



BROMSGROVE DISTRICT COUNCIL

YOU ARE HEREBY SUMMONED to attend a MEETING of BROMSGROVE DISTRICT COUNCIL to be held in the Council Chamber at The Council House, Burcot Lane, Bromsgrove at 6.00 p.m. on Wednesday 18th January 2012, when the business referred to below will be brought under consideration:-

The meeting will be opened with a prayer.

REVISED AGENDA

1. **To receive apologies for absence**
2. **Declarations of Interest**
(Members are reminded that they need to keep their register of interest forms up to date)
3. **To confirm the accuracy of the minutes of the meeting of the Council held on 16th November 2011 (Pages 1 - 8)**
4. **To receive any announcements from the Chairman, the Civic Head or the Head of Paid Service**
5. **To receive any announcements from the Leader**
6. **Recommendations from the Cabinet (Pages 9 - 10)**

To consider the recommendations from the meetings of the Cabinet held on 7th December 2011 and 4th January 2012 on the following items *(the full Cabinet reports are enclosed for information at the back of the Council agenda book)*

- Corporate Delegations in relation to Consultations (change to the Constitution)
- Treasury Management
- Homes Insulation Funding
- Anti-Bribery Policy and Officers' Code of Conduct

7. **To receive the minutes of the meetings of the Cabinet held on 7th December 2011 and 4th January 2012** (Pages 11 - 20)
8. **Report of the Independent Remuneration Panel for Worcestershire District Councils on Members' Allowances for 2012/13** (Pages 21 - 38)
9. **Questions on Notice**

To deal with any questions on notice from Members of the Council, in the order in which they have been received.

10. **Motion - CCTV**

To consider the following motion submitted by Councillor P. M. McDonald:

“That this Council no longer monitors CCTV coverage outside of Bromsgrove and Redditch and gives due notice of this to those it may concern.”

11. **Motion - Freedom of Information Requests**

To consider the following motion submitted by Councillor E. J. Murray:

“In light of this Council having not given the correct response(s) to a request(s) under the Freedom of Information Act: that this Council has no confidence in the manner such requests are processed.”

12. **Motion - Free Parking for Blue Badge Holders**

To consider the following motion submitted by Councillor L. C. R. Mallett:

“Noting the increasing pressure being placed upon disabled people as a result of cuts to benefits and services as well as the forthcoming rise in charges for blue badges, Council resolves to reintroduce free parking in Bromsgrove District Council car parks for blue badge holders with effect from April 2012”.

- **Background Information on recommendation from the Cabinet - Treasury Management (Pages 39 - 52)**
- **Background information on recommendation from the Cabinet - Home Insulation Funding (Pages 53 - 58)**
- **Background Information on Recommendation from the Cabinet - Anti Bribery Policy and Officers' Code of Conduct (Pages 59 - 82)**

K. DICKS
Chief Executive

The Council House
Burcot Lane
BROMSGROVE
Worcestershire
B60 1AA

TO ALL MEMBERS OF THE BROMSGROVE DISTRICT COUNCIL

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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE COUNCIL

WEDNESDAY, 16TH NOVEMBER 2011 AT 6.00 P.M.

PRESENT: Councillors Mrs. J. M. L. A. Griffiths (Chairman), R. J. Laight (Vice-Chairman), Mrs. S. J. Baxter, C. J. Bloore, Dr. D. W. P. Booth JP, Mrs. J. M. Boswell, J. R. Boulter, J. S. Brogan, M. A. Bullivant, Ms. M. T. Buxton, R. A. Clarke, S. R. Colella, Dr. B. T. Cooper, R. J. Deeming, Mrs. R. L. Dent (present during Minutes Nos. 67/11 to 74/11 only), S. J. Dudley, K. A. Grant-Pearce, Miss P. A. Harrison, R. Hollingworth, Mrs. H. J. Jones, P. Lammas, Mrs. C. M. McDonald, P. M. McDonald, E. J. Murray, J. A. Ruck, C. R. Scurrall, Mrs. E. M. Shannon, R. J. Shannon, S. P. Shannon, C. B. Taylor, C. J. Tidmarsh, L. J. Turner, M. J. A. Webb and C. J. K. Wilson

67/11 **PRAYER**

At the request of the Chairman, the Reverend Beverley Robertson opened the meeting with a prayer.

68/11 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors B. Lewis F.CMI, L. C. R. Mallett, Mrs. M. A. Sherrey JP, Mrs. C. J. Spencer and P. J. Whittaker.

69/11 **DECLARATIONS OF INTEREST**

Mr. K. Dicks declared that Mrs. S. Hanley (Executive Director), Mrs. C. Felton (Head of Legal, Equalities and Democratic Services) and himself had a prejudicial interest in agenda item 14 (Motion – Chief Officers Pay). These Chief Officers left the meeting during consideration of this item.

70/11 **MINUTES**

The minutes of the meeting of the Council held on 14th September 2011 and the minutes of the Extraordinary Meeting of the Council held on 27th September 2011 were submitted.

With reference to Minute No. 65/11, Councillor P. M. McDonald referred to comments made by the Leader with regard to the sale of the Aldi site which had not been recorded within the minute.

The Chairman indicated that this matter would be looked into and the minutes amended if necessary.

RESOLVED that the minutes of both meetings be approved as a correct record, subject to any necessary amendment to Minute No. 65/11.

71/11 **ANNOUNCEMENTS FROM THE CHAIRMAN, THE CIVIC HEAD AND/OR THE HEAD OF PAID SERVICE**

On behalf of the Civic Head who had submitted apologies for the meeting, the Chairman referred to the following forthcoming events to which all Members were invited to attend:

- (a) Christmas Lights Switch on in Bromsgrove on Saturday 19th November 2011.
- (b) Christmas Lights Switch on in Rubery on Saturday 26th November 2011.
- (c) Carol Service on Wednesday 14th December 2011 in the Spadesbourne Suite.
- (d) Christmas party for children of Council staff on Tuesday 13th December 2011 in the Spadesbourne Suite.

72/11 **ANNOUNCEMENTS FROM THE LEADER**

There were no announcements from the Leader.

73/11 **RECOMMENDATIONS FROM THE CABINET ON 2ND NOVEMBER 2011**

(i) **WORCESTERSHIRE REGULATORY SERVICES ENFORCEMENT POLICY**

The recommendation was moved by Councillor C. B. Taylor and seconded by Councillor R. Hollingworth.

RESOLVED that the Worcestershire Regulatory Services Enforcement Policy be adopted.

(ii) **CORPORATE DATA BACKUP**

The recommendations were moved by Councillor Dr. D. W. P. Booth JP and seconded by Councillor R. Hollingworth.

RESOLVED:

- (a) that the increase in the Capital Programme for 2011/12 of £55,000, in respect of a user back up device and an additional electronic storage device be approved; and
- (b) that the cost be met from ICT reserves (£10,000) and current revenue underspend in the IT service (£45,000).

(iii) **PROPOSED MERGER OF NORTH WORCESTERSHIRE COMMUNITY SAFETY PARTNERSHIPS**

The recommendations were moved by Councillor R. Hollingworth and seconded by Councillor Dr. D. W. P. Booth JP.

RESOLVED:

- (a) that the merger of Bromsgrove Community Safety Partnership with Redditch Community Safety Partnership and Wyre Forest Community Safety Partnership to create a North Worcestershire Community Safety Partnership be approved;
- (b) that subject to the approval of the merger by each of the Responsible Authorities, authority be delegated to the appropriate officers to take the necessary steps to implement the merger, including the establishment of governance arrangements and entering into any agreements and that this also be subject to endorsement by the relevant Community Safety Partnerships;
- (c) that the continuation of locality based operational and responsive partnership working through the Operational Tasking Group and its Theme Groups be noted; and
- (d) that the intention to review the Countywide partnership arrangements by 2014 be noted.

(iv) **SINGLE SUSTAINABLE COMMUNITY STRATEGY FOR WORCESTERSHIRE**

The recommendation was moved by Councillor R. Hollingworth and seconded by Councillor M. A. Bullivant.

RESOLVED that the single Sustainable Community Strategy for Worcestershire, including the section on Bromsgrove District, be approved.

74/11 **MINUTES OF THE MEETINGS OF THE CABINET HELD ON 27TH SEPTEMBER, 5TH OCTOBER AND 2ND NOVEMBER 2011**

The minutes of the meetings of the Cabinet held on 27th September, 5th October and 2nd November 2011 were received for information.

With reference to Minute No. 60/11 (Sale of Freehold 76-88 Sherwood Road, Bromsgrove), Councillor P. M. McDonald referred back to comments he had made earlier in the meeting on this matter (Minute No. 70/11 above refers). He remarked that this decision had been taken by the Cabinet on 5th October 2011 which showed that the matter had not been agreed by the Cabinet or Council when the Leader had referred to the sale of the site at the Council meeting on 27th September 2011, and therefore Members could not have read papers on the matter before that date. Councillor McDonald made further comments alleging that processes had been breached and that without intervention from the Labour Group and the Executive Director (Finance & Resources) the land would have been sold to Aldi. He felt that the Leader should resign as a consequence of how the matter had been handled.

The Leader responded that he wished to hear the tape recording of what he had said at the Council meeting on 27th September 2011; that the recommended means of disposal had come from the County Council's Property Services; that it had never been intended to sell the land to Aldi but

to go to auction; and that the freehold had now been sold at auction at best price. Councillor McDonald welcomed the proposal to listen to the tape recording and maintained that he had given a direct quote of what the Leader had said and that if this was not the case, then he would consider his own position. The Chairman stated that due to the nature of the accusations being made she also wished to listen to the tape recording.

In response to a query raised by Councillor R. J. Shannon with regard to a meeting with Bromsgrove Rugby Club referred to in Cabinet Minute 56/11, Councillor M. J. A. Webb clarified the purpose of that meeting. In response to a further query with regard to a meeting at the Ryland Centre referred to in the same minute, the Chairman indicated that as Councillor Mrs. M. A. Sherrey was absent, she would be contacted with a request to provide clarification to Councillor R. J. Shannon.

75/11 **RECOMMENDATION FROM THE LICENSING COMMITTEE**

STREET TRADING CONSENT POLICY REVIEW – FEES AND CHARGES

The recommendation was moved by Councillor C. B. Taylor and seconded by Councillor Dr. D. W. P. Booth JP.

RESOLVED that the fees and charges as detailed at Appendix 2, Part 5 and Part 7 of the report be approved and adopted.

76/11 **APPOINTMENT TO OUTSIDE BODY - WORCESTERSHIRE COUNTY COUNCIL HEALTH OVERVIEW AND SCRUTINY COMMITTEE**

Arising from the resignation of Councillor Mrs. J. M. L. A. Griffiths, it was

RESOLVED that Councillor Dr. B. T. Cooper be appointed to fill the vacancy on the Worcestershire County Council Health Overview and Scrutiny Committee for the period ending May 2012.

77/11 **QUESTIONS ON NOTICE**

One question on notice was taken.

Question submitted by Councillor S. P. Shannon to the Leader

“Recent comments from the Prime Minister praising the expansion of mixed tenure housing developments across the country seem at odds with comments from the Leader of this Council, who is on record suggesting that not all areas are suitable for affordable housing. Can the Leader of the Council inform members which parts of the district are unsuitable?”

The Leader responded that he was not prepared to answer the question as he had not said that. He had said that some areas could take more than others.

Councillor Shannon asked a supplementary question that with recent positive moves by the Council to introduce a policy to provide 40% affordable housing

on new developments, can the Leader outline how he intends to deliver this when we learn the Cofton Hackett site is proposing 7%.

The Leader referred the supplementary question to Councillor C. B. Taylor as the relevant Portfolio Holder to respond.

Councillor Taylor replied that it was a three phase development. This was the first phase and the Council would try to ensure that there was the full quota of affordable housing in the next phases.

78/11 **MOTION - SHARED SERVICES**

Members considered the following motion submitted by Councillor P. M. McDonald.

“It was originally agreed that a feasibility study would be carried into whether Bromsgrove District Council and Redditch Council could take advantage of economies of scale through sharing services. It was agreed from the outset that should any political group decide against a move to share services then it would not go ahead.

With the outcome of the feasibility study it was decided by a political group it did not support the outcome to share services. This was ignored by the controlling group who embarked on shared services with Redditch spending millions of pounds on start-up costs.

From shared services it developed into shared management, shared authority to merging with Wyre Forest to create a North Worcestershire Authority to rival the County Council.

At no time have the residents of Bromsgrove been consulted and all decisions relating to this issue have been made and discussed in secret. The actions being taken in secret threaten to lose Bromsgrove’s identity and service supplied on local need.

Therefore we call upon the Council to have a referendum letting the people decide on whether they agree with the decisions that have been made in secret and want to merge with Redditch and Wyre Forest.”

The motion was moved by Councillor P. M. McDonald and seconded by Councillor E. J. Murray.

Following some debate Councillor J. A. Ruck moved a closure motion that the motion be put to the vote but this was not seconded.

Following the right of reply by Councillor P. M. McDonald as the mover of the motion, on a requisition under Council Procedure 17.5, the following details of voting were recorded.

For the motion: Councillors C. J. Bloore, Ms. M. T. Buxton, Mrs. C. M. McDonald, P. M. McDonald, E. J. Murray, Mrs. E. M. Shannon, R. J. Shannon, S. P. Shannon and C. J. K. Wilson (9);

Against the motion: Councillors Mrs. S. J. Baxter, Dr. D. W. P. Booth JP, Mrs. J. M. Boswell, J. R. Boulter, J. S. Brogan, M. A. Bullivant, R. A. Clarke, S. R. Colella, Dr. B. T. Cooper, R. J. Deeming, S. J. Dudley, K. A. Grant-Pierce, Miss P. A. Harrison, R. Hollingworth, Mrs. H. J. Jones, R. J. Laight, P. Lammas, J. A. Ruck, C. R. Scurrall, C. B. Taylor, C. J. Tidmarsh. L. J. Turner and M. J. A. Webb (23);

Abstentions: 0

Accordingly, the Chairman declared the motion to be LOST.

79/11 **MOTION - POLICE FUNDING**

Members considered the following motion submitted by Councillor C. J. Bloore.

“That the Council should write to and ask the Home Secretary Theresa May to reconsider the cuts in Police Funding and should recommend to her that the proposed £130 million pounds to be spent on the proposed Police Commissioners should be spent on retaining front line Police Officers instead.”

