



ADUR & WORTHING COUNCILS

17 November 2017

**Joint Governance Committee
6.30pm on Tuesday 28 November 2017
Gordon Room, Town Hall, Worthing**

Adur District Council: Councillors George Barton (Chairman), Kevin Boram (Vice-Chairman), Carol Albury, Ann Bridges, Jim Funnell, Paul Graysmark, Barry Mear and Geoff Patmore

Worthing Borough Council: Councillors Elizabeth Sparkes (Chairman), Lionel Harman (Vice-Chairman), Paul Baker, Callum Buxton, Jane Sim, Bryan Turner, Steve Wills and Mark Withers

Agenda

Part A	Page No.
1. Substitute Members	-
Any substitute members should declare their substitution.	
2. Declarations of Interest	-
Members and officers must declare any disclosable pecuniary interests in relation to any business on the agenda. Declarations should also be made at any stage such an interest becomes apparent during the meeting.	
If in doubt contact the Legal or Democratic Services representative for this meeting.	

3. Minutes	To approve the minutes of the Joint Governance Committee meeting held on 26 September 2017, copies of which have been previously circulated.	-
4. Public Question Time	To receive any questions from members of the public. <i>(Note: Public Question Time will operate for a maximum of 30 minutes.)</i>	-
5. Items Raised Under Urgency Provisions	To consider any items the Chairman of the meeting considers to be urgent.	-
6. Mid Year Review of Treasury Management 2017-18, Adur District Council and Worthing Borough Council	To consider a report by the Director for Digital & Resources, copy attached as item 6.	5
7. Internal Audit Progress Report	To consider a report by the Acting Head of Internal Audit, copy attached as item 7.	27
8. Risk & Opportunity Management	To consider a report by the Director for Digital & Resources, copy attached as item 8.	47
9. Close Circuit Television (CCTV) Policy	To consider a report by the Director for Digital & Resources, copy attached as item 9.	55
10. Honouring links with Richebourg L'Avoue	To consider a report by the Chief Financial Officer, copy attached as item 10.	69

Part B - Not for Publication - Exempt Reports

None.

Recording of this meeting

The Council will be voice recording the meeting, including public question time. The recording will be available on the Council's website as soon as practicable after the meeting. The Council will not record any discussions in Part B of the agenda where the press and public have been excluded.

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The agenda and reports are available on the Councils website, please visit www.adur-worthing.gov.uk



ADUR & WORTHING
COUNCILS

Joint Governance Committee
Date: 28th November, 2017
Agenda Item 6

Joint Strategic Committee
Date: 5th December, 2017
Agenda Item xx
Key Decision : No
Ward(s) Affected:

MID YEAR REVIEW OF TREASURY MANAGEMENT 2017-18, ADUR DISTRICT COUNCIL AND WORTHING BOROUGH COUNCIL

REPORT BY THE DIRECTOR FOR DIGITAL AND RESOURCES

EXECUTIVE SUMMARY

1. PURPOSE

- 1.1 This report asks Members to note the Treasury Management mid-year performance for Adur and Worthing Councils at the 30 September 2017, as required by regulations issued under the Local Government Act 2003.

2. RECOMMENDATIONS

2.1 Recommendation One

The Joint Governance Committee is recommended to note this report and refer any comments or suggestions to the next meeting of the Joint Strategic Committee on 5th December 2017.

2.2 Recommendation Two

The Joint Strategic Committee is recommended to note this report.

2.3 Recommendation Three

The Joint Strategic Committee is recommended to recommend to Council to approve increases in the Prudential Indicator limits for the Operational Boundaries and the Authorised Limits for borrowing, due to the approved strategies for additional expenditure on the purchase of strategic property.

3. CONTEXT

- 3.1 This report summarises the treasury management activities and portfolio for both Adur and Worthing Councils for the half year to 30 September 2017.
- 3.2 This is one of 3 treasury management reports that are required to be presented during the financial year (see Para. 4.1.3).
- 3.3 The Councils operate balanced budgets, which broadly means cash raised during the year will meet cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.

The second main function of the treasury management service is the funding of the Councils' capital plans. These capital plans provide a guide to the borrowing need of the Councils, essentially the longer term cash flow planning to ensure the Councils can meet their capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

Accordingly, treasury management is defined as:

“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

- 3.4 The Councils' Treasury Management Strategy and Annual Investment Strategy place the security of investments as foremost in considering all treasury management dealing. By so doing it contributes towards the Council priorities set out in Platforms for our Places.

4. ISSUES FOR CONSIDERATION

- 4.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2011) is adopted by the Councils.

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Councils' treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Councils will seek to achieve those policies and objectives.
3. Receipt by the full Councils of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year.
4. Delegation by the Councils of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Councils of the role of scrutiny of treasury management strategy and policies to a specific named body. For these Councils the delegated bodies are the Joint Governance Committee and the Joint Strategic Committee.

4. ISSUES FOR CONSIDERATION

4.2 This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first part of the 2017/18 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Councils' capital expenditure (prudential indicators);
- A review of the Councils' investment portfolios for 2017/18;
- A review of the Councils' borrowing strategy for 2017/18;
- A review of any debt rescheduling undertaken during 2017/18;
- A review of compliance with Treasury and Prudential Limits for 2017/18.

5. THE ECONOMY AND INTEREST RATES

*The following commentary has been supplied by **Capita Asset Services Ltd**, the professional consultants for the Councils' shared treasury management services provider. The context is significant as it describes the backdrop against which treasury management activity has been undertaken during the year.*

5.1 Economics update

UK. After the UK economy surprised on the upside with strong growth in 2016, growth in 2017 has been disappointingly weak; quarter 1 came in at only +0.3% (+1.7% y/y) and quarter 2 was +0.3% (+1.5% y/y) which meant that growth in the first half of 2017 was the slowest for the first half of any year since 2012. The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 75% of GDP, has seen weak growth as consumers cut back on their expenditure. However, more recently there have been encouraging statistics from the manufacturing sector which is seeing strong growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year. However, this sector only accounts for around 11% of GDP so expansion in this sector will have a much more muted effect on the average total GDP growth figure for the UK economy as a whole.

The Monetary Policy Committee (MPC) meeting of 14 September 2017 surprised markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise. The Bank of England Inflation Reports during 2017 have clearly flagged up that they expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two year's time. Inflation actually came in at 2.9% in August, (this data was released on 12 September), and so the Bank revised its forecast for the peak to over 3% at the 14 September meeting MPC. This marginal revision can hardly justify why the MPC became so aggressive with its wording; rather, the focus was on an emerging view that with unemployment falling to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that the amount of spare capacity in the economy was significantly diminishing towards a point at which they now needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of increasing globalisation.

5. THE ECONOMY AND INTEREST RATES

5.1 Economics update

This effectively means that the UK labour faces competition from overseas labour e.g. in outsourcing work to third world countries, and this therefore depresses the negotiating power of UK labour. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a decrease in such globalisation pressures in the UK, and so would be inflationary over the next few years.

It therefore looks very likely that the MPC will increase Bank Rate to 0.5% in November or, if not, in February 2018. The big question after that will be whether this will be a one off increase or the start of a slow, but regular, increase in Bank Rate. As at the start of October, short sterling rates are indicating that financial markets do not expect a second increase until May 2018 with a third increase in November 2019. However, some forecasters are flagging up that they expect growth to improve significantly in 2017 and into 2018, as the fall in inflation will bring to an end the negative impact on consumer spending power while a strong export performance will compensate for weak services sector growth. If this scenario were to materialise, then the MPC would have added reason to embark on a series of slow but gradual increases in Bank Rate during 2018. While there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two years will pan out.

EU. Economic growth in the EU, (the UK's biggest trading partner), has been lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of QE. However, growth picked up in 2016 and now looks to have gathered ongoing substantial strength and momentum thanks to this stimulus. GDP growth was 0.5% in quarter 1 (2.0% y/y) and 0.6% in quarter 2 (2.3% y/y). However, despite providing massive monetary stimulus, the European Central Bank is still struggling to get inflation up to its 2% target and in August inflation was 1.5%. It is therefore unlikely to start on an upswing in rates until possibly 2019.

USA. Growth in the American economy has been volatile in 2015 and 2016. 2017 is following that path again with quarter 1 coming in at only 1.2% but quarter 2 rebounding to 3.1%, resulting in an overall annualised figure of 2.1% for the first half year. Unemployment in the US has also fallen to the lowest level for many years, reaching 4.4%, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has started on a gradual upswing in rates with three increases since December 2016; and there could be one more rate rise in 2017 which would then lift the central rate to 1.25 – 1.50%. There could then be another four more increases in 2018. At its June meeting, the Fed strongly hinted that it would soon begin to unwind its \$4.5 trillion balance sheet holdings of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings.

Chinese economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

Japan is struggling to stimulate consistent significant growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

5. THE ECONOMY AND INTEREST RATES

5.2 Interest rate forecasts

The Council's treasury advisor, Capita Asset Services, has provided the following forecast:

	NOW	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
BANK RATE	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.25	1.25	1.25
3 month LIBID	0.40	0.40	0.40	0.40	0.40	0.60	0.60	0.60	0.70	0.90	0.90	1.00	1.20	1.20	1.20
6 month LIBID	0.45	0.50	0.50	0.50	0.60	0.80	0.80	0.80	0.90	1.00	1.00	1.10	1.30	1.30	1.40
12 month LIBID	0.65	0.70	0.80	0.80	0.90	1.00	1.00	1.10	1.10	1.30	1.30	1.40	1.50	1.50	1.60
5 yr PWLB	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.10	2.10	2.20	2.30	2.30
10 yr PWLB	2.10	2.10	2.20	2.30	2.40	2.40	2.50	2.60	2.60	2.70	2.70	2.80	2.90	2.90	3.00
25 yr PWLB	2.70	2.80	2.90	3.00	3.00	3.10	3.10	3.20	3.20	3.30	3.40	3.50	3.50	3.60	3.60
50 yr PWLB	2.40	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.00	3.10	3.20	3.30	3.30	3.40	3.40

At the November MPC meeting Bank Rate was increased by 0.25% to 0.50%. The MPC also gave forward guidance that they expected to increase Bank Rate only twice more in the next two years to reach 1.0% by 2020. As this was the first increase in Bank Rate for a decade, the MPC was right to avoid alarming consumers and financial markets and to be very reassuring about the pace of future increases.

The overall balance of risks to economic recovery in the UK is currently to the downside but huge variables over the coming few years include just what final form Brexit will take, when finally agreed with the EU, and when.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.
- Geopolitical risks in Europe, the Middle East and Asia, which could lead to increasing safe haven flows.
- A resurgence of the Eurozone sovereign debt crisis.
- Weak capitalisation of some European banks.
- Monetary policy action failing to stimulate sustainable growth and to get inflation up consistently to around monetary policy target levels.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- The pace and timing of increases in the Fed. Funds Rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

6. TREASURY MANAGEMENT STRATEGY STATEMENT and ANNUAL INVESTMENT STRATEGY UPDATE

The Treasury Management Strategy Statement (TMSS) for 2017/18 was approved by the Joint Strategic Committee on 2nd February 2017. Some revision is required in the light of subsequent strategic decisions: both Councils have approved increases in the strategic property investment funds (£15m for each Council). Consequently the projected borrowing and Capital Financing Requirements have increased and the Prudential Indicators for the Operational Boundaries and Authorised Limits for borrowing also need to be increased as shown in the following tables.

7. THE COUNCILS' CAPITAL POSITION (PRUDENTIAL INDICATORS)

This part of the report is structured to update:

- The Councils' capital expenditure plans
- How these plans are being financed
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow
- Compliance with the limits in place for borrowing activity

7.1 Prudential Indicator for Capital Expenditure

These tables show the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget.

Adur District Council

	2017/18 Original Estimate	Actual at 30 Sept 2017	2017/18 Revised Estimate
	£m	£m	£m
HRA	6.496	1.617	7.910
Non HRA	19.390	15.230	35.821
Total capital expenditure	25.886	16.847	45.731

The increase in the Adur revised capital expenditure estimate is due mainly to:

- JSC approval to commit an additional £15m to strategic property investment, which has not yet been spent;
- the approval to spend £1.2m on the provision of affordable housing, to be funded from capital receipts;
- re-profiling of other budgets from 2016/17

Worthing Borough Council

	2017/18 Original Estimate	Actual at 30 Sept 2017	2017/18 Revised Estimate
	£m	£m	£m
Total capital expenditure	23.709	18.171	50.869

7. THE COUNCILS' CAPITAL POSITION (PRUDENTIAL INDICATORS)

7.1 Prudential Indicator for Capital Expenditure

The increase in the Worthing revised capital expenditure estimate is due mainly to:

- JSC approval to increase the strategic property investment fund by an additional £16.5m, plus re-profiled budget from 2016/17 of £3.5m (£21m of the fund is still available);
- the re-profiling of the first £5m tranche of the loan to Worthing Homes from 2016/17; the second tranche of £5m is expected to be drawn down in December 2017;
- re-profiling of other budgets from 2016/17

7.2 Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Councils by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Adur District Council

	2017/18 Original Estimate	2017/18 Revised Estimate
	£m	£m
Total Capital Expenditure	25.886	43.731
Financed by:		
Capital receipts	0.740	2.087
Grants & contributions	4.047	2.223
Reserves and revenue	5.967	5.972
Total financing	10.754	10.282
Borrowing requirement	15.132	33.449

Worthing Borough Council

	2017/18 Original Estimate	2017/18 Revised Estimate
	£m	£m
Total Capital Expenditure	23.709	50.869
Financed by:		
Capital receipts	6.140	5.859
Grants & contributions	0.941	1.415
Reserves & revenue	0.233	0.433
Total financing	7.314	7.707
Borrowing requirement	16.395	43.162

The Worthing capital receipt relates mainly to the sale of the Aquarena site.

7. THE COUNCILS' CAPITAL POSITION (PRUDENTIAL INDICATORS)

7.3 Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. Due to the increased strategic property investment funds the CFRs will be higher than forecast in the TMSS.

The table also shows the expected debt position over the period, which is termed the Operational Boundary. "Other long term liabilities" includes finance leases.

