



THE LONDON BOROUGH
www.bromley.gov.uk

BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BR1 3UH

TELEPHONE: 020 8464 3333 CONTACT: Graham Walton
graham.walton@bromley.gov.uk

DIRECT LINE: 0208 461 7743 DATE: 31 January 2022
FAX: 020 8290 0608

To: Members of the

GENERAL PURPOSES AND LICENSING COMMITTEE

Councillor Pauline Tunnicliffe (Chairman)

Councillor Michael Turner (Vice-Chairman)

Councillors Gareth Allatt, Nicholas Bennett MA J.P., Mark Brock, Robert Evans, Kira Gabbert, Colin Hitchins, Josh King, Alexa Michael, Neil Reddin FCCA, Melanie Stevens, Harry Stranger, Ryan Thomson and Stephen Wells

A meeting of the General Purposes and Licensing Committee will be held at Bromley Civic Centre on **TUESDAY 8 FEBRUARY 2022 AT 7.00 PM**

PLEASE NOTE: This meeting will be held in the Council Chamber at the Civic Centre, Stockwell Close, Bromley, BR1 3UH. Members of the public can attend the meeting: you can ask questions submitted in advance (see item 3 on the agenda) or just observe the meeting. There will be limited space for members of the public to attend the meeting – if you wish to attend please contact us, before the day of the meeting if possible, using our web-form:

<https://www.bromley.gov.uk/CouncilMeetingNoticeOfAttendanceForm>

Please be prepared to follow the identified social distancing guidance at the meeting, including wearing a face covering.

TASNIM SHAWKAT
Director of Corporate Services & Governance

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 25 January 2022.

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 2 February 2022.

- 4 CONFIRMATION OF MINUTES OF THE MEETING HELD ON 30 NOVEMBER 2021**
(Pages 3 - 10)
 - 5 DRAFT AUDIT RESULTS REPORT 2019/20 - UPDATE**
(Pages 11 - 70)
 - 6 APPOINTMENT OF THE EXTERNAL AUDITOR**
(Pages 71 - 74)
 - 7 2022/23 PAY AWARD**
(Pages 75 - 88)
 - 8 PAY POLICY STATEMENT 2022/23**
(Pages 89 - 106)
 - 9 BUSINESS AND PLANNING ACT 2020 - DELEGATION OF POWERS AND PAVEMENT LICENSING POLICY**
(Pages 107 - 128)
 - 10 REVIEW OF THE COUNCIL'S SCHEME OF DELEGATION**
(Pages 129 - 134)
 - 11 MEMBERS ALLOWANCES SCHEME 2022/23**
(Pages 135 - 144)
 - 12 PROGRAMME OF MEETINGS 2022/23**
(Pages 145 - 150)
 - 13 WORK PROGRAMME AND MATTERS ARISING**
(Pages 151 - 156)
-

Agenda Item 4

GENERAL PURPOSES AND LICENSING COMMITTEE

Minutes of the meeting held at 7.00 pm on 30 November 2021

Present:

Councillor Pauline Tunnicliffe (Chairman)
Councillor Michael Turner (Vice-Chairman)
Councillors Gareth Allatt, Julian Benington,
Nicholas Bennett MA J.P., Mark Brock, Kira Gabbert,
Colin Hitchins, Simon Jeal, Josh King, Alexa Michael,
Neil Reddin FCCA, Harry Stranger and Stephen Wells

187 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillor Melanie Stevens (Councillor Julian Benington attended as her substitute) and from Councillor Ryan Thomson (Councillor Simon Jeal attended as his substitute.)

188 DECLARATIONS OF INTEREST

There were no declarations of interest.

189 QUESTIONS

No questions had been received.

190 MINUTES OF THE MEETING HELD ON 21 SEPTEMBER 2021

RESOLVED that the minutes of the meeting held on 21 September 2021 be confirmed.

191 EY AUDIT BRIEFING PAPER

Hannah Lill and Adrian Balmer from EY, the Council's External Auditors, attended the meeting to update the Committee on progress with the audit of the Council's accounts for 2019/20. The main outstanding issue continued to be valuations – they were working closely with Finance officers and Montagu Evans, contracted by the Council to carry out revised valuations, to resolve these issues with the aim of reporting back in February 2022. They acknowledged the hard work of Finance officers to try to resolve the issues, but commented that staff resources and turnover had hindered progress. Weekly meetings were now in place to ensure that progression was maintained. Officers confirmed that there had been issues with staff turnover, but they were confident that the February target could be met.

The Council had previously used an estimated figure for Furniture and Equipment valuations, but this had been challenged by EY, and the Council

had agreed to change its accounting policy. The problems with valuations covered a number of issues, including matters of professional judgement and incomplete evidence. In response to questions about the performance of Montagu Evans, it was confirmed that they were appointed by the Council's Property Division through a normal procurement process, following problems with the previous valuers. EY had been informed of the proposed award, but had not otherwise played a role in this process. The problems with valuations were not unique to Bromley, and were being experienced across local government.

EY had set out five recommendations for the Council in their update – two for the 2019/20 audit, and three for 2020/21 and beyond. Questioned about the final recommendation, which concerned the need to develop a sustainable resourcing strategy to address future reporting requirements, EY commented that they were not yet assured that the Council had done enough to respond to the recommendations. The Council's Finance Team had been run on lean principles, with limited capacity to support the reporting process, which was liable to become more complicated with a greater demand for technical expertise in the coming years. Officers confirmed EY's comments that financial reporting was extensive in breadth and depth, taking up a great deal of officer time, and was likely to become more demanding in future, driven by Financial Reporting Council requirements. Recruitment and retention was a problem - a number of staff had left the Council during the last year, leading to gaps, but key posts were proving difficult to fill with the right people, even with market-leading recruitment support and attractive salaries on offer.

A Member asked whether the Council's systems had now been updated to provide better data for the auditors. It was confirmed that an upgrade of the Council's ledger system was due in April 2022 – this would result in better information being provided to officers and to EY.

The Chairman thanked Ms Lill and Mr Balmer for attending and for their update.

192 REVIEW OF POLLING DISTRICTS AND POLLING PLACES
Report CSD21117

The Committee received a report advising them of the results and recommendations of the Acting Returning Officer following a review of all polling districts and polling places in the borough. The review was required following confirmation of the new ward arrangements for Bromley to be implemented in the 2022 local election. Representations had been sought from interested parties, including all Councillors.

The use of schools as polling places had been reduced considerably for the 2021 GLA election. A number of new types of premises had been used, including various clubs, restaurants, public houses and a cinema. However, some of these were not suitable and would not be used in future elections. This was often due to limited space in these venues, but some were only available in May 2021 as they were not operating normally due to the

pandemic. Some Members were particularly concerned to ensure that the use of schools was minimised, but sometimes this was unavoidable due to the absence of suitable alternative locations. Electoral Services worked closely with schools to minimise disruption, enable schools to remain open if possible on polling day, and to inform them well in advance of scheduled polling days. In most cases, the schools still being used were those that were happy to cooperate with the Council.

Officers confirmed that polling places would be kept under review, and would always welcome suggestions from Members for potential new locations.

RESOLVED that

- (1) The outcome of the review and the consultation undertaken be noted.**
- (2) The proposals and recommendations of the Acting Returning Officer set out in the report and the Appendices be approved with effect from the proposed re-publication of the revised Register of Electors on 1 February 2022.**
- (3) It is noted that polling districts and polling places will be kept under on-going review.**

193 TEACHERS PAY POLICY 2021/22 - CENTRALLY BASED STAFF

From 1st September 2021, revised arrangements for Teachers' Pay and Conditions had come into force through the publication of the statutory School Teachers' Pay and Conditions document. The Committee received a report setting out the main changes.

RESOLVED that

- (1) The report be noted.**
- (2) It is noted that there is a pause to Headline Pay increase for Teachers this year.**
- (3) The National Unqualified Teacher Pay Range with recommended Advisory Points be adopted in respect of Centrally Based Staff.**
- (4) Officers be authorised to uplift the Unqualified Teacher Pay Scale within the current Pay Policy accordingly and implement the new policy with effect from 1st September 2021; there are no other required changes to the Policy this year.**

**194 GAMBLING ACT 2005 - REVISED STATEMENT OF GAMBLING
POLICY 2022 TO 2025**
Report ES1037

Under the Gambling Act 2005 the Council's Statement of Gambling Policy had to be reviewed at least every 3 years. The current policy had been adopted in January 2019 and was therefore due for review. A consultation had been held between 18th August and 20th September 2021; the report presented the results of the consultation (Appendix A), and the proposed revised draft Statement of Gambling Policy for the period 2022 to 2025 (Appendix B), for approval and adoption at full Council on 6th December 2021.

The Committee was informed that only one representation had been received during the consultation – from lawyers acting for the Betting and Gaming Council (BGC.) The BGC sought one change which would make it easier for their license holders to change the conditions in their licenses, but it was not proposed to accept this.

Members sought further information about exactly how many Gambling Licenses were held in Bromley. Officers confirmed that there were no casinos or bingo halls in the borough, but a number of pubs held licenses to enable them to have slot machines. Further information would be circulated after the meeting.

Members raised the issue of the prevalence of betting shops, particularly as planning law had been relaxed to enable easier changes of use from retail to betting shops, and reference was made to a cluster of four betting shops in Penge High Street. Officers explained that, to set a limit on betting shops, it would be necessary to adopt a saturation policy with a risk assessment, but this had been examined previously and there was not sufficient evidence linking gambling premises to crime.

RESOLVED that the response to the public consultation be noted, and Council on 6th December 2021 be recommended to approve the revised Draft Statement of Gambling Policy 2022 to 2025 under the Gambling Act 2005 (Appendix B to the report) to have effect from 31st January 2022.

195 REVISED AMENITY STANDARDS FOR HMOs

Legal minimum standards for houses in multiple occupation (HMOs) were prescribed in regulations under the Housing Act 2004. These related to the provision of kitchens, bathrooms, toilets, fire safety and heating within HMOs. Under Section 65 of the Act, more detailed local HMO standards could be set, to reflect local housing conditions, provided they did not fall below the national standard.

It was proposed to revise the London Borough of Bromley's current standards for HMOs to incorporate recent changes in legislation and to improve on the

minimum legal requirements. The local standards proposed sought to drive up standards in Bromley and improve housing conditions to protect vulnerable private rented sector tenants. They were written to guide landlords more easily through the requirements and would supplement the Article 4 Direction to withdraw permitted development rights granted by Schedule 2, Part 3, Class I of the Town and Country Planning (General Permitted Development) Order 1995, which permitted a change of use from a dwelling-house to a house in multiple occupation.

It was confirmed that all HMOs in the borough would be subject to the revised standards. There were routine inspections in place for larger HMOs, but it was sometimes difficult to identify smaller HMOs unless complaints were received.

The Chairman noted that paragraph 3.9 in the report should read "...the revised adopted standards..."

RESOLVED that

(1) The revised HMO Adopted Standards, Appendix 1 to the report, be approved and adopted as the standards generally required for houses in multiple occupation within the London Borough of Bromley.

(2) That delegated authority be given to the Director of Environment and Community Services to make further amendments to the standards as may be found necessary without reducing standards in any way.

196 MOBILE HOMES FIT AND PROPER PERSON REGISTRATION - FEES POLICY

The Mobile Homes (Requirement for Manager of Site to be Fit and Proper Person) (England) Regulations 2020 ('the Regulations') introduced the requirement for mobile home site owners to register their site managers as fit and proper persons to manage their sites with the Local Authority.

Should a local authority intend to charge a fee for operating the fit and proper person registration scheme, it must establish the processes for making and issuing decisions; establish a fit and proper person register and publish a fees policy. The purpose of the report was to approve the fees policy attached at Appendix A to the report.

Officers confirmed that Council costs had been taken into account in setting the fees – most of the work was in processing the paperwork. The sites covered did not include Traveller sites.

A member mentioned a particular site in Biggin Hill ward – officers confirmed that they were aware of this site.

RESOLVED that

(1) The proposed fees policy presented in Appendix 1 be approved with immediate effect.

(2) That delegated authority be given to the Director of Environment and Public Protection, in agreement with the Portfolio Holder for Public Protection and Enforcement, to make minor amendments to the policy as may be found necessary, based on the same principles of fee setting as applied within this report, to ensure the fee remains appropriate.

197 COUNCIL MOTION - HONORARY FREEDOM OF THE BOROUGH
Report CSD21108

Section 249 of the Local Government Act 1972 enabled councils to award honorary freedom to "...persons of distinction and persons who have, in the opinion of the council, rendered eminent services to the city, borough or royal borough or parish or community..."

At a special meeting of the Council on 18th October 2021 a motion was presented calling for the honorary freedom of the borough to be awarded to Ms Emma Raducanu. The motion was amended and then passed, referring the matter to this Committee to consider. Council officers had been pursuing this with Ms Raducanu's team, but there was no further progress to report.

Members recognised that the award of honorary freedom was intended to be a rare and special honour, and agreed that it would be useful to draw up a scheme with some criteria for making future awards.

RESOLVED that

- (1) The current position be noted.**
- (2) A scheme of appointment for honorary freedom of the borough should be developed for consideration at the next meeting.**

198 MEMBER INDUCTION 2022
Report CSD21105

The Committee considered a report summarising the initial plans for Member Induction after the 2022 local elections, including Member IT provision. The plans were at an early stage and Member's views were sought on the proposals.

In discussing the proposals, Members made the following comments –

- Money did not need to be spent on external consultants to deliver any of the induction sessions;
- Better use should be made of the Council's new intranet;
- New Members would benefit from leaflets describing the work of each committee, and explaining declaration of interests;

- Early sessions should cover issues such as standards, ward work, an overall explanation of how the Council worked and finance;
- Members needed to have a document setting out officer structures and who to contact;
- Members should have the option of a Council smart-phone including email;
- Consideration should be given to making some of the induction sessions virtual or hybrid;
- “Market-place” sessions should be considered, with some consistency of attendance by senior officers.

The Chairman of the Standards Committee reported that, at its meeting on 15th July, his Committee had considered ethical conduct in planning, and had recommended that Members should undergo mandatory training before being involved in taking planning decisions, or within three months of election. Similar provision should be made for Licensing training.

It was noted that DBS checks were not carried out on all Members, but were required in specific circumstances, such as for serving on the Fostering Panel, where Members were asked to consider confidential personal material.

RESOLVED that the Committee’s views set out above be taken into consideration for the Member Induction Programme 2022.

199 APPPOINTMENTS TO OUTSIDE BODIES
Report CSD21104

This Committee received a report proposing the re-appointment of Councillor Robert Evans as the Council’s representative on the Diocese of Rochester Board of Education.

RESOLVED that

(1) Cllr Robert Evans be re-appointed as the Council’s representative on the Diocese of Rochester Board of Education for the three year period from 1st January 2022 to 31st December 2024.

(2) That the Committee notes the remaining vacancies on other outside bodies –

- **Community Links Bromley – one vacancy for the term of office expiring in May 2022.**
- **Cray Valley War Memorial Hall – two vacancies for the term of office expiring in May 2022.**

200 WORK PROGRAMME AND MATTERS ARISING
Report CSD21106

The Committee received a report summarising their work programme for the 2021/22 Council year and also covering matters outstanding from previous meetings. Councillor Stephen Wells confirmed that he had met with the new Director of Corporate Services and Governance to discuss the Scheme of Delegation to Officers, and she was very keen to assist with developing a new Scheme. The Chairman thanked Councillor Wells for his work on this issue.

It was confirmed that officers were working on providing better equipment to enable hybrid meetings to be held.

RESOLVED that the matters outstanding from previous meetings and the updated work programme for 2021/22 be noted.

201 RIGHTS OF WAY SUB-COMMITTEE: MINUTES OF THE MEETING HELD ON 23 SEPTEMBER 2021

The minutes of the Rights of Way Sub-Committee's meeting on 23 September 2021 were received.

202 AUDIT SUB-COMMITTEE: MINUTES OF THE MEETING HELD ON 21 OCTOBER 2021, EXCLUDING EXEMPT INFORMATION

The minutes of the Audit Sub-Committee's meeting on 21 October 2021 were received.

203 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 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.

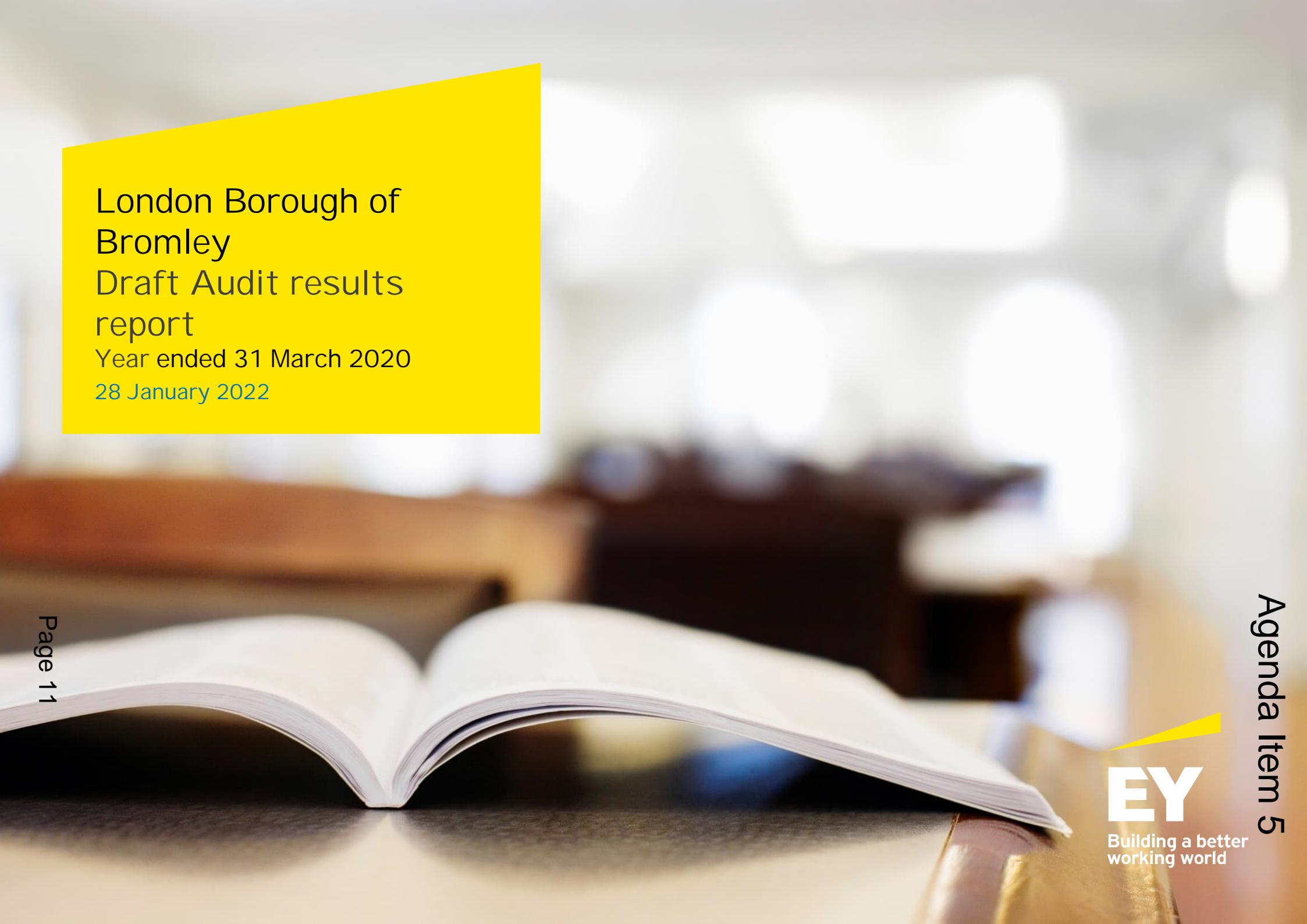
**The following summary
refers to matters involving exempt information**

204 AUDIT SUB-COMMITTEE: EXEMPT MINUTES - 21 OCTOBER 2021

The exempt minutes of the Audit Sub-Committee's meeting on 21 October 2021 were received.

The Meeting ended at 8.39 pm

Chairman



London Borough of
Bromley
Draft Audit results
report

Year ended 31 March 2020
28 January 2022



28 January 2022



Dear General Purposes and Licensing Committee Members

We are pleased to attach our audit results report for the forthcoming meeting of the General Purposes and Licensing Committee. This report summarises our preliminary audit conclusion in relation to the audit of London Borough of Bromley for 2019/20. We will issue our final report at the conclusion of the audit.

We have substantially completed our audit of London Borough of Bromley for the year ended 31 March 2020.

As set out on page 5 to 7, a number of issues have arisen as a result of covid-19 which will impact on our audit opinion.

At the conclusion of the audit and subject to concluding the outstanding matters listed in our report, we will need to assess the impact on the [audit opinion on the financial statements specifically in respect of uncorrected mis-statements or other areas of uncertainty](#). Due to the ongoing delay in the certification of the 2017/18 and 2018/19 accounts as a result of the objection to those years we are [currently](#) unable to formally conclude on the arrangements in place for value for money in 2019/20, nor to issue our completion certificate for the audit. [We understand however that the predecessor auditor has now reached a preliminary conclusion and should be reporting on this matter imminently](#). We will need to assess that conclusion when available and consider any impact on our responsibilities.

This report is intended solely for the use of the General Purposes and Licensing Committee, other members of the Authority, and senior management. It should not be used for any other purpose or given to any other party without obtaining our written consent.

We would like to thank your staff for their help during the engagement.

