

## ANNUAL GOVERNANCE STATEMENT

---

### Scope of Responsibility

The London Borough of Bromley is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Bromley also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Bromley is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

Bromley has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code is on our website at [www.bromley.gov.uk](http://www.bromley.gov.uk) or can be obtained from Chief Executive's, Bromley Civic Centre, Stockwell Close, Bromley BR1 3UH. This statement explains how Bromley has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

### The Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Bromley's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Bromley for the year ended 31 March 2014 and up to the date of approval of the annual report and statement of accounts.

### The Governance Framework

The following summarises the key elements of the systems and processes that comprise Bromley's governance arrangements based upon the six core principles of good governance:

**1) Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area:**

Bromley is a member-led, value for money Council, delivering services through whoever is best placed to provide quality and value for money to our residents. We support residents to manage their lives and strive for excellence in their eyes.

In setting our goals, our vision of Building a Better Bromley (BBB) shapes all the work we do, and provides the framework for improving the economic, social and environmental well-being and health of people who live and work in Bromley. It sets the direction and policies which other plans should help to

---

# ANNUAL GOVERNANCE STATEMENT

---

deliver and is shared across the Council in our specific Portfolio messages and our departmental, divisional and team plans.

During the year Members completed a review of our Building a Better Bromley priorities. This included developing an overarching statement setting out the high level direction of the Council for the next three to five years. In addition to our existing priorities - a Quality Environment, Vibrant Thriving Town Centres, Children and Young People, Supporting Independence, a Safe Bromley and an Excellent Council - BBB now includes two new objectives - a Healthy Bromley and Regeneration. A Healthy Bromley reflects our public health responsibilities under the government's health reforms. It also reflects our more general work with health colleagues and other community partners across the borough to improve health generally through the Health and Wellbeing Board. The Board brings together Bromley Councillors, GP's, Public Health, the Clinical Commissioning Group and the Voluntary Sector. The Regeneration priority covers the work the Council needs to do to develop the borough over the next 15 years as set out in our Local Plan.

Our Corporate Operating Principles which act as an operational model for the Council set out our approach to creating a flexible, responsive organisation that can embrace new ways of working with partners and staff to maintain and improve services to our community. As part of this we are committed to providing a working environment in which staff can contribute to the success of the Council. Our staff commitment sets out the responsibility we all share in making this happen.

Our Portfolio Plans set out what the portfolio is aiming to deliver over the coming 3 years, what we are doing towards these aims in the current year and what our performance targets are using a range of national and local indicators. Overseeing the successful delivery of each plan is the joint responsibility of the Portfolio Holder and the members of the appropriate Policy Development and Scrutiny Committee (PDS). The Portfolios are aligned behind the priorities identified in Building a Better Bromley; Care Services, Education, Environment, Public Protection and Safety, Renewal and Recreation, Resources.

The Council's approach to becoming a fully commissioning authority is not a new development, as Bromley already has a successful history of externalising services to both the private and third sector, but one we are having to give greater priority to over the next year or two. This provides us with the flexibility to choose the delivery model best placed to provide high quality services, based on local priorities and value for money principles, within a balanced budget. With substantial additional savings to be made over the next 4 years and uncertainty about government funding after 2015-16 the financial situation continues to drive the future direction and work of the Council.

To support this, we will:

- Regularly review why and how we provide services
- Identify who is best placed to deliver services by testing the benefits of:
  - Having our services delivered by others
  - Commissioning in partnership with others
  - Delivering services in partnership with others
  - Delivering services on behalf of others
- Encourage and empower the voluntary sector, community groups and individuals to take more control of how their local area and its resources are managed
- Procure as efficiently as possible, seeking opportunities to share contracts with other local authorities and partners

In order to secure further financial savings 5 corporate workstreams have been developed to drive

---

# ANNUAL GOVERNANCE STATEMENT

---

forward this work:

- Baseline Review ‘What’ services we deliver
- ‘How’ we deliver our services
- Sustainable income opportunities / economic growth
- Significant financial variables
- Organisational implications

Governance is provided by Chief Officers to monitor progress, challenge and make recommendations to the Executive. Where appropriate, proposals relating to individual services are submitted to the respective PDS Committees for scrutiny and approval.

The council’s operating structure was restructured at the beginning of 2013 into three departments reflecting our focus on ‘People and Place’ services – Education, Care and Health Services, and Environmental and Community Services, with Chief Executive’s department comprising in the main support services. This structure brings services together to better reflect a commissioning authority organisation structure.

