

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

**SOUTH DOWNS NATIONAL PARK AUTHORITY  
GOVERNANCE COMMITTEE MEETING 21 FEBRUARY 2017**

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

Present:

Sebastian Anstruther	Vaughan Clarke	Norman Dingemans (Chair)
Lewis Doyle (Independent Member)	Gill Mattock	Carole Nicholson
Jim Sheppard		

Ex Officio Members: Margaret Paren

SDNPA Officers: Trevor Beattie (Chief Executive), Andrew Lee (Director of Countryside Policy and Management), Tim Slaney (Director of Planning), Alan Brough (Head of Business Services), Nigel Manvell (Chief Finance Officer), Louise Read (Monitoring Officer), Kathleen Downes (Internal Audit), Robin Parr (Head of Governance), Anne Rehill (Performance and Project Manager), & Rebecca Haynes (Governance Officer),

Also attended by: Kris Mc Grath (External Audit)

**OPENING REMARKS**

105. The Chair informed those present that: SDNPA Members had a primary responsibility for ensuring that the Authority furthers the National Park Purposes and Duty. Members regard themselves first and foremost as Members of the Authority, and will act in the best interests of the Authority and of the Park, rather than as representatives of any interest groups.

**ITEM 1: APOLOGIES FOR ABSENCE**

106. Apologies were received from: Karen Roberts and Ex Officio members Neville Harrison and Alun Alesbury.

**ITEM 2: DECLARATIONS OF INTEREST**

107. There were none.

**ITEM 3: MINUTES**

108. The minutes of the meeting on 24 November 2016 were agreed as a correct record and signed by the Chair.

**ITEM 4: MATTERS ARISING**

109. Minute 85: A Committee member was uncomfortable with the wording of the last paragraph and that the Committee should agree the scope of individual audits. It was noted that the Committee were asked to agree the audit work plan and could raise any issues or areas of concern when the final audit work plan was to be approved by the Committee. It was agreed that further detail could be included in the supporting text of the audit work plan in the future.

110. Minute 99: The Chair confirmed that the Working Group had met and a survey had been circulated. A Member workshop had been scheduled for 30 March 2017 where the findings from the research work undertaken, the survey, and the feedback from the Governance Review Task & Finish Group would be presented. At the workshop Members would be asked to consider the findings and the next steps in taking forward any actions/delivery plan. It was agreed that the details of the workshop would be shared with the Governance Committee prior to the session.

**ITEM 5: URGENT MATTERS**

111. There were none.

**ITEM 6: PUBLIC PARTICIPATION**

112. There were no requests from members of the public to address the committee.

**ITEM 7: BUDGET MONITORING REPORT FOR QUARTER 3 2016-17**

113. The Chief Finance Officer presented report GOV01/17 and it was clarified that:

- Landscape advice: Demand for landscape advice varied considerably; the Authority had 2 landscape officers, following the restructure one officer successfully applied for a different role which resulted in a landscape officer vacancy. During periods of high demand, such as the Local Plan evidence based work and A27 consultation responses

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

along with the general work required by the recovered planning services it was necessary to undertake the services of consultants to manage costs and allow for future planning.

- CIL: The Authority did not budget for the CIL implementation system as it did not wish to commit to a large sum of money until it was likely the SD Local Plan would be found sound. Following this and the improved medium term budget position, it was decided that there was sufficient budget flexibility to purchase the system in advance of CIL implementation.

114. The Committee considered the report and commented:

- Whilst being sympathetic to having a lean organisation model, the Committee would need to be convinced that the use of consultants was good value for money
- It was pleasing to see the overspend was reducing.

115. In response to questions officers clarified:

- The South Downs Local Plan was landscape lead and underpinned many policies. At the current time the long term demand for landscape advice was unknown. The service was currently reviewing the long term need for landscape advice and whether the current level was required on an on-going basis. This would inform the most cost effective method of providing this service in the future, which could include employing a permanent member of staff
- There was mobility in the budget and a £33k net overspend was a good result
- The Authority had an annual investment strategy which was agreed annually; Brighton & Hove City Council invested money on the Authority's behalf.

