



NOTICE OF MEETING

Governance & Audit Committee

Tuesday 2 July 2013, 7.30 pm

Council Chamber, Fourth Floor, Easthampstead House, Bracknell

To: The Governance & Audit Committee

Councillor Ward (Chairman), Councillor Heydon (Vice-Chairman), Councillors Allen, Blatchford, Ms Brown, McCracken, Thompson, Worrall and Mr G S Anderson

cc: Substitute Members of the Committee

Councillors Mrs Ballin, Mrs Hayes, Leake, Mrs McCracken, Mrs Temperton and Wade

ALISON SANDERS
Director of Corporate Services

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Published: 24 June 2013



Governance & Audit Committee
Tuesday 2 July 2013, 7.30 pm
Council Chamber, Fourth Floor, Easthampstead House,
Bracknell

AGENDA

Page No

1. **Apologies for Absence**

To receive apologies for absence and to note the attendance of any substitute members.

2. **Declarations of Interest**

Members are requested to declare any disclosable pecuniary or affected interest in respect of any matter to be considered at this meeting.

Any Member with a Disclosable Pecuniary Interest or an affected interest in a matter should withdraw from the meeting when the matter is under consideration and should notify the Democratic Services Officer in attendance that they are withdrawing as they have such an interest. If the Disclosable Pecuniary Interest is not entered on the register of Members interests the Monitoring Officer must be notified of the interest within 28 days.

3. **Minutes**

To approve as a correct record the minutes of the meetings of the Committee held on 27 March 2013 and 15 May 2013

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4. **Urgent Items of Business**

Any other items which, pursuant to Section 100B(4)(b) of the Local Government Act 1972, the Chairman decides are urgent.

5. **Health & Wellbeing Board: Public Participation Scheme**

This report asks the Committee to recommend to full Council that the Health & Wellbeing Board be permitted to implement a scheme of public participation.

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6. **External Auditors Audit Committee Briefing**

To note the attached Audit Committee briefing from Ernst and Young.

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7. **Internal Audit Annual Assurance Report 2012/13**

To receive the Head of Audit's annual assurance report.

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8. **Annual Governance Statement**
To consider the Annual Governance Statement 2012/13 and the Action Plan to address weaknesses identified. 47 - 64
9. **Code of Conduct for Members: Threshold for Registration of Gifts and Hospitalities**
To secure the recommendations of the Committee as to whether the current threshold for the registration of gifts and hospitality should be revised. 65 - 70
10. **Review of the Member and Officer Protocol**
To seek the Committee's approval to amendments proposed to be made primarily in consequence of the introduction of Portfolio Review Groups. 71 - 90
11. **Scheme of Delegation: Dwelling Extension Prior Approval**
To seek an amendment to the delegated powers of the Chief Officer: Planning and Transport required in consequence of recent alterations to "Permitted Development" rights in respect of extensions/alterations to dwellings. 91 - 94
12. **Scheme of Delegation: Section 52 Agreements**
To seek an amendment to the Scheme of Delegation to Officers in the Council's Constitution to provide that the power of the Chief Officer: Planning and Transport to determine applications for the release or amendment of provisions contained in agreements entered into under section 52 of the Town and Country Planning Act 1971 (whether also made pursuant to other legislation or not) should be subject to the same constraints as other planning applications. 95 - 98
13. **Date of Next Meeting**
Monday 30 September 2013 at 6.30pm

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**GOVERNANCE & AUDIT COMMITTEE
27 MARCH 2013
7.30 - 8.15 PM**

Bracknell Forest Borough Council:

Councillors Ward (Chairman), Wade (Vice-Chairman), Allen, Ms Brown, Thompson, Blatchford (Substitute) and Leake (Substitute)

Independent Member:

Gordon Anderson

In Attendance:

Alan Nash, Borough Treasurer
Sally Hendrick, Head of Audit and Risk Management
Michelle Woodhatch, Internal Audit Contract Manager
Catherine Morganti, Ernst & Young

Apologies for absence were received from:

Councillors Heydon, McCracken and Worrall.

38. Declarations of Interest

There were no declarations on interest.

39. Minutes from Previous Meeting

RESOLVED that the minutes of the meeting held on 29 January 2013 be approved as a correct record and signed by the Chairman.

40. Urgent Items of Business

There were no items of urgent business.

41. External Audit Matters

The Committee considered the External Audit Plan for 2012/13 and the Annual Audit Fee for 2013/14.

Catherine Morganti, Manager at Ernst and Young presented the report and made the following points:

- There would be two main strands to the External Audit Plan for 2012/13;
 - i) an audit opinion on whether the financial statements of Bracknell Forest Council gave a true and fair view of the financial position as at 31 March 2013 and of the income and expenditure for the year then ended.

- ii) and a statutory conclusion on the Council's arrangements to secure economy, efficiency and effectiveness.

Mrs Morganti reported that she could see improvements planned at the Council with regard to the valuation of land and buildings. External audit would also maintain a watching brief on the town centre redevelopment.

She reported that the fee for 2013/14 had been set by the Audit Commission as part of that procurement exercise and would not increase unless there was a change in the scope of the external auditor's work. The total Code audit fee for 2013/14 was £138,564.

It was **RESOLVED** that the Committee;

- i) noted the External Audit Plan for 2012/13 and
- ii) noted the Annual Audit Fee for 2013/14.

42. **Internal Audit Plan 2013/14**

The Committee considered a report that set out the underlying principles applied in the Internal Audit planning process and sought the Committee's approval of the Internal Audit Plan for 2013/14.

It was reported that:

- A rigorous approach was taken to risk assessing processes each year, a key element of this included consulting with senior officers across the Council on a one to one basis as well as consulting with IT. Provisional plans would then be set out and submitted to departmental management teams before being submitted to the Corporate Management Team.
- It was key that limited resources were directed to the areas of greatest risk.
- It was reported that new internal audit public sector standards applied as of the end of April 2013. CIPFA had produced a checklist which would help the Council ensure that they were compliant.

In response to members' queries, the following points were made:

- In relation to car parks as detailed on page 38 of the agenda papers, the Committee asked if further attention could be given to the risk of fraudulent activity around false parking tickets being used to fraudulently collect money. Officers agreed to include this in the terms of reference of the audit. The plan also included many other areas where the Council collected cash as this was considered to be high risk.
- In relation to the Council wide absence management audit, it was reported that this could be time consuming work as it required sample checking across the Council, this would include staff flexi cards and checking annual leave. Whilst Payroll could provide a range of information, they did not hold absence information.
- Members commented that there was not sufficient explanation of the process by which risks were being chosen to be audited. In addition, it was not clear whether new risks were being identified, there was a reliance on the information in the risk register. Members also commented that risks needed to be related to strategic objectives and that the Council wide audits and the IT audit did not appear to relate to strategic objectives.

- It was reported that risk management processes were reviewed on a regular basis and that the audit plan included items that were not necessarily included in the strategic risk register, but which were included in departmental risk registers.
- It was reported that the Committee had been presented with the 'end product' and that more detail of the process could be included.
- It was noted that the Community Infrastructure Levy needed to be included in the scope of the risk register, it was agreed that this would be added to the 'forward look'.

43. **Date of Next Meeting**

2 July 2013.

CHAIRMAN

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**GOVERNANCE & AUDIT COMMITTEE
15 MAY 2013
8.29 - 8.31 PM**



Present:

Councillors Ward (Chairman), Heydon (Vice-Chairman), Allen, Blatchford, Ms Brown, McCracken, Thompson and Worrall

Apologies for Absence were received from:

Councillors Mr G S Anderson

1. Election of Chairman

RESOLVED that Councillor Ward be appointed Chairman of the for the Governance and Audit Committee for the Municipal Year 2013/14.

COUNCILLOR WARD IN THE CHAIR

2. Appointment of Vice-Chairman

RESOLVED that Councillor Heydon be appointed Vice-Chairman of the Governance and Audit Committee for the Municipal Year 2013/14.

3. Appointment of Advisory Group

RESOLVED that the following be appointed:

Standards Committee

Conservative

Finnie
Thompson

Labour

Ms Brown

Non Council Members

Mr G Anderson (Chairman elect)
Mr D St. John Jones
Mrs H Quillish
Mr M Squire

Independent Person

Dr L Lee

Reserve Independent Person

Mr E Hopkin

Parish / Town Council Member

Cllr Mrs A McLean

CHAIRMAN

TO: GOVERNANCE & AUDIT COMMITTEE
2 JULY 2013

THE HEALTH & WELLBEING BOARD: PUBLIC PARTICIPATION SCHEME
Director of Corporate Services

1 PURPOSE OF REPORT

- 1.1 This report asks the Committee to recommend to full Council that the Health & Wellbeing Board be permitted to implement a scheme of public participation as set out in Annex A.

2 RECOMMENDATION

- 2.1 **That the Governance & Audit Committee recommend to full Council that the Council and Committee Procedure Rules in the Council's Constitution be amended to permit the Health & Wellbeing Board to implement a scheme of public participation.**

3 REASONS FOR RECOMMENDATION

- 3.1 To enable the public to participate at Board meetings.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None.

5 SUPPORTING INFORMATION

- 5.1 The Council's Procedure Rules and Committee Procedure Rules in the Council's Constitution provide that the Overview and Scrutiny Commission, the Licensing and Safety Committee, the Planning Committee and the Appeals Committee may make arrangements for public participation. Accordingly if the Health & Wellbeing Board wishes to implement such a scheme the Council's Constitution will require amendment.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 Comments incorporated within the report.

Borough Treasurer

- 6.2 There are no financial implications directly arising.

Equalities Impact Assessment

- 6.3 N/A.

Strategic Risk Management Issues

Unrestricted

6.4 None arising.

Other Officers

6.5 None.

7 CONSULTATION

Principal Groups Consulted

7.1 None.

Method of Consultation

7.2 Not applicable.

Representations

7.3 Not applicable.

Background Papers

None.

Contact for Further Information

Priya Patel – Democratic Services Officer: 01344 352233

Priya.patel@bracknell-forest.gov.uk

Scheme for Public Participation for the Health & Wellbeing Board

The Board is committed to encouraging public participation in its work. This Scheme will give the public an opportunity to raise issues at Board meetings that concern them. All issues raised by the public under this scheme will be given careful consideration. While it will not be possible, in every case, to resolve an issue to the satisfaction of everyone, the Board will ensure that the issue is considered fairly.

1. What can the public do?

The public may use this Scheme to either submit a petition or ask a question at a Board meeting as follows:

(a) Petition:

A petition must be submitted at a minimum of seven working days before a Board meeting and must be given to Democratic Services by this deadline. This is to allow sufficient time for the petition to be added to the agenda papers for the Board meeting and circulated. There must be a minimum of ten signatures for a petition to be submitted to the Board.

(b) Question:

The Board will include a 15 minute slot for questions from the public near the beginning of its agenda. If a member of the public would like to ask a question they must arrive 15 minutes before the start of the meeting to provide the clerk with their name, address and the question they would like to ask. Alternatively, members of the public can provide this information via an email to Democratic Services or the contact officer listed on the front of the Board agenda papers at least two hours before of the meeting.

At the meeting, the Chairman will invite each member of the public to put their question at the appropriate point in the agenda. This may be addressed to the Chairman of the Board, who will decide which Board member is best placed to provide a response. The question must be about an issue that falls within the remit of the Board's work. A questioner who has put a question in person may also put one supplementary question, without notice, to the Board Member who has replied to his or her original question. A supplementary question must arise directly out of the original question or the reply. The Chairman may reject a supplementary question on any of the grounds in Section 3 below.

2. Relevance to the Board

The subject matter of a petition must be about something that is within the Board's responsibilities. This includes matters of interest to the Board as a key stakeholder in improving the health and wellbeing of communities. The subject matter of questions must relate to an item on the Board's agenda for that particular meeting. Democratic Services can provide advice to the public on the content of their submissions where requested.

3. What falls outside the scheme?

Some matters fall outside the scope of this scheme. These are:

- Individual's circumstances where it would not be appropriate for details to be aired in open session;

- Applications for legal consents where alternative procedures exist for the public to offer views; and
- Other proposals of any kind which have been formally published and where specific arrangements are made for the public to express their views.

The Chairman may also reject a submission if it:

- is not about a matter for which the Board has a responsibility or which affects the Bracknell Forest or Ascot area;
- is defamatory, vexatious, frivolous or offensive;
- is substantially the same as a submission which has already been put at that meeting or another meeting held within the preceding six months;
- Is about the subject of an appeal or review procedure that has not yet been concluded, or
- requires the disclosure of confidential or exempt information.

4. Number of submissions

If numerous submissions are made to any one particular meeting, no person may make more than **two** submissions and no more than two submissions may be made on behalf of one organisation or group. If numerous submissions are not submitted, three submissions may be made by any one person or group/organisation.

5. Support for the Public

The prospect of speaking at a formal meeting of the Board may be daunting for the public. Every help and support will be made available to those who wish to use this scheme. The Councillors and Officers present will treat members of the public with courtesy and respect.

6. Time Limits

No individual question will be allowed more than three minutes at a meeting. This rule will be strictly enforced in fairness to all those who wish to address the meeting. The overall time allowed at a meeting to hear and deal with submissions from the public will be decided by the Chairman, or by the meeting itself, but will not normally exceed 15 minutes. This will take into account the issues to be raised in the submissions, the number of submissions and the other business of the meeting.

Submissions will be heard in the order notice of them was received, except that the Chairman may group together similar matters. Where there is insufficient time to deal with all submissions received, the Chairman will decide which submissions should be dealt with at the meeting. Any submissions not dealt with will be formally received by the meeting and a written response will be given as soon as possible after the meeting.

7. Written Answers to Questions

Any question which cannot be dealt with during the allocated time, either because of lack of time or because of the non-attendance of the Board Member to whom it was to be put, will be dealt with by a written answer. Written answers shall be sent to the

Questioner and copied to all Board Members.

8. Action the Board May Take

In the case of a question, a written reply may be given where this is more convenient and can be circulated at the meeting. In the case of Petitions, the meeting will decide on the most appropriate course of action, which will be either to note the petition or to request an Officer report to a subsequent meeting of the Board on the issue raised.

9. General Information

The public are welcome to attend Board meetings where open business is discussed, but may not speak at the meeting unless via the Board's Public Participation Scheme.

This Scheme will be reviewed by the Board in the first 12 months and thereafter as required.

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TO: GOVERNANCE AND AUDIT COMMITTEE
2 JULY 2013

**EXTERNAL AUDITORS AUDIT COMMITTEE BRIEFING
Borough Treasurer**

1 PURPOSE OF REPORT

- 1.1 To note the attached Audit Committee briefing from Ernst and Young.

2 RECOMMENDATION

- 2.1 That the Governance and Audit Committee note the contents of the attached briefing.

3 REASONS FOR RECOMMENDATION

- 3.1 To inform the Committee of current technical issues relevant to the local government sector.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None

5 SUPPORTING INFORMATION

- 5.1 The Council's external auditors, Ernst and Young, have produced a briefing document to inform the audit committees at their local authority clients of current developments impacting on local government. This includes government and economic matters, health and local government working together, regulation and inspection and accounting and governance. The Ernst and Young Audit Manager, Catherine Morganti will present the briefing and answer any questions Members may have.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 Nothing to add

Borough Treasurer

- 6.2 Nothing to add

Equalities Impact Assessment

- 6.3 Not applicable.

Strategic Risk Management Issues

- 6.4 The briefing covers current issues in local government and will inform Members in their assessment of strategic risks.

Other Officers

- 6.5 Not applicable.

7 CONSULTATION

Principal Groups Consulted

- 7.1 Not applicable

Method of Consultation

- 7.2 Not applicable

Representations Received

- 7.3 Not applicable

Background Papers

None

Contact for further information

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GPS assurance

Local Government Sector

Audit Committee briefing

Introduction

Contents at a glance

Government and economic news

**Health and local government
working together**

Regulation and inspection

Accounting and governance news

Find out more

This sector briefing is one of the ways that we hope to continue to support you and your organisation in an environment that is constantly changing and evolving.

It covers issues which may have an impact on your organisation, the local government sector and the audits that we undertake.

The public sector audit specialists who transferred from the Audit Commission form part of Ernst & Young's national Government and Public Sector (GPS) team. Their extensive public sector knowledge is now supported by rich resource of wider expertise across Ernst & Young's UK and international business. This briefing reflects this, bringing together not only technical issues relevant to the local government sector but wider matters of potential interest to you and your organisation.

Links to where you can find out more on any of the articles featured can be found at the end of the briefing.

We hope that you find the briefing informative and should this raise any issues that you would like to discuss further please do contact your local audit team.



Government and economic news

March 2013 budget

The Chancellor of the Exchequer delivered his Budget to Parliament on 20 March 2013, alongside the publication of the Office for Budget Responsibility's updated forecasts for growth and borrowing. In the budget he announced the Government will:

- ▶ Reduce departmental spending by £1.1bn in 2013-14 and £1.2bn in 2014-5. Schools and health budgets remain unchanged.
- ▶ Make savings from current spending of £11.5bn in the spending review for 2015-16. The themes of the spending review will be growth, efficiency and public service reform, including localism and fairness.
- ▶ Move funds from revenue to capital of £3bn a year from 2015-16.
- ▶ Exercise public sector pay restraint of one percent.
- ▶ Introduce a new funding model for adult social care based on the recommendations of the Dilnot Commission.
- ▶ Introduce housing measures aimed at increasing the supply of new housing through equity loans and mortgage guarantees.
- ▶ Introduce a firm limit on a significant proportion of Annually Managed Expenditure (AME) including areas of welfare reform.
- ▶ Reduce the main rate of corporation tax to 20 percent.
- ▶ Bring in a £5.4bn package of financial support for housing.
- ▶ Introduce a single-tier State Pension and implementing the £72,000 cap on social care costs from April 2016.

The ITEM Club, one of the UK's foremost independent economic forecasting groups, sponsored by Ernst & Young issued its response to the budget, concluding that:

- ▶ The shortfall in public spending was much larger than expected.
- ▶ The switch from current to capital spending would reduce the current deficit and help ease the pressure on the government's main fiscal target.

- ▶ The housing market package would be geared up so it has a major impact, in a sector that has a lot of pent up demand: and that this should stimulate construction and improve the consumer outlook.
- ▶ The reduction in the growth outlook means that businesses are likely to remain in 'wait and see mode'.