The motion was moved by Councillor C. J. Bloore and seconded by Councillor R. J. Shannon.

Having been put to the vote, the Chairman declared the motion to be LOST.

80/11 **MOTION - NATIONAL ISSUES**

The Chairman referred to the motion which had been submitted by Councillor R. Hollingworth on the need to ensure that the Chamber did not discuss motions on national issues. She had spoken to the Leader and acknowledged that, as Chairman, she needed to liaise closely with the Monitoring Officer to ensure that motions were in the spirit of the Constitution. Accordingly the Leader had withdrawn his motion.

With the consent of the Chairman, the Leader explained why he had withdrawn the motion.

81/11 **MOTION - CHIEF OFFICERS PAY**

Members considered the following motion submitted by Councillor E. J. Murray.

“That this Council treats its Chief Officers the same as other employees by implementing a pay freeze and that pay freeze continues in line with other employees.”

The motion was moved by Councillor E. J. Murray and seconded by Councillor C. J. K. Wilson.

During the ensuing debate Councillor R. Hollingworth explained that all staff were already being treated equally. In line with national agreements, Chief Officers and other employees were able to receive incremental increases within their pay scales, unless they were already at the top of their pay scale. For Chief Officers such incremental increases were based on merit.

Following further debate, a closure motion was moved by Councillor Dr. D. W. P. Booth JP and seconded by Councillor R. Hollingworth that the motion be now put to the vote.

Having been put to the vote, the closure motion was CARRIED.

An exchange then took place between the Chairman and Councillor R. J. Shannon during which the Chairman sought an apology for a remark made.

Following the right of reply by Councillor E. J. Murray as the mover of the original motion, the motion was put to the vote and declared by the Chairman to be LOST.

82/11 **LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC**

A motion to exclude the public prior to consideration of agenda item 16 (Management Arrangements) was moved by Councillor R. Hollingworth and seconded by Councillor Dr. D. W. P. Booth JP on the grounds that it involved the likely disclosure of exempt information as defined in paragraphs 1 and 4 of Part 1 of Schedule 12A to the Act as amended, being information in relation to any individual and any ongoing or contemplated negotiations in connection with labour relations matters between the Council and officers. Members needed to consider whether the public interest in maintaining the exemption outweighed the public interest in disclosing the information by debating the matter in public.

On a requisition under Council Procedure Rule 17.5, the following details of voting were recorded.

For the motion: Councillors Dr. D. W. P. Booth JP, Mrs. J. M. Boswell, J. R. Boulter, J. S. Brogan, M. A. Bullivant, R. A. Clarke, S. R. Colella, Dr. B. T. Cooper, R. J. Deeming, S. J. Dudley, K. A. Grant-Pierce, Miss P. A. Harrison, R. Hollingworth, Mrs. H. J. Jones, R. J. Laight, P. Lammass, J. A. Ruck, C. R. Scurrall, C. B. Taylor, C. J. Tidmarsh and M. J. A. Webb (21);

Against the motion: Councillors Mrs. S. J. Baxter, C. J. Bloore, Ms. M. T. Buxton, Mrs. C. M. McDonald, P. M. McDonald, E. J. Murray, Mrs. E. M. Shannon, R. J. Shannon, S. P. Shannon, L. J. Turner and C. J. K. Wilson (11);

Abstentions: 0

Accordingly, the Chairman declared the motion to be CARRIED.

RESOLVED that under Section 100 I of the Local Government Act 1972, as amended, the public be excluded from the meeting during the consideration of the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part I of Schedule 12A to the Act, as amended, the relevant paragraph of that part, in each case, being as set out below, and that it is in the public interest to do so:-

<u>Minute No.</u>	<u>Paragraphs</u>
83/11	1 and 4

At this point the Labour Group left the meeting.

83/11 **MANAGEMENT ARRANGEMENTS**

The recommendations from the Shared Services Board were moved by Councillor R. Hollingworth and seconded by Councillor Dr. D. W. P. Booth JP.

RESOLVED:

- (a) that the management proposals within the report be approved and implemented;
- (b) that the Council approves the consequential employment issues that will arise as a result of these management changes and that Bromsgrove District Council as the employing authority take the necessary action in accordance with all appropriate employment procedure rules.

The meeting closed at 8.08 p.m.

Chairman

CABINET

RECOMMENDATIONS TO THE COUNCIL

7TH DECEMBER 2011

1. CHANGES TO THE CONSTITUTION REGARDING CORPORATE DELEGATIONS IN RELATION TO CONSULTATIONS

One of the recommendations to the Cabinet of the Overview and Scrutiny Task Group on the Reduction in Bus Services related to the amendment of the Constitution regarding Corporate Delegations relating to Consultation Documents.

The Cabinet at its meeting on 5th October 2011 accepted the spirit of the recommendation but requested officers to report back to the Overview and Scrutiny Board with suitable wording.

The Cabinet response was reported to the Overview and Scrutiny Board on 24th October 2011 together with suggested wording for the amendment to the Constitution.

This was approved by the Overview and Scrutiny Board at that meeting as a recommendation to Cabinet on 7th December 2011. The Cabinet was satisfied with the proposed wording.

It is therefore RECOMMENDED

that the proposed changes to the Constitution with regard to Corporate Delegations in respect of consultations be approved; and accordingly the wording be amended to read as follows:

- “1.1 Where the Council is asked to respond to a consultation on a matter for which the local authority has a responsibility or where it affects the District of Bromsgrove and where the time scales for responding permit then they shall be a matter for the Full Council to consider.
- 1.2 In any event all consultations will pass automatically upon receipt to the Chief Executives Department and will either be managed in accordance with 1.1 above or where 1.1 does not apply will be passed to the Leader of the Council for comment and the relevant Head of Service or Director to provide a response as appropriate.

For the purposes of this delegation a consultation shall not be regarded as affecting the District of Bromsgrove if it relates to a national issue and would have no more effect on the District of Bromsgrove than it would on any other area; or

If it relates to actions taken by or statements made by a body or individual connected with the District, but those actions or statements are not specifically related to the District of Bromsgrove.”

4TH JANUARY 2012

1. AUDIT BOARD – RECOMMENDATION ON TREASURY MANAGEMENT

The Cabinet considered the minutes of the meeting of the Audit Board held on 15th December 2011.

It is therefore RECOMMENDED

that as set out in minute 21/11 of the meeting of the Audit Board held on 15th December 2011, the maximum level of investment to be held within a single organisation (bank or building society), as detailed in the report be set at £3 million, subject to market conditions.

2. HOME INSULATION FUNDING

The Cabinet has considered a report on the offer of funding of £40,000 from Worcestershire County Council specifically for the purpose of installing free cavity wall, draught proofing and loft installation measures for homeowners within the Bromsgrove District aged 60 years or over.

It is therefore RECOMMENDED:

that the funding of £40,000 from Worcestershire County Council be incorporated into this Council's "Energy Efficiency Grants Home Insulation Projects" budget and that the Capital Programme be amended accordingly.

3. ANTI-BRIBERY POLICY AND OFFICERS' CODE OF CONDUCT

The Cabinet has considered a report on the proposed updating of the Council's Anti-Bribery policies and procedures and following the coming into force of the Bribery Act 2010. The report also referred to the introduction of a Code of Conduct for officers.

It is therefore RECOMMENDED:

- (a) that the Anti-Bribery Policy attached at appendix 1 to the report be approved, and
- (b) that that the Officers' Code of Conduct attached at appendix 2 to the report be approved and included in the Council's Constitution.

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY, 7TH DECEMBER 2011 AT 6.00 P.M.

PRESENT: Councillors R. Hollingworth (Leader), Mrs. M. A. Sherrey JP (Deputy Leader), Dr. D. W. P. Booth JP, M. A. Bullivant and C. B. Taylor

Observers: Councillors S. R. Colella and E. J. Murray

Officers: Ms. S. Hanley, Ms. J. Pickering, Mr. J. Godwin, Mrs. S. Sellers, Mr. A. Coel, Ms. A. Glennie, Ms. C. John and Ms. R. Cole.

78/11 **APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor M. J. A. Webb.

79/11 **DECLARATIONS OF INTEREST**

No declarations of interest were received.

80/11 **MINUTES**

The minutes of the meeting of the Cabinet held on 2nd November 2011 were submitted.

RESOLVED that the minutes be confirmed as a correct record.

81/11 **OVERVIEW AND SCRUTINY BOARD**

The minutes of the meetings of the Overview and Scrutiny Board held on 24th October 2011 and 21st November 2011 were submitted.

In respect of the minutes of the meeting held on 24th October 2011 it was

RECOMMENDED that the recommendation contained in minute 57/11 relating to changes to the Constitution with regard to Corporate Delegations in respect of consultations be approved; and accordingly the wording be amended to read as follows:

“1.1 Where the Council is asked to respond to a consultation on a matter for which the local authority has a responsibility or where it affects the District of Bromsgrove and where the time scales for responding permit then they shall be a matter for the Full Council to consider.

1.2 In any event all consultations will pass automatically upon receipt to the Chief Executives Department and will either be managed in

accordance with 1.1 above or where 1.1 does not apply will be passed to the Leader of the Council for comment and the relevant Head of Service or Director to provide a response as appropriate.

For the purposes of this delegation a consultation shall not be regarded as affecting the District of Bromsgrove if it relates to a national issue and would have no more effect on the District of Bromsgrove than it would on any other area; or

If it relates to actions taken by or statements made by a body or individual connected with the District, but those actions or statements are not specifically related to the District of Bromsgrove.”

RESOLVED:

- (a) that further to minute 61/11, the Deputy Chief Executive be requested to check the position regarding availability of training on the Safeguarding of Children and Vulnerable Adults Policy and whether this could be offered to Bromsgrove District Councillors; and
- (b) that the remainder of the minutes be noted.

In respect of the minutes of the meeting held on 21st November 2011 it was

RESOLVED that the minutes be noted.

82/11 **VERBAL UPDATES FROM THE LEADER AND/OR OTHER CABINET MEMBERS ON ANY RECENT MEETINGS ATTENDED IN AN EX-OFFICIO CAPACITY**

The Leader reported that he had attended an Executive meeting of the District Councils' Network.

83/11 **HOME CHOICE PLUS ALLOCATIONS POLICY REVIEW**

The Cabinet considered a report on a review undertaken by the Home Choice Plus Steering Group into the Social Housing Allocations Policy. The review had been required following the publication by the Government in December 2009 of “Fair and Flexible: Statutory Guidance on Social Housing Allocations for Local Authorities”.

It was noted that the review had been undertaken jointly with other Authorities and that users of the service had been invited to participate in the review process. The Policy would need to be submitted for external legal review to ensure it was legally compliant and sufficiently robust.

Members received a presentation which illustrated how the changes proposed would alter the present situation and make the best use of the social housing available whilst ensuring compliance with the new legislation. The presentation also clarified the position regarding local connection and the use of special circumstances within the allocation process.

It was noted that further amendments would be required at a later stage in view of welfare reform, the Localism agenda and the objectives of the Tenancy Strategy which the Council would be required to develop. A further report would therefore be submitted at a later stage.

RESOLVED:

- (a) that the draft Home Choice Plus Allocations Policy be approved and that delegated authority be granted to the Head of Community Services, in consultation with the Portfolio Holder for Strategic Housing, to approve any final amendments necessary following legal review; and
- (b) that the position in relation to local connection and the use of special circumstances be noted.

84/11 **SOLAR PANELS SCHEME AT THE DEPOT - INFORMATION REPORT ON URGENT ACTION**

Members considered a report on urgent decisions taken by the Chief Executive under delegated powers in relation to the scheme previously approved by the Council to install solar panels at the Council Depot.

It was reported that the decisions taken by the Chief Executive related to changes announced by Government to the Solar Photo Voltaic Feed-in Tariff Scheme and to the opportunity to respond to Government consultation on the proposed changes. The decision had been required urgently in order for the procurement and installation process to proceed and for a consultation response to be prepared prior to the deadline.

It was noted that if the proposed changes to the tariffs were implemented the return on the investment would still be approximately between 5% and 6%. In addition the benefits of a reduction in carbon emissions and savings in electricity costs would remain.

RESOLVED that the action of the Chief Executive in determining the matters set out below, in accordance with his delegated powers in relation to urgent matters, be noted.

- (a) that authority be granted to the Climate Change Manager to respond to the Government consultation on Proposed Changes to the Solar Photo Voltaic Feed-in Tariff Scheme including any comments from the Portfolio Holder and the Cabinet; and
- (b) that officers be authorised to continue with the current project plan as approved by the Cabinet and Council on 22nd June 2011, taking into account the revised financial projections as set out in the appendices to the report and on the basis that the figure invested remain at the previously agreed figure of £68,000.

85/11 **COUNCIL TAX BASE CALCULATION 2012/13**

The Cabinet considered the report on the requirement for the Authority to determine a Council Tax Base for the forthcoming financial year.

RESOLVED that in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992, the Council's Tax Base for 2012/2013 assuming a collection rate of 99% be calculated at £36,643.86 for the area as a whole and that the calculation for each Parish be as set out in appendix 1 to the report.

86/11 **MEDIUM TERM FINANCIAL PLAN 2012/13 - 2014/15**

The Executive Director of Finance and Corporate Resources gave a presentation on the latest position on the Authority's financial position 2012/13 – 2014/15.

In particular reference was made to the list of potential Revenue and Capital Bids which had had been designated by officers and through the Budget Jury process as high or high to medium priority. It was stressed that Members would be making decisions on the budget in forthcoming meetings.

It was also noted that the Equalities and Diversity Forum had put forward a number of proposals for Members' consideration within the total budget of £5,000 allocated for Equality and Diversity projects.

The Executive Director of Finance and Corporate Resources reported that officers were still working to address any budget gap for 2012/13.

RESOLVED that the current position be noted.

87/11 **VICTORIA GROUND CAPITAL WORKS**

Consideration was given to a report on capital works required at the Victoria Ground, Bromsgrove.

It was reported that the works required had been revealed as a result of a dilapidation survey undertaken in late 2010 and related mainly to the condition of the building fabric including the roof, electrical system and internal fittings. The cost of the required works was £42,000. It was noted that the cost of developing the building as a community facility would be met by the occupiers Bromsgrove Sporting in accordance with the original Business Case and Lease arrangements.

It was noted that officers had identified that the cost of the works could be met from within the existing 2011/2012 Capital Programme by way of virement of £42,000 from the Bridge Maintenance budget allocation which had recently been reviewed by officers.