[We welcome the opportunity to discuss the contents of this report with you at the General Purposes and Licensing Committee meeting on 8 February 2022.](#)

Yours faithfully

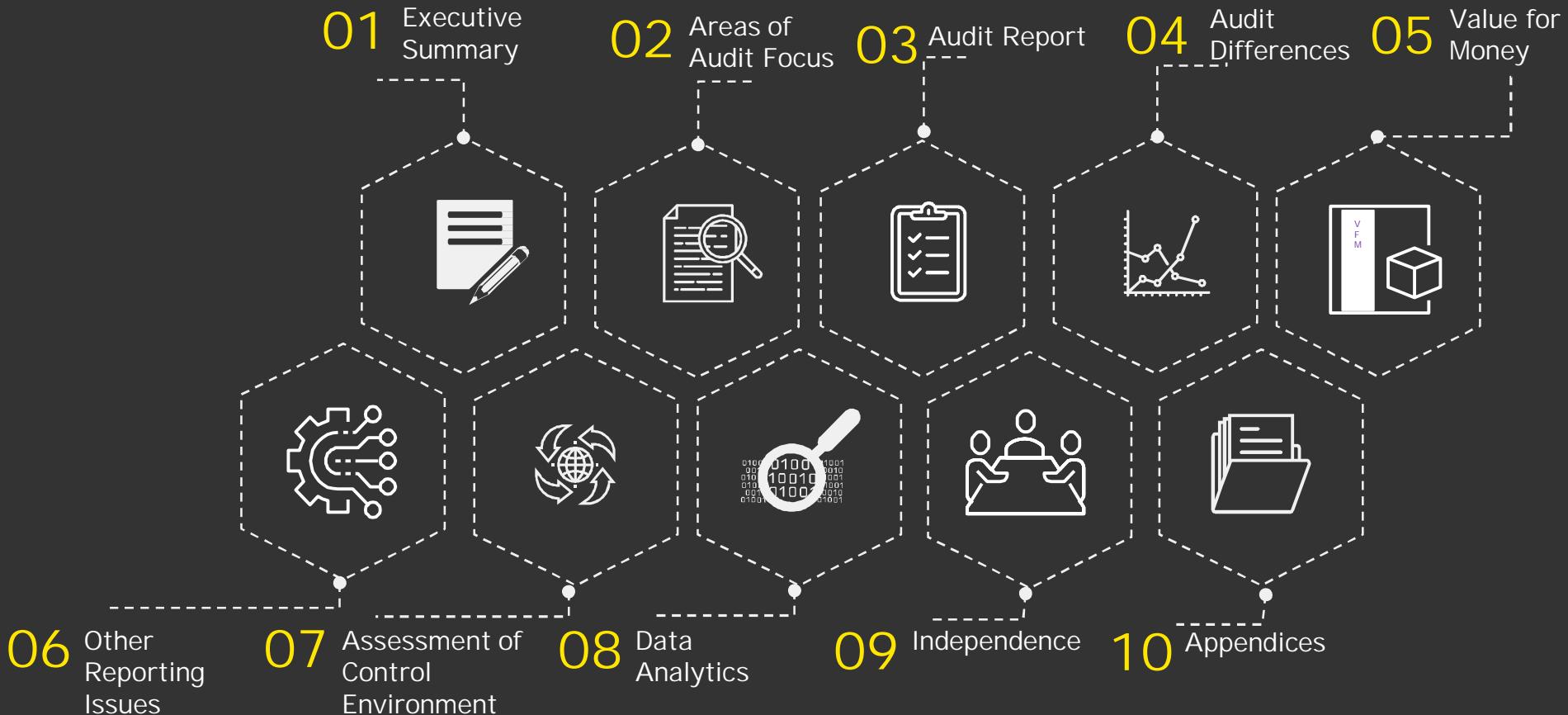
Janet Dawson

Partner

For and on behalf of Ernst & Young LLP

Encl

Contents



Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk). This Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment (updated April 2018)' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Results Report is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure - If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.



01

Executive Summary



Executive Summary

Scope update

In our audit planning report tabled at the 15 July 2020 Audit Sub-Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

Changes to reporting timescales

As a result of COVID-19, new regulations, the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 No. 404, were published and came into force on 30 April 2020. This announced a change to publication date for final, audited accounts from 31 July to 30 November 2020 for all relevant authorities. As a result of delays on the audit the Council has significantly missed this reporting date.

Audit Delays – 2019/20 and 2020/21

We commenced our year end audit work in August 2020 with a view to completing the work in December 2020. However during the audit we have experienced a number of significant delays and issues which has meant that we have been unable to conclude the audit field work and issue our opinion. We have met regularly with senior officers to conclude the audit but have been met with delays in the resolution of our queries in a number of areas, specifically with regards the valuation of Property, Plant and Equipment. The consequences of this for the 2019/20 and 2020/21 audits are:

- Delays in certification of 2019/20 beyond 30 November 2020 target sign off date
- Significant additional time incurred to complete our work, leading to additional fees
- Delays in commencement of the 2020/21 audit
- We anticipate that we will report significant weaknesses in financial reporting arrangements at the Council in our 2020/21 value for money arrangements commentary and make recommendations for improvement, under the new requirements of the NAO Code of Audit Practice now in place. We set out more detail of those changes in section 5, and highlight the impact for London Borough of Bromley.

Executive Summary

Scope update

We reported in June 2021 that we expected to be concluding and reporting on the outcome of the 2019/20 audit in September 2021. Given the ongoing delays and the significant pressure on officers time we wanted to make a number of recommendations.

We formally reported our concerns to the General Purposes and Licensing Committee on 30 November 2021. These focused on both the capacity of the finance team to deliver core responsibilities and service the audit and also around the focus of officers in prioritising the audit process. We reported that we were considering issuing statutory recommendations under schedule 24 (7) of the Local Audit & Accountability Act 2014. We also discussed these concerns with the Chair of the Committee in advance of the last Committee meeting.

We highlighted at the meeting on 30 November the following recommendations supporting the conclusion of the 2019/20 and also the 2020/21 and 2021/22 audits.

Recommendations:

2019/20

- The Council to set out a clear timeline of when queries will be responded to and to meet these deadlines. The Council to put in place escalation procedures that hold officers to account for their areas of responsibility;
- Ensure that sufficient priority is given to responding to audit queries and that sufficient resource is available within the finance function to provide capacity to undertake audit support and 'business as usual' such as budget preparation and management accounting and reporting.

2021 and Beyond

- Set out a timetable of how the Council plans to address the backlog of work, including a resourcing plan and task allocation plan;
- Ensure that the Council has a clear timetable for closing down 2020/21 and preparing the draft statutory accounts; and
- Develop a sustainable resource strategy, with appropriate skills and capacity, to address future reporting requirements such as changing business (e.g. Group Accounts) and technical accounting (e.g. CIPFA Code changes).

Since our reporting on these issues at the last meeting and the meeting with the Chair we have seen more traction in resolving outstanding audit queries as well as quicker turnaround from external valuation specialists. This has been supported through oversight from the Director of Finance in facilitating meetings. As a result we consider that the Council has engaged sufficiently positively in the last period to remove the need for us to issue statutory recommendations at this time.

However as previously reported and discussed, we still consider that the capacity of the finance team to deliver its core function and service the audit is very lean. We will therefore be making recommendations to management as per above. These will also impact on Value for Money. See Section 5 for further details.

We will continue to monitor progress and should at any time we feel the need for statutory recommendations to be issued to the Council this will be highlighted at the earliest available opportunity. In line with provisions of the Act we any such recommendations would also need to be copied to the Secretary of State.



Executive Summary

Scope update

Due to the outstanding objections on the 2017/18 and 2018/19 audits we have not been able to conclude on the Value for Money arrangements for 2018/19 and 2019/20.

We set out the outstanding audit matters at Appendix D.

Changes to our risk assessment as a result of Covid-19:

- Valuation of Property Plant and Equipment - The Royal Institute of Chartered Surveyors (RICS), the body setting the standards for property valuations, has issued guidance to valuers highlighting that the uncertain impact of Covid-19 on markets might cause a valuer to conclude that there is a material uncertainty. Caveats around this material uncertainty have been included in the year-end valuation reports produced by the Authority's external valuer. We consider that the material uncertainties disclosed by the valuer gave rise to an additional risk relating to disclosures on the valuation of property, plant and equipment.
- Disclosures on Going Concern - Financial plans for 2020/21 and medium term financial plans will need revision for Covid-19. We considered the unpredictability of the current environment gave rise to a risk that the Local Authority would not appropriately disclose the key factors relating to going concern, underpinned by managements assessment with particular reference to Covid-19 and the Local Authority's actual year end financial position and performance.
- Events after the balance sheet date - We identified an increased risk that further events after the balance sheet date concerning the current Covid-19 pandemic will need to be disclosed. The amount of detail required in the disclosure needed to reflect the specific circumstances of the Local Authority.
- Adoption of IFRS16 - The adoption of IFRS 16 by CIPFA/LASAAC as the basis for preparation of Local Authority Financial Statements has been deferred until 1 April 2022. The Authority will therefore no longer be required to undertake an impact assessment, and disclosure of the impact of the standard in the financial statements does not now need to be financially quantified in 2019/20. We therefore no longer consider this to be an area of audit focus for 2019/20.

Executive Summary

Scope update

Changes in materiality

We updated our planning materiality assessment using the draft financial statements and have also reconsidered our risk assessment. Based on our planning materiality measure of 1% (PY: 1.8%) of gross expenditure on provision of services and performance materiality at 50% (PY:75%) of planning materiality:

Materiality	Audit Plan	Final
Planning	£5.49 m	£5.66 m
Performance	£2.75 m	£2.83 m
Reporting	£0.028 m	£0.028 m

We explained the reasons for the change from 1.8% and 75% in PY to 1% and 50% in the current year in our Audit Planning Report 15 July 2020 Audit Sub-Committee meeting.

These were mainly in respect of the categorisation of the audit as close monitoring due to the following reasons:

The 2018/19 financial statements had not been signed when we completed our Audit Plan for 2019/20 due to pervasive errors found during the audit of PPE valuations. In addition, the systems and processes that supported the audit process for 2018/19 did not support data analytics well, were manual in design and relied heavily on a small and over stretched team. Changes in the finance team since the 2018/19 audit increase the risk to the Council that knowledge of those processes has been lost, which may make the closedown process more difficult and the risk of error greater. We also need to work closely with officers to ensure that current audit regulatory reporting requirements to those charged with governance are understood and met, thereby allowing effective communication of audit findings and recommendations for improvements.

Outstanding objections relating to procurement from prior years. KPMG are yet to conclude their work regarding objections in 2016/17 and 2017/18. Therefore, it is unclear if the issues being reviewed relate only to procurement or potentially identifies a wider management issue. As a result, we have been unable to conclude our work on the value for money conclusion for 2018/19.

Information Produced by the Entity (IPE):

We identified an increased risk around the completeness, accuracy, and appropriateness of information produced by the entity due to the inability of the audit team to verify original documents or re-run reports on-site from the Authority's systems. We undertook the following to address this risk:

- Used the screen sharing function of Microsoft Teams to evidence re-running of reports used to generate the IPE we audited; and
- Agree IPE to scanned documents or other system screenshots.

Additional EY consultation requirements concerning the impact on auditor reports because of Covid-19. The changes to audit risks, audit approach and auditor reporting requirements changed the level of work we needed to perform. We have set out the impact on our audit fee at Section 9.



Executive Summary

Status of the audit

We have substantially completed our audit of London Borough of Bromley's financial statements for the year ended 31 March 2020 and have performed the procedures outlined in our Audit planning report. At the conclusion of the audit and subject to concluding the outstanding matters listed in our report, we will need to assess the impact on the audit opinion on the financial statements specifically in respect of uncorrected mis-statements or other areas of uncertainty.

In our previous reporting to the July '21 Committee we highlighted a potential qualification on Property, Plant and Equipment as a result of errors identified in Furniture & Equipment existence. The Council have since suggested an alternative approach which may address the matter and will also result in a Prior Period Adjustment. This will need to be fully assessed when presented. However until work is complete, further amendments may arise.

Further details of the Outstanding Matters can be found at Appendix D.

We will be unable to issue the audit certificate at the same time as the audit opinion due to the prior year objections which still need to be addressed and concluded. However our understanding from discussions with officers is that the predecessor auditor is close to reaching a conclusion on the outstanding objections and this should enable us to start our work on 2018/19 objection and then once this and the remainder of our audit work is complete we can then issue our certificates in respect of the 2018/19 and 2019/20 audits. We provide a further update on Value for Money at Section 5.

Due to the significant amendments required to the draft unaudited accounts we envisage that we will work through the revised statements with officers during February and will then be in a position to report to the 29 March Committee with a view to signing the financial statement at that Committee. This will also include the signing of the separate opinion on the London Borough of Bromley Pension Fund 2019/20 Statement of Accounts.

Audit differences

We are reporting a number of adjusted and unadjusted audit differences at Section 4.

In addition, we have also identified a number of presentational and disclosure amendments to the draft financial statements as presented for audit.

Executive Summary

Areas of audit focus

Our audit plan identified significant risks and areas of focus for our audit of the Authority's financial statements. We summarise below our latest findings.

Significant risk	Findings & conclusions
Management Override: Misstatements due to fraud or error	From the work completed to date we have found no indications of management override of controls.
Incorrect capitalisation of revenue expenditure	Our work on this area is ongoing and we are working through a number of judgements with Council officers. At Section 2 we provide more detail on the status of this work.
Valuation of land and buildings	We have identified a number of material and non-material issues with the valuation of Land and Buildings. We provide further details on these issues at Section 2 of this report. As a result of material issues identified with Furniture and Equipment and the associated impact in previous years the Council is proposing the correction of this issue as a Prior Period Adjustment (PPA). This PPA will be completed at the conclusion of the audit.
IAS 19 Valuations	We have agreed the Authority's pension liability disclosures to the actuarial report. However, we are awaiting the IAS19 assurance letter from the auditor of the London Borough of Bromley Pension Fund to enable us to conclude against this area of audit focus. The IAS 19 Letter from the auditor of the Pension Fund is expected imminently. We note an unadjusted mis-statement on IAS 19 at Section 4 in respect of the Goodwin case. We also reviewed the rollforward of liabilities under ISA 540 estimates and our EY Pensions specialists confirmed that the liabilities were within an expected range.
Other area of audit focus	Findings & conclusions
IFRS 16 Leases	IFRS 16 has now been deferred until 2022/23 and therefore does not impact in 2019/20.
Going concern	The draft accounts included the Council's initial disclosure on going concern. Officers have used the assessment of the impact of Covid-19 on the Authority's finances, as reported to Members, to draft a new going concern disclosure note. We have yet to review the financial assessment, cashflow, liquidity forecasts, known outcomes, sensitivities, mitigating actions and key assumptions. We will also need to review the revised going concern disclosure and once finalised this will be subject to the EY consultation process. We are consulting internally with our professional practice directorate on the Going Concern disclosure and will also consider this in light of our audit opinion. We will provide an update on our consideration of this matter at the forthcoming Committee meeting.

Executive Summary

Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Authority. We have no matters to report as a result of this work.

[We have been informed by the National Audit Office that the 2019/20 Whole of Government Accounts \(WGA\) process has now been closed so no further submissions are expected from auditors after December 2021. We therefore have no further matters to complete regarding WGA and therefore have nothing further we need to report.](#)

Independence

Please refer to Section 9 for our update on Independence.

Value for money

Due to the ongoing delay in certification of the 2017/18 and 2018/19 audits by the predecessor auditor as a result of outstanding objections on value for money we have been unable to conclude our value for money review. We have been in regular discussions with senior officers to understand the latest position regarding the closure of these prior year accounts and the specific objections raised with regards to procurement. [Our understanding from those discussions is that the previous external auditor has now reached a preliminary conclusion and as a result we should soon be in a position to discuss that conclusion with the previous external auditor as well as consider their summary conclusions. We will provide an update at the next available Committee once we've had a chance to complete our own assessment of the evidence and conclusions reached by the previous external auditor.](#)

Page 2

At section 5 we detail the new VFM arrangements under the new 2020 Audit Code of Practice. We anticipate that we will report significant weaknesses in financial reporting arrangements at the Council in our 2020/21 value for money arrangements commentary and make recommendations for improvement.

Control observations

During the audit we identified a number of observations and improvement recommendations in relation to management's financial processes and controls.

We have highlighted these at Section 7.



02

Areas of Audit Focus



Areas of Audit Focus

Significant risk

Management Override: Misstatements due to fraud or error *(Fraud risk)*

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error. As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

For the Authority, we have assessed that this risk could manifest in:

- Inappropriate journal entries; specifically manual journals posted by management in the preparation of the financial statements.
- Significantly unusual transactions entered into by management that are outside of the normal scope of business of the Authority.
- Management bias in key accounting estimates and judgements.

What judgements are we focused on?

We have considered the specific risk of management override in respect of the Authority's judgements over capitalisation of revenue expenditure (see over).

What did we do?

- Identified fraud risks during the planning stages.
- Asked management about risks of fraud and the controls put in place to address those risks.
- Understood the oversight given by those charged with governance of management's processes over fraud.
- Considered the effectiveness of management's controls designed to address the risk of fraud.
- Determined an appropriate strategy to address those identified risks of fraud.
- Performed mandatory procedures in relation to journal entries and other adjustments
- Assessed the nature of significantly unusual transactions
- Considered if management bias was present in key accounting estimates and judgments in the financial statements

What are our conclusions?

Our testing is subject to final review. To date we have not identified any:

- material weaknesses in controls or evidence of material management override;
- instances of inappropriate judgements being applied; or
- any other transactions during our audit which appear unusual or outside the Authority's normal course of business.

We will provide an update at the General Purposes and Licensing Committee meeting on 8 February 2022.

Significant risk

Incorrect capitalisation of revenue expenditure (Fraud Risk)

What is the risk?

Under ISA240 there is also a presumed risk that revenue may be misstated due to improper recognition of revenue. In the public sector, this requirement is modified by Practice Note 10, issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

For London Borough of Bromley, we consider this specific risk to be present in:

- Additions to property, plant and equipment and Revenue Expenditure Financed from Capital Under Statute (REFCUS).
- Seek to identify and understand the basis for any significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

We have considered the capitalisation of revenue expenditure on property, plant and equipment as a specific area of risk given the extent of the Authority's capital programme.

What judgements are we focused on?

How management decides on appropriate capitalisation of revenue expenditure, including Consideration of REFCUS.

What are our conclusions?

We have not identified any issues with management's accounting policies or practices in relation to opting to finance expenditure from capital sources.

Capital expenditure in relation to Investment Properties is not material, therefore we focused our testing on property, plant and equipment capital additions and also Revenue Expenditure Financed from Capital Under Statute (REFCUS) capital additions.

Our testing of capital additions is complete subject to review. We identified two errors within our testing. The Council inappropriately classified additions to assets under construction as assets completed. We extrapolated this error and the resultant projected error is £915,000. This has been included in section 4. The Council also inappropriately capitalised VAT within certain additions causing an immaterial error in the value of the additions.

We have challenged management's assessment of the classification of expenditure as REFCUS. Our testing in this area is not yet complete.

We sample tested additions to property, plant and equipment to ensure that they have been correctly classified as capital and included at the correct value in order to identify any revenue items that have been inappropriately capitalised.

Areas of Audit Focus

Significant risk

Risk of error in the valuation of land and buildings

What is the risk?

The fair value of Property, Plant and Equipment and Investment Properties represent significant balances in the Authority's accounts and are subject to valuation changes, impairment reviews and depreciation charges.

In calculating amounts recorded in the Authority's balance sheet, management are required to make material judgements and apply estimation techniques.

What judgements are we focused on?

We focused on aspects of the land and buildings and investment property valuations which could have a material impact on the financial statements, primarily:

- harder to value assets – such as schools which are valued on a depreciated replacement cost basis;
- the assumptions and estimates used to calculate the valuation; and
- changes to the basis for valuing the assets.

What did we do?

Page 25
We confirmed that the Authority's valuers are members of RICS and registered valuers. We reviewed the instructions provided to the valuer against the requirements of the Code and IFRS and found no issues.

For a sample of assets we assessed whether the valuation basis was appropriate and whether the assumptions used were supportable and reperformed the valuers' calculations.

We challenged the information provided by the valuer as the management's expert.

We have considered the impact of assets not revalued in year, and whether this could lead to a material misstatement of the closing asset valuation.

What are our conclusions?

We updated our risk assessment in light of the impact of Covid-19 and the fact that the external valuer had highlighted a 'material uncertainty' in their valuation report. As a result of this and also issues with the valuations in the prior year we instructed our internal valuers to support us with our work in this area.

We asked our internal valuation specialists to review a sample of assets across the portfolio including Property, Plant and Equipment and Investment Property assets. This highlighted some issues with regards the valuations specifically in respect of investment property valuations but also in respect of the valuation methodology of car parks.

The Council has asked the external valuers to re-work their valuation of investment properties to take full account of Purchaser's Costs. This exercise is completed and has resulted in material amendments.

Revised valuations have been obtained for car parks and are under review by EY. In addition a number of assets have been revalued due to incorrect floor size. Revised valuations have just been received and are under review. We have considered the impact of assets not revalued in year and the fact that assets valuations occur effective as at 31 March 2020. We have challenged officers on the valuation of assets not revalued in-year and our assessment did not highlight any material issues. We note a number of adjusted and unadjusted mis-statements in respect of asset valuations at Section 4.

Other risk

Risk of error in the valuation of the pension liability

What is the risk?

The Code and IAS19 require the Authority to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Liberata. The Authority's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Authority's balance sheet. At 31 March 2020 this totalled £853 million.

The information disclosed is based on the IAS 19 report issued to the Authority by the actuary to the Pension Fund.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What judgements are we focused on?

We focused on aspects of the pension liability which could have a material impact on the financial statements, primarily:

- significant changes in assumptions made by the actuary; and
- the assessments of the actuary undertaken by PWC, as consulting actuary commissioned by the National Audit Office, and the EY actuarial team.