The Club has also issued its coming year economic forecasts to help with financial planning.

Final Local Government Finance Settlement 2013/14

On 4 February 2013, the Department for Communities and Local Government (DCLG) published the final 2013/14 Local Government Finance Settlement. Details of the provisional 2014/15 settlement were also issued.

The settlement shows a reduction in funding levels (after education and public health funding has been removed) of 3.7 percent. This has not impacted on all local authorities equally. The average reduction in individual local authority revenue spending power, not including the public health grant, is 1.7 percent.

The Institute of Fiscal Studies (IFS) has issued bleak forecasts of Local Government funding plans beyond 2014/15. It estimates that Local Government funding will reduce by an additional 3.2 percent in 2015/16 and 16.2 percent over the period 2015/16 to 2017/18.

Many authorities are now identifying significant gaps in their medium term financial plans, the need for more radical reforms to address these, including the likelihood that there will be cuts in front line services.

The National Audit Office (NAO) has published a report examining central government's approach to local authority funding. This highlights the increasing difficulties local authorities face in absorbing reductions in government funding without reducing services. It recommends the Department for Communities and Local Government (DCLG) works with other government departments to improve evaluation of the impact of decisions on local authority finances and services.

Whole-place community budgets

Community budgets work by bringing together public sector money and resources in local areas and giving public bodies the freedom to integrate their work and design services around the needs of people who use them. They mark a fundamental shift away from the traditional public sector method of funding services organisation by organisation and government department by government department.

Independent analysis from Ernst & Young, published by the Local Government Association (LGA) showed that more than £4 billion of public money could be saved every year by radically shaking up the way public services are provided and paid for in England; cutting unnecessary waste, duplication and red tape.

A year-long pilot of community budgets modelled to a national level by Ernst & Young, shows that devolving more decisions to local areas would provide better services and save between £9.4 billion and £20.6 billion over five years across local and central government.

The evidence from the pilots shows that:

- ▶ Better outcomes at reduced cost can be achieved through a replicable and scalable approach to community budgets.
- ▶ Success may require new forms of governance and new delivery and investment models for public services.
- ▶ There will be significant variation across areas in the benefits that may be realised as there are a range of local factors which will affect this.

The pilot report sets out what local and national factors need to be in place to achieve some of the potential benefits.

Following the development of whole-place business plans for community budgets in the four pilot areas, the Government confirmed in its budget that it will support other places to take similar approaches and that it is committed to extending the approach across the country as part of the 2015-16 spending round.

The Local Government Association (LGA) and the Government have jointly published 'The Community Budgets guide', intended to help other areas which aim to take a similar Community Budget approach to reforming services. The NAO has also published a review of the pilots of whole place community budgets, settling out key lessons.

The Government's response to the Heseltine review

On 8 March 2013 HM treasury published its response to Lord Heseltine's report 'No Stone Unturned'. The Government is accepting in full or in part 81 of Lord Heseltine's 89 recommendations to advance the process of decentralisation, promote the potential of local economies, strengthen partnerships with industry and foster economic growth. The March budget also specifically confirmed that government intends to take forward Lord Heseltine's recommendation on the creation of a Single Local Growth Fund.

The core proposition of Lord Heseltine's report is a de-centralised approach that breaks Whitehall's monopoly on resources and decision making, and empowers Local Enterprise Partnerships (LEPs) to drive forward growth in their local areas. Alongside this, Lord Heseltine makes a number of recommendations that strengthen the underpinnings of long-term growth, from changes to the way in which Whitehall supports growth, to strengthening partnerships between government and business and business education.

Draft Care and Support Bill update

In December 2012, the Department of Health (DH) published a summary of consultation responses on its Draft Care and Support Bill.

The draft Bill represents a major reform of care and support legislation. It proposes a single law for adult care and support and aims to transform the social care system to focus on prevention and the needs and goals of people requiring care.

In February 2013, the Government also announced new measures for funding care to ensure that the elderly and those with disabilities get the care they need without facing unlimited costs:

- ▶ From April 2015, no one will have to sell their home in their lifetime to pay for residential care. If people cannot afford their fees without selling their home, they will have the right to defer paying during their lifetime'.
- ▶ People will have clearer entitlements.
- ▶ A national minimum eligibility will make access to care more consistent around the country and carers will have a legal right to an assessment for care for the first time.

The new measures are based on the recommendations made in 2011 by the Dilnot Commission; an independent panel set up to look at the fairest and most sustainable way to fund care and support in England. The full changes are due to come into effect in April 2017.

A case for sustainable funding of adult social care published

In January 2013, a report by London Councils, supported by Ernst & Young was published on the scale of funding pressures on adult social care and the extent to which these could be mitigated through achieving greater efficiencies in the way that social care is managed, procured and delivered.

Adult social care is one of the largest spend areas for local authorities across the country. However, adult social care budgets have not kept pace with the growing demand for social care services.

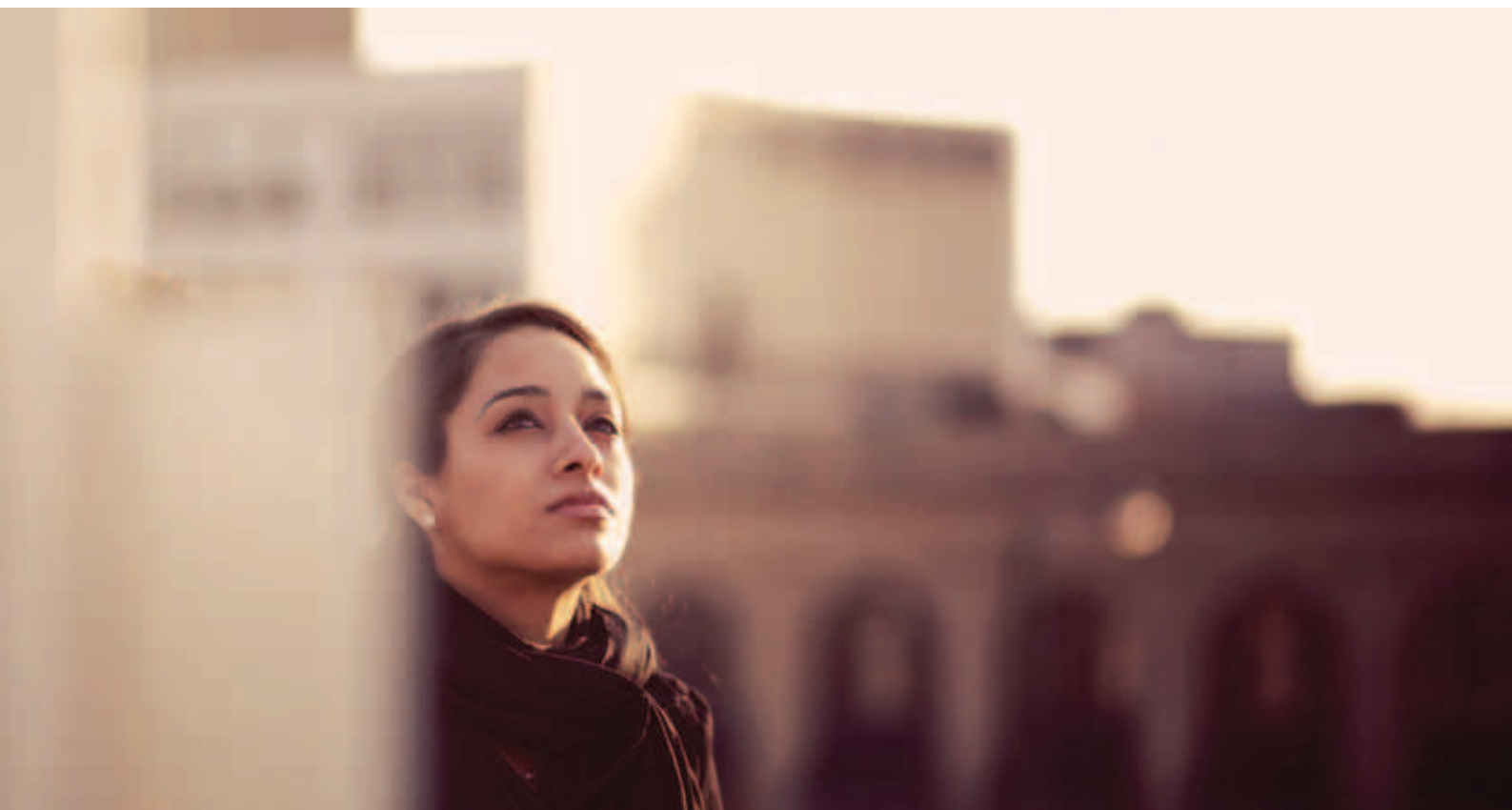
The LGA found that social care is absorbing a rising proportion of the resources available to councils. They estimate that spending on other council services will drop by 66 percent in cash terms by the end of the decade to accommodate the rising costs of adult care. This is the equivalent of an 80 percent real terms cut.

The report sets out a series of recommendations for central government and four main options for local authorities to drive out additional savings:

- ▶ Greater health and social care integration.
- ▶ Implementation of alternative delivery models, moving away from in house provision to social enterprises or local authority trading companies.
- ▶ A more systematic approach to the procurement of goods and services.
- ▶ Using local government's new public health responsibilities to improve the health of communities and delay or prevent the need for health and social care.

However, the report still recognises that even if all potential savings were achieved from the above, there would still be a funding gap.

The report sets out further details about the challenges, the potential cost implications of implementing the proposed changes and ways in which local authorities could respond to the growing demand without compromising the quality or quantity of care that is available.





Health and local government working together

Public health

The responsibility for public health has transferred from the NHS to local authorities in April 2013. This has been backed by a ring-fenced public health grant and a specialist public health team, led by the director of public health. Each top tier and unitary authority will have a health and wellbeing board (HWB) which will have strategic influence over commissioning decisions across health, social care and public health.

A £5.45 billion two-year ring-fenced public health budget for local authorities was announced on 10 January 2013. From April 2013, public health budgets will be protected for the first time with local authorities taking the lead for improving the health of their local communities. This will help drive local efforts to improve health and wellbeing by tackling the wider determinants of poor health.

In February 2013, the Department of Health published guidance to local authorities on what health improvement activity they can charge for and what must be free at the point of delivery. It explains the two circumstances in which a local authority may charge for services and the type of activity it may charge for in those permitted circumstances:

- ▶ Where the activity relates to an organisation, not an individual – private companies, academic institutions, etc.
- ▶ Where the activity relates to an individual, but is not for the purpose of improving that individual's health – training an individual to provide public health advice, for example.

Health and Wellbeing Boards

The Local Authorities (Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 were published by the Secretary of State for Health early in 2013. There are new obligations on both NHS bodies, relevant health service providers and local authorities around consultations on substantial developments or variations to services to aid transparency and local agreement on proposals.

The LGA and Association of Democratic Services Officers have published a joint guide to support local authorities in interpreting and implementing the constitutional and governance aspects of the Regulations 2013.

The NHS Confederation has published a report which looks at health and wellbeing boards' engagement with providers; drawing on the experiences and learning of local authorities, health providers and commissioners. It concludes health and wellbeing boards are unlikely to successfully deliver a Joint Health and Wellbeing Strategy unless they involve and engage local providers; many of which already have strong relationships with service users.

Local outcomes information for Clinical Commissioning Groups and local authorities

As well as publishing the financial allocations to Clinical Commissioning Groups (CCGs) for 2013/14 the NHS Commissioning Board has published CCG and local authority information packs on local outcomes which will support and inform planning and strategy development:

- ▶ The Local Authority level packs present high level comparative information on the NHS, the Adult Social Care and the Public Health Frameworks.
- ▶ The CCG level packs provide a more detailed analysis of NHS outcomes and other relevant indicators.

The purpose of these is to provide CCGs and health and well being partners with a quick and easy-to-use summary of their current position on outcomes as they take up their role; building on the data sets in the CCG outcomes indicators and other existing data sets.

The information is intended to be used alongside the local intelligence that is being collected to inform local Joint Strategic Needs Assessments (JSNAs) and it will support commissioners working together to set the priorities for the Joint Health and Wellbeing Strategy (JHWS).



Regulation and inspection

Draft Local Audit Bill update

On 17 January 2013, the Draft Local Audit Bill ad hoc Committee published its report 'Pre-Legislative Scrutiny of the Draft Local Audit Bill'. It recommended a new financial impact assessment be published alongside the Bill and highlighted a number of serious concerns regarding the practicability, workability and completeness of the proposals outlined in the draft Bill.

The Committee concluded that the Draft Bill:

- ▶ Would provide a more complex and fragmented audit regime than exists currently.
- ▶ Fails to provide adequate safeguards to guarantee the independence of audit.
- ▶ Falls short in addressing many of the technical aspects of audit and is silent on how high quality statutory local audit will be obtained and reviewed in the new regime.
- ▶ Contains a number of risks and gaps which require urgent attention.
- ▶ Provides insufficient safeguards to whistle-blowers that have drawn attention to serious governance failure.

A formal response from the Local Government Minister is expected in due course.

Tough times: councils' financial health in challenging times

On 22 November 2012 the Audit Commission published its second Tough Times report, looking at how councils are dealing with the spending review. It is relevant to council leadership teams, both members and officers in preparing future spending plans and allows comparison with the national picture.

The report highlights that Government funding to councils fell in real terms by £1.6 billion in 2012/13, compared to a cut of £3.4 billion in 2011/12. This two year reduction in funding of £5 billion is equivalent to 9.3 percent of councils 2011 revenue spending.

The report finds that in 2011/12, councils largely delivered their planned savings and in many cases added to reserves. However, auditors reported that signs of financial stress were visible. A sizeable minority of councils had to make additional in-year cuts, seek additional funding or restructure efficiency programmes in order to deliver their budgets.

The report says that auditors are concerned that 12 percent of councils are not well-placed to deliver their 2012/13 budgets. They feel that a further 25 percent will cope in 2012/13 but may struggle in the remaining years of the Spending Review period.

Auditing the accounts 2011/12

Audited accounts are the main way public bodies show accountability for managing public money. Publishing timely audited accounts is a fundamental feature of good governance.

The Audit Commission's Auditing the Accounts 2011/12 report summarises the results of auditors' opinion work for 2011/12. It covers the timeliness and quality of financial reporting. Overall, both principal and small bodies improved their standard of performance on financial reporting for 2011/12. This is a notable achievement given the continuing financial constraints facing local public bodies.

The report also summarises the key financial reporting and financial management challenges facing bodies for 2012/13:

- ▶ Continued financial uncertainty with 2012/13 being the second of four years of reductions in government funding announced in the 2010 Spending Review. Over this period, reductions in government funding to councils of 26 percent, fire and rescue authorities of 13 percent and police bodies of 20 percent, are planned.
- ▶ Significant changes for councils in respect of non-domestic rates and council tax benefit introduced by the Local Government Finance Act 2012.

- ▶ An increased focus on Whole of Government Accounts (WGA) with the Public Accounts Committee recommending the Treasury should ensure local bodies are obliged to prepare and provide transparent, timely and accurate information and that WGA is delivered earlier in the future.

The NAO has also highlighted the different approaches used by local and central government to valuing infrastructure assets and a lack of evidence supporting the completeness and valuation of schools' assets, in particular the omission of some local authority maintained schools and academies. The Financial Reporting Advisory Board and CIPFA/LAASAC are leading on addressing these and other technical accounting issues with a view to improving the consistency of future WGA. This work could result in changes to the Local Authority Code.

Not Just a Number: review of Homecare Services

In February 2013 Care Quality Commission (CQC) issued its report 'Not Just a Number: Review of Homecare Services'. The review looked at whether people receiving care at home are treated with dignity and respect, have a choice about the care they receive and benefit from effective systems to keep them safe.

The findings of the review of home care services show that good care is being delivered but a minority of people are affected by late or missed calls, lack of continuity of care workers, poor care planning and more.

CQC recommends that services must now work closer with commissioners to improve care, find solutions to these common problems and put systems in place to monitor the impact of missed or late visits.

Inequality of access and driving improvement: ofsted – annual report

Her Majesty's Chief Inspector (HMCI) Annual Report 2011/12 published in November 2012 drew national attention to the marked inequality of access by children and young people to a good school across the country and to the wide variation between areas. The Annual Report states that the role of local authorities has reduced in terms of the direct control they have over schools. However, local authorities have statutory responsibility as set out in section 13A of the Education Act 1996 and a range of powers they may use to drive school improvement.

Ofsted is consulting on its proposals to introduce a new framework for the inspection of local authority services for supporting improvement in schools and other providers. Consultation closed 19 March 2013.



Accounting and governance news

2012/13 CIPFA code of practice and updates

The key changes introduced by the Code and Code guidance notes for 2012/13 include:

- ▶ **Housing Revenue Account (HRA)** – from 2012/13 authorities will be expected to fund all HRA revenue and capital expenditure from existing resources such as rental income and debt finance. The level of rent collected and the depreciation or impairment of HRA assets will therefore have a real impact on the HRA surplus/deficit. DCLG has introduced transitional arrangements for the period 2012-2017, allowing authorities to defer the impact of the depreciation or impairment of HRA dwellings. This arrangement only applies to depreciation on dwellings.
- ▶ **Carbon Reduction Commitment** – IAS 37: Provisions, Contingent Liabilities and Contingent Assets will need to be considered in light of the scheme, where material.
- ▶ **Exit packages** – the 2012/13 Code guidance notes provide extended guidance on the disclosure requirements for exit packages.
- ▶ **Conceptual Framework** – the first phase of the IASB's new Conceptual Framework for Financial Reporting 2010 has been adopted by the 2012/13 Code. The definition of the users of financial statements moves from being 'stakeholders' to 'present and potential investors, lenders and other creditors, who use that information to make decisions about buying, selling or holding equity or debt instruments and providing or settling loans or other forms of credit'.
- ▶ **Financial Instruments** – guidance regarding the new disclosures required for transfers of financial assets has been added to the Financial Instruments section.

Updates to the 2012/13 Code of Practice and the 2012/13 Service Reporting Code of Practice have also been issued by CIPFA. Both updates apply for the 2012/13 financial year-end.

Closure of the 2012/13 accounts – LAAP bulletin 96

CIPFA have published LAAP96 – closure of the 2012/13 accounts and related matters. It aims to clarify any areas of uncertainty in the 2012/13 Code that will affect the 2012/13 accounts. It also includes clarification of a small number of issues relating to the 2012/13 Code Guidance Notes.

