

## Notice of Meeting

### ASSEMBLY

**Wednesday, 17 July 2013 - 7:00 pm**  
**Council Chamber, Town Hall, Barking**

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

**Chair:** Councillor A K Ramsay  
**Deputy Chair:** Councillor E Kangethe

Date of publication: 9 July 2013

Graham Farrant  
Chief Executive

Contact Officer: Margaret Freeman  
Tel: 020 8227 2638  
Minicom: 020 8227 5755  
E-mail: [margaret.freeman@lbbd.gov.uk](mailto:margaret.freeman@lbbd.gov.uk)

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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 interest they may have in any matter which is to be considered at this meeting.
3. **Drummer Lee Rigby - Statement from the Chair**
4. **Minutes - To confirm as correct the minutes of the meeting held on 15 May 2013 (Pages 3 - 26)**
5. **The Queen's Birthday Honours List 2013 - Award of MBE to Steve Thompson (Pages 27 - 28)**
6. **Appointments**
7. **Appointment of Faith Representative Co-opted Members to the Children's Services Select Committee (Pages 29 - 30)**
8. **Blacklisting of Construction Workers (Pages 31 - 35)**
9. **Council Constitution - Codes of Conduct (Pages 37 - 60)**

10. **Treasury Management Annual Report 2012/13 and Strategy 2013/14 (Pages 61 - 77)**
11. **Motions**  
None received.
12. **Leader's Question Time**
13. **General Question Time**
14. **Any other public items which the Chair decides are urgent**
15. **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.***

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

## **Barking and Dagenham's Vision**

**Encourage growth and unlock the potential of Barking and Dagenham and its residents.**

### **Priorities**

To achieve the vision for Barking and Dagenham there are five priorities that underpin its delivery:

#### **1. Ensure every child is valued so that they can succeed**

- Ensure children and young people are safe, healthy and well educated
- Improve support and fully integrate services for vulnerable children, young people and families
- Challenge child poverty and narrow the gap in attainment and aspiration

#### **2. Reduce crime and the fear of crime**

- Tackle crime priorities set via engagement and the annual strategic assessment
- Build community cohesion
- Increase confidence in the community safety services provided

#### **3. Improve health and wellbeing through all stages of life**

- Improving care and support for local people including acute services
- Protecting and safeguarding local people from ill health and disease
- Preventing future disease and ill health

#### **4. Create thriving communities by maintaining and investing in new and high quality homes**

- Invest in Council housing to meet need
- Widen the housing choice
- Invest in new and innovative ways to deliver affordable housing

#### **5. Maximise growth opportunities and increase the household income of borough residents**

- Attract Investment
- Build business
- Create a higher skilled workforce

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## MINUTES OF ASSEMBLY

Wednesday, 15 May 2013  
(7:00 - 8:12 pm)

### PRESENT

Councillor S E Ahammad	Councillor J L Alexander
Councillor S Ashraf	Councillor A Gafoor Aziz
Councillor R Baldwin	Councillor G Barratt
Councillor S J Bremner	Councillor P Burgon
Councillor L Butt	Councillor J Channer
Councillor J Clee	Councillor H J Collins
Councillor R Douglas	Councillor C Geddes
Councillor R Gill	Councillor D Hunt
Councillor M Hussain	Councillor A S Jamu
Councillor I S Jamu	Councillor E Kangethe
Councillor E Keller	Councillor G Letchford
Councillor M A McCarthy	Councillor J E McDermott
Councillor M McKenzie MBE	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 L A Reason
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 S Alasia	Councillor E Carpenter
Councillor J Davis	Councillor D Twomey

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

Assembly **agreed** the appointment of Councillor Ramsay as Chair and Councillor Kangethe as Deputy Chair of the Assembly.

#### 2. Declaration of Members' Interests

There were no declarations of interest.

#### 3. Minutes (25 February 2013)

The minutes of the meeting held on 25 February 2013 were confirmed as correct.

#### **4. Death of Councillor N S S Gill**

Assembly noted with deep regret that Councillor Nirmal Singh Sher Gill had tragically passed away on Monday 25 February 2013.

In introducing the report, the Chief Executive paid tribute to Nirmal's honourable and upstanding nature.

The Leader of the Council led tributes from the Assembly stating that Nirmal had been a supportive and loyal friend and colleague, who would be greatly missed by his family, the Sikh community, everyone in this Chamber and the residents not only of Longbridge ward but the whole borough for his hard work in the community.

Members commented on the high regard and respect people had for Nirmal, a gentle giant of a man who worked tirelessly on community cohesion and who was supportive of and reassuring to his colleagues. He will be remembered for the countless positive things that he did for the borough and also for the Help for Heroes Charity during his Mayoral Year 2010-11. Members also recalled his great 1990 election victory when he had won his seat by just 26 votes from the sitting Conservative councillor in a marginal seat. When Nirmal stood for re-election in 2010 he won his seat by a huge majority, which was testament to the esteem that residents held him in.

Councillor Rocky Gill thanked Members on behalf of himself and his family for all their kind words at this difficult time and thanked those who had donated to the Help for Heroes charity. Councillor Gill referred to the last Assembly meeting that his father had chaired with great aplomb and to the excellent speech he had given that same evening in support of his application to become Mayor again.

He went on to say that his father was a very religious man who contributed much to the Gurdwara – Singh Sabha London East. He came from humble beginnings in the Punjab and never forgot where he came from, which was a message he impressed on his children. His ambition had always been to become Mayor of the borough. He had wanted to make the most of his Mayoral year and attended more than 500 engagements, through which he raised a record amount of money for a very worthy cause. He was an advocate of community cohesion, which was something he practised. He ensured that the Mayor's parlour should be open to all and promoted the message that we should always work together and not focus on our differences but on our similarities. He had seen his children graduate from university and recognised the importance of education as a way of supporting social mobility. Equality and diversity was also important to him, becoming aware in his early days as a councillor of the lack of senior female directors and councillors.

Reflecting on his Mayoral year, Councillor Gill regarded the Royal Anglian Regiment parade through the borough and taking the salute as being one of his father's finest moments.

In closing, Councillor Gill paid tribute to his father as his mentor and best friend, whose legacy will live on through his children.

All stood for a minute's silence as a mark of respect.

## **5. Death of Mr Kevin Madden**

Assembly noted with deep regret that Kevin Madden, the former Independent Chair of the Standards Committee had passed away on 27 March 2013.

The Chief Executive paid tribute to Kevin for the contribution that he had made to Barking and Dagenham in his work on the Standards Committee between 2008 and 2012, serving as Chair from 11 October 2010 until the expiry of his term of office on 30 June 2012.

Councillor I S Jamu, who had served on the Standards Committee with Kevin, noted that he had first met him many years ago when Councillor L Waker and himself had been Councillor representatives on the Thames Chase Joint Committee. He had recognised Kevin's ability to positively contribute to issues and it was with great pleasure that Councillor Jamu had welcomed Kevin to the Standards Committee, knowing that he was an intelligent and knowledgeable man.

Councillor Jamu acknowledged the positive contribution made by Kevin in his stewardship of the Standards Committee during a very turbulent political period.

## **6. Death of Mr Bill Smith**

This being the first annual meeting of the Assembly following the passing of Bill Smith, the Council's first Chief Executive on 28 May 2012, the Chief Executive welcomed Bill's brother, Alan and his family to the Chamber.

The Chief Executive and Councillor Geddes in particular paid tribute to the work that Bill and the former leader, George Brooker, had done in helping to shape much of what the Council is today.

Members noted that Bill had been well liked and respected and had steered the borough on a steady path. He cared about the elected members and the residents. He and his team had worked hard to bring the Barking Riverside project forward and this was now the flagship development of the borough.

## **7. Longbridge by election - 9 May 2013 - verbal report**

Assembly noted the following result of the Longbridge by-election held on 9 May 2013:

**Syed Ahammad** (Labour Party) – 1555 (**Elected**)

**Paul Ayer** (Conservative Party) – 284

**Bert Bedwell** (UK Independence Party) – 466

**Dave Croft** (Liberal Democrats) – 78

**Giuseppe de Santis** (British National Party) – 37

Votes rejected – 6  
Electorate: 8185  
Votes Cast: 2435  
Turn-Out: 29.75%

Assembly joined the Leader of the Council in congratulating Councillor Ahammad on his election as a Member for Longbridge ward and looked forward to working with him in serving the people of that ward and the whole of the borough.

## **8. Appointments to the Political Structure and Other Bodies - 2013/2014**

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 setting out the proposed appointments;
2. the statutory Co-opted Members (Appendix E); and
3. that the appointment of the Mayor and the Mayor's Chaplain would be dealt with at the Ceremonial Council meeting on 17 May 2013.

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);
4. the appointment of the Trustees of Local Charities (Appendix D); and
5. the continued representation of Councillors Kangethe and Letchford on the Eva Tyne Trust, pending the development of the Trust.

## **9. Appointment of the Director of Public Health**

Assembly received the report relating to the ratification of the appointment of the Director of Public Health, introduced by the Chief Executive.

Assembly noted that under the Health & Social Care Act 2012, the Council became responsible for co-ordinating interventions to protect and improve the health of the population, which included the transfer of Public Health staff from the Primary Care Trust to the Council, along with the post of Director of Public Health.

Assembly **agreed:**

- (i) to ratify the appointment the current postholder as Director of Public Health for the London Borough of Barking & Dagenham, in line with the Transfer Order issued by the Department of Health; and
- (ii) to note the authorisation previously granted to the Corporate Director of



Adult & Community Services in liaison with the Head of Legal & Democratic Services to make other consequential arrangements in connection with the Public Health transition, which will include amendments to the Constitution including the Scheme of Delegation.

#### **10. Adoption of Powers under London Local Authorities Act 2007 - Mail Forwarding Businesses**

The Divisional Director of Environment (DDE) introduced this report to the Assembly relating to the adoption of Section 75 of the London Local Authorities Act 2007.

The DDE explained that the introduction of this measure would control mail forwarding businesses that can be a source of fraudulent activities by requiring those businesses in the borough to register with the Council and to pay a registration fee.

Members noted that the report had been considered and endorsed by the Cabinet at its meeting on 16 April 2013.

Assembly **resolved**:

- (i) that the Council adopt the provisions of section 75 of the London Local Authorities Act 2007 to require mail forwarding businesses in the Borough to register with the Council from the appointed day;
- (ii) that the appointed day from which the measures will take effect be 16 June 2013; and
- (iii) that the fee for the registration of mail forwarding businesses be set at £110 for 2013/14, to be reviewed annually by the Cabinet.