## **2) Members and officers working together to achieve a common purpose with clearly defined functions and roles:**

Member/Officer roles are defined in the Constitution which sets out how the Council operates, how decisions are made and the procedures followed to ensure that decision making is efficient, transparent and accountable to local people. Some of these processes are required by law, while others are a matter for the Council to choose. This is supplemented by a Member/Officer protocol which governs the relationship between them.

Bromley continues to operate the ‘leader and cabinet’ model whereby the Leader appoints the Executive, and decides Portfolio Holder arrangements and responsibilities and agrees any formal delegation of various powers to the Council’s Chief Officers and their staff.

The Council’s decision making structure is divided between executive and non-executive matters. Executive duties are carried out by an Executive body of six Councillors with specific Portfolio responsibilities, chaired by the Leader of the Council. Non-executive duties are performed by the Development Control Committee and the General Purposes Committee. Six Policy Development and Scrutiny (PDS) Committees discharge the overview and scrutiny functions of the Local Government Act 2000.

The Director of Corporate Services (as Monitoring Officer) is responsible for ensuring the lawfulness and fairness of Council decision making, compliance with codes and protocols, and promoting good governance and high ethical standards.

The Director of Finance (as Section 151 Officer) is responsible for the proper administration of the Council’s financial affairs, preparing the Council’s statement of accounts in accordance with proper practices, keeping proper accounting records and taking reasonable steps to prevent and detect fraud. Bromley’s financial management arrangements conform with the governance requirements of the CIPFA *Statement on the Role of the Chief Financial Officer in Local Government (2010)*. The Director of Finance performs the role of Chief Financial Officer.

Corporate leadership is provided by the Corporate Management Team, led by the Chief Executive (and Head of Paid Service) who is responsible and accountable to the Council for all aspects of corporate and

---

# ANNUAL GOVERNANCE STATEMENT

---

operational management.

Internal Audit is responsible for conducting audits, using a risk based approach, to highlight any weaknesses throughout the Council. Bromley's assurance arrangements conform with the governance requirements of the CIPFA *Statement on the Role of the Head of Internal Audit (2010)*.

### **3) Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour:**

Bromley has adopted a number of codes and protocols that govern both Member and Officer activities which are communicated as part of the induction process and made available via the intranet. These include codes of conduct covering conflicts of interest and gifts and hospitality.

Although the Localism Act 2011 removed or changed a number of existing arrangements relating to the standards regime the Act still required authorities to promote and maintain high standards of conduct. It is mandatory that each local authority adopts a Code of Conduct dealing with the conduct that is expected of Councillors and co-opted members when acting in that capacity.

Following a review by the Constitution Improvement Working Group, full Council adopted a new Code of Conduct with effect from 1 July 2012 based on the model code produced by the Department of Communities and Local Government. The Code retains (i) the need to register all interests presently registered, (ii) to register any changes within 28 days and (iii) to register gifts and hospitality above the existing £25 threshold.

The Council also agreed to retain a Standards Committee with new terms of reference. Whilst the Act removed the statutory basis for independent members it did replace them with a new role - the Independent Person. They must be consulted by an authority before it makes a decision on an allegation of misconduct by a Councillor that it has decided to investigate or before it decides on action to be taken in respect of that Councillor. Two independent members of the 'old' Standards Committee have been appointed as Independent Persons under the Act.

The induction events organised for new councillors following the May 2014 local elections includes a session on standards with a surgery session following that, providing support to Members on completing their Register of Interest forms, and with additional guidance being prepared to clarify what is required.

The Council's confidential reporting code 'Raising Concerns' sets out how employees and contractors working for the Council on council premises can report their major concerns about any aspect of the Council's work including concerns about Members of the Council. This is designed to enable people to raise concerns without fear of victimisation, subsequent discrimination or disadvantage. The code is widely publicised via posters, internal newsletters, the intranet and on the Council's website.

Arrangements are in place for receiving and investigating complaints from the public under the Council's 'Getting it Right' procedures - how to complain, make a suggestion or pay a compliment about a council service. There are separate procedures in place for complaints about children's social care, adult social care (including a guide for people with learning difficulties) and complaints about schools. Leaflets and forms are available from enquiry points and libraries. Information is also available on the Council's website. The Chief Executive and Director of Corporate Services monitor how complaints are handled within departments.