It provides a brief summary of the key reforms and other accounting issues that will face Local Government accounting in 2013/14 and which may require disclosure in the 2012/13 financial statements, particularly in relation to the non-domestic rate and public health reforms.

Local government pension scheme fund accounts 2012/13: example accounts and disclosure checklist

This recent CIPFA publication identifies and illustrates the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 (the Code) in relation to accounting for pension funds. It applies to accounting periods commencing on or after 1 April 2012. The checklist is intended to help preparers to meet the requirements of the Code but is not a substitute for the Code.

Public sector accounting workshops

Ernst & Young have been running a series of workshops to help those preparing accounts for the 2012/13 year and over 150 delegates have attended these. The workshops highlight the following key areas for focus during the 2012/13 close down period:

- ▶ Non-current assets: valuation process and principles, assets held for sale, componentisation and de-recognition
- ▶ Joint Ventures (including pooling and groups)
- ▶ Financial Instruments
- ▶ Housing Revenue Account – Self Financing

The workshops also cover key changes in 2013/14 and beyond including:

- ▶ Possible changes to accounting for schools from 2014/15
- ▶ A proposed move away from accounting for transport infrastructure assets at depreciated historic cost from 2014/15. Councils will need to ensure infrastructure databases are robust
- ▶ Revaluating assets under IFRS 13. Specific exclusions to the general definition set out in IFRS13 are included in the Code
- ▶ Service concession arrangements (IPSAS 32). IFRIC12 on Service concession arrangements applies only to the operator. IPSAS 32 mirrors IFRIC 12 on relevant accounting issues from the grantor's point of view. CIPFA augments the Code by applying IPSAS 32
- ▶ Accounting for business rates retention and council tax support
- ▶ Employee benefits (IAS 19 update)

New UK Public Sector Internal Audit Standards

The UK Public Sector Internal Audit Standards (PSIAS) were published in December 2012. These set out definitions and principles for providing and evaluating internal audit services within the UK public sector and are based on the mandatory elements of the Institute of Internal Auditors (IIA) and International Professional Practices Framework (IPPF).

The Standards will apply across the whole of the public sector. The PSIAS replace the Code of Practice for Internal Audit in Local Government in the United Kingdom, last revised in 2006.

In local government, the PSIAS are mandatory for all principal local authorities, other relevant bodies, the Office of the Police and Crime Commissioner, constabularies, fire authorities, national park authorities, joint committees and joint boards in the United Kingdom.

The PSIAS are new and complex and CIPFA recognises the need to provide guidance for the bodies set out above in applying them and has produced an Application Note to provide that guidance.

National Fraud Initiative: the latest

The National Fraud Initiative reported on 8 March 2013 that it has now helped identify over £1 billion potentially lost to fraud, overpayment or error, across the UK since its inception in 1996. The outcomes, in England, from the most recent exercise include the prevention and detection of £103 million pension overpayments, £79 million council tax single person discounts incorrectly awarded and £42 million housing benefit overpayments. Others include:

- ▶ 164 employees identified as having no right to work in the UK
- ▶ 321 false applications removed from housing waiting lists
- ▶ 1,031 prosecutions, 921 of them for housing benefit fraud
- ▶ 32,633 blue badges and 52,635 concessionary travel passes cancelled

The NFI has introduced real-time and flexible matching alongside the traditional two-yearly national matching NFI exercise. The new modules align with the government's key policies focusing on protecting the UK economy from fraud.

Fighting Fraud Locally: 2012 review

December saw the publication of Fighting Fraud Locally (FFL) 2012 Review. FFL is the sector led local government counter fraud strategy initially launched in December 2011. The 2012 Review updates progress on delivery of the strategy, identifies a series of good practice case studies and outlines strategic delivery areas for 2013.

Health and Wellbeing Boards

Read more at:

<http://healthandcare.dh.gov.uk/hwbs-health-scrutiny-regulations-2013/>.

Access the LGA and Association of Democratic Services Officers guide on interpreting and implementing the constitutional and governance aspects of the Regulations 2013 at:

http://www.local.gov.uk/c/document_library/get_file?uuid=ca8437aa-742c-4209-827c-996afa9583ca&groupId=10171

Access the NHS Confederation report 'Stronger together: How health and wellbeing boards can work effectively with local providers' at:

<http://www.nhsconfed.org/Publications/reports/Pages/Stronger-together.aspx>

Local outcomes information for Clinical Commissioning Groups and local authorities

Access outcome information for your council at

<http://www.commissioningboard.nhs.uk/la-ccg-data/#la-info>

Draft Local Audit Bill update

Access the pre legislative report at

<http://www.publications.parliament.uk/pa/cm201213/cmselect/cmdraftlocaudit/696/69602.htm>

Tough times: councils' financial health in challenging times

Read the report at:

<http://www.audit-commission.gov.uk/2012/11/tough-times-2012/>

Auditing the accounts 2011/12

Read the report at:

<http://www.audit-commission.gov.uk/audit-regime/codes-of-audit-practice/auditing-the-accounts/>

Not just a number: review of homecare services

Read the report at:

http://www.cqc.org.uk/sites/default/files/media/documents/9331-cqc-home_care_report-web_0.pdf

Inequality of access and driving improvement: ofsted – annual report

Read more at:

<http://www.ofsted.gov.uk/resources/good-education-for-all-inspection-of-local-authority-services>

Code of practice on local Authority Accounting in the United Kingdom 2012/13

The 2012/13 Code Update can be found at:

<http://www.cipfa.org/-/media/files/policy%20and%20guidance/panels/lasaac/201213%20code%20update%20including%20tracked%20amendments.pdf>

The 2012/13 Service Reporting Code of Practice for Local Authorities Update can be found at:

www.cipfa.org/Policy-and-Guidance/Technical-Panels-and-Boards/Local-Authority-Accounting-Panel/Update-to-the-201213-Service-Reporting-Code-of-Practice

New UK Public Sector Internal Audit Standards

Read about the new standards at:

<http://www.cipfa.org/Policy-and-Guidance/Publications/L/Local-Government-Application-Note-for-the-United-Kingdom-Public-Sector-Internal-Audit-Standards-Book>

National Fraud Initiative-the latest

The Audit Commission NFI update is at:

<http://www.audit-commission.gov.uk/2013/03/1-billion-of-fraud-found/>

Fighting Fraud Locally: 2012 Review

Read more at:

<http://www.fightinglocalfraud.co.uk/>

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1369547.indd (UK) 04/13.
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ED 0114

TO: GOVERNANCE AND AUDIT COMMITTEE
2 JULY 2013

INTERNAL AUDIT ANNUAL ASSURANCE REPORT 2012/13
Head of Audit and Risk Management

1. PURPOSE OF REPORT

- 1.1 Under the CIPFA Code of Practice for Internal Audit in Local Government, the Head of Audit is required to provide an annual assurance report timed to support the Annual Governance Statement (AGS).

2. RECOMMENDATION

- 2.1 The Governance and Audit Committee note the Head of Audit and Risk Management's Annual Report setting out the Head of Internal Audit's Opinion for 2012/13.**

3. REASONS FOR RECOMMENDATION

- 3.1 To support assurances set out in the Annual Governance Statement and ensure compliance with the CIPFA Code of Practice for Internal Auditors.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The Committee could choose not to receive the Head of Audit and Risk Management's Annual Report setting out the Head of Internal Audit's Opinion but would then not be aware of the relevant assurances from Internal Audit supporting the Annual Governance Statement and would not be complying with the CIPFA Code of Practice for Internal Auditors.

5. SUPPORTING INFORMATION

- 5.1 The Council is required under the Accounts and Audit (England) Regulations 2011 to "undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control".
- 5.2 The CIPFA Code of Practice for Internal Auditors applicable to local government for 2012/13 required the Head of Internal Audit to provide a written report to those charged with governance timed to support the Annual Governance Statement. This report should include an overall opinion on the adequacy of the control environment.
- 5.3 The attached report sets out the Head of Internal Audit's Opinion for 2012/13 summarising the results and conclusions of Internal Audit's work for 2012/13 and taking assurance from other independent sources of assurance such as from the Council's External Auditors. No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance.

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This opinion can, therefore, only provide reasonable and not absolute assurance based on the work undertaken and areas audited.

6. **ADVICE FROM STATUTORY OFFICERS**

6.1 Borough Treasurer
Nothing to add to the report.

6.2 Borough Solicitor
Nothing to add to the report.

6.3 Equalities Impact Assessment
Not applicable.

6.4 Strategic Risk Management Issues

The Head of Internal Audit's Annual Report provides her opinion on the control environment in place at the Council. Internal control is based upon an ongoing process designed to identify and prioritise risks and to evaluate the likelihood of those risks being realised and the impact should they arise. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure altogether.

7 **CONSULTATION**

7.1 Not applicable.

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HOIAO 1213



BRACKNELL FOREST COUNCIL

**ANNUAL REPORT OF THE HEAD OF AUDIT AND RISK
MANAGEMENT:**

HEAD OF INTERNAL AUDIT OPINION 2012/13

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1. BACKGROUND

The Council is required under the Accounts and Audit (Amendment) (England) Regulations 2011 to “undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control.”

The CIPFA Code of Practice for Internal Auditors applicable to 2012/13 required the Head of Internal Audit to provide a written report to those charged with governance timed to support the Annual Governance Statement.

2. PURPOSE OF THE HEAD OF INTERNAL AUDIT’S ANNUAL REPORT

The Head of Internal Audit’s annual report to the organisation must:

- Include an opinion on the overall adequacy and effectiveness of the organisation’s control environment;
- Disclose any qualifications to that opinion together with the reasons for that qualification;
- Present a summary of the audit work from which the opinion is derived , including reliance placed on work by other assurance bodies;
- Draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement;
- Compare the work actually undertaken with the work that was planned and summarise the performance of the internal audit function against its performance measures and targets; and
- Comment on compliance with these standards and communicate the results of the internal audit quality assurance programme.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure altogether. No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance. This statement and opinion can, therefore, only provide reasonable and not absolute assurance. Internal control is based upon an ongoing process designed to identify and prioritise risks and to evaluate the likelihood of those risks being realised and the impact should they arise.

3. OPINION ON THE CONTROL ENVIRONMENT IN PLACE DURING 2012/13

Based on the work of Internal Audit during the year, the Head of Audit and Risk Management has given the following opinion:

- From the internal audit work carried out during the year which resulted in a satisfactory assurance opinion in 59 out of 63 cases, a limited assurance opinion in 4 cases and no cases where no assurance was given, the Head of Audit and

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Risk Management is able to provide reasonable assurance that for most areas the Authority has sound systems of internal control in place in accordance with proper practices with 4 areas found to have significant weaknesses as set out in Section 4.3;

- Key systems of control are operating satisfactorily except for the areas referred to in Section 4.3; and
- There are adequate arrangements in place for risk management and corporate governance.

4. INTERNAL CONTROL

4.1 Internal Audit Performance

The resources available for internal audit are finite and not all areas can be covered every year. Therefore internal audit resources are allocated using a risk based approach. The Internal Audit Plan for 2012/13 was considered and approved by the Governance and Audit Committee on 27th March 2012. The delivery of the individual audits in the Internal Audit Plan for 2012/13 was mainly undertaken by Deloitte & Touche Public Sector Internal Audit Limited including two benefit spot check audits, the employment status review and the review of information security in Children, Young People and Learning. Three audits were delivered in house and 22 audits were undertaken by Reading or Wokingham Borough Councils Internal Audit teams under an agreement under S113 of the Local Government Act 1972 which permits local authorities to provide staffing resources to other authorities.

Some alterations were made to the original plan during the year in response to information gained during the year combined with known changes in risk. At the time of writing this report, memos, grant certifications or reports for 71 audits had been finalised, 1 was in draft awaiting final agreement and 3 audits were still in progress.

4.2 Summary of the Results of 2012/13 Audits

ASSURANCE	FINAL AND DRAFT 2012/13	FINAL AND DRAFT 2011/12	FINAL AND DRAFT 2010/11
Significant	-	8	9
Satisfactory	59	64	61
Limited	4	4	4
No Assurance	-	-	-
Total for Audits Including an Opinion	63	76	74
Grant Claim Certifications	3	2	1
Memos issued	6	7	-
Total	72	85	75

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2011/12 AUDIT REPORTS ISSUED DURING 2012/13

* Draft report issued within 15 working days of the exit meeting to discuss audit findings and recommendations

Audit	Start Date	Date Draft Report Issued	Key Indicator Met*	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
ADULT SOCIAL CARE AND HEALTH											
Personal budgets	20/2/12	30/3/12	Y		X				7		Final

2012/13 AUDIT PLAN

Audit	Start Date	Date Draft Report Issued	Key Indicator Met	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
Assistant Chief Executive's Office											
Data Quality	25/7/12	5/9/12	Y		X				2	1	Final
Compulsory Purchases											Deferred to 2013/14
Corporate Services											
Bus Service Operators Grant BSOG	23/5/12	13/6/12	Y	N/A – Grant certification							Final
Procurement (Council-wide)	11/2/13	25/4/13	Y		X				8		Final
Transport	21/5/12	26/6/12	Y		X				2	9	Final
Agresso Upgrade (IT audit)	24/4/12	4/7/12	Y		X				3	2	Final
Disaster Recovery (IT audit)	25/6/12	24/9/12	Y			X		2	4	1	Final

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Audit	Start Date	Date Draft Report Issued	Key Indicator Met	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
Back Up Procedures (IT audit)	26/3/13										Work in progress
Imprest Accounts	13/8/12	30/8/12	Y		X				2	5	Final
Members Exps, Allowances & Hospitality	4/9/12	12/10/12	Y		X				1		Final
Registration Services	20/8/12	2/10/12	Y		X				6	3	Final
Physical and Environmental Controls (IT audit)	7/8/12	19/9/12	Y		X				5	2	Final
Commensura Agency Contract	4/2/13	25/4/13	N		X				1	1	Final
Mobile Phone Recharges to Staff											Deferred to 2013/14
Compliance with PCI standards	17/4/13										Work in progress
Treasury Management	3/12/12	20/2/13	Y		X				3	1	Final
Creditors	12/10/12	3/12/12	Y		X				4	4	Final
Debtors	15/10/12	5/12/12	Y		X				1	1	Final
Main Accounting	29/10/12	20/12/13	Y		X				1	1	Final
Budgetary Control	19/11/12	22/3/13	Y		X					3	Final
Payroll and Pre-Employment Check	29/10/12	5/12/12	Y		X				4	1	Final
Cash Management	22/10/12	8/1/13	N		X				2	3	Final
Council Tax	7/1/12	1/2/13	N		X				2		Final
NNDR	3/12/12	22/1/13	N		X				3	1	Final
Procurement cards											Deferred to 2013/14
Information Security	17/12/12	26/2/13	N		X				4	3	Final

Unrestricted

Audit	Start Date	Date Draft Report Issued	Key Indicator Met	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
& Info. Risks- IT audit											
Children, Young People and Learning											
Edgbarrow Secondary	21/5/12	16/7/12	Y		X				2	6	Final
Garth Hill College (plus assets)	21/5/12	10/7/12	N		X				11	7	Final
Sandhurst Secondary	14/5/12	14/6/12	N		X				5	4	Final
Ascot Heath Infant	28/5/12	17/7/12	N			X		1	9	6	Final
Binfield Primary (Limited 2011/12)	1/5/12	8/6/12	N		X				8	2	Final
Cranbourne Primary	9/5/12	14/6/12	N		X				7	4	Final
Holly Spring Infant & Nursery	23/4/12	31/5/12	N		X				7	3	Final
Jennett's Park	28/5/12	16/7/12	N			X		2	6	1	Final
The Pines	11/6/12	21/9/12	N		X				10	5	Final
Uplands Primary	14/5/12	18/7/12	N			X		1	9	4	Final
Kennel Lane Special School	22/10/12	29/1/13	N		X				8	5	Final
St. Margaret Clitherow	26/11/12	5/2/13	N		X				4	5	Final
Brakenhale	14/3/13	12/4/13	N		X				12	2	Draft issued
School Census	18/6/12	23/8/12	N		X				4	4	Final
Education Welfare Services	18/6/12	10/7/12	N		X				3	3	Final
Governor Service	28/5/12	19/6/12	Y		X					2	Final
YPLA /Bursary Scheme (Garth Hill and Edgbarrow)	1/5/12	10/7/12		Not applicable- memo to support grant claim					4	4	Final
School Improvement	19/9/12	9/10/12	Y		X				2	2	Final

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Audit	Start Date	Date Draft Report Issued	Key Indicator Met	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
Family Centre	18/7/12	23/8/12	N		X				2	4	Final
Children's Residential Care	26/11/12				X				3		Final
Youth Services											Deferred to 2013/14
Fostering	13/5/13										Work in progress
Off Site Activities F/Up Limited 2010/11	20/2/13	19/3/13			X				4	2	Final
Risk Management (WBC)	12/3/13	29/5/13	Y		X				3		Final
Environment,Culture and Communities											
Winter Weather Plan	18/5/12	30/5/12	Y		X					5	Final
Highway Network Management	4/9/12	25/9/12	Y		X				2	3	Final
Street Lighting	4/9/12	25/9/12	Y		X				5	6	Final
Landscape Services	13/9/12	8/10/12	Y		X					1	Final
Easthampstead Park Conference Centre	10/9/12	5/10/12	Y		X				5	1	Final
Carbon Reduction Scheme (RBC)	5/11/12	15/11/12	Y		X				1		Final
Street Cleansing (RBC)	11/10/12	9/11/12	Y		X					4	Final
Coral Reef (WBC)	19/11/12	6/12/12	Y		X				5		Final
The Look Out (WBC)	26/11/12	6/12/12	Y		X				2		Final
Integrated Transport Grant	30/8/12	24/9/12	Y	Not applicable – Grant Declaration							Final
Birch Hill Library	12/3/13	26/4/13	N		X				4	2	Final
Gt Hollands Library	13/3/13	26/4/13	N		X				4	2	Final

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Audit	Start Date	Date Draft Report Issued	Key Indicator Met	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
Harmanswater Library	14/3/13	26/4/13	N		X				4	2	Final
Acquire Food Agent (Council-wide)											Deferred to 2013/14
Concessionary Fares	1/3/13	11/4/13	Y		X					1	Final
Regulatory Services	12/2/13	6/3/12	Y		X				1	3	Final
Countryside & Parks	11/2/13	22/2/13	Y		X				4	2	Final
Bracknell Leisure Centre -Cash Spot Checks	18/2/13	18/3/13	N	Not Applicable - Memo							Final
The Look Out - Cash Spot Checks	18/2/13	18/3/13	N	Not Applicable - Memo							Final
Easthampstead Park Conference Centre - Cash Spot Checks	19/2/13	18/3/13	N	Not Applicable - Memo							Final
Adult Social Care, Housing and Health											
Controcc- IT audit	19/4/12	14/8/12	N		X				2		Final
Housing Rents and Deposits	12/6/12	19/7/12	Y		X				5		Final
Benefits Spot Testing Visit 1	13/6/12	8/7/12	Y	Not Applicable - Memo							Final
Benefits Spot Testing Visit 2	28/11/12	9/1/13	Y	Not Applicable - Memo							Final
Housing & C Tax Benefits	10/12/12	28/1/13	Y		X					3	Final
Emergency Duty Team - 1 (Ltd. 2011/12)	3/9/12	25/10/12	Y	No opinion given as follow up did not cover all previous recommendations. Those relating to the database will now be followed up after the database upgrade during 2013/14					7	3	Final
Community Response & Reablement	28/9/12	25/9/12	Y		X				4	4	Final

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Audit	Start Date	Date Draft Report Issued	Key Indicator Met	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
CONTROCC Payments/Receipts	14/1/13	5/3/13	N		X				2	1	Final
Transfer of Public Health											Deferred to 2013/14
Financial Assessm'ts & Benefit Checks	11/2/13	22/2/13	Y		X				7	4	Final
Council Tax Benefits Reforms											Deferred to 2013/14

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Assurance Opinion Classifications

Assurance Level	Definition
Significant	There is a sound system of internal controls to meet the system objectives and testing performed indicates that controls are being consistently applied
Satisfactory	There is basically a sound system of internal controls although there are some minor weaknesses in controls and/or there is evidence that the level of non-compliance may put some minor systems objectives at risk.
Limited	There are some weaknesses in the adequacy of the internal control system which put the systems objectives at risk and/or the level of compliance or non-compliance puts some of the systems objectives at risk.
No Assurance	Control is weak leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.

