

Governance Committee

12 September 2016 – 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, Mrs Mullins and Dr Walsh.

Also in attendance: Mr Patel.

Ms. Goldsmith and Ms. James left the meeting at 3.55 p.m.

Part I

Declarations of Interest

46. In accordance with the code of conduct, in relation to item 12, West Sussex Pension Fund Annual Report 2015/16, and item 15, Pension Fund Pooling Update, personal interests were declared by Mr Burrett and Mr Lanzer as deferred members of the Local Government Pension Scheme and Mrs Mullins as being in receipt of a local authority pension.

Minutes of the Governance Committee

47. Resolved – that the minutes of the meeting held on 29 June 2016 be approved as a correct record and that they be signed by the Chairman.

Democratic Services Savings

48. The Committee considered a report by the Executive Director Corporate Resource and Services and the Director of Law, Assurance and Strategy on proposed changes to the Council's governance arrangements resulting from the Democratic Services savings proposals for recommendation to the County Council on 21 October and implementation from May 2017 (copy appended to the signed minutes). Members noted that in Appendix B the number of members who did not support the proposal to merge the chairmen of the Planning and Rights of Way Committees should read 10 rather than eight.

49. The Leader, whilst commenting that it was unfortunate the savings had to be found, expressed her thanks to the Cabinet Member for Corporate Relations and the Task and Finish Group for their work on the review. In relation to recommendation (3) and the proposal to merge the Planning and Rights of Way Committee chairmanships, the Leader expressed support for the option in paragraph 1.3.3 of the report of deferring further consideration of the proposal until the next meeting of the Committee when the recommendations of the Independent Remuneration Panel (IRP) in relation to Special Responsibility Allowances (SRAs) would be available so as not to pre-empt the IRP's report.

50. The proposal received the support of members of the Committee who, whilst wishing to reserve their position on recommendation (3) until the report of the IRP had been received, noted the option suggested by some members to lower the level

of the SRA attached to the chairmanship of the Rights of Way Committee, given the relatively small number of meetings per year, rather than merging the two chairmanships.

51. In relation to recommendations (1) and (2) which proposed a reduction in the number of County Local Committees (CLCs) from 14 to 11 and a reduction in the number of meetings of CLCs per year from four to three, the Cabinet Member for Corporate Relations said that there had been full consultation on the proposals which had received broad support. Members were reassured that the reduction in the number of CLCs would not have an impact on the number of Traffic Regulation Orders available for implementation.

52. The Committee was informed that, following further engagement with members in Arun, Crawley and Mid Sussex, adjustments would be made to the proposed boundaries in Arun and Mid Sussex. In Arun, the reduction from three to two CLCs would be achieved by dividing the district to create an Eastern Arun and a Western Arun CLC, mostly using the River Arun as the boundary. Members noted that in paragraph 1(a) of Appendix A the figure paid to the County Council from Arun District Council for administration of the CLCs should read £7,500.

53. In Mid Sussex the proposal was for two CLCs dividing the district in a north/south direction. Following comments received during the consultation period the proposed boundary in Mid Sussex had been adjusted to include the parishes of Lindfield, Lindfield Rural and Horsted Keynes with Haywards Heath in a proposed Central and South Mid Sussex CLC rather than in the North Mid Sussex CLC. This resulted in the member for Lindfield & High Weald sitting on two CLCs.

54. Members noted that a proposal to keep the number of CLCs in Mid Sussex at three but reduce the overall amount of Community Initiative Funding across all CLCs had been received after the deadline for comments. It was felt that this would go against the principle of providing a consistent approach across the county whereby the more rural areas had two CLCs and urban areas one. The Leader commented that the Cabinet Member and Task and Finish Group had done a considerable amount of work on possible options and had consulted fully. If in due course further adjustment was required that could be considered in the light of experience once the recommendations had been implemented.