Adur District Council

	2017/18 Original Estimate	Actual at 30 Sept 2017	2017/18 Revised Estimate
	£m	£m	£m
Prudential Indicator Capital Financing Requirement			
CFR - HRA	60.103	60.103	61.537
CFR – non HRA	30.231	29.909	46.212
Total CFR	90.334	90.012	107.749
Net movement in CFR	14.313	15.000	32.737
Prudential Indicator The Operational Boundary for external debt			
	Op Boundary	Actual Debt	Op Boundary
Borrowing	93.00	86.81	110.00
Other long term liabilities	1.00	0.000	1.00
Total debt (year-end position)	94.00	86.81	111.00

Worthing Borough Council

	2017/18 Original Estimate	Actual at 30 Sept 2017	2017/18 Revised Estimate
	£m	£m	£m
Prudential Indicator Capital Financing Requirement			
CFR – non housing	49.143	34.696	64.737
Net movement in CFR	15.322	12.312	42.353
Prudential Indicator The Operational Boundary for external debt			
	Op Boundary	Actual Debt	Op Boundary
Borrowing re Worthing Homes	10.00	5.00	10.00
Other Borrowing	41.00	29.63	56.00
Other long term liabilities	1.00	0.00	1.00
Total debt (year-end position)	52.00	34.63	67.00

7. THE COUNCILS' CAPITAL POSITION (PRUDENTIAL INDICATORS)

7.4 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2017/18 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Councils have approved a policy for borrowing in advance of need which will be adhered to if this proves prudent. The Chief Financial Officer reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

Adur District Council

	2017/18 Original Estimate	Actual at 30 Sept 2017	2017/18 Revised Estimate
	£m	£m	£m
Borrowing	83.975	86.814	107.289
Other long term liabilities	0.000	0.000	0.000
Total debt	83.975	86.814	107.289
CFR (year end position)	90.334	90.012	107.749

Worthing Borough Council

	2017/18 Original Estimate	Actual at 30 Sept 2017	2017/18 Revised Estimate
	£m	£m	£m
Borrowing	40.531	34.630	64.662
Other long term liabilities	0.000	0.000	0.000
Total debt	40.531	34.630	64.662
CFR (year end position)	49.143	34.696	64.737

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Adur District Council

	2017/18 Original Indicator	Actual at 30 Sept 2017	2017/18 Revised Indicator
	£m	£m	£m
Authorised Limit for external debt			
Borrowing	99.00	86.81	120.00
Other long term liabilities	1.00	0.00	1.00
Total	100.00	86.81	121.00

7. THE COUNCILS' CAPITAL POSITION (PRUDENTIAL INDICATORS)

7.4 Limits to Borrowing Activity

Worthing Borough Council

	2017/18 Original Indicator	Actual at 30 Sept 2017	2017/18 Revised Indicator
Authorised Limit for external debt	£m	£m	£m
Borrowing re Worthing Homes	10.00	5.00	10.00
Other Borrowing	49.00	29.63	64.00
Other long term liabilities	1.00	0.00	1.00
Total	60.00	34.63	75.00

8 INVESTMENT PORTFOLIO 2017/18

8.1 Investment performance

In accordance with the Code, it is the Councils' priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Councils' risk appetite. As shown by forecasts in section 5.2, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the current Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment and the fact that increases in Bank Rate are likely to be gradual and unlikely to return to the levels seen in previous decades, investment returns are likely to remain low.

Adur District Council held £16.8m of investments as at 30 September 2017, (£15.4m at 31 March 2017) and the investment portfolio yield for the first 6 months of the year is 0.97% p.a. against a benchmark rate of 0.53% for 12 month deposits (supplied by Capita Asset Services). The portfolio is shown in Appendix 1.

The Head of Financial Services confirms that the approved limits for Adur District Council within the Annual Investment Strategy were not breached during the first 6 months of 2017/18.

Adur District Council's budgeted investment return for 2017/18 is £143k and performance for the year to date is marginally above budget.

Worthing Borough Council held £20.5m of investments with banks and building societies as at 30 September 2017, (£11.5m at 31 March 2017). The investment portfolio yield for the first 6 months of the year is 0.60% p.a. against a benchmark rate of 0.53% for 12 month deposits (supplied by Capita Asset Services). The Council has also made a loan of £5m to Worthing Homes at 2.53% (0.7% above the rate at which the funds were borrowed). Worthing's investment portfolio yield is lower than Adur's because Adur has been able to place longer term investments, for example Adur took out a 5 year deal for £2m in 2013 at 1.9% - a far higher rate than has been available over the last 2 years. Worthing needs to retain more of its cash in short term investments, including Money Market Funds, where rates have been very low. The portfolio is shown in Appendix 2.

It was reported to JSC on 10 October 2017 that the Worthing investment counterparty limit with Lloyds Bank had been breached over the weekend of 1 to 4 September 2017, due to the receipt late on Friday afternoon of the sales proceeds of the Aquarena site. The Head of Financial Services confirms that no other approved limits for Worthing Borough Council within the Annual Investment Strategy were breached during the first 6 months of 2017/18.

8 INVESTMENT PORTFOLIO 2017/18

8.1 Investment performance

Worthing Borough Council's budgeted investment return for 2017/18, excluding for the Worthing Homes loan, is £61k and performance for the year to date is above budget.

8.2 Investment counterparty criteria

The current investment counterparty criteria selection approved in the Treasury Management Strategy Statement is meeting the requirements of the Adur and Worthing treasury management function.

9 BORROWING

9.1 The Capital Financing Requirement (CFR) denotes the Councils' underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. For both Adur and Worthing Councils capital expenditure in 2017/18 is funded from grants, capital receipts, contributions, reserves and revenue contributions as well as borrowing. This is a prudent and cost effective approach in the current economic climate but will require ongoing monitoring.

9.2 Adur District Council's revised CFR for 2017/18 is £107.7m. The relevant table in 7.4 shows the Council has borrowings of £86.8m at 30 September 2017.

Worthing Borough Council's revised CFR for 2017/18 is £64.7m. The relevant table in 7.4 shows the Council has borrowings of £34.6m at 30 September 2017.

9.3 Due to the overall financial position and the underlying need to borrow for capital purposes, new external borrowing was undertaken as shown in the tables below. It is anticipated that further borrowing will be undertaken by both Councils during this financial year to fund capital expenditure, including the purchase of properties.

Adur District Council – new loans

Lender	Principal	Type	Interest Rate	Maturity
PWLB	£11.47m	Fixed interest rate	1.85%	22/06/2037
PWLB	£1.6m	Fixed interest rate	1.25%	27/06/2026
Lancing Parish Council	£0.3m	Variable interest rate		On request

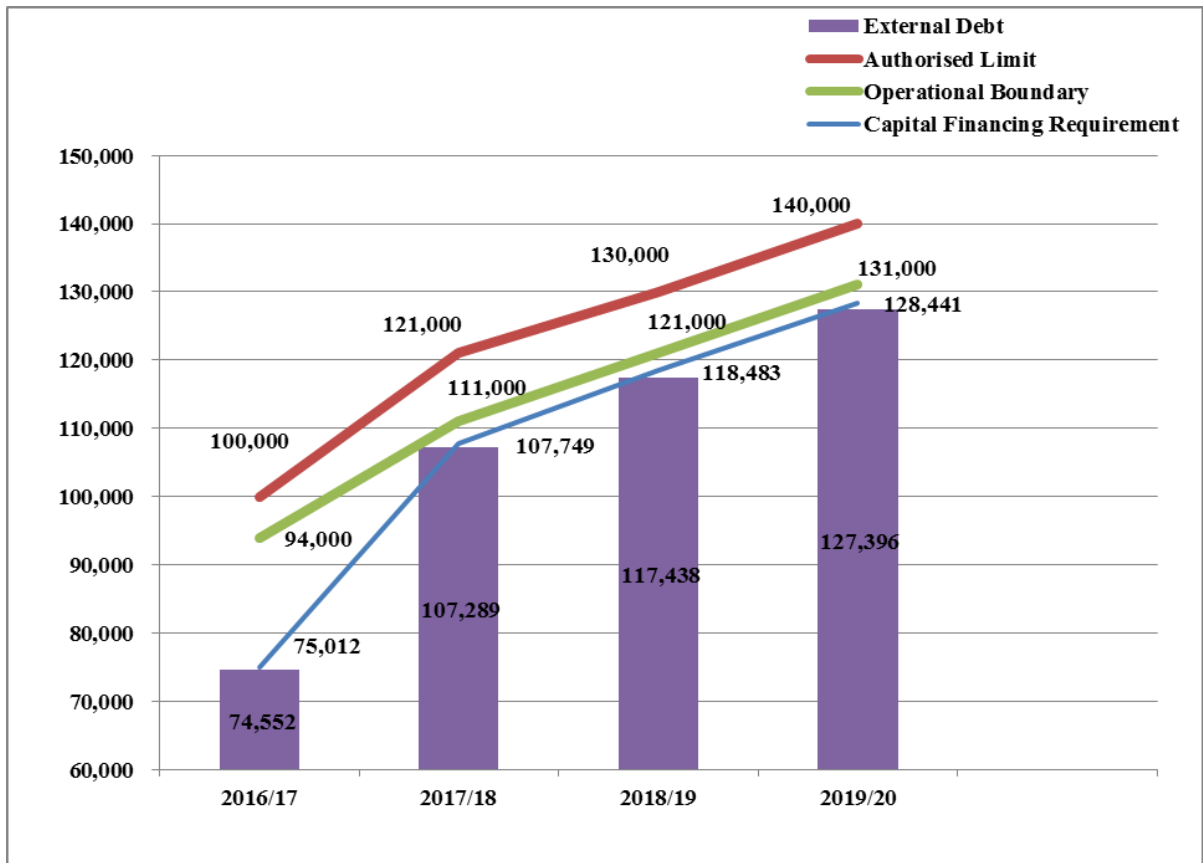
9 BORROWING

Worthing Borough Council – new loans

Lender	Principal	Type	Interest Rate	Maturity
PWLB	£2m	Fixed interest rate	1.25%	13/04/2027
PWLB (Worthing Homes)	£5m	Fixed interest rate	1.83%	20/04/2027
PWLB	£6m	Fixed interest rate	1.94%	04/05/2037
PWLB	£3.45m	Fixed interest rate	1.89%	30/05/2037
PWLB	£2.5m	Fixed interest rate	1.25%	27/06/2026
Harlow District Council	£2m	Fixed interest rate	0.40%	17/07/2018
Wealden District Council	£3m	Fixed interest rate	0.45%	21/06/2018

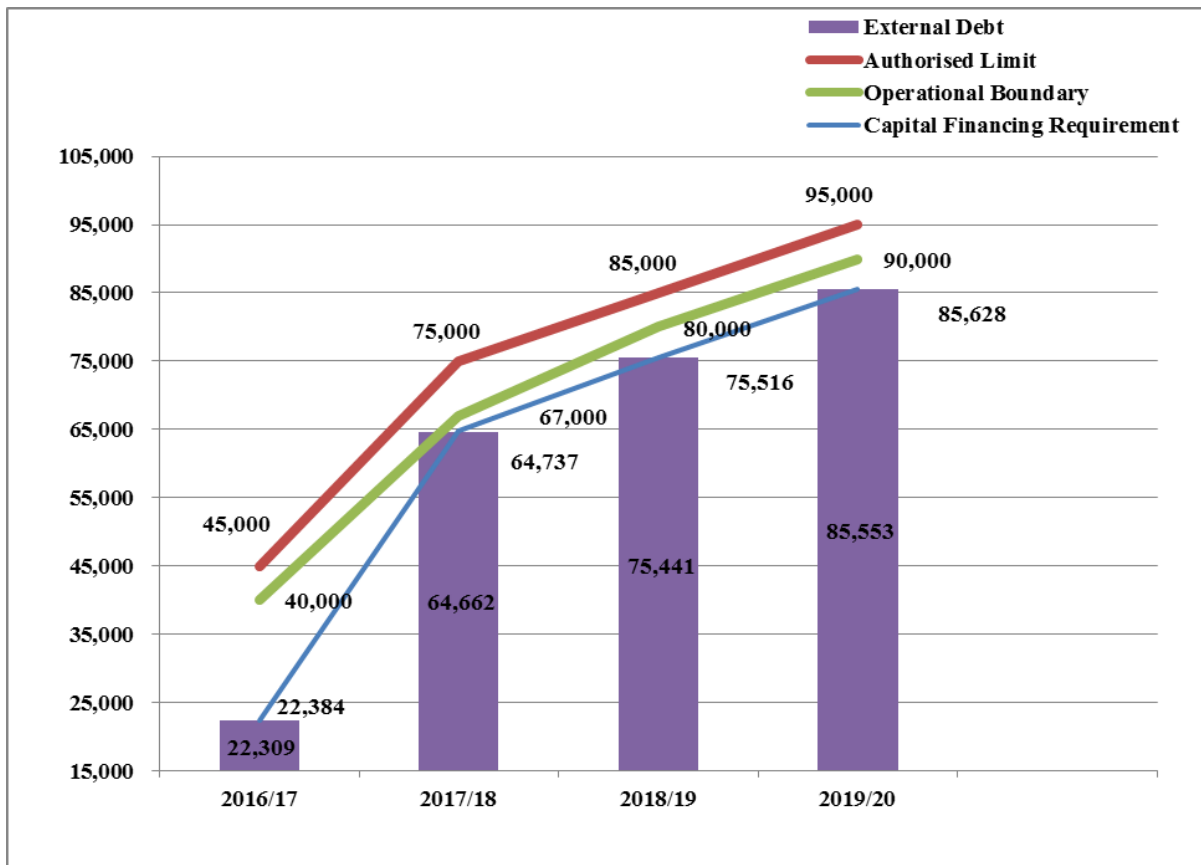
9.4 The graphs below show the relationship between the Capital Financing Requirement, actual external debt, the Operational Boundary and the Authorised Limit for borrowing.

Adur District Council



9 BORROWING

Worthing Borough Council



10 DEBT RESCHEDULING

Debt rescheduling opportunities have been very limited in the current economic climate given the consequent structure of interest rates, and following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year for either Council.

11 OTHER

11.1 Revised CIPFA Codes

The Chartered Institute of Public Finance and Accountancy, (CIPFA), is currently conducting an exercise to consult local authorities on revising the Treasury Management Code and Cross Sectoral Guidance Notes, and the Prudential Code. CIPFA is aiming to issue the revised codes during November.

