



NOTICE OF MEETING

Governance & Audit Committee

Wednesday 20 September 2017, 7.30 pm

Council Chamber, Fourth Floor, Easthampstead House, Bracknell

To: The Governance & Audit Committee

Councillor Allen (Chairman), Councillor Thompson (Vice-Chairman), Councillors Heydon, Leake, McLean, Ms Miller, Mrs Temperton and Worrall

cc: Substitute Members of the Committee

Councillors Mrs Hayes MBE, Dr Hill, McCracken, Mrs McKenzie-Boyle and Peacey

ALISON SANDERS
Director of Resources

EMERGENCY EVACUATION INSTRUCTIONS

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Email: kirsty.hunt@bracknell-forest.gov.uk
Published: 11 September 2017



Governance & Audit Committee
Wednesday 20 September 2017, 7.30 pm
Council Chamber, Fourth Floor, Easthampstead House,
Bracknell

Sound recording, photographing, filming and use of social media at meetings which are held in public are permitted. Those wishing to record proceedings at a meeting are however advised to contact the Democratic Services Officer named as the contact for further information on the front of this agenda as early as possible before the start of the meeting so that any special arrangements can be made.

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 asked to declare any disclosable pecuniary or affected interests in respect of any matter to be considered at this meeting.

Any Member with a Disclosable Pecuniary 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.

Any Member with an affected Interest in a matter must disclose the interest to the meeting and must not participate in discussion of the matter or vote on the matter unless granted a dispensation by the Monitoring officer or by the Governance and Audit Committee. There is no requirement to withdraw from the meeting when the interest is only an affected interest, but the Monitoring Officer should be notified of the interest, if not previously notified of it, within 28 days of the meeting.

3. **Minutes - 26 July 2017**

To approve as a correct record the minutes of the meetings of the Committee held on 26 July 2017.

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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. **Annual Audit Letter for 2016/17**

To enable the Council's External Auditors to present to the Committee their Annual Audit Letter covering findings from the 2016/17 financial year.

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6. **Affected interests and related matters**

To propose amendments to the provisions relating to Affected Interests in the Council's Code of Conduct for Members. This is following recommendations of the Code of Conduct Working Group which convened on 27 June 2017.

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GOVERNANCE & AUDIT COMMITTEE
26 JULY 2017
7.30 - 8.00 PM

Bracknell Forest Borough Council:

Councillors Allen (Chairman), Thompson (Vice-Chairman), Heydon, Leake, McLean, Ms Miller and Worrall

Independent Members:

David St John Jones

Apologies for absence were received from:

Councillors Mrs Temperton

10. Declarations of Interest

There were no declarations of interest.

11. Minutes - 28 June 2017

RESOLVED that the minutes of the meeting of the committee held on the 28 June 2017 be approved as a correct record and signed by the Chairman.

12. Urgent Items of Business

There were no urgent items of business.

13. External Audit: Audit Results Report

Helen Thompson and Malcom Haines, Ernst and Young, presented a report to the Committee from the External Auditors summarising the work carried out to discharge their statutory audit responsibilities.

The detailed work on the audit had just started at the last meeting in June 2017 with the audit opinion due to be signed off by 31 July 2017. It was reported that there were small parts outstanding which aimed to be resolved in the next couple of days. As there had been no objections received from the public, an unqualified audit opinion on the Councils financial statements would be given and the audit would be certified as closed subject to the completion of the outstanding parts.

The representation letter would be signed by the Borough Treasurer at the conclusion of the Committee with the audit being submitted to Government Accounts once everything had been signed off to confirm that the Council was below the threshold.

The focus of the audit had not changed since the Committee meeting March 2017. Management override was still a high risk but at present there were no problems to report. There was one Value for Money risk in the plan, which was similar to the previous year. Plans were in place to address the budget gap were much stronger than in the previous year and the auditors were content that with constant monitoring and review that this was a good plan. Control observations had not been tested this year

due to a fully substantive approach being adopted and there were no issues to report surrounding independence. It was also noted that there was no differences over the reporting thresholds to report.

Helen Thompson expressed there thanks to the Finance Team for producing such high quality accounts which allowed for a clean audit to happen within the three and a half week timescale.

The Chairman echoed Helen's thanks to the Finance Team for such a quick audit process this year and it was commented that for the past fur years there had been few if any issues to report.

As a result of the Members questions, the following points were made:

- Materiality was a standard term used by auditors. There were certain parts of the audit that were generally always looked at by members of the public and the press. This included officers salaries and members expenses. These areas were always audited and always fell below the materiality.
- If an error or a series of errors were found in the audit then they would be reported to management and would require to be amended or the audit would be qualified opinion. If an error was identified that management didn't want to adjust then this would be brought to Committee to determine.
- The spelling of "Councillor" would be amended in the final audit version.

14. **Financial Statements 2016/17**

The Committee considered a report of the Borough Treasurer presenting the draft 2016/17 Financial Statements, which had been subject to audit by the External Auditors, Ernst & Young. The report summarised the key elements within the accounts and the findings of the audit.

The Borough Treasurer praised the Finance Team for their impressive performance in the shorter timescale this year, and mentioned that the team had coped admirably throughout the support services review and a long term sickness which had both impacted on the team.

It was noted that the Council had underspent by £3.515m in 2016/17 and as a result of this underspend had only withdrawn £1.659m from General Reserves rather than the £5.174m which had been budgeted. The in year savings programme had reduced reliance on the General Reserve.

For the first time the cost of services had been analysed on a departmental basis.

The loss on the disposal of Property, Plant & Equipment was largely due to the conversion of Brakenhale School to an academy, this was also highlighted on the balance sheet.

There had been significant moment on the balance sheet, this included:

- £18m in Assets Under Construction which comprised of the work being undertaken on both Binfield Learning Village and Coral Reef.
- £19m on Investment Property where three commercial properties had been purchased.
- A loan had been given to Downshire Homes Ltd to purchase twenty properties.

- It was the first year that the Council had borrowed money, with £25m being borrowed from two different lenders.

Pension liability had increased. This was always a volatile area as it depended on the stock market. As the projection of inflation increased the discount rate decreased and last year the discount rate had meant that the liability was larger.