4.3 Significant Control Weaknesses

In forming its opinion, Internal Audit is required to comment on the quality of the internal control environment, which includes consideration of any significant risk or governance issues and control failures which arise. During 2012/13, there were no audits where no assurance was given. Audits on the following areas resulted in limited assurance opinions: -

DIRECTORATE	AUDITS WITH LIMITED ASSURANCE CONCLUSION
CHILDREN YOUNG PEOPLE AND LEARNING	<u>Ascot Heath Infant School</u> Weaknesses in pre-employment checks resulting in a priority one recommendation plus the high number of priority two recommendations led to an overall limited assurance opinion. Senior officers from the local authority worked with the school to provide support and advice and ensure that action was being taken to implement the agreed recommendations. A further audit is currently in progress.
	<u>Uplands School</u> Weaknesses in pre-employment checks resulting in a priority one recommendation plus the high number of priority two recommendations led to an overall limited assurance opinion. Senior officers from the local authority worked with the school to provide support and advice and ensure that action was being taken to implement the agreed recommendations. A further audit is currently in progress.

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	<p><u>Jennett's Park School</u> Two priority one recommendations were raised at this audit leading to an overall limited assurance opinion. These related to the absence of an inventory for the school's assets and weaknesses in the banking arrangements for the school's private funds. Senior officers from the local authority worked with the school to provide support and advice and ensure that action was being taken to implement the agreed recommendations. A further audit is being undertaken in quarter 3 of 2013/14. This has been deferred from quarters 1 to 3 at the request of the school. In the meantime, the Head Teacher has advised that an inventory is now in place and that a bank account has been opened for the private fund and separate fund set up on the financial accounting system.</p>
<p>CORPORATE SERVICES</p>	<p><u>Disaster Recovery</u> A limited assurance opinion was concluded as two priority one recommendations were raised. These were to address weaknesses in the documentation of disaster recovery plans and in the arrangements for alternative data sites and the contractual arrangements for the provision of core services in the event of a business continuity incident. The Chief Officer has advised that work is now on-going to develop more detailed documentation of ICT disaster recovery plans. The contract for core provision of services is now in place and officers are meeting with the contractor shortly to review options for alternative data sites. A follow up audit is scheduled for quarter 2 of 2013/14.</p>

4.4 Internal Audit Work on Housing and Council Tax Benefits

The External Auditors identified significant level of weaknesses in the 2009/10 Housing Benefit and Council Tax Subsidy. In response to this, specialist auditors were brought in to carry out 2 unannounced spot check visits during 2011/12 to sample test benefit assessments in accordance with the methodology used by the external auditors for checking the Housing Subsidy claim. The Head of Audit and Risk Management again included 2 spot check visits in 2012/13. Specialist auditors undertook these visits in June and November. Whilst a small number of errors and weaknesses were identified and set out in the memos for these 2 spot checks, results from the sample testing indicated that the reduction in the level of errors found in 2011/12 was sustained in 2012/13.

4.5 Feedback from Client Quality Questionnaires

The overall response from client questionnaires for 2012/13 was positive with only 6 responses returned where the auditee did not find the audit satisfactory. This was broadly in line with 2012/13 when 5 unsatisfactory responses were received. All unsatisfactory responses are followed up to identify any lessons to be learned for future reviews and any necessary action required, which can include the relevant fieldwork auditor not being used on any further Bracknell Forest Council audits. The unsatisfactory

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responses for 2012/13 generally related to delays in the issuing of reports and this has been raised with the contractor.

4.6 Deloitte & Touche Public Sector Internal Audit Limited Quarterly Assurance Reports

Each quarter during the year, the internal audit service provider is required by the terms of the contract to produce a quarterly internal audit assurance report, which includes an overall assurance opinion. All quarterly reports for 2012/13 gave a satisfactory assurance overall opinion over the system of internal controls within the authority.

4.7 Review of the Effectiveness of the System of Internal Audit

The Head of Audit and Risk Management revisited the Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 in May 2013 and confirmed that we continue to comply with the Code. On 1st April 2013, the new Public Sector Internal Audit Standards (PSIAS) came into effect for the whole of the public sector, providing a consistent framework for internal audit services across the UK public sector. CIPFA have issued a Local Government Application Note for the PSIAS including a self assessment checklist to assist local authorities. Moving forward, this will be used to assess the Council's compliance and identify actions for improvement.

As noted above, assurance on the effectiveness of internal audit is also obtained through the use of client satisfaction questionnaires which are sent out to all auditees at the end of each audit. Completed client questionnaires received back during 2012/13 indicated that auditees were satisfied in 87% of cases.

8. OTHER INTERNAL AUDIT ACTIVITIES

8.1 Employment Status Review

In response to high profile cases of inappropriate employment arrangements and tax treatments in central government, the Borough Treasurer requested that Internal Audit utilise tax specialists to undertake a Council-wide review to provide assurance that contractors were being treated appropriately for tax purposes. Tax specialists from Deloitte were brought in to carry out this review under the internal audit contract. Deloitte found that contractors were generally being appropriately treated but highlighted 4 high risk cases where individuals were potentially being treated incorrectly for tax purposes. The Council subsequently made a voluntary disclosure to HMRC in respect of these 4 cases. The Council's maximum liability in respect of this is £37k. Deloitte also identified some areas for improvement, in particular around providing greater guidance to managers for assessing employment status and introduction of a process to ensure treatment of all new contractors is reviewed by a gatekeeper to ensure their employment status is appropriate. The Borough Treasurer is now acting as the gatekeeper and guidance for managers is being developed.

8.2 Information Security in Children, Young People and Learning

In September 2012, Internal Audit was asked to undertake a review of information security arrangements in Children, Young People and Learning. The review was undertaken by Deloitte. The review made proposals for improvement in the department. In addition, a number of Council-wide areas for improvement were highlighted in relation to guidance and training on data protection and information security. In response to the

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review, an action plan was developed and agreed with the Corporate Management Team (CMT) who will be monitoring implementation of the agreed actions.

8.3 Schools Financial Value Standard

The Financial Value Standard in Schools (FMSiS) was withdrawn in November 2010 and has been replaced by the Schools Financial Value Standard (SFVS) which will “provide a clear and consistent standard for financial management which schools are required to complete, providing a meaningful benchmark to encourage self-improvement. It ensures that money is spent wisely and properly allowing schools to optimise their resources to provide high quality teaching and learning and so raise standards and attainment for pupils”. The standard consists of 23 questions which schools are required to self-assess themselves against. The governing body may delegate the consideration of the questions to a finance or other relevant committee but a detailed report should be provided to the full governing body and the chair of governors must sign the completed form. All maintained schools are required to complete the SFVS once a year from 2012/13. The Department for Education requires local authorities to confirm each year how many schools have completed the SFVS self-assessment before the 31st March deadline and to confirm that the information will be used to inform audit planning. Audit was provided with the completed SFVS assessments on 22nd May 2013 and can confirm that all Bracknell maintained schools completed the SFVS for 2012/13. In all cases these had been completed and signed by the Chair of Governors prior to 31st March 2013. These will now be reviewed for audit planning purposes.

8.4 Experian Data Matching

During 2011/12, the Department for Works and Pensions rolled out a new Credit Reference Agency data-matching initiative. This provides benefit fraud investigators with access to Experian’s data-matching facility “Investigator on Line “ (IOL) to gather intelligence and investigate referrals highlighted by Experian as high risk data matches based on credit reference information indicating that people claiming to be single are living with a partner.

Given the sensitivity of this data, Internal Audit is required to independently check that the benefit fraud investigators’ traces and searches on IOL are appropriate. To achieve this, reports on benefit fraud investigators’ access to IOL are provided to Internal Audit to check that access to IOL has been for the purpose of investigating an Experian data-match. Internal Audit completed sample testing on access during 2012/13 and was able to confirm that access had been used solely for the purposes of investigating Experian data matches.

9. RISK MANAGEMENT

The Risk Management Strategy was updated by the Head of Audit and Risk Management and approved by the Governance and Audit Committee on 25th September 2012. The priorities identified for risk management identified in the Strategy were:

- **Business Continuity**

It was agreed in the Strategy that the Strategic Risk Management Group would consider the effectiveness of arrangements for promoting effective business continuity arrangements throughout the Council and the ICT solutions in place for responding to business continuity incidents.

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- **Information Assets and Information Risks**
Ongoing work to identify the Council's "information assets" and their associated risks.
- **Actions to Address Strategic Risks**
It was agreed that progress on actions to address strategic risks would be monitored on a six monthly basis.
- **Significant Operational, Project and Programme Risks**
The Strategy set out that arrangements would be reviewed over the forthcoming year to ensure that there are satisfactory procedures in place to identify and mitigate key risks and ensure registers/log are reviewed and updated regularly.

During 2012/13, the Strategic Risk Register was reviewed quarterly by SRMG and twice by the Corporate Management Team (in May and December 2012) as agreed in the Risk Management Strategy. Actions to address strategic risks have been monitored during 2012/13 and were last updated in December 2012. Following agreement to the Register at CMT on 2nd May 2012, the Executive reviewed and approved the Register on 22nd May but requested that the Register be presented to the Governance and Audit Committee. The Register was presented to the Committee on 31st July 2012 and points raised at the Committee were reflected at the next update.

Directorate Risk Registers are in place and were generally reviewed and updated quarterly by Departmental Management Teams during 2012/13. These record the significant operational risks for each directorate and inform the update of the Strategic Risk Register. The Bracknell Forest Partnership agreed a new partnership strategic risk register which was reviewed in April, July and November 2012.

The Corporate Business Continuity Plan was revised during 2012/13 and an exercise with senior managers was undertaken in October 2012 to test the robustness of business continuity procedures. A number of actions for improvement were identified which are now being taken forward. In particular, it was agreed that each Directorate should review and prioritise their critical functions and business critical systems for restoration in the event of a major breakdown.

10. CORPORATE GOVERNANCE

The Borough Solicitor chairs the Governance Working Group and membership includes the Borough Treasurer and Head of Audit and Risk Management as well as representatives from the service directorates. During 2012/13, the Group

- oversaw the drafting of the Annual Governance Statement. The meeting to discuss the draft Statement was attended by a Member who sits on the Governance and Audit Committee to ensure there was Member representation during the drafting process. The draft Statement was subsequently reviewed by the Corporate Management Team;
- oversaw the development of action plans to address governance weaknesses identified by the review of effectiveness of governance arrangements; and

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- met regularly to monitor progress on the actions plans.

11. EXTERNAL INSPECTIONS

11.1 Consideration of the Outcome of External Inspections

The Head of Audit and Risk Management considers the outcome of the external auditors' inspections and assessments to inform the development and ongoing review of the Internal Audit Plan for the current and future years and assess if there are any issues relating to the control environment which need to be taken into account in drawing up the annual Head of Internal Audit Opinion. The findings of the various external auditors' assessments considered when finalising the Head of Internal Audit Opinion for 2012/13 are as follows:

11.2 External Auditors' Annual Governance Report 2011/12

The Code of Audit Practice requires the Council's External Auditors to report on the work they carried out to discharge their statutory responsibilities to those charged with governance prior to the publication of the financial statements. This report was presented to the Governance and Audit Committee on 25th September 2012 by the Audit Commission's Audit Manager, Catherine Morganti. Three recommendations were raised to:

- Keep up improvements in valuation of property, plant and equipment by ensuring evidence to support valuations is timely, reviewed and consistent;
- Continue to improve processes for recording related party transactions; and
- Strengthen controls over the authorisation of journals.

11.3 External Auditors' Annual Audit Letter 2011/12

The Annual Audit Letter 2011/12 was presented to the Governance and Audit Committee by the District Auditor, Helen Thompson on 6 November 2012. The Audit Commission's work on the financial statements resulted in them concluding that the statements were free from material error and issuing an unqualified audit opinion for the year ended 31 March 2012. They concluded that they were satisfied that the Council had put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

11.4 External Auditors' Certification of Claims and Returns Annual Report 2011/12

This report was presented to the Governance and Audit Committee by the District Auditor, Helen Thompson on 29TH January 2013. The report summarised the findings from the external auditors' certification of 2011/12 grant claims and included the key messages arising from the external auditors' assessment of the Council's arrangements for preparing claims and returns. The Commission certified 3 claims for 2011/12. In two cases the claims were unqualified. Whilst it was noted that there had been continuing improvement in the Council's approach to compiling grant claims, amendments totalling £1,380 were made and qualifications matters were raised on the Housing Benefit and Council Tax Subsidy claim.

12 FRAUD AND IRREGULARITY

12.1 National Fraud Initiative (NFI)

The NFI is a biennial data matching exercise first introduced in 1996 and conducted by the Audit Commission to assist in the prevention and detection of fraud and error in public bodies. Bracknell Forest Council is obliged to participate in this. During the first half of 2012/13 Internal Audit coordinated the submission of the mandatory data. Resulting matches started to be returned in the first few months of 2013 and investigation of matches is ongoing.

12.3 Benefits Investigation and Compliance Team

The Benefits Investigation team is located within the Benefits section of Housing and is therefore outside of the management of the Internal Audit Team. The Investigation team consists of a Senior Investigations Officer and one Investigation Officer and is responsible for the investigation of potentially fraudulent claims for benefits. During the investigation of claims, Officers interview witnesses, take statements, carry out surveillance and interview under caution with a view to taking prosecution action.

During 2012-2013 the team received 1124 main stream referrals. Every referral is checked and where necessary an investigation carried out. A total of 182 full investigations were carried out and closed during 2012-2013 and 86 interviews under caution were undertaken. Overpayments identified and investigated totalled approximately £395k. .

As a result of work undertaken by the Investigation team 81 sanctions (2011/12: 89) were applied during 2012-2013. These comprised 17 Prosecutions (2011/12:31), 44 Formal Cautions (2011/12:51) and 20 Administration Penalties (2011/12:7).

These arose as follows:

- 35 referrals from the benefits team
- 18 previous visiting programme
- 14 Housing Benefit Matching Service
- 7 joint working with Job Centre Plus
- 2 Council Tax department.
- 2 NFI
- 1 Royal Mail do not redirect
- 1 Anonymous
- 1 from Cheatchasers

These can be categorised as set out below:

- 37 were income related e.g. where the claimant had not disclosed an increase in income
- 19 were working and claiming
- 10 changes to or undeclared tax credits
- 8 were Living Together
- 5 not resident

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- 1 was reduction in rent not declared
- 1 was due to undeclared information on a non dependant living with the claimant

12.4 Other Irregularities

During 2012/13, Internal Audit undertook two investigations, one into potential financial irregularities in relation to working whilst sick and the second relating to potential conflicts of interest. The first case related to an ex-employee. The sums involved were de-minimus and no further action was taken other than to continue to pursue recovery of an outstanding car loan. Audit has confirmed that regular payments are still being received to recover the monies outstanding. The second case related to an existing employee and in response to the findings of the disciplinary investigation, a written warning was give. The employee has since resigned.

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TO: GOVERNANCE AND AUDIT COMMITTEE
2 JULY 2013

ANNUAL GOVERNANCE STATEMENT

Director of Corporate Services

1 PURPOSE OF REPORT

- 1.1 To consider the Annual Governance Statement (AGS) 2012/13 and the Action Plan to make the improvements identified in the AGS.

2 RECOMMENDATIONS

- 2.1 That the draft Annual Governance Statement ("AGS") shown as Appendix 1 to this report be approved.
- 2.2 That the Action Plan shown as Appendix 2 to this report be approved.

3 REASONS FOR RECOMMENDATIONS

- 3.1 To ensure the Council complies with the statutory requirements to produce an Annual Governance Statement.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 It is a statutory requirement for the Council to approve an AGS and Action Plan and therefore no alternative options have been considered.

