



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

TELEPHONE: 020 8464 3333

CONTACT: Graham Walton
graham.walton@bromley.gov.uk

DIRECT LINE: 0208 461 7743

FAX: 020 8290 0608

DATE: 16 May 2016

To: Members of the

GENERAL PURPOSES AND LICENSING COMMITTEE

Councillor Tim Stevens J.P. (Chairman)
Councillor Diane Smith (Vice-Chairman)
Councillors Kathy Bance MBE, Nicholas Bennett J.P., Kim Botting, Alan Collins,
Mary Cooke, Ellie Harmer, David Jefferys, David Livett, Keith Onslow,
Charles Rideout QPM CVO, Teresa Te, Michael Turner and Stephen Wells

A meeting of the General Purposes and Licensing Committee will be held at Bromley Civic Centre on **TUESDAY 24 MAY 2016 AT 7.00 PM**

MARK BOWEN
Director of Corporate Services

Copies of the documents referred to below can be obtained from
<http://cds.bromley.gov.uk/>

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 22ND MARCH 2016**
(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 Wednesday 18th May 2016.
- 5 POOLING OPTIONS**
(Pages 9 - 32)
- 6 APPOINTMENT OF REPRESENTATIVES TO SERVE ON OUTSIDE BODIES**
(Pages 33 - 40)
- 7 AUDIT SUB-COMMITTEE: MINUTES OF THE MEETING HELD ON 5TH APRIL 2016, EXCLUDING EXEMPT INFORMATION**
(Pages 41 - 50)

8 APPEALS SUB-COMMITTEE: MINUTES OF THE MEETING HELD ON 23RD FEBRUARY 2016, 22ND MARCH 2016 AND 15TH APRIL 2016, EXCLUDING EXEMPT INFORMATION

(Pages 51 - 56)

9 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.

Items of Business

Schedule 12A Description

10 BROMLEY COLLEGE PENSION ARRANGEMENTS

(Pages 57 - 84)

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

11 AUDIT SUB-COMMITTEE: EXEMPT MINUTES - 5TH APRIL 2016

(Pages 85 - 92)

Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

12 APPEALS SUB-COMMITTEE: EXEMPT MINUTES - 23RD FEBRUARY 2016, 22ND MARCH 2016 AND 15TH APRIL 2016

(Pages 93 - 94)

Information which is likely to reveal the identity of an individual.

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GENERAL PURPOSES AND LICENSING COMMITTEE

Minutes of the meeting held at 7.00 pm on 22 March 2016

Present:

Councillor Tim Stevens J.P. (Chairman)
Councillor Diane Smith (Vice-Chairman)
Councillors Teresa Ball, Kathy Bance MBE, Ellie Harmer,
William Huntington-Thresher, David Livett, Russell Mellor,
Tony Owen, Colin Smith, Pauline Tunnicliffe and
Michael Turner

148 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillors Nicholas Bennett (replaced by Councillor Tony Owen), Mary Cooke (replaced by Councillor Colin Smith), Councillor Keith Onslow (replaced by Councillor William Huntington-Thresher), Councillor Charles Rideout and Councillor Stephen Wells.

149 DECLARATIONS OF INTEREST

There were no declarations of interest.

150 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received.

151 CONFIRMATION OF MINUTES OF THE MEETING HELD ON 10TH FEBRUARY 2016

RESOLVED that the minutes of the meeting held on 10th February 2016 (excluding exempt information) be confirmed.

152 POLICE LICENSING OFFICER

PC Andrea O'Donnell attended the meeting with Inspector Richard White to summarise her role as the Police Licensing Officer for the borough. She had started her role in January 2016 following the retirement of PC Jonathan Booth. She was the Police's only Licensing Officer, so she concentrated mainly on Bromley and Beckenham town centres, passing most other licensing issues, unless they were particularly important, to neighbourhood teams.

Inspector White informed the Committee that although he had only been in his current post for four months, as a sergeant he had led patrols in Bromley and

Beckenham town centres, so he was well acquainted with the night time economy in the borough.

Councillor Tony Owen tabled a chart showing recorded crime in Bromley Town Centre from February 2009 to December 2015. This showed recorded crime stable within a range of 0 – 16 incidents per month until early in 2014, and then beginning to rise, apparently as more late licenses were allowed in the town centre, with the support of ward councillors. Inspector White commented that better recording of crime or more officers being on duty in the town centre may also have affected the figures.

The Chairman stated that the Committee expected premises to be reviewed if they were the source of problems, and pledged that the Police would have the support of the Committee and the Council, including pressing for more police officers to be on duty in the town centres at night if that was necessary. However, it was important that robust evidence was secured and that procedures were followed scrupulously - preparing a review took six to nine months work.

The Chairman thanked PC O'Donnell and Inspector White for attending.

153 VU VU APPEAL - UPDATE

The Committee received an update on the first day of the VuVu hearing which had taken place on 8th March 2016. The case was due to take two more days – the second hearing would be in June.

154 INTU SHOPPING CENTRE NAME CHANGE
Report DRR16/028

This report was withdrawn from the agenda.

155 REVIEW OF APPEALS PROCESSES

As an employer Bromley Council was required by Law to have in place a range of policies and procedures to ensure that employee staffing matters were handled in a fair, reasonable and transparent way. These policies and procedures recognised an employee's statutory rights and afforded an opportunity for them to make representation against decisions that directly affected them, particularly those decisions which may give rise to the termination of their employment through an appeal process. Although the law required there to be an opportunity for an employee facing dismissal to be able to make representation it did not prescribe how many opportunities that employee should have nor who should hear such representation - this was for an employer to determine.

The current framework for appeal procedures was inconsistent with other decision making frameworks within the Council. Some appeal processes directly involved Members whereas others delegated appeals to Chief Officers. In addition, some procedures provided for 3 stage processes

providing a further right of appeal. The report set out the current framework and proposed options for consideration by the Committee.

RESOLVED that

(1) The contents of the report be noted.

(2) Officers be instructed to undertake further work in streamlining procedures as set out in the report under option 3 – that appeal procedures be compressed and the number of appeal stages be realigned to ensure consistency across all procedures with the requirement for Members to be involved in Appeals being removed and authority being delegated to the Head of Paid Service (Chief Executive) or his representative.

(3) Officers be authorised to formally consult with Trade Unions and Staff on the proposed changes to appeal procedures.

156 LOCAL GOVERNMENT PENSION SCHEME (LGPS) - ILL HEALTH RETIREMENTS
Report CEO16018

At its meeting on 19th May 2015, the Pensions Investment Sub-Committee had requested that General Purposes and Licensing Committee review the existing arrangements for ill health retirement. The report set out the current arrangements for dealing with ill health retirement cases within Bromley's Pension Fund.

The Council's Pension Fund was a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations 2013, for the purpose of providing pension benefits for its employees. The report also provides information about the employees who had retired early on grounds of ill health within the last three years. The report did not include information about members of the Local Government Pension Scheme who were not employed by Bromley Council.

RESOLVED that the contents of the report be noted.

157 FIFTH REPORT OF THE CONSTITUTION IMPROVEMENT WORKING GROUP

This report was withdrawn from the agenda.

158 PROGRAMME OF MEETINGS 2016/17
Report CSD16047

The Committee considered the draft timetable of meetings for the next municipal year. The programme was loosely based on the 2015/16 timetable.

An updated programme was tabled; this corrected some errors in January 2017 and made some changes necessary to accommodate the EU referendum on 23rd June 2016.

A Member asked whether the date of the Council meeting on 26th September 2016 could be moved to either 19th September or 3rd October. The Chairman suggested that this be considered.

RESOLVED that the programme of meetings 2016/17, as tabled, be approved.

159 HONORARY ALDERMEN
Report CSD16048

An informal cross-party meeting had been held to consider potential new Honorary Aldermen, and three candidates had been proposed – former Councillors Ernest Dyer, David Haslam and George Taylor. An amended schedule giving details of their service had been circulated. It was proposed that a special meeting of the Council would be called on 11th May 2016 to approve the appointments.

RESOLVED that the following be nominated to full Council for appointment as Honorary Aldermen –

Former Councillors Ernest Dyer, David Haslam and George Taylor.

160 APPOINTMENTS TO OUTSIDE BODIES
Report CSD160049

The three year terms of office of the Council's two representatives on the St Olave's and St Saviour's Schools Foundation Court of Governors expired on 30th April 2016. It was proposed that the two current representatives, Councillors Robert Evans and Neil Reddin, be re-appointed.

RESOLVED that Councillors Robert Evans and Neil Reddin be re-appointed to the Court of Governors of the St Olave's and St Saviour's Schools Foundation for three year terms ending on 30th April 2016.

161 LOCAL JOINT CONSULTATIVE COMMITTEE: MINUTES - 25TH FEBRUARY 2016

The minutes of the Local Joint Consultative Committee meeting held on 25th February 2016 were received.

162 PENSIONS INVESTMENT SUB-COMMITTEE: MINUTES OF THE MEETING HELD ON 11TH FEBRUARY 2016, EXCLUDING EXEMPT INFORMATION

The minutes of the Pensions Investment Sub-Committee meeting held on 11th February 2016 were received.

163 APPEALS SUB-COMMITTEE: MINUTES OF THE MEETING HELD ON 1ST FEBRUARY 2016, EXCLUDING EXEMPT INFORMATION

The minutes of the meeting of the Appeals Sub-Committee held on 1st February 2016 (excluding exempt information) were received.

164 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

165 EXEMPT MINUTES OF THE MEETING HELD ON 10TH FEBRUARY 2016

RESOLVED that the exempt minutes of the meeting held on 10th February 2016 be confirmed.

166 APPEALS SUB-COMMITTEE: EXEMPT MINUTES - 1ST FEBRUARY 2016

The exempt minutes of the meeting of the Appeals Sub-Committee held on 1st February 2016 were received.

A Member suggested that it should not be necessary to have the full minutes of Appeals Sub-Committee meetings circulated – just a summary of the decision. The Chairman responded that this could be looked at.

167 LOCAL GOVERNMENT PENSION SCHEME (LGPS) - ILL HEALTH RETIREMENTS
Report CEO1608

The Committee noted confidential details relating to the report on the part 1 agenda concerning Ill-Health Retirements.