As a result of Members questions, the following points were made:

- The Council would still be responsible for any redevelopment debts that schools may still have after converting to Academy. A similar position may occur with Binfield Learning Village.
- Pension liability was very volatile as a small percentage change had a large impact in the increased liability.
- Academy schools were not part of the Councils Pension scheme but could choose to re-join the scheme as a separate entity which would have no affiliation with Bracknell Forest Council.

RESOLVED that the Committee:

1. Approved the Financial Statements for 2016/17 attached at Annexe A
2. Authorise the Chairman of the meeting to sign and date the Statement of Accounts on behalf of the Committee.
3. Authorise the Chairman of the meeting to sign and date the Letter of Representation set out in Annexe B.

CHAIRMAN

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**TO: GOVERNANCE AND AUDIT COMMITTEE
20 SEPTEMBER 2017**

ANNUAL AUDIT LETTER FOR 2016/17 BOROUGH TREASURER

1 PURPOSE OF REPORT

- 1.1 To enable the Council's External Auditors to present to the Committee their Annual Audit Letter covering findings from the 2016/17 financial year.

2 RECOMMENDATION

- 2.1 **The Committee receives the Annual Audit Letter for the year ended 31 March 2017 from the Council's external auditor Ernst & Young.**

3 REASONS FOR RECOMMENDATION

- 3.1 To ensure that the Committee is aware of External Audit's work and findings.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None available.

5 SUPPORTING INFORMATION

- 5.1 The Council's External Auditor Ernst and Young has provided for the Committee a report setting out the results of its recent work. Helen Thompson, Director, Ernst and Young will attend the meeting to present the report and answer questions.

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 Not applicable

Strategic Risk Management Issues

- 6.4 None arising from this report.

Other Officers

- 6.5 Not applicable

7 CONSULTATION

Principal Groups Consulted

- 7.1 Not applicable

Background Papers

None

Contact for further information

Stuart McKellar, Borough Treasurer - 01344 352180

Stuart.mckellar@bracknell-forest.gov.uk

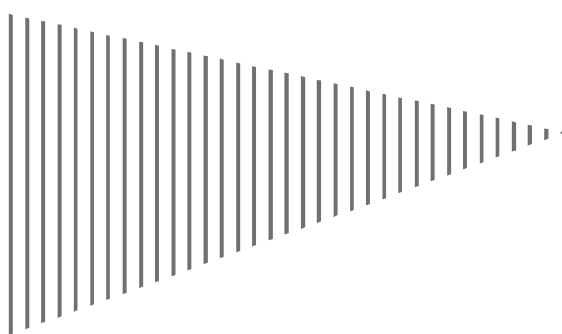
Bracknell Forest Council

Annual Audit Letter for the year ended 31 March 2017

September 2017

Ernst & Young LLP

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Public Sector Audit Appointments Ltd (PSAA) have issued a “Statement of responsibilities of auditors and audited bodies”. It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk)

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

The “Terms of Appointment (updated 23 February 2017)” issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This 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.

Executive Summary

Executive Summary

We are required to issue an annual audit letter to Bracknell Forest Council (the Council) following completion of our audit procedures for the year ended 31 March 2017.

Below are the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the Council's: ▶ Financial statements	Unqualified opinion issued on 27 July 2017 - the financial statements give a true and fair view of the financial position of the Council as at 31 March 2017 and of its expenditure and income for the year then ended.
▶ Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the annual accounts.
Concluding on the Council's arrangements for securing economy, efficiency and effectiveness	We concluded that you have put in place proper arrangements to secure value for money in your use of resources.

Area of Work	Conclusion
Reports by exception:	
▶ Consistency of Governance Statement	The Governance Statement was consistent with our understanding of the Council.
▶ Public interest report	We had no matters to report in the public interest.
▶ Written recommendations to the Council, which should be copied to the Secretary of State	We had no matters to report.
▶ Other actions taken in relation to our responsibilities under the Local Audit and Accountability Act 2014	We had no matters to report.

Area of Work	Conclusion
Reporting to the National Audit Office (NAO) on our review of the Council's Whole of Government Accounts return (WGA).	We had no matters to report. The Council is below the specified audit threshold of £350 million. Therefore, we did not perform any audit procedures on the consolidation pack.

As a result of the above we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Council communicating significant findings resulting from our audit.	Our Audit Results Report was issued on 27 July 2017.
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	Our certificate was issued on 27 July 2017 2017.

In January 2018 we will also issue a report to those charged with governance of the Council summarising the certification work we have undertaken on the 2016/17 housing benefits claim.

We would like to take this opportunity to thank the Council's staff for their assistance during the course of our work.



Helen Thompson

Executive Director
For and on behalf of Ernst & Young LLP

Purpose



Purpose

The Purpose of this Letter

The purpose of this annual audit letter is to communicate to Members and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to the attention of the Council.

We have already reported the detailed findings from our audit work in our 2016/17 Audit Results Report to the 26 July 2017 Governance and Audit Committee, representing those charged with governance. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Council.



Responsibilities

Responsibilities

Responsibilities of the Appointed Auditor

Our 2016/17 audit work has been undertaken in accordance with the Audit Plan that we issued on 29 March 2017 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

- ▶ Expressing an opinion:
 - ▶ On the 2016/17 financial statements; and
 - ▶ On the consistency of other information published with the financial statements.
- ▶ Forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources.
- ▶ Reporting by exception:
 - ▶ If the annual governance statement is misleading or not consistent with our understanding of the Council;
 - ▶ Any significant matters that are in the public interest;
 - ▶ Any written recommendations to the Council, which should be copied to the Secretary of State; and
 - ▶ If we have discharged our duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts return. The Council is below the specified audit threshold of £350 million. Therefore, we did not perform any audit procedures on the return.

Responsibilities of the Council

The Council is responsible for preparing and publishing its statement of accounts accompanied by an Annual Governance Statement (AGS). In the AGS, the Council reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Council is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Financial Statement Audit

Financial Statement Audit

Key Issues

The Council's Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

We audited the Council's Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office and issued an unqualified audit report on 27 July 2017.

Our detailed findings were reported to the 26 July 2017 Governance and Audit Committee.