RESOLVED

- (a) that the required works to the Victoria Ground as set out in the report be approved; and
- (b) that the cost of £42,000 be met from within the existing 2011/2012 Capital Programme by way of a virement from the Bridge Maintenance budget allocation.

88/11 **FUTURE ENGAGEMENT WITH PARISH COUNCILS**

The Cabinet considered a report on the future of the Parish Forum and subsequent arrangements for future engagement with Parish Councils in view of the need for the Council to consider how its resources, including officer time could best be utilised.

The need to maintain good links with the Parish Councils was recognised in the report including the on-going provision of training opportunities and regular meetings between the Monitoring Officer and Parish Council Clerks. In addition it was suggested that when appropriate, officers could attend for part of the Bromsgrove Area Committee of the Worcestershire County Association of Local Council (CALC) meetings to give presentations or interact with Parish Council representatives on specific issues.

Members noted the suggestions put forward by CALC as a result of the consultation exercise on the proposal to discontinue the present quarterly Parish Forum meetings.

Members were not minded to approve the proposals put forward by CALC for a specific Portfolio Holder to be given the responsibility for managing the relationship with Parish Councils and for twice yearly meetings to be held between the District and Parish Councils. As an alternative however, the Leader undertook to discuss with the Chairman of CALC other possible arrangements which could achieve a similar result. Members also referred to the opportunities for links between the Parishes and the District to be maintained and strengthened through Members who were both District and Parish Councillors and by District Councillors attending for part of Parish Council meetings if appropriate.

RESOLVED:

- (a) that the Parish Council Forum be discontinued with immediate effect;
- (b) that, as an alternative arrangement, meetings of the Bromsgrove Area Committee of CALC be used as a vehicle for presentations and interaction between the Council and Parish Councils by way of a slot at the start of such meetings;
- (c) that the Leader discuss with the Chairman of the Bromsgrove Area Committee of CALC the feasibility of any additional means by which the links between the District and Parish Councils could be maintained; and
- (d) that the effectiveness of the changed arrangements be subject to review within twelve months.

89/11 **CORPORATE PERFORMANCE REPORT - QUARTER 2 2011/12**

The Cabinet considered the 2011/2012 Quarter 2 Corporate Performance Report together with a number of options for methods of performance reporting for the remainder of 2011/2012, in view of the proposed changes to strategic and performance reporting which would evolve through Systems Thinking and the Transformation agenda which would come into effect in 2012/2013.

Members felt that there was little value in continuing to report formally on all of the existing performance indicators in view of the move towards developing performance measures as part of the transformation process.

RESOLVED:

- (a) that Heads of Service together with their Portfolio Holder(s) select key performance indicators to be reported formally on a quarterly basis until the end of 2011/2012;
- (b) that the way in which performance reporting will change as the Transformation agenda progresses be noted; and
- (c) that the update on key performance indicators for the period ended 30th September 2011 be noted.

The meeting closed at 8.10 p.m.

Chairman

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY, 4TH JANUARY 2012 AT 6.00 P.M.

PRESENT: Councillors R. Hollingworth (Leader), Mrs. M. A. Sherrey JP (Deputy Leader), Dr. D. W. P. Booth JP, M. A. Bullivant, C. B. Taylor and M. J. A. Webb

Observers: Councillors C. Bloore, J. Brogan and L. Mallett.

Officers: Mr. K. Dicks, Ms. S. Hanley, Ms. J. Pickering, Mrs. S. Sellers, Mr. A. Coel and Ms. R. Cole.

90/11 **APOLOGIES FOR ABSENCE**

No apologies for absence were received.

91/11 **DECLARATIONS OF INTEREST**

No declarations of interest were received.

92/11 **MINUTES**

The minutes of the meeting of the Cabinet held on 7th December 2011 were submitted.

RESOLVED that the minutes be confirmed as a correct record.

93/11 **SHARED SERVICES BOARD**

The minutes of the Shared Services Board (part) held on 10th November 2011 relating to non confidential and non exempt items were submitted.

RESOLVED that the minutes be noted.

94/11 **AUDIT BOARD**

The minutes of the meeting of the Audit Board held on 15th December 2011 were submitted.

RECOMMENDED that as set out in minute 21/11 of the meeting of the Audit Board held on 15th December 2011, the maximum level of investment to be held within a single organisation (bank or building society), as detailed in the report, be set at £3 million, subject to market conditions.

RESOLVED:

- (a) that in relation to the recommendation referred to above, the Audit Board be requested to note that the maximum level of investment to be held within a single organisation should be maintained at £3 million;
- (b) that the remainder of the minutes be noted.

95/11 **VERBAL UPDATES FROM THE LEADER AND/OR OTHER CABINET MEMBERS ON ANY RECENT MEETINGS ATTENDED IN AN EX-OFFICIO CAPACITY**

The Leader reported that he had attended a meeting of a Sub Group of the Birmingham and Solihull Local Enterprise Partnership.

96/11 **HOME INSULATION FUNDING**

The Cabinet considered a report on an offer of funding of £40,000 from Worcestershire County Council specifically for the purpose of installing free cavity wall, draught proofing and loft installation measures for homeowners within the Bromsgrove District aged 60 years or over. It was a requirement that the funding be utilised by 31st December 2012 and be promoted under the Warmer Worcestershire branding.

Members queried whether the funding had been “top sliced” by the County Council and the Portfolio Holder undertook to investigate this. In addition there was discussion on whether preference could be given to utilising contractors from within the Bromsgrove District to undertake the work. It was reported that whilst Contracts would need to be awarded in accordance with the Council’s Procurement Procedures, it would be reasonable to request officers to review the procedures with a view to increasing the weight given to local suppliers where appropriate.

RECOMMENDED that the funding of £40,000 from Worcestershire County Council be incorporated into this Council’s “Energy Efficiency Grants Home Insulation Projects” budget and that the Capital Programme be amended accordingly.

RESOLVED:

- (a) that the Head of Community Services be authorised to formally accept and account for the expenditure of the Worcestershire County Council “Home Energy Efficiency Improvements” funding offer of £40,000 and associated funding conditions;
- (b) that applications be invited from homeowners within the District aged 60 or over for the installation of loft and/or cavity wall insulation and draught-proofing measures installed in their homes free of charge; and
- (c) that the Head of Community Services, in consultation with the Portfolio Holder for Strategic Housing, be authorised (i) to expend up to the sum approved by the Council, for the purposes indicated in the report; and (ii) to utilise such funding remaining at 1st April 2012 to extend the insulation to offer to any resident of the District irrespective of age or status, or for other Home Energy Efficiency initiatives subject to the agreement of Worcestershire County Council; and

- (d) that officers be requested to review the Council's Procurement Procedures with a view to increasing the weight given to local suppliers where appropriate.

97/11 **MEDIUM TERM FINANCIAL PLAN 2012/13 - 2014/15**

The Executive Director of Finance and Resources gave a presentation on the Authority's financial position for 2012/13 - 2014/15, together with Revenue and Capital bids forming part of the 2012/13 – 2014/15 Medium Term Financial Plan.

As part of the presentation reference was made to the recommendations arising from the meeting of the Overview and Scrutiny Board on 3rd January 2012. The recommendations were in relation to the priorities to be attached to the various Revenue and Capital bids and were taken into account as part of the Cabinet consideration of the bids.

Reference was also made to the need to consider the potential impact on homelessness of the forthcoming Welfare Reform, in particular changes to the arrangements for Housing Benefit which would result in reductions in payments to claimants in particular circumstances.

Members' attention was drawn to the need to address any potential increase in homelessness at an early stage and it was noted that officers were taking steps to strengthen prevention measures as far as possible. This included close working between officers from the Strategic Housing and Housing Benefits Teams and in partnership with BDHT and private landlords.

Clearly even taking into account the strengthening of prevention measures, it was likely to be necessary to make some provision within the budget for an increase in the costs of temporary accommodation. It was suggested that an additional £35,000 could be allocated from balances, together with a total of £15,000 from unspent budgets from the current year, to establish a contingency budget of £50,000 to be used for preventative work and if necessary, temporary accommodation costs. Officers undertook to continue to review the position and to report further as appropriate.

Arising from the discussion on the Revenue and Capital Bids it was acknowledged that until the Council's Strategic Purposes had been fully defined it was inappropriate to make final decisions regarding the priority to be attached to some of the bids. It was important that the budget priorities were aligned with the Council's Strategic Purposes.

It was therefore

RESOLVED:

- (a) that the current position for 2012/13 - 2014/15 be noted and that officers be requested to review the savings that can be delivered to achieve a balanced budget;
- (b) that the Revenue bids in respect of an Energy Advisor and a Data Analyst for Procurement be reduced to a low priority;

- (c) that the Capital bid in respect of Planning – Town Centre be categorised as a high priority;
- (d) that the Capital bid in respect of replacement Christmas Lights be deleted and the work be undertaken as part of the regeneration of the Town Centre;
- (e) that the Capital bids as set out below be taken out of the budget process at present and that provided that the proposal meets the Council's Strategic Purposes as referred to in the preamble, officers be required to produce separate reports to include Business Cases as appropriate.
 - Toilets in Bromsgrove Cemetery
 - Improved Parking in Sanders Park
 - Improvement of Battlefield Brook Infrastructure
 - Allotment Extension

98/11 **ANTI-BRIBERY POLICY AND OFFICERS' CODE OF CONDUCT**

The Cabinet gave consideration to a report which proposed the updating of the Council's Anti Bribery policies and procedures following the coming into force of the Bribery Act 2010. The report included a new Anti-Bribery Policy and the introduction of a Code of Conduct for Officers.

RECOMMENDED:

- (a) that the Anti-Bribery Policy attached at appendix 1 to the report be approved; and
- (b) that the Officers' Code of Conduct attached at appendix 2 to the report be approved and included in the Council's Constitution.

99/11 **SHARED SERVICES BOARD**

(Note: Although the Cabinet agenda had indicated that the public may be excluded during the consideration of this item, in the event it was considered in public).

The minutes of the meeting of the Shared Services Board (part) held on 10th November 2011 were submitted.

RESOLVED that the minutes be noted, including the recommendations contained at Minute 7 which had subsequently been approved by the Council on 16th November 2011.

The meeting closed at 7.40 p.m.

Chairman



Bromsgrove
District Council
NEW BROMSGROVE GOV.UK



Wyre Forest
District Council

Agenda Item 8
Worcester City Council

good services, good value



Our Ref: smj/rk

5 December 2011

To each Councillor for Bromsgrove District Council

Dear Councillor

Independent Remuneration Panel Report and Recommendations for 2012-13

I enclose the report of the Independent Remuneration Panel for the District Councils in Worcestershire, with recommendations for the level of allowances in 2012-13.

Whilst we set out the background to our recommendations in the report, the Panel thought it would be helpful to you to outline the processes we have followed and research undertaken during the year.

For the **Basic Allowance**, we have used the current role descriptions for Councillors for each District as a basis to define what activities are reflected in the calculation. We have used data from the following sources to arrive at the hourly rate:

- National Annual Survey of Hours And Earnings, which indicates pay data for employees by District, County and Region;
- The last Local Government Association Survey carried out nationwide;
- The 2010 and 2011 South East Employers local authority survey of allowances in 40 Councils;
- Comparisons with the allowances of the five "nearest neighbour" authorities as defined by the Chartered Institute of Public Finance and Accountancy (CIPFA).

This research has shown that the mean average for the Basic Allowance is between £4,194 (last Local Government survey) and £4,426 (South East Employers). The Panel's proposal for a standard figure of £4,200 therefore appears reasonable when compared to other local authorities. However, the Panel acknowledges that, for Bromsgrove District Council, this would require a significant percentage increase to achieve this level. Being mindful of the serious economic climate we have not recommended that Basic Allowance should be increased to this level for Bromsgrove.

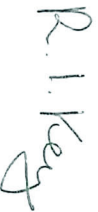
Special Responsibility Allowances may be paid to members of the Council who “have significant additional responsibilities over and above the generally accepted duties of a Councillor. These duties must be related to the discharge of the authority’s functions”¹

We have been kept up to date with developments in leading roles within each Council and met with Leaders of most of the Districts in Worcestershire to discuss the developing role and expectations of that office. We have applied certain principles to our consideration of the Special Responsibility Allowances, based on:

- The Leader role is prime and developing;
- As far as possible the role of Chairing the main Overview and Scrutiny Committee is at least comparable to that of an Executive member with portfolio (if there is more than one O&S Committee then this allowance should be reduced)
- As far as possible we have used multipliers of the Basic Allowance to arrive at recommendations for Special Responsibility Allowances
- Comparing similar roles between authorities, particularly using the “nearest neighbour” comparators, South East Employers and the LGA Survey referred to above.

As always, myself and the Panel members welcome the opportunity to meet Councillors to discuss how they carry out their role and our deliberations. We are aware of the emerging Localism Act requirements and will be looking to keep abreast of these and other initiatives. We will monitor their impact on Councillors’ roles during the coming year.

Yours faithfully



Rob Key

Chairman of the Independent Remuneration Panel for Worcestershire Districts

¹ Department for Communities and Local Government Guidance on Regulations for Local Authority Allowances

**Independent Remuneration Panel for Worcestershire
District Councils**

Annual Report and Recommendations for 2012-13

Bromsgrove District Council

December 2011

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Recommendations

The Independent Remuneration Panel recommends to Bromsgrove District Council the following:

- (i) That in view of the continuing exceptional economic circumstances, the Basic Allowance remains unchanged from the recommendations from 2011/12 for 2012/13 at £3676 per Councillor. However, it should be noted that the Panel would be recommending £4,200 but acknowledges that in the present climate it would not be wise to implement an increase of 14.2%.**

The Panel has included for information at Appendix 2 details of the level of allowances based on a basic allowance of £4,200 and the resulting Special Responsibility Allowances based on multipliers of the Basic Allowance that the Panel consider are consistent with the roles carried out.

- (ii) That the Special Responsibility Allowances remain unchanged for 2012/13, with the exception of the Allowances for the Leader of the Council and the Chairmen of the Planning and Licensing Committees, as set out at Appendix 1.**
- (iii) That travel allowances for 2012/13 continue to be paid in accordance with the HMRC rate (currently 45p per mile).**
- (iv) That subsistence allowances for 2012/13 remain unchanged.**
- (v) That the Childcare and Dependent Carer's Allowances remain unchanged.**

The Independent Remuneration Panel recommends to Parish Councils within Bromsgrove District

- (i) That for Parish Councils in the District, if travel and subsistence is paid, the Panel recommends that it is paid in accordance with the rates paid by the District Council and in accordance with the relevant Regulations.**
- (ii) That the Panel's previous recommendations with regard to Parish Councillor allowances be re-affirmed.**

Basic Allowance 2012/13

Basic Allowance is based on:

- The roles and responsibilities of Members; and
- Their time commitments – including the total average number of hours worked per week on Council business.

