

## **NOTICE OF MEETING**

### **Governance & Audit Committee**

**Tuesday 28 January 2014, 7.30 pm**

**Council Chamber, Fourth Floor, Easthampstead House, Bracknell**

### **To: Governance & Audit Committee**

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

### **Independent Member**

Gordon Anderson

### **cc: Substitute Members of the Committee**

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

ALISON SANDERS

Director of Corporate Services

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Published: 17 January 2014



**Governance & Audit Committee**  
**Tuesday 28 January 2014, 7.30 pm**  
**Council Chamber, Fourth Floor, Easthampstead House,**  
**Bracknell**

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**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 - 30 September 2013**

To approve as a correct record the minutes of the meetings of the Committee held on 30 September 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. **Independent Review of Telephone Usage by the Leader**

To consider a report setting out the findings of an independent review into the Leader of Council's mobile telephone usage.

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6. **External Audit Matters**

To receive an update from the Council's External Auditors on a variety of audit matters.

7. **Annual Audit Letter 2012-13**  
To receive the External Auditor's Annual Audit Letter for 2012-13. 55 - 64
8. **Internal Audit Risk Assurance**  
To receive a report summarising Internal Audit activity during the period April to December 2013. 65 - 84
9. **Treasury Management Report**  
To review the Treasury Management Report. 85 - 112
10. **Minor Amendment to the Code of Conduct**  
To receive a report seeking the Committee's endorsement of an amendment to the Code of Conduct for Members. 113 - 116
11. **Date of Next Meeting**  
The next scheduled meeting of the Governance and Audit Committee will take place on 1 April 2014 at 7.30pm.

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**GOVERNANCE & AUDIT COMMITTEE**  
**30 SEPTEMBER 2013**  
**6.30 - 7.45 PM**

**Bracknell Forest Borough Council:**

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

**Also Present:**

Rachel Cobley, Ernst and Young  
Alex Jack, Borough Solicitor  
Ann Moore, Head of Democratic and Registration Services  
Catherine Morganti, Ernst and Young  
Alan Nash, Borough Treasurer  
Arthur Parker, Chief Accountant  
Helen Thompson, Ernst and Young

**Apologies for absence were received from:**

Mr G Anderson, Independent Member

**15. Declarations of Interest**

There were no declarations of interest.

**16. Minutes - 2 July 2013**

**RESOLVED** that the minutes of the Governance and Audit Committee meeting held on 5 July 2013 be approved as a correct record and signed by the Chairman.

**17. Urgent Items of Business**

There were no urgent items of business.

**18. Protocol for Photography, Audio/Visual Recording and Use of Social Media at Council and Committee Meetings**

The Committee considered a report setting out a proposed protocol to regulate filming and recording of public meetings by members of the public.

It was noted that, under current legislation, the Council was not required to permit the taking of photographs or to allow the audio/visual recording of any of its meetings. However there had been a number of recent occasions when officers had become aware that members of the public intended to record a council or committee meeting and recent guidance issued by the Department of Communities and Local Government set out the expectation that councils should have a presumption in favour of allowing the proceedings of public meetings to be recorded. The adoption of a protocol would provide members of the public wishing to record council or committee meetings with guidelines to be followed to ensure that any recording is not disruptive, distracting or inhibiting the meeting.

It was agreed that paragraph 1.1 of the draft protocol be amended to make it clear that it applied to the recording of public council meetings.

**RESOLVED** that, subject to the amendment of paragraph 1.1 of the draft protocol contained in Annex A of the Director of Corporate Services' report to read:

- 1.1 This protocol provides guidance to members of the public or press who wish to photograph or record proceedings at any of the Council's public meetings.

the draft protocol be recommended to Council for adoption.

#### 19. **External Audit: Audit Results Report**

The Audit Director introduced the Annual Audit Results Report 2012/13 which summarised the work undertaken to discharge the external auditor's statutory audit responsibilities

It was reported that the report contained no qualifications or uncorrected errors and that it was proposed to issue an unqualified opinion on both financial statements and value for money. The quality of the accounts which had been supported by a high quality of work by officers was also commended and the Audit Director requested that her appreciation for the co-operation of Council officers be recorded.

Members questioned the reporting thresholds used by the Auditors and how they would be made aware of any deficiencies below the reporting thresholds. It was noted that reporting levels were dependent on gross revenue streams and would therefore vary between organisations. Bracknell Forest Council's reporting thresholds were currently set at £245,000. Every fraud was reported to the Governance and Audit Committee via the Head of Internal Audit's regular reports.

**RESOLVED** that:

- i. the Audit Results Report 2012/13 be noted
- ii. the Committee's thanks be given to all officers involved with the preparation of the Financial Statements

#### 20. **Statement of Accounts 2012/13**

The Chief Accountant presented the Statement of Accounts 2012/13 which had been subjected to audit by Ernst and Young. The report summarised the key elements within the accounts.

It was reported that this was the fifteenth consecutive year that the Council had spent within its budget. Taking in to account the underspend the Council returned £2.716million to reserves. The General Fund Balance stood, on 31 March 2013, at £12.982million and the 2013/14 budget included plans to spend £4.393million of this reserve.

The Committee noted that Short Term Debtors had increased by £4.5million to £15.1million and that writing off any debt over £50,000 required the approval of the Executive.

It was noted that the large increase in the property, plant and equipment valuation was attributed to the incorporation of an extra step into the valuation process which

combined the five year rolling programme of valuations with an annual desktop valuation exercise of all plant, property and equipment. A move that gave a more accurate year on year valuation.

**RESOLVED** that:

- i. The Financial Statements 2012/13, attached as Annex A to the Borough Treasurer's report, be approved
- ii. The out-turn expenditure for the year be noted and that the provisions (£3.523million as detailed in Section 5.3 of the Borough Treasurer's report) and earmarked reserves (£18.378million as detailed in section 5.4 of the Borough Treasurer's report) be approved
- iii. The Chairman of the Governance and Audit Committee sign and date the Statement of Accounts on behalf of the Committee
- iv. The Chairman of the Governance and Audit Committee be authorised to sign and date the Letter of Representation set out in Annex B of the Borough Treasurer's report

**CHAIRMAN**

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**TO: GOVERNANCE AND AUDIT COMMITTEE  
28 JANUARY 2014**

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## **INDEPENDENT REVIEW OF TELEPHONE USAGE BY THE LEADER Director of Corporate Services – Legal**

### **1. INTRODUCTION**

- 1.1 During the summer 2013 local newspapers ran a number of articles based upon Freedom of Information requests on the cost of telephone and text usage of the Leader of the Council. One local resident also made a formal complaint.

Faced with this level of interest and a formal complaint, officers, in consultation with the Leader felt that complete transparency was needed in answering the questions raised. Consequently, the Monitoring Officer, in consultation with the Chief Executive and S151 Officer commissioned an independent report by a senior officer completely unconnected with the Council. This report places before the Committee the independent report on the review into the telephone usage of the Leader, conducted by Victoria Jackson, Senior Investigations Officer, Wokingham Borough Council.

### **2. RECOMMENDATIONS**

**The Committee is asked:**

- 2.1 **To note the report into telephone usage by the Leader.**
- 2.2 **To endorse the recommendations set out in the report.**
- 2.3 **To request that a report on implementation of the recommendations be brought to the next meeting of the Committee.**

### **3. REASONS FOR RECOMMENDATIONS**

- 3.1 Implementation of the recommendations in the report will assist in ensuring that the Council has appropriate arrangements in place for the use of Council mobile phones by Members and that the Council secures best value for such usage.

### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 None.

### **5 SUPPORTING INFORMATION**

- 5.1 In July 2013 the Council received requests, made under the Freedom of Information Act, for information as to payments made for expenses by the Council to Councillor Bettison and to Bettison Associates Limited. The response to those requests was followed by significant press coverage. A complaint was made to the Borough Solicitor (in his capacity as Monitoring Officer) alleging that the “extremely high” costs for telephone usage by the Leader constituted a breach of the Code of Conduct for Members. In

accordance with the procedures for dealing with complaints against Councillors which pertain following the introduction of the Localism Act, the Borough Solicitor met with the independent Chairman of the Standards Committee (Gordon Anderson) to consider whether or not the matter should be referred for investigation. The unanimous decision was that the complaint did not provide any basis for considering that there had been a breach of the Code of Conduct and should not be referred for investigation. However, following discussions with the Chief Executive it was decided, in light of the attention which the issue of the Leader's telephone expenses had attracted, that an independent review should be commissioned by the Council. Victoria Jackson, who is a Senior Investigations Officer at Wokingham Borough Council, was asked to conduct the review.

- 5.2 A copy of the report on the outcome of the review is attached as Annexe A. The report unambiguously states that the review found no misuse by Councillor Bettison. However, the report does make recommendations to strengthen the Council's policies and procedures relating to telephone usage by Members. It is proposed that those recommendations be accepted and that a progress report on their implementation be submitted to the next meeting of the Committee.
- 5.3 Ms Jackson has kindly confirmed that she will be in attendance at the Committee Meeting to respond to any questions which Members may have on the conduct of the review, the report and its recommendations.

## **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 Nothing to add to the report.

### Strategic Risk Assessment Issues

- 6.3 Not required.

### Other Officers

- 6.4 The Head of Audit and Risk Management advises that compliance with new policy and procedures to address recommendations raised in the independent review report will be followed up at the next audit of Member's expenses.

## **7. CONSULTATION**

### Principal Groups Consulted

- 7.1 Not applicable.

### Background Papers

None.

Unrestricted

Contact for further information

Alex Jack, Borough Solicitor – (01344) 355679

[alex.jack@bracknell-forest.gov.uk](mailto:alex.jack@bracknell-forest.gov.uk)

Doc. Ref

Aj/f/reports/Governance and Audit Committee – 28 January 2014 – Independent Review of Telephone Usage by Leader

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**INDEPENDENT REVIEW – REPORT**

**INDEPENDENT REVIEW OF THE TELEPHONE USAGE OF THE LEADER OF  
BRACKNELL FOREST COUNCIL BETWEEN 2004 - 2013**

**CONDUCTED BY**

**VICTORIA JACKSON, SENIOR INVESTIGATIONS OFFICER, WOKINGHAM  
BOROUGH COUNCIL**

**DATE – 16 JANUARY 2014**

**REPORT DISTRIBUTION**

<b>Name</b>	<b>Job Title</b>
Alex Jack	Monitoring Officer and Borough Solicitor, Bracknell Forest Borough Council

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- 5. Methodology**
- 6. Findings**
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## **APPENDICES**

- 1. Blank request form – Mobile**
- 2. Bracknell Forest Telephony Standards document**
- 3. Bracknell Forest – Mobile Phone Do's and Don'ts document**
- 4. Procedure note for processing bills**
- 5. Printout of website evidence – Area Codes – 07624**
- 6. Printout of website evidence – Area Codes - 01624**

### **Pivot Table data analysis document APPENDIX A:**

- 1. (A) SMS data analysis**
- 2. (B) Roaming SMS data analysis**
- 3. (C) Call data analysis**
- 4. (D) Roaming call data analysis**
- 5. (E) Calls to Bracknell Forest Borough Council Members analysis**
- 6. (F) Calls to Directory enquiries data analysis**

## 1. Introduction

- 1.1 On 4 July 2013 Bracknell Forest Borough Council received a freedom of information request from a Bracknell resident, Martin Wood. The request asked for the following:
  - The detailed accounts of payments made by yourselves (Bracknell Forest Council) to Councillor Paul Bettison, for all the expenses he has claimed for his time as Council Leader in charge of Bracknell Forest Council, and
  - Any other payment made by a third party other than Council duties.
- 1.2 Between 2004 – 2009 Cllr Bettison claimed reimbursement of the cost of Council related telephone calls, which he made on his business phone. Payments were made to Bettison Associates. In 2009 Cllr Bettison was provided with a Bracknell Forest Borough Council mobile Vodafone phone.
- 1.3 Democratic Services are responsible for co-ordinating payment for any personal phone calls a Councillor makes on their Bracknell Forest Borough Council phone.
- 1.4 On 26 July 2013 a response to the FOI request was sent to Mr Wood containing the details of all expenses claimed by Cllr Bettison, following this on 19 August 2013 Mr Wood entered a complaint on the Bracknell Forest Borough Council Website. Mr Wood complains that after reviewing the data supplied by the FOI request, he finds the repayment costs paid to Councillor Bettison in respect of his mobile phone usage as “*extremely high*” and comments on “*the possible misuse and irregularities of public funds for which can only be seen as one’s personal gain*”. Mr Wood highlighted in his complaint that between 2004 – 2010 the leader was paid £23,812.82 in mobile phone expenses, which is approximately £4,000 per annum.
- 1.5 The Monitoring Officer and the Chairman of the Standards Committee have decided that there is no basis for referring Mr Wood’s complaint for investigating under the Council’s procedures for determining complaints alleging a breach of the Code of Conduct for Members. However, the Council has decided that the matter of the Leader’s telephone expenses should be the subject of an independent review. The Terms of Reference for the review was agreed with the Monitoring Officer on 7 October 2013, it was agreed that an independent review report would be produced for the January 2014 Audit Committee.
- 1.6 This report makes recommendations to review the process of reviewing Members mobile phone usage, in order to give clarity and transparency. This review has found no misuse by Cllr Bettison.

## 2. Member Details

- 2.1 Cllr Bettison became Leader of Bracknell Forest Borough Council in May 1997.

## 3. Relevant Policies and Procedures

- 3.1 The following Policies and Procedures have been used for the investigation:
  - Procedure notes for processing bills (last updated October 2012);
  - Bracknell Forest Telephony Usage Standards (last updated March 2013);
  - 2003 Members Allowance Scheme;
  - 2004 Members Allowance Scheme;
  - April 2005 Members Allowance Scheme;
  - March 2006 Members Allowance Scheme;
  - May 2006 Members Allowance Scheme;

- December 2006 Members Allowance Scheme;
- May 2007 Members Allowance Scheme;
- August 2007 Members Allowance Scheme;
- September 2007 Members Allowance Scheme;
- February 2008 Members Allowance Scheme;
- September 2008 Members Allowance Scheme;
- March 2009 Members Allowance Scheme;
- April 2009 Members Allowance Scheme;
- April 2010 Members Allowance Scheme;
- 2010 Members Allowance Scheme; and
- April 2012 Members Allowance Scheme.

## 4. Outline of review

- 4.1 This review seeks to answer the following points as agreed with the Monitoring Officer of Bracknell Forest Borough Council:
- What guidance on the usage of mobile phones are Members provided with?
  - What was the authorisation process for Cllr Bettison using his personal business phone between 2003 – 2009? Were expenses claimed and reimbursed in accordance with that process?
  - What is the authorisation process for the current checking procedure for Members mobile phone bills, including how Democratic Services co-ordinate payment for any personal phone calls a Member makes on their Bracknell Forest Borough Council Phone?
  - How often are the Leader’s telephone bills reviewed to ascertain whether he is on the most cost effective tariff for the authority; and
  - How frequently should the arrangement for the processing of identifying the Leader’s personal telephone calls be reviewed?
  - Is there any evidence to support the contention that there was misuse of a Council mobile phone and irregularities of public funds arising from payments made in respect of Councillor Bettison’s telephone usage?

## 5. Methodology

- 5.1 I have taken into account a range of documentary evidence, including:
- Councillor complaints form sent by Martin Wood in relation to Cllr Bettison’s telephone usage, dated the 19 August 2013;
  - Cllr Bettison’s Declaration of Interest;
  - Mobiles blank request form;
  - Bracknell Forest Borough Council Councillors contact details list;
  - Cover sheets for Cllr Bettison’s personal phone bills (that incurred business usage) for the period 2004 – 2009. Itemised bills were requested for this review though the mobile phone company were not able to provide them to Cllr Bettison;
  - Cllr Bettison’s telephone bills for his Bracknell Forest Borough Council mobile phone. It has been agreed by the Monitoring Officer that quarters would be sampled from each year for analysis. The following bills have been sampled for the years 2009 – 2013:
    - 2009 – January – March



- 2010 – April – June
  - 2011 – July – October
  - 2012 – September – December
  - 2013 – January – March
- Members Allowance Scheme audit reports containing recommendations relating to Member's mobile phone expenses. The following audit reports were considered:
    - Members Allowance Scheme Audit 2005 – 2006;
    - Members Allowance Scheme Audit 2007 – 2008: Final issued 13 November 2007;
    - Members Allowance Scheme Audit 2008: Final issued 18 December 2008;
    - Members Allowance Scheme Audit 2009: Final issued 14 May 2009;
    - Members Allowance Scheme Audit 2010: Final issued 21 June 2010; and
    - Members Allowance Scheme Audit 2012: Final issued 6 February 2013.

I have also considered the following interview summaries:

- Summary of interview with Chris Herbert, ex Borough Treasurer, 25 October 2013;
- Summary of interview with Ann Moore, Head of Democratic and Registration Services, 6 November 2013;
- Summary of interview with Alison Sanders, Director of Corporate Services, 6 November 2013;
- Summary of interview with Pat Keane, Head of I.T, 14 November 2013; and
- Summary of interview with Cllr Paul Bettison, 2 December 2013.

## 6. Findings

6.1 The purpose of the following section is to present and assess the evidence gathered in order to make recommendations.

### 6.2 **What guidance on the usage of mobile phones are Members provided with?**

6.2.1 Upon applying for a Bracknell Forest Borough Council mobile phone (or Blackberry); Members are expected to fill out a business justification for the requests and sign to confirm the following declarations:

- I will be the only person using the mobile phone.
- I will be responsible for the security of the mobile phone and if it is lost or mislaid it will be my responsibility to ensure that the ICT Helpdesk and Vodafone are notified immediately.
- I note that my use of the mobile phone will be reviewed on a regular basis.
- I agree to return the mobile phone to the Head of Democratic and Registration Services if I cease to be a Councillor or at the request of the Leader following a review or change in circumstances.

(See [Appendix 1](#) for a full copy of the document)

6.2.2 There is guidance available on the Council's intranet site 'Boris' aimed at staff, Bracknell Forest Telephony Usage Standards was last updated in March 2013. Section 10.1 of the document entitled Private Use states the following (See [Appendix 2](#) for a full copy of the policy):

*Mobile phones and Blackberries – These are issued to those employees who need one to ensure the efficient discharge of their duties. The cost (or reasonable estimate of the cost) of personal calls and texts must be reimbursed to the Council. Inappropriate or improper use of a mobile phone will result in appropriate disciplinary action being taken against the employee.*

- 6.2.3 There is a document given to new mobile phone users called Bracknell Forest Mobile Phone – Do's and Don'ts. The document was put in place 18 months ago as part of the Council's flexible and mobile project. Pat Keane, Head of IT has advised that this document was not circulated to those Officers and Members already in possession of a Council mobile phone. (See Appendix 3 for the document). However, the Bracknell Forest Telephony Standards has been circulated to all Officers and Members.
- 6.2.4 Ann Moore, Head of Democratic and Registration Services has advised the review that the Bracknell Forest Telephony Usage Standards document is aimed at staff and there isn't a differentiated one for Members.
- 6.2.5 **Summary of findings:** There is no guidance on mobile phone usage within the Council's IT Acceptable Usage Policy for Members. There is not currently a process in place to alert Members to the expected standards of mobile phone use when they receive one, other than the brief declaration on the request form as detailed in paragraph 6.2.1. The Bracknell Forest Telephony Standards document refers to mobile phone usage, though this only applies to Officers. The Bracknell Forest – Mobile Phone Do's and Don'ts document was created 18 months ago but has not been circulated to those who already had been given a Council Phone.
- 6.2.6 **Suggested Recommendations:**
1. The current arrangements in place to give guidance; Bracknell Forest Mobile Phone Do's and Don'ts should become part of the Telephony Standards and issued to all existing Council mobile phone users.
  2. It is recommended that the Council's IT Acceptable Usage Policy is developed to also contain acceptable mobile phone usage, to give clarity and transparency. Members should be required to declare their understanding of the policy once circulated.
- 6.3 **What was the authorisation process for Cllr Bettison using his personal business phone between 2003 – 2009? Were expenses claimed and reimbursed in accordance with that process?**
- 6.3.1 On 25 October 2013, an interview was held with ex Borough Treasurer Chris Herbert who was in post from 1997 until he retired in September 2011. Chris Herbert explained that the previous Chief Executive Gordon Mitchell had approved the leader using his own telephone and claiming expenses. Chris Herbert said that in around 2003, it was suggested that Cllr Bettison transfer his existing phone over to a Council contract. However, this would have caused difficulties as he would have had to have a new telephone number which would be extremely impractical. At this point in time it was not easy to transfer contracts and be able to retain the same phone number.
- 6.3.2 In interviews Chris Herbert, Ann Moore, Alison Sanders, Director of Corporate Services and Pat Keane, Head of IT all commented that Cllr Bettison had very high mobile phone usage in his day to day working life as he was often travelling around both for his work and his role as Leader of the Council and use of a mobile phone was essential to him.
- 6.3.3 It was explained that through his business Cllr Bettison had a mobile phone that had a tariff with the maximum number of minutes possible. Cllr Bettison did not want to have two mobile phones, so it was agreed that money for Council related calls would be paid to his company (as the phone was registered under Bettison Associates) for use of his company mobile phone for council business. Chris Herbert stated in the interview that it would not

have been correct for the expenses to be paid personally to Cllr Bettison as he did not pay for the phone; it was paid for by Bettison Associates.

