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# NOTICE OF MEETING

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## GOVERNANCE & AUDIT & STANDARDS COMMITTEE

FRIDAY, 5 NOVEMBER 2021 AT 2.00 PM

## COUNCIL CHAMBER - THE GUILDHALL

Telephone enquiries to James Harris on 023 9260 6065

Email: james.harris@portsmouthcc.gov.uk

If any member of the public wishing to attend the meeting has access requirements, please notify the contact named above.

Information with regard to public access due to Covid precautions

- Attendees will be requested to undertake an asymptomatic/ lateral flow test within 48 hours of the meeting.
- We strongly recommend that attendees should be double vaccinated.
- If symptomatic you must not attend and self-isolate following the stay at home guidance issued by Public Health England.
- All attendees are recommended to wear a face covering while moving around within the Guildhall.
- Although it will no longer be a requirement attendees may choose to keep a social distance and take opportunities to prevent the spread of infection
- Hand sanitiser is provided at the entrance and throughout the Guildhall. All attendees are encouraged to make use of hand sanitiser on entry to the Guildhall and are requested to follow the one way system in place.
- Attendees are encouraged book in to the venue (QR code). An NHS test and trace log will be retained and maintained for 21 days for those that cannot or have not downloaded the app.
- Those not participating in the meeting and wish to view proceedings are encouraged to do so remotely via the livestream link.

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### Membership

Councillor Leo Madden (Chair)  
Councillor Daniel Wemyss (Vice-Chair)  
Councillor Stuart Brown  
Councillor Charlotte Gerada  
Councillor Lee Hunt  
Councillor John Smith

## **Standing Deputies**

Councillor Ryan Brent  
Councillor Lewis Gosling  
Councillor Graham Heaney  
Councillor Luke Stubbs  
Councillor Rob Wood

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(NB This Agenda should be retained for future reference with the minutes of this meeting.)

Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: [www.portsmouth.gov.uk](http://www.portsmouth.gov.uk)

**Deputations by members of the public may be made on any item where a decision is going to be taken. The request should be made in writing to the contact officer (above) by 12 noon of the working day before the meeting, and must include the purpose of the deputation (for example, for or against the recommendation/s). Email requests are accepted.**

## **AGENDA**

- 1 Apologies for Absence**
- 2 Declarations of Members' Interests**
- 3 Minutes of Meeting held on 24 September 2021 (Pages 7 - 12)**

**RECOMMENDED that the minutes of the meeting held on 24 September 2021 be approved and signed by the Chair as a correct record.**

- 4 Proposed Changes to the Scheme of Delegation in respect of Planning Committee (Pages 13 - 20)**

At the Cabinet Member for Planning Policy & City Development meeting held on 16 September 2021 it was agreed that the second recommendation in the report titled 'Proposed Changes to the Scheme of Delegation in respect of Planning Committee' be referred to the Governance & Audit & Standards Committee.

This recommendation was in respect of amendments to paragraph 57 of the Scheme of Delegation to raise the threshold for the number of adverse representations needed to require committee consideration from 1 (one) to 3 (three) and remove the requirement for objectors to also request to attend the meeting as a deputation.

**Recommended that the Governance & Audit & Standards Committee consider and make comments on the proposed recommendations that the Portfolio Holder for Planning Policy and City Development approves:**

- (i) the amendment of paragraph 57 of the Scheme of Delegation to raise the threshold for the number of adverse representations needed to require committee consideration from 1 (one) to 3 (three) and remove the requirement for objectors to also request to attend the meeting as a deputation.**
- (ii) the amendment of paragraph 50, 54 and 57 of the Scheme of Delegation to include the exception for applications for certificates of lawfulness or applications for Prior Notifications or Approvals.**

**5 Internal Audit Performance Status Report to 18th October 2021 (Pages 21 - 38)**

The purpose of the report is to update the Governance and Audit and Standards Committee on the Internal Audit Performance for 2021/22 to 18<sup>th</sup> October 2021 against the Annual Audit Plan, highlight areas of concern and areas where assurance can be given on the internal control framework.

**RECOMMENDED that Members note:**

- (i) the Audit Performance for 2021-22 to 18<sup>th</sup> October 2021; and**
- (ii) the highlighted areas of concern in relation to audits completed from the 2021/22 Audit Plan, including follow up work performed.**

**6 Treasury Management Mid-Year Review 2021/22 (Pages 39 - 48)**

The purpose of the report is to inform members and the wider community of the Council's Treasury Management position, ie. its borrowing and cash investments at 30<sup>th</sup> September 2021 and of the risks attached to that position. Whilst the Council has a portfolio of investment properties and some equity shares which were acquired through the capital programme; these do not in themselves form part of the treasury management function.

**The Governance & Audit & Standards Committee is RECOMMENDED to note:**

- (1) That the Council's Treasury Management activities have remained within the Treasury Management Policy 2020/21 in the period up to 30<sup>th</sup> September 2021; and**
- (2) The actual Treasury Management indicators as at 30<sup>th</sup> September**

2021 set out in Appendix A

**7 Decision to Opt into the National Scheme for Auditor Appointments Managed by Public Sector Audit Appointments (PSAA) as the Appointing Person (Pages 49 - 52)**

The purpose of the report is to set out proposals for appointing the external auditor to the Council/Authority for the accounts for the five-year period from 2023/24.

**Recommended that Full Council accepts Public Sector Audit Appointments' (PSAA) invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 01 April 2023.**

**8 Compliance with Gifts & Hospitality Register (Pages 53 - 78)**

The purpose of the report is to update Members on any issues regarding compliance with Gifts & Hospitality protocol and to advise on remedies.

**RECOMMENDED that**

- (1) The Committee considers whether or not to make any recommendations for change; and**
- (2) In the absence of any changes, the report is noted.**

**9 Consideration of the political balance rules in relation to the constitution of Sub-Committees considering complaints against Members (Pages 79 - 80)**

The purpose of the report is to ask the Committee to consider whether it wishes to disapply the political balance rules in respect of its Sub-Committees which consider complaints against Members and to agree that the same rule shall apply to the Initial Filtering Panel.

**RECOMMENDED that the political balance rules are disapplied in respect of Governance and Audit and Standards Sub-Committees which are considering complaints against Members and also the same arrangement should apply in respect of Initial Filtering Panel membership.**

**10 Exclusion of Press & Public**

**In view of the contents of the appendices to the following item on the agenda the Committee is RECOMMENDED to adopt the following motion:**

**“That, under the provisions of Section 100A of the Local Government Act, 1972 as amended by the Local Government (Access to Information) Act, 1985, the press and public be excluded for the consideration of the following item on the grounds that the appendices to the report contains information defined as exempt in Part 1 of Schedule 12A to the Local Government Act, 1972" The public interest in maintaining the exemption must outweigh the public interest in disclosing the information. Under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012, regulation 5, the reasons for exemption of the listed appendices are shown below. (NB The exempt/confidential committee papers on the agenda will contain information which is commercially, legally or personally sensitive and should not be divulged to third parties.**

**Members are reminded of standing order restrictions on the disclosure of exempt information and are asked to dispose of exempt**

**documentation as confidential waste at the conclusion of the meeting.  
Item**

<b>Exemption</b>	<b>Para No.</b>
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<b>* 11 . Procurement Management Information</b>	<b>3</b>
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**(Exempt Appendices 1, 2 and 3) \*3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

**11 Procurement Management Information (Pages 81 - 122)**

The purpose of the report is to provide evidence to allow the committee to evaluate the extent that Portsmouth City Council is producing contracts for goods, works and services in a legally compliant value for money basis.

The report is for noting.

Members of the public are permitted to use both audio visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting nor records those stating explicitly that they do not wish to be recorded. Guidance on the use of devices at meetings open to the public is available on the Council's website and posters on the wall of the meeting's venue.

Whilst every effort will be made to webcast this meeting, should technical or other difficulties occur, the meeting will continue without being webcast via the Council's website.

This meeting is webcast (videoed), viewable via the Council's livestream account at <https://livestream.com/accounts/14063785>

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# Coronavirus Risk Assessment for the Council Chamber, Guildhall

**Date:** 21 October 2021 (based on Government Autumn and Winter Plan and associated Guidance published September 2021)

**Review date:** Next time Government guidance is updated

**Author:** Lynda Martin, Corporate Health and Safety Manager, Portsmouth City Council  
**Coronavirus Risk Assessment for the Council Chamber, Guildhall**

<b>Manager's Name and Job Title completing Risk Assessment:</b>	Lynda Martin Corporate Health and Safety Manager	<b>Risk Assessment Dept:</b>	Corporate Services	<b>Date:</b>	21 October 2021	<b>Signature:</b>	<i>Lynda Martin</i>
		<b>Location:</b>	Council Chamber, Guildhall				

Hazard	Who could be harmed and how	All controls required	How controls will be checked	Confirmed all in place or further action required
Risk of exposure to Covid-19 virus - Ventilation	Staff, contractors and attendees	<ul style="list-style-type: none"> <li>• The capacity for the Guildhall Council Chamber for all attendees (including members of the public) has been calculated to be maximum of 30 people to accommodate 2 m social distancing.</li> <li>• Improvements in ventilation permits up to an additional 30 attendees. Members of the public will be advised to follow Covid safety recommendations. If 2m social distancing cannot be maintained then face coverings should continue to be worn and should only be removed when addressing the meeting.</li> <li>• The actions taken to maximise ventilation in the Guildhall Council Chamber includes:               <ul style="list-style-type: none"> <li>○ The removal of internal casement secondary glazing windows.</li> <li>○ Large casement windows will be opened.</li> <li>○ Pedestal fans - positioned in each of the wing areas and along the back wall behind the pillars, maximum speed and modulation setting.</li> <li>○ High level doors and window - the double doors to the high level galleries and the gallery corridor window will be opened.</li> </ul> </li> </ul>	Security staff will be available to ensure numbers are not exceeded. Staff will ensure windows are open and fans switched on.	In place
<span style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 8</span> Risk of transmission of virus - Risk mitigation	Staff, contractors and attendees	<ul style="list-style-type: none"> <li>• The Guildhall takes its responsibility to help limit the risk of infection seriously and has the following measures and requirements in place, attendees should:               <ul style="list-style-type: none"> <li>• Be double vaccinated.</li> <li>• Have a negative Asymptomatic / lateral flow device within 48 hours of a meeting.</li> <li>• Wear face coverings at all times, unless exempt.</li> <li>• Follow Track &amp; Trace requirements - track and trace QR posters will be displayed to allow check in.</li> <li>• Not attend if their result is positive attendees must and follow government guidance regarding isolation: <a href="https://www.gov.uk/government/publications/covid-19-stay-at-home-guidance/stay-at-home-guidance-for-households-with-possible-coronavirus-covid-19-infection">https://www.gov.uk/government/publications/covid-19-stay-at-home-guidance/stay-at-home-guidance-for-households-with-possible-coronavirus-covid-19-infection</a>.</li> </ul> </li> </ul>	The Guildhall Trust and PCC Facilities Team to implement and monitor.	In place
Risk of transmission of virus - Hygiene and prevention		<ul style="list-style-type: none"> <li>• Wash hands for 20 seconds using soap and water or hand sanitiser.</li> <li>• Maintain good hygiene particularly when entering or leaving.</li> <li>• Hand sanitiser will be located at the entrance of the building.</li> <li>• Hand sanitiser and wipes will be located in the meeting room.</li> <li>• Additional cleaning measures are in place, door handles, surfaces, etc.</li> <li>• No refreshments will be provided. Attendees should bring their own water bottles/drinks.</li> <li>• All attendees should bring and use their own pens/stationery.</li> <li>• Doorways marked, where possible, with entry and exit channels.</li> </ul>	The Guildhall Trust and PCC Facilities Team to implement and monitor.	In place



Hazard	Who could be harmed and how	All controls required	How controls will be checked	Confirmed all in place or further action required
		<ul style="list-style-type: none"> <li>Only one person should use the lift at a time.</li> <li>Attendees should follow entry/exit signage to and around the building.</li> <li>Each speaker to have their own microphone. No sharing of microphones.</li> </ul>		
PPE	Staff, contractors and attendees	<ul style="list-style-type: none"> <li>All attendees must wear a face covering and are encouraged to bring their own.</li> <li>Face coverings to be available at the entrance to the Guildhall if required.</li> <li>Gloves, anti-bacterial wipes and bin bags to be provide to all events staff.</li> <li>Sanitiser available at the entrance and exit of the building and in reception areas.</li> </ul> <p>The following guidance on using face coverings should be followed:</p> <ul style="list-style-type: none"> <li>Wash/sanitise hands prior to fitting the face covering</li> <li>Avoid touching face or mask, to not contaminate the covering</li> <li>Change face covering if it becomes damp or contaminated</li> <li>Continue to wash hands regularly</li> </ul>	Posters displayed Guidance provided in advance of meeting to all attendees.	In place
Financial Risk	Staff, contractors and attendees	<ul style="list-style-type: none"> <li>The council meeting may need to be cancelled at short notice if the Covid-19 situation changes due to local outbreaks, local sustained community transmission, or a serious and imminent threat to public health.</li> <li>Contact details of all attendees held by the event manager to enable easy efficient cancellation.</li> <li>Technology in place to move to virtual council meeting if required and permitted by legislation.</li> </ul>	Financial commitments minimised wherever possible. PCC Insurance department aware of council meeting.	In place

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<b>Updates</b>	<ul style="list-style-type: none"> <li>This risk assessment is a live document and will be updated as new information becomes available.</li> <li>All managers should feel free to adapt the measures contained within this risk assessment when assessing the risks for their own department's work activities/ premises.</li> </ul>
<b>Further information</b>	<ul style="list-style-type: none"> <li>Further government information on support during the coronavirus pandemic can be found <a href="#">here</a></li> <li>HSE guidance, on working safely during the coronavirus pandemic can be found <a href="#">here</a></li> <li>Staff wellbeing advice during the coronavirus pandemic can be found <a href="#">here</a></li> </ul>

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## GOVERNANCE & AUDIT & STANDARDS COMMITTEE

MINUTES OF THE MEETING of the Governance & Audit & Standards Committee held on Friday, 24 September 2021 at 2.00 pm at the Council Chamber - The Guildhall

(NB These minutes should be read in conjunction with the agenda for the meeting which can be found at [www.portsmouth.gov.uk](http://www.portsmouth.gov.uk).)

### Present

Councillor Leo Madden (in the chair)

Councillor Ryan Brent (Standing Deputy)

Councillor Stuart Brown

Councillor Graham Heaney (Standing Deputy)

Councillor Lee Hunt

### Officers

Peter Baulf, City Solicitor

Michael Lloyd, Finance Manager (Technical & Financial Planning)

Kelly Nash, Corporate Performance Manager

Julian Pike, Deputy Director of Finance & S151 Officer

Charlotte Smith, Assistant Director Corporate Services

Paul Somerset, Deputy Chief Internal Auditor

### External Auditor

Fahad Ijaz, Assistant Manager, Ernst & Young

David White, Manager, Ernst & Young

### 32. Apologies for Absence (AI 1)

Apologies were received from Cllr Simon Boshier, Cllr Charlotte Gerada and Cllr Daniel Wemyss.

Cllr Heaney was in attendance as Standing Deputy for Cllr Gerada and Cllr Brent was in attendance as Standing Deputy for Cllr Wemyss.

### 33. Declarations of Members' Interests (AI 2)

There were no declarations of interest from the members present.

### 34. Minutes of the meeting held on 16 July 2021 (AI 3)

**RESOLVED** that the minutes of the meeting held on 16 July 2021 be approved and signed by the Chair as a correct record.

**35. Performance Management Update - Q1, 2021-22 (AI 4)**

(TAKE IN REPORT)

Kelly Nash, Corporate Performance Manager, introduced the report which sought to inform the committee of any significant performance issues arising from Q2 performance monitoring.

During discussion it was agreed that further information would be circulated on the red KPI's in respect of apprenticeships and workforce burnout.

In response to a question about members being kept informed of delays in the determination of planning applications Cllr Hunt, Chairman of the Planning Committee, advised that members had an opportunity to receive such updates at the Planning Committee Chairman's Briefing, but these were often quite poorly attended.

The committee thanked the Corporate Performance Manager for the report and requested that an additional column to show the actual KPI be included in future reports to provide further context to the rating.

**RESOLVED that the Governance & Audit & Standard Committee NOTED the report.**

**36. Annual Governance Statement (AI 5)**

(TAKE IN REPORT)

Kelly Nash, Corporate Performance Manager, introduced the report which sought approval of the council's Annual Governance Statement (AGS) for 2019/20 (Appendix 1).

**RESOLVED that the Committee agreed the Annual Governance Statement 2020/21 (Appendix 1)**

**37. External Audit - Audit Results Report Year Ended 31 March 2021 (AI 6)**

(TAKE IN REPORT)

David White and Fahad Ijaz from Ernst & Young, the Council's external auditors, introduced their report which summarised the preliminary audit conclusion in relation to the audit of Portsmouth City Council for 2020/21.

