

AUDIT AND GOVERNANCE COMMITTEE

MINUTES of the meeting of the Audit and Governance Committee held on Friday 22 July 2022 commencing at 10.00 am at the Cabinet Suite - Shire Hall, Gloucester.

PRESENT MEMBERSHIP:

Cllr Matt Babbage	Cllr Stephen Hirst
Cllr John Bloxsom	Cllr Mark Mackenzie-Charrington
Cllr Tim Harman	Cllr Dr Andrew Miller
Cllr Colin Hay (Chairman)	Cllr Brian Tipper
Cllr Alex Hegebarth	Cllr Chloe Turner

Substitutes: Cllr Dr Andrew Miller

Apologies: David Clowes, Cllr Alan Preest and Cllr Dr David Willingham

Officers present: Steve Mawson (Executive Director of Corporate Resources), Rob Ayliffe (Monitoring Officer), Alistair Rush (Finance Director), Piyush Fatania (Head of ARA), Darren Skinner (Head of Planning, Performance and Insight), Gillian Parkinson (Assistant Director of Legal Services) Karen Smith (Head of Regulatory Services and Consumer Protection) Kirsten Harrison (Director of Education), Jenny Grodzicka (Head of Information Management), Alex Walling (Grant Thornton), Sophie Morgan-Bower (Grant Thornton) and Andrea Griffiths (Democratic Services).

1. APPOINTMENT OF CHAIR

Resolved

That Cllr Colin Hay was duly appointed as Chairman for the ensuing civic year.

2. APPOINTMENT OF VICE- CHAIR

Resolved

That Cllr Tim Harman was duly appointed as Vice- Chairman for the ensuing civic year.

3. MINUTES OF THE PREVIOUS MEETING

Resolved

That the minutes of the meeting held on the 8th April 2022 were approved as a correct record.

4. DECLARATIONS OF INTEREST

Cllr Tim Harman declared he was in receipt of a Local Government Pension.

5. PUBLIC QUESTIONS

No public questions were received.

6. MEMBER QUESTIONS

No member questions were received.

7. GT PROGRESS REPORTS

Sophie Morgan-Bower, Senior Audit Manager, Grant Thornton presented the report which informed the Committee of the audit work to be undertaken for the 2021/22 financial year for Gloucestershire County Council, Gloucestershire Pension Fund and the fees involved.

It was explained that the plan clearly set out the process and it was noted that the Pension Fund audit was progressing well. The Committee were informed that Internal Audit and Grant Thornton had regular meetings and dialogue throughout the financial year to discuss key issues on a regular basis.

In terms of the Value for Money (VfM) audit report, it was noted that the VfM audit report had been issued, however Grant Thornton (GT) were awaiting further guidance from Central Government on the accounts.

Members were advised there was increase in the audit fees for 2021/22 and were referred to pages 17/18 of the report, which detailed the fees. The Senior Audit Manager explained Grant Thornton were hoping to complete some elements of their work on-site during the summer, as Covid restrictions had now been lifted. It was noted discussions had been taking place with the PSAA and where local government bodies had a preference to undertake audits remotely, the audit fees would be uplifted to reflect the inefficiencies that it could cause. For GCC the estimated uplift would be approximately £10k. Members were advised if the audit were to take place in person it would be quicker as small inefficiencies added up during the course of an audit.

In response to a question, regarding the uplift calculation, it was noted that the fee would be levied across all of Grant Thornton's clients and it was recognised there would be some additional savings in terms of time, travel, accommodation, etc. The Executive Director of Corporate Resources was sceptical at the uplift, he didn't believe it would be costlier and would ensure the appropriate officers were in place for face to face meetings. He added that he would be asking the PSAA to validate the cost of the uplift. GT advised if face to face meetings occurred then the fee would be reduced.

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The Senior Audit Manager proceeded to give a breakdown of the audit fees, as detailed on page 19 of the report. The Executive Director advised the Committee that GT fees had increased as they were unrealistically low in the beginning. He suggested that GT should be more realistic with their fees in the future, rather than having on-cost increases, and the PSAA should be made aware of these issues.

During the discussion, members asked what was the situation in terms of the climate task force disclosures, GT explained they were currently undertaking work on this area and it would be reported in due course.