The key issues identified as part of our audit were as follows:

Significant Risk	Conclusion
<p>Management override of controls</p> <p>A risk present on all audits is that management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly, and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Auditing standards require us to respond to this risk by testing the appropriateness of journals, testing accounting estimates for possible management bias and obtaining an understanding of the business rationale for any significant unusual transactions.</p>	<p>We did not identify any transactions during our audit which appeared unusual or outside the Authority's normal course of business. This conclusion was based on:</p> <ul style="list-style-type: none">▶ testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in preparing the financial statements;▶ review and testing of accounting estimates (NNDR provisions, IAS 19 pension transactions, and property plant and equipment balances) for evidence of management bias; and▶ evaluation of the business rationale for any significant unusual transactions.

Other Key Findings	Conclusion
<p>The Council is setting up a Local Housing Company (Downshire Homes Ltd) to procure accommodation to provide homes for homeless households, households with learning disabilities and/or autism and care leavers so as to reduce Council expenditure on accommodation. The Council has agreed to loan the company £6.332 million in 2016/17 to acquire properties. Under IFRS 10 the company is a wholly owned subsidiary where the Council has full control over the company. As such, the preparation of group accounts is indicated by the accounting standard. However, the Council does not consider the loan material and will not be preparing group accounts. Our quantitative materiality for the 2016/17 audit is initially assessed as £5.6 million and there is a risk that the financial statements will be materially misstated if the accounting treatment is not fully compliant with the requirements of IFRS 10.</p>	<p>The 2016/17 Code highlights the importance of the consideration of materiality when preparing disclosures for local authority financial statements. A loan of £6.332 million was made to Downshire Homes in 2016/17 and our final audit materiality threshold was £5.5 million for 2016/17. However, the Code definition of materiality is not simply a quantitative consideration and the Council views the preparation of group accounts would confuse the reader of the accounts rather than enhance the understanding, particularly as the amount involved represents less than 1% of the asset base. We have accepted this conclusion but note that as more funds pass to Downshire Homes, the case for group accounts will become unequivocal.</p>
<p>The PFI Accounting Model for the Waste PFI produces a number of material balances within the Council's financial statements. We have also noted that Reading Borough Council, the lead for this scheme, has requested a revaluation of the PFI asset in 2016/17. We plan to undertake a number of specific procedures to provide assurance that the accounting models produce materially correct information in the Council's accounts.</p>	<p>We carried out our year end procedures and found that the information within the PFI note is materially correct. This was supported by our internal expert who has audited the revalued PFI asset at Reading Borough Council.</p>

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	Thresholds applied
Planning materiality	We planned our procedures using a materiality of £5.6 million. We reassessed this using the actual year-end figures, which decreased this amount to £5.5 million. The threshold for reporting audit differences decreased from £4.22 million to £4.16 million. The basis of our assessment of materiality has remained consistent with prior years at 2% of gross revenue expenditure, which is considered the sector norm for a local government body with a similar risk profile to Bracknell Forest Council.
Reporting threshold	We agreed with the Governance and Audit Committee that we would report to the Committee all audit corrected audit differences in excess of £4.22 million and all uncorrected differences over £110,880.

We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to the account balances. The areas identified and audit strategy applied include:

- Remuneration disclosures including any severance payments, exit packages and termination benefits;
- Related party transactions; and
- Members' allowances.

We did not set a numerical materiality level in these areas given their inherent sensitivity.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations.

A close-up, shallow depth-of-field photograph of a stack of coins. The coins are stacked vertically, with the edges of several coins visible. The lighting is warm, highlighting the metallic texture and the ridges on the edges. A bright yellow rectangular box is overlaid on the left side of the image, containing the text 'Value for Money'.

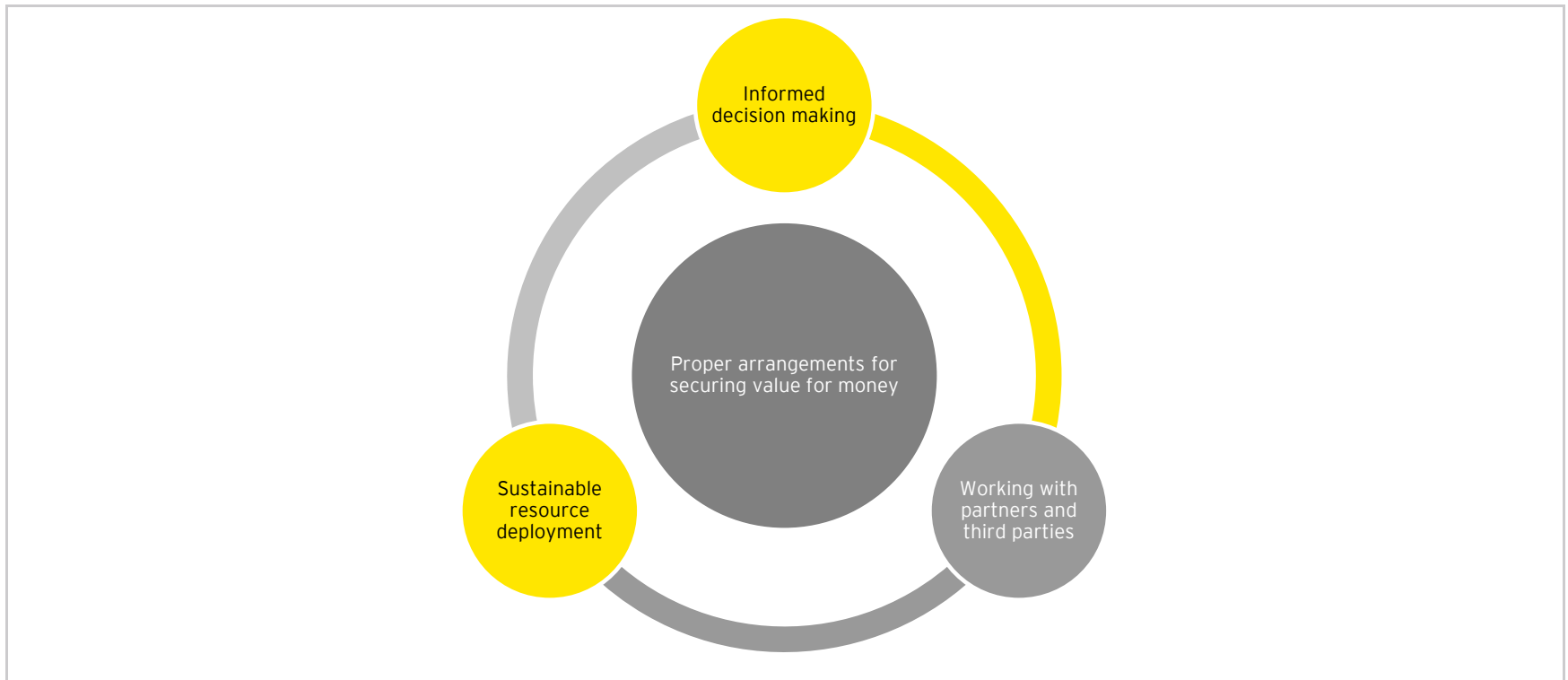
Value for Money

Value for Money

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

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

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



We identified one significant risk in relation to these arrangements. The table below presents the findings of our work in response to the risks identified and any other significant weaknesses or issues to bring to your attention.

