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DATE: 29 November 2016

To: Members of the

## **GENERAL PURPOSES AND LICENSING COMMITTEE**

Councillor Tim Stevens (Chairman)

Councillor Diane Smith (Vice-Chairman)

Councillors Kathy Bance MBE, Nicholas Bennett J.P., Kim Botting FRSA,  
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 **WEDNESDAY 7 DECEMBER 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 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING**

In accordance with the Council's Constitution, questions to the Chairman of this Committee must be received in writing 4 working days before the date of the meeting. Therefore please ensure questions are received by the Democratic Services Team by 5pm on Thursday 1<sup>st</sup> December 2016.

**4 CONFIRMATION OF MINUTES OF THE MEETING HELD ON 14 SEPTEMBER 2016**  
(Pages 3 - 8)

**5 ROCHESTER DIOCESAN BOARD OF EDUCATION - REVISED ARTICLES OF ASSOCIATION** (Pages 9 - 34)

**6 APPOINTMENTS TO OUTSIDE BODIES** (Pages 35 - 38)

- 7 **LOCAL PENSION BOARD - ANNUAL REPORT** (Pages 39 - 50)
- 8 **PENSIONS INVESTMENT SUB-COMMITTEE: MINUTES OF THE MEETING HELD ON 21 SEPTEMBER 2016** (Pages 51 - 58)
- 9 **LOCAL JOINT CONSULTATIVE COMMITTEE: MINUTES OF THE MEETING HELD ON 26TH OCTOBER 2016** (Pages 59 - 66)
- 10 **LICENSING SUB-COMMITTEE MEETING DATES 2016/17** (Pages 67 - 68)
- 11 **DATE OF NEXT MEETING**

The next meeting of the Committee was timetabled to take place on 25<sup>th</sup> January 2017, but Members have been consulted on later dates.

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## GENERAL PURPOSES AND LICENSING COMMITTEE

Minutes of the meeting held at 6.00 pm on 14 September 2016

### Present:

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

### Also Present:

Councillor Neil Reddin FCCA

### 192 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillor Keith Onslow; Councillor Simon Fawthrop attended as his substitute. Apologies for lateness were received from Councillor David Jefferys.

### 193 DECLARATIONS OF INTEREST

There were no declarations of interest.

### 194 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received.

### 195 CONFIRMATION OF MINUTES OF THE MEETING HELD ON 26TH JULY 2016

**RESOLVED** that the minutes of the meeting held on 26<sup>th</sup> July 2016 be confirmed.

### 196 FEEDBACK ON THE 2016 GLA ELECTION AND EU REFERENDUM Report CSD16127

The Committee received a report summarising the key issues relating to the Greater London Authority (GLA) Elections held on 5<sup>th</sup> May 2016 and the Referendum on the United Kingdom's membership of the European Union

(EU Referendum) on 23<sup>rd</sup> June 2016. Both polls had run smoothly with very few problems reported.

Some Head Teachers had been reluctant for their schools to be used as polling stations, especially with the two polls coming so close together. However, the powers of the Returning Officer were clear, and any issues had been resolved on the day. The DfE supported the use of schools for elections, and every effort was made to inform schools of the electoral timetable many years in advance.

The Chairman urged that use of St Michael's Church Hall be investigated as an alternative to Darrick Wood School, where there had initially been some problems with vehicular access to the polling station. Councillor Simon Fawthrop complained that alternative venues to schools had not been investigated in his ward – the Chairman asked officers to take a further look at the possibility of using Crofton Baptist Church.

Members raised a number of issues about the conduct of the Referendum count, including –

- Postal votes not counted in their wards – postal votes had been allocated to supervisors who were not coming in from distant polling stations as they would be more likely to arrive at the Count Centre on time, rather than by ward. However, some Members were disappointed that this meant that they could not have accurate voting figures for individual wards. Members were assured that all postal votes were checked for accuracy of the signature and date of birth, regardless of how they were received.
- Votes being stacked and counted by supervisors out of sight at the rear of the counters tables; this was normal practice, and partly dictated by the space available.
- Count staff counting papers upside down – this was a training issue affecting a small number of staff.

A Member also suggested that staff should make the number of votes in each box known as an additional accuracy check. The Chief Executive confirmed that these issues were being raised with the Electoral Commission, and that he was happy to report further and discuss these matters with Members outside the meeting.

The count had taken longer than expected as the Electoral Commission had demanded 100% accuracy; this had been achieved. The Committee congratulated the Returning Officer and his staff for their efficient running of the Election and the Referendum, and in particular for making the first declaration in London for the GLA election.

**RESOLVED that the content of the report be noted.**

**197        AUDIT OF FINANCIAL STATEMENTS 2015/16**  
Report FSD16056

The report set out the Council's statutory accounts for approval by Members in accordance with the requirements of the Accounts and Audit Regulations 2015. The report also detailed the conclusions and significant issues arising from the work carried out in relation to the audit of the 2015/16 accounts. Philip Johnstone and Hannah Andrews from the Council's external auditors, KPMG, attended the meeting.

Members asked why the separate Pensions bank account was not used. Officers responded that this related to day to day cashflow and that the vast majority of pension fund money was invested with external Fund Managers and monitored by Pensions Sub-Committee. A cost/benefit analysis had previously been carried out which showed that costs outweighed benefits. As this was a technical breach, KPMG were required to include it in their report as a non-compliance issue.

A Member inquired about the comments made in recommendation 3 of the KPMG report about Journal Posting. Officers responded that they were aware of the areas of risk and measures were in place to mitigate these.

Mr Johnstone thanked the finance Team for presenting a high quality set of accounts and responding well to their questions.

**RESOLVED that**

- (1) The Council's statutory accounts for 2015/16 be approved.**
- (2) In accordance with the requirements of the Accounts and Audit Regulations 2015, the Chairman of this Committee shall be authorised to sign and date the statutory statements on page 1 as a formal record of the Committee's approval.**
- (3) The External Auditors' report be noted.**
- (4) The Auditors' conclusion on VFM be noted.**
- (5) Agreement with the auditors' conclusion on their independence and objectivity be confirmed.**
- (6) The Chairman of this Committee be authorised to sign the letter of representation for 2015/16 on behalf of the Council (see Appendix 2 to the report).**
- (7) The revised Annual Governance Statement which accompanies the statutory statement of accounts be approved.**

**198 LOCAL PENSION BOARD - APPOINTMENT OF MEMBERS**  
Report FSD16063

The Committee was requested to appoint a new member representative to the Local Pension Board following the resignation of Mr Glenn Kelly. The report also sought agreement to a number of minor amendments to the Local Pension Board Terms of Reference.

**RESOLVED that**

**(1) It is noted that Mr Glenn Kelly is no longer an employee of the Council and has resigned from the Local Pension Board.**

**(2) Mr Tony Conboy be formally appointed to the Local Pension Board as a replacement Member Representative with immediate effect.**

**(3) The proposed changes to the Local Pension Board Terms of Reference (as set out in paragraphs 3.4, 3.5 and 3.10 of the report) be formally approved.**

**199 TEACHER PAY POLICY - CENTRALLY BASED STAFF**

From September 2016, revised arrangements had come into force in relation to Teacher's Pay and Conditions through the publication of the statutory 2016 School Teachers' Pay and Conditions Document. The report set out the main changes and proposed a model pay policy – attached to the report as Appendix 1.

The Trade Unions had been consulted on the policy. Two responses had been received – the Association of School and College Lecturers was happy with the changes, while the NASUWT had requested a copy of the previously agreed policy.

Councillors asked for details of the number of centrally employed teaching staff to be circulated.

(Note: It was subsequently confirmed that 50 staff (41.93 fte) were involved.)

**RESOLVED that**

**(1) The model pay policy for all centrally based teachers be noted.**

**(2) A further period of consultation with the Trade Unions is not required.**

**(3) The model pay policy in respect of centrally based teaching staff employed by the Local Authority be agreed.**

**200 REVIEW OF APPEALS PROCESSES**

Report withdrawn.

**201 ANIMAL WELFARE - ADOPTION OF REVISED STANDARD LICENCE CONDITIONS**

Report ES16051

The Committee was requested to recommend that Council adopt the revised standard license conditions/guidance relating to animal health and welfare with effect from 1st January 2017. These had last been updated in 2010. The conditions/guidance related to –

- Pet Shops (Appendix A)
- Animal Boarding Establishments (Cats) (Appendix B)
- Animal Boarding Establishments (Dogs) (Appendix C)
- Dog Breeding Establishments (Appendix D)

The Head of Food Safety, Occupational Safety and Licensing also briefed the Committee on the potential for implementing a Late Night Levy; this would apply to all premises selling alcohol (on or off sales) between midnight and 6am (with exact hours determined by the Council) and would have to cover the whole borough. After deducting the administration costs, 70% of income from the levy would go to the Police via MOPAC's central budgets, with 30% retained by the Council to help fund services to tackle late alcohol related night crime and disorder and the management of the night time economy. Members considered that this would appear to be another tax on local businesses which would not raise enough money to have an impact on the local night time economy, and therefore felt that the Late Night Levy should not be implemented.

**RESOLVED that Council be recommended to adopt the proposed revised standard license conditions/guidance relating to animal health and welfare with effect from 1<sup>st</sup> January 2017.**

**202 LOCAL GOVERNMENT OMBUDSMAN - ANNUAL REVIEW LETTER 2015/16**

Report ACS12010

The Committee considered the Local Government Ombudsman's annual review letter 2016, which provided a summary of complaints and enquiries received and decisions made by the Ombudsman for the year ending 31<sup>st</sup> March 2016. There had been 173 referrals and the total number of investigations carried out by the Ombudsman was 47, of which 28 cases (60%) were upheld either fully or in part. This was a reasonable level compared with other authorities. The Care Services PDS Committee had already received a more detailed report at its meeting on 13<sup>th</sup> September – a number of the complaints had related to delays in the assessment process.

**RESOLVED** that the contents of the Ombudsman's letter be noted, and PDS Committee Chairman be requested to consider whether further reports to their Committees are required.

**203 APPOINTMENTS TO OUTSIDE BODIES**  
Report CSD16115

The Committee considered the Council's appointments to the Keston Village Hall Trust, which fell due on 10<sup>th</sup> December 2016.

**RESOLVED** that Martyn Baker, Peter Luckens and Peter Zieminski be appointed as Nominative Trustees to the Keston Village Hall Trust for the four year term starting on 10<sup>th</sup> December 2016.

**204 AUDIT SUB-COMMITTEE: MINUTES OF THE MEETING HELD ON 6TH JULY 2016, EXCLUDING EXEMPT INFORMATION**

The minutes of the Audit Sub-Committee meeting held on 6<sup>th</sup> July 2016 (excluding exempt information) were received.

**205 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 summary  
refers to matters  
involving exempt information**

**206 AUDIT SUB-COMMITTEE: EXEMPT MINUTES - 6TH JULY 2016**

The exempt minutes of the Audit Sub-Committee meeting held on 6<sup>th</sup> July 2016 were received.