#### **11. Community Strategy 2013-2016 and Corporate Plan 2013-14**

Assembly received this report introduced by the Chief Executive, setting out the vision and priorities for Barking and Dagenham in the Community Strategy 2013/2016 and Corporate Plan 2013/2014.

Assembly noted that both documents had been considered and endorsed for adoption at this meeting by the Cabinet on 16 April 2013.

Assembly **agreed to approve**:

- (i) the draft Community Strategy 2013-16 attached at Appendix 1 to the report; and
- (ii) the draft Corporate Plan 2013/14 attached at Appendix 2 to the report.

#### **12. Members' Allowances Scheme 2013/2014**

Assembly received this report, introduced by the Head of Legal and Democratic Services, which set out proposals in relation to Members' allowances for the

2013/14 Municipal year.

The Leader of the Council noted that the Members of the majority group understood the pressures on the people of Barking and Dagenham which was why it had recommended a freeze in allowances levels for the fifth year in succession.

Assembly **agreed** that the draft Members' Allowances Scheme for the 2013/14 municipal year attached at Appendix A take effect from 16 May 2013.

### **13. Annual Report of the Select Committees**

Assembly received the Overview and Scrutiny Annual Report 2012/13.

In presenting the report, the Designated Scrutiny Officer (DSO) referred specifically to two elements:

1. the continued role in examining and producing a balanced budget for the next two years, which was testament to the hard work of Cabinet and Scrutiny; and
2. the in depth scrutiny of the Elevate Joint Venture, which had been an ambitious and detailed piece of work.

The DSO thanked the Members and the team of officers who had supported the Select Committees over the last year.

Assembly **noted** the summaries of work of the five Select Committees over the past municipal year.

### **14. Motions**

#### **1. Train fare increases and unfair zonal system**

Moved by Councillor McCarthy and seconded by Councillor P Waker:

"Barking and Dagenham Council notes with great concern the latest rises in train fares and the disproportionate costs incurred by people in Barking and Dagenham due to the unfair zonal system. A weekly train ticket has increased by 25% since Boris Johnson became Mayor in 2008 – adding £440 a year to travel costs.

"Barking and Dagenham Council recommends that the current zonal system be reconfigured in order to remove the current bias in favour of west London. This is to remove such discrepancies as a journey from Richmond to Bank costing less than one from Dagenham East to the same station. We also call upon the Mayor of London to freeze prices in 2014 in order to halt spiraling costs."

In moving the motion, Councillor McCarthy gave examples of the cost of travelling from Dagenham East to Bank and Richmond to Bank as being £5.50 cash for 15 stops and 22 stops respectively and further noted that if using an Oyster card, the passenger from Dagenham East would pay £1.60 more than the passenger from Richmond.

In seconding the motion, Councillor P Waker noted a clear bias against the people of this borough, stating that the zonal system was outdated.

Members, in support of the motion, made the following points:

- the disrespect that TfL has for services in the borough;
- the poor maintenance of the electronic signage at the stations;
- the lack of maintenance of the railway bridges; and
- the continued lack of planning for a further river crossing within the vicinity.

Councillor Geddes, the Cabinet Member for Regeneration, raised concern regarding the young people of the borough who used Oyster Cards when travelling into London not necessarily being aware of price increases and confirmed he would be prepared to write to the Mayor of London accordingly.

In response, Councillor McCarthy thanked Members for their comments and support. He concurred that there were accessible facilities issues at Dagenham East, Becontree and Barking stations and would include them in making further representations to the Mayor of London for a fairer zonal system.

The motion was put to the vote by way of a show of hands and **agreed**.

## **2. Unacceptable practice of blacklisting of construction workers**

Moved by Councillor Channer and seconded by Councillor Tarry:

### **"This Council notes:**

- The GMB campaign to highlight that 3,213 workers were blacklisted by construction firms and which calls for all of those affected to be given an unreserved apology and compensation by the firms.
- That in 2009 the Information Commissioners Office (ICO) seized a database of 3,213 construction workers used by 44 companies to vet new recruits and keep out employment trade union and health and safety activists.
- That of the 3,213 workers identified on the blacklist only 194 have been informed that they appear on the list.
- Of the 194 people identified as featuring on the blacklist, 39 of these were based or attempting to find work in London.
- A number of blacklisted workers live in Barking and Dagenham

### **"This Council believes:**

- Blacklisting is an unacceptable practice which cannot be condoned.
- That the construction firms that engaged in blacklisting should apologise to those who have been affected and denied jobs as a result of the list.
- That the Information Commissioners' Office should inform all those who feature on the blacklist.

### **"This Council resolves:**

- To support the GMB campaign against the blacklisting of construction workers.
- To call on the Council to make clear to all construction companies bidding for Council contracts that any unlawful blacklisting of workers will not be

- tolerated
- To request the Chief Executive to provide a report to the next Assembly meeting regarding progress on this matter."

In moving the motion, Councillor Channer asked that her Labour colleagues fully support this motion and stated that the practice of blacklisting stops workers making a living and affects families in the borough.

In seconding the motion, Councillor Tarry said that as a borough we should be supporting the people who have been blacklisted.

Members, speaking in support of the motion, concurred that blacklisting was not acceptable and should not be tolerated. They further expressed the importance of the recognition of trade unions.

In response, Councillor Channer welcomed Members' comments.

The motion was put to the vote by way of a show of hands and **unanimously agreed**.

**COUNCILLOR MEMBERSHIP OF COUNCIL MEETINGS 2013/2014**

**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 – Cllr Geddes**

Councillors Miles (Chair) I S Jamu (Deputy Chair) Alasia, Clee, Geddes, Gill, Hunt, Hussain, McCarthy, McDermott, Ogungbose, Perry, Poulton, C. Rice, Salam, Tarry, Twomey, L Waker

**LICENSING AND REGULATORY BOARD – 10 Seats**

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

**HEALTH AND WELLBEING BOARD**

**Cabinet Member for Health – Cllr Worby (Chair)**

**Cabinet Member for Adult Services & HR – Cllr Reason**

**Cabinet Member for Children's Services – Cllr White**

**Cabinet Member for Crime, Justice & Communities – Cllr Alexander**

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

Councillors Burgon (Chair), Hussain (Deputy Chair), I S Jamu, Keller, Miles, Obasohan, Ogungbose, Perry, Salam

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), Obasohan, Ogungbose, Vincent, Wade

The Panel comprises the Cabinet Member for Finance plus five Councillors appointed to May 2014.

**STANDARDS COMMITTEE – 6 seats**

Councillors Poulton (Chair), Vincent (Deputy Chair), I S Jamu, Rai, Salam, Saeed

**Lead Members of the Select Committees are appointed to May 2014**

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

Councillors Letchford (Lead Member), L Rice (Deputy Lead Member), Butt, Douglas, A S Jamu, Kangethe, Perry, Poulton, Salam

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

Councillors Alasia (Lead Member), Keller (Deputy Lead Member), Ahammad, Aziz, Carpenter, McKenzie, Saeed, Salam, Wade

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

Councillors Channer (Lead Member), Butt (Deputy Lead Member), Ashraf, McDermott, Ogungbose, Perry, Ahammad, Salam, L Waker

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

Councillors Mullane (Lead Member), Salam (Deputy Lead Member), Bremner, Burgon, I S Jamu, McKenzie, Miles, Obasohan, Perry

**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 and Mullane.

## CHAIRS AND DEPUTY CHAIRS 2013/2014

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

<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 LRice
<b>Health and Adult Services</b>	Councillor Alasia	Councillor Keller
<b>Living and Working</b>	Councillor Channer	Councillor Butt
<b>Safer and Stronger</b>	Councillor Mullane	Councillor Salam
<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 Ramsay	Councillor Kangethe
<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 is automatically appointed as Chair	Councillor Douglas
<b>Standards Committee</b>	Councillor Poulton	Councillor Vincent

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COUNCIL REPRESENTATION ON VARIOUS INTERNAL AND EXTERNAL BODIES 2013/14

**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 2013/14 (1 year unless specified)	Lead Department & Corporate Director or Divisional Director
<b>Admissions Forum</b>	The Cabinet Member for Children's Services plus 4 Councillors (4 year appointments)	Cllr J White Cllr Poulton Cllr Rai Cllr Saeed Cllr Salam	ChS Jane Hargreaves Ext 2686
<b>Barking and Dagenham Council for Voluntary Services</b>	Relevant Cabinet Member (Crime, Justice & Communities)	Cllr Alexander	ACS Glynis Rogers Ext 2827
<b>Barking and Dagenham Partnership:</b>			
<ul style="list-style-type: none"> <li>• Children's Trust</li> </ul>	Relevant Cabinet Member (Children's Services)	Cllr White	ChS Meena Kishinani Ext 3507

APPENDIX C

Organisation	Representation required	Representation 2013/14 (1 year unless specified)	Lead Department & Corporate Director or Divisional Director
<ul style="list-style-type: none"> <li>Community Safety Partnership</li> </ul>	Relevant Cabinet Member (Crime Justice and Communities)	Cllr Alexander	ACS Glynis Rogers Ext 2827
<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
<b>Barking and Dagenham Safeguarding Adult's Board</b>	Relevant Cabinet Member (Adult Services and Human Resources)	Cllr Reason	ACS Glynis Rogers Ext 2827
<b>Barking and Dagenham Safeguarding Children Board</b>	Relevant Cabinet Member (Children's Services)	Cllr White	ChS Meena Kishinani Ext 3507
<b>Barking Riverside Community Interest Company</b>	Relevant Cabinet Member (Regeneration)  One Councillor appointed by Cabinet Member  One Thames Ward Councillor as substitute representative	Cllr Geddes  Cllr Ashraf  <i>Cllr Channer or Poulton</i>	FRS Jeremy Grint Ext 2443