55. Resolved –

That the following changes to the Council's governance arrangements be endorsed for recommendation to the County Council on 21 October 2016 and for implementation from May 2017:

- (1) That the number of County Local Committees to be reduced from 14 to 11 (as set out in paragraph 1.2 of the report); and
- (2) That the number of meetings of each County Local Committee held each year to be reduced from four to three (as set out in paragraph 1.2 of the report).

That the following recommendation be deferred for consideration at the next meeting of the Committee when the report of the Independent Remuneration Panel would be available:

- (3) That there should be one chairman for both the Planning and Rights of Way Committees (as set out in paragraph 1.3 of the report).

Outcome of Boundary Review of West Sussex County Council

56. The Committee considered a report by the Director of Law, Assurance and Strategy and a booklet containing the final recommendations of the Local Government Boundary Commission for England for West Sussex electoral arrangements (copies appended to the signed minutes). Members were informed that the final recommendations were very much in line with the County Council's wishes. The order would now be laid in Parliament and, subject to parliamentary scrutiny, would take effect from the May 2017 elections.

57. Mrs Mullins commented that the names of some of those who had sent in submissions to the Commission were missing from Appendix B to the Commission's report. She agreed to supply the names to Charles Gauntlett who would raise the matter with the Commission.

58. Resolved – That the outcome of the boundary review be noted.

Boundary Review of Chichester District Council

59. The Committee was informed that the Local Government Boundary Commission for England was undertaking a full boundary review of Chichester District Council during 2016/17 and that a draft scheme had been published on 16 August 2016. The review was as a result of a request from the District Council for a reduction in its membership.

60. Members considered a report by the Director of Law, Assurance and Strategy on the County Council's proposed response to the Commission's draft scheme (copy appended to the signed minutes). Members noted that in the first paragraph of the proposed response set out at Appendix A to the report 'whole-country' should read 'whole-county'.

61. The Committee was informed that since the agenda had been published the County Council had been informed that the District Council was now likely to support multi-member wards. It was therefore suggested that the Committee might wish to consider deleting paragraphs 2 and 3 from its proposed response set out at Appendix A to the report. Members considered the suggestion but were of the view that the proposed response should not be altered as it was felt that large multi-member wards in rural areas were inappropriate as they tended to cause confusion.

62. Resolved – That, subject to the correction set out in minute 60 above, the draft response to the Local Government Boundary Commission on its electoral boundary review of Chichester District Council, as attached as Appendix A to the report, be approved.

Change to County Local Committee Functions

63. The Committee considered a report by the Executive Director Care, Wellbeing and Education and the Director of Law, Assurance and Strategy containing a recommendation to the County Council to amend the terms of reference of County

Local Committees following the decision of the Cabinet Member for Community Wellbeing to take back the function of determining Adults’ Services grant awards (copies appended to the signed minutes).

64. Resolved – That the County Council be recommended to amend the terms of reference of County Local Committees following the decision of the Cabinet Member for Community Wellbeing to take back the function to determine Adults’ Services Grant awards.

Chief Executive’s Scheme of Delegation

65. The Committee considered an addition to the delegations to the Chief Executive in the Scheme of Delegation to allow for the appointment of an Executive Director to act as Deputy Chief Executive to act in the Chief Executive’s absence for any reason and to undertake such additional responsibilities as the Chief Executive may determine, as set out below:

No.	Function	Officer	Jointly or also delegated to
234A	To permit the Chief Executive to appoint an Executive Director to act as Deputy Chief Executive so as to discharge the functions and responsibilities of the Chief Executive in the absence of the Chief Executive for any reason and to discharge such additional responsibilities as may be specifically delegated to the person so designated.	Chief Executive	

66. After some discussion as to the exact nature of the delegation and whether it was intended to be a permanent delegation to a particular post, the Committee agreed to defer the decision to the next meeting of the Committee in order to seek further clarification.

67. Resolved – That the decision be deferred to the next meeting to allow further clarification to be sought on the exact nature of the proposed delegation.

