

REPORT OF THE GOVERNANCE COMMITTEE

The Governance Committee met on 23 April 2019. Attendances:

Councillor Glazier (Chair)
Councillors Godfrey Daniel, Elkin, Simmons and Tutt

1. Allocation of places on committees, sub-committees, Panel and other bodies

The County Council, at its annual meeting in May, appoints members to committees etc. In appointing members to committees the Council must comply with section 15 of the Local Government Act 1989 and subsequent Regulations. These provide that places on committees must be allocated to political groups in proportion to the number of seats on the Council held by each group, unless there is agreement, without dissent, that the provisions of the Act should not be applied.

1.2 The allocation of places to party groups must, so far as is reasonably practicable, give effect to the following principles:

- (a) not all of the seats on the body can be allocated to the same political group;
- (b) where more than half the members of the Council belong to one political group, that group shall have a majority on all committees, sub-committees, etc;
- (c) subject to (a) and (b) above, the total number of seats on the ordinary committees (including sub-committees) allocated to a political group reflects that group's proportion of the members of the Council;
- (d) subject to (a), (b) and (c) above, the number of seats on each body allocated to a political group reflects the proportion of the seats on the Council held by the group.

1.3 The rules require seats to be allocated on a proportional basis "so far as practicable" and inevitably there must be some rounding up and rounding down. It is open to the Council to review the size and number of committees and sub-committees at any time.

1.4 Members of the Cabinet may not serve on the Scrutiny Committees or the Regulatory Committee and the Leader and Deputy Leader of the Council may not serve on the Standards Committee.

1.5 The Leader of the Council appoints the Cabinet and allocates portfolios to those Cabinet Members. Political balance provisions do not apply to the Cabinet

1.6 The principle in paragraph 1.2 (c) above applies to appointments to ordinary committees (including sub-committees). Accordingly, before considering the allocation of places to political groups the Council will need to consider whether it wishes to recommend any changes in committees, including their size. The tables in Appendix 1 (circulated separately) outline proposals in relation to committees, their total membership and the number of seats on each to which the groups will be entitled following the principles set out in paragraph 1.2 above. The proposed allocation is the same as that agreed by the Council in May 2018.

1.7 The group leaders have been asked to let the Assistant Chief Executive have nominations to fill the places on committees, sub-committees, panels and other bodies

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covered in this report provisionally allocated to their group. The final list of nominations received will be circulated to members of the County Council on the day of the annual council meeting, for approval by the Council.

Other Committees and Panels

1.8 There is no obligation in relation to other committees and panels to aggregate the total number of places and to adjust allocations so that the total number of places allocated to each group reflects its proportion of the members of the Council. It is proposed that places should be allocated on a proportionate basis, unless the Council agrees to waive the political balance provisions which has been the custom for certain panels over many years.

1.9 The practical effect of the proportionality rules for a committee, panel or group of members of any given size from 3 to 12 is set out in Appendix 2, together with the list of current committees and panels to which appointments will need to be made and their membership.

Chairs and Vice Chairs of Scrutiny and Audit Committees

The Chairs and Vice Chairs of scrutiny committees and Audit Committee shall be allocated to groups in accordance to the number of seats they have on the Council. Within this allocation, the Chair of the Audit Committee shall be appointed from the members of the largest opposition group. On this basis the allocation of the 8 places would be as follows (unchanged from 2018/19):

- Conservative – 5
- Liberal Democrat – 2 (including the Chair of the Audit Committee)
- Labour – 1
- Independent Group - 0
- Independent Democrat - 0

The proposed list of Chairs and Vice Chairs to be appointed by the County Council is:

Committee	Chair	Vice-Chair
Regulatory	Conservative	
Audit Committee	Liberal Democrat	Conservative
People Scrutiny Committee	Conservative	Liberal Democrat
Place Scrutiny Committee	Conservative	Labour
Health Overview and Scrutiny Committee	Conservative	Conservative
Governance Committee	Conservative	
Planning Committee	Conservative	Conservative
Pension Committee	Conservative	
Standards Committee	Conservative	

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1.9 The Committee recommends the County Council to:

☆ (1) allocate to the political and other groups the places on, and membership of, the main committees as set out in Appendix 1;

(2) allocate places on the other committees and panels as set out in Appendix 2;

(3) allocate the chair and vice chair positions on committees as set out in paragraph 1.8.

2. Amendment to Constitution – Financial Regulations

2.1 The Council's Financial Regulations provide a framework of control, responsibility and accountability for the administration of the Council's financial affairs. A review of the Financial Regulations has been undertaken to ensure they remain relevant and fit for purpose. The proposed amendments are set out in Appendix 4. The following paragraphs set out a summary of the major changes.

2.2 Where outdated terminology, job titles, departments or regulations/publications are referenced in the Financial Regulations these have been updated to reflect current terminology/dates.

2.3 Financial limits have not been updated for a significant period of time and are now considered low in comparison with other authorities. The revised limits proposed are deemed more relevant in this financial climate taking into account the extra resource required to maintain these as they currently stand. The limits have been compared to other authorities and, having assessed the risk with amending the limits, the proposals update the limits to be in the region of other local authorities as well as being based on an analysis of the number and value of payments made in these categories. These changes will not impact on the robustness of the Council's systems and processes. In some cases, approval levels have also been revised to reflect the current structure of the Council. The table below shows the comparison across other Local Authorities.

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Council	Proposed East Sussex County Council	Brighton and Hove City Council	West Sussex County Council	Surrey County Council	Kent County Council
Write off stocks	Chief Officer up to £10,000, over £10,000 Lead Member Resources.	Not explicit in regulations.	Not explicit in regulations.	Up to £10,000 - Relevant senior leader and the Executive Director for Finance's nominee. Over £10,000 Cabinet.	Director up to £10,000.
Write off debts	Chief Officer up to £5,000. Chief Finance Officer £5,000-£10,000. Lead Member over £10,000.	All – Chief Finance Officer, if considered material, reported to Policy and Resources Committee.	Director of Finance with Director of Law and Assurance up to £15,000. Over £15,000 Cabinet Member for Finance.	Director of Finance up to £10,000. Over £10,000 Cabinet Member in Consultation with Leader.	Director up to £10,000.
Ex Gratia payments	Chief Officer up to £1,000. Chief Finance Officer with Assistant Chief Executive £1,000-£10,000. Lead member over £10,000.	Over £2,500 Chief Finance Officer.	Not explicit in regulations.	Not explicit in regulations.	Director up to £6,000. Over £6,000 Cabinet Member.

2.4 The Capital Programme Management section has been revised to reflect updated governance arrangements which have been introduced to strengthen the management and monitoring of the Capital Programme.

2.5 For future updates, it is proposed that the Financial Regulations are reviewed every three years unless there is a significant restructure or a change in legislation, in such cases the Financial Regulations will be updated in advance of the three year period.

2.6 The Council's Constitution, including the Scheme of Delegation, will need to be updated following approved amendments to the Financial Regulations. It is proposed that the authority be delegated to the Assistant Chief Executive to make the necessary amendments.

2.7 The summary of changes incorporated within the Financial Regulations is attached at Appendix 3, and the proposed updates to the Financial Regulations (changes shown in blue) are presented in Appendix 4 to this report.

2.5 The Committee recommends the County Council to:

- ☆ 1) approve the revised Financial Regulations set out in Appendix 4 to this report; and
- 2) authorise the Assistant Chief Executive to update the Council's Constitution including the Scheme of Delegation to Officers accordingly.

23 April 2019

KEITH GLAZIER
(Chair)