

20 January 2014 – At a meeting of the Committee held at County Hall, Chichester.

Present:

Mr Brown, Mr Burrett, Ms Goldsmith, Mrs Jupp (Chairman), Mr Lanzer, Mr Peters, Mrs B A Smith and Dr Walsh.

Apologies were received from Mr G L Jones.

Mr Glennon was also in attendance.

Declarations of Interest

94. In accordance with the code of conduct, members of the Committee declared personal interests in item 8, Member Allowances Report.

Minutes of the Governance Committee

95. Resolved – that the minutes of the meeting held on 25 November 2013 be approved as a correct record and that they be signed by the Chairman.

Implementation of a new Corporate Leadership Structure

96. The Committee considered a report by the Head of Law and Governance which advised of proposals arising from the next phase in the implementation of the Future Council (copy appended to the signed minutes). It was proposed that the post of Chief Executive should be removed, that an interim Transformation Director be appointed to focus on the implementation of transformational design and to oversee a review of corporate leadership arrangements, and that the role of Chief Operating Officer be allocated in the interim to a member of the current leadership team. In the absence of Mr Jones, the Chairman agreed to a request from Mr Glennon, the Leader of the UKIP group, to speak.

97. The Head of Human Resources informed the Committee that the proposals had been developed over some months but were only agreed in early January. The Chief Executive had said, when taking on his current role in 2010, that he envisaged it being a three to five-year task and the current proposals tied in with a natural break in the development of the plans for the County Council to become a commissioning organisation. It had not been possible to share the proposals with members at an earlier stage due to the need to preserve the confidentiality of the Chief Executive's position in relation to his rights under employment law.

98. The Head of Human Resources commented that the proposals were based on similar models at other local authorities such as Kent and Norfolk County Councils. The creation of the post of Transformation Director would give the skills and capacity required to develop the transformation agenda. The post would be temporary to allow development of initial plans following which there would be a further review of the structure before future arrangements could be put in place. A search and selection approach was being used for the appointment of the Transformation Director to identify someone with the appropriate skills who would be immediately available thus ensuring that the post could be filled as soon as

possible. There would be an overall saving of £25,000 in a full year based on the current Chief Executive's salary with a £10,000 supplement for the member of the current corporate leadership team who undertook the role of Chief Operating Officer and a salary range up to £130,000 for the new Transformation Director, with a contingency market supplement of £10,000.

99. Whilst accepting the need to preserve confidentiality in relation to the employment rights of the Chief Executive, Minority Group Leaders expressed concern about the lack of prior consultation about such a significant change to the senior management structure. It was felt that there should have been earlier consultation with Minority Group Leaders before the proposals had been fully developed, if necessary on a confidential basis, and an earlier report to the Governance Committee. The Liberal Democrat Group Leader commented that having been a member of local authorities for around 30 years he had probably hired and fired more Chief Executives than the current Leader. Concerns were also expressed about the principle of not having a Chief Executive, particularly given the low level of savings to be achieved.

100. The Leader stressed that it had always been the intention when Mr Stigant was appointed to the post of Chief Executive that his initial role would be for a period of three to five years and that the structure of the senior management team would be subject to change over time. Work had been under way on the proposals to move to a commissioning authority for some time and had included consultation with members via Member Development Days. The Leader commented that it was not uncommon for the individual who was the architect of such plans to not be involved in their final implementation. The model of Chief Operating Officer was being considered by a number of authorities and had been successfully implemented in authorities such as Wiltshire and Kent. She reassured the Committee that the proposals had been discussed with Cabinet Members. Other members agreed that the proposals were the best way forward particularly given the current financial challenges which were even more severe than those faced over the last three years. The organisation needed to adapt and there was an obligation on the Leader and Cabinet to lead the authority in the best direction. The proposals were therefore before the Committee as part of that process and would then be put before the Council in February for its approval.

101. The Cabinet Member for Finance commented that the proposals had not been driven by the need for savings but by what was best for the organisation in order to help it through the transition to a commissioning authority over the next couple of years. At the end of that period the authority would have moved from a direct labour organisation to one where work was conducted on its behalf by third party organisations, either public or private, and would revert to a single-headed organisation. It was a sensible approach and in the best interests of the County Council and residents.

102. Some concern was expressed about the fact that the Chief Executive was receiving pay in lieu of notice given the need for continuity prior to the new appointments. The Head of Human Resources referred to the need to protect employee confidentiality and the Leader added that it was not unusual for senior managers in organisations not to work out a period of notice. The Deputy Monitoring Officer commented that there were all sorts of reasons why individuals chose to leave before the end of their notice period and receive payment in lieu and the terms of the Chief Executive's departure had been agreed mutually.

103. In relation to the proposal for a member of the existing corporate leadership team to take on the role of Chief Operating Officer in addition to their existing role, some members questioned whether they would have the capacity to do so. The Leader commented that the creation of the role of Transformation Director would give extra capacity. The splitting of the current role of Chief Executive and the creation of the role of Transformation Director were intended to ensure there were the skills available to drive through the transformation process to a commissioning authority at sufficient pace hence the short-term post.