In calculating the recommended Basic Allowance, the Panel has previously used the average hourly earnings for the West Midlands from the Annual Survey of Hours and Earnings (ASHE) based on place of residence, produced by the Office for National Statistics. However, the basis for this measure has changed in recent years and we sought other indicators.

For this year's report the Panel also benchmarked the level of allowance against the following indicators:

- Survey of allowances in the South East of England undertaken by the South East Employers;
- Allowances for comparable roles paid by the CIPFA "Nearest Neighbour" Councils for each authority

This work showed that the basic allowance currently paid by Bromsgrove is not in line with comparable roles in similar authorities. The Panel is recommending a Basic Allowance of £4,200 for Malvern Hills, Worcester City and Wychavon Councils, which is more consistent with the levels of allowances resulting from the benchmarking exercise. We consider this should be regarded as the "standard" level of basic allowance for each of the District Councils in Worcestershire.

However, in view of the severe wider economic situation, the Panel acknowledges that the Council may not feel able currently to support an increase in its basic allowance - currently £3,676 - to this level. The Panel must always be aware of its responsibility to command public confidence in its decisions. However, we have included an indicative column in Appendix 2, showing the level of allowances for Bromsgrove if the £4,200 basic allowance was applied using the multipliers recommended by the Panel.

Special Responsibility Allowances (SRA) 2012/13**General Calculation of Special Responsibility Allowances**

In last year's report we acknowledged that we had been informed that a review of the Council's governance was to be undertaken which could potentially impact on the number of SRAs payable.

During the Year we were asked to consider the Special Responsibility Allowances paid to:

- the Chairman of the Overview and Scrutiny Board;
- the Chairman of the Planning Committee, and

- the Leader of the largest Opposition Group.

During our consideration of the Special Responsibility Allowances, we met with the Leaders of 4 of the District Councils and the Deputy Leader of the other, to discuss the expectations of the role of the Leader and how it is changing as a result of the Localism agenda and the impact of other legislation. Unfortunately the Leader of Bromsgrove District Council was unable to attend. We will review the role of Leaders and Deputy Leaders during the year once the full impact of the Localism Act and other requirements are being felt.

We have taken a consistent approach to the Special Responsibility Allowances across all 6 Districts. In Appendix 2 we show what the SRA would be if the Basic Allowance of £4,200 is used and what we regard as a “standard” multiplier is applied. In terms of the Leader role in Bromsgrove for 2012-13, we have endorsed the historic calculation of the Special Responsibility for the Leader and are not recommending any increase to it. However, in the interest of consistency across the Districts we are recommending that the SRA for the Leader is capped at £10,500.

Chairman of Overview and Scrutiny Board – from the evidence presented to us we agreed to a proposed increase in the Special Responsibility Allowance for this role. The new governance arrangements include one Overview and Scrutiny Board replacing three bodies previously. The new arrangements are consistent with those of other District Councils where the Special Responsibility Allowance is recommended at the same level as the Executive portfolio holders. On this basis we supported the change.

Chairman of the Planning Committee – the Panel was asked to consider increasing the allowance for this role to match that for portfolio holders, based on the volume and complexity of the work involved. This would mean an increase to a multiplier of 1.3 times the basic allowance. The Panel did not support this proposal, having recently reviewed the role of Chairman of Planning at other Districts and reviewed the workload and responsibilities involved, the multiplier of 1.0 is considered appropriate to the role. The Panel was concerned to learn that the Council did not accept this recommendation and subsequently increased the multiplier to the 1.3 requested. We reiterate our view that a multiplier of 1.0 is considered appropriate for this role and recommend this reduced multiplier for 2012-13.

Leader of the largest opposition Group – the Panel was asked to consider reinstating a Special Responsibility Allowance for this position. Historically the Council has paid an allowance to the Leader of the Opposition and leaders of other opposition groups, varying between flat rate payments and a sum per member of the group. This had ceased in 2010-11 as the opposition groups were of equal size.

The Panel was asked to reinstate this allowance following the results of the May 2010 elections which led to a significant main opposition group. We supported this proposal, with an allowance of £1,066 – a multiplier of 0.29 - recognising the historical precedent for the allowance. However, we undertook to review this at

the end of the current year. We are content to recommend that this allowance remains unchanged.

Chairman of the Licensing Committee – the Panel was concerned to see that during the past year the Council has changed the Special Responsibility Allowance from £213 per meeting to an annual allowance of £4,796 based on a new multiplier of 1.3 which matches that for portfolio holders. This was done without prior consideration by the Panel. We are recommending that the multiplier be reduced to 0.75 to reflect the “standard” multiplier for this role recommended by the Panel for Worcestershire Districts.

In reviewing the SRA’s we acknowledge that the Basic Allowance in Bromsgrove is below that which we regard as reasonable across Worcestershire (£3,676 in Bromsgrove compared to the recommended “standard” of £4,200). This can then lead to discrepancies in the levels of SRAs paid, even when using the same multipliers as other local authorities. As mentioned above, however, we are mindful that in the current economic circumstances Councillors are unlikely to feel justified in increasing the basic allowance and the consequential increase in SRA’s.

Standards Committee

At the time of writing this report we have been made aware of the potential changes affecting the Standards regime as proposed in the Localism Bill. Whilst the original Bill proposed the abolition of the national Code of Conduct and most elements governing the establishment and work of the Standards Committee, amendments proposed through the Lords and now embodied within the Localism Act indicate a local Standards Committee will continue in some form.

We are therefore content to recommend that the Special Responsibility Allowance for the Chairman of the Standards Committee continues at the rate we recommended last year.

Mileage and Expenses 2012/13

The Panel note that Bromsgrove District Council has used the HMRC flat rate for payment of mileage for Councillors (currently 45p per mile) and recommends that this continues.

The Panel is satisfied that the current levels of subsistence allowances are set at an appropriate level and recommends that these continue.

The Panel notes that the Council’s Scheme of Members’ Allowances provides that Childcare and Dependant Care Allowances are payable to cover reasonable and legitimate costs incurred in attending approved duties and recommends that this provision continues.

Allowances to Parish Councils

The Independent Remuneration Panel for Worcestershire District Councils acts as the Remuneration Panel for the Parish Councils in each District.

This year the Panel has not been asked to make recommendations on any matters by any Parish. In the past the Panel which covered the three South Worcestershire Districts has considered travel and subsistence, and we consider it appropriate to apply this consideration to each of the Districts. We have reviewed the Parish Council travel and subsistence allowances and recommend for 2012 - 13 that no changes are made. This means that in Bromsgrove we recommend that these payments should be made in accordance with the rates paid by the District Council and in accordance with the relevant Regulations.

Last year, in the absence of any formal requests from Parish Council on allowances, we re-affirmed the recommendations made by the former Bromsgrove Independent Remuneration Panel with regard to the payment of other allowances for Parish Councillors. We again re-affirm these recommendations.

The Panel also confirm that we will be happy to consider any formal requests from Parish Councils on allowances and each will be considered on its own merits.

The Independent Remuneration Panel

The Members' Allowances Regulations require Local Authorities to establish and maintain an Independent Remuneration Panel (IRP). The purpose of the Panel is to make recommendations to the authority about allowances to be paid to Elected Members and Local Authorities must have regard to this advice. This Council's Independent Remuneration Panel is set up on a joint basis with the other 5 District Councils in Worcestershire, the decision having been taken during 2010 to follow the principle previously established by having a joint Panel in the South of the County. Separate Annual Reports have been prepared for each Council.

Initially the South Worcestershire Panel has carried out the work for the 6 Districts, while the Councils reviewed the size and operation of the Panel. The members of the Panel have been:

- Rob Key, the Chair of the Panel – Rob has 42 years' experience of working in District Councils in a variety of operational and management roles, including senior positions at Worcester City, Wychavon District and Wyre Forest District. He was an Independent Chair for the Strategic Health Authority for Continuing Care and sits on County Council Appeals Panels for School Preference Appeals and Service Complaints.
- Elaine Bell, JP, DipCrim – Elaine has been a Magistrate for 14 years, Day Chair of Adult and Family Courts; Chair of the Bench Training & Development Committee; past member of the Magistrates Advisory Panel (interviewing and selecting for appointment to the Bench). She is also a Governor of the Lloyds

Educational Foundation; Member of the Sytchampton School Appeals Panel; Hon Treasurer of Ombersley and Doverdale Tennis Club and a Past Governor of Ombersley Primary School.

- Bill Simpson MBE, JP, BSc, Dip Ed – Bill spent 30 years in Further Education culminating in 11 years as Principal of Pershore College. He then entered the private sector as Director of two national Horticultural Societies – the Royal Horticultural Society and the Alpine Garden Society.. He served as a magistrate for 9 years until retirement – chairing the Worcestershire Branch of the Magistrates' Association. Currently a churchwarden, Bill is also involved with several charities including being Chairman of *Thrive* between 1993 and 2008. He is a primary school governor and a member of the Schools Admissions Appeals Panel for Worcestershire.
- Mel Nock OBE, BA Joint Hons, Dip IPD – Mel is currently Vice-Chair of the Lucy Faithfull Foundation and Chair of the Governance, Finance and General Purposes Committee. He is Executive Chair of EIL Malvern. Previously Mel was Chairman of a GKN division and Regional Director with a Regional Health Authority moving on to become Assistant Managing Director. Mel established his own HR consultancy in the 1990's specialising in remuneration and organisational change. He has also served as a member of the Lord Lieutenant's (South Worcestershire) Advisory Committee on the appointment of magistrates.
- Terry Cotton – Terry spent 34 years working in central and local Government, mostly managing regeneration programmes across the West Midlands. Most recently he worked at The Government Office for The West Midlands where he was a Relationship Manager between central and local Government and a lead negotiator for local performance targets. Following voluntary early retirement in May 2011, he now works part-time setting up and running a community development trust in Birmingham's Jewellery Quarter. He is also a trustee of a small charitable trust providing grants to grass roots community initiatives in deprived communities.
- Don Barber BSc - After several Human Resources and Productivity Improvement Management roles in Industry, Don became Chief Executive of a change management facilitating consultancy. Over the last 20 years he has been an independent consultant and advisor on a number of United Nations, European Commission, and World Bank transition projects, in particular in Europe, Africa, Asia, and Australasia. He also operates in an advisory role to other consultancy groups seeking EU contracts. This experience has included the development of national civil service/public sector reform programmes including aspects of the effect of legislative change for central and local government and, in the U.K., working for the Office of Manpower Economics (advisors to the Prime Minister) on Public Sector Pay, in particular relating to: Civil Service Pay Reform, UK Armed Forces and the Medical Professions.

The Reverend Prebendary Michael Vockins OBE retired from office during the year. We would like to pay tribute to his work and support during his term of

office, particularly during the transition to a new Panel as it expanded its role from South Worcestershire to include all the District Councils in Worcestershire.

The Panel has been advised and assisted by:

- Claire Chaplin and Doreen Porter from Worcester City Council;;
- Sheena Jones from Wychavon District Council;
- Joanne Lowman from Malvern Hills District Council;
- Karen Firth from Bromsgrove District Council;
- Penelope Williams from Wyre Forest District Council;
- Ivor Westmore and Trish Buckley from Redditch Borough Council.

The Panel wishes to acknowledge its gratitude to these officers who have provided advice and guidance in a professional and dedicated manner.

Rob Key

Chairman of Independent Remuneration Panel

Bromsgrove District Council – Allowance Recommendations 2012-13

Appendix 1

Current Position and Independent Remuneration Panel Recommendations			
	Current Multiplier of Basic Allowance recommended by Panel	Recommendations for 2012/13 based on £3,676 basic allowance and multipliers recommended by the Panel £	Amounts currently paid £
Basic Allowance:		3,676 ¹	
Special Responsibility Allowances:			
Leader	3	10,927 but capped at 10,500	10,927
Deputy Leader (plus SRA as a Portfolio holder)	0.7	2,573 plus <u>4,796</u> <u>7,549</u>	2,573 plus <u>4,796</u> <u>7,549</u>
Executive Members	1.3	4,796	4,796
Chairman of Overview & Scrutiny Board	1.3	4,796	4,796

¹ This figure takes into account a public service discount of 34.11%

	Current Multiplier of Basic Allowance recommended by Panel	Recommendations for 2012/13 based on £3,676 basic allowance and multipliers recommended by the Panel	Amounts currently paid
Chairman of Planning Committee	1 (Council pays 1.3)	3,676	4,796
Chairman of Standards Committee	0.5	1,848	1,848
Chairman of Licensing Committee	0.75 (Council pays 1.3)	2,757	4,796
Chairman of Audit Board	0.29	1,066	1,066
Chairmen of Overview and Scrutiny Task Groups – payment on completion of task	0.06	213	213
Members of Overview and Scrutiny Task Groups – payment on completion of task	0.03	107	107
Chairman of Appointments Committee – payable per meeting	0.03	107	107

	Current Multiplier of Basic Allowance recommended by Panel	Recommendations for 2012/13 based on £3,676 basic allowance and multipliers recommended by the Panel	Amounts currently paid
Chairman of Electoral Matters Committee – payable per meeting	0.03	107	107
Chairman of Appeals Committee – payable per meeting	0.03	107	107
Chairman of Standards Sub- Committee – payable per meeting	0.03	107	107
Leader of the largest opposition political group	0.29	1,066	1,066

Appendix 2

Indicative amounts for 2012-13 if Independent Remuneration Panel recommended basic allowance of £4200 and applied “standard” multipliers			
	“Standard” Multipliers recommended by the Panel for Worcestershire Districts	Indicative amounts using Basic allowance of £3,676	Indicative amount using basic allowance of £4,200 and multipliers recommended by Panel
Basic Allowance		3,676	4,200 ²
Special Responsibility Allowances:			
Leader	2.5	9,190	10,500
Deputy Leader	1.5 (as portfolio holder only)	5,514	6,300
Executive Members	1.5	5,514	6,300
Chairman of Overview and Scrutiny Board	1.5	5,514	6,300
Chairman of Planning Committee	1	3,676	4,200

² This figure takes into account a public service discount of 40%

	“Standard” Multipliers recommended by the Panel for Worcestershire Districts	Indicative amounts using Basic allowance of £3,676	Indicative amount using basic allowance of £4,200 and multipliers recommended by Panel
Chairman of Standards Committee	0.25	919	1,050
Chairman of Licensing Committee	0.75	2,757	3,150
Chairman of Audit Board	-	-	-
Chairmen of Overview and Scrutiny Task Groups – payment on completion of task	0.25	919	1,050
Members of Overview and Scrutiny Task Groups – payment on completion of task	-	-	-
Chairmen of Appointments Committee – payable per meeting	-	-	-
Chairman of Electoral Matters Committee – payable per meeting	-	-	-

Chairman of Appeals Committee – payable per meeting	-	-	-
Chairman of Standards Sub-Committee – payable per meeting	-	-	-
Leader of the Largest Opposition Political Group	0.29	1,066	1,218

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BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

15th December 2011

TREASURY MANAGEMENT 2010/11

Relevant Portfolio Holder	Cllr Roger Hollingworth
Relevant Head of Service	Jayne Pickering Executive Director of Finance and Resources
Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 To report to Members on the Council's Treasury Management performance for the financial year 2010/11.

