



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 9 July 2013

To: Members of the
GENERAL PURPOSES AND LICENSING COMMITTEE

Councillor Tony Owen (Chairman)
Councillor Russell Mellor (Vice-Chairman)
Councillors Nicholas Bennett J.P., John Canvin, Roger Charsley,
Roxhannah Fawthrop, John Getgood, Julian Grainger, Ellie Harmer, Gordon Norrie,
Charles Rideout, Diane Smith, Tim Stevens, Harry Stranger and Michael Turner

A meeting of the General Purposes and Licensing Committee will be held at Bromley Civic Centre on **WEDNESDAY 17 JULY 2013 AT 7.00 PM**

MARK BOWEN
Director of Corporate Services

Copies of the documents referred to below can be obtained from
www.bromley.gov.uk/meetings

A G E N D A

- 1 **APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**
- 2 **DECLARATIONS OF INTEREST**
- 3 **CONFIRMATION OF MINUTES OF THE MEETING HELD ON 23RD MAY 2013**
(Pages 3 - 8)
- 4 **QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING**
In accordance with the Council's Constitution, questions to this Committee must be received in writing 4 working days before the date of the meeting. Therefore please ensure questions are received by the Democratic Services Team by 5pm on Thursday 11th July 2013.
- 5 **CODE OF CORPORATE GOVERNANCE** (Pages 9 - 38)
- 6 **RAISING CONCERNS (WHISTLEBLOWING) POLICY** (Pages 39 - 52)
- 7 **LICENSING ACT 2003 - BROMLEY CUMULATIVE IMPACT AREA**
(To follow)

Bromley Town Ward

- 8 **APPOINTMENTS TO OUTSIDE BODIES** (Pages 53 - 56)
- 9 **PENSIONS INVESTMENT SUB-COMMITTEE: MINUTES OF THE MEETING HELD ON 9TH MAY 2013 (EXCLUDING EXEMPT INFORMATION)** (Pages 57 - 62)
- 10 **AUDIT SUB-COMMITTEE: MINUTES OF THE MEETING HELD ON 6TH JUNE 2013, EXCLUDING EXEMPT INFORMATION** (Pages 63 - 68)
- 11 **LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000**

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 exempt information.

<u>Items of Business</u>	<u>Schedule 12A Description</u>
12 EXEMPT MINUTES OF THE MEETING HELD ON 23RD MAY 2013 (Pages 69 - 70)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
13 PENSIONS INVESTMENT SUB-COMMITTEE: EXEMPT MINUTES - 9TH MAY 2013 (Pages 71 - 78)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
14 AUDIT SUB-COMMITTEE: EXEMPT MINUTES - 6TH JUNE 2013 (Pages 79 - 82)	Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

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GENERAL PURPOSES AND LICENSING COMMITTEE

Minutes of the meeting held at 7.00 pm on 23 May 2013

Present:

Councillor Tony Owen (Chairman)
Councillor Russell Mellor (Vice-Chairman)
Councillors Nicholas Bennett J.P., John Canvin,
Roger Charsley, Roxhannah Fawthrop, Julian Grainger,
Ellie Harmer, Diane Smith, Harry Stranger and
Michael Turner

90 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were reported from Councillors Gordon Norrie, Charles Rideout and Tim Stevens. Apologies were also received subsequently from Councillor John Getgood.

91 DECLARATIONS OF INTEREST

There were no declarations of interest.

92 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received.

93 CONFIRMATION OF MINUTES OF THE MEETING HELD ON 10TH APRIL 2013

RESOLVED that the minutes of the meeting held on 10th April 2013 be confirmed.

94 LICENSING SUB-COMMITTEE: SCHEDULE OF MEETINGS Report RES13093

The Committee considered the programme of Licensing Sub-Committee meetings for the remainder of 2013. A schedule setting out the membership for each meeting was tabled. The Chairman encouraged Members to contact Democratic Services outside the meeting if they could fill either of the two vacancies.

RESOLVED that the schedule of Licensing Sub-Committee meetings for the remainder of 2013 be endorsed.

**95 APPOINTMENT OF COUNCIL REPRESENTATIVES TO
OUTSIDE BODIES AND PARTNERSHIPS 2013/14**
Report RES13086

The Committee considered a report setting out proposed appointments to outside bodies. Most of the appointments were for the Council year 2013/14; there was also an appointment for the remainder of a three year term ending in May 2015 to the Oxleas NHS Foundation Trust and a nomination to London Councils for the Lee Valley Regional Park Authority, a four year appointment. Two minor amendments to the recommendations were tabled at the meeting.

RESOLVED that appointments to outside bodies be confirmed as set out in the appendix to these minutes.

**96 APPEALS SUB-COMMITTEE: MINUTES OF THE MEETING
HELD ON 1st MAY 2013, EXCLUDING EXEMPT
INFORMATION**

The Committee received the minutes of the meeting of the Appeals Sub-Committee held on 10th April 2013 (excluding exempt information).

**97 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE
LOCAL GOVERNMENT (ACCESS TO INFORMATION)
(VARIATION) ORDER 2006 AND THE FREEDOM OF
INFORMATION ACT 2000**

RESOLVED that the Press and public be excluded during consideration of the items of business referred to 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 exempt information.

**The following summaries
refer to matters
involving exempt information**

98 AFFINITY SUTTON PENSION ARRANGEMENTS

The Committee considered a report detailing proposals from Affinity Sutton concerning their Admitted body pension arrangements.

