



ADUR & WORTHING
COUNCILS

14 September 2020

Joint Governance Committee

Date:	22 September 2020
Time:	6.30 pm
Venue:	Remote Meeting via Zoom

Committee Membership:

Adur District Council: Councillors; Kevin Boram (Adur Chairman), George Barton (Adur Vice-Chairman), Paul Mansfield, Ann Bridges, Brian Coomber, Debs Stainforth, Catherine Arnold and Liz Haywood

Worthing Borough Council: Councillors; Roy Barraclough (Worthing Chairman), Tim Wills (Worthing Vice-Chairman), Louise Murphy, Mike Barrett, Steve Waight, Steve Wills, Rebecca Cooper and Hazel Thorpe

Agenda

Part A

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 30 July 2020, copies of which have been previously circulated.

4. Public Question Time

To receive any questions from members of the public.

In order for the Committee to provide the fullest answer, questions from the public should be submitted by **noon on Friday 18 September 2020**.

Where relevant notice of a question has not been given, the person presiding may either choose to give a response at the meeting or respond by undertaking to provide a written response within three working days.

Questions should be submitted to Democratic Services,
democratic.services@adur-worthing.gov.uk

(Note: Public Question Time will operate for a maximum of 30 minutes.)

5. Items Raised under Urgency Provisions

To consider any items the Chairman of the meeting considers to be urgent.

6. External Audit Planning Report Update (Pages 1 - 32)

To consider a report from the External Auditor, copies attached as item 6.

7. Internal Audit Progress Report (Pages 33 - 62)

To consider a report from the Acting Head of Internal Audit, copies attached as item 7.

8. Risks & Opportunities Report (Pages 63 - 98)

To consider a report by the Director for Digital & Resources, copy attached as item 8.

9. Scheme of Officer Delegations (Pages 99 - 106)

To consider a report by the Monitoring Officer, copy attached as item 9.

10. Recruitment and Appointment of Independent Persons (Pages 107 - 112)

To consider a report by the Monitoring Officer, copy attached as item 10.

11. Annual Review of Complaints Concerning Member Conduct - 2019/20
(Pages 113 - 122)

To consider a report by the Monitoring Officer, copy attached as item 11.

Part B Exempt Reports - Not for Publication

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 be recording any discussions in Part B of the agenda (where the press and public have been excluded).

For Democratic Services enquiries relating to this meeting please contact:	For Legal Services enquiries relating to this meeting please contact:
Neil Terry Democratic Services Lead 01903 221073 neil.terry@adur-worthing.gov.uk	Joanne Lee Solicitor 01903 221134 Joanne.lee@adur-worthing.gov.uk

Duration of the Meeting: Four hours after the commencement of the meeting the Chairperson will adjourn the meeting to consider if it wishes to continue. A vote will be taken and a simple majority in favour will be necessary for the meeting to continue.

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Adur District Council Audit planning report update

Year ended 31 March 2020

August 2020



11 August 2020



Adur District Council
c/o Worthing Town Hall
Chapel Road
Worthing
West Sussex
BN11 1HA

Dear Joint Governance Committee Members

Audit Planning Report update - Year ended 31 March 2020

This report seeks to provide the Joint Governance Committee with an update to our risk identification for the 2019/20 audit, reflecting the changes in risks identified in the current year.

In our audit planning report included in the papers for the 24 March 2020 Joint Governance Committee, we provided you with an overview of our audit scope and approach for the audit of the 2019/20 financial statements. Following the coronavirus outbreak (Covid-19) in March 2020, we have re-assessed our audit scope and strategy. We provide here an update to the significant accounting and auditing matters, and audit approach outlined in the Audit Planning Report.

This report is intended solely for the information and use of the Joint Governance Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome any comments from you when this report is circulated and the opportunity to discuss this report with you on 22 September as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Helen Thompson

For and on behalf of Ernst & Young LLP



01 Audit risks





Audit risks

Our response to significant risks

We have set out the significant risks identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Misstatements due to fraud or error*

What is the risk?

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

We identify and respond to this fraud risk on every audit engagement.

Update - Covid-19

No change to the risk from Covid-19 in 2019/20 and no change to planned procedures.

Financial statement impact

We have assessed that the risk of fraud in revenue and expenditure recognition is most likely to occur through the inappropriate capitalisation of revenue expenditure. This would have the impact of reducing revenue expenditure and increasing additions to Property, Plant and Equipment.

Our response to significant risks

We have set out the significant risks identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Inappropriate capitalisation of revenue expenditure

Financial statement impact

We have assessed that the risk of fraud in revenue and expenditure recognition is most likely to occur through the inappropriate capitalisation of revenue expenditure. This would have the impact of reducing revenue expenditure and increasing additions to Property, Plant and Equipment.

What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

From our risk assessment, we have assessed that the risk manifests itself through the inappropriately capitalisation of revenue expenditure to improve the financial position of the general fund, as there is an incentive to reduce expenditure which is funded from Council Tax.

Capitalised revenue expenditure can be funded through borrowing with only minimal MRP charges recorded in the general fund, deferring the expenditure for 30+ years when the borrowing is repaid.

Update - Covid-19

No change to the risk from Covid-19 in 2019/20 and no change to planned procedures.



Audit risks

Our response to significant risks

We have set out the significant risks identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Introduction of new financial management system

What is the risk?

The Council introduced its new Technology One financial management system with effect from November 2019. It put in place measures to migrate data on 2019/20 transactions and balances from the old to the new financial management system. The Council's 2019/20 financial statements will be prepared using data taken from the new general ledger at the end of the financial year.

To ensure the production of materially accurate and complete 2019/20 financial statements, it is essential that the Council is assured over the completeness and accuracy of financial data to its new general ledger.

Update - Covid-19

No change to the risk from Covid-19 in 2019/20 and no change to planned procedures.

Financial statement impact

This impacts on all of the figures within the financial statements.

Our response to significant risks (continued)

We have set out the significant risks identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Valuation of Investment Properties

Financial statement impact

The fair value of investment properties in the draft accounts at 31 March 2020 is £78.6 million.

What is the risk?

The fair value of Investment Properties represents a significant balance in the Council's accounts and is subject to valuation changes, impairment reviews and market fluctuations. Management is required to make material judgements and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

Update - Covid-19 related constraints on property valuation

The Royal Institute of Chartered Surveyors (RICS), the body setting the standards for property valuations, has issued guidance to valuers highlighting that the uncertain impact of Covid-19 on markets might cause a valuer to conclude that there is a material uncertainty in the valuations at year-end.

Since late March 2020 in the UK, Covid-19 has had a dramatic impact on the occupation of buildings due to the forced closure of restaurants, retail stores, leisure, offices and hotels due to government regulation. We do not know how long the government's measures will last or how long businesses will be impacted. Rental income is expected to fall as tenants may default on their rents or seek to negotiate rent reductions as they can no longer trade effectively. This could have a significant impact on investment properties and we have therefore raised a significant risk in relation to these valuations.

As a result of the Covid-19 impact on fair value valuations, we have escalated this risk from an area of audit focus to a significant risk.

Our procedures to address this risk are set out on the following page.

Our response to significant risks (continued)

We will:

- ▶ Consider the work performed by the Council's valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ Sample test key asset information used by the valuers in performing their valuation and challenge the key assumptions used by the valuer;
- ▶ Test accounting entries have been correctly processed in the financial statements.

Additional Covid-19 procedures in response to our risk include:

- ▶ Ensure that appropriate disclosure has been made in the financial statements concerning the material uncertainty, including in the 'Assumptions made about the future and other major sources of estimation uncertainty' note; and
- ▶ Obtain input from EY Real Estates, our internal specialists on asset valuations for Investment Properties and assets valued using EUV, including inputs on market sentiment and how it has been reflected in the estimated rental values/yields.

Our response to significant risks (continued)

We have set out the significant risks identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Pension Liability Valuation

Financial statement impact

The pension fund liability in the draft accounts at 31 March 2020 is £14.4 million.

What is the risk?

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by West Sussex County Council.

The Council's pension fund liability is a material estimated balance and the Code requires that this liability be disclosed on the Council's balance sheet. At 31 March 2019 this totalled £34 million.

The information disclosed is based on the IAS 19 report issued to the Council by the actuary.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

In the prior year the 'McCloud' judgement impacted the estimate and resulted in an amendment of the net pension liability. We anticipate this will again be a key assumption in estimating the pension liability. We would expect the Council's actuary to be basing their assumptions taking into account the Council's specific membership profile and how it has been impacted by the judgement. We also note that there may be further developments in this area, potentially again coming after the balance sheet date.

Update - Covid-19 related constraints on IAS 19 valuations

Due to the timing of the pandemic and the UK restrictions it is highly likely that the value of plan assets within the pension fund will be significantly impacted - in particular level 3 assets where there is no active market. West Sussex Pension Fund has £488m worth of Level 3 assets as at 31st March 19. Although Adur DC only represents 2.56% of the fund this is still material at £12.5m at 31 March 2019. Due to the timing of the pandemic the IAS 19 fair value of assets will be based on an estimate. Considering the size and nature of these assets it is likely that actual values will be different to the estimate and even small changes can have a material impact on the Council's accounts.

As a result of the Covid-19 impact on fair value valuations, we have escalated this risk from an area of audit focus to a significant risk.

Our procedures to address this risk remain as set out in our Audit Plan.

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

What is the area of focus?

Valuation of Land and Buildings

The value of Property, Plant and Equipment (PPE) represents a significant balance in the Council's accounts and is subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgements and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. The value of operational assets in the draft accounts at 31 March 2020 is £37.7 million and HRA dwellings is £190.6 million.

Update - Covid-19 related constraints on property valuation

The Royal Institute of Chartered Surveyors (RICS), the body setting the standards for property valuations, has issued guidance to valuers highlighting that the uncertain impact of Covid-19 on markets might cause a valuer to conclude that there is a material uncertainty in the valuations at year-end.

This impact is expected to affect PPE valued at Existing Use Value (EUV) as the valuation basis for these properties is linked to recent market transactions.

What will we do?

We will:

- ▶ Consider the work performed by the Council's valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ Sample test key asset information used by the valuers in performing their valuation and challenge the key assumptions used by the valuer;
- ▶ Consider the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code for PPE;
- ▶ Review assets not subject to valuation in 2019/20 to confirm that the remaining asset base is not materially misstated;
- ▶ Consider changes to useful economic lives as a result of the most recent valuation; and
- ▶ Test accounting entries have been correctly processed in the financial statements.

Additional Covid-19 procedures in response to our risk include:

- ▶ Consider the Council's asset base by type of asset and valuation methodology, as impacts are likely to be more significant for assets valued on the basis of data from market transactions;
- ▶ Ensure that appropriate disclosure has been made in the accounts concerning the material uncertainty, including in the 'Assumptions made about the future and other major sources of estimation uncertainty' note; and
- ▶ If required, obtain input from EY Real Estates, our internal specialists on asset valuations for PPE.

Audit risks

Other areas of audit focus (continued)

What is the area of focus?

Going Concern

Covid-19 has created a number of financial pressures throughout Local Government, increasing service demand and expenditure. The Council has incurred additional expenditure in a number of areas of its operations and has experienced income losses in parking, commercial, leisure services and other areas. The extent of support from MHCLG has developed over time, but does not include all financial consequences of Covid-19.

There have been a number of media stories in both the national press and trade publications raising the possibilities of an increase in Chief Financial Officers using their s114 powers. This could be under s114(3), insufficient resources to fund likely expenditure.

CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 sets out that organisations that can only be discontinued under statutory prescription shall prepare their accounts on a going concern basis.

However, International Auditing Standard 570 *Going Concern*, as applied by Practice Note 10: *Audit of financial statements of public sector bodies in the United Kingdom*, still requires auditors to undertake sufficient and appropriate audit procedures to consider whether there is a material uncertainty on going concern that requires reporting by management within the financial statements, and within the auditor's report. We are obliged to report on such matters within the section of our audit report 'Conclusions relating to Going Concern'.

To do this, the auditor must review management's assessment of the going concern basis applying IAS1 Presentation of Financial Statements.

The auditor's report in respect of going concern covers a 12-month period from the date of the report, therefore the Council's assessment will also need to cover this period.

What will we do?

In light of the unprecedented nature of Covid-19, its impact on the funding of public sector entities and uncertainty over the form and extent of government support, we will be seeking a documented and detailed consideration to support management's assertion regarding the use of the going concern basis of preparation, and particularly with a view whether there are any material uncertainties for disclosure.

We will review your updated going concern disclosures within the financial statements under IAS1, and associated financial viability disclosures within the Narrative Statement. We expect you to disclose any material uncertainties that do exist.

These disclosures should also include the process that has been undertaken for revising financial plans and cashflow, liquidity forecasts, known outcomes, sensitivities, mitigating actions including but not restricted to the use of reserves, and key assumptions (e.g. assumed duration of Covid-19).

Our audit procedures to review these will include consideration of:

- ▶ The current and developing environment;
- ▶ Liquidity (operational and funding);
- ▶ Mitigating factors;
- ▶ Management information and forecasting; and
- ▶ Sensitivities and stress testing.

Other areas of audit focus (continued)

What is the area of focus?

New accounting standard - IFRS 16

In our Audit Planning Report issued in February we identified an inherent risk in relation to the implementation of the new accounting standard IFRS 16 (Leases) . Due to the impact Covid-19, the adoption of this standard was deferred to 2021/22.

What will we do?

- ▶ Since IFRS 16 (Leases) has not yet been adopted by the Code, the Council no longer needs to disclose the financial impact of this new accounting standard in the 19/20 accounts. We therefore no longer consider this to be an area of audit focus.

Additional Procedures

Audit Process overview

Additional audit procedures as a result of Covid-19

Other changes in the entity and regulatory environment as a result of Covid-19 that have not resulted in an additional risk, but result in the following impacts on our audit strategy are as follows:

- Information Produced by the Entity (IPE): There is an increased risk around the completeness, accuracy, and appropriateness of information produced by the entity due to the likely inability of the audit team to verify original documents or re-run reports on-site from the Council's systems. We will:
 - Use the screen sharing function of Microsoft Teams to evidence re-running of reports used to generate the IPE we're auditing as far as possible; and
 - Agree IPE to scanned documents or other system screenshots.
- Additional EY consultation requirements concerning the impact on auditor reports.

The changes to audit risks and audit approach will change the level of work we perform. This will impact the audit fee. We will agree changes to the audit fee with management and report back to the Joint Governance Committee in our Audit Results Report.

Materiality

Materiality

We have considered the materiality levels we reported to you in our Audit Planning Report, and whether any change to our materiality is required in light of Covid-19. Following this consideration we remain satisfied that the basis and percentages for planning materiality, performance materiality and the threshold for reporting audit differences set out in our Audit Planning Report remain appropriate.

We have updated the values based on the draft 2019/20 financial statements. Our planning materiality at year-end, based on 2% of gross revenue expenditure, is £1.34 million. This results in an updated performance materiality, at 75% of overall materiality, of £1.00 million, and an updated threshold for reporting misstatements of £66,000.



02

Value for Money Risks



Value for Money risks

The value for money risk identified in our audit plan is shown below. We are aware that Covid-19 has impacted on the Council's financial planning for 2020/21 and beyond, and we will be mindful of this when undertaking the work set out below. However, our focus will be on the Council's arrangements 01/04/2019 - 31/03/2020, as required by the NAO's value for money guidance.

What is the risk?

The Council will not be able to plan its finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.

The Council continues to face significant financial challenges over the coming years. We concluded last year that the Council's Medium Term Financial Plan was sound and we noted that plans were in place to deliver the 2019/20 budget.

In the 2019/20 budget, the Council originally identified a budget gap of £10.3 million over the next 4 years to 2023/24. It has identified £4.3 million of savings to mitigate this gap, however, this leaves £6 million of savings yet to be identified.

At 31 March 2019, the Council had £18.1 million of usable revenue reserves. This included the General Fund reserve of £519,000 which is just above the minimum level set by the Section 151 Officer. These reserves would not be sufficient to cover any shortfall in savings were they not to be achieved and leaves little resilience to meet unexpected issues.

What will we do?

Our approach will focus on:

- ▶ Using PSAA's value for money profile tool to assess Council spending against similar councils;
- ▶ Reviewing and assessing the updated assumptions within the Council's 2020/21 budget and medium term financial plan;
- ▶ Reviewing the outturn position against budget for 2019/20 and the Council's financial position at 31 March 2020; and
- ▶ Reviewing the Council's processes for identifying and monitoring the savings.

We will also:

- ▶ review the Council's strategy for purchasing commercial property;
- ▶ consider the financial and governance procedures in place regarding this strategy; and
- ▶ consider whether the Council has obtained appropriate professional advice regarding purchases made within the strategy.

Worthing Borough Council

Audit planning report update

Year ended 31 March 2020

August 2020



11 August 2020



Worthing Borough Council
Worthing Town Hall
Chapel Road
Worthing
West Sussex
BN11 1HA

Dear Joint Governance Committee Members

Audit Planning Report update - Year ended 31 March 2020

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This report is intended solely for the information and use of the Joint Governance Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome any comments from you when this report is circulated and the opportunity to discuss this report with you on 22 September as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Helen Thompson

For and on behalf of Ernst & Young LLP



01 Audit risks



Our response to significant risks

We have set out the significant risks identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Misstatements due to fraud or error*

What is the risk?

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

We identify and respond to this fraud risk on every audit engagement.

Update - Covid-19

No change to the risk from Covid-19 in 2019/20 and no change to planned procedures.

Financial statement impact

We have assessed that the risk of fraud in revenue and expenditure recognition is most likely to occur through the inappropriate capitalisation of revenue expenditure. This would have the impact of reducing revenue expenditure and increasing additions to Property, Plant and Equipment.

