

## Notice of Meeting

### ASSEMBLY

**Wednesday, 11 July 2012 - 7:00 pm**  
**Council Chamber, Town Hall, Barking**

To: Members of the Council of the London Borough of Barking and Dagenham

**Chair:** Councillor N S S Gill  
**Deputy Chair:** Councillor J Davis

Date of publication: 3 July 2012

Stella Manzie CBE  
Chief Executive

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### AGENDA

1. **Apologies for Absence**
2. **Declaration of Members' Interests**  
  
In accordance with the Council's Constitution, Members are asked to declare any personal or prejudicial interest they may have in any matter which is to be considered at this meeting.
3. **Minutes - To confirm as correct the minutes of the meeting held on 16 May 2012 (Pages 1 - 28)**
4. **Death of Corporal Alex William Guy, 1st Battalion The Royal Anglian Regiment (Pages 29 - 30)**
5. **The Queen's Birthday Honours list 2012 - award of MBE to both Alderman Frederick Charles Jones and Rita Margaret Giles (Pages 31 - 32)**
6. **Appointments**
7. **Members' Code of Conduct (Pages 33 - 84)**
8. **Treasury Management Annual Report (Pages 85 - 102)**
9. **Motions**

None received.

10. **Leader's Question Time**
11. **General Question Time**
12. **Any other public items which the Chair decides are urgent**
13. **To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.**

#### **Private Business**

The public and press have a legal right to attend Council meetings such as the Assembly, except where business is confidential or certain other sensitive information is to be discussed. The list below shows why items are in the private part of the agenda, with reference to the relevant legislation (the relevant paragraph of Part 1 of Schedule 12A of the Local Government Act 1972 as amended). ***There are no such items at the time of preparing this agenda.***

14. **Any confidential or exempt items which the Chair decides are urgent**

## MINUTES OF ASSEMBLY

Wednesday, 16 May 2012  
(7:00 - 8:29 pm)

### PRESENT

Councillor N S S Gill	Councillor E Kangethe
Councillor S Alasia	Councillor J L Alexander
Councillor S Ashraf	Councillor A Gafoor Aziz
Councillor R Baldwin	Councillor S J Bremner
Councillor P Burgon	Councillor L Butt
Councillor E Carpenter	Councillor J Channer
Councillor J Clee	Councillor J Davis
Councillor R Douglas	Councillor C Geddes
Councillor R Gill	Councillor M Hussain
Councillor A S Jamu	Councillor I S Jamu
Councillor E Keller	Councillor G Letchford
Councillor M A McCarthy	Councillor J E McDermott
Councillor D S Miles	Councillor M Mullane
Councillor E O Obasohan	Councillor J Ogungbose
Councillor T Perry	Councillor B Poulton
Councillor H S Rai	Councillor A K Ramsay
Councillor C Rice	Councillor L Rice
Councillor D Rodwell	Councillor T Saeed
Councillor A Salam	Councillor L A Smith
Councillor S Tarry	Councillor G M Vincent
Councillor J Wade	Councillor L R Waker
Councillor P T Waker	Councillor J R White
Councillor M M Worby	

### APOLOGIES FOR ABSENCE

Councillor G Barratt	Councillor H J Collins
Councillor D Hunt	Councillor M McKenzie MBE
Councillor L A Reason	Councillor D Twomey

#### 1. **Appointment of Chair and Deputy Chair**

Assembly **agreed** the appointment of Councillor N Gill as Chair and Councillor J Davis as Deputy Chair of the Assembly.

#### 2. **Declaration of Members' Interests**

There were no declarations of interest.

#### 3. **Minutes - To confirm as correct the minutes of the meeting held on 28 March 2012**

The minutes of the meeting on 28 March 2012 were confirmed as correct.

#### **4. Appointments to the Political Structure and Other Bodies - 2012/2013**

Assembly received a report introduced by the Chief Executive that related to the appointment of Members to the various elements of the political structure and other internal and external bodies.

Assembly noted:

1. the tabled versions of Appendices A, B, C and D which set out the proposed appointments; and
2. that the appointment of the Mayor and the Mayor's Chaplain would be dealt with at the Ceremonial Council meeting on 18 May 2012.

Assembly **agreed:**

1. the membership of the various Council meetings (Appendix A);
2. the appointment of the Chairs and Deputy Chairs and Lead and Deputy Lead Members (Appendix B);
3. the appointment of the representatives on various internal and external bodies (Appendix C); and
4. the appointment of the Trustees of Local Charities (Appendix D)

#### **5. Death of former Councillor Leonard Collins**

Assembly noted with deep regret that former Councillor Leonard Collins had passed away on 22 April 2012.

Members paid tribute to Mr Collins and noted that he had been a loyal, true and honest Councillor, who had very strong principles and had been encouraging of all new Councillors. He had been an Eastbrook Ward Councillor for 39 years and had worked hard not only in that Ward but for all the residents of the Borough.

Members recalled Mr Collins' pride in his appearance and the pleasure he had taken in the upkeep of his home and garden.

Members noted that it was during Mr Collins' Mayoralty that the Borough had changed its name.

Members acknowledged the contributions Mr Collins had made to the twinning arrangements between Witten in Germany and the Borough and that he had signed the Twinning Agreement.

Mr Collins had moved to Southend last year to be near to his family, after having been resident in the Borough for over 50 years.

The Assembly stood and observed a minute's silence in memory of former Councillor Leonard Collins.

#### **6. Response to Petition - Introduction of Parking Charges in Broad Street, Dagenham**

Assembly received and noted the terms of a petition presented by the Lead

Petitioner, Mr Richard Mackenzie, requesting that the Council halt proposals to implement pay and display parking charges in Broad Street.

Mr Mackenzie thanked the Assembly for the opportunity to present the petition on behalf of the Broad Street businesses and stated that his family had been trading there for over 50 years.

He advised that the business community had been notified of the proposal in December 2011 by way of a letter which had stated that such a scheme would not deter visitors. Mr Mackenzie said that this comment defied the widely held view that when such schemes were introduced, shoppers refused to pay the parking charges and preferred to shop where parking was free.

Mr Mackenzie raised the following points:

- ❖ it had been in the last two years that parking difficulties had arisen in Broad Street
- ❖ local residents had complained to the Council about the lack of parking in Broad Street and the abuse by some drivers of the two hour free parking rule, which had resulted in the Council's proposed Pay and Display Scheme
- ❖ the two hour free parking rule, which when originally introduced and policed by wardens, had resulted in adequate parking for all visitors
- ❖ the parking difficulties coincided with the building of a new school in Morland Road when contractors had parked their vehicles in Broad Street from early morning until the end of the day and this practice had not been challenged by parking wardens
- ❖ when the contractors had left the site in March 2012, parking spaces in Broad Street had returned to the levels of two years earlier and this resulted in there no longer being any parking difficulties
- ❖ the Civil Enforcement Officers (CEOs) should return to the implementation of the two hour free parking rule

In conclusion, Mr Mackenzie stated that:

- the recession was causing severe hardship
- the Council should not implement a scheme which would be detrimental to the local community and speed up the demise of a convenient local shopping centre such as Broad Street
- the Council should utilise monies earmarked for the Pay and Display scheme on regeneration of the area.

Assembly received the response to the petition introduced by the Leader of the Council, Councillor Smith, who stated that houses had been built on two of the large car parks that had been in the area. He understood that Broad Street served the local community but expected that local residents would walk to the shops rather than drive. The Leader stated that it was not this Council's intention to drive businesses out of the area by the proposed parking charge of 20p per hour, but to encourage people to visit Broad Street. He referred to parking charges of 20p per twenty minutes in neighbouring boroughs.

The Leader referred to the enormous strain put on the area by the Walk-in Medical Centre in Broad Street, but also referred to the free car park near Ballards Road.

He concluded by stating that the Pay and Display proposal was not a money making scheme for the Council and gave assurance to Mr Mackenzie that its effect on trading would be monitored over the course of the next year.

The Divisional Director for Environment, Robin Payne, explained the difficulties faced by the CEOs in enforcing the two hour free parking rule and confirmed that the Council would not make money from implementing this scheme.

In debating the matter, Members concurred with the Leader that the scheme should be monitored to ascertain whether or not it had had an effect on trade in the area but raised concerns as to the pressure put on parking by people accessing the Medical Centre and whether the CCTV cameras in the area recorded cars parked on double yellow lines.

In response, the Cabinet Member for Crime, Justice and Communities, Councillor Alexander, stated that the CCTV cameras in the area do record cars parked on double yellow lines. She said that the proposed parking fee was only 20p and that the scheme should get traffic flowing in the area. She noted that the Councillors were accountable to the residents and said that if, after monitoring the scheme as proposed, it was shown not to be successful, then it would be removed.

Assembly **agreed** for the reasons set out in the report that it was unable to support the petition.

The Chair thanked Mr Mackenzie for attending.

## **7. Response to Petition - Introduction of Parking Charges in Faircross Parade, Barking**

The Chair advised Assembly that the Lead Petitioner had presented her apologies due to ill-health.

Assembly received and noted the response to the petition presented by the Divisional Director for Environment, Robin Payne (DDE).

The DDE advised that local residents had been consulted on the proposed Pay and Display scheme (P&D) and that a further meeting had been arranged for 28 May 2012. He went on to say that Faircross Parade was a suitable situation for P&D as drivers from a bus garage opposite it parked at Faircross and a minicab office nearby was also abusing the parking facility. He concluded that a P&D would be of benefit to the traders.

In debating the petition Members raised the following points:

- Faircross Parade was a thriving shopping area but residents had been having difficulties with parking due to some drivers exceeding the free parking time-limit
- petitioners had not been aware that the parking fee would be set at 20p per hour
- consultation letters had been sent out later than they should have to some

residents and traders

In responding to questions from Members, the DDE advised that a methodology would be created with the traders to monitor the effect of the P&D on their businesses. The locality would be surveyed in six months' time, meetings would be held with the traders and a review report would be taken back to Cabinet.

In response, the Cabinet Member for Crime, Justice and Communities, Councillor Alexander, advised that there would be regular meetings with the Councillors, businesses and officers. She considered that the P&D would be a success and would encourage business to the area. She concluded that this was not a money making scheme but would assist the flow of traffic.

Assembly **agreed** for the reasons set out in the report that it was unable to support the petition.

## **8. The Emerging Private Rented Sector in LBB**

Assembly received and noted this report introduced by Councillor Channer, Chair of the Living and Working Select Committee.

Councillor Channer thanked officers, Glen Oldfield – Scrutiny Officer, Darren Henaghan – Director for Housing and Environment, and Ken Jones – Divisional Director for Housing Strategy, for their hard work in formulating the report.

Councillor Channer provided Assembly with the background to the report and advised that Universal Credit would come into force in 2013, which would force many people out of London as they would be unable to afford to rent properties there. Research from the University of Cambridge had predicted that by 2016 this borough would be the only London Borough that would be affordable in terms of rented accommodation.

Councillor Channer gave a PowerPoint presentation in support of the report which included data on:

- ❖ the number of private rented properties in the borough, which had doubled since 2006 – the fastest growing in London in the last five years
- ❖ the average private sector monthly rent in the borough in comparison with that of Tower Hamlets and Newham
- ❖ tenants' experiences
- ❖ tenants' views as to whether or not they would stay in the Borough
- ❖ examples of the poor condition of some properties

Councillor Channer thanked the stakeholders and consultees for their support and in particular Jon Cruddas MP.

She referred Members to the recommendations in the report and in conclusion, condemned the Coalition Government's housing policy which she felt would create nothing more than social segregation.

The Cabinet Member for Housing, Councillor P Waker, commended the report and the PowerPoint presentation stating that it supported the Council's Housing

Strategy.

In response to questions from Members, the Director for Housing and Environment advised that:

- insulation was provided by WarmFront to private owners but it was means tested
- a grant for insulation had been extended to private landlords
- the Government had introduced "Green Deal" which was also means tested, with funding coming from the utility companies
- Colne House had recently been refurbished
- a report had been to Cabinet regarding insulation of more Council stock
- in the private rented sector, landlords were not always able to access funding
- the Private Sector Housing Team, which had been protected by Members in the last budget, comprised five officers

The Cabinet Member for Environment, Councillor McCarthy, concluded that this was an excellent report and felt that John Biggs, our GLA Member would support the recommendation for the creation of a national tenants' consumer rights body.

Assembly **noted** the report and supported the recommendations of the Living and Working Select Committee.

#### **9. Planning for Religious Meeting Places (Amendment to Planning Advice Note 4)**

Assembly received this report introduced by the Cabinet Member for Regeneration, Councillor Geddes.

Assembly **agreed** to approve the revised Planning Advice Note on Religious Meeting places as set out at Appendix 1 to the report.

#### **10. Adoption of the Code of Conduct under the Localism Act 2011**

Assembly received and noted this report introduced by the Divisional Director for Legal and Democratic Services, Tasnim Shawkat (DDLDS).

The DDLDS referred Assembly to an amendment to paragraph 2.11 of the report in that the term of office of the current Independent Members would expire on **30** June 2012 and not 20 June as stated in the report.

Assembly **agreed** that:

- (i) the current Code of Conduct be adopted as modified by the relevant Regulations under sections 30 and 31 of the Localism Act 2011 to take effect from 1 July 2012 until 12 July 2012.
- (ii) actions being taken to implement the new standards regime under the Localism Act be noted.
- (iii) the Monitoring Officer be delegated authority to take such steps as are required to comply with the Localism Act and the forthcoming Regulations until the matter is brought before the Assembly on 11 July 2012.



## 11. Update on Constitution Review

Assembly received and noted this report introduced by the Divisional Director for Legal and Democratic Services, Tasnim Shawkat.

Assembly noted the progress with the Constitution review to date and **agreed** the proposed changes to Article 5A – The Call-In Process to take immediate effect.

## 12. Members' Allowances Scheme - 2012/13

Assembly received and noted this report introduced by the Leader of the Council, Councillor Smith.

The Leader noted that this was the fourth successive year that it had been proposed to freeze allowances and advised Assembly that this borough's Members' allowances were the lowest in London.

Assembly **agreed**:

1. that no increase be applied to Members' basic and special responsibility allowances for the 2012/13 municipal year, representing a freeze in allowance levels for the fourth year in succession;
2. that the draft Members' Allowances Scheme for the 2012/13 municipal year attached at Appendix A to the report take effect from 17 May 2012, and
3. to note that a further report would be presented to the Assembly on 11 July 2012 concerning the new standards regime and specifically a review of those allowances payable to independent members/person of the Standards Committee.

## 13. Pay Policy Statement Amendment

Assembly received and noted this report introduced by the Chief Executive, Stella Manzie.

The CE stated that this report had been brought to Assembly with her apologies following the discovery of some factual errors in an earlier report that had been before Members on 28 March last.

She said that this report was to update Members and to ensure that the correct information was published.

Assembly **approved** the revised Pay Policy Statement for the London Borough of Barking and Dagenham for 2012/13 attached at Appendix A to the report to enable the appropriate amendments to be made to the policy statement.

## 14. Annual Reports

Assembly received and noted the following Annual Reports 2011/12:

- (i) The Cabinet introduced by the Leader of the Council, Councillor Smith.
- (ii) The Ceremonial Council introduced by the Leader of the Council, Councillor Smith, in the absence of the Worshipful the Mayor, Councillor McKenzie.
- (iii) The Development Control Board introduced by Councillor I S Jamu. Assembly noted that every ward in the borough had representation on the Board and that all Board Members had a duty to attend training. Councillor Jamu expressed his thanks to Members and officers for their hard work over the last year.
- (iv) The Licensing and Regulatory Board introduced by Councillor L Waker, who advised the Assembly that the Board had dealt with a variety of applications and reviews and that at each meeting updates were requested on applications that had been approved previously. Councillor L Waker emphasised that if Members had any questions on licensing matters they should take them to the Divisional Director for Environment, Robin Payne, rather than to Board Members, to enable Board Members to maintain their independence.
- (v) Overview and Scrutiny introduced by Councillor Rodwell, who thanked the Chairs of the Select Committees. Councillor Rodwell advised Assembly that last year had been very productive. He referred in particular to the Living and Working Select Committee report on the Private Rented Sector that had been presented earlier in this meeting and to the success of the review by the Public Accounts and Audit Select Committee (PAASC) into delayed housing benefits claims, which saw the service become community focused within three months. Compliance had been an issue throughout all of PAASC's work. In conclusion, Councillor Rodwell said that the work of Overview and Scrutiny was a testament to all of the Councillors involved and thanked all officers who had supported this work.
- (vi) Personnel Board introduced by Councillor Burgon, who thanked officers, Masuma Ahmed and Michelle Coleman, for the support they had provided to the Board. Councillor Burgon advised Assembly that the Board had met to consider a total of 14 appeals against dismissal, none of which had been upheld. The Board had heard two appeals against the imposition of final written warnings, both of which had been partially upheld. One of the final warnings had been downgraded to a second written warning and the length of time the other warning would remain on the individual's record had been reduced. Councillor Burgon noted her thanks to the Members of the Board for their help and support.
- (vi) Standards Committee introduced by Kevin Madden, Independent Chair. Mr Madden thanked all officers who had supported the Committee, in particular the Monitoring Officer, Tasnim Shawkat, and the Democratic Services Officer, Margaret Freeman, for her ever-efficient organisation.

Mr Madden highlighted two key issues in the report:

- (1) That only one new complaint had arisen in the last year and that this was a credit to all Members and reflected well on the Council.

- (2) The legislative changes as a result of the Localism Act 2011 which abolished the present Standards regime. Mr Madden advised that the Standards Committee had discussed the new legislation and the new Code of Conduct for Members that would be adopted by Assembly when the Regulations were published. He noted that the general principle of respect for others would no longer be a compulsory element of any new code and stated that the Committee hoped that the Council's new Code would retain the best of the old.

In conclusion, Mr Madden stated that whatever arrangements were put in place, it was important to keep a focus on what had been the main feature of the Standards Committee's terms of reference, namely the promotion and maintenance of high standards of conduct by Members and employees, to retain the trust and respect of the people we serve.

## **15. Motions**

None.

## **16. Leader's Question Time**

### **Question from Councillor Carpenter:**

"What significant impacts will the Olympics have this summer on our roads, transport, health services, local policing, and Council services?"

What arrangements are being put in place to mitigate some of the predicted problems?"

### **Response from the Leader of the Council:**

"A lot of people are worrying about the effects of the Olympics. It's a bit like the Millennium Bug that didn't happen and I think it will be the same with the Olympics – the worries will all come to nothing.

Yes, the A13 will be blocked in the mornings on the way into London and again in the evening on the way back, just as it is now and so will the A12 and the A127.

It is public transport that we are concerned about and we will be discussing this with John Biggs, our GLA Member. I am concerned that people will be leaving their cars at the nearest District Line Station that is not within a Controlled Parking Zone and then travel into London by train. Another issue will be parking. Newham have adopted zero tolerance to this. The Director for Housing and Environment, Darren Henaghan, has got concerns about Barking Town Centre but our parking department are fully aware of the issues.