The Meeting ended at 7.25 pm

Chairman

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Report No.
FSD 16034

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: Pensions Investment Sub-Committee
General Purposes and Licensing Committee
Council

Date: 19th May 2016
24th May 2016
4th July 2016

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

Title: **POOLING OPTIONS**

Contact Officer: Peter Turner, Director of Finance ,
Tel: 020 8313 4668 E-mail: peter.turner@bromley.gov.uk

Chief Officer: Director of Finance

Ward: All

1. Reason for report

This report provides an update to the "Pooling Options" report considered at the last meeting of this committee on 11th February 2016 (previous report attached) and Members are requested to commit to joining the London Collective Investment Vehicle (CIV). The Government requires that a final commitment is made by 15th July 2016.

2. **RECOMMENDATION(S)**

2.1 **The Sub-Committee is asked to:**

Recommend to Council that the Council joins the London CIV.

Corporate Policy

1. Policy Status: Existing policy. The Council's Pension Fund is a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations for the purpose of providing pension benefits for its employees. The LGPS (Management and Investment of Funds) Regulations 2009 allow local authorities to use all the established categories of investments (e.g. equities, bonds, property etc) and to appoint external investment managers who are required to use a wide variety of investments and to comply with certain specific limits.
 2. BBB Priority: Excellent Council.
-

Financial

1. Cost of proposal: Estimated cost Set up costs (see section 5)
 2. Ongoing costs: Recurring cost. Total administration costs estimated at £3.0m (includes fund manager/actuary/advisor fees, Liberata charge and officer time)
 3. Budget head/performance centre: Pension Fund
 4. Total current budget for this head: £34.7m expenditure (pensions, lump sums, etc); £40.7m income (contributions, investment income, etc); £745.8m total fund market value at 31st March 2016)
 5. Source of funding: Contributions to Pension Fund
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Staff

1. Number of staff (current and additional): 0.4 FTE
 2. If from existing staff resources, number of staff hours: c 14 hours per week
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Legal

1. Legal Requirement: Statutory requirement. Local Government Pension Scheme (LGPS) Regulations
 2. Call-in: Call-in is not applicable.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 6,234 current employees; 5,084 pensioners; 5,287 deferred pensioners as at 31st March 2016
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Ward Councillor Views

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

3. COMMENTARY

- 3.1 Details of the pooling options consisting of the London Collective Investment Vehicle (CIV) and ACCESS were reported to the last meeting and the report is attached in Appendix 1.
- 3.2 At the last meeting, Members agreed that the Director of Finance, in consultation with the Chairman and Vice Chairman submit the formal first stage consultation response incorporating views expressed at the meeting and reflecting the outcome of a follow up meeting with two local authorities (see 3.3). The key principles reported to the meeting were also amended to include joining a pool with member authorities having a similar funding level.
- 3.3 Prior to finalising the consultation response, the Chairman and Vice Chairman of Pensions Investment Sub-Committee, Director of Finance and Resources Portfolio Holder met separately with:
- (a) Wandsworth's Chairman of their Pensions Committee, Resources Portfolio Holder and Director of Finance (Members of London CIV);
 - (b) Kent County Council's Chairman of Pensions Committee and lead officer on pension matters (Members of ACCESS).

The outcome of these meetings is reflected in the consultation response. Wandsworth felt comfortable that joining the London CIV would not impact on their pensions fund performance whilst providing savings in management fees. There remained uncertainty on the awaited outcome of voting rights for the ACCESS pool (e.g. proportionate to fund value, equal voting rights etc.).

- 3.4 The consultation response was submitted on 19th February 2016 and was also circulated by email to Members of the Pensions Investment Sub-Committee. The consultation response is attached in Appendix 2.
- 3.5 The consultation response also covered proposed changes to the pension regulations. It is worth noting that the proposed regulations enable a Direction from the Secretary of State in terms of where to invest in the future (e.g. infrastructure). The proposals also cover powers for the Secretary of State to intervene if councils do not pool their investments which was expected.
- 3.6 The consultation response from the Council referred to being minded to join the London CIV but to retain the option to be able to join more than one pool.
- 3.7 The consultation response includes Bromley's concerns about the affordability of the pension scheme and issues relating to outsourcing although this is outside the scope of what is required in the response.
- 3.8 Following consultation submissions, Marcus Jones, Parliamentary Under Secretary of State (Minister for Local Government) wrote to Chairmen of every Pensions Committee in March 2016 to outline issues raised for individual submissions. A recent press article indicated that the Minister advised the ACCESS group that its proposals "contain little detail and is at an early stage compared to other pools, particularly on governance and legal structure" (Local Government Chronicle). However, ACCESS is still in early stages of development and will be committing resources prior to finalising its response in July 2016.

- 3.9 Marcus Jones also confirmed that individual funds could not join multiple pools – Bromley sought the option to join more than one pool (see 3.6). He also revealed a preference for pools to be set up and regulated through the Financial Conduct Authority which prevents a lower cost “joint committee” option.
- 3.10 The London CIV have written to the Leader of the Council to discuss the benefits of London Borough of Bromley joining the London CIV (see Appendix 3). The Leader sought assurances that there would be real benefits for the Council joining the pool and this is covered in their response. Apart from Bromley, all the other London boroughs have joined the London CIV. The letter refers to Articles of Association of London LGPS CIV Limited and the Shareholders Agreement which are available in the Members room.
- 3.11 There remains uncertainty, at this stage, of the implications of joining the ACCESS pool. The Council can only agree to join one pool. Therefore it is recommended that the Council joins the London CIV on the basis of an expected lower cost option of joining, it is already FCA regulated with potential for earlier achievement of savings in management fees and has an agreed commitment of one member one vote
- 3.12 Members have previously expressed concerns about the risks of pooled funds evolving towards external control of the asset allocation strategy. The current proposals continue to allow the asset allocation control to be retained by the administering authorities who would implement the strategy using the pooled fund operator to enable reductions in management fees through economies of scale, whilst retaining the choice of fund managers in the short term.

4. POLICY IMPLICATIONS

- 4.1 The Council's Pension Fund is a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations, for the purpose of providing pension benefits for its employees. The investment regulations (LGPS Management and Investment of Funds Regulations 2009) allow local authorities to use all the established categories of investments, e.g. equities, bonds, property etc, and to appoint external investment managers who are required to use a wide variety of investments and to comply with certain specific limits.

5. FINANCIAL IMPLICATIONS

- 5.1 There will be set up costs relating to the ACCESS pool, depending on the governance structure adopted which could range between £2 million and £3 million and any joining authority will be required to contribute towards such costs. The ACCESS pool will be established on a multi-asset basis to maximise the potential fee savings. It is not clear how any set up costs will be distributed (as proportion of fund value or proportionate to number of members?) and such set up costs may be higher than joining the London CIV.
- 5.2 For the London CIV, local authorities have had to make individual contributions of £75k to date and will be expected to contribute a further £25k in 2016/17. Contributions to date have also covered the set up cost of the London CIV which would need to be incurred in joining any other pooled vehicle.
- 5.3 In the longer term, any pooled investment vehicle should be able to recover its costs through fees to each sub fund. Specific financial arrangements and potential future savings cannot be quantified at this stage. There are some asset types where greater benefits would be gained through LGPS pooling. In particular this would apply to infrastructure.

5.4 Any net savings from pooling will be realised in the medium and longer term, particularly from investment fees, but there will be initial costs relating to the setting up of a pooling arrangement and associated transition costs.

6. PERSONNEL IMPLICATIONS

6.1 None arising directly from this report.

7. LEGAL IMPLICATIONS

7.1 The statutory provisions relating to the administration of the LGPS are contained in the Local Government Pension Scheme Regulations 2013. The investment regulations, LGPS (Management and Investment of Funds) Regulations 2009, set out the parameters for the investment of pension fund monies.

7.2 The Government will “work” with local authorities who do not develop sufficiently ambitious proposals and will also consider “backstop” legislation where not satisfied (could result in intervention in investment function).

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| Background Documents: (Access via Contact Officer) | Pooling Options, Pensions Investment Sub-Committee, 11 th February 2016 Members Pension Seminar, 11 th January 2016 General Update, Pensions Investment Sub-Committee, 23 rd September 2015 The letter refers to Articles of Association of London LGPS CIV Limited and the Shareholders Agreement which are available in the Members room. |
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February Committee Report

Report No.
FSD 16019

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

<Please select>

Decision Maker: Pensions Investment Sub-Committee**Date:** 11 February 2016**Decision Type:** Non-Urgent Non-Executive Non-Key**Title:** POOLING OPTIONS**Contact Officer:** Peter Turner, Director of Finance ,
Tel: 020 8313 4668 E-mail: peter.turner@bromley.gov.uk**Chief Officer:** Director of Finance**Ward:** All1. Reason for report

This report provides an update on Local Government pension scheme consultation relating to “Local Government Pension Scheme: Investment Reform Criteria and Guidance” and investment pooling options.

2. **RECOMMENDATION(S)**2.1 **The Sub-Committee is asked to:**

- (a) Consider the key principles in considering a pooling arrangement (see 3.2);
- (b) Comment on the pooling options currently being explored;
- (c) Agree that the Director of Finance, in consultation with the Chairman and Vice Chairman submits the formal consultation response which will incorporate views expressed at this meeting;
- (d) Note that the final consultation response will be emailed separately to all Members of the Pensions Investment Sub-Committee, once available.

Corporate Policy

1. Policy Status: Existing policy. The Council's Pension Fund is a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations for the purpose of providing pension benefits for its employees. The LGPS (Management and Investment of Funds) Regulations 2009 allow local authorities to use all the established categories of investments (e.g. equities, bonds, property etc) and to appoint external investment managers who are required to use a wide variety of investments and to comply with certain specific limits.
 2. BBB Priority: Excellent Council.
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Financial

1. Cost of proposal: Estimated cost Set up costs (see section 5)
 2. Ongoing costs: Recurring cost. Total administration costs estimated at £3.3m (includes fund manager/actuary/advisor fees, Liberata charge and officer time)
 3. Budget head/performance centre: Pension Fund
 4. Total current budget for this head: £36.6m expenditure (pensions, lump sums, etc); £41.5m income (contributions, investment income, etc); £732.0m total fund market value at 31st December 2015)
 5. Source of funding: Contributions to Pension Fund
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Staff

1. Number of staff (current and additional): 0.4 FTE
 2. If from existing staff resources, number of staff hours: c 14 hours per week
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Legal

1. Legal Requirement: Statutory requirement. Local Government Pension Scheme (LGPS) Regulations
 2. Call-in: Call-in is not applicable.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 6,150 current employees; 5,073 pensioners; 5,223 deferred pensioners as at 31st December 2015
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Ward Councillor Views

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

COMMENTARY

3.1 Consultation Document - Pooling of Investments

3.1.1 The Chancellor's Summer Budget announced on 8th July 2015 included the following message:

"The government will work with Local Government Pension Scheme administering authorities to ensure that they pool investments to significantly reduce costs, while maintaining overall investment performance. The government will invite local authorities to come forward with their own proposals to meet common criteria for delivering savings. A consultation to be published later this year will set out those detailed criteria as well as backstop legislation which will ensure that those administering authorities that do not come forward with sufficiently ambitious proposals are required to pool investments."