Our response to significant risks

We have set out the significant risks identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Inappropriate capitalisation of revenue expenditure

Financial statement impact

We have assessed that the risk of fraud in revenue and expenditure recognition is most likely to occur through the inappropriate capitalisation of revenue expenditure. This would have the impact of reducing revenue expenditure and increasing additions to Property, Plant and Equipment.

What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

From our risk assessment, we have assessed that the risk manifests itself through the inappropriately capitalisation of revenue expenditure to improve the financial position of the general fund, as there is an incentive to reduce expenditure which is funded from Council Tax.

Capitalised revenue expenditure can be funded through borrowing with only minimal MRP charges recorded in the general fund, deferring the expenditure for 30+ years when the borrowing is repaid.

Update - Covid-19

No change to the risk from Covid-19 in 2019/20 and no change to planned procedures.

Our response to significant risks

We have set out the significant risks identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Introduction of new financial management system

Financial statement impact

This impacts on all of the figures within the financial statements.

What is the risk?

The Council introduced its new Technology One financial management system with effect from November 2019. It put in place measures to migrate data on 2019/20 transactions and balances from the old to the new financial management system. The Council's 2019/20 financial statements will be prepared using data taken from the new general ledger at the end of the financial year.

To ensure the production of materially accurate and complete 2019/20 financial statements, it is essential that the Council is assured over the completeness and accuracy of financial data to its new general ledger.

Update - Covid-19

No change to the risk from Covid-19 in 2019/20 and no change to planned procedures.

Our response to significant risks (continued)

We have set out the significant risks identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Valuation of Investment Properties

Financial statement impact

The fair value of investment properties in the draft accounts at 31 March 2020 is £74.5 million.

What is the risk?

The fair value of Investment Properties represents a significant balance in the Council's accounts and is subject to valuation changes, impairment reviews and market fluctuations. Management is required to make material judgements and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

Update - Covid-19 related constraints on property valuation

The Royal Institute of Chartered Surveyors (RICS), the body setting the standards for property valuations, has issued guidance to valuers highlighting that the uncertain impact of Covid-19 on markets might cause a valuer to conclude that there is a material uncertainty in the valuations at year-end.

Since late March 2020 in the UK, Covid-19 has had a dramatic impact on the occupation of buildings due to the forced closure of restaurants, retail stores, leisure, offices and hotels due to government regulation. We do not know how long the government's measures will last or how long businesses will be impacted. Rental income is expected to fall as tenants may default on their rents or seek to negotiate rent reductions as they can no longer trade effectively. This could have a significant impact on investment properties and we have therefore raised a significant risk in relation to these valuations.

As a result of the Covid-19 impact on fair value valuations, we have escalated this risk from an area of audit focus to a significant risk.

Our procedures to address this risk are set out on the following page.

Our response to significant risks (continued)

We will:

- ▶ Consider the work performed by the Council's valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ Sample test key asset information used by the valuers in performing their valuation and challenge the key assumptions used by the valuer;
- ▶ Test accounting entries have been correctly processed in the financial statements.

Additional Covid-19 procedures in response to our risk include:

- ▶ Ensure that appropriate disclosure has been made in the financial statements concerning the material uncertainty, including in the 'Assumptions made about the future and other major sources of estimation uncertainty' note; and
- ▶ Obtain input from EY Real Estates, our internal specialists on asset valuations for Investment Properties and assets valued using EUV, including inputs on market sentiment and how it has been reflected in the estimated rental values/yields.

Our response to significant risks (continued)

We have set out the significant risks identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Pension Liability Valuation

Financial statement impact

The pension fund liability in the draft accounts at 31 March 2020 is £13.5 million.

What is the risk?

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by West Sussex County Council.

The Council's pension fund liability is a material estimated balance and the Code requires that this liability be disclosed on the Council's balance sheet. At 31 March 2019 this totalled £39.4 million.

The information disclosed is based on the IAS 19 report issued to the Council by the actuary.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

In the prior year the 'McCloud' judgement impacted the estimate and resulted in an amendment of the net pension liability. We anticipate this will again be a key assumption in estimating the pension liability. We would expect the Council's actuary to be basing their assumptions taking into account the Council's specific membership profile and how it has been impacted by the judgement. We also note that there may be further developments in this area, potentially again coming after the balance sheet date.

Update - Covid-19 related constraints on IAS 19 valuations

Due to the timing of the pandemic and the UK restrictions it is highly likely that the value of plan assets within the pension fund will be significantly impacted - in particular level 3 assets where there is no active market. West Sussex Pension Fund has £488m worth of Level 3 assets as at 31st March 19. Although Adur DC only represents 2.93% of the fund this is still material at £14.3m at 31 March 2019. Due to the timing of the pandemic the IAS 19 fair value of assets will be based on an estimate. Considering the size and nature of these assets it is likely that actual values will be different to the estimate and even small changes can have a material impact on the Council's accounts.

As a result of the Covid-19 impact on fair value valuations, we have escalated this risk from an area of audit focus to a significant risk.

Our procedures to address this risk remain as set out in our Audit Plan.

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

What is the area of focus?

Valuation of Land and Buildings

The value of Property, Plant and Equipment (PPE) represents a significant balance in the Council's accounts and is subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgements and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. The value of operational assets in the draft accounts at 31 March 2020 is £109.5 million.

Update - Covid-19 related constraints on property valuation

The Royal Institute of Chartered Surveyors (RICS), the body setting the standards for property valuations, has issued guidance to valuers highlighting that the uncertain impact of Covid-19 on markets might cause a valuer to conclude that there is a material uncertainty in the valuations at year-end.

This impact is expected to affect PPE valued at Existing Use Value (EUV) as the valuation basis for these properties is linked to recent market transactions.

What will we do?

We will:

- ▶ Consider the work performed by the Council's valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ Sample test key asset information used by the valuers in performing their valuation and challenge the key assumptions used by the valuer;
- ▶ Consider the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code for PPE;
- ▶ Review assets not subject to valuation in 2019/20 to confirm that the remaining asset base is not materially misstated;
- ▶ Consider changes to useful economic lives as a result of the most recent valuation; and
- ▶ Test accounting entries have been correctly processed in the financial statements.

Additional Covid-19 procedures in response to our risk include:

- ▶ Consider the Council's asset base by type of asset and valuation methodology, as impacts are likely to be more significant for assets valued on the basis of data from market transactions;
- ▶ Ensure that appropriate disclosure has been made in the accounts concerning the material uncertainty, including in the 'Assumptions made about the future and other major sources of estimation uncertainty' note; and
- ▶ If required, obtain input from EY Real Estates, our internal specialists on asset valuations for PPE.

Audit risks

Other areas of audit focus (continued)

What is the area of focus?

Going Concern

Covid-19 has created a number of financial pressures throughout Local Government, increasing service demand and expenditure. The Council has incurred additional expenditure in a number of areas of its operations and has experienced income losses in parking, commercial, leisure services and other areas. The extent of support from MHCLG has developed over time, but does not include all financial consequences of Covid-19.

There have been a number of media stories in both the national press and trade publications raising the possibilities of an increase in Chief Financial Officers using their s114 powers. This could be under s114(3), insufficient resources to fund likely expenditure.

CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 sets out that organisations that can only be discontinued under statutory prescription shall prepare their accounts on a going concern basis.

However, International Auditing Standard 570 *Going Concern*, as applied by Practice Note 10: *Audit of financial statements of public sector bodies in the United Kingdom*, still requires auditors to undertake sufficient and appropriate audit procedures to consider whether there is a material uncertainty on going concern that requires reporting by management within the financial statements, and within the auditor's report. We are obliged to report on such matters within the section of our audit report 'Conclusions relating to Going Concern'.

To do this, the auditor must review management's assessment of the going concern basis applying IAS1 Presentation of Financial Statements.

The auditor's report in respect of going concern covers a 12-month period from the date of the report, therefore the Council's assessment will also need to cover this period.

What will we do?

In light of the unprecedented nature of Covid-19, its impact on the funding of public sector entities and uncertainty over the form and extent of government support, we will be seeking a documented and detailed consideration to support management's assertion regarding the use of the going concern basis of preparation, and particularly with a view whether there are any material uncertainties for disclosure.

We will review your updated going concern disclosures within the financial statements under IAS1, and associated financial viability disclosures within the Narrative Statement. We expect you to disclose any material uncertainties that do exist.

These disclosures should also include the process that has been undertaken for revising financial plans and cashflow, liquidity forecasts, known outcomes, sensitivities, mitigating actions including but not restricted to the use of reserves, and key assumptions (e.g. assumed duration of Covid-19).

Our audit procedures to review these will include consideration of:

- ▶ The current and developing environment;
- ▶ Liquidity (operational and funding);
- ▶ Mitigating factors;
- ▶ Management information and forecasting; and
- ▶ Sensitivities and stress testing.



Other areas of audit focus (continued)

What is the area of focus?

New accounting standard - IFRS 16

In our Audit Planning Report issued in February we identified an inherent risk in relation to the implementation of the new accounting standard IFRS 16 (Leases) . Due to the impact Covid-19, the adoption of this standard was deferred to 2021/22.

What will we do?

- ▶ Since IFRS 16 (Leases) has not yet been adopted by the Code, the Council no longer needs to disclose the financial impact of this new accounting standard in the 19/20 accounts. We therefore no longer consider this to be an area of audit focus.

Additional Procedures

Audit Process overview

Additional audit procedures as a result of Covid-19

Other changes in the entity and regulatory environment as a result of Covid-19 that have not resulted in an additional risk, but result in the following impacts on our audit strategy are as follows:

- Information Produced by the Entity (IPE): There is an increased risk around the completeness, accuracy, and appropriateness of information produced by the entity due to the likely inability of the audit team to verify original documents or re-run reports on-site from the Council's systems. We will:
 - Use the screen sharing function of Microsoft Teams to evidence re-running of reports used to generate the IPE we're auditing as far as possible; and
 - Agree IPE to scanned documents or other system screenshots.
- Additional EY consultation requirements concerning the impact on auditor reports.

The changes to audit risks and audit approach will change the level of work we perform. This will impact the audit fee. We will agree changes to the audit fee with management and report back to the Joint Governance Committee in our Audit Results Report.

Materiality

Materiality

We have considered the materiality levels we reported to you in our Audit Planning Report, and whether any change to our materiality is required in light of Covid-19. Following this consideration we remain satisfied that the basis and percentages for planning materiality, performance materiality and the threshold for reporting audit differences set out in our Audit Planning Report remain appropriate.

We have updated the values based on the draft 2019/20 financial statements. Our planning materiality at year-end, based on 2% of gross revenue expenditure, is £1.45 million. This results in an updated performance materiality, at 75% of overall materiality, of £1.08 million, and an updated threshold for reporting misstatements of £72,000.



02

Value for Money Risks



Value for Money risks

The value for money risk identified in our audit plan is shown below. We are aware that Covid-19 has impacted on the Council's financial planning for 2020/21 and beyond, and we will be mindful of this when undertaking the work set out below. However, our focus will be on the Council's arrangements 01/04/2019 - 31/03/2020, as required by the NAO's value for money guidance.

What is the risk?

The Council will not be able to plan its finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.

The Council continues to face significant financial challenges over the coming years. We concluded last year that the Council's Medium Term Financial Plan was sound and we noted that plans were in place to deliver the 2019/20 budget.

In the 2019/20 budget, the Council originally identified a budget gap of £14.9 million over the next 4 years to 2023/24. It has identified £7.6 million of savings to mitigate this gap, however, the leaves £6 million of savings yet to be identified.

At 31 March 2019, the Council had £18.1 million of usable revenue reserves. This included the General Fund reserve of £869,000 which is just above the minimum level set by the Section 151 Officer. These reserves would not be sufficient to cover any shortfall in savings were they not to be achieved and leaves little resilience to meet unexpected issues.

What will we do?

Our approach will focus on:

- ▶ Using PSAA's value for money profile tool to assess Council spending against similar councils;
- ▶ Reviewing and assessing the updated assumptions within the Council's 2020/21 budget and medium term financial plan;
- ▶ Reviewing the outturn position against budget for 2019/20 and the Council's financial position at 31 March 2020; and
- ▶ Reviewing the Council's processes for identifying and monitoring the savings.

We will also:

- ▶ review the Council's strategy for purchasing commercial property;
- ▶ consider the financial and governance procedures in place regarding this strategy; and
- ▶ consider whether the Council has obtained appropriate professional advice regarding purchases made within the strategy.



ADUR & WORTHING COUNCILS

Joint Governance Committee

22 September 2020

Agenda Item 7

Ward(s) Affected: N/A

INTERNAL AUDIT PROGRESS REPORT REPORT BY THE ACTING HEAD OF INTERNAL AUDIT

Executive Summary

1. Purpose

This report seeks to update Members of this Committee with:

- 1.1 The current performance of the Internal Audit Section.
- 1.2 Summary information on the key issues raised in final audit reports issued since our last report to the Committee.
- 1.3 The current status on the implementation of agreed audit recommendations.
- 1.4 An update on Priority 1 recommendations outstanding past the agreed implementation dates.
- 1.5 Fraud work conducted by the Councils' Corporate Investigations Team.

2. Recommendations

2.1 Recommendation One

That the Committee note the contents of this report.

3. Context

3.1 Background

Each quarter, a report is produced for the Joint Governance Committee (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 Services to the Council's, including the role of the Head of Internal Audit is outsourced to Mazars LLP.

4. Issues for Consideration

4.1 Covid-19

As reported within our previous progress reports to the Committee, the Internal Audit function continued to operate post the Covid-19 lockdown on 23 March 2020, but the progression of audit work has been impacted. Work on the residual 2019/20 audits and on 2020/21 audits commenced during July 2020.

4.2 Internal Audit Performance - 2019/20 and 2020/21

As previously reported to the Committee, the Covid-19 pandemic has impacted on completion of 2019/20 and 2020/21 audit plans. At 31st August 2020, 432.6 (95.5%) of the planned 2019/20 days had been delivered. Attached as **Appendix 1** is a summary of the current status of audits in the plan.

As at 31st August 2020, 66.2 (13%) of the planned 2020/21 days had been delivered. The current status of the 2020/21 audits is attached as **Appendix 2**.

Internal Audit attends monthly meetings with the CFO and is in regular contact with her in respect of progress against the plan.

4.3 Final Audit Reports

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	There is a basically sound system but 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.

Recommendations made in audit reports are categorised according to the level of priority as follows:

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

Since our report to the Committee in July 2020, two reports from the 2019/20 plan have been finalised. Both were given a Limited Assurance opinion (Account Security and Regulatory Compliance (Housing)). Two P1 recommendations were raised within these reports, (all being within the Regulatory Compliance audit).

A summary of the final reports issued since our last report to this Committee, including the key issues raised, is attached as **Appendix 3**. Details of the Priority 1 and Priority 2 recommendations raised within these reports have also been circulated to Members prior to the meeting in a separate briefing note.

4.4 Follow up of Audit Recommendations

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.

Follow-up is 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 for the last three years is shown in the tables below:

Status of recommendations 2017/18

	Total Due	Imp	%	Carried Over (Not Impl'd)	%	Overdue	%	Overdue & No Response	%	Total % NOT Impl'd	Not Due	Total
P1	37	33	89.2%	0	0%	4	10.8%	0	0%	10.8%	0	37
P2	86	68	79.1%	6	7%	12	13.9%	0	0%	20.9%	0	86
P3	26	21	80.8%	2	7.7%	3	11.5%	0	0%	19.2%	1	27
Other	1	0	0%	0	0%	1	100%	0	0%	100%	0	1
Total	150	122	81.3%	8	5.3%	20	13.4%	0	0%	18.7%	1	151

Status of recommendations 2018/19

	Total Due	Imp	%	Carried Over (Not Impl'd)	%	Overdue	%	Overdue & No Response	%	Total % NOT Impl'd	Not Due	Total
P1	16	12	75%	0	0%	4	25%	0	0%	25%	2	18
P2	95	81	85.3%	0	0%	14	14.7%	0	0%	14.7%	21	116
P3	36	33	91.7%	0	0%	3	8.3%	0	0%	8.3%	6	42
Total	147	126	85.7%	0	0%	21	14.3%	0	0%	14.3%	29	176

Status of recommendations 2019/20

	Total Due	Imp	%	Carried Over (Not Impl'd)	%	Overdue	%	Overdue & No Response	%	Total % NOT Impl'd	FU Not Due	Total
P1	5	4	80%	0	0%	0	0%	1	20%	20%	6	11
P2	35	26	74.3%	0	0%	3	8.6%	6	17.1%	25.7%	29	64
P3	6	5	83.3%	0	0%	0	0%	1	16.7%	16.7%	5	11
Total	46	35	76.1%	0	0%	3	6.5%	8	17.4%	23.9%	40	86

Attached as **Appendices 4, 5 & 6**, are tables which summarise the outstanding recommendations made in final audit reports from audits contained in the 2017/18, 2018/19 and 2019/20 Audit Plans. The shaded boxes indicate where changes have occurred since our last report.

We are also continuing to follow up on 9 recommendations (all Priority 2) which remain outstanding from audits contained in the 2016/17 Audit Plan.

We have also highlighted in **Appendix 7** those Priority 1 recommendations which remain outstanding after the agreed implementation dates.

There are 9 outstanding Priority 1 recommendations detailed within this report compared to 13 reported to the Committee on 29 July 2020.

4.5 **Fraud**

We periodically provide an update/summary of fraud work conducted within the Councils. Attached as **Appendix 8** is an update on the work completed by the Councils' Corporate Investigations Team since April 2019.

5. **Engagement and Communication**

- 5.1 Internal Audit attends monthly meetings with the CFO on progress against the plan. Issues arising and potential plan changes are discussed both at these meetings and whenever necessary. This has included specific discussions in relation to the Covid-19 situation and impact on Internal Audit work.