---

## ANNUAL GOVERNANCE STATEMENT

---

### **4) Taking informed and transparent decisions which are subject to effective scrutiny and managing risk:**

The Director of Corporate Services (as Monitoring Officer) reviews and updates the constitutional framework including Rules of Procedure and Standing Orders (which regulate meetings of the Council) and the Scheme of Delegation (which sets out formal delegation of various powers to the Council's Chief Officers and staff) on a regular basis reporting to full Council.

The Director of Finance (as Section 151 Officer) likewise reviews and updates Financial Regulations, Contract Procedure Rules and the Scheme of Delegation (so far as it relates to financial matters), which are incorporated into the Constitution. Financial Regulations are one of a set of management documents which collectively control and co-ordinate the financial affairs of the Council.

The scrutiny function provided by the six Policy Development and Scrutiny (PDS) Committees continues to provide constructive challenge leading to better and more robust decisions.

The Council's Risk Management Strategy is kept under review to reflect current procedures, guidance issued by CIPFA and best practice. This is overseen by the Risk Management Group, with representation at a senior level from each department, reporting to Audit Sub-Committee. Each departmental representative acts as risk champion for their area to disseminate risk management information and facilitate the identification and assessment of risks.

The Audit Sub-Committee is responsible for developing and reviewing all aspects of the Council's arrangements for audit including fraud and risk. The Committee is independent of the Executive and scrutiny functions.

We continue to operate a very successful Fraud Partnership with the London Borough of Greenwich building on our Anti-Fraud and Corruption Strategy. Outcomes are reported to Audit Sub-Committee.

The Bromley Borough Resilience Forum, a statutory forum currently chaired by the Council, meets quarterly to facilitate co-operation and information sharing at the borough level between key stakeholders in relation to emergency preparedness for major events and incidents. The Forum reports to the Safer Bromley Partnership Strategic Group. Through the Forum and pan-London structures the Partnership regularly has the opportunity to participate in training and exercising events to develop and maintain local multi-agency emergency arrangements.

Within the Council we continue to review and maintain our arrangements to respond to and recover from emergencies affecting the Borough. We also review and maintain our business continuity arrangements to ensure that critical activities and services continue to operate in the event of disruptive events and emergencies. Our procurement policy requires business continuity plans to be part of any tendering process.

### **5) Developing the capacity and capability of Members and Officers to be effective:**

Corporate training provision is reviewed each year to ensure that the learning and development opportunities on offer reflect the key priorities of the organisation; supporting staff to develop a good mix of skills and knowledge so that they are able to perform effectively in their current job and are able to tackle the many changes facing local government.

Officer training needs are identified as part of the annual Performance Appraisal and Development Scheme and there is a comprehensive training programme for all staff. In parallel a Managers' Toolkit

---

# ANNUAL GOVERNANCE STATEMENT

---

site is maintained on the intranet to provide a depository of policies, procedures, guidance and tools enabling all managers across the Council to work more effectively and efficiently.

There are three main programmes; Training for All (including Customer Service, Management and Leadership, Personal Effectiveness and Wellbeing), Children's Safeguarding and Social Care Training, and Adult Care Services Training. To compliment this face-to-face training many of the topics are now available via the web based Bromley Learning Hub which allows users to develop their skills on-line at a time and place that suits them.

Specific training for Members targets key policy issues and areas of current interest. This is supported by a dedicated Member Development site on the intranet. During the year the Director of Finance organised regular Financial Seminars to keep Members informed of the general financial situation affecting the Council and the changes in local government finance and health provision. Following the May 2014 elections a full programme of induction events has been organised for new councillors.

IT training is delivered in partnership with Bromley Adult Education College.

Officers also have access to external workshops and seminars via our membership of organisations like CIPFA.

## **6) Engaging with local people and other stakeholders to ensure robust public accountability**

We continue to review how we can improve our channels of communication with all sections of the community and other stakeholders. Increasingly Bromley is using social media sites like Twitter and Facebook to provide information and links to upcoming events. Besides the main Council website Bromley MyLife is the adult social care website. It provides information and advice should someone need help due to illness, age or disability, enabling them to keep their independence.

Council meetings are held in public and agendas and report packs are made available in advance on the council website. Most meetings start at 7pm and there are some daytime meetings. There is a facility to set up daily email alerts on key words or topics.

The Council held five public meetings in September and October 2013 as part of the 2014/15 budget consultation under the title 'Building a Better Bromley'. This was supplemented by links to the council's budget, financial position and strategy on the main website. An additional meeting was held with the Bromley Youth Council to enable young people to have a say in how local services are organised and connecting them with local democracy. Consultation papers were also sent to local business representatives for their views and comments. Prior to finalising the 'Schools budget' the Education Portfolio Holder consulted Head Teachers, Governors and the Schools Forum.