**207 LOCAL PENSION BOARD - APPOINTMENT OF MEMBERS**

The Committee noted the expressions of interest made by two candidates for Local Pension Board membership.

The Meeting ended at 7.06 pm

Chairman



Report No.  
CSD16158

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:** GENERAL PURPOSES AND LICENSING COMMITTEE

**Date:** Wednesday 7 December 2016

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

**Title:** ROCHESTER DIOCESAN BOARD OF EDUCATION - REVISED  
ARTICLES OF ASSOCIATION

**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:** (All Wards);

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1. Reason for report

- 1.1 The Rochester Diocesan Board of Education (RDBE) is proposing to change its Articles of Association and in particular to reduce the number of trustees serving on the Board. Four local authorities are currently represented on the Board (the London Boroughs of Bromley and Bexley, Medway Council and Kent County Council) and they have all been asked to nominate a representative to attend Board meetings, but these representatives would not be eligible to vote.
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2. **RECOMMENDATION**

**That the Chairman be authorised to sign on behalf of the Council to consent to the removal of fights of appointment granted to the Council and agree that the proposed new Articles of Association may replace the existing Articles of Association.**

### Impact on Vulnerable Adults and Children

1. Summary of Impact: The Rochester Diocesan Board of Education is involved with nine primary schools and two secondary schools in the borough, but the proposals will have no direct impact on children. All but two of these schools are now academies.
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### Corporate Policy

1. Policy Status: Not Applicable:
  2. BBB Priority: Children and Young People:
- 

### Financial

1. Cost of proposal: No Cost:
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: Not Applicable
  4. Total current budget for this head: Not Applicable
  5. Source of funding: Not Applicable
- 

### Personnel

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

### Legal

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

### Procurement

1. Summary of Procurement Implications: Not Applicable
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The RDBE is involved with nine primary schools and two secondary schools in the borough.
- 

### 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 On 26<sup>th</sup> September 2016 the Rochester Diocesan Board of Education (RDBE) wrote to inform the Council of proposed changes to its Articles of Association and changes to the Board's Constitution. In particular, the Board had been consulting within the diocese with the various bodies that appointed members to the Board to reduce the number of Trustees. This reflects a general move towards smaller Boards in line with "The Church School of the Future Review" (2012).
- 3.2 The four local authorities who each appoint one Trustee have been requested, under the new arrangements, to each appoint one represent who will attend Board meetings but who will no longer have a vote. Members appointed by Deanery Synods will reduce from seventeen to six, with two additional members appointed by the Diocesan Bishop and up to six co-opted Members.
- 3.3 The Diocese states that it values the contribution of its local authority partners and wishes to continue its close relationship with them. However, it believes that the new constitution will allow it to respond more quickly to changes in national education policy including the academy agenda while at the same time drawing on specific skills and expertise from its co-opted members.
- 3.4 The following documents are attached in Appendix A –
- Letter from Alex Tear, Director of Education, RDBE
  - Consent Form
  - Proposed RDBE Constitution
  - Amended Articles of Association
- 3.5 Of the eleven Church of England schools in the borough, all but two are currently academies. The Portfolio Holder for Education, the Council's current representative on the RDBE, Councillor Kate Lymer, the Education Select Committee Chairman and the Director of Education have all been consulted on the proposals, and no objections or concerns have been raised.

### 4. LEGAL IMPLICATIONS

- 4.1 The constitution of a Diocesan Board of Education is normally determined by the Diocesan Board of Education Measure 1991, (as amended by the Education and Inspections Act 2006). It is only possible to vary from this with the approval of the Secretary of State for Education.

<b>Non-Applicable Sections:</b>	Impact on Vulnerable Adults and Children/Policy/Finance/Personnel/Procurement
Background Documents: (Access via Contact Officer)	None

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## **BOARD OF EDUCATION**

**Director of Education**  
Mr. Alex Tear MA(Ed) (Hons)

26<sup>th</sup> September 2016

Dear Colleague

### **Rochester Diocesan Board of Education – Proposal to revise the Articles of Association**

I write on behalf of the Rochester Diocesan Board of Education (RDBE) to inform you of some proposed changes to the Articles of Association of the RDBE which include changes to the Board's constitution.

Over the last six months, the Diocesan Board of Education has been consulting within the diocese with the various bodies that appoint Church members to the Board to reduce the number of Trustees serving on the Board. More details of the consultation process can be found on the RDBE's website here:

<http://www.rdbe.org.uk/about-us/consultation-on-proposals-to-re-constitute-the-dbe>

The Diocesan Board of Education believes that the proposed new constitution will allow it to respond more quickly to changes in national education policy including the academy agenda and at the same time will allow the Diocesan Board of Education to draw on the specific skills and expertise of co-opted members.

The proposals reduce the number of members of the Diocesan Board of Education appointed by Deanery Synods from seventeen to six, with two additional members appointed by the Diocesan Bishop.

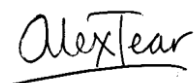
As part of these changes, the four Local Authorities would be asked to nominate a representative to attend Board meetings however these representatives would not be eligible to vote in Board meetings.

The Diocese values the contribution of its Local Authority partners as a key stakeholder in its Church of England schools and wishes to continue its close relationship with Local Authority representatives and officers.

Enclosed with this letter is a summary of the changes, the draft revised articles (sent to the Charity Commission) and a proforma asking for the consent and approval of the three Local Authorities of Bexley, Bromley and Kent who are appointing bodies to the Board of Education.

I would ask that you read the proposals carefully and indicate your approval to the revised articles of association in order that the proposed re-constitution can be sent to the Secretary of State for Education for final approval.

Yours sincerely,



**Alex Tear - Director of Education**

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**CONSENT**

Company number: 00046014  
Registered Charity number: 1031550

The Companies Act 2006  
Company Limited by Guarantee

**THE INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION**

("the Company")

**CONSENT**

We, the undersigned, consent to the removal of the rights of appointment granted to the Council of the London Borough of Bexley, the Council of the London Borough of Bromley and Kent County Council and contained in Article 6 (1) (e) of the Company's Articles of Association and agree that the new Articles of Association annexed hereto may replace the Company's existing Articles of Association in their entirety.

Name of Body	Authorised Signature	Date
The Council of the London Borough of Bexley		
The Council of the London Borough of Bromley		
Kent County Council		
Medway Council		

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## ROCHESTER DIOCESAN BOARD OF EDUCATION

### RD BE RE-CONSTITUTION

#### SUMMARY OVERVIEW

The proposed constitution would allow for 8 members appointed through Church Corporate governance structures and up to 6 members co-opted by the DBE itself, ensuring a minimum majority of two Church appointed governors.

#### 1. The Diocesan Bishop or someone appointed by him

#### 2. Bishop's nomination

#### 3. Synod members \*

- 3 clerks of Holy Orders (Clergy) appointments
- 3 Lay Persons appointments (must be members of their Electoral Roll of their parish)

#### 4. Co-opted Members\*\*

Up to 6 co-opted members with a commitment to education in the context of the Church of England with a specific expertise, experience and skill set from the following:

- Finance
- Legal
- HR
- School Improvement/Effectiveness
- Experienced Charity Trustee and Church School Governor
- Leadership
- Public Relations
- Serving Church of England School Headteacher or Principal

#### \*Synod Members

It is proposed that these appointments will, in the first instance, be nominated by Deanery Synods (one clergy and one lay from each Archdeaconry area), reviewed by Bishop's Council with reference to the DBE's criteria for co-opted members and then appointed by Diocesan Synod.

#### Local Authority Representatives

In addition to these voting members, each of the four Local Authorities within the diocese would be invited to nominate one representative to be in attendance at Board meetings. These representatives would not be eligible to vote in Board meetings.

#### \*\*Co-opted Members

The DBE would define commitment of co-opted members in a similar way to which it seeks the commitment of governors for its Church of England schools, namely a signed statement by the nominated person:

*"I confirm that as a member of the Diocesan Board of Education, I am committed to supporting the doctrines and practices of the Church of England and I acknowledge the responsibility to uphold the faith and beliefs of the Church of England"*.

**Existing members**

It is possible that some of the existing deanery and co-opted members could be 'transferred' onto the new Board as co-opted members as long as they fulfilled the requirements outlined above.

**Conflicts of Interests**

All nominated persons, will be asked to declare their membership of any organisations which may lead to a potential conflict of interest in the future and will be required to ask for the permission of the Board of Education before joining any Trust or Boards of Governance whilst they are a member of the RDBE.

Company number: 00046014

Registered Charity: 1031550

**Companies Acts 1985 to 2006**

**Company limited by guarantee**

**Incorporated on 19<sup>th</sup> November 1895**

**THE INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION**

**Memorandum amended on 9<sup>th</sup> March 1950, 20<sup>th</sup> October 1953, 3<sup>rd</sup> November 1993, and**

**[ ]**

**Articles amended on 19<sup>th</sup> November 1918, 28<sup>th</sup> April 1936, 20<sup>th</sup> October 1953, 2<sup>nd</sup>  
October 1974, 9<sup>th</sup> May 1979, 4<sup>th</sup> February 1981, 3<sup>rd</sup> November 1993, and**

**[ ]**

Lee Bolton Monier-Williams  
1 The Sanctuary  
Westminster  
London  
SW1P 3JT

Ref: HJD/COR/301600658

cor00001478

Companies Acts 1985 to 2006

Company limited by guarantee

**ARTICLES OF ASSOCIATION OF  
THE INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION**

**1. Objects**

The **Objects** for which the **Board** is established are:

- 1.1 to maintain and extend education in and knowledge of the Christian religion in general and the faith and practice of the Church of England in particular amongst all sections of the community within the **Diocese**.<sup>1</sup>
- 1.2 to carry out the functions of the **Diocesan Board of Education** under the provisions of the **Measure** and any legislation amending supplementing or replacing the same.

