

## **GOVERNANCE & AUDIT & STANDARDS COMMITTEE**

MINUTES OF THE MEETING of the Governance & Audit & Standards Committee held on Friday, 14 September 2018 at 10.30 am in The Executive Meeting Room, Third Floor, 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 Will Purvis (in the chair)

Councillor Ian Lyon  
Councillor Hugh Mason

### **Officers**

Julian Pike, Deputy Head of Finance & Deputy S151 Officer  
Charlotte Smith, Assistant Director of Community & Communication  
Karen Fitzgerald, Corporate Complaints Officer  
Michael Lawther Deputy Chief Executive, City Solicitor and Monitoring Officer  
Jon Bell, Director of HR Legal and Performance  
Elizabeth Goodwin, Chief Internal Auditor  
Paul Somerset, Deputy Chief Internal Auditor

### **External Auditor**

David White, Manager, Assurance - Government and Public Sector, EY.

#### **54. Apologies for Absence (AI 1)**

The Chair, Councillor Will Purvis, welcomed everyone to the meeting and advised that it is being livestreamed and would be available on the website. The Chair then read out the housekeeping rules relating to evacuation procedures in the event of an emergency. Introductions were then made round the table.

Apologies for absence were received from Councillors Ken Ellcome, Simon Boshier and John Ferrett and from Helen Thompson, Associate Partner, Ernst & Young.

#### **55. Declarations of Members' Interests (AI 2)**

Councillor Hugh Mason declared a non-pecuniary interest in agenda item 7 in that he seconded a proposal to invest in the Hampshire Community Bank in

2014 and is also a director of the Hampshire Credit Union, currently trading as Wessex Community Bank.

DEPUTATIONS were made at this point in the meeting.

Mr Jerry Brown made a deputation on agenda Item 6 - Quarterly Performance Management Update

Mr Jerry Brown also made a deputation on agenda item 7 - Hampshire Community Bank.

These have been referred to at the beginning of each item concerned and can be heard in full using the following link

<https://livestream.com/accounts/14063785/GAS-14Sep2018>

#### **56. Draft Minutes from 27 July 2018 meeting (AI 3)**

**RESOLVED that the Minutes of the meeting held on 27 July 2018 be confirmed and signed by the Chair as a correct record.**

UPDATES on matters referred to in the minutes.

- Members asked that updates on actions agreed at the previous meeting should be made available to committee members at a reasonable time before the briefing meetings
- Page 9 of the previous minutes referred to a new IT Policy being about to go live and members of the Committee asked that a copy of the policy be sent to them.
- Members asked that a special meeting be convened before the next scheduled meeting to receive a report on MMD to cover all the outstanding issues. Members agreed to send their questions to Mr Pike to ensure that the report addressed their concerns.
- Members asked that at the same special meeting a report on the Victory Energy Company be brought. Members wanted it to provide background information on how it had been established, whether officers believed that everything that should have been done to inform councillors and provide information had been done, whether there should have been more political input and to cover lessons learned. The City Solicitor agreed that this could be done.

#### **57. LGO Complaints annual report- (Information only) (AI 4)**

(TAKE IN REPORT)

The Assistant Director of Community and Communications, Charlotte Smith summarised the report that brings to the attention of the Governance & Audit & Standards Committee the Annual Review of Complaints by the Local Government and Social Care Ombudsman dated July 2018, regarding the complaints it has considered against Portsmouth City Council for the year 2017/2018.

Section 3 of the report details the corporate complaints received and section 4 details complaints received in Adult Social Care and Children's Social Care.

Ms Smith advised that for corporate complaints the vast majority were resolved at stage 1. 46 were sent to the Local Government Ombudsman and this figure has remained reasonably static compared with recent years. PCC compares well with comparable authorities. Only 9 complaints were upheld - 6 related to social care and 3 to Planning matters. Advice from the LGO on how PCC should improve in future mainly related to improving processes and providing advice on remedies.

Following discussion

- It was agreed that in future Plymouth should be included as a comparator authority as it is very similar to Portsmouth . Plymouth's figures would be circulated to committee members after the meeting.
- It was confirmed that PCC is reasonably confident that its complaints process is easy to access as comparisons had been carried out with other local authorities and the process has been approved by the LGO. There are multiple ways in which residents/customers can complain
- Complaints figures for the last few years are not included in the report and would be circulated to committee members after the meeting.
- It was confirmed that complaints that are sent direct to the LGO by individuals would be referred to PCC for local resolution before being looked at by the LGO and this accounted for the 15 referrals for local resolution.
- It was agreed that a register would be kept showing the amounts paid out and by which service in the authority.