The committee's attention was drawn to the following principle ongoing areas of the audit:

- Testing of property, plant and equipment and investment property – principally valuations; and
- Residual work on pensions valuation.

Whilst work was well progressed, these areas had both been impacted by the requirements of updated International Standards on Auditing and in the case of testing of property, plant and equipment and investment property, significant regulator focus.

The committee was advised that the effect of this ongoing work may result in the audit running past the 30 September 2021 deadline, but it was important to note was not a statutory deadline.

The areas of audit focus detailed in Section 2 of the report were explained and the significant risks areas outlined in detail. These were:

- Misstatements due to fraud or error;
- Risk of fraud in revenue and expenditure recognition inappropriate capitalisation of revenue expenditure;
- Valuation of Lakeside North Harbour asset; and
- Valuation of Investment Property and Land and Buildings (valued using EUV & FV method)

In response to a question about the outcome of the valuation of investment property audit it was confirmed that this would be conveyed to members in the Auditors Annual Report, which had superseded the previous Annual Audit Letter.

**RESOLVED that the Governance & Audit & Standards Committee noted the Audit results report for the year ended 31 March 2021.**

### **38. Statement of Accounts 2020-2021 (AI 8)**

(TAKE IN REPORT)

Julian Pike, Deputy Director of Finance & S151 Officer and Michael Lloyd, Finance Manager (Technical and Financial Planning) introduced the report which requested that the Statement of Accounts be approved.

In response to questions regarding short term debtors the committee was advised that whilst these debt levels had increased and were high the Council always did its best to recover monies owed until all practical means had been exhausted.

In respect of the arrangements for the payment of PCC employed officers shared with other local authorities it was confirmed that the officers were paid by PCC and then the other local authorities were invoiced.

**RESOLVED that:**

- (i) the Statement of Accounts be approved; and**
- (ii) authority be delegated to the Chair of the Governance and Audit and Standards Committee to sign an amended 2020/21 Statement of Accounts after 24<sup>th</sup> September should this be required following comments by the auditor.**

**39. Treasury Management Monitoring Report for the First Quarter of 2021/22 (AI 9)**

(TAKE IN REPORT)

Michael Lloyd, Finance Manager (Technical and Financial Planning) introduced the report which informed members of the Council's Treasury Management position, as at 30 June 2021 and of the risks attached to that position.

**RESOLVED that the Governance & Audit & Standards Committee NOTED:**

- (i) the Council's Treasury Management activities have remained within the Treasury Management Policy 2021/22 in the period up to 30 June 2021; and**
- (ii) the actual Treasury Management indicators as at 30 June 2021 set out in Appendix A.**

**40. Corporate Complaints Policy (AI 10)**

Charlotte Smith, Assistant Director Corporate Services, introduced the report which presented the revised corporate complaints policy for approval.

**RESOLVED that the Governance & Audit & Standards Committee APPROVED:**

- (i) the proposed revised corporate complaints policy as set out at appendix A; and**
- (ii) the proposed timeline for implementation of the new policy from 1 December 2021.**

**41. Overview of Portsmouth City Council complaints, including Local Government and Social Care Ombudsman Complaints 2020/21 (AI 11)**

(TAKE IN REPORT)

Charlotte Smith, Assistant Director Corporate Services, introduced the report which presented the annual review by the Local Government and Social Care Ombudsman in respect of complaints it had considered against Portsmouth City Council for the year 2020.

**RESOLVED that the Governance & Audit & Standards Committee NOTED the report.**

**42. Data Security Breach Report (AI 12)**

(TAKE IN REPORT)

Paul Somerset, Deputy Chief Internal Auditor, introduced the report which informed the committee of data security breaches and actions taken since the last meeting.

**RESOLVED that Members of the Governance & Audit & Standards Committee note the breaches (by reference to Appendix A) that had arisen and the action determined by the Corporate Information Governance Panel (CIGP).**

**43. Internal Audit Performance Status Report to 6th September 2021 (AI 7)**

(TAKE IN REPORT)

Paul Somerset, Deputy Chief Internal Auditor, introduced the report which sought to update the committee on the Internal Audit Performance for 2021/22 to 6 September 2021 against the Annual Audit Plan. He advised the committee that the Audit Plan was on target and there were no significant areas of concern to raise.

In respect of the request made by the committee at the July meeting about an audit of direct payments he confirmed that a piece of work around this was ongoing and the outcome would be reported at a future meeting.

In response to a question, it was confirmed that the high-risk exception in relation to ABP pilots related to an unsigned contract between Associated British Ports and Portsmouth International Port. This related to pensions and was not understood to be on the Risk Register any more but would be looked at again by the City Solicitor.

With regard to following up on any critical high-risk matters, the Deputy Chief Internal Auditor explained that if Internal Audit was not satisfied via the usual

audit processes the matter could be raised at the Corporate Governance Group, which included the Chief Executive and S151 Officer.

**RESOLVED that the Governance, Audit & Standards Committee noted:**

- (i) the Audit Performance and results for 2020/21 to 6<sup>th</sup> September 2021; and**
- (ii) any highlighted areas of concern in relation to audits completed from the 2020/21 Audit Plan, including follow up work performed.**

The meeting concluded at 3.07 pm.

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Councillor Leo Madden  
Chair



<b>Title of meeting:</b>	<b>Governance and Audit and Standards Meeting</b>
<b>Date of meeting:</b>	5 November 2021
<b>Subject:</b>	Scheme of Delegation for planning decision making
<b>Report by:</b>	Ian Maguire, Assistant Director Planning & Economic Growth, Regeneration
<b>Wards affected:</b>	All
<b>Key decision:</b>	No
<b>Full Council decision:</b>	No

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## 1. Purpose of report

- 1.1. To purpose of this report is seek approvals to amendments to the Scheme of Delegation to ensure the Planning Committee time is utilised efficiently to deal with important, strategic or especially contentious applications as quickly as possible.

## 2. Recommendations

- 2.1 To approve the amendment of paragraph 57 of the Scheme of Delegation to raise the threshold for the number of adverse representations needed to require committee consideration from 1 (one) to 3 (three) and remove the requirement for objectors to also request to attend the meeting as a deputation.
- 2.2 To approve the amendment of paragraph 50, 54 and 57 of the Scheme of Delegation to include the exception for applications for certificates of lawfulness or applications for Prior Notifications or Approvals.

## 3. Background

- 3.1 To ensure the efficient operation of the Council the Constitution prescribes those decisions that, due to their significance or implications are reserved to Portfolio Holders, Committees or Full Council for determination and those decisions that are delegated to Officers to determine in accordance with the adopted guidance and policies of the Council.
- 3.2 This Scheme of Delegation includes those specific types of planning applications that are reserved for the determination of the Planning Committee and those that

can, therefore be determined by Officers. Normally over 95% of applications are determined under Delegated Authority.

- 3.3 Due to restrictions in accessing the Civic Offices, and other practical restrictions arising from 'lockdown' during 2020 a backlog of applications requiring Planning Committee consideration built up this includes cases requiring committee approval under the scheme of delegation. More cases are of course added to this list as new applications are received and progress and representations and consultation responses are received.
- 3.4 To assist in managing this issue a temporary amendment to the Scheme of Delegation was made in August 2020, raising the scale threshold for those applications that required applications to be determined by the Planning Committee. That alteration to the scheme was in place between August 2020 and February 2021 and has since been made a permanent alteration to the Scheme of Delegation following a decision of the Portfolio Holder on 16<sup>th</sup> September 2021.
- 3.5 While in operation it was considered that this recent amendment was effective in reducing unnecessary burdens to the planning committee without adversely effecting users of the planning services. Members of the planning committee however noted that there were still a number of 'minor' cases that were not delegated to officers and expressed an opinion that such matters did not require committee consideration. As part of good governance a Council should keep its constitution and its scheme of delegation under review and consequently this report therefore further amendments that would reduce unnecessary referral of applications to the planning committee.

#### **4. Reasons for recommendations**

- 4.1 It is in the public interest for the local planning authority to have effective delegation arrangements in place to ensure that decisions on planning applications that raise no significant planning issues are made quickly and that resources are appropriately concentrated on the applications of greatest significance to the local area. It can also be noted that research undertaken by the Local Government Association's Planning Advisory Service has shown that on average applications that are decided at planning committee costs an authority around 10 times more to resource than delegated decisions. The direct cost is of course mostly in Officer time as a significant amount of additional time is needed to support the Committee in their decision making.
- 4.2 As well as the cost and capacity saving to the authority there are advantages of ensuring the planning committees minimise their sitting time. The Planning Advisory Service again recommends that a maximum 2 hours sitting for the planning committee should be sought to ensure members can best engage with the decisions before them.
- 4.3 It is also noted that parts of the current Scheme of Delegation are very different from the prevailing approach to such decision making and are considered likely

to result in disproportionately impacts, prevent some cases that may benefit from Committee consideration being taken before the Committee and requiring some cases that do not merit Committee consideration being nevertheless determined in that way. It is important to note that a Scheme of Delegation that requires too great a proportion of applications to come to Committee will have the inverse effect of reducing access to the Committee as there would be significant delays for schemes to find space on an agenda and ultimately decision would need to be made regarding the prioritisation of committee time.

4.4 For these reasons it is important to ensure the Scheme of Delegation is bringing to the committee only those cases that require committee attention. The current Scheme, as amended in September 2021, includes eight grounds that will potentially reserve an application for committee consideration:

- *Para 50. All applications required to be **referred to the Secretary of State under the Town and Country Planning (Consultation) (England) Direction 2009**;*
- *Para 51. Any applications where any **Member so requests** to the Assistant Director of Planning and Economic Growth providing a written reason, within 28 days of the registration of the application;*
- *Para 52. Any applications which are likely to have **significant implications** in the opinion of the Assistant Director of Planning and Economic Growth;*
- *Para 53. Any applications which are recommended for approval and that seek planning permission for **1,000 square metres or more of new non-residential floor area or for ten or more new dwellings***
- *Para 54. Any applications which are recommended for approval but on which an objection has been received from a **statutory consultee**, which has not been resolved by negotiation or through the imposition of conditions;*
- *Para 55. Any applications submitted by, or on behalf of, a **Councillor** of the Authority (or their spouse/civil partner or a person with whom they are living as spouse/civil partner), or by any **member of the Council's staff** (or their spouse/civil partner or a person with whom they are living as spouse/civil partner)*
- *Para 56. Any applications, except 'Householder applications', applications for advertisement consent, applications for works to TPO trees, applications in respect of trees in Conservation Areas or applications for minor non-residential alterations or extensions (industrial / commercial / leisure etc extensions, alterations and change of use resulting in less than (net) 250 sq. m of additional floorspace) **submitted by or on behalf of the Council** for its own developments or on land where the Council is the land owner; and*
- *Para 57. Any applications which are recommended for approval where **adverse representations** based on material planning considerations have*

*been received and a request has been received to attend committee as a deputation, except in the case of applications for certificates of lawfulness or applications for Prior Notifications.*

- Para 58. Any applications for **Minor Material Amendments** (made under s73 of the Town and Country Planning Act 1990, or any section which revokes or re-enacts that section) **or applications for Reserved Matters** following the grant of Outline Planning Permission, that do, in the opinion of the ADPEG have significant implications.

- 4.5 Any of these grounds could be amended to reduce or change the requirement for planning committee to consider the application. Consequently each paragraph is concerned in turn below.
- 4.6 *Para 50. All applications required to be **referred to the Secretary of State under the Town and Country Planning (Consultation) (England) Direction 2009:** The Consultation Direction describes those cases of potentially greater than local impact that the Secretary of State may wish to reserve to himself for consideration. In light of this this ground captures only the most significant cases, and such cases that will always warrant consideration by the planning committee. **No amendment to this paragraph is recommended.***
- 4.7 *Para 51. Any applications where any **Member so requests** to the Assistant Director of Planning and Economic Growth providing a written reason, within 28 days of the registration of the application:*  
The core role of accountable Members as decision makers of the Council must be preserved as paramount. **No amendment to this paragraph is recommended.**
- 4.8 *Para 52. Any applications which are likely to have **significant implications** in the opinion of the Assistant Director of Planning and Economic Growth:*  
To ensure matters of significant importance can be considered in a transparent way to preserve public confidence in the statutory planning function a method of promoting decisions to the planning committee on their own specific merits is necessary. **No amendment to this paragraph is recommended.**
- 4.9 *Para 53. Any applications which are recommended for approval and that seek planning permission for **1,000 square metres or more of new non-residential floor area or for ten or more new dwellings:***  
This paragraph was amended in the previous review of the Scheme of Delegation in September 2021. The threshold of 10+ dwellings aligns the threshold with the prescribed application description of a 'Major' application, making it easier for applicants to understand the determination process. **No further amendment to this paragraph is recommended.**
- 4.10 *Para 54. Any applications which are recommended for approval but on which an objection has been received from a **statutory consultee**, which has not been resolved by negotiation or through the imposition of conditions:*

Statutory consultees are the expert advisors within specific technical fields that inform decision making. Some, such as Historic England and Highways England have defined authority if they object to an application to prevent its determination without reference to the relevant secretary of state. Where the Council is being called upon to resolve an application contrary to the expert technical opinion of a statutory consultee this is appropriate for Committee consideration. **No amendment to this paragraph is recommended.**

- 4.11 *Para 55. Any applications submitted by, or on behalf of, a **Councillor** of the Authority (or their spouse/civil partner or a person with whom they are living as spouse/civil partner), or by any **member of the Council's staff** (or their spouse/civil partner or a person with whom they are living as spouse/civil partner):*  
To ensure that applications made by those with close personal involvement in the normal business of the Council, i.e. Members and Staff, can be considered in a transparent way to preserve public confidence in the statutory planning function this ground is considered necessary. **No amendment to this paragraph is recommended**
- 4.12 *Para 56. Any applications, except 'Householder applications', applications for advertisement consent, applications for works to TPO trees, applications in respect of trees in Conservation Areas or applications for minor non-residential alterations or extensions (industrial / commercial / leisure etc extensions, alterations and change of use resulting in less than (net) 250 sq. m of additional floorspace) **submitted by or on behalf of the Council** for its own developments or on land where the Council is the land owner:*  
The grounds laid out in paragraph 56, which deals with the Council's own applications are considered appropriate as the consideration of development by, or on land of, the Council should be undertaken with the maximum transparency. This paragraph already includes a conditional, pragmatic element allowing smaller scale Council development to be considered under Officer delegation so no changes are considered appropriate to this part to streamline the committees considerations. **No amendment to this paragraph is recommended**
- 4.13 *Para 57. Any applications which are recommended for approval where **adverse representations** based on material planning considerations have been received **and a request has been received to attend committee as a deputation**, except in the case of applications for certificates of lawfulness or applications for Prior Notifications:*  
Ensuring that elected Members can consider the applications that, although maybe small in scale are nevertheless considered in their locality to be especially contentious, as may be demonstrated through adverse representations, is essential and a universal element of planning schemes of delegation across the country.
- 4.14 The threshold to bring matters to committee under Para 57 in Portsmouth is however abnormally low when compared to near and neighbouring authorities, with a single adverse representation sufficient to require committee

consideration if that objector has made a request to also attend the committee as a deputation. By comparison in Southampton City Council "five written letters of representation...from five different individuals within the administrative ward of the City" is set as the threshold to bring something to a committee of Members; and in Winchester City Council "six or more representations "... from separate individual addresses..."" is the threshold. Both of these thresholds are compared to other LPAs considered high, but gives an illustration of the range that might be considered as an appropriate threshold to set.