In response to a question, it was noted that the issue of journals was raised at the last meeting and the Executive Director explained that a new system would be installed in due course, but in the interim period officers would continue to undertake manual checks.

The Senior Audit Manager advised the committee that leases for accounting purposes had been deferred to 2024/25 but some work could be undertaken if the Council wished to start the process early. The Executive Director advised Members this would not be necessary, as most leases were already included in the balance sheet.

The Committee noted that the pension fund was within the remit of the Pensions Committee who also reviewed the Auditor's annual report.

Resolved

That the report be noted.

8. EXTERNAL AUDITOR'S ANNUAL REPORT ON GLOUCESTERSHIRE COUNTY COUNCIL

Alex Walling, Audit Engagement Lead, Grant Thornton presented the External Auditor's Annual Report on the County Council & Pension Fund which summarised the key findings in terms of the planned approach to the 2020/21 financial statements and value for money arrangements. The Committee were advised that the report was slightly out of date, due to staff capacity issues and GT's priority had been the accounts. It was noted that a number of other local authorities were also in the same position, as this was a national issue.

It was understood that 2020-21 was an unprecedented year in which the council had operated with the majority of its staff working from home whilst supporting local businesses and residents throughout the pandemic. In terms of the Value for Money (VfM) conclusion GT had not identified any significant weaknesses in the arrangements but had identified several opportunities for improvement, these were detailed within the report. Members were advised that the VfM report would be published in due course.

The Committee were informed that the National Audit Office (NAO) had issued a new code in 2021, which focussed on improving economy, efficiency, effectiveness,

financial sustainability and governance, the commentary on each of these areas were documented within the report.

It was reported that Corporate Overview Scrutiny Committee had oversight of the strategic objectives and they received regular reports, as did the individual Cabinet Members.

The Engagement Lead advised the Committee that the audit work undertaken had not identified any material errors and there was only one adjustment to the financial statements. GT had recommended a number of adjustments to improve the presentation of the financial statements. The Committee noted that GT had given an unqualified opinion on the Council's 2020-21 financial statements on the 15th December 2021.

The Executive Director recognised the progress made and he felt the systems were well run and robust and accepted the minor improvements. He offered to clarify the statute in relation to Section 25 and would amend the detail accordingly. Members were advised that the Cabinet performance report in Quarter 2, would contain more graphics in an effort to make the report more user friendly.

The Chair recapped that there had been a lot of issues raised in the past six months and it would be wise for members to continue to monitor the performance.

Resolved

That the report be noted.

9. INFORMING THE AUDIT RISK ASSESSMENT FOR THE GLOUCESTERSHIRE COUNTY COUNCIL AND PENSION FUND 2021/22

The purpose of this report was to ensure there was effective two-way communication between the Council's Audit Committee, who were 'those charged with governance' and the external auditor, Grant Thornton. Grant Thornton as the external auditors for both the Council and the Pension Fund, had a responsibility under professional auditing standards to ensure there was effective communication with the Audit and Governance Committee.

Resolved

That the Audit & Governance Committee considered the responses and confirmed it was satisfied with the arrangements in place.

10. ANNUAL REPORT TREASURY MANAGEMENT

Alistair Rush, Director of Finance explained that each year the Council produced an Annual Report covering its Treasury Management activities for the financial year ending 31st March. This report was presented to the Audit and Governance Committee because they were charged with the overall governance of treasury management activities in the Council.

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The Committee were advised that the Treasury Management Strategy and the Annual Investment Strategy were agreed by full Council as part of the annual budget setting process. It was explained that all Treasury Management activities during the year were fully compliant with the CIPFA Code and the Council's approved Treasury Strategy.

It was explained that GCC had significant invested funds during the year, representing income received in advance of expenditure plus balances and reserves. During 2021/22 GCC's investment balances had varied and the average was £339.1 million. This generated interest of £4.8m which was equivalent to 1.41%. The Council had continued to add value to the portfolio by longer term deals with other authorities and this had provided a pick-up in rates compared to traditional money market funds, whose rates had decreased as a result of the pandemic. This return was achieved during a period when the bank rate was 0.10% for the majority of the year.