116. Authority Members had previously approved £150k for the Centurion Way project. It was announced today that Coast to Capital had given the Authority £75k stage 1 monies which would be offset from the £150k already allocated. The payment of funds showed the Commitment from Coast to Capital, in the project and showcased the merits of having ready to go projects.

117. **RESOLVED:** That the Committee noted:

1. The 2016/17 forecast overspend position of £33,000 as at Quarter 3
2. The current Treasury Management overview and position

**ITEM 8: EXTERNAL AUDIT PROGRESS UPDATE**

118. The External Auditor updated the Committee on the following:

- In preparation for the earlier sign off deadlines in 2018 the Auditors had pushed to bring forward the majority of their work where possible. This meant that they were able to deliver the audit plan at the last Governance Committee, which was three months earlier than in previous years.
- Since the last meeting the Auditors had been able to complete all of their planning requirements including setting the scope and strategy of the audit and performing their annual walkthroughs of key systems.
- The external auditors had resources in place, and an agreement with Brighton & Hove City Council, that they would aim to complete the majority of the final audit work in June 2017 as practice for a July sign off in 2018.

**ITEM 9: INTERNAL AUDIT PROGRESS AND IMPLEMENTATION REPORT**

119. The Committee considered report GOV02/17 and commented that the full Audit report had been circulated to the Committee Chair and Independent Members of the Committee. It would be helpful to include the Deputy Chair of the Committee in the distribution list;

120. A Member suggested that to ensure actions were taken on reviewing and refreshing key documents, to have the Financial Regulations and Financial Procedures brought to this committee on an annual basis.

121. In response to questions, officers clarified:

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

- Page 27 Planning Income: The meeting with Brighton & Hove City Council had been delayed due to staff absence; the meeting had been rescheduled for 28 February 2017
- Overdue Recommendations: The recommendations had been agreed by officers and many were resolved during the course of the Audit. The Authority was satisfied officers would be able to meet the timescales. Planning SLAs had elements outside the SDNPAs control as were largely dependent on partner authorities, however these were being managed.

122. **RESOLVED:** That the Committee:

1. Noted progress against the Internal Audit Strategy and Annual Plan (2016/17) and the implementation of recommendations previously made.
2. Agreed to add the Deputy Chair of the Committee to the distribution list for receipt of the full Audit report.
3. To receive the annual review/refresh of Financial Regulations and Financial Procedures.

**ITEM 10: INTERNAL AUDIT STRATEGY AND ANNUAL PLAN 17/18**

123. The Internal Auditor presented report GOV28/16 and clarified:

- BHCC were joining a shared service with East Sussex County Council and Surrey County Council called 'Orbis'. They might be some branding changes but continuity of service would be maintained

124. The Committee commented:

- Detailed Internal Audit Plan: It was requested that the Corporate Governance Arrangements be delayed in order to allow time for the Governance review to be implemented
- Service Performance Targets: The staff indicator percentage of 80% was acceptable, however there was a need to ensure the balance was qualified with experience
- There was a concern regarding cyber security and the potential of hackers in the banking systems and the need for the Committee to receive assurance that BHCC were providing those audits.