We have got officers coming in to work during the Olympics and some who will be working from home. My own personal view is that I do not think the roads will be any worse than they are now.

I think that crime rates will drop, particularly if Great Britain is doing well, people

might not have the urge to go out and commit crimes.

Councillors Geddes and R Gill and the Chief Executive and I meet with representatives of other Boroughs regularly to make sure that we are all aware of these issues."

**17. General Question Time**

None.

**18. Councillor Simon Bremner**

The Assembly joined the Leader of the Council in congratulating Councillor Bremner on his recent election as a Member for Goresbrook Ward and welcomed him back to the Chamber.

## COUNCILLOR MEMBERSHIP OF COUNCIL MEETINGS 2012/2013

**THE ASSEMBLY** All 51 Councillors

**THE CEREMONIAL COUNCIL** All 51 Councillors

**DEVELOPMENT CONTROL BOARD – 17 Seats (1 per ward) plus the Cabinet Member for Regeneration**

Councillors I S Jamu (Chair), Salam (Deputy Chair), Alasia, Clee, Gafoor Aziz, Geddes, N S Gill, Hunt, McCarthy, Miles, Ogungbose, Perry, Poulton, Rai, C Rice, Saeed, Tarry, L Waker

**LICENSING AND REGULATORY BOARD – 10 Seats**

Councillors L Waker (Chair), Miles (Deputy Chair), Douglas, Hunt, Kangethe, Keller, McKenzie, Obasohan, Perry, Poulton

**PERSONNEL BOARD – 9 Seats (3 Members per board)**

Councillors Burgon (Chair), Rai (Deputy Chair), N S Gill, I S Jamu, Keller, Obasohan, Reason, Salam, P Waker

Each board meeting to comprise the Chair and Deputy Chair plus a third member from the overall panel. In the event that the Chair or Deputy Chair cannot attend a meeting, another Member will be drawn from the panel. As far as possible, however, the Chair and Deputy Chair will attend all meetings for consistency.

**PENSIONS PANEL - 6 Seats**

Councillors R Gill (Chair), Douglas (Deputy Chair), N S Gill, Obasohan, Ogungbose, Wade

The Panel to comprise the Cabinet Member for Finance and Education plus five Councillors to be appointed for a term of two years.

**STANDARDS COMMITTEE – 4 seats**

Councillors Poulton (Deputy Chair), Miles, Perry, Rai

**CHILDREN'S SERVICES SELECT COMMITTEE – 9 Seats**

Councillors Letchford (Lead Member), Perry (Deputy Lead Member), Burgon, Butt, Douglas, AS Jamu, Kangethe, Poulton, Salam

**HEALTH AND ADULT SERVICES SELECT COMMITTEE – 9 Seats**

Councillors Alasia (Lead Member), Keller (Deputy Lead Member), Aziz, Butt, Davis, McKenzie, C Rice, Salam, Wade

**LIVING AND WORKING SELECT COMMITTEE – 9 Seats**

Councillors Channer (Lead Member), L Rice (Deputy Lead Member), Ashraf, Davis, McDermott, Ogungbose, Perry, Twomey, L Waker

**SAFER AND STRONGER COMMUNITY SELECT COMMITTEE – 9 Seats**

Councillors Mullane (Lead Member), Hussain (Deputy Lead Member), Bremner, Channer, Davis, McKenzie, Rai, Salam, Tarry

**PUBLIC ACCOUNTS AND AUDIT SELECT COMMITTEE – 6 Seats made up of each of the Lead Members of the four other Select Committees plus two additional Councillors**

Councillors A S Jamu (Lead Member), Saeed (Deputy Lead Member), Alasia, Channer, Letchford, Mullane

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## CHAIRS AND DEPUTY CHAIRS 2012/2013

<b>Quasi-Judicial:</b>	<b>Chair</b>	<b>Deputy Chair</b>
<b>Licensing and Regulatory Board</b>	Councillor L Waker	Councillor Miles
<b>Development Control Board</b>	Councillor I S Jamu	Councillor Salam
<b>Personnel Board</b>	Councillor Burgon	Councillor Rai

<b>The Select Committees:</b>	<b>Lead Member (for a term of 2 years – May 2012 to May 2014)</b>	<b>Deputy Lead Member</b>
<b>Children's Services</b>	Councillor Letchford	Councillor Perry
<b>Health and Adult Services</b>	Councillor Alasia	Councillor Keller
<b>Living and Working</b>	Councillor Channer	Councillor L Rice
<b>Safer and Stronger</b>	Councillor Mullane	Councillor Hussain
<b>Community</b>		
<b>Public Accounts and Audit</b>	Councillor A S Jamu	Councillor Saeed

<b>All Member Meetings:</b>	<b>Chair</b>	<b>Deputy Chair</b>
<b>Assembly</b>	Councillor N S Gill	Councillor Davis
<b>Ceremonial Council</b>	The Mayor is automatically appointed as the Chair of the Ceremonial Council	The Chair of the Assembly is the Deputy Chair of the Ceremonial Council

	<b>Chair</b>	<b>Deputy Chair</b>
<b>Cabinet</b>	The Leader of the Council, is automatically appointed as the Chair of the Cabinet	The Deputy Leader of the Council is automatically appointed as the Deputy Chair of the Cabinet

<b>Other Meetings:</b>	<b>Chair</b>	<b>Deputy Chair</b>
<b>Pensions Panel</b>	The Cabinet Member for Finance and Education is automatically appointed as Chair	Councillor Douglas
<b>Standards Committee</b>	Mr Kevin Madden	Councillor Poulton

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COUNCIL REPRESENTATION ON VARIOUS INTERNAL AND EXTERNAL BODIES 2012/13

**Key:**

- ACS - Adult and Community Services Department
- CE - Chief Executive
- ChS - Children Services Department
- FRS - Finance and Resources Department
- HES - Housing and Environment Services

Organisation	Representation required	Representation 2012/13 (1 year unless specified)	Lead Department & Corporate Director or Divisional Director
<b>Admissions Forum</b>	5 Councillors (4 year appointments)	Cllr R Gill (May 2009-2013) Cllr Poulton (May 2010-2014) Cllr Rai (May 2010-2014) Cllr Saeed (May 2010-2014) Cllr Salam (May 2010-2014)	ChS Jane Hargreaves 020 8270 4818
<b>Barking and Dagenham Council for Voluntary Services</b>	Relevant Cabinet Member (Crime, Justice & Communities)	Cllr Alexander	ACS Karen Ahmed Ext 2331
<b>Barking and Dagenham Partnership:</b>	Leader of the Council Deputy Leader of the Council Council plus 4 Councillors. Council membership excludes Chairs of the LSP Themed Groups	Cllr Smith Cllr R Gill Cllr Carpenter Cllr N S Gill Cllr Obasohan Cllr Poulton	CE Stella Manzie Ext 2137

**APPENDIX C**

<b>Organisation</b>	<b>Representation required</b>	<b>Representation 2012/13 (1 year unless specified)</b>	<b>Lead Department &amp; Corporate Director or Divisional Director</b>
<ul style="list-style-type: none"> <li>Skills, Jobs and Enterprise Board</li> </ul>	Relevant Cabinet Member Regeneration	Cllr Geddes	FRS Jeremy Grint Ext 2443
<ul style="list-style-type: none"> <li>Children's Trust</li> </ul>	Relevant Cabinet Member Children & Adult Services	Cllr Reason	ChS Meena Kishinani Ext 3507
<ul style="list-style-type: none"> <li>Clean, Green and Sustainable Borough Board</li> </ul>	Relevant Cabinet Member Environment	Cllr McCarthy	HES Robin Payne Ext 5660
<ul style="list-style-type: none"> <li>Community Safety Partnership</li> </ul>	Relevant Cabinet Member	Cllr Alexander	ACS Glynis Rogers Ext 2827
<ul style="list-style-type: none"> <li>Shadow Health and Wellbeing Board</li> </ul>	Relevant Cabinet Members ❖ Children & Adult Services ❖ Health plus two additional Councillors as deputies	Cllr Reason – Cllr Burgon (Deputy)  Cllr Worby – Cllr Mullane (Deputy)	ACS Karen Ahmed Ext 2331
<b>Barking and Dagenham Safeguarding Adult's Board</b>	Relevant Cabinet Member Children & Adult Services	Cllr L Reason	ACS Glynis Rogers Ext 2827

**APPENDIX C**

Organisation	Representation required	Representation 2012/13 (1 year unless specified)	Lead Department & Corporate Director or Divisional Director
<b>Barking and Dagenham Safeguarding Children Board</b>	Relevant Cabinet Member Children & Adult Services	Cllr L Reason	ChS Meena Kishinani Ext 3507
<b>Barking Riverside Community Interest Company</b>	Relevant Cabinet Member – Regeneration One Thames Ward Member One other Thames Ward Members as substitute representative	Cllr Geddes  Cllr Poulton  Cllr Channer	FRS Jeremy Griint Ext 2443
<b>Barking Riverside Limited Board</b>	Relevant Cabinet Member Regeneration (observer status only)	Cllr Geddes	FRS Jeremy Griint Ext 2443
<b>Broadway Theatre Company Ltd</b>	Relevant Cabinet Member Culture, Leisure and Sport	Cllr Collins	ACS Paul Hogan Ext 3576
<b>Community Legal Advice Centre</b>	2 Councillors 2 year appointment	Cllr Keller Cllr Ogunbose  (May 2012 – May 2014) (May 2012 – May 2014)	ACS Karen Ahmed Ext 2331
<b>Corporation of Barking &amp; Dagenham College</b>	1 Councillor (4 year appointment)	Cllr Carpenter  (Dec 2011 – Nov 2015)	ChS Helen Jenner Ext 5800

**APPENDIX C**

Organisation	Representation required	Representation 2012/13 (1 year unless specified)	Lead Department & Corporate Director or Divisional Director
<b>CREATE London</b>	Relevant Cabinet Member Culture, Leisure and Sport	Cllr Collins	ACS Paul Hogan Ext 3576
<b>East London Housing Partnership</b>	Relevant Cabinet Member Housing	Cllr P Waker	HES Ken Jones Ext 5703
<b>East London Solutions Leaders' Group</b>	Leader of the Council	Cllr Smith	FRS Tracie Evans Ext 2108
<b>East London Solutions Members' Review Group</b>	Two Councillors plus two alternates nominated by the Leader	Cllr Alasia Cllr Channer  Cllr Butt Cllr A S Jamu	FRS Tracie Evans Ext 2108
<b>East London Waste Authority</b>	Relevant Cabinet Member Environment plus 1 Councillor	Cllr McCarthy  Cllr Obasohan	HES Robin Payne Ext 5660
<b>Elevate Limited Liability Partnership Board</b>	Relevant Cabinet Member Customer Services & Human Resources plus 1 Councillor as deputy	Cllr White  Deputy position vacant	FRS Tracie Evans Ext 2108

**APPENDIX C**

<b>Organisation</b>	<b>Representation required</b>	<b>Representation 2012/13 (1 year unless specified)</b>	<b>Lead Department &amp; Corporate Director or Divisional Director</b>
<b>Elevate Strategic Partner Board</b>	Relevant Cabinet Member Finance and Education as Chair plus Relevant Cabinet Member Customer Services & Human Resources - and 1 non-cabinet Councillor	Cllr R Gill  Cllr White  Cllr Butt	FRS Tracie Evans Ext 2108
<b>Employee Joint Consultative Committee</b>	Relevant Cabinet Member Customer Services & Human Resources plus 5 Councillors	Cllr White Cllr Burgon Cllr Davis Cllr Keller Cllr Ogungbose Cllr Salam	FRS Martin Rayson Ext 3113
<b>Employee Joint Health, Safety and Wellbeing Committee</b>	Relevant Cabinet Member Customer Services & Human Resources plus 3 Councillors	Cllr White Cllr Davis Cllr Keller Cllr Letchford	FRS Martin Rayson Ext 3113
<b>Greater London Enterprise</b>	Relevant Cabinet Member - Regeneration	Cllr Geddes	FRS Jeremy Grint Ext 2443

APPENDIX C

Organisation	Representation required	Representation 2012/13 (1 year unless specified)	Lead Department & Corporate Director or Divisional Director
Housing Forum - Barking	One Councillor per Ward with voting rights. All other Councillors shall be members of their respective forum	<p><b>Barking</b></p> <p>Cllr Laila Butt            Cllr Rob Douglas            Cllr Jim McDermott            Cllr Dominic Twomey            Cllr Nirmal Gill            Cllr Dee Hunt            Cllr Barry Poulton</p> <p>Abbey            Becontree            Eastbury            Gascoigne            Longbridge            Mayesbrook            Thames</p>	<p>HES            Ken Jones            Ext 5703</p>
Housing Forum – Dagenham	One Councillor per Ward with voting rights. All other Councillors shall be members of their respective forum	<p><b>Dagenham</b></p> <p>Cllr John Davis            Cllr Jeff Wade            Cllr Tony Ramsay            Cllr Graham Letchford            Cllr Dave Miles            Cllr Chris Rice            Cllr Eileen Keller            Cllr Margaret Mullane            Cllr Emmanuel Obasohan            Cllr Tony Perry</p> <p>Alibon            Chadwell Heath            Eastbrook            Goresbrook            Heath            Parsloes            River            Village            Valence            Whalebone</p>	<p>HES            Ken Jones            Ext 5703</p>
<b>Joint Committee of the London 2012 Olympic and Paralympic Host Boroughs</b>	Leader of the Council Relevant Cabinet Member – Regeneration plus 2 deputy Councillors	<p>Cllr Smith            Cllr Geddes            Cllr Channer            Cllr Butt</p>	<p>FRS            Tracie Evans            Ext 2108</p>

**APPENDIX C**

Organisation	Representation required	Representation 2012/13 (1 year unless specified)	Lead Department & Corporate Director or Divisional Director
<p><b>Local Development Framework Steering Group</b></p>	<p>The Leader of the Council and Relevant Cabinet Member(s) :</p> <ul style="list-style-type: none"> <li>❖ Regeneration, Children &amp; Adult Services, and Health (voting Members)</li> <li>The Chair and Deputy-Chair of the Development Control Board (non-voting)</li> </ul>	<p>Cllr Smith</p> <p>Cllr Geddes</p> <p>Cllr Reason</p> <p>Cllr Worby</p> <p>Cllr I S Jamu</p> <p>Cllr Salam</p>	<p>FRS Jeremy Grint Ext 2443</p>
<p><b>Local Government Association</b></p>			
<ul style="list-style-type: none"> <li>• General Assembly</li> </ul>	<p>Leader Deputy Leader plus 2 Councillors</p>	<p>Cllr Smith Cllr R Gill</p> <p>Cllr Carpenter Cllr Channer</p>	<p>CE Stella Manzie Ext 2137</p>
<ul style="list-style-type: none"> <li>• Urban Commission</li> </ul>	<p>2 Councillors</p>	<p>Cllr Carpenter Cllr Channer</p>	<p>FRS Jeremy Grint Ext 2443</p>

**APPENDIX C**

Organisation	Representation required	Representation 2012/13 (1 year unless specified)	Lead Department & Corporate Director or Divisional Director
London Borough of Barking and Dagenham Adoption and Permanence Panel	1 Councillor (3 year appointment)	Cllr Burgon  (May 2010-2013)	ChS Christopher Martin Ext 2233
London Borough of Barking and Dagenham Fostering Panel	2 Councillors (3 year appointments)	Cllr Hunt Cllr L Rice  (May 2010 – May 2013) (Dec 2010 – May 2013)	ChS Christopher Martin Ext 2233
London Councils			
<ul style="list-style-type: none"> <li>Children and Young People Forum</li> </ul>	Relevant Cabinet Member Children and Adult Services	Cllr Reason	ChS Meena Kishinani Ext 3507
<ul style="list-style-type: none"> <li>Crime and Public Protection Forum</li> </ul>	Relevant Cabinet Member Crime, Justice and Communities	Cllr Alexander	ACS Glynis Rogers Ext 2827
<ul style="list-style-type: none"> <li>Culture, Tourism and 2012 Forum</li> </ul>	Relevant Cabinet Member Culture, Leisure and Sport	Cllr Collins	ACS Paul Hogan Ext 3576
<ul style="list-style-type: none"> <li>Economic Development Forum</li> </ul>	Relevant Cabinet Member Regeneration	Cllr Geddes	FRS Jeremy Grint Ext 2443



APPENDIX C

Organisation	Representation required	Representation 2012/13 (1 year unless specified)	Lead Department & Corporate Director or Divisional Director
<ul style="list-style-type: none"> <li>Grants Committee</li> </ul>	<p>Relevant Cabinet Member Crime Justice and Communities</p> <p>Up to 4 named deputies (who must be Cabinet Members) to be appointed by the Cabinet Member</p>	<p>Cllr Alexander</p> <p>4 x deputy vacancies</p>	<p>ACS Karen Ahmed Ext 2331</p>
<ul style="list-style-type: none"> <li>Greater London Employment Forum</li> </ul>	<p>Relevant Cabinet Member Customer Services and Human Resources plus 1 deputy</p>	<p>Cllr White</p> <p>Cllr Saeed</p>	<p>FRS Martin Rayson Ext 3113</p>
<ul style="list-style-type: none"> <li>Health and Adult Services Forum</li> </ul>	<p>Relevant Cabinet Members</p> <ul style="list-style-type: none"> <li>Health</li> <li>Children &amp; Adult Services</li> </ul>	<p>Cllr Worby</p> <p>Cllr Reason</p>	<p>ACS Karen Ahmed Ext 2331</p>
<ul style="list-style-type: none"> <li>Housing Forum</li> </ul>	<p>Relevant Cabinet Member Housing</p>	<p>Cllr P Waker</p>	<p>HES Ken Jones Ext 5703</p>

**APPENDIX C**

Organisation	Representation required	Representation 2012/13 (1 year unless specified)	Lead Department & Corporate Director or Divisional Director
<ul style="list-style-type: none"> <li>Leaders' Committee</li> </ul>	Leader of the Council plus 2 named deputies to be appointed by the Leader	Cllr Smith Cllr R Gill Cllr White	CE Stella Manzie Ext 2137
<ul style="list-style-type: none"> <li>Transport and Environment Committee</li> </ul>	Relevant Cabinet Member - Environment plus up to 4 named deputies to be appointed by the Cabinet Member	Cllr McCarthy Cllr Letchford Cllr Poulton 2 x deputy vacancies	HES Robin Payne - Ext 5660 FRS Jeremy Grint – Ext 2443
<b>London Road Safety Council</b>	2 Councillors (2 year appointment)	Cllr I S Jamu (May 2012-2014) Cllr Salam (May 2012-2014)	HES Robin Payne Ext 5660
<b>Members' Board (Enterprise)</b>	Relevant Cabinet Member - Housing	Cllr P Waker	HES Maureen McEleney Ext 3738
<b>Members' Corporate Parent Group</b>	1 Councillor	Councillor Letchford	ChS Christopher Martin Ext 2233
<b>Public Transport Liaison Group</b>	Relevant Cabinet Member Environment plus 1 Councillor to be appointed by Cabinet Member	Cllr McCarthy 1 x vacancy	FRS Jeremy Grint Ext 2443

**APPENDIX C**

Organisation	Representation required	Representation 2012/13 (1 year unless specified)	Lead Department & Corporate Director or Divisional Director
<b>Registered Provider Forum (formerly Registered Social Landlord Forum)</b>	Relevant Cabinet Member Housing plus 2 Councillors to be appointed by the Cabinet Member	Cllr P Waker 2 x vacancies	HES Ken Jones Ext 5703
<b>Reserve Forces and Cadets Association for Greater London</b>	The Leader or Deputy Leader of the Council	Cllr Smith or Cllr R Gill	ChS Meena Kishinani Ext 3507
<b>Schools Investment Board</b>	Relevant Cabinet Members: ❖ Finance & Education ❖ Regeneration	Cllr R Gill Cllr Geddes	ChS Helen Jenner Ext 5800 FRS: Tracie Evans Ext 2108

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**TRUSTEES OF LOCAL CHARITIES – MAY 2012****Barking General Charities**

The Barking General Charities consists of a number of ancient charities which are now administered, as far as Barking is concerned, under a scheme made by the Charity Commissioners on 27 May 1898. Keith Glenny of Hatten, Asplin and Glenny Solicitors acts as the Clerk. The area of benefit is Barking.

