

SOUTH DOWNS NATIONAL PARK AUTHORITY

GOVERNANCE COMMITTEE MEETING 24 FEBRUARY 2015

Held at the Memorial Hall, South Downs Centre, Midhurst at 10:30am.

Present:

Sebastian Anstruther	David Burden	Norman Dingemans (Chair)
Lewis Doyle (Independent Member)	Gill Mattock	Carole Nicholson (Independent Member)
Jim Sheppard	Margaret Paren (ex officio)	
Andrew Shaxson		

Officers: Trevor Beattie (Chief Executive Officer), Hélène Rossiter (Director of Corporate Services), Andrew Lee (Director of Strategy & Partnerships), Nigel Manvell (Chief Finance Officer), Louise Read (Monitoring Officer), Mark Dallen (Internal Audit Manager), Paul King (External Audit), Simon Mathers (External Audit), Mike Bleakley (Planning Services Manager), Robin Parr (Governance & Support Services Manager), Anne Bone (Cultural Heritage Strategy Lead) and Stella New (Member Services Support Officer).

APOLOGIES

78. Apologies were received from Gary Marsh.

DECLARATIONS OF INTEREST

79. There were none.

MINUTES OF PREVIOUS MEETING HELD ON 18 NOVEMBER 2014

80. The minutes of the Governance Committee meeting held on 18 November 2014 were agreed as a correct record and signed by the Chair.

MATTERS ARISING

81. In response to questions officers clarified:

- As part of the planning recruitment process a schedule of officer training including planning enquiry training was being implemented, and the timetable for this would be circulated to the Chair of the Governance Committee.
- Treasury Management training had been scheduled before the Committee meeting on 14 July 2015.
- The contract with Brighton & Hove City Council (BHCC) for Treasury Management would be made available to Members at the Treasury Management training session.

URGENT MATTERS

82. There were none.

PUBLIC PARTICIPATION

83. There were no members of the public present.

PROJECT EVALUATION REPORT

84. The Committee considered the report from the Performance & Project Manager (Report GOVI/15).

85. The Committee commented:

- With regard to the South Downs Centre project evaluation:
 - Officers were congratulated for bringing the project to completion within the revised budget and on time, and the Committee's thanks to the Project Manager and Director of Corporate Services was recorded.
 - Setting the BREEAM target at the project's outset could have facilitated the design strategy.

- The use of local suppliers and contractors should be noted under the Project Successes.
- The importance of maintaining the building to a high level of decoration and functionality.
- With regard to the Idox project evaluation:
 - Officers were thanked for a useful report.
 - The importance of including financial details for Members to fully assess projects and identify any project management lessons.
- With regard to the Weald & Downland Gateway project evaluation:
 - The importance of the SDNPA's moving away from a grant giving approach and looking at other ways of adding value.

86. In response to questions officers clarified:

- With regard to the South Downs Centre project evaluation:
 - The community groups using the South Downs Centre were largely West Sussex based.
 - The complex nature of the construction phase had required the use of two contractors.
 - The initial costing had been based on estimates, and the internal audit carried out on the project gave greater information regarding cost issues.
 - The internal audit report would be circulated to those Members who had recently joined the Committee.
 - Full survey work would be undertaken to give detailed delivery specifications for any future capital projects.
 - A report could be brought to the Committee on the building's performance now that it was in use.
- With regard to the Idox project evaluation:
 - A previous budget report to the Committee on Idox had included financial details, and Idox was now operating within budget.
 - The Idox Board met fortnightly in order to review and manage the budget.
 - A cross-functional budget management reporting structure was now in place, and the organisation was able to report more rigorously on the budget management of projects.
 - There was no implementation date for Consultee Access, and officers were working with Town and Parish Councils to give further training.
 - Future project evaluations would include a financial section.
 - Updated figures for the Idox project would be circulated to the Committee.
- With regard to the Weald & Downland Gateway project evaluation:
 - The project was deemed a good example of landscape informing planning and development, and fitted well with the National Park's Purposes
 - The Weald & Downland was a designated heritage site with a large footfall that included learning groups.
 - The Phase I funding had been given for development of the interpretation strategy and sustainable travel plan.
 - Any Phase II support would be considered after the planning application had been considered by the Planning Committee.
 - The SDNPA was now well placed to offer valuable project support in terms of knowledge base, skills and policies.
 - The importance of valuing officer time and involvement in partnership working.

