

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 Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives and Senior Managers (SOLACE) Framework *Delivering Good Governance in Local Government*. A copy of the code is on our website at www.bromley.gov.uk or can be obtained from Chief Executive's Department, 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 2015 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 citizens expect to manage their lives with the minimum of intervention from the Council. When they need the Council's support they expect that it will be provided efficiently, represent value for money and be free from unnecessary bureaucracy and delays.

Bromley Council is organised around a set of core principles which are consistent with this ambition:

- **Member-led:** The Council's resources will be targeted at local priorities as agreed by elected Members
- **Delivering Value for Money:** The Council's services will be provided by whoever offers customers and council tax payers excellent value for money

- **Supporting Independence:** The Council will enable and encourage citizens to take more responsibility for their own lives, with the most vulnerable being provided with the help they need
- **Efficient and non-bureaucratic:** The Council will seek to reduce interference and bureaucratic control whilst protecting the Borough's distinctive character

In setting our goals, Building a Better Bromley provides the framework to improve the life of all of those that visit, live, study, or work in the borough. This reflects our public health and health and wellbeing agenda as well as our priority to continue to invest in the economic wellbeing of our borough. It sets the direction and policies which other plans should help to deliver and is shared across the Council in our specific Portfolio messages and our departmental, divisional and team plans.

Our seven key priorities remain:

- A Quality Environment
- Regeneration
- Vibrant, Thriving Town Centres
- Supporting our Children and Young People
- Supporting Independence
- Safe Bromley
- Healthy Bromley

Our vision is to be an excellent council in the eyes of local people.

Our Portfolio Plans set out what we aim to deliver 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. The Health and Wellbeing Board brings together Bromley Councillors, Public Health, GPs, the Clinical Commissioning Group and the voluntary sector, to understand the local community's needs, agree priorities and encourage commissioners to work in a more joined up way.

Our achievements over the past year and plans for the future are reported in the Annual Report and Accounts.

With substantial additional savings to be made over the next 4 years and uncertainty about how the Government will implement its manifesto pledges the financial situation continues to drive the future direction and work of the Council.

The Commissioning Team, led by the Director of Transformation and Regeneration and overseen by the Portfolio Holder for Resources, are looking in detail at all our services to ensure best value for money and to determine who is best placed to deliver high quality services based on local priorities and value for money principles, within a balanced budget.

The commissioning programme consists of a number of distinct projects or work streams, each focusing on a specific service or area within the organisation. While each project is corporately led and managed, the relevant Service Director, Service Lead and key Members are actively involved and engaged in order to ensure consistency and transparency across the programme. Each project must go through key mandatory gateway stages to ensure decisions taken are based on clear evidence.

Following scrutiny through the PDS process, the relevant Portfolio Holder and the Executive will make the final decision on implementation. As part of the process formal consultations are also carried out with staff, including Trade Union and staff representatives, and service users.

The Council's operating structure is being reviewed as we continue to develop a more 'one-Council' approach to the way we work. Currently we have three departments reflecting our focus on 'People and Place' services; Education, Care and Health Services, and Environment and Community Services, with Chief Executive's department comprising in the main, corporate support services.

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. The Executive has seven Members and is the Council's main decision making body. It is chaired by the Leader of the Council. It either makes decisions itself or six of its Members, who hold Portfolios, decide on matters relating to specialist areas. The Portfolios cover:

- Care Services (including health)
- Education
- Environment
- Public Protection and Safety
- Renewal and Recreation
- Resources

By law the Executive cannot take all Council decisions as some matters have to be decided elsewhere, principally by the Development Control Committee and the General Purposes and Licensing Committee and their Sub-Committees.

The appointment of the Leader of the Council and membership of the Executive and various committees is formally announced at the Council's Annual Meeting.

The Constitution Improvement Working Group is currently reviewing the structure of these committees to reflect the changing shape and direction of our Council as we work towards becoming a commissioning authority.

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 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 in Public Service Organisations (2010)*.

Our Corporate Operating Principles which act as an operational model for the Council also 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.

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 the activities of Members and Officers 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.

Local authorities have a duty 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.

The Code of Conduct approved by full Council in 2012 requires new members and co-opted members to register their financial and other interests within 28 days of taking office. The requirement to register financial interests also extends to a spouse or partner. In addition members and co-opted members must notify the Monitoring Officer of any change to their interests within 28 days of the change occurring. Any gifts and hospitality with a value of over £25 also need to be registered within 28 days of receipt.

The declarations made by each Councillor are detailed on the councillor information pages on the Council's website.

