy Connor, Assistant Director Legal and Support Services (020 8313 4760)

7.6 You may wish to consider discussing your concern with a colleague first and you may find it easier to raise the matter if there are two (or more) of you who have had the same experience or concerns.

7.7 You may invite your trade union, professional association representative or a friend to be present during any meetings or interview in connection with the concerns you have raised.

## **8. HOW THE COUNCIL WILL RESPOND**

8.1 The Council will respond to your concerns. Do not forget that testing out your concerns is not the same as either accepting or rejecting them.

8.2 Where appropriate, the matters raised may:

- be investigated by management, internal audit or through the disciplinary process
- be referred to the police
- be referred to the external auditor
- form the subject of an independent inquiry.

8.3 In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle which the Council will have in mind is the public interest. Concerns or allegations which fall within the scope of specific procedures (for example, child

protection or discrimination issues) will normally be referred for consideration under those procedures.

- 8.4 Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required this will be taken before any investigation is conducted.
- 8.5 Within ten working days of a concern being raised, the designated officer will normally write to you:
- acknowledging that the concern has been received
  - indicating how we propose to deal with the matter
  - giving an estimate of how long it will take to provide a final response
  - telling you whether any initial enquiries have been made.
  - supplying you with information on staff support mechanisms, and
  - telling you whether further investigations will take place and if not, why not. You may be required to keep this information confidential
- 8.6 The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, the Council will seek further information from you.
- 8.7 Where any meeting is arranged, off-site if you so wish, you can be accompanied by a union or professional association representative or a friend.
- 8.8 The Council will take steps to minimise any difficulties which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings the Council will arrange for you to receive advice about the procedure.
- 8.9 The Council accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, we will inform you of the outcome of any investigation.

## **9. THE RESPONSIBLE OFFICER**

- 9.1 The Monitoring Officer (who is the Director of Legal Democratic and Customer Services) has overall responsibility for the maintenance and operation of this policy. That officer maintains a record of concerns raised and the outcomes (but in a form which does not endanger your confidentiality) and will report as necessary to the Council.

## **10. HOW THE MATTER CAN BE TAKEN FURTHER**

10.1 This policy is intended to provide you with an avenue within the Council to raise concerns. The Council hopes you will be satisfied with any action taken. If you are not, and if you feel it is right to take the matter outside the Council, the following are possible contact points:

- the external auditor
- your trade union
- your local Citizens Advice Bureau
- relevant professional bodies or regulatory organisations
- a relevant voluntary organisation
- the police
- Public Concern at Work

10.2 If you do take the matter outside the Council, you should ensure that you do not disclose confidential information. Check with the contact point about that.

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Report No.  
LDCS11010

London Borough of Bromley

Agenda  
Item No.

## PART 1 - PUBLIC

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**Decision Maker:**      **Standards Committee**

**Date:**                      **19<sup>th</sup> January 2011**

**Decision Type:**      Non-Urgent                      Non-Executive                      Non-Key

**Title:**                      **ETHICAL INDICATORS**

**Contact Officer:**      Graham Walton, Democratic Services Manager  
Tel: 020 84761 7743      E-mail: graham.walton@bromley.gov.uk

**Chief Officer:**              Mark Bowen, Director of Legal, Democratic and Customer Services

**Ward:**                      N/A

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1.      Reason for report

- 1.1      The Committee receives a report at each meeting on a selection of ethical indicators, including complaints against Councillors, Audit Commission Public Interest Reports, objections to the Council's accounts, whistle-blowing incidents, employment tribunals involving an ethical dimension and ombudsman complaints. The latest position, as at 31<sup>st</sup> December 2010, is attached in section 3 of this report.
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2.      **RECOMMENDATION**

- 2.1      **That the information provided in the report be noted.**

### Corporate Policy

1. Policy Status: Existing policy. The Standards Committee has an obligation to consider complaints that have an ethical dimension.
  2. BBB Priority: Excellent Council.
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### Financial

1. Cost of proposal: N/A
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: Democratic Services
  4. Total current budget for this head: £434,444 (controllable budget)
  5. Source of funding: Existing budgets
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### Staff

1. Number of staff (current and additional): There are 10 posts within the Democratic Services Team.
  2. If from existing staff resources, number of staff hours: N/A
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### Legal

1. Legal Requirement: Statutory requirement. Local Government Act 2000 (as amended) and Local Government and Public Involvement in Health Act 2007
  2. Call-in: Call-in is not applicable. Not an executive meeting.
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