There are 7 trustees, 2 of whom are appointed by the Council annually.

**Councillors Douglas and Perry (May 2012- May 2013)****Barking and Ilford United Charities**

An amalgamation of the Barking General Charities and Ilford General Charities and its function is to administer the almshouses in Barking. It is administered by Keith Glenny.

There are 7 trustees, 2 of whom are appointed by the Council annually.

**Councillors R Gill and Letchford (May 2012 – May 2013)****Colin Pond Bursaries for Higher Education**

The Colin Pond Bursaries for Higher Education provides students with bursaries to continue into higher education.

The trustees are the Cabinet Member for Children and Education, the Corporate Director of Finance and Resources, the Corporate Director of Children's Services and the Legal Group Manager Safeguarding & Partnerships

**Dagenham United Charity**

The Dagenham United Charity gives financial assistance to those in need at Christmas time and the area of benefit is the former Borough of Dagenham as at 1921 to 1924.

There are five trustees, four of whom are appointed by the Council and may be, but do not need to be, elected Members of the Council. They are elected for a four year term of office:

**Councillors Mullane, Reason, Smith and L Waker (May 2010-May 2014)**

### **King George V Silver Jubilee Trust Fund**

This applies the net income from investments for the purpose of relieving cases of need, hardship or distress of children resident in the area.

**The trustees are the Mayor and the former Director of Social Services.** There is no specific term of office.

### **The Eva Tyne Trust Fund**

The purpose of the fund is to support, through grants, young persons aged between 12 and 25 who are resident in the Borough in order to assist them to develop themselves and contribute to the local community as a whole. The Constitution allows the waiver of the upper age limit if an applicant has a disability.

There are eight trustees two of whom are appointed by the Council for a three year term as follows:

<b>Councillor Kangethe</b>	<b>(May 2011 - May 2014)</b>
<b>Councillor Letchford</b>	<b>(May 2010 - May 2013)</b>

### **The Kallar Lodge Trust Fund (formerly The Brocklebank Lodge Trust Fund)**

This was established some years ago following a bequest to Brocklebank Lodge. Following approval by the Charity Commission in 2008 the Trust Fund was transferred to Lake Rise Residential Home, which is now known as Kallar Lodge, and the Trust Fund was renamed as The Kallar Lodge Trust Fund. The Trust Fund provides extra amenity for Kallar Lodge, over and above that which is provided by the Council.

The Trust usually meets once a year to approve the minutes, accounts and expenditure for the following year. The trustees are the former Directors of Finance and Social Services (both to be replaced at the Trust's Annual General Meeting) and two Member representatives who are nominated annually as follows:

**Councillors Douglas and Keller (May 2012)**

**ASSEMBLY****11 JULY 2012**

<b>Title:</b> Death of Corporal Alex William Guy, 1 <sup>st</sup> Battalion The Royal Anglian Regiment	
<b>Report of:</b> The Leader of the Council	
<b>Open</b>	<b>For Information</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> No
<b>Report Author:</b> Margaret Freeman, Senior Democratic Services Officer	<b>Contact Details:</b> Tel: 020 8227 2638 E-mail: margaret.freeman@lbbd.gov.uk
<b>Accountable Divisional Director:</b> Tasnim Shawkat, Divisional Director Legal and Democratic Services	
<b>Summary:</b>  The Assembly is asked to note with sadness that Corporal Alex William Guy of 1 <sup>st</sup> Battalion The Royal Anglian Regiment was killed in Afghanistan on Friday, 15 June 2012.	
<b>Recommendation</b>  The Assembly is asked to stand for two minutes' silence as a mark of respect.	

**1. Introduction and Background**

- 1.1 Corporal Guy was killed while leading his section to assist a group of Afghan soldiers pinned down by enemy fire during an insurgent ambush in the Nad-e Ali district of Helmand Province, Afghanistan.
- 1.2 He was born on 13 September 1974 in Norwich and grew up in St Neots, Cambridgeshire. At age 18 he enlisted into the British Army and joined the 1<sup>st</sup> Battalion The Royal Anglian Regiment, which Regiment had been awarded the Freedom of the Borough on 9 December 2009.
- 1.3 Corporal Guy had been in the army for 19 years and had served on eight operational tours including Bosnia, Iraq, three of Northern Ireland and three of Afghanistan and had recently been selected for promotion to the rank of Sergeant. He leaves a wife, Emma, parents, Aileen and Andrew, and two sisters, Rebecca and Martha.

**2. Proposal and Issues**

2.1 The Assembly is asked to stand for two minutes' silence as a mark of respect.

**3. Options Appraisal - n/a**

**4. Consultation - n/a**

**5. Financial Implications - n/a**

**6. Legal Implications - n/a**

**7. Other Implications - n/a**

**Background papers used in the preparation of the report – none**

**List of appendices - none**



## ASSEMBLY

11 JULY 2012

<b>Title:</b> The Queen's Birthday Honours list 2012 - award of MBE to both Alderman Frederick Charles Jones and Rita Margaret Giles	
<b>Report of:</b> The Leader of the Council	
<b>Open</b>	<b>For Information</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> No
<b>Report Author:</b> Margaret Freeman, Senior Democratic Services Officer	<b>Contact Details:</b> Tel: 020 8227 2638 E-mail: <a href="mailto:margaret.freeman@lbbd.gov.uk">margaret.freeman@lbbd.gov.uk</a>
<b>Accountable Divisional Director:</b> Tasnim Shawkat, Divisional Director Legal and Democratic Services	
<b>Summary:</b>  The Assembly is asked to note the award in the Queen's Birthday Honours list 2012 of MBE to both Alderman Frederick Charles Jones and Rita Margaret Giles for services to the community.	

**1. Introduction and Background****Alderman Frederick Charles Jones:**

- 1.1 Fred Jones was elected to the Council in 1964 and remained a Councillor for 42 years.
- 1.2 He was awarded Honorary Freedom of the Borough in 1985 and was Mayor for the municipal year 1990/91. During his time on the Council, Fred was Chair of the Libraries Committee, Vice-Chair of the Education Committee and served on numerous other committees. External organisations that he served on included the Barking Arts Council, Barking and Dagenham Voluntary Service Association and the Witten Association.
- 1.3 On 11 October 2006 Fred was appointed as an Honorary Alderman of the London Borough of Barking and Dagenham in recognition of his outstanding service to the Council.

**Rita Margaret Giles:**

- 1.4 Rita Giles moved to Dagenham in 1940 at the age of five. At 14 she joined the 7<sup>th</sup> Dagenham Scouts and progressed to Assistant Scout Leader before becoming secretary and fundraiser. She remained active in the Scouting movement for 40 years, became Chair of fundraising and helped raise the funds for a District Headquarters building in Reede Road, Dagenham.

- 1.5 Rita was a member of the Barking and Dagenham Youth Organisation and secretary of the Witten Twinning Committee.
- 1.6 In 1982 Rita was invited to become a Justice of the Peace and remained a Magistrate until her retirement in 2005, aged 70.
- 1.7 On 15 June 2007 Rita received the Borough Recognition Award and on 8 April 2011 was awarded Honorary Freedom of the Borough.

**2. Proposal and Issues**

- 2.1 The Assembly is asked to note the award of MBE in the Queen's Birthday Honours list 2012 to both Alderman Frederick Charles Jones and Rita Margaret Giles for services to the community.

**3. Options Appraisal - n/a**

**4. Consultation - n/a**

**5. Financial Implications - n/a**

**6. Legal Implications - n/a**

**7. Other Implications - n/a**

**Background papers used in the preparation of the report – none**

**List of appendices - none**

## ASSEMBLY

11 July 2012

<b>Title: MEMBERS' CODE OF CONDUCT</b>	
<b>Report of: The Monitoring Officer</b>	
<b>Open</b>	<b>For Decision</b>
<b>Wards Affected: None</b>	<b>Key Decision: No</b>
<b>Report Author: Margaret Freeman</b>	<b>Contact Details:</b> Tel: 020 8227 2638 E-mail: <a href="mailto:margaret.freeman@lbbd.gov.uk">margaret.freeman@lbbd.gov.uk</a>
<b>Accountable Divisional Director:</b>	<b>Tasnim Shawkat, Divisional Director for Legal and Democratic Services</b>
<b>Accountable Director:</b>	<b>The Chief Executive</b>
<p><b>Summary:</b></p> <p>Further to the report to Assembly on 16 May 2012, this report sets out the final draft version of the new Code of Conduct based on the Department of Communities and Local Government wording but incorporating relevant elements from the LGA template as well as the specific comments expressed by the Standards Committee and that of the Constitution Working Group.</p> <p>The report also updates the Assembly on:</p> <ol style="list-style-type: none"> <li>1. the implications for the Members' Code of Conduct of the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (the Regulations) which came into effect on 1 July 2012 which includes provision for dispensation of interests;</li> <li>2. draft Terms of Reference and membership of the Standards Committee and Standards Sub-Committee;</li> <li>3. draft procedures for making complaints against councillors for breaches of the Code of Conduct;</li> <li>4. the redrafting, as a consequence of the Regulations, of the Planning and Licensing and Regulatory Codes of Conduct, which although do not form part of the Statutory Code, are an integral part of the Codes and Protocols contained in the Council's Constitution;</li> <li>5. the appointment of the Independent Person as required under the legislation; and</li> <li>6. Member training to date on the new Standards regime.</li> </ol>	
<p><b>Recommendation(s)</b></p> <p>The Assembly is asked to:</p> <ol style="list-style-type: none"> <li>(a) note the report; and</li> <li>(b) adopt with immediate effect: <ol style="list-style-type: none"> <li>(i) the final draft Code of Conduct as set out in Appendix A;</li> </ol> </li> </ol>	

- (ii) the Terms of Reference of the Standards Committee and Standards Sub-Committee as set out in Appendix C;
  - (iii) the procedure for making complaints against a councillor for breach of the Code of Conduct as set out in Appendix D;
  - (iv) the redrafted Codes of Conduct for Planning Matters and for Licensing and Regulatory Matters set out in Appendices E and F respectively.
- (c) to confirm the Member appointments to the Standards Committee, and
- (d) to delegate to the Monitoring Officer the responsibility for granting dispensations, on the basis that appeals against refusal will be determined by the Standards Committee.

Once the Members' Code of Conduct is adopted, the Council is under a duty to publicise it in such a manner as is likely to bring it to the attention of local residents.

**Reason(s)**

To enable the Council to ensure that its members and co-opted members maintain high standards of conduct and to comply with the Localism Act 2011.

**1. Introduction and Background**

- 1.1 The Localism Act 2011 (the Act) requires each local authority to adopt a Code of Conduct that:
- (a) can only apply to members and co-opted members when acting in that capacity;
  - (b) is consistent with the seven "Nolan" principles of standards in public life, namely selflessness, integrity, objectivity, accountability, openness, honesty and leadership; and
  - (c) sets out the rules that the authority has in place with regard to requiring members to register and disclose pecuniary and non-pecuniary interests.
- 1.2 The decision to adopt a local statutory Code of Conduct must be taken by the Assembly.
- 1.3 At its meeting on 16 May 2012 the Assembly agreed to adopt the current Code of Conduct as modified by the Regulations under sections 30 and 31 of the Act and to delegate authority to the Monitoring Officer to take such steps as were required to comply with the Act and the Regulations until the matter could be brought back to this meeting of the Assembly.
- 1.4 The Regulations were recently published and came into effect on 1 July 2012.

**2. Proposal and issues**

**The Code of Conduct**

- 2.1 The Standards Committee at its meeting on 25 April 2012 received an initial report detailing the LGA draft Template Code of Conduct upon which a number of observations and suggestions were made. Taking these into account as well as

additional points raised at the meeting of the Committee on 21 June, and comments from the Constitution Working Group, a finalised Code is set out in **Appendix A**.

### **The Regulations**

- 2.2 Attached as **Appendix B** is a copy of the Regulations that have been issued in accordance with Section 30 of the Localism Act 2011, and which came into effect on 1 July 2012.
- 2.3 Relevant provisions under the Act concerning registration and declarations of interest have also been incorporated into the finalised Code. The Act is more prescriptive about the requirements on Members to declare and register financial and other interests. In summary, the main provisions are:
- 2.3.1 A requirement for members to register “discloseable pecuniary interests” prescribed in Regulations at the time of their election or appointment.
  - 2.3.2 A requirement on members to declare discloseable pecuniary interests and to not participate or vote in an item where the member has the interest.
  - 2.3.3 A requirement on members to update their register entry if they declare a discloseable pecuniary interest at a meeting but which is not currently on the register of interests.
  - 2.3.4 A power for the Council to require Members to register and declare other pecuniary and non-pecuniary interests (“Other Interests”).
  - 2.3.5 The Act also gives power to the Council to require members who have declared a discloseable pecuniary interest to withdraw from the meeting room.
  - 2.3.6 The introduction of criminal offences in limited circumstances where discloseable pecuniary interests are either not registered nor declared.
  - 2.3.7 A provision for the Council to grant dispensations in respect of discloseable pecuniary interests. It is proposed that for the purposes of expediency and transparency the power to grant dispensations should be delegated to the Monitoring Officer, with appeals against refusals being determined by the Standards Committee.
- 2.4 **Definitions:**
- 2.4.1 A “pecuniary” interest is most easily defined as a “financial” interest and so would include interests such as a Members’ home or job.
  - 2.4.2 A non-pecuniary interest could be membership of a political party or interest group.
  - 2.4.3 Very approximately, a discloseable pecuniary interest appears to be equivalent to the “prejudicial interest” under the current Code and non-pecuniary interest is equivalent to the current “personal interest” in both definition and the obligations imposed on Members by the Codes. Full definitions are included in the proposed Code at **Appendix A**.

### **Council Constitution**

- 2.5 As a consequence of the Act and the Regulations, amendment is required to the Terms of Reference of the Standards Committee and Standards Sub-Committee, currently set out in the Council Constitution at Article 7 of Part B and Section L of Part C. Set out in **Appendix C** are the terms of reference and membership of the Standards Committee and Standards Sub-Committee, the appointment to the former being an Assembly responsibility.
- 2.6 The opportunity has also been taken to update the Codes of Conduct for Planning Matters and for Licensing and Regulatory Matters set out in **Appendices E and F** respectively. These Codes, whilst not forming part of the statutory Code, are seen as an integral part of the Codes and Protocols contained in the Council's Constitution.
- 2.7 The Constitution also includes a number of other protocols and procedures which are relevant to the Members' Code of Conduct. These will be updated, included as revisions in the Constitution and communicated to Members in due course.

### **Complaints Procedures**

- 2.8 The Act also requires the Council to make arrangements for the handling of complaints that a Member has breached the new Code of Conduct. The previous regime was generally seen as cumbersome and inflexible, so the new regime gives the Council an opportunity to agree an effective but simple process that can promptly deal with complaints. Draft procedures for making complaints were presented to the Standards Committee meeting on 21 June 2012. Points raised by the Committee have been incorporated into the draft procedures and they are set out at **Appendix D**. In addition to guidance, the draft procedures include a flowchart, assessment criteria, and the process for investigation and a hearing through a Standards Sub-Committee.

### **Independent Person**

- 2.9 The Act removes the requirement to have independent members determining complaints under the Code of Conduct. The new regime introduces a requirement for an Independent Person, who will have an advisory role in the determination of future complaints. Arrangements are currently in hand to make an appointment to this role. A separate report will be brought before the Assembly in September to make this appointment.

### **Training**

- 2.10 Training for Members on the new Standards regime took place on 2 July 2012, in addition to which it is proposed to organise a pre-Assembly briefing in September 2012 on the implications for Members of the declarations of interest provisions.

## **3. Options Appraisal**

Although there is scope to frame the Code of Conduct to reflect local circumstances, the Act specifies what is required, as set out in **Appendix A**.

## **4. Consultation**

The Standards Committee and the Constitution Working Group have been regularly consulted.

## 5. Financial Implications

Implications completed by: David Abbott Senior Finance Officer  
Telephone and email: 020 8227 2261 [David.abbott@lbbd.gov.uk](mailto:David.abbott@lbbd.gov.uk)

There are no financial implications (incremental costs or savings) associated with this report. This will be carried out within the existing Legal & Democratic Services budget and establishment. Adoption of appropriate codes of conduct is essential, not only to meet statutory requirements, but to genuinely safeguard the Authority's assets.

## 6. Legal Implications

Implications completed by Fiona Taylor  
Telephone and email: 0208 227 3295 [fiona.taylor@lbbd.gov.uk](mailto:fiona.taylor@lbbd.gov.uk)

The statutory requirements for the Code and Procedure are set out in the body of this report. The new regime came into force on 1 July 2012. It is considered that the above arrangements comply with the duty to promote and maintain high standards of conduct and the duty to have a code that is consistent with the Nolan principles.