- 4.15 The current Portsmouth CC threshold under para 57 can mean small scale simple applications can require disproportionate delay and cost to the public through the need for committee consideration when only a single person objects to the development, notwithstanding that *all* neighbours that share a boundary with a development site are directly notified of an application. A higher threshold, representing a more proportionate response to the number of objections compared to the normal number of notifications is therefore recommended.
- 4.16 Consideration should also be given to removing the current requirement in para 57 for a request to attend the meeting as a deputation as a stipulation of placing a matter on the committee agenda under this section of the Scheme. This requirement potentially disadvantages those unable or unwilling to attend a meeting and creates the incorrect impression that matters raised as a verbal deputation to the committee will be given greater weight than matters raised in the written representation as part of the public consideration of the application. Under the current scheme of delegation applications with 30 letters of objection on legitimate planning grounds, but without an accompanying request to make a deputation are determined under delegated authority, whereas applications with only a single letter of objection, if it is accompanied by a request to make a deputation is required to be considered by the planning committee. It is not considered that this is proportionate or likely to meet the legitimate expectation of those residents and users engaged with the planning process.
- 4.17 Consequently to create better and fairer access to the Planning committee under para 57 it is **Recommended that the number of adverse representation required for committee consideration be changed from ...' adverse representations based on material planning considerations have been received and a request has been received to attend committee as a deputation,...** to **'three adverse representations based on material planning considerations have been received'** (and omit reference to request to attend committee as a deputation).
- 4.18 *Para 58. Any applications for **Minor Material Amendments** (made under s73 of the Town and Country Planning Act 1990, or any section which revokes or re-enacts that section) or applications for **Reserved Matters** following the grant of Outline Planning Permission, that do, in the opinion of the ADPEG have significant implications.*  
The grounds of Para 58 confirm that, in normal circumstances applications to amend previously approved applications, or agree the Reserved Matters of

previously approved Outline applications, that do not raise new significant implications, remain capable of delegated determination. However exceptionally such matters may raise new significant implications and as such will require committee consideration. This clarification is considered appropriate. **No amendment to this paragraph is recommended**

- 4.19 Para 57, and 53 following the amendment of September 2021 specifically highlights an exception in its application for certificates of lawfulness and prior notifications. These exceptions are included for two different reasons. Certificates lawfulness are determinations of fact, sometimes on the balance of probability, different from the application of judgement that Members are well placed to provide. While Members can determine Certificates of Lawfulness the decisions to be reached are often technical in there basis, for example the application of the General Permitted Development Order, and therefore requiring Members to make this judgement based on adverse representations alone is not appropriate. Prior Notifications are an application process under the General Permitted Development Order wherein the LPA has no authority to object to the principal of the development, but rather is not notified of the proposal to enable it to require its prior approval of prescribed matters dependent on the nature of the permitted development proposal. These prior notifications and prior approvals are time limited, such that if a decision is delayed they are automatically approved. Due to the need to publish committee agendas in advance of meetings and the additional time needed to prepare such agendas there is a risk that requiring committee determination will prevent the Council making a decision on such applications.
- 4.20 The exceptions for Certificates of Lawfulness and Prior Notifications discussed in the preceding paragraph are currently only applied to matters brought to Committee under the grounds of paragraph 57 (adverse representations). While this is the most common reason such applications might be brought to the Committee the reasoning for these exceptions applies equally to the circumstances of paragraphs 50 and 54. For clarity it is therefore suggested that the express exception for these application types is included in those paragraphs as well. **Recommended that the wording '...except in the case of applications for certificates of lawfulness or applications for Prior Notifications or Approvals' is included in paragraphs 50 and 54.**
- 4.21 It must be noted that the different criteria and thresholds in this section of the Constitution work inclusively, so, for example even applications less than 10 new dwellings, if the recommended changes are made, can still be considered by the planning committee if the criteria of another paragraph is engaged, such as a request by a Member of the Council to reserve the application for committee consideration.
- 5. Equality impact assessment**
- 5.1 An equality impact assessment is not required as the recommendations do not have a disproportionate negative impact on any of the specific protected characteristics as described in the Equality Act 2010.

**6. Legal implications**

6.1 The Council's constitution describes the processes by which planning applications are considered. It is regularly reviewed to ensure it promotes efficiency and upholds the principles of good and transparent public decision making

**7. Director of Finance's comments**

7.1 There are no direct financial implications as a result of approving these recommendations. Whilst this will improve the efficiency of the planning process no cashable savings are likely to be realised.

.....  
Signed by:

**Appendices:** None

**Background list of documents:** Portsmouth City Council Constitution Part 2 Section 5B Delegation of Decision Making to Officers - As Amended by the decision meeting of the Cabinet Member for Planning Policy & City Development on 16 September 2021.

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
Signed by:





<b>Title of meeting:</b>	Governance & Audit & Standards Committee
<b>Date of meeting:</b>	5 <sup>th</sup> November 2021
<b>Subject:</b>	Internal Audit Performance Status Report to 18 <sup>th</sup> October 2021
<b>Report by:</b>	Chief Internal Auditor
<b>Wards affected:</b>	All
<b>Key decision:</b>	No
<b>Full Council decision:</b>	No

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## 1. Summary

- 1.1 This is an Internal Audit Performance Status Report for the 2021-22 planned audit activities. Appendix A includes the detail of progress made against the annual plan and documents individual audit findings.

## 2. Purpose of report

- 2.1 This report is to update the Governance and Audit and Standards Committee on the Internal Audit Performance for 2021/22 to 18<sup>th</sup> October 2021 against the Annual Audit Plan, highlight areas of concern and areas where assurance can be given on the internal control framework.

## 3. Recommendations

- 3.1 That Members note the Audit Performance for 2021-22 to 18<sup>th</sup> October 2021.
- 3.2 That Members note the highlighted areas of concern in relation to audits completed from the 2021/22 Audit Plan, including follow up work performed.

## 4. Background

- 4.1 The Annual Audit Plan for 2021-22 has been drawn up in accordance with the agreed Audit Strategy and was approved by this Committee on 5<sup>th</sup> March 2021 following consultation with Directors and relevant parties. The Plan is reviewed monthly in order to take account of any further changes in risks levels or corporate priorities.

**5. Integrated Impact Assessment**

5.1 The contents of this report do not have any relevant equalities and environmental impact and therefore an Integrated Impact assessment is not required.

**6. Legal Implications**

6.1 The City Solicitor has considered the report and is satisfied that the recommendations are in accordance with the Council’s legal requirements and the Council is fully empowered to make the decisions in this matter.

6.2 Where system weaknesses have been identified he is satisfied that the appropriate steps are being taken to have these addressed.

**7 Finance Comments**

7.1 There are no financial implications arising from the recommendations set out in this report.

7.2 The S151 Officer is content that the progress against the Annual Audit Plan and the agreed actions are sufficient to comply with his statutory obligations to ensure that the Authority maintains an adequate and effective system of internal audit of its accounting records and its system of internal control.

.....  
Signed by: Elizabeth Goodwin, Chief Internal Auditor

**Appendices:**

Appendix A – Internal Audit Progress Report

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
1 Accounts and Audit Regulations	<a href="http://www.legislation.gov.uk/uksi/2011/817/contents/made">http://www.legislation.gov.uk/uksi/2011/817/contents/made</a>
2 Previous Audit Performance Status and other Audit Reports	Refer to Governance and Audit and Standard meetings – reports published online.

3 Public Sector Internal Audit Standards	<a href="http://www.cipfa.org/policy-and-guidance/standards/public-sector-internal-audit-standards">http://www.cipfa.org/policy-and-guidance/standards/public-sector-internal-audit-standards</a>
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The recommendation(s) set out above were approved/ approved as amended/ deferred/  
rejected by ..... on .....

.....  
Signed by:

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Portsmouth  
CITY COUNCIL

## Internal Audit Progress Report 5<sup>th</sup> November 2021

Elizabeth Goodwin, Chief Internal Auditor

## 1. Introduction

Internal Audit is a statutory function for all local authorities.

The requirement for an Internal Audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015 as to:

*Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance*

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2016].

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes

This report includes the status against the 2021/22 internal audit plan.

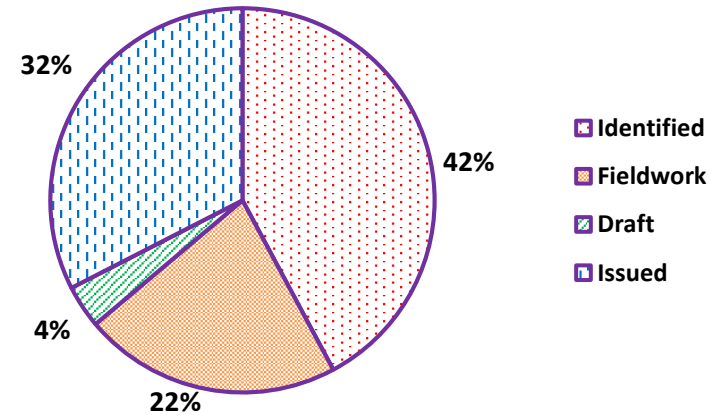
## 2. Audit Plan Progress as of 18<sup>th</sup> October 2021

There are 35 Full Audits, 11 Follow ups, 9 2<sup>nd</sup> follow up reviews and 28 grants, in the revised plan for 2021/22, totalling 83 reviews.

To date, 48 (58%) have been completed or are in progress as of 18<sup>th</sup> October 2021. This represents 27 (32%) audits where the report has been finalised, and 3 (4%) where the report is in draft.

Status	Audits
Identified	35
Fieldwork	18
Draft Report	3
Final Report	27

**Audit Plan Progress as of 18th October 2021**



### 3. Ongoing Internal Audit Involvement

Internal Audit has provided advice, ongoing reviews and involvement work in the following area. (For reference, advice is only recorded when the time taken to provide the advice exceeds one hour):

- Data matching in relation to payroll records and apprentices. Work has been undertaken using data analytics software to identify potential apprentices on the wrong national insurance tax code.
- Regulation of Investigatory Powers Act (RIPA) - authorisations (if applicable) and policy review
- Anti-Money Laundering - monitoring, reporting and policy review
- Financial Rules Waivers
- National Fraud Initiative (NFI) to facilitate national data matching carried out by the Cabinet Office
- National Anti-Fraud Network (NAFN) bulletins and intelligence follow up
- Counter Fraud Programme - proactive work to reduce the risk exposure to the authority
- Policy Hub project to ensure that all Council policies are held in one place and staff are notified of the policies relevant to them
- Governance & Audit & Standards Committee - reporting and attendance
- Audit Planning and Consultation
- Risk Management & Annual Governance Statement
- Performance Management
- 4 special investigations - (excludes Benefit and Council Tax Support cases)
- 19 items of advice, (where the advice exceeds an hour's work)



## 4. Audit Plan Status/Changes.

The following changes have been made to the plan since the issue of the last progress report.

### **Audits removed from the Audit Plan:**

- Contract Management (Adult Social Care) - Removed from the 2021/22 internal audit plan to accommodate long term sickness within the audit team.
- Independent Reviewing & Child Protection - Officer and Inspections - Removed from the 2021/22 internal audit plan to accommodate long term sickness within the audit team.
- Recovery of Debts (including external bailiffs) - Removed from the 2021/22 internal audit plan to accommodate long term sickness within the audit team.
- Public Health Intelligence - Removed from the 2021/22 internal audit plan to accommodate long term sickness within the audit team.

## 5. Areas of Concern

There are no new areas of concern to highlight for this reporting period.

## 6. Assurance Levels

Internal Audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives for the area under review.

Assurance Level	Description / Examples
<b>Assurance</b>	<i>No issues or minor improvements noted within the audit but based on the testing conducted, assurance can be placed that the activity is of low risk to the Authority</i>
<b>Reasonable Assurance</b>	<i>Control weaknesses or risks were identified but overall the activities do not pose significant risks to the Authority</i>
<b>Limited Assurance</b>	<i>Control weaknesses or risks were identified which pose a more significant risk to the Authority</i>
<b>No Assurance</b>	<i>Major individual issues identified or collectively a number of issues raised which could significantly impact the overall objectives of the activity that was subject to the Audit</i>
<b>NAT</b>	<i>No areas tested</i>

*Audits rated No Assurance are specifically highlighted to the Governance and Audits and Standards Committee along with any Director's comments. The Committee is able to request any director attends a meeting to discuss the issues.*

## 7. Exception Risk Ranking

The following table outline the exceptions raised in audit reports, reported in priority order and are broadly equivalent to those previously used.

Priority Level	Description
<b>Low Risk (Improvement)</b>	<i>Very low risk exceptions or recommendations that are classed as improvements that are intended to help the service fine tune its control framework or improve service effectiveness and efficiency. An example of an improvement recommendation would be making changes to a filing system to improve the quality of the management trail.</i>
<b>Medium Risk</b>	<i>These are control weaknesses that may expose the system function or process to a key risk but the likelihood of the risk occurring is low.</i>
<b>High Risk</b>	<i>Action needs to be taken to address significant control weaknesses but over a reasonable timeframe rather than immediately. These issues are not 'show stopping' but are still important to ensure that controls can be relied upon for the effective performance of the service or function. If not addressed, they can, over time, become critical. An example of an important exception would be the introduction of controls to detect and prevent fraud.</i>
<b>Critical Risk</b>	<i>Control weakness that could have a significant impact upon not only the system function or process objectives but also the achievement of the Council's objectives in relation to: The efficient and effective use of resources, The safeguarding of assets, The preparation of reliable financial and operational information, Compliance with laws and regulations and corrective action needs to be taken immediately.</i>

*Any critical exceptions found the will be reported in their entirety to the Governance and Audits and Standards Committee along with Director's comments*

## 8. 2020/21 Audits completed to date (18<sup>th</sup> October 2021)

### Microsoft Team - Director of Corporate Services

**Exceptions Raised**

Critical	High	Medium	Low
0	0	2	0

**Overall Assurance Level**

Reasonable Assurance

Agreed actions are scheduled to be implemented by December 2021

**Assurance Level by Scope Area**

Achievement of Strategic Objectives	Assurance
Compliance with Policies, Laws & Regulations	Assurance
Safeguarding of Assets	Reasonable Assurance
Effectiveness and Efficiency of Operations	Reasonable Assurance
Reliability and Integrity of Data	NAT

Two medium risk exceptions were raised in relation to the failure to conduct an annual review of the configuration of Microsoft365 including Teams. The second high risk was raised as at time of testing there was no requirement for existing or new users to complete any corporate driven training in order to use Teams.

### Rent Income - Director of Housing Neighbourhood and Building Services.

**Exceptions Raised**

Critical	High	Medium	Low
0	1	4	0

**Overall Assurance Level**

Reasonable Assurance

Agreed actions are scheduled to be implemented by January 2022

**Assurance Level by Scope Area**

Achievement of Strategic Objectives	NAT
Compliance with Policies, Laws & Regulations	Reasonable Assurance
Safeguarding of Assets	NAT
Effectiveness and Efficiency of Operations	Reasonable Assurance
Reliability and Integrity of Data	Assurance

One high risk exception was raised in relation to cash refunds. Testing highlighted 4/25 cash refunds at a total value of £4,281.35 where no explanatory notes were provided within the housing rents system (Northgate). In addition, four medium risk exception were raised as a result of this review.

**Gas Services (including servicing & certification) - Director of Housing, Neighbourhood and Building Services**
**Exceptions Raised**

Critical	High	Medium	Low
0	1	2	0

**Overall Assurance Level**
**Reasonable Assurance**
**Agreed actions are scheduled to be implemented by January 2022**
**Assurance Level by Scope Area**

Achievement of Strategic Objectives	<b>Assurance</b>
Compliance with Policies, Laws & Regulations	NAT
Safeguarding of Assets	NAT
Effectiveness and Efficiency of Operations	<b>Limited Assurance</b>
Reliability and Integrity of Data	NAT

One high risk exception was raised in relation to 13/20 properties within the sample selected were found to be overdue (by an average of 16.9 days for domestic properties and an average of 14 days for non-domestic properties) for annual gas servicing. 2 medium risk exceptions were also raised as a result of this review. It is recognised that restrictions applied due to COVID-19 have affected accessibility to tenanted properties to facilitate annual gas servicing and certification.

**HIVE - Director of Culture, Leisure and Regulatory Services**
**Exceptions Raised**

Critical	High	Medium	Low
0	2	1	0

**Overall Assurance Level**
**Limited Assurance**
**Agreed actions are scheduled to be implemented by January 2022**
**Assurance Level by Scope Area**

Achievement of Strategic Objectives	<b>Limited Assurance</b>
Compliance with Policies, Laws & Regulations	NAT
Safeguarding of Assets	NAT
Effectiveness and Efficiency of Operations	<b>Limited Assurance</b>
Reliability and Integrity of Data	NAT

Two high risk exceptions were raised in relation to the lack of a current and legally executed memorandum of understanding (MOU) and a lack of formal minutes for the Partnership Consultancy Group. One medium risk exception was also raised as a result of this review.

**2SEAS PECS Grant - Director of Port**

Grant Verification - Sample testing was able to evidence that the terms and conditions had been met which allowed the Chief Internal Auditor to sign the declaration confirming compliance.

**Green Homes Grant 1 - Director of Regeneration**

Grant Verification - Sample testing was able to evidence that the terms and conditions had been met which allowed the Chief Internal Auditor to sign the declaration confirming compliance.

**Local Transport Capital - Director of Regeneration**

Grant Verification - Sample testing was able to evidence that the terms and conditions had been met which allowed the Chief Internal Auditor to sign the declaration confirming compliance.

**Rough Sleeping Initiative Q1 2021-22 and Rough Sleeping uplift - Director of Housing, Neighbourhoods and Building Services**

Grant Verification - Sample testing was able to evidence that the terms and conditions had been met which allowed the Chief Internal Auditor to sign the declaration confirming compliance.

