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DATE: 1 February 2021

To: Members of the

GENERAL PURPOSES AND LICENSING COMMITTEE

Councillor Pauline Tunnicliffe (Chairman)

Councillor Stephen Wells (Vice-Chairman)

Councillors Gareth Allatt, Vanessa Allen, Mary Cooke, Robert Evans, Kira Gabbert, Josh King, Christopher Marlow, Russell Mellor, Tony Owen, Neil Reddin FCCA, Melanie Stevens, Harry Stranger and Michael Turner

A meeting of the General Purposes and Licensing Committee will be held on **TUESDAY 9 FEBRUARY 2021 AT 6.00 PM**

PLEASE NOTE: This is a 'virtual meeting' and members of the press and public can see and hear the Committee by visiting the following page on the Council's website: – <https://www.bromley.gov.uk/councilmeetingslive>

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

In accordance with the Council's Constitution, questions that are not specific to reports on the agenda must have been received in writing 10 working days before the date of the meeting - by 5pm on Monday 25th January 2021.

Questions specifically on reports on the agenda should be received within two working days of the normal publication date of the agenda. Please ensure that questions specifically on reports on the agenda are received by the Democratic Services Team by **5pm on Wednesday 3rd February 2021.**

4 CONFIRMATION OF MINUTES OF THE MEETING HELD ON 25 NOVEMBER 2020
(To follow)

- 5 **PAY POLICY STATEMENT 2021/22** (Pages 3 - 22)
- 6 **MEMBERS ALLOWANCES SCHEME 2021/22** (Pages 23 - 32)
- 7 **EXECUTIVE ASSISTANTS - ANNUAL REPORT 2020/21** (Pages 33 - 42)
- 8 **PROGRAMME OF MEETINGS 2021/22** (Pages 43 - 48)
- 9 **APPOINTMENTS TO OUTSIDE BODIES 2020/21** (Pages 49 - 52)
- 10 **WORK PROGRAMME AND MATTERS OUTSTANDING** (Pages 53 - 56)
- 11 **PENSIONS INVESTMENT SUB-COMMITTEE: MINUTES OF THE MEETINGS HELD ON 13 FEBRUARY, 28 JULY, 15 SEPTEMBER AND 1 DECEMBER 2020, EXCLUDING EXEMPT INFORMATION** (Pages 57 - 74)
- 12 **AUDIT SUB-COMMITTEE: MINUTES OF THE MEETING HELD ON 3RD NOVEMBER 2020, EXCLUDING EXEMPT INFORMATION** (Pages 75 - 86)
- 13 **LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000**

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

<u>Items of Business</u>	<u>Schedule 12A Description</u>
14 PENSIONS INVESTMENT SUB-COMMITTEE: EXEMPT MINUTES - 13 FEBRUARY, 15 SEPTEMBER & 1 DECEMBER 2020 (Pages 87 - 94)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
15 AUDIT SUB-COMMITTEE: EXEMPT MINUTES - 3RD NOVEMBER 2020 (Pages 95 - 96)	Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

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Agenda Item 5

London Borough of Bromley

Report No. HR

PART I – PUBLIC

Agenda Item No.:

Decision Maker: General Purposes & Licensing Committee

Date: 9th February 2021

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

TITLE: PAY POLICY STATEMENT 2021/22

Contact Officer: Charles Obazuaye
Tel: (020) 8313 4381 email: charles.obazuaye@bromley.gov.uk

Chief Officer: Director of Human Resources & Customer Services

Ward: N/A

1. REASON FOR REPORT

- 1.1 Under the Localism Act 2011 the Council is required to publish a Pay Policy Statement which must be approved by Full Council every year. The 2021/22 Pay Policy Statement is attached for Members consideration and approval.
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2. RECOMMENDATION(S)

2.1 Members are asked to:

- (i) recommend that Full Council approve the 2021/22 Pay Policy Statement attached to this report.

Corporate Policy

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

Financial

1. Cost of proposal: Within existing budget
 2. On-going costs: Within existing budget
 3. Budget Head/Performance Centre:
 4. Total current budget for this Head:
 5. Source of Funding:
-

Staff

1. Number of staff (current and additional): Chief Officers and Deputy Chief Officers as defined in the Local Government & Housing Act.
 2. If from existing staff resources, number of staff hours:
-

Legal

- 1) Legal Requirement: Statutory Requirement
 - 2) Call In: Call in is not applicable
-

Customer Impact

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

Ward Councillor Views

- 1) Have Ward Councillors been asked for comments: N/A
- 2) Summary of Ward Councillors comments:

3. COMMENTARY

3.1 The Localism Act requires the Council to prepare and publish a Pay Policy Statement every year. The statement must set out the Council's policies towards a range of issues relating to the pay of its workforce, particularly its senior staff and its lowest paid employees.

3.2 The objective of this aspect of the Act is to require authorities to be more open and transparent about local policies and how local decisions are made.

The first Pay Policy Statement which was approved by Full Council on 26th March 2012 has been up-dated every year to reflect Member decisions to adopt a localised terms and conditions of employment framework for all staff, except teachers. The attached Pay Policy statement for 2021/22 is not materially different to the previous Statements. A key aspect of the localised pay framework is the local determination of the annual pay award as part of the financial budget planning process. As before, Bromley pay award will also be paid on time in April.

3.3 Another key aspect of the localised pay framework is the emphasis on individual pay and performance. There is no automatic pay uplift or increment or pay award without satisfactory individual performance. To further localise its terms and conditions of employment, the Council has with effect from 1st April 2015 appointed new staff (including internal promotions) on spot salaries. It offers greater flexibility and managerial empowerment not always possible under the traditional incremental pay progression system.

3.4 As stated above, Bromley employees are clear on how performance is linked to pay. The Council's appraisal process, Discuss, uses a "structured conversation" coaching style to improve employee engagement and empowerment, whilst supporting managers to undertake a more proactive approach to managing performance and developing potential of staff.

3.5 The scheme enables each employee's contributions to Building a Better Bromley strategic objectives to be individually assessed and, where appropriate, recognised through the award of the discretionary merited reward payment. £200k is allocated in the base budget to support the scheme. Since the introduction of the scheme a total of 1327 merited rewards have been made. Separately 1216 mini merit awards have been made to staff. In addition a further 255 awards have been made to staff in recognition of the support they have provided to one or more of the Council's workstreams, responding to the Covid-19 pandemic. These workstreams have supported businesses in the borough as well as the most vulnerable of the borough's residents.

3.6 The Appraisal process for Chief Officers, including the Chief Executive, normally includes a 360-degree feedback from peers, direct reports, partner organisations and key Members. The Chief Executive is responsible for appraising his Chief Officers. The Chief Executive's appraisal is managed by a Member Panel comprising the

Leader, Deputy Leader, Portfolio Holder for Resources and any other Members, including the Leaders of the minority parties or their representatives. The Panel is supported by the Director of Human Resources and Customer Services. The attached proposed Pay Policy Statement 2021/22 also sets out the pay review and performance appraisal arrangements for the Chief Executive. The Member Panel will undertake the appraisal of the Chief Executive. Following the appraisal and any feedback to the Chief Executive the panel will reconvene as a formally constituted committee of Council to determine the Chief Executive's pay to conclude his annual performance appraisal.

4. POLICY IMPLICATIONS

4.1 The Pay Policy Statement is legally required pursuant to the Localism Act 2011. It requires the Council to annually prepare and publish its statement on pay and remuneration, mainly for Chief Officers, as defined in the Local Government and Housing Act.

4.2 Since coming out of the national/regional collective bargaining frameworks, the Council's Pay Policy Statements have reflected the key drivers for localised terms and conditions of employment, namely:

- A single local annual pay review mechanism aligned with the budget setting process;
- A scheme of discretionary non-consolidated/non-pensionable rewards for individual exceptional performance;
- Annual pay increases linked to satisfactory performance for all staff; no automatic pay increases.

5. FINANCIAL IMPLICATIONS

5.1 All decisions taken in accordance with this policy statement will be contained within existing budgets.

6. LEGAL IMPLICATIONS

6.1 The requirement to adopt and publish a Pay Policy Statement arises under the Localism Act 2011. The Policy Statement is consistent with the statutory guidance published by the Secretary of State for Communities and Local Government to which all relevant authorities must have regard. The guidance does not limit the general statutory provisions on delegation under Section 101 of the Local Government Act 1972.

7. PERSONNEL IMPLICATIONS

7.1 Details of this year's Pay Policy Statement are as set out in this report and the accompanying Policy Statement. Last year's report and Pay Policy Statement

advised the Committee that the Government was planning to introduce reforms around exit payments in the Public Sector.

7.2. The Regulations: [The Restriction of Public Sector Exit Payments Regulations 2020](#) came into force on 4 November 2020. The Regulations impose on public sector employers a £95k exit cap on the total amount that can be paid to an employee who is exiting the organisation, either for reasons of redundancy or business efficiency. The cap includes the employer's pension costs, often referred to as pension strain costs. The pension strain costs are payable for affected employees who are 55 years of age or over. The following exit payments are exempt from the Exit Cap Regulations:

- Any payment in respect of pension benefits that an employee has accrued in respect of their employment up to the time of their exit, where there has been no additional cost of to the authority in relation to that exit;
- Any payment in respect of death in service;
- Any payment in respect of accident, injury or illness;
- Any payment in respect of annual leave due under a contract of employment, but not taken;
- Any payment in compliance with an order of a court or tribunal;
- Any payment in lieu of notice due under a contract of employment that does not exceed one quarter of the employee's annual salary.
- Any payment in respect of Employer National Insurance contributions.

7.3. The HM Treasury have published Guidance on the Regulations, along with Directions on when the £95k can be relaxed and where a waiver can be applied.

7.4. The Directions provide for the following **Mandatory Waivers**:

- Where an obligation to pay an exit payment arises as a result of a TUPE transfer under the Transfer of Undertakings (Protection of Employment Regulations 2006);
- Where an Employment Tribunal has the jurisdiction to make a payment in relation to Whistleblowing covered under Employment Rights Act 1996 (as amended by the Public Interest Disclosure Act 1998), Discrimination under the provisions of the Equality Act 2010, Health and Safety related cases covered by Section 44 of the Employment Rights Act 1996.
- Mandatory waivers also include a payment made (for example, as part of a settlement agreement in order to settle a grievance or employment tribunal litigation involving a discrimination complaint under the Equality Act 2010.

7.5. **Mandatory Waivers** require approval by Full Council. A business case must then be submitted to the Ministry of Housing, Communities and Local Government (MHCLG), with the Minister having final approval.

7.6. The Directions also provide for certain **Discretionary Waivers** in relation to the following circumstances:

- That not exercising the power would cause undue hardship;
- That not exercising the power would significantly inhibit workforce reform;
- An arrangement to exit was entered into before the Regulations came into force, but the exit was delayed until after that date and the reason for the delay was not attributable to the employee;

7.7. **Discretionary Waivers** also require approval by Full Council and are then considered for approval to the Principal Accounting Officer and Minister for MHCLG. The business case then requires further approval by HM Treasury.

7.8. **Waivers** outside of the circumstances outlined above can only be authorised with HM Treasury consent. In these exceptional cases Bromley Council would be required to submit a business case to the MHCLG before submitting a business case to the HM Treasury for approval. (It is anticipated that Full Council approval would also be required in such circumstances, however the Guidance is not specific on this matter).

7.9. Separate to the £95k Exit Cap Regulations, the Government have also consulted on proposals for the Reform of the Local Government Pension Scheme (LGPS) and Discretionary Payments. The consultation on the proposals ended on 9 November 2020; Further consultation on the draft regulations themselves: [The Local Government Pension Scheme \(Restriction of Exit Payments\)\(Early Termination of Employment\)\(Discretionary Compensation and Exit Payments\)\(England and Wales\) Regulations 2020](#) closed on 18th December 2020.

7.10. The proposed changes include:

- A maximum tariff for calculating exit payments of 3 weeks' pay per year of service (Employers can apply tariffs below these limits);
- A cap of 66 weeks on the number of weeks salary that can be paid as a redundancy compensation payment. Employers will have discretion to apply lower limits;
- Imposing a maximum salary level on which calculation for severance pay can be based (currently £80,000);
- Preventing an employer making a discretionary redundancy payment in addition to a payment into the LGPS (pension strain cost) except in very limited circumstances;
- Limiting payments an employer can make into the LGPS (pension strain cost) where an employee receives a statutory redundancy payment (by reducing the strain cost payment by the amount of the statutory redundancy payment)

- Making the necessary changes to the LGPS to accommodate these changes and the broader effects of the £95k Exit Cap
- Giving employees the option of deferring their accrued pension benefits, or taking an actuarially reduced pension benefit, and: receiving a discretionary redundancy payment under the Council's Redundancy Policy.

7.11. Whilst the £95k Exit Cap Regulations are now in force the proposals for reform of the LGPS regulations are not yet in place. This has created some ambiguity and concern for some local authorities particularly where exits are already in progress, as the Government's view is that the Exit Cap regulations effectively curtail the use of LGPS regulations to pay an immediate unreduced pension when the cap is breached. The MHCLG wrote to all LGPS administering authorities in October 2020 advising that until the changes to the LGPS regulations were implemented a capped member should only receive an immediate pension (with full actuarial reductions applied) or a deferred pension, plus a cash alternative payable by the employer.

7.12. At the present time there are no Bromley Council employee affected by this conflict in the regulations, i.e. where an employee's exit costs exceed £95k, however this situation will need to be kept under review depending on, if and when the proposed regulations come into force.

7.13. It was originally envisaged that changes to the LGPS would be introduced before the end of December 2020, however the outcome of the consultation has yet to be published. It should also be noted that there is a potential challenge to the Regulations by means of a Judicial Review. The High Court has granted permission for three requests for a Judicial Review to be heard. These requests, which will be heard together in the latter half of March 2021, are will be hearing a judicial review challenge in March 2021, brought by LLG (Lawyers in Local Government) and ALACE (the Association of Local Authority Chief Executives and Senior Managers), Unison and GMB/Unite. The challenge has been made concerning the confusion caused by the £95k Exit Cap Regulations clashing with the requirements of the LGPS.

7.14. Until the outcome of the Consultation on the Regulations, along with the outcome of the Judicial Review is known, it is unclear whether the proposals outlined in the Government's proposals will be enacted as they stand, or whether they will be amended. The permission for hearing and timing of the applications for Judicial Review of the £95k Exit Cap Regulations may now result in the current legal uncertainty continuing into the next financial year.

7.15. These regulations are likely to impact on the Council's redundancy, retirement and pay policies, which will need to be reviewed and updated in due course.

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

London Borough of Bromley

1. Introduction

- 1.1 The Localism Act 2011 introduces a requirement for public authorities to publish annual pay policy statements. It states, in the main, that a relevant authority must prepare a pay policy statement for the Financial Year 2012/13 and each subsequent year.
- 1.2 Pursuant to the Act and the associated guidance and other supplementary documents, this pay policy statement sufficiently summarises Bromley Council's approach to the pay of its workforce and its "Chief Officers". In summation, the statement covers the Council's policies for the 2020/21 Financial Year, relating to:
- i) remuneration of its Chief Officers;
 - ii) remuneration of its lowest paid employees;
 - iii) the relationship between (i) and (ii) above.
- 1.3 In relation to "Chief Officers" the pay policy statement must describe the Council's policies relating to the following:
- i) the level and elements of remuneration for each Chief Officer;
 - ii) remuneration of Chief Officers in recruitment;
 - iii) increases and additions to remuneration for each Chief Officer;
 - iv) the use of performance related pay for Chief Officers;
 - v) the use of bonuses for Chief Officers;
 - vi) the approach to the payment of Chief Officers on their ceasing to hold office under, or to be employed by, the authority; and
 - vii) the publication of access to information relating to remuneration of Chief Officers.
- 1.4 As required by the Act and the supporting statutory guidance which, in turn, reflects the Local Government and Housing Act 1989, the definition of Chief Officer for the purpose of the pay policy statement covers the following roles:
- i) the Chief Executive/Head of Paid Service;
 - ii) the Monitoring Officer;
 - iii) a statutory Chief Officer and non-statutory Chief Officer under Section 2 of the Local Government and Housing Act 1989;
 - iv) a Deputy Chief Officer responsible and accountable to the Chief Officer. However, it does not include those employees who report to the Chief Executive or to a statutory or non-statutory Chief Officer but whose duties are solely secretarial or administrative or not within the operational definition or the meaning of the Deputy Chief Officer title.

2. Exclusion

- 2.1 The Act does not apply to schools' staff, including teaching and non-teaching staff.

3. Context: Key Issues and Principles

- 3.1 General Context – clearly there are a number of internal and external variables to consider in formulating and taking forward a pay policy. Reward and recognition is a key component of the Council's agreed HR Strategy. This includes establishing strong links between performance and reward and celebrating individual and organisational achievements.