**APPENDIX C**

Organisation	Representation required	Representation 2013/14 (1 year unless specified)	Lead Department & Corporate Director or Divisional Director
<b>Barking Riverside Limited Board</b>	Relevant Cabinet Member ( Regeneration) (observer status only)	Cllr Geddes	FRS Jeremy Grint Ext 2443
<b>Community Legal Advice Centre</b>	2 Councillors 2 year appointment	Cllr Keller Cllr Ogungbose (May 2012 – May 2014) (May 2012 – May 2014)	ACS Glynis Rogers Ext 2827
<b>Corporation of Barking &amp; Dagenham College</b>	1 Councillor (4 year appointment)	Cllr Carpenter (Dec 2011 – Nov 2015)	ChS Helen Jenner Ext 5800
<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 Jonathan Bunt Ext 8427
<b>East London Solutions Members' Review Group</b>	Two Councillors plus two deputies nominated by the Leader	Cllr Alasia Cllr Channer Cllr Butt Cllr A S Jamu	FRS Jonathan Bunt Ext 8427
<b>East London Waste Authority</b>	Relevant Cabinet Member Environment plus 1 Councillor	Cllr McCarthy Cllr Obasohan	HES Robin Payne Ext 5660

**APPENDIX C**

<b>Organisation</b>	<b>Representation required</b>	<b>Representation 2013/14 (1 year unless specified)</b>	<b>Lead Department &amp; Corporate Director or Divisional Director</b>
<b>Elevate Limited Liability Partnership Board</b>	Relevant Cabinet Member (Customer Services) plus 1 Councillor as deputy to be appointed by the Cabinet Member	Cllr Collins  Cllr Burgon	FRS  Jonathan Bunt Ext 8427
<b>Elevate Strategic Partner Board</b>	Relevant Cabinet Member Finance as Chair plus Relevant Cabinet Member (Customer Services) - and 1 non-cabinet Councillor	Cllr Gill  Cllr Collins  Cllr Letchford	FRS  Jonathan Bunt Ext 8427
<b>Employee Joint Consultative Committee</b>	Relevant Cabinet Member (Adult Services & Human Resources) plus 5 Councillors	Cllr Reason Cllr Burgon Cllr Davis Cllr Keller Cllr Ogunbose Cllr Salam	FRS Martin Rayson Ext 3113
<b>Employee Joint Health, Safety and Wellbeing Committee</b>	Relevant Cabinet Member (Adult Services & Human Resources) plus 3 Councillors	Cllr Reason 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 2013/14 (1 year unless specified)	Lead Department & Corporate Director or Divisional Director
Housing Forum - Barking	One Councillor per Ward with voting rights.	<p><b>Barking</b></p> <p>Cllr Butt Cllr Douglas Cllr McDermott Cllr Ashraf Cllr Letchford Cllr L Rice Cllr Hunt Cllr Poulton</p> <p>Abbey Becontree Eastbury Gascoigne Goresbrook Longbridge Maysbrook Thames</p>	HES Ken Jones Ext 5703
Housing Forum – Dagenham	One Councillor per Ward with voting rights.	<p><b>Dagenham</b></p> <p>Cllr Davis Cllr Wade Cllr Ramsay Cllr Vincent Cllr C Rice Cllr Keller Cllr Mullane Cllr Obasohan Cllr Perry</p> <p>Alibon Chadwell Heath Eastbrook Heath Parsloes River Village Valence Whalebone</p>	HES Ken Jones Ext 5703
<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 appointed by the Leader	Cllr Smith  Cllr Geddes  Cllr Butt Cllr Channer	CE Graham Farrant Ext 2137

Organisation	Representation required	Representation 2013/14 (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</li> <li>❖ Adult Services and Human Resources</li> <li>❖ Health (voting Members)</li> </ul> <p>Plus: The Chair and Deputy-Chair of the Development Control Board (non-voting)</p>	<p>Cllr Smith</p> <p>Cllr Geddes Cllr Reason Cllr Worby</p> <p>Cllr Miles Cllr I S Jamu</p>	<p>FRS Jeremy Grint Ext 2443</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 I S Jamu</p>	<p>CE Graham Farrant Ext 2137</p>
<ul style="list-style-type: none"> <li>• Urban Commission</li> </ul>	<p>2 Councillors</p>	<p>Cllr Carpenter Cllr I S Jamu</p>	<p>FRS Jeremy Grint Ext 2443</p>

**APPENDIX C**

Organisation	Representation required	Representation 2013/14 (1 year unless specified)	Lead Department & Corporate Director or Divisional Director
<p><b>London Borough of Barking and Dagenham Adoption and Permanence Panel</b></p>	<p>1 Councillor (3 year appointment)</p>	<p>Cllr Perry (May 2013-May 2016)</p>	<p>ChS Christopher Martin Ext 2233</p>
<p><b>London Borough of Barking and Dagenham Fostering Panel</b></p>	<p>2 Councillors (3 year appointments)</p>	<p>Cllr Davis Cllr Hunt (May 2013 – May 2016) (Dec 2013 – May 2016)</p>	<p>ChS Christopher Martin Ext 2233</p>
<p><b>London Councils</b></p>			
<ul style="list-style-type: none"> <li>Leaders' Committee</li> </ul>	<p>Leader of the Council plus 2 named deputies to be appointed by the Leader</p>	<p>Cllr Smith Cllr Gill Cllr White</p>	<p>CE Graham Farrant Ext 2137</p>
<ul style="list-style-type: none"> <li>Transport and Environment Committee (Associated Joint Committee)</li> </ul>	<p>Relevant Cabinet Member - Environment plus up to 4 named deputies to be appointed by the Cabinet Member</p>	<p>Cllr McCarthy Cllr Letchford Cllr Poulton Cllr I S Jamu Cllr Keller</p>	<p>HES Robin Payne - Ext 5660 FRS Jeremy Grint – Ext 2443</p>

APPENDIX C

Organisation	Representation required	Representation 2013/14 (1 year unless specified)	Lead Department & Corporate Director or Divisional Director
<ul style="list-style-type: none"> <li>Grants Committee (Associated Joint Committee)</li> </ul>	Relevant Cabinet Member Crime Justice and Communities plus up to 4 named deputies ( <b>who must be Cabinet Members</b> ) to be appointed by the Cabinet Member	Cllr Alexander  Cllr Geddes Cllr Gill CllrWhite 1 vacancy	ACS Glynis Rogers Ext 2827
<ul style="list-style-type: none"> <li>Greater London Employment Forum</li> </ul>	Relevant Cabinet Member (Adult Services and Human Resources) plus 1 deputy	Cllr Reason  Cllr Keller	FRS Martin Rayson Ext 3113
<ul style="list-style-type: none"> <li>Children and Young People Borough Lead Member</li> </ul>	Relevant Cabinet Member Children's Services	Cllr White	ChS Meena Kishinani Ext 3507
<ul style="list-style-type: none"> <li>Crime and Public Protection Borough Lead Member</li> </ul>	Relevant Cabinet Member Crime, Justice and Communities	Cllr Alexander	ACS Glynis Rogers Ext 2827
<ul style="list-style-type: none"> <li>Culture &amp; Tourism Borough Lead Member</li> </ul>	Relevant Cabinet Member (Leader's portfolio)	Cllr Smith	ACS Paul Hogan Ext 3576



**APPENDIX C**

<b>Organisation</b>	<b>Representation required</b>	<b>Representation 2013/14</b> (1 year unless specified)	<b>Lead Department &amp; Corporate Director or Divisional Director</b>
<ul style="list-style-type: none"> <li>Economic Development / Regeneration Borough Lead Member</li> </ul>	Relevant Cabinet Member Regeneration	Cllr Geddes	FRS Jeremy Grint Ext 2443
<ul style="list-style-type: none"> <li>Health and Adult Services Borough Lead Member(s)</li> </ul>	Relevant Cabinet Members ❖ Health ❖ Adult Services and Human Resources	Cllr Worby Cllr Reason	ACS Glynis Rogers Ext 2827
<ul style="list-style-type: none"> <li>Housing Borough Lead Member</li> </ul>	Relevant Cabinet Member - Housing	Cllr P Waker	HES Ken Jones Ext 5703
<ul style="list-style-type: none"> <li>Planning Borough Lead Member</li> </ul>	Relevant Cabinet Member - Regeneration	Cllr Geddes	FRS Jeremy Grint Ext 2443
<b>London Road Safety Council</b>	2 Councillors (2 year appointment)	Cllr I S Jamu (May 2012-May 2014) Cllr Salam (May 2012-May 2014)	HES Robin Payne Ext 5660
<b>May &amp; Baker Eastbrook Community Club</b>	3 Eastbrook Ward Councillors (co-terminus with Borough elections)	Cllr P Burgon (to May 2014) Cllr A Ramsay (to May 2014) Cllr M McCarthy (to May 2014)	ACS Paul Hogan Ext 3576

**APPENDIX C**

Organisation	Representation required	Representation 2013/14 (1 year unless specified)	Lead Department & Corporate Director or Divisional Director
<b>Members' Corporate Parent Group</b>	1 Councillor (appointed by the Relevant Cabinet Member –Children's Services) – co-terminus with Borough elections	Cllr Letchford (to May 2014)	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 Cllr I S Jamu	FRS Jeremy Grint Ext 2443
<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 Cllr Carpenter Cllr McDermott	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 ❖ Children's Services ❖ Regeneration	Cllr Gill Cllr White Cllr Geddes	ChS Helen Jenner Ext 5800 FRS: Jonathan Bunt Ext 8427

**TRUSTEES OF LOCAL CHARITIES – 2013/2014****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 2013- May 2014)****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 Douglas and Letchford (May 2013 – May 2014)****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's Services, the Corporate Director of Finance and Resources, the Corporate Director of Children's Services and the Head of Legal and Democratic Services

**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 Council of the London Borough of Barking and subsequently Barking & Dagenham (being the successors to the said Urban District Council) appointed the Mayor, the Chairman of Social Services Committee (now the Lead Member for Children's Services) and the Director of Social Services (now the Corporate Director of Children's Services) to convene a meeting for the purpose of distribution.

**The trustees are the Mayor and the former Director of Social Services (now the Corporate Director of Children's Services).** There is no specific term of office.