What are our conclusions?

We are satisfied that the Authority has correctly reflected the IAS 19 entries provided by the actuaries in the draft financial statements. We are also satisfied that the actuaries are appropriately qualified. This year, as in the previous year, there has been a national issue which resulted in a change to the Authority's pension net liability. It relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements, commonly described as the "McCloud ruling". In addition, there is also another national issue, referred to as the Goodwin case.

We have also asked our internal EY Pension actuarial specialists to support our review of the potential impact of McCloud and Goodwin in 2019/20. The Council did take account of McCloud but not the Goodwin case in the financial statements. Based on our specialists findings the potential impact on the total liability could be in the following ranges:

McCloud: inclusion and accounting treatment noted as reasonable

Goodwin: estimated impact 0.1% increase in 19 liability with EY specialists suggesting a range of 0.1%-0.2%

The IAS 19 Funded liability is £853 m, which equates to the following potential increases:

Goodwin: £0.853 m

The cumulative potential impact of this case would be a maximum of £0.853. For further consideration of these see Section 4.

Other areas of audit focus

Going Concern

What is the risk?

ISA 570 was revised in September 2019. The revised standard increases the work we are required to perform when assessing whether an entity is a going concern and means UK auditors will follow significantly stronger requirements than those required by current international standards. Whilst the standard is effective for audits of financial statements for periods commencing on or after 15 December 2019, EY have revised current audit procedures, recognising the importance of the forthcoming revisions.

Financial plans for 2020/21 and medium term financial plans may need revision for Covid-19. We considered the unpredictability of the current environment gave rise to a risk that the financial statements may not appropriately disclose the key factors relating to going concern, underpinned by management's assessment with particular reference to Covid-19 and the Pension Fund's year end financial position and performance

What will we do?

- Obtain management's going concern assessment and reviewed for any evidence of bias and checked consistency with the accounts;
- Review the financial modelling and forecasts prepared by management. We will consider and challenge key assumptions, focusing on the reasonableness of the liquidity forecasts up to a date of 12 months after the expected signing date of the accounts;
- Consider the appropriateness of the going concern disclosure within the financial statements. The updated Going Concern disclosure note will be included at Section 1 of the financial statements; and
- Consider the impact on our audit report by undertaking internal EY consultation.

What are our conclusions?

Our work on this area will be completed at the conclusion of the audit when we can confirm that the audit is complete and that the disclosure note and cashflow (including key supporting documentation) can be reviewed as the latest available information supporting the Going Concern disclosure. [We have had discussions with senior officers and have sent through a request for supporting documentation to support the Council's Going Concern assertion.](#) Our assessment of Going Concern will also need to consider the revised Going Concern disclosures which should provide the latest financial position and future financial projections for the Council including full consideration of the ongoing impact of Covid-19.

Other areas of audit focus (continued)

What is the risk/area of focus?

IFRS16 - leases

IFRS 16 Leases was issued by the IASB in 2016. Its main impact is to remove (for lessees) the traditional distinction between finance leases and operating leases. Finance leases have effectively been accounted for as acquisitions (with the asset on the balance sheet, together with a liability to pay for the asset acquired). In contrast, operating leases have been treated as “pay as you go” arrangements, with rentals expensed in the year they are paid. IFRS 16 requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset.

Implementation of IFRS 16 will be included in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) for 2020/21. This Code has yet to be published, but in July 2019 CIPFA/LASAAC issued ‘IFRS 16 leases and early guide for practitioners’.

This early guidance provides comprehensive coverage of the requirements of the forthcoming provisions, including:

- the identification of leases
- the recognition of right-of-use assets and liabilities and their subsequent measurement
- treatment of gains and losses
- derecognition and presentation and disclosure in the financial statements,
- the management of leases within the Prudential Framework.

The guidance also covers the transitional arrangements for moving to these new requirements, such as:

- the recognition of right-of-use assets and liabilities for leases previously accounted for as operating leases by lessees
- the mechanics of making the transition in the 2020/21 financial statements (including the application of transitional provisions and the preparation of relevant disclosure notes).

What will we do?

The adoption of IFRS 16 by the NAO Code of Audit Practice as the basis of preparation of financial statements has been deferred until 2022/23. The Council will therefore no longer be required to undertake an impact assessment, and disclosure of the impact of the standard in the financial statements does not now need to be financially quantified.

We therefore no longer consider this as an area of focus in 2019/20. We will continue to liaise with management in the coming year on their preparation for the future implementation of IFRS 16.



03 Audit Report





Audit Report

Draft audit report 2019-20

TO BE UPDATED AND INCLUDED AT CONCLUSION OF THE AUDIT

Our opinion on the financial statements



04 Audit Differences





Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as "known" or "judgemental". Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Material error – existence of furniture and fittings

During our audit we identified that the Council were unable to provide evidence to support the value of furniture and fittings reported within the accounts, at £8.7m. As a result we intend to qualify our opinion in relation to the value. We are currently consulting internally as to the form of qualification and wording.

The Council has historically not maintained a register of assets of furniture and fittings, instead making an estimate of the value of expenditure on property in year and recording it as the asset value for this class of assets. The issue was identified during 2020 but, due to Covid 19, remedial action to value the assets on property sites has not been possible. We recommend that the valuation exercise is carried out as soon as practicable, to allow for accurate reporting of the Council's assets.

Summary of adjusted differences

We highlight the following misstatements greater than £2.83 m which have been corrected by management that were identified during the course of our audit:

FACTUAL MIS-STATEMENTS:

- 1) Depreciation not charged on asset revalued in year. Error value is £3,649,903.
- 2) Car Park valuations were revalued as a result of challenge on the original methodology applied by the external valuer. There are multiple car parks (7-8) impacted as a result of EY challenge with 1 car park alone having a reduction in value of approximately £10 m. We are concluding our work on this area and will provide an update at the General Purposes and Licensing Committee meeting.



Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as "known" or "judgemental". Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of un-adjusted differences

In addition we highlight the following misstatements to the financial statements and/or disclosures which were not corrected by management. We request that these uncorrected misstatements be corrected or a rationale as to why they are not corrected be considered and approved by the General Purposes and Licensing Committee and provided within the Letter of Representation:

We highlight the following misstatements greater than £0.028 m which have not been corrected by management that were identified during the course of our audit:

FACTUAL MIS-STATEMENTS:

1. As per the Housing Benefits claim form, the Local Authority errors amount in cell 204 - £208,462 is below the Lower threshold in cell 202 - £455,466. As per Cell 207S LBB should receive the full amount under LA error since LBB's LA Error overpayments are below the lower threshold. Therefore, we believe £208,462 of this provision is overstated.
2. Expenditure relating to jobs completed in 2019/20 was not accrued for in 2019/20. Error value is £481,077.
3. Two S106 grants were incorrectly recognised as Capital Grants Receipts In Advance - should have been recognised in grant income in the CIES because the S106 agreements did not have grant conditions. Error value is £1,288,391.

PROJECTED MIS-STATEMENTS:

- 1) The Council has classified assets that are currently under construction as additions in FY 19/20. This occurred solely on LIP Formula Funded additions and as such we believe that these errors are isolated. The extrapolated potential unadjusted error is £915,235
- 2) The Council have incorrectly included VAT in capitalisation of assets. Our error extrapolation calculation found the potential variance from this type of error is £117k.
- 3) An accrual re: agency staff cost was reversed as it was believed to have been paid before year end. We were unable to confirm that the last week invoice amount i.e. £1,697.40 was paid before year end. This transaction has therefore been falsely debited as it was not paid by YE and has therefore been included as an error in reversal of the accrual. This should have been recorded as a creditor. The extrapolated error value is £48,721.
- 4) Iproc Accrual incorrectly raised as these have been paid. The value of this was £69,392.
- 5) School Expenditure credits incorrect, reversals cannot be evidenced, extrapolated error value was £244,518.
- 6) Financing and Investment Income - interest income representative item recognised higher value than confirmation – extrapolated value was £18,990.
- 7) Cost Of Sales Expenditure Credits incorrect. Unadjusted value is £33,026.
- 8) Cost of Sales Expenditure Debit representative items, extrapolated error value is £988,255.

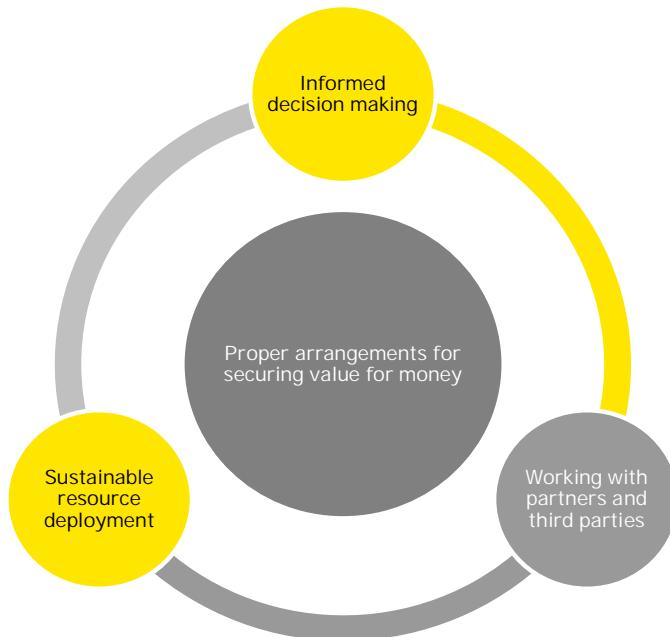
JUDGMENTAL MIS-STATEMENTS:

Goodwin impact deemed immaterial by senior officers and management specialist at less than 0.1%. As per range from EY Pensions this is likely to be 0.1% to 0.2% i.e. £853,487 to £1,706,974.



05 Value for Money





Background

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

For 2019/20 this is based on the overall evaluation criterion:

"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people"

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

In considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

Impact of covid-19 on our Value for Money assessment

Page 35 On 16 April 2020 the National Audit Office published an update to auditor guidance in relation to the 2019/20 Value for Money assessment in the light of covid-19. This clarified that in undertaking the 2019/20 Value for Money assessment auditors should consider Local Authorities' response to Covid-19 only as far as it relates to the 2019-20 financial year; only where clear evidence comes to the auditor's attention of a significant failure in arrangements as a result of Covid-19 during the financial year, would it be appropriate to recognise a significant risk in relation to the 2019-20 VFM arrangements conclusion.

Overall conclusion

Due to the ongoing delay in certification of the 2017/18 and 2018/19 audits by the predecessor auditor as a result of outstanding objections on value for money we have been unable to conclude our value for money review. We have been in regular discussions with senior officers to understand the latest position regarding the closure of these prior year accounts and the specific objections raised with regards procurement. Our understanding from those discussions is that the predecessor auditor has now reached their conclusion and as a result we should soon be in a position to discuss that conclusion with the predecessor auditor as well as consider their summary conclusions. We will provide an update at the next available Committee and once we have had a chance to complete our own assessment of the evidence and conclusions reached by the predecessor auditor and also any impact on our responsibilities.

The Council's responsibilities for value for money

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

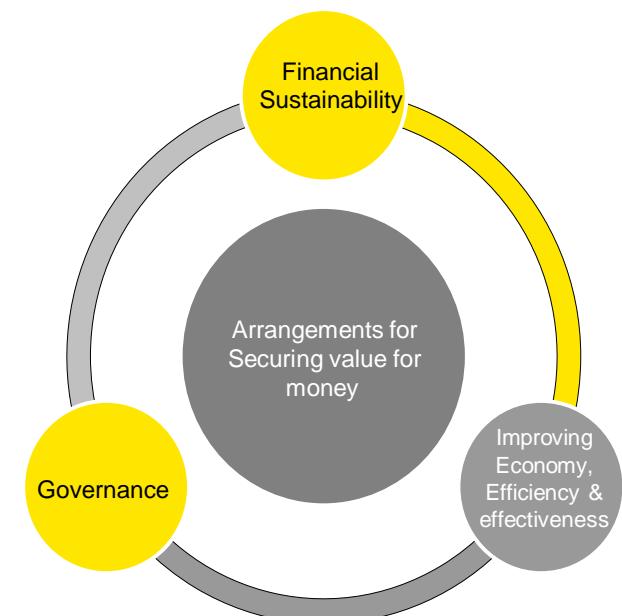
As part of the material published with its financial statements, the Council is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the Council tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

Auditor responsibilities under the new Code

Under the 2020 Code we are still required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. However, there is no longer overall evaluation criterion which we need to conclude on. Instead the 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria (see below) on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- Financial sustainability
How the Council plans and manages its resources to ensure it can continue to deliver its services;
- Governance
How the Council ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness:
How the Council uses information about its costs and performance to improve the way it manages and delivers its services.



Planning and identifying VFM risks

The NAO's guidance notes require us to carry out a risk assessment which gathers sufficient evidence to enable us to document our evaluation of the Council's arrangements, in order to enable us to draft a commentary under the three reporting criteria. This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations. This is a change to 2015 Code guidance notes where the NAO required auditors as part of planning, to consider the risk of reaching an incorrect conclusion in relation to the overall criterion.

In considering the Council's arrangements, we are required to consider:

- The Council's governance statement
- Evidence that the Council's arrangements were in place during the reporting period;
- Evidence obtained from our work on the accounts;
- The work of inspectorates (such as Ofsted) and other bodies; and
- Any other evidence source that we regard as necessary to facilitate the performance of our statutory duties.

We then consider whether there is evidence to suggest that there are significant weaknesses in arrangements. The NAO's guidance is clear that the assessment of what constitutes a significant weakness and the amount of additional audit work required to adequately respond to the risk of a significant weakness in arrangements is a matter of professional judgement. However, the NAO states that a weakness may be said to be significant if it:

- Exposes – or could reasonably be expected to expose – the Council to significant financial loss or risk;
- Leads to – or could reasonably be expected to lead to – significant impact on the quality or effectiveness of service or on the Council's reputation;
- Leads to – or could reasonably be expected to lead to – unlawful actions; or
- Identifies a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

We should also be informed by a consideration of:

- The magnitude of the issue in relation to the size of the Council;
- Financial consequences in comparison to, for example, levels of income or expenditure, levels of reserves, or impact on budgets or cashflow forecasts;
- The impact of the weakness on the Council's reported performance;
- Whether the issue has been identified by the Council's own internal arrangements and what corrective action has been taken or planned;
- Whether any legal judgements have been made including judicial review;
- Whether there has been any intervention by a regulator or Secretary of State;
- Whether the weakness could be considered significant when assessed against the nature, visibility or sensitivity of the issue;
- The impact on delivery of services to local taxpayers; and
- The length of time the Council has had to respond to the issue.



Responding to identified risks

Where our planning work has identified a risk of significant weakness, the NAO's guidance requires us to consider what additional evidence is needed to determine whether there is a significant weakness in arrangements and undertake additional procedures as necessary, including where appropriate, challenge of management's assumptions. We are required to report our planned procedures to the audit committee.

Reporting on VFM

In addition to the commentary on arrangements, where we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources the 2020 Code has the same requirement as the 2015 Code in that we should refer to this by exception in the audit report on the financial statements.

However, a new requirement under the 2020 Code is for us to include the commentary on arrangements in a new Auditor's Annual Report. The 2020 Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the Council's attention or the wider public. This should include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily.

Status of our 2020/21 VFM planning

We have yet to commence our detailed VFM planning. We are also likely to focus on the governance arrangements the Council has established to ensure that informed decisions are taken on policies and projects likely to have a significant impact on the Council's medium term financial plans and finances.

One area we will be highlighting as a significant weakness in arrangements in 2020/21 is in respect of Financial Reporting and the support and processes in place around the year end audit process. The delays in the prior year and the current year have highlighted a number of arrangements and processes which need to be strengthened.



06 Other reporting issues



Other reporting issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the [name of the document that the financial statements are published in the Statement of Accounts 2019/20 with the audited financial statements.

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

Financial information in the Statement of Accounts 2019/20 and published with the financial statements was consistent with the audited financial statements.

We have reviewed the Annual Governance Statement and can confirm it is consistent with other information from our audit of the financial statements and we have no other matters to report.

Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts (WGA) return. The extent of our review, and the nature of our report, is specified by the National Audit Office.

[We have been informed by the National Audit Office that the 2019/20 WGA process has now been closed so no further submissions are expected from auditors after December 2021. We therefore have no further matters to complete regarding WGA and therefore have nothing further we need to report.](#)



Other reporting issues

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We did not identify any issues which required us to issue a report in the public interest.

We also have a duty to make written recommendations to the Authority, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014. We are currently considering issuing statutory recommendations regarding improvements required in the financial reporting arrangements at the Council, as a result of the weaknesses identified in those arrangements during the 2019/20 and 2020/21 audits.

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the [Authority]'s financial reporting process. They include the following:

- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- Any significant difficulties encountered during the audit;
- Any significant matters arising from the audit that were discussed with management;
- Written representations we have requested;
- Expected modifications to the audit report;
- Any other matters significant to overseeing the financial reporting process;
- Findings and issues around the opening balance on initial audits (if applicable);
- Related parties;
- External confirmations;
- Going concern;
- Consideration of laws and regulations

We have noted the delays experienced during the audit elsewhere in this report and their implications. We have no other matters we need to report here.



07

Assessment of Control Environment





Assessment of Control Environment

Financial controls

It is the responsibility of the Authority to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Authority has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we have adopted a fully substantive approach, we have therefore not tested the operation of controls.

Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control.

We wish to report the following matters:

1. Bromley and Bromley Pension Fund share the same bank account. However it is a requirement of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 that all pension schemes should operate their own bank account. We considered this to be a deficiency (but not significant deficiency) in internal control and have reported this as such in the 2018/19 Audit Results Report;
2. The Council accounts and Pension Fund accounts are not set up as separate and discrete company codes on the financial ledger. This results in some journal entries appearing to be one-sided in either the Council or Pension Fund accounts. We have undertaken work to show that journals are in balance overall with there then being one final balancing journal transaction which is reflected as a non-material temporary loan by the Council to the Pension Fund on the Council's balance sheet. We considered this to be a deficiency (but not significant deficiency) in internal control and have reported this as such in the PY Audit Results Report;
3. Manual journals are not subject to any recognised or second review. This issue has also been reported by the predecessor auditor. This is a weakness in internal control. There should be some form of check over the accuracy of manual journals prior to them being processed on the ledger. In-year the Council has established a system of quarterly review of journals in response to our raising this as a deficiency in internal control in the PY Audit Results Report.
4. Significant errors in PPE valuation have been detected as part of our work. The lack of records of furniture and fittings valuations has resulted in a qualification to our audit opinion for 2019/20.
5. There was no internal check undertaken by management of the accuracy of valuations undertaken. Although we recognize that finance may not have the required expertise to perform a meaningful review of the work performed and could have reasonably assumed that as the valuations have been produced by recognized and qualified Valuer reasonable assurance could be placed on them, improvements need to be made. Specifically:
A reasonableness review of the external valuation should be undertaken by the Council.

We considered whether circumstances arising from COVID-19 resulted in a change to the overall control environment or effectiveness of internal controls, for example due to significant staff absence or limitations as a result of working remotely. We identified no issues which we wish to bring to your attention/details of issues noted.



Assessment of Control Environment

Arrangements

We reported in June 2021 that we expected to be concluding and reporting on the outcome of the 2019/20 audit in September 2021. Given the ongoing delays and the significant pressure on officers time we wanted to make a number of recommendations.

We formally reported our concerns to the General Purposes and Licensing Committee on 30 November 2021. These focused on both the capacity of the finance team to deliver core responsibilities and service the audit and also around the focus of officers in prioritising the audit process. We reported that we were considering issuing statutory recommendations under schedule 24 (7). We also discussed these concerns with the Chair of the Committee in advance of the last Committee. We highlighted at the meeting on 30 November the following recommendations supporting the conclusion of the 2019/20 and also the 2020/21 and 2021/22 audits.

Recommendations:

2019/20

- The Council to set out a clear timeline of when queries will be responded to and to meet these deadlines. The Council to put in place escalation procedures that hold officers to account for their areas of responsibility;
- Ensure that sufficient priority is given to responding to audit queries and that sufficient resource is available within the finance function to provide capacity to undertake audit support and 'business as usual' such as budget preparation and management accounting and reporting.

2021 and Beyond

- Set out a timetable of how the Council plans to address the backlog of work, including a resourcing plan and task allocation plan;
- Ensure that the Council has a clear timetable for closing down 2020/21 and preparing the draft statutory accounts; and
- Develop a sustainable resource strategy, with appropriate skills and capacity, to address future reporting requirements such as changing business (e.g. Group Accounts) and technical accounting (e.g. CIPFA Code changes).



08 Data Analytics





Use of Data Analytics in the Audit

► Data analytics – revenue recognition and payroll

Analytics Driven Audit

Data analytics

We used our data analysers to enable us to capture entire populations of your financial data. These analysers:

- Help identify specific exceptions and anomalies which can then be the focus of our substantive audit tests; and
- Give greater likelihood of identifying errors than traditional, random sampling techniques.

In 2019/20, our use of these analysers in the Authority's audit included testing journal entries and employee expenses, to identify and focus our testing on those entries we deem to have the highest inherent risk to the audit.

We capture the data through our formal data requests and the data transfer takes place on a secured EY website. These are in line with our EY data protection policies which are designed to protect the confidentiality, integrity and availability of business and personal information.

Journal Entry Analysis

We obtain downloads of all financial ledger transactions posted in the year. We perform completeness analysis over the data, reconciling the sum of transactions to the movement in the trial balances and financial statements to ensure we have captured all data. Our analysers then review and sort transactions, allowing us to more effectively identify and test journals that we consider to be higher risk, as identified in our audit planning report.