The City Solicitor advised that the payments made by way of compensation were generally low - in the hundreds of pounds. Complaints are dealt with on merit so if it is more cost effective to make a payment rather than escalate the matter to the Ombudsman then that is done. However some complaints coming into the system are without foundation and public money should not be used in these circumstances.

The report was noted.

#### **58. External Auditor's Annual Audit Letter update (AI 5)**

David White, Manager, Assurance - Government and Public Sector, EY. introduced this item which essentially repeats the audit results report brought to the last meeting. He confirmed that the Audit Opinion was issued on 30 July - ahead of the deadline.

He advised that the Whole of Government Accounts was completed and signed off on 10 August ahead of the. deadline of 31 August.

The Audit Opinion was unqualified as was the VfM conclusion.

The Committee thanked the External Auditors for their work.

Queries were raised about IRFS 9 and IRFS 16 and the impact on leases and where the items are shown on the balance sheets.. Owing to the complexity of this area Members asked that this should be fully explained as part of the

MMD special meeting to be arranged in October. Julian Pike advised that he would re-circulate a note about this.

The Committee noted the External Auditor's Letter.

## **59. Quarterly Performance Management Update (AI 6)**

Jon Bell introduced the report advising that Appendix 1 summarises the performance issues in respect of each directorate which should be helpful given the detailed nature of the report. The detailed performance report is given in Appendix 2, Projects in Appendix 3 and Risks in Appendix 4.

Mr Bell explained that there is nobody available today from Adult Social Care or Children's Services (where an Ofsted inspection is taking place) to help the Committee with detailed questions. He suggested that instead, members should raise their queries and he would endeavour to obtain written responses.

Mr Bell said he would like to draw members' attention to some recurring themes as outlined in sections 3.5 to 3.7 which are that increasing demands are being made on services at a time when there is reducing capacity exacerbated to a large extent by the ongoing financial pressures faced by the authority.

Members raised a large number of queries and observations.

These included concern

- that there was nothing to suggest that the Chief Executive had input concerning matters raised in the directorates performance management
- about the lack of independent assessment of how officers perform
- about the absence of financial implications
- that nothing in the report allocates the way that the council produces services into the categories of demand, capacity and financial challenge
- that contingency plans in the event that Children's and Adults' Services continue to overspend without funding being received from elsewhere is absent
- that there is nothing in the report about infants and the effect on infants of bad parenting or anything about early intervention
- that there is nothing in the report about a strategy to deal with mental health at a very early age nor anything about what we are doing from 0 - 5 in mental health services.
- that there is nothing in the report to say whether these matters a)are being considered or b)whether they have been considered and a decision has been taken that there is no money to deal with them

The Chair said that the priorities for infant spend or otherwise is straying into policy decisions on how spending is targeted which is not for this committee. He asked the deputy s151 officer to answer the query about financial risk. Julian Pike, deputy s151 officer advised that the overspend is £5m within Children's and £3m within Adult Social Care, so a combined forecast overspend of the two at the moment is £8m at the end of June. There is a report going to Cabinet on 9<sup>th</sup> October which is reporting the Quarter 1 forecast outturn position which is where the adults and children's positions will be formally reported. The report does say that this is a significant area of concern for the council and will need to be addressed in the medium term. Adults have a medium term plan in place which provided they deliver the savings that they're expecting to generate under that savings plan will bring their budget back into balance by 2021 and there is a plan in place to manage that through the use of Adult Social Care reserves. Children's are in the process of formulating their plan but the children's deficit recovery plan is not as well developed as the Adult Social Care plan. In the event that Children's Services recovery plan is unable to achieve the level of savings that are required he advised that they would be looking to increase the council's three year savings target that will come forward as part of the medium term financial strategy review which will be considered by the City Council in February.

The Chair thanked Mr Pike for his explanation.

Michael Lawther suggested that a briefing could be arranged for members with Adults and Children's Services about the particular difficulties which they've had this year. He said that the council does produce balanced budgets and is not running into a deficit situation. It is in a healthy financial state but it is difficult. There is a massive growth in the need for adult social care. He suggested that a paper or a presentation from adults and children would be extremely helpful for members.