Where funds had previously suffered a capital loss, the Council could off-set those losses through a statutory override and it was expected this type of capital loss would be recovered over the whole period. It was noted that GCC had recovered its principle position in 2021-22 with a fair value totalling £98.5m against a principle position of £95m.

The Council had also maintained effective liquidity with a percentage invested for over twelve months of 41.6% and the remainder being returned investments to maintain the liquidity.

Members were reminded that the council motion to reduce fossil fuel investments, the Director of Finance advised the Committee here were no new investments in fossil fuels in the twelve months and the Treasury Management Advisors had identified two new funds with fossil fuel exclusions which were opened during 2021-22. It was recognised that markets were moving away from fossil fuel investments and green investments were rapidly increasing.

The Council had also diversified into social housing real estate and was considering a social housing trust investment, which focused on supportive housing and it was a quasi-government supported debt which would give the Authority security.

Members were advised in terms of borrowing the early redemption of loans remained expensive as the Council hadn't redeemed any loans early during the year, however all maturing loans had been repaid in full during the year. The Council had complied with all prudential indicators as detailed in Appendix E, it was noted that a revision had been made to these indicators and approved alongside with the 2022-23 Medium Term Financial Strategy.

The Director of Finance advised the Committee overall the Council was in a positive position and the Council had maintained good liquidity and return on its investments.

It was explained in order to add value to the portfolio GCC had increased the use of strategic funds, adding £10 million to existing funds during the year (£20m in total). Following the Council motion to move away from fossil fuel exposure, GCC had worked closely with its treasury advisors to identify funds that meet the Economic, Social and Governance (ESG) objectives of the Council and had invested an £10 million in 2 ESG funds. During the discussion, members requested further clarification on the ESG investment total as detailed on Page 110 of the report, as there appeared to be some discrepancy. (Action - AR).

In response to a question, members were informed that GCC was committed to withdrawing from any investments relating to Russia/Belarus and there would be no additional investments in any Russian based funds.

Members were interested in the possibility of investing in social housing in the County, Officers explained that Treasury Management related to the financial best interest, if an opportunity arose the Council would consider it. The Executive Director advised the Committee that Treasury Management function was different to Capital Programmes but members should be minded not to confuse the roles.

During the discussion, members requested to know the percentage for the return on investments, given the average borrowing cost was 4.62%. The Executive Director explained the difference between investment and borrowing, as it depended on the amounts involved and the length of the investment and the report gave a positive view. Officers agreed to provide this information in a more detailed format and a copy of the Treasury Management Strategy to members via email after the meeting. (Action - AR)

The Chair referred to internal borrowing and the benefit of using tax payer's money to invest in Gloucestershire, he wondered if there was a tolerance to local investments. The Executive Director explained it was possible, and it could be done via Treasury Management, however it was not possible to withdraw from the investment at short notice. It was recognised that local schemes had different risks associated with them, officers aired on the side of caution and felt it was better to keep Treasury Management and Capital Investments separate.

RESOLVED

That the Committee considered and noted the Treasury Management Annual Report for 2021/22.

11. ANNUAL REPORT RISK MANAGEMENT

Darren Skinner, Head of Planning, Performance & Insight explained the report aimed to update and provide assurance to the Audit & Governance Committee (AGC) on changes and improvements made to the Risk Management (RM) Framework during 2020-2021.

It was explained through the Council's Constitution, the Audit and Governance Committee had responsibility for monitoring the effective development and

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operation of risk management in the Council and to monitor progress in addressing risk-related issues reported to the Committee. The annual activity report summarised the key changes and improvements to the risk management framework each year, including amendments to the Strategic Risk Register.

It was noted there was an independent review of risk management, which was presented to the committee in April 2022. A table of the 'suggested items for consideration' from that report had been collated, with the proposed actions for taking forward and were detailed at page 126 of the report. It was noted that a member development session took place on the 17th June 2022 and addressed some of the actions and recommendations.

Members attention was drawn to point ten and it was noted that in terms of risk management resource, staff skills sets were being spread across the wider team and a medium term financial strategy bid was being developed for a second RM trained post for the team.