2. RECOMMENDATIONS

- (a) That the Audit Board note the performance of the Treasury Management Function during 2010/11 as detailed in Appendix 1.
- (b) That the Audit Board recommend to Full Council the approval of the maximum level of investment to be held within each organisation (ie bank or building society) as detailed at £3m subject to market conditions.

3. KEY ISSUES

- 3.1 In accordance with the Chartered Institute of Public Finance and Accountancy's Treasury Management Code of Practice adopted by the Council, the Audit Board annually considers a report on the activities, strategy and performance of the Council's Treasury Management function.
- 3.2 Treasury Management is about managing the Council's cash flow and investments to support Bromsgrove's finances for the benefit of the Council Tax payers and the services that the Council provides. These activities are structured to manage risk foremost, and then optimise performance.
- 3.3 The Treasury Management function strives to ensure the stability of the Council's financial position by sound debt, cash and risk management techniques. The need to minimise risk and volatility is constantly addressed whilst aiming to achieve the treasury management objectives.
- 3.4 The challenging economic environment of the previous year continued during the financial year 2010/11, interest rates remained low although during the year money market rates increased marginally.

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- 3.5 During the year an internal audit review of the Treasury Management function was completed. The audit opinion was of Full Assurance in all of the nine areas covered within the scope of this audit, concluding that there are sound arrangements and controls in place.
- 3.6 The Council's treasury management activities are regulated by statute, professional codes and official guidance. The Local Governance Act 2003 (the Act) provides the powers to borrow and invest as well as providing controls and limits.
- 3.7 The bank base rate has remained at 0.5% since 5th March 2009.
- 3.8 In formulating the Treasury Management Strategy and the setting of the Prudential Indicators, Bromsgrove District Council has adopted the Treasury Management Framework and Policy recommended by CIPFA.

Financial Implications

- 3.9 The financial implications are contained within the body of the Annual Treasury Report at Appendix 1.

Legal Implications

- 3.10 This is a statutory report under the Local Government Act 2003.

Service/Operational Implications

- 3.11 The Strategy Statement ensures that the Council invests its resources within a robust and effective framework to deliver a maximum return on investments within a secure environment. This Annual Treasury Report compares the outcome of the Treasury Management Service against its annual targets.

Customer/Equalities and Diversity Implications

- 3.12 No direct implications.

4. RISK MANAGEMENT

- 4.1 No direct implications

5. APPENDICES

Appendix 1 Annual Treasury Outturn Report

AUDIT BOARD

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6. BACKGROUND PAPERS

Treasury Management Strategy Report

AUTHOR OF REPORT

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Annual Treasury Report 2010/11 - England**1. Background**

The Council's treasury management activity is underpinned by CIPFA's Code of Practice on Treasury Management ("the Code"), which requires local authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members are informed of treasury management activities at least twice a year. The Council reports quarterly to the Cabinet and scrutiny of treasury policy, strategy and activity is delegated to the Audit Board.

Treasury management is defined as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Overall responsibility for treasury management remains with the Council. No treasury management activity is without risk; the effective identification and management of risk are integral to the Council's treasury management objectives.

2. Economic Background

At the time of determining the strategy for 2010/11, interest rates were expected to remain low in response to the fragile state of the UK economy. Spending cuts and tax increases seemed inevitable post the General Election if the government had a clear majority. The markets had, at the time, viewed a hung parliament as potentially disruptive particularly if combined with a failure to articulate a credible plan to bring down government borrowing. The outlook for growth was uncertain due to consumers and corporates trimming their spending and financial institutions exercising restraint in new lending.

The economy's two headline indicators moved in opposite directions – growth was lacklustre whilst inflation spiked sharply higher. The economy grew by just 1.3% in calendar year 2010; the forecast for 2011 was revised down to 1.7% by the Office of Budget Responsibility in March. Higher commodity, energy and food prices and the increase in VAT to 20% pushed the February 2011 annual inflation figure to 4.4%. The Bank Rate was held at 0.5% as the economy grappled with uneven growth and the austerity measures set out in the coalition government's Comprehensive Spending Review. Significant cuts were made to public expenditure, in particular local government funding.

The US Federal Reserve (the Fed) kept rates on hold at 0.25% following a slowdown in American growth. The European Central Bank maintained rates at 1%, with the markets expecting a rate rise in early Spring.

The credit crisis migrated from banks to European sovereigns. The ratings of Ireland and Portugal were downgraded to the 'triple-B' category whilst the rating of Greece was downgraded to sub-investment (or 'junk') grade. The sovereign rating of Spain was also downgraded but remained in the 'double-A' category. The results

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from the EU Bank Stress Tests, co-ordinated by the Committee of European Banking Supervisors, highlighted that only 7 out of the 91 institutions failed the 'adverse scenario' tests. The tests were a helpful step forward, but there were doubts if they were far-reaching or demanding enough. The main UK banks' (Barclays, HSBC, Lloyds and RBS) Tier 1 ratios all remained above 9% under both the 'benchmark scenario' and the 'adverse scenario' stress tests. The tests will be repeated in the Spring of 2011.

Gilts benefitted from the decisive Comprehensive Spending Review (CSR) plans as well as from their relative 'safe haven' status in the face of European sovereign weakness. 5-year and 10-year gilt yields fell to lows of 1.44% and 2.83% respectively. However yields rose in the final quarter across all gilt maturities on concern that higher inflation would become embedded and greatly diminish the real rate of return for fixed income investors.

During the year money market rates increased marginally at the shorter end (overnight to 3 months). 6 - 12 month rates increased between 0.25% to 0.30% over the 12 month period reflecting the expectation that the Bank Rate would be raised later in 2011.

3. Investment Activity

The CLG's revised Investment Guidance came into effect on 1st April 2010 and reiterated the need to focus on security and liquidity, rather than yield. It also recommended that strategies include details of assessing credit risk, reasons for borrowing in advance of need and the use of treasury advisers.

Investments	Balance on 31/3/2010 £m	Investments Made £m	Maturities/ Investments Sold £m	Balance on 31/03/2011 £m	Avg Rate % / Avg Life (yrs)
Short Term Investments	8.6	69.9	65.9	12.6	0.65% 32 days
TOTAL INVESTMENTS	8.6	69.9	65.9	12.6	0.65% 32 days

Security of capital remained the Council's main investment objective. This was maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2010/11. Investments during the year included

- Investments in AAA-rated Stable Net Asset Value Money Market Funds
- Call accounts and deposits with Banks and Building Societies systemically important to that country's banking system (UK, Australia, Canada, Finland, France, Germany, Netherlands, Spain, Switzerland and the US).

Credit Risk: Counterparty credit quality was assessed and monitored with reference to credit ratings (Council's minimum long-term counterparty rating of A+ across all three rating agencies, Fitch, S&P and Moody's); credit default swaps; GDP of the country in which the institution operates; the country's net debt as a percentage of GDP; any potential support mechanisms and share price.

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Counterparty credit quality has progressively strengthened/been maintained as demonstrated by the Credit Score Analysis summarised below¹. The table in Appendix 2 explains the credit score.

Date	Value Weighted Average Credit Risk Score	Value Weighted Average Credit Rating	Time Weighted Average Credit Risk Score	Time Weighted Average Credit Rating	Average Life (days)
31/03/2010	3.93	AA-	4.29	AA-	0.80%
30/06/2010	4.23	AA-	4.34	AA-	0.81%
30/09/2010	4.28	AA-	4.35	AA-	0.78%
31/12/2010	3.80	AA-	3.85	AA-	0.67%
31/03/2011	4.23	AA-	4.33	AA-	0.74%

Liquidity: In keeping with the CLG's Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of Money Market Funds / overnight deposits/ the use of call accounts.

Yield: The Council sought to optimise returns commensurate with its objectives of security and liquidity. The UK Bank Rate was maintained at 0.5% through the year. Short term money market rates remained at very low levels which had a significant impact on investment income.

The Council's budgeted investment income for the year had been estimated at £87k, and interest earned during the period was £122k.

4. Compliance with Prudential Indicators

The Council can confirm that it has complied with its Prudential Indicators for 2010/11, which were set in March 2010 as part of the Council's Treasury Management Strategy Statement details are included at Appendix A

In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during 2010/11. None of the Prudential Indicators has been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

Annual Treasury Report 2010/11 - England**Appendix A****Capital Financing Requirement**

Estimates of the Council's cumulative maximum external borrowing requirement for 2010/11 to 2012/13 are shown in the table below:

	31/3/2011 Estimate £000s	31/3/2011 Actual £000s	31/3/2012 Estimate £000s	31/3/2013 Estimate £000s
Capital Financing Requirement	0	0	0	0

Balances and Reserves

Estimates of the Council's level of Balances and Reserves for 2010/11 to 2012/13 are as follows:

	31/3/2011 Estimate £000s	31/3/2011 Actual £000s	31/3/2012 Estimate £000s	31/3/2013 Estimate £000s
Balances and Reserves	3.751	3,701	2.617	2.118

Prudential Indicator Compliance**(a) Authorised Limit and Operational Boundary for External Debt**

- The Local Government Act 2003 requires the Council to set an Affordable Borrowing Limit, irrespective of their indebted status. This is a statutory limit which should not be breached.
- The Council's Affordable Borrowing Limit was set at £6.5m for 2010/11.
- The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst case scenario without the additional headroom included within the Authorised Limit.
- The Operational Boundary for 2010/11 was set at £5.5m.
- The Executive Director for Finance and Resources confirms that there were no breaches to the Authorised Limit and the Operational Boundary during the year.

(b) Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

- These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.
- The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

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	Limits for 2010/11 £/%	Maximum during 2010/11 £/%
Upper Limit for Fixed Rate Exposure		
Compliance with Limits:	Yes	Yes
Upper Limit for Variable Rate Exposure		
Compliance with Limits:	Yes	Yes

(c) Maturity Structure of Fixed Rate Borrowing

- This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

Maturity Structure of Fixed Rate Borrowing	Upper Limit %	Lower Limit %	Actual Fixed Rate Borrowing as at 31/03/2011	% Fixed Rate Borrowing as at 31/03/2011	Compliance with Set Limits?
under 12 months	100	0	0	0	Yes
12 months and within 24 months	100	0	0	0	Yes
24 months and within 5 years	100	0	0	0	Yes

(d) Total principal sums invested for periods longer than 364 days

- This indicator allows the Council to manage the risk inherent in investments longer than 364 days.
- The limit for 2010/11 was set at £2.0m.
- The Council's policy response since the onset of the credit crunch in 2007 was to keep investment maturities to a maximum of 364 days. Only one investment was made for a period of 365 days totalling £1m, this matured in March 2011.

Annual Treasury Report 2010/11 - England**Appendix B**

The average, low and high rates correspond to the rates during the financial year and rather than those in the tables below

Table 1: Bank Rate, Money Market Rates

Date	Bank Rate	O/N LIBID	7-day LIBID	1-month LIBID	3-month LIBID	6-month LIBID	12-month LIBID	2-yr SWAP Bid	3-yr SWAP Bid	5-yr SWAP Bid
01/04/2010	0.50	0.35	0.35	0.42	0.51	0.81	1.26	1.54	2.07	2.82
30/04/2010	0.50	0.30	0.30	0.43	0.53	0.83	1.29	1.70	2.23	2.95
31/05/2010	0.50	0.45	0.50	0.61	0.60	0.85	1.35	1.46	1.89	2.58
30/06/2010	0.50	0.35	0.35	0.45	0.61	0.94	1.38	1.40	1.79	2.42
31/07/2010	0.50	0.40	0.40	0.50	0.71	1.01	1.46	1.36	1.75	2.39
31/08/2010	0.50	0.40	0.55	0.50	0.71	1.00	1.45	1.20	1.47	2.02
30/09/2010	0.50	0.30	0.25	0.51	0.72	1.01	1.46	1.24	1.51	2.05
31/10/2010	0.50	0.48	0.40	0.51	0.72	1.01	1.46	1.26	1.53	2.08
30/11/2010	0.50	0.40	0.51	0.51	0.72	0.88	1.46	1.32	1.66	2.30
31/12/2010	0.50	0.40	0.40	0.51	0.72	1.01	1.47	1.49	1.94	2.61
31/01/2011	0.50	0.40	0.55	0.52	0.64	1.04	1.52	1.74	2.21	2.90
28/02/2011	0.50	0.40	0.54	0.53	0.68	1.09	1.56	1.85	2.29	2.95
31/03/2011	0.50	0.30	0.50	0.54	0.80	1.11	1.58	1.85	2.31	2.96
Minimum	0.50	0.30	0.25	0.42	0.51	0.75	1.00	1.13	1.37	1.92
Average	0.50	0.39	0.43	0.50	0.67	0.98	1.44	1.50	1.90	2.54
Maximum	0.50	0.55	0.55	0.80	0.80	1.11	1.58	1.97	2.49	3.19
Spread		0.25	0.30	0.38	0.29	0.36	0.58	0.84	1.12	1.26