**99 APPEALS SUB-COMMITTEE: EXEMPT MINUTES - 1ST MAY
2013**

The Committee received the exempt minutes of the meeting of the Appeals Sub-Committee held on 13th March 2013 and referred issues relating to the case to the Health and Wellbeing Board for consideration.

The Meeting ended at 7.05 pm

Chairman

APPENDIX

**LONDON BOROUGH OF BROMLEY
APPOINTMENTS TO OUTSIDE BODIES
AND PARTNERSHIP BODIES 2013/14**

Annual Appointments for 2013/14

(i) London Councils' Appointments

Leaders' Committee (S.101 Joint Committee)

Cllr Stephen Carr

Cllr Colin Smith (deputy)

Transport and Environment Committee (Associated S.101 Joint Committee)

Cllr Colin Smith

Cllr William Huntington-Thresher & Cllr Peter Fortune (deputies)

Grants Committee (Associated Joint Committee)

Cllr Stephen Carr

Cllrs Robert Evans, Stephen Wells & Colin Smith (deputies)

Greater London Employment Forum

Cllr Tony Owen

Cllr Colin Smith (deputy)

Lead Members/Portfolio Holders

Children & Young People: Cllr Stephen Wells

Economic Development/Regeneration: Cllr Peter Morgan

Crime and Public Protection: Cllr Tim Stevens

Culture & Tourism: Cllr Peter Morgan

Health and Adult Services: Cllr Robert Evans

Housing: Cllr Robert Evans (Operations)

Cllr Peter Morgan (Strategic Planning)

Planning: Cllr Peter Dean

(ii) Partnership Appointments

Safer Bromley Partnership Strategic Group

Cllr Tim Stevens

Cllrs Julian Benington & Reg Adams (non-voting members)

Children & Young People Partnership Board

Cllr Robert Evans

Economic Partnership

Cllr Peter Morgan

Health, Social Care and Housing Partnership Board

Cllrs Robert Evans, Ellie Harmer and Pauline Tunncliffe

Cllr Diane Smith (deputy)

Mental Health Joint Board

Cllr Judi Ellis

Cllr Pauline Tunncliffe (deputy)

(iii) Care Services Appointments

Age Concern (Greater London)

Cllr Pauline Tunncliffe

Early Years Development & Child Care Partnership

Cllr Neil Reddin

(iv) Education Appointments

Management Committee of Wood Lodge Living Skills Centre

Cllr Kate Lymer

Bromley "Y" Project

Cllrs Nicky Dykes & Will Harmer

Mentoring Steering Group

Cllr Tim Stevens

Cllr Pauline Tunncliffe (deputy)

Management Committee for Pupil Referral Service

Cllrs Robert Evans & Stephen Wells

(v) Environment Appointments

Green Chain Joint Committee

Cllrs William Huntington-Thresher & Colin Smith

London Road Safety Council

Cllr William Huntington-Thresher

Southern Regional Flood Defence Committee

(Joint representative for Bromley/Bexley/Greenwich/Medway)

Cllr Colin Tandy (LB Bexley)

(vi) Renewal and Recreation Appointments

Bromley Arts Council

Cllrs Reg Adams, Jane Beckley, Ellie Harmer and Alexa Michael

The Crystal Palace Community Development Trust

Cllr John Canvin

Greater London Enterprise

Cllr Peter Morgan

London Youth Games

Cllr Catherine Rideout

Proactive Bromley

Cllrs Catherine Rideout and Stephen Carr

Orpington BID Board

Cllr William Huntington-Thresher

vii) General Appointments

Biggin Hill Airport Consultative Committee

Representative of the Council as freeholder:

Cllr Alexa Michael

Cllr Eric Bosshard (deputy)

Representative of Biggin Hill Ward:

Cllr Gordon Norrie

Cllr Julian Benington (deputy)

Representative of Darwin Ward:

Cllr Richard Scoates

Cllr Harry Stranger (deputy)

Bromley Town Twinning Association

Councillors Ruth Bennett, Jane Beckley and Ian Payne

Affinity Sutton Group – London Regional Scrutiny Group

Cllr Nicholas Bennett

Community Links Bromley

Cllr Judi Ellis & Ellie Harmer

Bromley Healthcare Council of Governors

Cllr Diane Smith

Three and four Year Appointments

Oxleas NHS Trust – Council of Governors
(Remainder of 3 year term to May 2015)

Cllr Judi Ellis

Nomination to London Councils for the Lee Valley Regional Park Authority
(Four year term)

Cllr Stephen Carr

Agenda Item 5

Report No.
RES13137

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE

Date: 17 July 2013

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

Title: CODE OF CORPORATE GOVERNANCE

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Corporate Services

Ward: N/A

1. Reason for report

- 1.1 At its meeting on 6th June 2013, the Audit Sub-Committee considered and approved a revised Code of Corporate Governance for adoption by full Council. The revised Code removes some of the duplication in the version previously agreed by Council in April 2011 and takes account of the key elements that need to be included in the Annual Governance Statement.
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2. **RECOMMENDATION(S)**

That Council be recommended to adopt the revised Code of Corporate Governance (appendix 2).

