

**Unconfirmed minutes – to be confirmed at the next meeting of the Committee**

**SOUTH DOWNS NATIONAL PARK AUTHORITY**

**GOVERNANCE COMMITTEE MEETING 14 JULY 2015**

Held at the Memorial Hall, South Downs Centre, Midhurst at 11:32am.

**Present:**

|                             |                          |                                       |
|-----------------------------|--------------------------|---------------------------------------|
| Sebastian Anstruther        | Norman Dingemans (Chair) | Lewis Doyle (Independent Member)      |
| Gary Marsh                  | Gill Mattock             | Carole Nicholson (Independent Member) |
| Margaret Paren (ex officio) | Doug Jones (ex officio)  |                                       |

Officers: 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), Anne Rehill (Performance & Project Manager), Ruth James (Communications & Engagement Manager), Vicky Lawrence (Living Landscapes Manager), Bruce Middleton (Area Manager Wealden Heath), Andy Beattie (People & Places Manager), Jeremy Burgess (Area Manager Eastern Downs), Angie Blowman (Sustainable Futures Manager), Mike Bleakley (Planning Services Manager), Robin Parr (Governance & Support Services Manager), Vicky Paterson (Human Resources Manager), Jon Wayte (Safety Officer) and Stella New (Member Services Support Officer).

**ITEM 1: APOLOGIES**

1. The Director of Corporate Services chaired the meeting for Items 1 & 2.
2. Apologies were received from Jim Sheppard and David Burden.

**ITEM 2: ELECTION OF CHAIR**

3. The Monitoring Officer informed the Committee that at the Authority AGM Authority Members agreed that at the July Governance Committee its members could choose whether to elect a Chair & Deputy Chair until the AGM in June 2016 or until the 23 September 2015 Meeting. The Authority also agreed to suspend Standing Orders 8.2 for the July meeting to enable Governance Committee members to nominate themselves for the position of Chair and/or Deputy Chair at the meeting.
4. It was proposed and seconded to move to elect the Chair and Deputy Chair until the AGM in June 2016. Following a vote the proposal was carried.
5. **RESOLVED:** that the Governance Committee agreed to elect a Chair and Deputy Chair until the Authority AGM in June 2016
6. Norman Dingemans nominated himself as the Chair of the Governance Committee until the AGM in June 2016. As no other nominations were received Norman Dingemans was duly elected as Chair of the Governance Committee until the AGM in June 2016 and presided over the rest of the meeting.

**ITEM 3: ELECTION OF DEPUTY CHAIR**

7. Sebastian Anstruther nominated himself as the Deputy Chair of the Governance Committee until the AGM in June 2016. As no other nominations were received Sebastian Anstruther was duly elected as Deputy Chair of the Governance Committee until the AGM in June 2016.

**OPENING REMARKS**

8. The Chair invited Members to give consideration to joining the Strategic Priorities Task and Finish Group proposed at the recent Policy & Programme Committee.
9. Committee Member Gary Marsh stated that he wished to join the group.
10. The Chair informed all present that items 9, 10, 16 and 18 would be considered first.

**ITEM 4: DECLARATIONS OF INTEREST**

11. Carole Nicholson declared a public service interest in item 9 with regard to the ARC Project as a member of the Sussex Wildlife Trust.
12. Sebastian Anstruther declared public service interests in item 9 with regard to the ARC Project as Chairman of the Arun & Rother Rivers Trust, and in item 10 with regard to the Ecosystems Services Project, also as Chairman of the Arun & Rother Rivers Trust, and stated that he was a heavy user of the SDNPA planning services, as detailed in minute 24.

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**ITEM 5: MINUTES OF PREVIOUS MEETING HELD ON 24 February 2015**

13. With the amendment of minute 106:
- The replacement of 'Planning Income' with 'Treasury Management' in bullet 2
  - The replacement of 'S106 agreement' with 'S101 agreements' in bullet 3
- the minutes of the Governance Committee meeting held on 24 February 2015 were agreed as a correct record and signed by the Chair.