This was followed by a speech by the Chancellor at the Conservative Party Conference as follows *"we are going to find new ways to fund British infrastructure that drives our productivity ...At the moment we have 89 local government pension funds with 89 sets of fees and costs. It's expensive, and they invest little or nothing in our infrastructure. So I can tell you today we are going to work with councils to create half a dozen British wealth funds spread across the country"*.

3.1.2 For London, the Treasury appear to see this approach as building on the work already done by the London CIV (see 3.6.2).

3.1.3 Since the announcement the Government have indicated that they wish to see all assets (including equities and bonds) pooled within three years with more time required for unlisted assets. The expectation is that the 89 Local Government pension Scheme Administering Authorities (assets over £190bn) will pool scheme assets into investment pools. The Government appear open minded, at this stage, about whether the pools would be actively or passively managed or whether there would be a mix of both.

3.1.4 Department of Communities and Local Government (DCLG) have produced a criteria for pooling which is not subject to consultation shown below. Their commentary is shown in italics:

(a) Asset pool(s) that achieve benefits of scale

The administering authorities in England and Wales should collaborate to establish, and invest through asset pools, each with at least £25bn of Scheme assets. The proposals should describe these pools, explain how each administering authority's assets will be allocated among the pools, describe the scale of benefits that these arrangements are expected to deliver and explain how these benefits will be realised, measured and reported.

(b) Strong Governance and Decision Making

At a local level provide authorities with assurance that their investments are being managed appropriately by the pool, in line with their stated investment strategy and in the long term interest of their members.

(c) Reduced Costs and Excellent Value for Money

In addition to the fees paid for investment, there are further hidden costs that are difficult to ascertain and so are rarely reported in most pension fund accounts. To identify savings, authorities are expected to take the lead in this area and report the costs they incur more transparently. Proposals should explain how the pool(s) will deliver savings in investment fees, both in the near term and over the next 15 years, while at least maintaining overall investment performance.

(d) An Improved Capacity and Capability to Invest in Infrastructure.

Only a very small proportion of Local Government Pension Scheme assets are currently invested in infrastructure; pooling of assets may facilitate greater investment in this area. Proposals should explain how infrastructure will feature in authorities' investment strategies and how the pooling arrangements can improve the capacity and capability to invest in the asset class.

- 3.1.5 The Chancellor has previously referred to pools taking the form of up to 6 British Wealth Funds, each with assets of at least £25bn. The pools being developed (see 3.4) are different in number and value and it is not clear whether the limit of 6 funds and minimum value of £25bn will become a mandatory requirement.
- 3.1.6 Based on the above proposals the Council will still retain decisions on Investment Strategy and asset allocation, with the help of their advisers, and funding responsibilities for current and past deficit contributions would remain.
- 3.1.7 The Government accept that a limited number of investments can be outside the pool e.g. direct property investments.
- 3.1.8 Administering authorities are asked to submit their initial proposals to the Government by 19th February 2016 and the submissions are expected to include a commitment to pooling and details of progress towards formalising their arrangements with other Pension Funds. Administering authorities can choose whether to make individual or joint submissions, or both, at this first stage. Funds that do not join a specific pool will have to present their own individual submissions to government to explain they are still considering.
- 3.1.9 Refined and completed submissions are expected by 15th July 2016, which fully meet the criteria, and provide any further information that would be helpful in evaluating the proposals. Detailed evidence will be required to be submitted – a major piece of work.
- 3.1.10 Any final pooling arrangement will be expected to “go live” by April 2018.
- 3.1.11 The Government will “work” with local authorities who do not develop sufficiently ambitious proposals and will also consider “backstop” legislation where not satisfied (could result in intervention in investment function).
- 3.1.12 The Government require the new pools to control procurement in order to achieve larger savings in the longer term.

3.2 Key Principles in Considering a Pooling Arrangement

3.2.1 In considering a pool, I suggest the following draft key principles in selecting a final pooling arrangement:

- Similar size of funds
- No single dominant Fund
- Every fund in the pool will have an equal voice in the Pool
- Manageable number for Governance
- Is the investment approach and philosophy similar
- Dependency on internal and external management (Bromley has a low dependency on internal management)
- Set up costs, running costs and savings in fund manager and other fees
- Assists trustees in fiduciary duty to act in the best interest of their members, as well as acting prudently, responsibly and honestly.

3.2.2 Members are requested to comment on the draft principles identified.

3.3 Saving in Management Fees and Other costs

3.3.1 The Council's current management fees are £2.8m which equates to an average of 0.3885% across the portfolio. A reduction of 5 base points in fees would save £367k per annum. The fees are based on a total portfolio value of £732m as at 31/12/15.

3.3.2 The Council has 3 fund managers for Global Equities (Blackrock, MFS and Baillie Gifford), 2 fund managers for Diversified Growth Fund (Standard Life and Baillie Gifford) and 2 fund managers for fixed income (Baillie Gifford and Fidelity). A total of 5 different fund management organisations.

3.3.3 Project Pool was established in September 2014 to provide proposals that will meet criteria and parameters specified by Government in relation to scale, cost savings, governance and access to infrastructure. Project Pool commissioned by 24 councils administering LGPS funds, 13 other pension funds, 40 fund managers and consultancy Hymans Robertson reported on potential savings of at least £190m in the longer term (timeframe of say 10 years) nationally through pooling local government pension funds. The report said that savings would not be immediate to reflect pension funds needing to "run off" existing contracts with current investment management arrangements. Any transition of assets will require costs and resources to deliver such change and there will be costs in the shorter term before savings become realised in the medium term. To provide some context there are 89 LGPS funds in England and Wales with a market value of £189bn at 31/3/15. The savings identified assume ongoing increases in fund values in the longer term and associated savings. A previous report by PWC indicated that the pooling of investments could save up to £600m per year which has been quoted in government circles. The only conclusion is that there are potential significant savings which are difficult to quantify.

3.4 Formation of Pooled Funds

3.4.1 There are a number of collaborations that are emerging. The latest national picture, with regard to pooling appears as follows (source: LGPS Pooling Vehicles as reported by Local Government Chronicle (29/1/16)):

Border to Coast – potential value £32bn

Warwickshire, Lincolnshire, East Riding of Yorkshire, North Yorkshire, Cumbria and Surrey

Northern Powerhouse – potential value £40bn

Greater Manchester, West Yorkshire and Merseyside

Midlands – potential value £35bn

Cheshire, Derbyshire, Nottinghamshire, Shropshire, Staffordshire, West Midlands Integrated Transport Authority, West Midlands and Worcestershire

South West CIV – potential value of £20bn

Avon, Cornwall, Devon, Dorset, Gloucestershire, Somerset, Wiltshire and the Environment Agency (and potentially Oxfordshire)

ACCESS – potential value of £38bn

Kent, Northamptonshire, Cambridgeshire, Norfolk, Suffolk, Essex, West Sussex and Isle of Wight

London CIV – potential value of £24bn

Currently only London Boroughs

Lancashire and London Pensions Partnership – potential value of £10bn

Lancashire and London Pension Fund Authority

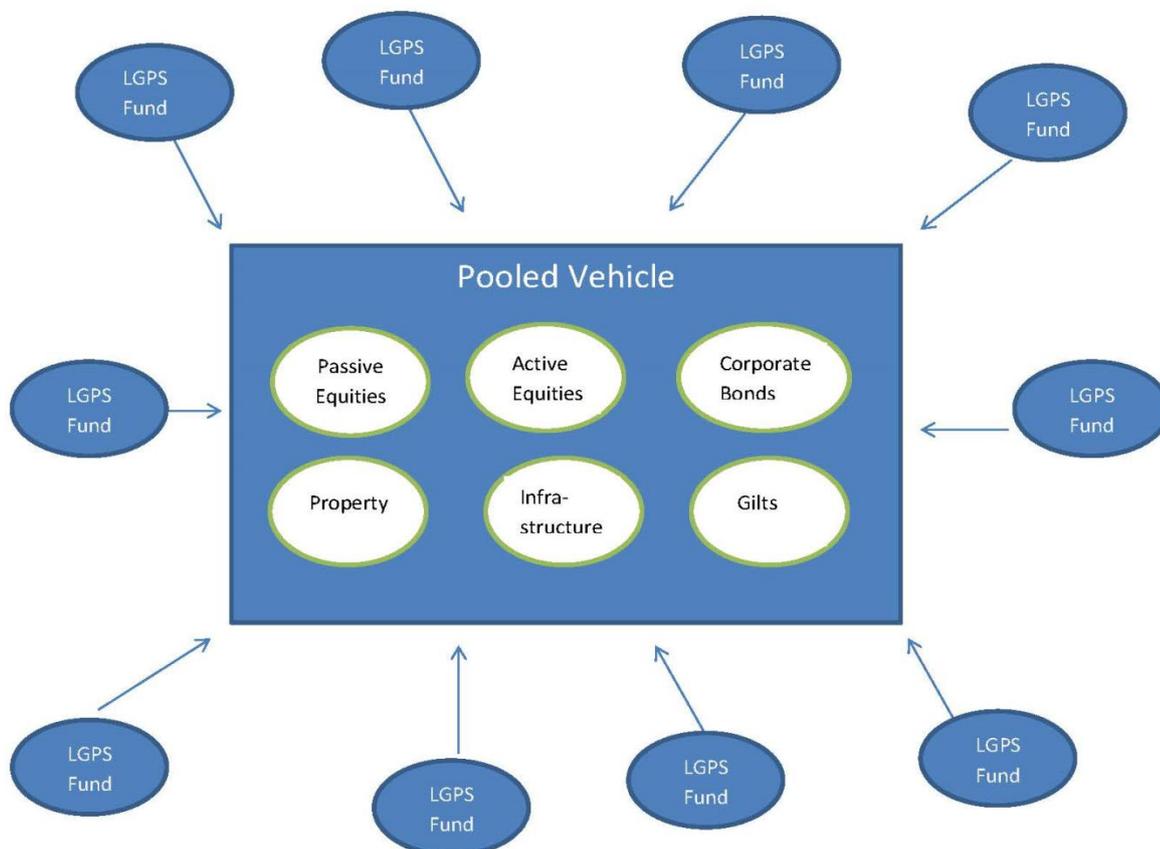
Greater Manchester and LPFA infrastructure vehicle - £500m

3.4.2 In addition, the pooling of the Welsh funds would have a potential value of £15bn. Not all of the pools above are being formed along geographical lines and having similarity of investment strategies appears to be a main determinant for pools that are not regionally based.