**2. Powers**

The **Board** has the following powers, which may be exercised only in promoting the **Objects**:

- 2.1 to hold land and other property on trust and to act as **custodian** trustee and (if duly authorised) as a trust corporation;
- 2.2 to undertake the functions of the **Diocesan Board of Education** for the **Diocese** in accordance with the provisions of the **Measure** and of any legislation amending, supplementing or replacing the same;
- 2.3 to provide advice or information;
- 2.4 to carry out research;
- 2.5 to co-operate with other bodies;
- 2.6 to support, administer or set up other charities;
- 2.7 to accept gifts and to raise funds (but not by means of **taxable trading**);
- 2.8 to borrow money;

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<sup>1</sup> Words displayed in **bold** are defined in Article [45-16](#) (Interpretation)

- 2.9 to give security for loans or other obligations (but only in accordance with the restrictions imposed by the **Charities Act**);
- 2.10 to acquire or hire property of any kind;
- 2.11 to let or dispose of property of any kind (but only in accordance with the restrictions imposed by the **Charities Act** and the **Education Acts**);
- 2.12 to make grants or loans of money and to give guarantees;
- 2.13 to set aside funds for special purposes or as reserves against future expenditure;
- 2.14 to deposit or invest its funds in any manner (but to invest only after obtaining such advice from a **financial expert** as the **Trustees** consider necessary and having regard to the suitability of investments and the need for diversification);
- 2.15 to delegate the management of investments to a **financial expert**, but only on terms that:
- (1) the investment policy is set down **in writing** for the **financial expert** by the **Trustees**;
  - (2) timely reports of all transactions are provided to the **Trustees**;
  - (3) the performance of the investments is reviewed regularly with the **Trustees**;
  - (4) the **Trustees** are entitled to cancel the delegation arrangement at any time;
  - (5) the investment policy and the delegation arrangement are reviewed at least once a **year**;
  - (6) all payments due to the **financial expert** are on a scale or at a level which is agreed in advance and are notified promptly to the **Trustees** on receipt; and
  - (7) the **financial expert** must not do anything outside the powers of the **Board**;
- 2.16 to arrange for investments or other property of the **Board** to be held in the name of a **nominee company** acting under the direction of the **Trustees** or controlled by a **financial expert** acting under their instructions, and to pay any reasonable fee required;
- 2.17 to deposit documents and physical assets with any company registered or having a place of business in England or Wales as **custodian**, and to pay any reasonable fee required;
- 2.18 to insure the property of the **Board** against any foreseeable risk and take out other insurance policies to protect the **Board** when required;
- 2.19 to pay for **indemnity insurance** for the **Trustees** or any other officer of the **Board**;
- 2.20 subject to **Article 6.3**, to employ [\(and remunerate\)](#) paid or unpaid agents, staff or advisers;
- 2.21 to enter into contracts to provide services to or on behalf of other bodies;

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- 2.22 to establish or acquire subsidiary companies to assist or act as agents for the **Board**;
- 2.23 to pay the costs of forming the **Board**; and
- 2.24 to do anything else within the law which promotes or helps to promote the **Objects**.

### 3. **The Trustees**

- 3.1 The **Trustees** as **charity trustees** have control of the **Board** and its property and funds.
- 3.2 The original **Members** ~~and~~ were also the first **Trustees**. All subsequent **Members** are also **Trustees**.
- 3.3 The **Trustees** when complete consist of at least 10 and not more than 14 persons who being individuals are over the age of 18, all of whom must support the **Objects**.
- 3.4 A **Trustee** may not act as a **Trustee** unless:
  - (i) he/she is a **Member**; and
  - (ii) has signed a written declaration of willingness to act as a **charity trustee**.
- 3.5 A **Trustee's** term of office as such automatically terminates if he/she
  - (i) ceases to be a **Member**;
  - (ii) is disqualified under the Charities Act from acting as a **charity trustee**; or
  - (iii) is incapable, whether mentally or physically, of managing his/her own affairs;
  - (iv) is absent from three consecutive meetings of the Trustees and is requested by a majority of the other Trustees to resign;  
~~without [permission] [notice] from [number] consecutive meetings of the Trustees and is asked by a majority of the other Trustees to resign;~~
  - (v) resigns by written notice to the Trustees (but only if at least two Trustees will remain in office); or
  - (vi) is removed by the Members at a general meeting under the Companies Act.
- 3.6 A technical defect in the appointment of a **Trustee** of which the **Trustees** are unaware at the time does not invalidate decisions taken at a meeting.

### 4. **Trustees' proceedings**

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- 4.1 The **Trustees** must hold at least ~~four~~three meetings each **year** and an additional meeting shall be held if at any time ~~three~~eight or more **Members** make a request **in writing** to the **Chairman** for the holding of such a meeting.
- 4.2 A quorum at a meeting of the **Trustees** is ~~three~~eight **Trustees** of which ~~two~~four shall be elected **Members**.
- 4.3 A meeting of the **Trustees** may be held either in person or by suitable **electronic means** agreed by the **Trustees** in which all participants may simultaneously communicate with all the other participants but at least one meeting in each **year** must be held in person.
- 4.4 The **Chairman** or (if the **Chairman** is unable or unwilling to do so) some other **Trustee** chosen by the **Trustees** present presides at each meeting.
- 4.5 Except where otherwise provided by these **Articles** or the **Companies Act**, a **written resolution** (whether an **ordinary** or a **special resolution**) is as valid as an equivalent resolution passed at a general meeting. For this purpose the **written resolution** may be set out in more than one document.
- 4.6 Every **Trustee** has one vote on each issue but, in case of equality of votes, the **Chairman** of the meeting has a second or casting vote.
- 4.7 A procedural defect of which the **Trustees** are unaware at the time does not invalidate decisions taken at a meeting.

## 5. Trustees' powers

The **Trustees** have the following powers in the administration of the **Board** in their capacity as **Trustees**:

- 5.1 to appoint a **Treasurer** and other honorary officers (but not **Chairman** and **Secretary**) from among their number;
- 5.2 to delegate any of their functions to committees consisting of two or more individuals appointed by them. At least one member of every committee must be a **Trustee** and all proceedings of committees must be reported promptly to the **Trustees**;
- 5.3 to make standing orders consistent with the **Measure**, the **Memorandum**, the **Articles** and the **Companies Act** to govern proceedings at general meetings;
- 5.4 to make rules consistent with the **Measure**, the **Memorandum**, the **Articles** and the **Companies Act** to govern their proceedings and proceedings of committees;
- 5.5 to make regulations consistent with the **Measure**, the **Memorandum**, the **Articles** and the **Companies Act** to govern the administration of the **Board** and the use of its **seal**~~]. Unless otherwise determined, the seal shall remain in the custody of the Board or a committee authorised by the Board and every document to which the seal is affixed shall be signed by one Trustee and by the Secretary] or by two Trustees];~~

- 5.6 to establish procedures to assist the resolution of disputes or differences within the **Board**; and
- 5.7 to exercise in their capacity as **Trustees** any powers of the **Board** which are not reserved to them in their capacity as **Members**.

5A. **Standing Committee**

The **Trustees** may establish a **Standing Committee** to plan the agenda for general meetings and carry forward the work of the **Board** between general meetings in such manner as the **Board** shall determine.

6. **Benefits and Conflicts**

- 6.1 The property and funds of the **Board** must be used only for promoting the **Objects** and do not belong to the **Members** but, subject to compliance with **Article 6.4**:
- (1) **Members** (being **Trustees**) and **Connected Persons** may be paid interest at a reasonable rate on money lent to the **Board**;
  - (2) **Members** (being **Trustees**) and **Connected Persons** may be paid a reasonable rent or hiring fee for property let or hired to the **Board**; and
  - (3) Individual **Members** (being **Trustees**) and **Connected Persons** may receive charitable benefits on the same terms as any other members of the beneficial class.
- 6.2 A **Trustee** must not receive any payment of money or other **material benefit** (whether directly or indirectly) from the **Board** except:
- (1) as mentioned in **Articles 6.1** or **6.3**;
  - (2) reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) actually incurred in running the **Board**;
  - (3) the benefit of **indemnity insurance** as permitted by the **Charities Act**;
  - (4) an indemnity in respect of any liabilities properly incurred in running the **Board** (including the costs of a successful defence to criminal proceedings); or
  - (5) in exceptional cases, other payments or benefits (but only with the written consent of the **Commission** in advance and where required by the **Companies Act** the approval or affirmation of the **Members**).
- 6.3 No **Trustee** or **Connected Person** may be employed by the **Board** except in accordance with **Article 6.2(5)**, but any **Trustee** or **Connected Person** may enter into a written contract with the **Board**, as permitted by the **Charities Act**, to supply goods or services in return for a payment or other **material benefit** but only if:

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- (1) the goods or services are actually required by the **Board**, and the **Trustees** decide that it is in the best interests of the **Board** to enter into such a contract; and
- (2) the nature and level of the remuneration is no more than is reasonable in relation to the value of the goods or services and is set in accordance with the procedure in **Article 6.4**; and
- (3) fewer than one third of the **Trustees** are subject to such a contract in any **financial year**.

6.4 Subject to **Article 6.5**, any **Trustee** who becomes a **Conflicted Trustee** in relation to any matter must:

- (1) declare the nature and extent of his or her interest before discussion begins on the matter; and
- (2) withdraw from the meeting for that item after providing any information requested by the **Trustees**; and
- (3) not be counted in the quorum for that part of the meeting; and
- (4) be absent during the vote and have no vote on the matter.

6.5 When any **Trustee** is a **Conflicted Trustee**, the **Trustees** who are not **Conflicted Trustees**, if they form a quorum without counting the **Conflicted Trustee** and are satisfied that it is in the best interests of the **Board** to do so, may by resolution passed in the absence of the **Conflicted Trustee** authorise the **Conflicted Trustee**, notwithstanding any conflict of interest or duty which has arisen or may arise for the **Conflicted Trustee**, to:

- (1) continue to participate in discussions leading to the making of a decision and/or to vote; or
- (2) disclose to a third party information confidential to the **Board**; or
- (3) take any other action not otherwise authorised which does not involve the receipt by the **Conflicted Trustee** or a **Connected Person** of any payment or **material benefit** from the **Board**; or
- (4) refrain from taking any step required to remove the conflict.

6.56 This **Article 6** may be amended by **special resolution** but, where the result would be to permit any **material benefit** to a **Trustee** or **Connected Person**, only with the prior **written** consent of the **Commission**.

## 7. Records and Accounts

7.1 The **Trustees** must comply with the requirements of the **Companies Act** and of the **Charities Act** as to keeping records, the audit or independent examination of

accounts and the preparation and transmission to the Registrar of Companies and the **Commission** of information required by law including:

- (1) annual returns;
- (2) annual reports; and
- (3) annual statements of account.

7.2 The **Trustees** must also keep records of:

- (1) all proceedings at meetings of the **Trustees**;
- (2) all **written resolutions**;
- (3) all reports of committees; and
- (4) all professional advice obtained.

7.3 Accounting records relating to the **Board** must be made available for inspection by any **Trustee** at any time during normal office hours.

7.4 A copy of the **Board's constitution** and latest available statement of account must be supplied on request to any **Trustee**. Copies of the latest accounts must also be supplied in accordance with the **Charities Act** to any other person who makes a written request and pays the **Board's** reasonable costs.