**ITEM 6: MATTERS ARISING**

14. In response to questions officers clarified:
- The staff survey would close on 17 July 2015.
  - The risk based assessment of the SCF project funds had been completed and the total virements now included the redistributed funds.

**ITEM 7: URGENT MATTERS**

15. There were none.

**ITEM 8: PUBLIC PARTICIPATION**

16. There were no members of the public present.

**ITEM 9: PROJECT EVALUATION REPORT**

17. The Committee considered the report from the Performance & Project Manager (Report GOV10/15) and commented:
- The project evaluations were thorough and helpful.
  - The inclusion of an agreed benchmarking system would assist Members in evaluating the success of projects.
  - On the significant level of financial input to the Alice Holt project.
  - On the importance for the Committee to fully understand the nature of the relationships between key partners and Government agencies.
18. In response to questions officers clarified:
- Valuable engagement work was continuing with groups including the South Downs Land Manager Group, southdownsfood.org and the Food Enterprise Zone, and reference to the Sustainable Farming delivery partnership would be removed.
  - With regard to the Sustainable Communities Fund (SCF) Grant Management System
    - Following the budget setting and realignment of the SCF grant processes, the new Grant Management System was being developed to streamline the process and track SCF project outcomes.
    - In addition, the system's capacity was being further developed to administer Community Infrastructure Levy (CIL) and S106 funds.
    - The current administrative process of SCF grants would continue until the launch of the new system at the end of 2015.
    - The comment box could be expanded to explain the above points.
  - With regard to the Alice Holt Forest Centre project:
    - Members had supported the redevelopment of the visitor facilities as Alice Holt was an important gateway to the National Park.
    - The project pre-dated the Shared Identity, however the quality of the interpretation was very high.
    - The volunteers at Alice Holt were now affiliated with the South Downs Volunteer Rangers, and their development and support was of mutual benefit.
    - £10K of funding had been withheld whilst officers took forward strategic discussion with the Forestry Commission with regard to volunteering potential on the site.
  - Development of the ARC Explorer app was not considered to be a type of project that was likely to be repeated in future.

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- A report could be brought to a future meeting of the Governance Committee reviewing the relationships and use of resources in regard to key partnership working on projects.
- A report could be brought to a future meeting of the P&P Committee to consider the Authority's strategic relationships with key partners, and future resourcing implications.

**19. RESOLVED:** That the Committee:

- 1) Noted the project evaluations
- 2) Agreed recommendations to officers as a result of the learning from the evaluations
- 3) Noted the improvement plan

**ITEM 10: YEAR END PERFORMANCE REPORT FOR 2014/15**

20. The Performance & Project Manager requested feedback from the Committee with regard to a new presentation format for Key Achievements, and a map plotting the size and location of projects.
21. The Committee commented:
  - The format provided a useful output summary and would be a helpful way of presenting the information to the public.
  - More information was required with regard to benchmarks and variances in order to fully understand performance.
  - On the importance of ensuring specific numbers were correct, and the inclusion of a date, or the use of rounded figures would be prudent.
22. Performance summaries relating to Partnership Management Plan (PMP) indicators, Major Projects, Grassroots projects, Planning, the Corporate Plan, and Complaints, Comments and Compliments were presented to the Committee by the Lead Officers.
23. The Committee considered the report from the Performance & Project Manager (Report GOV I I/15), and presentation, and commented:
  - On the importance of outreach, and if focus could be given to attracting more youth volunteers.
  - The risk of delayed planning decisions could affect the reputation of the National Park, however sufficient permanent staffing resource had now been secured.
  - Questioning if other solutions could be sought aside from agreeing deadline extensions, to determine applications quicker
  - Time statistics might not be the best way of measuring planning decisions, given the importance of quality outcomes, adding value and the engagement of local communities.
24. Committee Member Sebastian Anstruther declared a public service interest in the item as Chairman of the AART, who were partners in the Ecosystems Services project, and stated that he was a heavy user of the SDNPA planning services.
25. In response to questions officers clarified:
  - Officers were using the Take the Lead campaign to engage with partnering Local Authorities, who had greater jurisdiction and resources, to jointly tackle issues in rural areas.
  - The SDNPA sought to reduce the amount of pressure on water abstraction whilst increasing the quality of available water.
  - Clarification would be sought with regard to the figures quoted for the percentage of water bodies achieving 'good' or high 'status', which Members felt were low.
  - Only organisations that had received SDNPA funding were permitted to use the SDNPA Logo.
  - SDNPA partners used the Shared Identity and all users were required to sign a licensing agreement for its use. The Identity was protected through trade mark and design registration and legal protection was in place to ensure against any potential misuse.