Corporate Policy

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

Financial

1. Cost of proposal: No Cost:
 2. Ongoing costs:
 3. Budget head/performance centre: Internal Audit
 4. Total current budget for this head: £552k including £250 k net cost for fraud partnership
 5. Source of funding: General Fund, Admin subsidy, Admin penalties, legal cost recoveries, provision of sold services to academies.
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Staff

1. Number of staff (current and additional): 6.4fte, including 0.5fte to cover risk management
 2. If from existing staff resources, number of staff hours: 208 days per quarter
-

Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
 2. Call-in: Not Applicable: This report does not involve an executive decision.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

3. COMMENTARY

- 3.1 As part of the Annual Governance Statement review opportunity the opportunity has been taken to update the Code of Corporate Governance. Following a review of the *Delivering Good Governance in Local Government: Framework 2007*, to ensure that it remains 'fit for purpose', CIPFA/SOLACE has issued a revised guidance note which is intended to assist authorities in reviewing their governance arrangements. The guidance removes some of the duplication and more operational aspects previously attributable to the 'Role of the Chief Financial Officer' that is currently reflected in our own code which was approved by full Council in April 2011. We have also taken account of the key elements that should be included in the Annual Governance Statement when updating the code.
- 3.2 The revised code consists of four parts -
- An introduction
 - The Code itself
 - A glossary
 - An appendix showing the key policies and processes that underpin Bromley's compliance with the Code
- 3.3 At its meeting on 6th June 2013 the Audit Sub-Committee considered the revised Code, and with one amendment (in Core Principle 1:3, second section) approved it for adoption by full Council.
- 3.4 The new, revised code is attached at [appendix 2](#); a version showing the old code and the changes made by officers and by the Audit Sub-Committee is also attached at [appendix 1](#).

Non-Applicable Sections:	Policy/Financial/Legal/Personnel
Background Documents: (Access via Contact Officer)	

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BROMLEY - CODE OF CORPORATE GOVERNANCE (2011)

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) 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.

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 detailed in the Annual Governance Statement which is published with the Annual Report and Statement of Accounts

May 2013

BROMLEY – CODE OF CORPORATE GOVERNANCE

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.	
Supporting Principles:	The Council will:
1. 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
2. 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
3. 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 make sure that the Council or partnership has the information needed to review value for money and performance effectively
	<i>Amendment by Audit Sub-Committee:</i> Will consider measuring the sustainability and environmental impact of policies, plans and decisions. (delete: measure the sustainability environmental 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

Core Principle 2: Members and Officers working together to achieve a common purpose with clearly defined functions and roles.	
Supporting Principles:	The Council will:
1. 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
2. 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 Finance Director Director of Finance (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
	ensure that Bromley's financial management arrangements conform with the governance requirements of the <i>CIPFA Statement on the Role of the Chief Financial Officer in Local Government</i>
	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

	<p>ensure that the Council's governance arrangements allow the CFO direct access to the Chief Executive and to other leadership team members</p>
	<p>ensure that the CFO:</p> <ul style="list-style-type: none"> • leads the promotion and delivery by the whole organisation of good financial management so that public money is used appropriately, economically, efficiently and effectively at all times • has a line of professional accountability for finance staff throughout the organisation
	<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 Corporate Services Resources (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 Council Directors</p>
<p>3. 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</p>

	<p>including:</p> <ul style="list-style-type: none"> • a medium term financial strategy to ensure sustainable finances • a robust annual budget process that ensures financial balance • a monitoring process that enables this to be delivered <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"> • ensure that Members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Council • ensure that there is clarity about the legal status of the partnership • 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

BROMLEY – CODE OF CORPORATE GOVERNANCE

Core Principle 3: Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.	
Supporting Principles:	The Council will:
1. 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 put in place appropriate processes to ensure that they continue to operate in practice
2. 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 promote and maintain high standards of conduct by Councillors and co-opted members of the Council
	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

Core Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risks.	
Supporting Principles:	The Council will:
1. 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
	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 an effective internal audit function is resourced and maintained
	ensure that Bromley's assurance arrangements conform with the governance requirements of the <i>CIPFA Statement on the Role of the Head of Internal Audit</i>
	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
2. 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 and financial 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)
3. 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
	ensure the Council's arrangements for financial and internal control and for managing risk are addressed in annual governance reports
	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
	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
4. Using their legal powers to the full benefit of the citizens and communities in their area	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
	recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on Councils by public law
	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

BROMLEY – CODE OF CORPORATE GOVERNANCE

Core Principle 5: Developing the capacity and capability of Members and Officers to be effective.	
Supporting Principles:	The Council will:
1. 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
2. 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
3. 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 Officers and support for Members to encourage participation and development

BROMLEY – CODE OF CORPORATE GOVERNANCE

Core Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability.	
Supporting Principles:	The Council will:
1. 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
2. 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 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
	publish an annual 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
3. Making best use of human resources by taking an active and planned approach to meet responsibilities to staff	develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making

BROMLEY - CODE OF CORPORATE GOVERNANCE

GLOSSARY OF TERMS	
TERM	DEFINITION
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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 Finance.
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 Corporate 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 Finance.
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.

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) 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.