Payroll Analysis

We also use our analysers in our payroll testing. We obtain all payroll transactions posted in the year from the payroll system and perform completeness analysis over the data, including reconciling the total amount to the General Ledger trial balance. We then analyse the data against a number of specifically designed procedures. These include analysis of payroll costs by month to identify any variances from established expectations, as well as more detailed transactional interrogation.

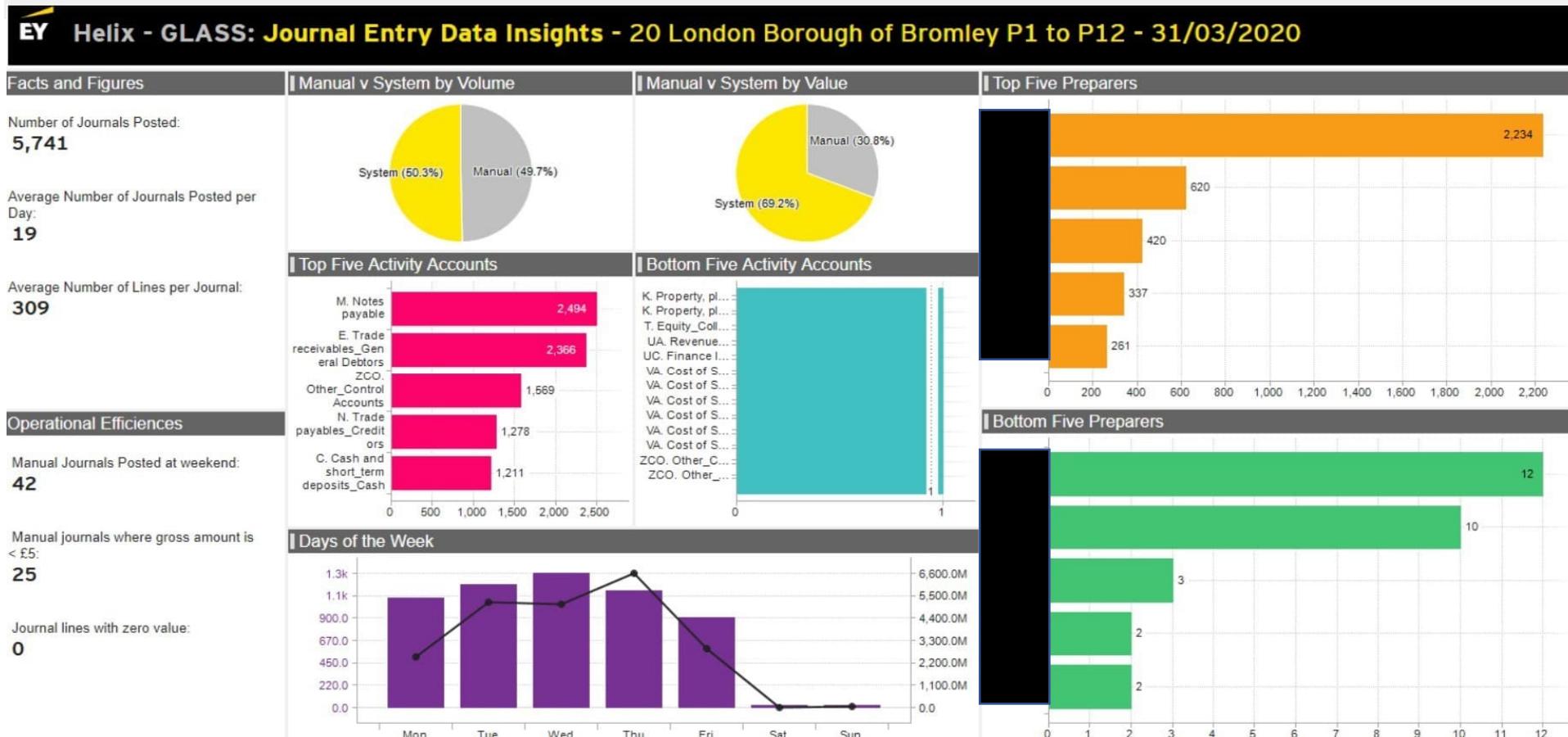


Data Analytics

Journal Entry Data Insights

The graphic outlined below summarises the journal population for 2019/20. We review journals by certain risk based criteria to focus on higher risk transactions, such as journals posted manually by management, those posted around the year-end, those with unusual debit and credit relationships, and those posted by individuals we would not expect to be entering transactions.

The purpose of this approach is to provide a more effective, risk focused approach to auditing journal entries, minimising the burden of compliance on management by minimising randomly selected samples.



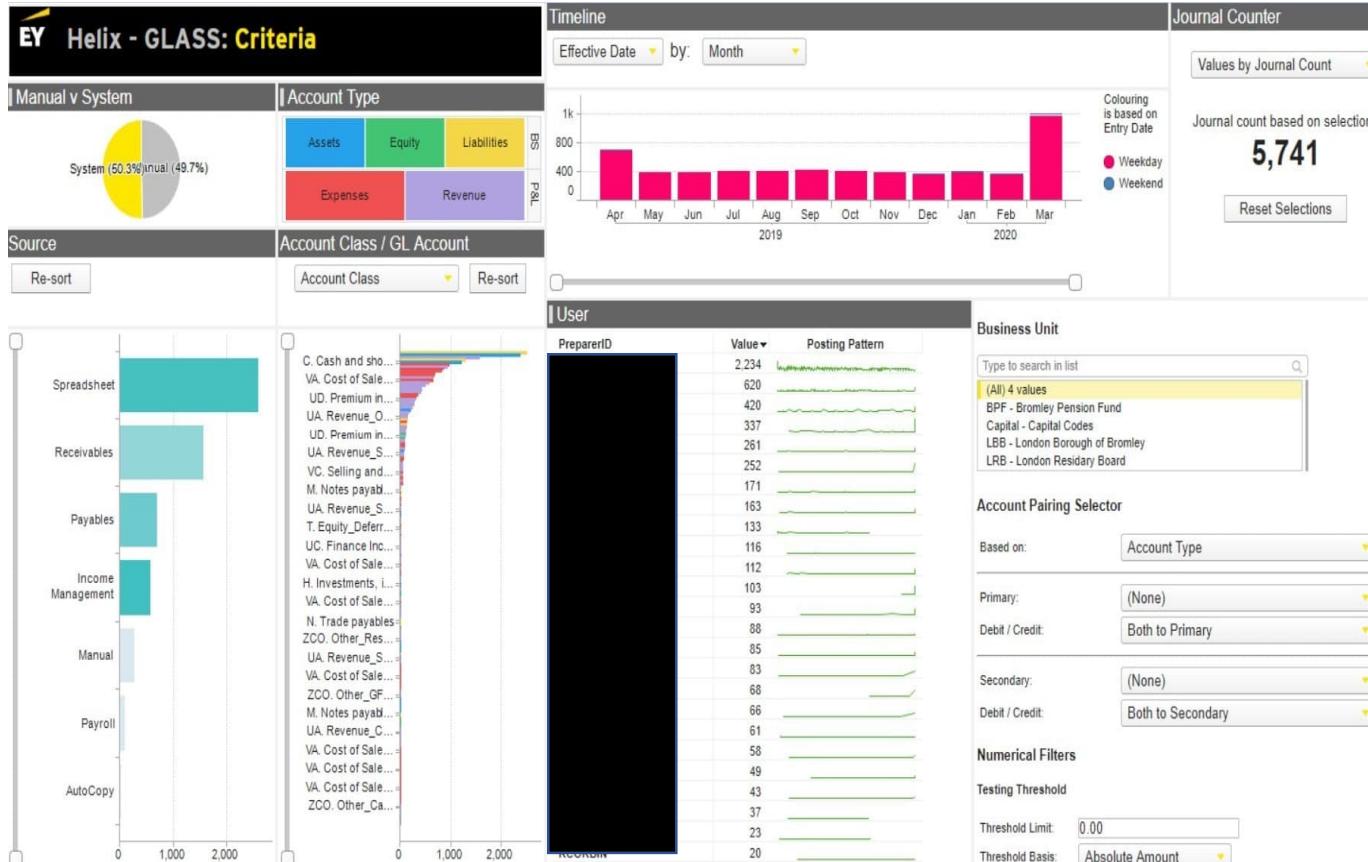


Journal Entry Testing

What is the risk?

In line with ISA 240 we are required to test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

Journal entry data criteria – 31 March 2020



What are our conclusions?

We isolated a sub set of journals for further investigation and obtained supporting evidence to verify the posting of these transactions and concluded that they were appropriately stated.

What judgements are we focused on?

Using our analysers we are able to take a risk based approach to identify journals with a higher risk of management override, as outlined in our audit planning report.

What did we do?

We obtained general ledger journal data for the period and have used our analysers to identify characteristics typically associated with inappropriate journal entries or adjustments, and journals entries that are subject to a higher risk of management override.

We then performed tests on the journals identified to determine if they were appropriate and reasonable.



09

Independence





09 - Independence

Relationships, services and related threats and safeguards



The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and your Authority, senior management and its affiliates, including all services provided by us and our network to your Authority, senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2019 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by Ernst & Young

Below includes a summary of the fees that you have paid to us in the year ended 31 March 2020 in line with the disclosures set out in FRC Ethical Standard and in statute. Further detail of all fees has been provided to the Audit Committee with measurement against pre-approved limits.

We confirm that none of the services provided has been provided on a contingent fee basis.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted.

Confirmation and analysis of Audit fees – to be agreed on conclusion of audit

We confirm there are no changes in our assessment of independence since our confirmation in our audit planning board report dated 15 July 2020 [and our draft audit results report presented at 06 July 2021 General Purposes & Licensing Committee](#).

We complied with the APB Ethical Standards. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.

We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you and your General Purposes and Licensing Committee consider the facts of which you are aware and come to a view. If you wish to discuss any matters concerning our independence, we will be pleased to do so at the forthcoming meeting of the General Purposes and Licensing Committee meeting on [08 February 2022](#).

We confirm we have not undertaken non-audit work outside of the Statement of responsibilities of auditors and audited bodies as issued by the Public Sector Audit Appointments Ltd.

As part of our reporting on our independence, we set out below a summary of the fees you have paid us in the year ended 31 March 2020.

We confirm that we have not undertaken non-audit work. We have adopted the necessary safeguards in our completion of this work and complied with Auditor Guidance Note 1 issued by the NAO in December 2017.

At the time of writing, the audit has not yet been concluded and there remain a number of matters to resolve with management. Therefore we are not yet in a position to report a proposed fee for the audit of 2019/20.

New UK Independence Standards

The Financial Reporting Council (FRC) published the Revised Ethical Standard 2019 in December and it will apply to accounting periods starting on or after 15 March 2020. A key change in the new Ethical Standard will be a general prohibition on the provision of non-audit services by the auditor (and its network) which will apply to UK Public Interest Entities (PIEs). A narrow list of permitted services will continue to be allowed.

Summary of key changes

- Extraterritorial application of the FRC Ethical Standard to UK PIE and its worldwide affiliates
- A general prohibition on the provision of non-audit services by the auditor (or its network) to a UK PIE, its UK parent and worldwide subsidiaries
- A narrow list of permitted services where closely related to the audit and/or required by law or regulation
- Absolute prohibition on the following relationships applicable to UK PIE and its affiliates including material significant investees/investors:
 - Tax advocacy services
 - Remuneration advisory services
 - Internal audit services
 - Secondment/loan staff arrangements
- An absolute prohibition on contingent fees.
- Requirement to meet the higher standard for business relationships i.e. business relationships between the audit firm and the audit client will only be permitted if it is inconsequential.
- Permitted services required by law or regulation will not be subject to the 70% fee cap.
- Grandfathering will apply for otherwise prohibited non-audit services that are open at 15 March 2020 such that the engagement may continue until completed in accordance with the original engagement terms.
- A requirement for the auditor to notify the Audit Committee where the audit fee might compromise perceived independence and the appropriate safeguards.
- A requirement to report to the audit committee details of any breaches of the Ethical Standard and any actions taken by the firm to address any threats to independence. A requirement for non-network component firm whose work is used in the group audit engagement to comply with the same independence standard as the group auditor. Our current understanding is that the requirement to follow UK independence rules is limited to the component firm issuing the audit report and not to its network. This is subject to clarification with the FRC.

Next Steps

We will continue to monitor and assess all ongoing and proposed non-audit services and relationships to ensure they are permitted under FRC Revised Ethical Standard 2016 which will continue to apply until 1 April 2020.

To date we have not identified any non-audit services being provided to London Borough of Bromley which would be prohibited under the new standard.



Other communications

EY Transparency Report 2019

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2020:

[EY UK Transparency Report 2020 | EY UK](#)



Page 54

10 Appendices



 Appendix A

Audit approach update

We summarise below our approach to the audit of the balance sheet and any changes to this approach from the prior year audit.

Our audit procedures are designed to be responsive to our assessed risk of material misstatement at the relevant assertion level. Assertions relevant to the balance sheet include:

- Existence: An asset, liability and equity interest exists at a given date
- Rights and Obligations: An asset, liability and equity interest pertains to the entity at a given date
- Completeness: There are no unrecorded assets, liabilities, and equity interests, transactions or events, or undisclosed items
- Valuation: An asset, liability and equity interest is recorded at an appropriate amount and any resulting valuation or allocation adjustments are appropriately recorded
- Presentation and Disclosure: Assets, liabilities and equity interests are appropriately aggregated or disaggregated, and classified, described and disclosed in accordance with the applicable financial reporting framework. Disclosures are relevant and understandable in the context of the applicable financial reporting framework

Balance sheet category	Audit Approach in current year	Audit Approach in prior year	Explanation for change
Trade receivables	Substantively tested all relevant assertions	Substantively tested all relevant assertions	No change
Trade payables	Substantively tested all relevant assertions	Substantively tested all relevant assertions	No change
Tangible fixed assets	Substantively tested all relevant assertions	Substantively tested all relevant assertions	No change
Cash	Substantively tested all relevant assertions	Substantively tested all relevant assertions	No change



Appendix B

Summary of communications

Date	Nature	Summary
15 July 2020	Meeting	The partner in charge of the engagement, accompanied by other senior members of the audit team, met with the Audit Sub-committee and senior members of the management team to discuss the audit planning report.
14 September 2020	Meeting	The partner in charge of the engagement and senior members of the audit team met with the Director of Finance to discuss the status of the audit and also to receive a general update including a discussion on the Council's latest position regarding its response to the Covid-19 pandemic.
1 March 2021	Meeting	The senior manager on the audit as well as the engagement team met with senior officers and representatives from the external valuers to discuss EY queries in respect of asset valuations with a specific focus on the approach to car parks and investment properties
15 March 2021	Meeting	The partner in charge of the engagement and senior members of the audit team met with the Director of Finance to discuss the status of the audit and also to receive a general update including a discussion on the Council's latest position regarding its response to the Covid-19 pandemic.
January 2021- January 2022	Meeting	The Senior Manager, Manager and other members of the engagement team met regularly with senior officers to discuss the status of outstanding queries and also to receive updates on the status of the outstanding work on valuations
23 June 2021 & 27 January 2022	Meeting	The partner in charge of the engagement, accompanied by other senior members of the audit team, met with the audit senior members of the management team to discuss the draft audit results reports.
24 June 2021 & 28 January 2022	Report	The draft audit results reports, including confirmation of independence, were issued to the General Purposes and Licensing Committee.
30 November - 26 January 2022	Meeting	The Director of Finance chaired meetings with the head of internal valuations, the external valuer, senior members of the audit team and the capital accountant

 Appendix C

Required communications with the Audit Committee

There are certain communications that we must provide to the Audit Committees of UK clients. We have detailed these here together with a reference of when and where they were covered:

Required communications	 What is reported?	 Our Reporting to you
		 When and where
Terms of engagement	Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Audit planning report presented at the 15 July 2020 Audit Sub-Committee meeting
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.	Audit planning report presented at the 15 July 2020 Audit Sub-Committee meeting
Significant findings from the audit	<ul style="list-style-type: none">Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosuresSignificant difficulties, if any, encountered during the auditSignificant matters, if any, arising from the audit that were discussed with managementWritten representations that we are seekingExpected modifications to the audit reportOther matters if any, significant to the oversight of the financial reporting process	Draft Audit results reports presented at the 06 July 2021 & 08 February 2022 General Purpose and Licensing Committee meetings



Appendix C

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Public Interest Entities	<p>For the audits of financial statements of public interest entities our written communications to the audit committee include:</p> <ul style="list-style-type: none"> • A declaration of independence • The identity of each key audit partner • The use of non-member firms or external specialists and confirmation of their independence • The nature and frequency of communications • A description of the scope and timing of the audit • Which categories of the balance sheet have been tested substantively or controls based and explanations for significant changes to the prior year, including first year audits • Materiality • Any going concern issues identified • Any significant deficiencies in internal control identified and whether they have been resolved by management • Subject to compliance with regulations, any actual or suspected non-compliance with laws and regulations identified relevant to the audit committee • Subject to compliance with regulations, any suspicions that irregularities, including fraud with regard to the financial statements, may occur or have occurred, and the implications thereof • The valuation methods used and any changes to these including first year audits • The scope of consolidation and exclusion criteria if any and whether in accordance with the reporting framework • The identification of any non-EY component teams used in the group audit • The completeness of documentation and explanations received • Any significant difficulties encountered in the course of the audit • Any significant matters discussed with management • Any other matters considered significant 	<p>Audit planning report presented at the 15 July 2020 Audit Sub-Committee meeting; and Draft Audit results reports presented at the 06 July 2021 & 08 February 2022 General Purpose and Licensing Committee meetings</p>



Appendix C

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> • Whether the events or conditions constitute a material uncertainty • Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements • The adequacy of related disclosures in the financial statements 	Draft Audit results reports presented at the 06 July 2021 & 08 February 2022 General Purpose and Licensing Committee meetings
Misstatements	<ul style="list-style-type: none"> • Uncorrected misstatements and their effect on our audit opinion • The effect of uncorrected misstatements related to prior periods • A request that any uncorrected misstatement be corrected • Material misstatements corrected by management 	Draft Audit results reports presented at the 06 July 2021 & 08 February 2022 General Purpose and Licensing Committee meetings
Subsequent events	<ul style="list-style-type: none"> • Enquiry of the audit committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements. 	Draft Audit results report presented at the 06 July 2021 & 08 February 2022 General Purpose and Licensing Committee meetings
Fraud	<ul style="list-style-type: none"> • Enquiries of the Audit Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the Authority • Any fraud that we have identified or information we have obtained that indicates that a fraud may exist • Unless all of those charged with governance are involved in managing the Authority, any identified or suspected fraud involving: <ul style="list-style-type: none"> a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements. • The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected • Any other matters related to fraud, relevant to Audit Committee responsibility. 	Draft Audit results reports presented at the 06 July 2021 & 08 February 2022 General Purpose and Licensing Committee meetings



Appendix C

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Related parties	<p>Significant matters arising during the audit in connection with the Authority's related parties including, when applicable:</p> <ul style="list-style-type: none"> • Non-disclosure by management • Inappropriate authorisation and approval of transactions • Disagreement over disclosures • Non-compliance with laws and regulations • Difficulty in identifying the party that ultimately controls the Authority 	Draft Audit results reports presented at the 06 July 2021 & 08 February 2022 General Purpose and Licensing Committee meetings
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> • The principal threats • Safeguards adopted and their effectiveness • An overall assessment of threats and safeguards • Information about the general policies and process within the firm to maintain objectivity and independence <p>Communications whenever significant judgments are made about threats to objectivity and independence and the appropriateness of safeguards put in place:</p> <ul style="list-style-type: none"> • Relationships between EY, the company and senior management, its affiliates and its connected parties • Services provided by EY that may reasonably bear on the auditors' objectivity and independence • Related safeguards • Fees charged by EY analysed into appropriate categories such as statutory audit fees, tax advisory fees, other non-audit service fees • A statement of compliance with the Ethical Standard, including any non-EY firms or external experts used in the audit 	Audit planning report presented at the 15 July 2020 Audit Sub-Committee meeting; and Draft Audit results reports presented at the 06 July 2021 & 08 February 2022 General Purpose and Licensing Committee meetings

Appendix C

		 Our Reporting to you
Required communications	 What is reported?	 When and where
	<ul style="list-style-type: none"> Details of any inconsistencies between the Ethical Standard and Group's policy for the provision of non-audit services, and any apparent breach of that policy Details of any contingent fee arrangements for non-audit services Where EY has determined it is appropriate to apply more restrictive rules than permitted under the Ethical Standard The audit committee should also be provided an opportunity to discuss matters affecting auditor independence 	
External confirmations	<ul style="list-style-type: none"> Management's refusal for us to request confirmations Inability to obtain relevant and reliable audit evidence from other procedures. 	Draft Audit results reports presented at the 06 July 2021 & 08 February 2022 General Purpose and Licensing Committee meetings
Consideration of laws and regulations	<ul style="list-style-type: none"> Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of 	Draft Audit results reports presented at the 06 July 2021 & 08 August 2022 General Purpose and Licensing Committee meetings
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> Significant deficiencies in internal controls identified during the audit. 	Draft Audit results reports presented at the 06 July 2021 & 08 February 2022 General Purpose and Licensing Committee meetings



Appendix C

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> Written representations we are requesting from management and/or those charged with governance 	Draft Audit results reports presented at the 06 July 2021 & 08 February 2022 General Purpose and Licensing Committee meetings
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> Material inconsistencies or misstatements of fact identified in other information which management has refused to revise 	Draft Audit results report presented at the 06 July 2021 & 08 February 2022 General Purpose and Licensing Committee meetings
Auditors report	<ul style="list-style-type: none"> Any circumstances identified that affect the form and content of our auditor's report 	Draft Audit results report presented at the 06 July 2021 & 08 February 2022 General Purpose and Licensing Committee meetings
Fee Reporting	<ul style="list-style-type: none"> Breakdown of fee information when the audit planning report is agreed Breakdown of fee information at the completion of the audit Any non-audit work 	Audit planning report presented at the 15 July 2020 Audit Sub-Committee meeting; and Draft Audit results reports presented at the 06 July 2021 & 08 February 2022 General Purpose and Licensing Committee meetings

Appendix D

Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
Final accounts	Incorporation of EY review comments on disclosure notes and also incorporation of agreed amendments to specific accounts	EY and management
Final review of audit work	Senior Manager, Partner and Peer review Partner completion of final review of audit work	EY
Going Concern	EY to review updated Going Concern disclosure note and supporting information including forward cashflow from at least 12 months from the date of the audit report. Will also include Internal consultation on the going concern assessment, disclosure and any impact on the audit opinion	EY and management
Management representation letter	Receipt of signed management representation letter	EY and management
Receipt of IAS 19 Assurance from Pension Fund Auditor	EY to review the IAS 19 Assurance Letter from the Pension Fund auditor at Bromley Pension Fund	EY
Resolution of Outstanding Audit Queries	LBB Officers to provide appropriate audit evidence supporting	Management
Subsequent events review	Completion of subsequent events procedures to the date of signing the audit report	EY and management
Updated Valuations and Resolution of Outstanding Valuation Queries	EY to review updated valuations and to assess the impact on the associated notes within the financial statements	EY and management
Value for Money	EY to complete VFM and consider outcomes of conclusions from predecessor auditor for years 2017/18 and 2018/19	EY and management

Appendix E

Management representation letter

Management Rep Letter

[To be prepared on the entity's letterhead]

[Date]

Ernst & Young
FAO: Janet Dawson
EY LLP
More London Place
London
SE1 2AF

Dear Janet

This letter of representations is provided in connection with your audit of the council financial statements of London Borough of Bromley ("the Council") for the year ended 31 March 2020. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the council financial statements give a true and fair view of the Council financial position of London Borough of Bromley as of 31 March 2020 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 for the Council.