## 8. **Membership**

8.1 The **Board** must maintain a register of **Members**.

8.2 The **Members** of the **Board** shall comprise the following:

- (1) the **Bishop** or the **Bishop's** nominated representative;
- (2) one person nominated by the **Bishop**, ~~being either a suffragan bishop or a full time assistant bishop in the **Diocese** or an archdeacon of an archdeaconry in the **Diocese** or a dean of a deanery in the **Diocese** or a canon residentiary of the cathedral of the **Diocese**;~~
- (3) six persons elected by the **Diocesan Synod** in accordance with the provisions of sub-clause 8.3 below;
- (4) not less than two or more than six persons co-opted by the **Board** and who shall first give an undertaking to the other **Members** to uphold the **Objects** and of whom:
  - (a) two shall be persons currently serving as headteachers (one from the primary and one from the secondary phases) of Church of England schools or academies within the **Diocese of Rochester**, with experience of church schools (as defined in the **Measure**) in the **Diocese**; and

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- (b) the other persons (if any) shall be persons with experience of other area of work with which the **Board** is concerned ~~including~~ including: finance; legal; human resources; school improvement; charity trusteeship; school governorship, leadership; public relations; ~~servicing as a head teacher or principal of a Church of England school;~~
- 8.3 Following nominations by the members of deanery synods in the **Diocese** and review of those nominated by the Diocesan Bishop's Council having reference to the **Board's** criteria for co-opted members, the **Diocesan Synod** shall elect (from those nominated) six persons who must either reside or work or worship in the **Diocese** (but need not themselves be members of the **Diocesan Synod**), who shall comprise the following:
- (1) three clerks in Holy Orders beneficed or licensed in the **Diocese** (comprising one clerk in Holy Orders for each of the three archdeaconries in the **Diocese**);
  - (2) three lay persons on the electoral roll for their parish (comprising one lay person for each of the three archdeaconries in the **Diocese**).
- 8.4 The following Local Authorities within the **Diocese** shall each be entitled to nominate one person to attend meetings of the **Board** on the Local Authority's behalf (but who for the avoidance of doubt are not eligible to vote at such meetings):
- (1) the Council of the London Borough of Bexley;
  - (2) the Council of the London Borough of Bromley; ~~and~~
  - (3) Kent County Council; ~~and~~
  - ~~(4) Medway Council.~~
- 8.5 The election of the elected **Members** of the **Board** shall take place every three years in the same year as, but after, the election of members to the ~~Diocesan Synod~~. Elected **Members** shall begin to hold office on 1<sup>st</sup> January next following their election.
- ~~8.6 Where an elected Member of the Board ceases to be a member of the Diocesan Synod [or deanery synod] then notwithstanding that he was elected by reason of his membership of that synod, he shall continue unless he resigns, to be a Member of the Board for the remainder of the period of office for which he was elected.~~
- 8.76 Any casual vacancy among the elected **Members** (which expression includes the case where insufficient candidates have been nominated to fill the places available) shall be filled in such manner as may be determined by the **Diocesan Synod**.
- 8.87 All **Members** other than the **Bishop** shall cease to hold office on the 1<sup>st</sup> January on which the newly elected **Members** begin to hold office, except that a **Member** shall be eligible for re-election or re-appointment on the termination of any period of office.
- 8.98 A person who is in receipt of any remuneration as an officer or member of the staff of the **Board** shall not be eligible for **Membership** of the **Board**.

8.409 Every **Member** shall sign the register of **Members** or consent **in writing** to become a **Member**.

8.410 **Membership** is terminated if the **Member** concerned:

- (1) gives written notice of resignation to the **Board**;
- (2) dies; or
- (3) ceases to be eligible for **Membership**.

8.421 **Membership** of the **Board** is not transferable.

## 9. **Chairman and Secretary**

9.1 The **Bishop** shall be the **Chairman** except that, if he does not desire to be **Chairman**, the ~~**Members Board, after consultation**~~ with the approval of the Bishop, shall appoint some other person (whether or not a **Member** of the **Board**) to be **Chairman** and the person so appointed shall be an ex-officio member of the **Diocesan Synod** in accordance with the **Measure**.

9.2 The **Secretary** (being the Diocesan Director of Education) shall be appointed by the **Bishop** after consultation with the Board.

## 10. **General Meetings**

10.1 **Members** are entitled to attend general meetings in person or by proxy (but only if the appointment of a proxy is **in writing** and notified to the **Secretary** before the commencement of the meeting).

10.1A Persons nominated by the Council of the London Borough of Bexley, the Council of the London Borough of Bromley, ~~and/or Kent County Council~~ and/or Medway Council in accordance with sub-clause 8.4 above are entitled to attend meetings of the **Board** (but for the avoidance of doubt are not eligible to vote at such meetings).

10.2 (1) \_\_\_\_\_ The minimum periods of notice required to hold a general meeting are:

- (a) 21 **clear days** for an **AGM** or a general meeting called for the passing of a **special resolution**;
  - (b) 14 **clear days** for all other general meetings;
- (2) A general meeting may be called by shorter notice if it is so agreed by a majority in number of members having a right to attend and vote at the meeting, being a majority who together hold not less than 90 percent of the total voting rights.

- (3) The notice must specify the date, time and place of the meeting and the general nature of the business to be transacted. If the meeting is to be an **AGM**, the notice must say so. The notice must also contain a statement setting out the right of members to appoint a proxy under section 324 of the Companies Act 2006.
- (4) The notice must be given to all the **Members** and to the **Trustees** and auditors, and any third party entitled to attend meeting of the **Board**.
- 10.3 There is a quorum at a general meeting if the number of **Members** present in person is at least ~~three~~eight, of whom at least ~~two~~four are elected **Members**.
- 10.4 The **Chairman** presides at a general meeting or if the **Chairman** is unable or unwilling to do so some other **Member** is elected by the **Members** present in person or by proxy in his/her personal capacity as a **Member** and not as proxy for another **Member** to do so.
- 10.5 Except where otherwise provided by these **Articles** or the **Companies Act**, every issue is to be decided by **ordinary resolution**.
- 10.6 Every **Member** present in person or by proxy shall have one vote on each issue.
- 10.7 Except where otherwise provided by these **Articles** or the **Companies Act**, a **written resolution** (whether an **ordinary** or a **special resolution**) is as valid as an equivalent resolution passed at a general meeting. For this purpose the **written resolution** may be set out in more than one document.
- 10.8 The **Board** must hold an **AGM** in every **year** and not more than ~~15mths~~15 months may elapse between the date of one **AGM** and that of the next. ~~The Board shall hold at least three~~two other meetings in each **year**.
- 10.9 **Members** (being **Trustees**) must annually at the **AGM**:
- (1)    receive the accounts of the **Board** for the previous **financial year**;
  - (2)        receive a written report on the **Board's** activities;
  - (3) appoint reporting accountants or auditors for the **Board**, and may:
  - (4) confer on any individual (with his/her consent) the honorary title of Patron, President or Vice-President of the **Board**; and
  - (5)        discuss and determine any issues of policy or deal with any other business put before them by the **Trustees**.
- 10.10 A general meeting may be called by the **Trustees** at any time and must be called within 21 **clear days** on a **written request** to the **Chairman** ~~from the Bishop or~~ from at least ~~three~~eight **Members**.
- 10.11 Subject to Article 10.3, a technical defect in the appointment of a **Member** ~~of which the Members are unaware at the time~~ for the existence of any vacancy among

[the Members](#) does not invalidate a decision taken at a general meeting or a **Written Resolution**.

#### 11. **Limited Liability**

The liability of **Members** is limited.

#### 12. **Guarantee**

Every **Member** promises, if the **Board** is dissolved while he/she remains a **Member** or within one **year** after he/she ceases to be a **Member**, to pay up to £10 towards:

- 12.1 payment of those debts and liabilities of the **Board** incurred before he/she ceased to be a **Member**;
- 12.2 payment of the costs, charges and expenses of winding up; and
- 12.3 the adjustment of rights of contributors among themselves.

#### 13. **Communications**

13.1 Notices and other documents to be served on **Members** or **Trustees** or third parties entitled to attend meetings of the **Board** under the **Articles** or the **Companies Act** may be served:

- (1) by hand;
- (2) by post;
- (3) by suitable **electronic means**; or
- (4) through publication in the **Board's** newsletter or on the **Board's** website.

13.2 The only address at which a **Member** is entitled to receive notices sent by post is an address in the UK shown in the register of **Members**.

13.3 Any notice given in accordance with these **Articles** is to be treated for all purposes as having been received:

- (1) 24 hours after being sent by **electronic means**, posted on the **Board's** website or delivered by hand to the relevant address;
- (2) two **clear days** after being sent by first class post to that address;
- (3) three **clear days** after being sent by second class or overseas post to that address;
- (4) immediately on being handed to the recipient personally;

or, if earlier,

(5) as soon as the recipient acknowledges actual receipt.

13.4 A technical defect in service of which the **Trustees** are unaware at the time does not invalidate decisions taken at a meeting.

#### 14. **Indemnity**

14.1 The **Board** shall indemnify any **Trustee** or former **Trustee** against liability incurred in that capacity, to the extent permitted by law.

14.2 ~~The **Board** shall indemnify any other officer of the **Board** to the extent permitted by law.~~

#### 15. **Dissolution**

15.1 If the **Board** is dissolved, the assets (if any) remaining after providing for all its liabilities must be applied in one or more of the following ways:

- (1) by transfer to one or more other bodies established for exclusively charitable purposes within, the same as or similar to the **Objects**;
- (2) directly for the **Objects** or for charitable purposes which are within or similar to the **Objects**; or
- (3) in such other manner consistent with charitable status as the **Commission** approves **in writing** in advance.

15.2 If the **Board** is dissolved, a final report and statement of account must be sent to the **Commission**.

#### 16. **Interpretation**

~~16.1~~ These **Articles** are to be interpreted without reference to the model articles under the **Companies Act**, which do not apply to the **Board**.

