

Governance Committee

26 June 2017 – At a meeting of the Committee held at County Hall, Chichester.

Present:

Mr Acraman, Mr Barnard (Chairman), Mr Burrett, Ms Goldsmith, Mr Mitchell, Mrs Mullins, Mr R J Oakley, Mrs Sparkes and Dr Walsh.

Dr Walsh left the meeting at 2.45 p.m. and Ms Goldsmith at 4.15 p.m.

Declarations of Interest

1. In accordance with the code of conduct, in relation to item 8, Updating the Scheme of Delegation, Mrs Sparkes declared a personal interest as a governor of Worthing College and as Chairman of the Joint Governance Committee of Adur and Worthing Councils. In relation to item 9, Introduction to Pensions, personal interests were declared by Mr Burrett as a deferred member and Mrs Mullins as a member of the Local Government Pension Scheme. In relation to item 12, Response to consultation on Horsham District Council's Electoral Boundary Review, Mr Mitchell declared a personal interest as a member of Horsham District Council and of its Governance Committee that had proposed and voted on the boundary review.

Minutes of the Governance Committee

2. Resolved – That the minutes of the meeting held on 6 March 2017 be approved as a correct record and that they be signed by the Chairman.

Membership of the Committee and Terms of Reference

3. The Committee noted its terms of reference (copy appended to the signed minutes) and its membership, as set out below, as appointed at the meeting of the County Council on 16 May 2017:

Mr Acraman, Mr Barnard (Chairman) Mr Burrett, Ms Goldsmith, Mr Mitchell, Mrs Mullins, Mr R J Oakley (Vice-Chairman), Mrs Sparkes and Dr Walsh.

Proportionality and Committees Review

4. The Committee received a report by the Director of Law and Assurance on issues relating to proportionality and committee sizes and minor changes to the Constitution regarding the frequency of Corporate Parenting Panel updates to the County Council and on how call-in matters are determined (copy appended to the signed minutes).

(a) Proportionality and Committee sizes

5. Members were reminded that, at the meeting of the County Council on 16 May 2017, the Chairman had agreed that the Committee should consider the size of committees in the light of a request from the Liberal Democrat group about their representation on Select Committees. The Labour group had also made a request about representation on the Regulation, Audit and Accounts Committee

(RAAC). A way of accommodating their requests had been calculated and the possible approach was set out for the consideration of the Committee.

6. Dr Walsh explained that the reasoning behind his request was not to increase the overall number of places held by the Liberal Democrat group but to achieve a seat for each member of his group on a Select Committee. He felt that this was a matter of fairness, particularly as they did not have roles such as Advisers to undertake. He commented that the Council had been flexible in the past and made adjustments to fit changing circumstances and he therefore hoped the Committee would be support of his group's request.

7. Mrs Mullins commented that the role of the five-member Labour group was to scrutinise and they were unhappy that they were excluded from RAAC which, in their view, was one of the most important committees.

8. Mr Acraman expressed the view that the option put forward in the report would improve the overall make up of committees. He felt it was reasonable for the minority groups to want representation on as many committees as possible, particularly RAAC which had an opposition member as chairman.

9. Other members pointed out that to alter the number seats based on proportionality was a short-term solution as, should there be a by-election or a member change party, a recalculation would be required. The proportionality had been reviewed based on the result of the elections as required by regulations. A comment was made that if the election had resulted in the Conservatives having fewer members and they had then suggested altering the number of committee seats to achieve a particular result, it was likely that the opposition groups would have complained. Increasing the number of committee seats by five would mean that five members of the Conservative group would need to sit on an additional committee plus the Liberal Democrat and Labour groups would each have to give up a seat on another committee in order to have seats on all select committees and RAAC respectively so there was no overall gain in committee representation.

10. The Leader emphasised that the reduction in the overall number of committee seats in 2013, as set out in paragraph 1.6 of the report, had been as a result of the need for savings and followed a review of the best ways of working and members' workloads. She felt that the changes had worked well over the last four-year term and reminded members that a significant amount of work was done through Task and Finish Groups which were cross-party and not dependent on the membership of Select Committees.