- With regard to the White Lion Dew Pond case study:
 - A number of other dew ponds were being considered as small restoration projects.
 - The value for money offered by the area teams and volunteer working who carried out important small-scale project work.

87. **RESOLVED:** That the Committee

- 1) Noted the project evaluations
- 2) Agreed the following recommendation to officers as a result of the learning from the evaluations:
 - i) That future project evaluations include a financial section.

QUARTER 3 PERFORMANCE REPORT

88. The Director of Corporate Services informed the Committee that Planning Performance would now be incorporated into the Quarterly Performance Report, and welcomed the Chair of the Planning Committee who had been invited to attend the meeting.

89. The Committee considered the report from the Performance & Project Manager (Report GOV2/15).

90. The Committee commented:

- Their concerns regarding:
 - The manual inputting of RAG statuses in Aspireview.
 - The difficulty of measuring objectives that lacked targets.
 - The need for more details regarding cost, funding and budget, which could be shown graphically.
 - The need for more detailed reporting on Planning Performance, to include a breakdown of called in, recovered, delegated, major and minor applications to enable proper scrutiny of the complex delegated system.
 - Planning Services accounted for half of the Authority's total budget, and could potentially impact the organisation both financially and reputationally.
 - The need to match project workload with capacity.
- Appeal decisions were a good indicator of planning performance, and could be included in planning performance reporting.
- The consultation on Preferred Options on p27 was in September 2015.
- Objective 3.3a on shared identity on p29 could include a target of 4 as denoted in Objective 4.1.3 on p30.

91. In response to questions officers clarified:

- Regarding Aspireview:
 - The system currently showed all discrepancies as amber, and officers would investigate whether projects that were under budget could be shown as green.
 - Officers would work to ensure future reports included outcome targets and more detailed financial information.
 - Officers would investigate whether milestones could be set to enhance understanding of outcomes.
- A detailed breakdown of the planning data would be provided for the Quarter 4 Performance Report.
- The delays to the Strategic Housing Market Assessment Update had now been resolved.
- The organisation was working at capacity and wished to focus on high quality outcomes rather than a high quantity of projects.
- The expertise of the organisation was in great demand.

- The ambitions and expectations of partners were often very high, and consideration needed to be given to cost and the available time of officers and Members.
- Priority needed to be given to the delivery of current projects and the Local Plan, which required cross-directorate input
- The importance of a collaborative approach both within the SDNPA and between partners to enable strategic prioritisation of new projects.
- The opportunities for partnership working and funding bids with organisations such as the Wildlife Trust, with regard to chalk streams mapping.
- The last staff survey had been carried out in 2012, and if the budget was approved by the Authority meeting in March, a new survey would be conducted in Quarter I of the new financial year.

92. **RESOLVED:** That the Committee:

- 1) Noted and approve the Quarter 3 Performance Report
- 2) Agreed the following recommendations to officers arising from the report:
 - i) That the Policy & Programme Committee and officers ensure projects continue to match capacity
 - ii) That officers provide further breakdown on planning performance
 - iii) That officers populate all Quarterly Reporting boxes in Aspireview.

BUDGET MONITORING REPORT FOR QUARTER 3, 2014/15

93. The Committee considered the report from the Chief Finance Officer (Report GOV3/15).

94. The Committee commented:

- The report provided a useful summary.
- Their concern regarding the number of virements, some of which were for large sums.
- Consultants should be deployed whenever short-term expertise was required, and Members were comfortable with the current level of consultancy, understanding that it may well rise next year due to the complex and specialist nature of projects planned.
- The Chair of the Governance Committee could share the Committee's view that the organisation's level of consultancy was acceptable during discussion of the minutes at the next Authority meeting.

95. In response to questions officers clarified:

- The Royal Bank of Scotland was no longer being used for Treasury Management.
- Regarding virements:
 - Budget virements were made as part of the normal budget setting process.
 - There was no set process for budget virements but most related to external projects with multi-annual budgets.
 - Officers would work on a risk based approach with BHCC to ascertain whether any Sustainable Communities Fund (SCF) project funds that had not been drawn down might now be available for redistribution.
 - The Community Land Trust (AirS) project had been extended to 3 years.
- Regarding reserve funds:
 - A detailed and extensive review of the reserve funds had been undertaken in the budget setting process and a report taken to the Policy & Programme Committee.
 - All reserve funds included a minimum working balance that had been considered against associated risks.
 - Sufficient funds were available in the vehicle estate reserve fund.