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- Work on investigating sources for income generation would be commencing, and would include consideration of a number of potential income streams including charitable giving, sponsorship, and commercial sources
  - Following abolition of the national indicator for visitor numbers, Local Authorities collected visitor number data in varying ways. SDNPA volunteers had commenced a 5% survey of the network, and by 2016 2 years' of comparative data would be available for Members' consideration.
  - The total funding for Grassroots projects would be included in future reports.
  - A report on the SDNPA's policy for local food procurement could be brought to a future meeting of the Committee.
  - With regard to Planning Performance:
    - Future reports on Planning Performance would include the total number of new homes built, and the percentage of affordable homes where these were available.
    - In cases where application decisions were likely to miss the target deadline, an agreed extension of the deadline date allowed more applications to be decided within the Government timeframe.
    - Government targets would be included in future reports.
    - The SDNPA would remain focused on major applications, and would include minor and other applications if there was direction from Government to do so.
    - Recent vacancies within the Development Management team would filled as of next week, and performance during the next quarter should therefore improve.
26. **RESOLVED:** That the Committee noted and approved the Quarter 4 and 2013-2014 year end performance report.

**ITEM 16: ANNUAL GOVERNANCE STATEMENT AND UPDATED LOCAL CODE OF CORPORATE GOVERNANCE**

27. The Governance & Support Services Manager informed the Committee that the wording of paragraph 3.12 Risk Management 'being adopted *by the Governance Committee*' was an error and would be removed, and that that in paragraph 4.2 the '*Head of Internal Audit*' would be amended to '*Principal Audit Manager*' for accuracy.
28. In response to questions officers clarified:
- The wording of paragraph 3.12 Risk Management would be amended to read 'being adopted by the *Senior Management Team*'.
  - A budget line existed for Member training events.
29. **RESOLVED:** That the Committee:
- 1) Approved the Annual Governance Statement for 2014-15, as amended at the meeting, to accompany the authority's statement of accounts; and
  - 2) Noted the updated Local Code of Corporate Governance.

**ITEM 18: REPORT OF THE MEMBER COMPLAINTS HANDLING PROCEDURES WORKING GROUP**

30. Committee Member Sebastian Anstruther introduced the item as a member of the Member Complaints Handling Procedures Working Group. He informed the Committee that the revised process was more transparent and streamlined, and gave equality of treatment to both the Member who was the subject of the complaint, and the complainant.
31. The Committee considered the report from the Governance & Support Services Manager (Report GOV19/15 and commented:
- Their thanks to the officers and Members involved, and their support for the revised process, which could be further fine-tuned in time.
  - The clarity of the process flow chart, and time frame.
  - Members would find a workshop on the subject valuable to their future training.

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32. **RESOLVED:** That the Committee
- 1) Noted the outcomes of the Member Complaints Handling Procedures Working Group's considerations; and
  - 2) Agreed that the revised Arrangements for Assessment, Investigation and Determination of a Complaint that a Member has failed to comply with the Members' Code of Conduct set out in Appendix I of Report GOV19/15 be recommended to the National Park Authority for approval.
33. The Chair adjourned the meeting at 1.40pm
34. The meeting reconvened at 2.15pm.
35. Independent Committee Member Carole Nicholson left the meeting at 2.15pm.
36. Independent Committee Member Lewis Doyle left the committee table at 2.15pm.