The Standards Committee considers complaints about Councillors. The Independent Persons on the Committee must be consulted by the Council 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.

The induction events organised for new Councillors following the May 2014 local elections included 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.

Officers are also subject to Section 117 of the Local Government Act 1972 which means that they are required to disclose any direct or indirect pecuniary interests they may have in any contract or potential contract involving the Council. In addition they are prohibited from receiving any fee or reward as result of their employment with the Council, other than their agreed remuneration. A reminder is sent out on an annual basis with registers maintained by the Monitoring Officer and individual Directors.

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 the intranet, posters, internal newsletters, 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 procedures in place for complaints about children's social care, adult social care (including a guide for people with learning difficulties), housing services, and school issues. 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.

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, and prosecutions publicised in the local press and on the Council's website.

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 newly constituted Corporate Risk Management Group providing a strategic overview of risk management, health and safety, business continuity and emergency planning activities to improve efficiency and develop synergies in line with Council priorities. The Group continues to report 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.

Zurich Municipal is currently conducting a review of our risk management activities with the aim of improving reporting structures and aligning departmental and strategic risk registers.

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.

During the year Internal Audit was successful in attracting funding from the Department for Communities and Local Government to fight fraud. We were successful in four joint bids with other boroughs, including one to develop a fraud application for mobile phones where we are the lead borough.

Internal Audit actively participates in the National Fraud Initiative, an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud.

The Bromley Borough Resilience Forum, a statutory forum, 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 exercise 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 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. Depending on their duties some Officer training is mandatory.

There are three main programmes; Organisational Development (including Customer Service, Management and Leadership, Health and Safety, Commissioning and Contract Management), Children's Social Care (including Safeguarding, and Continuing Professional Development) and Adult's Social Care (including the Care Act 2014, Awareness of Medical Conditions, Health and Safety, Safeguarding). 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 online 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 and an area on the Bromley Learning Hub dedicated to Councillors. 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. Following the May 2014 elections a full programme of induction events was organised for new Councillors which was also open to returning 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. Everyone over the age of 18 can also register for a MyBromley account where residents can manage their council tax, access services, receive alerts and relevant information online. 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.

The public services ICT association Society of Information Technology Management (SOCITM) rated Bromley's website 3 stars (4 stars max) in their 'Better Connected 2015' review, based on user experience, usability and mobile access.

Council meetings are held in public and agendas and report packs are made available in advance on the Council website, at the Civic Centre and through local libraries at least 5 working days prior to each meeting. Most meetings start at 7pm and there are some daytime meetings. Members of the public can ask questions at a meeting or a written reply can be sent subject to giving sufficient notice. There is a facility to set up daily email alerts on key words or topics.

The Council held four meetings in November 2014 (two round-table meetings for representatives from residents' associations, and two public meetings) as part of the 2015/16 budget consultation under the title 'Our budget, your views'. The consultation included an online survey which attracted 1,611 replies and focused on resident's priorities, collecting their views on what they feel is most important and on ways in which they believe the Council could raise revenue. This was supplemented by links to detailed information and graphs about the Council's finances on the main website. Additionally submissions were received from Bromley Youth Council and Bromley Youth Support Team enabling 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 Headteachers, Governors and the Schools Forum.

During the year the Council also consulted on Beckenham Town Centre improvements, Biggin Hill Airport Limited's plans to change their operating hours, the future of Bromley's library service and the future of the Priory and Bromley Museum.

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 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.

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.

The Children's Services Stakeholder Conference and the Adult Services Stakeholder Conference involve partner agencies and service users in shaping business planning and priorities for the future. The Adult Services Stakeholder Conference held two conferences in July 2014 on 'Your Future Your Support Your Say' and in March 2015 on 'Living Well with Dementia in Bromley'. The Children's Services Stakeholder Conference has scheduled a conference in July 2015 focussing on 'Emotional Wellbeing'. Both bodies report to Care Services PDS and/or the Health and Wellbeing Board. Agenda papers and presentations are published on the Bromley Partnerships website.

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.

As part of this review the Assistant Directors and Heads of Service, where appropriate, have completed and signed an Assurance Statement in relation to their 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 a range of issues.

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

More routine decisions can 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.

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 Executive and Resources PDS Committee has a rolling programme where the Leader of the Council, the Resources Portfolio Holder and the Chief Executive each do two presentations a year on a rota basis, so six of the eight PDS meetings will normally have one of these sessions. The other PDS Committees do not generally do this although the relevant Portfolio Holders and Chief Officers are usually present at all their meetings.