- The General Reserve currently held around £550K, which related to a 5% contingency fund as stipulated by The Chartered Institute of Public Finance and Accounting (CIPFA).
 - No further claims were expected from delegated planning authorities, and the planning fee income for 2014-15 was forecast to be £10K over budget.
 - Specialist legal advice during public inquiries and appeals for services outside the agreements with the Local Authorities accounted for the overspend on Planning Services legal advice.
 - The spend on consultancy fees related mainly to the deployment of specialist consultants for IT, the Local Plan and planning appeals.
 - Although consultants were deployed on a short term basis for specific projects, they could add to the organisation's strong base of collective learning and knowledge.
 - The budget had been split by directorate, and Sustainable Futures fell under the Planning Directorate.
 - Significant work was carried out by other directorates that also contributed to the delivery of Planning work.
 - The accuracy of budget forecasts was improving.
96. **RESOLVED:** That the Committee noted the forecast financial position as at Quarter 3 and the mitigating action as detailed in section 5 of Report GOV2/15.

AUDIT PROGRESS REPORT 2014/15 AND SECTOR BRIEFING

97. The Committee considered the report from the External Auditor (Report GOV4/15).
98. Independent Member of the Committee Lewis Doyle noted that he had previously dealt with the External Auditor (Paul King and Simon Mathers of Ernst and Young) as an Audit Committee member of the Brighton & Sussex University Hospitals NHS Trust.
99. **RESOLVED:** That the Committee considered the progress report and sector briefing and asked questions as necessary

RESULTS OF THE PLANNING CUSTOMER SURVEY

100. The Committee considered the report from the Planning Services Manager (Report GOV5/15).
101. The Committee commented:
- Committee Member Sebastian Anstruther reminded the Committee that he was a major user of the SDNPA Planning service.
 - The figures were very positive, and working to improve them was a high aspiration.
 - The overall statistics lacked finer detail, and whilst customers were not dissatisfied with outcomes improvements were needed in processing time and communications.
 - The importance of using SMART (Specific, Measurable, Achievable, Realistic & Timebound) outcomes.
 - The next survey was not due until 2017-18 and a proactive mini-survey could be carried out in the meantime.
 - An improvement plan should be brought back to the Committee earlier than the proposed 18 months' time.
102. In response to questions officers clarified:
- Targets had been set in the new Corporate Plan, with 5% increases in customer satisfaction.
 - A detailed improvement plan would be developed with individual teams, and outcomes integrated into officers' annual Personal Development Reviews.

- Random case studies would be conducted in individual cases via a survey card included with decision notices.

103. **RESOLVED:** That the Committee:

- 1) Noted the outcomes from the 2014 Planning Services Customer Survey and the consequential 2015/16 Customer Survey Improvement Plan, as set out in Appendix I of Report GOV5/15
- 2) Agreed that progress be reviewed at a Governance Committee meeting earlier than the suggested 18 months' time.

INTERNAL AUDIT PROGRESS AND IMPLEMENTATION REPORT

104. The Committee considered the report from the Internal Audit Manager (Report GOV6/15).

105. In response to questions officers clarified:

- The Planning Income recommendation was considered to have been not yet implemented due to the analysis of delivery against the agreed Service Level Agreements (SLAs), which was scheduled for audit next year.
- Consideration would be given to changing the Assurance Category of Treasury Management to 'Full'.
- A time recording exercise would be undertaken this year in preparation for negotiations for the next S101 agreements.
- An audit of the organisation's whistleblowing policy could be undertaken in place of Capital Accounting.

106. **RESOLVED:** That the Committee

- 1) Noted progress against the Internal Audit Strategy and Annual Plan and the implementation of recommendations previously made
- 2) Approved the deletion of the audit of Capital Accounting from this year's audit work plan
- 3) Agreed that an audit of the SDNPA's policy on Whistleblowing be included in this year's audit work plan.

INTERNAL AUDIT STRATEGY AND PLAN 2015/16

107. The Committee considered the report from the Internal Audit Manager (Report GOV7/15).

108. The Committee commented:

- The importance of viewing audits as helpful exercises.