We have performed the procedures outlined in our audit plan, and our findings are set out on the following page. We did not identify any significant weaknesses in the Council's arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

We therefore issued an unqualified value for money conclusion on 27 July 2017.

Significant Risk	Conclusion
<p>The budget strategy presented to the Executive on 18 July 2016 showed that the Council faced a cumulative £23 million budget gap to the year 2019/20. In order to balance the 2016/17 budget the Council increased council tax by 3.99% and used general reserve contributions of £1.7 million. A further £7 million withdrawal from reserves, phased over the next three years, will reduce general reserves to the Council's determined prudent level of £4 million, and provide ongoing support to the revenue budget. However, a significant cumulative budget gap still existed and the Council's Transformation Board was tasked with delivering further savings in 2016/17 and 2017/18.</p> <p>These measures alone were not considered sufficient to meet the ongoing challenge, and in October 2016 the Council produced an efficiency plan to identify further areas of savings across the four years from 2016/17. This was grounded in the certainty of an agreed four year financial settlement agreed with government. The efficiency plan includes detailed review of service areas and the setting of revised budget targets. The plan is not fixed and remains under constant review to ensure that it remains realistic and deliverable.</p> <p>This plan is considered robust and the Council has a nineteen year history of delivering balanced budgets. However, the scale of the financial challenge is unprecedented and there is a risk that these may not be achieved.</p>	<p>Our approach focused on:</p> <ul style="list-style-type: none"> • updating our understanding of how the Council has identified the required savings; • reviewing the robustness of the underlying budget assumptions, e.g. the certainty of New Homes Bonus income; • reviewing the details of savings plans for 2017/18; and • reviewing the updated medium term financial strategy for details on longer term savings requirements. <p>Since we originally identified a significant risk in early 2015/16, the Council has taken positive steps to address the cumulative deficit. Although plans were in place in 2015/16, these were not formulated into a coherent medium term strategy. At the date of our opinion in 2016, the short term gap appeared to have been covered but the medium term position, and its underlying assumptions, were unconfirmed and unmitigated and not subject to sensitivity analyses. However, the transformation programme has now examined the gap in a far more detailed manner and produced efficiency and savings plans that are underpinned by more detailed considerations and robust assumptions at the service level. These have also been endorsed and approved at Executive level. These now form a fully documented set of medium term plans covering the period up to 31 March 2020, although these still need to be incorporated into a single document.</p> <p>However, £23 million is still a significant gap to close and the Council needs all of the identified efficiencies to be realised. Inevitably there will be challenges, such as changes to interest rates and maintaining the planned levels of business rates income. A contingency of £1 million has been identified but this offers only limited support against the cumulative budget deficit. As such, the plans and underlying assumptions need to be subject to detailed ongoing discussion and regular review at both a strategic and operational level to ensure the cumulative deficit is cleared by the end of 2019/20.</p>

Other Reporting Issues

Other Reporting Issues

Whole of Government Accounts

The Council is below the specified audit threshold of £350 million. Therefore, we did not perform any audit procedures on the consolidation pack.

Annual Governance Statement

We are required to consider the completeness of disclosures in the Council's annual governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it is misleading.

We completed this work and did not identify any areas of concern.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Council or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Written Recommendations

We have a duty under the Local Audit and Accountability Act 2014 to designate any audit recommendation as one that requires the Council to consider it at a public meeting and to decide what action to take in response.

We did not identify any issues which required us to issue a written recommendation.

Objections Received

We did not receive any objections to the 2016/17 financial statements from members of the public.

Other Powers and Duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Independence

We communicated our assessment of independence in our Audit Results Report to the Governance and Audit Committee on 26 July 2017. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

Control Themes and Observations

As part of our work, 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 are required to communicate to you significant deficiencies in internal control identified during our audit.

We have adopted a fully substantive approach and have therefore not tested the operation of controls. As such, our audit did not identify any controls issues to bring to the attention of the Governance and Audit Committee.

A close-up photograph of a person's hands holding binoculars to their eyes. The person's face is partially visible in the background, looking through the lenses. A bright yellow rectangular box is overlaid on the left side of the image, containing the text "Focused on your future".

Focused on your
future

Focused on your future

Area	Issue	Impact
Earlier deadline for production and audit of the financial statements from 2017/18	The Accounts and Audit Regulations 2015 introduced a significant change in statutory deadlines from the 2017/18 financial year. From that year the timetable for the preparation and approval of accounts will be brought forward with draft accounts needing to be prepared by 31 May and the publication of the audited accounts by 31 July.	These changes provide challenges for both the preparers and the auditors of the financial statements. To prepare for this change the Council has taken a number of steps which includes a successful 'dry run' of the early closedown in 2016/17, which included convening a July meeting of the Governance and Audit Committee. This resulted in an early opinion sign off on 27 July 2017. Therefore, the Council is well placed to meet the new requirement. However, with the 31 July deadline now mandatory the scope for slippage has now gone.
IFRS 9 Financial Instruments	<p>Applicable for local authority accounts from the 2018/19 financial year and will change:</p> <ul style="list-style-type: none"> ▶ How financial assets are classified and measured ▶ How the impairment of financial assets are calculated ▶ Financial hedge accounting ▶ The disclosure requirements for financial assets. <p>Transitional arrangements are included within the accounting standard, however as the 2018/19 Accounting Code of Practice for Local Authorities has yet to be issued it is unclear what the impact on local authority accounting will be and whether any accounting statutory overrides will be introduced to mitigate any impact.</p>	<p>Although some initial thoughts on the approach to adopting IFRS 9 have been issued by CIPFA, until the Code is issued and any statutory overrides are confirmed there remains some uncertainty. However, what is clear is that the Council will have to:</p> <ul style="list-style-type: none"> ▶ Reclassify existing financial instrument assets ▶ Remeasure and recalculate potential impairments of those assets; and ▶ Prepare additional disclosure notes for material items. <p>The Council is awaiting clarification of the exact requirements before investing time in the above work.</p>
IFRS 15 Revenue from Contracts with Customers	<p>Applicable for local authority accounts from the 2018/19 financial year. This new standard deals with accounting for all contracts with customers except:</p> <ul style="list-style-type: none"> ▶ Leases; ▶ Financial instruments; ▶ Insurance contracts; and ▶ for local authorities; Council Tax and NDR income. 	<p>As with IFRS 9, some initial thoughts on the approach to adopting IFRS 15 have been issued by CIPFA. However, until the Code is issued there remains some uncertainty. However, what is clear is that for all material income sources from customers the Council will have to:</p> <ul style="list-style-type: none"> ▶ Disaggregate revenue into appropriate categories

