

SOUTH DOWNS NATIONAL PARK AUTHORITY

GOVERNANCE COMMITTEE MEETING 18 SEPTEMBER 2014

Held at the Memorial Hall, South Downs Centre, Midhurst at 10:37am.

Present:

Sebastian Anstruther	David Burden	Norman Dingemans (Chair)
Lewis Doyle (Independent Member)	Gary Marsh	Gill Mattock
Carole Nicholson (Independent Member)	Margaret Paren (ex officio)	

Officers: Trevor Beattie (Chief Executive Officer), H  l  ne Rossiter (Director of Corporate Services), Catherine Vaughan (Chief Finance Officer), Karen Everett (Deputy Monitoring Officer), Helen Thompson (External Audit, Ernst & Young), Simon Mathers (External Audit, Ernst & Young), Mark Dallen (Internal Audit), Anne Rehill (Performance and Project Manager), Amanda Elmes (Learning, Outreach and Volunteer Lead), Robin Parr (Governance and Support Services Manager) and Stella New (Member Services Support Officer).

OPENING REMARKS

1. The Chief Executive welcomed new Committee Member Gill Mattock, and new Independent Committee Member Carole Nicholson.

APOLOGIES

2. Apologies were received from Jim Sheppard.

ELECTION OF CHAIR

3. The Chief Executive informed the Committee: Nominations closed 5 clear working days prior to the meeting and Norman Dingemans was the only nomination. Norman Dingemans was duly elected as Chair of the Governance Committee for the forthcoming year and presided over the rest of the meeting.

ELECTION OF DEPUTY CHAIR

4. The Chair informed the Committee: Nominations closed 5 clear working days prior to the meeting and Sebastian Anstruther was the only nomination. Sebastian Anstruther was duly elected as Deputy Chair of the Governance Committee for the forthcoming year.
5. The Chair informed the Committee that item 13 (Audit Results Report 2013/14) would be considered before item 10 (Letter of Representation and Audited Statement of Accounts 2013/14).

DECLARATIONS OF INTEREST

6. Carole Nicholson declared a public service interest in item 16 as a member of the Sussex Wildlife Trust.

MINUTES

7. The minutes of the Governance Committee meeting held on 24 June 2014 were agreed as a correct record and signed by the Chair.

MATTERS ARISING

8. There were none.

URGENT MATTERS

9. There were none.

PUBLIC PARTICIPATION

10. There were no members of the public present.

BUDGET MONITORING REPORT FOR QUARTER 1, 2014/15

11. The Committee considered the report from the Chief Finance Officer (Report GOV19/14).
12. In response to questions officers clarified:

- The Q1 forecast was for the full year and was as accurate as possible given variations in planning income.
 - Overspends including IDOX were an annual cost pressure that needed to be included in the forecast.
 - Mitigation for the forecast overspend was already in place, including a suspension of spends from the Purpose and Duty fund.
 - It was expected that the position on planning income would improve in Q2.
 - An evaluation of purchasing vs. leasing vehicles had been carried out, and it was more cost effective to lease pool vehicles, and buy working vehicles including land rovers. This would be kept under periodic review.
 - Budget virements were agreed by the Policy & Programme Committee as part of the strategic budget framework.
13. Clarification would be sought on:
- The budget virement of £12K that had been made to Volunteer Management for work on a specific project
14. **RESOLVED:** That the Committee noted the forecast financial position as at Quarter 1.

AUDIT RESULTS REPORT 2013/14

15. The Committee considered the report from Helen Young of Ernst & Young, External Audit (Report GOV23/14).
16. The Committee commented:
- This was a positive report, particularly with regard to the value for money conclusion.
 - It was pleasing that the actual fee was in line with the agreed fee.
17. In response to questions officers clarified:
- Information on the Pensions Fund statement was due to be received from the auditor of the West Sussex Pensions Fund.
 - Most SDNPA officers had pensions linked to the West Sussex Pensions Fund, with the exception of a minority who had transferred their pension schemes from previous employing Authorities.
18. **RESOLVED:** That the Committee considered the findings set out in the 2013/14 Audit Results Report attached as Appendix 1 to Report GOV 23/14, asked questions as necessary and raised any other matters which the Committee considered relevant to the audit.

LETTER OF REPRESENTATION AND AUDITED STATEMENT OF ACCOUNTS 2013/14

19. The Committee considered the report from the Chief Finance Officer (Report GOV20/14).
20. It was noted that on page 48 of Appendix 4 of report GOV20/14 that under the Financial Liabilities table there was an error: 'therefore the fair value of *investments*' should read therefore the fair value of *liabilities*'.
21. In response to questions officers clarified:
- The outstanding costs for the South Downs Centre had been carried over from 2013/14.
 - There was a requirement for the value of capital assets to be reassessed on a rolling basis and any appreciation or depreciation reflected in the account statement.
 - Reviews of local government pension schemes were performed nationally, and would be managed by West Sussex as part of the partnership arrangements.

- There were no statutory guidelines regarding the amount retained in the General Fund balance, which needed to ensure financial resilience whilst allowing sufficient availability of funds.
 - Due to a lack of availability of AAA rated investment counterparties, some of the SDNPA's investment counterparties were BBB rated; however these were government backed, and considered to be lower risk than non-government backed parties with the same rating.
 - Disclosure of the SDNPA's annual investment strategy was not required in the Annual Statement.
 - A report on the SDNPA's annual investment strategy could be presented at a future meeting of the Governance Committee.
 - A report on the arrangements for treasury management provided by BHCC could be presented at a future meeting of the Governance Committee.
22. Clarification would be sought on:
- The inclusion of a Management of Investments fee
 - The inclusion of a Government Revenue Grant for the Rural Payments Agency.
23. **RESOLVED:** That the Committee:
1. Noted the findings of the external auditor (Ernst & Young) in their Audit Results Report.
 2. Noted the results of the public inspection of the accounts detailed in paragraph 6.3 of Report GOV20/14.
 3. Approved the Letter of Representation as detailed in Appendix 1 of Report GOV20/14.
 4. Approved the audited Statement of Accounts for 2013/14 as detailed in Appendix 4 of Report GOV20/14.