Table 2 : PWLB Borrowing Rates - Fixed Rate, Maturity Loans

Change Date	Notice No	1 year	4½-5 yrs	9½-10 yrs	19½-20 yrs	29½-30 yrs	39½-40 yrs	49½-50 yrs
01/04/2010	064/10	0.81	2.84	4.14	4.21	4.60	4.61	4.63
30/04/2010	089/10	0.85	2.86	4.13	4.20	4.61	4.61	4.60
28/05/2010	127/10	0.73	2.46	3.76	3.83	4.36	4.38	4.38
30/06/2010	171/10	0.67	2.27	3.54	3.62	4.22	4.28	4.27
30/07/2010	217/10	0.70	2.29	3.55	3.62	4.32	4.41	4.40
31/08/2010	259/10	0.63	1.84	3.05	3.13	3.82	3.93	3.93
30/09/2010	303/10	0.64	1.88	3.14	3.86	4.00	4.03	4.02
29/10/2010	346/10	1.58	2.90	4.23	5.06	5.2	5.22	5.2
30/11/2010	390/10	1.56	3.05	4.40	5.18	5.26	5.25	5.23
31/12/2010	430/10	1.65	3.33	4.58	5.18	5.23	5.20	5.16
31/01/2011	040/11	1.79	3.57	4.80	5.40	5.46	5.44	5.40
28/02/2011	080/11	1.87	3.61	4.75	5.33	5.38	5.35	5.31
31/03/2011	126/11	1.89	3.57	4.71	5.27	5.30	5.27	5.24
	Low	0.60	1.81	3.05	3.82	3.93	3.93	3.92
	Average	1.19	2.79	4.05	4.72	4.79	4.78	4.76
	High	1.99	3.84	5.00	5.50	5.55	5.53	5.48

Annual Treasury Report 2010/11 - England**Table 3: PWLB Repayment Rates - Fixed Rate, Maturity Loans**

Change Date	Notice No	1 year	4½-5 yrs	9½-10 yrs	19½-20 yrs	29½-30 yrs	39½-40 yrs	49½-50 yrs
01/04/2010	064/10	0.56	2.38	3.82	4.35	4.36	4.26	4.19
30/04/2010	089/10	0.62	2.43	3.83	4.37	4.38	4.33	4.30
28/05/2010	127/10	0.50	2.04	3.44	4.12	4.15	4.11	4.10
30/06/2010	171/10	0.44	1.86	3.23	3.98	4.05	4.00	3.97
30/07/2010	217/10	0.47	1.88	3.23	4.08	4.18	4.13	4.10
31/08/2010	259/10	0.40	1.45	2.73	3.57	3.70	3.66	3.62
30/09/2010	303/10	0.41	1.48	2.82	3.62	3.77	3.76	3.73
29/10/2010	346/10	0.47	1.61	3.03	3.93	4.09	4.07	4.03
30/11/2010	390/10	0.45	1.75	3.20	4.06	4.15	4.10	4.06
31/12/2010	430/10	0.54	2.04	3.39	4.07	4.12	4.05	3.99
31/01/2011	040/11	0.68	2.27	3.62	4.28	4.35	4.29	4.22
28/02/2011	080/11	0.76	2.32	3.57	4.21	4.26	4.20	4.13
31/03/2011	126/11	0.78	2.29	3.53	4.15	4.19	4.12	4.07
	Low	0.37	1.40	2.73	3.57	3.70	3.66	3.62
	Average	0.55	1.97	3.33	4.07	4.15	4.10	4.06
	High	0.88	2.54	3.94	4.47	4.46	4.38	4.35

Table 4: PWLB Borrowing Rates - Fixed Rate, EIP Loans

Change Date	Notice No	1 year	4½-5 yrs	9½-10 yrs	19½-20 yrs	29½-30 yrs	39½-40 yrs	49½-50 yrs
01/04/2010	064/10	--	1.78	2.94	4.18	4.53	4.60	4.62
30/04/2010	089/10	--	1.82	2.96	4.16	4.53	4.61	4.62
28/05/2010	127/10	--	1.52	2.55	3.79	4.24	4.36	4.39
30/06/2010	171/10	--	1.38	2.36	3.58	4.06	4.23	4.27
30/07/2010	217/10	--	1.42	2.38	3.58	4.11	4.33	4.40
31/08/2010	259/10	--	1.12	1.92	3.09	3.61	3.82	3.91
30/09/2010	303/10	--	1.14	1.96	3.18	3.67	3.87	3.96
29/10/2010	346/10	--	2.11	2.98	4.27	4.84	5.07	5.16
30/11/2010	390/10	--	2.19	3.14	4.44	4.99	5.19	5.25
31/12/2010	430/10	--	2.43	3.42	4.62	5.05	5.19	5.23
31/01/2011	040/11	--	2.62	3.66	4.84	5.25	5.40	5.45
28/02/2011	080/11	--	2.71	3.69	4.79	5.18	5.33	5.38
31/03/2011	126/11	--	2.69	3.65	4.74	5.14	5.28	5.31
	Low		1.10	1.89	3.09	3.61	3.82	3.91
	Average		1.91	2.87	4.08	4.55	4.72	4.77
	High		2.88	3.93	5.03	5.38	5.51	5.55

Annual Treasury Report 2010/11 - England**Table 5: PWLB Repayment Rates - Fixed Rate, EIP Loans**

Change Date	Notice No	1 year	4½-5 yrs	9½-10 yrs	19½-20 yrs	29½-30 yrs	39½-40 yrs	49½-50 yrs
01/04/2010	064/10	--	1.40	2.59	3.89	4.27	4.35	4.37
30/04/2010	089/10	--	1.46	2.63	3.90	4.29	4.38	4.39
28/05/2010	127/10	--	1.18	2.23	3.53	4.00	4.13	4.16
30/06/2010	171/10	--	1.05	2.04	3.31	3.82	3.99	4.04
30/07/2010	217/10	--	1.08	2.06	3.32	3.87	4.09	4.17
31/08/2010	259/10	--	0.82	1.61	2.82	3.36	3.59	3.68
30/09/2010	303/10	--	0.83	1.65	2.91	3.43	3.63	3.73
29/10/2010	346/10	--	0.92	1.79	3.12	3.71	3.95	4.05
30/11/2010	390/10	--	0.99	1.94	3.29	3.86	4.07	4.14
31/12/2010	430/10	--	1.21	2.22	3.47	3.93	4.07	4.12
31/01/2011	040/11	--	1.40	2.46	3.69	4.13	4.29	4.34
28/02/2011	080/11	--	1.49	2.50	3.64	4.06	4.22	4.27
31/03/2011	126/11	--	1.47	2.46	3.60	4.02	4.16	4.20
	Low		0.75	1.57	2.82	3.36	3.59	3.68
	Average		1.17	2.15	3.41	3.90	4.08	4.14
	High		1.65	2.74	4.02	4.40	4.47	4.47

Table 6: PWLB Variable Rates

	1-M Rate	3-M Rate	6-M Rate	1-M Rate	3-M Rate	6-M Rate
	Pre-CSR	Pre-CSR	Pre-CSR	Post-CSR	Post-CSR	Post-CSR
01/04/2010	0.65	0.65	0.70			
30/06/2010	0.65	0.70	0.70			
30/09/2010	0.65	0.70	0.70			
31/12/2010	0.70	0.70	0.75	1.60	1.60	1.65
31/03/2011	0.67	0.76	0.88	1.57	1.66	1.78
Low	0.65	0.65	0.68	1.55	1.56	1.58
Average	0.66	0.68	0.73	1.57	1.61	1.68
High	0.70	0.79	0.90	1.60	1.69	1.80

Annual Treasury Report 2010/11 - England**Table 7: Credit Score Analysis**Scoring:

Long-Term Credit Rating	Score
AAA	1
AA+	2
AA	3
AA-	4
A+	5
A	6
A-	7
BBB+	8
BBB	9
BBB-	10
Not rated	11
BB	12
CCC	13
C	14
D	15

The value weighted average reflects the credit quality of investments according to the size of the deposit. The time weighted average reflects the credit quality of investments according to the maturity of the deposit

The Council aims to achieve a score of 5 or lower, to reflect the Council's overriding priority of security of monies invested and the minimum credit rating of threshold of A+ for investment counterparties.

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CABINET

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HOMES INSULATION FUNDING OPPORTUNITY

Relevant Portfolio Holder	Cllr Kit Taylor
Portfolio Holder Consulted	Yes
Relevant Head of Service	Angie Heighway
Wards Affected	All Wards
Ward Councillor Consulted	Not applicable
Key Decision	Yes

1. SUMMARY OF PROPOSALS

- 1.1 The Council's agreement is sought to accept an offer of £40K funding from Worcestershire County Council specifically for the purpose of installing free cavity wall, draught-proofing and loft insulation measures for Bromsgrove District homeowners aged 60 years or over. This is subject to acceptance of conditions requiring the spend of the funding by 31 December 2012, preferred use of Worcestershire based contractors and promotional branding recognition for Warmer Worcestershire.

2. RECOMMENDATIONS

The Cabinet is asked to **RECOMMEND** that

- 1) the funding of £40,000 from Worcestershire County Council be incorporated into the Council's 'Energy Efficiency Grants Home Insulation project' budget and the Capital Programme be amended accordingly.

The Cabinet is asked to **RESOLVE** that

- 2) authority be delegated to the Head of Community Services to formally accept, and account for expenditure of, the Worcestershire County Council 'Home Energy Efficiency Improvements' funding offer of £40,000 and associated funding conditions;
- 3) applications be invited from homeowners within the District aged 60 or over to have loft and/or cavity wall insulation and draught-proofing measures installed in their homes free of charge; and
- 4) the Head of Community Services, in consultation with the Portfolio Holder for Strategic Housing be authorised

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- a) to expend up to the sum approved by the Council, for the purposes indicated in the report; and
- b) to utilise such funding remaining at 1st April 2012 to extend the insulation offer to any District resident irrespective of age or status or for other Home Energy Efficiency initiatives, subject to the agreement of Worcestershire County Council.

3. KEY ISSUES

Financial Implications

- 3.1 Over the past three financial years, the Council's Capital programme has included a budget to provide loft and cavity insulation measures to householders over 60yrs in Council Tax band A-E properties. The Capital programme for 2011/12 no longer includes funding for the project to continue and the budget only remains to meet the committed expenditure approved during 2010/11.
- 3.2 The County Council wishes to forward the funding offered at the earliest opportunity if accepted given the December 2012 expenditure deadline. Expenditure will therefore extend across 2011/12 and 2012/13 financial years. Jayne Pickering and Kate Goldey have been consulted with regard to the financial implications.

Legal Implications

- 3.3 The Home Energy Conservation Act 1995 requires that Local Authorities identify ways to increase energy efficiency in homes by 30% by April 2011.
- 3.4 The UK Fuel Poverty Strategy 2001 clearly identifies the key role of local authorities in ending fuel poverty in vulnerable households by 2010 by delivery of programmes to improve the Home Energy Efficiency of fuel poor households.
- 3.5 Legal Services have been consulted with regard to the legal implications.

Service/Operational Implications

- 3.6 Worcestershire County Council has offered Bromsgrove District Council £40,000 funding for the purposes of offering free home insulation for persons over 60 years of age in the District. The scheme

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is to be promoted using the Warmer Worcestershire brand via the Warmer Worcestershire Network of which BDC is a member.

- 3.7 The County Council offer of funding is subject to the following conditions:-
- i) That the funding is to be used to offer free cavity and loft insulation and draft proofing to over 60's until next Spring, when any remaining funding can be used to offer free insulation to any householder in the District.
 - ii) Where possible the work goes to Worcestershire based contractors or the contractor is required to employ and train local labour.
 - iii) The funding is to be spent by 31st December 2012.
 - iv) The insulation programme is promoted using the Warmer Worcestershire branding.
 - v) The County Council is recognised as a funder in any related publicity.
- 3.8 The Council in partnership with other Worcestershire Councils, Worcestershire Primary Care Trusts, energy providers and business partners has adopted an Affordable Warmth Strategy For Worcestershire with the aim of eradicating fuel poverty and the provision of affordable warmth for all households within 10-15 years. A key aim of the Action Plan is the access of funding and other resources with which to deliver the Strategy.
- 3.9 Results from Worcestershire Countywide Housing Condition Survey suggest that 20% of dwellings in Worcestershire fail the Decent Homes Standard as a result of inadequate thermal comfort compared to 17% nationally.
- 3.10 The offer of funding from the County Council comes at a time when the District Councils funding for Energy Efficiency Grants has been exhausted. It is envisaged that the new funding on offer could enable insulation measures to be installed in approximately 250 properties across the District. Besides benefiting the occupants these measures will also reduce energy consumption thereby contributing to the councils CO2 Reduction and Climate Change objectives.
- 3.11 The provision of grant support and assistance to help address private sector housing conditions, improvement and promotion of energy efficiency and reduction of fuel poverty are all elements that assist in addressing the Council's Climate Change Priority.
- 3.12 The Council has an existing Service Level agreement with Act On Energy whereby the Council receive support and administration in the delivery of the Affordable Warmth Strategy and Action Plan.

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- 3.13 Applications received under the scheme will be forwarded to a contractor who will be appointed through a joint procurement process with other Worcestershire District Councils in accordance with the County Council conditional requirements.

Customer / Equalities and Diversity Implications

- 3.14 Whilst the government's Warmfront Grant provides free insulation measures to over 60's in receipt of means tested benefits approximately 50% of this age group do not qualify for benefits and therefore tend to wait until they reach the age of 70 when they qualify for free insulation measures via government or Energy Provider schemes.
- 3.15 The funding condition relating to qualifying criteria require only that applicants are over 60 years old thus bridging the gap for customers who do not qualify for schemes providing free insulation measures to those over 70 years of age.
- 3.16 Worcestershire County Council have confirmed that the funding is intended to maximise the provision of insulation measures across the County before the government CERT funding expires in December 2012. The offer states that after 1st April 2012 the funding can be used to offer free insulation to any household in the District.

4. RISK MANAGEMENT

- 4.1 Worcestershire County Council has confirmed that any funding sum remaining unspent as of 31st December 2012 should be returned. It is however anticipating that an underspend is most unlikely considering the generous qualifying criteria set for applicants under the funding offer conditions.