**City of Stories Culture Grant - Director of Culture, Leisure and Regulatory Services**

Grant Verification - Sample testing was able to evidence that the terms and conditions had been met which allowed the Chief Internal Auditor to sign the declaration confirming compliance.

## 9.2020/21 2<sup>nd</sup> Follow-up Audits to date (18<sup>th</sup> October 2021)

As raised during the July 2020 Governance & Audits & Standards meeting. Internal Audit has scheduled in 2<sup>nd</sup> follow-up reviews for all areas where a 1<sup>st</sup> review highlighted risk exposure still unmitigated. The audits below detail the position as at a 2<sup>nd</sup> review.

### Residential Parking - Director of Regeneration

**Original Exceptions Raised**

<b>Critical</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>
0	2	1	0

**2<sup>nd</sup> Follow Up Exception Position**

<b>Critical</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>
0	1	0	0

**Original Assurance Level**

**Limited Assurance**

**2<sup>nd</sup> Follow Up Assurance Level**

**Reasonable Assurance**

Agreed actions are scheduled to be implemented by December 2021

**2<sup>nd</sup> Follow Up Assurance Level by Scope Area**

Achievement of Strategic Objectives	NAT
Compliance with Policies, Laws & Regulations	<b>Reasonable Assurance</b>
Safeguarding of Assets	NAT
Effectiveness and Efficiency of Operations	NAT
Reliability and Integrity of Data	NAT

The 2<sup>nd</sup> follow up confirmed that one high risk exception remains open. The open risk exception relates to the permit applications from July 2021 which are yet to be approved by the parking team and temporary permits going beyond the 6-week deadline. The remaining high risk has been closed and the medium risk was closed and verified.

## 10. Audits in Draft to date (6<sup>th</sup> September 2021)

Audit	Directorate	Draft	Projected Issue Date	Revised	Comments
Trading Standards	Culture, Leisure and Regulatory Services	07/10/2021	Nov-21		
Depot Services (includes public convenience cleaning & bulk refuse)	Housing Neighbourhood and Building Services	29/09/2021	Nov-21		
Home to school transport	Regeneration	07/10/2021	Nov-21		



## 11. Exceptions

Of the 2021/22 full audits completed, 32 exceptions have been raised.

Risk	Total
Critical Risk	0
High Risk	12
Medium Risk	16
Low Risk - Improvement	4

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# Agenda Item 6

<b>Title of meeting:</b>	Governance and Audit and Standards Committee Cabinet City Council
<b>Date of meeting:</b>	Governance and Audit and Standards Committee 05 November 2021 Cabinet 30 November 2021 City Council 07 December 2021
<b>Subject:</b>	Treasury Management Mid-Year Review 2021/22
<b>Report by:</b>	Chris Ward, Director of Finance and Resources (Section 151 Officer)
<b>Wards affected:</b>	All
<b>Key decision:</b>	No
<b>Full Council decision:</b>	Yes

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## 1. Executive Summary

This report outlines the Council's performance against the treasury management indicators approved by the City Council on 16 March 2021.

No borrowing has been undertaken in the first half of 2021/22.

Investment returns have continued to be on a downward trend as maturing investments have been replaced with new investments with lower interest rates in line with the likelihood that any increases in Bank Rate are likely to be modest.

## 2. Purpose of report

The purpose of the report is to inform members and the wider community of the Council's Treasury Management position, i.e. its borrowing and cash investments at 30 September 2021 and of the risks attached to that position.

Whilst the Council has a portfolio of investment properties and some equity shares which were acquired through the capital programme; these do not in themselves form part of the treasury management function.

### **3. Recommendations**

It is recommended that the following be noted:

- 3.1 That the Council's Treasury Management activities have remained within the Treasury Management Policy 2021/22 in the period up to 30 September 2021.
- 3.2 That the actual Treasury Management indicators as at 30 September 2021 set out in Appendix A be noted.

### **4. Background**

The Council's treasury management operations encompass the following:

- Cash flow forecasting (both daily balances and longer term forecasting)
- Investing surplus funds in approved cash investments
- Borrowing to finance short term cash deficits and capital payments
- Management of debt (including rescheduling and ensuring an even maturity profile)

The key risks associated with the Council's treasury management operations are:

- Credit risk - i.e. that the Council is not repaid, with due interest in full, on the day repayment is due
- Liquidity risk - i.e. that cash will not be available when it is needed, or that the ineffective management of liquidity creates additional, unbudgeted costs
- Interest rate risk - that the Council fails to get good value for its cash dealings (both when borrowing and investing) and the risk that interest costs incurred are in excess of those for which the Council has budgeted
- Maturity (or refinancing risk) - this relates to the Council's borrowing or capital financing activities, and is the risk that the Council is unable to repay or replace its maturing funding arrangements on appropriate terms
- Procedures (or systems) risk - ie. that a treasury process, human or otherwise, will fail and planned actions are not carried out through fraud or error

The treasury management budget accounts for a significant proportion of the Council's overall budget.

The Council's Treasury Management Policy aims to manage risk whilst optimising costs and returns. The Council monitors and measures its treasury management position against the indicators described in this report. Treasury management monitoring reports are brought to the Governance and Audit and Standards Committee for scrutiny.

The Governance and Audit and Standards Committee noted the recommendations to Council contained within the Treasury Management Policy 2021/22 on 05 March

2021. The City Council approved the Treasury Management Policy 2020/21 on 16 March 2021.

**5. Reasons for Recommendations**

To highlight any variance from the approved Treasury Management Policy and to note any subsequent actions.

To provide assurance that the Council's treasury management activities are effectively managed.

**6. Integrated impact assessment**

An integrated impact assessment is not required as the recommendations do not directly impact on service or policy delivery. Any changes made arising from this report would be subject to investigation in their own right.

**7. Legal Implications**

The Section 151 Officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2015 to ensure that the Council's budgeting, financial management, and accounting practices meet the relevant statutory and professional requirements. Members must have regard to and be aware of the wider duties placed on the Council by various statutes governing the conduct of its financial affairs.

**8. Director of Finance and Resources (Section 151 Officer) comments**

All financial considerations are contained within the body of the report and the attached appendices.

.....  
Signed by Director of Finance and Resources (Section 151 Officer)

**Appendices:**

**Appendix A: Treasury Management Mid-Year Review 2020/21**

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b><u>Title of document</u></b>	<b>Location</b>
1 Treasury Management Records	Financial Services

**APPENDIX A****TREASURY MANAGEMENT MID YEAR REVIEW 2021/22****A1. SUMMARY OF TREASURY MANAGEMENT INDICATORS**

The City Council approved the authorised limit (the maximum amount of borrowing permitted by the Council) and the operational boundary (the maximum amount of borrowing that is expected) on 9<sup>th</sup> February 2021. The Council's debt at 30<sup>th</sup> September was as follows:

<b>Prudential Indicator</b>	<b>Limit £m</b>	<b>Actual £m</b>
Authorised Limit - the maximum amount of borrowing permitted by the Council	963	768
Operational Boundary - the maximum amount of borrowing that is expected	945	768

The maturity structure of the Council's fixed rate borrowing was:

	<b>Under 1 Year</b>	<b>1 to 2 Years</b>	<b>3 to 5 Years</b>	<b>6 to 10 Years</b>	<b>11 to 20 Years</b>	<b>21 to 30 Years</b>	<b>31 to 40 Years</b>	<b>41 to 50 Years</b>
Minimum proportion of loans maturing	0%	0%	0%	0%	0%	0%	0%	0%
Maximum proportion of loans maturing	10%	10%	10%	20%	30%	40%	40%	50%
Actual proportion of loans maturing	1%	1%	4%	13%	13%	5%	32%	31%

The maturity structure of the Council's variable rate borrowing was:

	<b>Under 1 Year</b>	<b>1 to 2 Years</b>	<b>3 to 5 Years</b>	<b>6 to 10 Years</b>	<b>11 to 20 Years</b>	<b>21 to 30 Years</b>	<b>31 to 40 Years</b>	<b>41 to 50 Years</b>
Minimum proportion of loans maturing	0%	0%	0%	0%	0%	0%	0%	0%
Maximum proportion of loans maturing	10%	10%	10%	20%	30%	40%	40%	40%
Actual proportion of loans maturing	2%	2%	6%	11%	23%	25%	17%	14%

Surplus cash invested for periods longer than 365 days at 30<sup>th</sup> September 2021 was:

	<b>Limit</b>	<b>Quarter 1 Actual</b>
	£m	£m
Maturing after 31/3/2022	200	82
Maturing after 31/3/2023	134	41
Maturing after 31/3/2024	103	4

## **A2. GOVERNANCE**

The Treasury Management Policy approved by the City Council on 16<sup>th</sup> March 2021 provides the framework within which treasury management activities are undertaken.

There have been no breaches of these policies during 2021/22 up to the period ending 30<sup>th</sup> September 2021.



### A3. INTEREST RATE FORECASTS

When the Bank of England's Monetary Policy Committee (MPC) met on 24<sup>th</sup> September there was a major shift in the tone of the MPC's minutes at this meeting from the previous meeting in August which had majored on indicating that some tightening in monetary policy was now on the horizon, but also not wanting to stifle economic recovery by too early an increase in Bank Rate. However, this time the MPC's words indicated there had been a marked increase in concern that more recent increases in prices, particularly the increases in gas and electricity prices in October and due again next April, are, indeed, likely to lead to faster and higher inflation expectations and underlying wage growth, which would in turn increase the risk that price pressures would prove more persistent next year than previously expected. Indeed, to emphasise its concern about inflationary pressures, the MPC pointedly chose to reaffirm its commitment to the 2% inflation target in its statement; this suggested that it was now willing to look through the flagging economic recovery during the summer to prioritise bringing inflation down next year. This is a reversal of its priorities in August and a long way from words at earlier MPC meetings which indicated a willingness to look through inflation overshooting the target for limited periods to ensure that inflation was 'sustainably over 2%'. Indeed, whereas in August the MPC's focus was on getting through a winter of temporarily high energy prices and supply shortages, believing that inflation would return to just under the 2% target after reaching a high around 4% in late 2021, now its primary concern is that underlying price pressures in the economy are likely to get embedded over the next year and elevate future inflation to stay significantly above its 2% target and for longer.

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates.

The latest forecasts are shown below.

Link Group Interest Rate View		29.9.21								
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
<b>BANK RATE</b>	0.10	0.10	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.75
3 month ave eamings	0.10	0.10	0.20	0.20	0.30	0.40	0.50	0.50	0.60	0.70
6 month ave eamings	0.20	0.20	0.30	0.30	0.40	0.50	0.60	0.60	0.70	0.80
12 month ave eamings	0.30	0.40	0.50	0.50	0.50	0.60	0.70	0.80	0.90	1.00
5 yr PWLB	1.40	1.40	1.50	1.50	1.60	1.60	1.60	1.70	1.70	1.70
10 yr PWLB	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10
25 yr PWLB	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.60
50 yr PWLB	2.00	2.00	2.10	2.20	2.20	2.20	2.20	2.30	2.30	2.40

PWLB is the Public Works Loans Board

Bank Rate is not expected to go up fast after the initial rate rise as the supply potential of the economy has not generally taken a major hit during the pandemic, so should be able to cope well with meeting demand without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the Bank of England's Monetary Policy Committee's (MPC's) 2% target after a surge to around 4% towards the end of 2021. Three increases in Bank rate are forecast in the period to March 2024, ending at 0.75%. However, these forecasts may well need changing within a relatively short time frame for the following reasons: -

- There are increasing grounds for viewing the economic recovery as running out of steam during the summer and now into the autumn. This could lead to a stagnant economy with inflation, known as stagflation, which would create a dilemma for the MPC as to which way to face.

- Current key supply shortages e.g., petrol and diesel, could spill over into causing economic activity in some sectors to take a significant hit.

- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation.

- On the other hand, consumers are sitting on around £200bn of excess savings left over from the pandemic and it is uncertain when will they spend this sum.

- 1.6 million people came off furlough at the end of September, and be available to fill labour shortages in many sectors of the economy. So, supply shortages which have been driving up both wages and costs, could reduce significantly within the next six months or so and alleviate the MPC's current concerns.

- There could be further negative developments with Covid, on top of the flu season this winter, which could depress economic activity.

In summary, with the high level of uncertainty prevailing on several different fronts, these forecasts may need to be revised again in line with developments.

It also needs to be borne in mind that Bank Rate being cut to 0.10% was an emergency measure to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away that final emergency cut from 0.25% to 0.10% on the grounds of it no longer being warranted and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

#### **A4. BORROWING ACTIVITY**

No borrowing was undertaken during the first half of 2020/21.

The Council's gross borrowing at 30<sup>th</sup> September 2021 of £768m is within the Council's Authorised Limit (the maximum amount of borrowing approved by City Council) of £963m and also within the Council's Operational Boundary (the limit beyond which borrowing is not expected to exceed) of £945m.

The Council plans for gross borrowing to have a reasonably even maturity profile. This is to ensure that the Council does not need to replace large amounts of maturing borrowing when interest rates could be unfavourable.

The actual maturity profile of the Council's borrowing is within the limits contained within the Council's Treasury Management Policy (see paragraph A1).

#### Early Redemption of Borrowing

Debt rescheduling opportunities have been limited in the current economic climate and following the various increases in the margins added to gilt yields which has impacted PWLB new borrowing rates since October 2010. During the quarter ended 30<sup>th</sup> September 2021 no debt rescheduling was undertaken.

With the exception of two loans all the Council's borrowings to finance capital expenditure are fixed rate and fixed term loans. This reduces interest rate risk and provides a high degree of budget certainty.

The Council's borrowing portfolio is kept under review to identify if and when it would be financially beneficial to repay any specific loans early. Repaying borrowing early invariably results in a premium (early repayment charges) by the PWLB that are sufficiently large to make early repayment of borrowing financially unattractive to the Council.

No debt rescheduling or early repayment of debt has been undertaken during the first half of 2021/22 as it has not been financially advantageous for the Council to do so.

#### **A4. INVESTMENT ACTIVITY**

The Council's investments averaged £409m during the first half of 2021/22 and made an average annualised return of 0.29%.

As shown by the interest rate forecasts in section A2, it is now impossible to earn the level of interest rates commonly seen in previous decades as all short-term money market investment rates have only risen weakly since Bank Rate was cut to 0.10% in March 2020. Given this environment and the fact that Bank Rate may only rise marginally, or not at all, before the second half of 2023, investment returns are expected to remain low.

Significant levels of downgrades to short and long term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to outlooks. However, as economies are beginning to reopen, there have been some instances of previous lowering of outlooks being reversed.

Although CDS prices (these are market indicators of credit risk) for banks (including those from the UK) spiked at the outset of the pandemic in 2020, they have subsequently returned to near pre-pandemic levels.

**A5. COMBINED BORROWING AND INVESTMENT POSITION (NET DEBT)**

The Councils net debt position at 30<sup>th</sup> September 2021 is summarised in the table below.

	<b>Principal</b>	<b>Average Interest Rate</b>	<b>Interest to 30<sup>th</sup> September 2021</b>
Borrowing (including finance leases & private finance initiative (PFI) schemes)	£768m	3.28%	£12.6m
Investments	(426m)	(0.29%)	(£0.6m)
Net Debt	£342m		£12.0m

\*Although the Council's investments were £426m at 30<sup>th</sup> September 2021, the average sum invested over this period was £409m.

# Agenda Item 7

<b>Title of meeting:</b>	Governance and Audit and Standards Committee
<b>Date of meeting:</b>	Governance and Audit and Standards Committee 05 November 2021 Cabinet 30 November 2021 City Council 07 December 2021
<b>Subject:</b>	Decision to Opt into the National Scheme for Auditor Appointments Managed by Public Sector Audit Appointments (PSAA) as the Appointing Person
<b>Report by:</b>	Chris Ward, Director of Finance and Resources (Section 151 Officer)
<b>Wards affected:</b>	All
<b>Key decision:</b>	No
<b>Full Council decision:</b>	Yes

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## 1. Purpose of report

This report sets out proposals for appointing the external auditor to the Council/Authority for the accounts for the five-year period from 2023/24.

## 2. Recommendations

That the Council accepts Public Sector Audit Appointments' (PSAA) invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 01 April 2023.

## 3. Background

The current auditor appointment arrangements cover the period up to and including the audit of the 2022/23 accounts. The Council/Authority opted into the 'appointing person' national auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) for the period covering the accounts for 2018/19 to 2022/23.

PSAA is now undertaking a procurement for the next appointing period, covering audits for 2023/24 to 2027/28. During Autumn 2021 all local government bodies need to make important decisions about their external audit arrangements from 2023/24. They have options to arrange their own procurement and make the appointment themselves or in conjunction with other bodies, or they can join and take advantage of the national collective scheme administered by PSAA.