We understand that the purpose of your audit of our council financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 for the Council.
2. We acknowledge, as members of management of the Council, our responsibility for the fair presentation of the council financial statements. We believe the Council financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Council in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and are free of material misstatements, including omissions. We have approved the council financial statements.
3. The significant accounting policies adopted in the preparation of the Council financial statements are appropriately described in the Council financial statements.
4. As members of management of the Council, we believe that the Council have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 for the Council that are free from material misstatement, whether due to fraud or error. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we have made to address the effects of the COVID-19 pandemic on our system of internal controls.
5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the council financial statements taken as a whole. We have not corrected these differences identified and brought to our attention by the auditor because [specify reasons for not correcting misstatement].



Appendix E

Management representation letter

Management Rep Letter (cont.)

- | | |
|--|---|
| <p>B. Non-compliance with law and regulations, including fraud</p> <ol style="list-style-type: none">1. We acknowledge that we are responsible for determining that the Council's activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws and regulations, including fraud.2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.3. We have disclosed to you the results of our assessment of the risk that the Council financial statements may be materially misstated as a result of fraud.4. We have disclosed to you, and provided you full access to information and any internal investigations relating to, all instances of identified or suspected non-compliance with law and regulations, including fraud, known to us that may have affected the Council (regardless of the source or form and including, without limitation, allegations by "whistleblowers") including non-compliance matters:<ul style="list-style-type: none">• involving financial statements;• related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Council's financial statements;• related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Council's activities, its ability to continue to operate, or to avoid material penalties;• involving management, or employees who have significant roles in internal controls, or others; or• in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others. | <p>C. Information Provided and Completeness of Information and Transactions</p> <ol style="list-style-type: none">1. We have provided you with:<ul style="list-style-type: none">• Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;• Additional information that you have requested from us for the purpose of the audit; and• Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.2. All material transactions have been recorded in the accounting records and all material transactions, events and conditions are reflected in the council financial statements, including those related to the COVID-19 pandemic.3. We have made available to you all minutes of the meetings of the Council and committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting of the General Purposes and Licensing Committee on 06 July 2021.4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Council's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the year ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the council financial statements.5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.6. We have disclosed to you, and the Council has complied with, all aspects of contractual agreements that could have a material effect on the council financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt. |
|--|---|



Appendix E

Management representation letter

Management Rep Letter (cont.)

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the council financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent. No guarantees have been given to third parties.

E. Subsequent Events

1. There have been no events, including events related to the COVID-19 pandemic, subsequent to year end which require adjustment of or disclosure in the council financial statements or notes thereto.

F. Other information

1. We acknowledge our responsibility for the preparation of the other information.
2. We confirm that the content contained within the other information is consistent with the financial statements.

H. Going Concern

1. Accounting policy a) General Principles to the council financial statements discloses all of the matters of which we are aware that are relevant to the Council's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

I. Ownership of Assets

1. Except for assets capitalised under finance leases, the Council has satisfactory title to all assets appearing in the balance sheet, and there are no liens or encumbrances on the Council's assets, nor has any asset been pledged as collateral. All assets to which the Council has satisfactory title appear in the balance sheet.
2. All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the council financial statements.

J. Reserves

1. We have properly recorded or disclosed in the council financial statements the useable and unusable reserves.

K. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the asset valuations and net pension liability valuation and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the council financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

L. Asset Valuation and IAS 19 Estimates

1. We believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) have been consistently applied and are appropriate in the context of CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 for the Council.
2. We confirm that the significant assumptions used in making the asset valuation estimates appropriately reflect our intent and ability to carry out planned uses of assets valued.



Appendix E

Management representation letter

Management Rep Letter (cont.)

3. We confirm that the disclosures made in the council financial statements with respect to the accounting estimate(s) are complete and made in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 for the Council.
4. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the council financial statements due to subsequent events, including due to the COVID-19 pandemic.

M. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours faithfully,

Pete Turner – Director of Finance

Councillor Pauline Tuncliffe - Chair of the General Purposes and Licensing Committee

Appendix F

Regulatory update

Since the date of our last report to the Audit Committee, there have been a number of regulatory developments. The following table provides a high level summary of those that have the potential to have the most significant impact on you:

Name	Summary of key measures	Impact on London Borough of Bromley
Code of Audit Practice 2020	<ul style="list-style-type: none"> The updated Code of Audit Practice issued by the National Audit Office has introduced some significant changes to the requirements regarding auditors' work on the value for money conclusion, which will be applicable from 2020/21. 	<ul style="list-style-type: none"> The NAO are currently updating the Auditor Guidance Notes which will set out how the new Code of Audit Practice should be applied when carrying out value for money work. As such, the impact remains to be confirmed. Further updates will be provided when possible.
Going Concern - ISA (UK) 570 (Revised September 2019)	<ul style="list-style-type: none"> The standard is effective for audits of financial statements for periods commencing on or after 15 December 2019, however EY expects to early-adopt the revised standard for all of our audits of periods ending on or after 30 June 2020. This auditing standard has been revised in response to enforcement cases and well-publicised corporate failures where the auditor's report failed to highlight concerns about the prospects of entities which collapsed shortly after. 	<ul style="list-style-type: none"> Practice Note 10, which sets out how the auditing standards are applied in a public sector context, is currently being revised, including in light of the updated standard for Going Concern. As such, the impact is not clear at this stage. Further updates will be provided when possible.
Independence	<ul style="list-style-type: none"> The Financial Reporting Council (FRC) published the Revised Ethical Standard 2019 in December and will be effective from 15 March 2020. A key change in the new Ethical Standard will be a general prohibition on the provision of non-audit services by the auditor (and its network) which will apply to companies that are UK Public Interest Entities (PIEs). This prohibition will also extend to any UK parent and apply to all worldwide subsidiaries. A narrow list of permitted services will continue to be allowed. 	<ul style="list-style-type: none"> We will continue to monitor and assess all ongoing and proposed non-audit services and relationships to ensure they are permitted under the FRC Revised Ethical Standard 2019 which will be effective from 15 March 2020. Non-audit services which are in progress as at 15 March 2020 and are permitted under the existing ethical standard will be allowed to continue under the existing engagement terms until completed. We will work with you to ensure orderly completion of the services or where required, transition to another service provider within mutually agreed timescales. To date we have not identified any non-audit services which would be prohibited under the new standard.

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

© 2017 EYGM Limited.
All Rights Reserved.

ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

ey.com

This page is left intentionally blank

Agenda Item 6

Report No.
FSD22018

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker:	GENERAL PURPOSES AND LICENSING COMMITTEE COUNCIL		
Date:	8th February 2022 28th February 2022		
Decision Type:	Non-Urgent	Non-Executive	Non-Key
Title:	APPOINTMENT OF THE EXTERNAL AUDITOR		
Contact Officer:	David Dobbs, Head of Corporate Finance and Accounting Tel: 020 8313 4145 Email: david.dobbs@bromley.gov.uk		
Chief Officer:	Peter Turner, Director of Finance Tel: 020 8313 4668 E-mail: peter.turner@bromley.gov.uk		
Ward:	Borough Wide		

1. Reason for report

- 1.1 Under the Local Government Audit and Accountability Act (2014) the Council is required to appoint an external auditor to audit its accounts each financial year. The current auditor appointment (with EY as the incumbent) covers the period up to and including the audit of the 2022/23 accounts.
- 1.2 This report sets out options for appointing the external auditor for the five-year period from 2023/24. It concludes with a recommendation to opt-in to a sector-led approach via the established sector-led body, Public Sector Audit Appointments Ltd (PSAA) and outlines the next steps required.
- 1.3 The decision on the appointment of the auditor is one that cannot be delegated by Full Council but is being brought to this Committee for its prior review and consideration.

2. RECOMMENDATION

- 2.1 **That Council be recommended to approve the proposal to become an ‘opted in’ authority with Public Sector Audit Appointments Ltd for the appointment of its External Auditor for the five-year period for 2023/24 onwards.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: N/A
-

Corporate Policy

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

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Internal Audit
 4. Total current budget for this head:
 5. Source of funding: Existing budgetary provision for external audit fees.
-

Personnel

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

Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: N/A.
-

Procurement

1. Summary of Procurement Implications: N/A
-

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: N/A

3. COMMENTARY

Background

- 3.1 The current external auditor appointment arrangements were agreed by Council in 2017 and cover the five years up to and including the audit of the 2022/23 accounts. To make the appointment, Bromley opted into the national auditor appointment arrangements established by Public Sector Audit Appointments Limited (PSAA).
- 3.2 Under the Local Government Audit and Accountability Act (2014), the Council is required to appoint an auditor to audit its accounts for each financial year. The statutory requirement is to have an auditor appointment in place by 31 December of the year preceding the start of the contract i.e., by 31 December 2022. The time needed to run an effective procurement process means that the Council needs to decide how it wishes to undertake the process.
- 3.3 PSAA has formally invited all eligible bodies to become opted-in authorities to the national auditor appointment arrangements for the audit years 2023/2024 to 2027/2028. The length of the compulsory appointing period is the five consecutive financial years.

Options Available

- 3.4 Under the Local Government Audit and Accountability Act (2014) there are three options available to a Local Authority in appointing an external auditor. However, the scope of a local audit is fixed and is determined by the Code of Audit Practice (currently published by the National Audit Office), the format of the financial statements (specified by the Chartered Institute of Public Finance and Accountancy) and the application of auditing standards is currently regulated by the FRC.
- 3.5 The options are:
- To arrange our own procurement and make the appointment ourselves through an independent Auditor Panel;
 - To arrange procurement in conjunction with other Council's through a joint independent Auditor Panel; or
 - To again utilise the national collective scheme administered by PSAA (i.e., the opt-in to the sector led approach described in paragraph 3.3).
- 3.6 Consideration of the options indicates that the sector-wide procurement conducted by PSAA will produce better outcomes and will be less burdensome for the Council than a procurement undertaken locally primarily because:
- Collective procurement reduces costs for the sector and for individual bodies and should bring economies of scale through purchasing power;
 - If it does not use the national appointment arrangements, Bromley will need to establish its own Auditor Panel with an independent chair and independent members to oversee a local auditor procurement and ongoing management of an audit contract. This will incur additional resources and officer time;
 - It is the best opportunity to secure the appointment of a qualified, registered auditor - there are only nine accredited local audit firms¹, and a local procurement would be

¹ As at June 2021, the nine registered firms are: BDO, Cardens, Deloitte, EY, Grant Thornton, KPMG, Mazars, PWC and Azets UK.

drawing from the same limited supply of auditor resources as PSAA's national procurement; and

- Supporting the sector-led body offers the best way of ensuring there is a continuing and sustainable public audit market into the medium and long term. Additionally, the central co-ordination of appointments and management of contracts will help to manage possible conflicts and provide for synergy in the appointment-making process.

3.7 The sector-led approach via the PSAA has the support of the Local Government Association, which set up the PSAA during 2014. Additionally, it is anticipated that this will be the most popular option across the sector as a whole, for the reasons set out above.

Next Steps

- 3.8 If Bromley decides to take advantage of the national auditor appointment arrangements and opt into the PSAA scheme, formal notification must be given by 11 March 2022. This is a decision which the relevant regulations require can only be made by Full Council or its equivalent.
- 3.9 As noted earlier in the report, if Bromley wishes to pursue either sole or joint procurement then arrangements will need to be made to convene an Auditor Panel in line with the requirements, including a majority of independent members and an independent chair.

4. FINANCIAL IMPLICATIONS

- 4.1 Opting-in to the national scheme provides a strong opportunity to ensure fees are as low as possible, whilst ensuring the quality of audit is maintained by entering into a large-scale collective procurement arrangement.
- 4.2 If the national sector-led scheme is not utilised, additional resources will be needed to establish and convene an Auditor Panel and conduct a local procurement exercise.

5. LEGAL IMPLICATIONS

- 5.1 The relevant legislation governing this matter is the Local Audit and Accountability Act 2014. Further requirements are set out in the Local Audit (Appointing Person) Regulations 2015.

Non-Applicable Sections:	Personnel Implications; Policy Implications; Impact on Vulnerable Adults and Children; Procurement Implications.
Background Documents: (Access via Contact Officer)	Background documents are available from the Head of Corporate Finance & Accounting.

Agenda Item 7

London Borough of Bromley

Report No.

PART I – PUBLIC

Agenda Item No.:

Decision Maker:	General Purposes & Licensing		
Date:	8th February 2022		
Decision Type:	Non-Urgent	Non-Executive	Non-Key
TITLE:	2022/23 PAY AWARD		
Contact Officer:	Emma Downie, Head of HR Business, Systems & Reward Tel: (020) 8313 4082 email: emma.downie@bromley.gov.uk		
Chief Officer:	Charles Obazuaye, Director of HR, Customer Services & Public Affairs Tel: (020) 8313 4355 email: charles.obazuaye@bromley.gov.uk		
Ward:	N/A		

1. REASON FOR REPORT

- 1.1 Under the local terms and conditions of employment framework, the General Purposes & Licensing Committee (GP&L) is required to make a recommendation on pay awards to Full Council.
- 1.2 Pursuant to the local framework, the annual pay award review is now part of the Council's budget planning process. This requirement is a key driver for coming out of the national/regional pay negotiating frameworks.

2. RECOMMENDATION(S)

- 2.1 Members are asked to recommend that Full Council approve the following:
 - (i) A flat 2.25% pay increase for all staff (excluding teachers who are covered by a separate statutory pay negotiating process)
 - (ii) An additional £100k towards Merited Rewards, for 2022/23, bringing the total to £300k for rewarding staff for exceptional performance.
 - (iii) That the Trade Unions' pay claim for staff be rejected (see para 3.8 below and attached Appendices)
- 2.2 Members also note that, as in the previous years since coming out of the nationally/regionally negotiated frameworks, Bromley staff will receive the 2022/23 pay increase in time for the April pay.

Corporate Policy

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

Financial

1. Cost of proposal: £1.8m
 2. On-going costs: £1.7m
 3. Budget Head/Performance Centre: Staffing budgets across the council
 4. Total current budget for this Head: £76m
 5. Source of Funding: Central contingency
-

Staff

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

Legal

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

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

3.1 The Council formally adopted a local terms and conditions of employment framework for its staff, except teachers, on 12th November 2012. The key elements of the localised arrangements are as follows:

- Locally determined annual pay award for all staff, except teachers, aligned with the annual budget setting process;
- Merited reward (non-consolidated/non-pensionable) for exceptional performers;
- Any pay increases, including increments and pay awards linked to satisfactory performance for all staff, not automatic.

3.2 The Council continues to face financial challenges going forward and although there is a broadly balanced budget next year and a good local government finance settlement has been received, this has to be considered against the context of significant cost/growth pressures, higher inflation, increase in employer's national insurance costs and the ongoing impact of Covid. The Council's approach to this pressure and the challenges and opportunities it faces to balance the budget is comprehensively addressed in the report 'Draft 2022/23 Budget and Update on Council's Financial Strategy 2023/24 to 2025/26' to Executive on 12th January 2022. A copy of the report can be found at the following link:

[\(Public Pack\)7. Draft Budget 2022/23 Agenda Supplement for Executive, 12/01/2022 19:00 \(bromley.gov.uk\)](https://www.bromley.gov.uk/12/01/2022_19:00)

3.3 Delivering sustainable finances is increasingly important during a period of national and international economic issues which creates uncertainty over the longer term. This has been further exacerbated by the Covid-19 Pandemic and additional pressures on Public Sector finances.

3.4 In order to continue to provide services in the longer term the Council will need to continue to provide priority services, radically transform existing service provision, release the necessary revenues, increase council tax income, continue to explore investment opportunities and mitigate against the cost pressures currently being forecast. The Transforming Bromley Agenda seeks to address these issues.

3.5 Against this background, the Council proposed for staff and Trade Union consultation purposes a flat 2.25% pay award increase for all staff, except teachers who are covered by a separate statutory pay negotiating process.

3.6 In addition to this and in recognition of the hard work of staff, especially during the Covid-19 Pandemic, the Council proposed an additional £100k towards Merited Rewards, increasing the amount to £300k for 2022/23.

3.7 The proposal was communicated on behalf of the Director of HR, Customer Services & Public Affairs to all staff on 13th February 2022 and the Unions, comprising Unison, GMB and Unite branch and regional officers were also advised. At the time of writing the report feedback is still being gathered. The initial reaction from the unions is not favourable compared to the positive and realistic response from the Departmental representatives. Whilst both stakeholders recognised the rising

inflation rate currently at 5.4% (CPI), the Departmental representatives unlike the unions accepted that the Council's offer of 2.25% was reasonable in the current unprecedented financial climate

- 3.8 This year, a joint claim was submitted on behalf of GMB, Unison and Unite. The Unions' claim is as summarised below (Management's response is indicated in *italics*) A full copy of the claim and supporting documentation can be found at Appendix A.

- A 10% across the board uplift with a follow through to all allowances / rates

National pay talks are still ongoing for 21/22 with the final offer at 1.75% compared to the 2% already implemented at Bromley for 21/22. Whilst the previous years pay award has still not been settled nationally, there are no proposals for the 22/23 pay award.

The proposed Bromley pay award of 2.25% is likely to match or exceed that being considered by other LG employers. The unions' 10% pay claim would cost the Council £7.6m. A 10% pay claim does not reflect the on-going unprecedented pressures from the Covid-19 Pandemic.

The latest figures from the Office for National Statistics (ONS) currently report RPI at 7.5% and CPI at 5.4% however, the pay offer has to be seen in the wider context of the pressures on Public Sector Finances.

- A £2000 home working lump sum. This to be uprated each year in line with the percentage pay rise.

Since the beginning of the Covid-19 Pandemic, various support has been made available including laptops and IT goody bags to support agile working, desks and chairs made available where required, mental health support and wellbeing initiatives and online training and support.

The Council's commitment to hybrid and agile working is very clear as stated in the Transforming Bromley Workplace Modernisation Programme. Therefore, as we ease back to the workplace following the easing of the coronavirus restrictions, staff can work smartly in a mixed arrangement including a combination of home and office working or wholly from the office, subject to the desk to staff ratio (50/50 or 60/40) being considered as part of the Council's asset management review

- A £500 Covid Hazard payment for all staff who have not been able to work from home due to the nature of the role.

As a public health authority, we take the wellbeing of all of our employees seriously. Rapid Testing is available to staff and contractors, relevant PPE is available, where applicable, and vast work has been undertaken to ensure office areas are Covid secure. Our comprehensive Returning to the Workplace Staff Handbook was also produced and made available to all staff which can be found here

<https://lbbstaffhandbook.guide/>

- A commitment to discuss a reduction in the working week with no loss of pay.

There are no plans to look at a reduction of the standard working week

However, we are committed to giving serious consideration to requests for flexible working arrangements. This includes ‘compressed weeks’ where staff work their usual 5-day week hours over the course of 4 days. We already have a number of colleagues working under these arrangements.

- A phased increase of annual leave by 5 days

There are no plans to increase the minimum entitlements for annual leave. The minimum leave in the Council is 24 plus the 8 statutory bank holiday, rising to 30 for long standing employees with 5 years or more service. This compares very favourably with the leave provisions both in the private and public sector.

In addition, employees are given a discretionary additional concessionary day during the Christmas period.

- A further review of the pay and grades structures following previous realignment and removal of the lowest bandings to achieve headroom above the Living Wage (National Minimum Wage) and the Foundation Living Wage (London Living Wage);

One of the key principles of adopting a local pay framework allows democratically elected Members/Councillors to determine staff pay and terms and conditions based on a number of factors including affordability and local benchmarks. In 2020/21, the Council removed the equivalent of lower spinal points up to and including spinal point 8.

- An additional increase in rates for staff at the bottom of the pay scale to bring their pay up to the level of the Foundation Living Wage (London Living Wage) which is currently set at £11.05 per hour for 2021-22 (£10.85 for 2020);

Although The London Living Wage is not a statutory requirement, the proposed 2.25% increase would bring the lowest hourly rate at Bromley to £11.06 p.h.