Report of the Member Development Group

68. The Committee considered a report by the Chairman of the Member Development Group on the work of the Group, member development activities and member training and development priorities and plans (copies appended to the signed minutes). In introducing the report Mr Patel, the Chairman of the Group, commented on recent low attendance at Member Days and urged Group Leaders to encourage their members to attend.

69. Members emphasised the importance of their being given sufficient opportunity to participate in Member Days rather than listening to long presentations. This had been highlighted by the recent session on early help where there had been too little time for members to feed back their views. Mr Patel said the point was noted. It was also proposed that a mechanism should be found to

enable members to have a regular opportunity to make suggestions for future topic for Members Days.

70. The Committee was informed that the session on Care, Wellbeing and Education Transformation included in Table 3 of the report as a tentative date on 2 November would not take place. Members also noted that the date of 24 December for a session on Corporate Parenting should read 24 November.

71. Resolved – That the report and members comments on the need for active participation in Member Days be noted and that a mechanism be found to give members a regular opportunity to make suggestions for future topics for Members Days.

Code of Corporate Governance

72. The Committee considered a report by the Director of Law, Assurance and Strategy on a revised Code of Corporate Governance to support the oversight of the Council's governance framework and the mechanism for giving assurance as to its effectiveness. Members were informed that since the Code was last revised in 2014 new national guidance had been issued that set out revised core principles and sub-principles of good governance which required an update to the Code (copies appended to the signed minutes).

73. In relation to paragraph 3 of the Code which contained a list of principles (paragraphs A and B) and sub-principles (paragraphs C to G) members requested a minor amendment to sub-paragraph E as follows:

E. Developing the ~~entity's~~ capacity **of members and officers**, including the capacity of **the Council's** ~~its~~ leadership and the individuals within it.

74. Resolved – That the revised Code of Corporate Governance (attached as an Appendix to the report), subject to the amendment set out in minute 73 above, be approved.

West Sussex Pension Fund Annual Report 2015/16

75. The Committee received the Annual Report of the West Sussex Pension Fund for the year ended 31 March 2016 (copy appended to the signed minutes) and was asked to note the current issues affecting the Pension Fund.

76. Members noted a number of corrections to the report. Firstly, the fourth paragraph of the executive summary should be amended to read 'The accounts, which form a part of the Annual Report, ~~will would~~ be approved by the County Council's the Regulation, Audit and Accounts Committee', secondly, in paragraph 1.12 of the report, the reference to the '6th' percentile should read '9th' percentile, and finally, on page 84, Mr Brown's tenure should be amended to read 'To 31 March'.

77. Members congratulated the Pensions Panel and officers on the continued growth of both the fund and its membership. The Leader expressed her thanks to Mr Brown for his stewardship of the Panel during his time as Chairman. Mr Brown expressed his personal thanks to Rachel Wood and her team particularly for their excellent work in relation to the pension fund pooling arrangements.

Agenda Item No. 2

78. The Committee expressed its concern at UBS's performance, which since 2007 had been below the benchmark. Members recorded their great disappointment with UBS's continued poor performance. The Director of Finance commented that the pooling arrangements could potentially include a re-procurement.

79. In relation to the oversight of the Pension Fund following the creation of the Pension Advisory Board (PAB), as detailed in paragraph 1.26 of the report, the Committee confirmed that it wished to retain its role in scrutinising the Pension Fund Annual Report. Members did not wish to see the annual report of the PAB as a matter of course but confirmed they would wish to see any comments from the PAB on the annual report.

80. Resolved – That the Annual Report, as attached in the Appendix to the report, and the current issues affecting the Pension Fund highlighted in the report be noted.

Date of Next Meeting

81. The Committee noted that the next meeting would be held at 2.15 p.m. on Monday, 28 November 2016.

Exclusion of Press and Public

82. Resolved - That under Section 100(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I, of Schedule 12A, of the Act by virtue of the paragraphs specified under the items and that, in all the circumstances of the case, the public interest in maintaining the exemption of that information outweighs the public interest in disclosing the information.