The HR Strategy is based on an assumption that all staff come to work to do a good job and make a difference. The Council expects high standards of performance from staff at all levels and seeks, in return, to maintain a simple, fair, flexible, transparent and affordable pay and reward structure that attracts and keeps a skilled and flexible workforce.

3.2 Local Terms and Conditions of Employment

Local terms and conditions of employment for all staff including "Chief Officers" as defined in paragraph 1.4 above were introduced with effect from 1 April 2013. Teachers employed by the local authority in Community Schools and Voluntary Controlled schools are excluded as their terms and conditions are set in statute and do not afford the Council the discretion to include them in the localised arrangements.

- 3.2.1 The main features of the localised terms and conditions framework are as follows, namely:

- (a) A single local annual pay review mechanism aligned with the budget setting process.
- (b) A scheme of discretionary non-consolidated/non-pensionable rewards for individual exceptional performance.
- (c) Annual pay increases including annual increments (if appropriate) linked to satisfactory performance for all staff; not automatic.

3.3 Recruitment and Retention

The Council aims to enhance its ability to recruit and retain high quality staff by being competitive in the labour markets. This is still the case even in the current financial straitened times. We will keep our pay policy updated and align it to reflect the "Bromley Council employee of the future" characterised by innovation, flexibility, empowerment, leadership and individualised rewards for exceptional performers. The size of the Council's workforce is likely to continue to reduce but reasonably remunerated to recruit and retain quality

staff to deliver Member priorities. The Council is well placed to respond to changes in the labour markets, especially in relation to hard to fill and retain roles, e.g. Children Social Workers. A comprehensive Recruitment and Retention Strategy/package for Children's Social Workers is in place to deal with the regional and national shortage of qualified/experienced staff. A similar plan is also in place to address the recent recruitment and retention challenges in the adult social care workforce. There are also problems recruiting experienced/qualified Planners and Surveyors and qualified Mental Health Practitioners. These challenges are within the remit of the Corporate Recruitment and Retention Board chaired by the Director of HR & Customer services, comprising key representatives across the organisation including the Director of Children's Services, the Director of Adult Services and the Director of Housing, Planning, Property and Regeneration. The Board looks at the push and pull factors impacting on staff recruitment and retention, including local and regional labour market intelligence, leaver/exit info, etc. The Council has commissioned a tool to gather real time leavers' opinions, as well as on-boarding surveys.

As part of the Transforming Bromley agenda there is increased focus on smart and agile working. This includes the availability of smart technology to improve work-life balance, increased digitalisation of services, and ultimately improved customer experience.

3.4 Accountability

3.4.1 The Act requires that pay policy statements and any amendments to them are considered by a meeting of Full Council and cannot be delegated to any Sub-Committee.

3.4.2 Such meetings should be open to the public and should not exclude observers.

3.4.3 All decisions on pay and reward for "Chief Officers" must comply with the agreed pay policy statements.

3.4.4 As stated above, the Council must have regard to any guidance issued/approved by the Secretary of State. The first guidance issued by the Department of Communities and Local Government (DCLG) (now MHCLG) states in inter alia "that full Council should be offered the opportunity to vote before large salary packages are offered in respect of a new appointment." The Secretary of State considered that £100,000, including salary, bonus, fees or allowances or any benefit in kind, is the right level to trigger Member approval.

3.4.5 The most recent guidance issued in February 2013 states that Authorities should offer full Council the opportunity to vote before large severance packages beyond a particular threshold are approved for staff leaving the

organisation. As with salaries on appointment, the Secretary of State considers that £100,000 is the right level for that threshold to be set. The components may include salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonus, fees or allowances paid. The Council's position on this is still as set out in the 2014/15 pay policy statement, subject to the requirements of [The Restriction of Public Sector Exit Payments Regulations 2020](#). Chief Officer severance packages are generally included in the annual statement of accounts. Also, Executive approval is sought for severance packages for chief officers. There is also an overarching scrutiny of settlement/compromise agreement packages from the Audit Sub-Committee. These arrangements ensure Member engagement.

4. Transparency

- 4.1 In line with the guidance, the pay policy statement will be published on the Council's website and accessible for residents to take an informed view on whether local decisions on all aspects of remuneration are fair and reasonable.
- 4.2 The Council is also required to set out its approach to the publication of and access to information relating to the remuneration of "Chief Officers".

The Council also discloses the remuneration paid to its senior employees in the Annual Report and Statement of Accounts and is accessible on the Council's website at:

http://www.bromley.gov.uk/downloads/download/136/annual_accounts

For the purposes of the Code, senior employee salaries are defined as all salaries which are above £50,000. The information, including the posts which fall into this category, will be regularly updated and published.

5. Fairness

- 5.1 The Council must ensure that decisions about senior pay are taken in the context of similar decisions on lower paid staff. In addition, the Act requires the Council to explain the relationship between the remuneration of its Chief Officers and its employees who are not Chief Officers, and may illustrate this by reference to the ratio between the highest paid officer and lowest paid employee and/or the median earnings figure for all employees in the organisation.
- 5.2 The Council's pay arrangement is equality compliant. The Council achieved Single Status/Equal Pay Deal via a collective agreement with the Unions in 2009.

5.3 Additionally, the Act specifically requires the Council to set out its policies on bonuses, performance related pay, severance payments, additional fees/benefits (including fees for Chief Officers for election duties), re-employment or re-engagement of individuals who were already in receipt of a pension, severance or redundancy payment, etc.

6. Position Statement

6.1 The Council's position on the requirement of the Act and the information that it is required to include its Pay Policy Statements is as summarised above and as set out in the attached table (Appendix B).

6.2 This Statement is for the Financial year 2021/22

6.3 The Statement must be approved by Full Council. Once approved it will be published on the Council's website. Any amendments during the Financial Year must also be approved by a meeting of Full Council.

6.4 This Statement (including the Appended table) meets the requirement of the Localism Act 2011 and the Department for Communities and Local Government (DCLG) guidance.

6.5 Legislation introduced in 2017 means that The Council is required to publish its gender pay gap data annually. The gender pay report for 2021 will be published at the end of March 2021 in line with statutory deadlines.

London Borough of Bromley

PAY POLICY STATEMENT FOR FINANCIAL YEAR 2021/22	
POLICY AREA UNDER THE ACT	POLICY STATEMENT
	<i>For the purposes of this policy statement the term “Chief Officer” includes the Chief Executive, Statutory and non-statutory Chief Officers and Deputy Chief Officers within the meaning of the Local Government and Housing Act 1989.</i>
Level and elements of remuneration of Chief Officers and relationship with the remuneration of employees who are not Chief Officers	<p>The authority implemented a localised pay and conditions of service framework for all staff except teachers, with effect from 1 April 2013. Under the local framework the Council:</p> <ol style="list-style-type: none"> a) Introduced an annual local pay review mechanism aligned with the budget setting process for all staff except teachers to replace the national and regional collective bargaining arrangements and the existing local arrangements for Lecturers in Adult Education; b) Introduced a scheme of discretionary non-consolidated non-pensionable rewards for exceptional performance applicable to all staff except teachers; c) Will reinforce the link between individual performance and pay by making any annual pay increase and increments (where appropriate) subject to satisfactory performance for all staff; not automatic. d) Agreed to make no change to existing terms and conditions of service before April 2015. <p>The move to fully localised terms and conditions is on the back of the Bromley Single Status agreement reached with the relevant recognised trade unions in 2009 affecting the BR grade staff. Under the localised terms and conditions of service framework the Council retains its existing terms and conditions including the grading and job evaluation schemes for BR staff and MG and PT staff, except for the annual pay review and appraisal process. Under the localised terms and conditions framework the Council will not be bound by the national or/and regional pay settlements. Instead, by means of the process of the localised annual pay review the Council aims to:</p> <ul style="list-style-type: none"> • ensure that staff are appropriately rewarded for the job that they do

- enhance the Council's ability to compete by maintaining a simple, fair, transparent and affordable pay and reward structure that attracts and keeps a skilled and flexible workforce;
- improve the links between organisational efficiency, individual performance and reward
- ensure that decisions on reward and recognition are better aligned with the considerations and timetable of the annual budget setting process

The current rates for Management Grade and Professional & Technical Staff, BR staff and Lecturers and sessional staff at Bromley Adult Education College can be found at [MG MB PT Salary Scales](#) [BAEC Salary Scales](#) [BR Grades Salary Scales](#)

The Council has agreed the process of job evaluation as a way of ensuring a fair system of remuneration relative to job weight thereby managing any risk of equal pay claims. MG and PT jobs are graded using the James Job Evaluation Scheme, and BR jobs are graded using the Greater London Provincial Council (GLPC) Job Evaluation Scheme. The BR grades are based around "anchor" salary points and consist of incremental scales. However, with effect from 1st April 2015 new BR staff (including internal promotions) are appointed on spot salaries with no increments. Individual spot salaries will be renewed annually, minimally, subject to satisfactory performance.

Individuals employed on the MG and PT grades are appointed to a spot salary within the relevant salary bands having regard to the Council's ability to recruit and retain suitably qualified, skilled and experienced officers to deliver excellent front line services and achieve Council priorities. Exceptionally staff may be paid outside of the relevant band for their grade because of market forces. The same principles apply to anyone who is engaged on a self-employed basis and paid under a contract for services. Under the [Special Recruitment measures](#) agreed by Chief Officers, every recruitment request including permanent, temporary, casual, agency staff or self-employed is scrutinised and formally approved first by the Director and then the Director of Human Resources & Customer Services on behalf of the Chief Executive.

The Council offers a lease car arrangement as a recruitment and retention incentive to certain staff occupying key posts including some front-line posts on the BR grades. Employees with a lease car are expected to make a minimum 30% contribution to the cost and for Chief and Deputy Chief Officers the value range of this benefit is between £3,566 and £2,460 per annum subject to this not exceeding 70% of the car's current benchmark value plus insurance.

Any employee who does not have a lease car is eligible to receive a car user allowance if they use their own vehicle for business purposes capped locally at the rate for cars not exceeding 1199cc, other than in exceptional circumstances where the Director of Human Resources & Customer Services agrees that a car with a larger engine size is necessary for the efficient performance of the job. The current car mileage payment arrangement is 45p per mile for all users (except lease car users) consistent with the HMRC recommended rate. The rate for lease car users is considerably lower, currently 11.50p per mile.

The Council normally engages a mix of external and internal personnel for election duties. The fees generally reflect the varying degree of roles undertaken by individuals. Fees paid to both the Returning Officer and the Deputy Returning Officer are in accordance with the appropriate Statutory fees and Charges Order and they reflect their personal statutory responsibilities.

The Council is required to have measures in place to respond to any major emergency incidents in the Borough or on a pan London basis which includes a small group of Senior Officers on standby for the LA GOLD rota. The Chief Executive and Director of Environment and Public Protection undertake the lead role and do not receive any additional remuneration for this. Other officers who undertake this role receive a payment commensurate with other call out allowances for the relevant period of the standby.

All employees including Chief Officers are entitled to apply for an interest free season ticket loan and reimbursement of any expenses necessarily incurred in the performance of their role including but not limited to travelling, and subsistence. Employees also have access to an interest free childcare loan under the childcare deposit loan scheme.

	Also, the Council operates a Salary Sacrifice scheme for all staff. This covers childcare vouchers, cycle to work, technology and salary sacrifice lease car scheme. Staff are also able to access other optional benefits such as annual leave purchase scheme, Gym Flex and Lifestyle benefits offering discounts at local and national retailers.
Use of PRP for Chief Officers	The annual review of salaries includes an assessment of work performance in the preceding twelve months for all staff. Under the localised terms and conditions of employment framework for all staff, including Chief Officers (with the exception of teachers), pay increases, including pay awards, increments, etc., are linked to satisfactory performance. Pay increases will be withheld from poor performers. The performance of the Chief Executive is appraised by a Member Panel comprising the Leader, Deputy Leader, Portfolio Holder for Resources and other elected Members, including the Leaders of the Minority Parties, or their representatives. The Panel is supported by the Director of Human Resources & Customer Services in a technical advisory capacity. These Members will sit as a panel to undertake the appraisal but will sit as a committee of council to make a final decision. The Panel will assess and determine the Chief Executive's performance and pay within his grade band and will then sit as the Chief Executive Appraisal Committee to make the final determination. The Chief Executive and Directors are subject to a 360-degree appraisal process involving a range of feedback sources. Chief Officers and senior staff do not currently have an element of their basic pay "at risk" to be earned back each year. All staff apart from teachers will be eligible to be considered on merit for the one off non-consolidated non pensionable reward payment for exceptional performances.
Use of bonuses for Chief Officers	Not applicable.
Remuneration of lowest-paid employees	The Council's grading structure for BR graded staff starts at £19,899 per annum and the Council therefore defines its lowest paid employee as anyone earning £19,899 (pro rata for part-time staff). Currently the Council's pay multiple – the ratio between the Chief Executive as the highest paid employee and the lowest paid employee is 1:10, and between the Chief Executive and the median salary is £35,193 (ratio of 1:6).
Increases and additions to	Where it is in the interests of the Council to do so the Chief Executive may review the salaries of Chief Officers and Senior Staff from time to time within the MG, PT and MB Salary scales MG MB PT Salary Scales

remuneration of Chief Officers	Such circumstances include for example but are not limited to the impact of market forces and staff undertaking significant additional responsibilities on a time-limited or permanent basis. This is also the case for any other officer of the Council, including BR staff. Being outside of the nationally/regionally negotiated terms and conditions allows greater flexibility and discretionary payments in support of business priorities and recruitment and retention challenges. The Council has agreed a separate recruitment and retention package for children's and adults' social workers.
Remuneration of Chief Officers on recruitment	Where the post of Chief Executive falls vacant the salary package and the appointment will be agreed by Full Council. Full Council or a Member panel appointed by full Council or the Urgency Sub Committee will also agree any salary package in excess of £100K to be offered for any new appointment in 2020/21 to an existing or new post. All Chief Officer and Senior staff appointments will be made in accordance with the Council's agreed Constitution and Scheme of Delegation which can be found at London Borough of Bromley Constitution
Any discretionary increase in or enhancement of a Chief Officer's pension entitlement	<p>Chief Officers are eligible to join the Local Government Pension Scheme. The Council will not normally agree to any discretionary increase in or enhancement of a Chief Officer's pension entitlement. However, each case will be considered on its merits and the Council recognises that exceptionally it may be in the Council's interests to consider this to achieve the desired business objective. Members' agreement will be required in all cases taking into account legal, financial and HR advice appropriate to the facts and circumstances.</p> <p>A Chief Officers' Panel is authorised to consider applications from staff aged 55 and over for early retirement and may exercise discretion to waive any actuarial reduction of pension benefits in individual cases based on the demonstrable benefits of the business case including the cost, impact on the service, officer's contribution to the service and any compassionate grounds.</p> <p>The Council has adopted a Flexible Retirement Policy under which a Chief Officers' Panel may agree to release an employee's pension benefits whilst allowing them to continue working for the Council on the basis of a reduced salary resulting from a reduction in their hours and/or grade. The policy requires that the employee is aged 55 or over and that there is a sound business case for any such decision and can be found at Flexible Retirement Policy</p>

<p>Approach to severance payments - any non-statutory payment to Chief Officers who cease to hold office/be employed</p>	<p>Where demonstrable benefit exists it is the Council's policy to calculate redundancy payments on the basis of the statutory number of weeks' entitlement using the employee's actual salary, subject to any cap on redundancy payments arising from The Restriction of Public Sector Exit Payments Regulations 2020.</p> <p>Under the Council's agreed Scheme of Delegation, the Director of Corporate Services has delegated authority to settle legal proceedings and/or to enter into a Settlement Agreement in relation to potential or actual claims against the Council. Settlement may include compensation of an amount which is appropriate based on an assessment of the risks and all the circumstances of the individual case.</p> <p>In exceptional cases where it is in the interests of the service to do so a payment in lieu of notice, or untaken leave may be made on the termination of an employee's employment. Payment for untaken leave may also be due under the terms of the Working Time Regulations. We already see approval for funding for severance packages for chief officers from the Executive. There is also overarching scrutiny from the Audit Sub – Committee. These arrangements give transparency and ensure Member sight of chief officers' severance packages.</p> <p>Severance Payments will be considered in accordance with the requirements of The Restriction of Public Sector Exit Payments Regulations 2020 The Regulations impose on public sector employers a £95k exit cap on the total amount that can be paid to an employee who is exiting the organisation, either for reasons of redundancy or business efficiency. The cap includes the employer's pension costs, often referred to as pension strain costs. The pension strain costs are payable for employees who are 55 years of age or over. The following exit payments are exempt from the Exit Cap Regulations:</p> <ul style="list-style-type: none"> • Any payment in respect of pension benefits that an employee has accrued in respect of their employment up to the time of their exit, where there has been no additional cost of to the authority in relation to that exit; • Any payment in respect of death in service;

- Any payment in respect of accident, injury or illness;
- Any payment in respect of annual leave due under a contract of employment, but not taken;
- Any payment in compliance with an order of a court or tribunal;
- Any payment in lieu of notice due under a contract of employment that does not exceed one quarter of the employee's annual salary.
- Any payment in respect of Employer National Insurance contributions

The Council will not normally re-engage anyone as an employee or consultant who has received enhanced severance/redundancy pay or benefited from a discretionary increase in their pension benefits. However exceptionally it may be that business objectives will not be achieved by other means in which case a time-limited arrangement may be agreed by the Director of HR & Customer Services and Director of Finance having regard to the Council's financial rules and regulations.