3.4.3 The two pools currently being explored further at Bromley are the ACCESS pool and the London CIV. ACCESS is “A Collaboration of Central, Eastern and Southern Shires”. Not all funds have decided on how they will proceed although most have narrowed down their approach to a couple of pools and deciding between them.

3.5 Structure of Pooled Vehicle

3.5.1 The diagram below illustrates the multi-asset classes of a pooled investment vehicle. Any pooled vehicle is likely to be subject to Financial Conduct Authority regulation.



3.5.2 An example of a pooled arrangement is through an Authorised Contractual Scheme (ACS) as shown in Appendix 1 and represents the current arrangement for the London CIV. ACS is required to be FCA regulated and would take about 18 months to establish. The cost of establishing and running a pool would need to be met although in the medium to longer term such costs would be more than offset by savings in investment costs through economies of scale. The ACS operator would be governed by a board of the LGPS fund Chairmen who will determine policies and parameters of the ACS and monitor performance. The operator would choose investment managers with the specific LGPS funds providing their asset allocations to the Operator for Implementation. This is a fundamental change to how LGPS funds are managed. The London CIV uses an ACS model (see Appendix 1). The ACS structure is a favourable tax vehicle for pension funds to enable recovery avoiding “tax drag” on overseas investment returns.

3.5.3 The Government has no fixed ideas on the type of structures to be chosen but is looking for funds to choose structures that are robust and make substantial cost savings whilst ensuring good investment performance.

- 3.5.4 There may be other alternative arrangements that are being explored through the pools being formed which may include a joint committee arrangement model. These options are expected to be concluded after the initial response to consultation.
- 3.5.5 From a Pensions Investment Sub-Committee perspective the only key decision making that would change is manager selection. The Committee determine the investment strategy and asset allocation, as at present, and the pool will manage the investments of the Fund, and the manager selection using the asset allocation of the Committee. The pool therefore will be responsible for the manager choice and will be accountable to the Fund for poor investment decisions. The Pool will report to the fund on the performance of its investments, rather than the manager presentation meetings currently held.

3.6 Options for the Council

3.6.1 ACCESS

3.6.1.1 Although some pools have made more progress towards a pooling structure and governance arrangements, ACCESS is at an earlier stage of formation. It includes authorities which appear similar to Bromley in investment approach. The value of funds range from £0.5bn to £5.1bn (average value of £2.69bn). If Bromley joined ACCESS it would have the second lowest fund value but there would not be a single dominant fund and there are expected to be up to 14 authorities that may join ACCESS. There will be set up costs, depending on governance structure adopted etc. which could range between £2 million and £3 million and any joining authority will be required to contribute towards such costs. The ACCESS pool will be established on a multi-asset basis to maximise the potential fee savings. It is expected to adopt a One Member One Vote approach and it is not clear how any set up costs will be distributed (as proportion of fund value or proportionate to number of members?). ACCESS members appear to have some strong commonality with the Bromley Fund with heavy reliance on external fund managers and a similar approach with investment strategy. Further examination is required and the Director of Finance and Chairman of Pensions investment Sub-Committee will progress with exploring the benefits of joining ACCESS on behalf of Members.

3.6.1.2 ACCESS is keen to explore LGPS-wide collaboration for the creation of a national infrastructure investment platform, to share best practice and manage transitions.

3.6.1.3 The objectives of ACCESS are shown below:

- Help participating authorities to execute their fiduciary responsibilities to LGPS stakeholders, including scheme members and employers, as economically as possible.
- Enable participating authorities to achieve the benefits of pooling investments while preserving the best aspects of what is currently done locally and the desired level of local decision making and control;
- Provide a range of asset types necessary to enable those participating authorities to execute their locally decided investment strategies as far as possible.

To achieve these objectives the ACCESS pool has determined the following guiding principles

- The participating authorities will work collaboratively;

- All participating authorities will have an equal voice in governance;
- Decision making will be objective and evidenced based;
- The pool will use professional resources and risk management processes appropriate to the responsibilities of managing one of the biggest pools of pension assets in the UK;
- The pool will avoid unnecessary complexity in its approach;
- The pool will evolve its approach to meet the changing needs and objectives of participating funds;
- The pool will be open to innovation that will enable it to better service the pool's participants;
- The pool will be established to run economically, avoiding unnecessary cost;
- The pool's costs will be shared equitably.

3.6.2 London CIV

3.6.2.1 The London CIV has taken 2 years to implement and is now established and operational. The London CIV is fully authorised by FCA as an alternative Investment Fund Manager with permission to operate a UK based ACS Fund. The City of London and 30 London Boroughs have joined and another London borough is expected to join shortly. The first sub fund has opened, an active global equities fund, and three authorities are the initial seed investors with £500m of assets transferred in on 2nd December 2015. A further eight sub-funds, comprising a mix of active and passive equity funds are being opened over the next few months. By the end of 2016 it is currently estimated to deliver £3m savings in fund fees from £6bn of assets. The London CIV ambition is to deliver fund management savings of £30m per annum by 2020. The London CIV is fully authorised to operate in-house fund management and this option is expected to be explored at a later stage to determine whether it could deliver additional efficiencies and performance.

3.6.2.2 The guiding principles and objectives adopted by the London CIV are:

- Investment in the ACS should be voluntary, both entry and withdrawal;
- Boroughs choose which asset classes to invest into, and how much;
- Borough shareholders should have sufficient oversight over the ACS operator;
- Investing authorities will take a shareholding interest in the operator;
- Shareholders will have membership of the Pensions Joint Committee;
- ACS Operator will provide regular information to participating boroughs;
- ACS will not increase the overall investment risk faced by the boroughs;

- Overall control of pension funds stay at individual local authority level;
- A tax transparent structure assists in tax reclaims;
- Achieve reductions in custody and fund manager fees from greater buying power and reduce procurement costs;
- Achieve governance/shared training/knowledge benefits;
- Provide access to “alternative” investments.

3.6.2.3 Local authorities have had to make individual contributions of £75k to date and will be expected to contribute a further £25k in 2016/17. Contributions to date have also covered the set up cost of the London CIV which would need to be incurred in joining any other pooled vehicle. In the future the London CIV is expected to recover its costs through a fee to each sub-fund ranging from 0.005% for passive funds to 0.025% for the active funds. Every participating borough is expected to have the opportunity to migrate to the CIV by March 2017.

3.6.2.4 Representing the borough level, a Sectoral Joint Committee (Chairmen of individual Pension Committees) has been established under the governing arrangements of London Councils. This effectively provides One Member One Vote. There is a separate officer committee to support the member committee led by a few borough treasurers and includes pension fund managers from across the boroughs. London CIV have reported negotiating fee reductions of up to 50%.

3.7 Next Steps

- 3.7.1 In order to progress with determining the best ‘pool’ to join, the Director of Finance is liaising with the Chairman and Vice Chairman of Pensions Investment Sub Committee and Resources Portfolio Holder which will also assist in informing the consultation response to Government.
- 3.7.2 Meetings are being arranged separately with LB Wandsworth and Kent County Council on their experience relating to the London CIV and progress with ACCESS respectively.
- 3.7.3 Any decision to join a ‘pool’ will be reported to Pensions Investment Sub Committee. The ultimate decision may require the approval of full council as part of any final proposals to be submitted to Government in July.
- 3.7.4 Members have previously expressed concerns about the risks of pooled funds evolving towards external control of the asset allocation strategy. The current proposals continue to allow the asset allocation control to be retained by the administering authorities who would implement the strategy using the pooled fund operator to enable reductions in management fees through economies of scale, whilst retaining the choice of fund managers in the short term.

3.8 Conclusion

- 3.8.1 There are potential benefits from pooling if it delivers cost savings, by providing scale, increased resilience, knowledge sharing and robust governance and decision making arrangements without compromising on the Council's "sovereignty". Under the current proposals individual pension funds will retain their separate identities and local accountability. Pooling may provide access to opportunities not available to individual funds.
- 3.8.2 There are some asset types where greater benefits would be gained through LGPS pooling. In particular this would apply to infrastructure.
- 3.8.3 Any net savings from pooling will be realised in the medium and longer term, particularly from investment fees, but there will be initial costs relating to the setting up of a pooling arrangement and associated transition costs.
- 3.8.4. Both the option of the London CIV and ACCESS are being considered further, prior to the consultation initial response due on 19th February 2016.

6. POLICY IMPLICATIONS

- 4.2 The Council's Pension Fund is a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations, for the purpose of providing pension benefits for its employees. The investment regulations (LGPS Management and Investment of Funds Regulations 2009) allow local authorities to use all the established categories of investments, e.g. equities, bonds, property etc, and to appoint external investment managers who are required to use a wide variety of investments and to comply with certain specific limits.

7. FINANCIAL IMPLICATIONS

- 5.1 There will be set up costs relating to the ACCESS pool, depending on governance structure adopted which could range between £2 million and £3 million and any joining authority will be required to contribute towards such costs. The ACCESS pool will be established on a multi-asset basis to maximise the potential fee savings. It is not clear how any set up costs will be distributed (as proportion of fund value or proportionate to number of members?) and such set up costs may be higher than joining the London CIV.
- 5.2 For the London CIV, local authorities have had to make individual contributions of £75k to date and will be expected to contribute a further £25k in 2016/17. Contributions to date have also covered the set up cost of the London CIV which would need to be incurred in joining any other pooled vehicle.
- 5.3 In the longer term any pooled investment vehicles should be able to recover its costs through fees to each sub fund. Specific financial arrangements and potential future savings cannot be quantified at this stage.