During the year the Council continued to consult on Bromley's Local Plan which will guide development in the Borough for the next 15-20 years. In addition to a press release and advertising in a weekly freesheet tabloid, articles and links to the consultation were included in Update, our newsletter to local community groups, the e-bulletin to local businesses, the staff intranet, and the Bromley website. Emails and letters were also sent to around 1000 contacts on the planning database which includes developers, agents, landowners, as well as residents, and other parties. The responses received were reported to the Development Control Committee.

Departments also use surveys to ensure that services are being delivered efficiently and effectively.

The Council operates a Petition Scheme whereby any person who lives works or studies in the borough of

---

# ANNUAL GOVERNANCE STATEMENT

---

Bromley can submit a petition. Once a petition has been validated a response will normally be sent back within 10 working days. All petition responses are published on the Council's website.

Given the increasing numbers of Freedom of Information requests, an online form has been introduced to channel requests to the right departments so that enquiries can be dealt with as quickly and efficiently as possible. Previous requests and answers are now published on the Council's website.

Bromley works in partnership with many local organisations representing the views of residents and the public, private and voluntary sectors.

The Borough Officers' group meets on an informal basis to monitor and direct the work of the main thematic partnerships. The group is chaired by the Chief Executive and includes representatives from the emergency and health services and the voluntary sector.

The thematic partnerships (Bromley Economic Partnership and Safer Bromley Partnership Strategic Group) hold open meetings and agenda papers and minutes are published on the Council website. The meetings receive reports from other key strategic partnerships and the main partnerships themselves. Terms of reference and governance arrangements are in place. The partnerships are subject to scrutiny by the relevant PDS Committees.

Following a review of the partnership arrangements that were supported either financially or with other resources by the Education, Care and Health Services department, a new Partnership Framework was implemented in September 2013. The purpose of the review was to ensure that the partnership arrangements in place across the Borough for education and care services are fit for purpose, have an outcome focus, provide best value for money, remove duplication, and strengthen and maximise the voice of service users.

As a result two of the previous thematic partnerships; Bromley Children and Young People, and Health, Social Care and Housing, have been replaced with the Children's Services Stakeholder Conference and the Adult Services Stakeholder Conference which will meet twice a year to actively involve partner agencies and service users in shaping business planning and priorities for the future. Both bodies will report to Care Services PDS and/or the Health and Wellbeing Board. Agenda papers and presentations are published on the Bromley Partnerships website.

In addition an online survey of some 1,400 adult carers in Bromley was undertaken between September and October 2013 as part of the new virtual service user panel which brings together service users, families and carers, and existing partnership group members, to gather views and consult with people of specific services or issues for services, and enable users to shape service development. The results from the survey were used to inform the first Adult Services Stakeholder Conference held in November 2013.

## **Review of Effectiveness**

Bromley has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Corporate Management Team comprising directors and assistant directors within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Audit's annual report, the Policy Development and Scrutiny annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

---

# ANNUAL GOVERNANCE STATEMENT

---

As part of this review the Assistant Directors have completed and signed an Assurance Statement in relation to their own service areas. In turn each Chief Officer has reviewed the effectiveness of key controls, using a detailed checklist, to provide an overall Assurance Statement for their own directorates.

The governance framework and internal control environment encompasses all the organisation's policies, procedures and operations in place. At Bromley this is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

The process of maintaining and reviewing the effectiveness of the governance framework, including the system of internal control, includes the following elements:

## Council Framework

We continue to operate with a Leader and an Executive. The Leader personally controls all decisions about the Council's executive functions. He can then choose whether to make all decisions personally, or to make arrangements for others to do so.

The Executive contains the Leader and six Members each responsible for a portfolio. Each Portfolio Holder annually outlines, in a portfolio plan, their aims and what they will be doing towards achieving their goals and their performance targets.

The full Council is responsible for adopting the authority's Constitution and Members' code of conduct and for approving the budget and policy framework within which the Executive operates.

Chief Officers (Directors) are responsible for ensuring that Members are advised of the financial implications of all proposals liaising as necessary with the Director of Finance. In addition they are responsible for promoting sound financial practices in relation to the standards, performance and development of staff in their departments.

## Policy Development and Scrutiny Committees

Six Policy Development and Scrutiny (PDS) Committees have a key role in contributing to policy development and scrutinising the decisions of the Executive and individual Portfolio Holders. Although they have no decision making powers, they advise Portfolio Holders, the Executive and full Council on policies, budgets and service delivery. PDS Committees can commission groups of Councillors to review an issue or policy so assisting a Portfolio Holder or the Executive to improve a service or local function affecting local people.