Area	Issue	Impact
	<p>The key requirements of the standard cover the identification of performance obligations under customer contracts and the linking of income to the meeting of those performance obligations.</p> <p>There are transitional arrangements within the standard; however as the 2018/19 Accounting Code of Practice for Local Authorities has yet to be issued it is unclear what the impact on local authority accounting will be.</p>	<ul style="list-style-type: none"> ▶ Identify relevant performance obligations and allocate income to each ▶ Summarise significant judgements <p>The Council is awaiting clarification of the exact requirements before investing time in the above work.</p>
IFRS 16 Leases	<p>IFRS 16 will be applicable for local authority accounts from the 2019/20 financial year.</p> <p>Whilst the definition of a lease remains similar to the current leasing standard; IAS 17, for local authorities who lease in a large number of assets the new standard will have a significant impact, with nearly all current leases being included on the balance sheet.</p> <p>There are transitional arrangements within the standard, although as the 2019/20 Accounting Code of Practice for Local Authorities has yet to be issued it is unclear what the impact on local authority accounting will be or whether any statutory overrides will be introduced.</p>	<p>Until the 2019/20 Accounting Code is issued and any statutory overrides are confirmed there remains some uncertainty in this area.</p> <p>However, what is clear is that the Council will need to undertake a detailed exercise to classify all of its leases and therefore must ensure that all lease arrangements are fully documented.</p> <p>The Council is has yet to commence work in this area due to the timing of implementation.</p>

Appendix A

Audit Fees



Appendix A Audit Fees

Our fee for 2016/17 is in line with the scale fee set by the PSAA and reported in our 26 July 2017 Audit Results Report.

Description	Final Fee 2015/16 £	Planned Fee 2016/17 £	PSAA Scale Fee 2016/17 £	Final Fee 2016/17 £
Total Audit Fee - Code work	104,726	104,726	104,726	104,726
Total Audit Fee - Certification of claims and returns	25,075	25,125	25,125	Tbc*

*the certification work on the 2016/17 Housing Benefit claim does not conclude until October 2017 and we will confirm the final fee in our certification of claims and returns report, which will be brought to the Governance and Audit Committee in early 2018.

We confirm we have not undertaken any non-audit work outside of the PSAA's requirements.

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ED None

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**TO: GOVERNANCE & AUDIT COMMITTEE
20 SEPTEMBER 2017**

AFFECTED INTERESTS AND RELATED MATTERS Director of Resources – Legal

1 PURPOSE OF REPORT

- 1.1 To amend provisions relating to Affected Interests in the Council's Code of Conduct for Members following recommendations of the Code of Conduct Working Group which convened on 27 June 2017.

2 RECOMMENDATION

- 2.1 **That the Governance and Audit Committee recommends to Council to adopt the recommendations of the Code of Conduct Working Group set out in Paragraph 5.16 below and the Appendix to this report.**

3 REASONS FOR RECOMMENDATION

- 3.1 There exists a level of uncertainty amongst some Members as to the scope and effectiveness of provisions relating to Affected Interests in the Council's Code of Conduct. The provisions were incorporated in the current Code in 2012 at the behest of a member working group which had been set up to develop a new Code under the Localism Act. It was considered at the time that the adoption of Affected Interests and the registration and disclosure provisions imposed in respect of such interests would enhance the scope of the ethical standards framework beyond that which the law required with Disclosable Pecuniary Interests.
- 3.2 The Code of Conduct Member Working Group has recently reviewed the provisions of the Code and agreed to some further changes as set out in this report.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The Council may decide to retain its Code in its current form, make minor variations or remove the current provisions relating to Affected Interests in their entirety. There is no statutory requirement to include provisions relating to Affected Interests in its Code.

5 SUPPORTING INFORMATION

- 5.1 The Localism Act 2011 ("the Act") requires the Council to adopt a Code of Conduct dealing with its Members and Co-opted Members when they are acting in that capacity **and** the provision it considers appropriate in respect of the registration and disclosure of pecuniary and non pecuniary interests.
- 5.2 There is no prescribed form of Code required under the Act but any Code adopted must, when viewed as a whole, be consistent with the Nolan principles (so called

because they were first set out by the Committee for Standards in Public Life when the late Lord Nolan was chairman), namely:-

- selflessness
- integrity
- objectivity
- accountability
- openness
- honesty
- leadership

- 5.3 Also, the Code must include such provision which the Council considers appropriate in respect of the registration and disclosure of pecuniary and other interests. The Code should not contain anything which is inconsistent with the new provisions which the Act sets out in relation to Disclosable Pecuniary Interests (which term is defined in the Act and regulations made thereunder.
- 5.4 The main alterations to the former prescribed Code (pre 2012) introduced by the Act were around the issue of the registration and disclosure of interests and the consequences of having an interest. The pre 2012 Code defined a lengthy list of "Personal Interests" which required registration and disclosure. In addition, that Code provided that if a Personal Interest was such that a reasonable member of the public would reasonably conclude that the Member's judgement of the public interest in relation to the matter would be affected by the Personal Interest then the interest would also fall into the category of "Prejudicial Interest". The main consequences of having a Prejudicial Interest were that the Member was precluded from either participation in the decision making process or "improperly" seeking to influence a decision about the matter.
- 5.5 The Act replaced the concept of "Personal Interests" and "Prejudicial Interests" with "Disclosable Pecuniary Interests". The consequences of having a Disclosable Pecuniary Interest are similar to those previously pertaining to Prejudicial Interests but failure to comply now also constitutes a criminal offence.
- 5.6 The Council's current Code faithfully reflects the Act in so far as it relates to Disclosable Pecuniary Interests. However, under the Act, only the interest of the Member or his/her spouse or partner falls within the definition of Disclosable Pecuniary Interest. Accordingly, the interest of a child or close friend of the Member does not fall within the definition and therefore a Member would not be infringing the statutory requirements if, for example, he/she participated in a decision whether or not to approve an application for a planning permission or a grant submitted by such a person.