6. PERSONNEL IMPLICATIONS

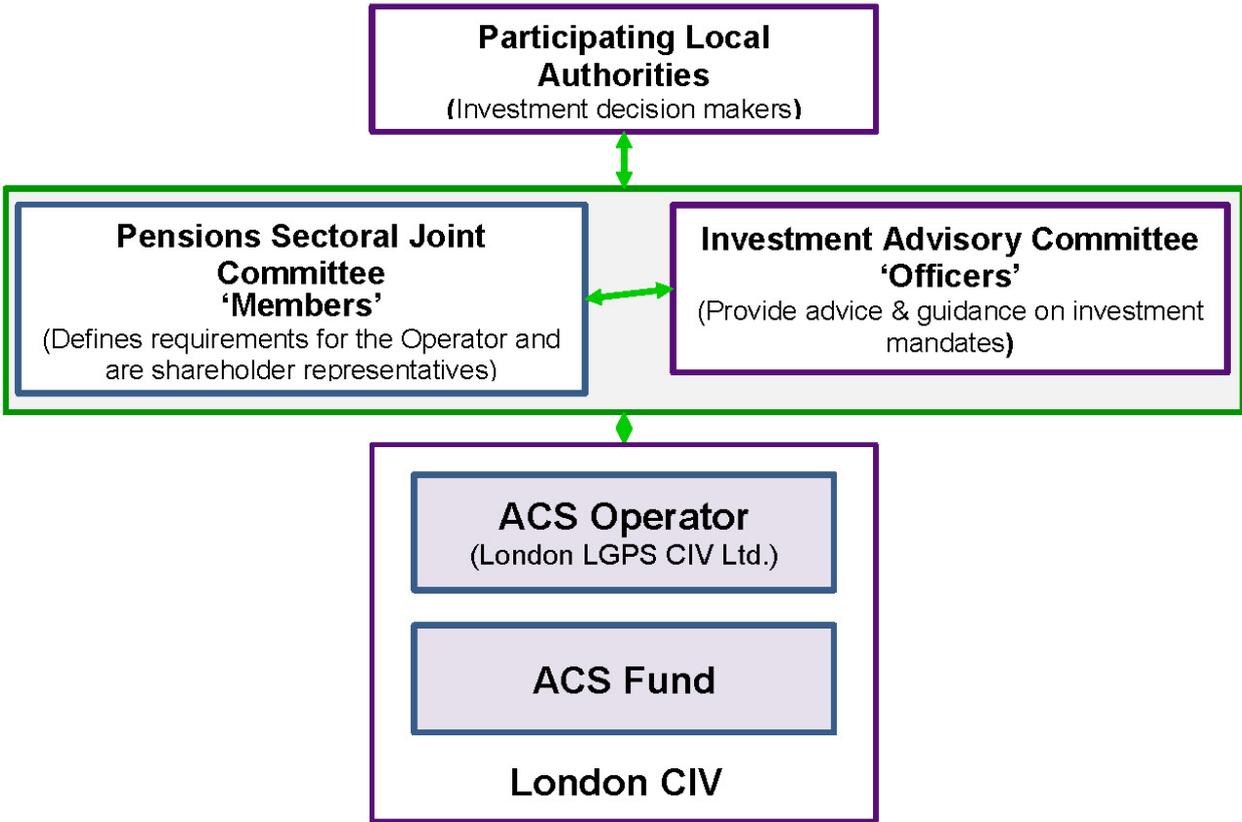
- 6.1 None arising directly from this report.

7. LEGAL IMPLICATIONS

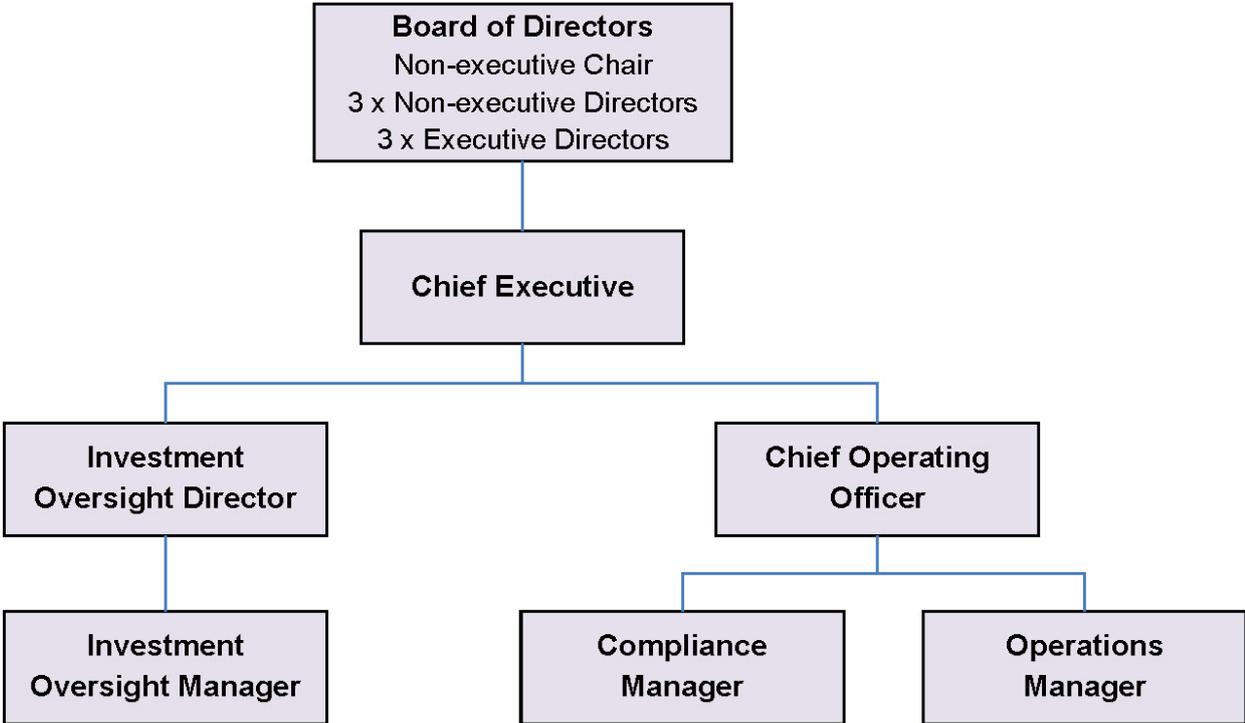
- 7.1 The statutory provisions relating to the administration of the LGPS are contained in the Local Government Pension Scheme Regulations 2013. The investment regulations, LGPS (Management and Investment of Funds) Regulations 2009, set out the parameters for the investment of pension fund monies.
- 7.2 The Government will “work” with local authorities who do not develop sufficiently ambitious proposals and will also consider “backstop” legislation where not satisfied (could result in intervention in investment function).

| | |
|--|---|
| Background Documents: (Access via Contact Officer) | Members Pension Seminar, 11 th January 2016 General Update, Pensions Investment Sub-Committee, 23 rd September 2015 |
|--|---|

London CIV governance diagram



London CIV organisation chart



LONDON BOROUGH OF BROMLEY

1. RESPONSE TO;

LGPSReform@communities.gsi.gov.uk

Consultation on:

- **Local Government Pension Scheme: Investment Reform Criteria and Guidance**
- **Local Government Pension Scheme: Revoking and replacing the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009**

2. SUMMARY OF KEY ISSUES

This paper represents the response from the London Borough of Bromley.

Although outside the specific scope of this consultation response, Bromley remains concerned about the cost to employers of the new LGPS 2014. Details were provided in the “LGPS 2014 Proposals – Employer Consultation Form” and the response concluded that there was a missed opportunity to provide a more affordable and sustainable solution. HM Treasury issued new Fair Deal guidance but it does not apply to the Local Government Pension Scheme (LGPS) and revised guidance is still awaited. Continuing pension protection on transfer will have a detrimental impact on the Council’s ability to outsource work to external providers who may be unwilling or unable to take on the financial implications of staff retaining the right to remain in the LGPS. Indeed, we are already seeing this with some of our outsourcing proposals. Action to more effectively address both of these matters would have ultimately reduced the strain on pension funds with resultant reductions in costs for Council tax payers whilst supporting the required transformation agenda. These are key matters that we would want to be addressed to enable a more sustainable solution to be found.

We welcome the Government’s recognition of the importance of pension fund administering authorities retaining a limited number of investments outside any pooled vehicle. There is also recognition of the benefits of asset allocation and investment strategy being retained by individual pension fund authorities. There has been some wide discussion about infrastructure funds as an alternative investment. The Council’s view is that we should not be directed to invest in particular areas through future regulation which could not only be detrimental to longer term investment returns but could also increase costs met by the local council tax payer. Bromley recognises that there are benefits for councils to join a pooled investment vehicle to reduce management costs but would want the flexibility to consider alternative pools for specific investment which also helps ensure competition/choice will create “best value” for the investment costs. It is important that there is not a restrictive market created that could result in higher costs if strong competition is not retained. We therefore urge the Government not to have closed funds but enable all pools to be open to any LGPS fund in whole or part.

Bromley is minded to join the London CIV and we support the separate submission from the London CIV and the 31 London local authorities who are currently members. Their submission should be considered with Bromley’s response. If the Council does not have the option of joining different pools we would be committed to join the London CIV subject to final Council decision in the Spring, prior to the final submission due on 15 July 2016. We await the Government response to the initial consultation prior to confirming the Council’s final position.

We welcome the proposed changes to the Regulations which place more onuses on local authorities to determine the balance of their investments and take into account risk rather than the existing over prescribed requirements. As indicated this will enable an effective “prudent person” approach. Although this has not affected the Council’s investment choices, we welcome the need to nationally ensure that pension investment does not involve the “politics of division” e.g. not pursuing policies contrary to UK foreign policy. This will be in the best interest of pension fund members and council tax payers. However, we do not support wide ranging powers of intervention by the Secretary of State, especially in the absence of guidance setting out how such powers will be used.

London Borough of Bromley Pension Fund

As at 31 December 2015 the Council’s Pension Fund was worth £732m, had 16,446 scheme members, total annual income was £41.5m with expenditure of £36.6m. The majority of the administration is undertaken by an external provider, following market testing. Our solvency level is above average and our medium and longer term investment returns are in the top quartile of the local authority universe. We are one of the smallest funds in LGPS terms but using longer term investment periods we have achieved whole fund ranking as follows:

(a) Whole fund return of 8.2% (10 years to 30/9/15), ranked 8th in the local authority universe;

(b) Whole fund return of 8.6% (5 year to 30/9/15), ranked 25th in the local authority universe.