If the Council wishes to take advantage of the national auditor appointment arrangements, it is required under the local audit regulations to make the decision at full Council. The opt-in period starts on 22 September 2021 and closes on 11 March 2022. To opt into the national scheme from 2023/24, the Council/Authority needs to return completed opt-in documents to PSAA by 11 March 2022.

#### **4. Reasons for Recommendations**

The sector-wide procurement conducted by PSAA will produce better outcomes and will be less burdensome for the Council than a procurement undertaken locally because:

- collective procurement reduces costs for the sector and for individual authorities compared to a multiplicity of smaller local procurements;
- if it does not use the national appointment arrangements, the Council will need to establish its own auditor panel with an independent chair and independent members to oversee a local auditor procurement and ongoing management of an audit contract;
- it is the best opportunity to secure the appointment of a qualified, registered auditor - there are only nine accredited local audit firms, and a local procurement would be drawing from the same limited supply of auditor resources as PSAA's national procurement; and
- supporting the sector-led body offers the best way of ensuring there is a continuing and sustainable public audit market into the medium and long term.

#### **5. Integrated impact assessment**

An integrated impact assessment is not required as the recommendations do not directly impact on service or policy delivery. Any changes made arising from this report would be subject to investigation in their own right.

**6. Legal Implications**

The Section 151 Officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2015 to ensure that the Council’s budgeting, financial management, and accounting practices meet the relevant statutory and professional requirements. Members must have regard to and be aware of the wider duties placed on the Council by various statutes governing the conduct of its financial affairs.

**7. Director of Finance and Resources (Section 151 Officer) comments**

All financial considerations are contained within the body of the report and the attached appendices.

.....  
Signed by Director of Finance and Resources (Section 151 Officer)

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b><u>Title of document</u></b>	<b>Location</b>
1 Treasury Management Records	Financial Services

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<b>Title of meeting:</b>	Governance & Audit & Standards Committee
<b>Date of meeting:</b>	5 November 2021
<b>Subject:</b>	Compliance with Gifts & Hospitality Protocol
<b>Report by:</b>	City Solicitor
<b>Wards affected:</b>	All
<b>Key decision:</b>	No
<b>Full Council decision:</b>	No

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## 1. Purpose of report

To update Members on any issues regarding compliance with the Gifts & Hospitality protocol and to advise on remedies.

## 2. Recommendations

- 2.1. That the Committee considers whether or not to make any recommendations for change.
- 2.2. That in the absence of any changes, the report is noted.

## 3. Background

- 3.1. The protocol for Gifts and Hospitality was approved by Standards Committee on 12 September 2007 subject to review and full approval on 31 March 2008. The protocol and Frequently Asked Questions have subsequently been regularly reviewed.
- 3.2. The protocol requires an annual report by the City Solicitor on compliance to enable this committee to make any necessary recommendations for change - this report addresses that requirement.
- 3.3. The Gifts & Hospitality policy is regularly reviewed and was last updated in 2018.

## 4. Reasons for recommendations

- 4.1. A breakdown of entries in the Gifts & Hospitality system are contained in the appendices to support the following assessments of protocol compliance.
- 4.2. The total number of entries for staff for the period 1 October 2020 - 30 September 2021 (via the Gifts & Hospitality software) is 86. A full data set is available on request; specific data reports are enclosed with this report at the appendices.

**The main requirements of the protocol are as follows:**

4.3. Items which may be accepted

Under the protocol these items must be under £25 in value for gifts and under £40 in value for hospitality (£5 for staff in Adult Social Care). They must be given without ulterior motive. There should not be any danger of misinterpretation by the public and there must not be a frequent occurrence of repeat gifts.

4.4. Items which may not be accepted

These include:

- Where the value exceeds the limits noted above
- Gifts of cash (including vouchers)
- Gifts from persons with whom the Council is in contract negotiations (or could be) and those where we regulate or monitor services

4.5. For the period covering this report, the following will be considered in turn:

- Gifts registered over £25 limit (data at Appendix 1)
- Hospitality registered over £40 limit (data at Appendix 2)
- Adult Social Care registered over £5 limit (data at Appendix 3)
- Registrations of Cash and Vouchers (data at Appendix 4)
- Donated Gifts (data at Appendix 5)
- Registrations made by Portico Shipping Limited (Appendix 6)

There do not appear to be any other entries that do not adhere to the principles contained in the protocol.

*Note that Registrations by Members are contained at Appendix 6 but these are subject to a separate protocol - see paragraph 4.11.*

4.6. Gifts registered over £25 limit

The total number of entries registered for gifts over the £25 limit (Appendix 1) is 9 (excluding Adult Social Care). Of these:

4.6.1. 6 gifts were rejected

4.6.2. 1 was accepted as a reward for winning Apprentice of the year 2021

4.6.3. 2 gifts were accepted and then rejected by approver on the following grounds:

4.6.3.1. One gift was of two bottles of perfume, being valued much higher than the £25 limit.

4.6.3.2. One technically not a gift, as credits provided to personal account were for testing of Voi App (i.e. work related), alternative options not possible/allowable through PCC devices.

4.7. Hospitality registered

The total number of entries registered for hospitality (Appendix 2) was 9 with 1 being registered as valued over the £40 limit. Of these:

- 4.7.1. The 1 offer of hospitality over £40 limit was rejected and reported the receiver being unable to attend.
- 4.7.2. 8 offers of hospitality were accepted for networking and to maintain working relationships with local businesses.

4.8. Entries for Adult Social Care

The total number of entries registered for Adult Social Care (Appendix 3) were 12 with those over the £5 limit is 5, with 2 over £25. Of these:

- 4.8.1. One was rejected in accordance with the policy.
- 4.8.2. One was accepted being unable to return (received by post).
- 4.8.3. One was accepted as refusal would have caused offence.
- 4.8.4. Two were accepted and shared with team
- 4.8.5. (over £25) One was donated to the HIVE - see Donated Gifts
- 4.8.6. (over £25) One was accepted, having being received by post and citing system notification failure

4.9. Entries for Cash and Vouchers registered

The total number of entries registered for cash and vouchers (Appendix 4) is 31 (32 with one duplicate entry). Of these:

- 4.9.1. 1 entry was donated to Lord Mayor's Appeal
- 4.9.2. 16 items were rejected in line with the policy
- 4.9.3. 14 items were accepted on the following grounds:
  - 4.9.3.1. 1 was accepted as a reward for winning Apprentice of the year 2021
  - 4.9.3.2. 7 were accepted as per policy
  - 4.9.3.3. 5 were accepted as refusal would have caused offence
  - 4.9.3.4. 1 was accepted but would be donated to the Lord Mayor's appeal when able.

4.10. Entries for Donated Gifts

The total number of entries registered for donated gifts (Appendix 5) is 5. Of these:

- 4.10.1. 3 gifts were donated to the Lord Mayor's Appeal;
- 4.10.2. 1 gift partly donated to food bank (food & hygiene items)
- 4.10.3. 1 gift was donated to the HIVE

4.11. Gifts & Hospitality registered for Members

Members are required to declare any gifts or hospitality from any single donor over the value of £50 as set out in the Members Code of Conduct (sections 4.1e and 12.5).

Members' declarations for the period 1 October 2020 - 30 September 2021 are summarised in Appendix 6.

**5. Integrated impact assessment**

The Integrated Impact Assessment is included for this report in Appendix 7, the outcome of which is neutral or no impact.

**6. Legal implications**

The City Solicitor's comments are embedded within this report.

**7. Director of Finance's comments**

There are no financial implications arising from the recommendations contained within this report.



.....  
Signed by:

**Appendices:**

- Appendix 1 - Gifts over £25 limit\*
- Appendix 2 - Hospitality \*
- Appendix 3 - Adult Social Care \*
- Appendix 4 - Registrations of cash and vouchers\*
- Appendix 5 - Donated Gifts\*
- Appendix 6 - Members' gifts and hospitality register
- Appendix 7 - Integrated Impact Assessment

\* personal data has been redacted from these data sets.

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>
Data report from Gifts & Hospitality software system	Held by System Administrator

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Appendix 1 - Gifts over £25

Service Text	Date Received	Specified Value	Receiver	Description	Action	Donor Name	Donor Interests	Reason	Approver	Approved By Approver	Approver Decision Date	Approver Reason
Children, Families and Education	16/06/2021	£80 and £50 respectfully	Tracey Brown	2 x bottles of perfume Jimmy Choo - I want choo - 100ml bottle - aux de perfume Lady Millionaire Fabulous - Paco Rebanne - 80ml bottle - aux de perfume	Accepted	Mr & Mrs REDACTED - parents of N & A - currently being cared for by REDATED Foster Carer for PCC	See above. It was to thank K for the care of their children and also as a birthday present for K and her daughter M - who is over 18	Would upset both parents if foster carer did not accept the gifts.	Alison Jeffery	No	23/06/2021	Hi Tracey These are expensive gifts. It really would be better for the carer to explain that she is not allowed to accept gifts of this value. Her relationship with the parents is very important but valuable gifts could get in the way of that. Happy to discuss, Alison
Corporate Services	05/05/2021	£30.00	Zoe Spillett	This is a £30 love to shop voucher, it is a prize for being on the winning team at the Local Government Apprentice of the Year event 2021	Accepted	East of England Local Government Association		This has been agreed	Natasha Edmunds	Yes	10/05/2021	approved in recognition of significant achievement as part of the winning team for Apprentice of the year 2021. Positive attitude, commitment to learning, contribution to the organisation
Housing, Neighbourhood and Building Services	21/06/2021	£30	Jessica Wearn	£30 cash	Rejected	REDACTED	Resident of Bresler House where Jessica works	Cash cannot be accepted	James Hill	na - refused		
Housing, Neighbourhood and Building Services	24/12/2020	£30	Sally Rawlings	£30 cash	Rejected	REDACTED	Resident of St Clares Court where Sally works	Cash cannot be accepted	James Hill	na - refused		
Housing, Neighbourhood and Building Services	24/12/2020	£30	Jeanette Succamore	£30 cash	Rejected	REDACTED	Resident of St Clares Court where Jeanette works	Cash cannot be accepted	James Hill	na - refused		
Housing, Neighbourhood and Building Services	18/12/2020	£30	Becky Collins	£30 cash	Rejected	REDACTED	Resident of Arthur Dann Court where Becky has been working to support the team	Cash cannot be accepted	James Hill	na - refused		
Housing, Neighbourhood and Building Services	15/12/2020	£45	Janet Galmoye	Perfume	Rejected	REDACTED	Resident of Tweed Court where Janet works	Due to value of gift being offered	James Hill	na - refused		
Housing, Neighbourhood and Building Services	02/11/2020	Approx £100	Nicola Jones	Second hand sofa	Rejected	REDACTED	Resident of Arthur Dann Court where Nicola is the Scheme Manager	Rejected in accordance with the gift policy due to value	James Hill	na - refused		
Regeneration	09/03/2021	£200 (one credit = £1).	Hayley Chivers	200 credits on Voi app (on personal phone set up with personal email address and personal credit card as it is not possible to set up the app on PCC work mobiles) for testing and trialling rental e-scooters and the associated geofencing zones.	Accepted	Voi	Rental e-scooter scheme operator	It has been necessary to accept the credit in order to test the rental e-scooters at no personal cost, and is likely to be necessary to test again. (Originally £1000 was credited and I requested this was reduced to only what was required for a few rides and Voi removed 800 credits, stating the remaining balance would allow me to continue testing)	Pam Turton	No - see comment below	24/03/2021	This was not a gift, it was for testing of e-scooters for work purposes.

Note: Tristan Samuels - 06/04/2021 12:56:17 - not really a gift, required for work purposes

## Appendix 2 - Hospitality

Criteria Classification Hospitality

Service Text	Date Received	Value Desc	Specified Value	Receiver	Description	Action	Donor Name	Donor Interests	Reason	Approver	Approved By Approver	Approver Decision Date	Approver Reason
Regeneration	26/09/2021	£25 - £40		Tristan Samuels	Annual Dinner for all patrons & ex Non-Executive Directors	Accepted	Dolphin Square Foundation	Affordable housing delivery - Westminster	Good networking event with industry leaders, no conflicts in Portsmouth	David Williams			
Regeneration	26/09/2021	£25 - £40		Tristan Samuels	Annual Dinner for all patrons & ex Non-Executive Directors	Accepted	Dolphin Square Foundation	Affordable housing delivery - Westminster	Good networking event with industry leaders, no conflicts in Portsmouth	David Williams			
Regeneration	07/09/2021	Over £40 (specify)	£345	Martin Wylie	VIP JCT Traffic Signals Symposium ticket	Rejected	Swarco	Supplier of traffic signals and systems	Unable to attend	Pam Turton			
Regeneration	20/08/2021	£5 - £25		Adrian Legg	Networking event to include a meal and a drink	Accepted	Omnia Consulting	Consultancy	Networking with consultants to re-establish business relationships post-Coronavirus	Tristan Samuels	Yes	22/08/2021	good practice to network with fellow professionals
Regeneration	27/07/2021	£5 - £25		Tristan Samuels	invitation to opening of the beach club	Accepted	ian clarke	manager of the Beach club and links to Southsea Beach Cafe	fostering working relations with businesses in Portsmouth	David Williams	Yes	01/09/2021	Within policy - work-related networking event
Regeneration	27/07/2021	£5 - £25		Tristan Samuels	invitation to opening of the beach club	Accepted	ian clarke	manager of the Beach club and links to Southsea Beach Cafe	fostering working relations with businesses in Portsmouth	David Williams	N/A	01/09/2021	Duplicated entry on the Gifts & Hospitality register
Regeneration	24/05/2021	£25 - £40		Mark Pemberton	A tasting on a new menu in the evening	Accepted	The Queens Hotel	Business in the city	Re-opening of a business after COVID new menu launched so invited to a tasting with my wife as have worked with the business over the years to help them develop and become successful wanted to support the re-opening	David Williams			



Appendix 3 - Adult Services

Service Text	Date Received	Value Desc	Specified Value	Receiver	Description	Action	Donor Name	Donor Interests	Donated To Other	Reason	Approver	Approved By Approver	Approver Decision Date	Approver Reason
Adult Services	17/09/2021	£5 - £25		Yvonne Anthony	Letter and flowers received from daughter, stating her father had asked her to send them to me before he died.	Accepted	Mr J R Muir (Deceased)			These arrived by post and unable to return	Andy Biddle	Yes	27/09/2021	These arrived by post and unable to return
Adult Services	01/09/2021	£5 - £25		Jordan Saville-Smith Davison	Colouring Pencils, and chocolates given by client as a thank you.	Accepted	Client- PC			Attempted refusal several times which caused client to become agitated.	Andy Biddle	Yes	28/09/2021	To be donated to Mayors charity if possible
Adult Services	27/07/2021	Under £5		Yvonne Anthony	Red toy car	Accepted	REDACTED	Client		Client adamant he wished to give me a toy car, have been clients Social Worker for approx 7 years and this was our last session together. Client adamant he wanted me to have it as a desk ornament so I will remember him for his love of car maintenance. Client has an Acquired Brain Injury and this was really important to him.	Andy Biddle	Yes	27/09/2021	This was clearly important to the person with care and support needs and refusal would have been offensive.
Adult Services	28/06/2021	Under £5		Gillian Norrie	small warhammer figurine	Accepted	REDACTED	Client		It would have had a negative affect on my client relationship. Gift given in thanks	Andy Biddle	Yes	27/09/2021	To have declined would have been detrimental to the working relationship
Adult Services	28/04/2021	Under £5		Kerry Ryan	Flowers	Accepted	Client	None		Under £5 and would have caused offence had not accepted	Andy Biddle	Yes	19/05/2021	Under £5 and would have caused offence had not accepted
Adult Services	30/03/2021	Under £5		Danielle Foster	Chocolates under £5	Accepted	REDACTED			Gift was taken in a bag along with gifts from colleagues - did not realise this was from a relative.	Andy Biddle	Yes	30/03/2021	By the time the recipient realised the gift was from a family it was too late to return. The gift was under £5.
Adult Services	29/03/2021	£5 - £25		Amanda Lodge	Gift set	Rejected	REDACTED	Resident of Arthur Dann Court where Amanda works		Gift offered valued at £10, so could not be accepted	James Hill			
Adult Services	02/02/2021	£5 - £25		Gabrielle Downer	Cantu conditioner/ shampoo, body lotion, leave-in hair mask, exfoliating shower puff, candle, foot pampering socks.	Accepted	REDACTED	Gift to say thank you to the Gunwharf isolation and assessment unit for supporting family member and facilitating window visits.		To be shared with Gunwharf isolation and assessment unit team.	Andy Biddle	Yes	02/02/2021	Being shared amongst the team