- 6.3.4 Chris Herbert recalled that expenses claims were not received regularly from Cllr Bettison and they occurred at irregular intervals. Whilst the above arrangement was in place, it was identified that it seemed odd that the council was paying Bettison Associates and also queried the amounts paid. Chris Herbert stated that he was unsure if he was directly asked to get involved with the query or if he was assisting and working with the Head of Democratic Services, but he was involved with working out a better process for payments made to Cllr Bettison. A review was undertaken with a sample number of bills to assess Council use of his business mobile to agree a split to be applied to future bills.
- 6.3.5 Chris Herbert explained that arrangements were that the Leader's telephone expenses were reviewed monthly, but it was agreed that due to the lengths of Cllr Bettison's phone bills, he would not submit each bill monthly for review but submit sample bills as "*otherwise it would be far too much work for someone to go through every bill*". Chris Herbert cannot recall when this process was introduced but it did apply after the review where his private use was assessed and an agreed split was agreed.
- 6.3.6 During his interview on 2 December 2013 Cllr Bettison explained that he already had a mobile phone when he became Leader. He stated that it was neither convenient for him, nor for callers, to operate two mobile phones. Cllr Bettison was able to demonstrate that he had a 'package deal' on his own mobile because at that time he owned his own company, Graphic Systems International. Cllr Bettison advised that over a 12 month period he never exceeded the package of calls.
- 6.3.7 As advised in interview by Chris Herbert, Cllr Bettison stated that the suggestion was that if he continued to pay for the package, the Council would pay for any Council additional calls. Cllr Bettison paid around £60 per month which gave him 3,000 minutes or texts, depending on what usage had been made. Cllr Bettison continued to pay the basic amount of £60 and explained that if there were some spare "the Council can have the unused ones, and the Council would pay for any more (over the package price)". This continued up until the point at which Cllr Bettison closed Graphic Systems International around 10 years ago. After this Graphic Systems ceased trading and Bettison Associates took over the contract. Bettison Associates continued the same arrangement with the Council. Cllr Bettison stated in interview that the main reason for not using a personal phone and a Council mobile phone is that it would have been impractical for him to have two phones.
- 6.3.8 Ann Moore became Head of Democratic and Registration Services in March 2007. Ann explained in interview on 6 November 2013 that pre 2009 Cllr Bettison's phone usage was not dealt with by Democratic Services as other members' phones were. The Leader would submit an invoice from Bettison's Associates for any council work that his personal phone was used for and an invoice would be paid. It was agreed that the Leader would pay a contribution for his own personal use to the bill which Ann believes to have been around £40, so Cllr Bettison would take the contribution off the bill and then submit the invoice. The bills would be certified annually.
- 6.3.9 When Ann Moore began working for the Council in 2007 this arrangement was already in place. Ann Moore explained that this arrangement was managed by the Borough Treasurer Chris Herbert who also had overall responsibility for IT at the time. Ann Moore stated in interview that though unusual, the arrangement at the time seemed to work well for the Council as they did not have to provide Cllr Bettison with a device which saved some money.
- 6.3.10 Between 2005-2008 the number of mobile phones used by the Council had dramatically expanded, which put them in a better position to negotiate and get a more cost-effective contract with Vodafone. In 2009 Cllr Bettison transferred from using his personal business phone for Council calls to a Bracknell Forest Borough Council mobile phone. This was as a

result of audit recommendations. Cllr Bettison was able to retain his telephone number, and a cheaper deal was negotiated.

6.3.11 Recommendations were made following Members Allowance Scheme audits around the verification of expense claims. Audits between 2007 – 2009 commented on Members claims for mobile phone usages with recommendations being made which had an impact on future Members Allowance Schemes.

6.3.12 Excerpts from the following audits show relevant findings and recommendations:

Members Allowance Scheme 2007 – 2008 Audit – Final Report issued 13 November 2007

*With reference to mobile phone usage specifically, Members who use Council provided mobile phones are required to respond to the Support Assistant directly if their bill is over £35, to detail if any calls on the statement are personal and to then provide payment for those calls. Audit confirmed for a sample of five mobile phones assigned to Members, two statements had been sent to the Member and no evidence was obtained to confirm whether payment was due for personal calls. A further two Members returned payments for personal calls, but this payment was received by the Council over six months after the Member had received the original statement, without supporting evidence to highlight the personal calls concerned. For the final Member who uses a personal mobile phone for Member duty, invoices from the Members own business, are being issued directly to the Support Assistant at BFBC without formal authorisation, are not supported by detailed phone usage and are not issued using the official expense claim vouchers. The monthly phone bills invoiced range from £155 to £1200 per month. Two recommendations have been proposed to tighten the control on mobile phone usage.*

Members Allowance Scheme 2008 Audit – Final Report issued 18 December 2008

REC07: Evidence maintained of the review of the expense claim forms prior to payment

*On a quarterly basis, Members should review their mobile phone statement and within two months of receiving their bill, return their statement having highlighted calls which are not related to Member duties and provide payment for those calls to the Support Assistant. Where Members have their own mobile phone and calls are billed back to the Council the same rules apply. Personal calls should be highlighted and removed from the expense total and a Members Expense Claim form should be completed and submitted to the Senior Democratic Services Officer from approval and processing.*

6.3.13 In relation to the Members Allowance Scheme itself there was no mention to Members mobile phone expenses before the audit recommendations in 2007. The following addition was made regarding Members mobile phones in the February 2008 update of the scheme, which continues to appear through to April 2012:

February 2008 Members Allowance Scheme:

14. Provision of information and computer technology (ICT)

*Members will be sent statements periodically in order for them to review their bills and pay for all personal calls. Payment to be received within two months of receipt of the bill.*

*In exceptional circumstances claims for personal mobile usage for Council work will be accepted, with the approval of the Director of Corporate Services. Claims must be submitted on a Members' Allowances claim form supported by the relevant mobile phone bill. Claims must be made within two months of receipt of the bill.*

6.3.14 In interview Pat Keane said that he remembered Chris Herbert mentioned having discussed with Cllr Bettison the use of his personal phone for business use. Pat Keane stated that in

2009 it was then possible to put Cllr Bettison on a corporate contract with Vodafone. Pat Keane stated that Chris Herbert dealt with the facilitation of this as he was a Senior Officer.

- 6.3.15 **Summary of findings:** Chris Herbert has advised that the arrangement for the reimbursement of the Leader's telephone expenses was agreed with the ex-Chief Executive, Gordon Mitchell. As ex Borough Treasurer, Chris Herbert facilitated this and was aware the process had been agreed. Cllr Bettison claimed expenses for that period in accordance with the agreed process.
- 6.4 **What is the authorisation process for the current checking procedure for Members mobile phone bills, including how Democratic Services co-ordinate payment for any personal phone calls a Member makes on their Bracknell Forest Borough Council phone?**
- 6.4.1 Member Services receive itemised bills quarterly. The Council pays for the quarterly charge for the phone and for all other calls other than personal calls. On a quarterly basis, Members should review their mobile phone statement and within two months of receiving their bill, return their statement having highlighted calls which are not related to Member duties and provide payment for those calls to the support assistant, Joanna Benham.
- 6.4.2 Unlike other Councillors, Cllr Bettison does not inspect the full bill to confirm whether there are non-council related calls. This is due to the fact the bills can run to 300 pages long per quarter. Cllr Bettison has provided Member Services with two prefix numbers 01624 and 07624, which Cllr Bettison has advised are land line and mobile prefixes' for numbers linked to the Isle of Man where he has family and visits regularly. Another member pays a £50 contribution every quarter, which is over what his actual usage would probably be, but he prefers to do this rather than go through his phone bills.
- 6.4.3 There is now an annual review within Member Services to ensure the numbers provided by Cllr Bettison have not changed, the last check took place in July 2013.
- 6.4.4 The personal calls are extracted from the bills and totalled. If the amount is less than £25 is rolled over until the amount exceeds £25 at which point an invoice is raised for Bettison Associates. The standard connection charge is £2 per month (£6 per quarter). For all periods analysed as part of this review the mobile phone tariff was the standard Council tariff, which does not include any free minutes or texts as the standard tariff is considered to be best value across the Council.
- 6.4.5 Member Services have created a procedure document called 'Procedure note for processing bills' which was last updated in October 2012. This document shows two different ways of processing payment for Members personal calls; the Leader and other Members. (A copy of the procedure document is available as [Appendix 4](#))
- 6.4.6 Following Cllr Bettison being given a Council contract mobile phone in 2009 there continued to be findings and recommendations around Members mobile phone expenses. The main comment in audit reports from 2010 – 2012 was that the process for Cllr Bettison's personal telephone calls was exceptional in comparison to other Members.
- 6.4.7 In interview on 6 November 2013 Alison Sanders, Director of Corporate Services stated *"the recommendation in the 2009 Audit report was followed and the Leader's phone was changed to a council phone included on the corporate contract. He submitted a list of personal numbers that he would use his council phone for and said that all other numbers would be for council business and this is how it has operated since. Every quarter Cllr Bettison reimburses the council for his personal calls"*.
- 6.4.8 In the Members Allowance Scheme Audit 2010 (final issued 21 June 2010) it was highlighted that up until late October 2009 the Councils IT department managed and monitored the quarterly statements for Members using mobile phones, Blackberry's and

internet. Following this date Democratic and Registration Services took over. A recommendation was made from this audit that mobile phone statements should be sent to Members in a timely manner.

- 6.4.9 In the Members Allowance Scheme 2013 Audit (final report issued 25 June 2013) it was identified that all Councillors apart from 'Councillor One' referring to Cllr Bettison were required to *"declare all personal calls on a quarterly basis following the download of each bill by the Democratic Services Assistant"*. The audit confirmed that was a *"special arrangement in place with regard to recharging personal calls to Councillor one from the quarterly Council bill run. The Democratic Services Assistant is required to download the bill and review this, Councillor one is recharged for the costs associated with these numbers specified as his personal calls"*.
- 6.4.10 Recommendation 11 of the above audit report noted that the agreement was made in September 2010 and had not been reviewed since; the audit recommended a review of this process.
- 6.4.11 **Summary of findings:** This review sought to ascertain who had authorised the Leader to identify and pay for personal calls in a different way to other Members. Ann Moore advised that it was a historic decision that she understands Chris Herbert made when facilitating the transfer of Cllr Bettison from his personal phone to a Council contract phone. Chris Herbert was unable to confirm whether he made the decision though the review can confirm that it was agreed with Democratic Services that this was the preferred way of identifying his personal calls due to the volume of the bills. In interview Alison Sanders advised that she was aware there had been this agreement, as detailed in paragraph 6.4.7.
- 6.4.12 In relation to how Member Services within Democratic and Registration Services co-ordinate payment for any personal phone calls a Members, this review has found there is a different process being operated for Cllr Bettison and one other Member (who pays a fixed amount quarterly for personal calls) as opposed to other Members as detailed in paragraph 6.4.2.
- 6.4.13 **Suggested Recommendation:**
1. It is recommended that the Council decide on and document the procedure for the checking and processing personal mobile phone calls for Members when they appear on the Council quarterly phone bills, to give clarity and transparency to the process. There may be different ways for different Members, though this should be documented.

**6.5 How often are the Leader's telephone bills reviewed to ascertain whether he is on the most cost effective tariff for the authority; and**

**How frequently should the arrangement for the processing of identifying the Leader's personal telephone calls be reviewed?**

- 6.5.1 Ann Moore advised in interview that a form is filled in as a business justification for someone either Member or Officer requesting a phone, which states that usage will be reviewed regularly. The main reason for this was actually to see if people had a need for a phone. Ann explained that if their usage was minimal, then the council would take the phone back and then a saving would be made from not paying for a phone that was not being used. The review was to look at non-usage rather than excess usage. Ann elaborated that to Democratic Services it was clear that the Leader was a high volume user and they did want to find a cheaper solution but there were problems as the council has a specific contract that Cllr Bettison's sort of usage would not fit in to.
- 6.5.2 When analysing the mobile phone bill data of Cllr Bettison the review has found that there is a system whereby he could send text messages to a Council computer that would be received as an email, though would still incur the cost to the Council as a text message as his mobile phone does not have an email function.
- 6.5.3 The data showed that on some occasions texts messages were being sent only a matter of seconds apart at great volume, this is Cllr Bettison sending group text messages to other Members, for example the Conservative Group. This incurred a charge not only to every individual sent but for the length of the text message should it have gone over the default number of characters permitted in one text message. Cllr Bettison commented that since the original Freedom of Information Request entered by the member of the public, he has learnt that if there were twenty people in a group the Council could incur costs for 60 text message.
- 6.5.4 As a result of this finding the review suggested to the interviewees the possibility of Cllr Bettison being supplied with a Blackberry device. Cllr Bettison confirmed that he had use of a Blackberry with email function for his role in the LGA. Cllr Bettison stated that there are advantages to using a mobile phone and sending texts as opposed to a Blackberry. Cllr Bettison stated that very often messages are quite short and putting together a group on the Blackberry is more difficult than keeping it on the phone.
- 6.5.5 Both Alison Sanders and Pat Keane confirmed that Cllr Bettison had been offered a Blackberry. Pat Keane advised that Cllr Bettison had been reminded about the number of characters in a single text message.
- 6.5.6 Alison Sanders stated that the Council's mobile phone corporate contract tariffs are reviewed every 2 years, and the tariff that is best council-wide is considered. The Leader had not been picked out as a special user whose extraordinary use did not 'fit' into the Council's tariff. The Council's tariff covers 983 handsets of whom 218 use a Blackberry and 765 use standard mobile phones; Cllr Bettison is the highest phone user.
- 6.5.7 Pat Keane confirmed that in the past the corporate tariff had always stayed the same for everyone as it is a corporate contract. Pat advised that an exercise had taken place in the summer last year to secure a new corporate contract until August 2014. A review of the corporate contract and tariff was undertaken at least every 2 years. It is currently the most cost effective tariff for the Council's overall use. He advised that IT will be using the government procurement framework to ascertain which future potential suppliers could be used for future mobile phone contracts.

- 6.5.8 It has been confirmed that since the beginning of this review, a review exercise with Vodafone has revealed that for one quarter (billing month October 2013) Cllr Bettison's mobile phone usage was 10% of all Council usage. Following this report was received from Vodafone, IT have now negotiated a £10 per month bundle with Vodafone inclusive of unlimited calls and texts for the Leader. There are no other users who are close to this volume of calls.
- 6.5.9 **Summary of findings:** This review has established that it has been acknowledged there had been a failure in not recognising Cllr Bettison as an exceptional user earlier and not making other contract arrangements, but this has now been rectified. There is only one tariff for whole Council, which was not suitable for his usage, hence why alternative arrangements of the £10 per month contract had to be made separately for him to reduce cost. The review has found no evidence to suggest regular checks are made to monitor individual high volume Member user's mobile phone usage in order to ascertain whether the tariff is the most cost effective. The review detailed in paragraph 6.5.8 indicated that Cllr Bettison's usage is 10% of Council usage, though there is no evidence to suggest this check has been carried out prior to this.
- 6.5.10 **Suggested Recommendations:**
1. It is recommended that the Council consider whether there are any additional Officers or Members deemed as high users who should be transferred to a similar contract as Cllr Bettison, leading to increased savings.
  2. It is recommended that the Council improve its policy for the regular review of the cost of mobile phone usage to pick up individual Member high users, in order to give clarity and demonstrate transparency.
- 6.6 **Is there any evidence to support the contention that there was misuse of a Council mobile phone and irregularities of public funds arising from payments made in respect of Councillor Bettison's telephone usage?**
- 6.6.1 There was insufficient data available to review and analyse the data for the period 2004 – 2009 as Cllr Bettison no longer had the full itemised bill information available. Cllr Bettison requested these from Vodafone though they were unable to provide the information dating back.
- 6.6.2 There were only 'expenses' paid between 2004 – 2009, as Cllr Bettison was invoicing the authority for Council related calls. After Cllr Bettison was given a Council mobile phone in 2009 there were no expenses paid in relation to the bills, he was required to reimburse the authority for personal calls and texts.
- 6.6.3 Raw data was obtained from Member Services within Democratic and Registration Services, in the form of itemised bills for each quarter of each year between 2009 – 2013 for Cllr Bettison's Council mobile phone. The bills obtained had not yet been processed by Members Service so the two prefixes of 01624 and 07624 were present.
- 6.6.4 It was agreed with the Monitoring Officer that due to the volume of the telephone bills that a quarter per year would be sampled and analysed in order to ascertain whether there is any evidence to support the contention that there was a misuse in order to gain, on the part of Cllr Bettison in respect of his mobile telephone usage. The following periods were sampled:
- 2009 – January – March
  - 2010 – April – June
  - 2011 – July – October
  - 2012 – September – December
  - 2013 – January – March



- 6.6.5 Both Pivot table and Excel spreadsheet analysis has be used in order to analyse the data, the data has been separated into the below sections (full pivot table methodology is available in Appendix A)
- 6.6.6 (A) SMS data analysis;  
(B) Roaming SMS data analysis;  
(C) Call data analysis;  
(D) Roaming call data analysis;  
(E) Calls to Bracknell Forest Borough Council Members analysis;  
(F) Calls to Directory enquiries data analysis.

#### **(A) SMS data analysis**

- 6.6.7 Pivot table (A) shows SMS data analysis of Cllr Bettison's mobile phone bills. The analysis showed a large number of text messages are being sent, which is due to the volume of group messages Cllr Bettison sends.
- 6.6.8 The total cost of all calls and texts sent and received for the whole period was £2818.44, with £2049.49 being text messages either sent or received. This is supported by evidence when looking at the bills that there are multiple text messages as mentioned in paragraph 6.6.10, Cllr Bettison mainly uses his phone for sending group text messages as an alternative to email and because this is deemed as the most convenient form of communication for Cllr Bettison. (Appendix A – details Pivot table (A)).
- 6.6.9 The lowest cost per quarter is £123.06 for the period January – March 2009, with the highest being £682.37.
- 6.6.10 The following breakdown of costs has been established:
- SMS Incoming - £35.47 (Pivot table A.1 shows a breakdown of costs per quarter in Appendix A)
  - SMS Outgoing - £1960.22 (Pivot table A.2 shows a breakdown of costs per quarter in Appendix A)
  - SMS Foreign Leg - £53.75 (Pivot table A.3 shows a breakdown of costs per quarter in Appendix A)

(Meaning of SMS Foreign Leg: When you are roaming, you are charged for example for all outgoing calls as well as the international 'leg' of incoming calls or texts).

#### **(B) Roaming SMS data analysis**

- 6.6.11 Pivot table (B) shows roaming SMS data analysis of Cllr Bettison's mobile phone bills. Cllr Bettison has paid for all of the costs incurred sending text messages to the prefix 07624.
- 6.6.12 The cost of text messages sent to the prefix Cllr Bettison identified as private - 07624 for the whole period sampled is £419.10 out of the total cost of £2049.43 as detailed in Pivot table (A). The lowest cost per quarter being £25.15 between January - March 2009 against the highest cost per quarter being £154.69 between July – October 2011. (Appendix A – details Pivot table (B)).
- 6.6.13 Checks have been made and the review can confirm that the prefix 07624 applies to all Isle of Man mobile telephone numbers. The prefix is operated by Manx Telecom and evidence of this was obtained at <http://www.area-codes.org.uk/07624-numbers.php> (Printout of website evidence available as Appendix 5)

#### **(C) Call data analysis**

6.6.14 Pivot table (C) shows call data analysis of Cllr Bettison's mobile phone bills.

6.6.15 The cost of all calls during the whole period sampled being £769.01. The lowest cost per quarter being £40.98 between January – March 2009 and the highest being £322.04 for the period July – October 2011. (Appendix A – details Pivot table (C)).

#### **(D) Roaming call data analysis**

6.6.16 Pivot table (D.1) shows the cost of roamed outgoing calls and the cost of calls to the Isle of Man landline prefix Cllr Bettison identified as private - 01624. The total cost of all roamed outgoing calls for the whole period sampled was £290.33 and incoming was £95.19.