The Chair said that considering the fact that for very justifiable reasons Children's and Adult Social Services officers can't be here today, he considered it would be sensible to invite them to provide a briefing on 19<sup>th</sup> October - the date of the next G&A&S briefing meeting and this was agreed.

One Member commented that it seems that estimated budgets never seem to be realistic observing that the authority had never under-budgeted for Adult Social Services or Children's. Mr Pike explained that there has been an underlying pressure within Children's Social Care for a number of years which has been carried in contingency and for a number of years there has been a release from contingency at year end in order to address the overspending within Children's Social Care. One of the reasons why that hasn't been mainstreamed into the Children's Social Care budget is to ensure that every opportunity to reduce expenditure in Children's Social Care is first explored before increasing their base budget.

The Chair suggested that as a separate briefing would be arranged on Adult and Children's Social Care sections of the report, that other queries on those issues should be addressed then.

Members asked for the following additional information

- Explanation of acronyms in reports coming to Committee

- concerning page 63, Appendix 1 about IT "now starting to transform the network and application architecture for the whole Council" ie details of how much it is expected to cost and what it is expected to do.
- Financial implications to be included in the report going forward to assist members on what they should be focusing on.
- Re page 68 the reduced care periods - the trend is deteriorating. Members wanted future reports to include information such as the cost implications of a deteriorating trend and mitigation costs plus matters such as care periods, average days in care, increasing number of children returning home from care and is that benefiting us financially?

Following a long discussion about percentages included in the report, it was agreed that where the report currently states for example "54% of staff", in future the actual number of staff is to be included in brackets after the percentage.

In response to a query about retention rates in social workers being on amber, members were surprised at the RAG rating as it seemed a poor statistic.

Mr Bell said that this has been targeted as a priority for the service but there is a national shortage of social workers in an extremely competitive market. The situation in Portsmouth used to be much worse and used to be on red. Retention is a problem which we have across the council in many areas because we do tend to pay in the lower quartile.

A query was raised about Appendix 1, page 59, Waste Management, Given that the waste management in the city is giving great cause for concern with general deterioration, fly tipping and the costs being passed onto the public, why we as the governing body for this city are not pushing the county council to expedite plans despite the continuing delay in the long awaited national policy?

The City Solicitor said he was unable to provide that information today but would arrange for a note to be provided to members.

A query was raised on page 75 concerning whether the number of fixed term exclusions was exam related, the City Solicitor said he would arrange to find out. It was confirmed that the data related to all Portsmouth schools including Academies.

The Chair drew members' attention to a scrutiny review on school attendance that would be concluding in a few weeks' time.

In response to a query, the deputy section 151 explained how the school sufficiency programme worked in practice. The educational team will make submissions to the Department of Education's forecast of what they think their pupil numbers will be. That will start to implement grants that PCC then receives from the Department of Education. They put together a broad outline proposal of what they would like to do in order to meet the school places that they think will be needed at primary level or secondary level. A scheme of cost is then produced by the design team in Property Services. That indicative cost feeds into the overall capital bid process. When the authority

knows what its total capital resources are, members are engaged in setting what priorities they would like to spend their capital resources on and an allocation is made to Education in context of all the other priorities that the council has. That initial allocation is then approved by the City Council in February and then detailed schemes are worked up from there and there is then portfolio holder engagement before implementation.

In response to a query about whether PCC considers out sourcing some of this work, Mr Bell said that as with all capital projects there is a mix in terms of in-house/ external provision. Most of the construction work is outsourced in effect after going through a procurement process. PCC has some internal design capacity which is used where that is cheaper than going externally.

The City Solicitor said that to have an informed discussion about this we need some assistance from our Education colleagues.

Further information was requested on page 83 as there appears to be an entire year group missing and the figures do not add up. The City Solicitor said he would arrange for an explanation to be provided.

The Chair asked that members provide written questions to be considered at the briefing meeting in relation to Adults and Children's Social Care rather than putting them at this meeting when nobody was available to provide answers.

Members commented

- that with regard to page 89 there should be a comparison with Q4 2017 in order to make sense of the information
- that the report does not include enough detail around context in terms of expected need or capacity
- that the report does not say whether Portsmouth community social work and Occupational Therapy teams are able to assess and deliver services to ASC clients within a timely manner.