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 detailed in the Annual Governance Statement which is published with the Annual Report and Statement of Accounts

July 2013

BROMLEY – CODE OF CORPORATE GOVERNANCE

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.	
Supporting Principles:	The Council will:
1. 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
2. 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
3. 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 make sure that the Council or partnership has the information needed to review value for money and performance effectively
	Will consider measuring the sustainability and environmental impact of policies, plans and decisions.
	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

Core Principle 2: Members and Officers working together to achieve a common purpose with clearly defined functions and roles.	
Supporting Principles:	The Council will:
1. 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
2. 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 Finance (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
	ensure that Bromley's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in local Government

	<p>make the Director of Corporate 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 Council Directors.</p>
<p>3. 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>when working in partnership:</p> <ul style="list-style-type: none"> • ensure that Members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Council • ensure that there is clarity about the legal status of the partnership • 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

BROMLEY – CODE OF CORPORATE GOVERNANCE

Core Principle 3: Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.	
Supporting Principles:	The Council will:
1. 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 put in place appropriate processes to ensure that they continue to operate in practice
2. 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 systems and processes are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice
	promote and maintain high standards of conduct by Councillors and co-opted members of the Council
	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

Core Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risks.	
Supporting Principles:	The Council will:
1. 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
	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 an effective internal audit function is resourced and maintained
	ensure that Bromley's assurance arrangements conform with the governance requirements of the <i>CIPFA Statement in the Role of the Head of Internal Audit</i>
	put in place effective, transparent and accessible arrangements for dealing with complaints
2. 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 and financial issues and their implications
3. 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
	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
4. Using their legal powers to the full benefit of the citizens and communities in their area	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
	recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on Councils by public law
	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

BROMLEY – CODE OF CORPORATE GOVERNANCE

Core Principle 5: Developing the capacity and capability of Members and Officers to be effective.	
Supporting Principles:	The Council will:
1. 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
2. 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
	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
3. 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 Officers and support for Members to encourage participation and development

BROMLEY – CODE OF CORPORATE GOVERNANCE

Core Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability.	
Supporting Principles:	The Council will:
1. 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
2. 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 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
	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
	publish an annual 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
3. Making best use of human resources by taking an active and planned approach to meet responsibilities to staff	develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making

BROMLEY - CODE OF CORPORATE GOVERNANCE

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

<p align="center">Core Principles</p> <p>Key Policies / Processes</p>	<p>Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area</p>	<p>Members and Officers working together to achieve a common purpose with clearly defined functions and roles</p>	<p>Promoting the values for the authority and demonstrating , good governance, conduct and behaviour</p>	<p>Taking informed and transparent decisions which are subject to effective scrutiny and managing risks</p>	<p>Developing the capacity and capability of Members and Officers to be effective</p>	<p>Engaging with local people and other stakeholders to ensure robust public accountability</p>
Annual Audit Letter			•	•		
Annual Governance Statement	•			•		
Annual Report and Statement of Accounts	•					•
Anti-Fraud and Corruption Strategy			•			
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	•					
Executive and Resources PDS Committee Annual Report				•		•
Financial Regulations			•	•		
Financial Strategy	•	•	•			

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

Core Principles Key Policies / Processes	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 Development Framework	•					
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		•	•			
Treasury Management Strategy	•	•	•			

Agenda Item 6

Report No.
RES13136

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE

Date: 17 July 2013

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

Title: RAISING CONCERNS (WHISTLEBLOWING) POLICY

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Corporate Services

Ward: N/A

1. Reason for report

- 1.1 The Council's whistleblowing policy was last updated in 2008. A revised policy was considered by Audit Sub-Committee on 6th June 2013, who referred it to this committee for adoption.
-

2. **RECOMMENDATION(S)**

That the attached Raising Concerns (Whistleblowing) Policy (appendix 2) be adopted.

Corporate Policy

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

Financial

1. Cost of proposal: No Cost:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Internal Audit
 4. Total current budget for this head: £552k including £250k net cost for fraud partnership
 5. Source of funding: General Fund, Admin subsidy, Admin Penalties, Legal Cost recoveries, provision of sold services to academies.
-

Staff

1. Number of staff (current and additional): 6.4fte including 0.5fte to cover risk management
 2. If from existing staff resources, number of staff hours: 208 days per quarter
-

Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
 2. Call-in: Not Applicable: This report does not involve an executive decision
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

3. COMMENTARY

- 3.1 Members will recall that some of the major investigations carried out by Internal Audit over the past two years have been as a result of whistleblowing allegations. The Council's current Confidential Reporting code (Raising Concerns) was last updated in July 2008. The policy has now been updated in line with best practice and with current titles and contacts. The Council recently subscribed to an organisation specialising in public concern at work and their expertise has been built in to the revised wording. Previous debates on this subject highlighted a need that there should be mechanism whereby staff could go to a nominated Member/s possibly the Chairman or Vice-Chairman of Audit Sub Committee, and this has been reflected in the new text.
- 3.2 A good policy is written from the point of view of the whistleblower and gives them confidence and encouragement to come forward and raise concerns openly. It should provide staff with a clear step by step guidance on who to contact, how to contact and a brief outline of the process. The updated version has been abridged so that it is less daunting and confusing for the whistleblower.
- 3.3 The Audit Sub-Committee considered the draft policy at its meeting on 5th June 2013. The Sub-Committee agreed the draft policy, subject to adding the Vice-Chairman of Audit Sub-Committee as a potential contact and to including mention of Councillors in the text. The 2008 policy is attached for information and comparison as appendix 1; the revised policy is attached as appendix 2.
- 3.4 The Committee is asked to adopt the revised whistleblowing/raising concerns policy.

Non-Applicable Sections:	Policy/Financial/legal/Personnel
Background Documents: (Access via Contact Officer)	None

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CONFIDENTIAL REPORTING CODE (2008)

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.