5 SUPPORTING INFORMATION

- 5.1 The CIPFA/SOLACE publication "Delivering Good Governance in Local Government: Framework 2007" recommends that authorities produce an AGS to report publicly on the key elements of the governance framework the authority has in place, to review the effectiveness of the governance framework and the steps which will be taken over the next year to enhance governance arrangements.
- 5.2 The AGS and Action Plan were prepared in accordance with the revised CIPFA/SOLACE Guidance Note 2012 and subsequent addendum. These provide that the AGS should include a brief description of the key elements of the governance framework the authority has in place. The AGS at Appendix 1 is drafted in accordance with the examples found in the most current guidance and is therefore a different style and structure to previous years.
- 5.3 In England, the preparation and publication of an AGS is necessary to meet the statutory obligation set out in Regulation 4(3) of the Accounts and Audit Regulations 2011. This requires authorities to prepare a statement in accordance with "proper practices" and the guidance in the Framework recommending an AGS constitutes "proper practice". The AGS will be signed by the Chief Executive and the Leader of the Council.
- 5.4 The Action Plan attached to last years AGS identified a number of areas for improvement, in particular in relation to reviewing the model of governance, Members Code of Conduct, Planning Protocol for Members, procurement, Financial Regulations, Anti-Fraud Policies, Expenses Policy and Hospitality Register, Information Management Policies and

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Business Continuity Plans. Considerable progress has been made during 2012/13 on implementing those actions (see Appendix 3). Where these issues are still ongoing they have been included again in the Action Plan attached to the 2012/13 AGS.

- 5.5 The draft AGS for 2012/13 was reviewed on 20 May 2013 by the officer Governance Working Group which included Councillor Cliff Thompson. The AGS has been amended to include comments made by the Group.
- 5.6 The primary source of assurance for the AGS, as advised in CIPFA/SOLACE guidance, is the Compliance Assessments completed by
- the Assistant Chief Executive and each Director on compliance with internal controls and governance arrangements across their departments;
 - the Monitoring Officer in respect of legal and regulatory functions;
 - the Borough Treasurer in respect of financial controls; and
 - the Borough Treasurer and Head of Audit and Risk Management in respect of risk management.
- 5.7 The draft AGS attached at Appendix 1 is based on the declarations in the compliance assessments. The issues referred to in paragraph 6.2 are those areas highlighted in the compliance assessments or by the Corporate Governance Working Group for improvement.
- 5.8 An Action Plan has been drawn up to address the issues highlighted in the 2012/13 AGS and this is attached at Appendix 2.
- 5.9 Since the reporting period there have been no significant events or developments relating to the governance system.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The Borough Solicitor is the author of this report.

Borough Treasurer

- 6.2 The Annual Governance Statement is a statutory requirement under the Accounts and Audit Regulations 2011 and will be incorporated within the Council's annual Statement of Accounts.

Equalities Impact Assessment

- 6.3 Not applicable.

Strategic Risk Management Issues

- 6.4 Risk management is a key part of good governance, as outlined paragraph 3.3 of the . AGS in Appendix 1.

Workforce Implications

- 6.5 No additional resource implications are anticipated from the actions set out in Appendix 2.

7 CONSULTATION

7.1 Principal Groups Consulted

The Corporate Governance Working Group including Councillor Cliff Thompson met on 20 May 2013.

7.2 Method of Consultation

Meeting.

7.2 Representations Received

Suggested amendments included in this report.

Contact for further information

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Nicola Thoday – 01344 353071. Nicola.Thoday@bracknell-forest.gov.uk

Doc. Ref IKEN 0000814 – Annual Governance Statement

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ANNUAL GOVERNANCE STATEMENT 2012/13**1 Scope of Responsibility**

- 1.1** Bracknell Forest Council (“The Council”) is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council 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.
- 1.2** In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 1.3** The Council 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 published in 2007. [A copy of this code is on our website at <http://www.bracknell-forest.gov.uk/local-code-of-governance.pdf>.] This Statement explains how the Council has complied with the code and also meets the requirements of regulation 4(3) of the Accounts and Audit Regulations 2011 in relation to the publication of a statement on internal control.

2 The Purpose of the Governance Framework

- 2.1** The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled. It underpins its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the appropriate delivery of services and value for money.
- 2.2** 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 only provide reasonable assurance 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 the Council’s policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 2.3** The governance framework has been in place at Bracknell Forest Council for the year ended 31 March 2013 and up to the date of approval of the Annual Report and statement of accounts.

3 The Governance Framework

The CIPFA/SOLACE Framework and 2012 Addendum - Delivering Good Governance in Local Government suggest that this Annual Governance Statement should include a brief description of the key elements of the governance framework that the Council has in place. Further detail is set out in the Council’s Code of Governance that is publically available.

3.1 Bracknell Forest Council's Vision and delivery of objectives

3.1.1 The Council's vision of its purpose and intended outcomes for citizens and service users is set out in the Annual Report 2012. These priorities are underpinned by 13 medium term objectives and 75 key actions. The main ways it is communicated are via the Council's public website, intranet, Town and Country magazine (the Council's news paper for residents) and Chief Executive Briefings.

3.1.2 The objectives set out in the Annual Report 2012 were developed after extensive consultation with the community, residents, employees, strategic partners and local businesses in order for the priorities to be consistent with their needs and aspirations.

3.1.3 Objectives and key actions are cascaded internally through service plans, team plans and individual performance development reviews. Delivery is monitored through:

- Quarterly Service Reports reviewed by the Executive Members, Chief Executive and the Corporate Management Team.
- Quarterly Corporate Performance Overview Report considered by the Executive.
- Quarterly reports for Corporate Services and the Chief Executive's Office together with the quarterly Corporate Performance Overview Report are then considered by the Overview and Scrutiny Commission. Quarterly Service Reports for the other directorates are reviewed by the relevant Overview and Scrutiny Panel for their area.

All these reports are available on the Council's website and intranet. The Council's performance reporting process measures quality of service for users, ensuring services are delivered in accordance with objectives and represent the best value for money.

3.1.4 Partnership groups have agreed joint targets that they monitor quarterly; for example, the Community Safety Partnership. Adult Social Care also produces an Annual Report referred to as the Local Account.

3.2 Roles and Responsibilities

3.2.1 The Constitution of Bracknell Forest Council establishes the roles and responsibilities of the Executive, the full Council and its committees and sub-committees along with Overview and Scrutiny arrangements, the role and functions of Champions and officer functions (set out in the Scheme of Delegation). As well as Procedure Rules, it contains Standing Orders and Financial Regulations that define clearly how decisions are taken and where authority lies for the decision. It includes Members and Employee Codes of Conduct and Protocols for Member/officer relations. The Council's Constitution is regularly reviewed and updated with substantive changes highlighted to all staff and Members. The Constitution is available on the public website.

3.2.2 The Monitoring Officer advises the Governance and Audit Committee on proposals to update the Council's Constitution (including arrangements between officers and Members), its Executive Arrangements/decision making and Procedure Rules to ensure that they are fit for purpose and the Committee subsequently make recommendations on those matters to full Council.

3.2.3 The work of the Executive is supported by the Overview and Scrutiny Commission and four Overview and Scrutiny Panels (plus one Joint Committee in respect of Health). They are comprised of non-Executive Members and review and scrutinise both Executive and non-Executive decisions. In addition to scrutinising such decisions working groups of the

Panel conduct in-depth investigations into particular topic areas which result in reports setting out detailed recommendations.

- 3.2.4 Bracknell Forest Council's financial management arrangements conform to the governance requirements of the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government* (2010). Further, the Council's assurance arrangements conform to the governance requirements of the *CIPFA Statement on the Role of the Head of Internal Audit* (2010).
- 3.2.5 Effective arrangements are in place for the discharge of the Monitoring Officer function, Head of Paid Service and Section 151 Officer. The Borough Treasurer (Section 151 Officer) is a member of Corporate Management Team and the Borough Solicitor has access to Corporate Management Team in his role as Monitoring Officer.
- 3.2.6 The Governance and Audit Committee is responsible for reinforcing effective governance, particularly through reviewing the activities of the external and internal auditors and the Council's risk management arrangements. It undertakes the core functions of an audit committee, as identified in CIPFA's *Audit Committees: Practical Guidance for Local Authorities*. During 2012/13, the Committee received summary reports on progress on the delivery of the Internal Audit Plan and key outcomes on completed work. The Internal Audit Plan for 2013/14 was approved by the Committee.

3.3 Risk Management

- 3.3.1 Bracknell Forest Council has a strong risk management function. Decisions made by the Council are subject to risk assessments which are made in accordance with the organisation's risk management processes. The Risk Management Strategy was updated during 2012/13 and agreed by the Governance and Audit Committee. Changes made to the Strategy reflected development in risk management at the Council and identified the priorities for risk management for the forthcoming year.
- 3.3.2 The Strategic Risk Management Group (SRMG) chaired by the Borough Treasurer meets quarterly and oversees all aspects of risk management at the Council including health and safety, business continuity and information security risks. The Strategic Risk Register is updated and considered by SRMG on a quarterly basis and reviewed and approved by the Corporate Management Team twice a year and by the Executive on an annual basis. Actions to address strategic risks were monitored during 2012/13 and key changes and developments on strategic risks were summarised in the quarterly Corporate Performance Overview Report.
- 3.3.3 There is a process for recording and monitoring significant operational risks through directorate risk registers which were generally reviewed quarterly during 2012/13 and used to inform the Strategic Risk Register.
- 3.3.4 Members are engaged in the risk management process through the Executive's review of the Strategic Risk Register and Member review of the Corporate Performance Overview.

3.4 Policies and Procedures

- 3.4.1 The Council's Anti-Fraud and Corruption Policy is consistent with the latest Financial Regulations and has been communicated to all staff, although this will continue during 2013/14.
- 3.4.2 A corporate complaints procedure and whistle-blowing policy are maintained and kept under review, providing an opportunity for members of the public and staff to raise issues when they believe that appropriate standards have not been met. An annual report

analysing complaints received and their resolution is presented to Corporate Management Team and to the Executive.

- 3.4.3 The Council takes information security very seriously. The Information Management Group consists of senior officers and ensures that the Council has in place a co-ordinated and coherent framework for managing information. During 2012/13 it continued to implement the Information Management Strategy, monitor information security incidents that occurred and communicate policies to staff. It also commissioned an independent review to improve procedures and controls in relation to information security; the recommendations are currently being implemented.

3.5 Change Management

The Council ensures effective management of change. It conducts Equality Impact Assessments when appropriate and during 2012/13 it approved a Privacy Impact Assessment Procedure for all new projects involving personal information. The Council has a robust process in place to ensure office moves between buildings are carried out with minimal disruption to service users.

3.6 Assurance on compliance

- 3.6.1 Assurance on compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful is sought through internal audit reviews and the work of external audit.
- 3.6.2 All decisions made by the Council are made in light of advice from the Borough Treasurer and Borough Solicitor.

3.7 Developing the capacity and capability of Members and officers to be effective

- 3.7.1 The Council has a comprehensive induction and training process in place for both Members and officers joining the Council. During 2012/13 all new officers received personalised inductions. In addition, both Members and officers attend external training courses where training needs cannot be met internally.
- 3.7.2 The Council has a Members Development Programme which takes the form of internal training workshops and Member briefing seminars on specific topics. Members also receive 360° appraisal. The Council has been awarded the Charter Plus Standard for Member Development. The charter provides a robust framework which ensures Members are supported during their time on the Council. Member development is now an embedded part of the Council's culture.
- 3.7.3 A broad internal training programme of courses is run each year for officers as well as specific professional training and this is supplemented by regular lunchtime manager training sessions.
- 3.7.4 Compliance with Continuing Professional Development requirements of staff is monitored by individual officers; the Council provides sufficient resources to fund this. As part of the performance appraisal process, each officer is required to complete their own Personal Development Plan which forms the basis for the Council's internal training course programme.
- 3.7.5 The Council has in place an ongoing Management Assessment and Development Programme and Diversity training for its Members, senior and middle level managers.

3.8 Communication and engagement

- 3.8.1 The Council establishes clear channels of communication with all sections of the community, other stakeholders and local partners, ensuring accountability and encouraging open consultation.
- 3.8.2 During 2012/13 a number of consultations sought the views of the community. In line with Community Engagement Strategy, to improve access and quality of consultations, during 2012/13 the Council invested in and launched new corporate consultation software.
- 3.8.3 The Council enhances the accountability for service delivery and effectiveness of other public service providers as it is a key member of the Bracknell Forest Partnership which brings together agencies that deliver public services including, inter alia, Parish Councils, Police, Fire and Rescue Service, and the Clinical Commissioning Group with businesses and people that represent voluntary organisations and the community. Bracknell Forest Partnership is underpinned by a Governance Protocol and Memorandum of Agreement between the organisations and has a single purpose, namely to improve the quality of life for local people. During 2012/13 the Council continued to implement its Partnership Community Engagement Strategy and strategy for Community Cohesion.
- 3.8.4 The Council's Partnership Governance and Framework Toolkit ensures good governance arrangements are incorporated in respect of partnerships and other joint working as identified by the Audit Commission's report on the governance of partnerships. A strategic risk register and associated action plans were developed for the Bracknell Forest Partnership and during 2012/13 the Council implemented action plans to mitigate key risks.
- 3.8.5 During 2011/12 the Council approved the Public Participation Scheme for Overview and Scrutiny. The scheme aims to improve public engagement and give residents a further opportunity to inform Councillors about the things that concern them.
- 3.8.6 During 2012/13, to increase transparency, make information more readily accessible to the citizen and to hold service providers to account the Council created an additional website which holds information the Council publishes. This includes the sets of information identified in The Code of Recommended Practice for Local Authorities on Data Transparency.

4 Review of Effectiveness

- 4.1 Bracknell Forest Council 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 senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.
- 4.2 During 2012/13, the review of effectiveness of the governance framework was evaluated and informed by the following key elements:

Internal Audit

- 4.3 Internal Audit provides an independent and objective opinion to the organisation on the control environment by objectively examining, evaluating and reporting on its adequacy.

- 4.4 The Head of Audit and Risk Management develops the Annual Internal Audit Plan which is then delivered by an external contractor and by Reading and Wokingham Borough Council's' internal audit teams under an agreement made under section 113 of the Local Government Act 1972.
- 4.5 Based on the work of Internal Audit during the year 2012/13, the Head of Audit and Risk Management has given the following opinion:
- From the internal audit work carried out during the year which resulted in a significant or satisfactory assurance opinion in 59 out of 63 cases, a limited assurance opinion in only 4 cases and no cases where no assurance was given, the Head of Audit and Risk Management is able to provide reasonable assurance that for most areas the Authority has sound systems of internal control in place in accordance with proper practices but some areas with significant weaknesses were identified;
 - key systems of control are operating satisfactorily except for the areas of limited assurance; and
 - there are adequate arrangements in place for risk management and corporate governance.
- 4.6 Where limited assurances have been concluded, the Head of Audit and Risk Management reports the detailed findings to the Governance and Audit Committee and follow-up audits are carried out within the following year to ensure that actions have been implemented. In addition, the Chief Executive meets with the Head of Audit and Risk Management on a quarterly basis and the Corporate Management Team receive six monthly progress reports on Internal Audit.

Standards Committee

- 4.7 During 2012/13 the new framework relating to the Conduct of Members set out in the Localism Act 2011 come into force. The Council decided to retain a Standards Committee with a strong independent representation to consider complaints that Members may have contravened the Council's Code of Conduct for Members. The Standards Committee was re-constituted as an advisory committee reporting to the Governance and Audit Committee. During 2012/13 the Standards Committee met three times.

The Governance and Audit Committee

- 4.8 The Governance and Audit Committee is responsible for reinforcing effective governance, particularly through reviewing the activities of the internal auditors and the Council's risk management arrangements. During 2012/13, the Committee received summary reports on progress on the delivery of the Internal Audit Plan and key outcomes on completed work. The Internal Audit Plan for 2013/14 was approved by the Committee.

The Governance Working Group

- 4.9 The Corporate Management Team has established a Governance Working Group, chaired by the Borough Solicitor. During 2012/13 the Group oversaw the implementation of the actions identified in the Annual Governance Statement Action Plan 2012/13.

The Constitution

- 4.10 The Constitution is subject to regular review throughout the year. The Monitoring Officer advises the Governance and Audit Committee which reports to full Council.

Annual Compliance Assessment

- 4.11 Compliance Assessments review the adequacy of governance arrangements. Each Director provides assurances about their department along with the Assistant Chief Executive in relation to the Chief Executives department. The Borough Treasurer provides assurances in relation to financial services and risk management. This includes advising whether the authority'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)* as set out in the Application Note to Delivering Good Governance in Local Government: Framework. Compliance Assessments are also completed by the Head of Audit and Risk Management who provides assurances in relation to risk management and the Borough Solicitor in relation to legal and regulation.

External Audit

- 4.12 External Audit comments on corporate governance and performance management in their Annual Audit Letter and other reports. The Annual Audit Letter for 2011/12 was presented to Governance and Audit Committee on 6 November 2012. It did not identify any significant weaknesses in the internal control arrangements and concluded that there was an adequate control environment in place.

- 5 We have been advised on the implications of the result of the **review of the effectiveness of the governance framework** by the Governance Working Group and Governance and Audit Committee (on 2 July 2013) 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.

6 Significant Governance Issues

6.1 Actions taken during 2012/13 to improve governance.

The Council implemented the actions identified in the 2011/12 Annual Governance Statement and 2012/13 Action Plan. This included;

- Reviewing and adopting a Code of Conduct for Members and commencing a review of the Planning Protocol for Members.
- Monitoring procurement closely and assessing whether contract award can be expedited to ensure unnecessary bureaucracy.
- Raising awareness of Anti-Fraud and Corruption Policy, Whistleblowing Policy and Anti-Money Laundering Policy.
- Reviewing the Expenses Policy.
- Communicating and raising awareness of information management policies.
- Updating and testing Council wide business continuity plan.

6.2 Actions identified during the review of effectiveness to be taken during 2013/14

6.2.1 Planning Protocol for Members

The existing Planning Protocol for Members was put in place shortly after the Local Government reorganisation. Since then, case law has developed and the Localism Act 2011 has amended the law relating to pre-determination.

6.2.2 Gifts and Hospitality Register

The Gifts and Hospitality section of the Employee Code of Conduct may need to be reviewed in light of the outcome of any alteration to the Members Code of Conduct regarding the threshold for Members to register gifts/hospitality.