In response to a concern raised about the time taken for hospital discharge, The City Solicitor advised that a significant amount of work had been undertaken to try to reduce and actually improve the co-operation between PCC and colleagues in the NHS to get people out of hospital more quickly. There have been a number of interventions which have taken place where PCC has tried to reduce the waiting time and we are swimming against the stream when we're working with the NHS in some of these areas. It was confirmed that DST meant Decision Support Tool.

The City Solicitor said the whole process is particularly complex and suggested it would be really worthwhile to raise this in the briefing session with colleagues in Adult Social Care to explain what they are trying to do and the difficulties which they have.

Further queries were raised as listed below

- page 94 states that there were delays due to procurement issues, for information and advice. Members asked that reports should include more meaningful information such as how long the delays are and the financial implications.
- On page 96 there is mention of support for ASC Day centres and Residential Units and that objectives were achieved. But there is no mention of what the objectives were which should be included as this would be a measure of success.

In response to queries about air quality management, the City Solicitor advised that a report was being prepared and it covered the traffic aspects as well as environmental health issues. It is expected that this will be considered at a Cabinet meeting shortly.

Members hoped that a report on the governance and management of this matter would be brought to a future meeting of this Committee.

Further questions were raised as follows

- On page 125, members said it would be useful to be told about the cost implications concerning the deteriorating situation in legally required homeless decisions
- On page 176, given that from the point of view of the individual citizens of this city, there is a move to a much more complex area of benefits that we administer and also that the introduction of universal credit will impinge upon the way in which we deliver our services, Members asked that a report should come to this committee on that subject.
- On page 188, the average sickness absence is not given in quartiles and Mr Bell said he would provide that information - although more detailed information already goes to Employment Committee.
- With regard to page 200, there is reference to 533 IT incidents. Members asked how many people are employed in our IT department and, specifically, how many first-line, second-line and third-line engineers are in the team. The City Solicitor said he would find out.
- With regard to page 202 - Berth 3 linkspan purchase, it was explained that this is a piece of bridging work that allows vehicles to drive from the land onto the vessels. Negotiations are underway to buy an existing linkspan that has come to the end of its lease as this is significantly cheaper than buying a new one. It is in place at the moment and PCC has been leasing it for the last 5 to 6 years.
- With regard to page 210, members were advised that Swift is the existing software system and System1 is the system they are moving to. AIS is a system used by Adult Social Care which is used in commonality with the NHS and with the majority of GPs within the city.

There followed a discussion about contingency planning. Mr Pike said that every year the level of contingency is set at a level to ensure that PCC can set a robust and resilient budget. Because PCC's budget is currently in balance, the money PCC expects to spend is equal to the income PCC expects to get

so if PCC is looking to increase contingency PCC will be looking for commensurate savings elsewhere within the council.

Mr Pike said that the report coming to this Committee on MMD will explain the financial relationship between PCC and MMD that will show that there is a net benefit to PCC as a result of operating MMD.

In response to a query raised in relation to page 215 relating to Oakdene - accommodation provision for people with mental health needs which is rated red throughout, the City Solicitor said that a note would be sent to Committee members to cover how the responsibility for this is balanced between NHS and Portsmouth City Council and to advise what is happening from an auditing position. The note would also include information about the practicalities about whether PCC is going to be landlord with Solent providing the services or if not, how exactly it was intended to work.

He advised that from a legal point of view his understanding is that there were problems with the purchase of the property in terms of funding which had since been resolved and PCC is in the process of completing the purchase of the property from Solent.

In response to a query on page 241 concerning GDPR (General Data Protection Regulations) the City Solicitor confirmed the importance of setting up a proper asset register and ensuring that only those people who need to access it can do so. He said that the difficulty in being fully compliant with GDPR (probably shared with many organisations) is that although we have a very high level of knowledge and training has been undertaken for all staff to ensure that they know their roles and responsibilities, a number of the systems which we have are not GDPR compliant and the systems providers are either (a) asking for astronomical sums to make them compliant or (b) saying they won't make them compliant in which case we're having to change to alternative systems. We therefore have a number of systems which we need to work our way through to make them compliant but we can't do that until the providers actually rewrite the software or provide the updates to make them compliant.