QUARTER 1 PERFORMANCE REPORT

24. The Committee considered the report from the Performance & Project Manager (Report GOV21/14, page 27).
25. The Committee were informed of an error in paragraph 2.1 which should read '*Corporate Plan*' in place of '*Operational Plan*'.
26. The Committee commented:
- The appendices to Report GOV21/14 provided a useful and detailed overview.
 - Scrutiny of performance reports, including Planning Performance, was the responsibility of the Governance Committee.
27. In response to questions officers clarified:
- The presentation of project costs could be presented in more detail, with additional information such as SDNPA contributions noted in the comments section.
 - The SDNPA was actively progressing towards using Aspireview as a single reporting mechanism in order to proactively monitor performance, and measure outcome indicators of the Partnership Management Plan.
 - There was a degree of subjectivity in the current process of setting RAG ratings, and an option could be to set Aspireview to generate RAGs and include additional commentary.
 - The lower than expected Q1 performance for major planning applications was due in part to the nature of the applications received.
28. Clarification would be sought regarding Planning performance reporting to the Governance Committee.

29. **RESOLVED:** That the Committee:
- 1) Noted and approved the Quarter 1 Performance Report GOV21/14
 - 2) Considered if it wished to make any recommendations to Policy and Programme Committee arising from report GOV21/14.

INTERNAL AUDIT PROGRESS & IMPLEMENTATION

30. The Committee considered the report from the Internal Audit Manager (Report GOV22/14, page 33).
31. In response to questions officers clarified:
- There was an error in paragraph 5.1, which should read 'is *now* planned' rather than 'is *not* planned'.
 - Income processing had been rescheduled as no current actions had been identified.
 - A summary of the Audit Plan could be included in future Internal Audit progress reports.
 - The audit report recommendations for Planning and Grant Payments had not been implemented as they had not yet reached their viable implementation dates, and were being tracked by the Business Services Manager.
32. **RESOLVED:** That the Committee considered the findings set out in the 2013/14 Audit Results Report attached as Appendix 1 to Report GOV22/14, asked questions as necessary and raised any other matters which the Committee considered relevant to the audit.

CORPORATE RISK REGISTER

33. The Committee considered the report from the Governance & Support Services Manager (Report GOV24/14, page 38).
34. In response to questions officers clarified:
- A review of the SDNPA's Risk Management practices would be brought to a future Governance Committee meeting.
 - Risk 74 'Failure of new IOI agreements to be implemented effectively across the Park' was due to be removed from the risk register.
 - Risk 66 'Objectives in NPMP not delivered due to lack of commitment by partners' had been identified in part due to the funding difficulties faced by some partner organisations. Reliance on the cooperation of partner organisations was also a potential risk, and being mitigated through ongoing engagement.
 - Risk 66 would be referred to the Policy & Programme Committee.
 - The reporting methodology for the Risk Register took the form of regular risk and mitigation discussions at senior officer level.
 - Prioritisation of the PMP delivery framework would be covered on the 30 October Member Workshop.
35. **RESOLVED:** That the Committee:
- 1) Considered and noted the Corporate Risk Register as at September 2014
 - 2) Considered if any risks should be referred to the Policy and Programme Committee.
 - 3) Agreed that Risk 66 be referred to the Policy & Programme Committee.

MEMBER ATTENDANCE AT COMMITTEES AND WORKSHOPS

36. The Committee considered the report from the Governance & Support Services Manager (Report GOV25/14, page 42).

37. The Committee commented:
- The SDNPA had no jurisdiction over Local Authority appointed Members, and Committee Chairs would need to raise any attendance issues with the Chair for discussion with the Leader of the relevant Local Authority.
 - It would be helpful to include Member attendance as a percentage figure.
 - As no action was required by the report, the information could be issued to Members and posted on the Authority website.
 - In future Member attendance could be reported annually to the AGM.
38. **RESOLVED:** That the Committee noted the record of Member attendance at committees and workshops (2013/14) in Appendix I of Report GOV25/14 and agreed that the figure be reported annually to the Authority at the AGM.
39. Committee Member Gary Marsh left the room at 12.38pm.

PROJECT EVALUATION REPORT

40. The Committee considered the report from the Performance & Project Manager (Report GOV26/14, page 47).
41. The Committee commented:
- Our South Downs was an excellent and very successful project.
42. Committee Member David Burden left the room at 12.52pm.
43. In response to questions officers clarified:
- The programme was based on a cascade learning model, and the outcome target measures had been up-scaled to reflect this.
 - Project funding for Our South Downs had ended on 31 March 2014, and the approach to the project had provided the infrastructure and networks to continue active engagement with the educational sector.
 - The Learning Zone portal's widgets provided an interactive web based resource, allowing in depth research into the portal's content.
 - Project planning included provision for a viable exit strategy, mitigation of any potential sustainability issues after the project's end, and a mid-way evaluation.
 - A summary of key learning points, and next steps could be included in Major Project evaluation reports.
44. **RESOLVED:** That the Committee:
- 1) Noted the project evaluations
 - 2) Agreed if it wished to make recommendations to officers as a result of the learning from the evaluations.

Chair

The meeting closed at 12:56pm.