**ITEM 11: EXTERNAL AUDIT PLAN 2014/15**

37. The Committee considered the report from the External Auditor (Report GOV12/15) and commented:
- The importance of consistent methodology across the audit approach.
  - It was reassuring to note that previous concerns raised by the Committee with regard to Planning income had been largely resolved.
38. In response to questions officers clarified:
- A market valuation of the South Downs Centre building had been carried out and found to be less than the cost of the building's renovation, and research would be undertaken to understand the differentiation in figures.
  - The percentage based figures quoted in 5.3 Materiality were intended to designate a level of triviality, and could be rounded down.
39. **RESOLVED:** That the Committee considered and noted the 2014/15 Audit Plan and identified any matters which they considered may influence the audit plan.

**ITEM 12: ANNUAL AUDIT FEE LETTER 2015/16**

40. The External Auditor informed the Committee that there was no 25% reduction in the fee as was the case for some local public bodies as the fee fell below £20K.
41. The Committee considered the report from the Internal Audit Manager (Report GOV13/15).
42. **RESOLVED:** That the Committee noted the 2014/15 Fee Letter.

**ITEM 13: PROVISIONAL OUTTURN 2014/15**

43. The Committee considered the report from the Chief Finance Officer (Report GOV14/15) and commented:
- Whether a move to paperless meetings could reduce costs whilst providing environmental benefits.
  - Other local authorities had found the provision of ipads and associated technical support to be less cost effective than paper dispatches.
  - Some Members preferred paper copies that could be annotated.
44. In response to questions officers clarified:
- The Corporate Services overspend of £37K related to costs incurred on moving to the South Downs Centre, including seating for audiences in the Memorial Hall, which had been balanced by the underspend on IT cabling.
  - The overspend related to budgeting rather than cost control issues.
  - The printing of meeting papers had been cost-effectively outsourced to Arun District Council
  - Consideration would be given for Members to be able to opt in to paperless dispatches.

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45. Independent Committee Member Lewis Doyle re-joined the committee table at 2.30pm.

46. **RESOLVED:** That the Committee:

- 1) Noted the provisional outturn position for both revenue and capital budgets for the financial year 2014/15.
- 2) Noted the budget carry forwards to 2015/16 approved by the Policy & Programme Committee on 2 June 2015 totalling £598,000:

|                        |          |
|------------------------|----------|
| Local Plan             | £120,000 |
| IT Systems             | £102,000 |
| Neighbourhood Planning | £71,000  |
| Miscellaneous Projects | £159,000 |
| Staffing commitments   | £30,000  |
| Other commitments      | £41,000  |
| Purpose & Duty         | £75,000  |

47. Ex officio Member Margaret Paren left the meeting at 2.35pm.

**ITEM 14: UN-AUDITED STATEMENT OF ACCOUNTS 2014/15**

48. The Committee considered the report from the Chief Finance Officer (Report GOV15/15) and commented upon the importance of the timely processing of payments which was supported by Government and improved cash flow to the local economy.

49. In response to questions officers clarified:

- Clarification would be sought with regard to details of the short term creditors referred to at paragraph 13 of the Statement of Accounts.
- Detailed information on both revenues and performance were brought to the Committee as quarterly reports.
- Aged analysis would be included in the next report in order to provide more context.
- There was a policy for the settling of bills within 30 days.

50. **RESOLVED:** That the Committee noted the draft Statement of Accounts for 2014/15 as shown in Appendix 2 of report GOV15/15 and noted that these are subject to audit by the external auditor and public inspection.

**ITEM 15: INTERNAL AUDIT ANNUAL REPORT AND OPINION 2014/15**

51. The Committee considered the report from the Chief Finance Officer (Report GOV16/15).

52. The Committee commented:

- Their concern that no audit areas had been categorised as having 'full assurance', and whether recommendations could be given showing how the SDNPA could reach a 'full assurance' rating.
- The inclusion of any audit report recommendations would be helpful to Members.
- Whether departments were being sufficiently supported to enable progress from a 'reasonable' rating towards a 'substantial' rating.
- Whether reports with 'limited assurance' could be brought informally to Members by the auditors prior to committee meetings, as frequently practiced elsewhere.
- The substantial risk of the IT role being carried out by a single member of staff, given that IT was a critical element of the organisation.