- A review of payments and consideration of improvements to conditions in relation to additional components such as unsocial hours, gender pay, terms for working parents, and adjustments to hours;

Bromley will be meeting its statutory obligation to publish its gender pay information and continues to seek to address the gap. At present there are a number of women employed in senior management positions within the Council. Bromley also has a range of flexible working and benefits for working parents. Bromley’s pay arrangement is equality compliant.

- Special London Allowance for Residential Staff (should this apply) in accordance with the GLPC agreement (for reference, the agreed rate from 1 April 2020 was £1,200, the 2021 rate is awaited);

This is not applicable to any Bromley staff

- Planned overtime rates in line with the GLPC recommendations for 2022-23 (see paragraph 2.4 of the Gold Book for guidance on the application of these rates);

Contractually, staff that carry out planned overtime can be reimbursed as time off in lieu or overtime based on the agreed rates under the localised terms and conditions of employment.

- An agreement with the joint unions on behalf of staff in relation to the management of workloads across the Council;

The Council recognises the need to ensure an adequate work life balance for its staff and empowers its managers and staff to ensure that this happens. Monitoring by Senior Management helps to reinforce this best practice. The introduction of a formal workload agreement between the Council and the Trade Unions is not therefore required.

- Unions are asking the Council, as a non-NJC employer, to look again at their arrangements in the light of new national pay structures as they are forthcoming;

Bromley Council previously adopted localised terms and conditions giving democratically elected Members/Councillors the ability to determine staff pay and terms and conditions based on a number of factors including affordability and local benchmarks.

The situation at the national/regional level for 21/22 remains unsolved let alone the 22/23 pay award. The proposed Bromley pay award of 2.25% is likely to match or better that being considered by other LG employers as well as being implemented for April 2022.

How does the Council's 2022/23 pay award increase offer compare?

- 3.9 The National Joint Council (NJC) is yet to agree its pay deal for 21/22. The National Employers for Local Government had put forward a full and final pay settlement for April 2021 of 1.75% on all NJC pay points 2 and above (2.75% for point 1). The unions have rejected the National Employers' full and final one-year pay offer and have confirmed the timetable for industrial action ballots.
- 3.10 The Council will continue to monitor staff recruitment and retention and where appropriate additional pay including the use of market supplements and any other proportionate responses will be adopted e.g. hard to fill and retain posts in children/adult services. Since coming out of national terms & conditions, Bromley's pay remains competitive for all occupations.

4. Public & Private Sector pay forecast 2022/2023

- 4.1 In November 2020, the Chancellor imposed a freeze on public sector pay rises. In October 2021 it was announced that the pause on public sector pay would be lifted from April 2022.

- 4.2 Private sector pay rises are expected to be in the region of 2.5% in 2022 according to the Chartered Institute of Personnel and Development (CIPD).
- 4.3 The Council continues to operate in an economic climate of national financial uncertainty whilst having to face enormous pressures to deliver services where demand for growth is high particularly in relation to care services to vulnerable children and adults. This is also set against the backdrop of global financial impact and uncertainty due to the ongoing Covid-19 Pandemic.
- 4.4 The Council will continue to respond positively and flexibly to the labour markets regarding critical skills and hard to recruit and retain posts, in particular by offering enhanced packages if appropriate. Staff employed by the Council are also able to access the "Real Benefits" Scheme. Through the scheme the Council has negotiated favourable discounts with a range of retailers in Bromley. Accessing these benefits maximises the opportunity for employees to save on everyday living costs and staff feedback in this respect has been very positive.
- 4.5 Additionally, the Leader, the Portfolio Holder for Resources and their Cabinet colleagues and the Chairman of General Purposes and Licensing Committee are still committed to the Merited Pay Reward scheme for exceptional performers
- A separate amount of £200k for Merited Award vouchers for exceptional performers has been set aside and in 2022/23 a proposed one off increase to bring this to £300k. In 2021/22 a total of 484 awards ranging from circa £250 to £1,000 were awarded to staff. Also, a total of 162 mini rewards circa £50 (average) were awarded to staff.
 - Members have also reiterated their commitment to Staff Training and Development including the Graduate Internship Scheme and the Apprenticeship Levy.
 - Every year the Council recruits graduate interns and many of them have been promoted into permanent senior positions in the organisation. In terms of the Apprenticeship Levy, HR is developing a plan to use the levy to upskill existing staff in the organisation partly to address areas of recruitment and retention difficulty.

5. POLICY IMPLICATIONS

- 5.1 As stated in paragraph 3.1 above, the annual pay award review is one of the key drivers for adopting the localised terms and conditions of employment framework for staff, except teachers. It enables the Council to set its own pay award free from nationally/regionally negotiated arrangements, usually divorced from local pressures and circumstances.
- 5.2 Aligning the pay review process with the budget setting process means that the cost of the pay increase is not viewed in isolation from the other significant cost pressures impacting on the Council's overall budget

6. FINANCIAL IMPLICATIONS

- 6.1 A 2.25% increase to all staff as detailed in recommendation 2.1 (ii), will cost the Council £1.7m p.a. The proposed increase of £100k in Merit Reward payments would be a non-recurring cost in 2022/23 only.
- 6.2 The Council continues to face an underlying ‘budget gap’ as identified in the 2022/23 Council Tax report to Executive and there remains a need for savings to be identified in future budget choices. Provision for a 2.25% increase has been included in the Draft 2022/23 Budget. The proposed £100k increased cost of Merit Rewards would need to be funded from Central Contingency.

7. LEGAL IMPLICATIONS

- 7.1 As set out in the report, there are no specific implications, including equal pay arising from the proposed pay award recommendations as detailed in para 2.1 above.

8. PERSONNEL IMPLICATIONS

- 8.1 As set out in the report.

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



PAY CLAIM: 2022-23

Submitted by Joint Trade Unions to the London Borough of Bromley

1. Introduction

This pay claim is submitted by the joint trade unions on behalf of staff working for the London Borough of Bromley (LBB hereafter).

The claim is set at a level that we believe recognises the following key points:

- Major increases in the cost of living over recent years continue to significantly reduce the value of staff wages, with exponential impact forecast in 2022;
- Appropriate reward is needed to sustain the morale and productivity of staff in their crucial role of delivering high quality services during the Covid-19 pandemic;
- Appropriate reward is needed for the increased workload and stress placed on staff against a background of major budget cuts and the pandemic;
- Average pay settlements across the economy have been running ahead of those received by Bromley Council staff over recent years, increasing the likelihood of recruitment and retention problems in the long term;
- Nobody should be paid less than the nationally recognised Foundation Living Wage (London Living Wage) rate, which has become a benchmark for the minimum level of decent pay across the UK and is now paid by large sections of the public services and many major private companies

The joint trade unions therefore submit the following claim for 2022-23, which seeks to improve and enhance the morale and productivity of our members. Meeting our claim will give LBB the opportunity to demonstrate its commitment to creating a workforce which is well paid and high in morale and productivity. The claim is straightforward and realistic.

2. Summary Claim

We are seeking:

- A 10% across the board uplift with a follow through to all allowances / rates

- A £2000 home working lump sum. This to be uprated each year in line with the percentage pay rise.
- A £500 Covid Hazard payment for all staff who have not been able to work from home due to the nature of the role.
- A commitment to discuss a reduction in the working week with no loss of pay.
- A phased increase of annual leave by 5 days
- A further review of the pay and grades structures following previous realignment and removal of the lowest bandings to achieve headroom above the Living Wage (National Minimum Wage) and the Foundation Living Wage (London Living Wage);
- An additional increase in rates for staff at the bottom of the pay scale to bring their pay up to the level of the Foundation Living Wage (London Living Wage) which is currently set at £11.05 per hour for 2021-22 (£10.85 for 2020);
- A review of payments and consideration of improvements to conditions in relation to additional components such as unsocial hours, gender pay, terms for working parents, and adjustments to hours;
- Special London Allowance for Residential Staff (should this apply) in accordance with the GLPC agreement (for reference, the agreed rate from 1 April 2020 was £1,200, the 2021 rate is awaited);
- Planned overtime rates in line with the GLPC recommendations for 2022-23 (see paragraph 2.4 of the Gold Book for guidance on the application of these rates);
- An agreement with the joint unions on behalf of staff in relation to the management of workloads across the Council;
- Unions are asking the Council, as a non-NJC employer, to look again at their arrangements in the light of new national pay structures as they are forthcoming;
- The advantages of the NJC pay spine are:
 - The NJC pay spine is transparent
 - Using the NJC pay spines aids comparability with other NJC employers
 - It becomes easier to apply future NJC pay awards
 - Using the NJC pay spine future proofs the employer against National Living Wage
 - Increases and so provides stability
 - The NJC pay spine provides a sound basis for future pay and grading exercises

3. Background to the Claim

A substantial increase will help restore and maintain living standards of the staff who have seen their real pay eroded considerably.

The greatest asset of LBB is its employees. In this pay round, our members are looking for evidence of the value that LBB places upon them for their contribution to the Council's response to the unprecedented and continued circumstances created by the Covid-19 pandemic.

This claim is both realistic and fair. The following gives full justification for the claim. The joint unions hope that LBB will give this claim the full consideration and response which employees expect and richly deserve.

4. Falling Value of Pay

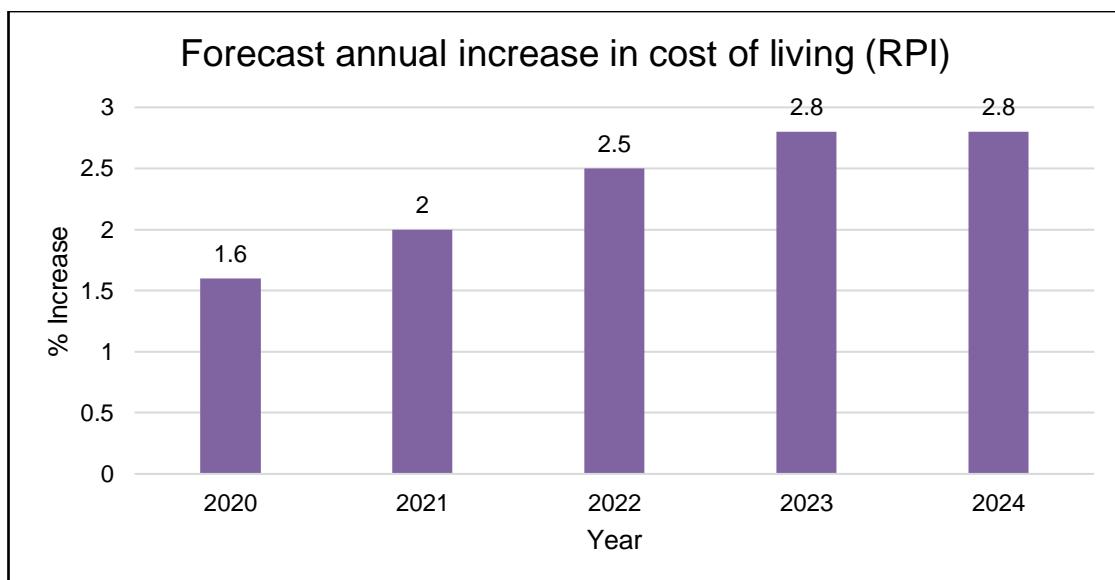
The table below demonstrates the major fall in living standards suffered by staff over recent years.

	LBB pay increases	Rise in cost of living ¹ (as measured by Retail Prices Index)
2012	0%	3.2%
2013	1.2%	3.0%
2014	1.2%	2.4%
2015	1.2%	1.0%
2016	1.2%	1.8%
2017	1.2%	3.6%
2018	2.0%	3.3%
2019	2.25%	2.6%
2020	2.5%	1.5%
2021	2.0%	4.1%

This means that, while the cost of living has risen by at least 25% over the last decade, pay in LBB has risen by just under 15%, equating to thousands of pounds in cuts to the value of staff wages.

The Treasury average of independent forecasts states that RPI inflation averaged 1.6% over 2020. It will then escalate every year to reach 2.8% by 2024, following the pattern shown in the graph below. These annual rates show the rate at which pay rises would be needed for wages just to maintain their current value, and this will only be exacerbated by inflation as witnessed in the past six months alone.

¹ Office for National Statistics, Consumer Price Inflation Reference Tables, January 2021



Source: HM Treasury Forecasts for the UK Economy, May 2020

5. Falling Behind Average Pay Rates

The ability of LBB to attract and retain staff in the long term will be damaged if the pay of its staff falls behind the going rate in the labour market.

The table below shows that pay settlements over the last year across the economy have been running at 2%, which, while commensurate with the 2021 LBB award, maintains the gaps created by previous settlements and continues the trend of being below the NJC award (2.75% in 2020).

Year	Average pay settlements	LB Bromley pay increases
2010	2.0%	0%
2011	2.5%	0%
2012	2.5%	0%
2013	2.5%	1.2%
2014	2.5%	1.2%
2015	2.2%	1.2%
2016	2.0%	1.2%
2017	2.0%	1.2%
2018	2.5%	2.0%
2019	2.5%	2.25%
2020	2.6%	2.5%
2021	2.0%	2.0%

6. Recruitment and Retention Pressures Continue

Recruitment and retention are a key priority for councils. As of 2017/18, 78% of councils were experiencing recruitment and retention difficulties, with 10% feeling forced to enact a recruitment freeze at some point during 2017/18 (LGA workforce survey 2017/18). This issue is particularly acute for a variety of professional and specialist roles, including social work, planning, and building control.

Successive workforce surveys conducted by the LGA make it apparent that pressures are rising. Local Authorities reported average vacancy rate of 8% (rising to 9.5% for unitary authorities) is significantly higher than the averages for wider public sector and in the economy as a whole.

With the general unemployment rate in the UK economy set to rise as the country adapts to ‘the new normal’ created by Covid-19, competitive wages will only become more crucial if LBB wish to recruit and retain staff.

As temporary and agency staff are used to deal with staffing problems caused by absenteeism or recruitment and retention difficulties, this can, in turn, have a negative impact on workload and morale.

7. Morale Under Threat

Working against a background of consistent cuts and the ongoing threat to services caused by the pandemic, staff have been facing greater workload pressures. The resulting increased stress puts the morale of the workforce at risk and poses a long-term threat to LBB’s ability to provide a consistent quality of service.

While requesting the above, it should be noted that LBB has followed best practice in terms of Working from Home guidance to its staff to protect their physical and mental health, but members continue to raise concerns about the consistency of application of WFH guidance and the availability of suitable equipment to perform job roles remotely.

8. Conclusion

There can be no doubt that all employees working for LBB have seen a significant fall in their living standards; their real earnings have fallen substantially.

To deliver a quality service, LBB relies on its workforce, and the retention of a specialist, skilled, experienced, and dedicated workforce is important to the quality-of-service delivery. Competition for that workforce from other sectors is strong.

2022 is the year in which LBB can begin to demonstrate that its workforce is included as we begin to recover from the impact of Covid-19.

This is a fair and realistic claim which we ask LBB to meet in full.

This page is left intentionally blank

Agenda Item 8

London Borough of Bromley

Report No. HR

PART I – PUBLIC

Agenda Item No.:

Decision Maker:	General Purposes & Licensing Committee		
Date:	8th February 2022		
Decision Type:	Non-Urgent	Non-Executive	Non-Key
TITLE:	PAY POLICY STATEMENT 2022/23		
Contact Officer:	Charles Obazuaye Tel: (020) 8313 4381 email: charles.obazuaye@bromley.gov.uk		
Chief Officer:	Director of HR, Customer Services & Public Affairs		
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 2022/23 Pay Policy Statement is attached for Members consideration and approval.
-

2. RECOMMENDATION(S)

2.1 Members are asked to:

- (i) recommend that Full Council approve the 2022/23 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 2022/23 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 Making Bromley Even Better 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 although in 2021/22 members agreed an additional £200k for one year in recognition of the work of staff during the pandemic. Since the introduction of the scheme a total of 1811 merited rewards have been made. Separately 1378 mini merit awards have been made to staff.

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 HR, Customer Services & Public Affairs. The attached

proposed Pay Policy Statement 2022/23 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.

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 2022/23 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 & Public Affairs, 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. 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 2022/23
- 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 2022 in line with statutory deadlines.

PAY POLICY STATEMENT FOR FINANCIAL YEAR 2022/23	
POLICY AREA UNDER THE ACT	POLICY STATEMENT
	<p><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></p>
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> <ul 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

	<ul style="list-style-type: none"> • 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 <p>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.</p> <p>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 HR, Customer Services & Public Affairs on behalf of the Chief Executive.</p> <p>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 £2,566 - £3,728 per annum subject to this not exceeding 70% of the car's current benchmark value plus insurance.</p>
--	--

	<p>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 HR, Customer Services & Public Affairs 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 11.5p per mile.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
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 HR, Customer Services & Public Affairs 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 £20,297 per annum (21/22) and the Council therefore defines its lowest paid employee as anyone earning £20,297 (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 1:6.
Increases and additions to remuneration of Chief Officers	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. 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 2022/23 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>
Approach to severance payments - any non-statutory payment to Chief	<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.</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</p>

Officers who cease to hold office/be employed	<p>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>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.</p> <p>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.</p> <p>Please refer to the below guidance for further information:</p> <p><u>SPECIAL_SEVERANCE_GUIDANCE_v3_FINAL.pdf (publishing.service.gov.uk)</u></p>
---	---

Publication of and access to information relating to this Policy and to	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.
---	--

the remuneration of Chief Officers	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.
------------------------------------	--

This page is left intentionally blank

Agenda Item 9

Report No.
ES 20155

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE

Date: Tuesday 8 February 2022

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

Title: BUSSINESS AND PLANNING ACT 2020 DELEGATION OF POWERS AND PAVEMENT LICENSING POLICY

Contact Officer: Steve Phillips, Head of Health, Safety and Licensing
Tel: 020 8313 4659 E-mail: steve.phillips@bromley.gov.uk

Chief Officer: Executive Director of Environment & Community Services

Ward: (All Wards);

1. Reason for report

To support the hospitality sectors recovery and to allow the businesses to operate whilst managing the risks arising from the COVID-19 pandemic the Business and Planning Act 2020 (the Act) was given Royal Assent on 22 July 2020. The Act initially relaxed licensing and planning laws until 30 September 2021 by (a) making it easier for the hospitality sector to obtain permissions to seat and serve customers outdoors, creating a fast-track pavement licence application process and (b) enabling automatic extension of alcohol off-sales to premises that already had permission for on-sales. Through the Business and Planning Act 2020 (Pavement Licences) (Coronavirus) (Amendment) Regulations 2021 (the B&P amendment regulations) the government has now extended these temporary provisions until 30 September 2022.

The London Borough of Bromley Pavement Licensing Policy (the Policy) sets out the strategy aimed at facilitating the pavement licence application process whilst maintaining public safety during the COVID-19 pandemic and beyond. The policy has been amended to incorporate the provisions of the B&P amendment regulations.

The Current Pavement Licensing Policy is available for comment as part of this report

This Report provides background to the exercise of delegated authority of the Council to process and provide a decision under the Business and planning Act 2020. Specifically, in relation to Pavement Licensing and changes necessitated by administrative convenience to delegate authority to the Executive Director of Environment & Community Services to do all

things necessary to implement and operate the pavement licensing arrangements under the Business and Planning Act 2020

2. RECOMMENDATION(S)

Members are asked to:

1. Agree the streamlined application process as outlined in the Pavement Licensing Policy appended to this report.
 2. Agree the pavement licence duration period as outlined in the Pavement Licensing Policy appended to this report.
 3. Agree £100 fee for all pavement licence applications as outlined in the Pavement Licensing Policy appended to this report.
 4. Agree the continued delegation of powers to the Executive Director of Environment & Community Services and his officers to process the Business and Planning Act Pavement Licensing Regime.
-

Impact on Vulnerable Adults and Children

1. When making decisions under the Licensing Act 2003 the Council is required to promote the licensing objectives, one of which is the protection of children from harm.
 2. The Business and Planning Act does not specify objectives or requirements to promote any form of protection to vulnerable adults or children but the Council as a whole has a duty to safeguard children and vulnerable adults.
-

Corporate Policy

1. Policy Status: The Council has adopted a statement of its licensing policy under the Licensing Act 2003 for the period 2021 to 2026:
 2. BBB Priority: Children and Young People Excellent Council Quality Environment Safe Bromley Supporting Independence Vibrant, Thriving Town Centres Healthy Bromley Regeneration Not Applicable: Further Details
-

Financial

1. Cost of proposal: Estimated Cost No Cost Not Applicable: Further Details
 2. Ongoing costs: Recurring Cost Non-Recurring Cost Not Applicable: Further Details
 3. Budget head/performance centre: Public Protection
 4. Total current budget for this head: £1.250m
 5. Source of funding: Existing Revenue Budget 2021/22
-

Personnel

1. Number of staff (current and additional): 38.1
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Not Applicable:
-

Procurement

1. Summary of Procurement Implications: None
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): All residents of the Borough.
-

Ward Councillor Views

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

3. COMMENTARY

The London Borough of Bromley is the licensing authority for a broad range of legislation and licensable activities.

The Business and Planning Act 2020 (the ‘Act’) was introduced on 22 July 2020. Due to the timing of the legislation and the last minute change from an executive function to a non-executive function, the Council Solicitor exercised powers under Article 15 of the Constitution (paragraph 15.2 (d)) to make changes to the Council’s Constitution arising as a result of legislative changes brought about by the Business and Planning Act 2020 in relation to Pavement Licensing and changes necessitated by administrative convenience to delegate authority to the Executive Director of Environment & Community Services to do all things necessary to implement and operate the pavement licensing arrangements under the Business and Planning Act 2020 when enacted.