Appendix 3 - Adult Services

Service Text	Date Received	Value Desc	Specified Value	Receiver	Description	Action	Donor Name	Donor Interests	Donated To Other	Reason	Approver	Approved By Approver	Approver Decision Date	Approver Reason
Adult Services	02/02/2021	£5 - £25		Gabrielle Downer	Cantu conditioner/ shampoo, body lotion, leave-in hair mask, exfoliating shower puff, candle, foot pampering socks.	Accepted	REDACTED	Gift to say thank you to the Gunwharf isolation and assessment unit for supporting family member and facilitating window visits.		To be shared with Gunwharf isolation and assessment unit team.	Andy Biddle	Yes	02/02/2021	Shared amongst the team who cared for resident
Adult Services	15/12/2020	Under £5		Carolyn Race	7 note pads and 7 pens ( for each of the people who supported her and 1 for the OT )	Accepted	REDACTED	client received support from CIS team , our involvement has now ended.		The client had gone to a lot of effort to go out , during Covid, to purchase the small gifts for the team and has individually wrapped them and labelled them. i felt that it would be difficult not to accept , she assured me that the items cost very little money would be upsetting for her to not accept.	Andy Biddle	Yes	15/12/2020	The gifts are low cost and it would be unlikely that they could be usefully used elsewhere.
Adult Services	10/12/2020	Over £25 (specify)	Approximately £35	Victoria Davies	Hamper filled with crisps, crackers, hot chocolate, coffee, tea, biscuits, selection box, yule log, chocolates and two bottles of wine.	Donated	Mark Bates Insurers	Mark Bates is one of the insurers that we recommend for our Direct Payment clients	The Hive	We can't accept the hamper so we are giving away to charity and we have asked Mark Bates to not send any further hampers in future.	Chris Ward			
Adult Services	14/10/2020	Over £25 (specify)	£30.00	Philippa Paffett	Box of hotel chocolate chocolates. Willing to share with the team.	Accepted	REDACTED	Patients family sent me a box of chocolates. No message in gift. Arrived via amazon post and delivered to the main reception at the hospital. Gift was not expected.		Amazon parcel of chocolates delivered to Social Worker at QA Hospital via post. Social worker not aware this was happening. Arrived at QA on the 14/10/2020.	Andy Biddle	Yes	27/09/2021	This does not appear to have come through as an automatic notification for approval at the time and therefore gift was accepted

Appendix 4 - Cash/Vouchers

Value Desc	Specified Value	Receiver	Description	Classification	Sub Classification	Action	Donor Name	Donor Interests	Donated To	Reason	Approver	Approved By Approver	Approver Decision Date	Approver Reason
Over £25 (specify)	£30.00	Zoe Spillett	This is a £30 love to shop voucher, it is a prize for being on the winning team at the Local Government Apprentice of the Year event 2021	Gift	Cash / Voucher	Accepted	East of England Local Government Association			This has been agreed	Natasha Edmunds	Yes	10/05/2021	approved in recognition of significant achievement as part of the winning team for Apprentice of the year 2021. Positive attitude, commitment to learning, contribution to the organisation
Under £5		Jane Herrington	box of chocolates	Gift	Cash / Voucher	Accepted	REDACTED	PCC tenant		helped sort out her benefits - shared the box with the rest of the team	James Hill	Yes	04/10/2021	As per policy
Under £5		Farhana Ahmed	Skincare small tester pots	Gift	Cash / Voucher	Accepted	REDACTED			Tried to refuse gift but customer was adamant it was to say thank you. Gift was free to customer who wanted to pass it onto a staff member who went above and beyond for her.	James Hill	Yes	09/08/2021	As per policy
Under £5		Kerry Weatherley	Wooden plaque related to animals	Gift	Cash / Voucher	Accepted	REDACTED			Unexpected gift and minimal cost.	James Hill	Yes	12/04/2021	as per policy
Under £5		Hannah Tee	Chocolates	Gift	Cash / Voucher	Accepted	REDACTED			Gift for helping with benefit claims	James Hill	Yes	01/03/2021	as per policy
Under £5		Hannah Tee	Chocolates	Gift	Cash / Voucher	Accepted	REDACTED			Gift for helping with benefit claims	James Hill	Yes	01/03/2021	as per policy
Under £5		Damian House	Bottle of prosecco	Gift	Cash / Voucher	Accepted	REDACTED	N/a		Accepted by CRO at front desk as tenant insisted.	James Hill	Yes	24/11/2020	As per policy
Under £5		April Williams	Flowers	Gift	Cash / Voucher	Accepted	REDACTED	Tenants in April's patch.		A thanks to April for all her help with an exchange application.	James Hill	Yes	09/11/2020	As per policy
Under £5		Gerard O'Brien	Box of Celebrations	Gift	Cash / Voucher	Accepted	Alverstones Ltd	Stonemason		They give annually as thanks for our work during the year	Stephen Baily	Yes	12/01/2021	refusal would offend
Under £5		Gerard O'Brien	Box of Celebrations	Gift	Cash / Voucher	Accepted	Alverstones Ltd	Stonemason		They give annually as thanks for our work during the year	Stephen Baily	Yes	18/01/2021	Refusal would offend
Under £5		Gerard O'Brien	Two Advent Calendars	Gift	Cash / Voucher	Accepted	Forever Together Funerals	Funeral Director		I'm a chocoholic	Stephen Baily	Yes	27/01/2021	Refusal would offend

Under £5		Gerard O'Brien	Two Advent Calendars	Gift	Cash / Voucher	Accepted	Forever Together Funerals	Funeral Director		I'm a chocoholic	Stephen Baily	Yes	12/01/2021	Refusal would offend	
Under £5		Gerard O'Brien	two boxes of Shortbread	Gift	Cash / Voucher	Accepted	Barhills	Contractor		Give annually	Stephen Baily	Yes	12/01/2021	Refusal would offend	
£5 - £25		Damon Jackson	£10.00 note left in envelop on a cleaners (Angela Anderson) trolley saying "Thank you for your hard work. Buy yourself something nice."	Gift	Cash / Voucher	Accepted	REDACTED	Unknown		Unable to identify who donor is.	James Hill	Yes	25/02/2021	The cash was left on a cleaner's trolley with not means of identification thus leaving no choice but to accept it. Damon has confirmed that links had been made with the Lord's Mayor appeal and money will be donated as soon as Covid measure allow it	
Under £5		April Williams	Flowers	Gift	Cash / Voucher	Accepted	Jodie Miller 11 Tytherley Green West Leigh	Tenants in April's patch.		A thanks to April for all her help with an exchange application.	James Hill	No	09/11/2020	Duplicate entry	
£5 - £25	Page 68	Sharon Watling	One box of Whittard Tea Bags and one box of Whittard Earl Grey All Butter Biscuits	Gift	Cash / Voucher	Donated	REDACTED		Lord Mayor Appeal	The donation was from a child as a thank you for arranging her visit to Charles Dickens Birthplace during the family's stay in Portsmouth, we had bee trying for many months to get a visit time organised. it would have been rude not to accept the donation.	Stephen Baily				
£5 - £25		Dawn Graham	Handbag with tag still on for £9.50	Gift	Cash / Voucher	Rejected	REDACTED			unable to accept as over £5.00	James Hill				
£5 - £25		Lisa Jackson	£15 Gift card	Gift	Cash / Voucher	Rejected	REDACTED	Relative of resident of St Clares Court where Lisa works as Scheme Manager		Cash or voucher cannot be accepted	James Hill				
£5 - £25		Emma Hobbs	£20 cash	Gift	Cash / Voucher	Rejected	REDACTED	Resident of Durban Homes where Emma works		Cash cannot be accepted	James Hill				
Over £25 (specify)		£30	Jessica Wearn	£30 cash	Gift	Cash / Voucher	Rejected	REDACTED	Resident of Bresler House where Jessica works		Cash cannot be accepted	James Hill			

£5 - £25		Louise Clarke	Offered £25.00 cash	Gift	Cash / Voucher	Rejected	REDACTED	none		Rejected as per Gift policy and donor educated	James Hill			
£5 - £25		Louise Clarke	£25 cash	Gift	Cash / Voucher	Rejected	REDACTED	Resident of Nicholson Gardens where Louise works		Cash cannot be accepted	James Hill			
£5 - £25		Julie Tomkins	£10 cheque	Gift	Cash / Voucher	Rejected	REDACTED	Resident of Wakefield Court where Julie works		A cheque cannot be accepted	James Hill			
£5 - £25		Emma Hobbs	£10 cash	Gift	Cash / Voucher	Rejected	REDACTED	Resident of Nicholson Gardens where Emma is the Scheme Manager		Cash cannot be accepted	James Hill			
£5 - £25		Emma Hobbs	£5 cash	Gift	Cash / Voucher	Rejected	REDACTED	Resident of Nicholson Gardens where Emma is the Scheme Manager		Cash cannot be accepted	James Hill			
Under £5		Emma Hobbs	£2 cash	Gift	Cash / Voucher	Rejected	REDACTED	Resident of Nicholson Gardens where Emma works		Cash cannot be accepted	James Hill			
Over £25 (specify)	£30	Sally Rawlings	£30 cash	Gift	Cash / Voucher	Rejected	REDACTED	Resident of St Clares Court where Sally works		Cash cannot be accepted	James Hill			
Over £25 (specify)	£30	Jeannette Succamore	£30 cash	Gift	Cash / Voucher	Rejected	REDACTED	Resident of St Clares Court where Jeanette works		Cash cannot be accepted	James Hill			
Over £25 (specify)	£30	Becky Collins	£30 cash	Gift	Cash / Voucher	Rejected	REDACTED	Resident of Arthur Dann Court where Becky has been working to support the team		Cash cannot be accepted	James Hill			
Under £5		Eileen Attridge	£2 lucky dip lottery ticket	Gift	Cash / Voucher	Rejected	REDACTED	Resident of Nicholson Gardens where Eileen works		Lottery ticket cannot be accepted as per the Gifts Policy	James Hill			

£5 - £25		Nicola Stockford	£10 cash	Gift	Cash / Voucher	Rejected	REDACTED	Resident of Nicholson Gardens where Nicola works		Cash cannot be accepted	James Hill			
£5 - £25		Emma Hobbs	£20 cash	Gift	Cash / Voucher	Rejected	REDACTED	Resident of Nicholson Gardens where Emma works		Cash cannot be accepted	James Hill			

Appendix 5 - Donated

Service Text	Date Received	Value Desc	Receiver	Description	Classification	Action	Donor Name	Donor Interests	Donated To	Donated To Other	Reason	Approver
Culture, Leisure & Regulatory Services	04/06/2021	£5 - £25	Sharon Watling	One box of Whittard Tea Bags and one box of Whittard Earl Grey All Butter Biscuits	Gift	Donated	REDACTED		Lord Mayor Appeal		The donation was from a child as a thank you for arranging her visit to Charles Dickens Birthplace during the family's stay in Portsmouth, we had been trying for many months to get a visit time organised. it would have been rude not to accept the donation.	Stephen Baily
Housing, Neighbourhood and Building Services	08/03/2021	Under £5	Kerry Fletcher	house plant and hamper basket including chocolates and bubble bath	Gift	Donated	REDACTED	than you for help and support with tenancy	Other	food and hygiene items donated to food bank	refusal would of caused offence -	James Hill
Regeneration	14/09/2021	Under £5	Alison Pinkney	Box of chocolates	Gift	Donated	REDACTED	Applicant (REDACTED) - Application for Certificate of Lawful Development for the existing use as a house in multiple occupancy (Class C4) - granted CLUD 11.06.2021	Lord Mayor Appeal		If the Lord Mayor Appeal would accept the chocolates I will happily donate them. If not perhaps they can be shared by staff manning the office?	Tristan Samuels
Regeneration	14/09/2021	Under £5	Alison Pinkney	Box of chocolates	Gift	Donated	REDACTED	Applicant (REDACTED) - Application for Certificate of Lawful Development for the existing use as a house in multiple occupancy (Class C4) - granted CLUD 11.06.2021	Lord Mayor Appeal		If the Lord Mayor Appeal would accept the chocolates I will happily donate them. If not perhaps they can be shared by staff manning the office?	Tristan Samuels
Adult Services	10/12/2020	Over £25 (specify)	Victoria Davies	Hamper filled with crisps, crackers, hot chocolate, coffee, tea, biscuits, selection box, yule log, chocolates and two bottles of wine.	Donated	Donated	Mark Bates	Mark Bates is one of the insurers that we recommend for our Direct Payment clients	Other	HIVE	We can't accept the hamper so we are giving away to charity and we have asked Mark Bates to not send any further hampers in future.	Chris Ward

Appendix 6 - Members

CODE OF CONDUCT - MEMBERS' GIFTS & HOSPITALITY REGISTER

Councillor	Gift(s) and/or Hospitality details			
	Name of Donor(s)	Address of Donor(s)	Nature of Gift/Hospitality	Date Received
Ian Holder	Portsmouth Film Society	BC&A, 161 Elm Grove, Southsea, Hampshire, PO5 1LU	Ticket for screening at Open Air Cinema to view new projector	26/06/2021
Gerald Vernon-Jackson	Victorious Music Festival	30 Leicester Square, London, WC2H 7LA	Two tickets for the VIP area totalling £160	27/08/2021
Claire Udy	Victorious Music Festival	30 Leicester Square, London, WC2H 7LA	Two tickets for the VIP area totalling £160	27/08/2021
Jason Fazackarley	Victorious Music Festival	30 Leicester Square, London, WC2H 7LA	Two tickets for the VIP area totalling £160	27/08/2021
Lewis Gosling	Victorious Music Festival	30 Leicester Square, London, WC2H 7LA	Two tickets for the VIP area totalling £160	27/08/2021
Daniel Wemyss	Victorious Music Festival	30 Leicester Square, London, WC2H 7LA	Two tickets for the VIP area totalling £160	27/08/2021
Rob Wood	Victorious Music Festival	30 Leicester Square, London, WC2H 7LA	Two tickets for the VIP area totalling £160	27/08/2021
Terry Norton	Victorious Music Festival	30 Leicester Square, London, WC2H 7LA	Two tickets for the VIP area totalling £160	27/08/2021
Gerald Vernon-Jackson	Winchester College	College Street, Winchester, SO23 9NA	Dinner - total value £70 (Comprising of 2 meals at £35 each)	07/10/2021



# Integrated Impact Assessment (IIA)

Integrated impact assessment (IIA) form December 2019

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

The integrated impact assessment is a quick and easy screening process. It should:

- identify those policies, projects, services, functions or strategies that could impact positively or negatively on the following areas:
  - Communities and safety
  - Regeneration and culture
  - Environment and public space
  - Equality & diversity

**Directorate:**

Corporate Services

**Service, function:**

City Solicitor

**Title of policy, service, function, project or strategy (new or old) :**

Compliance with Gifts & Hospitality protocol

**Type of policy, service, function, project or strategy:**

- Existing
- New / proposed
- Changed

**What is the aim of your policy, service, function, project or strategy?**

Annual report of Gifts and Hospitality protocol compliance.

Has any consultation has been undertaken for this proposal? What were the outcomes of the consultations?  
Has anything changed because of the consultation? Did this inform your proposal?

Not applicable.

**A - Communities and safety**

**Yes**

**No**

Is your policy, proposal relevant to the following questions?

**A1-Crime** - Will it make our city safer?

In thinking about this question:

- How will it reduce crime, disorder, ASB and the fear of crime?
- How will it prevent the misuse of drugs, alcohol and other substances?
- How will it protect and support young people at risk of harm?
- How will it discourage re-offending?

If you want more information contact [Lisa.Wills@portsmouthcc.gov.uk](mailto:Lisa.Wills@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-spp-plan-2018-20.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

Not applicable.

How will you measure/check the impact of your proposal?

**A - Communities and safety**

**Yes**

**No**

Is your policy, proposal relevant to the following questions?

**A2-Housing** - Will it provide good quality homes?

In thinking about this question:

- How will it increase good quality affordable housing, including social housing?
- How will it reduce the number of poor quality homes and accommodation?
- How will it produce well-insulated and sustainable buildings?
- How will it provide a mix of housing for different groups and needs?

If you want more information contact [Daniel.Young@portsmouthcc.gov.uk](mailto:Daniel.Young@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/psh-providing-affordable-housing-in-portsmouth-april-19.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

Not applicable.

How are you going to measure/check the impact of your proposal?

**A - Communities and safety**

Yes

No

Is your policy, proposal relevant to the following questions?

**A3-Health** - Will this help promote healthy, safe and independent living?

In thinking about this question:

- How will it improve physical and mental health?
- How will it improve quality of life?
- How will it encourage healthy lifestyle choices?
- How will it create healthy places? (Including workplaces)

If you want more information contact [Daniel.Young@portsmouthcc.gov.uk](mailto:Daniel.Young@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/psh-providing-affordable-housing-in-portsmouth-april-19.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

Not applicable.

How are you going to measure/check the impact of your proposal?

**A - Communities and safety**

Yes

No

Is your policy, proposal relevant to the following questions?

