

## **Governance Committee**

25 June 2018 – At a meeting of the Committee held at 2.15 pm at County Hall, Chichester.

Present: Mr Barnard (Chairman)

Mr Acraman, Mr Burrett, Ms Goldsmith, Mrs Mullins, Mr R J Oakley, Mrs Sparkes and Dr Walsh (arrived at 2.45 pm)

Apologies were received from Mr Mitchell

### **Part I**

#### **22. Declarations of Interest**

22.1 In accordance with the code of conduct, Mr Burrett declared a personal interest in the items on Pension Advisory Board Update and the change to the Pensions Panel Terms of Reference, as a deferred member of the West Sussex Local Government Pension Scheme.

#### **23. Minutes of the last meeting of the Committee**

23.1 Resolved – That the minutes of the meeting held on 14 May 2018 be approved as a correct record and that they be signed by the Chairman.

#### **24. Independent Remuneration Panel Review of Member Allowances**

24.1 The Committee was reminded that a new Members' Allowances Scheme had come into effect in May 2017, based on a Scheme recommended by the Independent Remuneration Panel (IRP) to Council in December 2016. At that time the Council had asked the IRP to review the Scheme after about a year of operation. The IRP had now completed that review and the Committee considered reports by Director of Law and Assurance and the IRP on proposals for onward recommendation to the County Council (copies appended to the signed minutes).

24.2 Three members of the IRP, Dr Beer, Mr Donaldson and Mr Scutt, attended the meeting. Dr Beer, on behalf of the members of the IRP, introduced their report which was welcomed by members.

24.3 The Leader welcomed and fully supported the proposals, particularly those relating to carer's allowances and commented they would be helpful in encouraging younger people to stand for election.

24.4 Mr Acraman referred to the Appendix to the report and the question asked of members as to whether the allowances scheme struck the right balance between public service and the reality of carrying out the role. He commented that he was increasingly of the view that the balance was no longer correct and that to attract younger people of working age the allowances for the average member should be increased, preferably before the next election.

24.5 Dr Beer responded on behalf of the IRP. He said that he IRP had received a number of comments that people of working page found it difficult to deal with a lower salary resulting from the time remaining after their work as a councillor and accepted that that might prevent some people from standing for election. However, the IRP felt it would be wrong to recommend wholesale changes to the basic allowance and that it would not send the right message to the electorate. The IRP was aware that in other councils where significant increases had been proposed the recommendations had not been well received. Allowances were not equivalent to salaries and any significant changes would need to come from government proposals on a national level rather than something the County Council could implement locally.

24.6 The Leader commented that, given the budget cuts which would need to be made over the next year, in her view it was not the time to consider significant increases to allowances. Other members agreed and were of the view that attracting younger people to stand for election was not just about the money they received. It was difficult to be a member and work full time and there were issues in terms of getting time off work for daytime meetings and encouraging employers to be flexible in allowing people time off for council business. The Chairman commented that the Member Development Group was already looking at ways of encouraging more people to stand for election.

24.7 In relation to the member survey in the appendix to the IRP's report, it was noted that the relatively low response rate may have been caused by the fact that an IT glitch had meant that when the survey was launched members' answers were not initially recorded and they had therefore been asked to complete the survey a second time.

24.8 Resolved - That the Independent Remuneration Panel's report and a recommendation from the Committee be submitted to the Council on 20 July 2018 for consideration.

## **25. Review of the Constitution**

25.1 The Committee considered a report by the Director of Law and Assurance (copy appended to the signed minutes) on a technical review of the County Council's Constitution which had been undertaken with an aim of making it a more accessible document, removing duplication and simplifying some of the more technical language. A further change in relation to the constitution of the Member Development Group arising from a recent change to Cabinet Member portfolios was circulated (copy appended to the signed minutes) and members noted that responsibility for the Coroner and mortuaries had recently moved portfolio and Part 3 of the proposed Constitution would be updated accordingly. The Committee was asked to endorse the proposed changes for recommendation to the County Council.

25.2 The Committee placed on record its thanks to Mr Burrett and Mr Mitchell for reviewing the proposed changes in detail and to Charles Gauntlett and the officer team for their work on rewriting the Constitution.

25.3 Mr Acraman asked whether it would be possible to add the makeup of the County Local Committees to Part 3, the Scheme of Delegation, and the Committee agreed it was a good idea to do so.

25.4 Resolved –

- (1) That, subject to the addition of the makeup of the County Local Committees to Part 3, the revised text of the Constitution be recommended for submission to the County Council on 20 July 2018 for approval; and
- (2) That the proposed changes to governance arrangements set out in paragraph 2.2 of the report, subject to the addition of the proposed change to the constitution of the Member Development Group, be recommended for submission to the County Council on 20 July 2018 for approval.

## **26. Change to County Local Committee Boundaries**

26.1 The report by the Director of Law and Assurance (copy appended to the signed minutes) on whether to recommend to the County Council that the Lindfield & High Weald electoral division, currently part of both the Central and South Mid Sussex County Local Committee (CLC) and the North Mid Sussex CLC, should be entirely within the North Mid Sussex CLC was withdrawn.

26.2 The Committee was informed that when the changes had been approved in 2016 there had been a promise to consider whether any adjustment was required to the CLCs in Mid Sussex in the light of experience once the recommendations had been implemented. That review would now be undertaken before any proposals for boundary changes were put before the Committee. It was noted that the distances between towns set out in the Appendix to the report needed to be checked before the item was reconsidered.