53. In response to questions officers clarified:

- Specific reports had been given directly to Members in the past but not as a matter of course.
- Officers worked closely with the auditors who provided very helpful advice in how improvements could be made.

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- With regard to Planning Income:
  - Paragraph 3.1 of the report should read '2013-14' and not '2014-15'.
  - Planning Income was a complex matter and sample testing of key controls had been carried out to establish the direction of travel.
  - Indication of direction of travel had been included at the Committee's request, and due to a variety of factors did not always assure a higher category would be awarded or that recommendations would not be repeated.
  - Unless 100% testing could be carried out, against a backdrop of a static Planning Income system where controls could remain unchanged, full assurance could not be given.
- With regard to IT
  - The IT contract had been retendered, and the IT Lead's role upgraded to that of ICT Strategy Manager, to act as an internal business analyst in order to make the required improvements in policy direction and security.
  - Provision had been made in the 2015-16 Internal Audit to include IT, so that the new structure could be measured against the limited assurance that had been given in 2014-15.
  - The IT Strategy Manager was assisted by a Deskside Assistant employed by Amicus ITS.
  - An IT apprenticeship had been identified as a potential additional resource, however this post had not been included in the budget or organisational structure for 2015-16.
  - IT was one of several teams that could be considered as a 'single point of failure' risk within SDNPA and any extra resource would have a cost implication.
  - A review of IT was being brought to the next meeting of the P&P Committee.
  - An IT progress update would be brought to the next meeting of the Committee.
  - IT would be added to the corporate risk register.

54. **RESOLVED:** That the Committee noted the content of the report and, specifically,  
1) The Internal Audit Opinion for 2014/15 attached as Appendix 1 to report GOV16/15  
2) The Internal Audit coverage and issues emerging.

55. Committee Member Gary Marsh left the meeting at 3.16pm.

**ITEM 17: CORPORATE RISK REGISTER**

56. The Committee considered the report from the Governance & Support Services Manager (Report GOV18/15).
57. The Committee commented:
- Whether the P&P Committee would be able to action any concerns raised with regard to Risk 9 PMP objectives and alignment of partner organisations.
  - The Governance Committee was best placed to give consideration to the delivery of the PMP objectives and alignment of partner organisations.
58. In response to questions officers clarified:
- Risk 2 Insufficient Budgets would be considered by the new Strategic Priorities Task and Finish as proposed at the recent Policy & Programme Committee.
  - With regard to Risk 10 Planning fee income, benchmarking figures would be included in the next Planning Income report if available.
  - An overnight IT backup was performed daily as part of the contract, which offered a high level of business resilience.
  - The Corporate Risk Register could be considered earlier in the agenda at future meetings of the Committee.

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59. **RESOLVED:** That the Committee:

- 1) Considered and noted the Corporate Risk Register as at June 2015
- 2) Considered that no risks should be referred to the Policy and Programme Committee.

**ITEM 19: ANNUAL HEALTH & SAFETY REPORT 2014/15**

60. The Committee considered the report from the Human Resources Manager (Report GOV20/15).

61. In response to questions officers clarified:

- Risk assessments of lone working had been carried out, and the structure was now in place for training in personal safety to be rolled out this year.
- There was no single national safety strategy for lone working.
- A consistent policy for lone working was being developed across the National Park, and work requiring chainsaws and ladders was not done alone.
- A strategy for lone working had been developed with the Minerals & Waste planning team and could be used as a model for other National Parks.
- Off-road training was given to those required to drive land rovers.
- There were currently no cases that required health surveillance due to protracted chainsaw use.
- Differentiation was made between long and short term sickness.
- Required benchmark standards would be provided in the next report to the Committee.

62. **RESOLVED:** That the Committee noted the report and the continuing improvements in the overall safety management of SDNPA, and endorsed the proposals for further priorities and actions.

**Chair**

63. The meeting closed at 3:34pm.