

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

15TH OCTOBER 2007

ETHICAL / SOCIAL POLICY

Responsible Portfolio Holder	Councillor Geoff Denaro
Responsible Head of Service	Head of Financial Services

1. SUMMARY

- 1.1 To inform members of the existing social/ethical policies that are in place with the main provider of banking services to Bromsgrove District Council and to report on the options for the development of an ethical policy for the Council corporately

2. RECOMMENDATION

- 2.1 Members are asked to note the summary of the HSBC corporate responsibility policy
- 2.2 Members are asked to recommend to Cabinet that following consideration of internal policies in place and in acknowledging the development of future plans that members are satisfied that current organisational requirements are being met and there is no need for further action at this time.

3. BACKGROUND

- 3.1 Following a request at Council on 27th June 2007 officers have investigated the social/ethical policy in respect of banking services provided to Bromsgrove District Council. In addition officers have reviewed the policies in place to ensure the Council is trading with socially responsible organisations.
- 3.2 HSBC currently provides the banking arrangements for the Council. This includes all day to day transactions and an element of the investment portfolio.
- 3.3 The summary of the Corporate Responsibility policy that has been adopted by HSBC bank is attached at Appendix A. This represents HSBC policies in respect of a number of ethical issues including ; lending proposals and investments, the promotion of good environmental practice and sustainable development, and commitment to the welfare and development of each local community.
- 3.4 This policy demonstrates that the banking providers for Bromsgrove District Council have a robust corporate responsibility that is used as the framework for any transactions undertaken on behalf of the Council.

- 3.5 Over the last 18 months there has been an improvement in the procurement policies and practices undertaken by the Council. This included the development of both contract and procedure rules and procurement strategy. Both of these documents demonstrate that the officers must have the formal consideration of a number of factors including ; environmental , social and sustainability issues when procuring assets, supplies or services. In addition the Councils' procurement officer is currently developing a sustainability policy which will be presented to members shortly.
- 3.6 Whilst officers will continue to review the policies and procedures in this area to achieve higher standards in the delivery of our services it is considered that the current policies and those being developed satisfy the current needs of the organisation.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no financial implications as a direct result of this report.

5. LEGAL IMPLICATIONS

- 5.1 Local Authorities are subject to requirements of specific equality and diversity duties. Failure to act can result in a claim to the High Court for judicial review.

6. COUNCIL OBJECTIVES

- 6.1 Council Objective 02: Improvement, 04: Environment, 01: Regeneration

7. RISK MANAGEMENT

- 7.1 The main risks associated with the details included in this report are:

- Failure to give sufficient emphasis to the importance of sustainability and ethical issues would result in the Council being exposed to legal challenge, financial risk and loss of reputation

- 7.2 These risks are being managed as follows:

- Emphasis of equality and diversity

Risk Register: Legal, Equalities & Democratic Services

Key Objective Ref No: 1

Key Objective: Effective Equalities Culture

- 7.3 Service specific improvements and actions are also monitored as part of each individual service risk register.

8. CUSTOMER IMPLICATIONS

- 8.1 By ensuring the sustainability and ethical aspects of the Councils procurement strategy the Council can demonstrate and deliver services to customers in accordance with our Equalities and Diversity agenda.

9. EQUALITIES AND DIVERSITY IMPLICATIONS

- 9.1. Local Authorities are subject to requirements of specific equality and diversity duties. Failure to act can result in a claim to the High Court for judicial review.

10. OTHER IMPLICATIONS

Procurement Issues: As specified in the report – the procurement manager will continue to review policies for improvements to the trading activities of the Council.
Personnel Implications: None
Governance/Performance Management: Effective governance process.
Community Safety including Section 17 of Crime and Disorder Act 1998: None
Policy: None
Environmental: None

11. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	No
Chief Executive	Yes
Corporate Director (Services)	No
Assistant Chief Executive	No

Head of Service	Yes
Head of Financial Services	Yes
Head of Legal, Equalities & Democratic Services	Yes
Head of Organisational Development & HR	No
Corporate Procurement Team	No

12. APPENDICES

12.1 Appendix A: HSBC Summary corporate policy

13. BACKGROUND PAPERS

None.

CONTACT OFFICER

Jayne Pickering – Head of Financial Services
E Mail: j.pickering@bromsgrove.gov.uk
Tel: (01527) 881207