A particular focus of this exercise is how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the authority at a much higher level than can be attained by treasury investments. One recommendation is that local authorities should produce a new report to members to give a high level summary of the overall capital strategy and to enable members to see how the cash resources of the authority have been apportioned between treasury and non treasury investments. Officers are monitoring developments and will report to members when the new codes have been agreed and issued and on the likely impact on these authorities.

11 OTHER

11.2 MIFID II

The EU has now set a deadline of 3 January 2018 for the introduction of regulations under MIFID II. These regulations will govern the relationship that financial institutions conducting lending and borrowing transactions will have with local authorities from that date. This will have little effect on these authorities apart from having to fill in forms sent by each institution dealing with this authority and for each type of investment instrument we use apart from for cash deposits with banks and building societies.

12. ENGAGEMENT AND COMMUNICATION

12.1 The Adur and Worthing Councils' treasury management team provides treasury services to Mid Sussex District Council through a shared services arrangement (SSA). The SSA is provided under a Service Level Agreement that was renewed from 18th October 2016, and which defines the respective roles of the client and provider authorities for a period of three years.

12.2 Information and advice is supplied throughout the year by Capita Asset Services Ltd, the professional consultants for the Councils' shared treasury management service.

13. FINANCIAL IMPLICATIONS

13.1 This report has no quantifiable additional financial implications to those outlined above. Interest payable and interest receivable arising from treasury management operations, and annual revenue provisions for repayment of debt, form part of the revenue budget.

Finance Officer: Sarah Gobey

Date: 16th November 2017

14. LEGAL IMPLICATIONS

14.1 The presentation of the Half Year Report is required by regulations issued under the Local Government Act 2003 to review the treasury management activities, the actual prudential indicators and the treasury related indicators for 2017/18.

Legal Officer: Richard Burraston

Date: 16th November 2017

Background Papers

Joint Treasury Management Strategy Statement and Annual Investment Strategy Report 2017/18 to 2019/20 – Joint Strategic Committee 2 February 2017, and Joint Governance Committee, 28 March 2017

Annual Joint In-House Treasury Management Operations Report 1 April 2016 – 31 March 2017 for Adur District Council and Worthing Borough Council – Joint Governance Committee, 26 September 2017 and Joint Strategic Committee, 10 October 2017

Capita Asset Services Ltd Half Year Report Template 2017/18

Capita Benchmarking Club Reports

Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (CIPFA, November 2011)

The Prudential Code for Capital Finance in Local Authorities (CIPFA, May 2013)

Officer Contact Details:-

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SUSTAINABILITY & RISK ASSESSMENT

1. ECONOMIC

The treasury management function ensures that the Councils have sufficient liquidity to finance their day to day operations. Borrowing is arranged as required to fund the capital programmes. Available funds are invested according to the specified criteria to ensure security of the funds, liquidity and, after these considerations, to maximise the rate of return.

2. SOCIAL

2.1 Social Value

Matter considered and no issues identified.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. ENVIRONMENTAL

Matter considered and no issues identified.

4. GOVERNANCE

4.1 The Councils' Treasury Management Strategy and Annual Investment Strategy place the security of investments as foremost in considering all treasury management dealing. By so doing it contributes towards the Council priorities contained in Platforms for our Places.

4.2 The operation of the treasury management function is as approved by the Councils' Treasury Management Strategy and Annual Investment Strategy 2016/17 - 2018/19, submitted and approved before the commencement of the 2016/17 financial year.

4.3 In the current economic climate the security of investments is paramount, the management of which includes regular monitoring of the credit ratings and other incidental information relating to credit worthiness of the Councils' investment counterparties.

ADUR DISTRICT COUNCIL - PORTFOLIO OF INVESTMENTS AND LOANS						
INVESTMENTS AT 31ST MARCH 2017						
Deal Ref.	Counterparty	Start Date	Maturity Date	Term (Days)	Principal (£)	Interest Rate %
6049	BARCLAYS TREASURY DEPOSIT	13-Sep-16	12-Sep-17	364	1,000,000	0.69
6054	BARCLAYS TREASURY DEPOSIT	24-Nov-16	23-Nov-17	364	1,000,000	0.74
6056	BARCLAYS TREASURY DEPOSIT	06-Dec-16	05-Dec-17	364	1,000,000	0.74
6051	LLOYDS BANK	18-Oct-16	17-Oct-17	364	1,000,000	1.00
6052	LLOYDS BANK	01-Nov-16	31-Oct-17	364	1,000,000	1.00
6059	LLOYDS BANK	10-Jan-17	09-Jan-18	364	1,000,000	0.90
6044	NATIONWIDE BLDG SOCIETY	28-Jul-16	27-Jul-17	364	1,000,000	0.70
6045	SKIPTON	02-Aug-16	01-Aug-17	364	1,000,000	0.75
6061	CCLA	15-Mar-17	n/a	n/a	1,720,000	variable
6057	FEDERATED STERLING MMF	01-Mar-17	n/a	n/a	2,950,000	variable
6062	HANDELSBANKEN	20-Mar-17	n/a	n/a	680,000	0.20
50781	KINGSTON UPON HULL COUNCIL	02-Dec-13	30-Nov-18	1824	2,000,000	1.90
50782	LOCAL CAPITAL FINANCE	30-Sep-14	Unspecified		50,000	Unspecified
50783	W SUSSEX CREDIT UNION	06-Mar-15	Unspecified		25,000	Unspecified
TOTAL INVESTMENTS AT 31ST MARCH, 2017					15,425,000	

ADUR DISTRICT COUNCIL - PORTFOLIO OF INVESTMENTS AND LOANS						
INVESTMENTS AT 30TH SEPTEMBER 2017						
Deal Ref.	Counterparty	Start Date	Maturity Date	Term (Days)	Principal (£)	Interest Rate %
6054	BARCLAYS TREASURY DEPOSIT	24-Nov-16	23-Nov-17	364	1,000,000	0.74
6056	BARCLAYS TREASURY DEPOSIT	06-Dec-16	05-Dec-17	364	1,000,000	0.74
6071	GOLDMAN SACHS INT BANK	12-Sep-17	12-Mar-18	181	1,000,000	0.60
6051	LLOYDS BANK	18-Oct-16	17-Oct-17	364	1,000,000	1.00
6052	LLOYDS BANK	01-Nov-16	31-Oct-17	364	1,000,000	1.00
6059	LLOYDS BANK	10-Jan-17	09-Jan-18	364	1,000,000	0.90
6063	SANTANDER UK	11-Apr-17	10-Apr-18	364	2,000,000	0.85
6064	SANTANDER UK	04-May-17	03-May-18	364	1,000,000	0.85
6067	SANTANDER UK	13-Jul-17	12-Jul-18	364	1,000,000	0.85
6068	SKIPTON BUILDING SOCIETY	13-Jul-17	12-Jul-18	364	1,000,000	0.76
6070	SKIPTON BUILDING SOCIETY	05-Sep-17	04-Sep-18	364	1,000,000	0.75
6061	CCLA MMF	n/a	n/a	n/a	10,000	n/a
6057	FEDERATED STERLING MMF	n/a	n/a	n/a	1,265,000	n/a
6066	HANDELSBANKEN	n/a	n/a	n/a	455,000	0.20
50781	KINGSTON UPON HULL CITY	02-Dec-13	30-Nov-18	1824	2,000,000	1.90
50783	LOCAL AUTHORITY PROPERTY FUND	25-Apr-17	Unspecified		1,000,000	variable (c 4%)
50782	LOCAL CAPITAL FINANCE CO. LTD.	30-Sep-14	Unspecified		50,000	Unspecified
	W SUSSEX CREDIT UNION	06-Mar-15	Unspecified		25,000	Unspecified
TOTAL INVESTMENTS AT 30TH SEPTEMBER 2017					16,805,000	

ADUR DISTRICT COUNCIL - PORTFOLIO OF INVESTMENTS AND LOANS: BORROWING 2017/18

Deal Ref.	Counterparty	Start Date	Maturity Date	Term (Yrs)	Principal (£) at 31.03.17	Interest Rate %	Principal (£) at 30.09.17
1388	BARCLAYS CAPITAL	22-Aug-05	24-Aug-65	60	3,563,270	5.150	3,563,270
1389	BARCLAYS CAPITAL	22-Aug-05	24-Aug-65	60	3,563,270	5.150	3,563,270
1390	BARCLAYS CAPITAL	22-Aug-05	24-Aug-65	60	3,563,270	5.150	3,563,270
1391	DEPFA BANK PLC	30-Mar-07	30-Mar-67	60	3,250,000	6.660	3,250,000
1392	DEPFA BANK PLC	30-Mar-07	30-Mar-67	60	4,000,000	4.035	4,000,000
476087	PUBLIC WORKS LOAN BOARD	13-Jun-95	21-Dec-54	59	1,000,000	8.375	1,000,000
476088	PUBLIC WORKS LOAN BOARD	13-Jun-95	21-Dec-53	58	1,000,000	8.375	1,000,000
476089	PUBLIC WORKS LOAN BOARD	13-Jun-95	21-Dec-52	57	1,000,000	8.375	1,000,000
478322	PUBLIC WORKS LOAN BOARD	17-Oct-96	07-May-56	60	1,000,000	8.000	1,000,000
479540	PUBLIC WORKS LOAN BOARD	28-May-97	21-Dec-56	59	1,000,000	7.375	1,000,000
479868	PUBLIC WORKS LOAN BOARD	24-Sep-97	12-Apr-57	60	1,000,000	7.125	1,000,000
479888	PUBLIC WORKS LOAN BOARD	24-Sep-97	12-Apr-57	60	1,000,000	6.750	1,000,000
481007	PUBLIC WORKS LOAN BOARD	09-Jun-98	11-Jan-58	60	1,000,000	5.750	1,000,000
481320	PUBLIC WORKS LOAN BOARD	17-Sep-98	11-Apr-55	57	455,795	5.250	455,795
482485	PUBLIC WORKS LOAN BOARD	22-Apr-99	11-Apr-59	60	1,000,000	4.750	1,000,000
483648	PUBLIC WORKS LOAN BOARD	25-Nov-99	02-Aug-59	60	726,000	4.500	726,000
483649	PUBLIC WORKS LOAN BOARD	25-Nov-99	02-Aug-59	60	273,531	4.500	273,531
484177	PUBLIC WORKS LOAN BOARD	20-Apr-00	07-Nov-24	24	1,000,000	5.125	1,000,000
485172	PUBLIC WORKS LOAN BOARD	18-Jan-01	15-Sep-25	24	335,133	4.625	335,133
485173	PUBLIC WORKS LOAN BOARD	18-Feb-01	15-Sep-25	24	164,867	4.875	164,867
499487	PUBLIC WORKS LOAN BOARD	28-Mar-12	28-Mar-42	30	42,654,167	3.030	41,801,084
21	SALIX FINANCE	12-Feb-14	01-Sep-17	3-4 years	3,000	0.000	0
505888	PUBLIC WORKS LOAN BOARD	20-Mar-17	20-Mar-22	5	2,000,000	0.960	1,800,000
506146	PUBLIC WORKS LOAN BOARD	22-Jun-17	22-Jun-37	20	0	1.850	11,466,000
506158	PUBLIC WORKS LOAN BOARD	27-Jun-17	27-Jun-26	9	0	1.250	1,600,000
22	LANCING PARISH COUNCIL	01-Apr-16	On Call	1	0	VARIABLE	252,200
TOTAL BORROWING					74,552,303		86,814,420
NET BORROWING					59,127,303		70,009,420

WORTHING BOROUGH COUNCIL - PORTFOLIO OF INVESTMENTS AND LOANS						
INVESTMENTS AT 31ST MARCH 2017						
Deal Ref.	Counterparty	Start Date	Maturity Date	Term (Days)	Principal (£)	Interest Rate %
1158	FEDERATED INVESTORS MMF	01-Mar-17	N/A	N/A	2,635,000	VARIABLE
1203	BLACKROCK	01-Mar-17	N/A	N/A	1,265,000	VARIABLE
1209	CCLA	01-Mar-17	N/A	N/A	1,100,000	VARIABLE
1208	HANDELSBANKEN	01-Mar-17	N/A	N/A	450,000	0.20
1204	BARCLAYS BANK	29-Nov-16	28-Nov-17	364	1,000,000	0.74
1200	LLOYDS BANK	18-Oct-16	17-Oct-17	364	1,000,000	1.00
1207	LLOYDS BANK	04-Jan-17	03-Jan-18	364	1,000,000	0.90
1201	NATIONWIDE	01-Nov-16	31-Oct-17	364	1,000,000	0.63
1210	SKIPTON	17-Jan-17	16-Jan-18	364	1,000,000	0.75
1211	SKIPTON	31-Jan-17	30-Jan-18	364	1,000,000	0.75
9001	LOCAL CAPITAL FINANCE	30-Sep-14	Unspecified		50,000	Unspecified
9002	W SUSSEX CREDIT UNION	06-Mar-15	Unspecified		25,000	Unspecified
TOTAL INVESTMENTS AT 31ST MARCH 2017					11,525,000	
INVESTMENTS AT 30TH SEPTEMBER, 2017						
Deal Ref.	Counterparty	Start Date	Maturity Date	Term (Days)	Principal (£)	Interest Rate %
1204	BARCLAYS BANK	29-Nov-16	28-Nov-17	364	1,000,000	0.74
1221	BARCLAYS BANK	12-Sep-17	29-May-18	259	2,000,000	0.44
1225	BARCLAYS BANK	19-Sep-17	19-Feb-18	153	1,000,000	0.33
1222	CLOSE BROTHERS LTD	15-Sep-17	15-Mar-18	181	1,000,000	0.40
1220	GOLDMAN SACHS INT BANK	05-Sep-17	04-Sep-18	364	2,000,000	0.78
1223	GOLDMAN SACHS INT BANK	15-Sep-17	15-Jun-18	273	1,000,000	0.79
1217	LEEDS BUILDING SOCIETY	16-Aug-17	12-Apr-18	239	1,000,000	0.36
1200	LLOYDS BANK	18-Oct-16	17-Oct-17	364	1,000,000	1.00
1207	LLOYDS BANK	04-Jan-17	03-Jan-18	364	1,000,000	0.90
1219	LLOYDS BANK	05-Sep-17	04-Sep-18	364	1,000,000	0.65
1201	NATIONWIDE	01-Nov-16	31-Oct-17	364	1,000,000	0.63
1210	SKIPTON	17-Jan-17	16-Jan-18	364	1,000,000	0.75
1211	SKIPTON	31-Jan-17	30-Jan-18	364	1,000,000	0.75
9004	LOCAL AUTHORITY PROPERTY FUND	27-Apr-17	Unspecified		500,000	Variable (c 4%)
1214	BLACK ROCK MMF	n/a	n/a	n/a	25,000	VARIABLE
1209	CCLA MMF	n/a	n/a	n/a	245,000	VARIABLE
1213	FEDERATED INVESTORS PRIME	n/a	n/a	n/a	3,000,000	VARIABLE
1208	HANDELSBANKEN	n/a	n/a	n/a	1,460,000	0.20
1224	INVESCO MMF	n/a	n/a	n/a	190,000	VARIABLE
9003	WORTHING HOMES	20-Apr-17	20-Apr-27	10 yrs	5,000,000	2.53
9001	LOCAL CAPITAL FINANCE	03-Sep-14	Unspecified		50,000	Unspecified
	W SUSSEX CREDIT UNION	06-Mar-15	Unspecified		25,000	Unspecified
TOTAL INVESTMENTS AT 30TH SEPTEMBER 2017					25,495,000	