Affected Interests

- 5.7 In order to address that statutory lacuna the Council's current Code formulates the concept of an "**Affected Interest**" (Paragraph 8 of Code) .
- 5.8 The Code states that;

You have an Affected Interest in a matter if:-

(a)

- (i) a decision in relation to that matter might reasonably be regarded as affecting the financial position of an Affected Person to a greater extent than the majority of other residents in your Ward, or

(ii) it is an application for a Licence, permission or consent made by an Affected Person or which (to your knowledge) an Affected Person has made objection to the Council

AND

(b) a member of the public, who knows the relevant facts, would reasonably think that the interest is so significant that it would be likely to prejudice your judgement of the Public Interest.

5.9 An Affected Person is not just a Member or their spouse but also extends to a range of relatives, employees, employers, business arrangements as well as anyone with whom a Member has a “close association”

5.10 It can be seen from paragraph 5.8 above that whether or not a Member has an Affected interest in a matter is a judgment based on what an objective observer would conclude. It is not an exact science but a test of reasonableness. This has created some uncertainty amongst Members. On occasion Members with similar interests have reached differing conclusions on similar facts as to whether or not they need to disclose an interest as an Affected Interest.

5.11 Affected Interests are a local creation which go beyond the minimum statutory requirements of the Act and cover a broader range of conflicts than Disclosable Pecuniary Interests. There is no legal requirement to adopt such provisions and it is open to the Council to re-evaluate their effectiveness based on experience since 2012.

Membership of External Organisations and Associations (Paragraph 10 of Code)

5.12 A Working Group set up in 2012 introduced provisions in the Code relating to membership of external organisations. It was recognised that a number of Councillors were (and remain) involved in the activities of other community groups or public bodies. The Working Group considered at the time that involvement in such organisations should not preclude a Member from involvement in the decision making process on a matter which affects such a group or body although if the Member is not appointed by the Council the Member should, in the interests of transparency, declare the interest (which would then be registered). If the Member has been appointed by the Council there should be no requirement to declare any interest as the appointment will already be a matter of public record (appointments to external organisations are set out each year in a report to the Annual Council Meeting).

5.13 Paragraph 10 of the Code reflects the views of the Working Group relating to such interests. There is a possibility that in a limited number of instances the involvement of a Member with such an interest could infringe the common law relating to bias and for that reason paragraph 10.3 provides that when such circumstances exist a Member should not involve themselves in the decision making process even though they may not have a Disclosable Pecuniary Interest or an “Affected Interest”

Registration of Gifts and Hospitality (Paragraph 11 of Code)

- 5.14 The pre 2012 Code specified a threshold of £25 (below which gifts/hospitality need not be registered). The Working Group in 2012 considered that the threshold should be increased to £75. The suggestion gave rise to a significant level of debate at the Standards Committee, some Members of which felt that all gifts or hospitality should be registered. Although not ruling out an increase the Standards Committee recommended that the threshold should remain at £25 until such time as it is able to give more detailed consideration on receiving a report specifically addressing the issue. There was a degree of discussion on the matter when the draft Code was considered by the Governance and Audit Committee. That Committee agreed that it would consider the issue further once the Standards Committee had had an opportunity to formulate its considered view. The threshold has however remained at £25 to date.

Code of Conduct Working Group

- 5.15 At its meeting of 27 June the Code of Conduct Working Group considered the pros and cons of removing Affected Interests from the Code as they are not required in law and have created some confusion amongst Members at recent meetings as to their application. The Group felt that the provisions needed to be retained in some form as to remove them would create a public perception that the Council was “lowering the bar” in terms of ethical governance.
- 5.16 It recommended that:
- The existing reference to “Affected Person” in Paragraph 8.1 (a) (i) of the Code be extended to read “Affected Person/Entity” in order to reinforce its application to corporate bodies such as Companies and Partnerships.
 - The requirement for Members disclosing Affected Interests to refrain from participating and voting at the meeting is removed.
 - It be made clear in the text that the provisions of paragraph 10 requiring non Council nominees on outside bodies does not apply to Council nominees
 - A paragraph introducing the role of bias and predetermination be included in the Code
 - No changes be made to the existing provisions relating to the registration of gifts and hospitality (Paragraph 11)

The Appendix to this report incorporates a copy of the Code with tracked changes evidencing the 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 None

Equalities Impact Assessment

- 6.3 None

Strategic Risk Management Issues

6.4 None

7 CONSULTATION

Principal Groups Consulted

7.1 Code of Conduct Working Group, CMT, Governance & Audit Committee

Background Papers

Appendix A – Bracknell Forest Council Code of Conduct for Members and Co-Opted Members with tracked amendments

Contact for further information

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SECTION 13 – CODE OF CONDUCT FOR MEMBERS AND CO-OPTED MEMBERS

1. INTRODUCTION

- 1.1 This Code of Conduct has been adopted by the Council pursuant to the Localism Act 2011 and the duty to promote and maintain high standards of conduct by Members and Co-opted Members of the Council.
- 1.2 Failure to comply with the requirements of Section 7 of this Code, other than paragraph 7.3(c), constitutes a criminal offence for which you may be prosecuted. Failure to comply with any of the other sections of the Code or paragraph 7.3(c) may result in public censure of you by the Council.
- 1.3 Common law developed by the courts indicates that, at least in relation to “quasi-judicial” functions such as Licensing and Planning, Members should not participate if a reasonable member of the public who is neither complacent nor unduly sensitive or suspicious would in the circumstances conclude that there is a real possibility of bias. This Code requires Members to excuse themselves from involvement in decision making where they have a “Disclosable Pecuniary Interest” or an “Affected Interest” (as defined by the Code) in the matter under consideration. However, it is possible that when exercising such a “quasi-judicial” function interests other than Disclosable Pecuniary Interests or Affected Interests could lead a reasonable member of the public to conclude that there was a real possibility of bias on the part of a Member. In such circumstances the Member should not participate in the decision making process (*i.e. the Member should not vote nor, unless they are requested by the Chairman of the Committee on a point of clarification, speak on the matter*). In cases of doubt or difficulty advice should be sought from the Borough Solicitor.