6 **Financial Implications**

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

7. **Legal Implications**

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

Background Papers

None

Officer Contact Details:

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Sustainability & Risk Assessment

1. Economic

1.1 Matter considered and no issues identified.

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

The report does not seek to meet any particular Council priority.

	Audit	Field Work complete	Draft Issued	Final Issued	Assurance level	1	2	3	Total	P1 issues
4	Management of the Commercial Property Portfolio	Y	Y							
4	Tenancy Management	WIP								
4	General Ledger	WIP								
4	Exchequer (Creditors & Debtors)	Y	UR							
4	Risk Management	Y	Y	Y	Satisfactory	0	4	0	4	No P1 recs.
4	Business Continuity	WIP								
4	Contract audit - Concrete Repairs - Grafton Car Park	Y	UR							
4	Procurement & Contract Management Housing	WIP								
4	Management of Capital Programme	Y	UR							
4	Network Architecture and Resilience	Y	Y	Y	Limited	0	4	3	7	No P1 recs.

Key:

WIP – Work in progress

UR – work is under review

	Audit	Field Work complete	Draft Issued	Final Issued	Assurance level	1	2	3	Total	P1 issues
	security									
4	Condition Surveys contract - vertical audit									

Key:

WIP – Work in progress

P – Audit has been planned

UR – work is under review

Key issues from finalised audits**Appendix 3**

Audit (Plan Year)	Assurance Level & Number of Issues	Summary of key issues raised
Account Security (19/20)	Limited (Six Priority 2 recommendations)	No Priority 1 recommendations raised.
Regulatory Compliance – Housing (19/20)	Limited (Two Priority 1 and Six Priority 2 recommendations)	Priority 1 recommendations were raised in respect of: <ul style="list-style-type: none">- The completion of annual asbestos surveys; and- The need to monitor remedial works identified during regulatory checks to ensure it is completed in a timely manner.

Status of outstanding audit recommendations 2017/18

APPENDIX 4

	Joint Audit	Final Report Date	Assurance level	Total No of Recs	Number of agreed recs completed	1	2	3	Other	% of recs completed	Recs carried over into next audit	% of recs carried over	Number of recs outstanding	1	2	3	Other	% of recs outstanding	Comments
Director for Communities																			
Housing																			
Rent Collection and Collection of Arrears	ADC	Jan-18	Satisfactory	2	1	0	1	0	0	50%			1	0	0	1	0	50%	Rec still being progress - deadline revised to 30/9/20
Leaseholder Charges	ADC	Mar-18	No	39	31	11	17	3	0	79%			8	4	4	0	0	21%	Further detailed update provided through the Audit App confirmed 8 recs still outstanding are being progressed deadlines revised to allow for current actions to be completed.
Gas Safety Inspections	ADC	Jul-18	Limited	16	14	3	11	0	0	88%			2	0	2	0	0	13%	Updates provided in respect of the 2 outstanding recs - deadlines revised to 30/11/20 to allow for their completion.
Housing Repairs	ADC	Feb-19	Limited	2	2	0	2	0	0	100%									Outstanding recommendations from this audit have been superceeded by an 18/19 audit of the Housing Repairs process through Matsoft
Handyman Service	*	Jan-18	Limited	1	1	1	0	0	0	100%									COMPLETE - Decision taken to discontinue service therefore all other recs no longer applicable.
Wellbeing																			
Contract Management audit - Voluntary &	*	Feb-18	Satisfactory	1	1	0	1	0	0	100%									COMPLETE
Director of Digital & Resources																			
Finance																			
Budget Management	*	Dec-17	Satisfactory	1	1	0	1	0	0	100%									COMPLETE
General Ledger	*	Mar-18	Satisfactory	5	4	0	2	2	0	80%	1	20%							COMPLETE
Capital Accounting	*	Apr-18	Satisfactory	1	1	0	1	0	0	100%									COMPLETE
Treasury Management	*	Dec-17	Satisfactory	2	2	0	1	1	0	100%									COMPLETE
Compliance with IR35 - Tax legislation	*	Feb-19	Limited	6	2	1	1	0	0	33%			4	0	3	1	0	67%	Plans made to implement recs were impacted by Copvid-19 deadlines have been revised to 31/10/20.
Creditors	*	Feb-18	Satisfactory	2	2	0	0	2	0	100%									COMPLETE
Debtors	*	Feb-18	Satisfactory	2	2	0	2	0	0	100%									COMPLETE
Payroll	*	Apr-18	Satisfactory	4	3	1	1	1	0	75%	1	25%							1 outstanding recommendation re-raised in 18/19 audit
Cashiering	*	Mar-18	Satisfactory	2	2	0	1	1	0	100%									COMPLETE
Legal																			
Corporate Governance & Ethical Standards	*	Jan-18	Satisfactory	2	2	0	2	0	0	100%									COMPLETE
Design & Digital																			
Compliance with the Data Protection Act	*	Apr-18	Satisfactory	9	9	1	7	1	0	100%									COMPLETE
Risk Management	*	Apr-18	Satisfactory	4	2	0	2	0	0	50%	2	50%							2 outstandings recommendations re-raised in 18/19 audit
People																			
Human Resources	*	Feb-18	Limited	6	6	3	3	0	0	100%									COMPLETE
Revenues & Benefits																			
Revenues (Council Tax & NDR)	*	Jul-18	Satisfactory	4							4	100%							Recommendations re-iterated in 18/19 audit
Benefits	*	Feb-18	Satisfactory	2	2	0	2	0	0	100%									COMPLETE
Computer Audits																			
Firewall & Cyber Security	*	Oct-17	Satisfactory	5	5	0	1	4	0	100%									COMPLETE
GDPR Readiness Gap Analysis	*	Apr-18	Limited	16	16	9	5	2	0	100%									COMPLETE
Revs & Bens - Academy application	*	Jan-19	Limited	4	4	2	1	1	0	100%									COMPLETE
Mats - Application Audit	*	Oct-19	Satisfactory	6	1	0	1	0	0	17%			5	0	3	2	0	83%	All recs were overdue and the deadlines have been revised - one rec confirmed as complete. Further follow up will be completed.
Review of Technology Strategy	*	Apr-18	No opinion given	1									1	0	0	0	1	100%	deadline was extended to Mar 20 - update requested 7/9
Contract Audits																			
Procurement Compliance	*	Sep-18	Satisfactory	6	6	1	2	3	0	100%									COMPLETE

	Joint Audit	Final Report Date	Assurance level	Total No of Recs	Number of agreed recs completed	1	2	3	Other	% of recs completed	Number of recs outstanding	1	2	3	Other	% of recs outstanding	Comments
Director for Economy																	
Culture																	
Theatres Box Office	WBC	Feb-19	Satisfactory	8	8	0	2	6	0	100%							COMPLETE
Place & Investment																	
Asset Management	*	Mar-20	Limited	4	3	1	2	0	0	75%	1	0	1	0	0	25%	1 OS rec to be followed up through App when due
Planning & Development																	
Place & Economy	*	Sep-18	Satisfactory	8	8	0	6	2	0	100%							COMPLETE
Development Management	*	Feb-19	Satisfactory	7	6	0	6	0	0	86%	1	0	1	0	0	14%	deadline for remaining rec revised to April 21 to allow process to be completed at year end
Computer Audits																	
Data Centre Access Procedure	*	Jul-19	Limited	11	8	1	7	0	0	73%	3	0	3	0	0	27%	Update provided through App confirmed deadlines extended for the 3 recs to Sep & Oct 20
Content Management (Website- Internet)	*	May-20	Limited	9	6	0	4	2	0	67%	3	0	2	1	0	33%	Recs to be followed up through Audit App when due
Contract Audits																	
Construction - Adur Civic Centre Phase 1	*	DRAFT															
Fire Doors	ADC	DRAFT															
Car Parks - LED lighting replacement	WBC	Jan-19	Satisfactory	5	5	0	1	4	0	100%							COMPLETE
Cross Service Audits																	
Emergency Planning	*	Nov-18	Satisfactory	3	3	0	2	1	0	100%							COMPLETE
Energy Management	*	Aug-19	Satisfactory	3	2	0	1	1	0	67%	1	0	1	0	0	33%	Deadline for o/s rec revised to 31/12/20.

	Joint Audit	Final Report Date	Assurance level	Total No of Recs	Number of agreed recs completed	1	2	3	Other	% of recs completed	Number of recs outstanding	1	2	3	Other	% of recs outstanding	Comments
COMPUTER AUDITS																	
Network Architecture and Resilience	*	Jun-20	Limited	7							7	0	4	3	0	100%	Recs will be followed up through the App when due
Account Security	*	Aug-20	Limited	6	1	0	1	0	0	17%	5	0	5	0	0	83%	Recs will be followed up through the App when due
GDPR Compliance	*	Apr-20	Limited	6	6	3	3	0	0	100%							COMPLETE
CONTRACT AUDITS																	
Management of Capital Programme	*																
Contract audit - Concrete Repairs Grafton Car Park	WBC only																
Procurement & Contract Management - Housing	*																
CROSS SERVICE REVIEWS																	
Councils preparedness for EU exit	*	Dec-19	Satisfactory	1	1	0	0	1	0	100%							COMPLETE

Leaseholder Service Charges (2017-18 Final Report issued March 2018)

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
<p>3.1 The Council should document a Leasehold Management Policy, which outlines the legislative framework (and timescales) within which it is required to operate for the various leasehold functions and services that it provides.</p> <p>The policy should:</p> <ul style="list-style-type: none"> • Outline any local policy decisions in respect of the management of leaseholders, recovery of charges etc. and detail how these requirements will be achieved; • Clearly state how the Council will deal with major repair costs, including outlining the statutory processes that have to be completed and the timescales to ensure the recovery of costs (e.g. invoice or issue S20B notice within 18 months of cost being incurred; and • State at what level the cost of repairs will be pursued (e.g. minor costs above the £250 legislative rate may not be cost effective for the Council to pursue where there are only a few leaseholders, but if there were several then the costs and effort would be worth it). <p>Once documented, the Policy should be approved by the relevant senior management, member and committee.</p>	<p>There is currently no approved documented policy for Leasehold Management.</p> <p>Where an up to date documented and approved policy does not exist, there is a risk that the Council's objectives and/or responsibilities are not known and may not therefore be achieved.</p>	<p>An overarching policy will be developed. This will be supported by a set of detailed policies and procedures. Work has already begun on identifying those that are required and this will be used as an action plan to ensure all required actions are completed.</p> <p>Deadline - 30th September 2018</p>	<p>Update provided by Interim Leasehold Manager confirmed that a policy was drafted but that the process of consultation and approval needed to be agreed and then completed.</p> <p>Update provided by Housing Operations Manager on 4th March 2020 confirmed:-</p> <p>The Repairs policy has been rejected on the grounds of a lack of consultation. A clearer consultation strategy will be needed as part of the process of approving this policy. The aim will be to define this in March 2020. The policy may not be approved therefore until after the local election in May 2020. The target for this needs to be revised to May/June 2020.</p> <p>Updated provided by Interim Leasehold Manager on 3rd April 2020 confirmed:-</p> <p>Policy drafted. Consultation vehicle or forum for leaseholders needs to be set up in line with AH resident engagement strategy. Not practical to progress during Covid situation. Deadline extended.</p>	<p>31st December 2020</p>

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
			Update provided by Interim Leasehold Manager on 31 st July 20 stated "Adur Informal Cabinet agreed in July that draft policy could go forward to JSC September and then to leaseholder consultation. Not clear if will have to go back to members hence precautionary backstop revised deadline". Update provided on 9 th September 20 stated "Draft policy updated after Adur Informal Cabinet; report going to JSC October".	
<p>3.25 A complete revamp of how major works are invoiced is required in order to ensure that works are accurately billed in line with costs incurred, lease requirements and the requirements of Section 20B of the Landlord & Tenant Act 1985.</p> <p>Furthermore clarification should be sought from the relevant experts as to how VAT should be dealt with in respect of recharging leaseholders the cost of major works.</p>	<p>The Landlord and Tenant Act 1985 details specific requirements for invoicing. Accuracy of invoicing also assists the Council recover all sums expended.</p> <p>From our review of the major works monitoring spreadsheet, we noted that in many instances, invoicing did not occur until final figures have been received from Technical Services regardless of when the works were completed or when costs were incurred.</p> <p>From our testing on the invoicing for five major works we identified:</p> <p>- 1 (85-89 Buci Crescent - Porch) where we found no evidence to confirm that the completed works have been invoiced to the leaseholder or that a Section 20B notice had been served. The contractor's invoice for these works</p>	<p>A complete overhaul of the major works invoicing process will be undertaken in line with the development of new processes. Training will then be provided and the Leaseholder Handbook and website information will be updated accordingly.</p> <p>The Government Guidelines on VAT and residential service charges will be considered and complied with during the invoicing process.</p> <p>Deadline - 31st March 2019</p>	<p>Update provided by Interim Leasehold Manager confirmed that this recommendation is being considered as part of the wider review in Adur Homes for the planning, management and delivery of the capital programme.</p> <p>Update provide by Housing Operations Manager on 4th March 2020 confirmed:-</p> <p>As an additional update an appointment to the role of Programme manager is due in March 2020 which will facilitate this action. The date for completing needs to be pushed back at least a quarter to 30th June 2020.</p> <p>Update provided on 29th June</p>	<p>30th September 2020</p>

50 Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
	<p>(valued at £3,729.60) was dated 31/1/2015 so under the Section 20B the 18 month rule may no longer be recoverable.</p> <p>These works were consulted on and there is evidence of such within the N drive and I@W however after the 2nd stage consultation we found no further evidence to support how the works progressed or whether a Section 20B notice was issued. We have noted that these works were generated through the HMS order and monitored by ADC Maintenance Officers rather than through Technical Services.</p> <ul style="list-style-type: none"> - For 2/4 works (387 Brighton Road – wall ties and 14-18 Lisher Road - replacement of metal railings, balustrades & external decorations), we were unable to locate a copy of the invoice sent to the leaseholder to confirm whether the invoice specifically detailed the actual costs incurred (as required by Section 20B). - For the other 2 works (Grange Court – fire safety and 72-78 Buci Crescent – soil stack) the invoices contain no detail of the actual costs incurred. - 1 (Fire Safety works - Grange Court/Sea House/Locks Court) where the final account figure of £102,811.95 (used to calculate the invoices sent to the leaseholders) does not equate to the sum of the invoices paid to the contractor for these works 		<p>2020 confirmed work has started and the implementation deadline extended to 30th September 2020 as completion is linked to other recommendations including those detailed below.</p> <p>Update provided on 9th September 2020 confirmed this is still in progress and no extension to the deadline was made.</p>	

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
	<p>(£136,067.94).</p> <p>- 1 (72-78 Buci Crescent - Soil Stack) where the tender value was £1,328 yet the final invoice value claimed was £2,096. There is no final account for these works as they were raised as an order through HMS so were managed by a Maintenance Officer. However, the original estimated cost to each leaseholder was £365.20 with the final invoice figure being £371.25. This small increase does not seem to equate to the £768 increase in overall cost of the works.</p> <p>We have also noted during testing that the contracted works attracted VAT yet VAT is not included in any recharge made to leaseholders.</p> <p>Where accurate and detailed invoicing does not occur, there is an increased risk that the Council is failing to meet legislative requirements, that leaseholder challenge may occur and that financial loss will result.</p>			
<p>3.32 The Council's Policy in respect of options available to leaseholders for payment of major works should be reviewed, approved by ADC Executive and then consistently applied.</p>	<p>On 15 June 2010, the ADC Cabinet decided the payment option arrangements for leaseholders, this includes the provision of ten year loans. Furthermore, on 13 July 2010 the ADC Cabinet decided additional deferred payment arrangements for works costing more than £5,000 in any financial year.</p> <p>We have not identified any other reports/decisions which revise the</p>	<p>The arrangements will be reviewed with Finance and Legal.</p> <p>Deadline - 31st March 2019</p>	<p>As above.</p> <p>Update provide by Housing Operations Manager on 4th March 2020 confirmed:-</p> <p>The Leasehold Manager is drafting options for payment for leaseholders. Once this is completed sign off by Finance will be needed. Finance has been consulted as part of the</p>	<p>30th November 2020</p>

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
	<p>decisions taken by the ADC Cabinet in June/July 2010 therefore these decisions would appear to be the most recent and therefore constitute the current policy.</p> <p>These policy decisions are not, however accurately reflected in the current Leaseholders Handbook which states "If you are not able to pay for the cost of major works in full at the time of invoicing, then we offer an interest free loan up to five years depending on the size of the bill and individual circumstances. In this case you will pay in monthly instalments by either direct debit or payment card".</p> <p>The policy decisions were also not detailed correctly in the Paying for Major Works information that was sent to leaseholders in March 2017 with their invoices. The differences being:</p> <ul style="list-style-type: none"> • The interest added column on the Paying for Major works information states 5.4% for all works costing more than £500 yet this is not what is detailed in the decision by Cabinet. • The Cabinet decision in June 2010 states that "for loans exceeding £1,500, a Land Registry charge would be taken out" the Land Registry requirement on the Paying for Major Works information states N/A for works costing £1,500-£5,000. • The Cabinet decision in July 2010 		<p>process of drawing up these options.</p> <p>Update provided on 29th June 2020 confirmed this recommendation is being processed in line with other recommendations and the deadline has been revised.</p> <p>Update provided on 9th September 2020 confirmed that the updated policy will be presented to Informal Cabinet in Oct/Nov – deadline revised.</p>	

