

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

Council Chamber, Town Hall, Worthing

23 November 2021

Councillor Andy McGregor (Chairman)

Adur District Council:

Councillor Catherine Arnold
Councillor Kevin Boram
Councillor Gabe Crisp
Councillor Lee Cowen
Councillor Tania Edwards
Councillor Jim Funnell
Councillor Rob Wilkinson

Worthing Borough Council:

*Councillor Roy Barraclough
Councillor Mike Barrett
*Councillor Louise Murphy
*Councillor Helen Silman
Councillor Emma Taylor
*Councillor Hazel Thorpe
Councillor Steve Waight
Councillor Steve Wills

*Absent

JGC/26/21-22 Substitute Members

Councillor Heather Mercer substituted for Councillor Louise Murphy.

Councillor Jim Deen substituted for Councillor Helen Silman.

JGC/27/21-22 Declarations of Interest

There were no declarations of interest.

JGC/28/21-22 Minutes

The minutes of the Joint Governance Committee meeting held on 28 September 2021 were agreed as a correct record.

JGC/29/21-22 Public Question Time

No questions from the public were received.

JGC/30/21-22 Items Raised under Urgency Provisions

There were no urgent items raised.

JGC/31/21-22 Internal Audit Progress Report

Before the Committee was an update 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 6.

The report provided the quarterly report on Internal Audit progress and key findings to the Committee. The report also provided an update on fraud work conducted by the Councils' Corporate Investigations Team.

The Acting Head of Internal Audit advised the Committee that the Head of Planning & Development and the Head of Major Projects & Investment had been unable to attend the meeting as it clashed with the Major Projects Board.

A question was asked regarding the GDPR & Data Privacy - Development Management Internal Audit, for which a limited assurance had been given. The Committee was advised that if all recommendations were implemented then it should stand the team in good stead and there should be no further issues. It was also noted that the audit had been requested by the team and was a highly technical review. As a result, there were a number of detailed recommendations. Officers advised that there were no priority 1 recommendations and that the limited assurance was due to the number of priority 2 recommendations, although none of the issues identified had been significant. These would be followed up in the usual way with the Committee being updated on their implementation. The Director for Digital, Sustainability & Resources advised that 2 recommendations regarding privacy notices had already been implemented, a further 8 had a due date of February 2022 and another in April 2022. He was confident that the work was in hand and he gave an assurance that he would be tracking the delivery of that work.

A question was asked regarding the implementation of recommendations as it appeared that this was not being achieved within the deadlines set. The Committee needed to know when priority 1 recommendations were going to be implemented, given the seriousness of some of the issues identified. Officers advised that the Corporate Leadership Team (CLT) had received a report which had highlighted problems with the reporting cycle rather than with the substantive work being undertaken. A comprehensive list of updates had been compiled and would be shared with the Acting Head of Internal Audit. In summary, Officers had been pleased to see the amount of progress with priority 1 recommendations and apologised for this information not feeding through into the report. Most had now been addressed and this would feed into the next iteration of the report. The Acting Head of Internal Audit confirmed that he shared Members' concerns, which is why these issues had been raised with CLT. The report was perhaps a bit too soon to reflect the updates and this was therefore likely to feed through future reports instead.

The Committee highlighted that 1 or 2 very serious priority 1 recommendations, in relation to asbestos and legionnaires disease, had been outstanding for a number of years. Officers advised that the asbestos work had been commissioned to external contractors who were undertaking a gap analysis of both properties and garages. The contractors would then procure a separate contractor to carry out all of the remedial works. The Council's T100 IT system would enable progress to be monitored and recorded, so although not completed, there was a process underway.

It was noted that a Housing Transformation Programme had been commissioned by the Chief Executive, led by a very experienced transformation officer tasked with bringing together the resources to deliver the required changes and improvements at pace. The work was going well and progress with the P1 recommendations was reflected and included in the programme. There was recognition of the need for additional resources to

make sure that the work was undertaken and this would feed through the audit recommendations before the Committee.

The Committee acknowledged that the update and report had been out of kilter whilst stating that future reports needed to contain up to date information.

Resolved

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

JGC/32/21-22 Mid year review of Treasury Management 2021-22, Adur District Council and Worthing Borough Council

Before the Committee was a report from 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 7.

The report asked Members to note the Treasury Management mid-year performance for Adur and Worthing Councils at the 30 September 2021, as required by regulations issued under the Local Government Act 2003.

A Member highlighted the ESG money market fund, outlined in paragraph 4.3.1, stating that it was great to see the Council's investing money in this way - in both ethical and environmental market funds. The Member sought clarification in relation to the Council's pensions as to whether these were still run through West Sussex County Council. Officers advised that the Pension Fund Investments were still governed by West Sussex County Council who had a panel that reviewed investments. The Councils had a representative on the panel and it was noted that environmental investments were considered by the panel.

Another Member highlighted that there was another bank the Councils could borrow from, the UK Infrastructure Bank, and sought clarification as to whether this had been considered. Officers advised that the Councils would consider using the bank in situations where they had qualifying projects.