Accordingly, following the introduction of the Act, the Council, using the delegated powers authorised decision making and made provisions for the operation of the Pavement Licensing regime under the Act. The legislation was brought in specifically as a result of the covid pandemic, and was intended to be temporary in nature and so the delegation currently only has effect until 30 September 2021, when the legislation was originally intended to cease.

In light of the third lockdown and the continuation of the pandemic into 2022 and the ongoing impact this is having on the business sector, the Government have introduced secondary legislation which will see the pavement licence facility extended to 30 September 2022. As the current delegation has expired on 30 September 2021, this requires a further consideration as to delegation of these functions.

The Act permits premises to apply for a pavement licence to place furniture outside, adjacent to their premises on the public highway. In this context, furniture means stalls for selling or serving food or drink, tables and chairs and articles such as umbrellas, barriers and heaters.

The application process is intended to be streamlined and fast track in order to enable business to recover having reopened following lockdown by legally placing table and chairs and other furniture outside their premises to boost trade and assist with social distancing.

Part of the Act therefore introduced the concept of a fast track pavement licensing process which requires a 7 day consultation period and a 7 day determination period. This is different to the normally used street trading legislation which has a 28 day consultation period and thereafter sufficient time for determination. The implications for the authority if it fails to determine the matter within the 7 days is that the licence is deemed to be granted and the Council loses the ability to impose restrictions or bespoke conditions for the license applied for or to refuse it outright.

Accordingly, it was imperative not only that the Council had its processes and procedures in place in advance of the commencement of these extended provisions but also that there is a sufficiently expedient means of allowing determinations to be made.

The Act caps the fee which may be charged for such applications to £100 and the guidance recommends that such licenses be granted for a period of 1 year. This is significantly less than the Council charges in respect of an annual street trading licence under existing legislation. All existing licence holders were invited to re-apply for a pavement licence in advance of the expiry of their current licence on 30 September 2021 and that all licenses issued as a result, both renewal and new, shall have an expiry date of 30 September 2022.

Since August 2020, the London Borough of Bromley has received, processed and granted 124 applications of which 94 are currently live. as they have been renewed

The London Borough of Bromley Pavement Licensing Policy (the Policy) shown at Appendix 1, defines the application and determination process, the licence fee, duration, conditions and enforcement options where necessary.

The Policy currently states that a licence issued by the London Borough of Bromley can be issued for any period subject to a minimum of 3 months. The Policy is appended for comments and consideration of alterations that the committee may wish to implement. However the end date for all pavement licences under the Business & Planning Act 2020 currently must expire on the 30th Sept 2022 in accordance with the B&P Amendment Regulations.

In determining the applications, the principal matters the Council need to consider are set out in the Act and guidance and include the amount of available pavement to allow passers-by free, clear access and egress to/from and access along the pavement, especially wheelchair users, those with reduced mobility and the visually impaired and ensuring that there is no obstruction of statutory undertakers, utility providers or operators of an electronic communications code network in having access to any apparatus of theirs kept, installed, under, in, on or over the highway.

Accordingly authorisation is sought via a delegation of authority to the Executive Director of Environment & Community Services who will exercise further delegations to his officers to do all things necessary to implement and operate the pavement licensing arrangements under the Business and Planning Act 2020, as amended, including but not limited to the determination of standard conditions which apply, determining applications made at the fee set by the licensing

committee, revocation of licenses and authorizing officers to enforce and exercise these functions.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

Licensing regimes provide for additional controls through specific permissions to undertake activities. The Licensing Act 2003 contain 4 licensing objectives one of which is protect children from harm.

Businesses and the Council are required to promote this objective in the way they operate or make decisions.

The Business and Planning Act does not provide this level of impact protection, however where they relate to alcohol premises this provision is extended to apply to the Pavement Licence as well. The Council as a whole however has a duty to protect children and vulnerable adults as well as to promote equality and should be fully aware of these duties when considering any application.

5. POLICY IMPLICATIONS

The Licensing Act 2003 require the Council to prepare, consult on and publish a statement of their licensing policy. This must be reviewed at least every 5 years under the Licensing Act.

The Pavement Licensing Policy in place until the 30th Sept 2022 is provided on a non-statutory provision to bring together the requirements on the Business and Planning Act 2020

Members should note these polices.

5.3 The current policy's are -

- Statement of Licensing Policy 2021 to 2026

http://www.bromley.gov.uk/downloads/file/226/statement_of_licensing_policy_2021-2026

- The Pavement Licensing Policy in place until 30th Sept 2022

[LBB pavement licence policy | London Borough of Bromley](#)

6. FINANCIAL IMPLICATIONS

6.1 The fee for temporary pavement licences has been fixed by the Government at £100.

6.2 For 2020/21, the issuing of 124 licences would have generated income of £12,400. For the current year, 94 licences have so far been issued generating income of £9,400.

6.3 The cost to the Council of processing each application and issuing of licences is estimated at c£230, including all oncosts and share of overheads – some £130 more than the fee received. However, the Government have recently announced New Burdens Grant funding for councils, with Bromley receiving £21,248 this year. A further allocation to be determined for 2022/23.

6.4 It is important to note the impact this scheme and the pandemic has had on the Council's permanent pavement licensing arrangements, which form part of the Street Trading

Licensing scheme managed with Environment and Community Services. Fees under this scheme are significantly higher and can range up to c£1,800 for a prime town centre location. In the current financial year, there is an estimated shortfall in income of £77k for this budget, partly reflecting businesses using the alternative, reduced fee fast-track process. Covid income compensation grant of £12k has been received from the Government this year in respect of these losses, resulting in a net estimated loss of £65k on this budget.

7. PERSONNEL IMPLICATIONS

No additional personnel were available to administer this scheme, the work being undertaken with existing resources.

8. LEGAL IMPLICATIONS

8.1 Decisions in relation to Pavement Licences are included in Schedule 1 (at B73) of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 as a non-executive function, which therefore come under the remit of the General Purposes and Licensing Committee and can be delegated.

8.2 Section 3(9) of the Business and Planning Act 2020 is clear that any application made to the Council and not determined by the end of the determination period will be deemed granted, so the Council has no option but to agree a process to decide these applications or face uncontrolled licences. Officially adopting the extension of the legislation and extending the currently agreed process means the Council can continue imposing generic and specific conditions or reject applications (see s3(3)).

3 Determination of applications

(9) If the local authority does not make a determination under subsection (3) by the end of the determination period, the licence for which the application was made is deemed to be granted by the authority to the applicant.

8.3 The attached policy covers all necessary points, including enforcement, which is essential when legislation requires such a short determination period. Effective enforcement protects residents' rights and safeguards the Council's reputation.

8.4 Section 149 of the Equality Act 2010 applies to all functions of the Council and will specifically need to be considered during the decision making process for each and every application. Although some aspects are already included in the Business and Planning Act 2020 (mainly in relation to wheelchair users) not all are cited:

Part 11 Advancement of Equality

Chapter 1

Public Sector Equality Duty

149 Public sector equality duty

(1) A public authority must, in the exercise of its functions, have due regard to the need to—

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

8.5 As the Council has decided to include Climate Change at the heart of all its decisions, this aspect needs to be included in all decisions, strategic or operational, practicalities of which will vary depending on the type of application. In this instance, littering, re-use, noise, light and heat pollution should be considered for each application and strictly enforced.

9. PROCUREMENT IMPLICATIONS

None

10. EQUALITIES IMPLICATIONS

The Equality Act (2010) requires public bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimization and any other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- foster good relations between people who share a protected characteristic and people who do not share it.

The protected characteristics covered by the Act are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

The recommendations are to extend delegated powers in relation to pavement licensing. There are no changes proposed to the licensing arrangements that have been operating under the Business and Planning Act 2020 since last summer. No equalities concerns have been raised under these licensing arrangements.

There is therefore no indication that the recommendations will have a disproportionate impact on any individuals or groups with a shared protected characteristic.

11. ENVIRONMENTAL IMPLICATIONS

There are no perceived environmental impacts associated with this report.

Non-Applicable Sections:	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	<p>Business and Planning Act 2020.</p> <p>The Business and Planning Act 2020 (Pavement Licences) (Coronavirus) (Amendment) Regulations 2021</p> <p>The Alcohol Licensing (Coronavirus) (Regulatory Easements) (Amendment) Regulations 2021</p>

Pavement Licensing Policy



Effective: 21st July 2020
Version Sept 2021

Contents

Section	Title	Page
1	Introduction	3
2	Scope	3
3	Application and Determination of Pavement Licences	4
4	Conditions	8
5	Enforcement	8
6	Review Procedures	9
Appendix 1	Site Notice Template	10
Appendix 2	Standard Pavement Licence Conditions	11
Appendix 3	National Conditions	13

1. Introduction

The Covid-19 pandemic has affected businesses across the economy causing many to cease trading for several months while others have had to significantly modify their operations.

As the economy started to re-open, on 25 June 2020 the Government announced a further and urgent relaxation to planning and licensing laws to help the hospitality industry recover from the coronavirus lockdown by removing short term obstacles that could get in their way.

The Business and Planning Act 2020 made it easier for premises serving food and drink such as bars, café's, restaurants and pubs, as lockdown restrictions were lifted but social distancing guidelines remained in place to seat and serve customers outdoors through temporary changes to planning procedures and alcohol licensing.

The measures included in the Act modified provisions in the Licensing Act 2003 to provide automatic extensions to the terms of on-sales alcohol licences to allow for off-sales. It was to be a temporary measure to boost the economy, with provisions initially lasting until the end of September 2021 now extended to end of September 2022.

The Act also introduced a temporary fast-track process for these businesses to obtain permission, in the form of a "pavement licence", from the London Borough of Bromley for the placement of furniture such as tables and chairs on the pavement outside their premise which enabled them to maximise their capacity whilst adhering to social distancing guidelines.

Prior to the Summer of 2020, tables and chairs permissions were granted as Pavement licences by *Bromley Council*, the Highways Authority, only under Part 7A of the Highways Act 1980. The fee varies between local authorities and there is a time consuming 28 day consultation period.

The temporary measure placed a cap on the application fee for businesses, and introduced a new 7-day determination period, ensuring that businesses could obtain licences in a timely and cost effective manner aiding to their financial recovery.

2. Scope

2.1 Definition of pavement café

A pavement licence is a licence granted by the local authority, or deemed to have been granted by the Local Authority, which allows the licence-holder to place removable furniture over certain highways adjacent to the premises in relation to which the application was made, for certain purposes.

2.2 Eligible Businesses

A business which uses (or proposes to use) premises for the sale of food or drink for consumption (on or off the premises) can apply for a licence. Businesses that are eligible include: public houses, cafes, bars, restaurants, snack bars, coffee shops, and ice cream parlours.

A licence permits the business to use furniture placed on the highway to sell or serve food or drink and/or allow it to be used by people for consumption of food or drink supplied from, or in connection with the use of the premises.

2.3 Eligible Locations

Licences can only be granted in respect of highways listed in section 115A (1) Highways Act 1980.

Generally, these are footpaths restricted to pedestrians or are roads and places to which vehicle access is restricted or prohibited. Highways maintained by Network Rail or over the Crown land are exempt (so a licence cannot be granted).

2.3 Type of furniture permitted

The furniture which may be used is:

- counters or stalls for selling or serving food or drink;
- tables, counters or shelves on which food or drink can be placed;
- chairs, benches or other forms of seating; and
- umbrellas, barriers, heaters and other articles used in connection with the outdoor consumption of food or drink.

This furniture is required to be removable, which in principle means it is not a permanent fixed structure and is able to be moved easily, and stored away at the end of an evening.

The Council would also expect the type of furniture to be 'in keeping' with the local area.

2.4 Planning Permission

Once a licence is granted, or deemed to be granted, the applicant will also benefit from deemed planning permission to use the land for anything done pursuant to the licence while the licence is valid.

3. Application and Determination of Pavement Licences

3.1 Submission of the Application

An application for a Pavement Licence must be made to the Council, and the following will be required to be submitted with the application:

- a completed Application Form
- the required fee of £100, paid by credit or debit card online
- a plan showing the location of the premises shown by a red line, so the application site can be clearly identified
- a plan clearly showing the proposed area covered by the licence in relation to the highway, if not to scale, with measurements clearly shown. The plan must show the positions and number of the proposed tables and chairs, together with any other items that the applicant wishes to place on the highway. The plan shall include clear measurements of, for example, pathway width/length, building width and any other fixed item in the proposed area.
- the proposed days of the week on which, and the times of day between which, it is proposed to put furniture on the highway,
- the proposed duration of the licence if less than 6 months

- evidence of the right to occupy the premises (e.g. the lease) or current premises licence issued under the Licensing Act 2003
- photos or brochures showing the proposed type of furniture and information on potential siting of it within the area applied;
- (if applicable) reference of existing pavement licence currently under consideration by the local authority;
- evidence that the applicant has met the requirement to give notice of the application (for example photographs of the notice outside the premises and of the notice itself);
- a copy of a current certificate of insurance that covers the activity for third party and public liability risks, to a minimum value of £5 million, and
- any other evidence needed to demonstrate how the Council's local conditions and any national conditions will be satisfied.

3.2 Fees

The fee for applying for a licence under the new process are set locally, but are capped at £100. The Council has determined that the fee for applications will be £100. The licence will be valid until 30th Sept 2022

3.3 Consultation

Applications are consulted upon for 7 days, starting with the day following the day a valid application was made to the Council.

The Council will publish details of the application on its website at www.Bromley.gov.uk
On the Search Licensing Application Portal

The Council is required by law to consult with the Highways Authority. In addition, to ensure that there are not detrimental effects to the application the Council will consult with:

- London Borough of Bromley Environmental Health Service (
- Environmental Protection, Health, Safety, Food and Licensing Teams
- Any other Department or Agency deemed relevant to the application

Members of the public and others listed above can contact the Council to make representations.

The Council must take into account representations received during the public consultation period and consider these when determining the application.

3.4 Site Notice

An applicant for a pavement licence must on the day the application is made, fix a notice of the application to the premises so that the notice is readily visible to, and can be read easily by, members of the public who are not on the premises, including wheelchair users. The notice must be constructed and secured so that it remains in place until the end of the public consultation period. Evidence of the site notice requirement must be supplied to the Council and may be checked on site at any time without prior notice.

The Site Notice must:

- state that the application has been made and the date on which it was made;
- state the statutory provisions under which the application is made;

- state the address of the premises and name of the business;
- describe the proposed use of the furniture;
- indicate that representations relating to the application may be made to the Council during the public consultation period and when that period comes to an end;
- state the Council's website where the application and any accompanying material can be viewed during the consultation period;
- state the address to which representations should be sent during the consultation period; and
- the end date of the consultation (7 days starting the day after the application is submitted to the authority).

A Template for the Site Notice is shown as Appendix 1.

3.5 Site Assessment

The following matters will be used by the Council and consultees in considering the suitability of the proposed application:

- public health and safety – for example, ensuring that uses conform with latest guidance on social distancing and any reasonable crowd management measures needed as a result of a licence being granted and businesses re-opening;
- public amenity – will the proposed use create nuisance to neighbouring occupiers by generating anti-social behaviour and / or litter; and
- accessibility – taking a proportionate approach to considering the nature of the site in relation to which the application for a licence is made, its surroundings and its users, taking account of:
 - any other temporary measures in place that may be relevant to the proposal, for example, the reallocation of road space. This could include pedestrianised streets and any subsequent reallocation of this space to vehicles;
 - whether there are other permanent street furniture or structures in place on the footway that already reduce access;
 - the impact on any neighbouring premises
 - the recommended minimum footway widths and distances required for access by mobility impaired and visually impaired people as set out in Section 3.1 of [Inclusive Mobility](#), and
 - other users of the space, for example if there are high levels of pedestrian or cycle movements.

Applicants are strongly encouraged to talk to neighbouring businesses and occupiers prior to applying to the local authority and so take any issues around noise, and nuisance into consideration as part of the proposal.

3.6 Determination

Once the application is submitted the Council has 14 days from the day after the application is made (excluding public and bank holidays) to consult on, and determine the application. This consists of 7 days for public consultation, and then 7 days to consider and determine the application after the consultation.

If the local authority determines the application before the end of the determination period the local authority can:

- grant the licence in respect of any or all of the purposes specified in the application,
- grant the licence for some or all of the part of the highway specified in the application, and impose conditions, or

- refuse the application.

If the local authority does not determine the application within the 14 day period, the application will be deemed to have been granted for one year (but will come to an end on 30 September 2022).

3.7 Approval of Applications

The Council may approve applications meeting the criteria contained within these guidelines.

On approving the application, the Council will issue a Pavement Licence to which conditions will be attached. The licence will also contain specific terms such as days and hours when tables and chairs are permitted and appearance and location of the furniture corresponding to the application.

A copy of the Council's standard conditions, which will be attached to all Pavement Licences are shown at Appendix 2. Additional conditions may be attached if the Council considers it appropriate in the circumstances of any particular case.

The Council generally will only permit Pavement Licences between 09:00 and 21:00.

Applications outside these hours will be assessed in terms of the criteria detailed above. The Council however retains the right to specify permitted hours of trading that are less than those specified above in appropriate circumstances.

3.8 Licence Duration

If the Council determines an application before the end of the determination period (which is 7 days, beginning with the first day after the public consultation period, excluding public holidays) the Council can specify the duration of the licence, subject to a minimum duration of 3 months.

The Licence will generally be granted until 30th Sept 2022, unless there are good reasons for granting a licence for a shorter period such as plans for future changes in use of road space.

If the Council does not determine an application before the end of the determination period, the licence is deemed granted until 30th September 2022.

A licence granted or deemed to be granted will not be valid beyond 30 September 2022.

Licences previously granted without an end date are extended to 30th September 2022 without the need for a further application.

3.9 Refusal of Applications

If the site is deemed unsuitable for a Pavement Licence, or if relevant representations are made which cannot be mitigated by conditions, then the application may be refused.

There is no statutory appeal process against decision to refuse an application so the correct approach to challenge the decision would be via Judicial Review.

4. Conditions

The Council's standard conditions are set out at Appendix 2. In some cases, extra measures may be required. This will be determined when assessing any application, on a case by case basis.

Where a local authority sets a local condition that covers the same matter as set out in national published conditions, then the locally set condition takes precedence over the national condition where there is reasonable justification to do so.

However, this is not the case for the statutory no-obstruction and smoke-free zone conditions which apply to all Licences. The National 'no obstruction' and "smoke-free zone" conditions are shown in Appendix 3.

5. Enforcement

The Council aims to work closely with licence holders and other enforcement authorities to enforce the provisions of all appropriate legislation. The case remains that an obstruction of the Highway is an offence under The Highways Act 1980 and will be dealt with by the Highways Authority or the Police.

Obtaining a Consent does not confer the holder immunity in regard to other legislation that may apply, e.g. Public Liability, Health & Safety at Work, Food Hygiene and Safety, Alcohol and Entertainment Licensing, Social distancing controls and applicants must ensure all such permissions, etc. are in place prior to applying.

If a condition imposed on a licence either by the Council or via a National Condition is breached, the Council will be able to issue a notice requiring the breach to be remedied and the authority can take action to cover any costs.

The authority may revoke a licence in the following circumstances:

1. For breach of condition, (whether or not a remediation notice has been issued) or
2. Where:
 - There are risks to public health or safety – for example where users breach government guidance on social distancing by placing tables and chairs too close together;
 - the highway is being obstructed (other than by anything permitted by the licence);
 - there is anti-social behaviour or public nuisance – for example, the use is increasing the amount of noise or light generated late at night and litter is not being prevented or cleaned up;
 - it comes to light that the applicant provided false or misleading statements in their application – for example they are operating a stall selling hot food and had applied for tables and chairs on which drinks could be consumed; or
 - the applicant did not comply with the requirement to affix the notice to notify the public for the relevant period.
3. The Council may also revoke the licence where all or any part of the area of the relevant highway to which the licence relates has become unsuitable for any purpose for which the licence was granted or deemed to be granted. For example, the licensed area (or road adjacent) is no longer to be pedestrianised. The Council will give reasons where these powers are used.

6. Review Procedures

This Policy covers the Temporary Permission for Pavement Licences under the Business and Planning Act which are scheduled to expire on 30 September 2022.

This Policy will be reviewed from time to time should changes occur in relevant legislation, the nature of Pavement Licences generally, relevant social distancing measures or as a result of local considerations within the Bromley Borough.



Public Protection &
Enforcement

Site Notice for display by an applicant for a Pavement Licence.

Issued under the Business and Planning Act 2020.