26.3 The Leader said the offer to review the situation in Mid Sussex would be honoured but commented that the budget cuts which had led to the reduction in the number of CLCs had been implemented and staff resources had been reduced accordingly. She also commented that, in terms of amount of business at meetings, recent topical issues in Mid Sussex which had been of significant public interest would inevitably have increased pressure on agendas.

26.4 The Chairman said a Governance Committee working group would be set up to look at the issues raised in relation to Mid Sussex and report back to the Committee in due course.

26.5 Resolved – That a working group be set up to look at the issues raised in relation to Mid Sussex and report back to the Committee in due course.

## **27. Staff Appeals Panel - proposals for change**

27.1 In view of the fact that the Director of Law and Assurance had had to give his apologies for the meeting due to unforeseen circumstances, the Committee decided to defer consideration of the report by the Director of Law and Assurance and the Director of Human Resources and Organisational Change (copy appended to the signed minutes) on options for changes to the constitutional arrangements for the Appeals Panel.

27.2 Resolved – That the report be deferred to the next meeting.

## **28. Staff Appeals Panel Annual Report 2017/18**

28.1 The Committee considered the annual report of the Appeals Panel for 2017/18 by the Director of Human Resources and Organisational Change and the Director of Law and Assurance (copy appended to the signed minutes). Appendix 2 was available to members of the Committee only as it contained exempt information as defined in Part I, of Schedule 12A, of the Act by virtue of paragraph 2, identity of an individual.

28.2 Members were very supportive of the recommendations from the Boards of Appeal which it fully endorsed. The Committee was concerned to make sure there was adequate training for members of the Staff Appeals Panel and agreed there should be comprehensive training for members every two years with refresher training in the intervening years.

28.3 Resolved –

- (1) That the Appeals Panel Annual Report 2017/18, including the recommendations and actions taken, be endorsed; and
- (2) That there be comprehensive training for members of the Staff Appeals Panel every other year.

## **29. Review of Financial Regulations and Financial Procedures**

29.1 The Committee considered a report by the Director of Finance, Performance and Procurement and the Director of Law and Assurance on a review of Financial Regulations and Procedures (copy appended to the signed minutes). Members were asked to endorse the revised Financial Regulations for approval by the Regulation, Audit and Accounts Committee (RAAC). The Committee was also asked to endorse a proposal to hold the Treasury Management Policy Statement and the Financial Procedures outside of the Council's Constitution in future. Members were told that the proposals would be submitted to the Council in July for approval before RAAC was asked to approve the changes at its meeting at the end of July.

29.2 Resolved –

- (1) That the revised Financial Regulations be endorsed for onward approval by the Regulation, Audit and Accounts Committee;
- (2) That the proposal to hold the Treasury Management Policy Statement and the Financial Procedures outside of the Council's Constitution be endorsed for onward approval by the County Council

on 20 July 2018, as part of the current review of the Constitution, subject to endorsement by the Regulation, Audit and Accounts Committee at its meeting on 23 July 2018; and

- (3) That the Financial Regulations and Financial Procedures are reviewed in 2021.

### **30. Pension Advisory Board Update**

30.1 The Committee considered a report by the Director of Finance, Performance and Procurement (copy appended to the signed minutes) on the business plan and budget of the Pension Advisory Board for 2017/18. The Committee was also asked to endorse a recommendation that the number of members and number of meetings of the Board should be increased. It was noted that the report did not include the work programme for 2018/19 and that the reference to the budget in recommendation (1) should be to the 2018/19 budget.

30.2 Members queried paragraph 3.2.1 of the report and the fact that the independent Chairman of the Board did not have voting rights and asked what would happen if a vote by the Board was tied. The Director of Finance, Performance and Procurement said she would check the position.

**Note:** The guidance on the creation and operation of Local Pension Boards issued by the Scheme Advisory Board in 2015 sets out that an independent chairman is classified as an 'other member' i.e. not an employer or member representative, that voting rights must be split equally between employer and member representatives and that 'other members' do not have voting rights on the Board. The terms of reference for the Board state that the independent chairman should strive as far as possible to achieve a consensus as an outcome. The Board is not considered to be a decision-making body and has not had to call a vote to date. The risk of an impasse arising is therefore considered to be very low.

30.3 Resolved –

- (1) That the work of the Pension Advisory Board during 2017/18 be noted and the budget for 2018/19 be approved; and
- (2) That the proposed increase to the number of members and the number of meetings of the Board be approved and delegation given to make these changes to the Pension Advisory Board terms of reference be endorsed for recommendation to the County Council.

### **31. Change to Pensions Panel Terms of Reference**

31.1 The Committee considered a report by the Director of Finance, Performance and Procurement (copy appended to the signed minutes) on changes to the terms of reference of the Pensions Panel to reflect the addition of the ACCESS Joint Committee in the governance structure of the Pension Fund.

31.2 Resolved - That the County Council be recommended that the Pensions Panel terms of reference be updated to reflect the addition of the ACCESS Joint Committee in the governance structure of the Pension Fund.

**32. Date of Next Meeting**

32.1 The Committee noted that the next meeting will be held at 2.15 p.m. on Monday, 10 September 2018.

The meeting ended at 3.25 pm

Chairman