### **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 2013 – May 2014)**

## ASSEMBLY

17 JULY 2013

<b>Title:</b> <b>The Queen's Birthday Honours List 2013 Award of MBE to Steve Thompson</b>	
<b>Report of:</b> <b>The Leader of the Council</b>	
<b>Open</b>	<b>For Information</b>
<b>Wards Affected:</b> <b>None</b>	<b>Key Decision:</b> <b>No</b>
<b>Report Author:</b> <b>Margaret Freeman Senior Democratic Services Officer</b>	<b>Contact Details:</b> Tel: 020 8227 2638 Email: <a href="mailto:margaret.freeman@lbbd.gov.uk">margaret.freeman@lbbd.gov.uk</a>
<b>Accountable Divisional Director:</b>	<b>Fiona Taylor, Divisional Director Legal and Democratic Services</b>
<b>Accountable Director:</b>	<b>Chief Executive</b>
<b>Summary:</b>	
<p>The Assembly is asked to note the award in the Queen's Birthday Honours list 2013 of the MBE to Steve Thompson, MD of Dagenham and Redbridge Football Club in recognition of his services to the community.</p> <p>Steve was nominated for the award by Dagenham and Redbridge Football Club for the tireless work he continues to do supporting young people in the borough through a range of initiatives. These include the "KICKZ" programme, which aims via football to promote a healthy lifestyle, community cohesion and youth diversion; and the Thames Gateway Youth Football Project which provides sporting and educational opportunities to vulnerable young people.</p> <p>He is an active supporter of the Football League's "Kick Racism out of Football" campaign, and is constantly aware that Dagenham and Redbridge Football Club is an integral part of the community that provides a focal point for young people and residents.</p> <p>Steve is a trustee of the "Living the Dream Trust", which was set up to raise funds and provide support to young people who had the potential to participate in London 2012 but did not have the personal funding to support their Olympic training. He has been a Governor of Barking College since 2002 and chairs the College Audit Committee.</p> <p>Steve was made an Honorary Freeman of the Borough in 2009 in recognition of his outstanding service to the community, in particular his work with youth in sport.</p> <p>The Leader has sent a letter of congratulations to Steve on behalf of the Council.</p>	

1        **Options Appraisal - n/a**

2. **Consultations** - None
3. **Financial Implications** - None
4. **Legal Implications** - None
5. **Other Implications** - none

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

**List of appendices - none**

## ASSEMBLY

17 July 2013

<b>Title: Appointment of Faith Representatives (Church of England and Roman Catholic) Co-opted Members to the Children's Services Select Committee</b>	
<b>Report of the Chief Executive</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> No
<b>Report Author:</b> Masuma Ahmed, Democratic Services & Scrutiny Officer	<b>Contact Details:</b> Tel: 020 8227 2756 E-mail: <a href="mailto:masuma.ahmed@lbbd.gov.uk">masuma.ahmed@lbbd.gov.uk</a>
<b>Accountable Divisional Director:</b> Fiona Taylor Head of Legal & Democratic Services	
<b>Accountable Director:</b>	<b>Chief Executive</b>
<p><b>Summary:</b></p> <p>Reverend Gayler, due to retirement, has resigned from the position of Faith Representative (Church of England) Co-opted Member of the Children's Services Select Committee (CSSC).</p> <p>The selection of a Faith Representative is a two-stage process; the first being the nomination stage and the second being a ballot (where more than one nomination is received).</p> <p>One nomination to fill the position was received from the Church of England Chelmsford Diocesan Board of Education and therefore, a ballot for the role was not necessary. The successful nominee is Ms Ingrid Robinson who is a member of St. Chad's Church, Chadwell Heath.</p> <p>Mrs Glenda Spencer was appointed to the position of Faith Representative (Roman Catholic) Co-opted Member of the CSSC for a term of four years on 11 June 2009. Her term of office therefore expired on 10 June 2013. The Roman Catholic Diocese of Brentwood has re-nominated Mrs Spencer for this position and therefore a ballot was not necessary.</p> <p>Should the above appointments be agreed by the Assembly, in accordance with Article 6 of the Council Constitution, Ms Robinson and Mrs Spencer's terms of office shall be for four years.</p>	
<b>Recommendation</b>	
The Assembly is recommended to agree:	
(i) The appointment of Ms Ingrid Robinson as Faith Representative (Church of	

England) Co-opted Member of the CSSC.

- (ii) The re-appointment of Mrs Glenda Spencer as Faith Representative (Roman Catholic) Co-opted Member of the CSSC.

### **Reason**

To ensure that the Council's scrutiny function, and the membership of the Committee, is in accordance with Article 6 of the Council Constitution and the Local Government Act 2000.

## **1. Financial Implications**

Implications completed by: Martin Henwood, Deputy Chief Financial Officer

Telephone and email: 020 8227 5502 martin.henwood@lbbd.gov.uk

- 1.1 The financial implications of these appointments will be minimal for the Council, with any expenses met from existing budgets.

## **2. Legal Implications**

Implications completed by: Paul Feild, Senior Governance Lawyer

Telephone and email: 020 8227 3133 Paul.Feild@bdtlegal.org.uk

- 2.1 Section 23 and schedule one of the Local Government Act 2000 prescribes that local education authorities that maintain Church of England and Roman Catholic Church schools must include as members of the Scrutiny Committee that considers education matters persons nominated by the Church of England Diocesan Board of Education for the Church of England Representative and by the Bishop of any Roman Catholic diocese which falls wholly or partly in the authority area. They are co-opted members. They only have voting rights on education related matters.
- 2.2 The Children's Services Select Committee is the relevant scrutiny committee for these purposes. As prescribed in Article 6 of the Constitution, statutory co-opted members have the rights of a council member for the purposes of the Children's Services Select Committee, including the right to attend meetings of the Assembly to speak in relation to education related matters, and the right under Article 6A to call in Cabinet decisions relating to education matters.

## **3. Other Implications**

There are no other implications.

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

- Council Constitution
- The Local Government Act 2000

### **List of appendices:**

- None



**ASSEMBLY****17 July 2013**

<b>Title:</b> Construction Workers Blacklisting Update Report	
<b>Report of the Chief Executive</b>	
<b>Open Report</b>	<b>For Information</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> No
<b>Report Author:</b> <b>Graham Farrant Chief Executive</b>	<b>Contact Details:</b> Tel: 020 8227 2137 E-mail: graham.farrant@lbbd.gov.uk
<b>Accountable Divisional Director:</b> Fiona Taylor, Head of Legal and Democratic Services	
<b>Accountable Director:</b>	Chief Executive
<p><b>Summary:</b></p> <p>At its last meeting held 15 May 2013, the Assembly received and passed a motion:</p> <ul style="list-style-type: none"> <li>- To support the GMB campaign against the blacklisting of construction workers.</li> <li>- To call on the Council to make clear to all construction companies bidding for Council contracts that any unlawful blacklisting of workers will not be tolerated</li> <li>- To request the Chief Executive to provide a report to the next Assembly meeting regarding progress on this matter."</li> </ul> <p>This report is an update report from the Chief Executive in compliance with the third-mentioned resolution.</p>	
<b>Recommendation(s)</b>	
The Assembly is recommended to note the report.	
<b>Reason(s)</b>	
As set out in the Summary above	

**1. Introduction**

1.1 At its last meeting held on 15 May 2013, the Assembly received a motion from a Member which asked the Assembly to note:

- The GMB campaign to highlight that 3,213 workers were blacklisted by construction firms and which calls for all of those affected to be given an unreserved apology and compensation by the firms.

- That in 2009 the Information Commissioners Office (ICO) seized a database of 3,213 construction workers used by 44 companies to vet new recruits and keep out employment trade union and health and safety activists.
- That of the 3,213 workers identified on the blacklist only 194 have been informed that they appear on the list.
- Of the 194 people identified as featuring on the blacklist, 39 of these were based or attempting to find work in London.
- A number of blacklisted workers live in Barking and Dagenham.

1.2 Accordingly Assembly took the view that:

- Blacklisting is an unacceptable practice which cannot be condoned.
- the construction firms that engaged in blacklisting should apologise to those who have been affected and denied jobs as a result of the list.
- the Information Commissioners' Office should inform all those who feature on the blacklist.

1.3 Assembly therefore resolved:

- To support the GMB campaign against the blacklisting of construction workers.
- To call on the Council to make clear to all construction companies bidding for Council contracts that any unlawful blacklisting of workers will not be tolerated
- To request the Chief Executive to provide a report to the next Assembly meeting regarding progress on this matter.

1.4 In compliance with the third-mentioned resolution, the Chief Executive is bringing this report to Assembly to update Members on the progress made so far in implementing Assembly's decision.

## **Background**

- 2.1 Blacklisting is the practice of systematically denying individuals employment on the basis of information, accurate or not, held in some kind of database.
- 2.2 In the early 1990s an organisation called The Consulting Association (TCA) was established which maintained a database containing a wide variety of information, including the names of 3,200 individuals, their trade union activities, employment history and personal and relationship details. TCA supplied the information to more than 40 construction companies in the construction industry.
- 2.3 The House of Commons Scottish Affairs Committee conducted an inquiry into the activities of TCA and its database. In April 2013 the Committee published an Interim Report entitled "Blacklisting in Employment: Interim Report" (the "Report"), which set out its findings so far. The Committee concluded that:

*It is very clear to us that the service which the Consulting Association offered was a blacklisting one: that is, subscriber companies put information into and took information out of a database, and they used the information on that*

*database to make decisions about whether or not to employ certain individuals.*

- 2.4 In early 2009 TCA received an unannounced inspection from the Information Commissioner's Office (ICO) who confiscated the database and closed TCA down. The ICO did not use its powers to pursue the matter further with any of the construction companies because it was satisfied that the confiscation of the blacklist had closed down the practice and the activities of TCA.
- 2.5 The GMB and Liberty have criticised the ICO for not doing more to alert individuals to the fact that they were on a blacklist. The ICO conceded that perhaps more could have been done, but has argued that the action taken was deemed proportionate at the time.
- 2.6 The House of Commons Committee does not agree. It concluded that

*30. We are not satisfied that sufficient action has been taken to alert individuals to the fact that information was improperly held about them by the Consulting Association, and that checks were made against this database by construction companies. The ICO has relied too much on individuals to take the initiative and contact it, rather than trying to identify the people who were on TCA's blacklist. Many may be unaware that they were being systematically discriminated against in employment. They deserve to know. We acknowledge that the ICO is now doing more to contact those whose names and details were held by TCA, and we welcome this direction of travel, but encourage the ICO to go further and to work closely with trade unions who have been active in this field.*

- 2.7 Following the raid on TCA by the ICO, the Employment Relations Act 1999 (Blacklists) Regulations 2010 were passed to strengthen the law against blacklisting. The Regulations made denial of a job for discriminatory reasons such as trade union membership illegal and blacklisting was statutorily prohibited.