~~16.2~~ In these **Articles**, unless the context indicates another meaning:

‘**AGM**’ means an annual general meeting of the Board;

‘**Articles**’ means the Board’s Articles of Association and ‘**Article**’ refers to a particular Article;

‘**Bishop**’ means the Bishop of Rochester ~~for during a vacancy in See another bishop acting under an instrument of delegation made pursuant to section 13 of the Dioceses, Pastoral and Mission Measure 2007~~ or, failing that, another bishop empowered by law to exercise the Episcopal functions of the Bishop of Rochester;

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‘**Board**’ means the company governed by the **Articles**;

‘**Chairman**’ means the chairman of the **Board**;

‘**Charities Act**’ means the Charities Acts 1992 to 2011;

‘**charity trustee**’ has the meaning prescribed by the **Charities Act**;

‘**clear day**’ does not include the day on which notice is given or the day of the meeting or other event;

‘**Commission**’ means the Charity Commission for England and Wales or any body which replaces it;

‘**Companies Act**’ means the Companies Acts 1985 to 2006;

‘**Conflicted Trustee**’ means a **Trustee** in respect of whom a conflict of interest arises or may reasonably arise because the **Conflicted Trustee** or a **Connected Person** is receiving or stands to receive a benefit (other than payment of a premium for **indemnity insurance**) from the **Board**, or has some separate interest or duty in a matter to be decided, or in relation to information which is confidential to the **Board**;

‘**Connected Person**’ means, in relation to a **Trustee**, a person with whom the **Trustee** shares a common interest such that he/she may reasonably be regarded as benefiting directly or indirectly from any **material benefit** received by that person, being either a member of the **Trustee’s** family or household or a person or body who is a business associate of the **Trustee**, and (for the avoidance of doubt) does not include a company with which the **Trustee’s** only connection is an interest consisting of no more than 1% of the voting rights;

‘**constitution**’ means the **Memorandum** and the **Articles** and any **special resolutions** relating to them;

‘**custodian**’ means a person or body who undertakes safe custody of assets or of documents or records relating to them;

‘**Diocese**’ means the Diocese of Rochester;

‘**Diocesan Board of Education**’ means that body constituted under the **Measure** for the ~~relevant diocese~~**Diocese** and any successor body;

‘**Diocesan Synod**’ means the diocesan synod of the **Diocese**;

‘**Education Acts**’ ~~means the Education Acts 1962 to 2010~~has the same meaning as the definition of "Education Acts" contained in section 578 of the Education Act 1996;

‘**electronic means**’ refers to communications addressed to specified individuals by telephone, fax or email or, in relation to meetings, by telephone conference call or video conference;

‘**financial expert**’ means an individual, company or **firm** who is authorised to give investment advice under the Financial Services and Markets Act 2000;

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‘**financial year**’ means the **Board’s** financial year;

‘**firm**’ includes a limited liability partnership;

‘**indemnity insurance**’ means insurance against personal liability incurred by any **Trustee** for an act or omission which is or is alleged to be a breach of trust or breach of duty, unless the act or omission amounts to a criminal offence or the **Trustee** concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty;

‘**material benefit**’ means a benefit, direct or indirect, which may not be financial but has a monetary value;

‘**Measure**’ means the Diocesan Boards of Education Measure 1991 (as amended);

‘**Member**’ and ‘**Membership**’ refer to company membership of the **Board**;

‘**Memorandum**’ means the **Board’s** Memorandum of Association;

‘**month**’ means calendar month;

‘**nominee company**’ means a corporate body registered or having an established place of business in England and Wales which holds title to property for another;

‘**ordinary resolution**’ means a resolution agreed by a simple majority of the **Members** present and voting at a general meeting;

‘**Objects**’ means the objects of the **Board** as defined in **Article 1**;

‘**seal**’ means the common seal of the Board if it has one;

‘**Secretary**’ means the company secretary of the **Board**;

‘**special resolution**’ means a resolution passed by a majority of not less than 75% of the **Members** present and voting at a general meeting;

‘**Standing Committee**’ means the standing committee established by the **Trustees**;

‘**taxable trading**’ means carrying on a trade or business in such manner or on such a scale that some or all of the profits are subject to corporation tax;

‘**Trustee**’ means a director of the **Board** and ‘**Trustees**’ means the directors;

‘**written**’ or ‘**in writing**’ refers to a legible document on paper or a document sent by **electronic means** which is capable of being printed out on paper;

‘**written resolution**’ refers to an **ordinary resolution** or a **special resolution** which is made **in writing** and in accordance with the provisions of the Companies Acts; and

‘**year**’ means calendar year.

~~15.516.3~~ Expressions not otherwise defined which are defined in the **Companies Act** shall have the same meaning.

15.416.4 References to an Act of Parliament are to that Act as amended or re-enacted from time to time and to any subordinate legislation made under it.

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Report No.  
CSD16171

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:** GENERAL PURPOSES AND LICENSING COMMITTEE

**Date:** 7<sup>th</sup> December 2016

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

**Title:** APPOINTMENTS TO OUTSIDE BODIES

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

**Chief Officer:** Mark Bowen, Director of Corporate Services

**Ward:** Copers Cope

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1. Reason for report

- 1.1 At its first ordinary meeting of the Council year on 24<sup>th</sup> May 2016 the Committee made appointments to various outside bodies. This report deals with the four year term appointments of three of the council's six representatives on the Beckenham Parochial Charities, which fall due on 24<sup>th</sup> January 2017.
- 

2. **RECOMMENDATIONS**

**Subject to confirmation of the recommendations from the charity, that the Committee appoints the following representatives to the Beckenham Parochial Charities for the four year term starting on 24<sup>th</sup> January 2017 –**

**Mr A J Duncan**

**Mrs G Scales**

**Mrs Kathryn Strachan**

### Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
- 

### 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
- 

### Personnel

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

### Legal

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

### Procurement

1. Summary of impact: 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? Yes
2. Summary of Ward Councillors comments: Not Applicable

### 3. COMMENTARY

3.1 The Council appoints six representatives to the Beckenham Parochial Charities. The term of office is four years, with three terms due to finish on 24<sup>th</sup> January 2017, and three on 24<sup>th</sup> January 2019 as follows –

Expiring 24<sup>th</sup> January 2017:

Mr A J Duncan, Mrs G Scales, Mr M J Winsor

Expiring 24<sup>th</sup> January 2019:

Cllr Russell Mellor, Mrs M Jessiman, Mr Robert Mitchell

3.2 The charity relates to St George's Church, Beckenham and meets quarterly. The Secretary to the charity confirms that of the three representatives nearing the end of their terms, two, Mr Duncan and Mrs Scales, wish to continue their service. Mr Winsor wishes to stand down. The charity requests that Mr Duncan and Mrs Scales are re-appointed and that Mrs Kathryn Strachan is appointed to replace Mr Winsor. Mrs Strachan is currently a co-opted member and chairman of the charity whose term of office expires in January.

3.3 Ward members have been advised of the situation – any comments received will be reported to the Committee at the meeting, or before if possible.

<b>Non-Applicable Sections:</b>	Impact on Vulnerable Adults and Children/Policy/Financial/Legal/Personnel/Procurement
Background Documents: (Access via Contact Officer)	None

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Report No.  
FSD16079

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:** Pensions Investment Sub Committee  
General Purposes & Licensing Committee  
Council

**Date:** 16<sup>th</sup> November 2016  
7<sup>th</sup> December 2016  
12<sup>th</sup> December 2016

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

**Title:**                      **LOCAL PENSION BOARD – ANNUAL REPORT**

**Contact Officer:** David Kellond, Pensions Manager  
Tel: 020 8461 7503    E-mail: [david.kellond@bromley.gov.uk](mailto:david.kellond@bromley.gov.uk)

**Chief Officer:**                      Director of Finance

**Ward:**                      Borough Wide

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1. Reason for report

1.1 The Local Pension Board Terms of Reference require that an Annual Report is produced and provided to the Pensions Manager each year. In a report to the Pensions Investment Sub Committee, General Purposes and Licensing Committee and Council in February 2015, it was also confirmed that the Local Pension Board's Annual Report, would be provided to Council via the Pensions Investment Sub-Committee and the General Purposes and Licensing Committee.

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2. **RECOMMENDATION(S)**

2.1 **Members of the Pensions Investment Sub Committee, General Purposes and Licensing Committee and Council are asked to:**

(i) **Note the contents of the report**

## 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.
  2. BBB Priority Excellent Council
- 

## Financial

1. Cost of proposal: No Cost:
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: Any costs associated with the reimbursement to Board Members of directly incurred expenses are chargeable to the Pension Fund
  4. Total current budget for this head: £36.4m expenditure (pensions, lump sums, etc); £42.6m income (contributions, investment income, etc); £863.3m total fund market value at 30<sup>th</sup> September 2016)
  5. Source of funding: Contributions to Pension Fund
- 

## Staff

1. Number of staff (current and additional): The Local Pension Board comprises of 2 Employer Representatives and two Member Representatives. The Board is supported by the Pensions Manager.
  2. If from existing staff resources, number of staff hours: n/a
- 

## Legal

1. Legal Requirement: Statutory Requirement The Local Government Pension Scheme Regulations 2013 (as amended)
  2. Call-in: Not Applicable:
- 

## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 6,238 current employees; 5,175 pensioners; 5,406 deferred pensioners as at 30<sup>th</sup> September 2016
- 

## Ward Councillor Views

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



### **3. COMMENTARY**

- 3.1 The London Borough of Bromley Local Pension Board was established by Council on 23<sup>rd</sup> February 2015. The Board held an introductory meeting on 27<sup>th</sup> July 2015 and it's first formal annual meeting on 26<sup>th</sup> October 2015.
- 3.2 In accordance with the Terms of Reference the Board are required to produce a single annual report to the Pensions Manager. This report should include
- A summary of the work of the Local Pension Board and a work plan for the coming year
  - Details of areas of concern reported to or raised by the Board and recommendations made
  - Details of any conflicts of interest that have arisen in respect of individual Local Pension Board members and how these have been managed
  - Any areas of risk or concern the Board wish to raise with the Scheme Manager
  - Details of training received and identified training needs
  - Details of any expenses and costs incurred by the Local Pension Board and any anticipated expenses for the forthcoming year.
- 3.3 Members are asked to note the contents of the Local Pension Board Annual Report 2015/2016.

### **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.

### **5. FINANCIAL IMPLICATIONS**

- 5.1 Although permitted under Regulations, Local Pension Board members are not paid an allowance. As set out in the terms of reference, remuneration for Board members is limited to a refund of actual expenses incurred in attending meetings and training.
- 5.2 As the administering authority the Council is required to facilitate the operation of the Local Pension Board including providing suitable accommodation for Board meetings as well as administrative support, advice and guidance. This is currently done within existing in-house resources.
- 5.3 Any costs arising from the establishment and operation of the Local Pension Board are treated as appropriate administration costs of the scheme and, as such, are chargeable to the Pension Fund.
- 5.4 There has been no expenditure or claims for reimbursement of costs within the relevant period for the administration of the Board.

## 6. LEGAL IMPLICATIONS

- 6.1 The Public Service Pensions Act 2013 provides primary legislation for all public service schemes including the LGPS 2014. A requirement is the establishment of Local Pension Boards.

## 7. PERSONNEL IMPLICATIONS

- 7.1 All Local Government Pension Scheme employers and members must have an equal opportunity to be nominated to become Board members through an open and transparent process.