Members were advised the Strategic Risk Register scorecard for Quarter 4 2021/22 was also attached. However, it was noted the changes listed in the report would not take effect until reporting for Quarter 1 2022/23.

In response to a question relating to the risks on Page 128 of the report, members wondered if the amended risks had been reviewed by the external auditor, in particular the wording on SRR 3.2. It was explained that this would be undertaken in a follow up to the review by internal audit in the Autumn.

The Committee were advised that the new risk register format and detail would be presented to COSC at the end of this quarter and would clearly show the progress and impact made to date.

Members were pleased to note the new risk regarding the Care Act and Care Cap Reform would be included in the risk register, as this was a significant risk. Members were concerned given the history of Central Government shifting liabilities on to local authorities but not shifting the resources required. Members felt there was potential for a severe impact and felt the risk and accountability should be clear. Officers accepted the challenge but reminded members that Audit & Governance's Committee role was different to that of a scrutiny committee in its function.

The Executive Director explained although Government had deferred Section 18.3 for existing social care clients it unfortunately hadn't been deferred for new clients, which meant the work still had to be undertaken and could impact social care providers. Senior officer groups were meeting and lobbying for clear guidance, as it was an area of concern as there were a number of self-funders of care in the system too.

The Executive Director explained that an officers group was working collaboratively on this issue and he was comfortable with GCC's journey but acknowledged there was a lot more work to do. Officers across the directorates were working closely on the modelling, to ensure the numbers were up to date. It was anticipated that the new format would display the risks and mitigations more clearly.

In terms of governance, it was noted that the Cabinet Member for Adult Social Commissioning and the Executive Director of Adult Social Care and Public Health

were acutely aware of the risks and they were monitoring the issues nationally and locally.

The Chair felt the risk register should clearly identify the Cabinet Member and Director who owned the risk and the scrutiny committee with the oversight function for that risk. The Monitoring Officer explained the Director with responsibility was defined in the Risk Register, and he felt the new format was fairly self-explanatory but he offered to look at the additional requests in due course. Members were advised the whole risk register was presented to COSC, so the chairs of the individual scrutiny committees had sight of the report. The Chair reiterated his request to clearly see who owns what risk, and how that risk was dealt with as he felt members needed assurance.

The Executive Director suggested it was up to the individual scrutiny committee if they wished to review the risk register and reiterated the COSC had sight of the document. Some members felt it was up to the individual scrutiny committees if they wished to review the risk register.

Officers felt that the implementation of social care change would be high on the Government's agenda but officers were actively feeding into discussions via the professional networks at local and national levels.

Resolved

That the Committee noted the key developments in the framework this year and approved the actions against suggested improvements, put forward in the independent review of risk carried out by TIAA.

The Committee noted the amendments to the strategic risk register arising from its annual review at Corporate Leadership Team.

12. INTERNAL AUDIT PROGRESS REPORT

Piyush Fatania, Head of Audit, Risk and Assurance (ARA) presented the Committee with an Annual Report on Internal Audit activity, which met the reporting requirements as set out in the Public Sector Internal Audit Standards (PSIAS) 2017. The report provided the Head of ARA's annual opinion on the overall adequacy and effectiveness of the Council's Internal Control environment comprising risk management, control and governance, this opinion supported the Council's Annual Governance Statement.

The Head of ARA drew member's attention to pages 146 - 147 of the report, which gave a summary of Internal Audit assurance opinions on risk and control for 2021-22. Members were advised there would be a single assurance level going forward.

The summary of work undertaken were detailed from page 150 onwards, there were a number of audits that were completed since late March.

In response to a question, it was confirmed that deferred audits would be undertaken in due course.

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Members were advised that reports showing the progress made by management to implement ARA recommendations would be regularly presented to the Committee, CLT & SLT meetings. The Head of ARA explained there were issues with the current ARA time management system and it was due to be replaced, ARA were working closely with IT to develop a new system to populate the recommendation reports for ease of reporting and monitoring. It was noted once this work had been completed, reports would be presented to Committee and Directors to help monitor the implementation of recommendation.

In response to a question, the Executive Director explained that a 'ghost pensioner' was a data term used for the reconciliation of pension to payment records for data clarification purposes.