6.2.3 Data Protection and Information Security Training for Officers

Given the volume and nature of the personal information the Council holds and the large fines which have been imposed upon other public sector public bodies by the Information Commissioner, the Council should ensure that the mandatory training programme CMT has approved is implemented and all staff are appropriately trained.

6.2.4 Information Management Policies

The Council has a number of information management policies which should be effectively communicated to staff.

6.2.5 Implement the ongoing actions in the 2012/13 Action Plan

The Council should implement the actions identified in the 2012/13 Action Plan as ongoing. This includes keeping the Financial Regulations under review, continuing to take a proactive approach to counter fraud and whistleblowing, and to continue to improve Business Continuity Plans.

5 Action Plan

An action plan has been developed to address governance issues identified.

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:

Cllr P.D. Bettison
Leader of the Council
September 2013

T.R. Wheadon
Chief Executive
September 2013

ANNUAL GOVERNANCE STATEMENT 2013-14 ACTION PLAN

Item	Governance Point Raised In Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline
1	<p><u>Planning Protocol for Members</u></p> <p>The existing Planning Protocol for Members was put in place shortly after the Local Government reorganisation. Since then, case law has developed and the Localism Act 2011 includes and section of pre-determination.</p>	<p>Prepare a revised Planning Protocol for Members.</p>	<p>Borough Solicitor and Chief Officer; Planning and Transportation.</p>	<p>1 November 2013</p>
2	<p><u>Gifts and Hospitality Register</u></p> <p>The Gifts and Hospitality section of the Employee Code of Conduct may need to be reviewed in light of the outcome of any alteration to the Members Code of Conduct regarding the threshold for Members to register gifts/hospitality.</p>	<p>Update Gifts and Hospitality Section of Employee Code of Conduct.</p> <p>Raise awareness of requirements regarding the Gifts and Hospitality Register.</p>	<p>Borough Solicitor</p>	<p>December 2013</p>

3	<p><u>Data Protection and Information Security Training for Officers</u></p> <p>Given the volume and nature of the personal information the Council holds and the large fines which have been imposed by the Information Commissioner on other organisations, the Council should ensure that the mandatory training programme it has approved is implemented and all staff are appropriately trained.</p>	<p>Implement the mandatory training policy as approved by CMT.</p> <p>Monitor attendance at training to ensure officers are appropriately trained.</p>	<p>Chief Officer; Human Resources</p> <p>Directors</p>	<p>31 March 2014</p> <p>31 January 2013</p>
4	<p><u>Information Management Policies</u></p> <p>The Council has a number of information management policies which should be effectively communicated to staff. Some of these policies will be reviewed during 2013/14.</p>	<p>To communicate and raise staff awareness of information management policies.</p>	<p>Information Management Group</p>	<p>31 March 2014</p>
5	<p><u>Implement the ongoing actions in the 2012/13 Action Plan</u></p> <p>The Council should implement the actions identified in the 2012/13 Action Plan as ongoing. This includes keeping the Financial Regulations under review, continuing to take a proactive approach to counter fraud and whistle blowing and to continue to improve Business Continuity Plans.</p>	<p>Update Financial Regulations.</p> <p>Continue to take a proactive approach to counter fraud and whistle blowing, promoting the Council's policies and focussing internal audit activity on areas of high risk.</p> <p>Keep Corporate Business Continuity Management Plan updated.</p>	<p>Borough Treasurer</p> <p>Head of Audit and Risk Management and Borough Treasurer</p> <p>Borough Treasurer and Emergency Planning Officer</p>	<p>31 March 2014</p> <p>31 March 2014</p> <p>January 2014</p>

ANNUAL GOVERNANCE STATEMENT 2012-13 IMPLEMENTATION OF ACTION PLAN

Item	Governance Point Raised In Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline
1	<p><u>Governance</u></p> <p>The Localism Act 2011 permits the Council to change to a non-Executive, Committee system of governance should it choose to do so.</p>	<p>Review whether or not the Council should retain the Executive model of governance.</p>	<p>Chief Executive</p>	<p>1 January 2013</p> <p>The Majority Group have introduced Portfolio Review Groups.</p>
2	<p><u>Members Code of Conduct</u></p> <p>The Localism Act 2011 has removed the former legislative framework relating to Members Conduct and replaced it with a new structure. The Act provides that each Council must have a Code of Conduct but does not prescribe a form of the Code of Conduct.</p>	<p>Review and adopt a Code of Conduct.</p> <p>Raise awareness of new Code of Conduct</p>	<p>Borough Solicitor</p>	<p>1 November 2012</p> <p>Completed</p> <p>As of April 2013, the plan for Training/awareness is in discussion.</p>

Item	Governance Point Raised In Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline
3	<p><u>Planning Protocol for Members</u></p> <p>The existing Planning Protocol for Members was put in place shortly after the Local Government reorganisation. Since then, case law has significantly developed on the key issue of pre-determination. Also, the Localism Act 2011 includes a section on Pre-determination.</p>	<p>Prepare a revised Planning Protocol for Members</p>	<p>Borough Solicitor/Chief Officer; Planning and Transportation</p>	<p>1 November 2012</p> <p>In progress, to be carried forward into the 2013/14 Action Plan.</p>
4	<p><u>Procurement</u></p> <p>The Council recognises the importance of procurement in achieving reductions in public spending and the efficient delivery of services. Significant improvements have been made in the last four years to internal arrangements, with progress closely monitored by CMT and members.</p> <p>In a period of great pressure upon Council resources procurement arrangements should be reviewed in order to provide the optimum structure for effective procurement to secure value for money this includes a review and assessment of whether award of contract can be expedited to ensure unnecessary bureaucracy in the process is eliminated.</p>	<p>The Council will continue to monitor procurement within the Council closely over the coming year.</p> <p>Review and assess whether award of contract can be expedited to ensure unnecessary bureaucracy in the process is eliminated.</p>	<p>CMT</p>	<p>31 March 2013</p> <p>Complete.</p> <p>31 December 2012</p> <p>Completed and ongoing.</p>

Item	Governance Point Raised In Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline
5	<p><u>Financial Regulations</u></p> <p>To ensure the Council's processes continue to be up-to-date and effective it should review its Financial Regulations.</p>	<p>Review Financial Regulations</p>	<p>Borough Treasurer</p>	<p>1 October 2012</p> <p>In progress, to be carried forward into the 2013/14 Action Plan.</p>
6	<p><u>Anti-Fraud and Corruption Policy</u>, <u>Whistleblowing Policy and Anti-Money Laundering Policy</u></p> <p>Awareness raising on these topics should continue during 2012/13.</p>	<p>Continue awareness raising of these Policies.</p>	<p>Head of Audit and Risk Management</p>	<p>31 March 2013</p> <p>Ongoing</p>
7	<p><u>Expenses Policy and Hospitality Register</u></p> <p>The Expenses Policy should be reviewed to ensure it is up to date and effective, subsequently, awareness raising on these topics should continue during 2012/13.</p>	<p>Review Expenses Policy.</p> <p>Raise awareness of Expenses Policy and Hospitality Register.</p>	<p>Borough Treasurer</p>	<p>31 October 2012</p> <p>Complete.</p> <p>31 March 2013</p> <p>Ongoing</p>
8	<p><u>Information Management Policies</u></p> <p>During 2011/12 the Council approved new information management policies which should be effectively communicated to staff.</p>	<p>To communicate and raise staff awareness of information management policies.</p>	<p>Information Management Group</p>	<p>31 March 2013</p> <p>Completed and ongoing. To be included in 2013/14 Action Plan.</p>

Item	Governance Point Raised In Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline
9	<p><u>Business Continuity Plans</u></p> <p>The Council's business continuity processes are due for review and testing to ensure they are still appropriate for ensuring continuity of operations for the Council's current structure and objectives and that they adequately address the business continuity risks identified in the Strategic Risk Register.</p>	<p>Update and Council wide business continuity plan.</p> <p>To test Council wide business continuity Plan</p>	Emergency Planning Officer	<p>31 March 2013</p> <p>Complete. Tested in October 2012, follow up recommendations implemented</p> <p>31 November 2012</p> <p>Complete.</p>

**TO: GOVERNANCE AND AUDIT COMMITTEE
2 JULY 2013**

**CODE OF CONDUCT FOR MEMBERS
THRESHOLD FOR REGISTRATION OF GIFTS AND HOSPITALITIES
Director of Corporate Services – Legal**

1 PURPOSE OF REPORT

- 1.1 To secure the recommendations of the Committee as to whether the current threshold for the registration of gifts and hospitality (£25) should be revised (upwards or downwards) or confirmed at its existing level.

2 RECOMMENDATION

The Committee is requested to either recommend to Council a new threshold for the registration of gifts and hospitality or to confirm that the existing threshold of £25 should be retained.

3 REASONS FOR RECOMMENDATION

- 3.1 At the meeting of the Committee on 29 January 2013 it was agreed that the Standards Committee should have the opportunity to give specific consideration as to whether the threshold set in the Code of Conduct for Members for registration of gifts and hospitality should be revised. The Standards Committee will consider the issue at its meeting on 24 June 2013 (copy report annexed). The outcome of the Standards Committee's deliberations will be reported to the Committee.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None.

5 SUPPORTING INFORMATION

- 5.1 See attached report to the Standards Committee.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The Borough Solicitor is the author of this report.

Borough Treasurer

- 6.2 There are no financial implications directly arising.

Equalities Impact Assessment

- 6.3 Not required.

Strategic Risk Management Issues

- 6.4 None.

Other Officers

6.5 None.

7 CONSULTATION

Principal Groups Consulted

7.1 The Standards Committee.

Method of Consultation

7.2 Report to meeting of Standards Committee 24 June 2013.

Representations Received

7.3 To be advised.

Background Papers

None.

Contact for Further Information

Alex Jack, Borough Solicitor – 01344 355679

Alex.jack@bracknell-forest.gov.uk

Doc Ref

Aj/f/reports/governance and audit committee – Code of Conduct Threshold – 2 July 2013

TO: **STANDARDS COMMITTEE**
24 JUNE 2013

**CODE OF CONDUCT FOR MEMBERS
THRESHOLD FOR REGISTRATION OF GIFTS AND HOSPITALITY
Director of Corporate Services – Legal**

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek the view of the Committee as to whether the current threshold for the registration of gifts and hospitality (£25) should be revised (upwards or downwards) or confirmed at its existing level.

2 RECOMMENDATION

- 2.1 The Committee is requested to formulate its view as to the threshold which triggers the requirement for Members to register gifts or hospitality.**

3 REASONS FOR RECOMMENDATION

- 3.1 When the Committee considered the (then proposed) revised Code of Conduct for Members at its meeting on 14 January 2013 there was considerable debate as to what the threshold should be for the registration of gifts and hospitality. It was agreed that the issue be deferred for consideration at a subsequent meeting of the Committee.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None.

5 SUPPORTING INFORMATION

- 5.1 The Code of Conduct for Members ("the Code") contains the following paragraph:-

"You should promptly register any gifts or hospitality the value of which exceeds £25 (or the reasonably estimated value of which exceeds £25 where the value is not disclosed) which you and/or your spouse/partner receive because (or when it can reasonably be inferred because) you are a Member of the Council".

The paragraph is in practically identical terms as a corresponding provision in the old statutory Code which first came into force in 2001.

- 5.2 When a first draft of a statutory code was first published for consultation in 2000/2001 a significant number of representations were made nationally that the threshold was too low. The prevailing view of the Council's Standards Committee at that time (including that of the then independent Chairman) was that £25 was too low a threshold. However, the Model Code issued by the government set the threshold at £25.

- 5.3 The Code of Conduct Working Group which in 2012 formulated the Council's replacement Code of Conduct proposed a threshold of £75. At the January 2013 meeting of the Committee there was a significant divergence of opinion with some Members of the Committee indicating support for the proposed £75 threshold with other Members indicating their view that a zero threshold (i.e. all gifts and hospitality irrespective of value) should be adopted. In the event the issue was deferred to allow an opportunity to consider the matter as a discrete issue.
- 5.4 The proposed revised Code was considered by the Governance and Audit Committee at its meeting on 29 January 2013. Again, there was a significant divergence of opinion as to the threshold but following debate that Committee agreed that the Standards Committee should have the opportunity to consider the issue further.
- 5.5 There are arguments in favour of both a zero and higher threshold (as indeed there are for maintaining the current threshold). The main advantages and disadvantages may perhaps be summarised as set out below:-

Zero Threshold

Advantages

- maximises sense of transparency.
- does not require Members to make any estimate of value of gift or hospitality.

Disadvantages

- could be excessively bureaucratic, imposing an unnecessary administrative burden upon Members and officers in an era of "austerity"
- placing a further administrative burden upon Members could discredit the carefully formulated new arrangements relating to Members in the eyes of Councillors
- would provide greater scope for trifling/vexatious complaints
- no reasonable person would consider that a gift or hospitality of minimal value would influence Member decision making

Higher Threshold

Advantages

- would not impose an unnecessary administrative burden
- a higher threshold would give greater credibility to the requirement to register gifts/hospitality than a lower figure
- would give a clear linkage to the fundamental purpose of requiring registration of gifts/hospitality i.e. inappropriate gifts/hospitality should not be accepted because of the risk of public perception that the decision making process was being influenced

Disadvantages

- ambiguity afforded by estimating value could provide scope for failure to adhere
- danger of multiple gifts/hospitality just below the threshold from the same source not being registrable (though revised drafting in a Code could address that issue by setting an annual limit from the same person or connected persons)

5.6 Subsequent to the January meeting the Borough Solicitor has enquired of other authorities as to their thresholds for registration of gifts/hospitality. The responses received locally were as follows:-

	£
• West Berkshire	25
• Wokingham	25
• Reading	20
• Slough	25
• All of the Bucks districts	50

Further afield, the following thresholds have been advised:-

• Cheshire West and Chester	25
• Hackney	25
• Wychavon (Worcestershire)	25
• Chichester	50
• North Kesteven (Lincolnshire)	50
• Selby	50
• South Lakeland	50

5.7 The current threshold for registration set out in the Employee Code of Conduct is £25. It is anticipated that should the Committee recommend a change in the threshold for Members it may well wish to make a recommendation as to a corresponding alteration to the Employee Code.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

6.1 The Borough Solicitor is the author of this report.

Borough Treasurer

6.2 There are no financial implications directly arising.

Equalities Impact Assessment

6.3 Not required.

Strategic Risk Management Issues

6.4 None.

Other Officers

6.5 None.

7. CONSULTATION

Principal Groups Consulted

7.1 Berkshire District Secretaries
ACSeS Southern Branch

Method of Consultation

7.2 Meetings.

Representations Received

7.3 As set out in Section 5.

Background Papers

None.

Contact for Further Information

Alex Jack, Borough Solicitor - 01344 355679

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Doc. Ref

Aj/f/reports/Standards Committee – 27 June – Code of Conduct for Members

**TO: GOVERNANCE AND AUDIT COMMITTEE
2 JULY 2013**

**REVIEW OF THE MEMBER AND OFFICER PROTOCOL
Director of Corporate Services – Legal**

1. PURPOSE OF REPORT

- 1.1 To seek the Committee's approval to amendments proposed to be made primarily in consequence of the introduction of Portfolio Review Groups.

2 RECOMMENDATION

- 2.1 **That, subject to the views of the Standards Committee, which will be reported to the Committee, the Committee recommend to Council the amendment of the Member and Officer Protocol as proposed in the attached report to the Standards Committee.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 As set out in the attached report to the Standards Committee.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 As set out in the attached report to the Standards Committee.

5 SUPPORTING INFORMATION

- 5.1 As set out in the attached report to the Standards Committee. The recommendations of the Standards Committee will be reported orally to the Committee.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The Borough Solicitor is the author of this report.

Borough Treasurer

- 6.2 There are no financial implications directly arising.

Equalities Impact Assessment

- 6.3 Not required.

Strategic Risk Management Issues

- 6.4 Not relevant.

Other Officers

- 6.5 None.

7 CONSULTATION

Principal Groups Consulted

7.1 None.

Method of Consultation

7.2 Not Applicable

Representations Received

7.3 Not Applicable.

Background Papers

None.

Contact for Further Information

Alex Jack, Borough Solicitor – 01344 355679

Alex.jack@bracknell-forest.gov.uk

Doc Ref

Aij/f/reports/Governance and Audit Committee – Review of Member and Officer Protocol – 2 July 2013

**TO: STANDARDS COMMITTEE
24 JUNE 2013**

**REVIEW OF THE MEMBER AND OFFICER PROTOCOL
Director of Corporate Services - Legal**

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek the Committee's approval to proposed amendments to the Member and Officer Protocol. The primary reason for a review at this juncture is the introduction of "Portfolio Review Groups", comprising (solely) majority Group Members. The opportunity has also been taken to update the Protocol, mainly to reflect the provisions of the most recently adopted Code of Conduct for Members.

2 RECOMMENDATIONS

- 2.1 That Governance and Audit Committee be requested to recommend to Council the amendment of the Member and Officer Protocol as proposed in Section 5 and Annexe A to this report.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 To provide guidance to Members and officers in the operation of Portfolio Review Groups.
- 3.2 To ensure that the Members and Officer Protocol is consistent with the current Code of Conduct for Members and extant legislation.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Not to amend the Protocol. However, the consequence would be that there would be no framework for officer involvement in the newly constituted Portfolio Review Groups and would leave in place minor inconsistencies between the Protocol and the Code of Conduct for Members/extant legislation.

5 SUPPORTING INFORMATION

- 5.1 Shortly after reorganisation of local government in Berkshire (in 1998) the Council adopted a Member and Officer Protocol to set out a framework for working relationships between Members and officers. The Protocol was last reviewed in 2007 when relatively minor amendments were made. The Protocol, with amendments proposed shown in italic script, is shown as Annexe A to this report.
- 5.2 A system of Portfolio Review Groups ("PRG"s) is being implemented to put in place a mechanism for non-Executive Majority Group Members to express views on matters to be considered by the Council's Executive. PRG's will not constitute a committee of the Council and will have no decision making responsibilities. They can, if they wish, formulate recommendations to the Executive but those recommendations will not have any legal status. The

decision making responsibility for items going to the Executive remains with Executive Members.