6.6.17 Pivot table (D.2) shows the cost of calls to the Isle of Man mobile prefix 07624. For the whole period sampled the cost of the calls to numbers with the above prefix was £57.20, with the lowest cost per quarter being £3.91 against the highest cost per quarter as £21.09 for the period July – October 2011.

6.6.18 It can be confirmed that checks were made using the website: <http://www.area-codes.org.uk/01624-numbers.php> which confirmed that 01624 was a prefix for an Isle of Man landline number. Cllr Bettison was invoiced for and paid for these personal calls. (See Appendix 6 for printout)

#### **(E) Calls to Bracknell Forest Borough Council Members analysis**

6.6.19 The review was given authorisation to obtain all contact details for Bracknell Forest Borough Councillors, including landline, work and a mobile numbers. Out of all 92 Cllr contact details only ten numbers were not contacted either via text or phone during the period. This shows the review that Cllr Bettison is clearly active in communicating with colleagues and again demonstrates the sheer number of phone calls and text message Cllr Bettison makes as part of his daily Council business.

#### **(F) Calls to Directory enquiries data analysis**

6.6.20 Pivot table (F) shows for the whole sampled period the total cost for calls to Directory Enquiries comes to £50.94, with the highest expenditure for one quarter being £28.57. Cllr Bettison advised that he uses Directory Enquiries by calling, asking for a number and being put straight through. (Appendix A – details Pivot table (F)).

#### **6.6.21 Further Findings**

6.6.22 Cllr Bettison confirmed that the only personal calls he had made or texts he had sent had been to numbers with the two prefixes that he has identified as personal. When asked if he had ever made any other personal calls, he said *“very rarely – perhaps the dentist occasionally”*.

6.6.23 As identified in paragraph 6.3.2 all interviewees stated that whilst Cllr Bettison's usage is extremely high, this is due to the nature of his role. Cllr Bettison advised that he uses his in-car hands free system to speak to people on Council business in between meetings.

6.6.24 Cllr Bettison said *“To get maximum use of my time, I schedule calls during travel and times waiting between meetings, and in London when there is perhaps a 2 hour gap. I don't often make calls in the office – that is when I meet people in person.”* This gives context to the number of calls and texts identified in the sampled period.

6.6.25 **Summary of findings:** The review has found no evidence to support the contention that there was misuse of a Council mobile phone and irregularities of public funds arising from payments made in respect of Councillor Bettison's telephone expenses. Whilst the review has not entailed interrogating each telephone number, the detailed analysis has not indicated any anomalies that have not been explained. Whilst Cllr Bettison did advise that he "very rarely" on the balance of probabilities an occasional call cannot be deemed as misuse.

## 7. Recommendations

7.1 The following recommendations are as a result of the findings of the independent review:

### **Guidance on usage of mobile phones for Members**

1. The current arrangements in place to give guidance; Bracknell Forest Mobile Phone Do's and Don'ts should become part of the Telephony Standards and issued to all existing Council mobile phone users.
2. It is recommended that the Council's IT Acceptable Usage Policy is developed to also contain acceptable mobile phone usage, to give clarity and transparency. Members should be required to declare their understanding of the policy once circulated.

### **Authorisation process for the current checking procedure for Members mobile phone bills**

1. It is recommended that the Council decide on and document the procedure for the checking and processing personal mobile phone calls for Members when they appear on the Council quarterly phone bills, to give clarity and transparency to the process. There may be different ways for different Members, though this should be documented.

### **Frequency of the review of Members mobile telephone usage and cost to the Council**

1. It is recommended that the Council consider whether there are any additional Officers or Members deemed as high users who should be transferred to a similar contract as Cllr Bettison, leading to increased savings.
2. It is recommended that the Council improve its policy for the regular review of the cost of mobile phone usage to pick up individual Member high users, in order to give clarity and demonstrate transparency.



**APPENDIX A – PIVOT TABLE DATA ANALYSIS**

**INDEPENDENT REVIEW OF THE TELEPHONE USAGE OF THE LEADER OF  
BRACKNELL FOREST COUNCIL BETWEEN 2004 - 2013**

**CONDUCTED BY**

**VICTORIA JACKSON, SENIOR INVESTIGATIONS OFFICER, WOKINGHAM  
BOROUGH COUNCIL**

**DATE – 16 JANUARY 2014**

**REPORT DISTRIBUTION**

<b>Name</b>	<b>Job Title</b>
Alex Jack	Monitoring Officer and Borough Solicitor, Bracknell Forest Borough Council

## Introduction

This appendix shows the detailed findings in relation to the pivot table data analysis which was carried out as part of this review:

- (A) SMS data analysis;
- (B) Roaming SMS data analysis;
- (C) Call data analysis;
- (D) Roaming call data analysis;
- (E) Calls to Bracknell Forest Borough Council Members analysis; and
- (F) Calls to Directory enquiries data analysis.

## Additional Information

### Pivot table data analysis of Cllr Bettison's Bracknell Forest Borough Council mobile phone bills 2009 – 2013:

#### (A) SMS data analysis

#### SMS Data Analysis:

Cost of SMS messages sent and received for each invoiced period:

Sum of Charge Amount (£)	
Invoice Period	Total
April - June 2010	636.66
Jan - Mar 2009	123.06
January - March 2013	305.99
July - October 2011	682.37
September - December 2012	301.37
Grand Total	2049.43

Breakdown of costs:

- SMS received whilst roaming – 0
- SMS Incoming - £35.47
- SMS Outgoing - £1960.22
- SMS Foreign Leg - £53.75

SMS Incoming:

Sum of Charge Amount (£)	
Invoice Period	Total
April - June 2010	11.28
Jan - Mar 2009	1.28
January - March 2013	2.50
July - October 2011	12.50
September - December 2012	7.92

Grand Total	35.47
-------------	-------

SMS Outgoing:

Sum of Charge Amount (£)	
Invoice Period	Total
April - June 2010	625.38
Jan - Mar 2009	68.03
January - March 2013	303.49
July - October 2011	669.87
September - December 2012	293.45
Grand Total	1960.22

SMS Foreign Leg:

Sum of Charge Amount (£)	
Invoice Period	Total
April - June 2010	0.00
Jan - Mar 2009	53.75
January - March 2013	0.00
July - October 2011	0.00
September - December 2012	0.00
Grand Total	53.75

(Method: for each of the above pivot tables the invoice period was selected first, followed by charge amount, followed by destination being; SMS Incoming, SMS Outgoing, SMS Foreign Leg)

**(B) Roaming SMS data analysis**

SMS sent to 7624 (Prefix identified as personal number):

Sum of Charge Amount (£)	Destination		
Invoice Period	SMS - Outgoing	SMS Foreign Leg	Grand Total
April - June 2010	131.968	0	131.97
Jan - Mar 2009	13.755	11.395	25.15
January - March 2013	55.922	0	55.92
July - October 2011	154.69	0	154.69
September - December 2012	51.374	0	51.37
Grand Total	407.709	11.395	419.10

(Method: for the above pivot table the invoice period was selected first, followed by charge amount, followed by destination being, followed by destination; SMS Outgoing and SMS Foreign Leg, followed by dialled number searching for all numbers beginning with 07624)

### **Call data analysis**

Cost of all calls made during the tested periods:

Sum of Charge Amount (£)	
Invoice Period	Total
April - June 2010	194.97
Jan - Mar 2009	40.98
January - March 2013	71.93
July - October 2011	332.04
September - December 2012	129.09
Grand Total	769.01

### **(C) Roaming call data analysis**

Cost of outgoing calls to 7624 during the identified period:

Sum of Charge Amount (£)	
Invoice Period	Total
April - June 2010	9.17
Jan - Mar 2009	5.22
January - March 2013	3.91
July - October 2011	21.09
September - December 2012	17.82
Grand Total	57.20

Cost of outgoing calls to 01624:

Sum of Charge Amount (£)	Destination			Grand Total
	Isle of Man	Other Mobile Network	Roamed Outgoing	
April - June 2010	0.621		2.605	3.226
Jan - Mar 2009			1.124	1.124
January - March 2013		0.129	0.746	0.875
July - October 2011		4.708	21.556	26.264
September - December 2012		1.437	1.744	3.181
Grand Total	0.621	6.274	27.775	34.67

(Method: for the above pivot tables the invoice period was selected first, followed by charge amount, followed by destination being, followed by destination; Isle of Man followed by selecting dialled number beginning with;07624 or 01624)

### **(D) Calls to Bracknell Forest Borough Council Members analysis**

Confidential data due to personal numbers being analysed.

**(F) Calls to Directory enquiries data analysis**

Sum of Charge Amount (£)	
Invoice Period	Total
January - March 2013	3.333
July - October 2011	28.574
September - December 2012	19.028
Grand Total	50.935

(Method: for the above pivot tables the invoice period was selected first, followed by charge amount, followed by destination being, followed by destination; Directory Enquiries)





**APPENDICES**

**INDEPENDENT REVIEW OF THE TELEPHONE USAGE OF THE LEADER OF  
BRACKNELL FOREST COUNCIL BETWEEN 2004 - 2013**

**CONDUCTED BY**

**VICTORIA JACKSON, SENIOR INVESTIGATIONS OFFICER, WOKINGHAM  
BOROUGH COUNCIL**

**DATE – 16 JANUARY 2014**

**REPORT DISTRIBUTION**

<b>Name</b>	<b>Job Title</b>
Alex Jack	Monitoring Officer and Borough Solicitor, Bracknell Forest Borough Council

## Contents

1. **Blank request form – Mobile**
2. **Bracknell Forest Telephony Standards document**
3. **Bracknell Forest – Mobile Phone Do's and Don'ts document**
4. **Procedure note for processing bills**
5. **Printout of website evidence – Area Codes – 07624**
6. **Printout of website evidence – Area Codes - 01624**

**APPENDIX 1 - Blank request form – Mobile**

**BRACKNELL FOREST BOROUGH COUNCIL**

**MOBILE PHONE REQUEST FORM FOR COUNCILLORS**

Date of Request:	
Name of Councillor:	
Contact Telephone Number:	

**BUSINESS JUSTIFICATION FOR REQUEST**

**OR**

I confirm that I hold the following office:

Executive Member	<input type="checkbox"/>	Minority Group Leader	<input type="checkbox"/>
Mayor / Deputy Mayor	<input type="checkbox"/>	Champion	<input type="checkbox"/>
Planning & Highways Chair	<input type="checkbox"/>	Licensing & Safety Chair	<input type="checkbox"/>

**AGREEMENT**

- I will be the only person using the mobile phone.
- I will be responsible for the security of the mobile phone and if it is lost or mislaid it will be my

responsibility to ensure that the ICT Helpdesk and Vodafone are notified immediately.

- I note that my use of the mobile phone will be reviewed on a regular basis.
- I agree to return the mobile phone to the Head of Democratic and Registration Services if I cease to be a Councillor or at the request of the Leader following a review or change in circumstances.

**Councillor's Signature:**

**LEADER'S SIGN OFF**

Name: Paul Bettison

Signature:

Date:

**FOR ICT SERVICES USE ONLY**

Date mobile phone provisioned: \_\_\_\_\_

Completed by: \_\_\_\_\_

Device handover & familiarisation  
session date (if appropriate): \_\_\_\_\_

# Bracknell Forest Telephony Usage Standards

Classification: Unrestricted

## Document Control

Document Ref: Live Date Created: 5<sup>th</sup> July 2012

Version: 1.1 Date Modified: 25<sup>th</sup> September 2012

Revision due 5<sup>th</sup> March 2013

Author: Jackie Jordan Sign & Date:

Owning Service: Pat Keane Sign & Date: Pat Keane (5<sup>th</sup> March 2013)

## Change History

Version Date Description Change ID

0.2 July 2012 Changes to reflect meeting with ICT

0.3 July 2012 Changes following review by Alison Sanders

0.4 Aug 2012 Changes following further consultation with ICT Services

0.5 Aug 2012

Changes following consultation with HR and further comments from ICT Network Manager

0.6 Aug 2012 Changes following feedback from Robin Brown, ICT Services

0.7 Aug 2012 Change to 10.1 following feedback from Alan Nash, Borough Treasurer

0.8 Aug 2012 Correction to rental costs for Blackberry from £12.50 to £12.75 pm

V1.0 September 2012 Post CMT Changes to reflect reimbursement for the cost of personal calls

V1.1 March 2013 Reviewed and updated PK

## Related Documents

Reference Title Tier

Bracknell Forest Mobile & Flexible Working Policy - 2012

Corporate ICT Policies and Principles for the Use of ICT – BBP8 Mobile Phones

Numerous articles/downloads on BORIS for telephones/handsets/mobiles/Blackberry devices

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Version 1.1 Telephony Usage Standards Dated: March 2013

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## 1. Purpose

1.1. The purpose of this standard is to ensure a consistent quality of telephone usage and telephone communications are maintained.

1.2. This document defines common standards for the use, procurement and management of mobile telephone and land line telephone communications.

1.3. This document should be read in conjunction with

- (a) Corporate ICT Policies & Principles for the Use of ICT and
- (b) the Council's Flexible Working Policy.

Information contained within this standard does not supersede information nor should it contradict anything within those Policies.

1.4. This document covers:

- Standard Mobile Telephones
- Blackberry Devices or equivalent
- Land Line Telephones (desk handsets and soft phones)
- Voicemail

References to "telephones" within this document may cover any or all of these.

The aims of this standard are as follows:

1.5.1. To ensure Bracknell Forest Council mobile and landline telephones and voicemail are used appropriately and efficiently to support effective working practices;

1.5.2. To ensure all Bracknell Forest Council staff understand the relevant requirements concerning their use of Council mobile devices; and

1.5.3. To support the Council in fulfilling its Duty of Care and ensuring the wellbeing of its employees.

1.6. This standard has had consultation with relevant stakeholders and has been ratified by Corporate Management Team.

## 2. Applicability

2.1. This standard applies to everyone who uses telecommunications facilities owned by

the Council, including employees, temporary staff, agency staff, consultants where telephones facilitate flexible working. Some sections may have their own local practice on telephone answering (eg the Customer Services Centre) but the general principles of this document will apply where those standards are not specific.

2.2. This standard will apply whenever users are working for the Council, whether it is in the Council offices, working remotely from home or another location.

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2.3. This standard will be implemented to staff in phases in line with the Time for a Change Programme's move to flexible working and the implementation of "workstyles". It will be limited to those sites that are covered by the Council's corporate Cisco telephone system.

2.4. Misuse of telephones or telecommunications equipment which breaches the Bracknell Forest ICT Policy or non-adherence to the standards set out in this document may result in:

- Withdrawal of access to relevant services
- Informal or formal disciplinary action (in accordance with the Council's disciplinary procedure)

### **3. Responsibilities**

3.1. It is the responsibility of users identified in Section 2 above to familiarise themselves with and to comply with this standard.

3.2. Managers are responsible for promoting, monitoring and ensuring adherence to these standards within their area.

3.3. Implementation of the Council's Telephony Usage Standard will be managed by the Chief Officer, Information Services

3.4. The ICT Service is responsible for:

- Directing and reviewing this standard.
- Ensuring that there is effective consultation about the standard and, if appropriate, any subsequent changes to it.
- Publishing and promoting the adoption of this standard.
- Ensuring the Council's telecommunications infrastructure underpins this Standard

### **4. Review**

4.1. This standard will be reviewed annually to respond to changes in technology or working practices.

4.2. The Corporate Management Team is responsible for approving updated standards.

### **5. Equipment Allocation**

5.1. In areas operating under the Council's flexible working policy, telephone handsets are allocated to desks rather than to individuals. Staff will be allocated a virtual 4 digit extension number ("one-number") – in most cases this will be their existing 4 digit number. **Fixed** workers who are allocated a number will normally "log into" the telephone handset on their desk and their calls will normally be permanently directed

to that handset. **Flexible** workers (**home flex** and **free**) would normally divert their “one number” to their working location each day, ie a desk handset (on a shared desk

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in the office) or their existing or new Bracknell Forest mobile device (outside of the office / home).

5.2. As far as flexible workers are concerned, because they regularly spend time away from the office it is important that communications are maintained - both to maintain the service and to take account of lone working. It is therefore, likely that most if not all will require a mobile device of some kind.

5.3. Line Managers must be satisfied that one or more of the following business criteria are met before authorising issue of a mobile phone or Blackberry device:

- The employee is a “flexible” worker - either **home-flex** or **free** - and requires a mobile device to enable them to undertake their job effectively.
- Issuing the employee with a mobile device will enable them to provide a more efficient service to their customers.
- There is a requirement for the individual to be contactable whilst working away from their normal place of work and where other methods of communication (e.g. landline or e-mail) are unsatisfactory.
- The individual’s role involves out of hours support (e.g. on call) which necessitates alternative means of contact.
- The employee is a lone worker and their personal safety could be compromised if they are not able to communicate or be contactable by phone.
- There is a statutory/corporate requirement for a mobile device (e.g. Emergency Planning).

5.4. Blackberry devices represent a considerably higher investment for the Council than a mobile phone in terms of ongoing rental costs. At the time of writing this is Mobile £1.50 per month and Blackberry £12.75 per month. A Blackberry device will provide voice and “on the move” data (email) access. A mobile will provide voice only. Line managers will therefore need to refer to Appendix A for ICT equipment allocation to Employee Workstyle and also assess the business need carefully before authorising the issue of a Blackberry device. In determining business need the manager will need to identify for his or her Chief Officer how the member of staff’s/department’s efficiency measurably improves if they are able to receive emails rather than just voice communications during the working day (eg whilst working in the field and not able to access a computer).

5.5. Requests for mobile devices may originate from an employee or their line manager but must be approved by the line manager. Requests for Blackberry devices will require the further authorisation of a Chief Officer. A line manager/Chief Officer may refuse an employee’s request for a mobile device if the above criteria are not met and a refusal should be explained to the individual.

5.6. Mobile devices are allocated to according to workstyles/roles and service needs. If an individual changes their role, and has previously had a mobile device, this does not mean that they are automatically entitled to the same equipment in their new position. On leaving the authority the individual should surrender their mobile device (as they will do with other ICT equipment) to their line manager. If transferring to another role

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within the authority, the individual should discuss with their line manager if it is appropriate to keep the same mobile and/or other ICT equipment (see 6.4 below.)

## **Equipment Procurement and Registration**

6.1. The process for ordering telephone equipment (landlines, mobile devices and handsets) is published in BORIS.

6.2. Directorates are responsible for processing requests for mobile phones and Blackberry

devices for their staff. All other telecommunications requests are handled by ICT. Current departmental telephone contacts are published in BORIS

6.3. Once a new Blackberry device is received by the departmental telephone contact, they will need to log a call with the ICT Help Desk and leave the device with the Help Desk so that

- It can be recorded and appropriately configured
- Training in its use can be provided to the recipient

6.4. Where a mobile phone or Blackberry device needs to be re-allocated to employees, eg

where a new employee takes over the job role of someone who has left, the department telephone contact and IT Helpdesk should be notified.

6.5. Managers must ensure that the relevant employee's telephony contact details (their "one number") is maintained appropriately – see Section 15.2 below.

6.6. Mobile device users are expected to maintain the equipment provided to them in a serviceable condition. Damage to or loss of the phone may result in the withdrawal of this facility, and/or if the loss or damage is due to negligence, in disciplinary action.

## **7. Return/transfer of Equipment**

7.1. Members of staff in possession of a Council mobile phone or Blackberry device are required to surrender it to their line manager upon leaving the employment of the Council, or on maternity leave or on being transferred to another post which may or may not require the use of a mobile device .

7.2. Council staff are permitted to buy out their existing mobile phone contract should they leave the Authority. Please contact you local Vodafone representative for further details.

## **8. Lost or Stolen Equipment**

8.1. If a Council mobile device is lost or stolen a bar should be put onto the phone by the employee contacting their departmental Vodafone Contact during office hours and outside office hours Vodafone's Customer Service team on 03333 043333. The loss of equipment must be reported:-

- to the Police and an incident reference number obtained.

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- the line manager.
- as a security incident.

8.2. The local Vodafone Contact should contact the ICT Help Desk to report the loss or theft so that

- if applicable, the link to the Blackberry server can be severed.
- the number can be removed from the corporate telephone system.

8.3. The local Vodafone Contact can then arrange for a replacement device.

## **9. Security**

The following guidance is provided by the Council's Information Security Officer:

9.1. Telephone conversations (and messaging) are inherently insecure. It is possible for calls to be intercepted, although the risk of a specific Council number being targeted is small.

9.2. Users are advised to take the following precautions when discussing sensitive information over telephone lines:

- If you are in a public area, ensure you cannot be overheard by persons not authorised to hear the content of your call.
- Ensure you know that the person you have called is authorised and has a 'need-to-know' the information you are discussing.
- If the information you are discussing is very sensitive, it may be appropriate for the discussion to take place in person or to use the Bracknell Forest internal email system, "safe" emails or GCSX mail accounts.