RAISING CONCERNS (WHISTLEBLOWING) POLICY

INTRODUCTION

1. Employees are often the first to realise that there may be something wrong within the Council. Usually these concerns are easily resolved. However, when the concern feels serious because it is about a possible fraud, corruption or misuse of position that might affect others or the council itself, it can be difficult to know what to do.
2. You may be worried about raising such a concern and may think it best to keep it to yourself, perhaps feeling it's none of your business or that it's only a suspicion. You may feel that raising the matter would be disloyal to colleagues, managers or to the Council. You may decide to say something but find that you have spoken to the wrong person or raised the issue in the wrong way and are not sure what to do next.
3. The council is committed to running the organisation in the best way possible and to do so we need your help. We have introduced this policy to reassure you that it is safe and acceptable to speak up and to enable you to raise any concern you may have about malpractice at an early stage and in the right way. Rather than wait for proof, we would prefer you to raise the matter when it is still a concern.
4. This Raising Concerns Policy is intended to encourage and enable employees and members to raise serious concerns. This policy applies to all those who work for us; whether full-time or part-time, employed through an agency, contractors or as a volunteer. If you have a concern, please let us know.
5. These procedures are in addition to the Council's complaints procedures and other statutory reporting procedures applying to some departments. If, however, you wish to make a complaint about your employment or how you have been treated, please use the grievance procedure - which you can get from One Bromley or HR officer. This Raising Concerns Policy is primarily for concerns where the interests of others or of the organisation itself are at risk. 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

If in doubt - raise it!

OUR ASSURANCES TO YOU

6. The Chief Executive, Chief Officers and Members are committed to this policy. If you raise a genuine concern under this policy, you will not be at risk of losing your job or suffering any form of retribution as a result. We will not tolerate the harassment or victimisation of anyone raising a genuine concern. Provided you are acting in good faith, it does not matter if you are mistaken. Of course we do not extend this assurance to someone who maliciously raises a matter they know is untrue.
7. With these assurances, we hope you will raise your concern openly. However, we recognise that there may be circumstances when you would prefer to speak to someone in confidence first. If this is the case, please say so at the outset. If you ask us not to disclose your identity, we will not do so without your consent unless required by law. You should understand that there may be times when we are unable to resolve a concern without revealing your identity, for example where your personal evidence is essential. In such cases, we will discuss with you whether and how the matter can best proceed.
8. Please remember that if you do not tell us who you are it will be much more difficult for us to look into the matter. We will not be able to protect your position or to give you feedback. Accordingly you should not assume we can provide the assurances we offer in the same way if you report a concern anonymously.
9. If you are unsure about raising a concern you can get independent advice from Public Concern at Work which is an independent charity on 020 7404 6609 or by email at helpline@pcaw.org.uk. Their lawyers can talk you through your options and help you raise a concern about malpractice at work.

HOW TO RAISE A CONCERN INTERNALLY

10. As a first step, you should normally raise concerns with your immediate manager or team leader. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice.
11. If you are unable to raise the matter with your manager, for whatever reason, please raise the matter with:

[Name of designated officer]	OR	[Name of designated officer]
[Contact details]		[Contact details]

12. If these channels have been followed and you still have concerns, or if you feel that the matter is so serious that you cannot discuss it with any of the above, please contact

[Chief Executive contact details]
[Chair and Vice Chair, Audit Sub-Committee]

13. The concern could be raised verbally or in writing. If you want to raise the matter in confidence, please say so at the outset so that appropriate arrangements can be made.

HOW THE COUNCIL WILL RESPOND

14. Once you have told us of your concern, we will assess it and consider what action may be appropriate. This may involve an informal review, an internal inquiry or a more formal investigation. We will tell you who will be handling the matter, how you can contact them, and what further assistance we may need from you.
15. If you ask, we will write to you summarising your concern and setting out how we propose to handle it and provide a timetable for feedback. If we have misunderstood the concern or there is any information missing please let us know.
16. When you raise the concern it will be helpful to know how you think the matter might best be resolved. If you have any personal interest in the matter, we do ask that you tell us at the outset. If we think your concern falls more properly within our grievance, bullying and harassment or other relevant procedure, we will let you know.
17. Whenever possible, we will give you feedback on the outcome of any investigation. Please note, however, that we may not be able to tell you about the precise actions we take where this would infringe a duty of confidence we owe to another person.

MONITORING / OVERSIGHT

18. The Monitoring Officer (who is the Director of Corporate 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.

HOW THE MATTER CAN BE TAKEN FURTHER

19. While we hope this policy gives you the reassurance you need to raise such matters internally, we recognise that there may be circumstances where you can properly report matters to outside bodies, such as regulators or the police. Public Concern at Work (see paragraph 9) or your union will be able to advise you on such an option and on the circumstances in which you may be able to contact an outside body safely.

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Agenda Item 8

Report No.
RES13114

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE

Date: 17th July 2013

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

Title: APPOINTMENTS TO OUTSIDE BODIES

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Corporate Services

Ward: N/A

1. Reason for report

1.1 In May each year, the Committee considers a report on the appointment of Council representatives to serve on Outside Bodies and Partnership Bodies. Most appointments are made for the Council Year, but a few are for three or four year periods, the latter usually being for the life of a Council. One such appointment is to the Governing Body of Bromley Adult Education College. A vacancy has now arisen mid-term due to the resignation of Councillor Sarah Phillips.

2. **RECOMMENDATION(S)**

That the Committee makes an appointment to the Governing Body of Bromley Adult Education College for the remainder of the four year term of office ending in May 2014.

