

18th April 2011 – At a meeting of the Committee held at County Hall, Chichester.

Present:

Mr Barnard, Mr Brown, Mr Burrett, Mr T M E Dunn (Chairman), Ms Goldsmith, Mr Hodgson, Mrs Millson, Mr A R H Smith and Dr Walsh.

Also in attendance: Mr Watson.

Declarations of Interest

1. In accordance with the code of conduct, Mr Burrett declared a personal interest in item 8, Consultation on the Fair Deal Policy, as a member of the Local Government Pension Scheme and of the Local Government Pensions Committee appointed by the Local Government Association.

Minutes of the Governance Committee

2. Resolved - that the minutes of the meeting held on 17th January 2011 be approved as a correct record and that they be signed by the Chairman.

3. In relation to minutes 145 to 150, the Head of Human Resources reported that, following negotiations with staff and unions, the Chief Executive's Board had decided recently that the redundancy policy for teaching staff should be based on a 1.5 times multiplier using actual weeks' pay but without early access to pensions. This accorded with the view from the unions and headteachers. Members were reassured that this approach complied with the legal requirements under the Teachers' Pensions Scheme.

4. Mr Burrett arrived at 2.20 p.m.

5. Members queried when the new arrangements would take effect and were told that the new policy would be introduced with immediate effect for new consultations with staff. Interim arrangements were in place for staff currently subject to consultation on possible redundancies and for those leaving at the end of the summer term. The County Council would honour commitments already made.

6. Following questions from members about the cost implications of the new arrangements the Chairman requested that a report be brought to the next meeting of the Committee setting out the costs and number of staff affected.

7. Resolved - That a report for information be brought to the next meeting of the Committee setting out the cost implications of the change to the redundancy policy for teaching staff and the numbers of staff affected.

Urgent Matters

8. With the agreement of the Chairman, the Head of Legal and Democratic Services reported that an additional change to the Scheme of Delegation would be brought before the Committee as part of item 6 (see minutes 23 to 26 below).

Implementation of a new Senior Management Structure for WSCC

9. The Committee considered a report by the Chief Executive (copy appended to the signed minutes) on the implementation of a new senior management structure. Following the Senior Management re-structure in November 2010, the Chief Executive appointment had been made and some minor changes to the Executive Board structure were therefore being proposed. The Committee was asked to consider a proposal that the Chief Executive's Board be realigned, with the existing Executive Director Communities post being re-focused and resulting in the creation of a new post of Executive Director Health and Social Care. The report proposed arrangements for appointment to the new post. In addition, the report described a small number of consequential changes to the reporting lines of the Strategic Management Group to reflect the introduction of the Executive Director role.

10. Members discussed whether, given the Government's intention to pause some of the changes arising from the NHS White Paper, the new Executive Director post should be called 'Public' Health and Social Care rather than Health and Social Care as the transfer of public health functions was more certain. However, the Leader said in her view the majority of the proposed changes would be implemented. She felt it was important for the County Council to take a strong lead, as expected by residents, and in addition public health was already covered by another post.

11. Members were reassured that, given the fast pace of change in the area of health, the post would be limited to two years either via a secondment or a fixed-term contract rather than being a permanent post.

12. Members questioned the rationale behind the reporting lines in the structure chart at Appendix 1, particularly in relation to the Director of Adults' Services who now reported via the new Executive Director post whereas the Director of Children's Services still reported directly to the Chief Executive. The Head of Human Resources commented that the Chief Executive wanted to introduce more flexible ways of managing with a less hierarchical management structure. The Deputy Leader commented that it was also important at the current time for the Director of Children' Services to report directly to the Chief Executive.

13. The Head of Human Resources informed the Committee that the appointment to the new Executive Director post would be made towards the end of May.

14. Resolved - That

- (1) The proposals for the re-organisation of the Chief Executive's Board as outlined in paragraphs 2.1 to 2.4 of the report below be approved;
- (2) The new position of Executive Director Health and Social Care be subject to a member appointment panel decision;
- (3) All changes to the Constitution including the Scheme of Delegation, as detailed in Appendix 2 and paragraph 2.8 of the report be approved; and
- (4) The new arrangements be implemented with immediate effect, and that the appointment process should now commence.

Changes to the Redundancy Multipliers

15. The Committee considered a report by the Head of Human Resources which contained an update on recent changes to the redundancy multipliers and a review of the provisions in the redundancy scheme which prevented re-employment with the County Council for 12 months (copy appended to the signed minutes).

16. The Head of Human Resources updated the Committee on the issue of re-employment with the County Council as raised in paragraph 3 of the report. Following the decision to adopt a single redundancy multiplier members were informed that the Chief Executive's Board (CEB) had reviewed the current policy which prevented re-employment within 12 months for those who took voluntary redundancy. CEB were keen to balance the need to recruit the best candidates with protecting tax payers' money.

17. The Head of Human Resources said that the current policy could in some circumstances prevent the County Council re-employing staff who would be valuable to the authority. CEB had therefore decided to soften the rules to allow re-employment in limited circumstances. These would be where it was in the interests of the County Council to re-employ and where it was a different role, in a different capacity and where there could be no perception in the minds of the public that the member of staff concerned was returning to a post the same or similar to the one from which they had been made redundant. If there was any element of doubt a member of the senior management team would be asked to decide. As re-employment followed a termination of employment there would be no pay protection and no continuation of service.