5. APPENDICES

None

6. BACKGROUND PAPERS

None

AUTHOR OF REPORT

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4th January 2012

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ANTI-BRIBERY POLICY AND OFFICERS' CODE OF CONDUCT

Relevant Portfolio Holder	Roger Hollingworth
Portfolio Holder Consulted	No
Relevant Head of Service	Yes
Wards Affected	All wards
Ward Councillor Consulted	n/a
Non Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 The Bribery Act 2010 came into force from 1 July 2011. As a result, the Council needs to update it's policies and procedures to demonstrate that it is supporting the principles of the Bribery Act and complying with the legislative requirements imposed upon it. To this end this report asks Members to approve a new policy on Bribery and a new Code of Conduct for Officers. These are important documents as if the Council was ever affected by an allegation of bribery it would be a defence to demonstrate that the Council had "adequate procedures" in place to prevent bribery, and these polices would form part of the "adequate procedures".

2. RECOMMENDATIONS

- 2.1 The Cabinet is asked to RECOMMEND to the Council:-

1. That the Anti-Bribery Policy attached at Appendix 1 is approved; and
2. That the Officers' Code of Conduct attached at Appendix 2 is approved and included in the Council's Constitution.

3. KEY ISSUES

Financial Implications

- 3.1 There are no financial implications arising out of this report.

Legal Implications

- 3.2 The Bribery Act 2010 came into force from 1 July 2011. The act makes it an offence for a United Kingdom citizen or resident to pay or receive a bribe, either directly or indirectly. The act applies to transactions that take place in the UK and abroad, and both in the public and private sectors.

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3.3 There are four key offences under the Act:

- bribing of another person (Section 1)
- accepting a bribe (Section 2)
- bribing a foreign official (Section 6)
- failing to prevent bribery (Section 7)

Section 7 is a corporate offence but an organisation will have a defence to this offence if it can show that it had in place 'adequate procedures' designed to prevent bribery by or of persons associated with the organisation.

3.4 An individual guilty of an offence under sections 1, 2 or 6 is liable

- on conviction in a magistrates court, to imprisonment for a maximum term of 12 months, or to a fine not exceeding £5000, or to both
- on conviction in a crown court, to imprisonment for a maximum term of ten years, or to an unlimited fine, or both.

Organisations, if found guilty of an offence under section 7 are liable to an unlimited fine.

3.5 If the Council were not to have in place adequate procedures as required under the Bribery Act 2010, it would be more difficult for the Council to defend any prosecution brought against it under the Bribery Act.

Service / Operational Implications

3.6 Members approval is sought of the two documents attached to this report. The Corporate Anti-Bribery Policy at Appendix 1 sets out the Council's policy on bribery issues. Key points for Members to note are as follows:-

- The Council is advocating a zero tolerance approach to bribery and corruption.
- Under the terms of the policy all employees and elected Members are prohibited from soliciting, arranging or accepting bribes intended for the benefit of the Council, or for their personal benefit, or for the benefit of the employee's family, associates or acquaintances. The policy extends to all the Council's business dealings, transactions and decisions.
- The policy applies equally to employees and Members
- Under the new policy all employees and Members are going to have to make sure that they properly declare any gifts or hospitality that they receive. Arrangements for Members to declare gift and hospitality are

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already in place under the Code of Conduct for Councilors for Gifts and Hospitality (Part 17 of the Constitution).

- 3.7 In reviewing the requirements of the Bribery Act officers identified that there were a number of elements relating to staffing issues which needed to be brought together under one policy within the Constitution. In view of the need to demonstrate adequate procedures under the Bribery Act it was decided a Code of Conduct for Officers should be introduced. Accordingly officers have drafted an Officers' Code of Conduct which is attached at Appendix 2.
- 3.8 The Officers' Code of Conduct draws together various aspects relating to the conduct of officers. Members may wish to note that the key areas it covers include:-
- The requirement of officers to act with integrity and impartiality
 - Rules around disclosure of information
 - Personal interests of staff
 - Bar on committing any offences under the Bribery Act
 - Requirement to declare gifts and hospitality
 - Interests that need to be recorded on the Employees Register of Interests
- 3.9 In terms of staff processes for registering interests and gifts and hospitality, it is proposed that a central register be set up and administered by the Information Management Team.
- 3.10 As regards raising awareness amongst staff about the Bribery Act, information has already been circulated via an Oracle Email and staff have also received several Fraud Newsletters (by email) from the Corporate Anti-Fraud Team. More work is planned to inform staff of the Anti-Bribery Policy through the Managers Forum and by issuing further reminder on the Orb. The induction process for new staff now includes information about the Bribery Act.
- 3.11 In terms of further work relating to the Bribery Act, a Risk Plan has been developed identifying all areas that need to be considered by the Council, to ensure that policies and procedures are in place to reduce any potential threat against the Council. Officers are continuing to work on the Risk Plan to ensure that all appropriate actions have been identified and completed.

Customer / Equalities and Diversity Implications

- 3.12 There is no direct impact on customers of Bromsgrove District Council, other than to raise awareness of the zero tolerance stance. The Anti-Bribery Policy will be included, once approved, in the Anti-Fraud area of the Council's website. Internally, the information will be included in the

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Corporate Anti-Fraud area of the Intranet (Orb). The Policy will be linked to the Corporate Anti-Fraud Strategy, the Whistleblowing (Confidential Reporting) Code and to Employment Terms and Conditions. The Officers Code of Conduct will be included in the Council's Constitution and be available to staff through the Orb.

4. RISK MANAGEMENT

- 4.1 The Risk Plan (referred to at para 3.11 above) will be used to assess the likely level of risk of Bribery.

The main risks associated with not progressing the requirements of the Bribery Act 2010 could include:

- Disbarment from contracts
- Loss of reputation
- Negative publicity for the Council
- Loss of contract specifications/the wrong people doing the jobs under contract

5. APPENDICES

Appendix 1 – Anti-Bribery Policy

Appendix 2 - Officers' Code of Conduct

6. BACKGROUND PAPERS

Anti Bribery Policy Risk Plan

7. KEY

None

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Bromsgrove
District Council

www.bromsgrove.gov.uk

Corporate Anti-Bribery Policy Bribery Act 2010



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Introduction

The Bribery Act 2010 came into force on 01 July 2011. The act makes it an offence for a United Kingdom citizen or resident to pay or receive a bribe, either directly or indirectly. The act applies to transactions that take place in the UK and abroad, and both in the public and private sectors.

Bromsgrove District Council through myself and the Senior Management Team is determined to maintain its reputation as an authority which will not tolerate fraud, bribery, corruption or abuse of position for personal gain, wherever it may be found in any area of Council activity.

To achieve this goal the Council will work to identify and eliminate any form of bribery through the introduction of this anti-bribery policy and through a risk assessment process and ongoing monitoring and review.

Elected Members and employees should play a key role in counter-fraud initiatives. This includes providing a corporate framework within which counter-fraud arrangements can flourish, and the promotion of an anti-fraud culture across the whole Council. This should provide a sound defence against internal and external abuse of public funds.

Under the terms of this policy all employees and elected Members are prohibited from soliciting, arranging or accepting bribes intended for the benefit of the Council, or for their personal benefit, or for the benefit of the employee's family, associates or acquaintances. This Policy extends to all the Council's business dealings, transactions and decisions.

Through the 'Whistle Blowing Policy' employees are encouraged to report any suspicion of bribery, safe in the knowledge that they are able to report concerns in confidence and without risk of reprisal

Kevin Dicks
Chief Executive
Bromsgrove District Council
November 2011

Policy Statement

Bribery is a criminal offence. The Council through its employees and elected Members does not, and will not, pay bribes or offer improper inducements to anyone for any purpose or, accept bribes or improper inducements. It is the Council's policy to conduct all business in an honest and ethical manner. The Council takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings and relationships. The Council will operate and enforce effective systems to counter bribery.

To use a third party as a conduit to channel bribes to others is a criminal offence. The Council does not, and will not, engage indirectly in or otherwise encourage bribery.

In this policy, **third party** means any individual or organisation we come into contact with during the course of our work. This includes actual and potential customers, suppliers, advisers, contractors, government and public bodies (including their advisers, representatives and officials), politicians and political parties. This list is not exhaustive.

This policy applies to all individuals, working at all levels and grades, including senior managers, officers, employees (whether permanent, fixed term or temporary), elected members (including independent Members), consultants, contractors, agents, trainees, seconded staff, casual and agency staff, volunteers, or any other person associated with the Council, wherever located.

This policy also applies to all of the Council's activities. For partners, joint ventures and suppliers, we will seek to promote the adoption of policies consistent with the principles set out in this document.

What is Bribery?

Bribery is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage.

It is unacceptable to:

- give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given
- give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure

- accept payment from a third party that you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by the Council in return
- retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy
- engage in activity in breach of this policy

Objective of the Policy

This policy provides a coherent and consistent framework to enable Bromsgrove Council employees and elected Members to understand and implement arrangements enabling compliance. In conjunction with related policies and key documents it will also enable employees to identify and effectively report a potential breach.

Role of Employees

Employees are governed in their work by the various policies, protocols, codes, rules and procedures, particularly regarding conduct issues and are responsible for ensuring that they follow any instructions given to them by management, particularly in relation to the safekeeping of assets.

The Council requires that all staff, including those permanently employed, temporary agency staff and contractors:

- act honestly with integrity, at all times, and to safeguard the organisations resources for which they are responsible
- comply with the spirit, as well as the letter, of the laws and regulations of all jurisdictions in which the Council operates, in respect of the lawful and responsible conduct of activities
- read, understand and comply with this policy
- avoid any activity that may lead to, or suggest, a breach of this policy

Staff must notify the Corporate Anti-Fraud Team as soon as possible if they believe or suspect that a conflict with this policy has occurred, or may occur in the future.

Any employee who breaches this policy will face disciplinary action, which could result in summary dismissal for gross misconduct. Disciplinary action will be taken in addition to, or instead of, criminal proceedings, depending on the circumstances of each individual case. The Council reserves the right to terminate it's contractual relationship with other workers if they breach this policy.

Role of Elected Members

As elected representatives, all Members of the Council have a duty to the citizens of the District to protect the Council from any acts of fraud and bribery and ensure that resources are used prudently and within the law to safeguard public money, including ensuring they do not procure an advantage improperly. Elected Members are required to operate and adhere to the Council's Constitution, which incorporates a Code of Conduct for Members (Part 16 of the Constitution).

The Code includes rules regarding:

- ☐ The disclosure of relationships
- ☐ The declaration of gifts and hospitality
- ☐ Registering personal interests

Elected Members are also referred to the Code of Conduct for Councilors in relation to Gifts and Hospitality set out at Part 17 of the Constitution. This sets out the process that should be followed by elected Members when declaring gifts. See further below under "Record Keeping".

The Council's commitment to action

The Council commits to:

- setting out a clear anti-bribery policy and keeping it up to date
- making all employees aware of their responsibilities under the terms of this policy
- training all employees so that they can recognise and avoid the use of the bribery by themselves or others
- encouraging employees to be vigilant and to report any suspicions of bribery, providing suitable lines of communication with the Corporate Anti-Fraud Team
- ensuring that sensitive information is treated appropriately
- rigorously investigating allegations of bribery, taking such cases to prosecution where relevant
- assisting the Police or other authorities in more complex cases
- taking action against any individual found to be involved in bribery
- provide information to all employees to report breaches and suspected breaches of this policy
- include appropriate clauses in contracts to prevent bribery

Facilitation Payments

These are illegal, and will not be tolerated. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions.

Gifts and Hospitality

The Council's policy on gifts and hospitality for staff has been updated and is now found within the Officers' Code of Conduct. A copy is included in the Council's Constitution and can be found on the Orb at [insert link](#) (Corporate/Policies/BDC Policies/HR).

The Officer's Code of Conduct makes it clear that:

You should not accept significant personal gifts from contractors and service providers such as food, drink, cars, clothes and jewellery.

Inexpensive calendars, diaries, blotting pads, pens etc (perhaps marked with the donor's name) are acceptable. If in any doubt about whether you should accept a gift, it is best to refuse it.

However, you are prohibited from accepting a gift, or giving a gift to a third party if the following requirements are met:

- it is made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- it is given in the Council's name, not in your name
- it includes cash or a cash equivalent (such as gift certificates or vouchers)
- if it is inappropriate for the circumstances
- if the gift received is an inappropriate type and value, and given at an inappropriate time;
- it is given secretly and not openly
- gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of your Head of Service.

Public Contracts and failure to prevent bribery

Under the Public Contract Regulations 2006 (which gives effect to EU law in the UK) a company is automatically and perpetually debarred from competing for public contracts where it is convicted of a corruption offence. There are no plans to amend the 2006 Regulations for this to include the crime of failure to prevent bribery. Organisations that are convicted of failing to prevent bribery are not automatically barred from participating in tenders for public contracts.

However, the Council has the discretion to exclude organisations convicted of this offence.

Record Keeping

We must keep records and have appropriate internal controls in place which will evidence the business reasons for:-

- Receiving or declining gifts and hospitality which are offered to staff or elected Members
- Providing gifts or hospitality on behalf of the Council to third parties

Staff must ensure that any gift or hospitality for employees that is accepted, offered or refused, should be recorded in the Corporate Gift and Hospitality Register. The Register is held centrally by the Information Management Team.

Any gifts or hospitality received by elected Members must be reported to the Council's Monitoring Officer in accordance with Part 17 of the Constitution (Gifts and Hospitality – Code of Conduct for Councillors).

How to raise a concern

All elected Members and employees have a responsibility to help detect, prevent and report instances of bribery. If you have a concern, **please speak up** – your information and assistance will help. The sooner you act, the sooner it can be resolved.

Please refer to the Whistle-blowing (Confidential Reporting Code) Policy for the procedure of how to make your concerns known. It can be found on the Orb at insert link - (Director of Finance and Corporate Resources/Head of Resources/Corporate Fraud/Team Documents/Corporate Fraud).

Staff who do not have access to the intranet can contact the Corporate Anti-Fraud team directly on:

Email fraud@bromsgrove.gov.uk
Telephone 01527 881221
Web www.bromsgrove.gov.uk/fraud

Preferably your disclosure will be made and resolved internally. However where this proves inappropriate and you are not happy to speak with the Corporate Anti-Fraud Team, your concerns can be raised externally. Raising concerns in these ways may be more likely to be considered reasonable than making disclosures publicly (e.g. to the media),

Concerns can be anonymous. We will act as soon as possible to evaluate the situation. We have a clearly defined Corporate Anti-Fraud and Corruption Strategy which sets out procedures for investigating fraud, bribery and corruption. It is however, easier and quicker to evaluate allegations, if they are not anonymous, as your assistance may be well be needed to clarify elements of the allegation made.