## 7. Other Implications

None

### Background Papers Used in the Preparation of the Report:

The Localism Act 2011  
The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012

### List of appendices:

<b>Appendix A:</b>	Draft Code of Conduct
<b>Appendix B:</b>	Disclosable Pecuniary Interests Regulations
<b>Appendix C:</b>	Draft Terms of Reference and composition of the Standards Committee and Standards Sub-Committee
<b>Appendix D:</b>	Draft Complaints Procedure
<b>Appendix E:</b>	Draft Code of Conduct for Planning Matters
<b>Appendix F:</b>	Draft Code of Conduct for Licensing and Regulatory Matters

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**DRAFT****Code of Conduct for Councillors****London Borough of Barking and Dagenham**

1. As an elected member or co-opted member (“Member”) of the London Borough of Barking and Dagenham I have a responsibility to represent the Community and work constructively with our staff and partner organizations to secure better social, economic and environmental outcomes for all.
2. As a Member I have a duty to maintain high standards of conduct. This Code of Conduct (“the Code”) helps to discharge this duty by providing the standards of conduct expected of its Members when acting in their official capacity.
3. This Code regulates the conduct of Members. It does not apply to or seek to regulate the performance, politics or policies of the Council or its individual councillors. These are matters decided by the residents at local elections.

**Principles of good conduct**

4. In accordance with the provisions of the Localism Act 2011, when acting in the capacity of a Member I am committed to behaving in a manner that is consistent with the following principles to achieve best value for our residents and maintain public confidence in this authority.

**SELFLESSNESS**

To serve only the public interest and never improperly confer an advantage or disadvantage on any person

**INTEGRITY**

Not to place myself in situations where my integrity may be questioned, not to behave improperly and on all occasions to avoid the appearance of such behaviour

**OBJECTIVITY**

To make decisions on merit, including when making appointments, awarding contracts or recommending individuals for rewards or benefits.

**ACCOUNTABILITY**

To be accountable to the public for my actions and the manner in which I carry out my responsibilities and to co-operate fully and honestly with any scrutiny appropriate to my Office.

**OPENNESS**

To be as open as possible about my actions and those of the Council and be prepared to give reasons for those actions.

**HONESTY**

Not to place myself in situations where my honesty may be questioned, not to behave improperly and should, on all occasions, avoid the appearance of such behaviour.

**LEADERSHIP**

Should promote and support these principles by leadership and by example and should always act in a way that secures or preserves public confidence.

**Standards of Conduct**

- 5.1 I understand that when I sign up to this Code I must comply with the following standards of conduct / behaviour, which are consistent with the above principles:
- i. To act solely in the public interest and never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for myself, my family, friend or close associates.
  - ii. Not to place myself under a financial or other obligation to outside individuals or organisations that might seek to influence me in the performance of my official duties.
  - iii. To make all decisions on merit when carrying out public duties, such as making public appointments, awarding contracts or recommending individuals for rewards or benefits.
  - iv. To be accountable for my decisions to the public and to co-operate fully with whatever scrutiny is appropriate to my office.
  - v. To be as open as possible about my decisions and actions and the decisions and actions of my authority and to be prepared to give reasons for those decisions and actions.
  - vi. To register and declare any pecuniary and non-pecuniary interests, as set out in this Code.
  - vii. When using or authorising the use by others of the resources of this authority, to ensure that such resources are not used improperly for political purposes (including party political purposes) and to have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.
  - viii. To behave in accordance with all our legal obligations, alongside any requirements contained within this authority's policies, protocols and procedures, including on the use of the authority's resources and dealing with confidential information appropriately.
  - ix. To value and respect colleagues, staff, partners and public, engaging with them in an appropriate manner that underpins the mutual respect

- between us that is essential to good local government and not to act in a manner that could be deemed as bullying, harassment or intimidation.
- x. To promote and support high standards of conduct by leadership and by example.

5.2 I understand that these standards of conduct apply to me when I am acting in my official capacity as a Member and if I breach one or more of these standards someone may make a complaint against me.

## 6 Disclosable Pecuniary Interests

6.1 You have a disclosable pecuniary interest in any business of your authority if it is of a description set out in 6.2 below and is either:

- (a) An interest of yours
- (b) An interest of your spouse
- (c) An interest of your civil partner
- (d) An interest of a person you are living with as a spouse or civil partner

And in the case of paragraphs 6.1(b) – 6.1(c) (“relevant persons”) where you are aware that that relevant person has the interest.

6.2 It relates to or is likely to affect:

- i. Any employment, office, trade, profession or vocation carried on by you or a relevant person for profit or gain;
- ii. Any payment or provision of any other financial benefit (other than from your authority) made or provided within the relevant period in respect of any expenses incurred in carrying out your duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992 other than from a registered political party;
- iii. Any beneficial interest in securities of a body where:
  1. that body (to your knowledge) has a place of business or land in the area of your authority and
  2. either:
    - a. the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or

- b. the beneficial interest exceeds one hundredth of the total issued share capital of the share capital of that body, if of more than one class, the total nominal value of the shares of any one class.
- iv. Any contract for goods, services or works which has not been fully discharged between you or a relevant person and your authority or a body in which you or they have a beneficial interest;
- v. A beneficial interest in any land in your authority's area;
- vi. Any tenancy where to your knowledge:
  - (a) the landlord is your authority and
  - (b) the tenant is a body in which you or a relevant person has a beneficial interest.
- vii. A licence of any land in your authority's area (alone or jointly with others) that you or a relevant person occupy for a month or longer.

## **7. Other Pecuniary Interests**

7.1 You have a pecuniary interest in any business of your authority where it relates to or is likely to affect:

- i. any person or body who employs or has appointed you;
- ii. any contract for goods, services or works made between your authority and you or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specific in paragraph 6.2.(iii) which has been fully discharged within the last 12 months.

## **8. Non-Pecuniary Interests**

8.1 You have a non-pecuniary interest in any business of your authority where either:-

- (a) it relates to or is likely to affect:
  - i. any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority;
  - ii. any body:
    - 1. exercising functions of a public nature;
    - 2. directed to charitable purposes; or

3. one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union);  
of which you are a member or in a position of general control or management;
- iii. the interests of any person from whom you have received a gift or hospitality with an estimated value of at least £50;
- iv. a decision in relation to that business which might reasonably be regarded as affecting your wellbeing or the wellbeing of a relevant person to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the electoral ward, as the case may be, affected by the decision.

## **9. Disclosure of Interests**

- 9.1 Subject to sub-paragraphs 9.2 to 9.5, where you have a disclosable pecuniary interest, other pecuniary interest or a non-pecuniary interest in any business of your authority and you are present at a meeting of your authority at which the business is considered, you must disclose to that meeting the existence and nature of that interest whether or not such interest is registered on your Register of Interests or for which you have made a pending notification.
- 9.2 Sub-paragraph 9.1 only applies where you are aware or ought reasonably to be aware of the existence of the pecuniary or non pecuniary interest.
- 9.3 Where you have an interest in any business of your authority which would be disclosable by virtue of paragraph 9.1 but by virtue of paragraph 13 (sensitive interests) details of the interest are not registered in your authority's published register of members' interests and that the interest is a disclosable pecuniary interest (if that is the case), you need not disclose the nature of the interest to the meeting.
- 9.4 Where you have a pecuniary interest in any business of your authority and a function of your authority may be discharged by you acting alone in relation to that business, you must ensure you notify the authority's Monitoring Officer of the existence and nature of that interest within 28 days of becoming aware that you will be dealing with the matter even if more than 28 days before you will actually deal with the business.
- 9.5 Where you have an interest in any business of your authority which would be disclosable by virtue of paragraph 9.1 and you have made an executive decision in relation to that business you must ensure that any written statement of that decision records the existence and nature of that interest.

9.6 In this paragraph “executive decision” is to be construed in accordance with any regulations made by the Secretary of State under section 22 of the Local Government Act 2000.

## 10. Disclosure of Interests generally

10.1 Subject to sub-paragraph 10.2 where you have a pecuniary interest in any business of your authority you also have a disclosable pecuniary interest in that business where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgment in the public interest.

10.2 You do not have a disclosable pecuniary interest in any business of your authority where that business

- i. does not affect your financial position or the financial position of a person or body described in paragraph 8.1 (a) i. and ii.;
- ii. does not relate to the determining of any approval, consent, licence, permission or registration in relation to you or any person or body described in paragraph 8.1 (a) i and ii; or
- iii. relates to the functions of your authority in respect of
  - (a) housing, where you are a tenant of your authority provided that those functions do not relate particularly to your tenancy or lease;
  - (b) school meals or school transport and travelling expenses, where you are a parent or guardian of a child in full time education, or are a parent governor of a school, unless it relates particularly to the school which the child attends;
  - (c) statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992, where you are in receipt of, or are entitled to the receipt of, such pay;
  - (d) an allowance, payment or indemnity given to members;
  - (e) any ceremonial honour given to members; and
  - (f) setting council tax or a precept under the Local Government Finance Act 1992.

## 11. Effect of Disclosable Pecuniary Interests on participation

### 11.1 You may not-

- a. if present at a meeting of the authority or of any committee, sub-committee, joint committee or joint sub-committee of the authority and
- b. you have a Disclosable Pecuniary Interest in any matter to be considered, or being considered, at the meeting and
- c. you are aware that sub-paragraph 11.1.b is met:
  - i. participate, or participate further, in any discussion of the matter at the meeting, or
  - ii. participate in any vote, or further vote, taken on the matter at the meeting

and must withdraw from the room or chamber where the meeting considering the business is being held unless you have received a dispensation from the Authority's Proper Officer (Monitoring Officer). The process for applying for a dispensation can be found in the Council's Constitution or advice can be sought from the Monitoring Officer.

- d. exercise executive functions in relation to that business and
- e. seek improperly to influence a decision about that business

11.2 If a function of your authority may be discharged by a member acting alone and you have a Disclosable Pecuniary Interest in any matter to be dealt with or being dealt with in the course of discharging that function you may not take any steps or any further steps in relation to the matter (except for the purpose of enabling the matter to be dealt with otherwise than by yourself).

11.3 If you have a Pecuniary Interest other than a Disclosable Pecuniary Interest in any business of your authority which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgment of the public interest and you are present at a meeting of the authority at which such business is to be considered or is being considered you must:-

11.3.1 Disclose the existence and nature of the interest in accordance with paragraph 9.1 (but subject to paragraph 9.3).

11.3.2 Withdraw from the room or chamber where the meeting considering the business is being held, unless you have obtained a dispensation from your authority's proper officer in a case where paragraph 11.3 applies, immediately after making your representations or in any other case when the business is under consideration unless you have obtained a dispensation from your authority's proper officer.

## 12. Registration of Members' Interests

Subject to paragraph 13, you must, within 28 days of—

- (a) this Code being adopted by or applied to your authority; or
- (b) your election, re-election or appointment or re-appointment to office (where that is later), or co-opted onto the authority

register in your authority's register of members' interests (maintained by the Monitoring Officer under Section 29(1) of the Localism Act 2011) details of:

- (i) disclosable pecuniary interests as referred to in paragraph 6 that you, your spouse, civil partner or person with whom you live as if they were your spouse or civil partner in so far as you are aware of their interests at that time
  - (ii) other pecuniary interests referred to in paragraph 7 that you have
- (c) Subject to paragraph 13, you must within 28 days of becoming aware of any new disclosable pecuniary interest as referred to in paragraph 6 that you, your spouse, civil partner or person with whom you live as if they were your spouse or civil partner, or change to any disclosable pecuniary interest registered under paragraphs 12.(i) or (ii) above

by providing written notification to your authority's Monitoring Officer.

## 13. Sensitive Information

- 13.1 Where you have a disclosable pecuniary interest referred to in paragraph 6 or other pecuniary interest referred to in paragraph 7 and the nature of the interest is such that you and your authority's Monitoring Officer consider that disclosure of details of the interest could lead to you or a person connected with you being subject to violence or intimidation if the interest is entered in the authority's register then copies of the register available for inspection and any published version of the register should not include details of the interest but may state that you have an interest details of which are withheld under s32(2) of the Localism Act 2011 and/or this paragraph.
- 13.2 You must, within 28 days of becoming aware of any change of circumstances which means that information excluded under paragraph 13.1 is no longer sensitive information, notify your authority's monitoring officer.



13.3 In this Code “sensitive information” means information whose availability for inspection by the public creates, or is likely to create, a serious risk that you or a person who lives with you may be subject to violence or intimidation.

**14. Gifts and Hospitality**

14.1 You must, within 28 days of receipt, notify the Monitoring Officer in writing of any gift, benefit or hospitality with a value of £25 or more which you have accepted as a Member from any person or body other than the authority.

14.2 The Monitoring Officer will place your notification on a public register of gifts and hospitality.

14.3 Detailed information as to gifts and hospitality given and received can be found in the Council’s Constitution or advice can be sought from the Monitoring Officer.

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S T A T U T O R Y   I N S T R U M E N T S

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**2012 No.**

**LOCAL GOVERNMENT, ENGLAND**

**The Relevant Authorities (Disclosable Pecuniary Interests)  
Regulations 2012**

<i>Made</i>	- - - -	***
<i>Laid before Parliament</i>		***
<i>Coming into force</i>	- -	<i>1st July 2012</i>

The Secretary of State, in exercise of the powers conferred by sections 30(3) and 235(2) of the Localism Act 2011(a), makes the following Regulations.

**Citation, commencement and interpretation**

**1.**—(1) These Regulations may be cited as the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 and shall come into force on 1st July 2012.

(2) In these regulations—

“the Act” means the Localism Act 2011;

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

“director” includes a member of the committee of management of an industrial and provident society;

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

“M” means the person M referred to in section 30 of the Act;

“member” includes a co-opted member;

“relevant authority” means the authority of which M is a member;

“relevant period” means the period of 12 months ending with the day on which M gives a notification for the purposes of section 30(1) of the Act;

“relevant person” means M or any other person referred to in section 30(3)(b) of the Act;

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

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(a) 2011 c.20.

(b) 2000 c. 8.

## Specified pecuniary interests

2. The pecuniary interests which are specified for the purposes of section 30(3) of the Localism Act 2011 are the interests specified in the Schedule to these Regulations.

Signed by authority of the Secretary of State for Communities and Local Government

Date *Name*  
Parliamentary Under Secretary of State  
Department for Communities and Local Government

## SCHEDULE

Regulation 2

<i>Subject</i>	<i>Prescribed description</i>
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992(a).
Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	Any tenancy where (to M's knowledge)— (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.

(a) 1992 c. 52.

Securities

Any beneficial interest in securities of a body where—

(a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and

(b) either—

(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or

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

**EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

Section 30 of the Localism Act 2011 provides that a member or co-opted member of a local authority and certain other authorities, on taking office, must notify the authority's monitoring officer of any disclosable pecuniary interest which that person has at the time of notification. These Regulations specify what is a pecuniary interest. Section 30(3) sets out the circumstances in which such an interest is a disclosable interest.

A full impact assessment has not been produced for these Regulations as no impact on the private or voluntary sectors is foreseen.

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## ARTICLE 7

### THE STANDARDS COMMITTEE

#### **1 Legal Status**

- 1.1 The Standards Committee is a committee established under Section 28 of the Localism Act 2011. The rules of political proportionality apply.

#### **2 Role**

- 2.1 The Standards Committee is responsible for
- (i) promoting and maintaining high standards of conduct by Members and statutory Co-opted Members of the authority; and
  - (ii) hearing and determining complaints about elected Members and Co-opted Members referred to it by the Monitoring Officer.

#### **3 Membership**

- 3.1 Six Elected Members of whom one member may be a member of the Cabinet, nominated by the Leader of the Council.

#### **4 Quorum**

- 4.1 Two Members.

#### **5 Chair and Deputy Chair**

- 5.1 Appointed by the Assembly. The Deputy Chair shall deputise for the Chair in his or her absence. A Member of the Cabinet may not Chair the Committee.

#### **6 Frequency of Meetings**

- 6.1 At least quarterly.

#### **7 Venue and Time**

- 7.1 The Civic Centre, Dagenham.
- 7.2 3.00 p.m. on Thursdays.

## **8 Terms of Reference**

8.1 See Scheme of Delegation in Part C of the Constitution for details.

## **9 Appointment and Accountability**

9.1 Accountable to the Assembly. The Committee will report to the Assembly on matters requiring the latter's approval.

9.2 The Chair (or in his/her absence the Deputy Chair) to be the overall spokesperson for the Committee at appropriate times (e.g. when reporting to the Assembly).

## **10 Employee Support**

10.1 The Divisional Director of Legal & Democratic Services will provide the main support and general advice to the Committee.

10.2 The Chief Executive in consultation with the Corporate Director of Finance and Commercial Services (in the role as the Chief Financial Officer - Section 151 Officer) and the Monitoring Officer, will deal with any conduct or probity issues of concern.

10.3 The Chief Executive may also report to the Committee on any related matters of particular concern.

## **11 Rights and Responsibilities of the Independent Person**

11.1 The Independent Person will attend meetings of the Standards Committee and Standards sub-committees and act in an advisory capacity only with no voting rights;

11.2 The Independent Person will have an advisory role in consultation with the Monitoring Officer at the Standards sub-committees in the determination of complaints against Elected Members;

11.3 The Independent Person may be consulted on other standards matters by all members including an Elected Member who is the subject of an allegation.

11.4 The Independent Person is expected to declare any interests and to respect confidentiality and observe the Council's Procedures, Codes and Protocols in their workings with the Council.

11.5 The Independent Person may claim reasonable expenses for attendance, travel and subsistence.

11.6 The Independent Person is appointed annually by the Assembly.



12. **Sub-Committee**

12.1 In accordance with the Section 28(6) and (7) of the Localism Act 2011 the Standards sub-committee is appointed to:

- (i) conduct hearings, and
- (ii) determine complaints.

12.2 The quorum for each sub-committee is three voting Members

12.3 Membership of each sub-committee will be appointed from Members of the Standards Committee

12.4 The Chair shall be elected by the sub-committee at each meeting

12.5 The terms of reference of the sub-committee are set out in the Scheme of Delegation in Part C of the Constitution;

12.6 Meeting dates for each of the sub-committees will be determined by the Monitoring Officer in consultation with the Chair of the Standards Committee and the Independent Person.

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*(Contact Officer: Group Manager, Democratic Services: Tel: 020 8227 2135)*

## SECTION L - THE STANDARDS COMMITTEE

1. Promoting and maintaining high standards of conduct by Members and Co-opted Members of the authority.
2. Receiving reports from the Monitoring Officer and assessing the operation and effectiveness of the Code of Conduct for Members.
3. Advising on training or arranging to train Members and Co-opted Members on matters relating to the Code of Conduct for Members.
4. Assisting elected Members and Co-opted Members to observe the Code of Conduct for Members.
5. Receiving referrals from the Monitoring Officer into allegations of misconduct in accordance with the authority's assessment criteria.
6. In consultation with the Monitoring Officer, appointing Standards sub-committees to hear and determine complaints about elected Members and Co-opted Members referred to it by the Monitoring Officer.
7. Advising the Council upon the contents of and requirements for codes/ protocols/other procedures relating to standards of conduct throughout the Council.
8. Maintaining oversight of the Council's arrangements for dealing with complaints;.
9. Informing the Assembly and the Chief Executive of relevant issues arising from the determination of Code of Conduct complaints.
10. Hearing and determining any appeals against refusal by the Monitoring Officer to grant dispensations.