We have achieved successful outcomes to date. Although past performance is not a reliable indicator of future performance, the above illustrates that larger funds do not necessarily achieve higher returns.

Strong investment returns as shown above have increased the value of the pension fund which reduces future calls on the Council tax payers of Bromley. This also illustrates that Bromley can successfully manage a pension fund without the need for any enforced changes. Bromley remains committed to be a long term investor and to strive for high returns rather than mediocrity.

3. LOCAL GOVERNMENT PENSION SCHEME: INVESTMENT REFORM CRITERIA AND GUIDANCE

The Council agreed the following key principles in selecting a final pooling arrangement:

- Similar size of funds
- No single dominant Fund
- Every fund in the pool will have an equal voice in the Pool
- Manageable number for Governance
- Similar investment approach and philosophy
- Dependency on internal and external management (Bromley has a low dependency on internal management)
- Set up costs, running costs and savings in fund manager and other fees
- Assists trustees in fiduciary duty to act in the best interest of their members, as well as acting prudently, responsibly and honestly
- Similar funding levels

The Council is minded to choose the London CIV but will follow closely progress on the ACCESS pool. A final commitment to a pool will be made in the Spring. Therefore our response to first stage of the consultation is the response covered in the letter from Hugh Grover, Chief Executive of London CIV to Chris Megainey dated 18th February 2016.

However, as set out above, we want the flexibility to consider alternative pools for specific investment which also helps ensure competition/choice will create “best value” for the investment costs.

It is important to recognise that the savings from reduction in management fees would not be significant in the shorter term and after allowing for the set up costs and various transitional costs, including transfer taxation, any net savings may not be realised until the medium to longer term. We would ask that the Government consider financial support to mitigate against the taxation costs of transferring assets into a collective investment vehicle.

We await the Government’s response to the initial consultation exercise prior to confirming the Council’s final position.

4. LOCAL GOVERNMENT PENSION SCHEME: REVOKING AND REPLACING THE LOCAL GOVERNMENT PENSION SCHEME (MANAGEMENT AND INVESTMENT OF FUNDS) REGULATIONS 2009

Question 1

Does the proposed deregulation achieve the intended policy aim of removing any unnecessary regulation while still ensuring that authorities’ investments are made prudently and having taken advice?

The proposed deregulation does help remove unnecessary regulation but care should be taken with the wording. Regulation 7(2)(a) refers to “the authority’s investment strategy must include a requirement to invest fund money in a wide variety of investments”. The word “consider” should be inserted after “to” to avoid the risk of having to invest in funds that do not meet the required investment aims in the interest of members of the pension fund and the associated impact on council taxpayers.

Question 2:

Are there any specific issues that should be reinstated? Please explain why.

No specific issues for reinstatement proposed.

Question 3:

Is six months the appropriate period for the transitional arrangements to remain in place?

No particular concerns about 6 months to properly implement the regulations but a longer period of say 9 months should be considered to reflect the considerable issues facing pension funds in progressing the pooling arrangements which require final responses in July.

Question 4:

Should the regulation be explicit that derivatives should only be used as a risk management tool? Are there any other circumstances in which the use of derivatives would be appropriate?

Although the fund does not use derivatives directly they are used by our fund managers in various pooled investments. They are not only used as a risk management tool but for wider investment return purposes. Seeking to control outcomes with derivatives is about balancing risk and return and not just risk management. On that basis they should not just be explicitly linked to a risk management tool.

Question 5:

Are there any other sources of evidence that the Secretary of State might draw on to establish whether an intervention is required.

External audit reports (ISA 260 report) and the external auditor's opinion on the pension fund annual report and financial statements.

Question 6:

Does the intervention allow authorities sufficient scope and time to present evidence in favour of their existing arrangements when either determining an intervention in the first place, or reviewing whether one should remain in place?

There needs to be an appropriate opportunity and time allowed for administering authorities to respond and certainly sufficient time allowed for authorities to gather evidence. There should not be restrictions on the evidence particularly if it relates to action taken to improve long term outcomes for council tax payers as well as members of the pension fund. The action should be appropriate according to the seriousness of the issue.

Question 7:

Does the proposed approach allow the Secretary of State sufficient flexibility to ensure that he is able to introduce a proportionate intervention?

The proposed approach is fairly broad and appears sufficient. Intervention should only apply if it is in the best interest of taxpayers.

Question 8:

Do the proposals meet the objectives of the policy, which are to allow the Secretary of State to make a proportionate intervention in the investment function of an administering authority if it has not had regard to best practice, guidance or regulation?

The proposals seem to meet the policy objective.

Peter Turner
Director of Finance
London Borough of Bromley
19/02/16

Letter from London CIV



Cllr. Stephen Carr
 London Borough of Bromley
 Civic Centre
 Stockwell Close
 Bromley
 BR1 3UH

27 April 2016

Dear Stephen,

It was a pleasure to meet with you and Pete Turner recently to discuss the potential for LB Bromley becoming a member of London CIV. We hope that you found the meeting helpful and that it addressed some of your areas of uncertainty. We undertook to write to you on one or two issues and to particularly cover the opening and closing of sub-funds and the 'hiring and firing' of 3rd party Fund Managers (FM).

It is worth noting at the outset that the processes that will be described have been developed in close consultation at all stages with representative borough Treasurers and Pension Fund Managers (through the Investment Advisory Committee ("IAC") and have been considered by Members through the London Councils CIV Joint Committee ("JC"). Obviously at this stage the processes are still being rolled out and will be reviewed by us in collaboration with the IAC and JC to refine them as we go forward.

As we discussed, to 'launch' the CIV, and in its early formative stages, we have adopted a process that appoints FMs through a combination of Commonality (more than one borough currently invested with the manager in the same mandate), Quantum of assets (focussing on big 'wins') and Commitment to the mandate from the boroughs (referred to as the "CQC" process).

Through CQC we are now working actively with seven FMs. By the end of 2016 we anticipate having 12 sub-funds open with around £8 billion of assets under management, which will deliver around £4 million of immediately identifiable savings across the 26 boroughs that are currently invested in the relevant mandates. Of course the decision to move the assets rests entirely with each borough; our task is to negotiate the best possible outcome with each FM so that the case for moving is compelling.

It is also worth noting that all but one of the initial sub funds will be open to investment by any borough, whether they are current investors in that mandate or not.

CQC continues to generate opportunities, but we anticipate that it will have run its course by the end of the year.

Beyond CQC we will adopt a 'normal' search and selection process, indeed this has already started. In broad terms this will involve us working in close collaboration with the IAC to consider asset classes and define what the boroughs need in each class. We will engage Investment Consultants, where they can add value, to work with us and the IAC through the search phase

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which will inform a report and recommendations that will go to the JC for consideration. Subject to the views of Members, the JC will then recommend to us in London CIV that the selection phase should be completed and the relevant sub-fund(s) opened. It's worth noting that not every borough would need to agree the recommendation, only those that were committed to investing in the sub-fund, unless opening the sub-fund might have a wider impact across all the boroughs in which case a consensus view would need to be reached.

When we met we discussed how the JC can only make 'recommendations' to London CIV as the final decision to open a sub-fund sits within the regulated environment of the company. However, as we will have been working hand-in-glove with the IAC at all stages any recommendation from the JC is very unlikely to be a surprise or to be one that we would not act upon.

Turning to the process for 'firing' a FM (which obviously hasn't been tested in anger yet); there are two levels at which firing might take place. The first would be where the sub-fund itself is performing normally but a borough decides to disinvest for some reason (e.g. the borough has changed its asset allocation profile). In principle, once the CIV is fully developed, this would involve a simple instruction to transition the borough's assets from one sub-fund into another. This would be a straightforward business as usual process and wouldn't require any great debate with other investors.

The second level would be where a sub-fund is under performing and a decision needs to be taken as to whether the fund should be closed. In this scenario it is envisaged that all the investors in the sub-fund would be convened (either physically or via conference call) to discuss the issues and to reach a view about what actions should be taken. It would be for each borough to make its own decision, which could result either in the sub-fund closing or some boroughs withdrawing and others remaining invested. The key thing is that decisions remain local but would be informed by a collaborative discussion with the benefit of shared knowledge and opinions.

For clarity we should give reassurance that each sub-fund stands alone as a ring-fenced mandate. In other words, costs and performance are contained within that sub-fund and will not adversely impact any other.

Finally, it is worth highlighting that London CIV is at least two years ahead (in our view) of any other viable LGPS pool and therefore offers the opportunity for Bromley to benefit quickly from savings without having to go through the lengthy and complex process of implementation. We already have our FCA authorisations and the backing of government for our governance model.

In preparation for what we hope will be a positive decision to join the CIV we thought that you might find it helpful to have sight of the company's Articles of Association and the Shareholders Agreement, both of which are enclosed.

We hope that this letter has provided some useful additional detail, please do be in touch if there are any other issues that you would like us to clarify.

We are copying this letter to Pete Turner.

Yours sincerely



Hugh Grover
Chief Executive

Hugh.grover@londonciv.org.uk

020 7934 9942



Lord Bob Kerslake
Chair

Bob.kerslake@londonciv.org.uk

Report No.
CSD16069

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE

Date: Tuesday 24 May 2016

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

Title: APPOINTMENT OF REPRESENTATIVES TO SERVE ON
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

This report requests that the Committee, on behalf of the Council, considers the appointment of Council representatives to serve on outside bodies and partnerships. Most appointments are made annually, following the municipal year, but some are for three or four year terms. At present, there are no three or four year appointments to be made.

2. **RECOMMENDATION**

The Committee is recommended to consider the nominations made by party groups in Appendix 1 and make appointments to outside bodies and partnerships, and in particular to decide which councillors to appoint where there are more nominations than places available, as set out in paragraph 3.2.

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: Democratic Services
 4. Total current budget for this head: £335,590
 5. Source of funding: 2016/17 revenue budget
-

Staff

1. Number of staff (current and additional): 8 (7.27fte)
 2. If from existing staff resources, number of staff hours: Not Applicable
-

Legal

1. Legal Requirement: None:
 2. Call-in: Not Applicable:
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Not Applicable
-

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 The Committee is asked to make various appointments to partnerships and outside bodies. Most appointments are annual and follow the Council year, but there also a small number of longer appointments that run for three or four years. No three or four year appointments are due at present.