WORTHING BOROUGH COUNCIL - PORTFOLIO OF INVESTMENTS AND LOANS							
BORROWING FOR 2017							
Deal Ref.	Counterparty	Start Date	Maturity Date	Term (Yrs)	Principal (£) at 31.03.17	Interest Rate %	Principal (£) at 30.09.17
35/37	SALIX FINANCE	23-Dec-13	01-Sep-17	3.69	9,467	0.00	0
56	WEALDEN DC	22-Jun-17	21-Jun-18	1.00	0	0.45	3,000,000
57	HARLOW DC	18-Jul-17	17-Jul-18	1.00	0	0.40	2,000,000
50	GLOUCESTERSHIRE COUNTY	30-Jul-15	30-Jul-20	5.01	2,000,000	1.90	2,000,000
51	MID SUSSEX DISTRICT COUNCIL	03-May-16	02-May-17	1.00	2,000,000	0.60	0
52	BARNSELY DONCASTER	03-Jun-16	03-Apr-17	0.83	2,000,000	0.60	0
53	LONDON BOROUGH OF EALING	06-Jun-16	05-Jun-17	1.00	2,000,000	0.62	0
54	HERTFORDSHIRE COUNTY C	11-Jul-16	10-Jul-17	1.00	5,000,000	0.55	0
503406	PUBLIC WORKS LOAN BOARD	22-Oct-14	22-Oct-24	10.00	1,600,000	2.32	1,500,000
503538	PUBLIC WORKS LOAN BOARD	12-Dec-14	12-Dec-19	5.00	600,000	1.62	500,000
504511	PUBLIC WORKS LOAN BOARD	02-Dec-15	02-Dec-25	10.00	3,150,000	2.07	2,975,000
505047	PUBLIC WORKS LOAN BOARD	13-Jun-16	13-Jun-36	20.00	1,950,000	2.16	1,900,000
505889	PUBLIC WORKS LOAN BOARD	20-Mar-17	20-Mar-22	5.00	2,000,000	0.96	1,800,000
505993	PUBLIC WORKS LOAN BOARD	13-Apr-17	13-Apr-27	10.00	0	1.25	2,000,000
506005	PUBLIC WORKS LOAN BOARD	20-Apr-17	20-Apr-27	10.00	0	1.83	5,000,000
506044	PUBLIC WORKS LOAN BOARD	04-May-17	04-May-37	20.00	0	1.94	6,000,000
506095	PUBLIC WORKS LOAN BOARD	30-May-17	30-May-37	20.00	0	1.89	3,454,500
506159	PUBLIC WORKS LOAN BOARD	27-Jun-17	27-Jun-26	9.00	0	1.25	2,500,000
TOTAL BORROWING					22,309,467		34,629,500
NET BORROWING					10,784,467		9,134,500



Internal Audit Progress Report

Report of the Acting Head of Internal Audit

1.0 Summary

- 1.1 This report seeks to update Members of this Committee with the current performance of the Internal Audit Section and to provide summaries of the key issues raised in final audit reports issued since our last report to this Committee and the current status on the implementation of agreed audit recommendations.

2.0 Background

- 2.1 Each quarter a report is produced for this Committee which details the Internal Audit Section's performance against the current Annual Internal Audit Plan and summarises the results of audit work carried out.

Internal Audit Performance - 2017/18

- 2.2 The 2017/18 Annual Internal Audit Plan presented to the Joint Governance Committee on 28th March 2017 contained 511 days and 34 items of audit work to be undertaken by the Internal Audit Service during the year.
- 2.3 Since approval, the audit plan has been revised to accommodate requests to move audits to different parts of the year and to take account of changes in requirements. The current plan is summarised as:

Period	No of audits planned	No of days planned	% of days planned
Quarter 1 (April – June)	3	82	16.1%
Quarter 2 (July – September)	10	139.5	27.3 %
Quarter 3 (October – December)	9	113	22.1%
Quarter 4 (January – March)	12	176.5	34.5%
	34	511	100%

- 2.4 As at 30th October, 276.5 days (54.1%) of the planned days had been delivered. Attached as **Appendix 1** is a summary of the current status of audits in the plan.

Final Audit Reports

- 2.5 Recommendations made in audit reports are categorised according to their level of priority as follows:

Priority 1	Major issues for the attention of senior management.
Priority 2	Other recommendations for local management action.
Priority 3	Minor matters.

- 2.6 Internal Audit's assurance opinions accord with an assessment of the controls in place and the level of compliance with these controls. During the course of an audit, a large number of controls will be examined for adequacy and compliance. The assurance level given is the best indicator of the system's control adequacy. The assurance levels and their associated explanations are:-

Full Assurance	There is a sound system of control designed to achieve the system objectives and the controls are being consistently applied.
Satisfactory Assurance	While there is a basically sound system, there are weaknesses that put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
Limited Assurance	Weaknesses in the system of controls are such as to put the system objectives at risk, and/or the level of non-compliance puts the system objectives at risk.
No Assurance	Control is generally weak, leaving the system open to significant error or abuse, and/or significant non-compliance with basic controls leaves the system open to error or abuse.

- 2.7 The report attached as **Appendix 2** provides a summary of key issues raised in all final reports issued since our last report to this Committee. Since the previous Committee, three reports have been finalised; one of these was a Satisfactory Assurance and one was a Limited Assurance, the other report was a gap analysis audit for which no opinion was given. Six P1 recommendations were raised within these reports.

Follow up of Audit Recommendations

- 2.8 In accordance with the Council's Follow-Up Protocol, we have continued following-up the status of implementation of recommendations contained in final audit reports. The Audit App continues to be used to provide updates on the implementation of recommendations.
- 2.9 Follow-up audits are undertaken to ensure that all recommendations raised have been successfully implemented according to the action plans agreed with the service managers. The Follow-up Protocol requires implementation of 80% of all priority 2 and 3 recommendations and 100% of priority 1 recommendations. The current performance in relation to these targets is shown in the tables below:

Analysis of status of recommendations 2014/15

	Total Due	Imp	%	Carried Over (Not Impl'd)	%	FU & Overdue	%	FU & No Response	%	Total % NOT Impl'd	FU Not Due	Total
P1	37	32	86.5%	1	2.7%	4	10.8%	0	0%	13.5%	0	37
P2	131	110	84%	15	11.4%	6	4.6%	0	0%	16%	0	131
P3	31	27	87.1%	3	9.7%	1	3.2%	0	0%	12.9%	0	31
Other	2	1	50%	0	0%	1	50%	0	0%	50%	0	2
Total	201	170	84.6%	19	9.4%	12	6%	0	0%	18.4%	0	201

Analysis of status of recommendations 2015/16

	Total Due	Imp	%	Carried Over (Not Impl'd)	%	FU & Overdue	%	FU & No Response	%	Total % NOT Impl'd	FU Not Due	Total
P1	44	41	93.2%	0	0%	3	6.8%	0	0%	6.8%	1	45
P2	97	67	69.1%	8	8.2%	14	14.4%	8	8.3%	30.9%	2	99
P3	20	14	70%	3	15%	3	15%	0	0%	30%	0	20
Total	161	122	75.8%	11	6.8%	20	12.4%	8	5%	24.2%	3	164

Analysis of status of recommendations 2016/17

	Total Due	Imp	%	Carried Over (Not Impl'd)	%	FU & Overdue	%	FU & No Response	%	Total % NOT Impl'd	FU Not Due	Total
P1	11	6	54.6%	0	0%	1	9.1%	4	36.4%	45.4%	7	18
P2	78	34	43.6%	0	0%	22	28.2%	22	28.2%	56.4%	14	92
P3	11	5	45.5%	0	0%	2	18.2%	4	36.4%	54.5%	1	12
Other	4	4	100%	0	0%	0	0%	0	0%	0%	14	18
Total	104	49	47.1%	0	0%	25	24%	30	28.9%	52.9%	36	140

- 2.10 Attached as **Appendices 3, 4 & 5**, are tables which summarise the current follow-up status of recommendations made in final audit reports from audits contained in the 2014/15, 2015/16 and 2016/17 Audit Plans. The shaded boxes indicate where changes have occurred since our last report.

ADC Taxi Licensing – Fact Finding Report

- 2.11 In our report to the Committee on 26th September, we summarised the findings of a fact finding audit in respect of the Taxi Licensing for Adur District Council and committed to providing a further update at this meeting.
- 2.12 Since the final fact finding report was issued in September, we have confirmed that management have put in place an Action Plan, attached as **Appendix 6**, to address the 25 recommendations made. The Plan confirms the actions to be taken to address the issues raised, assigns responsibilities to specific officers and defines implementation deadlines. Management have confirmed that the Plan is monitored on a regular basis.
- 2.13 We have reviewed the Action Plan and noted that four of the recommendations have been completed and that a further seven, relating to ongoing processes, have been agreed. For the remaining 14 recommendations, we have noted that required actions have been detailed.

3.0 Legal

- 3.1 There are no legal matters arising as a result of this report.

4.0 Financial Implications

- 4.1 There are no financial implications arising from this report.

5.0 Recommendations

- 5.1 Members of the Joint Governance Committee are asked to note the contents of this report.

Local Government Act 1972

Background Papers: None

Contact Officer:

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Schedule of Other Matters

1.0 Council Priority

1.1 The report does not seek to meet any particular Council priorities.

2.0 Specific Action Plans

2.1 (A) Matter considered and no issues identified.
(B) Matter considered and no issues identified.

3.0 Sustainability Issues

3.1 Matter considered and no issues identified.

4.0 Equality Issues

4.1 Matter considered and no issues identified.

5.0 Community Safety Issues (SECTION 17)

5.1 Matter considered and no issues identified.

6.0 Human Rights Issues

6.1 Matter considered and no issues identified.

7.0 Reputation

7.1 Matter considered and no issues identified.

8.0 Consultations

8.1 (A) Matter considered and no issues identified.
8.2 (B) Matter considered and no issues identified.

9.0 Risk Assessment

9.1 Matter considered and no issues identified.

10.0 Health & Safety Issues

10.1 Matter considered and no issues identified.

11.0 Procurement Strategy

11.1 Matter considered and no issues identified.

12.0 Partnership Working

12.1 Matter considered and no issues identified.

	Project	Joint	ADC only	WBC only	Field Work complete	Draft Issued	Final Issued	Assurance level	Assurance at previous audit
1	Leaseholder Charges		*		Y	Y			
1	Gas Safety Inspections		*		Y	UR			
1	Housing Repairs		*		Y	Y			
2	Firewall & Cyber Security	*			Y	Y	Y	Satisfactory	No previous audit
2	Compliance with the Data Protection Act	*			Y	UR			
2	Fixed Assets	*			WIP				
2	Contract Management audit - Voluntary & Community contract	*			WIP				
2	Corporate Governance	*			Y	Y			
2	Handyman Service	*			Y	Y			
2	Homelessness	*			WIP				
2	Budget Management	*			Y	Y			
2	Human Resources	*			Y	Y			
2	Debt Management	*			WIP				
3	Treasury Management		*		Y	UR			
3	Rent Collection and Collection of Arrears	*			Y	Y			
3	Cashiering	*			WIP				
3	Payroll	*			WIP				
3	Change Management	*			P				
3	Tax Risk assessments (IR35)	*			P				
3	Local Plans for new homes	*			P				
3	ICT Management & Strategy	*			P				
3	GDPR Readiness/Gap Analysis	*			P				
4	Creditors	*							
4	Debtors	*							
4	Revenues (Council Tax & NDR)	*							
4	Benefits	*							
4	General Ledger	*							
4	Theatres Box Office	*							
4	Estates	*							
4	Capital Accounting	*							
4	Risk Management	*							
4	Compliance with Public Contacts Regulations 2015								
4	Mats - Governance & Management arrangements								
4	Academy Application audit	*							

KEY

P In Planning stage

WIP Work In Progress

UR Under review

Key issues from finalised audits

Appendix 2

Audit Title	Risk Level	Assurance Level & Number of Issues	Summary of key issues raised
Theatres Catering – Income & Stock Control (2016/17)	M	Limited (Three Priority 1 and Four Priority 2 and One Priority 3 recommendations)	The P1 recommendations were raised to address the need for: Explanations to be provided for any discrepancies, over £5, between the value of the z-read and the cash. Detailed monitoring to establish whether any member of staff regularly generates void transactions. Detailed monthly stocktakes to be undertaken in order to accurately identify the level and value of stock held and to provide a means for monitoring profit and losses through catering sales.
Corporate Fraud Service Review (2016/17)	H	No Opinion given (3 Priority 1 and 14 Priority 2 recommendations raised)	This work was RAG/GAP analysis between the current position of the Councils and good practices in countering fraud. The priority 1 recommendations raised related to:- Raising the profile of the in-house counter fraud team with all departments and publicise their stance on fraud, bribery and corruption both internally and externally. Ensuring the JGC take responsibility for ensuring that fraud, bribery and corruption risks are managed and reviewed on a regular basis and the Councils identifying who is responsible for identifying, assessing and managing fraud, bribery and corruption risks and delegating responsibility accordingly. The development and publishing of a Counter Fraud and Corruption Strategy and Response Plan.
Firewall & Cyber Security (2017/18)	M	Satisfactory (One Priority 2 and Four Priority 3 recommendations)	No P1 recommendations raised.