9.3. Voicemail security – Users are advised to take the following precautions when using Bracknell Forest's own corporate (Cisco) or mobile voicemail:-

- Ensure you have set your own PIN/security code (do not use the initial pre-set code) and that it is kept secure and not shared (see also 13.3).
- Record an appropriate greeting for callers, recommending that they do not leave very sensitive messages.
- When retrieving voicemail messages consider the risks of eavesdropping (where a caller may have left a sensitive message).

## **10. Private Use**

10.1. Mobile phones and Blackberries– These are issued to those employees who need one

to ensure the efficient discharge of their duties. The cost (or reasonable estimate of the cost) of personal calls and text must be reimbursed to the Council. Inappropriate

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or improper use of a mobile phone will result in appropriate disciplinary action being taken against the employee.

## **11. Using a mobile phone while driving**

11.1. Staff are expected to abide by legislation and are responsible for any fine/penalty if using a mobile phone while driving. Bracknell Forest Council will not accept liability for penalties incurred for breach of legislation.

11.2. From 1<sup>st</sup> December 2003 it became illegal to make or receive a call from a mobile phone while driving if the phone is held in your hand during any part of the operation.

You can also be prosecuted for using a 'hands free' mobile phone if you fail to have proper control of your vehicle. The penalties for careless or dangerous driving whilst using a phone can include disqualification, a large fine and up to two years imprisonment.

11.3. The Council does not condone the use of any telephone device whilst driving even when employing hands-free equipment, for anyone working for the Council or on Council business. Users should only use a phone in a vehicle once they have stopped in a safe place. The engine must be switched off if the mobile device is used in the car.

## **12. General Guidance on Use for Landline Telephones**

12.1. It is the responsibility of Fixed staff who have been allocated a four digit number ("one

number") to ensure that they are correctly logged into the handset on their fixed desk.

12.2. It is the responsibility of an individual using a shared desk to ensure that they are correctly logged into the desk phone on arrival and logged out on leaving.

12.3. There are clear guidelines provided detailing how to log into and out of a desk handset and also how numbers can be diverted (call forward) using the telephone handset. Guidance can also be found on BORIS.

12.4. Over and above the use of the handset to divert calls, it is possible to set up diverts using the corporate (Cisco) system through the ccmuser web page. The ccmuser web page is available both internally and externally and guidance on its use can be found in BORIS

12.5. If a user needs to make or take sensitive calls, they are advised to select an appropriate location where they will not be overheard.

12.6. It is not appropriate for a "one number" to be diverted to either a personal mobile or a personal landline since the Council wish to ensure that appropriate voicemail greetings are left and that business calls are answered professionally at all times.

12.7. Bracknell Forest mobiles and Blackberry device numbers will be input into the corporate telephone system by ICT Services in line with the phased introduction of flexible working. This will enable "flexible staff" to divert their calls. In future this will be done as part of the "new starter" process. If a member of staff believes their mobile/Blackberry number is not in the system, they should email ICT Helpdesk to log a call for this to be done.

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## **13. Other General Guidance on Usage of Mobile Phones and Blackberry devices**

The following guidelines must be observed when using Council Mobile Devices (Mobile Phone or Blackberry devices):-

13.1. Employees issued with a mobile device are reminded that the mobile device remains the property of the Council. The user should take all reasonable steps to prevent loss or damage to their mobile device. This includes not leaving it in view in unattended vehicles and storing it securely, when not in use.

13.2. All mobile devices will be provided with an instruction booklet and battery charger. It is

advisable to read the instruction manual and become familiar with the features provided. Online help is also available on BORIS. Mobiles should be kept adequately charged.

13.3. To protect the authority against any misuse, as a result of loss or theft, mobile phones must be protected by a PIN (Personal Identification Number) code to prevent access by unauthorised users. This can be set up by following the instructions in the manual provided with the device. Online help is also available on BORIS. Blackberry devices are protected by the use of a password.

13.4. Mobile devices issued by the Council need only be switched on when the member of staff is working or on call.

13.5. Members of staff should keep their mobile device with them during office hours when working away from the office. Where possible, the phone should be switched on to receive calls. If this is not possible (e.g. during a conference or meeting), the member of staff should check their phone to receive messages at intervals throughout the day.

13.6. Mobile devices should not be left ringing or unattended in the office as this can cause a disturbance to other members of staff.

13.7. In meetings, mobile phones should be switched to the silent mode or switched off. As a courtesy to other meeting attendees users should not be checking emails or sending text messages during the meeting. This should be done at appropriate breaks in proceedings. In the rare cases where users do have an urgent call/situation to respond to, they should step out of the meeting.

13.8. When making and receiving calls on a Council mobile device, calls must be handled in a professional and efficient manner. Each department may have its own protocols in relation to this but as a minimum calls should be answered by giving name and department/section.

13.9. Voice mail greetings should be changed regularly, as required. During planned absences, staff should modify any voice mail greeting to reflect this information, and provide a relevant contact name/number or divert their phone to the relevant contact once it has been agreed with their line manager who this should be.

- Name
- Position
- Availability
- Alternate / emergency contact number or extension

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NB Some staff may have more than one voicemail service (Corporate & Vodafone) so will need to update both greetings

13.10. In the case of unscheduled absence of an employee with a four digit number, in the same way as for email, the immediate line manager should make contact with the ICT Help Desk to make arrangements for calls to be forwarded to another person within the Council and/or to have access to voicemail accounts so that the greeting can be amended accordingly.

## **14. Guidelines for Fixed workers**

14.1. If you have been designated the role of a Fixed Worker, then you will be office based and have an allocated desk. As such, the landline telephone will be the communication device for you to make and receive calls.

14.2. Detailed guidance on the use/functionality of your handset is available from BORIS

14.3. It is the responsibility of the user to ensure that their 4 digit extension number (one number), is published in BORIS and the Outlook Address Book. A call should be logged with the IT Help Desk if the number is missing or incorrect in the Outlook Address Book.

14.4. Employees should ensure that their whereabouts are kept up to date on Outlook and also be able to access and check the whereabouts of their team on the system. Employees should work in accordance with the Open Calendar Policy.

14.5. It is important that you handle incoming calls in a prompt, courteous and efficient manner.

14.6. If you have a voicemail associated with your direct dial extension you will need to update it regularly, as appropriate. This will need to be kept up to date with a personal greeting containing:

- Name
- Position
- Availability
- Alternate / emergency contact number or extension

14.7. You should check your office voicemail regularly (speak to your manager about the frequency) so important callers/messages can be responded to quickly.

14.8. During a scheduled absence, calls should be diverted to another member of your team or by voicemail greeting should direct the caller to use another number, so no calls go unanswered. This should be agreed with your Line Manager.

14.9. During unscheduled absence from the office, as for email, the Line Manager will need to contact the ICT Help Desk to obtain access to the voicemail to be able to check any messages that may be waiting, amend the greeting or forward calls to another number.

14.10. If you work as part of a team that has an Out of Hours answering service then you need to make yourself familiar with the procedure for activating this service at the end of each day.

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## **15. Guidelines for Flexible workers (Homeflex or Free)**

15.1. As a flexible worker, your working time is divided either between the office and your home OR the office, your home and other locations. As a flexible worker you will have access to a shared-desk when in the office. The office shared-desk telephone handset will be the primary communication device for you to make and receive calls, and you will be issued with a mobile device which is your secondary device.

15.2. It is the responsibility of you, the user to ensure that your “one number” (four digit extension) is correct and published in

(a) BORIS -

(b) the Outlook Address Book

If the data is incorrect, you should log a call with ICT Help Desk for the change/s to be made in the Outlook Address Book.

15.3. On arriving at the office and finding a shared-desk to work at, log into the handset, as per the instructions/guidance provided. You can then use this handset to make and receive calls during the working day, update your voicemail greeting, check for messages and missed calls.

15.4. Once you leave the office to attend a meeting/travel home, you should ensure that your one number is forwarded to the appropriate support team, who are kept up to date with your whereabouts, OR you should forward your one number to your mobile phone. If you have corporate voicemail, logging out of the handset and not diverting to mobile will mean all of your calls will go straight to corporate voicemail. If you do not have corporate voicemail, logging out of the desk phone and not diverting calls elsewhere will mean any caller will hear an “engaged” tone. It is important that you do not leave the number logged into the desk handset, as calls may go unanswered and/or cause annoyance to your colleagues.

15.5. You must ensure that Outlook is kept up to date with your whereabouts and accessibility, and update it frequently as your calendar changes. Employees should work in accordance with the open calendar policy available from BORIS.

15.6. You will need to ensure that your voicemail is kept up to date with a personal greeting containing:

- Name
- Position
- Availability
- Alternate / emergency contact number or extension

NB Some staff may have more than one voicemail service so will need to update both.

15.7. You should check your voicemail regularly (check with your manager the frequency required) so important callers/messages can be responded to quickly.

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15.8. During a scheduled absence, eg holiday, calls should be forwarded to another (agreed) team member/manager. Alternatively, your voicemail greeting should be updated to reflect your absence and give an alternative number so that no call goes unanswered. This should be agreed with your line manager.

15.9. In the event of an unscheduled absence, your line manager should be informed. Your

line manager may decide to divert all your calls to another member of staff or they may decide to update the personal message that you have on your voicemail to provide callers with an alternative contact name and number.

15.10. When in a meeting/not able to answer the mobile phone, switch mode to silent to minimise interruption to others.

15.11. When you are working from home, Outlook should be updated accordingly. It should detail when you are available and when you are not (e.g. make it clear if there are periods during the day when you will not be available) and ensure that you can be contacted by colleagues/managers/external contacts during the periods agreed.

15.12. When working from home, you should be contactable on your one number during normal flexible working hours (as shown on your Outlook Calendar), unless there are agreed special circumstances with your manager. You will therefore need to ensure that your “one number” is diverted to your mobile device.

**15.13. Numbers other than your “one number” should not be given out to clients/colleagues. We need to avoid the necessity to maintain more than one number per employee for voice communications. If you give out a personal number you cannot distinguish between personal and business calls. You may also continue to receive calls when you are not working or even after you change jobs or leave the Council’s employment.**

15.14. It is not appropriate for flexible staff to make use of their personal mobile phones for Bracknell Forest communications because of the necessity for an appropriate voice greeting and also to ensure that business calls to mobiles are always answered in a professional manner. Under no circumstances should client contact data or any other work related data be held in a personal mobile phone for security reasons. Similarly it is not appropriate for calls to your “one number” to be diverted to any number where someone who is not a Bracknell Forest employee may answer.

15.15. If you are unable to make or receive calls at home due to poor quality mobile reception discuss this with your line manager. ICT Help Desk can investigate alternative communications options with you.

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(DOCUMENT COPIED FROM PDF)

### **APPENDIX 3 - Bracknell Forest – Mobile Phone Do’s and Don’ts document**

#### **Bracknell Forest Mobile phone**

**Your work style has been agreed as ‘free’ or ‘home flex’. You have a BFC mobile phone so you can be contacted easily when working from home.**

Keep the phone with you at all times when you are working.

Record an appropriate business greeting on your mobile voice mail.

When working away from the office, divert your council landline number to your BFC mobile phone or divert to an office number where the phone will be answered in working hours.

When you are back in the office, un-divert your landline number from your mobile number.

Use our own directory enquiries number which is 118 881 and costs .71p a minute.

For further advice and guidance please refer to the Bracknell Forest Telephony Usage Standards via the BORIS link <http://boris.bracknell-forest.gov.uk/corporate-services/ict-services/ict-services-help-desk/telephone-and-voicemail.htm>

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Don't call premium rate numbers on BFC mobiles.

Don't divert your BFC mobile to a home or personal mobile number because calls could be picked up by anyone or answered inappropriately.

Don't use your personal mobile for work purposes and under no circumstances hold work related information on personal phones or other mobile devices.

***If your BFC mobile is stolen, report it to:***

- ***the police and get an incident reference number***
- ***your line manager***
- ***Vodafone's customer service on 03333 04333 if it happens outside office hours***
- ***your departmental Vodafone rep (find your rep on BORIS via the link <http://boris.bracknell-forest.gov.uk/departmental-vodafone-representatives.pdf>***
- ***and raise it as a security incident with the ICT helpdesk***

Personal use of a work mobile is only allowed where reasonable and unavoidable and not excessive. You are expected to pay for these personal calls and texts. You should contact your Vodafone rep for advice on how to make payments. Inappropriate or improper use of a mobile phone could result in disciplinary action.

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## **DEPARTMENTAL VODAPHONE REPRESENTATIVES**

| Each directorate and departments within directorates have their own contacts for Vodafone.

| These representatives will provide information about your phone and should be contacted if you have any issues with your phones:

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**Corporate Services:** Tracy Farmer

**Environment Culture & Communities:** Carol Hughes

**Adult Social Care & Health Management Team:** Jane Redmond

**Adult Social Care & Health – Old People & Long Term Conditions:** Gail Ebden

**Adult Social Care & Health - Learning Disabilities Team:** Jane Redmond

**Adult Social Care & Health – Intermediate Care:** Carol Parsons

**Adult Social Care Housing & Benefits:** Carol Cull

**Adult Social Care & Health – Community Mental Health Team:** Ruth Carroll

**Adult Social Care & Health – Dementia Team:** Angela Voeten

**Children Young People & Learning - Children's Social Care:** Kevin Haddrell

**Children Young People & Learning - Youth Offending Service:** Janet Besant

**Children Young People & Learning - Youth Services:** Suzanne Andrews

**Children Young People & Learning - Education:** Lesley Adams

**Children Young People & Learning – Learning & Achievement:** Helen Greehy

**Chief Executives:** Debs Jones

### **APPENDIX 4 - Procedure note for processing bills**

**Mobile Phone and Blackberry Bills – Joanna Benham**  
**Last Updated October 2012**

## **Downloading the bills**

An email is sent by Vodafone each quarter to say that the bills are ready to download.

You will need to download each mobile phone bill and blackberry bill from the Vodafone website – <https://www.vcol.co.uk/home/default.vco>

On the left hand side of the screen, click on online billing, then report inbox.

You'll need to scroll down the list and find the "cost by user" for the month after the mobile phone period, i.e.

January – March	cost by user April
April – June	cost by user July
July – September	cost by user October
October – December	cost by user January

Enter the mobile phone / blackberry number in the box in the top right hand corner and click on add. This will then bring up the details for the relevant member and their mobile or blackberry.

Make a note of the amounts for the following:

- Usage charges
- Recurring charges
- Other charges
- Credits / discounts
- Total charge

Click on the usage charges – this will bring up the list of calls made.

Click on the "export" button at the top of the screen, and for report format, click on Excel (tab separated format), but leave the data range as all data. Click on export.

Click on save and save as

G: / committee / member services / ICT / mobile phones & blackberry's / 2010 bills / 04 – September – December / "Blackberry – name" or "mobile – name"

It will then save the document as an Excel spreadsheet for you. When it's downloaded, it will look pretty unreadable, so you'll need to make it look as readable as possible.

There are a couple of blank sheets saved that show you what column widths to use and the headings to insert at the top of each bill downloaded:

G: / committee / member services / ICT / mobile phones & blackberry's / 2010 bills / BLANK Blackberry and BLANK Mobile

Once you have downloaded each bill, open each one and insert a load of blank lines at the top of the page – copy and paste the headings from the blank form above and fill in the gaps and enter the information that you wrote down before you downloaded the bill.

You'll need to delete a couple of the columns as they contain information that the councillors don't really need to see. Make sure that when you copy and paste the headings from the blank form, make sure that they match up with the ones on the downloaded spreadsheet – then delete the columns that have no bold headings. Also delete the first row that contains the headings that aren't in bold.

When you download the bill, you'll find that some of the numbers dialled will come out funny – i.e. 4.47748E+11. All you need to do is highlight the column, then click on the tools dropdown menu, click on cells, click on the number tab, then number in the left hand list, and drop the decimal places to zero. This will then reformat the numbers in the column to appear as numbers. It will always miss of the zero at the beginning of the phone number though.

I always then sort the call data by the date and time of the call – makes logical sense for the phone bill to be in date order.

### **Sending out the bills**

The Councillors individual mobile phone bills and Blackberry bills are received as on a quarterly basis – they need to be downloaded from the Vodafone website.

The bills need to be sent out to each councillor asking them to pay for any personal calls made. Some of the councillors will have just a mobile phone, others will have just a Blackberry, some will have both.

The Blackberry bills are sent out to the councillors for information only – as they are just used to check emails, etc, the council covers the cost of the bill. There are a few councillors who have their Blackberrys voice activated. When you send out the emails requesting payment, they will need to check for calls and pay for any personal ones.

- Send an email to each Councillor with their bill(s) attached and a message saying:

#### **Blackberry only**

*Dear Councillor*

*Please find attached your latest Blackberry bill to cover the period April – June 2013.*

*This is for information only - no action is required from you.*

#### **Voice enabled Blackberry**

*Dear Councillor*

*Please find attached your latest Blackberry bill to cover the period April – June 2013.*

*I would be grateful if you could look through your bill, highlight any personal calls and send the highlighted bill, together with any remittance, to me at your earliest convenience.*

*If no personal calls were made, I would be grateful if you could email me back to confirm this.*

### **Mobile phone only**

*Dear Councillor*

*Please find attached an itemised bill for your mobile phone to cover the period April – June 2013.*

*I would be grateful if you could look through your mobile bill, highlight any personal calls and send the highlighted bill, together with any remittance, to me at your earliest convenience.*

*If no personal calls were made, I would be grateful if you could email me back to confirm this.*

### **Mobile phone and Blackberry**

*Dear Councillor*

*Please find attached an itemised bill for your mobile phone to cover the period April – June 2013.*

#### ***Mobile Phone Bill***

*I would be grateful if you could look through your mobile bill, highlight any personal calls and send the highlighted bill, together with any remittance, to me at your earliest convenience.*

*If no personal calls were made, I would be grateful if you could email me back to confirm this.*

#### ***Blackberry Bill***

*Please note that this has been sent to you for information only - no further action is required.*

### **The Leader**

*Dear Councillor*

*Please find attached an itemised bill mobile phone to cover the period April – June 2013.*

*I will raise an invoice to Bettison Associates for the amount of £65.70 for your personal calls.*

You then need to complete the “Mobile & Blackberrys – totals, payments, automatic approvals – 20xx – xx” spreadsheet. The filepath is:

G: / Committee / Member Services / ICT / Mobile Phones & Blackberry's /  
Mobile & Blackberrys – totals, payments, automatic approvals – 20xx – xx.xls

- Voice enabled BlackBerry’s and mobile phones, enter the bill total on the “mobile phone totals” tab.
- Non voice enabled BlackBerry’s, enter the bill total on the “BlackBerry totals” tab.
- If you are emailed confirmation that no personal calls were made, enter the date on the spreadsheet and date confirmed.
- If payment is received for mobile phones and voice enabled BlackBerry’s, enter amount received on the “mobile phone totals” tab, enter date received and any notes.

- When payments are made, complete a “miscellaneous payment slip” and pop it in the internal post (with the cheque), addressed to the cashiers. Enter the following on the slip:

**Received from** e.g. Cllr Ward  
**Financial code** COR006R5  
**Amount** amount paying in  
**Details** e.g. April – June 2010 mobile phone bill.

Put a note on the front to ask them to send you a copy of the receipt back.

- File the receipt along with the returned bill on file 01.15.07.

UK Area Code Finder  
Quick and easy telephone dialling code information

## 07624 numbers

### Mobile phone numbers

07624 numbers are for mobile phones on the Isle of Man.

All UK [07 numbers](#) are for mobiles, pagers and personal numbering.

### **Which network is 07624?**

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07624 numbers are shared between multiple operators:

07624 0.....	Manx Telecom
<hr/>	
07624 1.....	Manx Telecom
<hr/>	
07624 2.....	Sure
<hr/>	
07624 3.....	Manx Telecom
<hr/>	
07624 4.....	Manx Telecom
<hr/>	
07624 5.....	Manx Telecom
<hr/>	
07624 6.....	Manx Telecom
<hr/>	
07624 7.....	Manx Telecom
<hr/>	
07624 8.....	Manx Telecom
<hr/>	
07624 9.....	Manx Telecom
<hr/>	

Although these numbers are issued to these operators, customers are free to take their number with them when they change networks. The 07624 prefix is not a reliable indicator of which network a phone is currently connected to, only which network issued it originally.

## Formatting an 07624 number

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There is no set format for UK mobile phone numbers, but the commonest format is:  
07624 xxxxxx

For international callers, use: +44 7624 xxxxxx

## Recent History

---

07624 replaced the older mobile prefix 04624 on 28 April 2001. Former 04624 xxxxxx numbers became 07624 xxxxxx on this date.