<b>Non-Applicable Sections:</b>	Procurement Implications Impact on Vulnerable Adults and Children
Background Documents: (Access via Contact Officer)	Public Service Pensions Act 2013; Local Government Pension Scheme (Amendment) (Governance) Regulations 2015; Local Government Pension Scheme Regulations 2013; Local Pension Board Report, Supplementary Report and Appendices to Pensions Investment Sub-Committee, General Purposes & Licensing Committee and Council 3rd, 10th and 23rd February 2015; Local Pension Board – Appointment of Board Members, General Purposes and Licensing Committee and Council 27 <sup>th</sup> May and 29 <sup>th</sup> June 2015. Local Pension Board – Appointment of Board Members to General Purposes & Licensing Committee 14 <sup>th</sup> September 2016



**LONDON  
BOROUGH OF  
BROMLEY –  
LOCAL PENSION  
BOARD**

**ANNUAL REPORT  
2015/2016**

**LONDON BOROUGH OF BROMLEY - LOCAL PENSION BOARD  
ANNUAL REPORT 2015/16  
INDEX**

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## **1. Foreword**

- 1.1 The purpose of this London Borough of Bromley Local Pension Board Annual report is to provide information regarding the activities and role of the Board for Scheme Members, Scheme Employers and the Scheme Manager (Administering Authority).
- 1.2 The Local Pension Board was established by the London Borough of Bromley Pension Fund in response to new regulatory requirements introduced into the Local Government Pension Scheme Regulations 2013
- 1.3 The role of the Local Pension Board is to provide assistance to the London Borough of Bromley in its role as an Administering Authority within the Local Government Pension Scheme in ensuring it remains compliant with the relevant legislation and requirements of the Pensions Regulator.

## **2. Membership and meetings of the Board**

- 2.1 The Local Government Pension Scheme Regulations 2013 (as amended) required that the Local Pension Board be established by 1<sup>st</sup> April 2015, in so far as the composition and terms of reference be approved. This took place at a meeting of Council on 23<sup>rd</sup> February 2015.
- 2.2 The London Borough of Bromley Local Pension Board requires a total of four members. The membership is constituted as follows:
- 2 members representing the interests of the Fund's employers – Employer Representatives.
  - 2 members representing the interests of the Fund's scheme members – Member Representatives.
- 2.3 In line with the requirements of the Local Pension Board Terms of Reference. Member Representatives were appointed to the Board by the General Purposes and Licensing Committee on 27<sup>th</sup> May 2015. The Member Representatives appointed were:
- Mrs Lesley Rickards
  - Mr Glenn Kelly
- 2.4 At their meeting on 27<sup>th</sup> May 2015 the General Purposes and Licensing Committee also nominated two potential Employer Representatives to be recommended to Council for appointment to the Board. Council then duly appointed the two Employer Representatives at its meeting on 29<sup>th</sup> June 2015. The Employer Representatives were:
- Mr Brian Toms
  - Ms Jane Harding
- 2.5 On 13<sup>th</sup> June 2016, Glenn Kelly, in accordance with paragraph 19 of the Local Pension Board Terms of Reference gave notice of his wish to resign as a Board member.
- 2.6 Following the resignation of Glenn Kelly, the Scheme Manager began the process of seeking a replacement, resulting in the appointment of Mr Tony Conboy by the General Purposes and Licensing Committee on 14<sup>th</sup> September 2016.
- 2.7 The General Purposes and Licensing Committee approved some minor amendments to the Terms of Reference at its meeting on 14<sup>th</sup> September 2016.

- 2.8 Following an introductory meeting of the Local Pension Board Members which took place on Monday 27<sup>th</sup> July 2015, the first formal meeting of the Board took place on Monday 26<sup>th</sup> October 2015. The table below shows the attendance of those meetings:

	Employer Representatives		Member Representatives	
	Mr B Toms	Ms J Harding	Mr G Kelly	Mrs L Rickards
Introductory Meeting 27/07/2015	✓	✓	✓	✓
Formal Meeting 26/10/2015	✓	✓	X	✓

- 2.9 At the first formal meeting, the Local Pension Board approved its Terms of Reference. Mr Brian Toms was elected by the members of the Board to act as its Chair for a period of 12 months, in line with the requirements of the Terms of Reference.
- 2.10 Information regarding the Board, its Terms of Reference and its membership are publicly available on the London Borough of Bromley Website.

### 3. Board Activity

- 3.1 In accordance with the requirement of the Terms of Reference, the Local Pension Board met on 26<sup>th</sup> October 2015 for its annual meeting.
- 3.2 Members of the Board are also encouraged to attend meetings of the Pensions Investment Sub-Committee and where appropriate meeting of the General Purposes and Licensing Committee. The table below shows Board members attendance at meetings of the Pensions Investment Sub-Committee:

	Employer Representatives		Member Representatives	
	Mr B Toms	Ms J Harding	Mr G Kelly	Mrs L Rickards
23/09/2015	✓	✓	X	X
18/11/2015	✓	✓	X	X
11/02/2016	✓	X	X	X
19/05/2016	✓	✓	X	X
21/09/2016	✓	✓	N/A	X

- 3.3 In accordance with the workplan issued to Local Pension Board members, members have been provided throughout the year with monthly Pensions Administration Reports for review. These reports are produced by Liberata UK Ltd, and include a monthly summary of activity, and details of key Performance Indicators (KPI's). To date no issues have been raised by Board members in connection with such reports.

- 3.4 Board Members were provided with a Department for Communities and Local Government Consultation Document on amendments to the Local Government Pension Scheme Regulations.
- 3.5 Board Members were invited to consider and comment on the London Borough of Bromley 2014/2015 Pension Fund Annual Report. They have also been provided with a copy of the 2015/2016 report which will be considered at the next formal meeting.
- 3.6 The next meeting of the Local Pension Board is due to take place on Thursday 10<sup>th</sup> November 2016. At this meeting the Board will be required to elect a new Chair for 2016/2017 in line with the terms of reference, accept recent minor amendments to the terms of reference and agree work-plan and training arrangements for 2016/2017.

#### **4. Training**

- 4.1 It is a requirement of the Public Service Pensions Act that Board members have the capacity to become conversant with the rules governing the Local Government Pension Scheme and the policy documents of the Administering Authority.
- 4.2 The following training has been provided during the course of the year to the Local Pension Board members:
- London Borough of Bromley Pensions Seminar Event held on 11<sup>th</sup> January 2016.
  - The Pensions Regulator e-learning package, covering Conflicts of Interest, Managing risk and internal controls, Maintaining accurate member data, Maintaining member contributions, Providing Information to members and others, Resolving internal disputes and Reporting breaches of the law.
- 4.3 Members have also been provided with the following documentation;
- The Local Government Pension Scheme Regulations
  - Administration, HR, Payroll and Member Guides to the Local Government Pension Scheme
  - Guidance on the creation and operation of Local Pension Boards
  - Mercer Newsletters 'Local Government Pension Scheme – Current Issues'
  - Department for Communities and Local Government Consultation Documents
  - Agendas and reports for the Pensions Investment Sub-Committee meetings



## **5. Board Observations and Comments**

- 5.1 The Local Pension Board terms of reference set out that the Board should raise any areas of risk or concern with the Scheme Manager in the first instance. During 2015/2016, no such matters have been raised.

## **6. Conflicts of Interest**

- 6.1 At the introductory meeting on 27<sup>th</sup> July 2015, it was explained to each Board member that they were required to observe both the Code of Conduct for Councillors/Co-opted Members and Data Protection policies of the London Borough of Bromley. Members were also required to complete 'The Notification of Disclosable Pecuniary Interests Form', 'The Notification of Non-Pecuniary Interests Form' and a 'Declaration of Acceptance of Office Form'.
- 6.2 No declarations of interests were made at the formal meeting of the Board on 26<sup>th</sup> October 2015.
- 6.3 The newest member of the Board, Mr Tony Conboy, will be provided with the relevant forms for signing at the forthcoming meeting of the Local Pension Board.

## **7. Expenses and Costs**

- 7.1 All costs regarding the administration of the Local Pension Board have been contained within existing resources. There has been no expenditure or claims for reimbursement of costs within the relevant period for the administration of the Board.

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## **PENSIONS INVESTMENT SUB-COMMITTEE**

Minutes of the meeting held at 7.30 pm on 21 September 2016

### **Present**

Councillor Teresa Te (Chairman)  
Councillor Keith Onslow (Vice-Chairman)  
Councillors Eric Bosshard, Simon Fawthrop, David Livett,  
Russell Mellor and Richard Williams

### **Also Present**

Rowan Worrall, AllenbridgeEpic Investment Advisers  
Jane Harding, Employer Representative - Local Pension  
Board  
Brian Toms, Employer Representative - Local Pension  
Board

#### **10 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

Apologies for absence were received from Alick Stevenson of AllenbridgeEpic as adviser to the Council for the L B Bromley Pension Fund.

Mr Stevenson was replaced at the meeting by Mr Rowan Worrall from AllenbridgeEpic.

#### **11 DECLARATIONS OF INTEREST**

There were no declarations.

#### **12 CONFIRMATION OF MINUTES OF THE MEETING HELD ON 18TH MAY 2016 EXCLUDING THOSE CONTAINING EXEMPT INFORMATION**

The minutes were agreed.

In so doing, it was also agreed that future meetings of the Sub-Committee for 2016/17 should start at 7.30pm.

#### **13 QUESTIONS BY MEMBERS OF THE PUBLIC ATTENDING THE MEETING**

There were no questions.

#### **14 GENERAL UPDATE**

Members were updated on a number of matters.

An update was provided on the London-wide Collective Investment Vehicle (CIV). It was confirmed that asset allocation would continue to stay with individual boroughs in the future, and there was a brief discussion regarding the future arrangements for the procurement of Fund Managers.

Under Fair Deal and TUPE requirements, a private company contracted to run a Council service was permitted to join the Local Government Pension Scheme. This could present an element of risk to the Fund, and it will be necessary to review the strength of the covenant for each individual employer and ensure that a bond or guarantee was in place.

It was also highlighted that Mr Glenn Kelly had resigned from Council employment and as such had effectively resigned membership of the Local Pension Board. This position was confirmed by Members and it was noted that Mr Tony Conboy would replace Mr Kelly as a Member Representative on the Board (the resignation of Mr Kelly was also noted at the General Purposes and Licensing Committee meeting on 14<sup>th</sup> September 2016 with Mr Conboy formally appointed as replacement Member Representative on the Board).

A brief update was also provided on the Mears scheme. At the end of September Mears were due to have 34 properties for housing placements. The gifting agreed to the pension fund was expected to reduce initial employer contributions by £1.7m with a deficit repayment period of 12 years or £1.5m with a 15 year deficit repayment period. This would be reflected in the triennial valuation.

A proposed Asset Allocation Review would include consideration of benefits from DGFs as well as other investment classes. The Fund's Investment Advisers, AllenbridgeEpic, would undertake the review and a separate workshop with Fund Managers, the Sub-Committee's Chairman and Vice-Chairman, the Resources Portfolio Holder and Officers would take place facilitated by Allenbridge. A similar event worked well previously.

Government guidance for the Local Government Pension Scheme had been received earlier in the day on preparing and maintaining an Investment Strategy Statement. New investment regulations to be introduced later in the year would include a requirement for administering authorities to publish the new Statements by 1st April 2017. The Secretary of State for Communities and Local Government would have new powers to issue a Direction if satisfied that an administering authority failed to act in accordance with the guidance. The requirements would help control Local Authorities not making investment decisions in the best interests of pension members. It would be necessary to provide a report to the head of the London CIV as part of the requirements and the Director of Finance would circulate a brief note to Members on the guidance.