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
	<p>states the administration fee for deferred payments as £100 yet the Paying for Major Work information states £90.</p> <p>Our walkthrough of a loan arranged in 2015 has shown that he was advised that the charges added to the loan for £10,998 would be 4.4% interest (reviewed annually), £50 admin fee, £40 Land Registry fee and £295 legal costs. This contradicts the Cabinet's decision which states an administration fee of £90 and a Land Registry fee of £50. Furthermore, the reports to the ADC Cabinet in 2010 made no mention of legal costs (nor did the information sent to leaseholders in 2017). The amounts actually invoiced to this leaseholder were £1209.59 interest (so no annual review), £295 legal costs and £40 Land Registry fee (so no admin fee and incorrect LR fee).</p> <p>We have further confirmed that as a result of invoices sent in February 2017, one leaseholder requested to pay their major works costs (£3,072.49) over a period of 24 months. The email sent to this leaseholder confirms that no interest has been added and that monthly standing order payments should be arranged by the leaseholder. The policy requires DD payments and there is no mention of admin or Land Registry costs that the policy requires and no evidence can be seen on HMS/I@W to confirm that costs have been invoiced.</p>			

54 Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
	Where approved policies are not known or accurately and consistently applied, there is an increased risk that loans are incorrectly arranged or that incorrect fees are charged. This may result in financial loss to the Council.			
<p>3.33 Once the Major Works Payment Policy has been decided the Council should review how implementing payment loans/arrangements will for major works will be achieved.</p> <p>An agreed process, which reflects policy requirements should be effected to ensure that any future loans/arrangements are correctly actioned. Legal Services and Finance should be involved in any discussions to ensure that all legal and financial requirements are met.</p> <p>The agreed process should be formalised in a documented procedure which details the forms that need to be completed, by whom and when and how supporting information/documentation should be retained.</p>	<p>Proper arrangements are required to ensure that the Council effects payment arrangements correctly and in line with any policy and legal requirements.</p> <p>We found some procedures and forms (including a Service Charge Loan Application Form) on the N Drive and emails between the Finance and Leasehold teams going back several years. Our examination of this information suggests that the information provided by the leaseholder on the loan application form would seem to be the primary source for calculation of affordability.</p> <p>Any payment arrangements were effected by Finance until April 2016, when the arrangements transferred to the Adur Homes Leasehold Team.</p> <p>We were advised by the Leasehold Officers that they are very unsure regarding the procedures to be followed, whether they are up-to-date, lines of responsibility etc. They also had queries regarding:</p> <ul style="list-style-type: none"> • how instalments and interest would be applied to Owner Accounts; • monitoring; 	<p>This will be reviewed with Finance and Legal.</p> <p>Deadline - 31st March 2019</p>	<p>As above.</p>	<p>30th November 2020</p>

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
	<ul style="list-style-type: none"> • how the Council would legally stand in recovering any arrears of interest etc. if charges were not made against properties; and • their ability to calculate interest on loans and setting-up loan/instalment agreements with interest; <p>We have noted elsewhere in the audit inconsistencies with arranging loan agreements and lack of supporting information which would suggest that current arrangements are not effective.</p> <p>Where a defined process for effecting payment arrangements does not exist, there is an increased risk that arrangements are not correctly made or that legal requirements are not satisfied and this may impact on the Council's ability to recover all relevant costs leading to possible financial loss.</p>			

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
<p>3.8 Mandatory training in respect of governance (such as ethics and risk management) should be provided to all staff when they start at the Councils, as a refresher on a tri-annual basis and when any legislative changes occur.</p> <p>The Monitoring Officer should consult with Human Resources (HR) through the People Working Group or by other means in order to highlight issues and gaps in officer awareness, and identify satisfactory means by which relevant staff could have these areas matched to their training plans.</p>	<p>There is currently no mandatory governance training provided to staff and there is no longer centralised induction training provided where such issues may be raised.</p> <p>Whilst we noted that HR are currently in the process of reviewing training provision, including at time of induction, through the People Working Group, the group did not that time have any representation from Legal/Democratic Services.</p> <p>During the audit we noted a number of areas in which officers expressed reservations about wider staff awareness of core governance requirements including:</p> <ul style="list-style-type: none"> • The need to register and publish notice of key and exempt decisions at least 28 days in advance; and • The need to inform the Monitoring Officer of any sub-delegations of duty. <p>Where officers are unfamiliar with governance requirements, there is a risk that constitutional and/or statutory responsibilities will not be met which could result in unlawful or mismanaged decisions and actions.</p>	<p>Governance and Decision Making Training has been offered on 3 separate occasions to all Senior Managers, Heads of Service & Directors during the last 6 months. This included training about key and exempt decisions.</p> <p>Training on Scheme of Delegations to Officers is being undertaken on a one to one basis with each Head of Service and their managers and there is a rolling programme being undertaken to review all sub delegations and publish the register of sub- delegations. It is anticipated this will be completed by December 2019.</p> <p>Training on ethics should be completed by line managers at induction time with reference to the Officer Code of Conduct and Protocol for Relationships which form part of the constitution and are available to all staff on the website.</p> <p>Deadline - 31st December 2019</p>	<p>Update provide by Monitoring Officer on 24th February 2020 confirmed that “induction training is being developed. It is anticipated that this will cover ethics, officer code of conduct, risk management, officer scheme of delegations, committee structure, decision making and key and decisions, exempt information and access to information.</p> <p>It is anticipated that a cycle of the training being delivered every 6 months to new starters will commence this summer”.</p> <p>Deadline has been revised to allow for first cycle of training to be conducted.</p>	<p>31st August 2020</p>

Building Services – Stocks & Stores 2018/19 (Final Issued October 2019)

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
<p>3.2 Adur Homes should develop a policy that defines, amongst others:</p> <ul style="list-style-type: none"> - How Building Services will procure materials (i.e. through the use of one contracted supplier and/or the use of local suppliers); - The quality standards expected when purchasing materials; - Levels of stock to be held; - Considerations to be made when purchasing (i.e. whether purchasing more costly LED lights will reduce Operative and overhead costs in the long term); - Any specific brands to be prioritised when purchasing, <p>considering any historic use of these and the lower cost and time implications in replacing these; and</p> <ul style="list-style-type: none"> - When and/or how the Service will stock vans (i.e. Operatives are only given the supplies to do each job and/or there will be a minimum stock level of certain types of incidentals such as nails, screws or other materials that they keep on each van). <p>Where standards are established, they should be documented and reviewed on an annual basis. Management should then monitor to ensure that standards are met.</p>	<p>Maintaining a Policy on how equipment and materials are procured, standards required and van stocking etc. will assist management ensure that materials and equipment is purchased and used in line with both service and Council objectives (such as the Sustainable Procurement Strategy).</p> <p>We confirmed that at present, Building Services do not have any contract arrangement with a particular supplier for the provision of materials and equipment. Furthermore, there is no documented policy in place defining how the Service will procure its materials, standards required, stock levels, or how it will stock its vans.</p> <p>Where there is no written policy in place determining how materials are purchased etc, there is an increased risk that irregular and/or inadequate purchasing/stocking occurs leading to poor value for money, non-compliance with Council objectives, inefficiencies and possible financial loss.</p>	<p>The proposed direction of travel is to outsource the management of stocks and stores and a suitable point in the future.</p> <p>The need to create some interim policy/procedure or guidance is accepted so that the stocks and stores can be managed in the interim in order to improve our scrutiny and compliance.</p> <p>Deadline - 31st March 2020</p>	<p>Update provided on the 7th July 2020 by the Housing Operations Manager confirmed "There have been a few decisions made about this matter both within Adur Homes and with a wider procurement group. An in principle decision has been made to outsource the bulk of our stores purchasing in a potential 3 - 5 year contract.</p> <p>The two decisions remaining will be:</p> <ul style="list-style-type: none"> • How we run down our existing stock and manage risk • The level of threshold stores that we will retain' somewhere between £3K - £10k. <p>We are significantly adrift of audit timelines at present. The main cause of this has been the delay in appointment of the new Repairs Modernisation Manager post and the impact of Covid".</p> <p>Update provided on 9th Sept 20 states that:-</p> <p>Adur Homes are working with procurement on creating a 2</p>	<p>31st January 2021</p>

			<p>- 3 year framework contract for procuring future stocks and stores. A preferred framework had been identified (PFH) and a provisional timetable for moving across from the current arrangement to the new one. As well as the procurement exercise there will be a need to follow internal governance arrangements.</p> <p>It is anticipated that the new Framework will be in place from January 2021 onwards. This will address the following issues highlighted in the audit in due course.</p> <ul style="list-style-type: none"> - How Building Services will procure materials - The quality standards - Considerations to be made when purchasing - Levels of stock to be held; - When and/or how the Service will stock vans <p>Procedural guidance will be developed in parallel with the above under the headings indicated. These will show interim arrangements for the period October 2020 - January 2021 and then future arrangements from January 2021 onwards.</p>	
3.3 The Building Services Team should ensure value for money is	The Council's Contract Standing Orders requires that where purchases are less	Agreed - The proposed direction of travel is to outsource the	As above	30 th September

<p>sought when purchasing materials.</p>	<p>than £25,000, it is best practice for a minimum of two written quotes to be obtained.</p> <p>In the absence of a Building Services Procurement Policy or any contract arrangement, we tested 10 recent purchases of materials and noted that, in all cases:</p> <ul style="list-style-type: none"> - The value of the purchase was under £1,000; and - There was no evidence to support value for money was sought in the forms of quotes being obtained. <p>Where quotes are not obtained, there is a risk that Contract Standing Order requirements are not being complied with and that the Council is not achieving value for money.</p>	<p>management of stocks and stores and a suitable point in the future. In the interim the intention is to improve our scrutiny and compliance.</p>		<p>2020</p>
<p>3.5 The stock control spreadsheet should be kept up to date in order that it accurately reflects the current physical existence of materials in both the main storage and operatives' vans.</p>	<p>Maintaining up to date records assists management in ensuring the accuracy of its' stock levels and provides for effective stock management to be implemented.</p> <p>At the time of the audit, the Building Services Team was revamping its stock control processes. We were informed that an exercise was being undertaken to ensure clear and accurate records are being maintained by the Team in respect of stock type and quantity.</p> <p>Where up to date and accurate stock records are not maintained, there is an increased risk of loss or misappropriation of stock, which would result in a direct financial loss for the Council</p>	<p>Building Services have done some work to revamp processes. Housing Operations Manager to check what the improvements have been insofar as they may resolve some of the action points in the audit report.</p> <p>Deadline - 31st December 2019</p>	<p>A check has been made and confirmation given as at 4th March 2020 that the stores stock sheet is up to date. There is an outstanding need to address the issue of the full stock on each vehicle. An aim will be to complete this by end of April 2020 at the latest.</p> <p>Update provided by Housing Operations Manager on 7th July 2020 – as above.</p> <p>Update provided 9th September 2020 stated "This stock control spreadsheet exists presently and will be updated on a regular basis</p>	<p>31st October 2020</p>

from October 2020 onwards. This will give an indication of stock in store and on vans. The chargehands for each of the three areas will conduct a check of the stock in vans and office based staff a check of the stores. The figures will be reconciled on what is a corporate spreadsheet”.

Rent in Advance/Rent Deposit Scheme – (Final Issued March 2020)

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
<p>3.3 Every form used in the Rent in Advance/Rent Deposit (RiA/RD) process which is used to collect the personal data of the client (and/or their family members) needs to be reviewed and a relevant privacy notice added.</p> <p>Furthermore, where personal data is collected and recorded within forms and the Councils are relying on a client's consent to process the information then the relevant consent(s) need to be obtained.</p> <p>The Housing Needs Manager should liaise with the Councils' Senior Information Governance Officer (SIGO) in order to effect this.</p>	<p>The Data Protection Act (DPA) 2018 and General Data Protection Regulation (GDPR) contain specific requirements that the Councils must comply with when collecting and processing a client's personal data, including obtaining consent and providing privacy notices.</p> <p>From our examination of the 'In Principle Financial Assistance Approval' and 'Vulnerability & Suitability' forms we noted that neither contain any details about consent or a privacy notice.</p> <p>As some of the information required to be provided in the 'Vulnerability & Suitability' form can relate to disabilities or illnesses, the personal information being provided is considered sensitive personal data and is therefore subject to more rigorous requirements under the DPA 2018. Furthermore, as sensitive personal information relating to any other residents in the same dwelling as the client is also being requested, separate privacy notices for these other</p>	<p>These forms are part of the homelessness prevention process and are therefore covered by the consents given when a homelessness application is made. The Homeless application form also includes the link to the Councils privacy notice which specifically relates to homelessness related processes.</p> <p>Audit Comment – Advice sought from the Councils SIGO has confirmed a privacy notice link is required on all forms which are used to collect personal data and that depending on the process, consent information may also be required. Therefore we recommend that the SIGO is contacted in order to review the process and confirm whether consents are required within these forms.</p> <p>Housing Needs Manager –</p>	<p>No update yet provided.</p>	<p>None set yet.</p>

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
	<p>residents will also be required.</p> <p>Where the required consent and privacy notices are not contained on forms, the Council is in breach of the DPA 2018 and GDPR and should the ICO investigate this the Council may face significant fines.</p>	<p>Agreed</p> <p>Deadline – 30th June 2020</p>		

Corporate Investigations Team (CIT) – Fraud update
(statistical information from 1 April 2020 to 31 August 2020)

During the period 01/04/2020 to 31/08/2020, CIT have conducted full investigations on 115 cases of Tenancy Fraud, we have also conducted pre-investigations on 99 Homeless Assistance applications and 512 Housing Register Applications, to ascertain their entitlement to access social housing within the Adur & Worthing areas. Since December 2019 CIT is down to two persons, due to maternity leave.

CIT have also assisted with the COVID Business Support Grants, and have investigated one case which we have now passed to central government fraud departments.

Detailed below is the recovery/savings achieved by the CIT from their successful investigations since April 2020:

Investigation type	No of successful investigations	* Saving per case £	Recovery/Saving £
Right to Buy Applications	1	82,800*	82,800
Housing – Housing Register	49	3,240*	158,760
Housing – Homeless Assistance Application	16	3,240*	51,840
			239,400

** The figures used in the above calculations are those used in the National Fraud Initiative Report 2018*



ADUR & WORTHING
COUNCILS

Joint Governance Committee
22 September 2020
Agenda Item 8

Ward(s) Affected:N/A

Risks & Opportunities Update

Report by the Director for Digital, Sustainability & Resources

Executive Summary

1. Purpose

1.1 This report provides updates on the management of the Councils' Risks and Opportunities.

2. Recommendations

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

2.2 That the Committee consider if it would like any further information on any of the Risks and Opportunities; and

2.3 That the Committee agree to receive a further progress report in January 2021.

3. Context

- 3.1 Progress update reports on the general management of the Councils' Risks and Opportunities are reported to the Committee on a regular basis to assist the Committee in its role monitoring the effective development and operation of risk management and corporate governance in the Councils. This report also includes detailed information on the 'High/Red' Service Risks for each Directorate. The last report to the Committee was on 28 May 2020.

4. Issues for consideration

- 4.1 The coronavirus pandemic has had a profound effect on local communities and businesses, who have needed the Councils' support, and of course had a direct impact on Council finances and operations. Rapid transition to remote working and remote committees was required, and the Councils were required to provide a range of support for the homeless, others vulnerable and self-isolating, local businesses and tenants. The financial pressures in homelessness were significant as were losses of income in car parking, advertising, markets and elsewhere. The Councils' response has been widely regarded as very good, with our digital work receiving national attention.

- 4.2 A series of reports to the Joint Strategic Committee provide detailed information on how the Councils have responded to the lockdown, the recovery, and how the Councils' finances have been managed. Relevant reports that should be read in conjunction with the information provided in this report are:

- COVID Response (Item 5, JSC July 7th 2020)
- "And then...." bouncing back in post pandemic Adur and Worthing (Item 7, JSC July 7th 2020)
- Financial Performance 2019/20 - Revenue Outturn (Item 8, JSC July 7th 2020)
- First Revenue Budget Monitoring Report- Q1 (Item 5, JSC September 8th 2020)

- 4.3 It is important to acknowledge that in some areas, profound changes have taken place that have accelerated pre-existing trends and demonstrated new, more sustainable ways of living. Successful remote working and video conferencing have shown that a permanent reduction in commuting and business miles is possible. During lockdown we also saw remarkable levels of community volunteering, and our communities teams are working to help maintain new levels of active citizenship. Radical shifts in retail, leisure and

transport have been hugely disruptive to incumbents but also provide opportunity for new business models and micro-entrepreneurialism.

- 4.4 Progress continues to be made to monitor and review the full Risk and Opportunity registers. Corporate Risks and Opportunities, which reflect the aims set out in 'Platforms for our Places: Going Further' are reported regularly to the Councils Leadership Team. The Joint Strategic Committee also receives an annual summary report on the management of the Corporate Risks and Opportunities and this will be reported later in 2020. Service Risk registers are regularly updated in consultation with Directors, Heads of Service and Departmental Management Team meetings.
- 4.5 The management of the Risks and Opportunities continues to take place during the challenging times of the Covid-19 pandemic. The report includes changes required to the Risks/Opportunities because of the impact of Covid-19 on some services and the responses being put in place to mitigate the Risks. Details of particular Covid-19 impacts are set out in the attached Appendices for each Risk affected.

5. A Summary of the Risk and Opportunities Management updates

- 5.1 A summary of the main changes to the Risks and Opportunities since the last updates report in May 2020 including any Covid-19 related updates are included in the table attached as Appendix A to this report. The report also includes details of the mitigation measures in place for all 'High/Red' Risks (Corporate and Service), including Covid-19 impacts and these are attached at Appendix B to this report.
- 5.2 The number of 'High' Risks now reported is 8 Corporate and 10 Service (4 for Financial Services, 4 for Housing Services, 1 for Major Projects & Investment and 1 for Leisure - This compares to 11 Service Risks in May 2020 - Corporate Risks remain the same). Updates on changes to the other Risks and Opportunities including any added or removed are included in Appendix A to this report and the regular review undertaken with Heads of Service and Directors has identified any key issues emerging to the delivery of the Services amidst the Covid-19 response. This work continues to highlight the good practice being followed across the organisation in the management of Risks and Opportunities and the importance of good risk and opportunity management during these difficult times.