Resolved

That the Committee noted the progress and final position on the Internal Audit Plan 2021/22; and noted the assurance opinions provided in relation to the effectiveness of the Council's control environment as a result of the Internal Audit activity completed.

13. ANNUAL REPORT OF THE HEAD OF AUDIT RISK ASSURANCE

The Head of Audit, Risk & Assurance presented the report and explained the Annual Report on Internal Audit activity met the reporting requirements, as set out in the Public Sector Internal Audit Standards (PSIAS) 2017. He wished to extend his thanks to the ARA team who had worked very hard and diligently throughout the year and the support received from Members and officers throughout the Council.

In response to a question, it was noted that in 2021/22 the level of risk to the Council was low to medium and there were no material changes to the risk profile.

The Head of ARA reported that 80% of the revised internal audit plan had been completed and that 100% of the customer satisfaction surveys regarded the Internal Audit Service as good or excellent.

Resolved

That the Committee assessed, from the findings set out in the Annual Report of the Head of ARA 2021/22, that it could take reasonable assurance that the internal control environment, comprising risk management, control and governance was operating effectively;

That the Committee noted the performance of Internal Audit met the required standards; and noted the Council's wide counter fraud activity completed during 2021/22.

14. GOVERNOR SERVICES - ANNUAL SCHOOLS ASSURANCE STATEMENTS

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Kirsten Harrison, Director of Education, provided the Committee with an annual report on school assurance statements provided by the governing boards of Local Authority (LA) maintained schools and confirmed the statements met the reporting requirements. The Director of Education provided assurance to the Committee that processes were in place to manage the Internal Audit identified schools' risks and updated on audit recommendation implementation.

The confirmed assurance approach for 2020/21 applied by Education/Governor Services, was designed to meet the objective to provide assurance that processes were in place to manage the Internal Audit identified schools' risks, and to update on audit recommendation implementation.

Members noted that Governor Services had exercised its role in ensuring that Governing Boards followed up and completed as required the recommendations for action that were made in a school audit report. It was explained the overarching key findings that required improvement from the finalised audits related to: Governance and Budgetary Control, Procurement and Staffing and Payroll.

In all cases, the governing board statement had confirmed that the recommended actions had been completed by the governing board, or that boards are in the process of ensuring that the actions are completed.

The Committee were advised that the overarching key findings that required improvement from the finalised audits, related to: Governance and Budgetary Control, Procurement and Staffing and Payroll and these areas had been communicated to governors across the county. In addition, any key themes and common findings had been shared via Schoolsnet, the Heads Up and What's Up Gov newsletters for school leaders.

In response to a question, it was explained that Area Finance Teams and Governor Services provided support for LA maintained schools and it was recognised there were different challenges faced by the different schools. The support provided by GCC was intended to be a collaborative approach.

It was noted that the process would change when all schools became academies and a different auditing scheme would be in place via the Education Schools Funding Agency – the finance wing of the DfE. Members were informed that 193 of the 301 schools in the county were LA maintained so the timeline for the full academisation of that number of schools would be across now to 2030. The DoE explained the ultimate goal was for GCC to remain an influential stakeholder in ensuring a high quality education system in the county in the move to a trust led system.

Resolved

That the Committee assessed the findings in the annual report and took reasonable assurance that approach taken by Education was reasonable and agreed the next steps as outlined in the report.

15. DRAFT GLOUCESTERSHIRE CODE OF CONDUCT FOR COUNCILLORS

Rob Ayliffe, Monitoring Officer presented the report and requested Committee's agreement to consult with members of the Council on the text of a draft Gloucestershire Councils' Councillor Code of Conduct.

The Committee were advised that the Councillor Code of Conduct was a key element of the Council's Corporate Governance Framework. The purpose of the Code was to ensure that Councillors understood their individual role in maintaining high standards of conduct, to ensure that such standards were maintained at all times, and to allow action to be taken when breaches of the Code occurred.

It was recognised the Council's current Code of Conduct had been in place and had remained unchanged, when it was introduced in response to the Localism Act 2011 which abolished the previous regime. It had been reviewed on an annual basis by this committee but has remained unchanged.