Any application for employment from ex-employees who have retired at no cost to the Council, or who have retired or been made redundant from elsewhere will be considered in accordance with the Council's normal recruitment policy. However, where an employee re-joins local government employment, whose pension benefits are already in payment, they may be subject to an abatement policy. This means that their pension benefits in payment could be reduced in line with that policy.

Please note:

Separate to the above £95k Exit Cap Regulations, the Government have also consulted on proposals for the Reform of the Local Government Pension Scheme (LGPS) and Discretionary Payments. The consultation on the proposals ended on 9 November 2020; Further consultation on the draft regulations themselves: [The Local Government Pension Scheme \(Restriction of Exit Payments\)\(Early Termination of Employment\)\(Discretionary Compensation and Exit Payments\)\(England and Wales\) Regulations 2020](#) * closed on 18th December 2020.

The proposed changes include:

- A maximum tariff for calculating exit payments of 3 weeks' pay per year of service (Employers can apply tariffs below these limits);

	<ul style="list-style-type: none"> • A cap of 66 weeks on the number of weeks salary that can be paid as a redundancy compensation payment. Employers will have discretion to apply lower limits; • Imposing a maximum salary level on which calculation for severance pay can be based (currently £80,000); • Preventing an employer making a discretionary redundancy payment in addition to a payment into the LGPS (pension strain cost) except in very limited circumstances; • Limiting payments an employer can make into the LGPS (pension strain cost) where an employee receives a statutory redundancy payment (by reducing the strain cost payment by the amount of the statutory redundancy payment) • Making the necessary changes to the LGPS to accommodate these changes and the broader effects of the £95k Exit Cap • Giving employees the option of deferring their accrued pension benefits, or taking an actuarially reduced pension benefit, and: receiving a discretionary redundancy payment under the Council’s Redundancy Policy. <p>*These regulations are likely to impact on the Council’s redundancy, retirement and pay policies, which will need to be reviewed and updated in due course.</p>
<p>Publication of and access to information relating to this Policy and to the remuneration of Chief Officers</p>	<p>Once agreed the Council will publish this Pay Policy on its website. Full Council may by resolution amend and re-publish this statement at any time during the year to which it relates.</p> <p>The Council also discloses the remuneration paid to its senior employees in the annual report and statement of accounts as part of its published accounts. The Council has no full-time release Trade Union officers. Reasonable time off will be provided to Trade Union officials, including Stewards, in the course of their normal contractual job with the Council.</p>

Report No.
CSD21001

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE

Date: Tuesday 9 February 2021

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

Title: MEMBERS ALLOWANCES SCHEME 2021/22

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

1. Reason for report

- 1.1 The regulations governing Members' Allowances require that, before the beginning of each financial year, the Council shall make a scheme of allowances for that year, and this report details the proposed allowances for 2021/22. Until 2019, when an increase of 2.25% was agreed, allowances had remained frozen since 2009 due to the economic circumstances and the pressure on the Council's budgets.
- 1.2 If Members are minded to increase the allowances a reasonable guide would be the increase recommended for Council staff, when this is announced. The Mayoral and Deputy Mayoral Allowances are not part of the scheme, but are usually considered in conjunction with it. The scheme has to be agreed by full Council – this will be at the meeting on 1st March 2021.
-

2. **RECOMMENDATIONS**

- (1) **The Committee is requested to consider the proposed Members Allowances Scheme 2021/22 and the Mayoral and Deputy Mayoral Allowances and in particular to consider whether to recommend that allowances are retained at the current level or are raised from 1st April 2021.**
- (2) **The Committee is recommended to agree that the Members' Allowances Scheme 2021/22 (appendix 2) and the Mayoral and Deputy Mayoral allowances for 2021/22 (paragraph 3.4) be submitted to Council for approval.**

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: Estimated Cost: £1,090k
 2. Ongoing costs: Recurring Cost: £1,090k
 3. Budget head/performance centre: Democratic Representation – Members Allowances
Mayoral & Civic Hospitality – Mayoral Allowance
 4. Total current budget for this head: £1,066k for Members Allowances, & £24k for Mayoral Allowance
 5. Source of funding: Revenue Budget
-

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: Statutory Requirement: The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 2003/1021)
 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): All 60 Councillors receive at least the basic allowance.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: Not Applicable

3. COMMENTARY

- 3.1 Every local authority is required to have a basic, flat rate allowance payable to all Members, and is required to review its allowance scheme before the beginning of the financial year. The basic allowance recognises the time commitment of Councillors, including meetings with Council managers and constituents and attendance at political group meetings. It is also intended to cover incidental costs and general expenses such as the use of Councillors' homes and equipment. It must be the same for all Councillors in the authority and may be paid either as a lump sum or in instalments throughout the year - Bromley has always paid allowances by monthly instalment. In addition, allowances can be paid to reflect particular posts (Special Responsibility Allowances) or membership of particular committees that meet frequently to determine applications (referred to as Quasi-Judicial Allowances). The quasi-judicial allowances are now paid as a set amount per meeting attended, rather than as a fixed amount per annum.
- 3.2 Following a detailed review in 2008, Members' Allowances were scrutinised by a specially formed Member working group which reported through to the Council. As a result certain allowances were upgraded to reflect Member duties at the time. The scheme has remained largely unchanged since then, until in 2016 a Member Working Group suggested some minor changes within the existing budget which were implemented for the 2016/17 Scheme, including rounding the allowances up or down as appropriate to the nearest £5. Between 2009 and 2019 Members consistently refused to increase their allowances, until increases of 2.25% and 2.5% were agreed in 2019 and 2020, in accordance with the increases for officer salaries. In 2020, Members also agreed additional increases for the Leader of the Council and the two Minority Group Leader posts. The proposed scheme for 2021/22 presented in this report is unchanged from 2020/21 in terms of the type and number of allowances to be paid.
- 3.3 The regulations provide that before the Council makes or amends a scheme it shall have regard to the recommendations made by an independent remuneration panel report, although this requirement does not apply if the only change is the application of an annual indexation increase. London Councils set up an Independent Panel chaired by Sir Rodney Brooke CBE DL which meets every four years and reported in January 2018, and this should be taken into account in determining the level of allowances each year. The Panel recommends an amount for the basic allowance for Councillors in London, and suggests amounts in five bands for positions of additional responsibility. Although Bromley's basic allowance is one of the highest in London it is only very slightly above the level suggested by the Independent Panel in 2018 (which is £11,045pa). Bromley's special responsibility allowances are in general substantially below the levels recommended by the Panel. A summary of the Panel's 2018 recommendations, with comparisons to equivalent Bromley roles, is set out in **Appendix 1**.
- 3.4 **Appendix 2** shows the proposed scheme for 2021/22 based on the allowances remaining at the same levels as for 2020/21. The Mayoral and Deputy Mayoral allowances are not part of the Member's Allowances scheme, but can also be approved by Council and this will be included in the budget for 2021/22. The Mayoral Allowance is currently £16,452 and the Deputy Mayoral Allowance is £3,746.

4. FINANCIAL IMPLICATIONS

- 4.1 Provision has been made for the allowances in the draft revenue budget for 2021/22 to be approved by Council of £1.066 for the Members' Allowances Scheme and £24k for the Mayoral and Deputy Mayoral allowances.

5. LEGAL IMPLICATIONS

- 5.1 The statutory provisions relating to Members' allowances are contained in The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 2003/1021).

Non-Applicable Sections:	Impact on Vulnerable Adults and Children/Policy/Personnel/Procurement
Background Documents: (Access via Contact Officer)	<p>Report from the Independent Panel on Remuneration of Councillors in London (2018)</p> <p>Report to General Purposes and Licensing Committee, 11 February 2020 – Members’ Allowances Scheme 2020/21</p>

London Councils Remuneration Panel Report 2018 - Summary

London Councils Band	Example posts	2018 London Councils Panel Recommendation	Current (2020/21) LBB Equivalent
Basic Allowance	All Members	£11,045	£11,393
Band 1	Executive Assistant Sub-Cttee Chairman Leader of 2 nd Minority Group Members of Sub-Committees meeting frequently – EG Plans/Licensing/Adoption	£2,582 - £9,397	£3,746 £2,064 £4,667 £53 per meeting for Plans Sub-Cttee or Licensing Sub-Cttee £210 per meeting for Foster Panel
Band 2	Civic Mayor Chairman of Regulatory Cttee Chairman of Scrutiny Panel Leader of principal Opposition Group	£16,207 - £29,797	£16,452 £9,087 £7,483 £9,333
Band 3	Portfolio Holder Chairman of Health & Wellbeing Board Chairman of main Overview and Scrutiny Committee	£36,917 - £43,460	£21,380 £9,087 £9,087
Band 4	Leader	£57,085	£40,000
Band 5	Directly Elected Mayor	£85,162	N/A

London Borough of Bromley

Members' Allowances Scheme

From 1st April 2021, in exercise of the powers conferred by the Local Authorities (Members Allowances) (England) Regulations 2003 (2003 No. 1021) [as amended by SI 2003 No. 1692], the London Borough of Bromley will operate the following Members' Allowances Scheme.

1. This Scheme is known as the London Borough of Bromley Members' Allowances Scheme and will operate from 1st April 2021 until amended.
2. In this Scheme:
 - “Councillor” means a member of the London Borough of Bromley who is an elected Member;
 - “Member” for the purposes of this Scheme shall mean elected Councillors;
 - “year” means the 12 months ending 31st March.
3. The Council in agreeing this Scheme has considered the recommendations of the Independent Panel commissioned by the Association of London Government on the remuneration of Councillors in London entitled “The Remuneration of Councillors in London 2018” published January 2018.

Basic Allowance

4. A basic annual allowance of £11,393 shall be paid to each Councillor.

Special Responsibility Allowances

5. (1) An annual Special Responsibility Allowance will be paid to those Members who hold special responsibilities. The special responsibilities are specified in Schedule 1 (attached).
- (2) During periods after an election when any position of special responsibility is unfilled, the relevant Special Responsibility Allowance shall be payable to the new holder of the position from the day after the previous holder ceases to be responsible.
- (3) The amount of each Special Responsibility Allowance is specified against that special responsibility in Schedule 1. The conditions set out in paragraphs 5(2), 5(4) and 14 apply.
- (4) Where a Member holds more than one position of special responsibility then only one Special Responsibility Allowance will be paid. Subject to sub-paragraph (5), Members may be paid quasi-judicial allowances in addition to a Special Responsibility Allowance.
- (5) All Members of the Licensing Sub-Committee, Plans Sub-Committees and the Foster Panel shall be paid a quasi-judicial allowance at the rates set out in Schedule 1.

Childcare and Dependent Carers Allowance

6. The Council has agreed that no allowance will be paid for childcare or dependent carers.

Co-optees Allowance

7. The Council has agreed that no allowance will be paid for co-opted members

Travel and Subsistence Allowance

8. The Basic Allowance covers all intra-Borough travel costs and subsistence. All other necessarily incurred travel and subsistence expenses for approved duties as set out in the Regulations (Regulation 8(a) to (h)) will be reimbursed under the same rules and entitlement as applies to staff. Travel by bicycle will also be paid at the same rates as applies to staff. Claims for reimbursement are to be made within one month of when the costs were incurred.

Ability to Decline an Allowance

9. A Member may, by writing to the Director of Corporate Services, decide not to accept any part of his entitlement to an allowance under this Scheme.

Withholding of Allowances

10. The Standards Committee may withhold all or part of any allowances due to a Member who has been suspended or partially suspended from his/her responsibilities or duties as a Member of the Authority. Any travelling or subsistence allowance payable to him/her for responsibilities or duties from which they are suspended or partially suspended may also be withheld.
11. Where the payment of an allowance has already been made in respect of a period in which a Member has been suspended or partially suspended, the Council may require the allowance that relates to that period of suspension to be repaid.

Members of more than one Authority

12. Where a Member is also a member of another authority, that Member may not receive allowances from more than one authority for the same duties.

Part-year Entitlements

13. If during the course of a year:
 - (a) there are any changes in the Basic and/or Special Responsibility Allowances,
 - (b) a new Member is elected,
 - (c) any Member ceases to be a Member,
 - (d) any Member accepts or relinquishes a post in respect of which a Special Responsibility Allowance is payable, or
 - (e) the Standards Committee resolves to withhold any allowances during the suspension of a Member,

the allowance payable in respect of the relevant periods shall be adjusted pro rata to the number of days.

Payments

14. Payments shall so far as is reasonably practicable normally be made for Basic and Special Responsibility Allowances in instalments of one-twelfth of the amount specified in this Scheme.

Schedule 1

Allowances for the year ending 31st March 2022

	Current £
Basic Allowance	11,393
Special Responsibility Allowances	
Leader of the Council	40,000
Portfolio Holders (x6)	21,380
Executive Members without Portfolio	3,746
Executive Assistants (x6)	3,746
Chairman of Health and Wellbeing Board	9,087
Chairman of main PDS Committee	9,087
Chairman of Portfolio PDS Committees (x5)	7,483
Chairman of Development Control Committee	9,087
Vice-Chairman of Development Control Committee	2,064
Chairman of Plans Sub-Committees (x4)	2,903
Chairman of General Purposes and Licensing Committee	9,087
Vice-Chairman of General Purposes and Licensing Committee	2,064
Chairman of Audit Sub-Committee	2,064
Chairman of Pensions Investment Sub-Committee	2,064
Leader of largest Opposition Party	9,333
Leader of second largest Opposition Party	4,667
Quasi-Judicial Allowances	
Members of Plans Sub-Committee (per meeting)	53
Members of Licensing Sub-Committee (per meeting)	53
Members of Foster Panel (per meeting)*	210

* Payable up to an annual maximum limit of £3,664 per Councillor

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Report No.
CSD21002

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE

Date: 9 February 2021

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

Title: EXECUTIVE ASSISTANTS - ANNUAL REPORT 2020/21

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

1. Reason for report

1.1 As part of this Committee's decisions in relation to the Members' Allowances Scheme 2008/09, it was agreed that this Committee should receive an annual report from each of the Executive Assistants outlining the work they have undertaken over the past year in justification of the receipt of their allowance (currently £3,746pa). This decision was reaffirmed by the Committee at subsequent meetings, and is referred to in the Guidance Note: Executive Assistants at Appendix 7 to the Council's Constitution. Six Executive Assistants were appointed by the Leader for the 2020/21 Council year -

Executive Assistant to the Leader - Cllr Aisha Cuthbert

Adult Care & Health - Cllr Angela Page

Children, Education & Families - Cllr Kieran Terry

Environment & Community Services - Cllr Will Rowlands

Renewal, Recreation & Housing - Cllr Yvonne Bear

Resources, Commissioning & Contract Management - Cllr Kira Gabbert

1.2 Reports have been requested from the current Executive Assistants for 2020/21 and are attached as Appendix A. Two reports are to follow and will be circulated as soon as they are available.

2. **RECOMMENDATION**

The Committee is requested to note and consider the submissions received from Executive Assistants relating to the work they have undertaken during 2020/21.

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: Estimated Cost: £22,476
 2. Ongoing costs: Recurring Cost: £22,476
 3. Budget head/performance centre: Democratic Representation
 4. Total current budget for this head: £1,062,270
 5. Source of funding: 2020/21 Revenue Budget
-

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): Six Councillors were appointed as Executive Assistants for 2020/21.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: Not applicable

Non-Applicable Sections:	Impact on Vulnerable Adults and Children, Policy, Financial, Personnel, Legal, Procurement
Background Documents: (Access via Contact Officer)	Previous reports to General Purposes & Licensing Committee

Reports from Executive Assistants, 2020/21

**(1) Cllr Aisha Cuthbert,
Executive Assistant to the Leader**

Introduction

It's been a very strange year and since the pandemic hit, we have all had to work to find new and innovative ways to reach out to residents. Our tackling loneliness work is no different and I have been working with our partners in the third sector to ensure that we continue to provide services to those that need it.

I have given a brief description of activities undertaken below.

My work on tackling loneliness

Securing funding for community groups

Before the pandemic, I was working closely with Community Links Bromley to bring together like-minded charities to raise the profile of services for Bromley residents experiencing loneliness or social isolation from all different backgrounds and walks of life. Once the pandemic hit, the goal posts moved but I was keen to do my part to help secure help for our charities doing so much to help our residents.