### **3. Proposal and Issues**

- 3.1 In taking the decisions it has, Assembly is keen that the Council's support of the Unions' campaign is given life in the Council's activities.
- 3.2 Currently the Council's standard contract terms and conditions provide that contractors shall comply with all obligations under all relevant legislation and all Council policies and rules currently in force. This includes the requirement not to discriminate in employment and the requirements of the Regulations.
- 3.3 The Council's standard Invitation to Tender also prohibits unlawful discrimination in employment; and requires contractor compliance with all relevant legislation relating to its employees.
- 3.4 Legal Services and Corporate Procurement are currently looking into ways in which the current provisions in the Contract Rules as well as the tender and contractual documentation can be strengthened further, including the introduction of an express requirement for contractors to note and acknowledge the requirements of the Employment Relations Act 1999 (Blacklists) Regulations 2010 and the Council's

policies. All service contracts (which are smaller contracts) will be amended forthwith and implemented from the 1 August 2013. All Invitation to Tender (ITT) documents (which are required for a more detailed procurement process) will also require amendment. Currently the council is carrying out a review of its ITT documentation and this review is due to conclude on the 19 July and will include the changes highlighted above. Once agreed by procurement board implementation of these changes will be carried out from 1 September 2013.

#### **4. Options Appraisal**

- 4.1 Assembly approved a motion on 15 May 2013 in relation to the blacklisting of construction workers and thereby adopted a policy. The Chief Executive is the Council's principal adviser on all matters of policy and this report is presented as requested by the Assembly and to ensure continued good governance.

#### **5. Consultation**

- 5.1 GMB welcome this report and the Council's support of GMB's campaign against this practice within the construction industry and other corporate companies.

#### **6. Financial Implications**

Implications completed by: Carl Tomlinson  
Telephone and email: 0208 227 2346, [carl.tomlinson@lbbd.gov.uk](mailto:carl.tomlinson@lbbd.gov.uk)

- 6.1 There is no direct financial impact on the Council, but failing to support the Union's campaign could result in affected Barking and Dagenham residents unable to find work and will hence see a potential increase in demand for financial support and assistance from the Council.
- 6.2 Permitting unlawful activity which is in breach of our contractual agreements could leave the Council potentially liable for litigation from affected blacklisted Barking and Dagenham residents. Any settlement payments paid under such litigation will place a financial burden on the Council.

#### **7. Legal Implications**

*Implications completed by: Fiona Taylor, Head of Legal Services*

- 7.1 The Council's contracts all state that contractors must not act illegally and must act in compliance with the law and the Council's policies. Any breach of this will thus amount to a breach of contract as well as being an unlawful act for which the contractor can be liable. Legal and Procurement officers are currently reviewing the Council's standard terms and conditions and ITT documentation to ensure they are strong enough to meet Members' aspirations without breaching the law. It is proposed for example, that the documents make specific reference to the new Regulations in much the same way as we do for other legislation such as the Bribery Act.

#### **8. Other Implications – n/a**

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

House of Commons Scottish Affairs Committee interim report:  
**'Blacklisting in Employment: Interim Report'**

**List of appendices: None**

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## THE ASSEMBLY

17 JULY 2013

<b>Title: THE CODES OF CONDUCT FOR MEMBERS</b>	
<b>Report of: The Monitoring Officer</b>	
<b>Open</b>	<b>For Information</b>
<b>Wards Affected: None</b>	<b>Key Decision: No</b>
<b>Report Author: Margaret Freeman Senior Democratic Services Officer</b>	<b>Contact Details: Tel: 0208 227 2638 E-mail: <a href="mailto:margaret.freeman@gov.uk">margaret.freeman@gov.uk</a></b>
<b>Accountable Divisional Director:</b>	<b>Fiona Taylor, Monitoring Officer and Head of Legal and Democratic Services</b>
<b>Accountable Director:</b>	<b>Chief Executive</b>
<p><b>Summary:</b></p> <p>On 1 July 2012 the Assembly adopted, as required by the Localism Act 2011, a new local Code of Conduct and Complaint Procedure. The new Code differs from the former statutory Code in that the Monitoring Officer now conducts an initial assessment against approved criteria, may consult with the new Independent Person and tries to resolve matters informally if possible or appropriate. As it has been in existence for a year, it was considered timely to review the structure and drafting of the Code of Conduct for Councillors as well as the Codes for Planning Matters and for Licensing and Regulatory Matters to make improvements in composition and simplify them where possible.</p> <p>The Standards Committee considered the revised Codes (Appendices A-C) at its meeting on 5 June 2013 and commended them to the Assembly for adoption.</p>	
<p><b>Recommendation(s)</b></p> <p>The Assembly is asked to:</p> <ol style="list-style-type: none"> <li>1. note the report; and</li> <li>2. adopt with immediate effect the re-drafted: <ol style="list-style-type: none"> <li>(i) Code of Conduct for Councillors as set out in Appendix A</li> <li>(ii) Code of Conduct for Planning Matters as set out in Appendix B; and</li> <li>(iii) Code of Conduct for Licensing and Regulatory Matters as set out in Appendix C</li> </ol> </li> </ol>	
<p><b>Reason:</b></p> <p>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.</p>	

## **1. Introduction and Background**

- 1.1 On 1 July 2012 the Assembly adopted, as required by the Localism Act 2011 (the Act), a new local Code of Conduct and Complaint Procedure.
- 1.2 The Act abolished the National Body “Standards for England” and required authorities to devise their own code of conduct. In addition it established a category of interests which members may have which they were legally obliged to disclose. These interests are called “*disclosable pecuniary interests*”.
- 1.3 Under the Act members are obliged to register interests listed as disclosable pecuniary interests and cannot take part in Council business matters that relate to those interests unless they are issued with a *dispensation*. This is a specific measure which removes the restriction on taking part and may be granted by the Monitoring Officer or the Standards Committee depending upon the circumstances.

## **2. Proposal and Issues**

- 2.1 The consequences of not disclosing an interest which is designated as a disclosable pecuniary interest and taking part in a matter relating to such an interest carry the risk of commission of a criminal offence.
- 2.2 As non-disclosure has very serious repercussions, it is important that documentation regarding Codes of Conduct should aim to be as clear as possible subject to containing the necessary legal content and guidance. For this reason the Codes have been simplified to refer explicitly to the interests which must be disclosed under law that carry a criminal sanction, that is “disclosable pecuniary interests” and those that do not “non pecuniary interests”.
- 2.3 The revised Codes are attached at Appendix A for the Code of Conduct for Councillors, with the Local Code for Planning Matters at Appendix B and the Local Code for Licensing and Regulatory Matters at Appendix C.

## **3. Options Appraisal**

- 3.1 Ongoing review of the Council's Constitution is a requirement of part H of the Constitution and the proposed changes are an integral part of the ongoing programme to monitor and review its effectiveness.
- 3.2 With the duty in mind of continuous improvement the only consistent option is to carry out amendments and clarifications when they are identified; to do nothing or postpone changes would frustrate this objective.

## **4. Consultation**

- 4.1 The revised Codes were considered by the Standards Committee at its meeting on 5 June 2013.

## **5. Financial Implications**

N/A



## **6. Legal Implications**

Implications completed by: Paul Feild, Senior Governance Lawyer

Telephone and email: 020 8227 3133 Paul.Feild@bdtlegal.org.uk

- 6.1 The Localism Act 2011 at section 27 places a duty on the Council as a Local Authority to promote and maintain high standards of conduct by members and co-opted members of the authority and in discharging that duty must in particular adopt a code dealing with the conduct that is expected of said members and co-opted members when they are acting in that capacity
- 6.2 Section 28 of the Act sets out the required standards of behaviour that should be contained within a Code of Conduct, that is the standards first proposed by the Committee on Standards in Public life (known as the Nolan principles) of: selflessness; integrity; objectivity; accountability; openness; honesty; and leadership. In addition the Act states the Code of Conduct must address the provisions the Council considers necessary for the registration and disclosure of interests.
- 6.3 The proposed redrafted Codes contain no material change in terms of obligations and requirements on members and co-opted members; the purpose is to provide clarity by following the precise drafting of Nolan Principles rather than the current paraphrasing and be explicit as to what interests members and co-opted members need to ensure are placed in the register and what interests are declarable at meetings.

## **7. Other Implications N/A**

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## Code of Conduct for Councillors

1. As an elected member or co-opted member (“Member”) of the London Borough of Barking and Dagenham (the “Council”); I have a responsibility to represent the Community and work constructively with our staff and partner organisations 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 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

- 4.1 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:** Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

**INTEGRITY:** Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

**OBJECTIVITY:** In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

**ACCOUNTABILITY:** Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

**OPENNESS:** Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

**HONESTY:** Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

**LEADERSHIP:** Holders of public office should promote and support these principles by leadership and example.

## 5. Standards of Conduct

- 5.1 I further understand that when I sign up to this Code I must comply with the following standards of conduct and behaviour, which are consistent with the above principles:
- i. To act solely in the public interest and never seek to 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 fully submit to 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 give reasons for those decisions and actions.
  - vi. To register as required and declare any disclosable pecuniary interest, and other 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 the principles and standards of the Council's Code of Conduct for Councillors apply to me whenever I act in my official capacity as a Member and a failure to comply with this Code may lead to someone making a complaint against me.

## 6. Disclosable Pecuniary Interests

- 6.1 **The Localism Act 2011 sets out specific requirements for certain personal interests of Members to be notified to the Monitoring Officer within 28 days of becoming a Member. These are called *disclosable pecuniary interests* and must be entered on the Register of Members' Interests. You should also notify the Monitoring Officer if there is any change in those interests.**

6.2 You have a disclosable pecuniary interest in any business of your authority if it is of a description set out in 6.3 below and is either:

- (a) an interest of yours;
- (b) an interest of a “relevant person” who is defined as either
  - i. your spouse
  - ii. your civil partner
  - iii. a person you are living with as a spouse or civil partner

and you are aware that that person has such an interest.

6.3 A disclosable pecuniary interest is one which 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. Non-Pecuniary Interests**

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

(a) 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;

(b) any body that:

1. exercises functions of a public nature; or
2. is directed to charitable purposes; or
3. one of its 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;

(c) the interests of any person from whom you have received a gift or hospitality with an estimated value of at least £50;

(d) a decision in relation to that business which might reasonably be regarded as affecting your wellbeing or the wellbeing of a person known to you 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.

## **8. Declaration of Disclosable Pecuniary Interests**

8.1 Subject to sub-paragraphs 8.2 to 8.3, where you have a disclosable 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 declare to that meeting the existence and nature of that interest whether or not such an interest is registered on your Register of Interests or for which you have made a pending notification.