Audit	Joint Audit	Final Report Date	Assurance level	Recs not applicable for follow	Total No of Recs	Other	Number of agreed recs completed	% of recs completed	Recs carried over into	% of recs carried over	Number of recs outstandi	1	2	3	Other	% of recs outstanding	Key auditees	Comments	Comments re Outstanding Priority 1 recs
Director of Digital & Resources																			
Finance																			
Annual Governance Statements	*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A								No Follow up required	
Budgetary Control	*	Dec-14	Satisfactory		1	0	1	100%										COMPLETE	
General Ledger	*	Mar-15	Satisfactory		3	0			3	100%								All recommendations made in 2014/15 have been reiterated in 15/16 audit so none had been implemented	
Cashiering	*	May-15	Satisfactory		4	0	3	75%	1	25%								15/16 audit has confirmed 3 recommendations from 2014/15 audit have been completed - one (re procedures) is being reiterated in 15/16 report.	
Creditors	*	Apr-15	Satisfactory		2	0	1	50%	1	50%								15/16 audit confirmed P1 recommendation has been completed - one (re duplicate paymentreports) is being reiterated in 15/16 report.	
Debtors	*	Feb-15	Satisfactory		2	0	2	100%										COMPLETE	
Insurance	*	Oct-14	Satisfactory		2	0	2	100%										COMPLETE	
Payroll	*	Sep-15	Satisfactory	3	5	0	2	40%	3	60%								15/16 audit has confirmed 2 recommendations from 2014/15 audit have been completed - 3 are being reiterated in 15/16 report.	
Treasury Management	*	May-15	Satisfactory		2	0	2	100%										COMPLETE	
Petty Cash	*	Jan-15	Satisfactory		2	0	1	50%			1	0	1	0	0	50%	A Simmons	Update requested 10/11/17	
Staff Loans	*	Jan-15	Satisfactory		3	0	3	100%										COMPLETE	
Probtly audits - inventories	*	Aug-15	N/A	5	1	1					1	0	0	0	1	100%	S Taylor	1 o/s rec relates to ICT inventory - update provided via Audit App 8/11 outlined actions that need to be taken now ICT has returned from CensSus.	
Probtly - cash floats	*	Oct-14	N/A		1	1	1	100%										COMPLETE	
Business Rates - Forecasting & Income Projection	*	Feb-15	Satisfactory		1	0	1	100%										COMPLETE	
Pension Scheme- local administration	*	Oct-14	Full		0													No Follow up required	
Legal Services																			
Corporate Governance	*	May-15	Satisfactory		6	0	6	100%										COMPLETE	
Business & Technical Services																			
Facilities Management & Security	*	May-15	Satisfactory		15	0	11	73%			4	0	3	1	0	27%	M Hosier/ L Harris	4 recs still outstanding - met HoB&TS on 7/11 update to be provided.	
Health & Safety	*	Sep-15	Limited	3	7	0	7	100%										COMPLETE	
Pool Car Pilot	*	May-15	Satisfactory		5	0	5	100%										COMPLETE	
Term Maintenance Contract Management - Keith Long Electrical	*	Mar-16	Limited		8	0	7	88%			1	1	0	0	0	13%	S Spinner	1 rec still outstanding - met HoB&TS on 7/11 update to be provided.	O/S P1 rec relates to loss of order details within the Recorder system
Construction Contract - MTC Adaptations	*																		
Land Drainage	*	Jul-15	Satisfactory		5	0	4	80%	1	20%								80% complete - no further follow up - one P2 rec had not been addressed	
Shoreham Centre	ADC	Mar-16	Satisfactory	4	1	0	1	100%										COMPLETE	
Digital & Design																			
Risk Management	*	Jun-15	Satisfactory	1	14	0	5	36%	9	64%								Meeting held on 21/1 with CPO - remaining recs were in progress and further FU would be performed as part of 15/16 audit	
People																			
Agency Staff Arrangements	*	Dec-14	Satisfactory		4	0	4	100%										COMPLETE	
Director of Economy																			
Place & Investment																			
External Funding	*	Apr-15	Limited		10	0	10	100%										COMPLETE	

Growth																			
MSCP Plate Recognition Barrier System - Procurement	WBC	Nov-15	Satisfactory		2	0	2	100%									COMPLETE		
Director of Communities																			
Housing																			
Housing Rents	ADC	May-15	Satisfactory		3	0	3	100%									COMPLETE		
Housing Maintenance	ADC	Oct-14	Satisfactory	1	3	0	3	100%									COMPLETE		
Void Management	ADC	Apr-15	Limited	1	9	0	9	100%									COMPLETE - Self Assessment response received which indicates all recommendations have been implemented.		
Housing - Homelessness, Advice & Allocations	*	Jan-15	Limited		29	0	29	100%									COMPLETE		
Wellbeing																			
Hackney Carriage & Private Hire	*	Jul-15	Satisfactory	1	4	0	4	100%									COMPLETE		
Third Party Commissioning	*	Nov-15	Satisfactory		1	0	1	100%									COMPLETE - Commissioning Strategy from 2014 being included within new Procurement Strategy		
Environment																			
Beach Huts	*	May-15	Limited	1	11	0	11	100%									COMPLETE		
Director of Customer Services																			
Revenues & Benefits																			
WBC Benefits	WBC	Apr-15	Satisfactory		1	0	1	100%									COMPLETE		
WBC Revenues (Council Tax & NDR)	WBC	May-15	Satisfactory		5	0	5	100%									COMPLETE		
GenSus - Benefits	ADC	Nov-15	Satisfactory	1	4	0	3	75%	1	25%							Updated provided by Benefits Manager confirmed 2 recs completed. 15/16 audit confirmed 2 further recs actioned but the P1 rec re WO authorisation was re-raised in 15/16 report		
Customer Contact & Engagement																			
Complaints	*	Dec-14	Limited	2	7	0	6	86%			1	0	1	0	0	14%	Jan Jonker	Responsibility for complaints has moved - ownership of rec re-assigned and deadline revised.	
Register of Electors	*	Jul-15	Satisfactory	5														No follow up required	
Car Parks	*	Oct-14	Satisfactory	2	1	0	1	100%										COMPLETE - the service has accepted that the 2 P1 recommendations re reconciliations could not be implemented as processes did not allow. The entire process for collecting car park income has therefore been revised instead.	
Computer Audits																			
Disaster Recovery	*	Jul-15	Limited		3	0					3	3	0	0	0	100%	S Taylor	Updates continue to be provided via Audit App - 3 recs are still being progressed	
HMS Application	*	Sep-15	Satisfactory	2	3	0	3	100%										P Turner	COMPLETE
Data Protection & Information Governance	*	Mar-15	Limited		9	0	8	89%			1	0	1	0	0	11%	B Bastable	Update provided via App confirmed one recommendation still in progress	
Service Desk (ITL)	*	Sep-15	Limited	3	2	0	2	100%											COMPLETE - Updates provided by Audit App confirmed recs are being addressed as part of larger IT projects so are therefore being addressed.
					201	2	170	85%	19	9%	12	4	6	1	1	6%			

Follow Up of Recommendations 2015/16 Audit Plan

Audit	Joint Audit	Final Report Date	Assurance level	Recs not applicable for follow up	Total No of Recs	Number of agreed recs completed	% of recs completed	Recs carried over into next audit	% of recs carried over	Number of recs outstanding	1	2	3	% of recs outstanding	Key auditees	Comments	Comments re Outstanding Priority 1 recs
Chief Executive																	
Corporate																	
Delivery of Corporate Priorities & Surf's Up Agency	*	May-16	Satisfactory	1	2	2	100%										
Annual Governance Statements	*	N/A	N/A														
Corporate Governance	*	Jul-16	Satisfactory	1	1			1	100%								
Risk Management	*	May-16	Satisfactory		3	1	33%	2	67%								
Project Management	*																
Use of Consultants	*	Jun-16	Limited		11	11	100%										
Communications																	
Communications	*	Mar-16	Limited		8					8	0	8	0	100%	M Gilson	No update provided by previous Head of Communications - recs re-assigned to new Head - meeting arranged to review	
Director for Economy																	
Place & Investment																	
Fixed Assets	*	Feb-17	Limited	1	5					5	2	3	0	100%	L Dine	Update provided by Audit App confirms deadlines revised for 2 recs, 1 rec is not yet due for completion. An audit of Fixed Assets is currently in progress which will establish the current status of the other 2 recs.	
Growth																	
Planning Services	*	Sep-15	Satisfactory		2	2	100%										
Local Development Framework	*	Aug-16	Satisfactory		2	2	100%										
Community Infrastructure Levy	*	May-16	Satisfactory		3	1	33%			2	0	2	0	67%	G Peck	Update provided 13/11 - 2 recs being progress report on CIL governance due in New Year will be used to update further	
Director for Communities																	
Housing																	
Housing Rents	ADC	Jun-16	Satisfactory		4	3	75%	1	25%								
Adur Building Services DSO	ADC	Mar-16	Limited	2	15	15	100%										
Wellbeing																	
Public Health	*	Aug-16	Satisfactory		5	5	100%										
Empty Property Management	*	Jul-16	Satisfactory		4	1	25%			3	0	3	0	75%	B Reynolds	Update requested 13/11	
Director for Customer Services																	
Revenues & Benefits																	
WBC Benefits	WBC	Jun-16	Satisfactory		3	3	100%										
CenSus - Council Tax	ADC	Mar-16	Satisfactory	1	4	4	100%										
Waste & Cleansing																	
AWCS	*	Oct-15	Satisfactory		1	1	100%										
Customer Contact & Engagement																	
Electoral Services	*	Aug-16	Limited	2	14	13	93%			1	0	1	0	7%	T Bryant	Outstanding rec being addressed with assistance from external contractor - deadline revised to Feb 2018	
Building Control & Land Charges																	
Building Control	*	Nov-15	Satisfactory		5	5	100%										
Director of Digital & Resources																	
Finance																	
General Ledger	*	Jun-16	Satisfactory		5	3	60%	2	40%								
Cashiering	*	Aug-16	Satisfactory		2	1	50%	1	50%								
Creditors	*	Jul-16	Satisfactory		2			2	100%								
Debtors	*	Apr-16	Satisfactory	1	2	2	100%										
Payroll	*	Apr-16	Satisfactory		4	2	50%	2	50%								
Corporate Fraud Management	*	N/A	No Opinion report														
Treasury Management	*	May-16	Satisfactory		2	2	100%										
Legal																	
Design & Digital																	
Freedom of Information	*	Nov-15	Limited	4	5	5	100%										

Follow Up of Recommendations 2016/17 Audit Plan

Audit	Joint Audit	Final Report Date	Assurance level	Recs not applicable for follow up	Total No of Recs	Number of agreed recs completed	% of recs completed	Recs carried over into next audit	% of recs carried over	Number of recs outstanding	1	2	3	Other	% of recs outstanding	Key auditees	Comments	Comments re Outstanding Priority 1 recs
Chief Executive																		
Director for Economy																		
Culture																		
Theatres Catering	WBC	Nov-17	Limited		8					8	3	4	1		100%		Follow up will occur automatically through Audit App when recommendations become due	
Place & Investment Adur Markets Management of the Council's Commercial Property Portfolio	ADC *	N/A Feb-17	Satisfactory		10					10	1	7	2		100%	L Dine	Deadline for 3 recs has been revised - updated requested for other 7 outstanding	
Director for Communities																		
Housing																		
Rent Collection and Collection of Arrears Right to Buy	ADC ADC	Jun-17 May-17	Satisfactory Satisfactory	1	3 4	3	100%			4	0	3	1		100%	P Turner M Reeve	COMPLETE Deadlines for 3 O/S recs have been revised following agreement with Head of Service Deadlines for 2 O/S recs have been revised following agreement with Head of Service All recommendations overdue - no update provided - reminder sent 14/11	
Sheltered Accommodation	ADC	Jun-17	Satisfactory		5					5	1	4	0		100%	M Reeve/ S O'Donaghue		
Works to Void Properties	ADC	Jun-17	No		11	3	27%			8	4	4	0		73%	S O'Donaghue		
Wellbeing																		
Voluntary & Community - contract procurement ADC Tax Licensing fact find	* ADC	Feb-17 Sep-17	Limited No Opinion work	7	6 18	6 4	100% 22%			14	0	0	0	14	78%	K Adderson	COMPLETE Action Plan has been created outlining actions to be taken, by whom & when - this is reviewed every 2 weeks	
Leisure																		
South Downs Leisure Trust - Contract Management	WBC	Jun-17	Satisfactory	2	4	4	100%										COMPLETE	
Director for Customer Services																		
Revenues & Benefits																		
WBC Revenues (Council Tax & NDR)	WBC	Aug-17	Satisfactory	1	4	1	25%			3	0	3	0		75%	P Tonking	Deadlines have been revised for all outstanding recs. Implementation status of outstanding rec will be checked in next audit - Jan 18 Recs no longer applicabel following return of Adur NDR to A & W	
WBC Benefits	WBC	Jun-17	Satisfactory		2	1	50%			1	0	1	0		50%	S Gobey		
CenSus - NDR	ADC	Jun-17	Satisfactory	3														
Waste & Cleansing																		
Fleet & Transport Management	*	Feb-17	Satisfactory		4	2	50%			2	1	1	0		50%	T Patching	Update provided - 1 rec complete - 2 OS not yet due	
Building Control & Land Charges																		
Local Land Charges	*	Aug-16	Satisfactory		4	2	50%			2	0	2	0		50%	M Perryman/ G Goacher	2 in progress -deadline & owner updated	
Director of Digital & Resources																		
Finance																		
Medium Term Financial Strategy General Ledger	* *	Nov-16 Jun-17	Full Satisfactory		5					5	0	5	0		100%	J Gamlin	No recommendations to follow up Recs due to be implemented 31/8/17 - update requested 14/11	
Capital Accounting	*	May-17	Satisfactory		1	1	100%										COMPLETE	
Treasury Management	*	Apr-17	Satisfactory		1	1	100%										COMPLETE	
Creditors	*	Mar-17	Satisfactory		2					2	0	2	0		100%	Y Stillwell	Update provided confirmed recs will be addressed as part of implementation of new FMS - deadline revised	
Debtors	*	Apr-17	Satisfactory	1	2	1	50%			1	0	1	0		50%	Y Stillwell	Update provided confirmed rec will be addressed as part of implementation of new FMS - deadline revised	
Payroll	*	Apr-17	Satisfactory		9	7	78%			2	0	2	0		22%	G Townsend/ N Hughes/ B Cooke	Update confirmed 7 as actioned - 2 still in progress - current audit to assess if issue still O/S	
Cashiering	*	May-17	Satisfactory		6	2	33%			4	0	3	1		67%	A Simmons	Recs now overdue - 17/18 audit currently in progress will assess whether they have been implemented	
Invest to Save Schemes	*	Nov-16	Satisfactory		7					7	0	7	0		100%	E Thomas	Update provided confirmed that action taken is wuth CFO for review	
Legal																		
Corporate Governance	*	Jun-17	Satisfactory		5	1	20%			4	1	2	1		80%	S Sale/ S Gobey	17/18 annual confirmed these recommendations as still outstanding	