6. Engagement and Communication

- 6.1 The Councils Leadership Team and Organisational Leadership Team have been consulted on the production of this report

7. Financial Implications

- 7.1 There are no direct financial implications as a result of this report but there are some financial implications if the Risks/Opportunities occur.

8. Legal Implications

- 8.1 There are no legal matters arising as a result of this report but there could be legal implications for the Councils if the risk events occur. The Joint Governance Committee has the responsibility for monitoring the effective development and operation of risk and opportunity management.

Background Papers

Adur and Worthing Councils Risk and Opportunity Management Strategy -
2018-2020

Risk & Opportunity Management updates report to Joint Governance Committee - 28
May 2020

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Sustainability & Risk Assessment

1. Economic

Matter considered. The Risks and Opportunities are directly linked to the projects and work streams that have been in place to help deliver the commitments and activities contained in the Councils strategic vision 'Platforms for our Places: Going Further'. Some of these will impact on the economic development of the areas if they occur.

2. Social

2.1 Social Value

Matter considered. Some of the Risks and Opportunities may have an impact on the value that communities experience from social value projects if the Risks and Opportunities occur.

2.2 Equality Issues

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

2.3 Community Safety Issues (Section 17)

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

2.4 Human Rights Issues

Matter considered and no direct issues identified.

3. Environmental

Matter considered. Some of the Risks and Opportunities may impact on environmental issues.

4. Governance



Matter considered. As part of good governance the Councils need to manage Risks and Opportunities. The Councils 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 three times a year by the Joint Governance Committee.

Joint Governance Committee - 22 September 2020

Updates on Risk and Opportunity Management

	May 2020 update	September 2020 update
<u>Corporate Risks and Opportunities</u>	11 Risks 5 Opportunities	11 Risks - No change 5 Opportunities - No change
<u>Service Risks and Opportunities</u>		
<u>Communities Directorate</u>		
Environment	3 Risks	3 Risks - No change
Housing	9 Risks	9 Risks - No change
Wellbeing	2 Opportunities 6 Risks	2 Opportunities - No change 6 Risks - No change
<u>Digital, Sustainability & Resources Directorate</u>		
Customer & Digital	7 Risks	7 Risks - No change
Financial Services	7 Risks 1 Opportunity	7 Risks - No change 1 Opportunity - No change
Human Resources	5 Risks	6 Risks - Plus 1
Legal Services	1 Risk	1 Risk - No change
Revenues & Benefits	4 Risks	4 Risks - No change
<u>Economy Directorate</u>		
Facilities & Technical Services	7 Risks	7 Risks - No change
Major Projects & Investment	10 Risks	10 Risks - No change
Place & Economy	7 Risks	7 Risks - No change
Planning & Development	19 Risks	20 Risks - Plus 1
Leisure	1 Opportunity 3 Risks	1 Opportunity - No change 1 Risk - Minus 2

High Risks on Service Risk registers	May 2020 update	September 2020 update
Housing	4	4 - No change
Financial Services	4	4- No change
Major Projects & Investment	2	1 - Minus 1
Leisure	1	1 - No change

 Risks where assessment score has increased since the last report	<p>Planning & Development - West Durrington development - Risk increased to Medium to reflect the delays in obtaining the necessary deed of variation.</p>
 Risks where assessment score has reduced since the previous report.	<p>Human Resources - Risk of staff not engaging in mandatory training - Risk reduced to Low Risk because of work undertaken to enable staff to engage in this training.</p> <p>Major Projects & Investment - Development of Worthing Civic Centre Car Park site - Risk reduced to Low Risk due to further mitigations (Planning permission granted August 2020). Estates Income - Risk reduced to Medium Risk due to mitigations and rent collection performing better than anticipated during Covid-19.</p> <p>Planning & Development - New Monks Farm and Shoreham Airport planning application - Risk reduced to Low Risk to reflect mitigations in place and developments. Shoreham Harbour regeneration - Risk reduced to Low Risk to reflect mitigations and progress in developing site.</p>

	Fire safety - Failure to bring in additional income. - Risk reduced to Low Risk to reflect mitigations and additional income achieved.
New Risks/Opportunities added since last report	<p>Human Resources - Failure to implement the HR Payroll system effectively - Medium Risk</p> <p>Place & Economy - Managing 'Place' Projects - New Risk added about managing 'Place' Projects which incorporates Risk on Seafront Observation wheel - Medium Risk.</p> <p>Planning & Development - Chatsmore Farm development - Possible impact on Local Plan/strategic gap - Medium Risk</p>
Risks/Opportunities removed since last report.	<p>Leisure - Failure of boilers and plant at Wadurs swimming pool - Risk removed because new boilers have been installed and new changing rooms provided.</p> <p>Impact on the financial ability of the Worthing and Adur Leisure Trusts. - Risk removed. Issues now covered in overall Risk on Leisure provision - Post Covid</p>

Joint Governance Committee - 22 September 2020

Corporate 'High' Risks

<u>Risk</u>	<u>Internal Controls</u>	<u>Risk Impact</u>	<u>Risk Likelihood</u>
<p><u>Covid-19</u></p> <p>Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus. The Government, on the advice of medical experts, has introduced social distancing measures, emergency legislation and economic packages to mitigate the effects of the crisis.</p> <p>This will continue to affect the operations of the Councils to meet the demands of the response, normal business functions and subsequent recovery effort may last 12 months or more before we reach a stage of "relative normality".</p> <p>A future social and economic landscape will be significantly different and our ability to adapt will require careful consideration.</p>	<p>September 2020 -</p> <p>The Community Response continues and is being developed into a third phase to ensure emergency support for people who are self isolating. We are now creating an addition to the app for the purposes of advising and helping people who have lost their jobs.</p> <p>Outbreak planning is underway for the Councils. We are working closely with the WSCC Public Health Team to develop a communications and engagement approach and prevention work around outbreaks. This includes monitoring data and risks around outbreaks.</p> <p>Further responses to COVID-19 are included in several sections below, e.g. housing/homelessness and supporting the local economy.</p>	Major	Likely

<p><u>Council Finances</u></p> <p>Council finances continue to be under pressure after several years of reducing income from central government. The Councils have set balanced budgets every year, and do not rely on reserves to do so. A recent LGA Peer Review also found that a series of plans and strategies are in place to address challenges going forward, although there remains a projected shortfall currently for 2020/21. The Councils' reserves position is in the lower quartile of SE Districts and the position needs improvement.</p>	<p>September 2020 -</p> <p>Government funding is now estimated to be £ 3.453m (Adur £1.081m, Worthing £2.372m) towards Covid 19 pressures. In particular, the government will compensate local authorities for 75% of lost income after the first 5% which will help mitigate much of the pressures from lost income. However, the duration and depth of the pressures arising from Covid 19 are still a cause for concern, particularly within Worthing due to the extent of losses in car park income.</p> <p>Due to ongoing economic issues the Councils are also experiencing an increase in the number of Council Tax Support claimants, thereby reducing income from Council Tax in future years until such time as the economy improves.</p> <p>Councils Leadership Team are receiving regular reports on the financial position and have initiated a strategic review over the next months, as well as immediate spend control measures whilst ensuring work continues to deliver against the Platforms for our Places strategy as our programme will support economic recovery and community resilience.</p>	Major	Very Likely
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<p><u>Welfare Reform</u></p> <p>'Welfare Reform' is used to cover a range of issues in particular:</p> <ul style="list-style-type: none"> • Changes to how benefits paid to those who are working to incentivise work. • Changes to the maximum level of benefits paid to families and individuals who are not working • Changes to how working age benefits are paid and a shift to one benefit package 'Universal Credit' (UC) • Benefits being administered largely by central government as opposed to local government - UC administered by DWP vs Housing Benefit by local authorities. • UC being paid monthly, to an individual person or family member, into a bank account. • Benefits for young people and single people reduced • Benefits for larger families reduced <p>The impact of these changes are still working through the system but in areas where Universal credit has been rolled out fully the following effects have been reported.</p> <ul style="list-style-type: none"> • 5-6 weeks gap before UC is paid (in some cases longer) • Local systems unable to track individuals in need, as the system is centralised and data is no longer available • Housing costs not being met by the 	<p>September 2020 -</p> <p>Since the last report to the Committee in May 2020 there has been little change to the impact that the rollout of Universal Credit is having on the number (reduction) of live Housing Benefit claims but there has been an increase in the number of claims that are being received for Council Tax Support - average weekly volumes have been</p> <ul style="list-style-type: none"> • Throughout 2019/20: 40 • April 2020: 103 • May 2020: 85 • June 2020: 71 • July 2020: 54 • August 2020: 51 <p>Statistics about the number of new claims for UC in both areas are now being provided by the DWP - since the beginning of June 2020 average weekly volumes have been 40 in Adur and 78 in Worthing.</p>	Major	Very Likely
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<p>level of out of work benefits</p> <p>The impact for the Councils of this is potentially on two fronts, increased homelessness presentations and/or reduced rental income for Adur Homes. This is compounded by the year on year reduction in social rents by 1% which also reduces the financial income for Adur Homes.</p> <p>Recent agreements to cut budgets from WSCC lines - e.g the Local Assistance Network funding; Supported Housing and IPEH (Universal services) may also impact in these areas.</p>			
<p><u>Economic uncertainty</u></p> <p>Covid 19 will have a severe impact on the local economy. The impact on our town centres will be significant and key sectors such as hotels, restaurants and retailing will be particularly adversely affected. Some businesses will not survive and there will be an increase in unemployment.</p> <p>Resilience will be key and local councils will be expected to play a key role in supporting economic recovery. As part of this, many businesses will need to change their model of operation and the councils will need to respond to their changing needs in terms of factors such as regulation; infrastructure and logistics.</p>	<p>September 2020 - The Councils will need to respond quickly to support the interests of local business and the wider economy. A number of measures will be needed to ensure that the local economy develops the necessary resilience:</p> <p>Supporting the local economy where there are opportunities for growth. The digital and creative industries sector has been growing at a significant rate nationally. Understanding this sector and nurturing its growth in our local economy will continue to be important;</p> <p>Supporting our major businesses as they develop new business models;</p> <p>There will be an expectation that local authorities play a more</p>	Major	Likely

	<p>central role and we have already seen this in the distribution of Government grants and processing of Business Rate relief requests. We will need to partner with some of our major employers to secure access to public investment monies that do become available;</p> <p>Economic recovery will require local authorities to be agile and flexible in using their powers to respond at pace to support the economy. This is likely to mean that new and innovative approaches will be needed to overcome traditional barriers and traditional bureaucratic obstacles;</p> <p>A resilient local economy will demand affordable and high speed digital infrastructure 'on tap'. Publicly available digital access will help to support town centre recovery and the wider visitor economy. New ultrafast fibre is currently being installed across our area, the first towns in the south east, and a funded initiative to provide "Citizen WiFi" will also support the town centre and seafront, and those who cannot afford data plans.</p> <p>Supporting our town centres and helping create the right conditions for trade. In the short term this will include working to help ensure that our town centres and supporting infrastructure offer a safe environment for residents and visitors. This includes car parks; public spaces; community facilities; civic buildings; seafront and cultural and leisure venues.</p> <p>A Safe Towns Group has been formed to drive forward a range of actions to help support businesses to reopen safely including:</p> <ul style="list-style-type: none"> ● Developing a new pavement policy - to make greater use of outdoor space, ● Developing a new #WelcomeBackAW campaign for local 		
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	<p>residents to the town centre</p> <ul style="list-style-type: none"> ● Undertaking wise regulation to ensure businesses are operating safely ● Providing information and guidance for businesses to enable them to reopen safely, including targeted advice and support ● Adapting practices within the PH&R Team to ensure businesses can adapt, e.g. online food safety assessments. <p>Using our asset base wisely to provide opportunities for employment to support start up businesses and those with the opportunity to scale up;</p> <p>Accelerating our programme of major development projects to support economic recovery;</p> <p>Accelerating the digital infrastructure programme to ensure that local businesses are well placed to compete;</p> <p>Respond to changing patterns of consumer behaviour together with greater expectations around ethical supply chains and locally sourced products. The Councils are well placed to support business through their procurement activity;</p> <p>Working with training and skills providers to assist people back into employment;</p> <p>The Councils commissioned a review of economic data during the pandemic in July 2020. The pandemic recovery will demand that we continue to closely monitor this data and trends to ensure that we can make timely and well informed decisions.</p>		
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<p><u>Housing supply</u></p> <p>Limited housing supply in all areas and all tenures is a key risk for the Councils in terms of both discharging its statutory duty to prevent homelessness and support those at risk, as well as placing critical budgetary pressures on the Councils. Managing this demand is challenging and places additional capacity pressures on the operational teams.</p> <p>Emergency/Temporary Accommodation - the lack of EA/TA supply at LHA rates means that the Councils are paying for costly B&B accommodation whilst assessing customers for statutory obligations.</p> <p>The lack of move on accommodation at LHA rates means there are blockages in TA</p> <p>The lack of suitable/affordable private sector rented accommodation is placing more pressure on the Councils in terms of demand and budgets.</p> <p>Planning applications are subject to an increasing level of scrutiny, including both the level of affordable housing and the tenure mix.</p>	<p>September 2020 - Demand for emergency accommodation continues to increase, with more households presenting homeless currently due to eviction from friends and family.</p> <p>Due to COVID-19, the Councils are not able to use the traditional nightshelter arrangements to accommodate individuals sleeping on the streets this winter. Therefore, temporary accommodation will need to be provided and if there is a second spike in the virus this winter, a similar response will need to be provided to the 'Everyone In' Scheme in March where the Chatsworth Hotel was used to accommodate all those at risk of sleeping on the streets.</p> <p>The Councils have submitted a bid for financial assistance to support those sleeping rough this winter and individuals accommodated during the last COVID-19 outbreak through the government's Next Steps Accommodation Programme.</p> <p>Though the government has extended the ban on eviction until the end of September 2020 and increased the notice period to 3 months, it is likely that increased evictions from both private sector and social landlords will begin to impact more from January next year. While we already anticipate evictions resulting from antisocial behaviour, it is likely that the end of the furlough period and a downturn in the economy may result in more evictions resulting from rent arrears.</p> <p>The Councils intend to engage with social landlords to reduce evictions especially due to rent arrears. A multiagency group, through the "Thrive Project" is currently exploring the best way to engage those in rent arrears and their landlords.</p> <p>Furthermore, the Housing Needs Team continues to work closely with the DWP and WSCC's Early Help service to identify vulnerable households at risk of losing their home so that the Councils can intervene jointly (see service risk narrative below).</p>	<p>Major</p>	<p>Very Likely</p>
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	<p>Other</p> <ul style="list-style-type: none"> ● The contractor for Cecil Norris House has re-mobilised following site shutdown due to Covid-19. Site is not currently at full capacity due to social distancing measures. ● A preferred bidder has been selected on Albion St in order to achieve a fixed contract sum. JSC report was approved in Feb 2020. ● JSC report approved in Jan 2020 to commence design work on the delivery of the Adur Homes Small Sites (Hidden Homes) programme. The programme is targeting the delivery of c.10 new sites. ● The Council continues to support new applications as per below. Fulbeck and Union Place sites were both submitted for approval in the period. ● Work is continuing to help unlock new sites for housing delivery. <p>The adopted Local Plan for Adur has identified key strategic housing sites and planning applications have been submitted to and or approved on the following sites which will deliver a significant level of housing and affordable housing to meet future housing needs:</p> <ul style="list-style-type: none"> ● New Monks Farm (600 homes inc. 180 affordable homes) ● West Sompting (520 homes inc. 156 affordable homes) ● Western Harbour Arm (Free Wharf 540 inc. 162 affordable) <p>To assist the delivery of these sites the Council has worked with the developers and has helped to secure over £20 million additional public sector funding from the LEP and Homes England. The Council has also contracted to sell the Civic Centre site to a Registered Provider to deliver 170 affordable homes on the site of the former Council offices.</p> <p>The emerging Local Plan for Worthing is looking at allocating key green and brownfield sites to help increase the level of housing to help meet future housing needs. The Council has also been active to secure LEP</p>		
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	<p>and Homes England funding (over £15 million) to help deliver the following brownfield sites and ensure the delivery of affordable housing:</p> <ul style="list-style-type: none"> ● Teville Gate ● Union Place ● Grafton <p>In addition, in view of the Council's housing need Worthing Council has agreed to bring forward two greenfield sites in advance of the Local Plan (West Durrington (Phase II) and Fulbeck Avenue). These two sites have the potential to bring forward 400 new homes including 120 affordable homes.</p> <p>Worthing is also reviewing its Community Infrastructure Levy in view of concerns that it is affecting the delivery of affordable housing on brownfield sites.</p>		
<p><u>IT Disaster recovery</u></p> <p>Hosting applications locally carries increasing risks given the pace of technological change. As for most Councils, we have limited resilience in the team, and too much dependence on key personnel. Our data centre cannot be sufficiently protected from physical threats.</p>	<p>September 2020 -</p> <p>Migration of systems to cloud is making good progress, however there is still a reliance on the data centre for several key systems which present a risk to business continuity. Progress with migration is affected by a range of factors including technology suppliers ability to deliver and technical capacity to run several complex projects in parallel. A review of the Data Centre is being carried out to ensure risks are minimised as far as practicable.</p>	Extreme	Moderate
<p><u>Major Projects delivery</u></p> <p>Unlocking major development can be complex and take some time to deliver. The successful delivery of a major scheme will often depend on economic conditions over an extended</p>	<p>September 2020 -</p> <p>Covid-19 impact - Covid19 impact will continue to add a degree of uncertainty to the property market but the extent of this is not known at this stage.</p>	Major	Likely