- 5.3 In order to inform the deliberations of PRG's it is important that senior officers should be able to attend to express their professional opinions and to answer questions which may arise. However, given that PRG's are single (majority) group forums it is appropriate that a framework is put in place to ensure that officers are not expected to (and do not) act as party political advisers. The proposed new paragraph 11 of the Protocol aims to secure that objective. In addition, the new wording expressly recognises that non-majority group Members are entitled to receive officer advice and support.
- 5.3 A number of other, relatively minor amendments are proposed, namely:-
- the list of statutory Member responsibilities in paragraph 2.3 has been extended to include the Deputy Leader of the Council.
 - the list of statutory officers in paragraph 2.5 is proposed to include the Overview and Scrutiny Officer, a requirement of legislation enacted in 2009.
 - the word "generally" has been inserted into the penultimate sentence of paragraph 8.1. The law relating to Members rights of access to information has always been an issue of some complexity but following the enactment of regulations in 2012 the topic now has a certain byzantine quality.
 - the proposed amendments to paragraphs 9.3 and 14.3 reflect the new wording of the Code of Conduct for Members.
 - the new penultimate sentence of 15.1 is intended to convey to Members the possibility of draconian fines being imposed by the Information Commissioner in consequence of any breaches of information security.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The Borough Solicitor is the author of this report.

Borough Treasurer

- 6.2 There are no financial implications directly arising.

Equalities Impact Assessment

- 6.3 Not required.

Strategic Risk Management Issues

- 6.4 Not relevant.

Other Officers

- 6.5 None.

7 CONSULTATION

Principal Groups Consulted

7.1 None.

Method of Consultation
7.2 Not Applicable.

Representations Received
7.3 Not Applicable.

Background Papers
None.

Contact for Further Information
Alex Jack, Borough Solicitor – 01344 355679
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Doc Ref
Aj/f/reports/Standards Committee – 27 June – Member and Officer Protocol

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Annexe A

SECTION 15 – MEMBER AND OFFICER PROTOCOL

1 INTRODUCTION

- 1.1 The Council exists to administer local government (together with Parish and Town Councils) in the Borough. Members and Officers have a joint responsibility to ensure that they work collaboratively to ensure an efficient, transparent and democratic Council.
- 1.2 Members and Officers will, from time to time, review the current culture and practices of the Authority, to ensure that we all continue to maintain high standards in our mutual contacts.
- 1.3 The purpose of this Protocol is to guide Members and Officers of the Council in their relations with one another.
- 1.4 Given the variety and complexity of such relations, this Protocol does not seek to be either prescriptive or comprehensive. It seeks simply to offer guidance on some of the issues which most commonly arise. It is hoped, however, that the approach which it adopts to those issues will serve as a guide to dealing with other issues.
- 1.5 The Council also has in place additional guidance for Members about their role in relation to specific functions or areas of the Council. Examples of this additional guidance include the Planning Protocol, additional guidance for Members regarding Social Services and Housing and guidance to Members about the Corporate Parenting role. Further guidance and protocols may be adopted by the Council.
- 1.6 This Protocol is supplemental to, but subject to, the Members' Code of Conduct.

2 ROLES OF MEMBERS AND OFFICERS

- 2.1 Members and Officers are servants of the public and they depend upon each other in carrying out the work of the Council. Members are responsible to the electorate and serve so long as their term of office lasts, whilst Officers are responsible to the Council. Officers give advice to the Council (whether in the form of full Council, Committees of the Council, including the Overview and Scrutiny Commission and its Panels, or the Executive) as well as to individual Members, and carry out the Council's work under the direction and control of the Council and its various bodies.
- 2.2 Members undertake many different roles. Broadly, these are:-
 - Politician
In expressing political values and, in the case of Members belonging to a political group represented on the Council, usually supporting the Policies of the Group to which he or she belongs.

- **Policy and Strategic Direction** They set the policy and direction for the Council; are responsible for ensuring that adequate management arrangements are in place; develop and allocate the Council's physical, financial and human resources and monitor the performance, development, continuity and overall well-being of the Organisation.
- **Ward Members** Subject to constraints arising from the Members' Code of Conduct and the law, Members represent their communities and bring their views into the Council's decision-making process. They deal with individual case work and represent constituents in resolving particular concerns or grievances.
- **Champion** Individual Members may be designated to act as a positive focus for a particular section of the community or range of activities

2.3 Legislation requires the Council to designate some Members with specific responsibilities, these include:-

- **The Mayor** – to act as the Chairman of the Council and to fulfil certain civic functions (see Section 12)
- **The Deputy Mayor** – to act as the Chairman of the Council in the absence of the Mayor
- **The Leader of the Council** – under the system of Executive Arrangements introduced by the Local Government Act 2000 the Leader has the overall responsibility for the Executive and the performance of the Executive functions
- **Deputy Leader of the Council** - *under the legislation relating to Executive Arrangements the Council is required to designate an Executive Member to substitute for the Leader in his/her absence*
- **The Lead Member for Children's Services** – to have responsibility at Member levels for the discharge of the Council's functions as local education authority and those Social Services functions which relate to children.

2.4 Officers have the following main roles:-

- managing and providing the Services and Functions for which the Council has given them responsibility. They are accountable for the efficiency and effectiveness of those Services and for proper professional practice in discharging their responsibilities and taking decisions, within agreed policies.
- providing advice to the Council, and to individual Members, in respect of the Services provided
- initiating policy proposals
- implementing agreed Policy

- ensuring that the Council acts lawfully, and in accordance with the principles of sound financial management
- representing the Council on external organisations

2.5 By law, the Council is required to designate Officers with the following responsibilities:-

- **Head of Paid Service** – the Head of the Officer Corps, who has overall responsibility for advising the Council on the matter in which the Council's functions are discharged, and the organisation and proper management of the Council's staff. The Chief Executive is the Head of Paid Service.
- **Monitoring Officer** - The role of the Monitoring Officer is, essentially, to ensure that the Council acts lawfully, to bring any Ombudsman reports with findings of maladministration to the attention of the Council and to discharge certain responsibilities under the statutory framework relating to Member conduct. The Borough Solicitor is the Council's Monitoring Officer.
- **Responsible Financial Officer** – designated as the Section 151 Officer who is responsible for the proper administration of the Council's financial affairs, ensuring that the Council does not incur unlawful expenditure and that the Council's expenditure does not exceed its resources. The Borough Treasurer is the Council's Section 151 Officer
- **Director of Children's Services** – designated as having responsibility for (inter alia) those functions exercisable by the Council in its role as local education authority and for social services functions so far as those functions relate to children.
- **Director of Adult Social Services** – designated as having responsibility for those social services functions so far as those functions relate to adults.
- **Traffic Manager** - to have responsibility for the management of traffic under the Traffic Management Act 2004.
- **Overview and Scrutiny Officer** – *the Council is required to designate an officer to provide advice and support to the Overview and Scrutiny Committee and the Overview and Scrutiny Panels.*

3 RESPECT AND COURTESY

- 3.1 The Council's vision is set out in the Sustainable Community Strategy. For that vision to be realised, Members and Officers must work together in a harmonious relationship based upon mutual respect, courtesy, trust, honesty and understanding of each others roles. This should prevail in all meetings and contacts, whether formal or informal.
- 3.2 Neither Members nor Officers should seek to take unfair advantage of their position in their dealings with each other. Members should be aware that Officers, especially junior Officers, may sometimes be overawed and feel at a disadvantage. Such feelings can be intensified where Members hold official and/or political office.

- 3.3 A Member should not apply pressure on an Officer either to do anything that he or she is unwilling to do or is not empowered to do. If a Member considers that an officer has behaved unreasonably in response to the Member he/she should take the matter up with the officer's Director. Similarly, an Officer must not seek to use influence on an individual Member to make a decision in his or her personal favour. They (Officers) should not raise personal matters to do with their job or make claims or allegations about other employees except through the Council's formal personnel procedures for consultation, grievances, whistle blowing and so on. Officers who wish to pursue issues of this nature must do so through the appropriate procedure.
- 3.4 Close personal familiarity between individual Members and Officers can damage the perception of disinterested mutual respect. It could also, intentionally or unintentionally, lead to the passing of confidential information which should not properly be passed between them, such as personal details. Such familiarity could also cause embarrassment to other Members and/or other Officers and could even give rise to suspicions of favouritism. It should, therefore, be avoided.

4 OFFICER SUPPORT TO THE EXECUTIVE

- 4.1 It is clearly important that there should be a close working relationship between Executive Members and the Officers who support and/or interact with them. However, such relationships should never be allowed to become so close, or appear to be so close, as to bring into question the Officers ability to deal impartially with other Members and other Party Groups. Officers must ensure that even if they are predominantly supporting the Executive, their political neutrality is not compromised.
- 4.2 Whilst Executive Members will routinely be consulted as part of the process of drawing up proposals for consideration on the Agenda of a forthcoming meeting, it must be recognised that, in some situations, an Officer will be under a professional duty to submit a report. The Chief Executive, Director or other senior Officer will always be responsible for the contents of any report submitted in his or her name. This means that any such report will be amended only where the amendment reflects the professional judgement of the author of the report. Any issues arising between an Executive Member and a Director in this area should be referred to the Chief Executive for resolution, in conjunction with the Leader of the Council.
- 4.3 Officer advice must be full and impartial and should include all relevant options. It should not seek to second-guess the decisions of Members, for example by excluding presumed unpalatable options. Members are entitled to reject Officer advice and to give effect to their lawful policies even if these are clearly at variance with the views of Officers. Members should be particularly careful if they propose not to follow advice given in a capacity as Monitoring Officer or Section 151 Officer.
- 4.4 Where functions which are the responsibility of the Executive are delegated to Officers or other structures outside the Executive, the Executive will, nevertheless, remain accountable to the Council, particularly through the Overview and Scrutiny Commission and its Panels, for the discharge of those functions. This is to say, the Executive will be held to account for both its decision to delegate a function and the way that the function is being carried out.
- 4.5 Under Executive arrangements, individual Members of the Executive are allowed to take formal decisions. The Executive, Executive Members and Officers must satisfy themselves that they are clear what exactly they can and cannot do. The Council

has put in place a protocol for Executive decision-making which stipulates that no Executive decision shall be made by a Member without a written report, incorporating advice from the Borough Solicitor and Borough Treasurer, being submitted by the appropriate Director to the Member.

- 4.6 Executive Members should appreciate that the Overview and Scrutiny Commission, or one of its Panels, may require an Officer to attend before them to explain advice which the Officer has given to the Executive (or an individual Executive Member) and/or to give advice to the Overview and Scrutiny Commission or the Panel, as the case may be. Accordingly, Executive Members should not assume that the advice which they receive from Officers will not be disclosed and/or subject to scrutiny.

5. OFFICERS SUPPORT FOR THE OVERVIEW AND SCRUTINY COMMISSION AND ITS PANELS

- 5.1 It is clearly important that there should be a close working relationship between the Chairman and Vice-Chairman of the Overview and Scrutiny Commission and the Chairman and Vice-Chairman of its Panels and those Officers who support and/or interact with them. However, such relationships should never be allowed to become so close, or appear to be so close, as to bring into question the Officers' ability to deal impartially with other Members and other Party Groups. Officers must ensure that even if they are predominately supporting the Overview and Scrutiny Commission and/or its Panels, their political neutrality is not compromised.

- 5.2 It is not the role of the Overview and Scrutiny Commission, or its Panels, to act as a Disciplinary Tribunal in relation to the actions of Members or Officers. Neither is it the role of Officers to become involved in what would amount to disciplinary investigation on behalf of the Commission or a Panel. In relation to staff, such matters must be dealt with under the Council's disciplinary procedures whilst Members are accountable for their behaviour through the Code of Conduct for Members, local protocols and the respective frameworks established to secure compliance.

6 OFFICER SUPPORT FOR THE CHAIRMEN AND MEMBERS OF OTHER COMMITTEES

- 6.1 The Council has a range of Committees which deal with "Non-Executive" matters. The main ones are:-

- the Planning Committee
- the Licensing and Safety Committee
- the Employment Committee

- 6.2 Some Officers, as part of their normal duties, will be in regular contact with the Chairman and Members of those Committees. Much of what is said in Section 4 about the relationship between Officers and the Executive will also apply, allowing for the different circumstances, to the relationship between Officers and Chairmen/Vice-Chairmen and Members of Non-Executive Committees.

- 6.3 To summarise, the main principles are:-

- relevant Officers will need to maintain a close working relationship with the Chairmen and Vice-Chairmen concerned

- that relationship must not be such as to call in to question Officers' impartiality
- there should be dialogue between relevant senior Officers and the Chairman
- it is the author's responsibility to ensure that reports include only proper advice and correct information
- Members must not put Officers under pressure to give advice or information in any other way
- Officer advice should be full and impartial
- the decision whether or not a report should be submitted to a Committee is for the Chief Executive, Director or relevant senior Officer

7 DELEGATED DECISION-MAKING BY OFFICERS

- 7.1 The Executive, a Committee of the Executive or an individual Executive Member may decide to delegate a decision to a Director, in consultation with one or more Members. Directors must consider carefully any comments made to them by the Members concerned, but Members must bear in mind that it is the Officer, not the Member, who takes the decision in these circumstances and is responsible for it. It needs to be borne in mind that no Officer can be compelled to take a decision with which he or she does not agree, or which he or she considers to be wrong or inequitable; an Officer must take any such decision in accordance with his or her professional judgment.
- 7.2 If a Non-Executive function is delegated to an Officer, he or she is not obliged to take a decision on the matter; and may refer the matter to the appropriate Committee for a decision. Indeed, a Director should refer the matter to the Committee if they feel that the matter raises some new point of principle which was not contemplated when the delegation was first agreed.

8 MEMBERS ACCESS TO DOCUMENTS

- 8.1 Members' legal rights to inspect Council documents are covered partly by statute and partly by common law. Members, generally, have a statutory right to inspect Agendas, Minutes and Background Papers of the Council, the Executive, Overview and Scrutiny Commission and its Panels and Committees. However, *generally*, this does not apply to certain items which contain "exempt information", for example because they relate to individual employees, to contractual negotiations or applicants for Council's services. The statutory rights are set out more fully in the Access to Information Procedure Rules in the Council's Constitution.
- 8.2 The common law right is based on the principle that any Member has, on the face of it, a right to inspect Council documents if access to those documents is reasonably necessary to enable the Member properly to perform his or her duties as a Member of the Council. This is often referred to as the "need to know" principle. However, Members do not have a "roving commission" to examine any documents of the Council. Mere curiosity is not sufficient.

8.3 A Member requesting access to documents should direct his or her enquiry to the relevant Director, Assistant Director or Head of Service. Officers will be concerned to furnish a Member with such information, advice and access to documents which he or she requires for the proper performance of his or her duties as a Councillor. There may be occasions, though, when an Officer believes that the Member does not have a right of access to a document and that it would be inappropriate, on that occasion, for the Member to see the document. Examples of when it might be considered inappropriate to disclose a document to a Councillor who does not have a right of access, include sensitive Social Services cases or where there is a special need to secure commercial confidentiality in a proposed transaction. If that were the case, the Officer shall advise the Member that, in the Officer's view, disclosure is neither required, nor appropriate, and the reasons why disclosure would not be appropriate. Any dispute regarding a Member's access to a document should be referred to the Monitoring Officer.

9 INFORMATION AND ADVICE TO MEMBERS

9.1 Any Council information provided to a Member must only be used by the Member for the purpose for which it was provided, namely in connection with the Member's duties as a Councillor, unless the information is already in the public domain.

9.2 The Code of Conduct for Members provides that Members must not disclose information given to them in confidence by anyone (this includes the Council), or information acquired by the Council which they believe or ought reasonably to be aware, is of a confidential nature except where:-

- the Member has the consent of a person authorised to give it,
- the Member is required by law to disclose,
- the disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person, or
- the disclosure is reasonable and in the public interest **and** made in good faith and in compliance with the reasonable requirements of the Council

9.3 In relation to the last stated exception (disclosure thought to be reasonable and in the public interest) disclosure should not be made unless at least *two* clear working days has elapsed from the Member notifying the *Chief Executive or in his/her absence the Deputy Chief Executive* in writing (which includes e-mail) that the Member proposes to disclose the information *specifying the information proposed to be disclosed*. Both Members and officers should be aware that the disclosure of confidential information may constitute a breach of Data Protection legislation; generally, personal information cannot be released without the consent of the person to whom it relates. Improper disclosure of confidential information can put the Member and the Council at legal and financial risk.

9.4 Regular contact between Members and senior Officers is necessary to ensure the efficient working of the Council. In this context it is the responsibility of Directors to identify within their Departments the senior Officers who should have regular contact with Members. This will depend upon the nature of the Service they provide and the nature of the Member contact envisaged. In identifying which Officers will have regular contact with Members, Directors should take into account that, with some

Services, which regularly impact upon Ward interests, it may be appropriate to designate Officers at a relatively less senior level than for other Services. Members should always bring major concerns about issues affecting a Department directly to the attention of the Director concerned.

9.5 In the following circumstances, information or advice provided by an Officer to a Member will be disclosed:-

- if the information or advice relates to a matter in the Forward Plan, to the relevant Executive Member
- if the information or advice relates to a matter to be considered at a Committee, to the Chairman of the Committee
- if the information or advice relates to a matter being considered by the Overview and Scrutiny Commission, or one of its Panels, to the Chairman (or in his/her absence the Vice-Chairman) of the Commission or the relevant Panel

10 OFFICERS AND POLITICAL GROUPS

10.1 Officers are politically neutral and must be seen to be so. They serve the whole Council and not a political group. However, it is recognised that, from time to time, there will be occasions, particularly on major policy matters, when it is in the Council's interests that a political group should receive the professional advice of Officers on a specific matter.

10.2 Officers cannot be required to attend party group meetings. Any request for an officer to attend a party group meeting should be directed to the Chief Executive or relevant Director and indicate the subject upon which information and/or advice is to be sought. If the Chief Executive or Director is of the opinion that it would be inappropriate for there to be an Officer in attendance, his or her decision shall be final. If Officer attendance is appropriate, the Chief Executive or Director shall determine which Officers should attend. Normally it would not be appropriate to request any Officer to attend other than the Chief Executive, a Director, Assistant Director or Head of Service.