In 2019, a national review by the Committee on Standards in Public Life (CSPL) on the content of local Codes of Conduct and recommended that the LGA develop a common model Code of Conduct that Councils that Authorities could use as a mode and adopt and/or adapt to suit their circumstances. The LGA accepted this recommendation, and completed work on a Model Code of Conduct in December 2020, which had since been modified to correct a number of minor anomalies.

In March 2021, as the body responsible for overseeing and reviewing this Council's Code of Conduct for Councillors, Audit & Governance committee reviewed the draft LGA Model Code of Conduct. It was recognised that, while the LGA Code of Conduct provided a helpful starting point, the early indications were that it would not be adopted wholesale by all of Gloucestershire's District Councils. Members at the time felt GCC's code of conduct was unhelpfully brief and adopted a high level code which focused on the principles of public life and the legal requirements.

Over time the Monitoring Officer had come to the view that in some ways the broad principles were helpful but in others they weren't. In practice, in determining the merits of a complaint and given that the code principles were broad he had to look at precedents and other codes in order to take a view. It was also misleading to members of the public in terms of the complaints process in that it gave them the impression that the code is broader than it can be in practice.

It was explained there was previously support for a shared Code of Conduct with Gloucestershire's District Councils with a view to achieving a common Code of Conduct across all tiers of local government in Gloucestershire.

Members were advised that initial progress in drafting that code was hampered by a number of changes in those occupying the Monitoring Officer role in District Councils. However, greater stability over the past few months had enabled significant progress to be made, resulting in a draft Code of Conduct which the

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Monitoring Officers of all 7 councils are happy to recommend to their authorities as the basis for further consultation.

Members were advised that these potential benefits had been strengthened by the involvement of Gloucestershire Association of Parish and Town Councils (GAPTC). It was noted while individual parishes are under no obligation to adopt a common Gloucestershire Code, GAPTC is extremely supportive of them doing so, as it would enable them to provide better advice, support and training.

It was intended that the draft Code of Conduct was used as the basis for each council to consult with its members. Each Council would determine how best to do that. In the case of Gloucestershire County Council, with this committee's agreement, the Monitoring Officer proposed to share the draft Code of Conduct with all members as soon as possible, and to seek written responses between now and the end of September. It was noted that Members may wish to respond individually, or collectively through their political groups.

The Monitoring Officer explained he and his District counterparts would reconvene in September to consider the feedback received and produce a final draft which we will recommend to each Council for approval. In Gloucestershire's case, the process would be:

- 30 September – Audit & Governance Committee: to seek the committee's support for the final draft
- 10 October – Constitution Committee: to seek the committee's approval to recommend the final draft to County Council
- 9 November – County Council: to seek agreement to adopt the Code of Conduct.

It was noted that some parishes had recently renewed their codes but Members would like the opportunity to read, compare and comment on the code.

The Committee felt the draft was clearly an improvement on the current code but that gap in terms of scope and the reasonable public perception of member's behaviour in terms of their private and personal life puts them in conflict of the principles in the code. The Monitoring Officer explained that the private life element was sometimes difficult and case law determined what was included in the code. Members accepted that point but felt that some councillors could commit vexatious breaches that were matters of public concern. The MO explained in some cases the code should work in accordance with the political group discipline measures.

In response to a question, it was recognised that not all councils had elections at the same time, it would be for the Districts to decide when to implement the code. However, it was noted that all Monitoring Officers were happy to take it through their appropriate processes. The dilemma was that the 7 Primary Councils and 200+ Parishes would never align, so there was a need for give and take. Members were asked to differentiate between non-negotiable issues and enhancements in the code, in order to assist the Monitoring Officer.

During the discussion, it was suggested that Councillors who represent themselves as a resident, for example in the case of homes for Ukraine scheme and perhaps the code should include some guidance on this area, given the dividing line and not wanting to over step the mark. The MO agreed to take the point on board and reminded members if ever they were unsure they should call him for advice to discuss the issue.

Some members felt that governance could change on a daily basis and questioned what guidance was available. The Nolan principles were referred to page 210, as that gave a comprehensive list of how to behave and the foundation which the code was built. The MO explained there was an enhanced right of freedom of speech as a Councillor and this had been tested through the courts. Members noted there was a fine line between freedom of speech and being offensive.