104. Mrs Smith and Dr Walsh requested that it be recorded that they had voted against the recommendations.

105. Resolved –

- (1) That it be recommended to the County Council that the post of Chief Executive be removed with immediate effect;
- (2) That an Appointing Committee be established to appoint someone to the new temporary post of Transformation Director to have the functions set out in paragraph 2.4 of the report;
- (3) That the other functions of the post of Chief Executive be reallocated as described in paragraphs 2.3 and 3 of the report; and
- (4) That the Scheme of Delegation be amended and other changes to the Constitution be made as set out in paragraph 4 of the report.

Pay Policy Statement

106. The Committee considered a report by the Head of Human Resources on the Pay Policy Statement for 2014/15 (copy appended to the signed minutes). An additional recommendation was circulated following the approval in minute 105(1) above of the proposals in relation to the post of Chief Executive (copy also appended to the signed minutes). The Committee was reminded that the Localism Act required the County Council to produce a Pay Policy Statement which had to be approved by the full Council. The report outlined the requirements of the pay policy and the requirement to publish salary information for employees as set out in the Code of Recommended Practice for Local Authorities on Data Transparency. The Committee was asked to endorse the Pay Policy Statement for recommendation for adoption and approval by the full Council at its meeting on 14 February 2014.

107. Resolved –

- (1) That the proposed revisions to the Pay Policy Statement, as set out at Appendix A to the report, be endorsed for recommendation to the County Council; and
- (2) That the Head of Law and Governance, in consultation with the Chairman, be authorised to make consequential changes to the Pay Policy Statement to take account of the proposals to remove the post of Chief Executive, as endorsed and set out in minute 105(1) above, prior to the submission of the statement to the County Council for approval.

Webcasting Task and Finish Group Terms of Reference

108. The Committee considered a report by the Head of Law and Governance on the establishment of a Task and Finish Group (TFG) to review webcasting arrangements to ensure that future provision was fit for purpose (copy appended to the signed minutes). The report was introduced by the Cabinet Member for Corporate Relations.

109. Members were supportive of the proposals, particularly in the light of the recent relaxation of the rules in relation to allowing members of the public to film meetings and the need to ensure that an accurate record was maintained. The consideration being given to updating the existing equipment was welcomed given the technological developments over the last few years and members made a plea for the TFG to consider a more interactive system in terms of logging requests to speak and also improved facilities for those with hearing and visual disabilities.

110. Resolved – That the arrangements to review the webcasting arrangements be noted and supported.

The Networked Councillor Project

111. The Committee considered a report by the Head of Law and Governance which set out proposals by the Member Development Group for testing out how elected members could use a range of tools and techniques for engaging with their community (copy appended to the signed minutes). The report was introduced by the Cabinet Member for Corporate Relations.

112. The Committee was supportive of the proposals and accepted the need for members to embrace new technology to assist in their role as county councillors. It was acknowledged that social media could be a very useful tool in both giving information to local communities and also keeping in touch with what was going on. However, there was a plea for members to be given sufficient support and to be allowed to engage with the new technology at their own pace.

113. Resolved – That the use of the Networked Councillor Project, as part of the development of members' role in engaging with and building stronger communities, be noted and supported.

Member Allowances Report

114. The Committee considered a report by the Head of Law and Governance seeking its views on the new index used for mileage rates and whether any adjustment was required (copy appended to the signed minutes).

115. The Deputy Monitoring Officer commented that, following the adoption of the new mileage rate the previous autumn, a member of the public had pointed out that, unlike the previous RAC rate, the AA rate adopted included a 2p per mile for parking and tolls. The County Council's scheme allowed members to make a separate claim for such costs and therefore there was a risk of double counting.

116. Members accepted that the error had been inadvertent and considered the best way forward. There was some support for the second option of adjusting the rate to remove the allowance for car parking and tolls, with members continuing to

be able to claim separately for those. This seemed more logical than the third option as parking was not a mileage-variable expense and the third option might leave members either in credit or out of pocket depending on the number of miles travelled and the cost of car parking.

117. Given that members had been consulted prior to the adoption of the new rate in the autumn, it was proposed that the report should be deferred to the next meeting to allow consultation via political groups with all members of the County Council. Concern was expressed by the Minority Group Leaders at the delay in correcting the error and a plea was made for the decision to be taken to the Council meeting in February following consultation with members in the run up to that meeting. However, other members felt it was important to give all members the chance to have their say and bring proposals to the next meeting of the Committee and this was agreed.

118. Mrs Smith and Dr Walsh requested that it be recorded that they had voted against the proposal to defer the report and the Chairman abstained.

119. Resolved - That the report be deferred to the next meeting to allow consultation with political groups on the best option.

Date of Next Meeting

120. Members noted that the next meeting of the Committee would be held at 2.15 p.m. on Monday, 24 March 2014.

The meeting ended at 3.43 p.m.

Chairman