Corporate Policy

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

Financial

1. Cost of proposal: No Cost:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Democratic Services
 4. Total current budget for this head: £363,070
 5. Source of funding: 2013/14 Revenue Budget
-

Staff

1. Number of staff (current and additional): 10 posts (8.55fte)
 2. If from existing staff resources, number of staff hours: Liaison with outside bodies about council appointments forms a very small proportion of one post within the Democratic Services Team.
-

Legal

1. Legal Requirement: None:
 2. Call-in: Not Applicable: This report does not involve an executive decision.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 Most outside body appointments are made on an annual basis by the Committee at its first meeting of the Council year in May, but a number of appointments are for longer periods, including a number that run for the four year period of each Council.
- 3.2 In May 2010, Councillor Sarah Phillips was appointed as the Council's representative on the Bromley Adult Education College Governing Body for a four year term, alongside Mr David Barnett and Mr Peter Woods. Councillor Phillips has now resigned from the Governing Body and so a replacement is needed for the remainder of the four year term until May 2014. The Governing Body normally meets once a term in February, May and October at each of the College's three main centres in turn – the Widmore Centre, Bromley, the Kentwood Centre, Penge and the Poverest Centre, Orpington.

Non-Applicable Sections:	Policy/Financial/Legal/Personnel
Background Documents: (Access via Contact Officer)	Previous reports to General Purposes and Licensing Committee on outside body appointments.

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PENSIONS INVESTMENT SUB-COMMITTEE

Minutes of the meeting held at 7.30 pm on 9 May 2013

Present

Councillor Paul Lynch (Chairman)
Councillor Julian Grainger (Vice-Chairman)
Councillors John Ince, Russell Mellor, Neil Reddin FCCA and
Richard Scoates

75 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies were received from Councillor Stephen Wells.

76 DECLARATIONS OF INTEREST

Councillors Paul Lynch, Julian Grainger, Russell Mellor, Neil Reddin and Richard Scoates each declared an interest as members of the Bromley Local Government Pension Scheme.

77 CONFIRMATION OF MINUTES OF THE MEETING HELD ON 12TH FEBRUARY 2013 EXCLUDING THOSE CONTAINING EXEMPT INFORMATION

The minutes were agreed subject to the first sentence of the penultimate paragraph at Minute 70 being amended to read: "*Councillor Grainger indicated that it could be difficult to grasp how the Pension Fund can increase in value and yet be further from meeting the future liabilities.*"

78 MATTERS OUTSTANDING FROM PREVIOUS MEETINGS

Members were updated on the matters below.

(a) Auto-enrolment

At their meeting on 14th February 2013, the General Purposes and Licensing Committee agreed that the transitional period (between 1st March 2013 and September 2017) be used to defer automatic enrolment for eligible jobholders who, on 1st March 2013, were not members of either the LGPS or the TPS. This would mean that costs would also be spread over a period of years.

(b) London Mutual Pension Fund

The Director of Finance provided an update to reflect recent developments.

There have been various recent appointments to the London Pensions Fund Authority (LPFA) Board and they all appear to favour a merger of London Boroughs pension funds. Recent press reports indicate that the Parliamentary

Under-Secretary of State will announce a consultation paper later this month considering the option of merging pension funds. Poorer performing pension funds are likely to be keen to merge with better performing funds.

L B Bromley does not support the merger of funds for various reasons including, for example, significant set up costs, lack of evidence that “big is best”, risks of inefficiency and diversion into investments that would not provide the best financial returns. Bromley’s fund had chased returns with a high level of equity investment and larger funds did not necessarily perform better. The earliest a merger could start would be around 2017.

London Councils were proposing an alternative arrangement based on a collective fund which would provide more buying power and enable greater co-operation across the London boroughs. The structure would enable each borough to retain autonomy in asset allocation and funding strategy. There would be no obligation on London Boroughs to join and Boroughs could “pick and choose”.

Cllr. Grainger felt that economies of scale on merger were significantly overstated and there would also be a lack of flexibility. The Chairman was also concerned and he sent a letter opposing the merger and there was discussion about the engagement of a local MP to support Bromley’s concerns.

It was felt that any future direction could lead to infrastructure investment in certain sectors which may provide the best long term investment solution.

(c) Consultation on access by Councillors and other elected office holders to the LGPS

The consultation period had started with responses due to Government by 5th July 2013. Following the meeting, Sub Committee Members considered the questions posed in the Consultation document and options outlined for future arrangements.

(d) LGPS changes from 2014

Regulations on new LGPS arrangements would come into effect in 2014. The Council had indicated to Government that the measures did not go far enough in reducing employer costs. Additionally, non-consolidated bonuses continued to be pensionable in contrast to other public sector schemes e.g. Civil Service and Health Service. The Government had not reflected the Council’s concerns in the latest proposals. The Leader of the Council had also made representations with support of various other local authorities.

(e) Changes to State Pension

New state pension arrangements had been brought forward to 2016/17. Contracted out National Insurance would be abolished resulting in a potential additional cost to the Council of £1.3m per annum.

(f) Triennial valuation

The actuary would start work on the Pension Fund's Triennial valuation in June 2013. Initial figures would be provided in July 2013 with actual figures available in October 2013.

Although returns had been good, there was concern over liabilities. An update will be provided at the Sub Committee's next meeting. Any worsening deficit position will need be considered as part of the 2014/15 Budget process including reporting to the Executive and E&R PDS Committee.

79 QUESTIONS BY MEMBERS OF THE PUBLIC ATTENDING THE MEETING

There were no questions.

80 PENSION FUND PERFORMANCE Q4 2012/13

Report RES13088

Summary details were provided of the investment performance of Bromley's Pension Fund for the financial year 2012/13 along with information on general financial and membership trends of the Fund and summarised information on early retirements. The Fund's external advisers, AllenbridgeEpic provided further detail on investment performance and Fidelity and Baillie Gifford each provided an update report on performance and economic outlook/prospects.

