

Governance Committee

6 March 2017 – At a meeting of the Committee held at County Hall, Chichester.

Present:

Mrs Arculus (Chairman), Mr Barnard, Mr Brown, Mr Burrett, Ms Goldsmith, Ms James, Mr Lanzer and Mrs Mullins.

Apologies for absence were received from Dr Walsh.

Declarations of Interest

149. In accordance with the code of conduct, in relation to item 4, Pension Fund Pooling – Governance Arrangements, personal interests were declared by Mr Burrett and Mr Lanzer as deferred members and Mrs Mullins as a member of the Local Government Pension Scheme.

Minutes of the Governance Committee

150. Resolved – That the minutes of the meeting held on 23 January 2017 be approved as a correct record and that they be signed by the Chairman.

Pension Fund Pooling – Governance Arrangements

151. The Committee considered a report by the Director of Finance, Performance and Procurement and the Director of Law and Assurance (copy appended to the signed minutes) which contained proposals for an inter-authority agreement and governance arrangements for Pension Fund pooling.

152. In relation to paragraphs 8 and 9 of the draft constitution of the Joint Committee, as set out at Appendix 1, in response to a query about whether the Chairman and Vice-Chairman could stand for re-election after an initial two-year term, the Director of Law and Assurance said that he would ensure that the point was clarified in the report to County Council. Textual errors were noted and the Director of Law and Assurance said he would ensure the text was checked before submission to the County Council.

153. In terms of future consideration of pension fund pooling by the Committee, members were informed that once all the funds had signed up to the governance arrangements an operator would be procured by the deadline of September. The Committee therefore requested a progress report to its meeting on 11 September 2017.

154. Resolved –

- (1) That the County Council be asked to endorse the arrangements for the pooling of pension fund investments as set out in this report, including the establishment of a joint committee as described in Appendix 1 to the report, subject to the points raised in minute 152 above, and that authority be delegated to the Director of Finance, Performance and Procurement and the Director of Law and Assurance, in consultation with the Chairman of the Pensions Panel, to finalise and agree the

terms of an Inter Authority Agreement to implement the proposed model;

- (2) That the County Council be recommended to delegate the pension fund functions as specified in Appendix 2 to the report to the ACCESS joint governance committee, subject to the query in minute 152 above, with effect from the date of execution of the Inter Authority Agreement; and
- (3) That authority be delegated to the Director of Law and Assurance to make consequential amendments to the County Council's Constitution to reflect the agreed approach to pooling and the creation of the Joint Governance Committee.

DBS checks for elected members

155. The Committee received a report by the Director of Law and Assurance (copy appended to the signed minutes) on whether the position in relation to criminal record checks for members under the Disclosure and Barring Service (DBS) should be reviewed and, if so, whether the County Council should undertake basic checks for all members or whether, in relation to particular roles of members, there were grounds for making enhanced checks before a member was eligible to discharge those roles.

156. The Committee welcomed the renewed opportunity for members to have a criminal records check which it felt, given members' roles in the community and the level of access and position of trust being a county councillor conferred, would be beneficial to members, the electorate they represented and to the County Council as an organisation.

157. The Committee supported a recommendation to the next meeting of the County Council that basic checks for all members and enhanced checks for members who undertook the specific roles set out at the Appendix should be introduced with effect from the elections in May 2017. It was agreed that the checks should be renewed every four years to coincide with the quadrennial elections. Members were reassured that the process for obtaining checks was reasonably fast it should not be necessary to hold up appointments to roles pending the outcome of enhanced checks.

158. In response to a query the Director of Law and Assurance said he would include an outline of the process to be followed in relation to the collation and management of data arising from the check in the report to the County Council.

159. Resolved –

- (1) That the County Council be recommended that basic checks for all members and enhanced checks for members who undertake the specific roles set out at the Appendix, be introduced with effect from the elections in May 2017;
- (2) That the checks be renewed every four years to coincide with the quadrennial elections; and

- (3) That action is taken by officers in light of the Committee's discussion to give effect to the arrangements the Committee wishes to see implemented.

Discipline and Grievance Appeals – Removal of the Staff Appeals Panel

160. The Committee was informed that the report by the Director of Transformation, Customer and Support Services and the Director of Law and Assurance on a proposal that the County Council should be invited to delete the constitutional arrangements for a Staff Appeal Panel and their replacement by an officer panel had been withdrawn pending further consultation.

161. Resolved – That the position be noted.

National Review of Local Government Scrutiny Arrangement

162. The Committee received a report by the Director of Law and Assurance (copy appended to the signed minutes) on an inquiry launched by the Parliamentary Communities and Local Government Committee into overview and scrutiny in local government. The inquiry was currently accepting written submissions, with a deadline of 10 March 2017. A draft submission was set out at the Appendix to the report, based on the scrutiny process at the Council, information drawn from the annual Scrutiny Newsletter, the recent review of Democratic Services as part of its savings programme and comments from Business Planning Group members.

163. Members were generally supportive of the proposed response subject to the comments set out below:

- Page 36, section 5 amend 'summon' in the first bullet to read 'invite'.
- Page 37, section 5, second bullet, amend 'identified' to read 'chosen'.
- Page 37, section 7, amend first bullet to read 'Topics are selected from a number of sources including the following:'.

164. The Committee also requested that a covering letter be sent with the response to make clear that the County Council placed great value on its scrutiny function, as evidenced by the fact it had maintained four select committees and that, in its view, effective scrutiny was essential and the decision-making process was stronger as a result, making for a better Council.

165. Resolved –

- (1) That evidence be submitted to the inquiry, based on the draft submission attached at the Appendix, subject to the comments in minute 163 above; and
- (2) That a covering letter be sent setting out the value placed on scrutiny by the County Council.

Risk Management Arrangements

166. The Committee was informed that at its next meeting on 13 March 2017 the Regulation, Audit and Accounts Committee (RAAC) would receive a revised Corporate Risk Management Strategy. The new strategy would suggest changes to

the lines of accountability for risk management and set out a more detailed description of the approach the Council would take to risk management. It was not proposed to change the responsibility of RAAC in monitoring the operation of risk management. The effect of the new strategy would however be to replace the text of Part 4 Section 4 of the Council's Constitution and the Governance Committee was asked to agree that RAAC should consider these changes and make appropriate recommendations to the next meeting of the County Council.

167. Resolved – That the Regulation, Audit and Accounts Committee consider changes to the risk management arrangements and make appropriate recommendations to the next meeting of the County Council.

Date of Next Meeting

168. The Committee noted that the next meeting would be held at 2.15 p.m. on Monday, 5 June 2017.

The meeting ended at 3.08 p.m.

Chairman