Mr Pike confirmed that ORACLE have provided some tools that can obfuscate HR related data and these are currently being tested. Obfuscation in this context means being able to search and identify a field that has a person's name in it and it would just replace that with a series of XXs so it would actually overwrite the information that is there, When it comes to accounts payable and accounts receivable, it is slightly harder to obfuscate the data. Currently PCC is changing systems where they are not compliant with a view to changing to a cloud based system in the future.

With regards to Appendix 4 - Risk Register, Members commented that much of it is red and high risk. It seems that there is a serious management issue and that we may be reaching a stage where it is beyond our ability to manage within the resources which we have available because of these very high risks which have been noted. These include obtaining staff, obtaining teachers and people being overworked.. Members asked that for the briefing meeting on 19 October, a full report should be brought on the mitigation strategy and how

far that mitigation strategy will work and whether there is a point at which we can no longer mitigate and where our services will seriously deteriorate..

In response to a query about funding in Children's Services, the City Solicitor confirmed that where the report mentions that strategies are being developed, the full funding implications have not yet been established. so more money may well be required.

With regard to a query about capacity in the Audit Team, Jon Bell advised that over time the team has been strengthened both in terms of size and skills in order to be able to deal with an ever increasing range of external clients.

With regard to queries relating to insurance on Page 281, it was confirmed that insurance is in place but are included on the risk register as there is still potential for disruption to the service which will result in risks and the results of paying the excess on any insurance claim because the first £50,000 of any claim is our liability. Claiming against a policy would put up future premiums so items in here which are fully insured may still be considered risks.

**RESOLVED that the Committee**

- 1) noted the report;**
- 2) noted the continued improvement in quality of reports from directorates;**
- 3) agreed if any further action is required in response to performance issues highlighted**

**60. Report on Hampshire Community Bank (AI 7)**

(TAKE IN REPORT)

Julian Pike introduced the report which informs the Committee on progress relating to the Hampshire Community Bank project.

He advised that this was originally approved by Cabinet on 10 July 2014 and City Council on 14 July 2014 (minute 72/2014) and contained the following recommendation:

*3) Authority to approve a Capital Investment of up to £5 million in in the creation of Hampshire Community Bank and incur any necessary costs relating to the Due Diligence process is delegated to the Head of Financial Services and Section 151 Officer in consultation with the Strategic Director Regeneration.*

Section 3.2 of the report outlines some of the key benefits of investing in a Community Bank along the lines of the German Sparkassen community banks.

Section 4 outlines the three level corporate structure of the Bank.

Section 5 sets out the contractual position and due diligence and progress on key items is set out in section 6.

During discussion, the following matters were clarified

- HCB itself has not made any loans - these have been made by Local First. Community Interest Company as set out in 6.8 of the report.
- It was confirmed that Local First CIC is an organisation in its own right and has borne the £46k loss.
- Mr Pike advised that he did not know why it had taken so long for HCB to get a banking licence - given that a similar enterprise - Redwood- had only taken 2 years to get theirs - but he would try to find out.

Members expressed concern

- that the voting rights are not weighted to reflect the investment provision put in
- that the original report said that Members would be kept informed about progress but this has not happened.
- that the original report stated that HBC would recruit local staff - but although there had been recruitment advertisements in Germany, nothing had been seen locally.
- About whether a succession plan exists in respect of Professor Werner.

Members asked about how the bank would actually work as it seemed to be different from what was set out in the 2014 report and asked to see a spreadsheet showing shareholders how this is going to work

In response to queries,

- It was confirmed that PCC has allowed up to £10m to be available to purchase bonds.- with a 6% return and these would have to be purchased immediately on getting the banking licence.
- With regard to loans in the PCC local area, none had been made to date. Funding was made specifically available to Eastleigh Council as accountable body and loans were made in Eastleigh and Winchester areas

Members commented

- that the margins seem very tight for the return mentioned in 3.2.6.
- that what was originally envisaged was to allow PCC to invest in the local community to benefit our own area, but PCC seems to have bought a loan book, without asset backed lending.
- that they were concerned about whether PCC has the necessary expertise to enter this sector.

Mr Pike said that In order for PCC to loan £10m to HBC, security would be required or the loan would not be made

Mr Pike asked that members submit to him in writing any queries not answered during the meeting.

The Chair, Cllr Purvis had to leave at this point and Cllr Hugh Mason took over as Chair for the remainder of the meeting.