8.2 Sub-paragraph 8.1 only applies where you are aware or ought reasonably to be aware of the existence of the interest.

8.3 Where you have an interest in any business of your authority which would be disclosable by virtue of paragraph 8.1 but by virtue of paragraph 12 (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. Declaration of Interests generally**

9.1 Subject to sub-paragraph 10.1 where you have an interest in any business of your authority you also have a declarable 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.

- 9.2 You do not have a declarable 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 7.1 (a) and (b);
  - 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 7.1 (a) and (b); 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.

## 10. Effect of Interests on participation

10.1 Where you are present at any meeting of the authority or of any committee, sub-committee, joint committee or joint sub-committee, and you have a disclosable pecuniary interest in any matter to be or being considered at the meeting, and you are aware that this condition is met, you must:

- (a) disclose the interest at the meeting; and
- (b) withdraw from the meeting room for the relevant item, and
- (c) not participate in any discussion and/or vote on the matter

unless you have received a dispensation from the Authority's Proper Officer (Monitoring Officer). The dispensation process is set out below in paragraph 14. Further advice can be sought from the Monitoring Officer.

## 10.2 Additionally you may not:

- (a) exercise executive functions in relation to matters for which you are aware that you have a disclosable pecuniary interest or
- (b) seek to influence a decision about matters for which you are aware that you have a disclosable pecuniary interest

## 10.3 If you have an 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 disclose the existence and nature of the interest in accordance with paragraph 8.1 (but subject to paragraph 8.2). and you are aware that this condition is met, you must:

- (a) disclose the interest at the meeting; and
- (b) withdraw from the meeting room for the relevant item, and
- (c) not participate in any discussion and/or vote on the matter

In this case it is not possible to acquire a dispensation from the Monitoring Officer.

## 11 Registration of Members' Interests

### 11.1 Subject to paragraph 12, a Member 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 all 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

- (c) Subject to paragraph 12, 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 of any change to any disclosable pecuniary interest registered under this paragraph 11.1

by providing written notification to the Monitoring Officer.

## 12 Sensitive Information

### 12.1 Where you have a disclosable pecuniary interest referred to in paragraph 6 or other 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 s.32(2) of the Localism Act 2011 and/or this paragraph.

- 12.2 You must, within 28 days of becoming aware of any change of circumstances which means that information excluded under paragraph 12.1 is no longer sensitive information, notify your authority's monitoring officer.
- 12.3 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.

### **13 Gifts and Hospitality**

- 13.1 You must, within 28 days of receipt, notify the Monitoring Officer in writing of any gift, benefit or hospitality with an actual or estimated value of £50 or more which you have accepted as a Member from any person or body other than the authority.
- 13.2 The Monitoring Officer will place your notification on a public register of gifts and hospitality.
- 13.3 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.

### **14. Dispensations**

- 14.1 If a Member has a discloseable pecuniary interest and wishes to seek a dispensation from the restrictions on participating and voting in meetings, they must complete a request for dispensation form and submit it to the Monitoring Officer.
- 14.2 The Localism Act 2011 sets out five grounds when a dispensation can be granted. However in the case of grounds 2, 3 and 5, the Monitoring Officer may refer the matter to the Standards Committee for a decision due to the nature of the circumstances, in which case the Standards Committee decision shall be final. Please be advised that as an application may need to be referred to the Standards Committee; an early application is recommended or there not be sufficient time to establish a Standards Committee meeting before the meeting the Member wishes to attend.
- 14.3 Grounds for a dispensation:
1. that without the dispensation the number of persons prohibited by section 31(4) Localism Act 2011 from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business,
  2. that without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business,

3. that granting the dispensation is in the interests of persons living in the authority's area,
4. that without the dispensation each member of the authority's Cabinet would be prohibited by section 31(4) from participating in any particular business to be transacted by the authority's executive, or
5. that it is otherwise appropriate to grant a dispensation.

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

**London Borough of Barking and Dagenham  
Management of Complaints relating to Councillors (2013)**

1. All complaints against Members must take the form of a written complaint in the prescribed form unless special circumstances exist as determined by the Monitoring Officer whose decision is final.
2. Where the complaint is unclear in terms of particulars such that there is no specific breach of the Members' Code of Conduct, the Monitoring Officer shall invite the complainant to clarify:
  - What the breach is that is alleged
  - When it happened
  - Where it happened
  - Names and contact details of witnesses, and
  - To attach evidence relevant to the complaint to support the allegation.
3. The Monitoring Officer may set a time for a response to rule 2 not less than 21 days.
4. The Monitoring Officer will only act where there is sufficient evidence in their opinion to do so.
5. Following a period for clarification, the Monitoring Officer may proceed with the complaint and make a determination as to whether the complaint merits a formal investigation and if not, the matter is dismissed. The Monitoring Officer, when making a determination, may consult with the Council's Independent Person.
6. The Monitoring Officer may dismiss a complaint without resort to further investigation if they are of the opinion that the complaint is (any one of the following or more):
  - a. lacking in evidence
  - b. fails to identify any breach
  - c. politically motivated
  - d. vexatious
  - e. repetitive
  - f. defamatory
  - g. has no reasonable prospect of success
  - h. about a Council service. Such a complaint will be referred to the relevant service area in accordance with the Council's complaints policy.
7. If a matter proceeds to investigation the Monitoring Officer may circulate copies of the complaint form to whoever they consider necessary, including the Member and their representative(s) and outside agencies.
8. During the investigation the Monitoring Officer may require the complainant to furnish further details or co-operate in terms of disclosure of evidence. If the complainant fails to co-operate in a timely manner or do not make themselves available, the Monitoring Officer may continue their investigation in the absence of the complainant's co-operation, including making a determination to dismiss the complaint.



## 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 Guidance from the Government including the National Planning Policy Framework and the Spatial Development Strategy (the London Plan) set by the Mayor for London. Planning decisions must be taken in accordance with policies contained in the Plans unless material planning considerations justify a departure.
4. Many minor applications are dealt with by officers under delegated authority, as provided for under the Councils 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 the 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 Head 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. Members' Interests in Proceedings – General Principles**

2.1 The first general principle is that if a Member taking part at a meeting has an interest in an item of business they must declare it. In accordance with the provisions of the Localism Act 2011 there are two possible interests, that is disclosable pecuniary interests and non-pecuniary interests.

2.2 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.

2.3 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 the Member is aware. The Member should immediately withdraw from the meeting by leaving the room, thereby taking no further part in that business. 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 Disclosable Pecuniary Interests**

3.1.1 These are defined in the Code of Conduct for Councillors. These are set by law. If an 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. How to get a dispensation is set out in the Code of Conduct for Councillors document at paragraph 14.

### **3.2 Non-Pecuniary Interests**

- 3.2.1 These are interests which are not disclosable by law but could still be necessary to be declared. An interest which is not within the disclosable pecuniary category may still prevent Members taking part because it is capable of being seen as bias or prejudicial to a party before the Board.
- 3.2.2 A Member shall be regarded as having such an interest that would be prejudicial to the proceedings if it related to an item of business and the interest was 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 in its decision making. In case of doubt, the best advice is to withdraw from dealing with the application.
- 3.2.3 A common potential non-pecuniary interest 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 yes, the Member should declare they have an interest and exclude themselves from discussion and voting on that item.
- 3.2.4 If a Member has a concern as to whether they may have such an interest they should seek advice from the Monitoring Officer though ultimately it is for a Member to decide whether or not to declare that they have an interest.

## **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 Services 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. If you have a disclosable pecuniary interest you cannot take part in that matter at all unless you have been granted a dispensation.
- 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 Councillors' 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 to the Council 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 promoting 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 further 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 Councillors' Code of Conduct and to avoid predisposition to a party, 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 under the Code of Conduct. Members can ensure that challenges are avoided by following a fair and impartial procedure. This means that all parties entitled to address the hearing must be given a full and fair opportunity to present their case before a Committee of Members who have an open mind about the application.

#### **4. Ward Councillors**

- 4.1 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. Members' Interests in Proceedings – General Principles**

- 5.1 The first general principle is that if a Member taking part in a meeting has an interest in an item of business they must declare it. In accordance with the provisions of the Localism Act 2011 there are two possible interests, namely disclosable pecuniary interests and non-pecuniary interests.
- 5.2 To minimise the risk of challenge, Members are strongly recommended that as soon as they receive their papers they should check each application to make sure that they do not have an interest. If they consider themselves to have an interest they should notify the Democratic Services Officer responsible for the Board as soon as possible in advance of the meeting.
- 5.3 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 the Member is aware. The Member should immediately withdraw from the meeting by leaving the room, thereby taking no further part in that business. If any doubt exists in a Member's mind, they are advised to seek advice from the Monitoring Officer in advance of the meeting, though 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.

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

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

- 6.1.1 These are defined in the Councillors' Code of Conduct. These are set by law. If an 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. How to get a dispensation is set out in the Councillors' Code of Conduct document at paragraph 14.

##### **6.2. Non Pecuniary Interests**

- 6.2.1 These are interests which are not disclosable by law but could still be necessary to be declared. An interest which is not within the disclosable pecuniary category may still prevent Members taking part because it is capable of being seen as bias or prejudicial to a party before the Board. A Member shall be regarded as having such an interest that would be prejudicial to the proceedings if it related to an item of business and the interest was 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 in its decision making. 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 a prejudicial interest in 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.

6.2.3 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.

6.2.4 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.

### **6.3 Pre-determined Views and Bias**

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

6.3.2 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.

6.3.3 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.

6.3.4 For the avoidance of doubt, simply being a Ward Member for the Ward in which the premises is located, is not in itself an 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.