I was pleased to help secure a £15,000 grant from Clarion Futures (part of Clarion Housing Group) for Community Links Bromley which was the lead charity for coordinating our emergency response to support our residents. The Clarion Futures Emergency Support Fund (Communities) and (Food) is awarded to support community organisations to respond to critical local need during the Coronavirus pandemic and to support the community.

The contribution was used to support a COVID-19 Voluntary and Community Sector response for Bromley. In total a sum of £172,302 was distributed. Applications were received from 53 local organisations who applied for a total of £347,254. Inevitably this meant that some organisations were unsuccessful and others received less than the sums that they requested, with an average award being £4,534.

Specifically the Clarion Futures grant was used to support two specific charities. They were LATCH (Bromley Churches Housing Action) and Leonard Cheshire both charities were working hard during the lockdown to support their clients and to reach out to ensure they supported their customers during a very difficult and isolating time. LATCH received a grant of £10,000. This was to enable the charity to continue supporting vulnerable locals in the Borough of Bromley whom they assist in urgent homeless situations.

Leonard Cheshire were awarded £5,000 in funding to obtain additional supplies of PPE equipment to help ensure that they can keep frontline staff, residents and the community safe.

The money also went to support residents at St Cecilia's care home in Bromley. St Cecilia's in Bromley delivers care and nursing for 29 adults with physical disabilities and complex needs. The dedicated staff provide personalised support for each resident, ensuring everyone can live as independently as they choose. All residents are in the 'extremely vulnerable' category.

When the pandemic started, St Cecilia's closed its doors to residents' friends and families to control the spread of Covid-19. This has had a profound impact on residents, many of whom

struggled with the effects of isolation. The staff played a vital role in supporting the residents through with a range of different services and are enabling vulnerable disabled people to live as independently as possible.



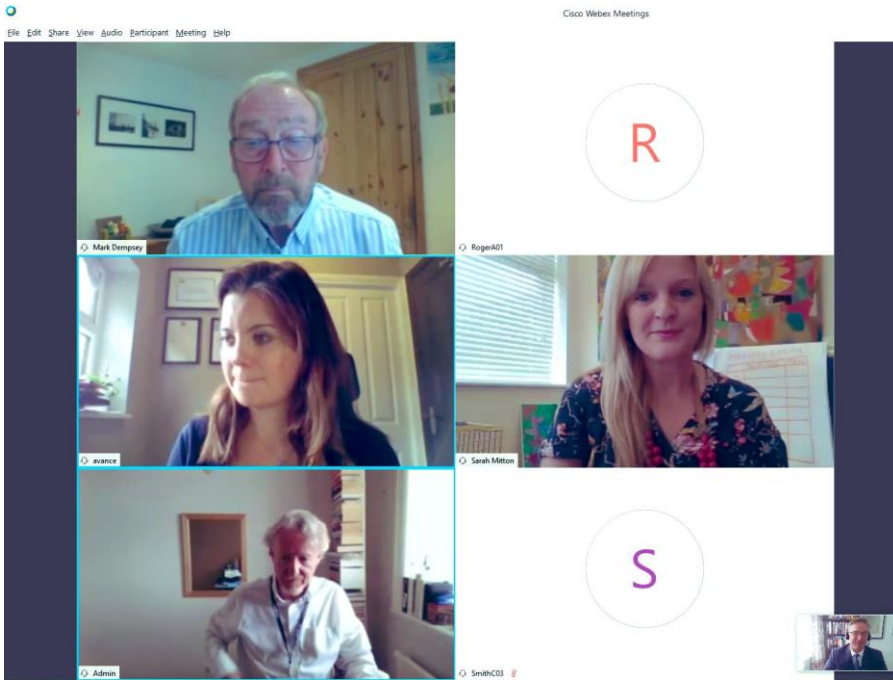
Source: Thank You Tweet from Leonard Cheshire 19 July/Retweeted by CLB 20 July

In addition to these specific grants, the overall fund was used to support two Mottingham based organisations. They were the Central Eltham Youth Project and the Mottingham Food Bank. They received £3,250 to support local food provision in the area to meet the challenges of local food poverty.

Virtual 'Loneliness Awareness Week event'

I was very pleased to organise and host a virtual panel 'Tackling Loneliness' event on WebEx during loneliness awareness week.

The panel consisted of representatives from organisations in Bromley, including Magpie Dance Company, Clarion Futures (part of Clarion Housing Group) and Community Links Bromley. Many groups across the borough have worked to deliver their services online and through digital platforms to ensure they can still reach out to Bromley residents during the lockdown. I was pleased to be able to ask the panel questions about how they are currently tackling loneliness and how they plan to in the future. We also invited members of the public to email questions for the panel. We received a large volume of questions and probably most surprisingly quite a few around loneliness and divorce which just goes to show that loneliness can affect anyone at any time in their life.



Screenshot from the event

I have had a few residents contact me since the event to offer their support. One resident who contacted me developed a website to help people make friends online.

I would like to make a special mention to the Leader, Cllr Colin Smith for his continued support on this project and Cllr Gary Stevens who supported the event and ensured we could deliver it digitally. Thank you both!

Working with our libraries to promote virtual play events

One of the cohorts we're aware of who suffer from isolation and loneliness is new mums and dads. Especially since the pandemic hit and playgroups have been cancelled – it can be difficult for new parents to feel connected and supported when they have no one to talk to or befriend. So, I was very pleased when I became aware of a new initiative that GLL are hosting so the very popular bounce and rhymes groups can continue virtually! I have helped them promote on social media and through our local community groups facebook pages. The events have been well attended and feedback has been very positive.



**Come along to our
Bromley Libraries
Zoom Group
For new Mums and
Dads**

- Informal group with your baby aged up to 12 months
- Singing Songs and Rhymes
- Benefits of singing and looking at books
- Chat with other Mums and Dads
- Starts Wednesday 7th October 10.00-10.45
- To book your free place contact Orpington Library:
orpington.library@gll.org



**(2) Cllr Angela Page,
Executive Assistant to the Adult Care & Health Portfolio Holder**

I was delighted to be asked to continue in the position of Executive Assistant to the Portfolio Holder for Adult Care & Health, Cllr Diane Smith a position that I have held since May 2017. My focus at the start of this municipal year, was centred around continuing and developing some work that I had already been asked to oversee on behalf of the Portfolio Holder as well as a new project highlighted at the end of this report.

To date, I have continued to have oversight of Adult Care & Health complaints where I receive a weekly update on any current or outstanding complaints from the Head of Service for Customer Engagements and Complaints, and which may if required involve further discussion with the Interim Director for Adult Care & Health. It is essential that any complaints are not only dealt with within the timescales set out in the Corporate Complaints Policy but are also dealt with appropriately. As there has been a reduction in the number of complaints received, whilst still monitoring closely, my attention in this area is very much on any cases referred to the Local Government Ombudsman.

My second continued area of focus has been monitoring the work of the Contract Compliance team. Despite monitoring visits having to cease due to the pandemic, the team have continued to monitor care homes closely particularly in the respect of Covid-19 and I am given a regular update.

At the time of my last report to the committee, I had just started a new piece of work at the request of the Portfolio Holder which was to be the member connection and liaison with Healthwatch Bromley. I have had virtual meetings with the Operations Manager to discuss and at times question the content in reports they have produced. I am also due to accompany the Healthwatch Team on a virtual 'Enter and View'.

During the year I was asked by the Portfolio Holder to take on a new project and to assist her with the oversight of the new Learning Disability Strategy for Bromley, that sets out the direction in relation to young people and adults with a Learning Disability. As part of this important piece of work, I am Co-Chairman of the Learning Disability Partnership Board. This has been formed in order to have oversight of the delivery of the aforementioned Learning Disability Strategy which aims to enable people with Learning Disabilities in Bromley, to live their lives as they want by providing the right support, whilst giving them improved choice and control in their life opportunities. This is a very exciting and crucial piece of work especially with the immense impact of Covid-19 and the restrictions this has created.

As well as these specific pieces of work, I continue to attend the (now virtual) fortnightly Portfolio Holder Briefing meetings with the Interim Director for Adult Care and Health and senior departmental officers. I also attend virtual meetings with stakeholders along with or on behalf of the Portfolio Holder as appropriate as well as attending the Adult Care & Health PDS and Health Scrutiny Committee meetings as an observer.

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**(3) Cllr Kieran Terry,
Executive Assistant to the Children, Education & Families Portfolio Holder**

.....

**(4) Cllr Will Rowlands,
Executive Assistant to the Environment & Community Services Portfolio Holder**

.....

(5) **Cllr Yvonne Bear,**
Executive Assistant to the Renewal, Recreation and Housing Portfolio Holder

Appointed in May 2020, my first few months as EA have been very busy particularly due to the Covid pandemic which has seriously affected the portfolio in a numerous ways, including forcing our leisure facilities and libraries to close/find new ways of working, increasing demand for temporary accommodation particularly for rough sleepers, reducing rental income from council assets and initiating work to deliver grants to businesses impacted by Covid restrictions. All this whilst trying to deliver transformational housing, planning and digital strategies. It has been a busy year but one in which satisfying progress has been made.

In order to become fully involved with the full breadth of activity within the portfolio, I attend the weekly update call between the senior officers and portfolio holder as well as briefings on key initiatives such as Site G, the Regeneration strategy and the new Local Plan. I have assumed the roles of Small Business Champion for the borough and Lead Member for Economic Development at the London Councils meetings and attend the Bromley Economic Partnership meetings.

Specific initiatives I have taken the lead on include:

- **Covid Business Grants:** To assist businesses whose trading has been affected by Covid restrictions, numerous grant schemes have been provided by government which the council has had to administer. Working with officers and partners, processes have been defined which have ensured secure, fair, efficient and timely distribution of grants. Over £50m had been paid out to over 5000 businesses in the borough under the various grant schemes as at 31/12/2020. In addition, £6.6m of discretionary grant funding has been made available to the council. A proposal for how to make best use of these funds has been developed with officers to help businesses both in the short and long term. This was approved at Executive in early January and rollout will commence shortly.
- **Business Support Taskforce:** A fortnightly meeting has been established between officers, the BIDs and business support organisations to discuss council support for businesses during the pandemic and to ensure effective communications with the business community. For 2 months during the summer, I chaired this meeting whilst awaiting the appointment of a new Head of Renewal.
- **Economic Development Plan:** Given the unprecedented impact on businesses in the borough of the pandemic, I initiated work on the boroughs first Economic Development Plan to guide economic recovery and growth. A joint initiative between Renewal and Planning Policy, the plan will provide a broad profile of Bromley's current economic activity, an understanding of key pressures and challenges and a road map of how these will be tackled to achieve a 10 year vision. Following external consultation with businesses and business support organisations, the aim will be to bring the report to RRH PDS in Spring 2021.
- **Digital Infrastructure Strategy:** Working with officers, a clearly articulated strategy to deliver borough wide coverage of full fibre broadband and 5G mobile connectivity is being developed. A Memorandum of Understanding is in negotiation with OpenReach and a framework is being developed for mobile providers regarding 5G rollout. An outline of the proposals has been presented to the portfolio Holder and the full strategy will come forward to RRH PDS in February 2021.
- **Star Lane Traveller Site:** Following persistent reports of ASB at the site in the form of bonfires, fly tipping and quad biking, in conjunction with local police and officers, a major raid

was conducted in October 2020. Since the police action, many of the key issues have been tackled and a strategic plan has been developed with officers to improve the site going forward, including installation of a robust perimeter fence.

2021 will see significant focus on business recovery, restoring leisure and library services, development of the new Local Plan and delivery of the housing strategy with the first council built homes becoming available.

.....

**(6) Cllr Kira Gabbert,
Executive Assistant to the Resources, Commissioning & Contract Management Portfolio
Holder**

This is my second year in the position of the Executive Assistant with this Portfolio. I shall briefly set out my involvement with the Portfolio since my last report to the Committee.

Solar Farm:

I have continued working on the Solar farm project. As was reported previously, the aim would be to generate additional income for the Council and at the same time help the Council achieve its' commitment to become carbon-neutral by 2029.

The officers initially came up with a comprehensive list of all potentially suitable sites. Of the 15 sites that have been identified, we have focused on 5 sites offering the most potential. The Legal team completed Tenancy/Lease reviews of these. In September 2020, a consultant was appointed to conduct a technical and commercial feasibility assessment to understand both the technical and commercial potential of each of these sites.

In December, the report came back: one of the 5 sites assessed was deemed suitable for the project. With any potential site, there are typically the following main hurdles to satisfy: financial viability, the site location (Green Belt in this case) and proximity to a grid connection. A suitable grid connection exists quite close to the site in question.

These are the next steps necessary to move the project forward:

- **Planning:** decide on approach and evaluate obstacles to constructing a solar farm on Green Belt
- **Finance options/Business Case:** revising financial models, assessing the payback period, finance options and how the potential generated income would compare to income currently received from existing Council reserves. Various finance options are being looked into, including into grants and low interest finance for low-carbon initiatives.

Currently, there are indications that the payback time may be too long for the project to be deemed viable, but a revised financial model with various underlying assumptions will need to be considered before coming to a conclusion on the viability.

HR: procedures

Having initiated discussions with HR department on a subject of disclosure obligations applicable to employees working with children, families and vulnerable adults, I am pleased to see the suggestions being incorporated into revised drafts of procedural documents.

HR: employees' well-being, productivity and the future of home working and flexi-working

I started this project by making enquiries with the HR team about how Bromley Council is looking after its' employees emotional and physical well-being, in the circumstances where close to 90% of our staff have been deployed to work from home. The Council was well prepared in terms of deploying staff to work from home and providing the necessary support, having invested significant time and resources in our IT technologies. Workplace modernisation was one of the work streams of the Transformation Programme.

A number of strategies and support programmes have been put in place to support staff working from home during the pandemic. These strategies are informed by HR and health and safety data and feedback from stakeholders including the Staff Survey Group, staff and staff representatives. Homeworking health and safety guidance is in place, and workstation support programme allowed employees to claim towards setting up a workstation in their home. There are a number of training and development opportunities, employee assistance programme and wellbeing support programme, among other initiatives. All these initiatives are well received. Staff sickness levels between March and November 2020 have been significantly lower compared to the same period last year. I am confident that the level of support provided to our staff is outstanding and our HR leaders should be congratulated on their initiatives' success.

Having found ourselves in these extraordinary circumstances, we now have to think about the future of flexible working and home working arrangements. This involves measuring productivity and output for conventional ways vs flexible ways of working. With that in mind, I have set out to analyse the productivity statistics of one of the many Council's departments, with the view to eventually completing the same exercise for every department.

Early indications of my research point towards reduced productivity during the initial period of the lockdown, when the switch to home working has taken place. It appears that this is largely a result of employees not having caught up with electronic workflow and having had to move to paperless way of working without proper planning and advance warning. It is hoped that in the longer term this should not continue, as the workflows and systems around home working should have improved over time.

My research is on-going, with one department data currently being analysed, and others to follow.

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Report No.
CSD21003

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE

Date: 9 February 2021

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

Title: PROGRAMME OF MEETINGS 2021/22

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

1. Reason for report

- 1.1 This report presents the draft programme of meetings for the next Council Year (2021/22) for Members' consideration. The proposed timetable, which has been the subject of extensive consultation, is based broadly on the current timetable, with only minor alterations. Should Members subsequently agree any changes to the current committee titles at the annual Council meeting these changes will be accommodated within the approved timetable.
-

2. **RECOMMENDATIONS**

- (1) That, subject to any changes of meeting arrangements subsequently approved by Members, the programme of meetings for 2021/22 be approved.
- (2) That the Director of Corporate Services be authorised to adjust the programme in accordance with any changes made to committees by Members, and to make minor corrections to the programme as necessary.

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: £359k (2020/21)
 5. Source of funding: Revenue Budget
-

Personnel

1. Number of staff (current and additional): 7 posts (6.67fte)
 2. If from existing staff resources, number of staff hours: Not applicable
-

Legal

1. Legal Requirement: None: Although the Council is required to hold an annual meeting and to appoint an Executive and a scrutiny committee the Council can set its own meeting dates.
 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): Not Applicable
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: Any comments from individual Members will be reported at the meeting.