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 Public Sector Internal Audit Standards. The effectiveness 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 two investigations that highlighted a number of weaknesses in the areas of supervision/monitoring, document control and updated procedures. 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.'

Internal Audit also submits an Annual Fraud Report to Audit Sub-Committee summarising all fraud and investigations undertaken during the year. Audit Sub-Committee has provided assurance to the external auditors that they are satisfied with our fraud arrangements within the Authority.

External Inspections

In their *Report to those charged with governance* for the year ended 31 March 2014, published in August 2014, the external auditors PricewaterhouseCoopers LLP reported the following:

- 'The Authority, like other Local Authorities, is facing increasing financial pressures and significant challenges to identify the levels of savings they require over the next three to five years. At present, as per the Authority's medium term financial strategy, there exists a significant 'budget gap', culminating in a gap of £53.1m in 2017/18 reported to Executive in February 2014.' As a result the value for money (financial resilience) audit risk rating has been raised from normal to significant.
- '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.'
 - Four internal control deficiencies were reported covering the use of surveyors regarding accounting accruals, the use of a designated Pension Fund bank account, an out of date bank mandate, and updates to the pension administration system in respect of leavers. The recommendations were accepted and acted upon, with the exception of the Pension Fund bank account that Bromley will continue to review
- '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:

Care Quality Commission - Shared Lives - June 2014

All the inspected standards were met

Ofsted - Inspection of Bromley Pupil Referral Service - July 2014

Overall Effectiveness: Requires Improvement

The report was considered by the Education PDS on 30 September 2014 who noted the progress being made by the new Headteacher and staff. Education PDS also receives the results of Ofsted inspections for both the Local Authority Maintained schools and Academies, together with details of the challenge and support provided to those maintained schools considered to be underperforming.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Corporate 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:

Governance Issue	Outcome
<p>1. 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:</p> <p><i>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.</i></p> <p><i>We continue to retain four year forward planning.</i></p>	<p>During 2014/15 we continued to make significant savings and our budget for 2015/16 allows us to address increased demands on council services, often for our most vulnerable residents, as well as the additional responsibilities local authorities have to shoulder without any more money from government.</p>
<p>2. Decision to become a Commissioning authority: <i>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.</i></p>	<p>The Commissioning Team led by the Director Regeneration and Transformation and overseen by the Resources Portfolio Holder meet on a weekly basis to review progress. Every decision taken concerning commissioning is taken after scrutiny by a PDS Committee, the relevant Portfolio Holder, and the Executive.</p>
<p>3. Welfare reform agenda: <i>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).</i></p>	<p>Council Tax Support Scheme: Following a public consultation the Council agreed to retain the existing scheme for 2015/16.</p> <p>Bromley Welfare Fund: Following the removal of government funding from 2015/16 the Council has agreed a revised scheme with effect from 1 April 2015 restricted to meeting the basic accommodation related requirements of those moving back into the community by making discretionary awards to cover the cost of furniture and white goods.</p>

Any outstanding issues are included in the table below.

New governance issues:

Governance Issue	Actions
Capacity to make further budget savings and maintain frontline services: The Council will need to make significant savings of approximately £50m over the next four years.	The Executive is working to balance the budget for 2016/17. Where possible identified savings will be taken as early as possible. We continue to retain four year forward planning.
Commissioning and transformation agenda	The Commissioning Team will continue to identify services that are either standalone or can be bundled together and then seek approval to market test or other options.
Welfare reform agenda: The government continues to reform the welfare system with Universal Credit now expected to be rolled-out to all claimants by February 2016. The government is also committed to cutting a further £12bn from welfare spending.	The resulting impact on Council's services will need to be assessed and reported to the relevant PDS Committees.
The implementation of the Care Act 2014 from 1st April 2015 places very significant new responsibilities on the Council with regard to both those who may qualify for services but also for those who care for them.	The modelling of potential risks has been subject to considerable scrutiny. Until changes are implemented we will not know exactly what new pressures we will see. Online Care Act training is mandatory for all Education, Care and Health Services staff.
The Public Service Pension Act 2013 requires The London Borough of Bromley Pension Fund to establish a Local Pension Board. The Local Pension Board will ensure that the Code of Practice on governance and administration issued by the Pensions Regulator is complied with.	Terms of Reference have been drafted and the Pension Fund is seeking two Member representatives and two employer representatives to sit on the Board. This will meet on an annual basis and Members of the Board will also be invited to attend meetings of the Pensions Investment Sub-Committee. The new Local Pension Board has to meet by 1 st August 2015 at the latest.

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 the Council

Date.....