125. In response to questions, officers clarified:

- Orbis was effectively a Joint Committee of all partner authorities within the shared service but BHCC would keep their individual independence
- Detailed Internal Audit Plan: Comments from the committee were welcomed on the Plan
- 3 Year Audit Plan: Previous committee decisions asked for IT to be audited each year as it had been a problem area in the past. It had a wide remit and a range of audits were carried out which were not duplicated each year
- Service Performance Targets: Customer satisfaction surveys were issued every year and the analysis of those surveys formed the 90% target  
The staff indicator was a benchmark through CIPFA. There was a cost implication to have every staff member qualified and there was not a need to have all qualified officers. The percentage could include those working towards qualifications which would increase the percentage value
- External Assessments: There was a requirement for an external assessment of internal audit once every 5 years. This was a requirement of the Public Sector Internal Audit Standards. The SDNPA was not charged for this assessment and the assessment would be arranged by Orbis Internal Audit (Brighton and Hove City Council). The Governance Committee would be kept informed about the arrangements for the review and the Committee Chair would be consulted on the scope of the review as a key customer of the service. The findings from the review would be reported back to the Governance Committee. Once a new leadership was in place internal procedures would be reviewed
- Cyber Security: The Authority's banking system was held through BHCC, therefore that information was not held within the SDNPA IT system. Lloyds Bank held the BHCC account and they had assurances around financial security and against breaches within

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

the Lloyds banking group. As BHCC processed funds on behalf of the SDNPA the BHCC Audit could be shared with the Governance Committee.

126. It was agreed to investigate the risks of cyber security in the banking systems.
127. **RESOLVED:** That the Committee approved the Internal Audit Strategy and Annual Plan (2017/18):

**ITEM 11: CORPORATE RISK REGISTER**

128. The Head of Governance presented report GOV04/17 and clarified that:
- Risk 8: Business Continuity had undertaken its first review; the plan would be updated to reflect the outcomes
  - Risk 3 on CIL had been amended to reflect the implementation of CIL and included the possibility of legislative changes to CIL
  - Work had begun on considering the potential risks arising from the establishment of the charitable trust. The current scoring indicated that it would not be included on the corporate risk register but would be managed through the corporate strategy risk register in line with the risk management guidance.
129. The Committee agreed Risk 17 Brexit Transition was required to be referred to the P&P Committee as it had a major impact in the Authority's work.
130. **RESOLVED:** That the Committee:
1. Noted the Corporate Risk Register as at February 2017
  2. Considered that Risk 17 should be drawn to the attention of the Policy and Programme Committee.

**PROJECTS, PERFORMANCE, EVALUATIONS & REVIEWS**

**ITEM 12: STANDING ORDER UPDATES**

- The Committee considered report GOV05/17 from the Monitoring Officer and commented on their concern regarding the internal appointment process and having a system that could exclude external input. Greater credibility would be given to the process if the Authority compared against external candidates.
131. In response to questions officers clarified:
- The Appointment and Management Committee was subject to the same statutory provisions as the Authority's other Committees in regard of publication of agendas, however it was anticipated that the subject matter of the agenda would mean that private session was required for most if not all meetings.
  - The NPA had previously agreed and delegated the process of recruitment and appointment of the Chief Executive Officer to the Appointment and Management Committee. The proposed revisions primarily related to the recruitment and appointment of the Chief Finance Officer and the Monitoring Officer. The report also proposed that the decision whether to make the appointment of a Chief Executive Officer exclusively from among the existing officers of the Authority be delegated to the Appointment and Management Committee, and in relation to the appointment of a CFO or MO this decision be delegated to the Chief Executive Officer in consultation with the Chair of the Authority.
  - Legislation allowed for internal recruitment
  - In response to the Committee's preference for Standing Orders to prevent any internal recruitment of statutory chief officers, it was explained that this would be inappropriately restricting the Authority's exercise of discretion. Instead, wording could be included to make it clear that internal recruitment should not normally take place
132. Following discussion the Committee agreed to:
- Appointment & Management Committee Terms of Reference: ToR no 6 should be clarified with Defra as responsibilities had been taken back from Natural England
  - Chief Executive Officer, Chief Finance Officer and Monitoring Officer Recruitment: Take out references to internal recruitment processes and amend the wording as necessary

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

to ensure that only the NPA could make a decision concerning internal recruitment of these statutory chief officers.