10.3 If an Officer does attend a political meeting, the following points should be borne in mind:-

- Officer support must not extend beyond providing information and advice in relation to matters of Council business. Officers must not be involved in advising on matters of party business. Both Members and Officers should refrain from any conduct which could lead to the political impartiality of Officers being seriously called into question
- political group meetings, whilst they form part of the preliminaries to Council decision-making, are not empowered to make decisions on behalf of the Council. Conclusions reached at such meetings do not, therefore, rank as Council decisions and it is essential that they are not interpreted or acted upon as such
- Officers may, at their discretion, decline to disclose exempt information

- any advice given to a political group will be treated with strict confidentiality by the Officers concerned and will not be accessible to any other political group. It is acknowledged, however, that information upon which any advice is based will, if requested, be available to all political groups
- it must not be assumed by any political group, or Member, that an Officer is supportive of any Policy or Strategy developed because of that Officer's assistance in the formulation of that Policy or Strategy
- Officers must respect the confidentiality of any political group discussions at which they are present in the sense that they should not relay the content of any such discussion to another political group
- where Officers provide information and advice to a political group meeting in relation to a matter of Council business, it should be understood that the Officers have a duty to provide all necessary information and advice to a relevant decision-making body of the Council whenever the matter in question is considered
- special care needs to be exercised by Officers involved in providing information and advice to political group meetings where there are non-Members of the Council present. Persons who are not elected Members will not be bound by the Code of Conduct for Members, in particular, the provisions relating to the Confidentiality of Information. For this, and other reasons, Officers may not be able to provide the same level of information and advice as they would to a Members only meeting

11 PORTFOLIO REVIEW GROUPS

11.1 The Council has established a number of Portfolio Review Groups to allow Members of the majority group to discuss proposed agenda items for meetings of the Executive and to formulate recommendations to the Executive. The Chief Executive, Directors, the Assistant Chief Executive, the Borough Treasurer, the Borough Solicitor and officers authorised by any of those officers may attend meetings of Portfolio Review Groups. However, as with Group meetings:-

- *Officer support must not extend beyond providing information and advice in relation to matters of Council business. Officers must not be involved in advising on matters of party business.*
- *Portfolio Review Groups have no power to take decisions on behalf of the Council and any recommendations which they formulate are not binding upon the Executive.*

Although, it is legitimate for an officer to amend a draft report in light of discussions at a Portfolio Review Group meeting (if the officer considers it appropriate to do so) the report to the Executive and the recommendations therein will remain those which the officer in his/her professional opinion considers appropriate.

11.2 Members who do not belong to the majority group are also entitled to officer advice and to information (subject to the limitations previously set out in this Protocol) in connection with Executive agenda items. The process by which such advice is secured shall be as agreed between the Member and the Chief Executive/ Director/Assistant Chief Executive, Borough Treasurer or Borough Solicitor.

12 CORRESPONDENCE

- 12.1 Save in exceptional circumstances, all correspondence (letters, faxes or e-mails) on official Council business should be sent out only in the name of the appropriate Officer (exceptions might be, for example, the Leader of the Council raising an issue on behalf of the Council with a Government Minister or special circumstances where it would be appropriate for correspondence setting out the Policy of the Council to be sent in the name of an Executive Member or Committee Chairman). This does not, of course, prevent a Member responding in his or her own name to correspondence addressed to him or her in his or her official capacity (e.g. Executive Member, Chairman of the Committee) or as a Ward Member such as a letter of complaint.
- 12.2 Correspondence which creates obligations, or give instructions on behalf of the Council, should never be sent out under the name of a Member.

13 THE MAYOR

- 13.1 The Mayor presides at meetings of the Council and takes the leading role in the civic life of the Borough, representing the Borough at civic engagements, within and outside Bracknell Forest. The role of Mayor, as the leading resident of the Borough, although largely ceremonial, is important to the public perception of the Authority and enjoys the respect of Bracknell Forest residents. Officers and Members should treat the Mayor with the respect due to his or her office on all occasions when the Mayor is acting in that capacity. Officers and Members must do everything appropriate to ensure that the dignity of the Office is upheld. The Mayor is entitled to receive support and advice from all levels of the organisation in carrying out his or her Mayoral duties. As a matter of good practice, Members should, when appropriate, advise the Mayor's Office in advance if they propose to attend a function at which they know the Mayor will be present.
- 13.2 The provisions of Paragraph 13.1 above apply in respect of the Deputy Mayor when he or she deputises for the Mayor.

14 PUBLIC RELATIONS AND PRESS RELEASES

- 14.1 The Communications Team within the Chief Executive's Office serves the Council as a whole and must operate within the limits of the Local Government Act 1986, which prohibits the Council from publishing material which appears to be designed to affect public support for a political party. The legislation provides that in determining whether or not the publication of any material is prohibited, regard shall be had to (inter alia):-
- the content and style of the material
 - the time and other circumstances of publication (particular caution is required during an Election period)
 - the likely effect on those to whom the material is directed

- whether the material refers to a political party or to persons and/or points of view associated with a political party

14.2 Council press releases are drafted by Officers and will often contain quotations (within the limits of the Local Government Act 1986) from the Leader, the Deputy Leader, Executive Member or Chairman of a Committee whose service is involved as well as from the Mayor or Deputy Mayor about ceremonial events. Such press releases are issued on behalf of the Council and it would not, therefore, be appropriate when repeating quotations from Members to indicate their party political affiliation.

14.3 The Member's Code of Conduct stipulates that Members *when using or authorising the use by others of the resources of the Council must:-*

(a) *act in accordance with the Council's requirements, and*

(b) *ensure that such resources are not used improperly for political purposes (including party political purposes).* "Resources" includes the time, skills and assistance of anybody employed by the Council. Accordingly, when drafting press releases or any other publication with the assistance of Officer advice, the provisions of the Code of Conduct should be observed. There is, of course, nothing to prevent any Member from communication with the Media in a personal or political capacity using their own resources or those of their political party.

15. COUNCIL PROPERTY, SUPPORT SERVICES TO MEMBERS, USE OF PHOTOGRAPHS

15.1 Support Services (such as typing, printing, photocopying and transport) and resources (such as stationery and lap-top computers) can lawfully be provided to Members to assist them in discharging their role as Councillors. However, such services and resources should only be used for Council business and not for personal or political use. In relation to the use of computer and other ICT equipment supplied by the Council, Members should observe the terms of any agreement between the Member and the Council and should also ensure that they comply with all relevant Council policies relating to such equipment. *The Information Commissioner has power to impose extremely heavy financial sanctions for breaches of Data Protection legislation and it is therefore particularly important that Members observe Council procedures relating to Information Security.* Members have a responsibility to ensure that any such resources made available to them are not used by any other person.

15.2 Photographs supplied to Members or taken on behalf of the Council shall not be reproduced (nor permitted to be reproduced) in any form whatsoever or be used in any publication without the express consent, in writing, of the Monitoring Officer.

16 INVOLVEMENT OF WARD MEMBERS

1.1 It is important to all Members that they should be kept particularly informed of, and have an input into, matters of Council business which affect their Wards, including the Mayor's official engagements. Therefore, whenever a public meeting is arranged

by the Council to consider an issue local to a Ward, or one or more Wards in a part of the Borough, the Ward Member(s) should normally be invited to attend the meeting. Similarly, whenever the Council undertakes any form of consultative exercise on an issue local to a Ward or particularly affecting a part of the Borough, the appropriate Officers should normally notify the Ward Members of the consultation and request their views on the matter in issue.

17 MEMBERS ACTING AS ADVOCATE FOR OR SUPPORTING THIRD PARTIES IN APPEALS AGAINST COUNCIL DECISIONS

17.1 Members have the same rights to represent third parties on appeals against Council decisions or to support third parties in such appeals as any member of the public. However, it is important to ensure that when acting in either role, Members should not seek to take improper advantage of their position as a Member of the Council and that Council Officers are not deterred from defending the Council's decision as vigorously as in any other case. For those reasons, Members should, in such circumstances, be particularly careful:-

- (a) not to disclose any information which they have received from the Council in their capacity as a Member which would not be available to a member of the public
- (b) not to disclose, or make reference to, briefings on the relevant matter which they have received from Officers (other than in a part of a Committee meeting which the public are not excluded from)
- (c) to ensure that in the conduct of the appeal they do not seek or appear to seek preferential treatment
- (d) not to present themselves as representing the views of the Council.

17.2 Members acting as an Advocate or as a supporter of an appeal against a Council decision must expect to be treated by Officers in exactly the same way as any other Advocate or supporter

18 VISITS TO ESTABLISHMENTS

18.1 In some circumstances, it will be inappropriate for Members to visit an establishment, such as for example, a Social Services care facility, without prior notification being given to a Director, Assistant Director or other designated Officer. Each Department may prepare guidance for Members on when prior notification is required. In the event of the Council giving approval to any such guidance, Members shall abide by the same. Pending the preparation and approval of any guidance, Members should give consideration to whether prior notification is appropriate before visiting an establishment.

19 DISPUTES

19.1 With goodwill, respect and integrity on both sides, there ought to be very few occasions when a disagreement between an Officer and a Member cannot be resolved amicably. If there is a serious dispute of substance it should be discussed, in the first instance, between the Member and the Officer concerned, involving the

Officer's Director, if appropriate. If such discussions should not produce an acceptable settlement, reference may be made to the Chief Executive, but this should be seen as a last, rather than a first resort. If the matter cannot be resolved satisfactorily after reference to the Chief Executive, it may be referred to the Monitoring Officer who shall, in consultation with the Chairman of the Standards Committee, determine whether the matter should be brought before the Standards Committee.

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**TO: GOVERNANCE AND AUDIT COMMITTEE
2 JULY 2013**

**SCHEME OF DELEGATION – DWELLING EXTENSIONS PRIOR APPROVAL
Director of Corporate Services – Legal**

1 PURPOSE OF REPORT

- 1.1 To seek an amendment to the delegated powers of the Chief Officer: Planning and Transport required in consequence of recent alterations to “Permitted Development” rights in respect of extensions/alterations to dwellings.

2 RECOMMENDATION

- 2.1 **That Council be recommended to amend the delegated powers of the Chief Officer: Planning and Transport as proposed in Section 5 of this report.**

3 REASONS FOR RECOMMENDATION

- 3.1 To allow the Council to determine whether or not prior approval should be given for dwelling extensions or alterations within the period of 42 days stipulated by the Town and Country Planning (General Permitted Development) (Amendment) (England) Order 2013.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Not to amend the Scheme of Delegation but that would place the Council at risk of not being able to determine within the prescribed period of 42 days whether or not prior approval should be given to a proposed extension or alteration which would have the consequence that the proposed extension or alterations would be deemed to be Permitted Development.

5 SUPPORTING INFORMATION

- 5.1 Planning legislation permits the Secretary of State to make regulations granting “blanket” planning permission for certain categories of development. The specified categories are known as “Permitted Development”. One of the (many) specified categories is enlargement or alterations to Dwellings, the parameters of which enlargement or alteration are specified in the regulations. The Secretary of State has recently issued regulations which effectively grants planning permission for larger extensions than those previously specified as Permitted Development. However, before the larger extensions acquire Permitted Development status a process has to be followed as set out below.
- 5.2 The process to be followed is:-
- prior to commencing construction the developer has to serve notice upon the Council providing specified information (e.g. the maximum height of the extension/alteration).

- in turn the Council must serve notice of the information upon owners and occupiers of any adjoining premises.
- if an adjoining owner/occupier objects the prior approval of the Council is required as to the impact of the proposed development on the amenity of adjoining premises.
- however, if within 42 days of the Council being served notice by the developer, the Council has not served notice that prior approval is refused the developer may proceed with the proposed extension/alteration.

5.3 The exceptions and limitations to the powers of the Chief Officer: Planning and Transport to determine planning applications include:-

- (a) where a Member requests that the application should be determined by Planning Committee (provided that the request is made in writing, and supported by a valid planning reason), and
- (b) where objections are received from more than three households and/or organisations.

If either (a) or (b) occur the application would have to be brought to the Planning Committee.

5.4 Bearing in mind that the 42 day period for giving or refusing prior approval runs from the date of the initial notice by the developer, rather than the date of any subsequently received objections, it will, unfortunately, almost invariably be impractical or indeed impossible to bring the matter before a scheduled meeting of the Planning Committee. Accordingly, it is proposed that the Scheme of Delegation should be amended to exclude decisions on prior approval for extensions/alterations from the exceptions to the delegated powers of the Chief Officer: Planning and Transport alluded to in 5.3 above. The effect would be that prior approval applications will be determined by officers. However, ward Members will be appraised of any such proposals. It should be noted that regulations provide that the enlargement of Permitted Development rights for extensions/alterations will cease in 2016.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

6.1 The Borough Solicitor is the author of this report.

Borough Treasurer

6.2 There are no financial implications directly arising.

Equalities Impact Assessment

6.3 Not required.

Strategic Risk Management Issues

6.4 None.

Other Officers

- 6.5 The proposed amendment to the Scheme of Delegation is supported by the Chief Officer: Planning and Transport.

7 CONSULTATION

Principal Groups Consulted

- 7.1 None.

Method of Consultation

- 7.2 Not relevant.

Representations Received

- 7.3 None.

Background Papers

None.

Contact for Further Information

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Doc. Ref.

AIJ/f/reports/GOVERNANCE AND AUDIT – Scheme of Delegation – Home Extension – 2 July 2013

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**TO: GOVERNANCE AND AUDIT COMMITTEE
2 JULY 2013**

**SCHEME OF DELEGATION – SECTION 52 AGREEMENTS
Director of Corporate Services – Legal**

1 PURPOSE OF REPORT

- 1.1 To seek an amendment to the Scheme of Delegation to Officers in the Council's Constitution to provide that the power of the Chief Officer: Planning and Transport to determine applications for the release or amendment of provisions contained in agreements entered into under section 52 of the Town and Country Planning Act 1971 (whether also made pursuant to other legislation or not) should be subject to the same constraints as other planning applications.

2 RECOMMENDATIONS

- 2.1 **That Council be recommended to amend the Scheme of Delegation to Officers as proposed in section 5 of this report.**

3 REASONS FOR RECOMMENDATION

- 3.1 It would be inappropriate for applications for the release or amendment of provisions contained in a Section 52 Agreement to be determined by an officer where they attract a significant number of objections or Members request that the application be determined at Member level.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Not to amend the Scheme of Delegation as proposed. However, if the proposed amendment is not made the power to determine all decisions to release or amend section 52 covenants would rest with the Chief Officer: Planning and Transport, whatever the level of Member interest or the number of objections received.

5 SUPPORTING INFORMATION

- 5.1 Section 52 of the Town and Country Planning Act 1971 was the predecessor of section 106 of the Town and Country Planning Act 1990 (which in its current form was enacted by the Planning and Compensation Act 1991 as amended by the Planning Act 2008). Section 52 empowered local authorities to enter into agreements with landowners "restricting or regulating the development or use of land". For technical legal reasons such agreements were frequently also entered into pursuant to other legislation, particularly section 111 of the Local Government Act 1972 and Section 33 of the Local Government (Miscellaneous Provisions) Act 1982. It is of relevance to note that Section 52 Agreements did not constitute "planning obligations", a concept only introduced in relation to Section 106 Agreements by the 1991 Act.
- 5.2 The Scheme of Delegation to officers provides that the Chief Officer: Planning and Transport is authorised to exercise all the Council's planning functions

save those specified as “Exceptions and Limitations”. The first two such exceptions are:-

- (a) applications (including applications to vary planning obligations or for a building to be listed but not including applications for a Certificate of Lawful Use) which any single Member of the Council expressly requests should be determined by the Planning Committee, provided that the request is supported, in writing, by a valid planning reason.
- (b) applications (including applications to vary planning obligations or for a building to be listed but not including applications for Certificate of Lawful Use) attracting valid planning obligations before a delegated decision is made, where objections arise from more than three households and/or organisations, may only be allowed by the Chief Officer: Planning and Transport if he considers it appropriate to do so following reference to the Chairman of the Planning Committee and Ward Councillors.

As Section 52 Agreements do not constitute “planning obligations” the two exceptions set out do not apply to them i.e. unless the Scheme of Delegation is amended then all applications to release or amend section 52 covenants could be determined by the Chief Officer: Planning and Transport notwithstanding that an application has attracted more than three objections.

- 5.3 As Members will be aware, the Site Allocations Development Plan Document will shortly be brought to Council for approval, with modifications from the draft considered at the Examination in Public. One of the major sites proposed for residential development is the Blue Mountain Golf Course. That land is subject to a Section 52 Agreement. If residential development is to proceed on the Blue Mountain site the developer will require a release of certain of the covenants in the Section 52 Agreement. It is anticipated that the Council may receive an application for a release and it is highly likely that there would be a significant number of objections to such an application. In those circumstances it would be inappropriate for an officer to determine the application.
- 5.4 Under the Local Government Act 2000 all Council functions are Executive functions unless regulations specify otherwise. Unsurprisingly (given that section 52 was repealed before the legislation relating to Executive Arrangements was enacted) the relevant regulations do not specify the release or amendment of provisions in section 52 agreements as non-Executive functions. Accordingly, if responsibility for making a decision relating to section 52 agreements ceases to be that of the Chief Officer: Planning and Transport the decision will rest with the relevant Executive portfolio holder or the full Executive; by law, the decision cannot be one for the Planning Committee.
- 5.5 To ensure that in appropriate circumstances applications to release or amend provisions in Section 52 Agreements (whether made pursuant to other legislation or not) are determined by Members rather than officers, those exceptions and limitations to the powers of the Chief Officer: Planning and Transport set out in 5.1 above will need to be amended. As to paragraph (a) of the exceptions, it should be amended to include applications relating to Section 52 Agreements which any single Member of the Council expressly requests should not be determined by the Chief Officer: Planning and

Transport, provided that the request is supported in writing, by a valid planning reason. As to exception (b), the amendment required is to include section 52 applications when objections arise from more than three landowners and/or organisations. The effect will be that such applications will be determined by the Executive or an Executive Member.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

6.1 The Borough Solicitor is the author of this report.

Borough Treasurer

6.2 There are no financial implications directly arising.

Equalities Impact Assessment

6.3 Not required.

Strategic Risk Management Issues

6.4 None.

Other Officers

6.5 Both the Chief Executive and Chief Officer: Planning and Transport have been consulted and concur with the recommendations.

7 CONSULTATION

Principal Groups Consulted

7.1 None.

Method of Consultation

7.2 Not relevant.

Representations Received

7.3 None.

Background Papers

None.

Contact for Further Information

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Doc. Ref.

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