Members questioned the word “unlawfully” under the rules of conduct, as defined in paragraph 4 (page 211 of the report). It was explained that this point had been widely debated by the MO group. It was included to distinguish between unlawful discrimination, and those occasions where it might be necessary for the Council to discriminate between those who were eligible for a service and those who were not.

Members asked about the extent to which complaints were co-ordinated between the different tiers of council, particularly for those members who were dual or triple hatted. The MO explained that it would depend on what capacity the Councillor was acting in when the complaint was made, and if necessary a complaint would be referred to another MO.

In response to a question, it was noted that training workshops would be scheduled once the code had been adopted by the Council.

Resolved

That the committee noted the progress made on developing a draft Gloucestershire Councils’ Councillor Code of Conduct and agreed the content of the draft be shared as the basis for consultation with County Councillors during August and September.

16. FREEDOM OF INFORMATION ANNUAL REPORT

Jenny Grodzicka, The Head of Information Management Systems (IMS) presented the report in detail. It was explained that the requests management team, in the Information Management Service, was responsible for ensuring the council met its statutory obligations with regard to request management, but this relied on timely engagement with service areas in order to do so. These fell into two categories:

- Freedom of Information (FOI) and Environmental Information Regulation (EIR) Requests
- Subject Access Requests (SARs)

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It was recognised over recent years, the council had seen a steady continuation of Freedom of Information (FOI) / Environmental Information Regulation (EIR).

In addition, there had been a rise in the number of subject access requests (SARs) being made under the General Data Protection Regulation (GDPR). Many service users request this right as a tool to better understand decisions made that directly affect them and, on occasion, to hold the council to account. The Authority receive fewer SARs than FOI requests, but the volumes of information involved can be immense and as a result, resource-intensive to deal with. Nevertheless, they should be seen as a key part of the ongoing relationship between the council and its service users.

It was noted that the council responded to 76% of all requests with the statutory timescales in the last financial year (21/22), compared with 73% in the previous 12 months. In terms of FOI requests it was noted that Council generally received around 1600-1700 requests per year.

The Committee were advised that numbers received dropped during the pandemic and there had been a slight increase in demand but demand remained similar to 2020-21 and had not returned to pre-pandemic levels.

It was explained the process was highly dependent on service areas providing information in response to requests and during this unprecedented period they had seen unusually high and differing demands on their time. The Head of IMS explained that requests were becoming more sophisticated and that often required more time.

The Committee were advised that FOI/EIR performance had remained steady at around 80% requests being responded to on time in 2021/22. SAR Performance was reported at 51% and the national target of 90% on time, was set by the Information Commissioner's Office (ICO). In an effort to overcome the issues staff capacity had been increased, however it was recognised it would take time to train staff in order for the performance rates to change and slightly lower than average performance appeared to be a national issue. Members were advised that the ICO recognised this issue.

In response to a question, it was explained that vexatious complaints were inevitably emotive but it was important to remember that it was the request that was vexatious and not the individual. The number of vexatious had decreased as they were dealt with and carefully managed by the team.

The Head of IMS explained that members of the public were directed to find information readily available online.

Resolved

That the report be noted.

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17. ANNUAL REVIEW OF THE COUNCIL'S USE OF THE REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

Gillian Parkinson, Assistant Director of Legal Services presented the report in detail. The report informed the Committee of the use of directed surveillance and covert human intelligent sources and reported on the results of the inspection by the Investigatory Powers Commissioner's Office undertaken during 2021/22.

It was noted that there had been no applications for covert operations, this was a direct consequence of suspension of enforcement activities during the Covid pandemic period.

Members attention was drawn to table on page 239 of the report, which detailed progress made against matters raised during the IPCO inspection on the 12th May 2022. The Committee noted the IPCO's letter on page 241 of the report and were advised that the revised procedural guidance would be published on Staffnet in due course.

Resolved

That the Committee noted the use of surveillance across the Council.

The Committee agreed with the conclusions and supported the proposal to proceed with the outstanding recommended actions.

CHAIRPERSON

Meeting concluded at 12.45 pm