Design & Digital																		
Risk Management	*	May-17	Satisfactory	1	3				3	0	2	1		100%	M Lowe	All recs now overdue update requested 14/11		
Contract Management audit - Mobile Phones	*																	
Business & Technical Services																		
Splashpoint Gym Equipment Fact Finding	WBC	N/A	No Opinion work															
Corporate Planned Maintenance Programme	*	Jun-17	Satisfactory	2	3	1	33%		2	1	1	0		67%		No follow up required		
Project Cost Control - Final Accounts - Project Closure	*	Feb-17	Satisfactory													Update provided through Audit App confirmed 1 rec complete - the other 2 are not due until Dec 17.		
Computer Audits																		
Remote Access protocols/VPN	*	Apr-17	Satisfactory		2	1	50%		1	0	1	0				Update through App confirmed 1 rec as complete and that other in progress.		
Telecomm Management	*	Apr-17	Satisfactory	1	1	1	100%									COMPLETE		
Cross Service Audits																		
Fire Risk Management	*	Jun-17	Satisfactory		10	7	70%		3	0	3	0				Update provided confirmed 7 recs completed - awaiting info from Adur Homes re 3 /s recs.		
Property Management	*																	
Welfare Reform - Support to claimants	*																	
					140	49	35%	0	0%	91	12	58	7	14	65%			

ADC Taxi Licensing Fact Find – Recommendations Action Plan

APPENDIX 6

Ref	Recommendation	Action to be taken	By whom	Implementation date
1.3.1	The draft Handbook should be expanded to include details of regular trade meetings, when consultations should occur and who with, the process for changing the tariff, procedures for dealing with complaints from the public about the conduct of taxi drivers, and the process for updating the Handbook.	Handbook will be updated accordingly. It is a living document and updates can be introduced as required. Formal procedures can be introduced as separate Annexes. Full review scheduled for 12 months' time.	SJ	December 2017
1.3.2	All financial procedures (including procedures for receiving, recording and banking of licence fee income) should be documented. Furthermore, all procedures should be reviewed and updated when Northgate M3 is replaced.	Detailed procedures for recording the receiving of fees is already in place. These will be reviewed and updated on the introduction of a new IT system.	KJA	September 2018 - subject to Digital Timetable
1.3.3	The draft Handbook should be finalised as soon as practicable in order that the Service are working to an approved and finalised set of policies and procedures.	Virtually complete and ready for publication just awaiting a decision on roof sign specification for Private Hire vehicles.	SJ	December 2017
1.3.4	Before the draft Hackney Carriage & Private Hire Licensing Handbook is finalised, representations should be requested and considered from a wide range of local disability groups, women's groups and other organisations with a wider transport interest.	Consultation targeted the public at large covering all members of the public and not just specific groups. Whilst such minority groups need to be engaged when deciding policy the handbook is primarily the tool for setting out the rules and specifications governing drivers & vehicles. Disability groups were consulted but their representations had no bearing on the handbook but was more concerned with future policy. Projects looking at disability training, future policy and legislation may well require targeted consultation therefore will be considered at next review.	TB	November 2018 Handbook for the licensed trade rather than service users, but will be considered at next review.

Ref	Recommendation	Action to be taken	By whom	Implementation date
1.3.5	Consideration should be given to the draft Handbook being reviewed by Legal Services before it is finalised.	It is. All reports concerning applications, policy and handbook are forwarded at the draft stage to senior officers and the council's legal services who routinely make observation, suggestion and amendments.	TB	December 2017
1.3.6	The checklist used for processing driver licence applications should be expanded to include attendance at disability awareness and CSE courses. A separate checklist for processing vehicle licence applications should be adopted.	The driver licence checklist already includes sections on disability awareness and CSE and so does the M3 procedures include these. However, it is not included on the back of the driver's application form but this can be added. Vehicle licence checklist is already on the application form and also on M3 system's procedures.	TB	October 2017 Done.
1.3.7	Arrangements should be effected to ensure that all have attended the CSE course.	A spreadsheet is already in place and record is made on individual's M3 record.	TB	September 2017 In progress Finalise Dec 2017
1.3.8	DBS certificates received from applicants should be handled in accordance with the DBS Code of Practice, and should not be scanned onto M3. IN PLACE	It is not procedure to scan DBS certificates on to the system. Any offences that show are recorded manually against the driver's file and DBS copy taken is destroyed securely as the Code of Practice dictates.	TB	September 2017 Done.
1.3.9	The Council should subscribe to the on-line facility for checking driving licence details provided by the DVLA.	Agree. It would streamline our procedures and provide bang up to date & accurate data including historic offences. The council should make application to be registered. The fee is £3,000 registration then only £1 per search. (Budget £500 pa).	SJ	April 2018 -
1.3.10	When a renewal of a DBS check is due, the new DBS certificate should be viewed before the previous certificate's expiry date, and the certificate number should be recorded on M3.	Ideally yes, however certificates are delayed by the DBS service, sometimes for months particularly if the applicant has resided in the London area in the past.	See 1.3.11	

Ref	Recommendation	Action to be taken	By whom	Implementation date
		The certificate number is recorded on M3 under the DBS pre-req. This is only relevant to current licence holders where it would be unfair to deprive them of their livelihood because the DBS delay return of their certificate. No new licences are issued without a complete DBS. Please see below.		
1.3.11	Consideration should be given to requesting taxi drivers to subscribe to the DBS Update Service Consideration should be given to requesting taxi drivers to subscribe to the DBS Update Service.	Agreed. We do encourage them and would like to make it compulsory. This would eliminate any issues as identified at 1.3.10. (Costing £44.00 + £13.00 to applicant)	TB	January 2018 - Subject to legal advice & possible Committee Consideration
1.3.12	Consideration should be given to requiring existing drivers to undertake disability awareness training.	This could be an item for the handbook review in 2018. It is compulsory for all new drivers to undertake this training currently but forcing existing drivers to do the training may prove controversial, but is to be considered.	SJ	September 2018
1.3.13	A review of the time taken to process licence applications should be conducted in order that any possible improvements in the procedure can be identified in order to reduce the length of time some applications are taken to process.	Agreed.	KJA	September 2018 - Subject to Digital Timetable
1.3.14	Consideration should be given to the setting of service targets, including the time taken to respond to telephone calls and emails. Where targets are set, systems and processes should be put into place for the monitoring and reporting of such. This should include ensuring that the new Taxi Licensing system is capable of recording the time taken to progress each licence application through each stage of the application process and be able to produce performance reports, which	Agreed.	SJ	January 2018

Ref	Recommendation	Action to be taken	By whom	Implementation date
	should be regularly produced and reviewed by management. Where possible performance data should be regularly compared with data from other local authorities.			
1.3.15	Cheque and cash income from licence fees should be banked at least weekly	Since the move to Portland House all revenue paperwork is completed and monies banked every week on a Wednesday.	TB	September 2017 Done, every Wednesday
1.3.16	The new Taxi Licensing system, which will replace Northgate M3, should be capable of producing income reports which can be reconciled with monies for banking.	Agreed.	KJA	September 2018 - Subject to Digital Timetable
1.3.17	The process for changing the hackney carriage tariff should be documented.	It is laid out in the legislation.	TB	October 2017 Formalised. Flow chart
1.3.18	When there is a change to the hackney carriage tariff, the new tariff advertised to the public in accordance with Section 65(2) of the Local Government (Miscellaneous Provisions) Act 1976 should be checked for accuracy. Furthermore, any press releases and written communications should be checked and reviewed by Legal Services before they are issued.	Agreed and checked by Licensing officer and Team Leader for Licensing.	SJ	October 2017 In hand
1.3.19	Any change to the hackney carriage tariff should be notified to each taxi driver in writing at the earliest opportunity (after the end of the 14 day consultation period)) and should advise the effective date for the tariff increase and detail the arrangements for updating meters.	Agreed.	SJ	October 2017 Agreed.
1.3.20	The Licensing Office should retain details of any legal advice received from Legal Services.	It is but agree to also set up a dedicated legal file on Google.	SJ	December 2017

Ref	Recommendation	Action to be taken	By whom	Implementation date
1.3.21	Where a there is an allegation of misconduct by a Council officer, an Investigating Officer should be appointed by the Head of Service in accordance with the Disciplinary Policy. Furthermore all complaints about the Taxi Licensing service should be routed through the Corporate Complaints procedure and should be responded to in accordance with that procedure's guidelines.	Agreed.	JC	September 2017 Agreed
1.3.22	Where a complaint about the Taxi Licensing service is investigated via the Corporate Complaints Procedure, a response should be sent to the complainant before the prescribed deadline.	Agreed.	JC	September 2017 Agreed in hand
1.3.23	Procedures for investigating complaints received from the public about the conduct of taxi drivers should be fully documented.	They are and recorded on individuals M3 file and on the google enforcement file.	TB	October 2017 In hand
1.3.24	Full details of action taken in response to a complaint about an individual taxi driver should be recorded on the M3 system.	They are and recorded on individuals M3 file and on the google enforcement file.	TB	October 2017 in hand
1.3.25	Officers should ensure that all information provided to the Licensing Committee is complete and accurate.	Officers always endeavour to provide accurate, up to date and complete information to members. All committee papers are checked by legal and senior officers prior to publication.	SJ	September 2017 Agreed.



Risk & Opportunity Management Updates

Report by the Director for Digital & Resources

1.0 Summary

- 1.1 This report provides the regular updates on the management of the Councils' risks and opportunities.

2.0 Background

- 2.1 The Committee has previously requested that progress update reports on the management of the Councils' risks and opportunities should be reported to the Committee to assist it in its role monitoring the effective development and operation of risk management and corporate governance in the Councils.

- 2.2 Progress continues to be made to monitor and review the full Risk and Opportunity registers:-

- Regular reports on Corporate Risks are reported to the Councils Leadership Team for monitoring and review. A revised set of Corporate Risks and Opportunities has been adopted which reflect the aims set out in the strategic vision (Platforms for our Places);
- Executive Members receive regular reports on the details of Corporate Risks and Opportunities;
- All Service Risks are regularly updated in consultation with Directors, Service Heads, Departmental Management Team meetings and Risk and Opportunity management is being integrated into the culture and working practices of the organisation to ensure that Risks and Opportunities are identified in an open and honest manner ;
- All risks and opportunities are monitored in separate risk and opportunity registers which have recently been aligned to reflect the recent Directorate changes.
- 2 training sessions were held on Risk and Opportunity Management earlier in November for all senior staff.

- 2.3 Details of the latest Risks and Opportunities can be viewed via the following links:-

[Corporate Risks and Opportunities](#)

2.4 It should be noted that there is some information provided in the reports attached to the Risk and Opportunities registers which is of a commercially sensitive and/or confidential nature, therefore, these are not to become broader public documents at this stage but are used for internal management purposes only.

2.5 These regular Risk/Opportunities review techniques continue to expand the coverage of Risk and Opportunity management across the Councils and identification/updates of Risks and Opportunities is closing the gaps on Risks and Opportunity assessments.

3.0 A summary of the Risk and Opportunity Management updates

3.1 A summary of the main changes to the Risks and Opportunities since the last update report is included in the table attached as an Appendix to this report.

3.2 There are currently 112 Risks and 16 Opportunities compared with 120 Risks and 17 Opportunities in the report in June 2017. Some Risks have had their assessment changed, some new Risks and Opportunities have been added and some removed and the details of these changes are set out in the Appendix to this report.

4.0 Proposals

4.1 The Committee is requested to note the continued progress in managing the risks and opportunities, the current status of the Corporate and Service Risks and Opportunities Registers and to consider if it would like to receive any further information on any of the Risks and Opportunities.

5.0 Legal

5.1 There are no legal matters arising as a result of this report. The Joint Governance Committee does have responsibility for receiving the annual risk report and also for monitoring the effective development and operation of risk and opportunity management.

5.2 Risk and Opportunity management is an important element in ensuring that service delivery objectives are achieved.

6.0 Financial implications

6.1 There are no direct financial implications arising from this report. However, some of the risks and opportunities do have potential cost implications.

7.0 Recommendation

7.1 That the progress in managing risks and opportunities be noted;

7.2 That the Committee consider if it would like any further information on any of the Risk/Opportunities; and

7.3 That the Committee agree to receive a further progress report to the Committee in March 2018.

**Local Government Act 1972
Background Papers:**

None.

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Schedule of Other Matters

1.0 Council Priority

- 1.1 Matter considered. The Risks and Opportunities are directly linked to the projects and work streams that are in place to help deliver the commitments and activities contained in the Councils' strategic vision 'Platforms for our Places'.

2.0 Specific Action Plans

- 2.1 The Council's Risk and Opportunity Management Strategy sets out clear governance controls for the management of Risks and Opportunities and part of these include provision for the Service Risks and Opportunities to be considered quarterly by the Joint Governance Committee.

3.0 Sustainability Issues

- 3.1 Matter considered. Some of the Risks and Opportunities may impact on sustainability.

4.0 Equality Issues

- 4.1 Matter considered. Some of the Risks and Opportunities refer to equalities issues.

5.0 Community Safety Issues (Section 17)

- 5.1 Matter considered. Some of the Risks and Opportunities may relate to crime and disorder issues.

6.0 Human Rights Issues

- 6.1 Matter considered and no direct issues identified.