## **7. Members' right to address the Board**

- 7.1 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. If you have a disclosable pecuniary interest, you cannot take part in that matter at all unless you have been granted a dispensation.
- 7.2 Constituents' concerns may be orally presented to the Board by a Member if they:
- 7.2.1 have been specifically asked to represent an interested party as set out above; or
  - 7.2.2 have either made a relevant representation within the requisite time or represent 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.
- 7.3 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)

**ASSEMBLY****17 July 2013**

<b>Title: Treasury Management Annual Report 2012/13</b>	
<b>Report of the Cabinet Member for Finance</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> Yes
<b>Report Author:</b> David Dickinson, Group Manager Pensions and Treasury	<b>Contact Details:</b> Tel: 020 8227 2722 E-mail: david.dickinson@lbbd.gov.uk
<b>Accountable Divisional Director: Jonathan Bunt, Divisional Director of Finance</b>	
<b>Accountable Director: Graham Farrant, Chief Executive</b>	
<p><b>Summary</b></p> <p>Changes in the regulatory environment now place a greater onus on elected Members for the review and scrutiny of treasury management policy and activities. 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 2012/13 financial year. The key points to note are as follows:</p> <ul style="list-style-type: none"> <li>➤ Investment income for the year was £1.87m (2011/12: £1.2m);</li> <li>➤ There was no General Fund borrowing in 2012/13 to finance the capital programme as, in line with part of the 2012/13 treasury management strategy, the Council relied on internal borrowing;</li> <li>➤ A £10m Public Works Loan Board was repaid during the year and was not replaced;</li> <li>➤ The Council did not breach its 2012/13 authorised borrowing limit of £528m and complied with all other set treasury and prudential limits.</li> </ul> <p>This report was considered and endorsed by the Cabinet at its meeting on 25 June 2013.</p>	
<b>Recommendation(s)</b>	
<p>The Assembly is recommended to:</p> <ul style="list-style-type: none"> <li>(i) Note the Treasury Management Annual Report for 2012/13;</li> <li>(ii) Note that the Council complied with all 2012/13 treasury management indicators;</li> </ul>	

- (iii) Note that the Council did not borrow to finance its capital programme in 2012/13 but utilised internal cash in line with its strategy;
- (iv) Note the change required in the 2013/14 Treasury Management Strategy Statement to the wording for the counterparty limit for Lloyds TSB, as outlined in section 6.3; and
- (v) Approve the actual Prudential and Treasury Indicators for 2012/13 as set out in Appendix 1 to the report.

**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 2012/13.
- 1.2 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).
- 1.3 This report also reviews the external cash portfolio manager for the financial year.
- 1.4 During 2012/13 the full Council received the following reports:
  - an annual treasury strategy in advance of the year (Assembly 22/02/2012);
  - a mid-year (minimum) treasury update report (Assembly 05/12/2012); and
  - an annual review following the end of the year describing the activity compared to the strategy (this report).
- 1.5 This Annual Treasury Report covers:
  - The Council's treasury position as at 31 March 2013;
  - Economic Factors and Interest rate in 2012/13;
  - The Strategy for 2012/13;
  - Annual Strategy Statement 2012/13;
  - Changes in strategy during the year;
  - Performance Measurement in 2012/13;
  - Council's Treasury Performance in 2012/13
  - Borrowing Outturn;
  - Treasury Management costs in 2012/13;
  - Compliance with Treasury limits and Prudential indicators;



- Lending to Commercial and External Organisations; and
- Prudential Indicators for 2012/13 (Appendix 1)

## 2. Treasury Position as at 31 March 2013

- 2.1 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.
- 2.2 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.
- 2.3 The Council's treasury position at the start and end of 2012/13 is shown in Table 1:

**Table 1: Council's treasury position at the start and end of 2012/13**

	31 March 2013 Principal £'000	Rate /Return	Average Life (yrs)	31 March 2012 Principal £'000	Rate /Return	Average Life (yrs)
<b>Fixed Rate Funding:</b>						
PWLB	285,912	3.54%	38.75	295,912	3.55%	39.46
<b>Variable Rate Funding:</b>						
PWLB	0	0	0	0	0	0
Market	40,000	4.02%	55.61	40,000	2.37%	56.39
<b>Total Debt</b>	<b>325,912</b>	<b>3.60%</b>	<b>40.45</b>	<b>335,912</b>	<b>3.41%</b>	<b>41.43</b>
<b>Investments</b>						
In-House*	70,766	2.01%		60,736	1.10%	
<b>External Managers:</b>						
Investec	39,088	1.05%		38,743	1.67%	
<b>Total Investments</b>	<b>109,854</b>	<b>1.67%</b>		<b>99,479</b>	<b>1.28%</b>	

\* In-house cash figure excludes a prepayment made to Elevate.

## 3. The Economy and Interest rate in 2012/13

- 3.1 The original expectation for 2012/13 was that Bank Rate would not rise in 2012/13 or 2013/14 and for it to start gently rising from quarter 4 2014. This forecast rise has now been pushed back to start in quarter 1 2015 at the earliest. Economic growth (GDP) in the UK was virtually flat during 2012/13, due to the UK austerity programme, subdued domestic consumer expenditure, a lack of rebalancing of the UK economy to exporting and weak growth in our biggest export market - the European Union (EU).

- 3.2 The weak UK growth resulted in the Monetary Policy Committee increasing quantitative easing (QE) by £50bn in July to a total of £375bn. The Bank Rate, therefore, ended the year unchanged at 0.5%, while CPI inflation has remained stubbornly high and above the 2% target, starting the year at 3.0% and still being at 2.8% in March; however, it is forecast to fall to 2% in three years time.
- 3.3 The EU sovereign debt crisis was an ongoing saga during the year, with an eventual very protracted agreement of a second bailout for Greece in December followed by a second major crisis, this time over Cyprus, towards the end of the year.
- 3.4 Gilt yields oscillated during the year as events in the ongoing Eurozone debt crisis ebbed and flowed, causing corresponding fluctuations in safe haven flows into / out of UK gilts. This, together with a further £50bn of QE in July and widely expected further QE still to come, combined to keep PWLB rates depressed for much of the year at historically low levels.
- 3.5 The Funding for Lending Scheme, announced in July, has resulted in a flood of cheap credit being made available to banks and this has resulted in money market investment rates falling drastically in the second half of the year. However, perceptions of counterparty risk have improved after the European Central Bank (ECB) statement in July that it would do “whatever it takes” to support struggling Eurozone countries. This has resulted in some return of confidence to move away from only very short term investing.
- 3.6 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. Moody’s followed up this warning by actually downgrading the rating to AA+ in February 2013 and Fitch then placed their rating on negative watch, after the Budget in March.

#### **4. The Strategy for 2012/13**

- 4.1 The expectation for interest rates within the strategy for 2012/13 anticipated low but rising Bank Rate (starting in quarter 4 of 2014), with similar gradual rises in medium and longer term fixed borrowing rates over 2012/13. Variable or short-term rates were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.
- 4.2 In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk.
- 4.3 The actual movement in gilt yields meant that PWLB rates fell during the first quarter of the year to historically low levels. This was caused by a flight to quality into UK gilts from EU sovereign debt, and from shares, as investors became concerned about the potential for a Lehman’s type crisis of financial markets, if the Greek debt crisis were to develop into a precipitous default and exit from the Euro.

- 4.4 During the second and third quarters, rates rose gradually and agreement of a second bail out for Greece in December saw the flight to quality into gilts reverse somewhat, as confidence rose that the Eurozone crisis was finally subsiding.
- 4.5 However, gilt yields then fell back again during February and March as Eurozone concerns returned, with the focus now shifting to Cyprus, and flight to quality flows into gilts resumed. This was a volatile year for PWLB rates, driven by events in the Eurozone which oscillated between crises and remedies.

## **5. Annual Strategy Statement 2012/13**

5.1 The Assembly approved the annual strategy for 2012/13 on the 22 February 2012.

5.2 The key points from that strategy were:

- To set an authorised borrowing limit of £528m for 2012/13;
- That challenging and uncertain economic outlook has several key treasury management implications:
  - The Eurozone sovereign debt difficulties provide a clear indication of much higher counterparty risk. This continues to suggest the use of higher quality counterparties for shorter time periods;
  - Investment returns are likely to remain relatively low during 2012/13;
  - Borrowing interest rates are currently attractive, but may remain low for some time. The timing of any borrowing will need to be monitored carefully;
  - There will remain a cost of capital – any borrowing undertaken that results in an increase in investments will incur a revenue loss between borrowing costs and investment returns.
- 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 for the General Fund;
  - Use short dated PWLB fixed rate loans where rates are expected to be significantly lower than rates for longer period;
  - Ensure that new borrowing, if required, 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 cash 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 cash 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 cash managers adhere to its counterparty limits;
- The Council would operate both borrowing and investment portfolios at short and long term periods and as a consequence reduces the risk of being impacted by a sharp unexpected rise in short-term variable interest rates; and
- That the Council maintain a balance of funding at shorter-term rates to match short-term investments thus maintaining balanced treasury risk.
- 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.
- The Council will continue to utilise internal borrowing rather than external borrowing as the opportunity arises.

## 6. Change in strategy for 2012/13 and 2013/14

6.1 The strategy was revised as part of the 2012/13 Treasury Management Strategy Statement (TMSS) Mid-year Review Report, approved by Council on 5 December 2012.

6.2 The strategy revision was to the Council's Investment Strategy, as detailed below:

- Increase the limit on investment with Lloyds TSB from £30m to a maximum of 40% of the average monthly cash available to invest; and
- Set a fixed investment limit of £40m to be invested with Lloyds TSB after which all additional investment need to be invested in the Lloyds TSB call account.

6.3 Change to 2013/14 TMSS

On 25 February 2013 the 2013/14 TMSS was agreed by full Council. A change is required to be made to the wording for the counterparty limit for Lloyds TSB.

The Counterparty limit read "**Lower** of £40m or 40% of total investable cash". This should read "**Higher** of £40m or 40% of total investable cash". This change will bring the Lloyds investment restrictions in line with the changes outlined in points 6.1 and 6.2 above.

## 7. Performance Measurement in 2012/13

## 7.1 Investment Policy

The Council's investment policy is governed by CLG guidance, which was implemented in the annual investment strategy approved by the Assembly on 22 February 2012. The policy sets out the Council's approach for choosing investment counterparties.

## 7.2 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 2012/13. Although some attractive rates were available in the first part of 2012/13, rates decreased sharply towards the end of 2012 and continued to decline during the first quarter of 2013.

Security and liquidity continued to be an issue for both the in-house and investment cash managers, with all investments invested in instruments and counterparties which may sometimes have generated lower rates of return but higher security and liquidity.

## 8. **Council's Treasury Performance in 2012/13**

### 8.1 **Investment Funds Available**

The level of investments available to the Council as at 1 April 2012 was £99.5m. 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 2013 the level of investments had increased to £109.9m, with £39.1m held by Investec and £70.8m 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.

### 8.2 **Management of Investment Funds**

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

- Council In House Team; and
- External Cash manager: Investec Asset Management Limited.