**Terms of Reference of the Standards Sub-Committee**

- 11.1 To conduct a hearing into an allegation that an Elected Member or Co-opted Member has breached the Council's Code of Conduct.
- 11.2 Following a hearing, make one of the following findings:
  - (a) that the Member has not failed to comply with the Code of Conduct and no further action needs to be taken in respect of the matters considered at the hearing;
  - (b) that the Member has failed to comply with the Code of Conduct but that no further action needs to be taken in respect of the matters considered at the hearing;
  - (c) that the Member has failed to comply with the Code of Conduct and that a sanction and/or an informal resolution should be imposed.

- 11.3 The sub-committee may impose any action or combination of actions available to it, or impose any informal resolution or combination of informal resolutions as are available to it by law or policy.
- 11.4 After making a finding the sub-committee shall, as soon as reasonably practicable, provide written notice of its findings and the reasons for its decision to the Member and complainant.

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*(Contact Officer: Group Manager, Democratic Services: Tel: 020 8227 2135)*

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## **Procedure for making Complaints against a Councillor for breach of the Code of Conduct**

### **1. Introduction and Context**

- 1.1 These procedures set out how you may make a complaint that an elected or co-opted member of this authority has failed to comply with the Members' Code of Conduct. The procedures set out how the authority will deal with any allegations of a failure to comply with the Members' Code of Conduct.
- 1.2 Under Section 28(6) and (7) of the Localism Act 2011, the Council must have in place "arrangements" under which allegations that a member or co-opted member of the authority or of a Committee or Sub-Committee of the authority, has failed to comply with Code of Conduct and can be investigated and decisions made on such allegations.
- 1.3 Such arrangements must provide for the authority to appoint at least one Independent Person, whose views must be sought by the authority before it takes a decision on an allegation which it has decided shall be investigated, and whose views can be sought by the authority at any other stage, or by a member against whom an allegation has been made.

### **2. The Code of Conduct**

- 2.1 The Assembly has adopted a Code of Conduct for Members, which is available for inspection on the Council's website ([www.lbbd.gov.uk](http://www.lbbd.gov.uk)) and on request from Democratic Services at the Civic Centre Offices, Dagenham, Essex RM10 7BN.

### **3. Making a complaint**

- 3.1 If you wish to make a complaint, please write to:

The Monitoring Officer Tasnim Shawkat, Room 156, 1<sup>st</sup> Floor, Civic Centre, Dagenham, Essex, RM10 7BN or email her [tasnim.shawkat@lbbd.gov.uk](mailto:tasnim.shawkat@lbbd.gov.uk) and a complaint form will be sent to you.

- 3.2 The Monitoring Officer is the senior officer of the Council who has statutory responsibility for maintaining the register of members' interests and who is responsible for administering the system in respect of complaints of member misconduct.

- 3.3 In order to ensure that we have all the information which we need to be able to process your complaint, please complete and send us the complaint form, which can be downloaded from the Council's website, next to the Code of Conduct, and is available on request from the Reception at the Council Offices. We will require the form to be completed in order to process the complaint. If you need help in completing the form please contact Margaret Freeman in Legal and Democratic Services on tel: 020 8227 2638.
- 3.4 Please provide us with your name and a contact address or email address, so that we can acknowledge receipt of your complaint and keep you informed of its progress. If you want to keep your name and address confidential, please indicate this in the space provided on the complaint form. Only in exceptional circumstances will your address be kept confidential. Therefore it is important that you give clear reasons for your request for confidentiality. The Monitoring Officer will consider your request and if granted we will not disclose your name and address to the member against whom you make the complaint, without your prior consent.
- 3.5 The Council does not normally investigate anonymous complaints, unless there is clear evidence of a potential breach of the Code and it is in the public interest to investigate the matter.
- 3.6 The Monitoring Officer will acknowledge receipt of your complaint within five working days of receiving it. We will keep you informed of the progress of your complaint at the appropriate stages.
- 3.7 The Complaints Procedure Flowchart is annexed at **Appendix 1** for your assistance.
- 4. Will your complaint be investigated?**
- 4.1 If the complaint is from one member against another member or from an officer of the Council against a member, then the Monitoring Officer will seek to resolve the issue without resorting to this complaints procedure. The Monitoring Officer will seek a mutually agreed outcome in such circumstances and if this is not possible then the procedure set out below will be followed.
- 4.2 The Monitoring Officer will review every complaint received from a member of the public and may consult with the Independent Person before taking a decision as to whether it:

- a) Merits no further investigation
  - b) Merits further investigation
  - c) Should be referred to the Standards Committee
- 4.3 This decision will normally be taken within 28 working days of receipt of your complaint. Your complaint will be considered in accordance with the Assessment Criteria annexed at **Appendix 2**. Where the Monitoring Officer has taken a decision, he/she will inform you of his/her decision and the reasons for that decision. Where the Monitoring Officer requires additional information in order to come to a decision, he/she may come back to you for such information, and may request information from the member against whom your complaint is directed.
- 4.4 If your complaint identifies criminal conduct or breach of other regulation by a member, the Monitoring Officer has the power to call in the Police or other regulatory agencies.
- 5. How is the investigation conducted?**
- 5.1 The Assembly has adopted a procedure for the investigation of misconduct complaints, which is attached as **Appendix 3** to these arrangements.
- 5.2 If the Monitoring Officer decides that a complaint merits further investigation, he/she may appoint an Investigating Officer, who may be another senior officer of the Council, an officer of another authority or an external investigator. The Investigating Officer or Monitoring Officer will decide whether he/she needs to meet or speak to you to understand the nature of your complaint and so that you can explain your understanding of events and suggest what documents need to be seen, and who needs to be interviewed.
- 5.3 The Investigating Officer or Monitoring Officer will normally write to the member against whom you have complained and provide him/her with a copy of your complaint, ask the member to provide his/her explanation of events and identify what documents he/she needs to see and who he/she needs to interview. In exceptional cases, where it is appropriate to keep your identity confidential or disclosure of details of the complaint to the member might prejudice the investigation, the Monitoring Officer can delete your name and address from the papers given to the member, or delay notifying the member until the investigation has progressed sufficiently.

- 5.4 At the end of his/her investigation, the Investigating Officer or Monitoring Officer will produce a draft report (“the Investigation Report”) and will send copies of that draft report, in confidence, to you and to the member concerned, to give you both an opportunity to identify any matters in that draft report which you disagree with or which you consider require more consideration.
- 5.5 Having received and taken account of any comments which you may make, the draft Investigation Report will be finalised. Where an Investigating Officer has been appointed the Investigating Officer will send his/her final report to the Monitoring Officer.
- 6. What happens if the Investigating Officer or Monitoring Officer concludes that there is no evidence of a failure to comply with the Code of Conduct?**
- 6.1 If an Investigating Officer has been appointed, the Monitoring Officer will review the Investigating Officer’s report and, if he/she is satisfied that the Investigating Officer’s report is sufficient, the Monitoring Officer will write to you and to the member concerned notifying you that he/she is satisfied that no further action is required, and give you both a copy of the Final Investigation Report.
- 6.2 If an Investigating Officer has been appointed and if the Monitoring Officer is not satisfied that the investigation has been conducted properly, he/she may ask the Investigating Officer to reconsider his/her report.
- 7. What happens if the Investigating Officer or Monitoring Officer concludes that there is evidence of a failure to comply with the Code of Conduct?**
- 7.1 If an Investigating Officer has been appointed the Monitoring Officer will review the Investigating Officer’s report and will then either send the matter for a hearing before the Standards Sub-Committee or, in consultation with the Independent Person, seek an informal resolution.
- a) Informal Resolution**
- 7.2 The Monitoring Officer may consider that the matter can reasonably be resolved without the need for a hearing. In such a case, he/she will consult with the Independent Person and with you as complainant and seek to agree what you consider to be a fair resolution which also helps to ensure higher standards of conduct for the future. Such resolution may



include the member accepting that his/her conduct was unacceptable and offering an apology, and/or other remedial action by the authority. If the member complies with the suggested resolution, the Monitoring Officer will report the matter to the Standards Committee for information, but will take no further action.

#### **b) Hearing**

- 7.3 If the Monitoring Officer considers that informal resolution is not appropriate, or the member concerned is not prepared to undertake any proposed remedial action, such as giving an apology, then the Monitoring Officer will present the Investigation Report to the Standards Sub-Committee which will conduct a hearing before deciding whether the member has failed to comply with the Code of Conduct and, if so, whether to take any action in respect of the member.
- 7.4 The Assembly has agreed a procedure for hearing complaints, which is attached as **Appendix 4** to these arrangements.
- 7.5 At the hearing, the Investigating Officer or the Monitoring Officer will present his/her report, call such witnesses as he/she considers necessary and make representations to substantiate his/her conclusion that the member has failed to comply with the Code of Conduct. For this purpose, the Investigating Officer or Monitoring Officer may ask you as the complainant to attend and give evidence to the Sub-Committee. The member will then have an opportunity to give his/her evidence, to call witnesses and to make representations to the Sub-Committee as to why he/she considers that he/she did not fail to comply with the Code of Conduct.
- 7.6 The Sub-Committee, with the benefit of any advice from the Independent Person, may conclude that the member did not fail to comply with the Code of Conduct, and dismiss the complaint.
- 7.7 If the Sub-Committee concludes that the member did fail to comply with the Code of Conduct, the Chair will inform the member of this finding and the Sub-Committee will then consider what action, if any, the Sub-Committee should take as a result of the member's failure to comply with the Code of Conduct. In doing this, the Sub-Committee will give the member an opportunity to make representations and will consult the Independent Person, but will then decide what action, if any, to take in respect of the matter.

**8. What action can the Standards Sub-Committee take where a member has failed to comply with the Code of Conduct?**

8.1 The Standards Sub-Committee has been delegated by the Assembly such of its powers to take action in respect of individual members as may be necessary to promote and maintain high standards of conduct.

Accordingly the Sub-Committee may:

- a) Publish its findings in respect of the member's conduct.
- b) Report its findings to Assembly for information.
- c) Recommend to Assembly that the member be issued with a formal censure or be reprimanded.
- d) Recommend to the member's group leader (or in the case of ungrouped members, recommend to Assembly or to Committees) that he/she be removed from any or all Committees or Sub-Committees of the Council.
- e) Recommend to the Leader of the Council that the member be removed from the Cabinet, or removed from particular Portfolio responsibilities.
- f) Instruct the Monitoring Officer to arrange training for the member.
- g) Remove the member from all outside appointments to which he/she has been appointed or nominated by the Council.
- h) Withdraw facilities provided to the member by the Council, such as a computer, website and/or email and internet access.
- i) Exclude the member for up to a maximum of six months from the Council's offices or other premises, with the exception of meeting rooms as necessary for attending Assembly, Committee and Sub-Committee meetings.

8.2 The Sub-Committee has no power to suspend or disqualify the member or to withdraw members' or special responsibility allowances.

**9. What happens at the end of the hearing?**

9.1 At the end of the hearing, the Chair will state the decision of the Standards Sub-Committee as to whether the member failed to comply with the Code of Conduct and any actions which the Sub-Committee resolves to take.

9.2 As soon as reasonably practicable thereafter, the Monitoring Officer will prepare a formal decision notice in consultation with the Chair of the Sub-Committee, and send a copy to you, to the member, make that decision notice available for public inspection and report the decision to the next convenient meeting of the Assembly.

**10. Who are the Standards Sub-Committee Members?**

10.1 It is a Sub-Committee comprising Councillors sitting on the Authority's Standards Committee.

10.2 It will comprise of three elected members appointed from members of the Standards Committee who will have been drawn from all political groups.

10.3 The Independent Person is invited to attend all meetings of the Sub-Committee and their views are sought and taken into consideration before the Sub-Committee takes any decision on whether the member's conduct constitutes a failure to comply with the Code of Conduct and as to any action to be taken following a finding of failure to comply with the Code of Conduct.

**11. Who is the Independent Person?**

11.1 The Independent Person is a person who has applied for the post following advertisement of a vacancy for the post, whose appointment will be ratified by the Assembly.

11.2 A person cannot be "independent" if he/she:

- a) is, or has been within the past 5 years, a member, co-opted member or officer of the authority;
- b) is a relative or close friend, of the complainant or the member(s) against whom the complaint has been made.

**12. Revision of these arrangements**

The Council may by resolution agree to amend these arrangements, and has delegated to the Chair of the Sub-Committee the right to depart from these arrangements where he/she considers that it is expedient to do so in order to secure the effective and fair consideration of any matter the details of which can be found on the Council's website.

**13. Appeals**

13.1 There is no right of appeal for you as complainant or for the member against a decision of the Monitoring Officer or of the Sub-Committee.

13.2 If you feel that the Council has failed to deal with your complaint properly, you may make a complaint to the Local Government Ombudsman whose details are as follows:

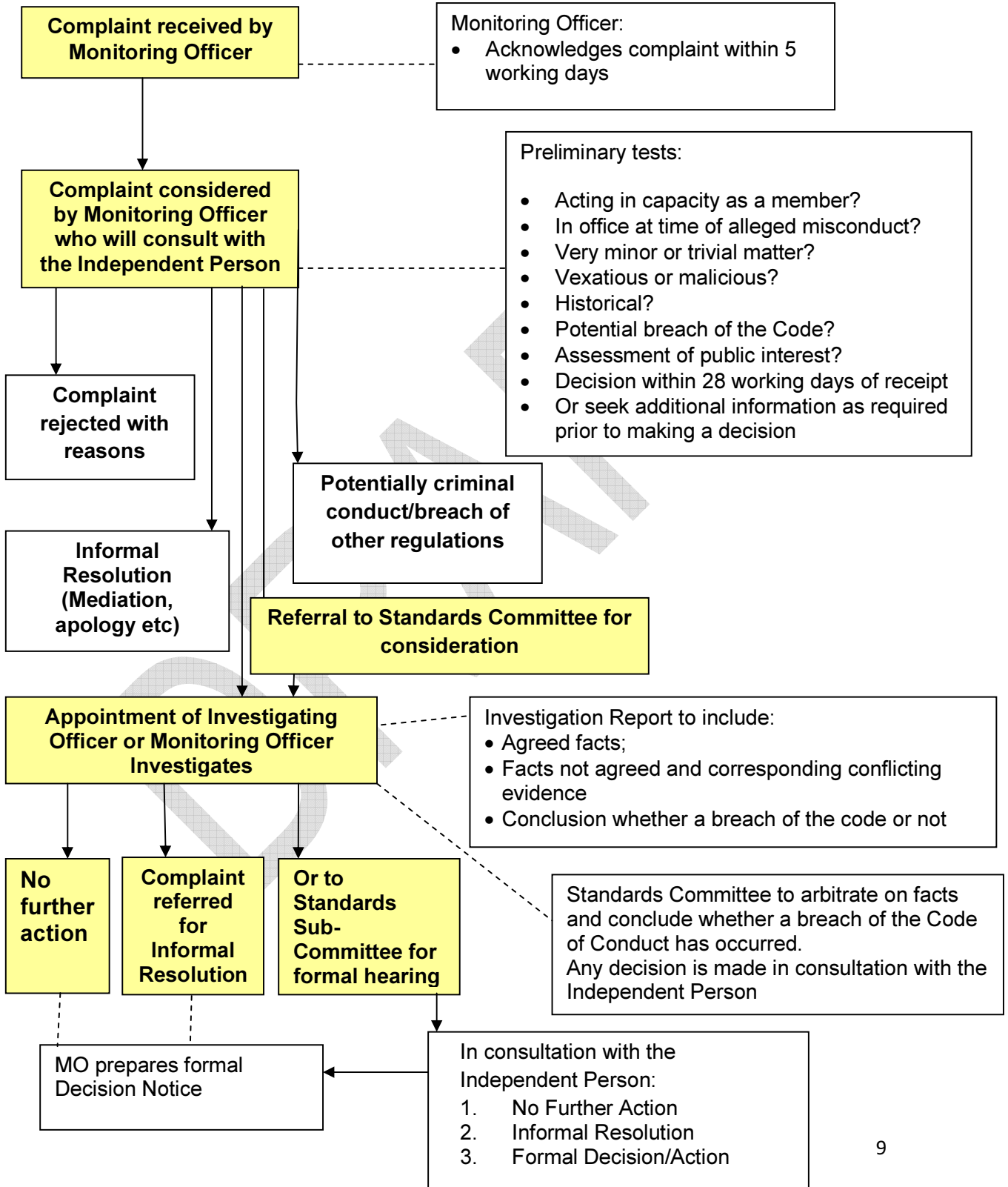
[www.lgo.gov.uk](http://www.lgo.gov.uk)

LGO, PO Box 4771, Coventry, CV4 0EH

Tele: Advice Team – 0300 061 0614

Text to 'call back' 0762 480 3014

### Appendix 1 Complaints Procedure Flowchart



**APPENDIX 2****STANDARDS COMPLAINTS ASSESSMENT CRITERIA****Complaints which would not normally be referred for investigation**

1. The complaint is not considered sufficiently serious to warrant investigation; or
2. The complaint appears to be simply motivated by malice or is “tit-for-tat”; or
3. The complaint appears to be politically motivated; or
4. It appears that there can be no breach of the Code of Conduct; for example,  
  
that it relates to the member’s private life or is about dissatisfaction with a Council decision or service; or
5. It is about someone who is no longer a member of the Council; or
6. There is insufficient information available for a referral; or
7. The complaint has not been received within 3 months of the alleged misconduct, unless there are exceptional circumstances, e.g. allegation of bullying, harassment etc; or
8. The matter occurred so long ago that it would be difficult for a fair investigation to be carried out; or
9. The same, or similar, complaint has already been investigated and there is nothing further to be gained by seeking the sanctions available to the Standards Committee; or
10. It is an anonymous complaint, unless it includes sufficient documentary evidence to show a significant breach of the Code of Conduct; or
11. Where the member complained of has apologised and/or admitted making an error and the matter would not warrant a more serious sanction.

**Complaints which may be referred to the Standards Committee**

1. It is serious enough, if proven, to justify the range of actions available to the Standards Committee; or
2. There are individual acts of minor misconduct which appear to be a part of a continuing pattern of behaviour that is unreasonably disrupting the business of the Council and there is no other avenue left to deal with it other than by way of an investigation; or
3. When the complaint comes from a senior officer of the Council, such as the Chief Executive or the Monitoring Officer and it would be difficult for the Monitoring Officer to investigate; or
4. The complaint is about a high profile member such as the Leader of the Council and it would be difficult for the Monitoring Officer to investigate; or
5. Such other complaints as the Monitoring Officer considers would not be appropriate for him/her to investigate.