Full Council has accepted recommendations from the Constitution Improvement Working Group to allow more routine decisions to be made without formal scrutiny where the PDS Committees and Portfolio Holders are in agreement, subject to the proposed decision being emailed to all Members in advance. Any Member may then request that a matter be referred to the relevant PDS Committee before a decision is taken.

PDS Committees monitor the performance of services and functions within their remit, assessing performance against key performance indicators and policy objectives. Concerns are reported to a Portfolio Holder who can then, if necessary, be called to a PDS Committee meeting to account for the performance of his or her Portfolio.

They are also involved in the budget setting process and provide comment and recommendations for the Executive to take account of when formulating the Council's annual budget. Similarly, PDS Committees

---

# ANNUAL GOVERNANCE STATEMENT

---

monitor in-year spend of budgets and raise concerns where there is a possibility of overspend or other issues affecting spending priorities.

The call-in process is a key means by which PDS Committees can hold the Executive to account. Any five Councillors can call-in a decision and prevent it from taking immediate effect until it has been considered by a PDS Committee. The Committee can then interview the Portfolio Holder and officers and consider whether the decision was appropriate, within the Council's policy framework, and whether it should be reconsidered. If the Committee feels that the decision should have been reversed or altered, it can make a recommendation to the Executive, which then has to reconsider the matter.

The Executive and Resources PDS Committee has an over-arching, coordinating role on behalf of the other five PDS Committees and provides an Annual Report to full Council summarising the work that has been carried out during the year.

The Committees are supported by the statutory Scrutiny Officer who also provides support and guidance to Members on the functions of overview and scrutiny.

## Internal Audit

Internal Audit operates to defined standards as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Internal Audit in Local Government. The effectiveness of the system of the system of Internal Audit is measured by compliance with this code and peer reviews. Internal Audit provides an independent opinion on the adequacy and effectiveness of the system of internal control.

An Annual Audit Plan is used to map out the cyclical coverage of fundamental financial systems and other audits. The plan is based on the identification of the Council's systems and activities to be audited, each assessed for risk. Work relating to prevention and detection of fraud and corruption is integrated into this audit planning process. Each audit is reported to the appropriate level of management together with agreed action plans where appropriate. In addition all significant weaknesses are reported to Audit Sub-Committee and followed-up until recommendations are implemented. The supporting summaries of audit reports help inform the overall assessment of internal controls.

The Head of Internal Audit is empowered to report any matter of concern directly and independently, to the Chief Executive, the Chairman of Audit Sub-Committee or the Leader of the Council, if necessary.

In his Annual Report to Audit Sub-Committee the Head of Audit confirmed that 'my overall opinion on the control environment based on the internal testing and reviews undertaken is that there is overall reliance on the internal controls identified and where there have been significant issues highlighted provide assurance that corrective management action has been or will be taken to mitigate the risks. Over the past year there have been investigations that highlighted a number of weakness in the areas of supervision/monitoring, document control and updated procedures but significantly a better understanding in officers' understanding/awareness of financial regulations and contract procedure rules. This has been due the mandatory web based training of over 600 officers involved in the finances of this authority. The Head of Audit can confirm that adequate action plans have been agreed for all areas of identified weakness and Internal Audit will continue to apply close scrutiny to ensure that all current priority control weaknesses are addressed by management.'

In 2010 CIPFA issued their Statement on the Role of the Head of Internal Audit in Public Service Organisations. The Statement sets out five principles that define the core activities and behaviours that belong to the role of the Head of Internal Audit. We confirm that the Head of Internal Audit meets these requirements.

---

# ANNUAL GOVERNANCE STATEMENT

---

## External Inspections

In their *Report to those charged with governance* for the year ended 31 March 2013, published in September 2013, the external auditors PricewaterhouseCoopers LLP reported the following:

- ‘Management are responsible for developing and implementing systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. As auditors, we review these arrangements for the purposes of the Statement of Accounts and our review of the Annual Governance Statement.’
  - Two internal control deficiencies were reported covering an upgrade of a key financial system; Oracle Financials, and an out of date bank mandate. The recommendations were accepted and acted upon.
- ‘We reviewed the Annual Governance Statement to consider whether it complied with the CIPFA/SOLACE *Delivering Good Governance in Local Government* framework and whether it is misleading or inconsistent with other information known to us from our audit work. We found no areas of concern to report in this context.’

