

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

QEII Room, Shoreham-Centre, Shoreham-by-Sea

30 July 2019

Councillor Kevin Boram (Chairman)

Adur District Council:

David Balfe
Andy McGregor
Barry Mear
Debs Stainforth

Worthing Borough Council:

Lionel Harman
Louise Murphy
Tim Wills
Mike Barrett
Steve Waight
Steve Wills
Rebecca Cooper
Bob Smytherman

Absent:

Councillors Brian Coomber, Peter Metcalfe and Ann Bridges

JGC/15/19-20 Substitute Members

Councillor Carol Albury substituted for Councillor Brian Coomber.

JGC/16/19-20 Declarations of Interest

Councillors Louise Murphy and Steve Wills declared personal interests as non-executive directors for Worthing Homes.

JGC/17/19-20 Minutes

The minutes of the Joint Governance Committee meeting held on 30 May 2019, were agreed as a correct record.

JGC/18/19-20 Public Question Time

There were no questions from the public.

JGC/19/19-20 Items Raised Under Urgency Provisions

There were no urgent items raised.

Before the Committee was a report by the Director for Digital & 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 Committee was informed that the audits of Adur District Council's and Worthing Borough Council's 2018/19 Statements of Accounts were now complete.

The External Auditor's Audit Results Report, contained the External Auditor's recommendations and the "Key Message" section of the report summarised the findings arising from their audit.

At the time of going to print, there were no qualification issued to report. The 2018/19 financial statements had been adjusted in respect of the External Auditor's findings as at 19 July 2019.

The report sought approval of the two sets of amended Statements of Accounts for the financial year ended 31 March 2019 and the letters of representation which were attached as appendix 2.

During consideration of the item, Members highlighted a number of issues, including:-

- The level of pension liability;
- Capital Investment Funds;
- IT Disaster Recovery;
- The Surplus / Deficit arising on the revaluation of Property, Plant and Equipment Assets;
- The impact of government policy on West Sussex County Council and its financial impact;
- Budget Strategy for 2019/20 to 2023/24;

The Chairman raised concerns about the wording of the letter of representation, which stated that the members were responsible, along with officers, for maintaining financial records. He requested that the responsibility of the members and officers be clarified in next year's letter.

The Committee thanked accounts for all of their work in preparing the statements.

Resolved

The Joint Governance Committee:-

- approved the amended Adur District Council and Worthing Borough Council Statement of Accounts for the financial year ended 31 March 2019 in appendix 1;
- agreed that the letters of representation, attached to the report at appendix 2, be signed by the Joint Chairmen of the Joint Governance Committee; and

- approved the revised Annual Governance Statements included in the Statement of Accounts.

JGC/21/19-20 Adur District Council and Worthing Borough Council Audit Results Reports

Before the Committee were the Audit Results Reports from the External Auditors, copies of which had been circulated to all Members and copies are attached to the signed copy of these Minutes as Item 7.

The Committee's attention was drawn to the following:-

1. The Areas of Audit Focus;
2. The wording of the auditor's unqualified opinions for Adur and Worthing Councils;
3. The summary of audit adjustments;
4. Effect of the McLoud ruling; and
5. The value for money risks.

Members of the Committee raised some concerns regarding the budget positions of the Councils and the associated value for money risks. Officers advised that the Councils had previously balanced budgets through joint working initiatives and business transformation. The Councils had not received as much New Homes Bonus as neighbouring authorities and therefore the level of reserves reflected this. However, it was noted that reserves had generally gone up and there was contingency in the budget for 2019/20. It was noted that the Councils were planning to accelerate their savings programmes, however, it was also acknowledged that the building up of reserves would take some time.

Resolved

That the Joint Governance Committee considered and noted the contents of the reports.

JGC/22/19-20 Self Assessment

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

Members are asked to review and comment on the self-assessment of good practice questionnaire attached to the report, allowing them to assess the effectiveness of the Audit Committee and identify whether there were any further improvements that could be made to the Committee's overall effectiveness.

Whilst considering whether the chairman was free of executive or scrutiny functions, the Committee noted that the Adur Chairman of the Joint Governance Committee also sat on the Joint Overview and Scrutiny Committee. Members discussed the appointments process for Chairmen of the Committee whilst noting that although nominations were received from the Leaders of the Council, the position of Chairman was a Full Council appointment.

It was proposed and seconded that a report be brought to the Joint Governance Committee regarding the process for appointing the chairman of the Joint Governance and Joint Overview & Scrutiny Committees.

Resolved

That the Joint Governance Committee:-

- i) considered and commented on the self-assessment of good practice; and
- ii) requested that a report be brought to the Joint Governance Committee regarding the process for appointing the chairmen of both the Joint Governance and Joint Overview & Scrutiny Committees and that the self assessment questionnaire be circulated.

JGC/23/19-20 Annual Treasury Management Report 2018-19 Adur District Council & Worthing Borough Council and Revised Treasury Management Policy and Practices

Before the Committee was a report by the Director for Digital & 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 asked Members to note the Treasury Management performance of Adur and Worthing Councils for 2018/19, as required by regulations issued under the Local Government Act 2003.

Members were recommended to approve the revised Treasury Management Policy and Practices, which had been updated to incorporate new CIPFA and MHCLG guidance and were attached as appendices 1 and 2 to the report.

A Member sought clarification regarding Interest Rate forecasts. Officers confirmed that the Council's advisers were not expecting rises in the immediate future. It was also noted that the Councils were taking borrowing on a longer term basis.

Another Member questioned the number of houses built by Worthing Homes as a result of the £10m loans from Worthing Borough Council. It was noted that Worthing Homes planned to build 500 homes in the Borough over the next 5 years.

The Committee also considered the biggest risks facing the Councils and the appropriate level of risk mitigation.

Resolved

The Joint Governance Committee noted the annual report and the revised Treasury Management Policy and Practices.

JGC/24/19-20 Joint Governance Committee Appointments: Parish Councillors

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

The report advised the Committee of the nominations from Lancing Parish Council and Sompting Parish Council for Parish representatives to be appointed to the Joint Governance Committee, as co-opted Members, in accordance with the Constitution.

Resolved

The Joint Governance Committee:-

1.1 noted the nomination from Lancing Parish Council of the appointment of Cllr Ann Bridges as a Co-Opted Member of the Joint Governance Committee for 2019/20 and recommended the appointment to Adur District Council and Worthing Borough Council;

1.2 noted the nomination from Sompting Parish Council of the appointment of Cllr Caroline Baxter as a Co-Opted Member of the Joint Governance Committee for 2019/20 and recommended the appointment to Adur District Council and Worthing Borough Council.

JGC/25/19-20 The Councils' Surveillance Powers, Policy and Procedures

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 11.

The report advised Members of the Monitoring Officer's review of the Councils' Surveillance Policy and Procedure and updated Members on the Councils' use of its powers under surveillance legislation.

Members were informed that a single request to use powers had been received in the last 12 months. The request did not meet the criteria required and had been refused.

Resolved

That the Joint Governance Committee:-

1. noted that neither Council had used its surveillance powers under the Regulation of Investigatory Powers Act 2000 in the year 2018/19; and
2. noted that the Councils' Joint Surveillance Policy and Procedure of September 2017 had been reviewed but no revisions were recommended.

The meeting was declared closed by the Chairman at 8.12 pm, it having commenced at 6.30 pm

Chairman