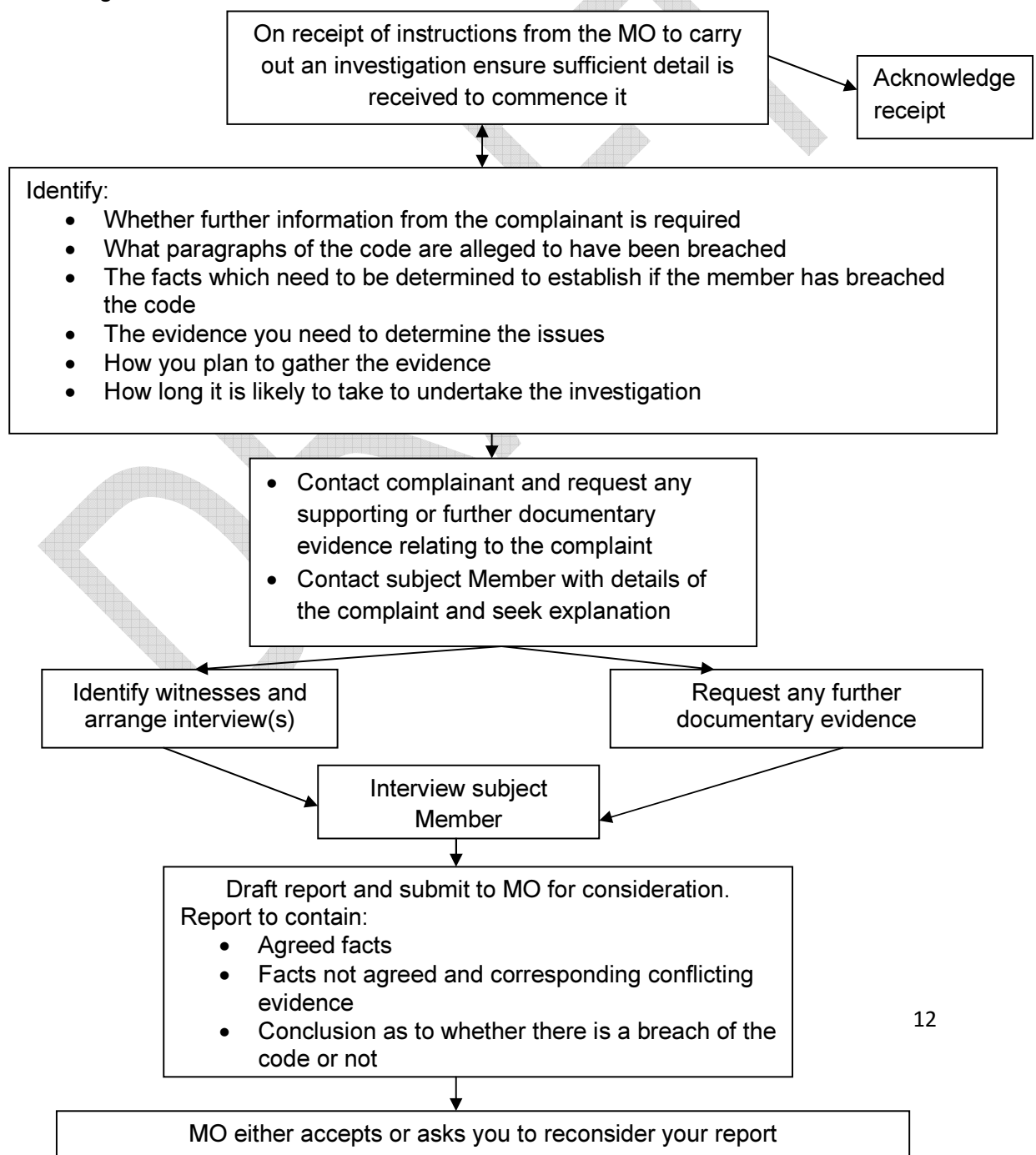
**Whilst complainants must be confident that complaints are taken seriously and dealt with appropriately, deciding to investigate a complaint or to take further action will cost both public money and officers' and members' time. This is an important consideration where the complaint is relatively minor.**

### APPENDIX 3

## STANDARDS COMPLAINTS INVESTIGATION PROCEDURE

You should maintain a written record to demonstrate what was considered at the start of the investigation and plan how you intend to carry out the investigation, the paragraphs of the code that may have been breached, the facts you need to determine to establish, the evidence you will need, how you plan to gather the evidence and how long it will take to conclude your investigation. Remember there is no provision in the Localism Act 2011 compelling Members or witnesses to co-operate with your investigation.

A written Investigation Report will need to be prepared for consideration by the Council's Monitoring Officer.





## Appendix 4

### Complaints Standards Sub-Committee Procedure

<u>Item No.</u>	<u>Procedure</u>
1	<p style="text-align: center;"><b><u>Quorum</u></b></p> <p>1.1. Three Members must be present throughout the hearing to form a quorum.</p> <p>1.2. The Sub-Committee shall nominate a Chair for the meeting.</p>
2	<p style="text-align: center;"><b><u>Opening</u></b></p> <p>2.1 The Chair explains the procedure for the hearing and reminds all parties to turn off mobile phones, audible alarms and pagers etc.</p> <p>2.2 The Chair asks all present to introduce themselves.</p> <p>2.3 The Councillor will be asked whether they wish to briefly outline their position.</p>
3	<p style="text-align: center;"><b><u>The Complaint</u></b></p> <p>3.1 The Investigating Officer shall be invited to present their report including any documentary evidence or other material (and to call witnesses as required by the Investigating Officer). This report and documentary evidence must be based on the complaint made to the Council – no new points will be allowed.</p> <p>3.2 The Councillor against whom the complaint has been made (or their representative) may question the Investigating Officer upon the content of their report and any witnesses called by the Investigating Officer. (This is the Councillor's opportunity to ask questions rising from the Investigator's report and not to make a statement).</p> <p>3.3 Members of the Sub-Committee may question the Investigating Officer upon the content of their report and/or any witnesses called by the Investigating Officer.</p>

4	<p style="text-align: center;"><b><u>The Councillor's case</u></b></p> <p>4.1 The Councillor against whom the complaint has been made (or their representative) may present their case (and call any witnesses as required by the Councillor or their representative).</p> <p>4.2 The Investigating Officer may question the Councillor and/or any witnesses.</p> <p>4.3 Members of the Sub-Committee may question the Member and/or any witnesses.</p>
5	<p style="text-align: center;"><b><u>Summing Up</u></b></p> <p>5.1 The Investigating Officer may sum up the complaint.</p> <p>5.2 The Member (or their representative) may sum up their case.</p>
6	<p style="text-align: center;"><b><u>Decision</u></b></p> <p>6.1 Members of the Sub-Committee will deliberate to consider the complaint in consultation with the Independent Person prior to reaching a decision.</p> <p>6.2 Upon the Sub-Committee's return the Chair will announce the Sub-Committee's decision in the following terms:-</p> <p style="padding-left: 40px;">6.2.1 The Sub-Committee decides that the Member has failed to follow the Code of Conduct or.</p> <p style="padding-left: 40px;">6.2.2 The Sub-Committee decides that the Member has not failed to follow the Code of Conduct.</p> <p style="padding-left: 40px;">6.2.3 The Sub-Committee will give reasons for their decision.</p> <p>6.3 If the Sub-Committee decides that the Member has failed to follow the Code of Conduct the Sub-Committee will consider any representations from the Investigator and/or the Member as to:</p> <p style="padding-left: 40px;">6.3.1 whether any action should be taken, and</p> <p style="padding-left: 40px;">6.3.2 what form any action should take</p>

	<p>6.4 The Sub-Committee will then deliberate to consider what action if any should be taken in consultation with the Independent Person.</p> <p>6.5 On the Sub-Committee's return the Chair will announce the Sub-Committee's decision.</p> <p>6.6 The Sub-Committee will consider whether it should make any recommendations to the Assembly with a view to promoting high standards of conduct among Members.</p> <p>6.7 The Chair will confirm that a full written decision shall be issued within seven working days following the hearing and that the Sub-Committee's findings will be published.</p>
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## Members' Code of Conduct for Planning Matters

### A. Introduction

1. The Council is the Local Planning Authority for Barking and Dagenham.
2. The Council's planning decisions must be taken with regard to policies contained in its adopted Development Plan, any supplementary planning guidance and any other material planning considerations. These decisions are made by Committees of elected Members (the Development Control Board) and also by officers under delegated powers.
3. The Council's current Development Plan is the Local Development Framework (LDF). The LDF must conform to Government Guidance and the London Plan. Planning decisions must be taken in accordance with policies contained in the Development Plan and other material planning considerations such as the National Planning Policy Framework and the London Plan unless material planning considerations justify a departure.
4. Many minor applications are dealt with by officers under delegated authority, as provided for under the Council's Constitution and as a requirement of government performance standards for planning, major schemes and those raising substantial objections are determined by the Development Control Board.
5. This Members Code of Conduct for Planning Matters sets out the rules and procedures for the Council's Development Control Board when determining planning applications and enforcement actions and considering site specific policy issues both in the lead up to and at a Development Control Board meeting. This Code reflects the Council's Members' Code of Conduct and the Employees' Code of Conduct.
6. The law relating to the planning process obliges Members to act in a quasi-judicial and independent manner. They are required to consider planning applications and enforcement matters and site specific policy issues solely on their own merits, in line with published relevant policy.
7. The key objectives of this Code are:
  - 7.1 to protect the Council and individual Members from allegations of unfairness, findings of maladministration and legal challenge
  - 7.2 to ensure that the role of officers, developers and applicants/members of the public are understood
8. To ensure these objectives are maintained all Members of the Council are advised to be familiar with the Code. If there are any concerns or lack of clarity about a planning matter advice will be readily available from Officers. This will help avoid potential conflicts of interest, which may occur from time to time. If there should be any risk of unresolved conflicts with this Code Officers have been instructed to raise their concerns with the Chair of the Development Control Board, who will be asked to take appropriate action, including giving specific advice to Members.

## **B. The Code**

### **1. How to avoid a conflict of interest and still assist your constituents**

- 1.1 In making their decisions Members of Development Control Board are required to have a neutral position on any application. This means they cannot be seen to side with either the applicant or the objector/s prior to the hearing of the application when all the relevant facts are known. Adhering to the following rules will ensure that public confidence in the Development Control Board is maintained and also serve to minimise the prospect of non-planning related matters clouding the judgment of Members. This is a requirement of the law and this guidance is aimed to assist Members in complying with this complex area of legislation and case law. Officers are always available to assist individual Members on these matters.
- 1.2 As their role is quasi-judicial, Members of the Development Control Board must not be involved in the support of, or the opposition to planning applications or enforcement actions. This could be considered as “predetermining” an application for permission or an enforcement action that may be considered by the Board. Similarly, Members of the Development Control Board should not allow themselves to be influenced by members of the public and developers who might approach them and they should not be influenced by party politics or the views of other Members. If Members do have particularly strong views on a particular planning matter they should seek advice from the Divisional Director of Legal and Democratic Services who is the Council’s Monitoring Officer, or the Divisional Director of Regeneration and Economic Development in order to minimise any risk to themselves.
- 1.3 As decision-makers Members of the Development Control Board should approach all applications with an open mind. If they express a view prior to the decision they could be seen to be predetermining the application that is to say they have already made their mind up, They must avoid the appearance of being influenced by those with whom they have a special relationship such as fellow Members, at any stage prior to determination. Members should similarly avoid making public statements as to their support of, or opposition to, any application. This could be considered to be pre-judging the proposal and as such, could bring into question whether Members are acting independently on the merits of the case. While the Localism Act 2011 provides that that it is not conclusive of a closed mind by the fact that a Member may have said something about an application before hearing it may be very difficult to avoid giving such an impression.
- 1.4 If Members should receive lobbying material relating to potential applications, they should not respond and should forward it to the Council’s Development Control Manager. If a Member is approached by an individual or an organisation in relation to a particular planning application on the agenda of an upcoming meeting, the Member should explain that they are unable to personally comment on the application but that the person or organisation may:
  - 1.4.1 Where the application is not yet on the agenda, write to the Planning Officer responsible for the particular application/enforcement action who will take into account any material planning considerations raised in the

representations when preparing the report for the Development Control Board;

1.4.2 Contact the Democratic Services Officer to request to speak at the meeting;

1.4.3 Contact an alternative Councillor who is not a member of the Development Control Board.

1.5 It is recommended that they make a written note of any approach made to them.

1.6 If a Development Control Board Member decides to become involved in organising the support of or opposition to a planning application, then that Member should accordingly declare an interest at the beginning of the meeting (see "When to declare an Interest" below) and remove themselves from taking part in the matter. By becoming involved in a planning application prior to the meeting other than to read the Planning Officer's report and to attend a Site Visit accompanied by the Planning Officers, the Member risks forfeiting his or her right to take part in the discussion or vote on that particular item.

1.7 Ward Councillors who wish to make representations to the Development Control Board should in particular note 1.2 and 1.3 on influencing other Members, 3.1 on Declarations of Interest and 6.3 and 6.4. If any doubt exists in a Member's mind about possible interests they should seek advice from the Divisional Director of Legal and Democratic Services (Monitoring Officer) in advance of the meeting.

## **2. What is an interest?**

2.1 In accordance with the provisions of the Localism Act 2011 there are three possible interests' namely disclosable pecuniary interests; pecuniary interests and non-pecuniary interests

2.2 If a Member of the Board has an interest then he/she must declare the interest as soon as it becomes known.

2.3 If any doubt exists in a Member's mind, they are advised to seek advice from the Monitoring Officer in advance of the meeting. In the final analysis, the duty to declare and the decision as to whether an interest should be disclosed rests with the Member, not with officers.

## **3. Interests and What to do**

### **3.1 Pecuniary Interests**

3.1.1 These are defined in the Members Code of Conduct and consist of disclosable pecuniary interests and non-disclosable pecuniary interests. If the interest is disclosable as defined under the Localism Act 2011 then the Member should not take part whilst that matter is being considered, unless they have been issued with a Dispensation from the authority's Proper Officer. If the interest is pecuniary but not within the statutory definition of disclosable then the test of whether the interest is one that a member of the public with the knowledge of the relevant facts would reasonably regard it to be so significant that it is likely to prejudice the Member's

judgement of the public interest.. If it does then the Member cannot take part whilst the matter is being discussed.

- 3.1.2 It is strongly recommended that as soon as Members receive their papers they check each application to make sure that they do not have an interest of any kind. If they consider themselves to have an interest they should notify the Democratic Services Officer responsible for the Development Control Board as soon as possible in advance of the meeting. If it later becomes apparent to the Member that he/she has an interest (which may not be until the meeting) this should be declared as soon as it becomes apparent.
- 3.1.3 The Member should immediately withdraw from the meeting by leaving the room, thereby no further part in that business. If in withdrawing from the meeting the Board becomes inquorate then the item will have to be deferred pending establishing a quorate meeting

### 3.2 **Non Pecuniary Interests –**

- 3.2.1 A Member shall be regarded as having an interest which would be prejudicial to the proceedings if it relates to a planning matter and the interest is one that a member of the public with the knowledge of the relevant facts would reasonably regard it to be so significant that it is likely to prejudice the Member's judgement . In such circumstances a Member is advised to leave the room, so that there can be no doubt that they did not influence the Board who made the decision. In case of doubt, the best advice is to withdraw from dealing with the application.
- 3.2.2 A common potential non-pecuniary interests arises where the Member resides near a development which is the subject of a planning application. While it is for the Member to judge, a useful rule of thumb is "will my enjoyment of my property be affected either positively or negatively by this application?" If the answer is in the affirmative, the Member should declare an interest and exclude themselves from discussion and voting on that item.
- 3.2.3 If a Member has a concern as to whether they may have such an interest they should seek advice from the Monitoring Officer.

## 4. **Decision-Making: Material Planning Considerations**

- 4.1 Members should only consider the planning merits of an application as set out before the Development Control Board in determining whether or not to grant planning permission. Members are not to give weight to non-planning related matters that may be raised by members of the public.
- 4.2 Further, an applicant or objector may not raise any substantial new information at a meeting (including by way of correspondence, other documents, photographs or models) at the Development Control Board meeting without due notice or the consent of the Board.
- 4.3 Any attempts by applicants or objectors (or their agents) to introduce such information in breach of this Code must not be taken into consideration by Members



in arriving at their final decision.

- 4.4 Planning applications are considered with regard to the policies set out in the Development Plan the London Plan and the National Planning Policy Framework. Applications must be determined in accordance with policy unless there are material planning considerations to indicate otherwise. Material considerations include the site history, appeal decisions, Central and London Government Guidance. All these policies and factors must be weighed together before a decision at Development Control Board level is made.
- 4.5 If a decision of a Development Control Board appears to be made on other than planning grounds it could be open to legal challenge. If it is appealed, and a Planning Inspector or the Court decides the decision to be flawed, it may be overturned. This could have serious cost implications for the Council.
- 4.6 If the majority of Members on a Development Control Board make a decision which is contrary to the Planning Officer's recommendations, reasons for the decision need to be given. Officers will at this point outline to Members the implications of the decision they are making.
- 5. Site Visits Protocol**
- 5.1 Members will not make any decisions or discuss the merits or otherwise of a case during the site visit but may seek clarification, particularly about the layout of the site, from the accompanying Planning Officers.
- 5.2 The Democratic Support Officer will record the time/date of the site visit, Members in attendance and any other relevant information.
- 6. Conduct at Meetings**
- 6.1 Members who are not present throughout an entire item for whatever reason must refrain from participating in the discussion on that item and must not vote on it.
- 6.2 As this is a legal process it is vital that Members must be seen to act fairly – Members must not discuss, or appear to discuss, any matter with members of the public during the course of the meeting or in the lead up to it.
- 6.3 Members who are not members of the Development Control Board may speak at a meeting with the agreement of the Chair. Councillors should sit separately from the members of the Development Control Board and they should declare whether they have had any contact with the applicant/objector/property owner or their agents, and whether they are speaking on behalf of a third party, and if so, who.
- 6.4 Members who are not members of the Development Control Board must not communicate with the Members in respect of any undetermined planning matter in any other manner than that described above in the lead up to or during the course of the meeting.

**7. Speaking at Meetings as an interested party or applicant.**

- 7.1 If you have an interest in a matter being discussed at a meeting, you must declare that you have an interest and the nature of that interest as soon as that interest becomes apparent to you. You cannot take part in that matter unless you have been granted a dispensation from the authority's Proper Officer.
- 7.2 You should then leave the room, unless members of the public are allowed to make representations, give evidence or answer questions about the matter, by statutory right or otherwise. If that is the case if you too are eligible you can also attend the meeting for that purpose only. You should not sit with Members of the Board and your right to address the Board is the same as other Members of the public.
- 7.3 In addition, you must not seek to improperly influence a decision in which you have an interest. This rule is similar to your general obligation not to use your position as a Member improperly to your or someone else's advantage or disadvantage.