18. Dr Walsh left the meeting at 2.50 p.m.

19. The Head of Human Resources assured members that, even if the voluntary redundancy multiplier had not been changed, there would still have been a sound business case for allowing those with valuable skills to be re-employed by the County Council in certain circumstances. The first option would still be to redeploy staff in risk of being made redundant wherever possible.

20. Dr Walsh rejoined the meeting at 3.05 p.m.

21. Whilst noting the action taken by CEB and that the policy would be implemented in the interim, members still had some concerns about how the new policy would operate in practice and it was therefore agreed that a report would be brought to the next containing an explanation of the procedure.

22. Resolved -

- (1) That the report be noted; and
- (2) That a report be brought to the next meeting of the Committee on how the new policy in relation to re-employment following voluntary redundancy would work.

Amendments to the Scheme of Delegation to Officers

23. The Committee considered a report by the Executive Director Finance and Resources and the Head of Legal and Democratic Services (copy appended to the

signed minutes) which proposed changes to the Scheme of Delegation to officers as a result of recent changes to the County Council's senior management structure, together with other minor amendments. Members also had before them an additional change in relation to the Travellers and Enforcement Team which had been circulated as an urgent matter (copy appended to the signed minutes). The reason for urgency was to avoid a delay if the matter had been held over to the next meeting of the Committee in July.

24. The Leader proposed that it would be appropriate in future for a number of the delegations to be exercised in consultation with the Cabinet Member for Finance and Resources. The Committee supported the addition of the words 'in consultation with the Cabinet Member for Finance and Resources' to the delegations set out in paragraphs 8.7, 5.1.4, 5.4 and 8.14 of the Appendix. In addition it was agreed that paragraph 5.4 should be in consultation with the relevant Cabinet Member and that paragraph 8.14 should be in consultation with the local member.

25. Members discussed the request to amend the financial limit set out in paragraph 8.14 for delegated authority to the Executive Director Finance and Performance to acquire land and property. It was proposed that the limit should be increased to £500,000 rather than £750,000. In addition it was agreed that the limit for the disposal and land and property of £250,000 set out in paragraph 8.16 of the Scheme of Delegation to the Executive Director Finance and Performance should similarly be increased to £500,000 together with any other corresponding delegations in the Scheme.

26. Resolved – That the proposed changes to Scheme of Delegation, as set out at the Appendix, including the additional changes in relation to the Travellers and Enforcement Team as circulated, subject to the changes set out in minutes 24 and 25, and including the change to the limit for disposal of land and property set out at minute 25 above, be approved.

Appeals Panel Annual Report 2010/11

27. The Committee considered the annual report of the Staff Appeals Panel 2010/11 as set out in a report by the Head of Human Resources and the Head of Legal and Democratic Services (copy appended to the signed minutes). The Committee was recommended to continue to monitor the work of the Staff Appeals Panel through the annual report process.

28. Members welcomed the improvements in the operation of the Panel and the training given to all members. In relation to the follow-up action mentioned in paragraph 4.2 of the report, members requested that the annual report to the Committee should in future years include a report of recommendations made and action taken.

29. Resolved -

- (1) That the contents of the report be noted;
- (2) That the Governance Committee continues to monitor the work of the Staff Appeals Panel through the annual report process; and
- (3) That in future years the annual report include information about the recommendations from Boards of Appeal and any follow-up action taken.

Consultation on the Fair Deal Policy

30. The Committee considered a report by the Executive Director Finance and Performance (copy appended to the signed minutes) which sought its views on the County Council's response to a consultation by HM Treasury on a consultation on the 'Fair Deal'.

31. Whilst appreciating the aim of removing a barrier to non-public service providers, members expressed concern that staff might be reluctant to transfer to an outsourced private sector provider if the pension protection were to be removed.

32. The Cabinet Member for Finance and Resources commented that he had some sympathy with those views. He was surprised that Lord Hutton had put forward a proposal to set aside the 'Fair Deal' but if the thinking was that competition for County Council services would be greater if the provisions were removed then he would support achieving the lowest cost for services. It could encourage smaller organisations to bid who would previously have been put off by concerns about pension liabilities. On balance he was of the view that he could support the removal of the Fair Deal but only if there were contractual requirement, if the County Council were to contract out a service, to stipulate that there would have to be adequate pension provision (for example by way of a minimum 6% employer and employee pension contribution to achieve a 12% pension cover). This could go some way towards easing concerns.

33. Given that the development of the County Council's response was in its early stages and that the matter would be considered further by the Pensions Panel at its meeting on 27th April 2011, members requested that the draft final response should be sent to all members of the Governance Committee by e-mail for comments before being submitted by the Cabinet Member for Finance and Resources for approval in his capacity as Cabinet Member and as Chairman of the Pensions Panel.

34. Resolved –

- (1) That the report be noted;
- (2) That the views of the Committee set out in minutes 31 to 33 above noted; and
- (3) That the draft final response be circulated to all members of the Governance Committee in due course for comments before the final draft is approved by the Cabinet Member for Finance and Resources.

Date of Next Meeting

35. Members noted that the next meeting of the Committee would be held at 2.15 p.m. on Monday, 4th July 2011.

The meeting ended at 3.48 p.m.

Chairman