## **15 PENSION FUND PERFORMANCE Q1 2016/17**

### **Report FSD16067**

Details were provided of the Fund's investment performance for the first quarter, 2016/17. Additional detail was provided in an appended report from the Fund's external advisers, AllenbridgeEpic. Baillie Gifford provided further commentary on its performance and view of the economic outlook.

Information on general financial and membership trends of the Pension Fund was also outlined along with summarised information on early retirements.

The market value of the Fund ended the June quarter at £798.2m and had risen further to £851.8m as at 31<sup>st</sup> July. Overall, the total fund returned +7.0% (net of fees) in the latest quarter, compared to the benchmark return of +7.3%.

Following termination of the performance measurement service by WM Company (State Street), Local Authority comparator data was no longer available and most funds would use their custodian to provide a performance measurement service in future. Accordingly, and having agreed to waive competitive tender, the Director of Finance awarded a contract for performance measurement to the Fund's custodian, BNY Mellon, for a period of up to three years, to be reviewed annually. Although the service would not include LA comparator data (as BNY Mellon was not custodian for all LGPS Funds), there were a couple of potential providers for this; however, take up from other Funds was presently unknown and officers would continue to monitor the position, reporting back to a future meeting.

A timetable of Fund Manager attendance for Sub-Committee meetings in 2016/17 had been proposed as follows:

- 16<sup>th</sup> November 2016 – Blackrock (global equities)
- 22<sup>nd</sup> February 2017 – Standard Life (DGF) and Fidelity (fixed income)
- 16<sup>th</sup> May 2017 – Baillie Gifford (global equities, fixed income and DGF).

With further services being outsourced as part of the Council's commissioning programme, an application from Amey was being progressed for admitted body status in advance of the transfer of Total Facilities Management Services from 1<sup>st</sup> October 2016.

Following approval by the Sub-Committee and Full Council to support Bromley College's request for the London Pension Funds Authority to be its administering body in place of L B Bromley, a direction order was approved by the Secretary of State and the transfer of liabilities had now taken place with effect from 1<sup>st</sup> August 2016. Discussions were currently in progress regarding the transfer of an appropriate share of the Fund's assets and transfer of administration functions. Authority to agree the asset share had been delegated to the Director of Finance, in consultation with the Chairman and Vice-Chairman of the Sub-Committee and the advice of AllenbridgeEpic.

In discussion, it was agreed that the style of quarterly performance and fund manager reporting should be modified in future so that fund manager and other comments are provided not only for the relevant quarter but also for the period between quarter end and a Sub Committee meeting (by means of an update). This would be conveyed to all Fund Managers.

**RESOLVED that:**

- (1) the contents of Report FSD16067 be noted;**
- (2) information regarding the Performance Management Service, as detailed at paragraph 3.3.3 of Report FSD16067, be noted;**
- (3) the position regarding admission agreements for outsourced services, as outlined at section 3.7 of Report FSD16067, be noted; and**
- (4) the position regarding Bromley College, as outlined at section 3.8 of Report FSD16067, be noted.**

**16 PENSION FUND - INVESTMENT REPORT**

Quarterly reports from fund managers had been circulated to Sub-Committee Members and Members of the Local Pension Board with the meeting agenda pack.

Representatives of MFS attended the meeting, reporting on the performance of its Global Equities portfolio for the Pension Fund.

It had been a volatile market over the past year with earlier uncertainty in the year replaced by strongly recovered markets following the UK Referendum vote. Markets had risen during August. Overall one year performance results for MFS as of 31<sup>st</sup> July showed both gross and net performance ahead of the MSCI World index (net div). Following the Referendum outcome it was necessary for the markets to assess its impact and MFS looked to mitigate downside risks and generate returns.

Quarterly, Annual, and Annualised performance returns for MFS were highlighted. Average holdings were six years with the company not reacting to short term events. MFS looked to invest in high quality companies with stock selection the main driver for strong performance. Industrials performed well, delivering good results, with some British businesses returning well. Financials also performed well although MFS tended to steer clear of investment in continental banks; instead, MFS looked to find more diverse banks, particularly retail banks. Cash was held for transaction purposes.

MFS was not favourable toward investing in materials such as mining given a volatility of performance. No investment was held in rare earth metals and there was no investment in actual commodities. With a lower oil price, energy companies often had to sell assets to pay dividends. Mining companies were under pressure last year and this year the U.S. had the most overdeveloped

market which was highly valued. As such a correction was expected. Apart from some U.S. tightening, there had been a pumping of money into the global economy which was also expected to result in future correction.

Within the presentation material, details were also provided on significant transactions, sector weights, and Region and Country weights. Portfolio Holdings were also detailed as was the MFS investment approach.

A Member indicated that it was necessary to be a little more challenging on corporate directors and asked that MFS provide commentary in future reports on voting at the shareholder meetings of companies in which it invested.

## **17 PENSION FUND ANNUAL REPORT 2015/16**

### **Report FSD16066**

Members considered the annual report and accounts for the Bromley Pension Fund, year ending 31<sup>st</sup> March 2016, including the following documents:

- the Governance Policy Statement
- the Funding Strategy Statement
- the Statement of Investment Principles (SIP) and
- the Communications Policy Statement.

Following its audit of the Annual Report, a statement from the Fund's external auditor, KPMG LLP, was also included. The Council would publish the Annual Report on its website by 1<sup>st</sup> December 2016.

Approved by the Sub-Committee on 23<sup>rd</sup> September 2015, the Statements were kept under review and no changes were currently proposed. As such Members were requested to formally re-approve the Statements.

The Bromley Pension Fund had total net assets of £748.0m as at 31<sup>st</sup> March 2016 (£745.4m as at 31<sup>st</sup> March 2015). The Fund underperformed against its benchmark by 0.4% over the year (+0.1% against a benchmark return of +0.5%). Performance compared to the local authority universe (average return of +0.2%) was fair and a ranking in the 39<sup>th</sup> percentile was achieved in the year (1% being the best and 100% being the worst).

Total fund membership had risen from 15,796 at 31<sup>st</sup> March 2015 to 16,605 at 31<sup>st</sup> March 2016 (6,234 employees, 5,084 pensioners and 5,287 deferred members). Payments into the Fund from contributions (employee and employer), transfers in and investment income totalled £42.1m in 2015/16 (£40.7m in 2014/15) and payments from the Fund for pensions, lump sums, transfers out and administration totalled £35.1m (£35.5m in 2014/15).

Linked to this item a representative from State Street (formerly the WM Company) gave a presentation reviewing the investment performance of the Fund during 2015/16.

It was noted that State Street no longer provided its service to funds in monitoring performance against the Local Authority universe and providing a benchmark. Member comments were made in support of the service and an alternative provision through Collective Investment Vehicles (CIVs) was being developed for which it was hoped a large enough proportion of the 89 LGPS funds would participate to provide meaningful comparator information. The Director of Finance had written to his counterpart in each London borough encouraging participation in the arrangement related to the London-wide CIV; should all London boroughs participate, there would be a significant discount to participating authorities and should all local authority funds nationally participate, a further discount would be available. Members supported the Director actively pursuing L B Bromley's inclusion so it can continue to receive a similar service for the future.

A Member suggested that the fund's ranking in the local authority universe had fallen due to the fund's Diversified Growth Fund (DGF) investments failing to perform well. He noted that Blackrock investments had also not performed well.

Members were advised that a briefing on the triennial fund valuation might be available in November with the final valuation details provided in February 2017.

**RESOLVED that:**

- (1) the Pension Fund Annual Report be noted and approved;**
- (2) the Governance Policy Statement, Funding Strategy Statement, Statement of Investment Principles and, Communications Policy Statement be approved;**
- (3) arrangements be made to ensure publication of the Annual Report by the statutory deadline of 1<sup>st</sup> December 2016; and**
- (4) the Director of Finance actively pursue L B Bromley's inclusion amongst London boroughs wishing to receive a service similar to the provision formerly provided by State Street.**

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

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



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

**19 CONFIRMATION OF EXEMPT MINUTES - 19TH MAY 2016**

The Part 2 (exempt) minutes were agreed.

The Meeting ended at 9.32 pm

Chairman

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## LOCAL JOINT CONSULTATIVE COMMITTEE

Minutes of the meeting held at 6.30 pm on 26 October 2016

### Present:

#### Employer's Side

Councillor Russell Mellor (Chairman)  
Councillor Nicholas Bennett J.P.  
Councillor Stephen Carr  
Councillor Simon Fawthrop  
Councillor William Huntington-Thresher  
Councillor Tom Philpott  
Councillor Tim Stevens  
Councillor Michael Turner  
Councillor Angela Wilkins

#### Staff Side and Departmental Representatives

Kathy Smith (Unite) (Vice-Chairman)  
Jill Crawley, Unite  
Gill Slater, Unite Representative

### **35 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

Apologies were received from Councillors Kate Lymer, Colin Smith and Diane Smith.

Cllr William Huntington Thresher acted as substitute for Cllr Diane Smith.

Cllr Stephen Carr acted as substitute for Cllr Colin Smith.

Cllr Nicholas Bennett acted as substitute for Cllr Lymer.

Apologies were received from Mandy Henry, Kirsty Wilkinson, Jackie Goad, Duncan Bridgewater and Olumide Odubawo.

### **36 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **37 MINUTES FROM THE PREVIOUS MEETING OF THE LOCAL JOINT CONSULTATIVE COMMITTEE HELD ON 9th JUNE 2016**

The minutes had been adjusted subsequent to the previous meeting to incorporate a change that had been requested by a Member and Kathy Smith.

The minutes had been adjusted to read as follows:

*'The Vice-Chairman and one Member raised concerns that the minutes of the LJCC meeting for 25th February 2016 did not properly reflect the tone and nature of the meeting regarding the Library Service.*

*There were no concerns raised regarding the factual accuracy of the minutes for 25th February 2016, and so they were agreed as a correct record'.*

With this adjustment, the minutes were agreed as a correct record.

### **38           TRANSPARENCY**

The Staff Side had asked the following question:

***“TRANSPARENCY--Following the discussion about the public accessibility of the Risk Register at the last LJCC, the decision has been taken NOT to make this publically accessible. Similarly the requested “lessons learnt” reports on contracts are not currently public. Without transparency, how can Members be confident that lessons have been learnt, that the commissioning process is being undertaken in an appropriate manner, defining outcomes in terms of genuine sustainable economic, social, and environmental benefits, and that there is effectively Council accountability for decisions taken?”***

The following written response had been provided by Mr Dave Starling (LBB Head of Corporate Procurement):

*'In terms of Council Practice , for its contracts valued over £500k there are set requirements around reporting on performance of contracts and the matter is covered in a number of areas of the Procurement and Commissioning advice given – which are included in the attached documents – and which can be found within the ‘Managers Toolkit’. Essentially the answer is “The matter is covered, and to the extent they result in a Part 1 Report–are public documents, and therefore the Members are properly informed in making any decisions required.*

*There is also additional advice on the matter in the ‘Project and Programme’ element of the Toolkit. However, please note that all these Guidance Notes are being reviewed to reflect the new Council Structure. You may also be aware that he arrangements on Client and Contract Monitoring and Contract Management are under discussion at CLT level - and the content of the Toolkit will need to be amended to reflect the outcome from this management review.'*

This written response had been provided and disseminated to all parties prior to the meeting. Three documents had also been provided with the written response:

- Procurement Gate Reviews Briefing
- Report Template for Gateway Reviews

- Issues to consider when looking at outsourcing of Services

**The Procurement Gate Reviews Briefing was broken down into 5 sections:**

1. Gate Review Zero was the Strategic Assessment

This “Gate” related to the report of procurement needs resulting from a Best Value or Service Review and the suggested implementation plan.