3.2 Nominations have been sought from the party groups and these are attached in Appendix 1. There are some appointments where the number of nominees exceeds the number of places available –

- London Councils Lead Member for Housing (Strategic Planning)
(Councillors Vanessa Allen & Peter Morgan have been nominated)
- Bromley Y – 2 representatives
(Councillors Vanessa Allen, Kathy Bance, Judi Ellis and Peter Fortune have been nominated)
- Affinity Sutton Group London and East Regional Scrutiny Board - 1 representative
(Councillors Chris Pierce and Angela Wilkins have been nominated.)

3.3 There are two appointments where there are vacancies -

- Community Links Bromley – 2 representatives
(Cllr Peter Fortune has been nominated, leaving 1 vacancy)
- Bromley Arts Council – 4 representatives
(Cllrs Alan Collins, Ellie Harmer & Alexa Michael have been nominated, leaving 1 vacancy)

| | |
|---|--|
| Non-Applicable Sections: | Policy/Financial/Legal/Personnel |
| Background Documents: (Access via Contact Officer) | 2015 Outside Bodies report (GP&L, 27/5/15) |

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**LONDON BOROUGH OF BROMLEY
ANNUAL APPOINTMENTS TO OUTSIDE BODIES
AND PARTNERSHIP BODIES 2016/17**

(i) London Councils' Appointments

Leaders' Committee (S.101 Joint Committee)

Cllr Stephen Carr

Cllr Colin Smith (deputy) *(a second deputy may be appointed)*

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

Cllr Colin Smith

Cllr Ian Dunn, Cllr William Huntington-Thresher & Cllr Lydia Buttinger (deputies)
(up to 4 deputies may be nominated)

Grants Committee (Associated Joint Committee)

Cllr Stephen Carr

Cllrs Robert Evans and Colin Smith (deputies)

(Up to 3 deputies may be appointed, but they must be executive members)

Greater London Employment Forum

Cllr Tim Stevens

Cllr Diane Smith (deputy)

Lead Members for London Councils

Children & Young People: Cllr Peter Fortune

Economic Development/Regeneration: Cllr Peter Morgan

Crime and Public Protection: Cllr Kate Lymer

Culture & Tourism: Cllr Peter Morgan

Adult Services: Cllr Robert Evans

Housing (Operations): Cllr Robert Evans

Housing (Strategic Planning): Cllr Vanessa Allen, Cllr Peter Morgan (1)

Planning: Cllr Peter Dean

Public Health: Cllr Robert Evans

(ii) **Partnership Appointments**

Safer Bromley Partnership Strategic Group

Cllr Kate Lymer (*already appointed by full Council on 11th May 2016*)

Safer Neighbourhood Board

Cllrs Alexa Michael, Chris Pearce, Richard Williams (3)

Bromley Economic Partnership

Cllr Peter Morgan

Adult's Safeguarding Board

Cllrs Stephen Carr and Robert Evans (2)

Children's Safeguarding Board

Cllrs Robert Evans & Peter Fortune (2)

(iii) **Care Services Appointments**

Age Concern (Greater London)

Cllr Judi Ellis

Early Years Development & Child Care Partnership

Cllr Peter Fortune

(iv) **Education Appointments**

Management Committee of Wood Lodge Living Skills Centre

Cllr Kate Lymer

Bromley "Y" Project

Cllrs Vanessa Allen, Kathy Bance, Judi Ellis & Peter Fortune (2)

Mentoring Steering Group

Cllr Kate Lymer

Cllr Tim Stevens (deputy)

Nash College

Cllr Peter Fortune

(v) **Environment Appointments**

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 Alan Collins, Ellie Harmer & Alexa Michael (4 – 1 vacancy)

The Crystal Palace Community Development Trust

Cllr Angela Wilkins (*Crystal Palace Ward appointment*)

Greater London Enterprise

Cllr Peter Morgan

London Youth Games

Cllr Teresa Te

Proactive Bromley

Cllrs Julian Benington & Stephen Carr (2)

(vii) **General Appointments**

Biggin Hill Airport Consultative Committee

Representative of the Council as freeholder:

Cllr Peter Morgan (deputy Cllr Mary Cooke)

Representative of Biggin Hill Ward:

Cllr Melanie Stevens (deputy Cllr Julian Benington)

Representative of Darwin Ward:

Cllr Richard Scoates (deputy Cllr Tim Stevens)

Bromley Town Twinning Association

Cllrs Ruth Bennett, Kim Botting & Mary Cooke (3)

Affinity Sutton Group London & East Regional Scrutiny Board

Cllrs Chris Pierce and Angela Wilkins (1)

Community Links Bromley

Cllr Peter Fortune (2 – 1 vacancy)

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AUDIT SUB-COMMITTEE

Minutes of the meeting held at 7.00 pm on 5 April 2016

Present:

Councillor Neil Reddin FCCA (Chairman)
Councillor Alan Collins (Vice-Chairman)
Councillors Ian Dunn, Peter Fortune, William Huntington-
Thresher and Keith Onslow

Also Present:

Sara Bowrey, Nigel Davies and Councillor Pauline
Tunncliffe

25 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies were received from Mr Dan Jones, and Mr Nigel Davies attended as alternate.

Apologies were also received from Councillor Stephen Wells.

26 DECLARATIONS OF INTEREST

Councillor Onslow declared an interest by virtue of his employment with Zurich Insurance Company, and with the Royal Borough of Greenwich.

27 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 1st DECEMBER 2015--EXCLUDING THOSE CONTAINING EXEMPT INFORMATION

The public minutes of the meeting held on 1st December 2015 were agreed.

28 QUESTIONS FROM MEMBERS OF THE PUBLIC OR COUNCILLORS

Questions were submitted for oral response by Mr Bill Miller, Chairman of the Avalon Area Action Group.

The questions and answers are appended to the minutes as Appendix A.

**29 MATTERS OUTSTANDING FROM THE LAST MEETING--PART
 1**
Report CSD 16053

The Committee noted the report on part 1 matters arising from previous meetings. The Chairman advised Members that the matters arising had either now been completed, or were to be expanded upon in the part 2 section of the meeting.

RESOLVED that the Matters Arising report be noted.

30 INTERNAL AUDIT PROGRESS REPORT

CEO 16015

The Internal Audit Progress Report informed Members of recent audit activity across the Council.

The Committee were updated concerning the Leaving Care (Payments to Clients) Audit. A previous audit had resulted in 9 Priority 1 recommendations, and at the last cycle, two of these were outstanding; these were Pathway Plans and Purchase Cards. Pathway Plans had now been actioned in 89% of cases, against a target of 85%, and this recommendation was now considered to be implemented. With respect to Purchase Cards, this recommendation was considered to be partially implemented, and it was acknowledged that management were taking the actions required to resolve the issues. The Committee were also informed that all 8 priority one recommendations in respect of the Family Placements audit had now been implemented.

The Committee were updated concerning the audit of Domiciliary Care. In the past, there had been two priority one recommendations. The first issue was relating to service agreements closed on the wrong dates, or non-closure. The second audit recommendation was around the number of hours that had planned to be delivered--not being reconciled to planned hours. The Committee heard that there were still problems in both these areas, and so both recommendations remained open.

The Audit of rent arrears in Temporary Accommodation was originally undertaken five years ago and was ongoing. As at March 2016, the total number of people in temporary accommodation stood at 1074, and the level of rent arrears was £3.58m. Reconciliations had begun with Orchard and Shipman, and this was expected to be completed by the end of the financial year. As the rent arrears remained high, this recommendation remained outstanding.

The Head of Internal Audit updated the Committee concerning the issue of Creditors, and the problem of "retrospective" orders. An audit that took place between October 2015 to December 2015, revealed that 2,155 retrospective orders were raised during that period. This was an increase from the previous quarter, and it was noted that 44% of these orders were related to Housing.

The new housing system would not be available for some time, but in the interim, Internal Audit had agreed Housing's proposal to streamline payment procedures, and it was hoped that this would reduce the volume of retrospective orders related to Housing.

The Head of Internal Audit summarised the main areas of audit activity, including the list of internal audit reports that had been published. Members were also advised of the six monthly update on new waivers sought attached as Appendix B in the committee report. The Head of Internal Audit advised that there were no concerns with the list of waivers.

An update was provided on VFM around the Youth Offending Service. The YOS was in the process of implementing an improvement plan that had been recommended subsequent to the inspection of the YOS by HM Inspectorate of Probation in February 2015. This was being scrutinised by the Youth Justice Board. It was considered that the implementation plan was partially implemented, and moving in the right direction.

The Head of Internal Audit updated the Committee concerning the matter of Public Sector Internal Audit Standards. It was explained that LBB had joined a London wide assessment external assessment group that would be involved with peer reviews of internal audit systems. LBB had been peer reviewed in March 2016 and the outcome of this review was awaited.

The Head of Internal Audit asked the Committee to note that the Internal Audit Budget had to achieve savings of £80k. This was going to be achieved by deleting two part time posts, and by the removal of the £40k for buying in services from the London Borough of Wandsworth. The £40k cut in the budget would reduce the ability of internal audit to buy in services.

With respect to Risk Management, it was highlighted that a 30 minute interactive online training package was being developed after consultation between Zurich and Learning and Development. It was hoped to launch the training package in July 2016. The Committee noted the new Risk Matrix that was attached as Appendix C. Members had raised queries on some classifications such as banking failure and IT systems failure (in the light of recent events) and had asked that 'Significant and High Risk ' be reviewed.

A Member referred to the table detailing "significant and high risks" and specifically to the possible risk posed by a loss of parking income. This was as a result of proposed Government changes to Parking Regulations that would lead to a major loss of parking income from fixed and mobile CCTV enforcement.

A Member referred the Committee to section 3.34 of the report, which outlined the 7 key risks that had been identified by the Corporate Risk Management Group. One of the risks had been identified as "Business Continuity and Emergency Planning". The Member expressed the view that Business Continuity and Emergency Planning was not normally classed as a risk.

The Committee were briefed that a new Annual Governance Statement would be presented to the meeting in July 2016. Work on this would be co-ordinated by the Corporate Risk Management Group.

RESOLVED

- (1) that the Internal Audit Progress Report be noted**
- (2) that the list of Internal Audit Reports published on the web be noted**
- (3) that the list of waivers sought since October 2015 be noted**
- (4) that the audit of VFM arrangements be noted**
- (5) that the arrangements around risk management be noted and that the high and significant risk spreadsheet in Appendix C be reviewed**

31 ANNUAL INTERNAL AUDIT PLAN 2016-17

CEO 16014

The report was submitted to inform Members of the Internal Audit Plan for 2016-17.