3. COMMENTARY

- 3.1 The Council's programme of meetings is agreed each year by this Committee, and the proposed programme for 2021/22 is attached at **Appendix 1**.
- 3.2 Since 2012, the overall number of programmed meetings has been reduced, allowing savings to be made in staff costs and other ancillary cost savings – heating, lighting, and preparation and distribution of reports. The proposed Programme for 2021/22 has been prepared closely resembling the programme for 2020/21.
- 3.3 As in previous years, every effort has been made to avoid more than one meeting being held on the same evening. The proposed programme has been prepared on the basis that the current Executive and Committee decision-making structures will continue in the same form next year. If Members do make any alterations to these then the programme can be adapted accordingly. Dates can still be changed or removed by individual Chairmen and Committees, and special meetings can still be arranged when necessary. In response to Member comments, the draft programme includes various daytime meetings where these dates are available.
- 3.4 The programme has to fit in with key timelines relating to financial management and reporting, including the setting of the Council Tax and annual budget, the reporting of statutory accounts and budget monitoring cycles. The programme also has to take account of public holidays, school holidays and election dates.
- 3.5 A meeting of the Executive, Resources and Contracts PDS Committee is always scheduled for the week before each Executive meeting to facilitate pre-decision scrutiny. Other PDS meetings are also now aligned more closely with the Executive across five cycles of meetings, enabling reports to be scrutinised, where necessary, at service PDS Committees before final consideration at the Executive. At the request of the Chairman and Vice-Chairman, meetings of the Development Control Committee are also more evenly spaced, about eight weeks apart.
- 3.6 The draft programme has been circulated to all Members and to senior officers, and a number of detailed changes have been made in response to the comments received. Any further comments will be reported at the meeting.
- 3.7 The programme of meetings can apply to either meetings held in person or online meetings. The current temporary provisions that allow local authorities in England to hold online meetings expire on 7th May 2021, meaning that after this date committees can only meet in person. The Government is being lobbied to extend this facility, or make it permanent, but at present its position is that there is no space in the legislative programme to do this.

Non-Applicable Sections:	Impact on Vulnerable Adults and Children/Policy/Finance/Personnel/Legal/Procurement
Background Documents: (Access via Contact Officer)	Previous reports to this Committee on the Programme of meetings

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LONDON BOROUGH OF BROMLEY PROGRAMME OF MEETINGS 2021/22 (Page 1)

(DRAFT)

APRIL 2021				MAY 2021				JUNE 2021				JULY 2021			
MONDAY	12	19	26	3	10	17	24	31	7	14	21	28	5	12	19
		COUNCIL		<i>Bank Holiday</i>				<i>Bank Holiday</i>						COUNCIL	
TUESDAY	13	20	27	4	11	18	25	1	8	15	22	29	6	13	20
		BEP				ERC PDS			Audit	CEF PDS	PP&E PDS	ACH PDS BEP	GP&L	LJCC Health Sub	
WEDNESDAY	14	21	28	5	12	19	26	2	9	16	23	30	7	14	21
					ANNUAL COUNCIL	EXECUTIVE	GP&L		ECS PDS	RRH PDS	ERC PDS	EXECUTIVE	SACRE	Pensions	
THURSDAY	15	22	29	6	13	20	27	3	10	17	24	1	8	15	22
		Plans 2	Pensions HWB	GLA Election	Plans 3	DC	Plans 4		Plans 1 HWB	SBP	Plans 2 Schools Forum	DC	Plans 3	Standards	Plans 4
FRIDAY	16	23	30	7	14	21	28	4	11	18	25	2	9	16	23

AUGUST 2021				SEPTEMBER 2021				OCTOBER 2021							
MONDAY	26	2	9	16	23	30	6	13	20	27	4	11	18	25	1
						<i>Bank Holiday</i>							COUNCIL	<i>Half Term</i>	
TUESDAY	27	3	10	17	24	31	7	14	21	28	5	12	19	26	2
						DC	PPE PDS	CEF PDS	GP&L			LJCC BEP			DC
WEDNESDAY	27	3	11	18	25	1	8	15	22	29	6	13	20	27	3
						ECS PDS	RRH PDS	ERC PDS	EXECUTIVE			ERC PDS	EXECUTIVE		
THURSDAY	29	5	12	19	26	2	9	16	23	30	7	14	21	28	4
		Plans 1		Plans 2		Plans 3	ACH PDS SBP	Plans 4	Pensions HWB	Plans 1	Health Sub	Plans 2	Audit	Plans 3	Schools Forum
FRIDAY	30	6	13	20	27	3	10	17	24	1	8	15	22	29	5

Key/Numbers of meetings

(All meetings are currently online. Evening meetings at the Civic Centre will normally start at 7pm - please check the Council website for latest details.)

Council	7	Executive	8	Executive, Resources & Contracts PDS (ER&C PDS)	8	Other/Daytime meetings*	
General Purposes & Licensing Cttee (GP&L)	6	Standards	3	Adult Care & Health PDS (ACH PDS)	5	Health Scrutiny Sub-Committee (4pm)	4
Audit Sub-Cttee	3	SACRE	3	Children, Education & Families PDS (CEF PDS)	5	Health & Wellbeing Board (HWB) (1.30pm)	5
Local Joint Consultative Cttee (LJCC)	4			Environment & Community Services PDS (ECS PDS)	5	Safer Bromley Partnership (SBP) (10am)	4
Pensions Investment Sub-Cttee	4			Public Protection & Enforcement PDS (PPE PDS)	5	Bromley Economic Partnership (BEP) (4pm)	4
Development Control Cttee	7			Renewal, Recreation & Housing PDS (RR&H PDS)	5	Schools Forum (4.30pm)	4
Plans Sub-Cttees 1-4	24					Licensing Sub-Committee (Lic) (10am/2pm)	

(Dark shaded days are public holidays; light shaded days are school holidays.)

LONDON BOROUGH OF BROMLEY PROGRAMME OF MEETINGS 2021/22 (Page 2)

DRAFT

	NOVEMBER 2021				DECEMBER 2021				JANUARY 2022				FEBRUARY 2022		
MONDAY	8	15	22	29	6 COUNCIL	13	20	27 <i>Bank Holiday</i>	3 <i>Bank Holiday</i>	10	17	24	31	7	14 <i>Half Term</i>
TUESDAY	9 CEF PDS	16 RRH PDS	23 ACH PDS	30 GP&L	7 Standards	14	21	28 <i>Bank Holiday</i>	4	11 DC BEP	18 CEF Sub	25 CEF PDS	1 PPE PDS	8 GPL	15
WEDNESDAY	10 PPE PDS	17 ECS PDS	24 EXECUTIVE	1 SACRE	8 LJCC	15	22	29	5	12 EXECUTIVE	19 ECS PDS	26 RRH PDS	2 ERC PDS	9 EXECUTIVE	16
THURSDAY	11 Plans 4	18 ERC PDS	25 Plans 1 HWB	2 Pensions	9 Plans 2 SBP	16	23	30	6 Plans 3	13 Health	20 Plans 4 Schools Forum	27 ACH PDS	3 Plans 1 HWB	10	17 Plans 2
FRIDAY	12	19	26	3	10	17	24	31	7	14	21	28	4	11	18

	MARCH 2022					APRIL 2022					MAY 2022				
MONDAY	21	28 COUNCIL	7 Council (Fallback)	14	21	28	4	11	18 <i>Easter Monday</i>	25	2 <i>Bank Holiday</i>	9	16	23	30 <i>Half Term</i>
TUESDAY	22 Pensions	1	8 Standards	15 CEF PDS	22 ACH PDS	29 GPL BEP	5	12	19	26 DC	3	10	17	24	31
WEDNESDAY	23 SACRE	2 Audit	9 DC	16 RRH PDS	23 PPE PDS	30 EXECUTIVE	6	13	20 Health Sub	27	4	11	18 Annual Council	25	1
THURSDAY	24 LJCC	3 Plans 3	10 ECS PDS	17 Plans 4 SBP	24 ERC PDS	31 Plans 1 HWB	7	14	21 Plans 2 Schools Forum	28	5 LOCAL ELECTION	12	19 Plans 3	26	2 <i>Bank Holiday</i>
FRIDAY	25	4	11	18	25	1	8	15 <i>Good Friday</i>	22	29	6	13	20	27	3 <i>Bank Holiday</i>

Key/Numbers of meetings

(All meetings are currently online. Evening meetings at the Civic Centre will normally start at 7pm - please check the Council website for latest details.)

Council	7	Executive	8	Executive, Resources & Contracts PDS Cttee (ER8)	8	Other/Daytime Meetings *	
General Purposes & Licensing Cttee (GP&L)	6	Standards	3	Adult Care & Health PDS Cttee (ACH PDS)	5	Health Scrutiny Sub-Committee (4pm)	4
Audit Sub-Cttee	3	SACRE	3	Children, Education & Families PDS Cttee (CEF)	5	Health & Wellbeing Board (HWB) (1.30pm)	5
Local Joint Consultative Cttee (LJCC)	4			Environment & Community PDS Cttee (ECS PDS)	5	Safer Bromley Partnership (SBP) (10am)	4
Pensions Investment Sub-Cttee	4			Pub Protection & Enforcement PDS Cttee (PP&E P)	5	Bromley Economic Partnership (BEP) (4pm)	4
Development Control Cttee	7			Renewal, Rec & Housing PDS Cttee (RR&H PDS)	5	Schools Forum (4.30pm)	4
Plans Sub-Cttees 1-4	24			Children, Education & Families Sub-Cttee	1	Licensing Sub-Committee (Lic) (10am/2pm)	

(Dark shaded days are public holidays; light shaded days are school holidays.)

Report No.
CSD21020

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE

Date: 9th February 2021

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

Title: APPOINTMENTS TO OUTSIDE BODIES 2020/21

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);

1. Reason for report

1.1 This Committee is responsible for making the Council's appointments to outside bodies. Most of these appointments are annual and are made by the Committee in May each year, but some have different timescales, and, occasionally, it is necessary to make new appointments when people want to stand down. The Committee is requested to consider an appointment to the Beckenham Parochial Charities following the withdrawal of one of the persons re-appointed at the Committee's last meeting.

2. **RECOMMENDATIONS**

- (1) That the Committee notes that there is a vacancy for the four year term of office starting on 25th January 2021 serving the Beckenham Parochial Charities following the withdrawal of Mr Alan Duncan.
- (2) That the Committee considers any nominations from the Beckenham Parochial Charities.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The Beckenham Parochial Charities work to provide grants to vulnerable people and children.
-

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: 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: Further Details
 2. Call-in: Not Applicable: Non-executive decisions are not subject to call-in.
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

- 3.1 Most appointments to outside bodies are made by this Committee on behalf of the Council at its meeting in May. A small number of appointments do not follow this annual pattern. At its last meeting, the Committee re-appointed three representatives to the Beckenham Parochial Charities for the four year term of office starting on 25th January 2021. One of these representatives, Mr Alan Duncan, has since indicated that he wishes to stand down, so there is a vacancy again.
- 3.2 The Council appoints six trustees to the Beckenham Parochial Charities. The term of office is four years. The primary purposes of the Charity are to provide and maintain good housing for needy people in Beckenham and Penge, grants of money for relief in need, hardship or distress of residents of Beckenham and Penge, or to former almshouse residents, and grants of money for the promotion of education of young persons living in Beckenham and Penge. Three of the Trustees, including Cllr Russell Mellor, are appointed until 24th January 2023, while the terms of office of three other trustees expired on 24th January 2021. Alan Duncan, Gillian Scales and Kathryn Strachan were re-appointed for a further four year term at this Committee's last meeting, but Mr Duncan has since indicated that he wishes to stand down, leaving a further vacancy. The Charity has been contacted to see whether it has someone suitable to be nominated, and the latest position will be reported at the meeting.

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

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Report No.
CSD21004

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE

Date: 9th February 2021

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

Title: WORK PROGRAMME 2020/21 AND MATTERS OUTSTANDING

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

Chief Officer: Mark Bowen, Director of Corporate Services

Ward: N/A

1. Reason for report

- 1.1 This report summarises the Committee's work programme for the 2020/21 Council year. In accordance with the decision of Council on 8th April 2019, this report also covers matters outstanding from previous meetings.
-

2. **RECOMMENDATION**

Members are requested to consider matters outstanding from previous meetings and their work programme for 2020/21.

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: £359k
 5. Source of funding: 2020/21 revenue budget
-

Personnel

1. Number of staff (current and additional): 7 (6.67fte)
 2. If from existing staff resources, number of staff hours: Not applicable
-

Legal

1. Legal Requirement: Statutory Requirement: The Committee is responsible for non-executive functions as required by the Local Government Act 2000.
 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): Not applicable
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: Not applicable

3. COMMENTARY

- 3.1 Bromley Council operates under a “Leader and Executive” constitutional model, with most decision making functions resting with the Leader, Portfolio Holders and the Executive. However, there are a number of functions which the executive side is prohibited from dealing with, for which Committees need to be appointed. In Bromley, the majority of these “non-executive” functions are the responsibility of Development Control Committee for town planning and related functions, and this Committee for most other non-executive functions.
- 3.2 General Purposes and Licensing Committee fulfils the role of Licensing Committee under the 2003 Licensing Act, but also deals with a range of other non-executive functions that cannot be dealt with by the Executive or do not fall within the terms of reference of Development Control Committee. It therefore has a range of varied and sometimes unrelated responsibilities, including finance matters relating to audit and pensions, human resources, complaints, elections and Member appointments.
- 3.3 The Committee’s role is very different to that of a PDS Committee, in that it has decision-making powers, many of which are delegated to a number of sub-committees -
- Appeals Sub-Committee
 - Audit Sub-Committee
 - Industrial Relations Sub-Committee
 - Licensing Sub-Committee
 - Local Joint Consultative Committee
 - Pensions Investment Sub-Committee
 - Rights of Way Sub-Committee

These sub-committees also have decision-making powers within their own terms of reference, and in most cases their minutes are received by this Committee for information.

- 3.4 The Committee has six scheduled meetings in the year, plus a meeting after the Council’s annual meeting to appoint its Sub-Committees. The meetings for the 2020/21 Council year are set out in [Appendix A](#), with the reports considered/anticipated for each meeting. The draft Programme of Meetings for 2021/22 is due to be considered by this Committee at the current meeting and these dates will be added to the work programme in time for the Committee’s next meeting on 23rd March 2021.
- 3.5 At present, there are no matters outstanding from previous meetings to report that are not already included as part of this agenda.

Non-Applicable Sections:	Impact on vulnerable adults and children/Policy/Financial/Personnel/Legal/Procurement
Background Documents: (Access via Contact Officer)	None

General Purposes and Licensing Committee
Work Programme 2020/21

13th May 2020 (following annual Council meeting)

Appointments to Sub-Committees

18th May 2020

Appointments to Outside Bodies

30th July 2020

Audit of Financial Statements 2018/19

Licensing Act 2003: Statement of Licensing Policy 2021-26

Work Programme & Matters Outstanding

30th September 2020

Annual Complaints Report and Annual Ombudsman's Letter 2019/20

Licensing Act 2003: Statement of Licensing Policy 2021-26

Review of Public Space Protection Orders Concerning Alcohol Control Zones

Appointment of Pensions Board Member

Work Programme & Matters Outstanding

5th November 2020 (special meeting)

Teachers Pay Policy - Centrally Based Staff

25th November 2020

Audit of Financial Statements 2019/20

The Redmond Review

Covid-19 Public Protection Enforcement Update

Review of Financial Regulations

Local Pension Board – Annual Report 2020

Appointments to Outside bodies

Work Programme & Matters Outstanding

9th February 2021

Pay Policy Statement 2021/22

Members Allowances 2021/22

Executive Assistants Reports 2020/21

Programme of Meetings 2021/22

Appointments to Outside bodies

Work Programme & Matters Outstanding

23rd March 2021

Audit of Financial Statements 2019/20

Annual Review of Licensing Activity

Minor Constitutional Changes

Annual Review of the Scheme of Delegation to Officers

Work Programme & Matters Outstanding

(Draft Minutes from Sub-Committee meetings are received for information at each meeting.)

PENSIONS INVESTMENT SUB-COMMITTEE

Minutes of the meeting held at 7.00 pm on 13 February 2020

Present:

Councillor Keith Onslow (Chairman)
Councillor Gareth Allatt (Vice-Chairman)
Councillors Simon Fawthrop, Simon Jeal, David Jefferys,
Christopher Marlow and Gary Stevens

Also Present:

John Arthur, MJ Hudson Allenbridge

64 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

There were no apologies for absence.

65 DECLARATIONS OF INTEREST

There were no declarations of interest.

66 QUESTIONS FROM MEMBERS OF THE PUBLIC

No questions had been received.

67 MINUTES OF THE SPECIAL MEETING HELD ON 30TH JANUARY 2020

The minutes of the meeting on 30th January 2020 were not yet available.

68 PENSION FUND PERFORMANCE Q3 2019/20 Report FSD20027

The Sub-Committee received a summary of investment performance of Bromley's pension Fund for the third quarter of 2019/20. A separate report from MJ Hudson Allenbridge was included at appendix 5 to the report.

RESOLVED that the report be noted.

69 PENSION FUND INVESTMENT STRATEGY STATEMENT

Report FSD20028

The Sub-Committee considered the proposed new Investment Strategy Statement (ISS) for the Pension Fund under the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, and a

revised Funding Strategy Statement (FSS) to reflect the outcome of the 2019 actuarial valuation.

Members discussed and made comments and suggestions on a number of issues covered in the documents, including risk assessment and the London CIV. In particular, Councillor Simon Jeal proposed adding "...however in exceptional circumstances..." in section 6 (e), but Members considered that the text was carefully drafted and should remain as written. The Director of Finance offered to circulate the proposed changes to Sub-Committee Members before the final changes were made.