**8. Breaching the Code**

- 8.1 Failure to comply with this Code of Conduct for Planning Matters could lead to a Member being in breach of the Members' Code of Conduct. Breaches of the Code will be referred to the Council's Standards Committee.

**9. Training**

- 9.1 Members of the Development Control Board are required to attend planning training organised by the Council at which they will need to demonstrate a level of knowledge to the extent that until they have done so they shall not partake in the decision making process of the Board.
- 9.2 Members are encouraged to attend any other specialised training sessions provided, since these will be designed to extend Members' knowledge of planning law, regulations procedures, Codes of Practice and the Development Plans beyond the minimum referred to above and thus assist Members in carrying out their role properly and effectively.

(Contact Officer: The Council's Monitoring Officer - Tel. 020 8227 2114)

**MEMBERS' CODE OF CONDUCT FOR LICENSING AND REGULATORY MATTERS****1. Introduction**

- 1.1 The Licensing Act 2003 (the "Act") transferred responsibility for the licensing of the supply and sale of alcohol, and rationalised this with the control of regulated entertainment and late night refreshment. The Council is required to determine applications for licensed premises and personal licences under the Act. There is a set period for consultation. During that period persons can make relevant representations. These representations must relate to the four statutory Licensing Objectives as set out in the Act.

**2. The Four Licensing Objectives**

- 2.1 The Act requires that the Licensing Functions are carried out with a view to promote the statutory Licensing Objectives of:
- (a) the prevention of Crime and disorder
  - (b) public safety;
  - (c) the prevention of public nuisance; and
  - (d) the protection of children from harm
- 2.2 If relevant representations are made and not resolved or withdrawn then the Act requires the application must be determined by a statutory Licensing Committee established under the Act. For Barking & Dagenham the Licensing Committee functions are performed by the Licensing and Regulatory Board (the "Board").

**3. The Hearing**

- 3.1 The determination of licensing applications must be held in a quasi judicial manner. This means the Board must ensure that the application is determined in a fair and impartial manner and in accordance with natural justice. The Hearing is subject to statutory regulation.
- 3.2 If an applicant or person who made relevant representations is dissatisfied with the decision of the Board then they can appeal to the Magistrates' Court within 21 days of receiving written notice of the decision. The appeal will take the form of a re-hearing.
- 3.3 Members must be mindful of the requirements of the Members Code of Conduct and to avoid predisposition, predetermination or bias. The Board's hearing of applications need to be compliant with these requirements as alleged breaches could lead to judicial review applications to the High Court or complaints to the Council's Standards Committee. Members can ensure that challenges are avoided by following a fair and impartial procedure. This means all parties entitled to address the hearing must be given a full and fair opportunity to present their case before a Committee of Members with an open mind about the application.

4. To avoid risk of challenge Members should have regard to the following:-

#### **4.1 Ward Councillors**

- 4.1.1 The Council Licensing Policy for Licensing Act 2003 applications requires that Members of the Board will not hear cases that relate to premises in their own Ward. At the point the item arises in the proceedings the Member must declare they are a Ward Member and step down from the Board. They may remain in the room but only if they sit within the public gallery.

#### **5. What is an interest?**

- 5.1 In accordance with the provisions of the Localism Act 2011 there are three possible interests' namely disclosable pecuniary interests; pecuniary interests and non-pecuniary interests
- 5.2 If a Member of the Board has an interest then he/she must declare the interest as soon as it becomes known.
- 5.3 If any doubt exists in a Member's mind, they are advised to seek advice from the Monitoring Officer in advance of the meeting. In the final analysis, the duty to declare and the decision as to whether an interest should be disclosed rests with the Member and not with officers.

#### **6. Interests and What to do**

##### **6.1 Pecuniary Interests**

- 6.1.1 "Pecuniary Interests" These are defined in the Members Code of Conduct and consist of disclosable pecuniary interests and non-disclosable pecuniary interests. If the interest is a disclosable pecuniary interest under the Localism Act 2011 then the Member should not take part whilst that matter is being considered, unless they have been issued with a Dispensation from the authority's Proper Officer. If the interest is pecuniary but not within the statutory definition of disclosable then the test of whether the interest is one that a member of the public with the knowledge of the relevant facts would reasonably regard it to be so significant that it is likely to prejudice the Member's judgement of the public interest. If it does then the Member cannot take part whilst the matter is being discussed.
- 6.1.2 It is strongly recommended that as soon as Members receive their papers they check each application to make sure that they do not have an interest of any kind. If they consider themselves to have an interest they should notify the Democratic Services Officer responsible for the Licensing and Regulatory Board as soon as possible in advance of the meeting. If it later becomes apparent to the Member that he/she has an interest (which may not be until the meeting) this should be declared as soon as it becomes apparent.
- 6.1.3 The Member should immediately withdraw from the meeting by leaving the room, thereby not taking any further part in that business. If in withdrawing from the meeting the Board becomes inquorate then the item will have to be deferred pending establishing a quorate meeting.

## 6.2. Non Pecuniary Interests

6.2.1 A Member will still be regarded as having an interest which would be prejudicial to the proceedings if it relates to a licensing/regulatory matter and the interest is one that a member of the public with the knowledge of the relevant facts would reasonably regard it to be so significant that it is likely to prejudice the Member's judgement of the public interest. In such circumstances a Member is advised to leave the room, so that there can be no doubt that the Member did not influence the Board who made the decision. In case of doubt, the best advice is to withdraw from dealing with the application.

6.2.2 As a guide a Member of the Board will be likely to be regarded as having an interest prejudicial to a licensing application if:

- (i) they live near the premises in question, or
- (ii) they are a regular visitor to the premises, or
- (iii) they belong to a lobby group which may be affected by the outcome of the application.

If a Member has a concern as to whether they may have such an interest they are invited to seek advice from the Monitoring Officer.

6.2.3 A Member who declares they have a non pecuniary interest should have regard to the following:

- If the Member is an applicant; or has an interest beyond representing their constituents they will have an interest in a matter being discussed at a meeting.
- A Member is only permitted to be in the room on the same terms as other members of the public who are allowed to make representations, give evidence or answer questions about the matter, by statutory right or otherwise. If that is the case and the Member is also eligible, then they can attend the meeting for that purpose only. A Member should not sit with Members of the Board and the Member's right to address the Board is the same as those other members of the public.
- In addition, a Member must not seek to improperly influence a decision in which they have an interest. This rule is similar to the general obligation not to use the position as a Member improperly to their or someone else's advantage or disadvantage.

## 7.3 Pre-determined Views and Bias

7.3.1 The Council has to ensure that justice is done and seen to be done.

7.3.2 Predetermination or bias would occur where a Member has a closed mind to the merits of any argument either for or against a particular issue and makes a decision without considering all the relevant facts.

7.3.3 This means any Member or prospective Member of the Board must be very careful about what they say in public about the Council's licensing policies or the way in

which applications will be determined. While the Localism Act 2011 provides that that it is not conclusive of a closed mind of pre-determination by the fact that a Member may have said something about an application before hearing it may be very difficult to avoid such an impression.

7.3.4 **Ward Members** - For the avoidance of doubt, simply being a Ward Member for the Ward in which the premises is located, is not in itself a pecuniary or non-pecuniary interest. The reason why a Ward Member cannot hear a matter is because the Council's Licensing Policy states that Ward Members will not determine matters which relate to their Ward to avoid the impression of bias.

## **8.0 Members' right to address the Board**

8.1 Unlike other proceedings of the Council, the right to address the Board is set out in legislation. The only persons who may address the Board during a hearing of an application are those who have made relevant representations. A Member of the Council or a local MP may act as a representative and make relevant representations on behalf of any of these individuals or groups if they are specifically asked to do so.

8.2 Constituents' concerns may be orally presented to the Board by a Member if they:

8.2.1 have been specifically asked to represent an interested party as set out above; or

8.2.2 have either made a relevant representation within the requisite time or represents an interested party who has made a relevant representation within the requisite time.

and are not prevented from so doing by reason of an interest.

8.3 These are the only criteria that can be taken into account, and override any provisions in the Constitution enabling a Member to address a Council as of right.

(Contact Officer: Monitoring Officer - Tel. 020 8227 2114)

## THE ASSEMBLY

11 July 2012

<b>Title:</b> TREASURY MANAGEMENT ANNUAL REPORT 2011/12	
<b>Report of:</b> THE CABINET MEMBER FOR FINANCE AND EDUCATION	
<b>Open</b>	<b>For Decision</b>
<b>Wards Affected: All</b>	<b>Key Decision: Yes</b>
<b>Report Author:</b> David Dickinson, Group Manager Pensions and Treasury	<b>Contact Details:</b> Tel: 020 8227 3497 E-mail: david.dickinson@lbbd.gov.uk
<b>Accountable Divisional Director:</b> Jonathan Bunt, Divisional Director of Finance and Resources	
<b>Accountable Director:</b> Tracie Evans, Corporate Director of Finance and Resources	
<p><b>Summary:</b></p> <p>Recent changes in the regulatory environment now place a greater onus on Elected Members for the review and scrutiny of treasury management policy and activities. This report (The Treasury Management Annual Report) is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by the Assembly.</p> <p>This report presents the Council's outturn position in respect of its treasury management activities during 2011/12 financial year. The key points to note are as follows:</p> <ul style="list-style-type: none"> <li>➤ Investment income for the year was £1.2m;</li> <li>➤ There was no General Fund borrowing in 2011/12 to finance the capital programme as, in line with part of the 2011/12 treasury management strategy, the Council relied on internal borrowing;</li> <li>➤ £265.9m of external borrowing was required as part of the Housing Revenue Account ("HRA") self-financing settlement;</li> <li>➤ The Council breached the maturity structure for borrowing maturity of fixed rate borrowing as a result of taking advantage of low interest rates available for the HRA self-financing settlement;</li> <li>➤ The Council did not breach its revised 2011/12 authorised borrowing limit of £465m and complied with all other set treasury and prudential limits.</li> </ul>	
<b>Recommendation(s)</b>	
That the Assembly:	
<ul style="list-style-type: none"> <li>a) Approve the actual 2011/12 prudential and treasury indicators in this report;</li> <li>b) Approve the increase in maturity structure of fixed rate borrowing from 60% to</li> </ul>	

100%;

- c) Note the Treasury Management Annual Report for 2011/12;
- d) Note that the Council complied with all 2011/12 treasury management indicators with the exception of the maturity structure for borrowing maturity of fixed rate borrowing;
- e) Note the £265.9m borrowed by the Council in 2011/12 as part of the Housing Self Financing reforms;
- f) Note that the Council did not borrow in 2011/12 to finance its capital programme but utilised internal cash in line with its strategy.

### **Reason(s)**

This report is required to be presented to the Assembly in accordance with the Revised CIPFA Code of Practice for Treasury Management in the Public Services.

## **1. Introduction and Background**

- 1.1. The Council is required by regulations issued under the Local Government Act 2003 (as amended 2010) to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2011/12.

The report has been produced in accordance with the Revised CIPFA Code of Practice for Treasury Management in the Public Services 2009 adopted by this Council on 16 February 2010 and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

This report also reviews the external cash portfolio managers for the financial year.

- 1.2 During 2011/12 the Assembly received the following reports:

- an annual treasury strategy in advance of the year (Council 30/03/2011); and
- an annual review following the end of the year describing the activity compared to the strategy (this report).

- 1.3 This Annual Treasury Report covers:

- The Council's treasury position as at 31 March 2012;
- Annual Strategy Statement 2011/12;
- Economic Factors in 2011/12;
- Performance Measurement in 2011/12;
- Borrowing Outturn;
- Treasury Management costs in 2011/12;
- Compliance with Treasury limits and Prudential indicators;



- Lending to Commercial and External Organisations; and
- Housing Revenue Account Reform.

## 2. Treasury Position as at 31 March 2012

The Council's debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities.

Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. The Council's treasury position at the start and end of 2011/12 can be found in Table 1:

**Table 1: Council's treasury position at the start and end of 2011/12**

	31 March 2012 Principal £'000	Rate /Return	Average Life (yrs)	31 March 2011 Principal £'000	Rate /Return	Average Life (yrs)
Fixed Rate Funding:						
PWLB	295,912	3.55%	39.46	30,000	4.06%	2.08
Variable Rate Funding:						
PWLB	0	0	0	0	0	0
Market	40,000	2.37%	56.39	40,000	2.37%	57.52
<b>Total Debt</b>	<b>335,912</b>	<b>3.41%</b>	<b>37.23</b>	<b>70,000</b>	<b>3.09%</b>	<b>34.23</b>
<b>Investments</b>						
In-House	60,736	1.10%		38,790	1.66%	
External Managers:						
Investec	38,743	1.67%		28,292	1.18%	
SWIP	0	0%		11,432	1.19%	
RBS	0	0%		15,000	0.72%	
<b>Total Investments</b>	<b>99,479</b>	<b>1.28%</b>		<b>93,514</b>	<b>1.33%</b>	

## 3. Annual Strategy Statement 2011/12

3.1 The Assembly approved the annual strategy for 2011/12 on the 30 March 2011.

3.2 The key points from that strategy were:

- To set an authorised borrowing limit of £257m for 2011/12;
- That the Council's borrowing strategy will give consideration to the following when deciding to take up new loans:
  - Use internal cash balances while the current rate of interest on investments remains at an all-time low, with consideration given to

weighing the short term advantage of internal borrowing against potential long term costs if long term borrowing rates begin to increase more than forecast;

- Using Public Works Loan Board (PWLB) variable rate loans;
  - Using long term fixed rate market loans where rates were significantly less than PWLB rates for the equivalent maturity period;
  - Maintain an appropriate balance between PWLB and market debt in the debt portfolio;
  - Use short dated PWLB fixed rate loans where rates are expected to be significantly lower than rates for longer period;
  - Ensure that new borrowing is timed at periods when rates are expected to be low; and
  - Consider the issue of stocks and bonds if appropriate.
- That the Council and its fund managers will have regard to the Council's investment priorities being:
    - (a) The security of capital;
    - (b) The liquidity of its investments; and
    - (c) Yield (after ensuring the above are met).
  - That the Council and its fund managers adhere to the procedures set for use of different classes of asset (specified and non-specified) and the maximum periods which funds can be committed;
  - That the Council and its fund managers adhere to its counterparty limits;
  - That the Council would operate both borrowing and investment portfolios at short and long term periods and as a consequence reduce the risk of being impacted by a sharp unexpected rise in short-term variable interest rates;
  - That the Council maintain a balance of funding at shorter-term rates to match short-term investments thus maintaining balanced treasury risk;
  - That the Council during the financial year will carefully consider the difference between borrowing rates and investment rates to ensure that the Council obtain value for money; and
  - That the Council will continue to utilise internal borrowing rather than external borrowing as the opportunity arises.

#### **4. Economic Factors in 2011/12**

- 4.1 The financial year 2011/12 continued the challenging investment environment of previous years, namely low investment returns and continuing heightened levels of counterparty risk.
- 4.2 The original expectation for 2011/12 was that Bank Rate would start gently rising from quarter 4 2011. However, economic growth in the UK was disappointing during the year due to the UK austerity programme, weak consumer confidence and spending, a lack of rebalancing of the UK economy to exporting and weak growth in our biggest export market - the European Union (EU).

- 4.3 The UK coalition government maintained its tight fiscal policy stance against a background of warnings from two credit rating agencies that the UK could lose its AAA credit rating. Key to retaining this rating will be a return to strong economic growth in order to reduce the national debt burden to a sustainable level, within the austerity plan timeframe.
- 4.4 The USA and France lost their AAA credit ratings from one rating agency during the year. Weak UK growth resulted in the Monetary Policy Committee increasing quantitative easing by £75bn in October and another £50bn in February. Bank Rate therefore ended the year unchanged at 0.5% while CPI inflation peaked in September at 5.2%, finishing at 3.5% in March, with further falls expected to below 2% over the next two years.
- 4.5 The EU sovereign debt crisis grew in intensity during the year until February when a second bailout package was eventually agreed for Greece.
- 4.6 Gilt yields fell for much of the year, until February, as concerns continued building over the EU debt crisis. This resulted in safe haven flows into UK gilts which, together with the two UK packages of quantitative easing during the year, combined to depress PWLB rates to historically low levels.
- 4.7 Investment rates. Risk premiums were also a constant factor in raising money market deposit rates for periods longer than 1 month. Widespread and multiple downgrades of the ratings of many banks and sovereigns, continued Eurozone concerns, and the significant funding issues still faced by many financial institutions, meant that investors remained cautious of longer-term commitment. The focus in 2011/12 remained the sovereign debt issues affecting the Euro-Zone rather than individual institutions. Local authorities were also presented with changed circumstances following the unexpected change of policy on PWLB lending arrangements in October 2010. This resulted in an increase in new borrowing rates of 0.75 – 0.85%, without an associated increase in early redemption rates. This made new borrowing more expensive and repayment relatively less attractive.

## **5. Performance Measurement**

### **5.1 Investment Policy**

The Council's investment policy is governed by the Department of Communities and Local Government (CLG) guidance, which was implemented in the annual investment strategy approved by the Assembly on 30 March 2011. The policy sets out the Council's approach for choosing investment counterparties.

### **5.2 Economic Issues Which Directly Impacted Treasury Management Performance**

The difference between investment rates and borrowing rates continued to be a major issue for treasury management throughout 2011/12. Borrowing rates did continue to fall throughout 2011 with rates rising slightly during the first quarter of 2012.

Security and liquidity continued to be an issue for both the in-house and investment fund managers, with all investments invested in instruments and counterparties

which may sometimes have generated lower rates of return but higher security and liquidity. As a result investment income continued to fall compared to previous years.

### **5.3 Overall Performance**

The Council earned £1.2million gross of fees in interest from its investments in 2011/12. This represented performance of 1.28%. This performance is against a back drop of 3 Month LIBID un compounded rate of 0.82% and 7 day LIBID un compounded rate of 0.48%.

#### **5.3.1 Specific Performance**

Throughout 2011 a proportion of the Council's cash was managed by cash managers – Scottish Widows and Investec. Due to Scottish Widows underperforming throughout the year and projecting to return just over 1.10% for the year, a decision was made to call back the £11.5m. This was paid back to the Council at the beginning of February 2012 and reinvested with Investec.

Investing a portion of the Council's cash in an external fund manager provides diversification and reduces the risk from concentrating investments in a few counterparties, thereby ensuring security of capital. In addition most instruments used the cash managers that can be traded at short notice thereby ensuring that the Council can maintain liquidity of its funds at short notice.

The majority of the Council's in-house investments were made with the partially nationalised UK banks that offer quasi government risk at interest rates much higher than could be achieved from investing with the UK government itself.

A substantial part of the investment portfolio was held in liquidity accounts with main UK banks. These accounts offered instant access at competitive rates, which enabled the treasury management to maintain a very liquid portfolio at a competitive rate of return.