11. Dr Walsh said that the arrangements may have worked well over the last four years but that did not mean they would work well for the new Council. In his view now was a good time to make a change and start the new term with a spirit of co-operation. The Leader reiterated that the reduction in committee sizes in 2013 had been made for good reasons and, in her view, there was no need for a change.

12. Following a full debate the Committee voted to reject the option of increasing the number of committee seats and associated change in the number of minority party seats on select committees and RAAC.

13. Following the vote Dr Walsh withdrew from the meeting.

(b) Corporate Parenting Panel reports to Council

14. The Committee was supportive of the proposal to change the requirement for the Corporate Parenting Panel to report twice a year to the County Council to 'at least once a year'.

(c) Clarification of the Select Committee call-in protocol

15. The Director of Law and Assurance informed the Committee that the current method of determining whether a call-in request should be accepted meant that a member who had been a signatory to a call-in request could also sit as a member of the Business Planning Group (BPG) deciding on whether to allow the call-in. He was seeking a view from members on whether that potential conflict of interest was acceptable or whether the protocol should be amended to say that, where a BPG member was a signatory to a call-in, they should not be party to the BPG's consideration of the request.

16. A number of members were supportive of changing the process and some said they had raised the issue in the past. The Leader said she was supportive of the call-in process as an important part of fair and robust scrutiny. In her view the potential for a conflict of interest should be removed.

17. Mrs Mullins commented that the process had worked well for the last four years and expressed concern that the proposal would make it more difficult for minority groups to achieve call-ins of decisions where they were warranted.

18. There was some discussion about whether, given the current size of the minority groups, the number of members required to support a call-in request as part of the key factors in determining a request which was currently set at six, should be reduced. Members considered whether to defer consideration of the issue and ask officers to give further thought to the call-in mechanism as a whole and bring a further report to the next meeting. The Committee decided to endorse the proposed removal of members who are call-in signatories from being party to the BPG's consideration of the request but to ask officers to bring a report to the next meeting on the call-in process as a whole.

19. Resolved –

- (1) That no action be taken in relation to the proposal for increases in committee seats set out in paragraph 1.4 of the report for the reasons set out above;
- (2) That the minor change to the Constitution in relation to the reporting frequency of the Corporate Parenting Panel, as set out in paragraph 2.2 of the report, be endorsed for recommendation to the County Council on 21 July 2017;
- (3) That the change to the Select Committee call-in protocol set out in paragraph 2.4 of the report be endorsed for recommendation to the County Council on 21 July 2017; and
- (4) That a report be brought to the next meeting on the call-in process as a whole.

Petitions Scheme

20. The Committee considered a report by the Director of Law and Assurance on proposed changes to the Petitions Scheme for recommendation to the County Council (copy appended to the signed minutes).

21. Members were supportive of the proposals set out in the report. A number of further textual changes were raised as follows:

- Page 19 – paragraph 4: Amend first sentence to read 'If you do proceed with a petition, you should register it on the e-petitioner pages on the County Council's website. You will be able to choose to raise a paper petition, **a County Council** ~~an~~ on-line petition **or other electronic petition (see paragraph 6 below)**, or ~~both~~ **any of these** on the same subject.
- Page 20 – paragraph 7: Delete the word 'Select' from the last sentence.
- Page 21 – paragraph 18: Add the word 'it' after 'debate' in the first sentence.
- Page 24 – paragraph 33: replace 'an officer to be called to give evidence' in the last sentence with 'member-level consideration'.

22. Resolved –

- (1) That the proposed changes to the Petitions Scheme set out in the Appendix, subject to the minor changes set out in minute 21 above, be endorsed for recommendation to the County Council on 21 July 2017; and
- (2) That that proposal that Part 4, Section 8 of the Constitution 'Procedural Advice on Deputations to Cabinet Members and Non-Executive Committees' be deleted from the Constitution be endorsed for recommendation to the County Council on 21 July 2017.

Removal of Staff Joint Committee and arrangements for union dialogue

23. The Committee received a report by the Director of Law and Assurance and the Director of Transformation, Customer and Support Services (copy appended to the signed minutes) on proposals to change the arrangements for union dialogue. Members were reminded that the Governance Committee was responsible for the Council's human resources policy and strategy. It had for some time had a sub-committee - Staff Joint Committee - to provide a forum for liaison with the recognised trade union. Given the record of the sub-committee's range of business, the other liaison arrangements in place and the expectation for the Chief Executive as Head of the Paid Service to lead on union and staff engagement, the Committee was asked to consider a proposal for recommendation to the County Council that the sub-committee should be discontinued.

