

**Minutes of a meeting of the
Joint Governance Committee
Adur District and Worthing Borough Councils**

Remote Meeting via Zoom

26 January 2021

Councillor Roy Barraclough (Chairman)

Adur District Council:	Worthing Borough Council:
Councillor Kevin Boram	Councillor Mike Barrett
*Councillor George Barton	Councillor Rebecca Cooper
Councillor Catherine Arnold	Councillor Louise Murphy
Councillor Ann Bridges	Councillor Hazel Thorpe
Councillor Brian Coomber	Councillor Steve Waight
Councillor Liz Haywood	Councillor Tim Wills
Councillor Paul Mansfield	Councillor Steve Wills
*Councillor Debs Stainforth	

*Absent

JGC/50/20-21 Substitute Members

There were no substitutions but apologies were noted for Councillors Barton and Stainforth.

JGC/51/20-21 Declarations of Interest

Councillors Louise Murphy and Steve Wills declared interests as Non-Executive Directors of Worthing Homes.

Councillor Louise Murphy declared a pecuniary interest in Item 8 as an employee of HSBC Bank with holdings and left the meeting during consideration of the item.

Councillor Catherine Arnold declared a personal interest as a Trustee of Ropetackle.

Councillors Kevin Boram, Ann Bridges and Steve Waight declared an interest in Item 9 as Members of West Sussex County Council.

JGC/52/20-21 Minutes

The minutes of the Joint Governance Committee meeting held on 24 November 2020, were agreed as a correct record.

JGC/53/20-21 Public Question Time

No public questions were received in advance of the meeting.

JGC/54/20-21 Items Raised under Urgency Provisions

There were no urgent items raised.

JGC/55/20-21 Statement of Accounts 2019/20 Members Update Report

Before the Committee was a report from the Director for Digital, Sustainability and Resources, copies of which had been circulated to all Members and copies are attached to the signed copy of these Minutes as Item 6.

The report provided the Joint Governance Committee with an updated position of the Audit of the 2019/20 financial statements for Adur District Council and Worthing Borough Council.

At its meeting on 24th November 2020, the committee approved the financial statements for 2019/20 as presented. The committee was advised that the external audit of the accounts for both Councils was not complete and delegated authority to the Joint Chairmen of the Joint Governance Committee, in consultation with the s151 Officer, to consider and approve any amendments to the accounts, with the requirement for an update report to be brought to the next meeting.

The recommendations were proposed by Councillor Kevin Boram, seconded by Councillor Ann Bridges and supported by the Committee.

Resolved

That the Joint Governance Committee

- I. noted the revision within the Adur District Council financial statements 2019/20 of the signature dates for the Statement of Responsibilities and Annual Governance Statement to the audit completion date of 16th December 2020;
- II. noted the amended letter of representation for Adur District Council in appendix 1;
- III. noted the Independent Auditors Report to the Members of Adur District Council for the 2019/20 financial statements in appendix 2;
- IV. noted the final Audit Results Report 2019/20 for Adur District Council in appendix 3;
- V. noted that an update report would be brought to the next meeting of the Joint Governance Committee to brief members on the outcome of the Worthing Borough Council audit for 2019/20.

JGC/56/20-21 Internal Audit Progress Report

Before the Committee was a report from the Acting Head of Internal Audit, copies of which had been circulated to all Members and copies are attached to the signed copy of these Minutes as Item 7.

The report updated Members of the Joint Governance Committee with:

- the current performance of the Internal Audit Section;

- summary information on the key issues raised in final audit reports issued since our last report to the Committee;
- the current status on the implementation of agreed audit recommendations; and
- an update on Priority 1 recommendations outstanding past the agreed implementation dates.

Members discussed the Management of the Commercial Portfolio and raised concerns regarding the number of priority 1 and priority 2 issues identified by the auditors. The Acting Head of Internal Audit advised that the audit covered Commercial as well as Residential and was therefore a large audit. The Committee noted that the appendices to the audit report contained the responses received to the priority 1 and 2 recommendations.

A Member highlighted that only 48.74% of the audit plan that had been delivered by December 2020 and sought clarification as to whether all the planned audit days would be delivered. If not, which audit's would be prioritised? It was noted that the staff at Mazars had been furloughed at the beginning of 2020/21 and that they were working to progress as much as possible in the 4th quarter with the aim of completing the audit plan by 31st March 2021.

A Member highlighted concerns in relation to Leaseholder Charges and the Committee noted that a report was due to go before the Joint Strategic Committee in March 2021.

Concerns were also raised in relation to the Councils not having an anti money laundering officer. Officers advised that the audit report had only been signed over recently but the concerns would be flagged to the Estates Manager.

The recommendations in the report were proposed by Councillor Louise Murphy, seconded by Councillor Catherine Arnold and agreed unanimously.