The market value of the Fund rose during the March quarter to £583.9m compared to £499.5m at 31st March 2012. By 24th April 2013, the Fund value had risen to £585.9m.

Until 2006, the target for Fund managers was to outperform the local authority universe average by 0.5% over rolling three year periods. Following a review of management arrangements in 2006, both managers were set performance targets relative to their strategic benchmarks; Baillie Gifford's target to outperform the benchmark by 1.0% - 1.5% over three-year periods and Fidelity's to outperform by 1.9% over three-year periods. Although the 2012 strategy review saw maintenance of an 80%/20% split between growth seeking assets and protection assets, the growth element would comprise a 10% investment in Diversified Growth Funds (DGF) and 70% in global equities, the latter removing arbitrary regional weightings in favour of flexibility in world stock markets and potentially improved long-term returns.

Baillie Gifford and Standard Life each received £25m on 6th December 2012 from Fidelity's equity holdings to establish the 10% DGF allocation (Phase 1 of the new strategy). For this, Baillie Gifford achieved a 5.0% return in the March quarter against a benchmark of 3.5% above base rate and Standard Life achieved a 3.7% return against a benchmark of 5% above the six month Libor rate.

On performance generally, Baillie Gifford returned 11.9% in the March quarter (2.2% above the benchmark) and Fidelity returned 11.5% (1.9% above benchmark). The Fund's medium and long-term returns also remained strong and long-term rankings to 31st December 2012 were good. Baillie Gifford's returns for three years and ten years ended 31st March 2013 (10.0% and 11.5% respectively) compared favourably with those of Fidelity. Over five years, both made an annualised return of 9.7%.

Details were also provided of the provisional outturn for the 2012/13 Pension Fund Revenue Account along with fund membership numbers. A provisional net surplus of £7.5m was achieved (due to investment income of £10.2m).

Expanding on his performance report, Mr Alick Stevenson provided further commentary on global economic conditions and highlighted key points on the Fund's performance. Overall he felt it was a good quarter.

With reference to L B Bromley's £13m investment in Baillie Gifford's Active Gilts Plus Fund, Councillor Russell Mellor enquired of the background to the BG Fund being ranked 547 from 647. Mr Stevenson thought the investment performance provided a solid return over the previous 12 months. The fund returned 6.5% against an index of 5.3% and Mr Stevenson indicated that the index was the FTSE Active Gilt Index. Mr Ken Barker of Baillie Gifford indicated that the index comprised a return on all gilts and the fund had performed well against that index, 647 providing the highest yields.

RESOLVED that the report be noted.

81 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND FREEDOM OF INFORMATION ACT 2000

RESOLVED that the Press and public be excluded during consideration of the items of business referred to 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 exempt information.

**The following summaries
refer to matters
involving exempt information**

82 CONFIRMATION OF EXEMPT MINUTES - 12TH FEBRUARY 2013

The Part 2 minutes were agreed.

83 AFFINITY SUTTON PENSION ARRANGEMENTS

Report RES12161

In line with a recommendation from the General Purposes and Licensing Committee on 26th September 2012, Members considered proposals from Affinity Sutton concerning their Admitted Body pension arrangements.

84 REVISED INVESTMENT STRATEGY - PHASE 2 UPDATE (GLOBAL EQUITIES)

Report RES12161

Members considered an update on Phase 2 of the Council's revised investment strategy along with proposals related to the tendering process for Phase 2 of the Strategy.

THE FOLLOWING ITEM, NOT INCLUDED IN THE PUBLISHED AGENDA, WAS CONSIDERED AS A MATTER OF URGENCY ON THE FOLLOWING GROUNDS:

To enable the Sub Committee to consider Investment Reports from the Council's Fund Managers for quarter ended 31st March 2013 and to receive a presentation on performance from representatives of Baillie Gifford.

85 PENSION FUND - INVESTMENT REPORT

Quarterly performance reports (to 31st March 2013) from Baillie Gifford and Fidelity had been circulated to Sub Committee Members prior to the meeting along with quarterly reports (to 31st March 2013) from Standard Life Investments and Baillie Gifford in respect of the Diversified Growth Fund investments.

Representatives from Baillie Gifford attended the meeting to present their investment review and answer questions.

The Meeting ended at 9.39 pm

Chairman

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AUDIT SUB-COMMITTEE

Minutes of the meeting held at 7.00 pm on 6 June 2013

Present:

Councillor Neil Reddin FCCA (Chairman)
Councillor Simon Fawthrop (Vice-Chairman)
Councillors Reg Adams, Nicholas Bennett J.P.,
Julian Grainger, Will Harmer and Stephen Wells

Also Present:

Councillor Peter Fookes

38 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

There were no apologies for absence.

39 DECLARATIONS OF INTEREST

Councillor Neil Reddin declared an interest as a governor of St Olave's School and as the parent of a child at Warren Road Primary School.

Councillor Reg Adams declared an interest as a governor of Churchfields and Stewart Fleming Primary Schools.

Councillor Simon Fawthrop declared an interest as the parent of a child at a Bromley school.

Councillor Julian Grainger declared an interest as a Governor at St Olave's School and Chelsfield Primary School.

40 QUESTIONS BY MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received.

41 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 13TH MARCH 2013 EXCLUDING THOSE CONTAINING EXEMPT INFORMATION

RESOLVED that the minutes of the meeting held on 13th March 2013 (excluding exempt information) be confirmed.