The City Solicitor advised that the update report has been brought to the Committee today as requested by Members and not much more progress can

be made at this meeting. Members' concerns and observations will be recorded but this is not a matter for this Committee to decide. It may be possible for individual Members to bring the matter to the attention of Cabinet for them to make a decision.

**Members noted the update report alongside very serious concerns about governance arrangements and the potential operation of this entity.**

## **61. Audit Performance Status Report for Audit Plan (AI 8)**

(TAKE IN REPORT)

The Chief Internal Auditor introduced the report and apologised for omitting dates in Appendix A when actions are expected to be completed. These are:-

Children's Residential Units - by June 2018

Registrars - by October 2018

Purchase Cards - by August 2018

Land Charges - by October 2018

Contaminated Land- by December 2018

She also said that in paragraph 5.3 of the report all years in the column headed "Expected reporting date" should be 2019 not 2018.

The Chief Internal Auditor referred to section 1 of the progress report that summarises the 2018-19 planned audit activities.

At the last meeting, members had expressed concern about the number of agreed actions that had not been carried out. The pie chart included in section 5.2 of the report shows that the situation has since improved, with 64% of actions closed and verified. This would be included in all future reports.

With regard to the reference to City Helpdesk listed in section 5.2 "Closed - management accepts risk", the Deputy Chief Auditor explained that this related to a situation where it is possible for an officer to access more of the information in the database than is needed. However, the system is audited regularly to check what is being accessed and no concerns have been raised. The Corporate Governance Group are aware and consider it reasonable to accept this risk for the time being as PCC will soon be moving to "system one" which will resolve this issue.

Members were concerned that it did not appear to be possible to password the current system to prevent access but the Deputy Chief Internal Auditor said this was very low risk and would in any event be resolved soon.

With regard to Parking space & Garage Management, also listed in section 5.2, this had been started but not yet completed as there is a need to implement new processes across a number of sites. Regular updates are now in place to check actions are implemented going forward.

At the last committee meeting members requested a breakdown of the audit resources available and how those resources were currently deployed and that information is provided in section 5.4 and 5.5 of the report but shows the situation at that time.

Regarding purchase cards, mentioned in Appendix A, the Chief Internal Auditor said she would continue to work with directors and will check any issues regularly.

There followed a general discussion around purchase cards during which officers explained that a great deal of work had been done to ensure that the most efficient and safe way for staff to purchase goods/services is used and that this is via purchase cards. It is also easier to check for misuse as PCC can obtain extracts from the card provider. Internal audit had confidence in the purchase card system.

**RESOLVED that Members**

**(1) Noted the Audit Performance for 2018/19 to 24 August 2018.**

**(2) Noted the highlighted areas of control weakness from the 2017/18 Audit Plan**

**(3) Noted the level of resources currently available and how they are currently utilised between Internal and External Clients.**

**62. Data Security Breaches (AI 9)**

(TAKE IN REPORT)

The City Solicitor introduced the report which informs the Committee of any Data Security Breaches and actions agreed/taken since the last meeting. He said that the vast majority of incidents are unintentional breaches involving human error. Educating staff is ongoing and PCC continues to look at procedures to see if improvements can be made.

Very occasionally there is a deliberate breach and in all such cases, disciplinary proceedings will follow.

In response to a query, the City Solicitor said he would find out whether any action has been taken against any employee who has unintentionally caused a data breach or whether the person concerned is just given advice and training.

In response to a query about how the data breach involving Facebook would be remedied, the City Solicitor advised that the ICO will decide whether or not to prosecute and will contact the victim as part of that process.

He confirmed that the ICO can impose fines of up to 20m Euros. So far no fines have been imposed on PCC by the ICO.

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

**63. Consideration of the political balance rules in relation to the constitution of Sub-Committees considering complaints against Members. (AI 10)**

(TAKE IN REPORT)

Councillor Hugh Mason proposed that the recommendation contained in the report be agreed by all members of the committee in attendance, which it was.

**RESOLVED 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.**

**64. Scrutiny update (AI 11)**

A Member said that the Governance & Audit & Standards Committee should be auditing whether or not Scrutiny Management Panel is carrying out its role in terms of scrutinising decisions made by Cabinet and asked that a discussion should take place about this at the next meeting.

The meeting concluded at 2.15 pm.

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Councillor Will Purvis  
Chair