[» See all mobile prefixes](#)

UK Area Code Finder  
Quick and easy telephone dialling code information

# 01624 area code

## Isle of Man phone numbers



UK area code 01624 covers the whole of the Isle of Man.

Towns and areas using 01624 numbers include Castletown, Douglas, Kirk Andreas, Kirk Michael, Laxey, Marown, Peel, Port Erin, Port St Mary, Ramsey, St Johns and Sulby.

### 01624 number call costs

---

Calls from the UK to Isle of Man 01624 numbers may be charged at a higher, international rate and may not be included in free call allowances or bundled minutes.

### Formatting an 01624 number

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Local telephone numbers on the Isle of Man are six digits long. An 01624 number should be displayed in the format:  
01624 xxxxxx or (01624) xxxxxx

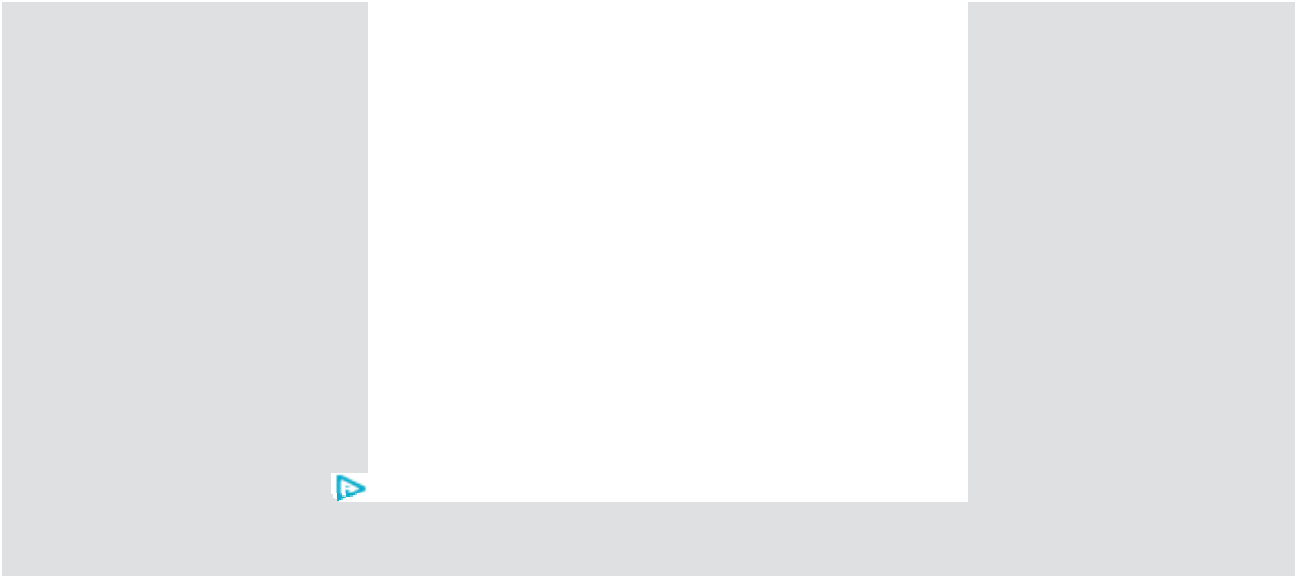
For international callers, use: +44 1624 xxxxxx

- [Browse and find UK area codes](#)
- [Phone numbering guide](#)
- [Number formatting guide](#)
- [Mobile phone prefixes](#)
- [International dialling codes](#)
- [Business phone numbers](#)
- [Downloadable area code list](#)





Search area codes



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**TO: GOVERNANCE AND AUDIT COMMITTEE  
28 JANUARY 2014**

**THE EXECUTIVE  
10 DECEMBER 2013**

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**ANNUAL AUDIT LETTER 2012/13  
Chief Executive/Borough Treasurer**

**1 PURPOSE OF REPORT**

- 1.1 To receive the external auditor's Annual Audit Letter for 2012/13, which has previously been circulated to all Members.

**2 RECOMMENDATION(S)**

- 2.1 **That the Governance and Audit Committee and the Executive note the Annual Audit Letter 2012/13 at Appendix 1.**

**3 REASONS FOR RECOMMENDATION(S)**

- 3.1 The Annual Audit Letter must be considered in public by those charged with governance. In Bracknell Forest this is the Governance and Audit Committee. However, given the Executive's overall responsibilities it is important that it also receives the report.

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 None

**5 SUPPORTING INFORMATION**

- 5.1 The external auditor (Ernst & Young) is required to provide the Council with an Annual Audit Letter (set out at Appendix 1). The letter summarises the findings from the 2012/13 audit, which comprises two main elements:
- the audit of the financial statements; and
  - the external auditor's assessment of the Council's arrangements to achieve value for money in the use of resources.
- 5.2 The external auditor has given an unqualified opinion on the Council's financial statements. An unqualified conclusion has also been given on the Council's arrangements for securing value for money. There are no specific recommendations within the report that the Council is required to address.
- 5.3 The external auditor, Helen Thompson, will attend the meeting of the Governance and Audit Committee to present the Annual Audit Letter 2012/13.

**6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

Borough Solicitor

6.1 Nothing to add to the report.

Borough Treasurer

6.2 Nothing to add to the report.

Equalities Impact Assessment

6.3 There are no specific issues arising directly from this report.

Strategic Risk Management Issues

6.4 The Annual Audit Letter identifies the strategic financial risks facing the Council which are addressed through the Strategic Risk Register, Service Plans and the Council's financial planning process.

**7 CONSULTATION**

Not applicable

Background Papers

None

Contact for further information

Alan Nash, Borough Treasurer – 01344 352180  
[alan.nash@bracknell-forest.gov.uk](mailto:alan.nash@bracknell-forest.gov.uk)

# Bracknell Forest Council

Year ending 31 March 2013

Annual Audit Letter

23 October 2013

Ernst & Young LLP

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www.ey.com



The Members  
Bracknell Forest Council  
Easthampstead House  
Town Square  
Bracknell  
Berkshire RG12 1AQ

23 October 2013

Dear Members,

## Annual Audit Letter

The purpose of this Annual Audit Letter is to communicate to the Members of Bracknell Forest Council and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to their attention.

We have already reported the detailed findings from our audit work to the Governance and Audit Committee in the 2012/13 audit results report issued on 30 September 2013.

The matters reported here are the most significant for the Authority.

I would like to take this opportunity to thank the officers of Bracknell Forest Council for their assistance during the course of our work.

Yours faithfully,



**Helen Thompson**

For and behalf of Ernst & Young LLP  
Enc

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3. Control themes and observations .....	4

In March 2010 the Audit Commission issued a revised version of the 'Statement of responsibilities of auditors and audited bodies' (Statement of responsibilities). It is available from the Chief Executive of each audited body and via the **Audit Commission's website**.

The Statement of responsibilities serves as the formal terms of engagement between the Audit Commission's appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The Standing Guidance serves as our terms of appointment as auditors appointed by the Audit Commission. The Standing Guidance sets out additional requirements that auditors must comply with, over and above those set out in the Code of Audit Practice 2010 (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

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

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

# 1. Executive summary

Our 2012/13 audit work has been undertaken in accordance with the Audit Plan we issued on 27 March 2013 and is conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

The Authority is responsible for preparing and publishing its Statement of Accounts, accompanied by the Annual Governance Statement. In the Annual Governance Statement, the Authority reports publicly on an annual basis on the extent to which it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period. The Authority is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for:

- ▶ Forming an opinion on the financial statements;
- ▶ Reviewing the Annual Governance Statement;
- ▶ Forming a conclusion on the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources; and
- ▶ Undertaking any other work specified by the Audit Commission.

Summarised below are the conclusions from all elements of our work:

Audit the financial statements of Bracknell Forest Council for the financial year ended 31 March 2013 in accordance with International Standards on Auditing (UK & Ireland)	On 30 September 2013 we issued an unqualified audit opinion for the Authority.
Form a conclusion on the arrangements the Authority has made for securing economy, efficiency and effectiveness in its use of resources.	On 30 September 2013 we issued an unqualified value for money conclusion.
Issue a report to those charged with governance of the Authority (the Governance and Audit Committee) communicating significant findings resulting from our audit.	On 30 September 2013 we issued our report for the Authority.
Report to the National Audit Office on the accuracy of the consolidation pack the Authority is required to prepare for the Whole of Government Accounts.	We reported our findings to the National Audit Office on 30 September 2013.
Consider the completeness of disclosures in the Authority's Annual Governance Statement, identify any inconsistencies with the other information of which we are aware from our work and consider whether it complies with CIPFA/SOLACE guidance.	No issues to report.
Consider whether, in the public interest, we should make a report on any matter coming to our notice in the course of the audit.	No issues to report.
Determine whether any other action should be taken in relation to our responsibilities under the Audit Commission Act.	No issues to report.
Issue a certificate that we have completed the audit in accordance with the requirements of the Audit Commission Act 1998 and the Code of Practice issued by the Audit Commission.	On 30 September 2013 we issued our audit completion certificate.
Issue a report to those charged with governance of the Authority summarising the certification (of grant claims and returns) work that we have undertaken.	We will issue our annual certification report to those charged with governance with respect to the 2012/13 financial year on 28 January 2014.



## 2. Key findings

### 2.1 Financial statement audit

We audited the Authority's Statement of Accounts in line with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission. We issued an unqualified audit report on 30 September 2013.

In our view, the quality of the process for producing the accounts, including the supporting working papers, was good, and there very few issues arising from our audit.

The significant risk identified as part of our audit is set out below:

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#### **Significant risk: Valuation of Other Land and Buildings and investment properties**

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In previous audits the valuation of other land and buildings and investment properties was classified as a significant risk. The Council improved its arrangements in 2011/12 and was planning further development for 2012/13. In addition to revaluing properties on the Council's cyclical programme for valuation, a desk top review of remaining properties was planned. We have assessed whether these improvements have addressed the risk identified.

Our approach focussed on:

- ▶ Assessing the controls management has in place and the outcome of planned improvements.
- ▶ Testing the controls in place during the year.
- ▶ Substantively testing the valuations of other land buildings and investment properties.

Our work concluded that:

- ▶ Control design is adequate
  - ▶ Controls tested are working as designed.
  - ▶ Our work on substantive testing of valuations identified no issues.
- 

### 2.2 Value for money conclusion

We are required to carry out sufficient work to conclude on whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

In accordance with guidance issued by the Audit Commission, in 2012/13 our conclusion was based on two criteria:

- ▶ The organisation has proper arrangements in place for securing financial resilience; and
- ▶ The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

We issued an unqualified value for money conclusion on 30 September 2013. Our audit did not identify any significant matters. The Authority continues to manage its financial position well and look for ways to improve efficiency. Given the scale of medium term financial challenges the Authority faces, it needs to continue to look to the longer term. This has been supported by the LGA peer review carried out during the year at the invitation of the Council.

### 2.3 Objections received

We did not receive any objections to the 2012/13 accounts from members of the public.

### 2.4 Whole of government accounts

We reported to the National Audit office, on 30 September 2013, the results of our work performed in relation the accuracy of the consolidation pack the Authority is required to prepare for the whole of government accounts. We did not identify any major areas of concern but reported one inconsistency on the disclosure of pensions.

## **2.5 Annual governance statement**

We are required to consider the completeness of disclosures in the Authority's Annual Governance Statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it complies with CIPFA/SOLACE guidance. We completed this work and did not identify any areas of concern.

## **2.6 Certification of grants claims and returns**

We will issue the Annual Certification Report for 2012/13 on 28 January 2014.

### **3. Control themes and observations**

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control we communicate to those charged with governance at the Authority, as required, significant deficiencies in internal control.

We did not identify any significant deficiencies in internal control.

Ernst & Young LLP

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**TO: GOVERNANCE AND AUDIT COMMITTEE  
28 JANUARY 2014**

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**INTERNAL AUDIT ASSURANCE REPORT  
April –December 2013**

**Head of Audit and Risk Management**

**1 INTRODUCTION**

- 1.1 This report provides a summary of Internal Audit activity during the period April to December 2013. It covers work carried out by both internal audit contractors and the in-house team. Any significant developments since the time of writing will be reported verbally to the Committee and included in future assurance reports.

**2 RECOMMENDATIONS**

- 2.1 The Governance and Audit Committee are asked to note the attached report.**

**3 REASONS FOR RECOMMENDATION**

- 3.1 To ensure that the Governance and Audit Committee are aware of the internal audit work performed and conclusions reached.

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 No alternative options available.

**5 SUPPORTING INFORMATION**

**Background**

- 5.1 Under the Council's Constitution and Scheme of Delegation the Borough Treasurer is responsible for the administration of the financial affairs of the Council under Section 151 of the Local Government Act 1972. Professional guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) requires the provision of an effective Internal Audit function to partly fulfil his responsibilities under Section 151.
- 5.2 The provision of Internal Audit services is largely outsourced to Deloitte Public Sector Internal Audit. Deloitte are responsible for delivering approximately two thirds of the audits set out in the Annual Internal Audit Plan approved by the Governance and Audit Committee in March 2013. The remaining audits are delivered by Reading and Wokingham Council's internal audit teams under an agreement under Section 113 of the Local Government Act 1972 which provides for the sharing of staff resources or are undertaken in house. The attached report summarises delivery to date on the audits approved under the Plan and other assurance activities carried out in-house within Audit and Risk Management.

**6. ADVICE FROM STATUTORY OFFICERS**

6.1 Borough Treasurer  
Nothing to add.

6.2 Borough Solicitor  
Nothing to add.

6.3 Strategic Risk  
Internal Audit provides assurance on the Council's control environment based on the work undertaken and areas audited. 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. No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance.

6.4 Equalities Impact Assessment  
Not applicable

**7 CONSULTATION**

7.1 Not applicable.

Background Papers

Annual Internal Plan 2013/14  
Strategic Risk Register

Contact for further information

Sally Hendrick – 01344 352092  
[sally.hendrick@bracknell-forest.gov.uk](mailto:sally.hendrick@bracknell-forest.gov.uk)



# **HEAD OF AUDIT AND RISK MANAGEMENT REPORT**

**APRIL – DECEMBER 2013**

## 1. BACKGROUND

- 1.1 The Council is required under the Accounts and Audit (Amendment) (England) Regulations to “maintain an adequate and effective system of internal audit of its accounting records and of its systems of internal control in accordance with the proper practices in relation to internal control.” This report summarises the activities of Internal Audit for the period April to December 2013 drawing together progress on the Annual Internal Audit Plan, risk management and other activities carried out by Internal Audit.

## 2. INTERNAL AUDIT

- 2.1 The basic approach adopted by Internal Audit falls broadly into three types of audit:
- System reviews provide assurance that the system of control in all activities undertaken by the Council is appropriate and adequately protects the Council’s interests.
  - Regularity (financial) checking helps ensure that the accounts maintained by the Council accurately reflect the business transacted during the year. It also contributes directly towards the external auditor’s audit of the annual accounts.
  - Computer/IT audits, carried out by specialist audit staff, provide assurance that an adequate level of control exists over the provision and use of computing facilities.
- 2.2 Recommendations are made after individual audits, leading to an overall assurance opinion for the system or establishment under review and building into an overall annual assurance opinion on the Council’s operations. The different categories of recommendation and assurance opinion are set out in the following tables.

### Recommendation Classifications

PRIORITY	DESCRIPTION
1	Essential – addresses a fundamental control weakness and must be brought to the specific attention of senior management and resolved.
2	Important – addresses a control weakness and should be resolved by management in their area(s) of responsibility.
3	Best practice – addresses a potential improvement or amendment issue.



Assurance Opinion Classifications

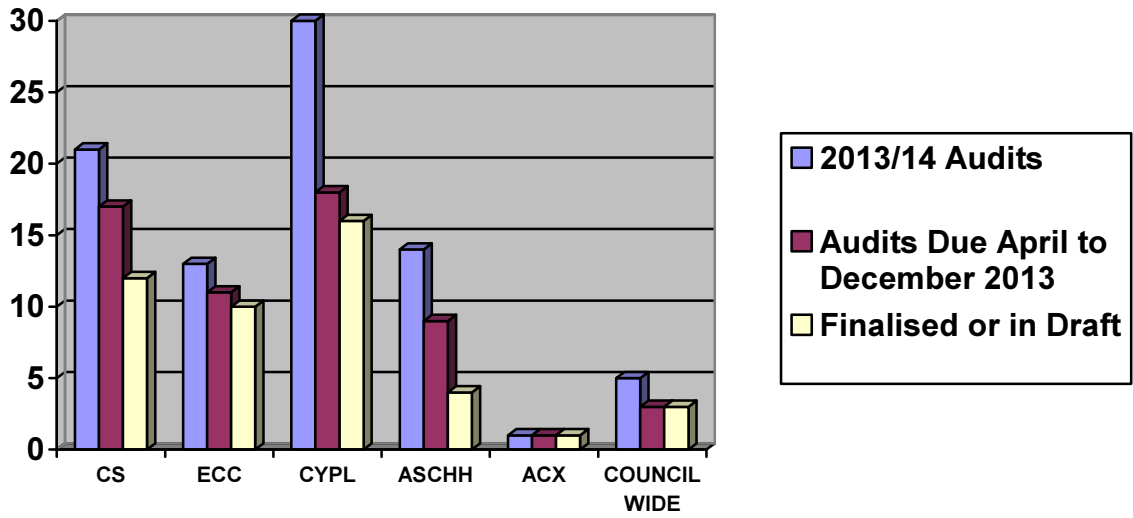
ASSURANCE LEVEL	DEFINITION
Significant	There is a sound system of internal controls to meet the system objectives and testing performed indicates that controls are being consistently applied
Satisfactory	There is basically a sound system of internal controls although there are some minor weaknesses in 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.

- 2.3 Internal Audit provides the relevant Director and the Borough Treasurer with details of all audits which have generated Priority 1 recommendations and, therefore, a limited (or no) assurance opinion, as soon as the draft report is issued. This ensures that the senior management and the Section 151 Officer are informed at the earliest opportunity of any potential significant weaknesses or problem areas. Where satisfactory or significant assurance opinions are given, Directors receive copies of the final agreed report.

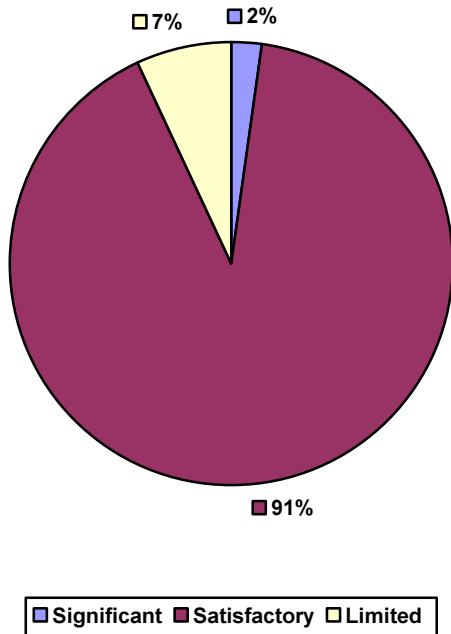
### 3. SUMMARY OF INTERNAL AUDIT RESULTS TO DATE

- 3.1 The Annual Internal Audit Plan for 2013/14 was considered and approved by the Governance and Audit Committee on 27th March 2013. The delivery of the individual audits is largely undertaken by our contractors Deloitte and Touche Public Sector Internal Audit. In addition, 22 reviews and grants will be audited under the Section 113 arrangement with Reading and Wokingham Borough Councils' Internal Audit Teams and 9 reviews and grants will be audited in house.
- 3.2 During the period April to December 2013, 6 grants had been certified (2012/13:3), 35 reports were finalised, 9 had been issued in draft awaiting management responses and in 11 cases audit work was in progress. A summary of performance to date is set out below. Details on the status and outcome of all audits are attached at Appendix A.

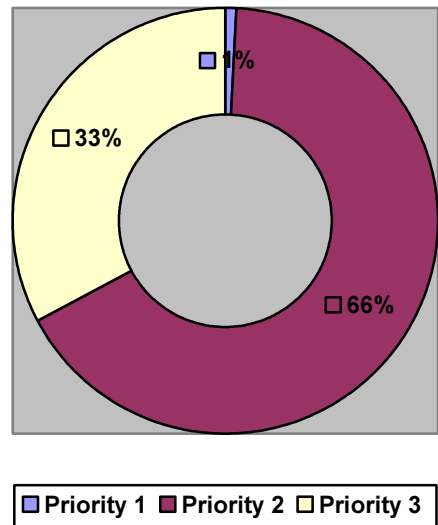
**SUMMARY OF PERFORMANCE APRIL – DECEMBER 2013**



**ASSURANCE OPINIONS**



**ANALYSIS OF RECOMMENDATIONS**



	Client Questionnaires		Draft Report Produced within 15 Days of Exit meeting
	Received	Satisfactory	
2013/14 to Date	34	97%	70%
2012/13	45	87%	60%

- 3.3 As noted above and Appendix A, delivery against the planned programme is on track with the bulk of quarter 1- 3 audits finalised or issued in draft at the time of writing this report and a further 11 already in progress. The majority of assurance opinions given were satisfactory with one significant and 3 limited opinions. (2012/13: 4 limited assurance opinions). Most recommendations raised to date were priority 2. Only 1% were at priority 1 level.