Councillor Simon Fawthrop asked to be provided with a list of admitted bodies that were in deficit, and the amount of deficit.

RESOLVED that

- (1) The Investment Strategy Statement at Appendix 1 be approved.**
- (2) The Funding Strategy Statement at Appendix 2 be approved.**
- (3) Any final changes to these documents be undertaken by the Director of Finance with the agreement of the Chairman and Vice-Chairman.**

**70 PENSION FUND ASSET ALLOCATION STRATEGY REVIEW -
FOLLOW UP REPORT**
Report FSD20029

At the Sub-Committee's previous meeting it was agreed that more information on options for investing in international property should be sought from Fidelity and Mercers for the remaining 5% of the fund that was unallocated. Although Mercer had provided a briefing which had been circulated, Fidelity were not able to assist. John Arthur had therefore arranged for an external fund manager, Christoph Butz of Franklin Templeton Investments, to attend the meeting.

Mr Butz distributed a brochure summarising his presentation. He began by emphasising that with property there was a low correlation to traditional assets, and pricing was very varied and specific, with no two assets the same. This led to opportunities particularly for capital appreciation, even in adverse markets. With local real estate markets moving independently there was also natural diversification. There was a balance of risk to return, from core assets, to core plus, value added and opportunistic. Typically, core plus or value added assets might have one or more problems – it was important to identify the problems that could be overcome. A pipeline of assets needed to be established, buying property from owners who were not able or willing to invest. By identifying property where the quality and quantity of cash-flow could be improved it was possible to reduce exposure to market forces.

Mr Butz answered questions from the Sub-Committee. He commented that there was no clear and substantial difference between core plus and value-

added assets, and Franklin Templeton targeted both. He described the process of selecting assets in some detail - typically, about 600 transactions might be considered initially, but only 10-15 would be carried through. It was important to focus on value, carry out due diligence and avoid assets that you did not understand. Franklin Templeton used an active risk management tool through the entire investment process. There was no pre-set fund limit, and investment was typically over a ten year period. The strategy had to be flexible enough to exploit a range of opportunities. It was based on buying assets where the purchase price could be improved on by 20-30% before the asset was recycled. In response to further questions, Mr Butz stated that while the macro position was important, much of the focus had to be on bottom-up consideration of individual assets that could be improved. Strategy had to be more than doing what worked in the past.

The chairman thanked Mr Butz for his very clear and helpful presentation.

When Mr Butz had left the meeting Members continued to discuss what approach the Council should take. Members considered that it was important to see a range of potential fund managers – this procurement had to be based on finding the right team which was both stable and dynamic, and with global resources and expertise. It could not be decided just on numbers.

John Arthur left the meeting while the Sub-Committee briefly moved into part 2 to discuss the procurement route.

RESOLVED that

- (1) The report and the presentation from Franklin Templeton be noted.**
- (2) Final changes to the asset allocation strategy be agreed.**
- (3) Procurement of an investment manager for international property be conducted by MJ Hudson Allenbridge.**

**71 LONDON COLLECTIVE INVESTMENT VEHICLE (CIV) -
PENSION GUARANTEE AND PENSION RECHARGE
ARRANGEMENTS**
Report FSD20030

The Sub-committee received a report seeking formal agreement to sign the London Collective Investment Vehicle (VIV) Pension Guarantee and Pension Recharge Agreements, having considered the legal advice provided in the part 2 agenda.

RESOLVED that

- (1) The content of the report be noted, including the advice from the Director of Corporate Services to ensure that robust safeguards are in place in finalising the guarantee and recharge agreements.**

(2) It is agreed that the guarantee and recharge agreements be signed on the basis that the LGPS scheme is closed to new starters and remains closed.

72 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**

73 LONDON COLLECTIVE INVESTMENT VEHICLE (CIV) - PENSION GUARANTEE AND PENSION RECHARGE ARRANGEMENTS - APPENDIX C

The Sub-Committee gave formal agreement to signing of the London Collective Investment Vehicle (CIV) Pension Guarantee and Pension Recharge Agreements.

74 UPDATES FROM THE CHAIRMAN AND/OR DIRECTOR OF FINANCE ON ANY EXEMPT MATTERS

The Sub-Committee received an update from the Chairman.

The Meeting ended at 9.54 pm.

Chairman

PENSIONS INVESTMENT SUB-COMMITTEE

Minutes of the virtual meeting held at 6.00 pm on 28 July 2020

Present:

Councillor Keith Onslow (Chairman)
Councillor Gareth Allatt (Vice-Chairman)
Councillors Simon Fawthrop, Simon Jeal, David Jefferys,
Christopher Marlow and Gary Stevens

Also Present:

John Arthur, MJ Hudson Allenbridge

76 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

There were no apologies for absence.

77 DECLARATIONS OF INTEREST

Councillor Keith Onslow declared that his son was employed by Fidelity but had no involvement with the Bromley Pension Account.

78 QUESTIONS BY MEMBERS OF THE PUBLIC ATTENDING THE MEETING

Four questions had been received from members of the public – the written replies provided are attached as Appendix A.

79 CONFIRMATION OF MINUTES OF THE MEETING HELD ON 13 FEBRUARY 2020, EXCLUDING THOSE CONTAINING EXEMPT INFORMATION

The Democratic Services Manager apologised to the Sub-Committee that the minutes from the meeting held on 13th February 2020 were not yet available.

80 UPDATES FROM THE CHAIRMAN/DIRECTOR OF FINANCE/PENSIONS INVESTMENT ADVISOR

The Director of Finance reported on the McCloud judgement, an age discrimination case raised by the unions regarding changes to the Pension Scheme in 2014 which benefitted scheme members nearing retirement age. This would add some cost to the Pension Fund, although the Actuary had taken the impact of the judgement into account. The judgement was retrospective, and the current contractual arrangement with Liberata did not allow for the required changes to be made. He would report back to a future meeting to cover the resource implications.

The Chairman explained that he had asked for fund manager visits to be deferred until December, but he hoped that the Sub-Committee would be able to hold a real meeting in September. Cllr Jeal understood the need to postpone fund manager visits, but asked whether questions could still be asked about their reports. The Chairman suggested that questions be put through Mr Turner and copied to all members of the Sub-Committee.

The Chairman reported that the London CIV had held its AGM – the Director of Finance stated that papers for the CIV meetings could be circulated to Sub-Committee members. Cost transparency was an issue that had been raised frequently; there was a London CIV workshop on 7th August and an independent working group had been established to look at the matter. The Chairman was interested to know what the net savings from pooling were – he had asked John Arthur to give a presentation on this in September, and Mr Arthur offered to try to provide performance tables for the funds. There were two particular areas of concern with the CIV where progress had been made – one was the defined benefit pension scheme for its staff, and agreement had been reached with all 32 boroughs on closing this to new entrants; the other was the change of business permissions, where agreement had been reached that authorities wanting additional services from the CIV would have to pay for them.

The Chairman thanked Mr Turner and his Finance Team and Mr Arthur for their continued briefing of himself and the Vice-Chairman, and Cllr Fawthrop thanked the Chairman and Vice-Chairman for their remarkable achievements in affecting the work of the London CIV.

81 PENSION FUND PERFORMANCE Q1 2020/21
Report FSD200

The Sub-Committee received a summary of the investment performance of Bromley's Pension Fund in the first quarter of 2020/1 including a report from the external advisor, MJ Hudson Allenbridge. The report also contained information on general financial and membership trends of the Pension Fund and summarised information on early retirements. The Chairman was pleased to note that the Fund had risen to a total value of £1.171bn.

Mr Arthur briefed the Sub-Committee on the report, emphasising that performance had been strong, with an increase of 17.7% over the quarter, driven in particular by Baillie Gifford. The situation remained very volatile, with the likelihood of a further wave of the pandemic and the United States presidential election. The Fund was over-weighted towards equities at 66.6%, rather than the 60% in the asset allocation strategy. He recommended a re-balancing towards around 63%, which the Sub-Committee supported. The position on cash-flow was noted and would continue to be monitored.

The report included a part 2 appendix on International Real Estate Manager selection. John Arthur stated that, despite the changes accelerated by Covid-19 to the office and retail sectors, this was still a good time to invest in

international property through an adept investment manager looking to add value to particular properties. He also wanted to see greater diversification in the Fund. These funds ran on a limited lifecycle of roughly ten years, and there were limited timeframes for investing. The issue of honing the terms of reference further in view of the events of the last six months was raised, but it was considered that it was important that the process remained outcome focussed and the fund managers should have flexibility.

Members agreed that the decision made earlier in the year to diversify into international property was sound, and wanted to proceed with the selection process for a fund manager in September. The chairman suggested that this should be done in a physical meeting if possible.

Members considered the Council's fixed interest mandate, which as at the end of June was 13% of the Fund. The recommendation from MJ Hudson, which Members supported, was to move UK Government Gilts to UK Investment Grade Credit by switching both the current mandates into the Fidelity Sterling Corporate Bond Fund.

RESOLVED that

- (1) The contents of the report be noted.**
- (2) The latest cash-flow position and that the situation will continue to be closely monitored as outlined in the MJ Hudson report be noted.**
- (3) No action be taken on the recommendation to consider currency hedging to cover a value of up to 50% for the fund's global equities, as outlined in the MJ Hudson report.**
- (4) In relation to the weighting of asset classes, 3.5% of the Fund (approximately £40m) be switched from Global equities to Multi-Asset Income, as recommended in the MJ Hudson report.**
- (5) The latest shortlist for the international property procurement be noted, and it is agreed that the final selection will take place at the meeting in September as outlined in Appendix 6 on the Part 2 agenda.**
- (6) The Baillie Gifford fixed interest fund is transferred to the Fidelity Sterling Corporate Bond Fund.**

82 PENSION FUND DRAFT ANNUAL REPORT 2019/20
Report FSD20054

The Sub-Committee received the draft annual report and accounts of the Bromley Pension Fund for the year ended 31st March 2020 which the Council was required to publish under the Local Government Pension Scheme Regulations 2013. In accordance with the regulations, the annual report included a number of stand-alone documents that required the approval of the Sub-Committee (the Governance Policy Statement, the Funding Strategy

Statement, the Investment Strategy Statement and the Communications Policy Statement). The draft annual report (attached to the report at Appendix 1) was subject to audit by the Fund's external auditor, Ernst & Young LLP. In accordance with the regulations, the Council would publish the final Annual Report on its website by 1st December 2020.

RESOLVED that

(1) The draft Pension Fund Annual Report 2019/20 be noted and approved.

(2) The Governance Policy Statement, Funding Strategy Statement, Investment Strategy Statement and Communications Policy Statement, as outlined in paragraph 3.2 of the report, be approved.

(3) It is noted that the final Pension Fund Annual Report 2019/20 will be reported to this Sub-Committee on 15th September 2020 following conclusion of the audit.

(4) Arrangements be made to ensure publication by the statutory deadline of 1st December 2020.

83 PENSION FUND RISK REGISTER
Report FSD20056

The Pension Fund Risk Register covered those risks which impacted on the ability to deliver its priorities and objectives. The Sub-Committee received a report which set out the risks and the actions taken to control them.

RESOLVED that the current Pension Fund Risk Register and the existing controls in place to mitigate risks be noted.

The Meeting ended at 8.17 pm

Chairman

PENSIONS INVESTMENT SUB-COMMITTEE

28TH JULY 2020

QUESTIONS FROM MEMBERS OF THE PUBLIC FOR WRITTEN REPLY

(1) From Gill Slater

(7) Pension Fund Annual Report 2019/20

ISS (e) outlines the approach to ESG considerations. DWP (PCRIG) have produced a draft guide for trustees of occupational pensions schemes on the risks and opportunities associated with climate change (welcomed by the Pensions Regulator, March 2020). When will the committee revisit its processes in line with the guide to embed climate-risk considerations into governance, risk management and strategy?

Reply:

The Fund's primary aim and fiduciary responsibility is to secure the payment of member pensions both now and into the future. The Fund's strong funding basis and performance against its LGPS peer group over the long term are testimony to the Sub-Committee's focus on this.

The Sub-Committee believes in investing over the long term with asset managers who are research driven and build high conviction portfolios rather than rely on replicating market indices. It is because of this research driven, active and long-term investment approach that the Fund's asset managers have to imbed Environmental, Social and Governance (ESG) issues, including climate risks, into their fundamental research process. The Sub-Committee and its Adviser meet with the Fund's asset managers on a regular basis to discuss these issues.

The Sub-Committee recognises the increased emphasis that the DWP and the Pensions Regulator are placing on climate change and will continue to engage with their asset managers on these issues going forward.

(2) From Sheila Grace

(7) Pension Fund Annual Report 2019/20 & (9) Pension Fund Risk Register

Whilst scientific evidence connects fossil fuels with climate change, the report and register omit any reference to climate change / fossil fuels. With the government being advised to take active steps to prepare for an increase of 4 degrees, does the committee understand what a 4 degree increase will mean for humanity and does it consider its pensions investments have any role to play in reducing these impacts?

Reply:

The Sub-Committee recognises the importance of climate change and believes that Pension Funds can play a role in encouraging change in corporate behaviour to help mitigate these risks. As noted in the previous response, the Sub-Committee believes that by investing in actively managed portfolios driven by fundamental research and invested for the long term, it is best placed to imbed these issues into its investments.

(3) From Sheila Grace

(7) Pension Fund Annual Report 2019/20

It is stated that the fund has appointed asset managers who explicitly consider ESG issues in their research (page 98). But the report does not include how asset managers invest or divest from funds with material ESG issues. Investments in environmentally harmful funds which include fossil fuels and factory farming are proving to be a greater risk as well as impacting negatively on climate and biodiversity. How is this compatible with the Fund's fiduciary responsibility?

Reply:

The Sub-Committee expects its asset managers to research and understand the environmental impact of each of the investments they make on behalf of the Fund. Because of this it does not believe in excluding specific companies from investment but for its asset managers to work with the companies they are invested in to improve the ESG profile of the Fund. It is occasionally those companies which are most challenged by issues such as climate change and are making serious efforts to tackle those challenges, which, by changing their behaviour, can have the biggest impact and through this change, become a highly profitable investment for the Fund.

(4) From Gill Slater

(6) Pension Fund Performance Q1 2020/21

The report indicates a fall in the rankings for the past 4 years & significantly in 2019/20. Appendix 5 notes the impact of COVID 19 and what it refers to as 'the seeds of the next crisis' (rising inflation, lower spending & slow growth) but completely ignores the looming climate crisis other than a single passing reference to the future of fossil fuels in respect of the US election. Does the committee know which of its funds involve fossil fuel investments and the extent of that investment and can that be communicated in simple terms for fund members to understand?

Reply:

The Sub-Committee is aware of which of its asset managers have investments in fossil fuel companies and will ask its Adviser to include this information in the next quarterly report.

PENSIONS INVESTMENT SUB-COMMITTEE

Minutes of the special meeting held at 6.00pm on 15 September 2020

Present:

Councillor Keith Onslow (Chairman)
Councillor Gareth Allatt (Vice-Chairman)
Councillors Simon Fawthrop, Simon Jeal, David Jefferys,
Christopher Marlow and Gary Stevens

84 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

There were no apologies for absence. Councillors Simon Fawthrop, Simon Jeal, David Jefferys and Gary Stevens joined the meeting by phone line.

85 DECLARATIONS OF INTEREST

There were no declarations of interest.

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

RESOLVED that the Press and public be excluded during consideration of the item of business 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**

87 INTERNATIONAL PROPERTY FUND MANAGER SELECTION

The Sub-Committee received a summary of the tender process for the appointment of International Property fund managers, and received presentations from the three shortlisted fund managers. The Sub-Committee agreed the appointment of a fund manager.

The Meeting ended at 9.35pm.

Chairman

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PENSIONS INVESTMENT SUB-COMMITTEE

Minutes of the meeting held at 6.00 pm on 1 December 2020

Present:

Councillor Keith Onslow (Chairman)
Councillor Gareth Allatt (Vice-Chairman)
Councillors Simon Fawthrop, Simon Jeal, David Jefferys,
Christopher Marlow and Gary Stevens

Also Present:

John Arthur, MJ Hudson Allenbridge

88 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

All Members were present – there were no apologies for absence.

89 DECLARATIONS OF INTEREST

There were no declarations of interest.

90 CONFIRMATION OF MINUTES OF THE MEETINGS HELD ON 13 FEBRUARY, 28 JULY AND 15 SEPTEMBER 2020, EXCLUDING THOSE CONTAINING EXEMPT INFORMATION

RESOLVED that the minutes of the meetings held on 13th February, 28th July and 15th September 2020 (excluding exempt information) be confirmed.

91 QUESTIONS BY MEMBERS OF THE PUBLIC

One question had been received from Gill Slater regarding agenda items 3 – (Minutes) and 7 (Pension Fund Performance - Appendix 5) -

As offered by the Sub-Committee on 28th July 2020, can the Advisor provide information as to which of the funds involve fossil fuel investments and the extent of that investment? (This information is not apparent from the report in Appendix 5.)