7.0 Reputation

- 7.1 Matter considered. Some of the Risks and Opportunities will impact on the reputation of the Councils if they occur. The Risk appetite approach is to minimise exposure to Risks impacting on reputation.

8.0 Consultations

- 8.1 As part of this report, relevant Heads of Service and Directors have been consulted on the progress in managing relevant Risks and Opportunities in order to provide updates.

9.0 Risk Assessment

- 9.1 As part of good governance the Council's need to manage Risks and Opportunities.

10.0 Health & Safety Issues

10.1 Matter considered. Some of the Risks relate to health and safety issues.

11.0 Procurement Strategy

11.1 Matter considered. All Risks and Opportunities refer to relevant procurement processes where appropriate.

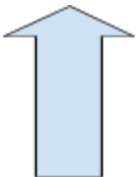
12.0 Partnership Working

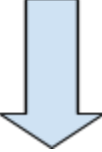
12.1 Matter considered. The Risks and Opportunities are joint Adur and Worthing Risks and Opportunities and may also refer to any other partnership working as appropriate.

Updates on Risk and Opportunity Management

Risk & Opportunity Management Dashboard	November 2017 update	June 2017 update	January 2017 update
Corporate Risks & Opportunities	Risks - 7 Opportunities - 5	Risks - 7 Opportunities - 5	Risks - 6 Opportunities - 5
Service Risks & Opportunities	Environment - 4 Risks Housing - 11 Risks/ 2 Opportunities Wellbeing - 5 Risks AWCS - 5 Risks Business & Technical Services - 5 Risks Customer Contact & Engagement - 6 Risks Digital & Design - 6 Risks Financial Services - 8 Risks/ 1 Opportunity Human Resources - 6 Risks/ 1 Opportunity Legal Services - 2 Risks/ 1 Opportunity Revenues & Benefits - 5 Risks Building Control & Land Charges - 6 Risks/1 Opportunity Culture - 12 Risks/ 5 Opportunities Place & Investment - 6 Risks Planning & Development - 16 Risks	Environment - 3 Risks Housing - 10 Risks/ 2 Opportunities Wellbeing - 5 Risks AWCS - 7 Risks Building Control & Land Charges - 6 Risks/1 Opportunity Customer Contact & Engagement - 10 Risks Revenues & Benefits - 6 Risks Business & Technical Services - 6 Risks Digital & Design - 6 Risks Financial Services - 8 Risks/ 1 Opportunity Human Resources - 6 Risks/ 1 Opportunity Legal Services - 3 Risks/ 1 Opportunity Culture - 10 Risks/ 6 Opportunities Place & Investment - 7 Risks Planning & Development (Formerly Economic Growth) - 16 Risks	Environment - 3 Risks Housing - 11 Risks/ 2 Opportunities Wellbeing - 5 Risks AWCS - 9 Risks Building Control & Land Charges - 6 Risks/1 Opportunity Customer Contact & Engagement - 12 Risks Revenues & Benefits - 7 Risks Business & Technical Services - 6 Risks Digital & Design - 6 Risks Financial Services - 13 Risks/ 1 Opportunity Human Resources - 6 Risks/1 Opportunity Legal Services - 1 Risk 1 Opportunity Culture - 10 Risks/ 5 Opportunities Place & Investment - 6 Risks Economic Growth - 14 Risks

Number of High Risks on Service Registers	Environment - 1 Housing - 7 AWCS - 1 Customer Contact & Engagement - 2 Digital & Design - 2 Financial Services - 3 Revenues & Benefits - 1 Culture - 4 Place & Investment - 1	Environment - 1 Housing - 5 AWCS - 1 Customer Contact & Engagement - 3 Revenues & Benefits - 1 Business & Technical Services - 2 Digital & Design - 2 Financial Services - 4 Human Resources - 1 Culture - 4 Place & Investment - 1	Environment - 1 Housing - 4 AWCS - 1 Customer Contact & Engagement - 3 Revenues & Benefits - 1 Business & Technical Services - 2 Digital & Design - 1 Financial Services - 4 Human Resources - 1 Culture - 5 Place & Investment - 1

 <p>Risks where assessment score has increased since the previous report</p>	<p>Housing - Failure to manage leaseholder services appropriately. - Risk increased to High Risk. Customer Contact & Engagement - Failure to respond to FOI requests on time - Risk increased to High Risk. Digital & Design - Corporate Telephony - Risk increased to High Risk.</p>
--	---

 <p>Risks where assessment score has reduced since the previous report.</p>	<p>Business & Technical Services - No stock condition surveys in place - Risk reduced to Medium Risk Business & Technical Services - Grafton MSCP condition - Risk reduced to Medium Risk Customer Contact & Engagement - Service redesign does not reduce failure demand as predicted, however, resources reduce based on a forecast demand - Risk reduced to Medium Risk. Digital & Design - Lack of Project Management approach - Risk reduced to Medium Risk. Human Resources - Review of HR staff related policies - Risk reduced to Medium Risk.</p>
<p>New Risks/Opportunities added since last report</p>	<p>Environment - Vibration equipment Housing - Housing Revenue Account - Rent reduction policy - High Risk Housing - Housing Rent collection - High Risk Culture - Connaught Theatres and Studio - Lack of air conditioning Culture - Museum cases Culture - Pavilion Theatres seating - Exposed foam</p>
<p>Risks/Opportunities removed since last report.</p>	<p>Waste & Cleansing - Fleet Management renewal Waste & Cleansing - New legislation TEEP Housing - Failure to deliver the Adur Homes Capital Programme Legal Services - Prosecution - Potential fraud matter Customer Contact & Engagement - Compliments and Information requests - Lack of progress in delivering alternative system by third party. Customer Contact & Engagement - Introduction of new technology - Impact on operational staff in undertaking their day to day duties and serving customers. Customer Contact & Engagement - Governance & Architecture for telephony in the Contact Centre. Revenues & Benefits - Adur Revenues & Benefits service review - Length of time to undertake a review because we are dependent on partners. Culture - Connaught Studio seating Culture - Ticket shop opportunity Place & Investment - Service restructure</p>



ADUR & WORTHING COUNCILS

Joint Governance Committee
28 November 2017
Agenda Item 9

Key Decision [Yes/No]

Wards: All

Close Circuit Television (CCTV) Policy

Report by the Director for Digital & Resources

1.0 Summary

- 1.1 To agree a CCTV Policy to ensure compliance with Data Protection legislation and to ensure good operational arrangements are in place.

2.0 Background

- 2.1 This purpose of the CCTV policy (see Appendix A) is to ensure that Adur District Council and Worthing Borough Council (“the Council”) complies fully with its legal obligations under the Data Protection Act 1998 (DPA) and General Data Protection Regulation¹ (GDPR) in relation to the protection of personal data that it holds / processes about or concerning any individual. See Appendix A.
- 2.2 This policy adheres the good practice standards recognised by the Information Commissioner’s Office and Surveillance Camera Commissioner which must be adhered to for operating CCTV. The [Surveillance Camera Commissioner](#) (SCC) was created under the Protection of Freedoms Act 2012 (POFA) to regulate CCTV and promote the CCTV code of practice and 12 guiding principles. By following these provisions the Council will ensure that arrangements are both fair and lawful.
- 2.3 This policy covers the use of overt cameras related surveillance equipment including
- Automatic Number Plate Recognition (ANPR)
 - body worn video (BWV);

¹ GDPR comes into force 25th May 2018 superseding the DPA.

- unmanned aerial systems (UAS) aka Drones; and
- other systems that capture information of identifiable individuals or information relating to individuals.

2.4 Covert surveillance activity is not covered in the policy because this activity is governed by the Regulation of Investigatory Powers Act 2000. This type of recording is covert and directed at an individual or individuals. See the Council's' Surveillance Policy and Procedures.

3.0 Proposals

3.1 That the Joint Governance Committee, on behalf of the Councils, approves the CCTV policy.

4.0 Legal

4.1 The Surveillance Camera Commissioner (SCC) was created under the Protection of Freedoms Act 2012 (POFA) to regulate CCTV and promote the CCTV code of practice and 12 guiding principles. The processing of personal data must comply with the Data Protection Act 1998 and GPDR (from 25th May 2018).

5.0 Financial implications

5.1 There are no specific financial implications arising from this report.

6.0 Recommendation

6.1 That the Joint Governance Committee agrees the CCTV Policy as set out in Appendix 1 with immediate effect.

Local Government Act 1972

Background Papers:

Information Commissioner's Office Data Protection Code of Practice for Surveillance Cameras and Personal Information (June 2017)

Surveillance Camera Commissioner, The Surveillance Camera Code of Practice (June 2013)

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Schedule of Other Matters

1.0 Council Priority

1.1 This report does not address any particular Council priority.

2.0 Specific Action Plans

2.1 This report does not address any specific action plan.

3.0 Sustainability Issues

3.1 This matter does not address any particular sustainability issues.

4.0 Equality Issues

4.1 This matter does not address any particular sustainability issues.

5.0 Community Safety Issues (Section 17)

5.1 The Policy and Procedure set out within this report is intended to improve the appropriate and proportionate use of CCTV for detecting crime, which in itself, should help to reduce crime within the area.

6.0 Human Rights Issues

6.1 This Policy and Procedure is intended to ensure that human rights are considered prior to and during the operation of CCTV. The use of privacy impact assessments and CCTV self assessments would provide the Councils with protection to any claim that an individual's human rights have been breached.

7.0 Reputation

7.1 The Policy and Procedure is intended to ensure that the Councils act properly and proportionately when considering using CCTV and where used that appropriate arrangements are put in place. .

8.0 Consultations

8.1 Consultation has been undertaken with the Council's' Leadership Team

9.0 Risk Assessment

9. Matter considered and no issues identified.

10.0 Health & Safety Issues

10.1 Matter considered and no issues identified.

11.0 Procurement Strategy

11.1 Matter considered and no issues identified.

12.0 Partnership Working

12.1 Matter considered and no issues identified.

Appendix A



ADUR & WORTHING
COUNCILS

Close Circuit Television (CCTV) Policy

Date	Version number	Changes
28/10/17	1.0	Approved by Joint Governance Committee

This policy will be reviewed annually

1 Introduction

This policy is in place to ensure that Adur District Council and Worthing Borough Council (“the Council”) complies fully with its legal obligations under the Data Protection Act 1998 (DPA) and General Data Protection Regulation² (GDPR) in relation to the protection of personal data that it holds / processes about or concerning any individual. See Appendix A.

2 Purpose and scope

This policy details the good practice standards recognised by the Information Commissioner’s Office and Surveillance Camera Commissioner which must be adhered to for operating CCTV.

The [Information Commissioner’s Office](#) (ICO) is responsible for administering the provisions of the DPA and GDPR and has powers to take legal action and fines against organisations found to be acting unlawfully.

The [Surveillance Camera Commissioner](#) (SCC) was created under the Protection of Freedoms Act 2012 (POFA) to regulate CCTV and promote the CCTV code of practice and 12 guiding principles. See Appendix B.

By following these provisions the Council will ensure that arrangements are both fair and lawful. Certain images recorded by a CCTV scheme are classed as personal data under the terms of the DPA and GDPR. The DPA and GDPR defines personal data as “data which relate to a living individual who can be identified:

- a) from those data and
- b) from those data and other information which is in the possession of, or is likely to come into the possession of the Data Controller.

Personal data is not limited to the ability to name an individual.

This policy document must be read in conjunction with the ICO [Data Protection Code of Practice for Surveillance Cameras and Personal Information](#), SCC [The Surveillance Camera Code of Practice](#) and the council’s Data Protection Policy.

This policy covers the use of camera related surveillance equipment including

- Automatic Number Plate Recognition (ANPR)
- body worn video (BWV);

² GDPR comes into force 25th May 2018 superseding the DPA.

- unmanned aerial systems (UAS) aka Drones; and
- other systems that capture information of identifiable individuals or information relating to individuals.

Covert surveillance activity is not covered in this policy because this activity is governed by the Regulation of Investigatory Powers Act 2000. This type of recording is covert and directed at an individual or individuals. See the Council's' Surveillance Policy and Procedures.

3 Legislation

CCTV systems are subject to legislation under:

- Data Protection Act 1998 (DPA).
- Human Rights Act 1998 (HRA).
- Freedom of Information Act 2000 (FOIA).
- Regulation of Investigatory Powers Act 2000 (RIPA).
- General Data Protection Regulation (comes in force 25th May 2018)
- Protection of Freedoms Act 2012
- Criminal Procedures and Investigations Act 1996

4 Deciding when surveillance camera systems should be used

Using surveillance systems can be privacy intrusive. They are capable of placing large numbers of law-abiding people under surveillance and recording their movements as they go about their day-to-day activities.

Careful consideration should be given to whether or not to use a surveillance system. Taking into account the nature of the problem seeking to address; whether a surveillance system would be a justified and an effective solution, whether better solutions exist, what effect its use may have on individuals, and whether in the light of this, its use is a proportionate response to the problem.

Under the GDPR, there is a new legal obligation (Article 25) to implement Privacy by Design. This is an an approach that promotes privacy and data protection compliance from the start.

Under GDPR Data protection impact assessments (PIAs) (Ref GDR Article 35, 36) are mandatory for large scale CCTV monitoring surveillance. These will be conducted in consultation with the Council's Data Protection Office and ICO.

The ICO's have produced a (DPA) [Conducting privacy impact assessments](#) (July 2017) code of practice for good practice advice. The Surveillance Camera

Commissioner have produced PIAs specific to surveillance cameras [Privacy impact assessments for surveillance cameras](#) (Aug 2017)

The Council will use these guides to undertake PIAs and regularly evaluate whether it is necessary and proportionate to continue using CCTV..