3.1 The Committee has previously agreed that information on certain ethical indicators be provided to meetings of this Committee. The indicators for the completed years 2008/09 and 2009/10 are set out below. Running totals for 2010/11 will be reported throughout the year as figures become available

		Annual Total 2008/09	Annual Total 2009/10	Running Total 2010/11 (April to December)
1.	<b>Audit Commission Public Interest Report</b>	0	0	0
2.	<b>Objections to the Council's accounts</b> <i>(where there is an ethical basis)</i>	0	0	0
3.	<b>Number of complaints against Councillors</b>			
	<i>(a) Received but dismissed without investigation</i>	2	1	0
	<i>(b) Considered by Filtering Hearing –</i>			
	<i>- No action taken</i>	1	2	3
	<i>- Referred to Monitoring Officer</i>	1	0	0
	<i>- Referred to Standards Board</i>	1	0	0
	<i>(c) Breach found and sanction imposed.</i>	0	1	0
				<i>(2 cases pending)</i>
4.	<b>Number of whistle-blowing incidents reported</b>	3	3	2
5.	<b>Number of employment tribunal cases received and settled or lost</b> <i>(but only if arising from an ethical dispute.)</i>	0	0	0
6.	<b>Number of Ombudsman complaints</b>			
	<i>(a) Received</i>	57	58	37
	<i>(b) Settled</i>	41	42	28
	<i>(c) Finding of maladministration</i>	0	0	0
	<i>(d) Number of local settlements</i>	16	16	11

<b>Non-Applicable Sections:</b>	Policy/Financial/Legal/Personnel
Background Documents: (Access via Contact Officer)	Previous Ethical Indicators reports

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## STANDARDS COMMITTEE FUTURE WORK PROGRAMME

<b>7th June 2010</b>	
Specific items	<ul style="list-style-type: none"> <li>• Leader of Labour Group invited to attend</li> <li>• Chief Planner invited for feedback</li> </ul>
Standing items	<ul style="list-style-type: none"> <li>• Matters arising from previous meetings</li> <li>• Monitoring Officer's General Report</li> <li>• dispensations;</li> <li>• complaints up-date and briefing/development issues for Members;</li> <li>• review of performance information on ethical indicators</li> </ul> <p>NB. This meeting may start early to provide some training/briefing time for new independent members</p>
<b>15th September 2010 - cancelled</b>	
Specific items	<ul style="list-style-type: none"> <li>• Chief Internal Auditor – update on Code of Corporate Governance</li> <li>• Whistleblowing Annual Report</li> <li>• Compact – discussion with Chief Executive, Community Links Bromley and ACS rep</li> <li>• Ethical Audit – Progress report on follow-up actions taken, including communications plan</li> </ul>
Standing items	<ul style="list-style-type: none"> <li>• Matters outstanding from previous meetings</li> <li>• Monitoring Officer's General Report</li> <li>• dispensations;</li> <li>• complaints up-date and briefing/development issues for Members;</li> <li>• review of performance information on ethical indicators</li> </ul>
<b>24 November 2010 – cancelled, switched to 19 January 2011</b>	
Specific items	<ul style="list-style-type: none"> <li>• Implications of the Localism Bill for the Standards regime, nationally and in Bromley (Leader of Council and Chief Executive invited to attend)</li> <li>• Whistleblowing Annual Report</li> <li>• Chief Internal Auditor – update on Code of Corporate Governance</li> </ul>
Standing items	<ul style="list-style-type: none"> <li>• Matters outstanding from previous meetings</li> <li>• Monitoring Officer's General Report</li> <li>• dispensations;</li> <li>• complaints up-date and briefing/development issues for Members;</li> <li>• review of performance information on ethical indicators</li> </ul>

**24 February 2011 – postponed to March (date tba)**

Specific Items	<ul style="list-style-type: none"><li>• Annual Report for full Council</li><li>• Minority Party Leaders invited to attend</li><li>• Work Programme 2011/12</li><li>• Assistant Chief Executive (HR) invited to discuss staff survey outcomes</li></ul>
Standing items	<ul style="list-style-type: none"><li>• Matters outstanding from previous meetings</li><li>• Monitoring Officer's General Report</li><li>• dispensations;</li><li>• complaints up-date and briefing/development issues for Members;</li><li>• review of performance information on ethical indicators</li></ul>

Items on the Bribery Act, Licensing and ethical issues, the Compact and Ethical Governance Framework have been held over and are yet to be re-scheduled pending further discussion on the Committee's future role and Work Programme