**A4-Income deprivation and poverty**-Will it consider income deprivation and reduce poverty?

In thinking about this question:

- How will it support those vulnerable to falling into poverty; e.g., single working age adults and lone parent households?
- How will it consider low-income communities, households and individuals?
- How will it support those unable to work?
- How will it support those with no educational qualifications?

If you want more information contact [Mark.Sage@portsmouthcc.gov.uk](mailto:Mark.Sage@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-homelessness-strategy-2018-to-2023.pdf>  
<https://www.portsmouth.gov.uk/ext/health-and-care/health/joint-strategic-needs-assessment>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

Not applicable.

How are you going to measure/check the impact of your proposal?

**A - Communities and safety**

**Yes**

**No**

Is your policy, proposal relevant to the following questions?

**A5-Equality & diversity** - Will it have any positive/negative impacts on the protected characteristics?



In thinking about this question:

- How will it impact on the protected characteristics-Positive or negative impact (Protected characteristics under the Equality Act 2010, Age, disability, race/ethnicity, Sexual orientation, gender reassignment, sex, religion or belief, pregnancy and maternity, marriage and civil partnership,socio-economic)
- What mitigation has been put in place to lessen any impacts or barriers removed?
- How will it help promote equality for a specific protected characteristic?

If you want more information contact [gina.perryman@portsmouthcc.gov.uk](mailto:gina.perryman@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cmu-equality-strategy-2019-22-final.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

Not applicable.

How are you going to measure/check the impact of your proposal?

**B - Environment and climate change**

Yes

No

Is your policy, proposal relevant to the following questions?

**B1-Carbon emissions** - Will it reduce carbon emissions?

In thinking about this question:

- How will it reduce greenhouse gas emissions?
- How will it provide renewable sources of energy?
- How will it reduce the need for motorised vehicle travel?
- How will it encourage and support residents to reduce carbon emissions?

If you want more information contact [Tristan.thorn@portsmouthcc.gov.uk](mailto:Tristan.thorn@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cmu-sustainability-strategy.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

Not applicable.

How are you going to measure/check the impact of your proposal?

**B - Environment and climate change**

Yes

No

Is your policy, proposal relevant to the following questions?

**B2-Energy use** - Will it reduce energy use?

In thinking about this question:

- How will it reduce water consumption?
- How will it reduce electricity consumption?
- How will it reduce gas consumption?
- How will it reduce the production of waste?

If you want more information contact [Daniel.Young@portsmouthcc.gov.uk](mailto:Daniel.Young@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/psh-providing-affordable-housing-in-portsmouth-april-19.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

Not applicable.

How are you going to measure/check the impact of your proposal?

**B - Environment and climate change**

Yes

No

Is your policy, proposal relevant to the following questions?

**B3 - Climate change mitigation and flooding**-Will it proactively mitigate against a changing climate and flooding ?

In thinking about this question:

- How will it minimise flood risk from both coastal and surface flooding in the future?
- How will it protect properties and buildings from flooding?
- How will it make local people aware of the risk from flooding?
- How will it mitigate for future changes in temperature and extreme weather events?

If you want more information contact [Tristan.thorn@portsmouthcc.gov.uk](mailto:Tristan.thorn@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/env-surface-water-management-plan-2019.pdf>  
<https://www.portsmouth.gov.uk/ext/documents-external/cou-flood-risk-management-plan.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

Not applicable.

How are you going to measure/check the impact of your proposal?

**B - Environment and climate change**

Yes

No

Is your policy, proposal relevant to the following questions?

**B4-Natural environment**-Will it ensure public spaces are greener, more sustainable and well-maintained?

In thinking about this question:

- How will it encourage biodiversity and protect habitats?
- How will it preserve natural sites?
- How will it conserve and enhance natural species?

If you want more information contact [Daniel.Young@portsmouthcc.gov.uk](mailto:Daniel.Young@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-solent-recreation-mitigation-strategy-dec-17.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

Not applicable.

How are you going to measure/check the impact of your proposal?

**B - Environment and climate change**

Yes

No

Is your policy, proposal relevant to the following questions?

**B5-Air quality - Will it improve air quality?**



In thinking about this question:

- How will it reduce motor-vehicle traffic congestion?
- How will it reduce emissions of key pollutants?
- How will it discourage the idling of motor vehicles?
- How will it reduce reliance on private car use?

If you want more information contact [Hayley.Trower@portsmouthcc.gov.uk](mailto:Hayley.Trower@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/env-aq-air-quality-plan-outline-business-case.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

Not applicable.

How are you going to measure/check the impact of your proposal?

**B - Environment and climate change**

Yes

No

Is your policy, proposal relevant to the following questions?

**B6-Transport - Will it improve road safety and transport for the whole community?**



In thinking about this question:

- How will it prioritise pedestrians, cyclists and public transport users over users of private vehicles?
- How will it be safe and comfortable for children and older people to cycle and walk in the area?
- How will it increase the proportion of journeys made using sustainable and active transport?
- How will it reduce the risk of traffic collisions, and near misses, with pedestrians and cyclists?

If you want more information contact [Pam.Turton@portsmouthcc.gov.uk](mailto:Pam.Turton@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/travel/local-transport-plan-3>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

Not applicable.

How are you going to measure/check the impact of your proposal?

Is your policy, proposal relevant to the following questions?

**B7-Waste management** - Will it increase recycling and reduce the production of waste?

In thinking about this question:

- How will it reduce household waste and consumption?
- How will it increase recycling?
- How will it reduce industrial and construction waste?

If you want more information contact [Steven.Russell@portsmouthcc.gov.uk](mailto:Steven.Russell@portsmouthcc.gov.uk) or go to:

<https://documents.hants.gov.uk/mineralsandwaste/HampshireMineralsWastePlanADOPTED.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

Not applicable.
How are you going to measure/check the impact of your proposal?



**C - Regeneration of our city**

Yes

No

Is your policy, proposal relevant to the following questions?

**C1-Culture and heritage** - Will it promote, protect and enhance our culture and heritage?

In thinking about this question:

- How will it protect areas of cultural value?
- How will it protect listed buildings?
- How will it encourage events and attractions?
- How will it make Portsmouth a city people want to live in?

If you want more information contact [Claire.Looney@portsmouthcc.gov.uk](mailto:Claire.Looney@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-portsmouth-plan-post-adoption.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

Not applicable.

How are you going to measure/check the impact of your proposal?

**C - Regeneration of our city**

Yes

No

Is your policy, proposal relevant to the following questions?

**C2-Employment and opportunities** - Will it promote the development of a skilled workforce?

In thinking about this question:

- How will it improve qualifications and skills for local people?
- How will it reduce unemployment?
- How will it create high quality jobs?
- How will it improve earnings?

If you want more information contact [Mark.Pembleton@portsmouthcc.gov.uk](mailto:Mark.Pembleton@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-regeneration-strategy.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

Not applicable.

How are you going to measure/check the impact of your proposal?

Is your policy, proposal relevant to the following questions?

**C3 - Economy** - Will it encourage businesses to invest in the city, support sustainable growth and regeneration?

In thinking about this question:

- How will it encourage the development of key industries?
- How will it improve the local economy?
- How will it create valuable employment opportunities for local people?
- How will it promote employment and growth to the city?

If you want more information contact [Mark.Pembleton@portsmouthcc.gov.uk](mailto:Mark.Pembleton@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-regeneration-strategy.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

Not applicable.

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How are you going to measure/check the impact of your proposal?

**Q8 - Who was involved in the Integrated integrated assessment?**

Peter Smith-Parkyn

**This IIA has been approved by:** Peter Baulf

**Contact number:** 02392834041

**Date:** 25 October 2021



<b>Title of meeting:</b>	Governance & Audit & Standards Committee
<b>Date of meeting:</b>	5 November 2021
<b>Subject:</b>	Consideration of the political balance rules in relation to the constitution of Sub-Committees considering complaints against Members.
<b>Report by:</b>	City Solicitor
<b>Wards affected:</b>	N/A
<b>Key decision:</b>	No
<b>Full Council decision:</b>	No

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## 1 Purpose of Report

The Committee is asked to consider whether it wishes to disapply the political balance rules in respect of its Sub-Committees which consider complaints against Members and to agree that the same rule shall apply to the Initial Filtering Panel.

## 2 Recommendation

It is recommended that the political balance rules are disapplied in respect of Governance and Audit and Standards Sub-Committees which are considering complaints against Members and also the same arrangement should apply in respect of Initial Filtering Panel membership.

## 3 Background

- 3.1 The Committee agreed on 16 July 2021 to "disapply" the political balance rules in respect of Sub-Committees of Governance and Audit and Standards Sub-Committees when dealing with complaints. This meant the Sub-Committees' membership would in future not be made up of Members in the same proportion as the political groups are represented on the Council. Instead it was agreed that the Sub-Committees would be "cross party as far as reasonably practicable". This was considered important to ensure the greatest transparency in the decision making of these Sub-Committees where complaints against members were considered. It was also agreed that the same rule would apply to the make-up of the Initial Filtering Panel which is not a formal Sub-Committee of Governance and Audit and Standards.
- 3.2 Section 17 (2) Local Government and Housing Act 1989<sup>1</sup> provides that any decision not to apply the political balance rules shall come to an end if there is any change in the make-up of a committee where they have been disapplied.

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<sup>1</sup> <http://www.legislation.gov.uk/ukpga/1989/42/section/17>

3.3 The decision is one which only this Committee can make but it must be made without any of the Members present voting against it.

#### **4 Reasons for recommendations**

As there has been a recent change to this committee's main membership, following the full council meeting held on 13 October 2021, Members are asked to reconsider this decision, as the decision to disapply the political balance rules. If disappplied, this would only be in effect for the remainder of the municipal year or until there is any change in the make-up of a committee where they have been disappplied. If Members decide to disapply the political balance rules then this shall occur only until May 2022 when the decision would again have to be reconsidered.

#### **5 Integrated Impact Assessment**

An integrated impact assessment is not required as the recommendations do not directly impact on service or policy delivery. Any changes made arising from this report would be subject to investigation in their own right.

#### **6 Legal implications**

The City Solicitor's comments are included in this report.

#### **7 Director of Finance's comments**

There are no financial implications arising from the recommendations set out in this report.

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**Signed by:** City Solicitor

**Appendices:** None

#### **Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>
None	N/A

# Agenda Item 11

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**Portsmouth**  
CITY COUNCIL

<b>Title of meeting:</b>	Governance and Audit and Standards Committee
<b>Subject:</b>	Procurement Management Information
<b>Date of meeting:</b>	5 <sup>th</sup> November 2021
<b>Report by:</b>	Richard Lock - Procurement Manager
<b>Wards affected:</b>	N/A

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## 1. Requested by

Governance and Audit and Standards Committee.

## 2. Purpose

To provide evidence to allow the committee to evaluate the extent that Portsmouth City Council is producing contracts for goods, works and services in a legally compliant value for money basis.

## 3. Information Requested

The report covers 3 key performance monitoring areas:

- Spend compliance
- Contract award via waiver
- Contract management performance monitoring

At the request of the Committee at the meeting held on 24<sup>th</sup> July 2020 the base line data used to calculate summary figures is included as the following exempt appendixes:

- EXEMPT - G&A - Procurement MI - App 1 Spend Compliance Sep 21 - 05.11.21
- EXEMPT - G&A - Procurement MI - App 2 Waivers Jul - Oct 21 - 05.11.21
- EXEMPT - G&A - Procurement MI - App 3 Contract KPIs Jul - Oct 21 - 05.11.21

The report provides a performance comparison between the last time period reported to the committee on 16<sup>th</sup> July 2021 which covered performance over a time period of February - June 2021 with the most recent performance data that could be obtained which covers July - September 2021.

Performance reports usually cover the most recent quarter. The 16<sup>th</sup> July 2021 report covered a longer time period as the recent election cycle meant that the time between committee meetings had been extended. As at that point the pressures of the pandemic plus the new emerging pressures from Brexit were impacting significantly upon

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procurement and contracting activity. On this basis the Procurement Manager felt it necessary to provide the Committee with data covering an extended time period in order that the Committee could have a view of procurement governance performance in what were exceptional and unprecedented circumstances.

Whilst the pressures of the pandemic and Brexit continue to be felt the Council has generally moved from a position of response to one of recovery, in view of this the reporting periods covered for this Committee meeting have reverted to business as usual quarterly performance reporting.

Where detail is required by the committee the Procurement Manager will provide this during the committee meeting, however where questions relate to detail included within the exempt appendices responses cannot be provided whilst the public live streaming is in operation.

## **SECTION 1 - SPEND COMPLIANCE**

### Introduction

The table on the following page provides a comparison of spend compliance from the last report taken verbally to the Committee on 16<sup>th</sup> July 2021 which covered the month of May 2021 against spend compliance covering the month of September 2021. The report taken on 16<sup>th</sup> July 2021 was not included within the original document pack sent to the Committee due to issues with extracting the data from the then recently implemented Oracle FUSION system.

### Context & Current Process

The Local Government Transparency Code (2015) requires that all contracts with a lifetime value of £5,000 or above are published. The Council monitors and enforces compliance by requiring every purchase order with a distribution value of £5,000 or above is linked to a contract entry which has been raised and published on the Council's InTend system.

Compliance is measured initially by reporting on spend linked to a contract entry which has been raised on the council's InTend system. The presence of a contract entry on the InTend system implies that either:

- The contract has been awarded following a procedure which complies with the council's Contract Procedure Rules (CPRs) and wider statutory Public Contracts Regulations (2015) (PCRs)
- A waiver to depart from requirements set out within the council's CPRs and / or PCRs has been approved by the relevant director, Procurement Manager and / or Procurement Gateway Board as proportionate to the value and risk associated with the contract in question

It should be noted that the 'compliance' definition for this section of the report also includes for approved departures from local constitutional rules and national legislation as set out

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above. The data and analysis provided in this section therefore relates to compliance with the Council's procurement governance processes. Overall compliance with rules and regulations is covered under Section 2 of this report which provides an analysis of contracts awarded via waiver approval within the quarter.

It should also be noted that the report does not include for financial transactions from all of the council's systems and solutions. This includes for payments made via purchasing cards, utilities transactions processed via Housing, Neighbourhood & Buildings systems, Adult Social Care Controc system, Children's Social Care Mosaic system, CHAPS payments, cheque payments, etc.

### Planned Development

Following implementation of the Oracle FUSION system which required significant levels of input from Procurement and full time allocation of 2 key members of the Procurement team work will be undertaken to develop the spend compliance reports in terms of both completeness and content.

Though Procurement's input into the Oracle FUSION project, spend reports on transactions linked to waiver approvals can now be readily obtained. This will allow the Committee to assess compliance performance by overall spend in a much broader sense than is currently being presented. Procurement will seek to develop the expanded report in time for the next Committee meeting.

Work is also required to investigate running reports on spend which is processed via systems other than Oracle FUSION. This will take some time to develop and it may be that due to system / process restrictions that a comparable view of compliance performance may not be fully achievable for all systems, although this will be the aim.

A phased plan will be developed and agreed with the managers who are responsible for the further systems. The first system which will be investigated is the Adult Social Care Controc system where work has already been undertaken to match financial transactions to InTend contract entries.

If possible the spend compliance report will be expanded to include for Controc spend in time for inclusion at the next Committee meeting. Procurement will also aim to bring a draft plan for addressing further systems, although this will be dependent upon engagement from services who may have other priorities.

### September 21 Analysis

The detailed report taken from Oracle FUSION is included as exempt 'Appendix 1 - Spend Compliance Sep 21'. This report shows the compliance figures overall, by service and by sub-service area both before and after further review by the Procurement manager.

The 'raw' performance data is reviewed by the Procurement Manager who then removes spend where:

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- It is known that compliance with governance has been addressed but due to admin error the spend was not linked properly to a contract entry
- It is known that compliance with governance has been addressed but a contract entry is required on InTend
- The spend transaction does not fall under the scope of local or wider procurement rules and regulations and / or transparency requirements - e.g. land transactions, S75 agreements, grants, funding arrangements, below £5k transactions, etc.

The exempt Spend Compliance report attached as Appendix 1 provides the Procurement Manager's summary analysis for each transaction which showed as non-compliant from the 'raw' report, whether the transaction has been 'retained' or 'removed' from the adjusted figures and the basis for the classification made.

A summary of the analysis undertaken by service area is included within the data following table. A target of 95% compliance overall and by service following any adjustments made by the Procurement Manager has been set previously by the Committee.

Approximately a year ago at the Committee meeting held on 20<sup>th</sup> November 2020 raw compliance was reported at approximately 80%. Since then it has risen steadily due to the work undertaken by Procurement to increase the reporting of contracts on InTend in line with Transparency Code requirements ready for the implementation of new controls with the launch of Oracle FUSION in April 2021 with raw compliance for September 2021 now at 91%.