2. APPLICATION

- 2.1 This Code of Conduct applies to you when you are acting as a Member or Co-opted Member of the Council. A Co-opted Member is a person who is not a Borough Councillor but who –
- (a) is a Member of any Committee or sub-Committee of the Council; or
 - (b) is a Member of, and represents the Council on, any Joint Committee or joint Committee of the Council

and who is entitled to vote on any question that falls to be decided at any meeting of *the* Committee or sub-Committee.

Throughout this Code “Member” shall be deemed to refer also to Co-opted Members.

- 2.2 This Code of Conduct is consistent with and based upon the following principles:-

- Selflessness
- Integrity
- Objectivity

- Accountability
- Openness
- Honesty
- Leadership

The above terms are expanded in the Annexe to this Code under the heading 'The Principles'.

3. GENERAL OBLIGATIONS

3.1 You must treat others with respect.

3.2 You must not:-

- (a) do anything which may cause the Council to be in breach of any duty not to discriminate contained in the Equality Act 2010;
- (b) bully any person;
- (c) do anything which compromises or is likely to compromise the impartiality of those who work for or on behalf of the Council;
- (d) conduct yourself in a manner which could reasonably be regarded as bringing your office as a Member of the Council into disrepute;
- (e) use or attempt to use your position as a Member improperly to confer on or secure for yourself or any other person, an advantage or disadvantage.

4. ACCESS TO AND DISCLOSURE OF INFORMATION

4.1 Do not disclose information given to you in confidence by anyone (including exempt information provided to you by the Council) or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, except where:-

- (i) you have the consent of a person authorised to give it
- (ii) you are required to do so by law
- (iii) the disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person, or
- (iv) the disclosure is:-
 - (a) in the public interest
 - (b) made in good faith
 - (c) in the case of exempt information provided to you by the Council, only made after giving two clear working days notice of the intention to disclose (in writing, specifying the information proposed to be disclosed) has been given to the Chief Executive or in his absence the Deputy Chief Executive.

“exempt Information” means information described either as such or as confidential.

- 4.2 Do not prevent another person from accessing information if that person is entitled to do so by law.

5. DECISION MAKING

- 5.1 When reaching decisions on any matter you must:-
- (a) have regard to any advice provided to you by *the Head of Paid Service (the Chief Executive)* by the Borough Treasurer and/or the Monitoring Officer pursuant to their statutory duties, and
 - (b) give reasons for the decisions in accordance with any legal requirements or any additional requirements imposed by the Council.

6. RESOURCES

- 6.1 When using or authorising the use by others of the resources of the Council you must:-
- (a) act in accordance with the Council's requirements, and
 - (b) ensure that such resources are not used improperly for political purposes (including party political purposes);
- 6.2 You must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986

7. INTERESTS

Disclosable Pecuniary Interests

- 7.1 You have a Disclosable Pecuniary Interest if it falls within the description set out in the Schedule to this Code and either:-
- (a) it is your interest, or
 - (b) it is an interest of your spouse or civil partner, a person with whom you are living as husband and wife/as if you were civil partners AND you are aware that such other person has an interest.
- 7.2 Within 28 days of becoming a Member you must notify the Monitoring Officer of any Disclosable Pecuniary Interests which you have. Where you become a Member as a result of re-election or re-appointment the requirement to notify the Monitoring Officer only applies in relation to Disclosable Pecuniary Interests not already notified.
- 7.3 If you are present at a meeting of the Council, a Committee, Sub-Committee, Joint Committee, the Executive or an Executive Committee and you are

aware that you have a Disclosable Pecuniary Interest in any matter to be considered:-

- (a) if the interest is not registered you must disclose the interest to the meeting **and** notify the Monitoring officer within 28 days;
- (b) you must not participate in discussion of the matter, or vote on the matter **unless** you have been granted a dispensation by the Monitoring Officer or by the Governance and Audit Committee.
- (c) if you are required by the Council's Standing Orders to withdraw from the meeting you should notify the Democratic Services Officer in attendance at the meeting that you are withdrawing as you have an Interest in the matter.

7.4 If you are an Executive Member acting alone in the discharge of a Council function (i.e. if the matter falls within the Executive Member's portfolio) and you have a Disclosable Pecuniary Interest in a matter:-

- (a) you must not take any steps in relation to the matter other than for the purpose of enabling it to be dealt with by another Member, and
- (b) if the interest is not registered you must notify the Monitoring Officer of the interest.

7.5 If you have a Disclosable Pecuniary Interest in a matter you must not seek improperly to influence a decision about it.

8. AFFECTED INTERESTS

8.1 You have an Affected Interest in a matter if:-

- (a)
 - (i) a decision in relation to that matter might reasonably be regarded as affecting the financial position of an Affected Person/Entity to a greater extent than the majority of other residents in your Ward, or
 - (ii) it is an application for a Licence, permission or consent made by an Affected Person or which (to your knowledge) an Affected Person has made objection to the Council

AND

- (b) a member of the public, who knows the relevant facts, would reasonably think that the interest is so significant that it would be likely to prejudice your judgement of the Public Interest.

The following are "Affected Persons":-

- (a) you
- (b) your spouse/partner
- (c) your parents and grandparents and those of your spouse/partner
- (d) your children and grandchildren and those of your spouse/partner

- (e) your sibling or his/her spouse or partner
- (f) your employer, business partner or any person whom you have undertaken work for in the previous two years, and
- (g) your employee
- (h) 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 total issued share capital
- (i) a company which you, your spouse, partner, parent, grandparent, child or grandchild is a Director of
- (j) a company which your sibling or his/her spouse or partner is a Director of
- (k) a Limited Liability Partnership in which you, your spouse, partner, parent, grandparent, child or grandchild is a Partner
- (l) a Limited Liability Partnership in which your sibling or his/her spouse or partner is a Partner
- (m) a person with whom you have a close association

8.2 Within 28 days of becoming a Member you must notify the Monitoring Officer (in order for him/her to make entries in the Register of Member's Interests):-

- (a) the name of any company which you, your spouse or partner are a director of and
- (b) the name of any Limited Liability Partnership which you, your spouse or partner are a partner in.