The Committee sought reassurance about reporting on the Treasury Accounts. Officers advised that the vast majority of the Councils' debts were fixed which helped manage refinancing risk (the risk of interest rates going up). Active conversations were being held to consider fixing an even greater proportion of the Councils' debts in order to manage interest rates. Inflation was a risk to the Councils budgets, Officers allowed for a figure of 2% in the medium term financial plan. If inflation rose above 2%, particularly pay inflation, it would have serious financial consequences. This was always highlighted as a risk in the financial forecasts. It didn't directly impact the Treasury Management Budget, which was driven much more by the interest rate itself. Officers were trying to mitigate to the best of their ability the risk of higher borrowing rates. When it came to investments, there would be some gain, as investment returns had been very low over the past few years. The Councils currently received around 0.1%, if not lower, when placing funds.

A Member sought clarification in relation to the Local Authorities Property Fund, referenced in paragraph 4.3.5 of the report, asking whether it could be used to build homes in the local area. Officers advised that the Local Authorities Property Fund was a cash fund. The Councils were not investing directly, the Councils were investing their

resources in a fund which invested in property. Investments needed to be held in the fund for the longer term, as this was where the biggest advantage was in terms of return. This investment returned around 3.8%, the greatest return in the Councils' portfolios.

Resolved

The Joint Governance Committee noted the report, including the recommendations for additions to the counterparties contained in section 4.3, and did not wish to refer any comments or suggestions to the Joint Strategic Committee meeting on the 7th December 2021.

The Joint Governance Committee noted that the contract for Treasury advice was due for renewal on 1 April 2022 and that the Chief Financial Officer would be re-procuring the contract.

JGC/33/21-22 Risks & Opportunities Update Report

Before the Committee was a report from 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 provided the latest updates on the management of the Councils' Risks and Opportunities.

During consideration of the report, Members raised points of clarification and questions, including:-

- The risk associated with the rising cost of emergency and temporary accommodation, concerned that there was no mention of the severe weather emergency protocol in the report and seeking clarification as to what the provision would be for the upcoming winter period and what the associated cost was likely to be? - Officers confirmed that colleagues in housing had provision in place but would provide a written update on those plans.
- The risk associated with legal action being taken by the Housing Ombudsman, as outlined on page 90, in regards to maladministration. Had Officers noticed an increase in legal action being taken against the Councils? Officers advised that they didn't have the information to hand and would therefore provide a written response.
- The risk associated with GDPR compliance by Planning and Development, outlined on page 72, identified following an audit recommendation - Officers advised that this was related to an issue with the privacy notice and the risk was in relation to whether or not the customer understood the basis on which they were sharing information. In relation to Data Protection Policy, information could be used in two ways, either because of explicit consent given by the customer or its covered by the privacy notice, published on the website. Issues were identified in relation to signposting and referring to the privacy notice, resulting in the customer being unaware of what the Council was intending to do with their information. This issue has since been remedied.

- A discrepancy in the risks associated with Major Projects Delivery - Officers advised that individual project risks were set out in Appendix C to the report.
- Borrowing for the respective Adur and Worthing Heat Networks - Officers advised that the viability of the schemes were very different due to the number of identified customers and the ability to attract investment.
- The risks associated with the provision of flood defence walls on the Sussex Yacht Club site in relation to the monetary shortfall and completion of the project - Officers advised that Adur District Council had agreed to fund the difference and would provide a written response in relation to the completion of the project.

Resolved

That the Joint Governance Committee

1. noted the progress in managing Risks and Opportunities; and
2. agreed to receive a further progress report in March 2022.

JGC/34/21-22 Community Cohesion Committee

Before the Committee was a report from the Interim Director for Communities, copies of which had been circulated to all Members and copies are attached to the signed copy of these Minutes as Item 9.

At the Worthing Council meeting in October 2021, Members agreed to establish a Community Cohesion Committee, to be Chaired by Councillor Hazel Thorpe, the purpose of which was to “tackle harmful ideologies and radicalisation in our community”.

The report set out the process for engagement to establish the Committee along with the timeline for the formation of the terms of reference. It also proposed that this was developed as a Joint Committee across Adur and Worthing.

The Committee discussed the importance of representation and ensuring the working group was truly representative; identifying ways of listening to those who were uncomfortable in putting forward their views; the possibility of selecting an Independent Community Chair for the Committee and the importance of reporting back to the Committee in March 2022 following meetings of the Working Group.

The recommendations set out in the report were proposed by Cllr Kevin Boram, seconded by Cllr Heather Mercer and unanimously supported.

Resolved

That the Joint Governance Committee:

- noted the recommendation from Worthing Council and considered and agreed to this as joint work across Adur and Worthing;
- agreed, as set out in the report, to the work being proposed with Bridging Change, who could provide an independent voice together with the challenge and engagement needed for this work, as an extension of their original contract;

- agreed the formation of the initial working group, as set out in the report, enabling a participatory approach to forming the Community Cohesion Committee in March / April as a joint Adur and Worthing Committee;
- agreed to accept a further report, in March 2022, to consider the proposed terms of reference for the Committee prepared by the Working Group in consultation with Members and Bridging Change, and thereafter, to make recommendations to Adur and Worthing Full Councils on the proposals.

The meeting was declared closed by the Chairman at 8.30 pm, it having commenced at 6.30 pm

Chairman