5 Governance

For each CCTV deployment the lead Council Officer must :

- Produce and maintain a CCTV operational policy complying with the ICO [Data Protection Code of Practice for Surveillance Cameras and Personal Information](#), SCC [The Surveillance Camera Code of Practice](#) and the Council's Data Protection Policy, including :
 - ❖ Data Controller/s details
 - ❖ Clear roles and responsibilities
 - ❖ Lawfulness condition
 - ❖ CCTV Objectives
 - ❖ Contracts in place with Data Processors (ref GDPR Article 30)
 - ❖ Contract monitoring arrangements
 - ❖ Compliance with [CCTV standards](#)
 - ❖ Administration
 - ❖ Security and Safeguard arrangements
 - ❖ Data quality
 - ❖ Record keeping procedures
 - ❖ Storing and viewing surveillance information
 - ❖ Disclosure
 - ❖ Dealing with subject access request
 - ❖ Retention and disposal
 - ❖ Staff Training
 - ❖ Siting surveillance cameras
 - ❖ Privacy notices
 - ❖ Using the equipment
 - ❖ Review and audit mechanism
 - ❖ Reporting arrangements
- Keep a record of PIAs and privacy by design documentation
- Keep a Register of data protection processing activity (ref GDPR Article 30)
- Undertake an annual review of CCTV using the Surveillance Camera Commissioner self assessment guide and implement actions:

[Self assessment tool: surveillance camera code of practice](#) (Aug 2016)

[Self assessment tool: automatic number plate recognition](#) (Aug 2016)

[Self assessment tool: body worn video](#) (Aug 2016)

6 References

Information Commissioner Office

<https://ico.org.uk/>

[Data Protection Code of Practice for Surveillance Cameras and Personal Information](#) (June 2017)

Surveillance Camera Commissioner

<https://www.gov.uk/government/organisations/surveillance-camera-commissioner>

[The Surveillance Camera Code of Practice](#) (June 2013)

[A guide to the 12 principles](#) (Oct 2014)

[Steps to complying with the 12 principles](#) (Oct 2014)

[Privacy impact assessments for surveillance cameras](#) (Aug 2016)

[Self assessment tool: surveillance camera code of practice](#) (Aug 2016)

[Self assessment tool: automatic number plate recognition](#) (Aug 2016)

[Self assessment tool: body worn video](#) (Aug 2016)

[Recommended standards for the CCTV industry](#) (Nov 2016)

7 Glossary

'Data Controller' [Data Protection Act 1998, General Data Protection Regulations) means who shall control, manage and determine the Objectives, and the manner in which any Data is to be processed. this can be a single or joint organisations;

Data Processor [Data Protection Act 1998, General Data Protection Regulations) A supplier contracted / authorised by the Data Controller to process the data.

"Data" includes personal Data, and all other processed information which is in the possession of the Data Controller which relates to property; or an individual or group of individuals who can be identified; which is processed by means of CCTV equipment operating automatically to further the Objectives

"Data Subject" an individual making a Data Subject Access Request

'Objectives' means the assessed purpose or reasons for installing the CCTV system; the assessed and required protections

Appendix A Data Protection Principles

The Data Protection Act 1998

1. Personal data shall be processed fairly and lawfully and, in particular, shall not be processed unless-

- (a) at least one of the conditions in Schedule 2 is met, and
- (b) in the case of sensitive personal data, at least one of the conditions in Schedule 3 is also met.

2. Personal data shall be obtained only for one or more specified and lawful purposes, and shall not be further processed in any manner incompatible with that purpose or those purposes.

3. Personal data shall be adequate, relevant and not excessive in relation to the purpose or purposes for which they are processed.

4. Personal data shall be accurate and, where necessary, kept up to date.

5. Personal data processed for any purpose or purposes shall not be kept for longer than is necessary for that purpose or those purposes.

6. Personal data shall be processed in accordance with the rights of data subjects under this Act.

7. Appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data.

8. Personal data shall not be transferred to a country or territory outside the European Economic Area unless that country or territory ensures an adequate level of protection for the rights and freedoms of data subjects in relation to the processing of personal data.

General Data Protection Regulations

1 processed lawfully (Article 6, 9), fairly and in a transparent manner in relation to individuals;

2 collected for specified, explicit and legitimate purposes and not further processed

in a manner that is incompatible with those purposes; further processing for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes shall not be considered to be incompatible with the initial purposes;

3 adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed;

4 accurate and, where necessary, kept up to date; every reasonable step must be taken to ensure that personal data that are inaccurate, having regard to the purposes for which they are processed, are erased or rectified without delay;

5 kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed; personal data may be stored for longer periods insofar as the personal data will be processed solely for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes subject to implementation of the appropriate technical and organisational measures required by the GDPR in order to safeguard the rights and freedoms of individuals;

6 processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures.

7 The Data controller shall be responsible for and be able to demonstrate, compliance with the six principles.

Appendix B - The guiding principles of the Surveillance Camera Code of Practice

1. Use of a surveillance camera system must always be for a specified purpose which is in pursuit of a legitimate aim and necessary to meet an identified pressing need.
2. The use of a surveillance camera system must take into account its effect on individuals and their privacy, with regular reviews to ensure its use remains justified.
3. There must be as much transparency in the use of a surveillance camera system as possible, including a published contact point for access to information and complaints.
4. There must be clear responsibility and accountability for all surveillance camera system activities including images and information collected, held and used.
5. Clear rules, policies and procedures must be in place before a surveillance camera system is used, and these must be communicated to all who need to comply with them.
6. No more images and information should be stored than that which is strictly required for the stated purpose of a surveillance camera system, and such images and information should be deleted once their purposes have been discharged.
7. Access to retained images and information should be restricted and there must be clearly defined rules on who can gain access and for what purpose such access is granted; the disclosure of images and information should only take place when it is necessary for such a purpose or for law enforcement purposes.
8. Surveillance camera system operators should consider any approved operational, technical and competency standards relevant to a system and its purpose and work to meet and maintain those standards.
9. Surveillance camera system images and information should be subject to appropriate security measures to safeguard against unauthorised access and use.

10. There should be effective review and audit mechanisms to ensure legal requirements, policies and standards are complied with in practice, and regular reports should be published.
11. When the use of a surveillance camera system is in pursuit of a legitimate aim, and there is a pressing need for its use, it should then be used in the most effective way to support public safety and law enforcement with the aim of processing images and information of evidential value.
12. Any information used to support a surveillance camera system which compares against a reference database for matching purposes should be accurate and kept up to date.

Further guidance :

[A guide to the 12 principles](#) (Oct 2014)

[Steps to complying with the 12 principles](#) (Oct 2014)



ADUR & WORTHIN
COUNCILS

Joint Governance Committee
28 November 2017
Agenda Item 10

Ward: All Worthing Wards

Honouring links with Richebourg L'Avoue

Report by the Director for Communities

1.0 Summary

- 1.1 To consider the options for formal recognition of the links between the Borough Council and Richebourg L'Avoue.
- 1.2 To make a recommendation to the Council meeting on 19th December 2017

2.0 Background

- 2.1 Council on 31 October 2017 accepted a Motion on Notice from the Mayor requesting officers to put a report to this Committee to consider the available options of strengthening our ongoing relationship, with a view to formally granting a civic recognition, specifically Freedom of the Borough, to honour the sacrifices of the past and strengthen ongoing ties and relationships between citizens of the Borough of Worthing and the Town of Richebourg.
- 2.2 Supporting information for the Motion is added below:
- 2.3 On 30th June 1916, Richebourg l'Avoué in France was the site of the Battle of the Boar's Head that owes its name to the network of trenches forming the shape of a boar's head.
- 2.4 The Battle aimed to distract the Germans and to make them believe that the Great Offensive would be launched in Richebourg and not in the Somme. The 11th, 12th and 13th Battalions of the Southdowns Brigade were involved in this battle that lasted only 5 hours. Even so, 349 British soldiers and 17 officers died and over 1,000 were wounded or taken prisoners. Ever since, the 30th of June has been regarded locally as "The Day Sussex died". 22 of those who died were from Worthing.
- 2.5 In 1920, after the First World War, the Mayor of Worthing Ellen Chapman raised thousands of pounds in Worthing to go towards the rebuilding of Richebourg which

was all but destroyed in the battle. This was the foundation of our relationship with Richebourg.

- 2.6 The strong links with Richebourg has continued in recent years with the support of a number of past Mayor's and Councillors. Every year, "The Day Sussex died" is remembered both here in Worthing and in Richebourg. The commitment of our continued friendship is something that the Mayor of Richebourg, Gérard Delahaye, supports by facilitating yearly commemorations in memory of the soldiers who died, inviting Cllr Sean McDonald over to their town for the 100th anniversary services last year and in encouraging links with local schools here and in Richebourg.
- 2.7 This Council acknowledges the links between the Borough and Richebourg as demonstrated by continued yearly commemorations of the actions taken by the Royal Sussex Regiment at The Battle of the Boar's Head on 30 June 1916.
- 2.8 The town of Richebourg have expressed interests in extending their links with the Borough and have recently been forging links with Chatsmore Catholic High School. Working on various projects to promote and explore our relationships history, most notably in designing a stain glass window for Worthing Pier and an identical one to be displayed in Richebourg.

3.0 Proposals

- 3.1 This paper discusses the options available to the Committee to honour the direct links between the Borough Council and Richbourg, building on the work of Mayor Ellen Chapman and continuing through each Mayoral Year.
- 3.2 Formal Twinning between the Towns

The formal process for Town Twinning is governed by the Council for European Municipalities and Regions (CEMR) where prospective towns post a request for a twin; prospective partners are matched together with various negotiations taking place before a Friendship Link is established as a first stage to formal ties. The Borough already has a twinning Association with links to Le Pays de Olonnes in France and the Elztal Region in Germany.

It is unlikely that the CEMR would formally support Worthing choosing to Twin with Richbourg when there are a number of Towns across Europe waiting for a Twin.

- 3.3 Informal Twinning or Friendship links between the Towns

A Friendship accord could be drafted and made personal to the links between the Borough and Richbourg although this would take time to ensure that both Parties views are represented; there would likely be translation costs to ensure that the document did not commit either Parties to unattainable goals and use of resources. Friendship links are usually used to improve relations between nations rather than to honour existing links.

- 3.4 Freedom of the Borough granted to either the Town or the Civic Head in perpetuity

The Mayor of Richbourg conferred on the Mayor of Worthing (Councillor Sean McDonald) the Freedom of the Town of Richbourg during the WW1 commemorations in June 2016. This recognised the ongoing links between the Civic Offices.

To recognise the special links between the Civic Offices the granting of the Freedom to the Civic Head is similar to granting the honour to a military unit without naming the personal of the Unit.

Freedom is usually granted to recognise confidence, trust and friendship that has built up over time.

A Freedom of the Borough granted to the office of Mayor of Richebourg, would demonstrate our recognition of the town of Richebourg's continued acts of remembrance for not only the Worthing men and boys of the Royal Sussex Regiment who lost their lives at the battle of the boars head, but also for the work of Ellen Chapman almost 100 years ago.

4.0 Legal

4.1 Section 249 (5) of the Local Government Act 1972 allows Boroughs to grant the Freedom of Entry to distinguished persons.

4.2 Should the Council meeting in December agree that the Freedom be granted to the Civic Head of Richbourg then an Extra Ordinary Council Meeting under Section 249 (5) of the Local Government Act will need to be arranged for the granting of the honour - two thirds of those councillors in attendance at that meeting, would need to vote in favour of the Motion to grant the Freedom. The conferment could take place during that meeting, similar to the Honorary Alderman/Alderwomen or at another suitable date or venue. This Extraordinary Meeting meeting could be arranged directly after the February or April Council meetings, enabling the actual conferment to take place in May at a Reception during the timetabled of the visit of the dignitaries.

4.3 The Freedom of the Borough of Worthing has been conferred as follows:

Lord Higgins of Worthing (7th November 1997)

HMS Sussex, The Sussex Division RNR (21st June 1990) - handed back when disbanded in 1994

Her Grace Lavinia, Duchess of Norfolk CBE (21st November 1978)

Princess of Wales Royal Regiment (formerly Queens & Hampshire) (4th June 1959)

Charles Bertram Barber JP (30th April 1959)

Alderman Joseph Arthur Mason OBE (6th April 1956)

Alderman Harry Thomas Duffield (4th December 1940)

Alderman James Farquarson Whyte MA JP (4th December 1940)

John Kennedy Allerton OBE (8th April 1938)

Alderman James Gurney Denton (28th September 1922)

Andrew Carnegie LL.D (31st May 1909)

The Rt Hon Sir Henry Aubrey-Fletcher Bart CB MP (8th October 1901)

George Baker (12th June 1901)

Charles Caleb Grinstead (12th June 1901)

Henry William Goddard (12th June 1901)

Henry Ingram Hill (12th June 1901)

Herbert Pope (12th June 1901)

[Members of the 'H' (Worthing Company) 2nd VB Royal Sussex Regiment, being members of the Active Service Company of Sussex Volunteers serving in South Africa, 1900-01]

Edward Harrison (25th October 1894)

5.0 Financial implications

- 5.1 It is customary to present a commemorative Scroll conferment and to hold a small reception, to celebrate the conferment.
- 5.2 Representatives from Richebourg are expected to visit the Borough during May 2018 (weekend of 11/12th) when a suitable conferment ceremony could take place followed by a small reception for the civic guests. A small reception could be accommodated within the current budgets and would be linked to the Official Mayoral Visit of the Guests from Richebourg.

6.0 Recommendation

- 6.1 That the Committee considers the proposal in the report and makes the following recommendation to the Worthing Council meeting in December:
- 6.2 That in accordance with the provisions of Section 249 of the Local Government Act 1972, as amended, the Council of the Borough of Worthing do grant Freedom of the Borough to the office of Mayor of Richebourg.

- 6.3 Council notes that an Extra Ordinary Council meeting will be required to formally confirm the Freedom of the Borough, with this likely to be after the February or April Council meetings.

Local Government Act 1972

Background Papers:

Motion on Notice to Council 31 October 2017

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Schedule of Other Matters

1.0 Council Priority

1.1 This report does not support any particular Council Priority

2.0 Specific Action Plans

2.1 This report does not support any particular Action Plan

3.0 Sustainability Issues

3.1 Matter considered no matters arising

4.0 Equality Issues

4.1 Matter considered no matters arising

5.0 Community Safety Issues (Section 17)

5.1 Matter considered and no matters arising

6.0 Human Rights Issues

6.1 Matter considered no matters arising

7.0 Reputation

7.1 Matter considered no matters arising

8.0 Consultations

8.1 The Mayor, as the sponsor of the Motion on Notice has been consulted on this report and will be presenting the request at the Committee.

9.0 Risk Assessment

9.1 Matter considered no matters arising

10.0 Health & Safety Issues

10.1 Matter considered, no matters arising

11.0 Procurement Strategy

11.1 Matter considered, no matters arising

12.0 Partnership Working

12.1 Matter considered, no matters arising