- **In-House Team**

The rate of return for the year was 1.10%. Performance was reduced compared to 2010/11 due to investments being held for less than three months due to the uncertainty raised by the Euro-Zone crisis and following advice from the Council's treasury advisors (Sector).

- **Investec**

The rate of return for the year was 1.67%. Performance in 2011/12 was much improved on the 2010/11 figures.

- **Scottish Widows Investment Partnership (SWIP)**

SWIP's rate of return in 2011/12 to the end of January 2012 was 1.05%. Due to lower than expected returns funds were removed from SWIP and invested with Investec.

### 5.3.2 Investment Funds Available

The level of investments available to the Council as at 1 April 2011 was £93.5m. This figure was made up of a range of balances including, revenue reserves and general operational cash balances. The amount available for investment will vary throughout the financial year depending on:

- Use of investment funds;
- Profile for the receipt of grants;
- Temporary use of internal cash to fund new capital projects rather than borrowing at periods of high borrowing interest rates; and
- Cash flow management.

At 31 March 2012 the level of investments had increased to £99.5m, with £38.7m held by Investec and £60.8m internally managed. This position was anticipated through the regular monitoring and projections of cash flow movement and was in line with projections at the beginning of the year.

## 5.4 Management of Investment Funds

5.4.1 The Council's investments are now managed by two sources being:

- Council In House Team; and
- External Fund Manager: Investec Asset Management Limited.

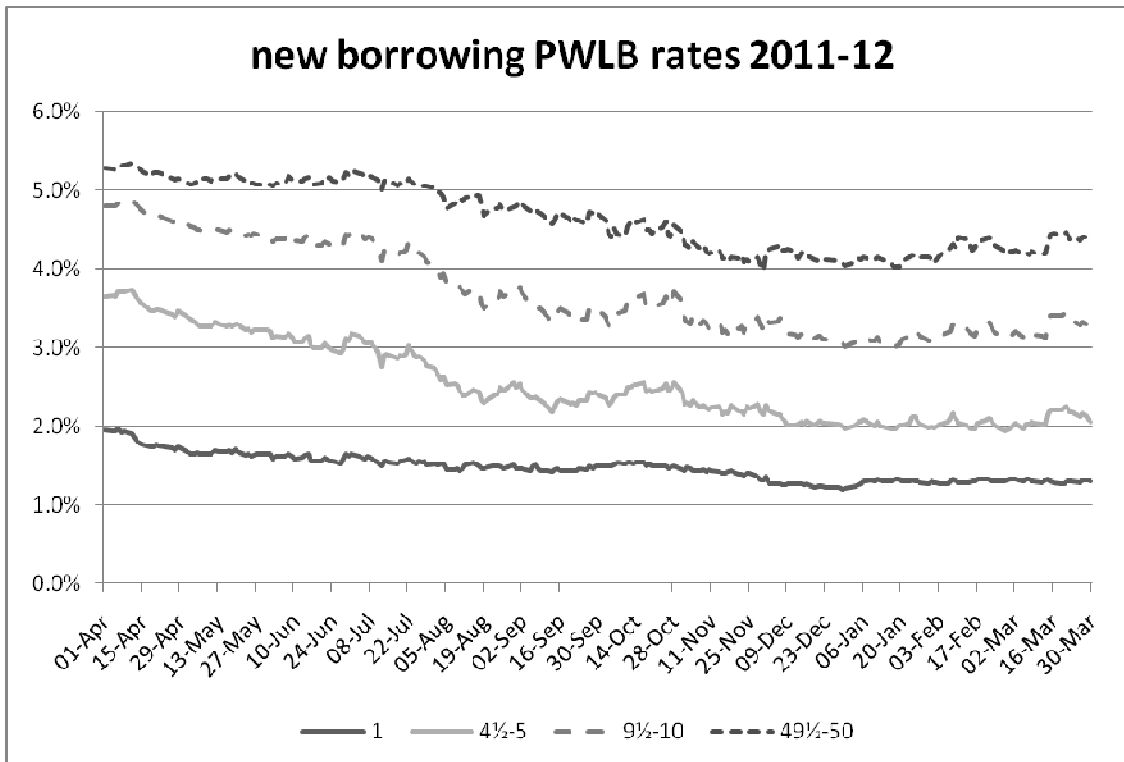
The Council meets quarterly with the external investment managers as well as with its Investment Adviser to discuss financial performance, objectives and targets in relation to the investments and borrowing managed on behalf of the Council.

5.4.2 Internally, the Council manages a proportion of its investments in-house. This is invested with institutions of high credit standing listed in the Council's approved lending list and specified limits. The Council invests for a range of periods from overnight to 30 days and one year and in some cases over one year dependent on the Council's cash flows, its treasury management adviser's view, its interest rate view and the interest rates on offer.

## 6. Borrowing Outturn

6.1 **PWLB borrowing rates** - Graph 1 below shows how PWLB rates fell to historically very low levels during the year.

**Graph 1: PWLB rates 2011/12**



**6.1 Debt Performance**

The average debt portfolio interest rate, excluding HRA refinancing, increased slightly over the course of the year as the rate of two variable rate loans increased.

No additional borrowing was made for the General Fund, with cash balances used to finance new capital expenditure in order to run down cash balances and minimise counterparty risk incurred on investments. This strategy provided treasury management budget savings as investments rates were on average over 2% lower than new borrowing rates.

This strategy will be continually reviewed throughout 2012/13, with borrowing in-line with the capital financing requirements potentially made if borrowing rates rise.

**6.2 Debt Rescheduling and New Borrowing**

Debt rescheduling opportunities remain limited in the current economic climate. Due to the reduction in borrowing rates treasury management did investigate the possibility of restructuring two of the LOBOs held but, following evaluation, it was determined that it would be too expensive to arrange. Therefore there was no debt rescheduling in 2011/12.

As investment rates continued to remain low, the treasury management continued using cash balances rather than borrowing, which helped to keep borrowing costs low and also meant reduced counterparty risk on the investment portfolio. Consequently no new borrowing took place in 2011/12.

## 7. Treasury Management Costs

- 7.1 The costs associated with the Treasury Management function comprises of a recharge of a proportion of the internal team's salary and senior officers salary, treasury management advisers fees and external managers fees. Treasury management costs are summarised in table 2 below:

**Table 2: Treasury Management costs for 2011/12**

Salary Recharge	56,675
Treasury Management Software and other costs	3,810
Sector Treasury Limited	19,000
Investec Asset Management	44,417
Scottish Widows	15,177
	<b>139,079</b>

## 8. Compliance with Treasury limits and Prudential indicators

- 8.1 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordable limits) are included in the approved Treasury Management Strategy
- 8.2 During the financial year to date the Council has operated within and complied with the treasury limits and Prudential Indicators set out in the Council's annual Treasury Strategy Statement. The Council's Prudential Indicators are set out in Appendix 1 to this report. In 2011/12, the Council did not bridge its revised authorised limit on borrowing of £465m.
- 8.3 The revised Operational limit set in the 2012/13 Treasury Management Strategy Statement was £367.8m, with the final position of £335.9m.

## 9. Lending to commercial and external organisations

- 9.1 As part of the Council's mitigation of risk strategies around delivering and continued value for money services with external organisations, the Council should from time to time have the ability to make loans to external organisations.
- 9.2 Section 2 of the Local Government Act 2000 (power of well-being) gives authorities the power to lend as part of promotion or improvement of economic /social wellbeing of the Borough. The guidance encourages local authorities to use the well-being power as the power of first resort, removing the need to look for powers in other legislation. Further the power provides a strong basis on which to deliver many of the priorities identified by local communities and embodied in community strategies. The Corporate Director of Finance & Resources determines the rates and terms of such loans.

## 10. Housing Revenue Account Reform

- 10.1 The implementation of housing finance reform at the end of the year abolished the housing subsidy system financed by central government and, consequently, all housing debt has been reallocated nationally between housing authorities.
- 10.2 The result of this reallocation was that this Council made a capital payment to the CLG of £265.9m on 28 March 2012. This resulted in an increase in the Capital Financing Requirement (CFR) and total borrowing of £465m at the end of the year which was financed by internal borrowing and new external borrowing of £265.9m.
- 10.3 All of the housing finance reform borrowing of £265.9m was made through long dated, fixed rate PWLB loans. The amount, duration and interest rate of these loans is outlined in table 3 below:

**Table 3: Housing Finance Loan Summary**

<b>Loan Amount</b>	<b>Maturity profile</b>	<b>Interest Rate</b>
<b><u>£M's</u></b>	<b><u>Yrs</u></b>	<b><u>%</u></b>
50.0	30	3.51
50.0	40	3.52
50.0	48	3.49
50.0	49	3.48
65.9	50	3.48
<b>265.9</b>		

## 11. Conclusions

- 11.1 The key conclusions to draw from this report are as follows:
- a) That the Council complied with Prudential and Treasury Indicators in 2011/12 financial year;
  - b) That the value of investments as at 31 March 2011 totalled £99.5million; and
  - c) That the value of long term borrowing as at 31 March 2011 totalled £335.9m. This comprised both market and PWLB loans.

## 12. Options Appraisal

- 12.1 There is no legal requirement to prepare a Treasury Management Annual Report However, it is good governance to do so and meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

## 13. Consultation

- 13.1 The Corporate Director of Finance and Resources and the Divisional Director of Finance have informed of the approach, data and commentary in this report.



## **14. Financial Implications**

Implications completed by: Jonathan Bunt  
Telephone and email: Tel: 020 8724 8427  
E-mail: [jonathan.bunt@lbbd.gov.uk](mailto:jonathan.bunt@lbbd.gov.uk)

- 14.1 This report sets out the outturn position on the Council's treasury management position and is concerned with the returns on the Council's investments as well as its short and long term borrowing positions.

## **15. Legal Implications**

Implications completed by: (Eldred Taylor-Camara, Legal Group Manager)

- 15.1 The legal requirements are stated in the body of this report. There are no further legal implications to add.

## **16. Risk Management**

- 16.1 The whole report concerns itself with the management of risks relating to the Council's cash flow. The report mostly contains information on how the Treasury Management Strategy has been used to maximise income throughout the past year.

**17. Contractual Issues** No specific contractual issues.

**18. Staffing Issues** No staffing issues.

**19. Customer Impact** No specific implications.

**20. Safeguarding Children** No specific implications.

**21. Health Issues** No specific implications.

**22. Crime and Disorder Issues** No specific implications.

**23. Property / Asset Issues** No specific implications.

### **Background Papers Used in the Preparation of the Report:**

- Treasury Management Strategy Statement - Assembly Report 14 February 2012
- Treasury Management Strategy Statement - Assembly Report 30 March 2011
- CIPFA – Revised Treasury Management in the Public Sector
- CIPFA – Revised Prudential Code for Capital Finance in Local Authorities
- HRA Business Plan V7 (16 Jan 2012)

### **List of appendices:**

Appendix 1 - Treasury Management Outturn Report 2011/12  
Appendix 2 - Glossary of Terms

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## The Prudential Code for Capital Investment in Local Authorities

### Treasury Management Outturn Report 2011/12

#### 1. Introduction

1.1 There are a number of treasury indicators which previously formed part of the Prudential Code, but which are now more appropriately linked to the Revised Treasury Management Code and guidance 2009. Local authorities are still required to “have regard” to these treasury indicators.

1.2 The key treasury indicators which are still part of the Prudential Code are:

- Authorised limit for external debt
- Operational boundary for external debt
- Actual external debt

#### 2. **Net borrowing and the Capital Financing Requirement**

2.1 To ensure that borrowing levels are prudent over the medium term the Council’s external borrowing, net of investments, must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure.

2.2 Net borrowing should not therefore, except in the short term, have exceeded the Capital Financing Requirement (CFR) for 2011/12 plus the expected changes to the CFR over 2012/13 and 2013/14 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2011/12.

2.3 **The authorised limit** – This sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) and is the statutory limit determined under Section 3 (1) of the Local Government Act 2003 (referred to in the legislation as Affordable Limit).

2.4 **The operational limit** – This links directly to the Council’s estimates of the CFR and estimates of other cash flow requirements. This indicator is based on the same estimates as the authorised limits reflecting the most likely prudent but not worst case scenario but without the additional headroom included within the Authorised Limit for future known capital needs now. It should act as a monitor indicator to ensure the authorised limit is not breached.

2.5 The total CFR as at 31 March 2012 was £485.4m, which is higher than the Approved Authorised Limit of £465m set by the Assembly in February 2012. The Operational and Authorised Limit relates to external borrowing only and Council’s CFR has a large internal borrowing element. Total external borrowing was £335.9m which was inside the Approved Authorised Limit.

2.6 For this reason the Assembly is recommended to approve the authorised limits and operational boundary limit set out in Table 4.

**Table 4: Operational Limit and Authorised Borrowing Limits**

	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000
Capital Programme Borrowing Requirement (Cumulative)	160,109	194,073	200,074	204,424
HRA Self Financing Debt	265,912	265,912	265,912	265,912
Alternative Financing Arrangements:				
Current PFI Schemes on Balance Sheet	57,353	56,370	55,296	54,127
Finance Leases	2,064	1,634	1,334	1,034
Total Alternative Financing Arrangements	59,417	58,004	56,630	55,161
Total Borrowing liability	485,438	517,989	522,616	525,497
Actual External Borrowing (Cumulative)	335,912	N/A	N/A	N/A
Approved Operational Boundary on Borrowing	367,800	431,264	440,564	448,914
Approved Authorised Limit (affordable limit)	465,000	528,000	537,000	546,000

### 3. Limits for Fixed and Variable Interest Exposure

The following prudential 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 has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget.

The Council's existing level of fixed interest rate exposure is 88.1% and variable rate exposure is 11.9%. The high fixed interest rate is as a result of locking in low long-term rates for the HRA borrowing. It is recommended that the limits in place for 2012/13 are set to ensure flexibility and fluctuations in long term interest rates.

The table 5 below shows the fixed and variable interest rate exposure.

**Table 5: Fixed and variable rate exposure 2011 to 2015**

Interest Rate Exposures	2011/12 Actual %	2012/13 Estimate %	2013/14 Estimate %	2014/15 Estimate %
Upper limit for fixed interest rate exposure	88.1	100.0	100.0	100.0
Upper limit for variable interest rate exposure	11.9	70.0	70.0	70.0

### 4. Maturity Structure of Fixed Rate Borrowing

This prudential indicator deals with projected borrowing over the period and the rates that they will mature over the period, as summarised in table 6.

The fixed rate borrowing over 10 years was 89.86%, which is higher than the upper limit of 60% set by the Assembly in February 2012. The breach was as a result of exceptionally competitive long term rates available from the PWLB and matches the HRA financing requirements.

**Table 6: Projected Borrowing as at 31 March 2012**

	<b>Actual Position</b>	<b>Upper Limit</b>	<b>Lower Limit</b>
Under 12 months	£10,000,000 3.38%	20%	0%
12 months and within 24 months	£10,000,000 3.38%	40%	0%
24 months and within 5 years	£10,000,000 3.38%	70%	0%
5 years and within 10 years	£0 0.00%	70%	0%
10 years and above	£265,912,000 89.86%	60%	0%

The fixed rate borrowing over 10 years was 89.86%, which is higher than the upper limit of 60% set by the Assembly in March 2012. This breach was as a result of exceptionally competitive long term rates available from the PWLB and matches the HRA financing requirements.

Proposed revised limits are outlined below and the Assembly is recommended to agree these new limits for 2012/13:

**Table 7: Proposed Maturity Structure of Borrowing for 2012/13**

	<b>Upper Limit</b>	<b>Lower Limit</b>
Under 12 months	20%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	70%	0%
5 years and within 10 years	70%	0%
10 years and above	100%	0%

## 5. Investments over 364 days

- 5.1 The overriding objective of the investment strategy is to ensure that funds are available on a daily basis to meet the Council's liabilities. Taking into account the current level of investments, and future projections of capital expenditure, the following limits will be applied to sums invested:

	<b>2011/12 £000's Actual</b>	<b>2012/13 £000's Estimate</b>	<b>2013/14 £000's Estimate</b>	<b>2014/15 £000's Estimate</b>
<b>Limits</b>	99,479	99,500	54,000	60,000

**6. Summary Assessment**

- 6.1 The outturn position is set out above in respect of the Prudential Indicators approved by Assembly in March 2011.
- 6.2 The outturn figures confirm that, with the exception of the fixed rate maturity structure, the limits and controls set for 2011/12 were applied throughout the year, and that the treasury management function adhered to the key principles of the CIPFA Prudential Code of prudence, affordability and sustainability. The treasury management indicators were regularly monitored throughout 2011/12. However the operational limit was breached, but this is not a statutory limit.

## Appendix 2 - Glossary of Terms

1. **Authorised Limit** –represents the limit beyond which borrowing is prohibited, and needs to be set and revised by the Council. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable. It is the expected maximum borrowing need, with some headroom for unexpected movements.
2. **Bank Rate** – the rate at which the Bank of England offers loans to the wholesale banks, thereby controlling general interest rates in the economy.
3. **Counterparty** – the other party involved in a borrowing or investment transaction.
4. **Capital Financing Requirement (CFR)** – the level of capital expenditure to be financed from borrowing.
5. **Liquidity** – The ability of an asset to be converted into cash quickly and without any price discount. The more liquid a business is, the better able it is to meet short term financial obligations.
6. **LIBID** – London Interbank Bid Rate - The interest rate at which London banks ask to pay for borrowing Eurocurrencies from other banks. Unlike LIBOR, which is the rate at which banks lend money, LIBID is the rate at which banks ask to borrow. It is not set by any body or organisation, but is calculated as the average of the interest rates at which London banks bid for borrowed Eurocurrency funds from other banks. It is also the interest rate London banks pay for deposits from other banks.
7. **LOBO** – Lenders Option Borrowers Option. Long term borrowing deals structured in such a way that a low rate of interest is usually offered for a short, initial period (anything from 1 year to 7 years), followed by a “step rate” to a higher rate of interest (the “back end” interest rate), which is to be charged for the remainder of the loan period.  
  
The overall length of LOBOs is usually 50 or 60 years but can be shorter or longer periods. After the “step up” date, and at set intervals thereafter, the lender (the bank) has the option of increasing the “back end” interest rate. Whenever this option is exercised, if the proposed new rate is unacceptable, the borrower (the Council) can redeem the loan without penalty.
8. **Monetary Policy Committee** – the independent body which determines the Bank Rate.
9. **Operational Boundary** – This indicator is based on the probable external debt during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. It should act as an early warning indicator to ensure the Authorised Limit is not breached.
10. **Prudential Code** – The Local Government Act 2003 requires the Council to ‘have due regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable.

## Appendix 2 - Glossary of Terms

11. **PWLB** – Public Works Loan Board. An institution managed by the Government to provide loans to public bodies at rates which reflect the rates at which the government is able to sell gilts.