I/We (*name of applicant*),

do hereby give notice that on (*date of application*) [I/we] have applied to London Borough of Bromley for a 'Pavement Licence' at:

(*postal address of premises*)

known as

(*name premises known by*)

The application is for:

(*brief description of application (e.g. outdoor seating to the front of the premises for serving of food and drink)*)

Any person wishing to make representations to this application may do so by writing, preferably by email, to:

Licensing Team
London Borough of Bromley
Stockwell Close
Bromley
BR 3UH
0208 313 4218
Licensing@bromley.gov.uk

by: (*last date for representations being the date 7 days starting from the day after the date the application is submitted to the local authority (excluding public holidays)*)

The application and information submitted with it can be viewed on the Council's website at: www.Bromley.gov.uk

Signed

Dated (*date the notice was placed which must be the same date as the date of application*)

Standard Pavement Licence Conditions

1. Permission to operate a pavement café does not imply an exclusive right to the area of public highway. The licence holder must be aware that London Borough of Bromley and others (e.g. police, highways authority, statutory undertakers) will need access at various times (including emergencies) for maintenance, installation, special events, improvements etc or any other reasonable cause. This may mean that the pavement café will need to cease operating and/or be removed for a period of time. On these occasions there would be no compensation for loss of business.
2. The licence holder will have Public Liability Insurance at all times the Pavement Licence is operational . This must cover indemnity to London Borough of Bromley against all claims for injury, damage or loss to users of the public highway, arising from the use of the highway for the permitted purpose. The minimum level of indemnity must be £5 million in respect of any one incident.
3. Tables and chairs must not be placed in position outside of permitted times. When the licence is not in use, all tables and chairs and other furniture must be stored securely inside premises away from the highway.
4. London Borough of Bromley is empowered to remove and store or dispose of furniture from the highway, at the cost of the licensee, if it is left there outside the permitted hours, or should any conditions of the licence be ignored.
5. The licence holder is not to make or cause to be made any claim to London Borough of Bromley in the event of any property of the licence holder becoming lost or damaged in any way from whatever cause.
6. An unimpeded pedestrian route must be maintained at all times for people wishing to use the footway as per the National Licence Conditions.
7. The method of marking the boundary of the licensed area must be agreed between the licence holder and Bromley Licensing Department. Whatever method is agreed, a 1.5 metre clear walkway must be maintained for the use of pedestrians.
8. Emergency routes to the premises and adjacent buildings must not be obstructed by the Pavement Café, which should not, in normal circumstances, extend beyond the width of the premises frontage.
9. Tables and chairs should be of an approved type and should be kept in a good state of repair. Furniture must be placed so as not to obstruct driver sightlines, or road traffic signs. Placement of tables and chairs must allow pedestrians to use the footway parallel to the frontage of the premises. Care should be taken in the use of hanging baskets, awnings, protruding umbrellas etc. Alternative items may not be used without first seeking the written authority of the Council.
10. All potential obstructions must be removed from the public highway when the premises are closed to prevent a safety hazard to pedestrians, particularly during the hours of darkness.

11. The licensee must ensure that the area operates in a safe and orderly manner, thereby ensuring that any safety risk or nuisance to customers, other users of the public highway or any adjacent land or premises, is minimised.
12. The operation of the area must not interfere with highway drainage arrangements.
13. During the hours of darkness suitable and sufficient lighting must be provided to ensure safe use of the area. Any proposals to provide additional lighting to the licensed areas must be agreed with the Highway Authority.
14. All detritus (food and drink remnants, spillages, bottles, cans, wrappers etc) must be regularly removed from the footway surface to reduce hazards to pedestrians. The licence holder must make arrangements to regularly check for and to remove litter and rubbish on pedestrian walkways, caused by persons using the Facility, for a distance of up to 10 metres from the boundary of the Facility. The licence holder must ensure that any tables are cleared in an efficient manner during the hours of operation. The licence holder must ensure the licensed area and surrounding highway is washed down at the completion of each day's usage using a method sufficient to remove food debris, grease and other spillages that may occur.
15. The licence holder is not permitted to make any fixtures, or excavations of any kind, to the surface of the highway without prior written approval. Any costs incurred as a result of damage to the highway, due to the positioning of tables and chairs etc, will be recovered in full from the licence holder by London Borough of Bromley or the Highway Authority.
16. The Licensee of premises not licensed under the Licensing Act 2003 or any modification or re-enactment thereof, must not allow the consumption of alcoholic liquor within the area covered by the Pavement Licence.
17. The Alcohol licence obtained under the Licensing Act 2003 for the main premises extends to the area covered by the Pavement Licence. The Licensee of premises licensed under the Licensing Act 2003 or any modification or re-enactment thereof, must not allow the consumption of alcoholic liquor within the Facility outside the hours in force for the premises itself.
18. The licence must be displayed on the premises with a plan of the agreed layout of the pavement café.
19. The licensee is responsible for ensuring that the conditions of the licence and any other necessary permissions and regulations are adhered to, including in the area covered by the Pavement Licence. The Licence holder is to use the highway solely for the purpose of the licence in line with the provisions of this licence and for no other purpose whatsoever.
20. The licence holder must remove any tables, chairs and other furniture immediately at the end of the licence period and on revocation of the licence.
21. London Borough of Bromley reserves the right to revoke this licence at any time if any of the above conditions are not fulfilled and maintained.
22. The Premises Licence Holder or nominated person shall erect suitable and sufficient conspicuous signage on the exterior of the premises advising patrons of the need not to cause excessive noise whilst queuing due to the proximity of residential dwellings.

23. The Premises Licence Holder or nominated person shall control levels of noise and light in the outside area and advise customers of the need to respect local residents.

24. No speakers for the amplification of music shall be placed on the outside of any building forming a part of the premises (including land), other than for events where the prior written approval of the Licensing Authority, upon consultation with Environmental Health, has been obtained in accordance with the appropriate application process

Appendix 3

National Conditions

1. To the extent that conditions imposed or deemed to be imposed on a pavement licence do not require the licence holder to require clear routes of access to be maintained, taking into account the needs of disabled people and the recommended minimum footway widths and distances required for access by mobility impaired and visually impaired people as set out in Section 3.1 of [Inclusive Mobility](#), the licence is granted subject to those requirements.

2. To the extent that a licence is granted subject to a condition which imposes requirements to maintain clear routes of access that are inconsistent with the requirements set out in this condition this condition is not imposed on the licence.

3. where the furniture to be put on the relevant highway consists of seating for use by persons for the purpose of consuming food or drink, the licence-holder must make reasonable provision for seating where smoking (including vaping) is not permitted.

This page is left intentionally blank

Agenda Item 10

Report No.
CSD22020

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE

Date: 8 February 2022

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

Title: REVIEW OF THE COUNCIL'S SCHEME OF
DELEGATION

Contact Officer: Shupriya Iqbal, Assistant Director, Legal Services
0208 461 7161 E-mail: Shupriya.Iqbal@bromley.gov.uk

Chief Officer: Tasnim Shawkat, Director of Corporate Services

Ward: All

1. Reason for report

1.1 To recommend a review of the Council's scheme of delegation. In order to allow lawful decision making by officers, the scheme of delegation needs to set out areas of responsibility clearly, it needs to be transparent and user friendly. It needs to be high-level but set out areas of limitation as appropriate. The current scheme needs to be updated to meet these requirements.

2. RECOMMENDATIONS

- 2.1 Agree that officers review of the scheme of delegation and agree that it needs to be drafted in a high-level and user friendly way instead of attempting to list every possible legislation, which becomes out of date quickly, makes the document unwieldy and less transparent
- 2.2 Members to discuss which area they would like to retain their delegation and decision making on to inform the review of the scheme of delegation.
- 2.3 Agree that officers will prepare a draft scheme of delegation and present it to this Committee for consideration as soon as practicable so that it can be approved by Council in May 2022.

- 2.4 Note that the scheme of delegation for non-executive functions will be a matter for full Council to approve and the Leader will be asked to approve the scheme of delegation for executive functions.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not applicable
-

Corporate Policy

1. Policy Status: Existing Policy Further Details
 2. BBB Priority: Managing our Resources well
-

Financial

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

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: Further Details Local Government Act 1972 , Local Government Act 2000, Local Authorities (Functions and Responsibilities) (England) Regulations 2000
 2. Call-in: Not Applicable:
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Customer Impact

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

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 Under section 101 of the Local Government Act 1972 the Council may make arrangements for discharge of Council functions by officers. Similarly, under section 9E of the Local Government Act 2000 the Executive can make arrangements for discharge of Executive functions by officers. The Scheme of Delegation to Officers sets out formal delegation of various powers to the Council's chief officers and their staff, and forms part of the Council's Constitution (Appendix 10).

3.2 The current scheme of delegation has not been substantially reviewed for some time and there is concern it is out of date and can benefit from a review to make it more high-level, more user friendly whilst meeting legal requirements and setting out clearly areas of responsibility and limitations. A scheme of delegation which aims to cover all eventualities and to list every possible legislation can be unwieldy, very restrictive and require continuous investment in time and resources to keep it up to date with changes in the law and circumstances. A high-level scheme of delegation on the other hand allows flexibility, ensures lawful delegation to catch changes in circumstances and ensures lawful and timely decisions can be made. A review and redraft of the scheme of delegation will also aim to make it more user friendly and transparent. Members will retain control if clear parameters or limitations are expressly stated within the scheme of delegation.

3.3 The risk of not having a clear and robust scheme of delegation in place is that decisions may not be made by the right people leading to legal challenge to action being taken by the Council. It will also lead to lack of accountability if delegations are not clearly set out.

3.4 Under Local Authorities (Functions and Responsibilities (England) Regulations 2000 where executive arrangements are in place the law sets out distinct separation between the Executive and the rest of the Council in relation to how responsibility for local authority functions is exercised. This separation between Executive functions and the rest of the Council is established by exception. The default position is that every function of the local authority is an executive function unless it is one of a number of exceptions that are specifically listed.

3.5 The Council's Scheme of delegation is normally updated for approval at the Council's annual meeting each year, although under the Local Government Act 2000 any executive powers delegated to officers have to be delegated not by the Council, but by the Leader of the Council, and it is open to the Leader to table changes to the executive scheme. The executive or non-executive origin of each delegation in the scheme is reflected in a column which indicates whether each individual delegation derives from the Leader or from Council, or both.

3.6 In 2021 this Committee set up a Working Group to consider the Scheme of Delegation - the Working Group met on 7th September 2021 and recommended that a new Scheme be drawn up. Many of the principles suggested by the Working Group, for example a more transparent and consistent structure, a more user-friendly approach and clear limits to officer powers, can be incorporated into a more modern, revised scheme.

4. LEGAL IMPLICATIONS

- 4.1** The power for local authorities to delegate functions to officers is contained in Section 101 of the Local Government Act 1972 in respect of Council function and section 9E of Local Government Act 2000 in respect of Executive function. The proposed review of Scheme of Delegation will ensure that the Council has in place a fit for purpose scheme to ensure officers can correctly and legally exercise their powers. It will also ensure that decisions can be taken by officers on behalf of the Council and the Executive in a timely and efficient manner whilst maintaining full accountability to members.

Non-Applicable Sections:	Impact on Vulnerable Adults and Children/Policy/Financial/Personnel/Procurement
Background Documents: (Access via Contact Officer)	Scheme of Delegation to Officers, May 2021

This page is left intentionally blank

Agenda Item 11

Report No.
CSD22016

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE

Date: **Tuesday 8 February 2022**

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

MEMBERS ALLOWANCES SCHEME 2022/23

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

Chief Officer: Tasnim Shawkat, Director of Corporate Services and Governance

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 2022/23. Until 2019 and 2020, when small increases were agreed, allowances had remained frozen since 2009 due to the economic circumstances and the pressure on the Council's budgets. In 2021 the allowances remained unchanged.
 - 1.2 If Members are minded to increase the allowances a reasonable guide would be the increase recommended for Council staff, which, subject to Member confirmation, is expected to be 2.25%. 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 28th February 2022.

2. RECOMMENDATIONS

- (1) The Committee is requested to consider the proposed Members Allowances Scheme 2022/23 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 2022.

- (2) The Committee is recommended to agree that the Members' Allowances Scheme 2022/23 (appendix 2) and the Mayoral and Deputy Mayoral allowances for 2022/23 (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. MBEB Priority: Managing our Resources Well
-

Financial

1. Cost of proposal: Estimated Cost: £1,090k
 2. Ongoing costs: Recurring Cost:
 3. Budget head/performance centre: Democratic Representation – Members Allowances
Mayoral & Civic Hospitality – Mayoral allowance
 4. Total current budget for this head: £1,073k for Members Allowances, £25k 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: Applicable 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 (to be reduced to 58 in May 2022) receive at least the basic allowance.
-

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 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 each financial year. The basic allowance recognises the time commitment of Councillors, including meetings with Council officers 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 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 remained largely unchanged for several years 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. In 2021, the allowances were not changed. The proposed scheme for 2022/23 presented in this report is unchanged from 2021/22 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 2022/23 based on the allowances remaining at the same levels as for 2021/22. 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.
- 3.5 As an example, if the allowances are raised in line with the proposed increase in officer salaries, the Basic allowance would rise from £11,393 to £11,649. The overall additional cost would be £24k per annum for Members allowances, and £454 per annum for the Mayoral allowances.

4. FINANCIAL IMPLICATIONS

Provision has been made for the allowances in the draft revenue budget for 2022/23 to be approved by Council.

5. LEGAL IMPLICATIONS

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)	Report from the Independent Panel on Remuneration of Councillors in London (2018) Report to General Purposes and Licensing Committee, February 2021 – Members' Allowances Scheme 2021/22

London Councils Remuneration Panel Report 2018 - Summary

London Councils Band	Example posts	2018 London Councils Panel Recommendation	Current (2021/22) 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 2022, 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 2022 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 2023

	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 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

This page is left intentionally blank

Agenda Item 12

Report No.
CSD22016

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE

Date: 8 February 2022

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

Title: PROGRAMME OF MEETINGS 2022/23

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

Chief Officer: Tasnim Shawkat, Director of Corporate Services and Governance

Ward: All

1. Reason for report

- 1.1 This report presents the draft programme of meetings for the next Council Year (2022/23) for Members' consideration. The proposed timetable, which has been the subject of 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 2022/23 be approved.
 - (2) That the Director of Corporate Services and Governance 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: £366k (2021/22)
 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 2022/23 has been prepared closely resembling the programme for 2021/22.
- 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, but 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. 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 The programme has been designed to give high priority to pre-decision scrutiny. A meeting of the Executive, Resources and Contracts PDS Committee is always scheduled for the week before each Executive meeting and other PDS meetings are also now aligned more closely with the Executive across five cycles of meetings. This enables reports to be scrutinised 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.

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

This page is left intentionally blank

LBB Programme of Meetings 2022/23

(DRAFT 31/1/22)

APRIL 2022					MAY 2022				JUNE 2022				JULY 2022			
MONDAY	18 Easter Monday	25	2 Public Holiday	9	16 ANNUAL COUNCIL	23	30 Half Term	6	13	20	27	4	11	18 COUNCIL	25	
TUESDAY	19 DC	26	3	10	17 ERC PDS	24 Pensions	31	7 DC	14 RRH PDS	21 ECS PDS	28 ACH PDS	5 Standards Health Sub	12 LJCC	19 BEP	26 DC	
WEDNESDAY	20 Health Sub	27	4	11	18 EXECUTIVE	25	1	8	15 CYP PDS	22 ERC PDS	29 EXECUTIVE	6 GP&L	13 SACRE	20	27	
THURSDAY	21 Plans 2	28	5 LOCAL ELECTION	12	19 Plans 3	26 GP&L	2 Jubilee Public Holiday	9 Plans 4 HWB	16 PPE PDS	23 Plans 1 SBP	30 Audit	7 Plans 2	14 Schools Forum	21 Plans 3	28 ERC PDS	
FRIDAY	22	29	6	13	20	27	3 Jubilee Public Holiday	10	17	24	1	8	15	22	29	

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

Key numbers of meetings

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

Council	7	Executive	9
General Purposes & Licensing Cttee (GP&L)	6	Standards	3
Audit Sub-Cttee	3	SACRE	3
Local Joint Consultative Cttee (LJCC)	4		
Pensions Cttee	4		
Development Control Cttee	7		
Plans Sub-Cttees 1-4	24		

Other/Daytime meetings*

Executive, Resources & Contracts PDS ER&C PDS)	9	Health Scrutiny Sub-Committee (4pm)	4
Adult Care & Health PDS (ACH PDS)	5	Health & Wellbeing Board (HWB) (1.30pm)	5
Children, Education & Families PDS (CEF PDS)	5	Safer Bromley Partnership (SBP) (10am)	4
Environment & Community Services PDS (ECS PDS)	5	Bromley Economic Partnership (BEP) (4pm)	4
Public Protection & Enforcement PDS (PPE PDS)	5	Schools Forum (4.30pm)	4
Renewal, Recreation & Housing PDS (RR&H PDS)	5	Licensing Sub-Committee (Lic) (10am/2pm)	

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

LBB PROGRAMME OF MEETINGS 2022/23 (Page 2)

(DRAFT 31/1/22)

	NOVEMBER 2022			DECEMBER 2022				JANUARY 2023				FEBRUARY 2023			
MONDAY	14	21	28	5	12 COUNCIL	19	26 Public Holiday	2 Public Holiday	9	16	23	30	6	13 Half Term	20
TUESDAY	15 PPE PDS	22 ECS PDS	29 ACH PDS	6 Audit	13	20	27 Public Holiday	3	10 DC	17 Health Sub	24 ACH PDS	31 PPE PDS BEP	7 GP&L	14	21 Standards
WEDNESDAY	16 RRH PDS	23 ERC PDS	30 EXECUTIVE	7 LJCC	14	21	28	4	11 EXECUTIVE	18 CEF Sub	25 ECS PDS	1 CEF PDS	8 EXECUTIVE	15	22 Pensions
THURSDAY	17 CEF PDS Schools Forum	24 Plans 4 SBP	1 Pensions	8 Plans 1 HWB	15	22 Plans 2	29	5 ERC PDS	12 Plans 3	19 RRH PDS	26 Plans 4 Schools Forum	2 ERC PDS HWB	9 Plans 1	16	23 Plans 2
FRIDAY	18	25	2	9	16	23	30	6	13	20	27	3	10	17	24
	MARCH 2023						APRIL 2023				MAY 2023				
MONDAY	27 COUNCIL	6	13	20	27	3	10 Easter Monday	17	24 COUNCIL	1 Public Holiday	8	15	22	29 Public Holiday	5
TUESDAY	28	7	14 CEF PDS	21 RRH PDS	28 PPE PDS	4	11	18 DC BEP	25	2	9	16	23	30	6
WEDNESDAY	1 SACRE	8 Audit	15 ACH PDS	22 ERC PDS	29 EXECUTIVE	5	12	19 LJCC	26	3	10 ANNUAL COUNCIL	17	24	31	7
THURSDAY	2 DC	9 Plans 3	16 ECS PDS	23 Plans 4 SBP	30 GP&L HWB	6	13 Plans 1	20 Health Sub	27 Plans 2	4	11	18	25	1	8
FRIDAY	3	10	17	24	31	7 Good Friday	14	21	28	5	12	19	26	2	9

Key/Numbers of meetings

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

Council	7	Executive	9	Executive, Resources & Contracts PDS Cttee (ER	9	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 Cttee	4			Pub Protection & Enforcement PDS Cttee (PP&E PDS)	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.)

Agenda Item 13

Report No.
CSD22019

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE

Date: 8 February 2022

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

Title: WORK PROGRAMME AND MATTERS ARISING

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

Chief Officer: Tasnim Shawkat, Director of Corporate Services and Governance

Ward: All

1. Reason for report

- 1.1 This report summarises the Committee's work programme for the 2021/22 Council year. This report also covers matters outstanding from previous meetings.

2. RECOMMENDATION

Members are requested to consider and note the matters outstanding from previous meetings (paragraph 3.5) and their draft work programme for 2021/22.

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: £366k
 5. Source of funding: 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: 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): 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, Pensions Committee, Standards Committee and this Committee for any other non-executive functions.
- 3.2 General Purposes and Licensing Committee fulfils the role of Licensing Committee under the 2003 Licensing Act (which requires a membership of between ten and fifteen), 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, the Pensions Committee or the Standards Committee. It therefore has a range of varied and sometimes unrelated responsibilities, including audit, human resources, complaints, elections and 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
 - Rights of Way Sub-Committee

These sub-committees have decision-making powers within their own terms of reference, and in some cases only meet when issues arise that require a decision from Members.

- 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 2021/22 Council year are set out in Appendix A, with the reports anticipated for each meeting.
- 3.5 Members are asked to note the following matters outstanding from previous meetings –

Minute 199 – 30 November 2021 (Appointments to Outside Bodies)

Following the appointments made by the Committee, a small number of vacancies remain unfilled –

- Community Links Bromley (x1)
- Cray Valley War Memorial Hall (x2)

Minute 197 – 30 November 2021 (Council Motion – Honorary Freedom of the Borough)

There is nothing further to report on the position with Ms Raducanu.

A report proposing a scheme of appointment for honorary freedom of the borough is being developed, but is not ready for this meeting.

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 2021/22**

19th May 2021 (*following annual Council meeting*)

Appointment of Sub-Committees

1 June 2021

Appointments to Outside Bodies

Work Programme & Matters Outstanding

6th July 2021

Audit of 2019/20 Financial Statements

Review of Meeting Arrangements

Scheme of Delegation to Officers

Work Programme & Matters Outstanding

(*Meeting followed by a briefing on Licensing issues*)

21st September 2021

Review of GLA Election 2021

Annual Complaints Report and Annual Ombudsman's Letter 2020/21

Amendment to the Statement of Licensing Policy – Cumulative Impact Assessment

Transforming Bromley 2019-23: The first Two Years

Scheme of Delegation to Officers

Work Programme & Matters Outstanding

30th November 2021

EY Audit Briefing Paper

Teachers Pay Policy 2021/22 - Centrally Based Staff

Review of Polling Districts and Polling Places

Gambling Act 2005 - Revised Statement of Gambling Policy for 2022 to 2025

Revised Amenity Standards for HMOs

Mobile Homes Fit and Proper Person Registration – Fees Policy

Honorary Freedom - Referral of Motion from Council

Member Induction - 2022

Appointments to Outside Bodies

Work Programme & Matters Outstanding

8th February 2022

Draft Audit Results 2019/20 – Update from EY

Appointment of External Auditors

Pay Policy Statement 2022/23

Business and Planning Act 2020 – Pavement Licences

Members Allowances 2022/23

Programme of Meetings 2022/23

Scheme of Delegation to Officers

Work Programme & Matters Outstanding

29th March 2022

Executive Assistants Reports 2021/22

Annual Review of Licensing Activity

Annual Review of the Scheme of Delegation to Officers

Minor Constitutional Changes

Honorary Freemen – Scheme of Appointment

Work Programme & Matters Outstanding

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