<p>period.</p> <p>.</p>	<p>The Councils have embarked on an ambitious programme of development that makes the best use of their existing assets and commits to forming effective partnerships with other landowners and investors. This will help to 'de-risk' projects and create the right conditions for development to take place. For example, Worthing Borough Council has entered into a Land Pooling Agreement to help de-risk the development of Union Place and secure access to the agencies and skills necessary to deliver. A different approach has been taken on the former Aquarena site and Former Adur Civic Centre Site where the site's disposal was favoured as the best route to deliver new homes and regeneration. Direct delivery was the favoured development approach in the construction of Focus House in Shoreham.</p> <p>(As requested by the Joint Governance Committee, information relating to individual Major Project Risks has been included as part of this report and is contained at Appendix C).</p> <p>Both Councils have used Local Growth Fund monies to deliver the necessary infrastructure to support development . The Councils have also played a pro-active role in supporting Coast to Capital in the development of a Strategic Economic Plan to ensure that their priorities for the development of major projects are represented and therefore, more likely to benefit from future public funding.</p> <p>The Councils have provided clear and unambiguous signals to the development sector about their intentions and commitment to deliver. A dedicated team has been established to manage the major projects and capital budgets adjusted to reflect the priority attached to this work. Regular monitoring of progress provides oversight and formal reporting to the relevant executive councillors; internal project groups and formal Committee meetings take place to oversee progress.</p>		
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<p><u>Climate Emergency</u></p> <p>Council response to the Climate Emergency needs to be threefold;</p> <p>1) Mitigating climate change Through reducing greenhouse gas emissions from council activities, working towards the carbon neutral target made as part of the Climate Emergency Declaration, and through working towards 100% clean energy for Adur & Worthing under the UK100 Cities Pledge.</p> <p>2) Adapting to climate change; By working across the council services and estate and with local stakeholders and partners to provide environmental resilience across Adur and Worthing and the South East. Measures required include</p> <ul style="list-style-type: none"> • Addressing drought and heatwave planning, addressing urban heat island effect, increasing green infrastructure, addressing wildfire risk. • Preparing for tidal and storm surges, heavy rainfall and wind events, addressing risk of coastal, surface and river flooding through sustainable drainage, natural flood management, coastal defences, flood resilience. • Preparing for extreme cold events. <p>3) Preparing for more frequent extreme climate events and impacts</p>	<p>September 2020 -</p> <p>1) Mitigating climate change</p> <ul style="list-style-type: none"> • A Draft Climate Plan has been developed with community partners for further engagement/consultation and establishing closer working relationships on local climate action. • The councils are working closely with DemSoc and an Advisory Group of local experts to deliver and hold an online Climate Assembly with 40 Assembly members September-December. • The New Carbon Reduction Team have been recruited to work on carbon reduction across councils services to deliver the 2030 carbon neutral target. • Progress developing project to radically decarbonise heat on the Worthing Civic Quarter; consultants have completed techno-economic assessment and identified a viable scheme, stakeholders are engaged and preparing to sign MoU. Further £125K funding secured from BEIS to develop Outline Business Case and next stages. • A study is underway to investigate solar PV opportunities on council owned land and building assets. • The councils have collaborated with WSCC on procurement of a concessionaire and delivery of a countywide EV charging network • The councils are participating in the Sussex Solar Together programme offering high quality, discount price solar and battery installs to Adur and Worthing residents • Ongoing exploration of opportunities on council owned land, in and bordering Adur & Worthing for offsetting, biodiversity, rewilding and climate resilience schemes in particular New Salts Farm, the Adur Estuary and Kelp restoration with external partners. • All funding opportunities from new Govt funding streams for the Green Recovery are being pursued wherever possible. 	<p>Major</p>	<p>Likely</p>

<p>Through emergency planning and developing resilience in the short and long term, and the ability of the council to respond to crisis situations in conjunction with the emergency services and other partners.</p> <ul style="list-style-type: none"> • Preparing for risks of damage to properties and infrastructure as well as risk to public health and safety from extreme weather events. • Developing resilience in local food, transport, energy and water systems and the built environment. • Lobbying government for a more robust approach to the multiple threats of climate change. 	<p>2) Adapting to climate change;</p> <ul style="list-style-type: none"> • The Worthing Strategic Flood Risk Assessment is being updated. • Adur DC has approved project costs for coastal defence works at Kingston Beach • Technical Services are assessing flood risk on/in vicinity of council owned land/buildings to identify opportunities for projects to improve climate resilience. • Parks planning to review opportunities for flood mitigation through an increase in permeable surfaces and rain gardens • Ongoing collaboration with external partners to investigate restoration of kelp forests which could reduce storm surge and tidal influence on the shore line by 70%; and to investigate an Adur Estuary project to provide flood mitigation and multiple additional benefits. • Emerging Worthing Local Plan includes a new chapter on climate adaptation. Adur Local Plan will need to be refreshed to improve its response to Climate Adaptation <p>3) Preparing for more frequent extreme climate events and impacts</p> <ul style="list-style-type: none"> • Adverse weather impacts are considered by AWC Emergency Planning service based upon pan Sussex risks using the National Risk Register of Civil Emergencies. The Sussex risks are in the public domain available to all via the Sussex Police register. <p>Covid-19 impact - Covid19 has created 3-6 month delays to the following projects</p> <ul style="list-style-type: none"> • Delivery of the Adur & Worthing Climate Assembly • iUK funded Smarthubs programme • LoCase - consideration of the funding bid by HCLF & EU • Further engagement with community, business and partners on the creation of a cross sector Climate Partnership with TTW and WCAN following Zero 2030 the climate conference • Anthesis: SCATTER study for Adur & Worthing to become carbon neutral by 2050 (2m delay) 		
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Communities Directorate High Service

Risks and Projects

Housing

<u>Risk</u>	<u>Potential Effect</u>	<u>Internal Controls</u>	<u>Risk Impact</u>	<u>Risk Likelihood</u>
1. Compliance - Fire, Gas, electrical and water quality (Adur Homes)	<p>1. Death/injury/illness. - Fire/safety related; - water borne disease (legionella)</p> <p>2. Potential legal action and-or claims. - Legal action against accountable staff (up to Head of paid Service) - compensation and or other claims for injury etc</p> <p>3. Financial risk -Of managing service failure and loss of accommodation</p> <p>4. Reputational risk -see above</p> <p>5. Loss of use of premises and personal impact to tenants as well as operational and financial risk to councils - see above</p> <p>6. Court judgement relating to BSW case. Judge found in favour of contractor and Council requested to make a fee. Wider impact risk now because two other contracts awaiting adjudication.</p>	<p>September 2020 -</p> <p>COVID-19 Impact Contact has been made with most tenants isolating and gas safety inspections carried out. 99.57% of properties now have a valid Landlord Gas Safety certification with only 10 properties left. Efforts continue to gain access to these properties. We are now liaising with Legal on two of these properties which we have been unable to gain access to despite several efforts, which predates COVID-19.</p> <p>Capital Investment works Discussions with Southern Fire Doors has restarted on the Fire Safety Door project.</p> <p>Work has commenced on the Sheltered Housing Communal Alarm project with installation of the new system in Marsh House almost complete. The contract for fire safety remedial works to general needs blocks of flats had to be re-tendered to ensure compliance with regulations on consultation with Leaseholders. Tender documents have been reissued and</p>	Extreme	Moderate

	<p>1-5 Can result from a failure to comply with regulatory standards around Fire/Gas/Electrical and Water Safety and/or implement action plans agreed with WSFR and other bodies.</p>	<p>consultation with affected leaseholders has commenced. Fire safety remedial works to sheltered housing blocks have also been delayed because the Contractor is experiencing delay getting materials delivered on site.</p> <p>Work to install Smoke Alarms in flats without adequate smoke alarms has restarted and is nearly complete.</p> <p>Fire Safety Policy reviewed and updated</p> <p>Quarterly meetings being held with WSFRS.</p> <p>Water tanks are inspected and a plan in place to replace them when necessary.</p>		
<p>2. Rising costs of emergency and temporary accommodation</p>	<p>Increased pressure on general funds</p> <p>Councils have to spend money on expensive B&B type accommodation.</p> <p>COVID-19 pressures have been significant and there have been additional placements into emergency accommodation. This has put significant pressure on EA/TA budgets, which is likely to continue during and beyond the COVID-19 restrictions as moving placements on will present a challenge.</p>	<p>September 2020 - End to restrictions on evictions likely to put even more pressure on EA/TA budget and homelessness teams.</p> <p>Efforts continue to reduce the cost of nightly paid accommodation and prevent homelessness as early as possible. See also information included in the entry for the Corporate Housing supply risk referred to above.</p> <p>Opening Doors – scheme now has had a number of new landlords signing up, allowing households to either move</p>	Major	Very Likely

		<p>households on from TA or to avoid going into TA.</p> <p>Significant TA placement has resulted from COVID-19 particularly single people. As part of the next steps, those unlikely to be owed long term housing obligation will be given advice and support to find alternative accommodation to reduce the number of households in TA.</p>		
<p>3. Overall Risk of increasing demand for housing advice and homelessness applications</p>	<p>Impact on front line service delivery for customer services in terms of Contact Centre and front line services from Portland House.</p> <p>Increased waiting time for housing advice and casework.</p> <p>Increased costs of temporary and emergency accommodation.</p> <p>Increased competition for limited affordable housing supply.</p> <p>Risk of not meeting legal obligations of the new Homelessness Reduction Act 2017</p> <p>Covid-19 impact has caused the demand to increase significantly.</p>	<p>September 2020 - End to restrictions on evictions likely to result in a significant increase in homeless presentations. Covid-19 impact continuing to cause demand to increase significantly.</p> <p>Triage system implemented to provide advice and guidance at the earliest opportunity to reduce presentations as homeless.</p> <p>Create more housing options for those at risk of homelessness via the housing solutions officer dedicated to seeking private sector accommodation</p> <p>Early identification of potentially vulnerable individuals and families to the development of multi agency pathways eg hospital discharge and care leavers. Better joint working with agencies to prevent crisis presentations.</p>	Major	Very Likely

		<p>Improving Communication and digital offer to increase customer self service and understanding of alternatives with the aim to reduce administration and officer time processing applications.</p> <p>Working with partners across sussex in Sussex Home-Move Partnership to implement the new Home Connections System Better recording and case management.</p> <p>Improve the Housing Team performance.</p> <p>Trialling different methods of assessing people's needs.</p> <p>Capacity of Portland House being assessed.</p> <p>Service redesign - This has created 3 additional officer posts to provide advice.</p>		
4. Housing Revenue Account - Financial sustainability as a result of Rent Reduction Policy and Rent collection levels - Impact on budget and service provision	<p>1. Financial -Reduced ability to Invest in capital expenditure to maintain buildings and properties and new homes</p> <p>2. Operational - Limited ability to deliver good quality services and meet customer need -Ability to cover day to day repairs and maintenance</p> <p>3. Business Sustainability/failure -deficit budgets set for forthcoming years, any further uncertainty could result in business failure</p>	<p>September 2020 - 30 year business plan shows the potential to outlive the issues highlighted if the service is able to raise rents post 2020</p> <p>Reviewing what services we offer with the budget available.</p> <p>Prudent management of revenue budget</p> <p>The end of furlough scheme and the predicted downturn in the economy is likely to have a negative impact on rental income.</p>	Major	Likely

	<p>Background - Until 2020 the Government requires all social housing providers to reduce their rents by 1% each year.</p> <p>This creates a financial pressure over the next 3 years.(£0.68m in 2018/19 and by 2020/21 this will have increased to £1,944,000)</p> <p>Arrears level is running at 3.19% (£452,202). Good practice benchmark is 1%.</p> <p>Loss of income to the HRA.</p> <p>Use of reserves.</p> <p>Covid-19 impact - rent arrears are expected to be higher.</p>	<p>AH Improvement Plan focuses on reducing rent arrears and is being monitored monthly by the Head of Service and Operations Manager.</p> <p>Engagement with Wellbeing and Housing Solutions staff to promote budgeting and financial inclusion strategies.</p> <p>Income streams review taking place.</p> <p>Planning to increase rent by 2.7% in the next Financial Year and for next years there will be increases at CPI plus 1%.</p>		
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Digital & Resources Directorate High Service

Risks and Projects

Financial Services

<u>Risk</u>	<u>Potential Effect</u>	<u>Internal Controls</u>	<u>Impact</u>	<u>Likelihood</u>
<p>1. Risk to overall financial position - Known areas of risk within the budget eg Income from demand led services, outcomes of job evaluation, Pay award higher</p>	<p>1. Go over budget 2. Do not have resources to meet priorities.</p> <p>Covid 19 will have a significant impact on the Council's budgets both in 2020/21 and in future years. Full extent of the impact is currently being assessed.</p>	<p>September 2020 - Covid-19 - Developing a new strategy to help address the financial implications of the Covid-19 emergency. As a result of Covid 19 pressures, enhanced budget controls implemented with all vacant posts being reviewed by Directors prior to recruitment, maximised the amount of underspend placed into the working balance</p>	<p>Major</p>	<p>Likely</p>

<p>than assumed.</p>		<p>at the year end to mitigate financial risks, all unnecessary spend is on hold until the financial position is more secure.</p> <p>Council holds reserves to manage the risk of lost income.</p> <p>Where a service has been identified as being at risk a close monitoring regime is put in place.</p> <p>The enhanced monitoring for CLT for areas of commercial risk is continuing. .</p> <p>Proactive control of discretionary spend implemented to help resolve areas of overspend within the budget.</p> <p>New budget management strategy in place to build reserves and to better manage risks.</p>		
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<p>2.Future spending requirements are under-estimated - Budgets are insufficient to fund core costs leading to an overspend</p>	<p>Budgets are insufficient to fund core costs leading to an overspend.</p> <p>Covid-19 having a significant impact on the future cost of services. Budgets are currently insufficient to fund costs and an overspend is expected for 2020/21.</p>	<p>September 2020 - Closely monitor progress through Budget/ Performance Monitoring. • Where issues are identified these are built into the budget for the following year.</p> <p>Proactive management of discretionary budgets to manage in year pressures.</p> <p>Annual savings and budget exercise undertaken to reset budget and deal with areas of high pressure.</p> <p>Staffing budgets are very carefully controlled.</p> <p>Rigorous process for establishing new posts. Other staffing controls – recruitment and selection. Controlling vacancy filling and monitoring against targets.</p> <p>Deferral of expenditure where possible to help mitigate the current financial position.</p>	<p>Major</p>	<p>Likely</p>
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<p>3. Future resources from Government are less than assumed</p>	<p>Budget shortfall is understated leading to a greater level of savings. Particular issue in 21/22 Financial Year is likely due to fairer funding review.</p>	<p>September 2020 -</p> <p>Lobby Government for an appropriate resource distribution. • Take action to reduce the overall cost of services or increase income where possible.</p> <p>Government has moved to a 4 year settlement which gives the Councils greater certainty about grant levels.</p> <p>Councils have responded to new Business Rate retention scheme proposals.</p> <p>Councils have responded to the fairer funding review consultation.</p> <p>Councils have responded to the Local Government settlement consultation</p> <p>Councils have received a 1 year settlement for 2020/21. Awaiting the outcome of the Fairer funding review which has been delayed a further year due to Covid 19 impacts.</p> <p>1 year Comprehensive spending review is expected.</p>	<p>Major</p>	<p>Likely</p>
<p>4. General risk of not finding significant budget</p>	<p>Impact on ability to balance the budget to deliver the Corporate Priorities and priority services.</p>	<p>September 2020 -</p> <p>Sufficient savings have been identified for 2020/21.</p>	<p>Major</p>	<p>Likely</p>

savings from both Councils.		<p>Introduced Medium Term Financial Plan Tracker to check savings over 3 years. Significant progress has been made in identifying savings for 2020/2021.</p> <p>Risk is now for the 2021/22 budget round which is in progress.</p>		
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Economy Directorate High Service Risks - Major Projects & Investment

<u>Risk</u>	<u>Potential Effect</u>	<u>Internal Controls</u>	<u>Impact</u>	<u>Likelihood</u>
<p>Shoreham Airport - Airport as a regional airport has limited demand and there is potential it might cease to operate.</p>	<p>The airport's contribution to the area economy will end and it will diminish Shoreham's distinctive sense of place.</p>	<p>September 2020 - WBC and BHCC are working together to finalise a new lease which in turn should assist the airport to emerge from administration.</p> <p>Planning approval secured for business development on a site allocated in the Adur Local Plan to secure long term income streams necessary to improve the long-term financial stability of the airport operation.</p> <p>Council Place and Economy team have been offering specialist support to navigate the Governments business loan and grants systems.</p>	<p>Major</p>	<p>Likely</p>

<u>Leisure</u>				
Leisure provision - Covid-19	As a result of the Covid-19 pandemic, the local leisure providers cease trading or suffer severe financial impact which curtails their ability to provide a service.	<p>September 2020 - July 2020 Director reported that Adur Community Leisure (Impulse) went into insolvency.</p> <p>Remains a significant risk as there is no guarantee of a suitable operator coming forward.</p> <p>Project group formed and paper prepared for September JSC recommending use of Covid powers to make a direct award.</p> <p>To mitigate this risk an experienced team of consultants (SLC) appointed to advise the Council.</p>	Major	Likely

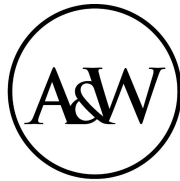
Joint Governance Committee - 22 September 2020**Major Projects Risks**