### **Significant Control Issues**

- 3.4 All audits, which have generated a limited assurance opinion, will be revisited in 2014/15, to ensure successful implementation of agreed recommendations. The key weaknesses identified during the 3 finalised audits with a limited assurance opinion to date are as follows:

DIRECTORATE	AUDITS WITH LIMITED ASSURANCE CONCLUSION
<b>ENVIRONMENT</b>	<p><u>Car Parking</u>            Whilst no priority one recommendations were raised in the audit report, the review of car parking identified a range of system weaknesses that resulted in an overall limited assurance opinion. The issues identified were the need to improve monitoring of the contractor's performance, the lack of clarity around payment terms for season ticket income and weaknesses in the application of procedures for ensuring this income is received and weaknesses in documented procedures, the reporting of penalty charge notices and documentation of risks. The Chief Officer met with officers and the contractor to identify how these matters can be addressed and audit have been informed that agreed actions have since been implemented.</p>
<b>CORPORATE SERVICES</b>	<p><u>Compliance with Payment Card Industry (PCI) Standards</u>            A limited assurance conclusion was given on the audit of arrangements for ensuring compliance with Payment Card Industry Data Security Standards (PCI DSS). The audit found that a formal framework to manage PCI DSS compliance had not been developed as the officer leading on the project to improve compliance had left the Council. PCI DSS Policy had not been defined and officers had not completed the Data Security Standard Self-Assessment Questionnaire (DSS SAQ) which is a tool developed by PCI to self-assess on-site data security. A priority 1 recommendation was raised to develop and implement a formal framework to support compliance with the PCI DSS requirements and complete the SAQ as part of this process. The Chief Officer: Customer Services has developed an action plan in consultation with the Chief Officer: Information Services and this will now be taken forward. As at December 2013 Audit have been informed that agreed actions are on track.</p>
<b>CHILDREN, YOUNG PEOPLE AND LEARNING</b>	<p><u>Wildmoor Heath Primary School</u>            A limited assurance opinion was given for the audit of this school due to continuing historic issues around delays in auditing and certification of private fund accounts. The current Head Teacher and Bursar are seeking to ensure these audits are up to date by March 2014. Senior officers from the local authority will be working with the</p>

	school to provide support and advice and ensure that action is being taken to implement the agreed recommendations.
--	---------------------------------------------------------------------------------------------------------------------

### **Quality Assurance and Improvement Programme**

- 3.5 As shown above in section 3.2, client satisfaction levels have improved from 87% to 97% this year. Only one unsatisfactory questionnaire was received from a school and arose due to delays in reporting. This has been followed up internally and with the auditee and the audit provider. Performance against the key target for our providers, that draft reports should be produced within 15 days of the exit meeting has also improved from 60% to 70%.

## **4. RISK MANAGEMENT**

- 4.1 Between April and December 2013, the Strategic Risk Register was reviewed three times by the Strategic Risk Management Group (SRMG), twice by the Corporate Management Team (CMT) and once at Executive Briefing. Directorate risk registers continue to be monitored regularly at Departmental Management Teams.
- 4.2 The Council participated in the CIPFA Benchmarking exercise for risk management in 2013 which confirmed that risk management is working effectively at Bracknell Forest Council.

## **5. COUNTER FRAUD ACTIVITIES**

### **National Fraud Initiative (NFI)**

- 5.1 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. Data was submitted to the Audit Commission during 2012 and matches were received back in during 2013 on
- Blue Badge parking permits
  - - Creditors history
  - - Creditors standing data
  - - Concessionary Travel passes
  - - Housing Benefits claimants
  - - Insurance claimants
  - - Market traders
  - - Personal alcohol licences
  - - Pensions
  - - Payroll

- - Private residential care homes
  - - Taxi drivers
- 5.2 Whilst there is still some ongoing work on Housing and Council Tax Benefits matches, investigation work is complete in all the other areas covered by the exercise. The outcome of all investigations for this NFI round has resulted in one prosecution, 1 formal caution and 1 Administration Penalty arising from benefit matches.
- 5.3 Data is due to be submitted in February 2014 to match Council Tax single person discounts to the Electoral Roll and the matches following this will be received back later in 2014 for follow up.

### **Benefits Investigations**

- 5.4 The Benefits Investigation Team is located within the Benefits section of Housing in Adult Social Care, Housing and Health. It is therefore outside of the management of the Internal Audit Team. The Team consists of a Senior Investigations Officer and one Investigation Officer. During the investigation of claims, Officers interview witnesses, take statements, carry out surveillance and interview under caution with a view to taking prosecution action. All cases are investigated, however many can be unfounded, some may create an overpayment as a result of an error and are recovered through normal recovery procedures.
- 5.5 During the period 1<sup>st</sup> April to 20<sup>th</sup> December 2013, the Team received 458 referrals. As a result of work undertaken by the Investigation Team, the sanctions applied during this period were 27 Formal Cautions, 15 Administration Penalties (a 30% penalty on top of overpaid benefit) and 9 successful prosecutions.
- 5.6 The sanctions which resulted were from investigations initiated as follows:
- 26 referrals from the benefits team
  - 14 Housing Benefit Matching Service
  - 3 joint working with Job Centre Plus
  - 3 NFI data matches
  - 2 Royal Mail do not redirect
  - 1 Anonymous
  - 2 from the Cheatchasers reporting line.
- 5.7 In respect of the 9 successful prosecutions, total overpayment of benefit was assessed at £84,773 and five 12 month community orders were given with a total of 780 hours of unpaid work and £596 costs. Fines of £140 were imposed.
- 5.8 As noted above, 15 Administration Penalty cases have been applied totalling £14,434 which is collected in addition to the overpayments of benefit caused by the claimant not reporting changes in their circumstances.

**Other Irregularities**

- 5.9 The 2011/12 Head of Internal Audit Opinion report which came to Governance and Audit Committee in July 2012 referred to two cases of employee irregularity. One of these cases was referred to the Police. This related to a conflict on interest in a direct payment and excessive rates/ hours charged to the Council. This was investigated in Adult Social Care, Housing and Health and following a disciplinary procedure held in her absence the employee was found to have committed gross misconduct and was dismissed. The Police have now informed the Investigating Officer that it has been agreed that the individual has a case to answer and have agreed a charge of fraud by abuse of position contrary to section 1 and 4 of the Fraud Act 2006. The Police are currently looking in to steps that can be taken to extradite the individual.

**2012/13 AUDITS**

Audit	Start Date	Date Draft Report Issued	Key Indicator Met	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	1	2	3	
<b>Children, Young People and Learning</b>											
Fostering	19/4/2013	22/8/13	X		✓				3	3	Final
<b>Corporate Services</b>											
Back-Up procedures	26/3/13	8/7/13	X		✓				4		Final
Compliance with PCI Standards	17/4/13	25/6/13	X			✓		1			Final

**2013/14 AUDITS**

Audit	Start Date	Date Draft Report Issued	Key Indicator Met	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	1	2	3	
<b>Grants</b>											
Bus Service Operators Grant BSOG -2012/13 (Corp. Services)	30/5/13	4/6/13	✓	N/A – Grant certification							Final
Short Breaks Grant (Children, Young People and Learning)											Awaiting instruction for audit
Troubled Families Grant –July Submission (Children, Young People and	16/7/13	29/7/13	✓	N/A – Grant certification							Final

Unrestricted

Audit	Start Date	Date Draft Report Issued	Key Indicator Met	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
Learning)											
Capital block maintenance grant	17/9/13	24/9/13	✓								Final
Sustainable transport grant	17/9/13	31/10/13	✓								Final
Better Bus Grant											Not due. QTR 4 audit
Additional Audit Bus Service Operators Grant BSOG - Dec 2013 (Corp. Services)	11/11/11	18/11/13	✓								Final
Additional Audit Fuel poverty grant- (ECC)	24/7/13	25/7/13	✓								Final
<b>Council Wide Audits</b>											
Council Wide Officer Expenses	17/6/13	18/7/13	✓		✓				5		Final
Council Wide Absence Management	29/4/13	3/7/13	✓		✓				7	2	Final
Banner Stationery Contract	30/9/13	5/11/13	✓		✓				3	1	Final
Council Wide Procurement											Not due. QTR 4 audit
Acquire – food supplies contract											Not due. QTR 4 audit
Commensura Agency Contract											Audit no longer required
<b>Assistant Chief Executive's Office</b>											



Unrestricted

Audit	Start Date	Date Draft Report Issued	Key Indicator Met	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
Compulsory Purchase Orders	2/12/13	13/12/13	✓		✓				1	2	Draft issued
<b>Corporate Services</b>											
Electoral Services	23/4/13	17/6/13			✓				2	2	Final
Members Exps, Allowances & Hospitality	8/4/13	31/5/13	✓		✓				10	1	Final
Treasury Management	26/7/13	12/9/13	X		✓				2		Final
Creditors											Not due as QTR 4 audit
Debtors	23/9/13	8/11/13	✓		✓				1		Final
Main Accounting	31/7/13	30/8/13	✓		✓					1	Final
Localisation of Business Rates	15/10/13	14/11/13	✓		✓				9	4	Draft issued
Payroll and Pre-Employment Check	6/11/13										Work in progress
Cash Payments Management	7/10/13	11/12/13	✓		✓				2		Draft issued
Council Tax	30/9/13	14/11/13	✓		✓				6	4	Final
Business rates	2/12/13										Work in progress
Times Square Works											Not due. QTR 4 audit
Procurement cards											Deferred o 2014/15 due to low number of cards issued to date
<b>Corporate Services - IT Audits</b>											
Front Line	19/8/13	6/11/13	X		✓				3		Draft issued
Change	12/8/13	5/11/13	X		✓				5		Final

Audit	Start Date	Date Draft Report Issued	Key Indicator Met	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
Management											
Software Licenses	16/9/13	7/11/13	X		✓				3		Final
Disaster Recovery	9/12/13										Work in progress
PSN											Not due. QTR 4 audit
Operating System											Not due. QTR 4 audit
Agresso											Not due. QTR 4 audit
Compliance with PCI Standards											Deferred to 2014/15 as recommendations from previous audit not due for implementation until June 2014
<b>Children, Young People and Learning School Audits</b>											
Ascot Heath Infants School (Following limited assurance opinion in 2012/13)	20/5/13	31/5/13	✓		✓				6	4	Final
Jennett's Park CoE Primary School (Following limited assurance opinion in 2012/13)	30/9/13	15/10/13	✓		✓				3	3	Final
Uplands Primary School (Following limited assurance opinion in 2012/13)	7/5/13	25/6/13	✓		✓				9	4	Final
New Scotland Hill	23/9/13	2/10/11	✓		✓				7	1	Final

Audit	Start Date	Date Draft Report Issued	Key Indicator Met	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
Primary School											
Wildmoor Heath Primary School	11/11/13	20/11/13	✓			✓		1	7	1	Final
Winkfield St Mary's CoE primary School	4/11/13	29/11/13									Work In Progress
College Hall Pupil Referral Unit											Not due. QTR 4 audit
Crowthorne CoE Primary School											Not due. QTR 4 audit
Great Hollands Primary School											Not due. QTR 4 audit
Wooden Hill Primary School											Not due. QTR 4 audit
Meadow Vale Primary School											Not due. QTR 4 audit
Sandy Lane Primary School											Not due. QTR 4 audit
Wildridings Primary School											Not due. QTR 4 audit
Whitegrove Primary School											Not due. QTR 4 audit
Easthampstead Park School											Not due. QTR 4 audit
<b>Children, Young People and Learning Cross-Cutting School Audits</b>											
Procurement in Schools	30/9/13										Work In Progress
Information Security in Schools	13/5/13	25/7/13	X	Opinion not given as agreed with CYPL. Findings were based on sample visits to 7 schools. Recommendations were raised for					79	9	Draft issued

Unrestricted

Audit	Start Date	Date Draft Report Issued	Key Indicator Met	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority 1	Priority 2	Priority 3	
				each school and the central ICT team in CYPL							
Free School Meals	23/5/13	12/7/13	✓		✓				1		Final
<b>Children, Young People and Learning – Other Audits</b>											
Bracknell Forest Education Centre	29/4/13	27/6/13	✓		✓				3	3	Final
Life Long Learning	22/4/13	16/5/13	✓		✓				2	2	Final
Youth Services	14/10/13	5/12/13	X						1	5	Final
Direct Payments	12/8/13	5/11/13	✓		✓				4	1	Draft issued
Post Project Evaluations	9/9/13	18/10/13	✓		✓				2	3	Final
Rowans and Sycamores Children Centre	24/7/13	25/9/13	X		✓				3	2	Final
Willows and Maples Children's Centre	24/7/13	25/9/13	X		✓				2	2	Final
Adoption	29/10/13	4/12/13	X		✓					4	Draft issued
SEN											Not due. QTR 4 audit
<b>Environment, Culture and Communities</b>											
Integrated Transport	12/8/13	14/11/13	X		✓				1		Final
Highways – Reactive maintenance	15/8/13	12/12/13	X	✓							Final
Public Realm Contracting											Audit no longer required

Audit	Start Date	Date Draft Report Issued	Key Indicator Met	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	1	2	3	
Car Parks	21/5/13	13/8/13	✓			✓			11	5	Final
Adaptations	29/4/13	12/7/13	✓		✓				3	3	Final
Bracknell Leisure Centre	29/7/13	6/9/13	✓		✓				6		Final
Edgebarrow and Sandhurst Leisure Centres	13/5/13	26/7/13	✓		✓				2	1	Final
Downshire Golf Club	20/8/13	8/9/13	✓		✓				2		Final
Tree Services - Purchasing											Work In Progress
Libraries											Not due. QTR 4 audit
Statutory Inspections											Not due. QTR 4 audit
Cash Spot Checks											Not due. QTR 4 audit
<b>Environment, Culture and Communities – IT Audits</b>											
Library system											Deferred to 2014/15
Leisure management system											Deferred to 2014/15
<b>Adult Social Care, Housing and Health</b>											
Learning Disability											Work In Progress

Unrestricted

Audit	Start Date	Date Draft Report Issued	Key Indicator Met	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
Brokerage	2/12/13										Work In Progress
Direct Payments	12/8/13	5/11/13	✓								Draft issued for discussion
Contracting	5/10/13	28/11/13	✓		✓				6	6	Draft issued
Emergency Duty Team Follow up audit following the limited assurance conclusion at the 2011/12 audit											Not due. QTR 4 audit
Blue Badges	10/9/13	28/11/13	X		✓				3	3	Final
CONTROCC	5/10/13	3/12/13	✓		✓				2	3	Final
Hosted Public Health Arrangements	28/10/13										Work In Progress
Housing & Council Tax Benefits	21/10/13										Work In Progress
Council Tax Benefits and Welfare Reforms											Merged into main housing benefits audit
Housing Benefit Spot Checks	2/12/13										Work In Progress

Unrestricted

Audit	Start Date	Date Draft Report Issued	Key Indicator Met	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
Social Fund Payments											Not due. QTR 4 audit
Supporting People											Not due. QTR 4 audit
Housing Rents/Deposits											Not due. QTR 4 audit
<b>Adult Social Care, Housing and Health – IT Audits</b>											
Rostering and Monitoring System											Not due. QTR 4 audit

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**TO: GOVERNANCE AND AUDIT COMMITTEE  
28 JANUARY 2013**

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## **TREASURY MANAGEMENT REPORT Borough Treasurer**

### **1 PURPOSE OF DECISION**

- 1.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensures this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing liquidity initially before considering maximising investment return.
- 1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the longer term cash flow needs to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses.
- 1.3 The Local Government Act 2003 requires a local authority to "have regard to" guidance issued by, or specified by, the Secretary of State. As such, the Council is required to have regard to the Prudential Code and the Code of Practice on Treasury Management in the Public Sector, both issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 1.4 The Code of Practice requires the Council's annual Treasury Management Strategy to be examined and reviewed by a responsible body. An additional primary requirement of the code is for the receipt by Full Council of a Mid-Year Review Report of Treasury Management activities.
- 1.5 This report seeks to achieve both these requirements

### **2 RECOMMENDATIONS**

- 2.1 **That the Committee consider and review the Mid-Year Review Report and share the report with members of the Full Council.**
- 2.2 **That the Committee review the Treasury Management Strategy prior to its approval by Council.**

### **3 REASONS FOR RECOMMENDATIONS**

- 3.1 The reasons for the recommendations are set out in the report.

### **4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 The Code of Practice requires the Council's annual Treasury Management Strategy to be examined and reviewed by a responsible body. The Governance and Audit Committee has been nominated by Council to be that body.

## 5 SUPPORTING INFORMATION

### Mid-Year Review

- 5.1 This mid year report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:
- An economic update for the first nine months of 2013/14
  - A review of the Treasury Management Strategy Statement and Annual Investment Strategy
  - The Council's capital expenditure
  - A review of the Council's investment portfolio for 2013/14;
  - A review of compliance with Treasury and Prudential Limits for 2013/14
- 5.2 In the Eurozone (EZ) the sovereign debt crisis has eased during 2013 which has been a year of comparative calm after the hiatus of the Cyprus bailout in the spring. The EZ finally escaped from seven quarters of recession in quarter 2 of 2013 but growth is likely to remain weak and so will dampen UK growth. The ECB's pledge to buy unlimited amounts of bonds of countries which ask for a bail out, has provided heavily indebted countries with a strong defence against market forces. This has bought them time to make progress with their economies to return to growth or to reduce the degree of recession.
- 5.3 The US economy has managed to return to reasonable growth in Q2 2013 of 2.5% y/y and 2.8% in Q3, in spite of sharp cuts in federal expenditure that kicked in on 1 March, induced by the fiscal cliff, together with increases in taxation. The Federal Reserve has continued to provide huge stimulus to the economy through its \$85bn per month asset purchases programme of quantitative easing. However an announcement was made in December 2013 to taper (reduce) this support and it is too early to judge how this will impact on global economies going forward. Consumer, investor and business confidence levels have improved markedly in 2013. The housing market has turned a corner and house sales and increases in house prices have returned to healthy levels.
- 5.4 Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history. However, growth strongly rebounded in 2013 - quarter 1 (+0.3%), 2 (+0.7%) and 3 (+0.8%), to surpass all expectations as all three main sectors, services, manufacturing and construction contributed to this strong upturn. The Bank of England has, therefore, upgraded growth forecasts in the August and November quarterly Inflation Reports for 2013 from 1.2% to 1.6% and for 2014 from 1.7% to 2.8%, (2015 unchanged at 2.3%). Whilst growth is expected to be strong for the immediate future, one downside is that wage inflation continues to remain significantly below CPI inflation so disposable income and living standards are under pressure, although income tax cuts have ameliorated this to some extent.
- 5.5 The Bank of England issued forward guidance in August which said that the Bank will not start to consider raising interest rates until the jobless rate (Labour Force Survey / ILO i.e. not the claimant count measure) has fallen to 7% or below. This would require the creation of about 750,000 jobs and was forecast to take three years in August, but revised to possibly quarter 4 2014 in November. The UK unemployment rate currently stands at 2.5 million i.e. 7.6 % on the LFS / ILO measure. The Bank's guidance is subject to three provisos, mainly around inflation; breaching any of them would sever the link between interest rates and unemployment levels. This actually makes forecasting Bank Rate much more complex given the lack of available reliable forecasts by economists over a three year plus horizon.

- 5.6 While Bank Rate has remained unchanged at 0.5% and quantitative easing has remained unchanged at £375bn in 2013, the Funding for Lending Scheme (FLS), aimed at encouraging banks to expand lending to small and medium size enterprises, has been extended
- 5.7 Economic forecasting remains difficult with so many external influences weighing on the UK. The overall balance of risks to economic recovery in the UK is currently evenly weighted. However, only time will tell just how long this period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas. UK strong economic growth is currently very dependent on consumer spending and recovery in the housing market. This is unlikely to endure much beyond 2014 as most consumers are maxed out on borrowing and wage inflation is less than CPI inflation, so disposable income is being eroded. In the longer term – an earlier than currently expected reversal of QE in the UK; this could initially be implemented by allowing gilts held by the Bank to mature without reinvesting in new purchases, followed later by outright sale of gilts currently held.
- 5.8 The Council has appointed Capita (previously known as Sector Treasury Services) as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives their central view on the future levels of the Bank Rate.