The Council meets quarterly with the external investment manager 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.

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 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.

### 8.3 Overall Performance

The Council earned £1.87million gross of fees in interest from its investments in 2012/13. This represented an average return for the year of 1.45%. This performance is against a back drop of 3 Month LIBID un compounded rate of 0.56% and 7 day LIBID un compounded rate of 0.39%.

### 8.4 Cash Manager (external)

Throughout 2012/13 approximately £39m of the Council's cash was managed by a cash manager Investec. The performance of the managers against the benchmark return was:

Cash manager	Average Balance Held	Average Gross Return	Council's Average Return
Investec	£38,926,000.00	1.04%	1.62%

The average return achieved is significantly lower than the rate achieved by the Council. However, by investing a portion of the Council's cash in an external cash manager provided the Council with diversification and reduced the risk from concentrating investments in a few counterparties, thereby ensuring security of capital. In addition most instruments used by the cash manager can be traded at short notice thereby ensuring that the Council can maintain liquidity of its funds at short notice. In addition the rate achieved by Investec is higher than the main other options available to the Council, for example Money market Funds, Call Accounts and short-term deposits.

### 8.5 In-House Team

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.

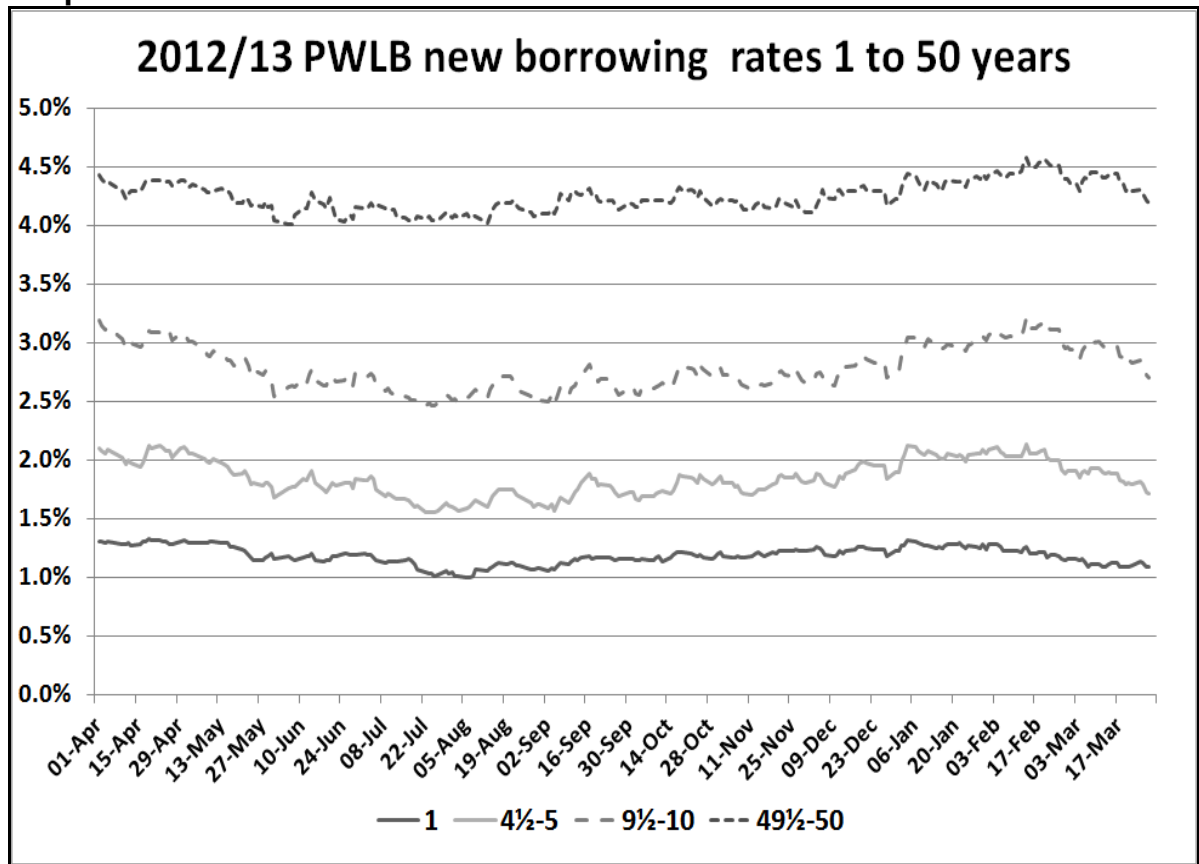
The rate of return for the year was 1.62% (2011/12: 1.1%). Performance was higher compared to 2011/12 due to investments being held for up to a year in higher paying part nationalised banks (Lloyds TSB and the Royal Bank of Scotland).

During the year the in-house team invested in a number of Money Market Funds (MMFs), which were all AAA rated and provided the Council with a very liquid, secure investment option and increased the diversity of the Council's investments.

## 9. Borrowing Outturn

9.1 **PWLB borrowing rates** - Graph 1 below shows how PWLB rates fell to near historic low levels towards the end of the financial year.

**Graph 1: PWLB rates 2012/13**



9.2 **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 2013/14, with borrowing in-line with the capital financing requirements potentially made if borrowing rates rise.

9.3 **Debt Rescheduling, Repayment and New Borrowing**

No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

On 27 April 2012 a £10m PWLB loan at an average rate of 3.85% was repaid and was not refinanced.

As investment rates remained low during the year and the cash flow forecasts remained strong, 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 2012/13.

## 10. Treasury Management Costs

- 10.1 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 2012/13**

Salary Recharge	32,500
Software and other costs	3,810
Sector Treasury Limited	17,000
Investec Asset Management	60,100
	<b>113,410</b>

## 11. Compliance with Treasury limits and Prudential Indicators

- 11.1 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
- 11.2 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 2012/13, the Council did not breach its authorised limit on borrowing of £528m.
- 11.3 The Operational limit set in the 2012/13 Treasury Management Strategy Statement was £431.3m, with the final position of was £325.9m.

## 12. Lending to commercial and external organisations

- 12.1 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.
- 12.2 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 embodies in community strategies. The Chief Finance Officer determines the rates and terms of such loans.

## 13. Conclusions



- 13.1 The key conclusions to draw from this report are as follows:
- a) That the Council complied with prudential and treasury indicators in 2012/13 financial year;
  - b) That the value of investments as at 31 March 2011 totalled £109.9million; and
  - c) That value of long term borrowing as at 31 March 2011 totalled £325.9m. This comprised both market and PWLB loans.

#### **14. Options Appraisal**

- 14.1 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).

#### **15. Consultation**

- 15.1 The Chief Financial Officer has been informed of the approach, data and commentary in this report.

#### **16. Financial Implications**

Implications completed by: Jonathan Bunt, Divisional Director of Finance

- 16.1 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.

#### **17. Legal Implications**

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

- 17.1 The legal and governance provisions have been incorporated in the body of this report. There are no further legal implications to highlight.

#### **18. Other Implications**

- 18.1 **Risk Management** - 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.

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

- Treasury Management Strategy Statement - Assembly Report 22 February 2012
- Sector Economic and Interest Rate Report
- CIPFA – Revised Treasury Management in the Public Sector
- CIPFA – Revised Prudential Code for Capital Finance in Local Authorities

**List of appendices:**

**Appendix 1** - Council's Prudential Code for Capital Investment in Local Authorities  
2012/13

**Appendix 2** - Glossary of Terms

## The Prudential Code for Capital Investment in Local Authorities

### Treasury Management Outturn Report 2012/13

#### 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 2012/13 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 2012/13.

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 Capital Financing Requirement as at 31 March 2013 was £491.6m, which is lower than the Approved Authorised Limit of £528m set by the Assembly in February 2012.

2.6 The Operational and Authorised Limit relates to external borrowing only and Council’s CFR has large internal borrowing element. Total external borrowing was £325.9m which was inside the Approved Authorised Limit.

- 2.7 The actual 2012/13 borrowing requirements and estimates for authorised limits and operational boundary limit set out in Table 4.

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

	2012/13 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000
Capital Programme Borrowing Requirement (Cumulative)	163,934	171,263	166,749	158,514
HRA Self Financing Debt	267,722	267,122	277,649	277,649
Alternative Financing Arrangements:				
Current PFI Schemes on Balance Sheet	56,221	54,992	53,667	52,276
Finance Leases	3,701	2,866	2,031	1,196
Total Alternative Financing Arrangements	59,922	57,858	55,698	53,472
Total Borrowing liability	491,578	496,243	500,096	489,635
External Borrowing (Cumulative)	325,912	315,912	315,912	315,912
Approved Operational Boundary on Borrowing	384,000	429,000	449,000	447,000
Approved Authorised Limit (affordable limit)	528,000	499,000	510,000	499,000

### 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 100.0% and variable rate exposure is 0.0%. The high fixed interest rate is as a result of locking in low long-term rates for the HRA borrowing.

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	2012/13 Actual %	2012/13 Estimate %	2013/14 Estimate %	2014/15 Estimate %
Upper limit for fixed interest rate exposure	100.0	100.0	100.0	100.0
Upper limit for variable interest rate exposure	0.0	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.

**Table 6: Borrowing as at 31 March 2013**

	<b>Actual Position</b>	<b>Upper Limit</b>	<b>Lower Limit</b>
Under 12 months	£10,000,000	20%	0%
	3.07%		
12 months and within 24 months	£10,000,000	40%	0%
	3.07%		
24 months and within 5 years	£0	70%	0%
	0.00%		
5 years and within 10 years	£0	70%	0%
	0.00%		
10 years and above	£265,912,000	100%	0%
	93.86%		

The fixed rate borrowing over 10 years was 93.86%, which is within the limits outlined below:

**Table 7: 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>Maximum principal sums invested &gt; 364 days £'000s</b>	<b>2012/13 £000's Actual</b>	<b>2013/14 £000's Estimate</b>	<b>2014/15 £000's Estimate</b>	<b>2015/16 £000's Estimate</b>
<b>Principal sums invested &gt; 364 days</b>	50,000	50,000	50,000	50,000

## 6. Summary Assessment

- 6.1 The outturn position is set out above in respect of the Prudential Indicators approved by Assembly in February 2012.
- 6.2 The outturn figures confirm that the limits and controls set for 2012/13 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 2012/13, however the operational limit was breached, this is however not a statutory limit.

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## 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 anybody 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 which usually has 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** – 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.
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.

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