Bribery Act Offences

There are four key offences under the Act:

- bribing of another person (Section 1)
- accepting a bribe (Section 2)
- bribing a foreign official (Section 6)
- failing to prevent bribery (Section 7)

Section 7 is a corporate offence but an organisation will have a defence to this offence if it can show that it had in place 'adequate procedures' designed to prevent bribery by or of persons associated with the organisation.

Bribery Act Penalties

An individual guilty of an offence under sections 1, 2 or 6 is liable:

- on conviction in a magistrates court, to imprisonment for a maximum term of 12 months, or to a fine not exceeding £5000, or to both
- on conviction in a crown court, to imprisonment for a maximum term of ten years, or to an unlimited fine, or both.

Organisations, if found guilty of an offence under section 7 are liable to an unlimited fine.

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OFFICERS' CODE OF CONDUCT

STANDARDS

- 1.1 The public is entitled to demand conduct of the highest possible standard, of a Local Government employee. Public confidence in their integrity **is paramount and it would be shaken if there were any** suspicion, that they could be influenced by improper motives. Under no circumstances should an employee use their authority or office for personal gain.
- 1.2 It is not enough to avoid actual impropriety. An employee should at all times avoid any occasion for suspicion to be raised or any appearance of improper conduct.
- 1.3 Where their duties demand it, employees should provide appropriate advice to Councillors and fellow employees with impartiality.
- 1.4 No employee should become personally involved in any transaction in which the Authority has a direct or indirect interest, except as an employee of the Authority.
- 1.5 The Council has an adopted Whistleblowing Policy to address situations where Staff may have concerns about something that is happening within the Council, including possible breaches of this Code of Conduct, perceived impropriety, breach of procedure or shortfall in delivery of service.

The Whistleblowing/Confidential Reporting Policy has been put in place to enable staff to bring attention to those concerns whilst at the same time ensuring they are protected from any victimisation or harassment.

DISCLOSURE OF INFORMATION

- 2.1 There is a general principle of open government.-The law requires that certain types of information must be available to members, auditors, government departments, service users and the public. Under no circumstances should an employee use information gained in the course of their employment for personal gain or benefit, nor should they pass it on to others who might use it in some way.
- 2.2 Employees must not communicate to the public or press, the proceedings of any confidential committee meeting, etc., nor the contents of any document relating to the Authority unless required by law or expressly authorised to do so. Confidentiality of information still applies when an individual is no longer employed by the Authority.

- 2.3 Authorised information given by an employee in the course of his/her duty should be true and fair and never designed to mislead.
- 2.4 Personal information relating to individual councillors or members of the public and commercially sensitive information about other organisations should not be divulged by any employee unless required or sanctioned by the law.

POLITICAL NEUTRALITY

- 3.1 Employees serve the Authority as a whole. It follows they must serve all councillors, and not just those of the controlling group, and must ensure that the individual rights of all councillors are respected equally.
- 3.2 Where political groups seek officer guidance to a group meeting, on a particular issue, the Chief Executive should always be made aware of this request. There are no restrictions as to what level of officer can attend a political group to give advice but the Chief Executive or one of the two Corporate Directors must always be present. All political groups are entitled to the same level of information about Council matters. However, officers attending a political group meeting have a responsibility to keep confidential any discussion that takes place within that group when they are present.
- 3.3 Political assistants appointed on fixed term contracts in accordance with the Local Government and Housing Act 1989 are exempt from the standards set in Paragraph 3.1 and 3.2.
- 3.4 The Local Government and Housing Act 1989, Part 1, contains provisions to restrict the political activity of senior employees. Local Authority employees holding politically restricted posts are disqualified from membership of any local authority, other than a parish or community council [s1(1)], from being an MP or MEP and are subject to prescribed restrictions on their political activity.

The Local Government Officers [Political Restriction] Regulations 1990 and the Local Government [Politically Restricted Posts] [No.2] Regulations 1990 covers the posts which are politically restricted. These are :

- [a] specified posts such as the Monitoring Officer. Chief Officers and their deputies are restricted without exemption or appeal;
- [b] all posts which meet the duties-related criteria for determining a “sensitive post” irrespective of remuneration level, unless the postholder appeals successfully against determination. These posts are defined as those which:

- [i] give advice on a regular basis to the employing authority, to any committee or sub-committee or another joint committee on which the authority is represented [but excluding purely factual information] or
 - [ii] speak on behalf of the authority on a regular basis to journalists and broadcasters.
- 3.6 Employees, whether or not politically restricted, must follow every lawful expressed policy of the Authority and must not allow their own personal or political opinions to interfere with their work.

RELATIONSHIPS

4.1 COUNCILLORS

Employees are responsible to the Authority, through its senior managers. For some, their role is to give advice to councillors and senior managers and all are there to carry out the Authority's work. Mutual respect between employees and councillors is essential to good local government. Close personal familiarity between employees and individual councillors can damage the relationship and prove embarrassing to other employees and councillors and should therefore be avoided.

4.2 THE LOCAL COMMUNITY AND SERVICE USERS

Employees should always remember their responsibilities to the community they serve and ensure courteous, efficient and impartial service delivery to all groups and individuals within that community, as defined by the policies of the Authority.

4.3 CONTRACTORS

Employees should make known to their Line Manager any relationships of a business or private nature with external contractors, or potential contractors. Orders and contracts must be awarded on merit, by fair competition against other tenders, and no special favour should be shown to businesses by, for example, friends, partners or relatives in the tendering process. No part of the local community should be discriminated against.

Employees who engage or supervise contractors or have any other official relationship with contractors and have previously had or currently have a relationship in a private or domestic capacity with contractors, should declare that relationship to their Line Manager.

APPOINTMENT OF STAFF AND OTHER EMPLOYMENT MATTERS

- 5.1 Employees involved in appointments of staff should ensure that these are made on the basis of merit. It would be unlawful for an employee to make an appointment which was based on anything other than the ability of the candidate to undertake the duties of the post. In order to avoid any possible accusation of bias, employees should not be involved in an appointment where they are related to an applicant, or have a close personal relationship outside work with him or her.
- 5.2 Similarly, employees should not be involved in decisions relating to discipline, promotion or pay adjustments for any other employee who is a relative, partner etc.

PERSONAL INTERESTS

- 6.1 Employees should not subordinate their duty to the Authority to their private interests or place themselves in a position where duty and private interest may conflict.
- 6.2 All employees should be clear about their contractual obligations and should disclose any personal interests [either financial or non-financial] that could actually or potentially conflict with the Authority's interests or which others may deem to affect the employee's impartiality in any matter relating to their duties. Such interests might include :
- taking outside work or giving professional advice, whether paid or unpaid, which could conflict with or have an impact on the Authority's work or interests;
 - involvement with an organisation receiving grant-aid from the Authority;
 - membership of a National Health Service Trust Board;
 - involvement in any organisation or pressure group which may seek to influence the Authority's policies;
 - any pecuniary interest [whether direct or indirect] in contracts let by the Authority.
- 6.3 The Authority will not preclude employees from undertaking additional employment providing that it does not, in the view of the Authority, conflict with or react detrimentally to the Authority's interests or in any way weaken public confidence in the conduct of the Authority's business.

- 6.4 Employees on Scale SO1 and above, who wish to take outside work or give professional advice, whether paid or unpaid, in addition to their full-time employment with the Authority, must obtain the written approval of their Line Manager. A record of such work or advice should be kept in the Employee's Interests Register relating to outside work / advice provision.
- 6.5 Whilst part-time employees and those on Scale 6 and below do not need to obtain the approval of their Line Manager, they should, nonetheless, declare any other work they undertake, whether paid or unpaid, outside their employment with the Authority and record it in the Employee's Interests Register.
- 6.6 Employees should declare to their Line Manager or Director, membership of any organisation which is not open to members of the public who are not members of that organisation and requires members to make a commitment of allegiance and secrecy about the rules, membership or conduct of the organisation.

INTELLECTUAL PROPERTY

- 7.1 All inventions, creative writings and drawings created by an employee in the course of their normal duties or duties specifically assigned to them are the property of the authority.

EQUALITY ISSUES

- 8.1 All employees should ensure that policies relating to equality issues, as agreed by the Authority in its Equal Opportunities Policy, are complied with in addition to the requirements of the law. All members of the local community, customers and other employees have a right to be treated with fairness and equity.

SEPARATION OF ROLES DURING TENDERING

- 9.1 Employees involved in the tendering process and dealing with contractors should be clear on the separation of client and contractor roles within the Authority. Senior employees, who have both a client and contractor responsibility, must be aware of the need for accountability and openness.
- 9.2 Employees in contractor or client units must exercise fairness and impartiality when dealing with all customers, suppliers, other contractors and sub-contractors.

- 9.3 Employees who are privy to confidential information on tenders or costs for either internal or external contractors should not disclose that information to any unauthorised party or organisation.
- 9.4 Employees contemplating a management buy-out should, as soon as they have formed a definite intent, inform their Line Manager and withdraw from the contract awarding process.
- 9.5 Employees should ensure that no special favour is shown to current or recent former employees or their partners, close relatives or associates, in awarding contracts to businesses run by them or employing them in a senior or relevant managerial capacity.

BRIBERY AND CORRUPTION

- 10.1 Employees must be aware that it is a serious criminal offence for them to receive or give any gift, loan, fee, reward or advantage for doing, or not doing, anything or showing favour, or disfavour, to any person in their official capacity.

It is also a criminal offence to use a third party as a conduit to channel bribes to others.

- 10.2 **The Council has an Anti-Bribery Policy, which must be read in conjunction with this Code of Conduct.**
- 10.3 Where it is proved that a gift or other consideration has been received by, paid to or given to an employee by a person holding or seeking to obtain a contract from the Authority, then the gift or other consideration shall be deemed to have given and received **in** breach of provisions of the Bribery Act, unless the contrary is proved.
- 10.4 The law relating to the acceptance of inducements or rewards is set out in the Bribery Act 2010
- 10.5 An employee's spouse's interests count as those of the employee [if he/she is living with the employee] but a partner's, son's or daughter's interests do not.

USE OF FINANCIAL RESOURCES

- 11.1 Employees must ensure that they use public funds entrusted to them in a responsible and lawful manner. They should strive to ensure value for money to the local community and to avoid legal challenge of the Authority.

HOSPITALITY AND GIFTS

12.1 When offered any form of hospitality or gift, employees must be aware of the possibility of such actions affecting or being seen to affect their judgment when official dealings with the donor or potential donor takes place **and the potential risk of falling foul of the Anti-Bribery Policy**. Employees must ensure that any hospitality or gift is not of a level or amount which would lead to any reasonable person to believe that the employee might be influenced.

12.2 Employees should only consider acceptance of any offer of hospitality or a gift where the employee regards it as normal and reasonable. "Normal and reasonable" is defined for this purpose as no more than the Authority would be prepared to offer in the equivalent circumstances. Employees should only accept offers of hospitality if there is a genuine need to impart information or represent the Authority in the community.

When receiving authorised hospitality, employees should be particularly sensitive as to its timing in relation to decisions which the Authority may be taking affecting those providing the hospitality.

12.3 Examples of hospitality which would be considered reasonable are :-

- i. Up to three working meals;
- ii. One non-working meal;
- iii. Attending a professional function as a member of a profession;
- iv. Attending purely social or sporting functions only when these are part of the life of the community or where the Authority should be seen to be represented and they should be properly authorised and recorded.
- v. Attendance at conferences and courses where the hospitality is clearly of a corporate nature, where authority in advance has been obtained, and where no purchasing decisions are compromised.

12.4 When hospitality has to be declined, those making the offer should be courteously but firmly informed of the official code of conduct operating within the Authority.

Where visits to inspect equipment, etc. are required, employees should ensure that the Authority meets the costs of such visits to avoid jeopardising the integrity of subsequent purchasing decisions.

- 12.5 Gifts and favours should not be accepted, other than items of very small intrinsic value and then only if it bears the Company's name or insignia and can thus be regarded as being in the nature of advertising matter. All offers of personal favours such as specially discounted goods or buying at trade prices must be rejected unless the offer is open to all staff employed by the Authority. Gifts considered reasonable would be, for example, pens, notepads, calendars and diaries.
- 12.6 If when making personal purchases, a Council contractor is identified as the best source of supply, then employees must ensure that a priced V.A.T. invoice is raised and that a receipt is issued by the contractor as proof of payment.
- 12.7 If any doubt remains in the employee's mind as to whether an offer of hospitality or a gift is acceptable, the matter should be discussed immediately with their Line Manager for guidance on whether the offer is normal and reasonable.

In reaching a decision, the following will be taken into consideration:

- The value and nature of the offer
 - Could you explain the gifts/hospitality to somebody else?
 - Is it socially acceptable and not lavish or extravagant?
 - Does it feel right?
 - Will you be influenced by this gift/hospitality?
 - How would others perceive it?
 - Would they perceive that you might be influenced by such gifts/hospitality?
 - Could you reciprocate that which is being offered? If the answer is no, then there is a risk that this could be interpreted as an attempt to influence.
- 12.8 All gifts and hospitality offered, whether accepted or not, must be entered in the Employees' Interests Register.

SPONSORSHIP - GIVING AND RECEIVING

- 13.1 Where an outside organisation wishes to sponsor or is seeking to sponsor a Local Government activity whether by invitation, tender, negotiation or voluntarily, the basic conventions concerning acceptance of gifts or hospitality apply. Particular care must be taken when dealing with contractors or potential contractors.
- 13.2 Where the Authority wishes to sponsor an event or service, neither an employee nor any partner, spouse or relative must benefit from such sponsorship in a direct way without there being full disclosure to their

Line Manager of any such interest. Similarly, where the Authority through sponsorship, grant aid, financial or other means, gives support in the community, employees should ensure that impartial advice is given and that there is no conflict of interest involved.

EMPLOYEES' INTERESTS REGISTER

- 14.1 The Employees Interests Register will be maintained by the Information Management Team
- 14.2 Officers are expected to make suitable entries in the Interests Register in respect of the following :-
 - i. All gifts/hospitality or inducements offered to them, whether accepted or not - see 6.2;
 - ii. Involvement with any organisation of the type described in 6.2;
 - iii. Any pecuniary interest [whether direct or indirect] in contracts led by the Authority;
 - iv. Any outside employment taken or professional advice offered, paid or unpaid, undertaken by an officer - see 6.4 and 6.5;
 - v. Membership of an organisation, as described in 6.6.
- 14.3 Failure to fully register any of the matters outlined above will be a disciplinary matter.

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