Medium-Term Rate Estimates (averages)

Annual Average %	Bank Rate	PWLB Rates*		
		5 year	25 year	50 year
Dec 2013	0.50	2.50	4.40	4.40
Mar 2014	0.50	2.50	4.40	4.40
June 2014	0.50	2.60	4.40	4.40
Sept 2014	0.50	2.70	4.50	4.50
Dec 2014	0.50	2.70	4.50	4.60
March 2015	0.50	2.80	4.60	4.70
June 2015	0.50	2.80	4.70	4.80
Sept 2015	0.50	2.90	4.80	4.90
Dec 2015	0.50	3.00	4.90	5.00
March 2016	0.50	3.20	5.00	5.10
June 2015	0.50	3.30	5.10	5.20
Sept 2016	0.75	3.50	5.10	5.20

\* Borrowing Rates

### Treasury Management Strategy Statement Review

- 5.9 The Treasury Management Strategy Statement (TMSS) for 2013/14 was approved by the Council on 27th February 2013. There are no policy changes to the TMSS

### Capital Expenditure

- 5.10 The table below shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget. The Council is on target to achieve the original forecast Capital Financing Requirement and no external borrowing is forecast for the year.

Department	Approved Budget 2013/14 £'000s	Cash Budget 2013/14 £'000s	Estimated Out-turn 2013/14 £'000s	Cash Budget 2014/15 £'000s	(Under) /Over Spend £'000s
Adult Social Care, Health & Housing	5,673.7	5,312.0	5,312.0	361.7	0.0
Children, Young People and Learning	25,925.9	10,450.1	10,450.1	15,475.8	0.0
Council Wide	8,296.2	6,705.7	6,705.7	1,590.5	0.0
Corporate Services	698.0	683.0	686.0	15.0	3.0
Environment, Culture and Communities	10,326.0	8,061.1	8,068.2	2,264.9	7.1
<b>TOTAL CAPITAL PROGRAMME</b>	<b>50,919.8</b>	<b>31,211.9</b>	<b>31,222.0</b>	<b>19,707.9</b>	<b>10.1</b>

### Review of Investment Portfolio 2013/14

- 5.11 The Council held £46.4m of investments as at 31 December 2013 and the investment portfolio yield for the first nine months of the year is 0.6% against a benchmark (Local Authority 7-Day Rate) of 0.4%.

Investment	Maturity	Amount (£)	Average Rate (%)
<b>Money Market Funds</b>			
Prime Rate	1 Day	6,995,000	0.49
Ignis	1 Day	6,992,500	0.39
Goldman Sachs	1 Day	5,415,000	0.38
		<b>19,402,500</b>	
<b>Fixed Term Deposits</b>			
RBS	24/04/2014	3,500,000	0.77%
Lloyds	15/08/2014	3,500,000	1.01%
Lloyds	30/10/2014	3,500,000	0.98%
Barclays	03/02/2014	3,500,000	0.45%
Santander	07/02/2014	2,500,000	0.46%
Nationwide BS	07/02/2014	2,500,000	0.45%
Nationwide BS	04/03/2014	2,500,000	0.45%
Barclays	19/03/2014	3,500,000	0.47%
Santander	24/03/2014	2,000,000	0.46%
		<b>27,000,000</b>	
<b>Total Investments</b>		<b>46,402,500</b>	

- 5.12 The 2013/14 interest budget assumed that an average interest rate of 1.0% would be earned on the Council's investment portfolio. Taken together with the income generated by pre-funding the 2013/14 pension fund contribution, the interest budget was estimated to be £384,000. The Bank Rate (set monthly by the Bank of England) has remained at an historical low of 0.5% and, given the current weaknesses in both the UK and the Global economy, is likely to remain at this level

for some months to come. Moreover the liquidity support provided by the Bank of England discussed above has had the impact of constraining the investment return available to the Council and the Council will not achieve the budgeted return of 1% as noted above.

- 5.13 However cash balances remain on the upside, creating additional opportunities to deposit surplus cash at longer fixed term maturities, rather than having to limit investments to overnight low-yielding money market funds although the Council is limited by the number of counterparties available to it. The Council continues to invest in only the most highly rated UK financial institutions, or those part-nationalised UK Banks. Notwithstanding this low-risk approach, given the opportunities presented by these longer-term maturities, the additional yield will contribute to the investment projections for 2013/14 and as such an additional £100,000 of investment income has been projected for the year.

#### **Compliance with Treasury and Prudential Limits for 2013/14**

- 5.14 The Borough Treasurer can confirm that the approved limits within the Annual Investment Strategy were not breached during the first nine months of 2013/14 and no changes to these limits are proposed for the remaining 3 months.

#### **Treasury Management Strategy 2014/15**

- 5.1 The Local Government Act 2003 requires a local authority to “have regard to” guidance issued by, or specified by, the Secretary of State. As such, the Council is required to have regard to the Prudential Code and Code of Practice on Treasury Management in the Public Sector, both issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 5.2 Under the requirements of the Prudential Code, the Council must set Prudential Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable. The attached Treasury Management Report outlines the Council’s Prudential Indicators for 2014/15 to 2016/17 and sets out the expected treasury operations for this period.
- 5.3 The Code of Practice recommends that a responsible body be nominated by the Council and having examined and assessed the effectiveness of the treasury management strategy and policies recommend them to Council. At its meeting on 2 March 2011 Council nominated the Governance and Audit Committee as the responsible body.
- 5.4 The attached Treasury Management Report (Annex D of the General Fund Revenue Budget 2014/15 report to the Executive) was approved on 10 December 2013. The Executive requested that the Governance and Audit Committee review each of the key elements. Following this review the Treasury Management Report and associated documents will be presented to Council for approval on 26 February 2014, as a part of the overall budget package and resolution on the Council Tax for 2014/15.

### **6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

#### Borough Solicitor

- 6.1 None.

#### Borough Treasurer

- 6.2 The financial implications are contained within the report.

6.3 Equalities Impact Assessment  
None.

6.4 Strategic Risk Management Issues  
The Treasury Management Report deals directly with the strategic management of risk associated with the Council's treasury management activities

## **7 CONSULTATION**

7.1 The Executive approved the draft budget proposals for consultation on 10 December. Any representations made will be considered by the Executive on 11 February before recommending the final budget package to full Council.

Background Papers  
None

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**TREASURY MANAGEMENT REPORT**

- 1.1 The Local Government Act 2003 requires the Council to “have regard to” the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable.
- 1.2 This report outlines the Council’s prudential indicators for 2014/15 – 2016/17 and sets out the expected treasury operations for this period. It fulfils four key legislative requirements:
- The reporting of the prudential indicators setting out the expected capital activities at Annex D(i) (as required by the CIPFA Prudential Code for Capital Finance in Local Authorities).
  - The Council’s Minimum Revenue Provision (MRP) Policy at Annex D(ii), which sets out how the Council will pay for capital assets through revenue each year (as required by Regulation under the Local Government and Public Involvement in Health Act 2007);
  - The Treasury Management Strategy Statement which sets out how the Council’s treasury service will support the capital decisions taken above, the day to day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the Authorised Limit, the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This is the Affordable Borrowing Limit required by s3 of the Local Government Act 2003 and shown at Annex D(iii);
  - The Annual Investment Strategy which sets out the Council’s criteria for choosing investment counterparties and limiting exposure to the risk of loss. This strategy is in accordance with the CLG Investment Guidance and is shown in Annex D(iv).

## **The Capital Prudential Indicators 2014/15 – 2016/17**

The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and produce prudential indicators. Each indicator either summarises the expected capital activity or introduces limits upon that activity, and reflects the outcome of the Council's underlying capital appraisal systems.

Within this overall prudential framework there is an impact on the Council's treasury management activity – as it will directly impact on borrowing or investment activity and as such the Treasury Management Strategy for 2014/15 to 2016/17 complements these indicators. Some of the prudential indicators are shown in the Treasury Management Strategy to aid understanding.

### **The Capital Expenditure Plans**

The Council's capital expenditure plans are summarised below and this forms the first of the prudential indicators. A certain level of capital expenditure is grant supported by the Government; any decisions by the Council to spend above this level will be considered unsupported capital expenditure. This unsupported capital expenditure needs to have regard to:

- Service objectives (e.g. strategic planning);
- Stewardship of assets (e.g. asset management planning);
- Value for money (e.g. option appraisal);
- Prudence and sustainability (e.g. implications for external borrowing and whole life costing);
- Affordability (e.g. implications for the council tax);
- Practicality (e.g. the achievability of the forward plan).

The revenue consequences of capital expenditure, particularly the unsupported capital expenditure, will need to be paid for from the Council's own resources.

This capital expenditure can be paid for immediately (by applying capital resources such as capital receipts, capital grants etc., or revenue resources), but if these resources are insufficient any residual capital expenditure will add to the Council's borrowing need.

The key risks to the plans are that the level of Government support has been estimated and is therefore maybe subject to change. Similarly some estimates for other sources of funding, such as capital receipts, may also be subject to change over this timescale. For instance anticipated asset sales may be postponed due to external factors, similarly the proceeds from the Right-to-Buy sharing agreement with Bracknell Forest Homes will also be impacted on by the wider economy.



The Council is asked to approve the summary capital expenditure projections below. This forms the first prudential indicator:

<b>Capital Expenditure</b>	<b>2014/15 Estimate £000</b>	<b>2015/16 Estimate £000</b>	<b>2016/17 Estimate £000</b>
Capital Expenditure	21,229	11,200	8,848
<b>Financed by:</b>			
Capital receipts	5,000	3,000	3,000
Capital grants & Contributions	12,801	3,759	3,909
Revenue	0	0	0
<b>Net financing need for the year</b>	<b>3,428</b>	<b>4,441</b>	<b>1,939</b>

### **The Council's Borrowing Need (the Capital Financing Requirement)**

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. The capital expenditure above which has not immediately been paid for will increase the CFR. Due to the nature of some of the capital expenditure identified above (ie grant), an element will be immediately impaired or will not qualify as capital expenditure for CFR purposes. As such the net financing figure above may differ from that used in the CFR calculation.

The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision - MRP), although it is also allowed to undertake additional voluntary payments (VRP). No additional voluntary payments are planned.

The Council is asked to approve the CFR projections below:

	<b>2014/15 Estimate £000</b>	<b>2015/16 Estimate £000</b>	<b>2016/17 Estimate £000</b>
<b>Capital Financing Requirement</b>			
<b>Total CFR</b>	<b>57,716</b>	<b>60,680</b>	<b>63,431</b>
<b>Movement in CFR</b>	<b>6,019</b>	<b>2,964</b>	<b>2,751</b>

<b>Movement in CFR represented by</b>			
Net financing need for CFR purposes #	7,856	5,000	5,000
Less MRP/VRP and other financing movements	-1,837	-2,036	-2,249
<b>Movement in CFR</b>	<b>6,019</b>	<b>2,964</b>	<b>2,751</b>

# 2014/15 includes impact of carry-forward from 2013/14

CLG Regulations have been issued which require full Council to approve an MRP Statement in advance of each year. The Council is recommended to approve the MRP Statement attached in Annex D(ii)

**Affordability Prudential Indicators**

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

Estimates of the ratio of financing costs to net revenue stream.

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	<b>2014/15 Estimate</b>	<b>2015/16 Estimate</b>	<b>2016/17 Estimate</b>
<b>Ratio</b>	-0.09%	-0.27%	-0.24%

The estimates of financing costs include current commitments and the proposals in the Capital Programme Budget report.

Incremental impact of capital investment decisions on the Council Tax

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

	<b>Forward Projection 2014/15</b>	<b>Forward Projection 2015/16</b>	<b>Forward Projection 2016/17</b>
<b>Council Tax - Band D</b>	£0.37p	£0.96p	£0.42p

### **Minimum Revenue Provision (MRP) Policy Statement**

The concept of the Minimum Revenue Provision (MRP) was introduced when the Local Government Capital Finance System was changed on 1 April 1990. This required local authorities to assess their outstanding debt and to make an annual charge to the General Fund of 4% of the General Fund Debt.

Department for Local Government & Communities (DCLG) issued regulations in 2008 which require a local authority to calculate for the current financial year an amount of MRP which it considers “prudent”. The broad aim of a prudent provision is to ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits or in the case of borrowing supported by government, reasonably commensurate with the period implicit in the determination of the grant. The Council can choose to charge more than the minimum.

It is a requirement of these new regulations that full Council approve an annual MRP Statement of its policy on making MRP.

As capital expenditure is incurred which cannot be immediately financed through capital receipts or grant the Council’s borrowing need (its Capital Financing Requirement) will be positive and an MRP will be required. In practice the Council is unlikely to need to borrow externally in the medium term as it has sufficient revenue investments, arising from the Council’s reserves and balances to cover this expenditure. However it will still need to make a charge to revenue for this “internal borrowing”.

The move to International Financial Reporting Standards (IFRS) in local government brought more PFI schemes on balance sheet and resulted in some leases (or parts of leases) being reclassified as finance lease instead of operating leases. These contracts would become subject to the requirement to provide MRP. IFRS requires these changes to be accounted for retrospectively. With the result that an element of the rental or service charge payable in previous years will be taken to the balance sheet to reduce the liability. On its own this change would result in a one-off increase to the capital financing requirement, and an equal increase in revenue account balances. This is not seen as a prudent course of action and as such the guidance recommends the inclusion in the annual MRP charge of an amount equal to the amount that has been taken to the balance sheet to reduce the liability, including the retrospective element in the first year.

The guidance sets out four options for making MRP. It envisages that authorities can distinguish between borrowing that is “supported” (through the RSG system) and other “unsupported or prudential” borrowing. The first two methods should only be used for “supported” borrowing

- 1) The regulatory method. This involves following the existing practice outlined in the former DCLG regulation. For the Council this is essentially the same as the CFR method.
- 2) The CFR Method. This involves setting the MRP equal to 4% of the Capital Financing Requirement at the end of the preceding year.
- 3) The Asset Life Method. This method requires MRP to be charged over the asset life. The asset life is determined in the year MRP commences and is not changed. MRP will not be charged until the asset becomes operational.

Therefore it will be possible to take an MRP holiday for those assets in construction.

- 4) The Depreciation Method. This requires the MRP to equal the actual depreciation based on standard accounting procedures.

### **Recommended Policy**

In setting the 2014/15 budget and beyond the following policy is recommended:

- 1) There will be a presumption that capital receipts will be allocated to the appropriate assets in relation to the constraints of the medium term financial strategy.
- 2) The Council will identify the level of “supported borrowing” and use the CFR Method i.e. 4% of this figure as part of the MRP charge. The supported borrowing will be used in full irrespective of the service block the funding was allocated in the grant settlement and will also be allocated to the appropriate assets in relation to the constraints of the medium term financial strategy. For the remaining “unsupported borrowing” the Council will use the asset life method.

The actual charge made in the year will be based on applying the above policy to the previous year’s actual capital expenditure and funding decisions. Therefore the 2014/15 charge will be based on 2013/14 capital out-turn.

The recommended policy is consistent with approach that the Council has adopted in previous years, minimising the impact on the revenue budget whilst ensuring that prudent provision is made for repayment of internal borrowings.

## TREASURY MANAGEMENT STRATEGY STATEMENT

The Treasury Management service is an important part of the overall financial management of the Council's affairs. The prudential indicators in Annex D(i) consider the affordability and impact of capital expenditure decisions, and set out the Council's overall capital framework. The Treasury Management service considers the effective funding of these decisions. Together they form part of the process which ensures the Council meets its balanced budget requirement under the Local Government Finance Act 1992.

The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice - 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). This Council has adopted the revised Code.

As a result of adopting the Code the Council also adopted a Treasury Policy Statement. This adoption is the requirement of one of the prudential indicators.

The Code of Practice requires an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming 3 years. A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. A further treasury report is produced after the year-end to report on actual activity for the year, and a new requirement of the revision of the Code of Practice is that there is a mid-year monitoring report.

This strategy covers:

- The Council's debt and investment projections;
- The Council's estimates and limits on future debt levels;
- The expected movement in interest rates;
- The Council's borrowing and investment strategies;
- Treasury performance indicators;
- Specific limits on treasury activities;

### **Debt and Investment Projections 2014/15 – 2016/17**

The borrowing requirement comprises the expected movement in the CFR and any maturing debt which will need to be re-financed. The Council does not anticipate any external borrowing over the period 2014/15 to 2016/17 however the timing of this very much depends on progress made in delivering on the Capital Programme in and the level of capital receipts achieved in the next 2 years. As such there is some uncertainty as to when exactly the Council will be required to undertake borrowing. The table below highlights the expected change in investment balances.

£'000	2014/15 Estimated	2015/16 Estimated	2016/17 Estimated
<b>External Debt</b>			
Debt at 31 March	0	0	0
<b>Investments</b>			
Investments at 31 March	18,000	10,000	2,000

### Limits to Borrowing Activity

Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well defined limits. For the first of these the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2014/15 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Borough Treasurer reports that the Council has complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

### The Authorised Limit for External Debt

A further key prudential indicator represents a control on the overall level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been exercised.

The Council is asked to approve the following Authorised Limit:

Authorised limit £000	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
Borrowing	45,000	48,000	51,000
Other long term liabilities	16,000	16,000	16,000
Total	61,000	64,000	67,000

### Operational Boundary for External Debt

The Authority is also recommended to approve the Operational Boundary for external debt for the same period. The proposed Operational Boundary is based on the same estimates as the Authorised Limit but reflects directly the estimate of the most likely but not worst case scenario, without the additional headroom included within the Authorised Limit to allow for unusual cash movements.

Operational Boundary £m	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
Borrowing	40,000	44,000	47,000
Other long term liabilities	16,000	16,000	16,000
Total	56,000	60,000	63,000

### Borrowing in advance of need.

The Borough Treasurer may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Whilst the Borough

Treasurer will adopt a cautious approach to any such borrowing, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities. Risks associated with any advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or annual reporting mechanism. However given the finely balanced projected position in 2015/16 any borrowing in advance of need will be kept under review on a monthly basis.

### Expected Movement in Interest Rates

The Council has appointed Capita (previously known as Sector Treasury Services) as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives their central view on the future levels of the Bank Rate

**Medium-Term Rate Estimates (averages)**

Annual Average %	Bank Rate	PWLB Rates*		
		5 year	25 year	50 year
Dec 2013	0.50	2.50	4.40	4.40
Mar 2014	0.50	2.50	4.40	4.40
June 2014	0.50	2.60	4.40	4.40
Sept 2014	0.50	2.70	4.50	4.50
Dec 2014	0.50	2.70	4.50	4.60
March 2015	0.50	2.80	4.60	4.70
June 2015	0.50	2.80	4.70	4.80
Sept 2015	0.50	2.90	4.80	4.90
Dec 2015	0.50	3.00	4.90	5.00
March 2016	0.50	3.20	5.00	5.10
June 2015	0.50	3.30	5.10	5.20
Sept 2016	0.75	3.50	5.10	5.20

\* Borrowing Rates

Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history. However, growth rebounded in quarter 1 and 2 of 2013 to surpass all expectations. Growth prospects remain strong looking forward, not only in the UK economy as a whole, but in all three main sectors, services, manufacturing and construction. One downside is that wage inflation continues to remain significantly below CPI inflation so disposable income and living standards are under pressure, although income tax cuts have ameliorated this to some extent.

A rebalancing of the economy towards exports has started but as 40% of UK exports go to the Eurozone, the difficulties in this area are likely to continue to dampen UK growth. The US, the main world economy, faces similar debt problems to the UK, but thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to growth.

The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:

- Although Eurozone concerns have subsided in 2013, Eurozone sovereign debt difficulties have not gone away and there are major concerns as to how these will be managed over the next few years as levels of

government debt, in some countries, continue to rise to levels that compound already existing concerns. Counterparty risks therefore remain elevated. For investment purposes this continues to suggest the use of higher quality counterparties for shorter time periods;

- Investment returns are likely to remain relatively low during 2014/15 and beyond;
- Borrowing interest rates have risen significantly during 2013 and are on a rising trend. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future;
- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

#### **Borrowing Strategy 2014/15**

Given the level of current investments, the Council does not envisage any long-term borrowing in 2014/15 although the Authorised Limit for External Debt has been set to enable the Council to manage its cash flow effectively through the use of temporary borrowing, in the unlikely event that this should be necessary.



## Investment Strategy 2014/15 – 2016/17

### Investment Policy

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code").

### Key Objectives

The Council's investment strategy primary objectives are safeguarding the repayment of the principal and interest of its investments on time first and ensuring adequate liquidity second – the investment return being a third objective. Following the economic background outlined in the Treasury Management Strategy, the current investment climate has one over-riding risk consideration that of counterparty security risk. As a result of these underlying concerns officers are implementing an operational investment strategy which maintains the tightened controls already in place in the approved investment strategy.