24. The Director of Law and Assurance introduced the report and explained the background to the proposals. He referred to an additional Appendix 2 which had been circulated and which contained proposed slight changes to the terms of reference of the Governance Committee and an addition to the delegations to the Chief Executive (copy appended to the signed minutes). A paper by Unison had also been circulated (copy appended to the signed minutes).

Agenda Item No. 2

25. Dan Sartin, Branch Secretary of Unison, attended the meeting and at the invitation of the Chairman addressed the Committee. He said that in Unison's view the Staff Joint Committee was an important committee which had a key part to play in the relationship between the County Council and Unison. The reason there had not been any discussions on major disputes at Staff Joint Committee in recent years was because there had been a period of stability and, since 2015, there had been no issues on which the union had felt the need to ballot members. However, there would soon be a big project affecting terms and conditions and now was not the right time to remove the role of the Committee.

26. Mr Sartin said that the Staff Joint Committee had a very wide remit and dealt with issues such as health & safety, equality & diversity and the staff survey and those issues would be difficult to cover in briefings with the Chief Executive. He said the proposed changes raised questions such as the frequency of the meetings with the Chief Executive, who would attend and what arrangements there would be to escalate issues in the case of a dispute. He expressed concern that the proposal sought to limit interaction between staff and members which could be helpful in resolving issues. Unison felt that the Staff Joint Committee was an arena that worked, particularly when difficult conversations were needed. In response to members' questions Mr Sartin said that there approximately 3,500 members of the County Council in Unison which represented around 35 to 40% of the workforce.

27. The Committee debated the proposals at some length. Some members felt the Staff Joint Committee was an important forum for discussion and provided a safety valve for staffing matters. One expressed concern that the Culture Board referenced in paragraph 3.5 of the report did not involve members and had no reporting line. Other members felt that the Staff Joint Committee had lost its way and had become dominated by discussions about outsourced contracts. Concern was also expressed that the Committee only included representatives from Unison and did not include the other trade unions. A survey by South East Employers was referred to which had shown that very few authorities still had committees such as Staff Joint. One member said that there are more modern ways of dealing with staff issues which are not a hangover from the old committee system.

28. The Leader said she was not convinced of the usefulness of the Staff Joint Committee - the organisation was changing and processes need to adapt accordingly. She welcomed the new Culture Board and commented that members were not being marginalised as staff could approach members directly if they had an issue to raise. She proposed that the reference in paragraph 3.6 of the report to operations matters being discharged by the Chief Executive and the Director of Transformation, Customer and Support Services in consultation with the Cabinet Member for Finance and Resources should also be in consultation with the Leader and this was agreed.

29. In relation to Mr Sartin's comment about Staff Joint Committee's consideration of health & safety and equality & diversity, the Director of Law and Assurance advised that Staff Joint Committee did not have responsibility for those functions which were executive functions for the relevant Cabinet Member. He said that one of the main purposes of the proposals currently before members was to reinforce the role of the Governance Committee and to ensure it was aware of issues which arose. He commented that over the last four years there had been no referrals from the Governance Committee to the Staff Joint Committee and nothing referred to the Governance Committee from the Staff Joint Committee. He

reassured members that all significant changes to staff terms and conditions would continue to be dealt with by the Governance Committee.

30. The Leader stressed the value placed on staff in the organisation. She proposed that there should be a reference to staffing matters at the Governance Committee twice a year and a report on the output of the Culture Board once a year and this was agreed.

31. Resolved –

- (1) That the proposals for the discontinuance of Staff Joint Committee and its deletion from the Constitution, including the changes to the terms of reference of the Governance Committee and the delegations to the Chief Executive as set out at Appendix 2, subject to the consideration of staffing issues by the Governance Committee twice a year and of the output of the Culture Board once a year, be endorsed for recommendation to the County Council; and
- (2) That the proposals for future staff and union engagement set out in the report at paragraph 3 be approved, subject to the arrangements in paragraph 3.6 being in consultation with the Leader in addition to the Cabinet Member for Finance.