The Head of Internal Audit summarised the primary objectives of the Internal Audit Plan, as well as the methodology that would be involved in progressing the audit plan.

It was pointed out that the audit coverage for 2016/17 was going to drop from 830 days to 811 days due to the need to make budget savings. This would mean that the audit services that had previously been commissioned from LB Wandsworth would now be deleted. Similarly, it was the case that the vacancy of 0.6fte that internal audit had been holding would also now be deleted, as well as the part time post for a Risk Management Officer.

It was envisaged that effective communication would be maintained with the new external auditors to ensure that LBB's audit resource would be effectively managed and targeted.

It was highlighted that Internal Audit had been in discussions with the Commissioning Board to agree the best use of Internal Audit time, and out of these discussions a 40 day block of Chief Executive's Commissioning had been agreed.

A Member expressed satisfaction that 20 days had been allocated to the auditing of Contract Monitoring. However, he questioned the reasoning behind proposals to audit the Commissioning Board, expressing the view that this may be a case of "checking the check."

A Member asked when the “Early Years” audit was being done. The Head of Internal Audit stated that a precise time-frame had not been established, but that it was likely to commence at the start of the autumn term. The Member asked when an “Early Year” audit was last undertaken, and the response was that the audit would have taken place approximately two years ago.

A Member noted that 10 days had been allocated to the audit of the Community Infrastructure Levy (CIL). He expressed some concern that businesses may try and claim waivers to the CIL to avoid paying the levy, and that this was something that would need to be looked at closely.

A Member noted the 10 days allocated to the Biggin Hill audit, and wondered how far back this would go. The Head of Audit advised that an element of the 10 days would be allocated to rental income received from the Glades at the request of management.

A member had also requested that some time be allocated to reviewing SPV (Investment Special Purchase Vehicle which acquire housing stock for temporary accommodation) highlighted in the External Auditor’s Annual Plan that was on the agenda. The Head Of Audit advised that this would be taken into consideration.

RESOLVED that the Annual Internal Audit Plan 2016-2017 be noted.

32 EXTERNAL AUDIT ANNUAL PLAN 2016-17

Report CEO 1619

Mr Phil Johnstone and Hannah Andrews from KPMG attended the meeting to update on this report, and to answer any questions. KPMG had been appointed as the new external auditors. The report had been submitted for the attention of the Audit Sub Committee so that they could review the external auditor’s annual plan arrangements for 2015-2016.

Mr Johnstone commenced by outlining the matters of Materiality and Significant Risks. It was noted that materiality for planning purposes had been set at £9.3m for the Council and £7.4m for the Pension Fund. (In determining the relevance of financial information, regard needs to be given to its materiality. Information is said to be “material” if omitting it or misstating it could influence decisions that users make on the basis of an entity's financial statements).

Significant Risks had been identified as:

- Risk of fraud in revenue recognition
- Management override of controls
- Valuation of property, plant and equipment
- Valuation of pensions, assets and liabilities

The Chairman noted the VFM significant risks which had been identified as Financial Resilience and the Better Care Fund. He was pleased to note that the external audit fee had reduced by 25%.

The Committee were impressed with the information contained in the KPMG Local Government Budget Survey Document. The Chairman referred the Committee to section 7 of the document relating to savings measures that local authorities relying on for 2015-16 and beyond. The most popular measures were:

- Reducing Back Office spend
- Rationalising property and assets
- Working in collaboration with other bodies
- Purchasing Investment properties to generate income

Mr Johnstone commented that Councils were facing financial challenges, and that in many cases, instead of just looking at budget cuts, they were looking at ways to better use existing resources. A Member expressed the view that the KPMG Local Government Budget Survey be brought to the attention of the Executive and Resources PDS Committee.

A Member queried if academisation was on the radar for external audit, and the answer to this was no, there was a greater risk in the areas of health and social care. Concerning the BCF fund, Mr Johnstone expressed the view that developments in this area would be interesting, and that the proper utilisation of BCF funding was made easier when synergies existed between the local authority and the local CCG. He felt that any risks were greater at CCG level. A discussion took place about reserves, including the General Fund and Ear Marked Reserves, in addition to usable and unusable reserves. It was noted that unusable reserves could only be accessed by authorisation from the Secretary of State.

A Member queried the level of risk attached to the use of an Investment Special Purpose Vehicle (SPV). The KPMG report had noted that there were risks attached around the accounting treatment of the SPV, and the associated "gifting" to the pension fund. Mr Johnstone expressed the view that he did not anticipate that the SPV would impact adversely on the accounts. The Committee agreed that going forward, the mechanism for auditing SPV's should be clarified, along with who would be doing it.

A Member referred back to the Local Government Survey document and asked if KPMG would be able to feed back to LBB with any useful or relevant experiences from other local authorities. Mr Johnstone responded that KPMG would be in regular dialogue with the Chief Executive and the Director of Finance.

RESOLVED:

(1) that the KPMG Local Government Budget Survey document be brought to the attention of the E&R PDS Committee

(2) that the mechanism for auditing SPV's should be clarified, along with who would be doing it.

(3) that the External Auditor's arrangements for the 2015-2016 Audit Plan be noted

(4) that the materiality limits set out in the plan be noted

(5) that the reduction in the audit fee by 25% be noted

(6) that the VFM arrangements set out in the plan be noted

(7) that the KPMG Local Government Budget Survey document be noted, along with the comments made by the Committee with reference to the document

33 QUESTIONS ON THE REDACTED REPORTS PUBLISHED ON THE WEB

No questions concerning the redacted reports published on the web had been received.

34 EXTERNAL AUDIT- GRANT CERTIFICATION REPORT

Report CEO 1620

The report had been submitted to inform members of the findings of the External Auditor's report on the annual certification for 2014/15.

Katy Elstrup from PWC attended to answer any questions that the Committee wished to ask concerning the External Audit Annual Certification Report 2014/15.

The Committee noted minor errors that had been identified in the Housing Benefit Subsidy Claim for the year ending 31st March 2015.

The Chairman asked some questions around subsidy cap rules, and Councillor William Huntington Thresher requested some further detail from Ms Elstrup around the issues of rent allowances and other matters. Ms Elstrup promised to respond in writing the following day.

It was noted that this was the last report that LBB would receive from PWC as new External Auditors had been appointed.

RESOLVED that the Grant Certification report be noted.

35 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 listed below as it was 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.

36 EXEMPT MINUTES OF THE MEETING HELD ON 1ST DECEMBER 2015

The exempt minutes of the meeting held on the 1st December 2015 be agreed

37 MATTERS OUTSTANDING FROM THE PREVIOUS MEETING- PART 2

Report CSD 16062

Members noted and commented on progress with matters arising for the previous meeting.

The full minutes of this item are noted in the part 2 minutes.

38 EXTERNAL AUDIT-UPDATE ON OBJECTIONS TO THE ACCOUNTS

Report CEO 1621

This report was presented to the Committee as a request had been made to provide an update on the objections to the accounts, and explanations on the costs. Ms Katy Elstrup from PWC attended to provide the update and answer any questions.

The full minutes are detailed in the part 2 minutes.

The Chairman thanked Ms Elstrup for attending, and for updating the Committee.

RESOLVED that the update on the objections to the accounts be noted.

39 INTERNAL AUDIT FRAUD & INVESTIGATION REPORT

CEO 16016

The report was presented to the Committee to inform Members of recent Internal Audit activity on fraud and investigations across the Council and provided updates on matters arising from previous sub committee meetings.

The full minutes of this item are detailed in the part 2 minutes.

RESOLVED that the Internal Fraud and Investigation Report be noted.

40 DATE OF THE NEXT MEETING

The date of the next meeting was confirmed as 6th July 2016.

The Meeting ended at 10.00 pm

Chairman

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APPEALS SUB-COMMITTEE

Minutes of the meeting held at 10.00 am on 23 February 2016 and at 9.30 am on 19 April

Present:

Councillor Charles Rideout CVO, QPM (Chairman)
Councillors Councillor Kathy Bance MBE and Councillor
Melanie Stevens

11 APPOINTMENT OF CHAIRMAN

Councillor Charles Rideout was appointed Chairman.

12 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

No apologies for absence were received.

13 DECLARATIONS OF INTEREST

There were no declarations of interest.

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

15 GRIEVANCE APPEAL - Mr G.K.

In accordance with the Council's established Grievance Procedures, the Sub-Committee considered an appeal in relation to a formal grievance submitted by an employee.

The Sub-Committee agreed to adjourn the meeting at 4pm and reconvene at 9.30am on Tuesday 19th April 2016.

16 GRIEVANCE APPEAL - Ms K.S

In accordance with the Council's established Grievance Procedures, The Sub-Committee considered an appeal in relation to a formal grievance submitted by an employee.

The Meeting ended at 1.00 pm

Chairman

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APPEALS SUB-COMMITTEE

Minutes of the meeting held at 9.30 am on 22 March 2016

Present:

Councillor Nicholas Bennett J.P. (Chairman)
Councillors Councillor Melanie Stevens and Councillor
Pauline Tunnicliffe

17 APPOINTMENT OF CHAIRMAN

Councillor Bennett was appointed as Chairman.

18 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

There were no apologies for absence.

19 DECLARATIONS OF INTEREST

There were no declarations of interest.

20 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 item 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.

21 APPEAL AGAINST DISMISSAL - B.A.

In accordance with the Council's established disciplinary procedures, the Sub-Committee determined an appeal from a former member of staff against dismissal from Council employment for gross misconduct.

The Meeting ended at 3.05 pm

Chairman

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APPEALS SUB-COMMITTEE

Minutes of the meeting held at 9.30 am on 15 April 2016

Present:

Councillor Michael Turner (Chairman)
Councillors Councillor Alan Collins and Councillor Mary
Cooke

22 APPOINTMENT OF CHAIRMAN

Councillor Turner was appointed as Chairman.

23 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

There were no apologies for absence.

24 DECLARATIONS OF INTEREST

There were no declarations of interest.

25 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 item 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.

26 GRIEVANCE APPEAL - Mr A.M and Mr W.L

In accordance with the Council's established Grievance Procedures, the Sub-Committee considered an appeal in relation to a formal grievance submitted by an employee.

The Meeting ended at 3.20 pm

Chairman

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