<u>Risk</u>	<u>Internal Controls</u>	<u>Risk Impact</u>	<u>Risk Likelihood</u>	<u>Risk assessment</u>
Union Place, Worthing - Risk that the Council will be delayed in bringing the site forward as a mixed use development and planning permission will not be achieved.	<p>Appointment of consultants to protect Council's position and financial safeguards to be put in place to manage or reduce the level of the risk.</p> <p>LEP funding drawn down and spent.</p> <p>Development partner (LCR) in agreement.</p> <p>Project Plan, resources and funding in place.</p> <p>Update reports to the Joint Strategic Committee.</p> <p>September 2020 update - Planning application submission - March 2020 and due for determination October 2020.</p>	Minor	Unlikely	Low
Decoy Farm - Risk that development will not proceed. Significant development costs and risk of losing funding	<p>Report to Joint Strategic Committee setting out the procurement strategy and planned project timeline.</p> <p>Local Growth funding of £4.84 million secured to reduce the risk of the project and to ensure a viable redevelopment.</p> <p>Work completed to inform development proposals. Business case prepared and submitted to Coast to Capital. Funding drawn down. .</p> <p>Deliverable development strategy in place.</p> <p>Commencement of testing and onsite works ensures that progress is being made and LEP funding will be secured in line with agreements. Tangible progress now visible on site.</p>	Moderate	Unlikely	Medium

<p>Development of former Civic Centre, Shoreham-by-Sea - Risk of a delay in the regeneration of the site to provide homes and jobs</p>	<p>Phase I - Management of construction. (Complete).</p> <p>Phase II - Project plan for bringing site to market. - Site advertised for disposal/development going through process.</p> <p>Disposal of site agreed to Hyde Group. Planning application anticipated in 2020 in order to complete sale late 2020.</p>	Moderate	Unlikely	Medium
<p>Redevelopment of Grafton site, Worthing - Risk that the development does not proceed in order to create new car parks and residential units</p>	<p>August 2020 - Progress being made on resolving technical and title issues. Site will be marketed for development partner in latter part of 2020.</p> <p>Condition survey of car park undertaken and structural survey to inform car parking strategy.</p> <p>Purchase of retail units in Montague Street to give greater control of the retail units affected by the proposed redevelopment.</p> <p>Options appraisal of site undertaken to inform revised development brief for the site.</p> <p>Work to be undertaken to assess site constraints and the overall viability of the preferred development option.</p> <p>To continue to purchase additional retail units in Montague Street to secure the optimum redevelopment scheme.</p> <p>Work underway to address key development issues, party wall, rights to light, access act, procurement and parking.</p> <p>Wider town centre parking strategy produced and agreed by the Joint Strategic Committee.</p>	Moderate	Moderate	Medium
<p>Provision of flood defence walls on the Sussex Yacht Club site - Risk of further flooding if defence walls are not built</p>	<p>LEP funding secured (£3.5 million). Further gap funding (as necessary) agreed at July 2020 JSC meeting following procurement.</p> <p>Approval from JSC in January 2017 to purchase land to undertake flood defence works and to seek planning permission for demolition of buildings on site to construct flood defence walls.</p> <p>Purchase of land completed. Works commenced Summer 2019.</p>	Moderate	Rare	Low

<p>Redevelopment of the Civic Centre car park site, Worthing - Risk that the redevelopment does not proceed or is delayed.</p>	<p>August 2020 - Planning permission granted.</p> <p>Outline Business case produced in Autumn 2019.</p> <p>Meetings with relevant Health authorities/NHS to resolve issues around Head Lease and ensure overall business case is approved by the NHS Project Appraisal Unit.</p> <p>One Public Estate Bid through Greater Brighton Economic Board to secure investment into the project.</p> <p>Detailed feasibility studies and a 5 part business case using One Public Estate funding to access development options and to inform a new development brief for the site.</p> <p>Measures in place to fund proposal and appointments made to secure planning permission.</p> <p>Procurement strategy agreed and underway. Funding strategy agreed.</p>	<p>Moderate</p>	<p>Unlikely</p>	<p>Medium</p>
<p>Teville Gate redevelopment site, Worthing - Risk of delays in the development</p>	<p>LGF awarded (£5.6 million) to acquire and demolish Teville Gate House.</p> <p>Planning permission granted at Committee on the 4 March 2020 subject to s106 agreement. Heads of Terms agreed and awaiting ongoing discussions with Homes England regarding infrastructure.</p> <p>September 2020 update - Delays in completing the s106 agreement as it appears the developers are seeking to sell the site.</p>	<p>Major</p>	<p>Moderate</p>	<p>Medium</p>
<p>New Monks Farm/Shoreham Airport - Risk of failing to deliver housing and employment as set out in the Local Plan if the development does not proceed.</p>	<p>April 2020 - Planning permission granted for both developments (27 Dec for Airport and 4 Feb 2020 for New Monks Farm).</p> <p>August 2020 - Construction work started on site and Cala Homes building the first few properties.</p>	<p>Moderate</p>	<p>Rare</p>	<p>Low</p>

	September 2020 update- Risk reduced to Low Risk with lower impact and likelihood to reflect the progress/mitigations being undertaken. - Shoreham Airport is being sold with outline planning permission.			
Shoreham Harbour regeneration - Risk that site is not developed and housing and employment envisaged by Local Plan is not delivered.	<p>Taking a proactive stance dealing with high density planning applications and seeking external funding.</p> <p>Planning permission now granted for Kingston Wharf securing a further 255 homes and commercial floorspace. As a result a total of 795 dwellings already approved and an application for a further 200 expected therefore the level of development envisaged by the Local Plan has been reached. Work has started on 540 homes and the Hyde scheme starting in the New Year.</p> <p>September 2020 update - Risk reduced to Low Risk to reflect mitigations and progress in developing site.</p>	Moderate	Rare	Low
West Sompting redevelopment - Risk of failing to meet Local Plan housing targets and deliver affordable housing if development does not proceed..	August 2020 - Planning application Amended plans received and public re-consulted and application due to go to Committee in October.	Moderate	Moderate	Medium
Chatsmore Farm redevelopment - Risk to strategic gap and emerging Local Plan if development proceeds	August 2020 - Planning application submitted.	Major	Moderate	Medium



ADUR & WORTHING
COUNCILS

Joint Governance Committee
22 September 2020
Agenda Item 9

Ward(s) Affected:All

Scheme of Officer Delegations

Report by the Monitoring Officer

Executive Summary

1. Purpose

1.1 It is important that Councils have appropriate officer delegations and committee delegations in place to ensure that decision making is made by the appropriate person or committee.

1.2 This report seeks to update the Councils' Scheme of Delegation to Officers in relation to planning matters.

1.3 Members are asked to approve the proposed changes to the Councils' Scheme of Delegation to Officers as set out in this report and recommend their adoption to each full Council

2. Recommendations

2.1 The Joint Governance Committee is asked to take into consideration the comments of the Adur Planning Committee and consider the proposed changes to the Scheme of Delegation to Officers and recommend its adoption as part of the Constitution to Adur District Council.

2.2 The Joint Governance Committee is asked to take into consideration the comments of the Worthing Planning Committee and consider the proposed

changes to the Scheme of Delegation to Officers and recommend its adoption as part of the Constitution to Worthing Borough Council.

3. Context

- 3.1 The Councils have set out the powers granted to officers in the Scheme of Delegation to Officers which forms part of each council's Constitution.
- 3.2 The delegated powers allow officers to make decisions in accordance with the scheme whilst ensuring that members retain decision making where appropriate.
- 3.3 As part of the ongoing review of the Councils' practices and procedures, the Scheme of Delegation to Officers have been reviewed by officers and revised versions are proposed.

4. Issues for consideration

- 4.1 Paragraph 3.6.5 of the Scheme of Delegation to Officers provides the Head of Planning and Development with the authority to determine applications for planning permission. However the delegation shall not be exercised in the following circumstances:
 - Applications requiring the Secretary of State to be notified under the Town and Country (Development Plans and Consultations) (Departures) Direction 2009;
 - Applications for development requiring an environmental impact assessment but excluding applications for a screening or scoping opinion in connection with an environmental impact assessment;
 - Applications comprising 'major' development within the meaning of the Town and Country Planning (General Permitted Development) Order;
 - Applications for development which conflicts materially with the development plan;
 - Applications materially affecting ancient monuments, and sites of special scientific interest;

- Applications made by, on behalf of, jointly with, or promoted by the Council, a Parish Council, West Sussex County Council, or any other Local Authority;
 - Where the application has been made by a Member or an Officer; and
 - Where a Member of the Council not more than 28 days after validation of an application requests otherwise.
- 4.2 It is considered by officers that three of these provisions do not facilitate good, agile, prudent decision making and that efficiency could be gained by making amendments whilst retaining sufficient balance and control.
- 4.3 It is therefore proposed that the provision of:
- “Applications comprising ‘major’ development within the meaning of the Town and Country Planning (General Permitted Development) Order”, be amended to, “Applications comprising ‘major’ development within the meaning of the Town and Country Planning (General Permitted Development) Order, other than those where the proposed amendment is minor or non material. Members will be notified when minor amendments to major applications have been approved”.
 - It is further proposed that the provision of: “Where the application has been made by a Member or an Officer” is amended to “Where the application has been made by a Member of Adur District Council or Worthing Borough Council, or an Officer of either Council who is either the Chief Executive, a Chief Officer, Deputy Chief Officer, Planning Services Manager or Planning Policy Manager or work within the Planning and Development Section”.
 - It is further proposed that the provision of: “Where a Member of the Council, not more than 28 days after validation of an application, requests otherwise” be amended to “Where a Member of the Council not more than 28 days after validation of an application, requests otherwise, providing valid planning reasons”.
- 4.4 These amendments would enable agile, streamlined decision making, whilst still ensuring independence and fairness in the Councils’ procedures and processes.
- 4.5 Currently applications for minor amendments to major applications must be

determined by the relevant planning committee. Such amendments by their nature are minor and include amendments where the scale or nature of the change does not result in a development that is substantially different from the one that has been approved. Non-material amendments are very small changes to planning permissions. The proposed changes will result in applications for minor and non-material amendments being dealt with faster and more efficiently but with the planning committees still determining major applications.

- 4.6 There are no proposed changes to the Scheme of Delegation to Officers in relation to planning applications made by members. However, the current provisions require all officer applications to be referred to the relevant planning committee for determination. This is regardless of who makes the application and their influence within the Councils. The proposed changes will require applications made by senior Council officers and officers working within the Planning department to be referred to the respective planning committee for determination. Applications made by other officers would be dealt with under officer delegated powers. These changes will ensure that the planning committee continues to determine any application from officers who have or may be seen to have influence in the decision making process.
- 4.7 The final change is to the members' call in provisions. Currently members can call in any planning application for determination within 28 days of the application being validated. The proposed amendment would permit a member to call in an application where there are planning reasons for this. This amendment would make the application process more efficient whilst allowing members to call in an application where there are valid planning issues to be considered.
- 4.8 This report recommends that members recommend to each full Council that the the three proposed amendments are made to the respective council constitutions. Members could decline to recommend the changes proposed. This course of action is not recommended as the current delegations create inefficiency and delay as well as taking up officer and committee resources unnecessarily. Members could recommend implementation of some but not all the amendments. This course of action is not recommended as inefficiencies will remain with planning committee agendas being clogged up with applications that could properly be dealt with by officers.

5. Engagement and Communication

- 5.1 Engagement and communication has taken place with both the Adur District Council Planning Committee and the Worthing Borough Council Planning Committee. Both Committees have received and considered this report and were invited to make comments, by way of consultation, to the Joint Governance Committee. The Joint Governance Committee is recommended to take into account any comments from the Planning Committees before determining this matter.
- 5.2 Worthing Borough Council's Planning Committee did not make any comments in relation to the proposed amendments. Adur District Council's Planning Committee asked that members be notified when minor changes are made to major schemes. This amendment has been incorporated into the first proposed change outlined above.
- 5.3 Engagement and communication has also taken place with the Head of Planning and Development, Democratic Services Officers and Planning lawyers.

6. Financial Implications

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

7. Legal Implications

- 7.1 The Councils' governance arrangements are set out in their respective Constitutions; the Scheme of Officer Delegations form part of the Constitution. The authority of the Councils is sought to amend the Constitutions, other than in respect of minor or consequential amendments.

Background Papers

- Report to Worthing Borough Council's Planning Committee on 26th February 2020 and minutes of the meeting
- Report to Adur District Council's Planning Committee on 9th March 2020 and minutes of the meeting
- Adur District Council Constitution
- Worthing Borough Council Constitution

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Sustainability & Risk Assessment

1. Economic

No issues identified.

2. Social

2.1 Social Value

No issues identified.

2.2 Equality Issues

No issues identified.

2.3 Community Safety Issues (Section 17)

No issues identified.

2.4 Human Rights Issues

The current requirement for all officer applications to be referred to the planning committee for a decision affects officers' rights to privacy and family life and the peaceful enjoyment of their property. The proposed changes balance the need to ensure that applications made by officers with influence on decision making are dealt with by the planning committee and applications made by other officers who have no influence on decision making which can properly be dealt with by officers.

3. Environmental

No issues identified.

4. Governance

Having a revised Scheme of Delegation to Officers ensures that the Councils have robust governance arrangements in place that are efficient whilst providing the necessary balance and control.

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ADUR & WORTHING
COUNCILS

Joint Governance Committee
22 September 2020
Agenda Item 10

Ward(s) Affected: All

Recruitment and Appointment of Independent Persons

Report by the Monitoring Officer

Executive Summary

1. Purpose

- 1.1. To consider the Council's recruitment and appointment of Independent Persons

2. Recommendations

- 2.1. The Joint Governance Committee is asked to note the updated position in respect of the forthcoming recruitment process for additional Independent Persons.
- 2.2. That the Joint Governance Committee recommend to Adur District Council and Worthing Borough Council that the appointment of Mr Simon Noris-Jones as an Independent Person be extended for a further term of 4 years.

3. Context

- 3.1 The Joint Governance Sub-Committee's terms of reference enable it to consider applications from Independent Persons for the purposes of Standards and to make recommendations to each full Council in respect of appointments.
- 3.2 The Councils are statutorily obliged to appoint at least one Independent Person (IP). Such IP's are co-opted non-voting Members of the Joint Governance Committee.
- 3.3 In terms of standards, ethics and probity, the Joint Governance Committee, including the IP's are responsible for:
- Leading on the Councils' duties to design, implement, monitor, approve and review the standards of ethics and probity of the Council and its Councillors and Co-opted Members.
 - Promoting a culture of openness, accountability and probity in order to ensure the highest standards of conduct;
 - Leading on all aspects of corporate governance by promoting the values of putting people first, valuing public service and creating a norm of the highest standards of personal conduct;
 - Overseeing and managing a programme of guidance, advice and training on ethics, standards and probity for Councillors and Co-opted Members;
 - Being responsible for the Council's Register of Members' Interests;
 - Exercising the functions of the Councils in relation to the ethical framework, corporate governance and standards of conduct of joint committees and other bodies.
- 3.4 It is a statutory requirement that the views of the IP must be sought and taken into account by the Council before it makes its decision on an allegation that a Member has breached the Code of Conduct, that it has decided to investigate. Legislation also provides that their views may be sought by the Councils or their Monitoring Officer at any other stage in the procedure when a complaint of a breach of the Code of Conduct is considered, or by the Member facing the allegation (Subject Member). The Councils' MO routinely consults with the IP at the assessment stage of every complaint.
- 3.5 The IP is an independent quality assurance role, rather than a decision maker; independence and impartiality are therefore crucial. If a Code of

Conduct complaint is dealt with by way of a hearing of a Sub-Committee of the Joint Governance Committee, the IP appointed to the matter, would be expected to sit on the Sub-Committee as a non-voting Member, providing independent views to the Committee.

- 3.6 The Localism Act 2011 further provides that a person cannot be an IP if they:
- a) Are a Member, Co-opted Member or Officer of the Authority
 - b) Are a Member, Co-opted Member or Officer of a Parish Council within the District of Adur
 - c) Are a relative or close friend of a Member, Co-opted Member or Officer of the Authority or one of its Parishes
 - d) Are, or have been within the last 5 years, a Member, Co-opted Member or Officer of Adur District Council or Worthing Borough Council, or one of their Parishes.
- 3.7 The Localism Act further provides that a person can only be appointed if the vacancy for an IP has been advertised in such a manner as the Councils consider is likely to bring it to the attention of the public. The candidate must submit an application to fill the vacancy and the proposed appointment must be approved by a majority of the Members of each full Council.
- 3.8 In January of this year, the Joint Governance Committee received a report where they determined that payment should be made to Independent Persons for their attendance at Committee meetings and their reasonable expenses.

4. Issues for consideration

- 4.1 In January 2020, members of the Joint Governance Committee authorised the Monitoring Officer to start a recruitment process for the additional appointment of Independent Persons, confirming that they wished to secure the appointment of three Independent Persons. The Committee on Standards in Public Life have recommended that every Council has at least 2 Independent Persons and it therefore seems appropriate to have three, all of whom would be responsible for assist the Joint Committee in relation to ethics and standards matters of both Adur District Council and Worthing Borough Council.