Resolved

That the Joint Governance Committee noted the contents of the report.

JGC/57/20-21 Joint Treasury Management Strategy Statement and Annual Investment Strategy 2021/22 to 2023/24, Adur District Council and Worthing Borough Council

Before the Committee was a report by the Director for Digital, Sustainability & Resources, copies of which had been circulated to all Members and copies are attached to the signed copy of these Minutes as Item 8.

The report sought approval and adoption for the contents of the Treasury Management Strategy Statement and Annual Investment Strategy for 2021/22 to 2023/24 for Adur and Worthing Councils, as required by regulations issued under the Local Government Act 2003.

During discussion of the item, the Committee considered a number of issues including:-

- credit risks with banks and volatility in the market - Officers advised that the Councils had a contract with Treasury Advisers who advised of any changes to the banks credit ratings;

- ethical & green borrowing - Officers advised that the Councils were actively exploring Green Bonds but that it was currently more cost effective to borrow through Government PWLB;
- updates in relation to the £10m loan to Worthing Homes and £5m loan to GBMET - Officers advised that the loan to Worthing Homes was to assist with the delivery of affordable homes as part of the West Durrington development. The GBMET loan was being kept under review and it was noted that the Department for Education had stepped in to assist GBMET;
- the inclusion of credit ratings alongside counterparties - Officers agreed to update the report prior to it going before Joint Strategic Committee on the 9th February and to provide this detail in all future reports;
- clarification regarding the Local Authority Property Fund - Officers advised that the Councils had invested in a large pooled fund (over £1bn) which had performed well.

The recommendations in the report were proposed by Councillor Hazel Thorpe, seconded by Councillor Steve Waight and agreed unanimously.

Resolved

The Joint Governance Committee

- i. noted the report (including the Prudential Indicators and Limits, and MRP Statements) for 2021/22 to 2023/24, including the increase in the counterparty limit for the UK bank Handelsbanken from £3m to £4m for both Adur and Worthing Councils;
- ii. referred the following comments or/ suggestions to the next meeting of the Joint Strategic Committee on 9 February 2021:-
 - that the Joint Strategic Committee ensure that investments are Green and Ethical; and
 - that future reports contain credit ratings for counterparties.

** The meeting was adjourned at 8:12pm and reconvened at 8:17pm*

JGC/58/20-21 Risk & Opportunity Management Update

Before the Committee was a report by the Director for Digital, Sustainability & Resources, copies of which had been circulated to all Members and copies are attached to the signed copy of these Minutes as Item 9.

The report provided the latest updates on the management of the Councils' Risks and Opportunities.

Members sought clarification regarding the risk impact, risk likelihood and risk assessment identified for Major Projects including the Union Place site. Members requested that timelines for these projects should be included within future reports.

The recommendations, as amended, were proposed by Councillor Steve Waight, seconded by Councillor Kevin Boram and agreed unanimously.

Resolved

The Joint Governance Committee

- 1) noted the progress in managing Risks and Opportunities;
- 2) requested that future reports incorporate timelines for Major Project Delivery; and
- 3) agreed to receive a further progress report in May 2021.

JGC/59/20-21 Scheme of Officer Delegations

Before the Committee was a report by the Monitoring Officer, copies of which had been circulated to all Members and copies are attached to the signed copy of these Minutes as Item 10.

The Committee was informed that it was important that the Councils had appropriate officer delegations and committee delegations in place to ensure that decision making was made by the appropriate person or committee.

The report sought to update the Councils' Scheme of Delegation to Officers in relation to planning matters.

The Committee was 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.

The Committee sought reassurance from Officers regarding the calling in of planning applications. Officers advised that it was pertinent to give a reason for calling in an application and reassured Members that Officers would accept any planning reason given.

The Committee also sought clarification regarding what constituted 'minor or non material amendments' to applications comprising major development. Officers provided examples of minor amendments to the Adur Tidal Wall Scheme including; planters, changes to fencing etc. It was noted that these changes often attract no objections and resulted in this particular scheme coming before the Adur Planning Committee on four separate occasions.

The recommendations in the report were proposed by Councillor Kevin Boram and seconded by Councillor Paul Mansfield (for Adur District Council) and proposed by Councillor Steve Waight and seconded by Councillor Steve Wills (for Worthing Borough Council). The recommendations were supported by the Committee.

Resolved

1. considered the comments of the Adur Planning Committee and the proposed changes to the Scheme of Delegation to Officers and recommended their adoption as part of the Constitution to Adur District Council.

2. considered the comments of the Worthing Planning Committee and the proposed changes to the Scheme of Delegation to Officers and recommended their adoption as part of the Constitution to Worthing Borough Council.

The meeting was declared closed by the Chairman at 9.18 pm, it having commenced at 6.30 pm

Chairman