2. Gate Review 1 - Business Justification

This Gate related to the option appraisal stage of a procurement exercise.

3. Gate Review 2 - Procurement Strategy

This Gateway confirmed the preferred procurement option and method to be used (Open, Restricted, Competitive Dialogue or Negotiated etc.).

4. Gate Review 3 - Investment Decision

This Gateway would be applied just prior to contract award to ensure there were no factors that could prevent the successful completion of the project

5. Gate Review 4 - Readiness for Service

This Gateway applied after the contract was let and the Transition Plan agreed.

6. Gate Review 5 - Benefits Evaluation

Post implementation review was a valuable step that was often omitted. It was paramount that lessons were learnt and fed back into the Council's Procurement Strategy. Reviews should be undertaken periodically during the duration of any contract especially long-term, evolving partnerships. All contracts would be reviewed at least every five years to ensure they continued to deliver Best Value.

Another document had been disseminated prior to the meeting which was:

**‘Issues to consider when looking at the outsourcing of Services’**

This was broken down into 9 subsections which were:

1. Clear understanding of the Cost Base
2. Pension Obligations
3. Frameworks
4. IT issues
5. Property Issues

6. Specification
7. HR Issues
8. Contract Issues
9. General

The third document that had been disseminated was the Gateway Report Template. The template contained guidance for report writers in the sections dealing with the Commentary, Impact Assessments and Stakeholder Consultation.

With the provision of the written answer and attached documents, the Chairman had requested that the Staff Side give consideration to withdrawing the question. However, the Staff Side did not wish to do this, and so the question was brought to the LJCC for consideration.

The Vice Chairman expressed appreciation for the documents that had been disseminated pre-meeting. She expressed dissatisfaction because the Risk Register had not been made public, and stated that the Staff Side felt that their concerns regarding transparency were not being addressed. The Vice Chairman commented that the processes outlined in the pre-meeting documents were welcome, but she questioned whether or not the said processes were being undertaken fully.

The Vice Chairman asked if Members were aware of what the Staff Side perceived as ongoing problems with the Total Facilities Management Contract that had been awarded to Amey. She asked if Members were aware that the KPI's were only going to be agreed six months into the contract. The Staff Side were concerned that the problem of contractors monitoring themselves (as happened with a previous Capita contract) would reoccur.

The Vice Chairman stated that because there had been a delay in contractual agreements between Amey and Cushman and Wakefield, this had caused concern and uncertainty amongst staff. She declared that a Human Resources officer in Amey had informed staff in Strategic Property Services that they needed to be absorbed into Amey, as otherwise this would adversely affect their TUPE arrangements. The Vice Chairman informed the Committee that this was the wrong advice as their TUPE arrangements would be protected whichever route they took. The Vice Chairman highlighted that the contractual arrangements between Amey and Cushman and Wakefield had not been finalised.

The Staff Side continued by pointing out that on the day of the meeting there had been IT issues and that the main library doors were not working. Cllr Carr asked what relevance these matters had to the original question. The Staff Side responded that the issues were being raised as they were to do with Risk. The Director of Human Resources stated that the matters being raised by the Staff Side were not the same as the submitted question. The Chairman echoed this sentiment by commenting that these matters were operational issues that officers had to deal with daily, and that this was not what the

original question was about. The Chairman continued by pointing out that the submitted papers explained how risk was evaluated.

At this point the Vice Chairman asked it to be noted in the minutes that she had been interrupted and had not finished speaking.

The Director of Commissioning explained that the only issue that had delayed the signing of a contractual agreement between Amey and Cushman and Wakefield was an agreement concerning pensions. This was a lesson that had been learnt for the future. It had to be decided how the issue of managing KPI's should be developed going forward so that the matter was managed in a fair and creative way. This was an ongoing process and LBB were not looking to unduly or unfairly penalise the contractor. The Director of Commissioning referred to the matter of 'Risk' and explained that the Commissioning Board met every Monday to review issues and risks. The Portfolio Holder for Resources attended the meetings. Additionally, a quarterly meeting had been set up for staff involved in commissioning work, to update them on new regulations and lessons learnt to date. The Director of Commissioning was confident that LBB were as transparent as could be reasonably expected.

Cllr Carr stated that it was the Council's aim to make everything as public as possible, but it was still the case that certain information that was commercially sensitive would need to remain private.

The Vice Chairman stated that the Council's views on transparency differed from that of the Staff Side. She referenced contractors bringing books into the library, and the contractors making reference to where new services were being commissioned out to. She wondered how they got access to this private information which had not been disseminated to the Staff Side. At this point the Vice Chairman made a comment to the effect that she did not want to be disciplined for making any sort of reference to a disclosure of part 2 information.

The Director of Human Resources clarified that the Vice Chairman had never been subject to disciplinary action. He pointed out that as the Vice Chairman was involved in Tribunal proceedings against the Council, the reference to such matters was sub judice, and therefore prohibited from public discussion. The Chairman stated that in view of the comment made by the Director of H.R, no further reference was to be made by either Members or the Staff Side, further debate was to be of a general nature.

The Staff Side asked if a list of those organisations that had tendered bids for the library service could be disclosed. The Director of Commissioning explained that until all of the outstanding issues had been resolved with regards to the 3 bids received, no information would be discussed with staff, as some of the bids might not be compliant. The Vice Chairman stated that once the Staff Side were aware of the shortlisted bidders, they would be investigated by the Staff Side.

Councillor Angela Wilkins asked two questions, and raised a point of note:

- 1) She referred to minute 33 of the previous meeting, and asked for clarification concerning whether or not the 'Risk Register' was going to be published.
- 2) She referred to the documents that had been provided for the meeting, and asked when they were drafted.
- 3) She expressed concerns for staff that were anxious for their futures when contracts had remained unsigned, and no reassurances provided.

The Director of Commissioning addressed the question relating to the date when the documents had been drafted. It was the case that the documents had been around for several years. However, the documents were shortly going to be revised and updated; this work was expected to begin the day after the meeting.

Referring to point 3 made by Cllr Wilkins, the Vice Chairman added that if staff had been informed earlier that the reason for the delay in the signing of contracts was to do with agreement on pensions, then this would have provided assurances to staff.

The Director of Human Resources informed the Committee that letters had been sent to staff informing them that there had been a delay in the signing of the contract between Amey and Cushman and Wakefield. The Director of Commissioning explained that Amey did offer to second staff in the interim. However, it was the view of officers that 2 TUPE transfers may not have been a good idea, and could have complicated matters unnecessarily. This was a sentiment echoed by the Director of Human Resources who stated that it was better to avoid risk and delay the transfer.

Gill Slater referred to Gate Review 5 on the Procurement Gate Reviews Briefing, which was the Gate Review for 'Benefits Evaluation.' This was a post implementation review to look at lessons learnt in the procurement strategy. She pointed out that transparency would have the additional benefit of facilitating genuine staff feedback which would be beneficial to all parties.

The Chairman gave assurances that the concerns of the Staff Side were understood and that the matters being raised at the meeting were also looked at by the Executive & Resources PDS Committee and the Contracts Sub Committee.

Cllr Wilkins restated her question concerning the publication of the 'Risk Register.' The Director of Commissioning clarified that this was in fact the Risk Register managed by Internal Audit--it was different from the Contracts Register. The Committee heard that the Director of Finance was reviewing the Risk Register, and it was likely that it would be split into public and private sections. There were various views expressed concerning the assessment of the Risk Register.



Councillor Nicholas Bennett expressed the view that the Risk Register should come to Members for assessment. The Director of Commissioning suggested that it could come back to the LJCC after being assessed by the Corporate Leadership Team. Cllr William Huntington Thresher suggested that the Risk Register could be looked at by Internal Audit, and passed to the General Purposes & Licensing Committee before finally being published. He also mentioned that it was important to be aware that some aspects of the Risk Register would be dealing with security issues.

**39            DATE OF NEXT MEETING**

The date of the next meeting was agreed as 6<sup>th</sup> December 2016.

The Meeting ended at 7.10 pm

Chairman

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# Agenda Item 10

## LICENSING SUB-COMMITTEE: MEETING DATES 2016/17

	Date (10am)	Councillors Attending or Allocated
1	11 <sup>th</sup> May 2016	Mary Cooke and Ellie Harmer
2	25 <sup>th</sup> May	Cancelled
3	8 <sup>th</sup> June	Nicholas Bennett, Kim Botting and Stephen Wells
4	30 <sup>th</sup> June	Nicholas Bennett, Kathy Bance and David Livett
5	14 <sup>th</sup> July	Cancelled
6	28 <sup>th</sup> July	Cancelled
7	10 <sup>th</sup> August	Tim Stevens, David Jefferys, and Keith Onslow
8	24 <sup>th</sup> August	Cancelled
9	7 <sup>th</sup> September	Tim Stevens, David Jefferys and Keith Onslow
10	21 <sup>st</sup> September	Cancelled
11	6 <sup>th</sup> October	Michael Turner, Ellie Harmer and Diane Smith
12	20 <sup>th</sup> October	Cancelled
13	3 <sup>rd</sup> November	Cancelled
14	16 <sup>th</sup> November	Cancelled
15	30 <sup>th</sup> November	Cancelled
<b>Future Meetings are listed below</b>		
16	14 <sup>th</sup> December	Diane Smith, David Livett, and Kathy Bance
17	12 <sup>th</sup> January 2017	Ellie Harmer, Mary Cooke, and Stephen Wells
18	26 <sup>th</sup> January	Nicholas Bennett, Keith Onslow and Alan Collins
19	9 <sup>th</sup> February	Tim Stevens, Keith Onslow and David Jefferys
20	22 <sup>nd</sup> February	Charles Rideout, Teresa Te and Michael Turner
21	8 <sup>th</sup> March	Diane Smith, Mary Cooke and Ellie Harmer
22	22 <sup>nd</sup> March	David Jefferys, Stephen Wells and Kathy Bance
23	5 <sup>th</sup> April	Nicholas Bennett, David Livett and Keith Onslow
24	26 <sup>th</sup> April	Tim Stevens, Teresa Te and Charles Rideout

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