### Investment Counterparty Selection Criteria

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration.

After this main principle the Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below.
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

In accordance with the Investment Guidance, the Council will, in considering the security of proposed investments, follow different procedures according to which of two categories, Specified or Unspecified, the proposed investment falls into.

Specified Investments offer high security and high liquidity and are:

- ◆ Denominated, paid and repaid in sterling;
- ◆ Not long term investments, i.e. they are due to be repaid within 12 months of the date on which the investment was made;
- ◆ Not defined as capital expenditure; and
- ◆ Are made with a body or in an investment scheme which has been awarded a high credit rating by a credit rating agency or are made with the UK Government or a Local Authority in England, Wales, Scotland or Northern Ireland.

Non-Specified Investments are those which do not meet the definition of Specified Investments.

In accordance with guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings,

watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Using Capita's ratings service, potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

Furthermore, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by the advisors, Capita Asset Services in producing its colour codings which show the varying degrees of suggested creditworthiness.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk. The intention of the strategy is to provide security of investment and minimisation of risk.

Investment instruments identified for use in the financial year are listed in appendix under the 'specified' and 'non-specified' investments categories.

### **Creditworthiness policy**

This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following maturities .

Dark pink	5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
Light pink	5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
Blue	1 year (only applies to nationalised or semi nationalised UK Banks)
Orange	1 year
Red	6 months
Green	100 days
No colour	not to be used

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

	Colour (and long term rating where applicable)	Money and/or % Limit	Time Limit
Banks	orange	£7m	1 yr
Banks – part nationalised	blue	£7m	1 yr
Banks	red	£7m	6 mths
Banks	green	£7m	100 days
Banks	No colour	£7m	
<b>Debt Management Account Deposit Facility</b>	AAA	£7m	6 months
Local authorities	n/a	£7m	1 yr
Money market funds	AAA	£7m	liquid
Enhanced money market funds with a credit score of 1.25	Dark pink / AAA	£7m	liquid
Enhanced money market funds with a credit score of 1.5	Light pink / AAA	£7m	liquid

Our creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue influence to just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of short term rating F1, long term rating A-, viability rating of A-, and a support rating of 1 There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored in real time. The Council is alerted to changes to ratings of all three agencies through its use of our creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on government support for banks and the credit ratings of that supporting government

In the normal course of the council's cash flow operations it is expected that both Specified and Non-specified investments will be utilised for the control of liquidity as both categories allow for short term investments.

The use of longer term instruments (greater than one year from inception to repayment) will fall in the Non-specified investment category. These instruments will only be used where the Council's liquidity requirements are safeguarded however the current investment limits for 2014/15 restrain all investments to less than 1 year. Any amendment to this strategy will require the credit-criteria to be amended to include a long-term rating. This will be addressed through the formal approval by Council of a revised Treasury Management Strategy and Annual Investment Strategy.

### **Country and Sector Considerations**

Due care will be taken to consider the country, group and sector exposure of the Council's investments. The current investment strategy limits all investments to UK Banks, Building Societies and Local Authorities, in addition to Sterling denominated AAA Money Market Funds.

### **Economic Investment Considerations**

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates. The UK Bank Rate is forecast to remain unmoved through to late 2015. However, should the pace of growth pick up more than expected there could be upside risk.

The criteria for choosing counterparties set out above provides a sound approach to investment in "normal" market circumstances. Whilst Members are asked to approve this base criteria above, under the exceptional current market conditions the Borough Treasurer may temporarily restrict further investment activity to those counterparties considered of higher credit quality than the minimum criteria set out for approval. These restrictions will remain in place until the banking system returns to "normal" conditions. Similarly the time periods for investments will be restricted.

Examples of these restrictions would be the greater use of the Debt Management Deposit Account Facility (a Government body which accepts local authority deposits), Money Market Funds, and strongly rated institutions. The credit criteria have been amended to reflect these facilities.

### Sensitivity to Interest Rate Movements

Future Council accounts will be required to disclose the impact of risks on the Council's treasury management activity. Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. The table below highlights the estimated impact of a 1% change in interest rates to the estimated treasury management income for next year.

	2014/15 Estimated + 1%	2014/15 Estimated - 1%
<b>Revenue Budgets</b>	<b>£'000</b>	<b>£'000</b>
Investment income	250	250

### Treasury Management Limits on Activity

There are four further treasury activity limits, which were previously prudential indicators. The purpose of these are to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. However if these are set to be too restrictive they will impair the opportunities to reduce costs/improve performance. The indicators are:

Upper limits on variable interest rate exposure – This identifies a maximum limit for variable interest rates based upon the debt position net of investments

Upper limits on fixed interest rate exposure – Similar to the previous indicator this covers a maximum limit on fixed interest rates.

Maturity structures of borrowing – These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

Total principal funds invested for greater than 364 days – These limits are set with regard to the Council's liquidity requirements and are based on the availability of funds after each year-end.

The Council is asked to approve the limits:

	2014/15	2015/16	2016/17
<b>Interest rate Exposures</b>			
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
<b>Limits on fixed interest rates based on net debt</b>	£42m	£46m	£49m
<b>Limits on variable interest rates based on net debt</b>	£42m	£46m	£49m
<b>Maturity Structure of fixed interest rate borrowing 2014/15</b>			
	<b>Lower</b>	<b>Upper</b>	
Under 12 months	0%	100%	
12 months to 2 years	0%	0%	
2 years to 5 years	0%	0%	
5 years to 10 years	0%	0%	
10 years and above	0%	0%	
<b>Maximum principal sums invested &gt; 364 days</b>			
Principal sums invested > 364 days	£m 0	£m 0	£m 0

### **Performance Indicators**

The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. For 2014/15 the Council does not expect to enter into any borrowing and as such the relevant benchmark will relate only to investments and will be the "7 Day LIBID Rate". The results of these indicators will be reported in the Treasury Annual Report.

### **Treasury Management Advisers**

The Council uses Capita Asset Services as its treasury management consultants. The Council recognises that responsibility for treasury management decision remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subject to regular review.

### **Member and Officer Training**

The increased Member consideration of treasury management matters and the need to ensure officers dealing with treasury management are trained and kept up to date requires a suitable training process for Members and officers. Following the nomination of the Governance and Audit Committee to examine and assess the effectiveness of the Treasury Management Strategy and Policies, initial training was provided and additional training was given to the Committee in 2013. Officer training is carried out in accordance with best practice and outlined in TMP 10 Training and Qualifications to ensure that all staff involved in the Treasury Management function are fully equipped to undertake the duties and responsibilities allocated to them

**SPECIFIED INVESTMENTS**

*All investments listed below must be sterling-denominated.*

Investment	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security / Minimum Credit Rating **	Circumstance of use	Maximum period
<b>Debt Management Agency Deposit Facility*</b> (DMADF) * this facility is at present available for investments up to 6 months	No	Yes	Govt-backed	In-house	364 Days
<b>Term deposits</b> with the UK government or with Local Authority in England, Wales, Scotland or Northern Ireland with maturities up to 364 Days	No	Yes	High security although LAs not credit rated.	In-house and by external fund managers subject to the guidelines and parameters agreed with them	364 Days
<b>Term deposits</b> with credit-rated deposit takers (banks and building societies), including callable deposits, with maturities up to 364 Days	No	Yes	<i>See list</i>	In-house and by external fund managers subject to the guidelines and parameters agreed with them	364 Days
<b>Certificates of Deposit</b> issued by credit-rated deposit takers (banks and building societies) : up to 364 Days. <i>Custodial arrangement required prior to purchase</i>	No	Yes	<i>See list</i>	To be used by external fund managers only subject to the guidelines and parameters agreed with them	364 Days
<b>Gilts</b> : up to 364 Days	No	Yes	Govt-backed	To be used by external fund managers only subject to the guidelines and parameters agreed with them	364 Days

Investment	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security / Minimum Credit Rating **	Circumstance of use	Maximum period
<b>Money Market Funds</b> <i>These funds do not have any maturity date</i>	No	Yes	AAA Rating by Fitch, Moodys or S&P	In-house and by external fund managers subject to the guidelines and parameters agreed with them	The period of investment may not be determined at the outset but would be subject to cash flow and liquidity requirements
<b>Forward deals</b> with credit rated banks and building societies < 1 year (i.e. negotiated deal period plus period of deposit)	No	Yes	See list	In-house and by external fund managers subject to the guidelines and parameters agreed with them. Tracking of all forward deals to be undertaken and recorded.	1 year in aggregate
<b>Commercial paper</b> <i>[short-term obligations (generally with a maximum life of 9 months) which are issued by banks, corporations and other issuers]</i> Custodial arrangement required prior to purchase	No	Yes	See list	To be used by external fund managers only subject to the guidelines and parameters agreed with them	9 months
<b>Treasury bills</b> <i>[Government debt security with a maturity less than one year and issued through a competitive bidding process at a discount to par value]</i> Custodial arrangement required prior to purchase	No	Yes	Govt-backed	To be used by external fund managers only subject to the guidelines and parameters agreed with them	1 year



## NON-SPECIFIED INVESTMENTS

*All investments listed below must be sterling-denominated.*

<u>Investment</u>	<u>(A) Why use it?</u> <u>(B) Associated risks?</u>	<u>Share/</u> <u>Loan</u> <u>Capital?</u>	<u>Repayable/</u> <u>Redeemable</u> <u>within 12</u> <u>months?</u>	<u>Security /</u> <u>Minimum credit</u> <u>rating **</u>	<u>Circumstance of</u> <u>use</u>	<u>Maximum</u> <u>maturity of</u> <u>investment</u>
Deposits with Authority's Banker where credit rating has dropped below minimum criteria	Where the Council's bank no longer meets the high credit rating criteria set out in the Investment Strategy the Council has little alternative but to continue using them, and in some instances it may be necessary to place deposits with them, these deposits should be of a very short duration thus limiting the Council to daylight exposure only (i.e. flow of funds in and out during the day, or overnight exposure).	No	Yes	n/a	In-House	364 Days
<b>Term deposits</b> with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	(A) (i) Certainty of rate of return over period invested. (ii) No movement in capital value of deposit despite changes in interest rate environment. (B) (i) Illiquid : as a general rule, cannot be traded or repaid prior to maturity. (ii) Return will be lower if interest rates rise after making the investment. (iii) Credit risk : potential for greater deterioration in credit quality over longer period	No	No	<i>See list</i>	In-house and by external fund managers subject to the guidelines and parameters agreed with them	5 Years
<b>Certificates of Deposit</b> with credit rated deposit takers (banks and building societies) with maturities greater than 1 year <i>Custodial arrangement required prior to purchase</i>	(A) (i) Although in theory tradable, are relatively illiquid. (B) (i) 'Market or interest rate risk' : Yield subject to movement during life of CD which could negatively impact on price of the CD.	No	Yes	<i>See list</i>	To be used by external fund managers only subject to the guidelines and parameters agreed with them	5 years

<u>Investment</u>	<u>(A) Why use it?</u> <u>(B) Associated risks?</u>	<u>Share/</u> <u>Loan</u> <u>Capital?</u>	<u>Repayable/</u> <u>Redeemable</u> <u>within 12</u> <u>months?</u>	<u>Security /</u> <u>Minimum Credit</u> <u>Rating?</u>	<u>Circumstance of</u> <u>use</u>	<u>Maximum</u> <u>maturity of</u> <u>investment</u>
<b>Callable deposits</b> with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	(A) (i) Enhanced income ~ Potentially higher return than using a term deposit with similar maturity.  (B) (i) Illiquid – only borrower has the right to pay back deposit; the lender does not have a similar call. (ii) period over which investment will actually be held is not known at the outset. (iii) Interest rate risk : borrower will not pay back deposit if interest rates rise after deposit is made.	No	No	<i>See /ist</i>	In-house and by external fund managers subject to the guidelines and parameters agreed with them	5 years
<b>UK government gilts</b> with maturities in excess of 1 year  <i>Custodial arrangement required prior to purchase</i>	(A) (i) Excellent credit quality. (ii) Very Liquid. (iii) If held to maturity, known yield (rate of return) per annum ~ aids forward planning. (iv) If traded, potential for capital gain through appreciation in value (i.e. sold before maturity) (v) No currency risk  (B) (i) 'Market or interest rate risk' : Yield subject to movement during life of sovereign bond which could negatively impact on price of the bond i.e. potential for capital loss.	No	Yes	Govt backed	To be used by external fund managers only subject to the guidelines and parameters agreed with them	10 years including but also including the 10 year benchmark gilt

<u>Investment</u>	<u>(A) Why use it?</u> <u>(B) Associated risks?</u>	<u>Share/ Loan Capital?</u>	<u>Repayable/ Redeemable within 12 months?</u>	<u>Security / Minimum credit rating **</u>	<u>Circumstance of use</u>	<u>Maximum maturity of investment</u>
<b>Forward deposits</b> with credit rated banks and building societies for periods > 1 year (i.e. negotiated deal period plus period of deposit)	(A) (i) Known rate of return over period the monies are invested ~ aids forward planning. (B) (i) Credit risk is over the whole period, not just when monies are actually invested. (ii) Cannot renege on making the investment if credit rating falls or interest rates rise in the interim period.	No	No	<i>See list</i>	In-house and by external fund managers subject to the guidelines and parameters agreed with them. Tracking of all forward deals to be undertaken and recorded.	<i>5 years</i>
<b>Deposits with unrated deposit takers (banks and building societies) but with unconditional financial guarantee from HMG or credit-rated parent institution</b> : any maturity	(A) Credit standing of parent will determine ultimate extent of credit risk	No	Yes	<i>See list</i>	In-house and by external fund managers subject to the guidelines and parameters agreed with them	<i>1 year</i>

Counterparty	Credit Ratings										Suggested Duration	Suggested Duration (Watch/Outlook Adjusted)	Colour Indicator			
	Fitch Rating					Moody's Ratings								S&P Ratings		
	Long Term Status	Long Term	Short Term	Viability	Support	Long Term Status	Long Term	Short Term	FSR Status	FSR				Long Term Status	Long Term	Short Term
<b>UK Banks</b>	SB	AA+				SB	Aa1				NO	AAA		O -12 months	O -12 months	Orange
Bank of New York Mellon (International) Ltd	SB	AA-	F1+		1									O -12 months	O -12 months	Orange
HSBC Bank plc	SB	AA-	F1+	a+	1	NO	Aa3	P-1	SB	C	NO	AA-	A-1+	O -12 months	O -12 months	Orange
Standard Chartered Bank	SB	AA-	F1+	aa-	1	SB	A1	P-1	SB	B-	NO	AA-	A-1+	O -12 months	O -12 months	Orange
Credit Suisse International	SB	A	F1		1	SB	A1	P-1			SB	A	A-1	R - 6 months	R - 6 months	Red
MIBNA Europe Bank	SB	A-	F1		1									R - 6 months	R - 6 months	Red
UBS Ltd	SB	A	F1		1	SB	A2	P-1			SB	A	A-1	R - 6 months	R - 6 months	Red
Barclays Bank plc	SB	A	F1	a	1	NO	A2	P-1	SB	C-	SB	A	A-1	G - 100 days	G - 100 days	Green
Cater-Allen														G - 100 days	G - 100 days	Green
Santander UK plc	SB	A	F1	a	1	NO	A2	P-1	SB	C-	NO	A	A-1	G - 100 days	G - 100 days	Green
Sumitomo Mitsui Banking Corporation Europe Ltd	SB	A-	F1		1	SB	Aa3	P-1	SB	C	NO	A+	A-1	G - 100 days	G - 100 days	Green
Clyde Dale Bank	SB	A	F1	bbb+	1	SB	Baa2	P-2	SB	D+	NO	BBB+	A-2	N/C - 0 months	N/C - 0 months	
Co-operative Bank plc	NW	B	B	c	5	NO	Caa1	NP	SB	E				N/C - 0 months	N/C - 0 months	
<b>UK Building Societies</b>																
Nationwide BS	SB	A	F1	a	1	SB	A2	P-1	SB	C	NO	A	A-1	G - 100 days	G - 100 days	Green
Coventry BS	SB	A	F1	a	5	SB	A3	P-2	SB	C				N/C - 0 months	N/C - 0 months	
Leeds BS	SB	A-	F2	a-	5	SB	A3	P-2	SB	C				N/C - 0 months	N/C - 0 months	
Newcastle BS	SB	BB+	B	bb+	5									N/C - 0 months	N/C - 0 months	
Nottingham BS						SB	Baa2	P-2	SB	C-				N/C - 0 months	N/C - 0 months	
Principality BS	SB	BBB+	F2	bbb+	5	SB	Ba1	NP	SB	D+				N/C - 0 months	N/C - 0 months	
Skipton BS	SB	BBB-	F3	bbb-	5	NO	Ba1	NP	NO	D+				N/C - 0 months	N/C - 0 months	
West Bromwich BS						SB	B2	NP	SB	E+				N/C - 0 months	N/C - 0 months	
Yorkshire BS	SB	BBB+	F2	bbb+	5	SB	Baa2	P-2	SB	C-				N/C - 0 months	N/C - 0 months	
<b>Nationalised and Part Nationalised Banks</b>																
Lloyds Banking Group plc	SB	A	F1	bbb+	1	NO	A3				NO	A-	A-2	B - 12 months	B - 12 months	Blue
Royal Bank of Scotland Group plc	SB	A	F1	bbb	1	NO	Baa1	P-2			NO	BBB+	A-2	B - 12 months	B - 12 months	Blue

TO: **GOVERNANCE AND AUDIT COMMITTEE**  
**28 JANUARY 2014**

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**MINOR AMENDMENT TO THE CODE OF CONDUCT FOR MEMBERS**  
**Director of Corporate Services – Legal**

**1. INTRODUCTION**

1.1 This report seeks the endorsement of the Committee to an amendment to the list of “Affected Persons” in the Code of Conduct for Members to include:

- (a) any company of which the Member, or a member of his/her immediate family is a member of the Board/a Director, or
- (b) any Limited Liability Partnership in which the Member is a partner.

The report also proposes that board membership/a directorship/membership of a Limited Liability Partnership of the Member or his/her spouse or partner should be registrable.

**2. RECOMMENDATION**

**2.1 That the Committee recommend to Council that the Code of Conduct for Members be amended as proposed in Section 5 of this report.**

**3. REASONS FOR RECOMMENDATION**

3.1 It would be inappropriate for a Member to be involved in decision making in relation to:

- (a) a company of which they or a member of their immediate family has been appointed to the Board or as a Director, or
- (b) a Limited Liability Partnership in which they or a member of their immediate family is a Member.

3.2 The Standards Committee recommends that the Code of Conduct be amended as proposed.

**4. ALTERNATIVE OPTIONS CONSIDERED**

4.1 Not to recommend the proposed alteration. However, not amending the Code of Conduct could lead to inappropriate Member involvement in decision making.

**5. SUPPORTING INFORMATION**

5.1 The recently approved Code of Conduct for Members includes a provision relating to Members having an “Affected Interest”. The rationale for those provisions is the widely held perception that the provisions of the Localism Act relating to Disclosable Pecuniary Interests are too narrowly cast to preclude inappropriate involvement in decision making. In the absence of the

provisions relating to Affected Interests a Member would be free, for example, to determine a planning application made by his/her own child or parent.

- 5.2 The list of “Affected Persons” (i.e. those persons closely affected by a matter such as to preclude a Member from involvement in decision making) includes:-

“a company in which the total nominal value of the securities held by you/your spouse or partner exceeds £25,000 or more than ten per cent of the issued share capital”.

- 5.3 With the benefit of hindsight it is considered that the category of Affected Interest relating to Member connection with a company is cast too narrowly and that it should extend to those companies to which the Member/his or her spouse, partner, parent, grandparent, child or grandchild has been appointed to the Board or as a Director. Similarly, it is considered that it would be inappropriate for Members to be involved in decision making concerning matters which would affect a Limited Liability Partnership in which they or a family member is a partnership. It is also considered that board membership/a directorship/ partnership in a Limited Liability partnership of the Member or his/her spouse or partner should be registrable on the Council’s Register of Member’s interests.

## **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.

### Strategic Risk Assessment Issues

- 6.3 None.

### Chief Officers

- 6.4 None.

## **7. CONSULTATION**

### Principal Groups Consulted

- 7.1 The Code of Conduct Working Group and the Standards Committee.

### Method of Consultation

- 7.2 By reports.

### Representations Received

- 7.3 The Working Group endorsed the proposed amendment to the Code of Conduct.

Background Papers

None.

Contact for further information

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Doc. Ref

Aj/f/reports/Governance and Audit Committee – 28 January 2014 Minor Amendments Code of Conduct

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