The Sub-Committee noted that the Pensions Advisor had provided a Fossil Fuels Report which had been published with the agenda papers.

92 LONDON CIV

The Chairman welcomed Brian Lee (Chief Operating Officer), Jason Fletcher (Chief Investment Officer), Cameron McMullen (Client Relations Director), and

Stephanie Aymes (Client Relations Manager) from the London CIV to the meeting. Jason Fletcher, led the Sub-Committee through a presentation on the CIV, beginning by stating that although Bromley had no investments with the CIV it was a valued member and they hoped Bromley would be more involved in the future. Pooling was set up to deliver improved performance, provide a broader range of investment opportunities, deliver cost savings to clients and provide transparent reporting and oversight. He also covered the funding model, the latest staff appointments, procurement of an investment tool to select and monitor fund managers and the development of an investment governance document which would be shared soon with all client funds and advisors.

The CIV was aiming to add value across the investment lifecycle – Design, Select, Manage, Sell. He highlighted manager selection, manager monitoring, fund monitoring and key turning points in the markets. The CIV had fifteen funds; eight were equities funds while the other were global markets funds. Since inception, the average fund had out-performed their benchmarks – the best performer was the Baillie Gifford Global Alpha Growth Fund which Bromley was also invested in. This had thirteen investors, and there were discussions with Baillie Gifford and investors about making the fund more Paris-aligned. It was possible that two streams could be set up within the fund, if there was demand for different approaches. All reports on funds were available on the client portal. There were plans to launch three new funds over the next four months, and a further two in the next six months.

In response to questions from Cllr Stevens, Mr Fletcher confirmed that the CIV was neutral on Paris-aligned funds, but was responding to client demand and to the issue being raised by Baillie Gifford. Mr Fletcher also gave further details about the staffing of his team – he had filled two posts since joining, expected to recruit to two new roles in the new financial year and was keen to convert contractors to permanent employees and reduce key-person risk. Mr Lee confirmed that the staffing position was stable and recruitment was in line with budget plans.

Councillor Jefferys asked about the CIV's vision for five to ten years ahead, and how the CIV viewed clients with a more passive attitude to investment. Mr Fletcher responded that he intended to launch more alternatives and that although he preferred to take an active approach the CIV would be providing for all its investors.

Cllr Fawthrop asked whether the CIV was subject to Freedom of Information regulations, particularly in respect of the agreements behind the setting up of the CIV. Mr Lee confirmed that the CIV was subject to Freedom of Information regulations. Mr Fletcher stated that he was fully committed to transparency particularly around costs. Cllr Fawthrop queried whether funds were really performing well, but Mr Fletcher stated that this was on a pound for pound basis and the majority of the funds had out-performed their benchmark as well, particularly the larger funds. Cllr Fawthrop suggested that the funds ported in appeared to be doing well, whereas funds set up by the CIV were not performing so well. Cameron McMullen added that the CIV was working in

collaboration and through seed investment groups. He also emphasised that a range of policies were available to client funds and investors through the portal.

Cllr Jeal asked about managing the demands of Councils as both shareholders and clients, whether there were measures in place to maintain scale to deliver savings as more funds were added and assets spread more widely, and whether the CIV model could sit alongside what Bromley already did in terms of receiving regular monitoring reports, scrutinising fund managers and selecting new fund managers. Mr Lee responded that the CIV had strong governance processes with quarterly shareholder committees and two additional meetings each year that were not investment focussed, maintaining the separate roles of investors and shareholders. Mr Fletcher explained that the smaller funds with less economies of scale were in private markets where there were great opportunities. He accepted that all pools were struggling with reporting, but the CIV would work closely with fund managers to make reports useful. The CIV was hoping to bring fund managers in similar areas together to speak against each other, and all clients would have access to these sessions. The aim was to give more access to more managers. Mr McMullen clarified that where the Sub-Committee interviewed a fund manager there would need to be a CIV representative present to deal with issues such as fees. Cllr Fawthrop suggested that there had to be a cost involved for the CIV in attending, which ultimately would be passed to clients – CIV representatives stated that this would not be a separate invoice but would be borne within the overall fees. Cllr Jeal also asked whether the opportunity to take money out of an investment through the CIV would apply to all investments. Mr Lee stated that this was correct, and was set out in the prospectus - the Council could redeem in cash or in specie.

The Director of Finance asked about the timeframes that might be involved in the termination of a fund, and what factors, apart from performance, would be considered - for example if differing approaches to Paris/ESG issues led to a fund manager being removed that Bromley wanted to retain, could Bromley's investment stay within the CIV or would there be additional transfer costs for Bromley to take it back? Mr Fletcher responded that historically, funds might be on enhanced monitoring for up to six months as a means of trying to guide them back to good performance. Where there were more drastic events then action might need to be taken much more quickly. As well as performance, a number of issues were taken into account and RAG rated, including strategy and demand, resources, risk management, responsible investment, compliance, operational issues and transparency. Cost transparency mattered, and making use of cost information.

The presentation continued in part 2.

93 PENSION FUND PERFORMANCE Q2
Report FSD20090

The Sub-Committee received a summary of the investment performance of Bromley's Pension Fund in the 2nd quarter of 2020/21. More detail on

investment performance was provided in a separate report from the Fund's external adviser, MJ Hudson Allenbridge (Appendix 5 to the report). The report also contained information on general financial and membership trends of the Pension Fund and summarised information on early retirements. An additional Fossil Fuel Report appendix was circulated from the Investment Advisor.

John Arthur of MJ Hudson Allenbridge introduced the report and confirmed that the fund was performing well, with returns at 9% per annum over the last 23 years, which was above inflation and actuarial expectations. All the managers were performing as expected, with Baillie Gifford driving much of the out-performance. During the quarter, £40m had been removed from Baillie Gifford and re-invested into Multi-Asset Investment Funds – it was important to keep the portfolio balanced.

The Chairman referred to the additional liabilities resulting from the McCloud judgement and the information on cost transparency in the report. He reminded Members that it was important to challenge very good performance as well as poor performance, and Baillie Gifford would be invited to attend the next meeting as the normal round of updates was resumed.

Responding to a question about the prospects for the UK Property Fund, Mr Arthur commented that there appeared to be a change in what tenants required from their property, particularly from office space. Offices were likely to be less densely occupied with more space for meetings and the interaction that would support innovation. The old definitions of prime and sub-prime would have to be challenged and property managers would have to adapt to this in the office sector as well as in retail. The Fidelity UK Property Fund was well-placed, but at a point of high risk. There was a good selection of properties with little exposure to retail, including no Debenhams or Arcadia properties. Across the industry, retailers were paying about 50% of rents at present, but Fidelity were receiving about 93% of rent against an expected 98%. Four properties were being refurbished, which should allow them to take advantage of current trends and drive good returns once new tenants were found.

In terms of the general outlook, Mr Arthur saw continuing conflict and gridlock in the US system, and a rocky start to 2021 given the impact of Covid-19, but he expected a strong recovery, leading to a reversion to a low-growth, low inflation regime. A significant rise in inflation was a relatively low probability over the next three to four years, but if it did happen this would undermine both fixed interest and equity portfolios. Inflation above 3.5-4% could see a fall of 20-30% in fixed interest and a 20% fall in equities. How the industry dealt with spending on climate change was also a major issue. The fund should not be complacent, but should continue to monitor inflation and challenge itself and re-balance where necessary.

The Chairman suggested that, in the light of the current position, the three-year cycle of reviewing asset allocation might have to be re-visited. He also noted that the cash-flow position was on target.

RESOLVED that the report be noted.

94 PENSIONS ADMINISTRATION
Report FSD20093

The Sub-Committee considered a report providing information on the forthcoming changes to the Local Government Pension Scheme and how these would impact on the Pension Fund's administration, which was split between Liberata and in-house officers. The issues to be addressed included a number of new regulatory requirements and the impact of the McCloud judgement and the £95k cost cap. The report also covered the proposed member self-service portal (which would be reported to Members in the new year) and issues such as improving data governance. The result of these issues was that additional resources were required for pensions administration.

The Chairman agreed that, in view of the large number of issues, resources needed to be considered very carefully. He confirmed that any additional resources would have to be found from within the Pension Fund, and not the Council's General Fund.

Councillor Fawthrop stated that he was not convinced that additional resources were needed - the risks were not identified, the scope of the additional work was not set out and there were no targets. He felt that there were other solutions that did not involve employing more people. The Vice-Chairman argued strongly that more resources were needed in the Finance Team; other Members were also convinced of the need for more resources, but sought additional details including whether the additional resources were needed for one-off projects or ongoing work, and how additional costs from Liberata could be limited and benchmarked.

The Director of Finance confirmed that the McCloud judgement in particular resulted in additional complication which led to greater risk – this was both retrospective and on-going. There would continue to be rigour in terms of ensuring that the Liberata contract offered value for money for Bromley.

The Sub-Committee agreed to cover the cost aspects of the report further in part 2.

RESOLVED that

(1) The ongoing and proposed changes to the Local Government Pension Scheme and the impact that these changes will have on fund administration at the Council be noted.

(2) The updated assessment of resourcing needs for pension administration, including the changes outlined for the outsourced (Liberata) and client-side (Council) arrangements be noted.

(3) It is agreed that the Director of Finance will discuss the finalised resource requirements with the Sub-Committee Chairman and Vice-Chairman, with the outcome reported to the Sub-Committee, and subject to a cost limit being agreed in part 2.

(4) The Council's proposed approach concerning the implementation of the £95k Exit Cap be noted.

95 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**

96 CONFIRMATION OF EXEMPT MINUTES - 13 FEBRUARY AND 15 SEPTEMBER 2020

The exempt minutes from the meetings held on 13th February and 15th September 2020 were confirmed.

97 LONDON CIV (PART 2)

The Sub-Committee continued their presentation from London CIV representatives.

98 PENSIONS ADMINISTRATION

The Sub-Committee continued its consideration of pensions administration.

99 TERMINATION POLICY - MINIMUM RISK BASIS

The Sub-Committee approved changes to the Council's Termination Policy.

The Meeting ended at 9.53 pm

Chairman

AUDIT SUB-COMMITTEE

Minutes of the virtual meeting held at 6.30 pm on 3 November 2020

Present:

Councillor Neil Reddin FCCA (Chairman)
Councillor Robert Evans (Vice-Chairman)
Councillors Gareth Allatt, Ian Dunn, Keith Onslow and
Tony Owen

Also Present:

Janet Dawson from Ernst & Young

49 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillor Stephen Wells.

50 DECLARATIONS OF INTEREST

Councillor Robert Evans declared an interest as a Governor of Saint Olave's School.

51 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 15th JULY 2020--EXCLUDING THOSE CONTAINING EXEMPT INFORMATION

The minutes of the meeting that took place on the 15th of July 2020 (excluding exempt information), were noted and agreed as an accurate record.

52 QUESTIONS TO THE AUDIT SUB COMMITTEE

No questions were received.

53 QUESTIONS ON THE AUDIT REPORTS PUBLISHED ON THE COUNCIL WEBSITE

No questions had been received concerning the internal audit reports that had been published on the Council website.

54 ANNUAL AUDIT LETTER

Janet Dawson from Ernst & Young attended the meeting to provide the update regarding the Annual Audit Letter from the external auditors.

The Committee noted that the Council's external auditors were required to issue an annual audit letter to the Council following completion of their audit procedures for the year ended the 31st of March 2019.

Ms Dawson referred to Ernst and Young's Annual Audit Letter and the relevant key points contained therein and explained that this related to the audit undertaken for year ending 31st of March 2019. The letter outlined the work that had been undertaken and the key points and issues raised. The main findings of the audit had been reported back to the General Purposes & Licencing Committee .

The Chairman referred to page 22 of the agenda which was Ernst and Young's executive summary. This highlighted issues that could impact on Ernst & Young's risk assessment--being defined as 'disclosures on going concern.' The commentary indicated that financial plans for 2020/21 and medium-term financial plans would need revision because of the impact of COVID-19. Ernst and Young considered that the unpredictability of the current environment could give rise to a risk that the Council would not appropriately disclose the key factors relating to 'going concern'. The Chairman asked for more clarity on what this meant. Ms Dawson explained that Ernst & Young were reporting on the accounts ending in March 2019, but approval for those accounts was not signed off until August 2020. Ms Dawson said that as the accounts had been signed off late, then they had to note a possible impact that Covid 19 may have had on the Council's accounts and financial position.

The Chairman enquired, (with respect to the matter of 'going concern'), if Ernst & Young would treat the Council differently from a private sector company, as the Council may have access to funds that would not be available to a private company. Ms Dawson responded that the requirements for auditors were set out in the International Auditing Standards—they applied equally to the Council as they would to a corporate entity. The Government had issued guidance known as 'practice note 10' which outlined the fact that councils should be treated as going concerns unless there were any planned legislative changes that could alter that position by ceasing the existence of a Council within the next 12 months.

Ms Dawson stated that the auditors were obligated to examine a council's financial resilience and cash flow position to assess if they were still able to undertake the various services that they were expected to undertake. The auditors also had to satisfy themselves that councils had sufficient financial resilience and cash flow to satisfy and fulfil their various financial obligations without having to borrow money or take out any loans.

The Vice Chairman referred to the problems highlighted by E&Y with the valuation of Strategic Property. He asked Ms Dawson what the situation was regarding the valuations undertaken in the previous audit by KPMG.

Ms Dawson answered that she did not know in any detail, but confirmed that E&Y had reviewed their files to understand the levels of assurance that had been noted. When E&Y looked at the information that had been supplied to

support the valuations, then it became clear that the valuations were not sufficiently robust.

The Vice Chairman referred to page 37 of the agenda documents which was the section relating to value for money. He highlighted the statement that had been made by Ernst and Young in the report, which said that E&Y were unable to conclude whether the council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending the 31st of March 2019, until they had concluded their work on the objection to the financial statements.

The Vice Chairman pointed out that the objections raised were a relatively small part of the Council's operation and he asked why Ernst & Young (on that basis), could not offer a qualified statement. He asked for an update on the current position. Ms Dawson explained that objections had been received for 16/17 and 17/18 which were being dealt with by the previous auditor. E&Y had received objections for 18/19. E&Y needed information from KPMG to assess whether there was any particular governance or management information issue that may need dealing with. It was therefore difficult for E&Y to give assurance with respect to value for money until the response from KPMG had been received. The fact that KPMG had not concluded their audit was now holding up the audit work of Ernst and Young. Ernst and Young did not wish to duplicate any work that had already been undertaken by KPMG.

The Vice Chairman raised the issue of whether or not there would be an additional fee for extra work that had been undertaken or would need to be undertaken with respect to dealing with the objections. Ms Dawson answered in the affirmative and explained that additional fees were normally applicable to councils across the board when extra work was required to deal with objections; this would be agreed by the PSAA (Public Sector Audit Appointments) if this could not be agreed by the Council and the Auditor.

A Member enquired about the mention in the report concerning an upgrade to the Council's financial system that was being considered. He asked Ms Dawson if she was confident that Bromley would have this in place by March 2022. Ms Dawson responded that this would be a question better directed to the relevant officers.

The Chairman referred to page 45 of the report which was in respect of the additional fee of £127k. He asked if Ms Dawson could remind the Committee of the correlation between fees and the Council's current financial system. Ms Dawson responded that E&Y had applications which required access to the full suite of data in the general ledger. This data needed to be pulled securely into E&Y's systems. E&Y would then drill down and analyse the data; Ms Dawson said that the Bromley system made this difficult. Resultantly, much manual drilling down and reconciliation was required along with the need to access manual records. This meant it took E & Y longer to access the data than would otherwise be the case.

The Chairman said that he did not think that the particular financial system used by Bromley was bespoke to Bromley, but that it was also used by other local authorities. He inquired if Ernst & Young had experienced similar problems when auditing other local authorities. Ms Dawson answered that the financial system used by the Council had not been updated for several years, and was not in the latest format as used by most other councils. It was for this reason that the Council was aiming to upgrade their financial system by March 2022. The Chairman pointed out that the Bromley financial systems had been the same for several years, and that Ernst and Young would have been aware of this when they quoted originally for the work.

Ms Dawson explained that there was a disconnect in the market, and that both E&Y and the PSAA had been working off incomplete information when the fees were originally agreed.

The Chairman enquired regarding the breakdown of the £127k in fees and asked how much of this was resultant from the extra work undertaken because of the problems with the valuation of strategic property. Ms Dawson confirmed that the extra work caused by the valuation issues had made up a significant proportion of the extra charges, but she was not aware of the precise breakdown on the night—however it was at least 50%. This was a matter that was being discussed with the PSAA and the Director of Finance.

The Head of Audit and Assurance briefed the Committee that the report regarding the new financial system would be going for scrutiny in November, and then to Full Council in December. He was optimistic that the new system would be implemented in a timely fashion.