- 4.2 The recruitment process has been delayed due to the current global pandemic; it was not consider the best time to run a recruitment process to obtain the best response and maximise the pool of applicants. As a consequence of the pandemic the recruitment process was therefore delayed.
- 4.3 It is now necessary for the Council's to run a recruitment process with a view to making further appointments.
- 4.4 The Council's currently have 2 Independent Person's appointed; both of these appointments come to an end in October 2020. One of them, Mr Simon Norris-Jones has indicated that he would like to stand for a further term of office until October 2024. Mr Simon Norris-Jones was interviewed by a Sub-Committee of the Joint Governance Committee in October 2016, who recommended his appointment for a term of office of 4 years to both Councils. Mr Norris-Jones appointed was confirmed by the Councils at their October 2016 meetings.
- 4.5 Mr Norris-Jones has proved to be a committed, highly competent and skilled independent person and his independent and impartial advice, both to the Monitoring Officer, Subject Members, and to the Committee has been very valuable. It is proposed therefore that Members of the Joint Governance Committee will agree to recommend to each Council that his appointment be extended for a further 4 year term from October 2020 to October 2024.
- 4.6 In the meantime, Officers have prepared advertisements to secure further candidates for appointment which will be placed in the local press and on the Council's website shortly. There will also be some targeted recruitment in an attempt to maximise the pool of suitable applicants for the role.
- 4.7 Respondents to the advert will be shortlisted by the Monitoring Officer, in consultation with the Joint Chairmen of the Joint Governance Committee. It is anticipated that a Sub Committee of the Joint Governance Committee will be convened in November 2020 to give Members the opportunity of interviewing a shortlist of candidates. Members may wish to consider inviting the existing Independent Person to join the Sub Committee as a co-opted non voting Member to offer advice on the recruitment process. It is anticipated that the Sub Committee of the Joint Governance Committee will report to the Joint Governance Committee in November 2020 who will

then make recommendations in respect of appointments to each full Council at their meetings in December 2020.

- 4.8 It is anticipated that the Councils will have secured the appointment of three Joint Independent Persons by December 2020.

5. Engagement and Communication

- 5.1 Consultation has taken place with the Chairmen of the Joint Governance Committee and the Council's Independent Person.

6. Financial Implications

- 6.1 The recruitment costs of appointing new Independent Persons will be met from existing budgets.

7. Legal Implications

- 7.1 Section 27 Localism Act 2011 provides that an Authority must promote and maintain high standards of conduct by Members and Co-opted Members of the Authority.
- 7.2 Section 28 Localism Act 2011 requires that the Councils appoint an Independent Person and the steps that must be undertaken in the process.
- 7.3 Section 28(8)(c)(iii) Localism Act 2011 provides that an Independent Person's appointment must be approved by a majority of the Members of the Authority.

Background Papers

- Localism Act 2011
- Report to Joint Governance Sub-Committee, 17th October 2016
- Local Government Ethical Standards: A review by the Committee on Standards in Public Life, January 2019
- Report to Joint Governance Committee, 28th January 2020

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Sustainability & Risk Assessment

1. Economic

Matter considered and no issues identified.

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

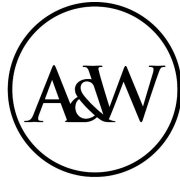
Where appropriate within the Constitution, such as in relation to quasi-judicial meetings including meetings of the Joint Governance Sub-Committee held to determine allegations of breaches of the Code of Conduct, the requirements of the Human Rights Act have been taken into account in appropriate procedures.

3. Environmental

Matter considered and no issues identified.

4. Governance

The role of the Independent Person is an important one as it ensures independence and impartiality in the process of considering allegations that Members have breached the Code of Conduct and therefore enables the Councils to comply with their obligation of upholding high standards of conduct and ethics.



ADUR & WORTHING
COUNCILS

Joint Governance Committee
22 September 2020
Agenda Item 11

Ward(s) Affected: All

Annual Review of Complaints Concerning Member Conduct - 2019/20

Report by the Monitoring Officer

Executive Summary

1.0 Purpose

- 1.1 The report advises Members of the Joint Governance Committee of complaints received by the Monitoring Officer that Elected Members have breached the Code of Conduct. Complaints received relate to Elected Members of Adur District Council, Worthing Borough Council, Sompting Parish Council and Lancing Parish Council.
- 1.2 The report advises of all complaints received during the municipal year 2019/20, and those that were unconcluded at the end of the 2018/19 municipal year, action taken by the Monitoring Officer, and/or the Council, including any attempts at informal resolution and the outcome.

2.0 Recommendations

- 2.1 The Joint Governance Committee is asked to note the contents of this report and the actions taken by the Monitoring Officer and/or Council.

3.0 Background

- 3.1 It is expected that Elected and Co-opted Members of the Borough, District and Parish Councils will uphold the highest standards of conduct expected of holders of public office. Section 28 of the Localism Act 2011 requires the Councils to have a Code of Conduct for Elected Members and both Adur and Worthing Councils adopted a Code in 2015, updated in 2020, which forms part of the Constitution. Lancing Parish Council and Sompting Parish Council have their own Code of Conduct for their Members, adopted by the relevant Parish Council.
- 3.2 Face to face training on the Code of Conduct is offered by the Monitoring Officer to all Members on an annual basis and training is also included in the new Member induction day. Regular updates and briefings are included in the Members' Bulletin.
- 3.3 The Adur & Worthing Code of Conduct is based on the 7 Nolan principles for those who hold public office: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- 3.4 The Localism Act places emphasis on local resolution of conduct matters, and the Councils' internal procedures provide authority to the Monitoring Officer to dispose of matters by way of informal resolution where appropriate.
- 3.5 Section 28(6) and 28(7) of the Localism Act 2011 requires the Councils to put in place 'arrangements' under which allegations that a Member of the Borough, District or Parish Council has failed to comply with the relevant Authority's Code of Conduct when they are acting in their capacity as a Councillor. The Localism Act also provides an obligation on Local Authorities to appoint at least one Independent Person to act as a consultee when considering standards matters.
- 3.6 The Joint Governance Committee is responsible for standards, ethics and probity matters, audit and accounts activity and the constitutional framework. Within its terms of reference the Committee has the following responsibilities:
- To lead on the Council's duties to design, implement, monitor, approve and review the standards of ethics and probity of the Council, its Councillors and Co-opted Members.
 - To promote a culture of openness, ready accountability and probity in order to ensure the highest standards of conduct of Councillors and Co-opted Members.

- To oversee and manage a programme of guidance, advice and training on ethics, standards and probity for Councillors and Co-opted Members and on the Members' Code of Conduct.
 - To establish a standards sub-committee to receive reports following investigation on behalf of the Monitoring Officer into allegations of misconduct by Members and to determine appropriate action in respect of alleged breaches of the Members' Code of Conduct.
 - To receive an annual report from the Monitoring Officer on the local resolution and assessment of allegations of breach of the Member Code of Conduct, by Members of the Councils and any Parish Council.
- 3.7. Procedural arrangements have also been adopted by Adur & Worthing Councils in the form of the Standards Procedure Rules which are contained within Part 5 of the Constitutions.
- 3.8. The procedure rules provide for an initial assessment stage of all complaints, to be undertaken by the Monitoring Officer. The purpose of assessment is to determine whether or not, on the basis of information supplied by the complainant, if the matter were proven, it would amount to a breach of the Code of Members' Conduct; no investigation or hearing is conducted at this stage. The Monitoring Officer will reject the complaint if the Subject Member was not acting in their capacity as a Councillor at the time, or if the complaint is deemed to be trivial, malicious, vexatious, politically motivated or tit for tat. If accepted, the Monitoring Officer will then consider whether the complaint may be more appropriately dealt with by way of informal resolution, and if so, will attempt to resolve it. On assessment, options open to the Monitoring Officer include deciding to take no further action, resolving the complaint informally, referring the complaint to the Police and referring the complaint for full investigation.
- 3.9. Should the Monitoring Officer, after consulting with the Independent Person, conclude that the complaint merits an investigation, the investigation may be conducted by the Monitoring Officer or delegated to another Officer or an external appointment. The investigation will result in an investigator's report and if, in the view of the Monitoring Officer, there is evidence, on the balance of probabilities, that the Subject Member has breached the Code of Conduct, then a meeting will be called of the Standards Sub-Committee of the Joint Governance Committee, to hear and determine the matter, and impose sanctions if appropriate. Possible sanctions in respect of an Adur or Worthing Member may include censure, publicity, recommendation to the Leader or Council that the Member be removed from a Committee, additional training or withdrawal of facilities. In respect of a Parish Councillor, recommendations can be made to the Parish Council as to an appropriate sanction.
- 3.10. Members will recall the report brought to them in November 2019 entitled 'Standards in Public Life' which updated Members of the Joint Governance

Committee with the work recently undertaken by the Committee on Standards in Public Life and their recommendations. This led to a review of the Council's Code of Conduct which was considered by the Committee in January 2020 and adopted by each full Council in February 2020.

- 3.11 Following the work of the Committee on Standards in Public Life and the recommendations in their report, the LGA have undertaken a review of the Model Code of Conduct. The draft version has been considered by the Joint Governance Committee, and Members were able to engage with the LGA direct during the consultation period. It is anticipated that the LGA will publish the model code in October 2020 and if so, a further report will be brought to the Joint Governance Committee thereafter to consider its adoption. Any revised code is likely to lead to a need to consider a revision to the Standards Procedure Rules and a requirement for additional Member training in early 2021.

4.0 Complaints received by the Monitoring Officer alleging that an Elected Member has breached their Code of Conduct

Set out below is a record of all complaints received by the Councils' Monitoring Officer during the year 2019/2020, as well as those complaints received prior to the start of that year but concluded during the year. The report is brought to the Joint Governance Committee to:-

- Assist the Committee in fulfilling the Councils' duty to promote and maintain high standards of conduct;
- Provide the Committee with an overview of the overall number of complaints received by the Monitoring Officer;
- Enable the Committee to satisfy itself that the Monitoring Officer is broadly exercising her delegations correctly, for example by noting that a reasonable and proportionate amount of matters were referred for investigation; and
- Enable the Committee to ascertain any trends they may identify and have the opportunity to address them by updating guidelines, or organising training.

4.1 Elected Members of Adur District Council

- 4.1.1 A complaint was received in 2018/19 but determined in 2019/20 from an Adur District Councillor alleging that another Adur District Councillor had breached the Code of Conduct, by disclosing confidential information. On assessment, both the Council's Independent Person and the Monitoring Officer considered that the conduct was potentially sufficiently serious to warrant a full investigation. Following an

investigation, the matter was referred to a Sub-Committee of the Joint Governance Committee, which determined that the Councillor had breached the provisions of the Adur District Council Code of Conduct relating to the disclosure of confidential information. The Sub-Committee imposed a sanction on the Councillor, requiring the Councillor to provide a formal letter of apology to the Complainant, to undertake Google training, and the Sub-Committee also censured the Councillor and a Censure Notice was published on the Council's website.

- 4.1.2 A complaint was received in May 2019 from an Adur District Councillor, alleging that another Adur District Councillor had breached the Code of Conduct by failing to treat others with respect and failing to uphold high standards of conduct during a Planning Committee site visit. On assessment, both the Council's Independent Person and the Monitoring Officer considered that the complaint was trivial and it was therefore rejected.
- 4.1.3 In June 2019 a complaint was received from an external partner organisation alleging that an Adur District Councillor had breached the Code of Conduct by failing to treat others with respect in posting comments on social media. On assessment, both the Independent Person and the Monitoring Officer considered that any breach was relatively minor and that the matter did not warrant full investigation. The matter was informally resolved with the Councillor providing a written apology in respect of the social media posts, by way of disposal of the complaint.
- 4.1.4 In August 2019 a complaint was received from a member of the public alleging that an Adur District Councillor had breached the Code of Conduct by her response to a post on social media, which it was alleged failed to treat an individual with respect. On assessment, both the Independent Person and the Monitoring Officer determined that the Councillor was not acting in their capacity as a Councillor at the time and the complaint was dismissed.
- 4.1.5 A complaint was received in June 2019 from a Lancing Parish Councillor, acting in personal capacity, alleging that an Adur District Councillor had failed to treat him with respect by posting verbally abusive comments on social media. On assessment, both the Independent Person and the Monitoring Officer considered that the conduct may be suitable for informal resolution and in an attempt to

dispose of the matter, asked the Councillor to provide a written apology to the Complainant. The Subject Member refused to do so and on further assessment both the Independent Person and the Monitoring Officer considered that the matter should be referred for investigation. Following investigation, the matter was referred to a Sub-Committee of the Joint Governance Committee for determination, where it was held that the Councillor had breached the Code of Conduct. The Joint Governance Committee imposed a sanction requiring the Councillor to undertake additional training and recommended the Councillor apologise to the Complainant; they also censured the Councillor and a Censure Notice was placed on the Council's website.

4.1.6 A further complaint was received from another Adur District Councillor that an Adur District Councillor breached the Code of Conduct by disrespectful behaviour during a Council Committee meeting, towards a Member of the Committee. Upon assessment, both the Independent Person and the Monitoring Officer determined that the behaviour complained of was trivial and the complaint was dismissed.

4.1.7 A complaint was received, from a Lancing Parish Councillor acting in his personal capacity, alleging that an Adur District Councillor had breached the Code of Conduct by failing to treat him with respect and failing to uphold high standards of conduct, in a thread of posts on social media. On assessment, both the Independent Person and the Monitoring Officer were of the view that the complaint was capable of informal resolution and it was disposed of by way of the Councillor issuing an apology to the Complainant.

4.2 Elected Members of Worthing Borough Council

4.2.1 A complaint was received in 2018/19 alleging that a Worthing Borough Councillor had breached the Code of Conduct and was determined in 2019/20. The complaint was received from a partner organisation alleging that the Councillor had failed to treat others with respect by acting in an intimidating manner and improperly using his position as a Councillor. On assessment, both the Independent Person and the Monitoring Officer considered that the allegation was sufficiently serious to warrant an investigation. Following the investigation, the matter was referred to a Sub-Committee of the Joint Governance Committee, who determined that the Councillor had breached the Code of Conduct. The Committee imposed a sanction requiring the Councillor to formally apologise to the Complainant, to undertake

additional training and to engage with a mentor; the Committee also censured the Councillor and a Censure Notice was published on the Council's website.

4.2.2 A complaint was received from the Council's Chief Executive in May 2019 alleging that a Worthing Borough Councillor had breached the Code of Conduct by allegedly being rude and abusive to a Council Officer in person and in a post on social media. On assessment, both the Independent Person and the Monitoring Officer considered that the matter warranted further investigation. However, the Councillor then resigned his office and it was not considered in the public interest, bearing in mind time and costs involved, to progress the matter and consequently no further action was taken.

4.2.3 A complaint was received in July 2019 from a member of the public alleging that a Worthing Borough Councillor had breached the Code of Conduct by being rude and disrespectful. On assessment, both the Independent Person and the Monitoring Officer considered that the complaint was trivial and it was consequently rejected.

4.3 Elected Members of Sompting Parish Council

4.3.1 In August 2019 a complaint was received from a member of the public alleging that a Sompting Parish Councillor had breached the Sompting Parish Council Code of Conduct by failing to treat him with respect in a comment posted on social media. Both the Independent Person and the Monitoring Officer, on assessment, concluded that the Councillor was not acting in his capacity as a Parish Councillor at the relevant time and the complaint was therefore dismissed.

4.4 Elected Members of Lancing Parish Council

4.4.1 In October 2019 a complaint was received from an Adur District Councillor alleging that a Lancing Parish Councillor had breached the Lancing Parish Council Code of Conduct in respect of a comment posted on social media. On assessment, both the Independent Person and the Monitoring Officer concluded that the complaint was trivial, potentially politically motivated and tit for tat, and it was therefore rejected.

5.0 Summary and Trends

5.1 Of the twelve complaints dealt with by the Monitoring Officer during 2019/20:-

- Seven were in respect of allegations against Adur District Councillors,
- Three in respect of allegations against Worthing Borough Councillors,
- One in respect of a complaint against a Sompting Parish Councillor, and
- One in respect of a complaint against a Lancing Parish Councillor.

5.2 In respect of the twelve complaints dealt with during 2019/20:-

- Three were determined by a Sub-Committee of the Joint Governance Committee and in each case a breach of the Code was found,
- Six were rejected by the Monitoring Officer, after consultation with the Independent Person; four due to being trivial and two due to the Subject Member not being under the jurisdiction of the Code at the relevant time,
- Two were informally resolved, and
- One did not proceed due to the resignation of the Subject Member.

5.3 Of the twelve complaints dealt with during 2019/20:-

- One related to the disclosure of confidential information,
- Seven related to Councillors posting, or responding to posts, on social media, and
- Four related to alleged failure to treat with respect, other than on social media.

6.0 Engagement and Communication

6.1 The Monitoring Officer has consulted with one of the Councils' Independent Persons in respect of the assessment of each complaint received.

6.2 The Sub-Committee of the Joint Governance Committee has taken into account the views of one of the Councils' Independent Persons in each matter that they have determined.

7.0 Financial Implications

7.1 There are no financial implications arising from this report. The costs associated with instructing external investigators are included within the Council's existing Legal Services budget.

8.0 Legal Implications

- 8.1 The Localism Act 2011 provides the statutory framework for Member conduct, the mandatory obligation for Local Authorities to have a Code of Conduct and for Councils to have local arrangements for dealing with complaints about Member conduct.
- 8.2 The Terms of Reference of the Joint Governance Committee provide that the Committee is responsible for Standards of Ethics and Probity amongst Members. The Standards Procedure Rules provide procedural arrangements for the consideration of complaints relating to Member conduct.
- 8.3 The Localism Act 2011 provides that the District Council is responsible for dealing with allegations relating to Member conduct in respect of any parishes in its area.

Background Papers

- Part 3 Terms of Reference of the Adur District Council and Worthing Borough Council Constitutions
- Standards Procedure Rules
- Localism Act 2011
- Adur District Council Code of Conduct for Elected Members
- Worthing Borough Council Code of Conduct for Elected Members
- Lancing Parish Council Code of Conduct for Elected Members
- Sompting Parish Council Code of Conduct for Elected Members

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Sustainability & Risk Assessment

1. Economic

Matter considered and no issues identified.

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

Any hearing to be held before the Standards Sub-Committee would be based on the principles of natural justice and comply with Human Rights legislations and particularly the right to a fair trial.

3. Environmental

Matter considered and no issues identified.

4. Governance

Upholding high standards of conduct and probity amongst Members is paramount and breaches of the Code of Conduct have an adverse effect on public confidence in the democratic process and adversely affect the reputation of the Council.