Updating the Scheme of Delegation

32. The Committee was asked to consider and endorse changes to the Scheme of Delegation for recommendation to the County Council and to note changes to the officer scheme of delegation as set out in a report from the Director of Law and Assurance (copy appended to the signed minutes).

33. Members were supportive of the proposals subject to the following additional minor amendments to the text in Appendix 1.

- Page 39 – correct to paragraph numbering from 8.3.3.2 onwards.
- Page 45, paragraph 2 – amend 'Executive' to read 'Cabinet'.
- Page 45, paragraph 8 – delete the word 'to' before the words 'advise the'.
- Page 48, penultimate paragraph – amend 'disposing' to read 'dispose'.
- Page 58, paragraph 11.09 (b) – amend 'or the County Council's financial arrangements' to read '**of** the County Council's financial arrangements'.

34. Resolved –

- (1) That the proposals for changes to the Scheme of Delegation in the Council's Constitution for recommendation to the County Council, as detailed in Appendix 1, subject to the amendments set out in minute 33, be endorsed; and
- (2) That the changes to the scheme of officer delegation, as described in the report and as set out in Appendix 2 and Appendix 3 (subject to the amendment set out in minute 33), be noted.

Introduction to Pensions

35. The Committee received a short introduction on its role in relation to pensions from the Finance Manager – Pension Fund Governance.

36. The Finance Manager informed members that the Committee was responsible for the West Sussex Pension Fund and had delegated the function to the Pensions Panel. The Panel reported periodically to the Committee on its performance and occasionally referred decisions to the Committee.

37. Members were informed that the West Sussex Fund was among the top three funded funds out of 100 in the country. It administered funds on behalf of 183 employers and there were nearly 70,000 members. The fund had been valued at £3.8bn at 31 March 2016. At the last triennial valuation the Actuary had estimated that the Fund was 95% funded which meant that for every pound in benefits that the Fund had committed to pay it had 95p. The Finance Manager said that the fund was invested in equities, bonds, property and private equity via fund managers UBS, Baillie Gifford, Aberdeen, Partners and Pantheon. In January 2017 the Fund implemented its de-risking strategy.

38. The Finance Manager commented that recent items that had come to the Governance Committee from the Pensions Panel had been dominated by pooling. In 2015 the Government announced its expectation that Local Government Pension Scheme (LGPS) funds would combine their assets to create six pools. The County Council had been working since then with 10 other authorities to form the ACCESS pool. At the last Governance Committee meeting in March the Committee had approved the signing of the Inter Authority Agreement (IAA) which included the establishment of a Joint Committee to make decisions regarding the pool. This had subsequently been approved by full Council in March and the IAA would come into force at the first Joint Committee meeting in July 2017.

39. The Finance Manager said that the Committee would also receive updates from the Pension Advisory Board which was a scrutiny board tasked with assisting the Scheme Manager and was made up of equal employer and member representatives with an independent chairman.

Report of Member Attendance April 2016 to April 2017

40. The Committee was reminded that as part of its terms of reference it was required to monitor attendance of members at meetings of the County Council and its committees annually. The Committee was asked to note a report by the Director of Law and Assurance on members' attendance for the period 1 April 2016 to 30 April 2017 (copy appended to the signed minutes).

41. Resolved – That members' attendance at Council, Committee and other meetings for the period 1 April 2016 to 30 April 2017 be noted.

Appointments to Committees, Panels and Outside Bodies

42. In accordance with the provisions of the Local Government and Housing Act 1989, the Committee was asked to appoint members to serve on the committees, panels and outside bodies as set out in the report by the Director of Law and

Assurance (copy appended to the signed minutes) in line with the expressed wishes of the political groups.

43. Resolved – That appointments to committees, panels and South East Employers be approved as set out in the note.

Report of Urgent Action

44. The Committee noted action taken by the Director of Law and Assurance, in consultation with the Chairman, as follows:

Response to Consultation on Horsham District Council's Electoral Boundary Review

Approval to the County Council's response to a consultation document from Horsham District Council on its electoral boundary review, as recommended by the Electoral Review Panel.

Date of Next Meeting

45. The Committee noted that the next meeting would be held at 2.15 p.m. on Monday, 11 September 2017.

The meeting ended at 4.20 p.m.

Chairman