42 MATTERS OUTSTANDING FROM THE LAST MEETING
Report RES13094

The Sub-Committee received a summary of matters arising from previous meetings and considered the following matters in particular -

- In relation to minute 33 (13th March 2013) the Head of Audit would follow up Members' comments that the Risk Register did not do enough to put financial values against risks.
- In relation to minute 34 (13th March 2013), it was noted that the audit of IT procurement would be focussing on hardware partly as a result of the issues concerning the former Design Studio.
- A note had been circulated on the principles around the disclosure of Audit Reports and other sensitive information. This would be considered by the Executive and Resources PDS Committee at its next meeting.
- The Sub-Committee also agreed that future meetings would start at 7.30pm.

43 ANNUAL AUDIT REPORT
Report CEO1220

The Sub-Committee received the annual report of audit activity, including schools, for 2012/13. This included highlights of the performance of the Internal Audit Team, a summary of the audits undertaken and an assessment of the overall effectiveness of the Council's internal control environment. A separate annual fraud report was included on the part 2 agenda. The report also included the draft Annual Governance Statement.

The Chairman noted that for 2011/12 and 2012/13 there had been a decline in the percentage of recommendations in Internal Audit reports relating to lack of supporting documents compared to 2010/11.

The Head of Audit confirmed that, due to the amount of additional investigation and fraud work carried out (the total figure, to be inserted on page 5 of the report, was 286 days), it had been necessary to use Deloitte auditors through the framework agreement with LB Croydon. The costs were comparable to using in-house auditors; quality had been mixed, depending on the staff provided. The possibility of utilising services provided by LB Wandsworth was being considered.

Councillor Stephen Wells requested that a summary of audit issues be circulated to Chairmen of Governors so that schools-related issues were picked up.

Councillor Julian Grainger commented that value for money (VFM) was not specifically included in the summary at paragraph 3.2 of the report – the

Chairman confirmed that VFM was included in the Internal Audit Charter. Councillor Grainger also objected to the reference in the Annual Governance Statement to Member and Officer roles being defined in the Constitution as the Scheme of Delegation to Officers had a number of delegations that were described as being both executive and non-executive. The Sub-Committee noted this objection.

Members discussed the recommendations about car parking and penalty charge notices in Appendix 1 to the report, and the difference between PCNs being waived or written off. It was explained that there was discretion for PCNs to be waived where there was an error or uncertainty in the process or circumstances, whereas write-offs were for legitimately issued PCNs where the Council could no longer expect to receive payment. Members commented that the Council was right to take a reasonable approach to motorists, and a Member suggested that charging for disabled parking bays should be examined.

RESOLVED that the Annual Audit Report for 2012/13 be noted and the draft Annual Governance Statement be approved.

44 INTERNAL AUDIT PROGRESS REPORT Report CEO1221

The Sub-Committee received a summary of recent internal audit activity and commented as follows.

(a) Audit Activity - Two major audits were planned for public health on payments and contracts and commissioning – funding had been transferred to provide 40 audit days.

(b) Auditor of the Year - The Sub-Committee were impressed with the quality of audit work carried out by both nominees, but decided to award the title of Auditor of the Year to Auditor A. A small presentation ceremony would be held with the Mayor.

(c) Future of Audit Committees - The Chairman reported that he had drafted a letter to go to the Department for Communities and Local Government (DCLG), but before it was sent a commitment had been made that Audit Committees would not have to contain independent members except when appointing external auditors. This was not necessary for Bromley until 2017. The Sub-Committee suggested that this issue be considered by the Constitution Improvement Working Group, and that the Chairman should still write to the DCLG setting out Bromley's position.

(d) Internal Audit Charter (Appendix B) - It was agreed that the reference to value for money on the second page be given greater prominence in the document.

(e) Code of Corporate Governance (Appendix C) - It was agreed that in Core Principle 1: 3 the second section be amended to read "Will consider

measuring the sustainability and environmental impact of policies...” The Chairman asked officers to ensure that advantage was taken of the CIPFA benchmarking club.

(f) Raising Concerns (Whistle-Blowing Policy) (Appendix I) - The Sub-Committee agreed that the Vice-Chairman should be added to the document as a potential contact and that Councillors should be mentioned in the Policy.

RESOLVED that

(1) The report be noted, with the comments set out above.

(2) That Auditor A be given the Auditor of the Year award.

(3) The Internal Audit Charter be approved, subject to giving greater prominence to value for money in the document.

(4) The Revised Code of Corporate Governance be approved and recommended for adoption by Council, subject to the change outlined above.

(5) The continuing achievements of the counter fraud partnership with the Royal Borough of Greenwich be noted.

(6) The revised Whistleblowing Policy be recommended to General Purposes and Licensing Committee for approval, subject to the addition of Councillors to the document and the inclusion of the Vice-Chairman’s name as set out above.

45 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000

RESOLVED that the press and public be excluded during consideration of the items of business referred to 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 exempt information

46 EXEMPT MINUTES OF THE MEETING HELD ON 13TH MARCH 2013

The Sub-Committee approved the exempt minutes of the meeting held on 13th March 2013.

47 ANNUAL INTERNAL AUDIT FRAUD REPORT

The Sub-Committee received the annual Internal Audit Fraud and Investigations report.

48 INTERNAL AUDIT FRAUD & INVESTIGATION REPORT

The Sub-Committee considered a report updating them on progress with fraud and investigation work.

The Meeting ended at 9.42 pm

Chairman

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Agenda Item 12

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Agenda Item 13

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Agenda Item 14

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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