RESOLVED that the Annual Audit Letter be noted.

55 THE REDMOND REVIEW OF LOCAL AUTHORITY FINANCIAL REPORTING AND EXTERNAL AUDIT

The Head of Audit and Assurance briefed the Committee on the main points of the report on the Redmond Review of Local Authority Financial Reporting and External Audit. The Committee noted that the report set down the results of the Redmond Review and that there were a number of recommendations in the report which may impact on the Council in the future.

The Head of Audit and Assurance explained that the Redmond Review was one of four reviews that had taken place recently, which examined the transparency and efficiency of external audit within the UK. It also examined whether or not external auditors had been properly identifying those local authorities that were in financial difficulties soon enough. It looked at issues like whether or not the current system was fit for purpose and if the public had lost faith in the external audit process.

The Head of Audit and Assurance referred Members to section 9.3 of the Redmond Report which stated that audit work was currently under-resourced and that to address this weakness, a fundamental review of the fee structure

was necessary. The report noted that evidence had suggested that audit fees were at least 25% lower than was required to fulfil current local audit requirements effectively. It was also pointed out in the report that the current deadline of the 31st of July was viewed as being unrealistic--there was a compelling argument to change this date to the 30th September.

Some of the new regulations could be implemented without legislation, except for the recommendation that a new Regulator be established.

The Head of Audit and Assurance explained that with regard to the recommendations in the report, it was expected that the Ministry for Housing Communities and Local Government would need to respond. It was recommended that an annual report from the external auditors should be submitted to Full Council after the 30th of September. A key recommendation that was of interest to the Audit Sub-Committee was the recommendation to consider whether or not one independent member with sufficient training and expertise should sit on local audit committees to aid in support and scrutiny. There was also a recommendation that the Head of Paid Service, the Section 151 Officer and the Monitoring Officer should meet with one of the key partners from external audit on a regular basis.

The report also recommended that a simplified breakdown of costs and services statement should be made available to the public, and that this should be subject to audit. The intention was that this would be trialled next year without being audited, and then the following year it would be published in a similar manner to other audited statements.

The Head of Audit and Assurance asked the Committee how they would like to progress the issue regarding recruiting an independent member to the sub-committee.

The Chairman asked the Head of Audit and Assurance if the extended deadline for the publication of accounts could result in reduced audit fees. The Head of Audit and Assurance responded by saying that the increased time scale allowed for the final publication of the accounts would help in terms of the competition for specialised resources and expertise by the external auditors and having more time would make things more easily achievable.

A discussion took place amongst the Committee regarding the possible merits and demerits of adding an independent member to the Committee. It was noted that a possible advantage to utilising an independent member could be that the person appointed could add experience that may be lacking and could fill a skills gap. An idea that was suggested was that the Council look at other local authorities to see how they were dealing with this matter. One of the issues that would need to be decided would be whether or not the independent member would be paid.

A Member expressed the view that a similar process had taken place with the management of the pension fund, where it had been decided to set up the Local Pension Board which (in his view) had not provided any additional value

to the Council. He expressed the view that this process would impose additional bureaucracy and expense upon the Council, and therefore he opposed the introduction of an independent member.

Another member similarly opposed the introduction of an independent member and remarked that he would definitely need to be paid and would probably need to be a qualified accountant.

The Vice Chairman enquired regarding the status of the recommendations, on whether or not they would require parliamentary approval. The Head of Audit and Assurance stated that a response would be provided in due course from the commissioning minister, and this would provide clear direction going forward. It was the case that the proposal to set up the new body which was the Office of Local Audit would require statutory approval. The adoption of an independent member would not require statutory approval.

The Head of Audit and Assurance pointed out that Bromley's Audit Sub-Committee already had many experienced individuals that were Committee members. Some council's audit committees did not possess the same level of expertise and so for some of them, the addition of an independent member may be useful. The adoption of an independent member was not compulsory or something that had to be done, it was just something that could be considered. The Vice Chairman suggested that the Committee waited for a response from the Minister.

A Member drew an analogy with what happened with the Local Pension Board and stated that this had been of little value. He had argued that Local Pension Board members should be paid, but this had been rejected by Full Council. He highlighted that it had always been difficult to recruit people to the Local Pension Board, and the fact that it was an unpaid position may have been a contributory factor to this. He was under the impression that the current constitution of the Council could facilitate the adoption of an independent member to the Audit Sub-Committee if required, without any intervention from central government.

With reference to the establishment of the new audit regulatory body, a Member remarked that it would be helpful if at the same time, measures were put in place to limit the length of time taken to deal with auditing the accounts when vexatious objections were in evidence.

The matter of training for Audit Sub Committee Members was discussed, and it was the consensus that this would be a good idea. The Chairman suggested that he liaise with the Head of Audit and Assurance and with the Vice Chairman, to discuss what could be done in terms of providing training for Audit Sub-Committee members.

RESOLVED that:

- 1) The report on the Redmond Review of Local Authority Financial Reporting and External Audit be noted**

- 2) **The Chairman, Vice Chairman and the Head of Audit and Assurance would discuss what could be provided in terms of training for Audit Sub-Committee members.**

56 INTERNAL AUDIT PROGRESS REPORT

The Head of Internal Audit and Assurance explained that in the first part of the year members of the Audit Team had been seconded because of the Covid pandemic to work in other areas, this included working with the Shielding Team to support vulnerable people. As the number of Covid cases had dropped and restrictions eased, members of the Audit Team had been relieved of these duties, and so the Audit Team had commenced work on the internal audit recovery plan which had been shared with the CLT.

The Audit Team had been undertaking work supporting the processing of business support grants, and later with respect to the test and trace support payment scheme, and variations of support to business as a result of the three-tier coronavirus alert system. The role of Internal Audit was to advise on controls within the system and to perform assurance work when it was functioning. The Head of Audit and Assurance informed the Committee that two members of the Audit Team had been notified that because of the recent rise in Covid cases, they were being put on notice that it was likely they would be required to return back to resourcing the Covid Support Team. The Chairman and the Committee thanked the members of the Audit Team who had been seconded to Covid Support Work.

The Chairman highlighted Section 3.210 of the report which referred to work on local restriction grant payments that was due to take into effect, if and when the borough went into 'Tier 3'. The Chairman mentioned that because Bromley had now moved from 'Tier 3' into more of a full lockdown, would those services now be triggered. The Head of Audit and Assurance responded that the Audit Team were waiting for new guidance which was expected over the next few days.

A Member commented that he had been in contact with the Director of Finance to ask about fraud related to Covid business grants. The Member felt it necessary to draw the Committee's attention to the associated response from the Director of Finance, which was dated, 12th of October 2020. It was noted in the response that 3500 payments had been made and only seven of those were cases involving possible fraud which needed further investigation. This number was very low. It was the case that because of controls introduced by the Head of Audit and Assurance and his team, these controls were now recognised nationally as examples of best practice.

The Member had also been in contact with the Portfolio Holder for Resources and Contracts who commented that those councils that had initially been applauded in Parliament for the rapid distribution of money were now having to claw back money that had been paid in error. The Committee expressed their thanks to the Audit Team for their sterling work in this area, and for the

fact that the work was of such high quality that it had been recognised nationally.

The Head of Audit and Assurance stated that before he took up his position within the authority, much attention had been directed towards **contract governance and documentation**. He was pleased to note the positive changes that had been embedded within the organisation. Contracts had been signed and sealed, company guarantees, indemnities and performance bonds were retained securely and were current. Five recommendations had been made which were aimed at improving the control framework. One of the recommendations was to ensure that contractors had the correct type and level of insurance in place. A Member asked if departments referred contracts to the Insurance Officer at an early stage, to ensure that the correct insurance was in place. The Head of Audit and Assurance pointed out that it was clearly stated on contracts what the requirement was in terms of insurance obligations and the Procurement Section would flag up any issues or seek advice from the Insurance Officer if required. **The Audit Opinion for Contract Governance and Documentation was 'Reasonable'**.

With respect to the audit of **Debtors**, the Audit Team sought to establish if records were reliable, if separation of duties was evidenced, if debts were raised and coded in a timely manner, and that actions were being taken in line with the Council's debt recovery procedures. Many of these were evidenced, in place and working well, but some recommendations were made to improve the control framework. The Audit Team recommended that management should ensure that they were able to access and produce a report from systems relating to users who were able to access the system. Those who had access to the system should be reviewed on a regular basis to ensure continued appropriateness. It was also recommended that management should undertake a monthly spot check of 5% of write offs to ensure that the relevant details were retained on file. **The Audit Opinion for Debtors was 'Reasonable'**.

The Head of Audit and Assurance updated members on the audit of the **Pension Fund** and it was noted that controls to ensure that the pension fund was compliant with the Regulator's Code of Practice on Government and Administration of the Public Pension Scheme were working well. Also noted was that the sub-committee for Pensions and Investment held regular meetings which were attended by advisors from the Council's appointed pension fund advisors. Reports on fund manager performances were provided to the Council and presented to the quarterly meetings of the Pensions and Investments Sub-Committee. Three recommendations were made to improve the control framework and one of these related to the availability of minutes of the most recent meetings of the Pensions and Investment Sub-Committee, which had been delayed with Democratic Services. **The Audit Opinion for the audit of the pension fund was reasonable.**

Members were updated with respect to the audit of **Street Lighting**. One of the purposes of the audit was to make sure that revised service delivery arrangements were in place because of service delivery targets that could

have been affected by Covid 19. Recommendations were suggested to improve the control environment, which included the fact that the end to end procedure for delivery of the Street Light service should be formally documented, together with a review of the training needs of staff. It was brought to the attention of the Committee that the street lighting jobs were not routinely supported by before and after photographs identifying the asset and its location. It was suggested that consideration should be given to obtaining photographic evidence to support works orders. **The overall audit opinion for Street Lighting was reasonable.**

Members were briefed that the Troubled Families Claim had been signed off by Internal Audit. This was also the case for the Local Transport Revenue Block Funding (Blue Badge New Criteria Implementation) Specific Grant Determination: 2019 to 2020. It was noted that the evidence seen by Internal Audit demonstrated that the grant conditions had been met with respect to the BCF Disabled Facilities Capital Grant.

Members were briefed concerning the follow up of the **Leaving Care** priority one recommendations. Previously, Internal Audit had made six priority one recommendations with respect to Leaving Care after the audit of October 2018. Two of these recommendations had been outstanding for a while. The Head of Audit and Assurance updated the Committee by saying that sample testing had been undertaken by the Audit Team in October 2020. They found that the outstanding recommendations were now being implemented and that therefore all of the priority one recommendations could now be closed.

Members were reminded that previously a priority one recommendation was outstanding with respect to **Strategic Property** and the associated £1m income generation strategy. It was confirmed that the strategic property aspect of the existing contract was being brought back in house, and so now the outstanding recommendation relating to the income generation strategy could be closed.

The Committee received an update concerning the previously outstanding priority one recommendation with respect of **No Recourse to Public Funds**. Previously, this recommendation was related to noncompliance to contract procedure rules to procure accommodation, along with the use of a single housing provider with no contractual arrangements in place; additionally there was no oversight of cost and value for money. The Committee heard that Internal Audit were now satisfied that these issues had been resolved, and that therefore the recommendation could be considered as being fully implemented.

Members were provided with an update regarding the Priority 1 recommendation for **Starters and Leavers**. There were a number of processes that needed to be completed, including the completion of an automated form that went to IT. The idea was that a streamlined process would be in place to deal with the handing in of equipment, passes, and removal from the internal email and telephone system. It was found that previously this process had not been implemented particularly well. The

implementation of a new system had been delayed because of Covid 19. Internal Audit had conducted tests related to members of staff that had left since April. It was found that IT equipment was being returned in a satisfactory manner. However, Internal Audit found that it was still the case that a high number of people nonetheless had an active account. This matter was subsequently discussed at a meeting of the Corporate Leadership Team, and the Chief Executive instructed that Directors be notified when staff left, so that they could ensure that the relevant processes were implemented correctly. The Head of Internal Audit and Assurance informed the Committee that the Priority 1 recommendations could still not yet be closed, as full compliance had not yet been achieved. It was noted that a new IT system was being developed that would hopefully make things more consistent and achieve better compliance. It was noted that the Chief Executive was not happy that this issue had not yet been fully resolved. The Chairman expressed surprise that this matter was still ongoing.

Members also expressed dissatisfaction that the issue had not been resolved, but were pleased to note that the Chief Executive was active in seeking to resolve the matter. A Member raised a concern with respect of security passes; he felt it was worrying that security passes were not being handed in and destroyed when employees left the organisation. He expressed the view that this was a security risk and highlighted the fact that in the light of recent terrorist incidences, the UK threat level from terrorism had been raised, and that public buildings were possible targets.

The Head of Audit and Assurance responded that ideally, old security passes should be handed in and destroyed. However, it was the case that when an employee left the organisation, their security pass was deactivated, so they would no longer be able to use the pass to access the building. The Member responded by pointing out that a person could still try and tailgate someone into the premises by using an old identity card, as well as the fact that the card could be used in the High Street to obtain discount in certain stores. A discussion took place regarding the possible root causes of this problem. A Member suggested that the matter of properly dealing with staff leaving the organisation should be added to a manager's objectives. For the moment the Priority 1 objection would need to remain open.

Members heard that it was previously the case that three Priority 1 recommendations with respect to **Highways Maintenance** needed implementation. One of the recommendations had been evidenced as being implemented, and could now be closed. Measures had been put in place by management to implement the remaining two recommendations, but Internal Audit had not had time to evidence if the new processes had been implemented successfully, so for now the priority one recommendation would remain open.

Members were pleased to note that the priority one recommendation regarding **schools finance** had been implemented and could now be closed.

Regarding the audit of **procurement cards**, it was previously the case that three priority one recommendations were outstanding. It was the intention of internal audit to undertake a fresh audit of procurement cards in the near future and so these recommendations would remain until the new audit was completed.

The Head of Audit and Assurance updated the Committee regarding the audit of Saint Olave's School. It was noted that previously, there were two priority one recommendations outstanding. The school had made some progress in implementing the recommendations. However, Internal Audit were planning to audit the school later in the year and so the recommendations would remain open until then.

Members were updated with respect of **waivers** and it was noted that the number of waivers was higher than usual because of COVID-19. This was because in certain cases tendering was now not feasible. The waiver process was implemented on the basis of contract regulations and the waivers had been authorised by the Director of Finance, the Director of Corporate Services, the relevant departmental director, and in some cases also by the Portfolio Holder.

It was noted that in terms of external audit, the 2018/19 accounts had been signed, been given an unqualified opinion and published on the Bromley Council website. The accounts for 2019 to 2020 had been published on the 30th of June and were now currently being audited.

With respect to VFM (Value for Money) this opinion had not yet been provided until all the work regarding the objections to the accounts had been completed. Regular updates were now being provided by KPMG, and they hoped to finalise the work by the end of November 2020. After this, Ernst and Young would review the work and the opinions that had been put forward by KPMG. Members were glad to hear that no objections had been raised for this year, and so the cycle of objections seemed to have stopped. Members noted that the scale audit fee was originally quoted as £91K, but Ernst & Young had asked for a revised fee of £188K. The Director of Finance had asked for a meeting with the PSAA concerning this.

The Head of Audit and Assurance summarized the main changes that had taken place with respect to the **Financial Regulations 2020** and additionally the **Financial Regulations for Schools 2020**.

A Member expressed concern that the focus of audits undertaken by Internal Audit was the 'protection of cash'. He expressed concern regarding some aspects of the planning process whereby a planning officer could advise a developer and then write the associated planning report. He stated that there should be a separation of duties. It looked like a practice that was not sound. The Head of Audit and Assurance responded that this was a matter that had been looked into and that LBB were complying with relevant guidance. If there were still concerns they could be looked at. The Member replied that the process did not sit well with the public and should be changed. Another

Member stated that he agreed with these sentiments, and that the process should be changed.

RESOLVED that:

1--The Internal Audit Progress Report be noted

2--The list of internal audit reports published on the Council's website be noted

3--The External Audit update be noted

4--The Audit Sub-Committee recommend to the GP&L Committee and the Council, that the revised corporate financial regulations and financial regulations for schools be agreed.

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

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

58 INTERNAL AUDIT FRAUD AND INVESTIGATION REPORT

The Head of Internal Audit and Assurance presented the Internal Audit Fraud, Investigation and Exempt Items Report. This report provided an outline of the Council's counter fraud work that had been undertaken in 2020/21. The report informed the Committee regarding recent activity on fraud and investigations that had taken place across the Council.

The full minutes relating to this are detailed in the Part 2 (confidential) minutes.

The Committee noted the report and made various comments on matters arising.

59 EXEMPT MINUTES OF THE MEETING HELD ON 15th JULY 2020

The Committee noted the exempt minutes of the meeting that had taken place on the 15th of July 2020. The minutes were agreed as a correct record.

The meeting ended at 9.11 pm

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

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