In further context the raw compliance figure reported for December 2020 in the report taken to Committee on 5<sup>th</sup> March 2021 was 71% and the figure reported for May 2021 taken to Committee on 16<sup>th</sup> July 2021 was 92%. This shows the significant improvement that implementation of Oracle FUSION has had on improving visibility of contracts held by the Council.

Beyond complying with Transparency Code this will provide a reliable information base from which future procurement activity pipelines can be developed, the publication of which is now required following central government instruction via a recent Procurement Policy Notes. Production and maintenance of pipelines will also assist the Council in undertaking pro-active strategic best value options review and ensure effective, inclusive implementation of policies concerning topics such as social value, modern slavery, Real Living Wage, etc.

Following adjustment the compliance figure for September 2021 is now at 99% which is the same as the last reported figure of 99% for May 2021 and above the 97% reported for December 2020 and 93% reported for September 2020.

The figures by service area are broken down within the following table, with a summary analysis provided following after and detailed information on transactions included within the exempt Appendix Spend Compliance report.

All services adjusted figures are above the 95% target other than Corporate Services at 70% although it should be noted that this service area's total spend for the month forms a



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fraction of total spend and that transactions concerned are unlikely not pose any significant risks to the Council given the relatively low values involved in the context of overall spend. This is an improvement upon the May 2021 figures which showed 4 services falling below the 95% target.

**Key**

- **NC - Non-compliant**
- **C - Compliant**

Directorate	May 2021			September 2021		
	Total £	NC £	C %	Total £	NC £	C %
Adult Services	£88,757	£19,390	82%	£479,148	£11,256	98%
Children Families & Education	£83,270	£2,412	97%	£412,974	£729	100%
Corporate Services	£271,059	£65,485	81%	£215,534	£90,465	70%
Culture Leisure & Regulatory Services	£147,811	£41,928	78%	£206,663	£2,383	99%
Executive	£52,169	£27,131	66%	£88,998	£1,979	98%
Finance	£2,175,459	£19,601	99%	£3,456,220	£47,093	99%
Housing Neighbourhood & Building Services	£6,582,549	£28,585	100%	£7,923,989	£22,483	100%
Portsmouth International Port	£2,052,255	£0	100%	£492,284	£0	100%
Public Health	£222,660	£0	100%	£235,110	£0	100%
Regeneration	£3,818,329	£9,434	100%	£7,808,459	£54,756	99%
<b>TOTAL</b>	<b>£15,494,319</b>	<b>£213,967</b>	<b>99%</b>	<b>£22,624,444</b>	<b>£236,594</b>	<b>99%</b>



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Below is a summary of the nature of the non-compliant spend by service area and assessment of risk by the Procurement Manager. Full details have been made available to the committee in the exempt information which accompanies this report - 'G&A - Procurement MI - App 1 Spend Compliance Sep 21 - 05.11.20'.

**Adult Services**

No concerns. Some work required to review food supply contracts although all spend is below PCC tender threshold of £100k and significantly below £189k threshold for supplies under Public Contracts Regulations (2015).

However, it should be noted that as stated previously these figures do not include for payments made to social care providers which are processed via the Controc system.

**Children, Families & Education**

No concerns. One transaction which requires investigation for 1-1 tuition services although the value falls below the Council's £100k tender threshold.

It should also be noted that as stated previously these figures do not include for payments made to some children's social care providers which are processed via the Mosaic system.

**Corporate Services**

No significant concerns. Whilst the compliance figure of 70% falls significantly short of the 95% target this spread across 11 transactions all of which have a lifetime distribution amount significantly below the Council's tender threshold of £100k. The transactions concerned will be investigated by Procurement who will agree appropriate actions to address transparency and compliance issues with the service.

**Culture Leisure and Regulatory Services**

No concerns. Only two transactions which both fall significantly below the £100k tender threshold.

**Executive**

No concerns. Only two transactions which both fall significantly below the £100k tender threshold.

**Finance**

No significant concerns. 3 transactions which fall within the Council's £100k tender threshold. These transactions whilst raised by Finance relate to CFE spend as do a number of other transactions indicating that the relatively high levels of spend with suppliers for Finance is due to the service processing financial transactions on behalf of other services.

**Housing Neighbourhood and Building Services**

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No concerns. A number of transactions which all fall below £100k threshold. A number have been subject to previous waiver approvals which may now have expired but require further investigation.

### **Portsmouth International Port**

No concerns. 1 transaction which is significantly below £100k threshold.

### **Public Health**

No concerns. 100% compliant.

### **Regeneration**

Only one area of concern which relates to spend with a consultancy firm who provide a range of services, predominantly for Property, Investment & Development. The distribution value of £822,679 is significantly above the Council's tender threshold of £100k and the statutory PCR 2015 threshold of £189k.

However, a number of compliant procurements and waivers have been approved in relation to this supplier. There are also a range of framework agreements let by other public sector bodies which the Council could access in order to bring transactions with this supplier into compliance.

The transactions concerned will be investigated by Procurement who will agree appropriate actions to address transparency and compliance issues with the service.

## **SECTION 2 - CONTRACT AWARD VIA WAIVER**

The tables below show a comparison of contracts awarded via direct award waiver between February - June 2021 as reported at the Committee meeting on 16<sup>th</sup> July 2021 with those awarded via direct award waiver between July - October 2021.

Whilst waivers are to be sought for any significant departure from the council's Contract Procedure Rules (CPRs), the report focuses upon waivers which have constituted a direct award without application of competition to the protocols set out within the Council's CPRs, Best Value framework and, where applicable, the wider statutory Public Contracts Regulations (2015) (PCR).

This approach has been taken because in comparison to other departures from rules direct awards place the Council at highest risk in terms of legal challenge, accusations of bias and demonstrating achievement of best value.

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In order to effectively respond to the Covid19 pandemic a higher number of waivers were sought on this basis. This was due in one hand to quickly source essential emergency supplies, services and works, but also to extend contracts outside of specified terms where council and supplier resources that would have run or responded to re-tendering processes were redeployed onto essential response activities or, in the case of some supplier bidding teams, furloughed.

In the last quarter the impact of CVD19 in respect of entering into new / extending existing contracts has now lessened significantly. The number of direct award waivers processed which relate to providing an effective response to the pressures of Brexit have also reduced significantly within the last reporting quarter.

The lessening of the immediate impacts from the pandemic and Brexit have reduced the total value of direct award waivers approved within the last quarter by a significant amount with the figures now starting to approach pre-pandemic levels.

Under the CPRs waivers can be approved by:

- Director including for Assistant Directors given delegated authority by the Director - up to £100k
- Procurement manager - up to £1M
- Procurement Gateway Board - above £1M

**Use of direct award waivers**

Reason for direct award waiver	February - June 2021		July - October 2021	
	No. of Contracts	Contract Value	No. of Contracts	Contract Value
Business as Usual Direct award	133	£10,065,031	97	£5,863,920
Waivers agreed due to Covid-19 (re-tender delay / scope variation)	13	£23,156,887	2	£317,500
Waivers in response to Covid-19 (emergency supplies / services / works)	7	£2,169,067	0	£0
Waivers in response to and due to Brexit	4	£10,560,050	1	£30,000
<b>Total</b>	<b>158</b>	<b>£45,951,035</b>	<b>100</b>	<b>£6,214,420</b>

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**Portsmouth**  
CITY COUNCIL

Below is a summary level analysis undertaken by the Procurement Manager. Full details have been made available to the committee in the exempt information which accompanies this report - 'G&A - Procurement MI - App 2 Waivers Jul - Oct 21 - 05.11.21'.

### **High Value (Above £189k) Direct Award Waiver Summary Analysis**

No significant concerns.

#### **Legal Support - LXP & City Centre**

A waiver with a value of £665,697 for legal support associated with advice on the city centre development and Tipner West / Lennox Point projects relates to cumulative spend since the contract was entered into in September 2016. Whilst the waiver entry states direct award the contract was actually procured compliantly via a mini-competition from a Crown Commercial Services framework agreement. It appears that this contract entry has been misclassified and should not show on the waiver report although further investigation may be required.

#### **Mountbatten Centre - Capital Investment Works**

A waiver with a value of £567,061 for capital investment works at the Mountbatten Centre also appears to have been incorrectly classified. The supplier who has been awarded the contract is already party to a significant term service contract with the Council for repairs and maintenance. The term service contract has been compliantly procured and allows for compliant direct award of significant project works subject to application of tendered rates and open book costing.

#### **Electric Vehicle Charging Points**

Two waivers with a value of £499,279 and £308,106 for the installation of electric vehicle charging points has also been incorrectly classified as the contracts which concern the same supplier have been let via compliant direct award from a Hampshire County Council framework agreement. Best value has been assured via application of competitively tendered rates secured at framework level by Hampshire.

### **NB - Adjusted Figures**

The combined value of what are most likely to be misclassified waivers equates to £2,040,143 which when deducted from the total direct award waiver value of £6,214,420 gives a total direct award waiver figure for the quarter of £4,174,277. This adjusted figure is similar to the pre-pandemic figures reported to the Committee previously.

#### **Tipton & Edgbaston House - Electrical Heating Works**

A waiver with a value of £242,500 for the delivery of urgent electrical heating distribution remedial works at Tipton & Edgbaston House, Somerstown was awarded to a previous term service provider to the Council for electrical works. The works which require access to HRA resident properties could not be undertaken safely whilst lockdown restrictions

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were in place. The works needed to be undertaken on a time of the essence basis over the summer months to ensure that residents had access to reliable heating in the coming colder months.

Best value has been assured through the contractor working to rates which applied to the competitively tendered contract they previously held with the Council. Whilst the works are above the Council's tender threshold they fall significantly below the higher statutory PCR 2015 for works of approx. £4.7M. There is also a strong case for exemption in line with regulatory principles on the basis of the urgent nature of the works which could not be effectively procured and delivered under a streamlined competitive procurement process.

#### UNIX System Support & Maintenance

A waiver with a value of £189,417 has been awarded for the provision of critical services required to support the Council's data centre and other Council hosted IT services. Due to the significant pressure IT have been under to provide an effective response to the pandemic and move to cloud based solutions priority could not be given to undertaking a full procurement for these services.

The contract term has been limited to the 36 months of support likely to be required whilst applications are migrated. Whilst a few procurement process was not undertaken best value has been assured via the seeking of quotations from other providers against which the contracted supplier has compared favourably.

The contract falls only just above the statutory PCR 2015 threshold for services of £189,330 and relates to the delivery of niche technical services. Risk of challenge is therefore deemed to be low and will be further mitigated by publication of a Contract Award Notice which will time out any challenges from any aggrieved suppliers after 30 calendar days.

#### Further Waivers

A further 9 waivers were approved in the quarter which exceed the Council's tender threshold of £100k but do not exceed the statutory approx. £189k PCR 2015 threshold which applies for services and supplies contracts. Below £100k but above £50k a further 22 waivers were approved within the quarter. These are listed within the exempt 'Appendix 2 - Waivers July - Oct 21' report.

These awards do not pose any significant level of risk to the Council in terms of challenge from aggrieved suppliers although there is a duty under Local Government Act that the Council should abide by the constitutional rules it voluntarily imposes upon itself. Whilst unlikely an aggrieved supplier could request a judicial review through the courts on this basis.

Due to the request by the Committee to the Procurement Manager to endeavour to shorten the overall length of this content analysis of below PCR 2015 threshold waivers has been omitted from this summary analysis session although the Procurement Manager will provide further information to the Committee regarding further waivers upon request.

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**SECTION 3 - CONTRACT MANAGEMENT PERFORMANCE MONITORING**

Contract management performance is monitored at summary level by application of a set of standard KPIs which are scored and reported on via the InTend system. Contracts are reported are on against the following criteria:

<b>Key</b>	
• <u>Gold:</u>	Outstanding performance
• <u>Green:</u>	Performing to standard
• <u>Amber:</u>	Some areas of improvement required
• <u>Red:</u>	Failing to perform
• <u>Expired KPI:</u>	a schedule is in place, and at least one KPI score has been recorded, but there has been no KPI scoring in the last 12 months
• <u>KPI never scored:</u>	a schedule is in place, but there have been no KPI scores for the contract
• <u>KPI not yet due:</u>	a schedule is in place, but KPI scores are not due yet. This includes contracts where KPIs are overdue by less than 3 months (grace period)
• <u>No KPI scheduled:</u>	no KPI instances have been scheduled.

KPI performance for the last quarter compared to the quarter reported at the last Committee meeting is as follows:

	Nov 20 - Jan 21				Jul - Sep 21			
	Value of Contracts		Number of Contracts		Value of Contracts		Number of Contracts	
<b>RED</b>	£103,000	0.00%	2	0.15%	£87,200	0.00%	3	0.15%
<b>AMBER</b>	£32,909,822	1.47%	19	1.42%	£12,075,114	0.21%	18	0.92%
<b>GREEN</b>	£33,912,973	1.52%	54	4.04%	£558,289,938	9.78%	279	14.27%
<b>GOLD</b>	£414,562,229	18.55%	285	21.30%	£43,043,352	0.75%	74	3.79%
KPI never scored	£154,829,522	6.93%	220	16.44%	£256,595,936	4.50%	320	16.37%
NO KPI scheduled	£269,863,940	12.08%	341	25.49%	£3,222,452,945	56.45%	615	31.46%
NOT YET DUE	£157,274,213	7.04%	182	13.60%	£467,869,143	8.20%	288	14.73%
KPI expired	£1,171,226,036	52.41%	235	17.56%	£1,147,634,413	20.11%	358	18.31%
<b>Grand Total</b>	<b>£2,234,681,735</b>	<b>100.00%</b>	<b>1338</b>	<b>100.00%</b>	<b>£5,708,048,041</b>	<b>100.00%</b>	<b>1955</b>	<b>100.00%</b>

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Below is a summary level analysis undertaken by the Procurement Manager. Full details have been made available to the committee in the exempt information which accompanies this report - 'EXEMPT - G&A - Procurement MI - App 3 Contract KPIs Jul-Sep 21 - 05.11.21'.

**Red Status Contracts**

Collection and Disposal of Hygiene Waste - International Port

Issues with missed collections and incorrect Port contact details shared with the supplier. An improvement plan has been agreed with the supplier. Total contract value is £44k.

**Amber Status Contracts**

Provision of Building Cleaning Services at Portsmouth International Port

Issues with missed cleaning tasks and timekeeping. Improvement plan out in place with supplier and issues have now been effectively rectified. Total contract value is £1,587,201.

Learning Management System - CPD Online

Scores entered incorrectly, should be classified as green status performance. Total contract value is £74k

Provision of apprenticeship training in accountancy at level 2 & 4

Lack of flexibility from provider to accommodate specific apprentice needs. A more flexible specification will be used when the contract is re-procured next year. Whilst there is frustration from the service it may be that the provider has been scored too low as they are performing the contract to specification. Total contract value is £150k.

Planning Consultancy Services - Portsmouth International Port

Scores entered incorrectly, should be classified as green status performance. Total contract value is £42.4k

John Marshall Court - Scooter Room

Scores entered incorrectly, should be classified as gold status performance. Total contract value is approx. 73k



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Management Support and power supply

Scores entered incorrectly, should be classified as green status performance. Total contract value is £99k.

Port Infrastructure Principle Designer

Scores entered incorrectly, should be classified as green status performance. Total contract value is approx. £81k.

Provision of Port Security Services

Awaiting response from contract manager.

**KPIs Not Scored / Not Scheduled / Expired**

Significant concern remains in respect of overall KPI reporting which shows that high levels of contracting activity by both volume and value are not being reported on. Procurement resource which has been previously allocated on a full time basis to the implementation of Oracle FUSION will be assigned to undertake a detailed analysis of this issue.

This work has not previously progressed since the last report taken to Committee due to recruitment of dedicated contract management resource by Procurement being put on hold whilst the Council undertakes a saving review for the coming financial year budget setting process.

Procurement will target completion of an initial analysis and performance reporting improvement for high value / long term contracts in time for the next Committee meeting. Subject to resource commitments and progression of the suspended recruitment to the contract management post Procurement will also seek to progress work on simplifying the KPI reporting processes which are currently in place and may be presenting a barrier to reporting on contract delivery performance by services.

What is still of more concern are the number of contracts where the KPI has never been scored or has not been scored for some time. Procurement focus has been on bringing raw spend compliance up by gaining better visibility of contracts.

Work was due to be undertaken to address this however this has stalled due to Procurement losing the Contract Management Business Partner and a recruitment process again being required.

Prior to the Contract Management Business Partner leaving work had been undertaken to begin reviewing the corporate KPI model to ensure that a relevant, proportionate approach is taken which will in turn increase take up and produce timely, accurate and comparative results.

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**Portsmouth**  
**CITY COUNCIL**

.....  
Signed by Richard Lock - (Acting) Procurement Manager

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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