During the last year the Council has received the following assessments from other inspectorates:

The Care Quality Commission carried out the following routine inspections of care services provided by the London Borough of Bromley:

Shared Lives report published June 2013

118 Widmore Road (residential home) published July 2013

Home Care report published November 2013

Supported Living report published November 2013

St Blaise (residential home) reports published July 2013 and December 2013

Orchard Grove (residential home) reports published November 2013 and February 2014

Each inspection covered several of the essential standards of quality and safety that people who use health and adult social care services have a right to expect. Other than the initial inspection of Orchard Grove where action was needed on the ‘management of medicines’ all the inspected standards were met. A follow up inspection of Orchard Grove found that the necessary action had been taken and that they now met the standard.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Risk Management Group, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

## **Significant Governance Issues**

Last year we identified the following governance issues:

---

## ANNUAL GOVERNANCE STATEMENT

Governance Issue	Outcome
<p>1. Our capacity to continue to make budget savings and maintain frontline services: We continue to review and scrutinise our services to increase efficiencies and identify potential savings, and retain four year forward planning, despite the uncertainties on future funding.</p>	<p>Having achieved the necessary cost savings the Council managed to stay within budget in 2013/2014, and has succeeded in formulating a broadly neutral budget for 2014/2015 and introduce measures to reduce the ‘funding gap’ in 2015/16, without significantly impairing the delivery of frontline services.</p>
<p>2. Decision to become a Commissioning body: A six months Commissioning Programme covering ten services has been developed with a target date of Aug 2013 onwards for implementation and delivery.</p>	<p>This remains an ongoing process with some of the original services having dropped out of the programme and decisions still to be made going forward.</p>
<p>3. Integration shared services: Parking Services to provide a progress report to Environment PDS Committee in Oct/Nov 2013 along with an analysis of any opportunities for further outsourcing.</p>	<p>Environment PDS Committee received a report in November 2013 about progress made following the creation of the shared parking service with the London Borough of Bexley, the issues that had arisen during the first six months of operations, and the savings achieved.</p> <p>The potential for any further outsourcing of Parking Services is being taken forward by management through the Commissioning process reporting to Environment PDS Committee in July 2014.</p>
<p>4. Integration Public Health: A pre-integration check by Internal Audit stated that this was progressing satisfactorily.</p>	<p>From April 2013 the Council took responsibility for a number of public health functions following the abolition of NHS primary care trusts under the government's health reforms. Public Health now forms part of Education, Care and Health Services department.</p>
<p>5. Welfare reform agenda: Ongoing process covered by Internal Audit plan for 2013/14.</p>	<p>Internal Audit has reviewed both the procedural and transactional aspects of the Bromley Welfare Fund which replaced the government’s Social Fund from April 2013. The conclusion of these audits was that substantial assurance can be placed on the effectiveness of the overall controls.</p>
<p>6. Localised pay and conditions – the Council has withdrawn from National Terms and Conditions of Service with the majority of staff having accepted new contracts: The members of staff who have not signed are subject to a 45 day ‘dismissal and re-engagement’ consultation process to be followed by a statutory notice period.</p>	<p>All staff have now signed localised pay and conditions contracts which was implemented with effect from 1 April 2013.</p>

Any outstanding issues are included in the table below.

# ANNUAL GOVERNANCE STATEMENT

---

New governance issues:

Governance Issue	Actions
Capacity to make further budget savings and maintain frontline services. Looking ahead, the continuing reduction in the financial settlement from the government and on-going cost pressures on the Council have opened a significant funding gap over the next four years, which it will be challenging to close.	In order to assist in providing sustainable financial solutions we will continue to explore opportunities to review radically service provision, seeking opportunities for income maximisation, mitigate against future cost pressures, explore wider partnership opportunities including community budgets, and prepare for a different organisation in the future with overall resources reduced.  We continue to retain four year forward planning.
Decision to become a Commissioning authority	Chief Officers will continue to monitor progress, challenge and make recommendations to the Executive. Where appropriate, proposals relating to individual services will be submitted to the respective PDS Committees for scrutiny and approval.
Welfare reform agenda	Although the roll-out of Universal Credit is expected to be delayed until 2016 at the earliest, the Council will be reviewing the Council Tax Support Scheme as well as the Bromley Welfare Fund – the Government is withdrawing the grant funding for the Welfare Fund from 2015/16 (approx.. £1m).

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed.....

Chief Executive

Date.....

Signed.....

Leader of Council

Date.....

---