8.3 If you are present at a meeting of the Council, a Committee, Sub-Committee, Joint Committee, or an Executive Committee and you are aware that you have an Affected Interest in a matter to be considered:-

- (a) if the interest is not registered you must disclose the interest to the meeting **and** (unless you have previously notified the Monitoring Officer of the interest) notify the Monitoring Officer within 28 days (if the Monitoring Officer determines that the interest is a Disclosable Pecuniary Interest the interest shall be entered on the Council's register of interests).

8.4 If you are an Executive Member acting alone in the discharge of a Council function (i.e. if the matter falls within the Executive Member's portfolio) and you have an Affected Interest in a matter:-

- (a) you must not take any steps in relation to the matter other than for the purpose of enabling it to be dealt with by another Member, and
- (b) if the interest is not registered you must notify the Monitoring Officer of the interest

8.5 If you have an Affected Interest in a matter you must not seek improperly to influence a decision about it.

9. SENSITIVE INTERESTS

9.1 If you have a Disclosable Pecuniary Interest or an Affected Interest but you consider that disclosure of the interest could lead to you or a person

connected with you being subject to violence or intimidation **and** the Monitoring Officer agrees with that assessment then instead of disclosing the interest you need only disclose *the fact* that you have a Disclosable Pecuniary Interest or an Affected Interest (as the case may be) *without giving details of that interest*.

10. MEMBERSHIP OF EXTERNAL ORGANISATIONS AND ASSOCIATION

10.1 This section of the Code applies where you are a member of or in a position of general control or management of any body:-

- (a) exercising functions of a public nature
- (b) directed to charitable purposes, or
- (c) one of whose principal purposes includes the influencing of public or policy (including any political party or trade union)

and you have **not** been appointed or nominated in such capacity by the Council.

10.2 Within 28 days of becoming a Member you must notify the Monitoring Officer of your membership/position. Where you become a Member as a result of re-election or reappointment the requirement to notify the Monitoring Officer only applies in relation to a membership/position not already notified. The membership/position will be recorded on the Council's register of Member's interests.

10.3 If you are present at a meeting of the Council, a Committee, Sub-Committee, Joint Committee, the Executive or an Executive Committee at which a matter is to be considered which affects that body to a greater extent than the majority of residents in your Ward you shall disclose to the meeting your connection to the body immediately prior to consideration of the matter. You need not withdraw from the meeting but you should within 28 days notify the Monitoring Officer of the membership/position unless notification has previously been given.

11. REGISTRATION OF GIFTS AND HOSPITALITY

11.1 You should promptly notify the Head of Democratic and Registration Services of :-

- (a) gifts or hospitality the value of which exceeds £25.
- (b) gifts or hospitality (of any value) the value of which combined with the value of any other gift or hospitality from the same source providing the gift or hospitality in the preceding period of one year exceeds £25

which you and/or your spouse/partner receive because (or which a reasonable member of the public would infer because) you are a Member of the Council or you have been appointed to any position by or on behalf of the Council.

Where the value is not immediately apparent the value is that which a reasonable member of the public would estimate for the gift or hospitality. You should err on the side of caution i.e. if there is any doubt as to whether the gift or hospitality is registrable you should register it.

The notice to the Head of Democratic and Registration Services should state:-

- (a) the nature of the gift or hospitality provided
- (b) the identity of the source providing the gift or hospitality, and
- (c) the date on which the gift or hospitality was provided.

The register of gifts or hospitality will be made available for public inspection.

12. BIAS AND PREDETERMINATION

- 12.1 You should be aware that in addition to the Provisions of this Code relating to Disclosable Pecuniary Interests and Affected Interests, a decision that you are involved in making, either as an individual Councillor or as a Member of a Committee can be set aside if it is found that in making your decision you closed your mind to all considerations other than your already held view.
- 12.2 The test applied by Courts on establishing whether a decision has been tainted by bias or predetermination is whether the circumstances were such as would lead a fair minded and informed observer to conclude that there was real risk that you had predetermined the outcome.
- 12.3 In addition to a decision being set aside as a result of bias or predetermination you could be found to have brought your Council and the Office into disrepute under paragraph 3.2d of the Code.

Categories of Disclosable Pecuniary Interests

<u>Subject</u>	<u>Prescribed Description</u>
Employment, office trade, professional or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain
Sponsorship	Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out duties as a Member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992
Contracts	Any contract which is made between you or a relevant person (or a body in which you or a relevant person has a beneficial interest) and the Council – (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged
Land	Any beneficial interest in land which is within the Borough.
Licences	Any licence (alone or jointly with others) to occupy land in the Borough for a month or longer.
<u>Subject</u>	<u>Prescribed Description</u>
Corporate tenancies	Any tenancy where (to your knowledge) - (a) the landlord is the Council; and (b) the tenant is a body in which you or a relevant person has a beneficial interest
Securities	Any beneficial interest in securities of a body where – (a) that body (to your knowledge) has a place of business or land in the Borough; and (b) either – (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share

capital of that body; or
(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you or a person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

Definitions

“body in which you or a relevant person has a beneficial interest” means a firm in which you or a relevant person is a partner or a body corporate of which you or a relevant person is a Director, or in the securities of which you or a relevant person has a beneficial interest.

“director” includes a member of the Committee of management of an industrial provident society.

“land” excludes an easement, servitude, interest or right in or over land which does not carry with it a right for you or a relevant person (alone or jointly with another) to occupy the land or to receive income.

“relevant period” means the period of one year ending with the day on which you give a notification of your Disclosable Pecuniary Interests to the Monitoring Officer.

“relevant person” is a person falling within 7.1(b) above.

“securities” means shares, debentures, debenture stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

THE PRINCIPLES

- **Selflessness**
Members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.
- **Honesty and Integrity**
Members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour
- **Objectivity**
Members should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefits.
- **Accountability**
Members should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to their particular office.
- **Openness**
Members should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.
- **Leadership**
Members should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.