133. It was proposed and seconded to vote to approve further amendments to appendix I to report GOV05/17 as detailed in minute 132 and recommend the revised Standing Orders to the NPA for adoption. Following a vote the proposal was carried.
134. **RESOLVED:** That the Committee considered the proposed changes to the Authority's Standing Orders for Regulation of Authority Proceedings and Business set out at Appendix I to report GOV05/17 and:
1. Approved further amendments to the revised Standing Orders as set out in minute 132
  2. Recommended the revised Standing Orders to the National Park Authority for adoption

**ITEM 13: UPDATES TO LOCAL CODE OF CORPORATE GOVERNANCE**

135. The Committee considered the report GOV06/17 from the Head of Governance. It was noted that the signing off of the code was delegated to the Chief Executive Officer in consultation with the Governance Committee Chair, however it was a requirement that major changes to the code were reported to the Committee. The report drew attention to a major change arising from new CIPFA guidance which introduced a new set of principles to provide evidence against.
136. **RESOLVED:** That the Committee noted the updated local Code of Corporate Governance as approved by the Chief Executive in consultation with the Chair of the Governance Committee

**ITEM 14 APPOINTMENT OF INDEPENDENT PERSON UNDER THE LOCALISM ACT**

137. The Committee considered the report GOV07/17 from the Head of Governance. It was noted that following the Authority's decision to appoint two independent people for member standards it was necessary to recruit a second individual and to establish a task and finish group to undertake the work.
138. It was agreed to appoint Sebastian Anstruther, Vaughan Clarke and Carole Nicholson to the Task and Finish Group.
139. **RESOLVED:** That the Committee
- 1) Established a Task and Finish Group with the following membership and terms of reference:
    - (i) Membership comprising of: Sebastian Anstruther, Vaughan Clarke and Carole Nicholson
    - (ii) The Terms of Reference as set out in Appendix I to report GOV07/17 and
  - 2) Delegated to the Head of Governance in consultation with the Governance Committee Chair to approve the advert, application pack and any other documentation necessary to recruit an independent person, and to take all other appropriate steps in carrying out the recruitment process taking into account any views expressed by the Task and Finish Group

**ITEM 15 PROJECT EVALUATION REPORT**

140. The Committee considered the report GOV08/17 from the Performance & Projects Manager and commented that the Steying Dukes Project was an exemplar project and a sustainable way forward had been established. The project connected habitats as part of the Authority's response to climate change and the benefit to the community should not be underestimated. The successful outcomes of the project should be shared through the Authority's newsletter and website.
141. **RESOLVED:** That the Committee:
- 1) Received the project evaluations
  - 2) Agreed that as a result of the learning from the evaluations the successful outcomes of the project should be shared via the Authority newsletter and website

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

- 3) Agreed the learning to be added to the improvement plan

**ITEM 16 QUARTER 3 PERFORMANCE REPORT 2016/17**

142. The Committee considered report GOV09/17 from the Performance & Projects Manager. It was stated that:

- Food Enterprise Zone: Defra had initially asked to be reimbursed their £20K investment, however they were now considering the Authority's alternative spend that still assists local food and drink produce
- Planning Performance: Worthing and Adur had performance dips when they were returned to the recovered planning service.

The current Government targets (BVPI) for the data held on page 151 of the report were as follows:

- Major applications: to determine 60% of planning applications within thirteen weeks of registration
- Minor applications: to determine 65% of planning applications within eight weeks of registration
- Other applications: to determine 80% of planning applications within eight weeks of registration

143. Committee members commented:

- It was very encouraging to see the direction of travel and it was helpful to have the government targets included in the tables along with headline news
- The overall figures were useful against government targets. There was a need for robust evidence before reducing the target for appeals.

144. **RESOLVED:** That the Committee:

- 1) Received and approved the Quarter 3 performance report
- 2) Considered there were no recommendations to make to the Policy and Programme Committee arising from the report.

**ITEM 17: TO NOTE THE DATE AND TIME OF THE NEXT MEETING**

145. 27 April 2017 at 10.30am at the Memorial Hall, South Downs Centre. Midhurst.

**CHAIR**

The meeting closed at 12:30pm.