109. In response to questions officers clarified:

- Most priority areas, including financial control and budget monitoring, were normally covered by a three-year plan.
- The Corporate Governance Arrangements audit had been carried out this year.
- Future reports would include a summary of audits from the previous year to show direction of travel.
- The Business Continuity audit needed to remain in 2015-16 as operating from one main site now incurred a greater risk.
- The audit of Declarations of Interest, Gifts and Hospitality could require less than 3 days to complete, and be delayed until 2016-17.
- A new system was in place for Project and Programme Management and the Awarding of Grants and time was needed for this to come into full operation; however both audits could be brought forward; the Project Management audit to the end of 2015-16 and the Awarding of Grants to the first part of the financial year 2016-17.

110. **RESOLVED:** That the Committee approved the Internal Audit Strategy and Annual Plan for 2015/16 subject to the following:
- i) That the Declarations of Interest, Gifts and Hospitality audit be delayed to 2016-17, with the request that the Audit Manager consider whether the number of audit days can be reduced to 2
 - ii) That the Project and Programme Management audit be brought forward as one of the last audits to be undertaken in the financial year 2015-16
 - iii) That the Awarding of Grants audit be one of the first audits to be undertaken in the financial year 2016-17

CORPORATE RISK REGISTER

111. The Committee considered the report from the Governance & Support Services Manager (Report GOV8/15).
112. The Committee commented:
- The importance of including any risk mitigation actions in reports.
 - Whether risks that did not require any actions needed to be reported given current workload and resources.
113. In response to questions officers clarified:
- Mitigation actions had been included in the mitigations column, and the actions column detailed further work being done to bring risks to a more acceptable level.
 - The risk register and process was reviewed monthly by both Heads of Team and the Senior Management Team.
 - The risk register had been achieved through a process carried out by all directorates.
 - The register template had originally been designed with the standard risk categories (Strategic, Financial, Operational, Regulatory & Reputational) however discarded due to the difficulties of splitting multifaceted risks that fell into more than one category.
 - The status of Risk 37/14 was green as it denoted an action on target to be delivered.
 - Risk 05/15 was a risk encountered in the early phase of developing the Partnership Management Plan, and could be removed from the register.
 - The method of reporting could be refreshed to avoid stasis for example via a Member risk workshop.
114. **RESOLVED:** That the Committee:
1. Recommended that a review of the method of reporting risk be undertaken
 2. Noted the updated Corporate Risk Register (Appendix 2 of Report GOV8/15)
 3. Agreed there were no risks to be referred to the Policy & Programme Committee as having significant resource implications.

EVALUATION OF THE GOVERNANCE REVIEW

115. The Committee considered the report from the Governance & Support Services Manager (Report GOV9/15).
116. The Committee commented:
- The agreement of the Chair and Vice Chair of the Planning Committee could be added as a further caveat to applications being called in.
 - Regarding the wording on public speaking on p24 of the Standing Orders:
 - The words 'The SDNPA Planning Committee *is not a public meeting...*' could be included for clarification.
 - The phrase '*single subject*' was open to interpretation.
 - The paragraph was complicated could be reworded to sound less prescriptive.

117. In response to questions officers clarified:

- The wording on public speaking on p24 of the Standing Orders would be redrafted for clarification.
- The amendments to the planning committee process had been discussed and proposed by the Planning Committee, and the Governance Committee was required to approve the re-wording of the Standing Orders.
- The Terms of Reference for Member Working Groups normally included a time limit.
- The following corrections would be made to the report:
 - The word '*quality*' would be removed from the Project Monitoring action on p119
 - At paragraph 7.4.3 on p22 of the report, the relevant page of the Standing Orders would be amended to *page 23 section 2.5*.
 - At paragraph 7.4.4 on p22 of the report, the relevant page of the Standing Orders would be amended to *SO 27 page 6*.

118. **RESOLVED:** That the Committee:

1. Noted the outcomes of the Officer review
2. Recommended to the NPA the clarifications set out at paras 5 & 6 of Report GOV9/15 for adoption, as amended at the meeting.
3. Recommended to the NPA the appointment of the Chair and Deputy Chair of the Planning Committee as ex-officio (non voting) members of the Governance Committee
4. Recommended to the NPA approval of the changes to Standing Orders set out at paragraph 7 of Report GOV9/15 and agreement of the adoption of the revised Standing Orders, and as further amended at the meeting, at Appendix 1 of Report GOV9/15.

Chair

The meeting closed at 1:34pm.