

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

Gordon Room, Worthing Town Hall

11 July 2023

Councillor Dr Beccy Cooper (Chair)

Councillor Carl Walker (Vice-Chair)

Adur District Council:

Neil Parkin
Angus Dunn
Carson Albury
Kevin Boram
Emma Evans
Steve Neocleous

Worthing Borough Council:

Caroline Baxter
Emma Taylor
John Turley
Vicki Wells

[As agreed by the Joint Strategic Committee (JSC) in June 2022, the same number of Cabinet Members from each council would be present at each JSC meeting to ensure equality of voting]

JSC/1/23-24 Declarations of Interests

There were no declarations of interest.

JSC/2/23-24 Minutes

Resolved: that the minutes from the Joint Strategic Committee meeting held on 7 February 2023, were approved as an accurate record and signed by the Chairman.

JSC/3/23-24 Public Question Time

There were no questions from the Public.

JSC/4/23-24 Members Questions

There were no pre submitted questions from Members.

JSC/5/23-24 Items Raised under Urgency Provisions

There were no urgent items.

JSC/6/23-24 Financial Performance 2022/23 - Revenue Outturn

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

The report outlined the revenue financial monitoring position for the end of the 2022/23 financial year for the Joint Strategic Committee, Adur District and Worthing Borough Councils. At the time of publication of this report, the Statements of Accounts were in progress, both due to be completed by the end of July. The audit commencement date was still to be confirmed but was unlikely to commence until the Autumn, any adjustments that emerged during the audit would be reported to members later in the year.

The final position for operational services were overspends for Adur District Council of £1.8m and Worthing Borough Council of £3.6m. This was compared to the projections reported at quarter 3 when operational outturns were predicted to be an overspend of £1.6m in Adur and £3.3m in Worthing before any use of reserves.

Overall outturn positions were an overspend of £10k in Adur District Council and an underspend of £778k in Worthing Borough Council. This represents a 0% overspend against the budget for Adur and 6% underspend in Worthing.

There was one 2022/23 budget carry forward proposed in Worthing of £35,000 to support Cost of Living funding.

The outcome was an improvement for both Councils from that forecast in the quarter 3 monitoring report '3rd Revenue Budget Monitoring Report (Q3) 2022/23' when net overall overspends after reserve transfers of £382k and £2.1m were being projected in Adur and Worthing respectively. The significant movement in Worthing was due to the outcome of the VAT appeal claim related to leisure services (see section 4.7) which was announced in the last quarter of the financial year. Adur's outturn position improved due to increased income from business rates

Members thanked the finance team for their diligence in completing the report. It was noted that the Chief Financial Officer was due to retire and thanked them for all of their hard work for Adur and Worthing.

Decision

That it be recommended to Adur District Council, at its meeting on 20th July 2023 and Worthing Borough Council at its meeting on 18th July 2023, that :-

- i) the overall final outturn for 2022/23 be noted.
- ii) the net appropriations from General Fund Reserves in the year as detailed in section 6 of the report totalling: Adur District Council £749,839 Worthing Borough Council £1,644,580 be approved
- iii) in Worthing Borough Council the revenue budget carry forward to 2023/24 of £35,000 to be funded from reserves to support work associated with the Cost of Living crisis be approved.

Call In: There is no call in for recommendations i) ii) and iii) as they are recommendations to Council

JSC/7/23-24 Developing a revenue budget for 2024/25 in difficult economic circumstances

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

The purpose of the report before members was to propose a budget strategy for the development of the 2024/25 budgets. When the 2023/24 budget was set, there was a clear expectation that inflation rates would begin to fall throughout 2023 with an associated reduction in interest rates. However inflation had remained stubbornly high and had only just started to reduce with impacts on our pay, contracts and our treasury management costs.

It had been a long time since the Councils have had any certainty during budget setting. Having come through a pandemic and one very difficult year, the Councils now had to address the challenge of extended inflationary pressures which continued to impact on its budgets.

The local government funding review was now looking likely to be deferred until after the parliamentary election in 2024, consequently there was unlikely to be any change until 2026/27. The difficult economic climate continued to influence a number of budget lines, from pay to income for services such as car parks which will need to be reassessed as we balance our budget.

The Councils had a clear strategy for facing the challenges of rapidly changing local government finance. It was now important to build on this strategy to meet the new and emerging challenges but within the context of supporting local communities and economies.

Now more than ever, careful financial management was required to ensure that the Councils manage both the emerging in-year pressures and the implications for the future, whilst driving forward with plans for the future. The financial strategy would need to include managed and prudent increases in council tax, and a clear focus on driving efficiency and productivity.

The report aimed to set out how the Councils would address the challenges of the next few years, outlining the revenue forecast and setting out the Councils' strategic response to the challenges ahead. With the detailed budget proposals for 2024/25 coming forward to the Joint Strategic Committee in December, the report sets out the broader context for the detailed work that will be undertaken over the intervening months.

As set out in the report, the Councils would be increasingly reliant on council tax income, business rate income, and its own income generating services. The Councils had a good track record in innovation, working creatively in partnership, and transforming digital capabilities, so that there was capacity to continue to deliver our aspirations for our Councils

Work had been underway for some time to address the financial challenges for 2024/25 and beyond. This would continue over the summer and autumn, and the Organisational Leadership Team would be working to produce new financial plans designed to deliver a balanced budget over 3 years. The outcome of the service planning process would be presented to the Joint Strategic Committee for approval in December 2023 as part of the development of the 2024/25 budget.

In line with the recommendations outlined, the budget strategy was written with the assumption that the councils would continue to maximise the benefits from the shared service with a joint revenue budget while continuing to create separate capital programmes for each Council. Attention had been paid to where priorities differ and where relevant attention will be drawn to differences of approach.

The Chief Financial Officer responded to a question asked about car parking income

Members approved the recommendations within the report

Decision

That the Joint Strategic Committee

- i) Note the report and the outline 5-year forecasts in Appendix 3;
- ii) Approve the proposed budget process as set out in section 6 of the report;
- iii) Recommend to the Councils to approve the Budget Strategy for 2023/24 outlined in Section 9 of the report.

Call In:

There is no call in for recommendation iii) as it is a recommendation to Council

The call-in deadline for the decision will be 5.00pm on 21 July 2023.

JSC/8/23-24 Investing for our future - Capital Strategy 2024/27

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

The report sought the approval of the Councils' Capital Strategy for 2024/27. The Strategy outlined the Councils' approach to capital investment and how the Council ensured that capital investment was directed to both of the Council's priorities.

The strategy was set against an environment of high inflation and increasing interest rates which was having a significant impact on the Councils' finances and the affordability of the Councils' investment programmes. Whilst the programmes were inevitably constrained, the recommended approach focused on the priorities identified by both councils around facilities that were recognised and valued by communities.

The strategy also proposed a refreshed approach to the prioritisation approach putting delivery of both of the Councils' priorities at the heart of the decision making process.

Members approved the recommendations within the report

Decision:

That the Joint Strategic Committee recommend to the Councils that the Capital Strategy 2024/27 be approved.

Call In:

There is no call in as the decision is a recommendation to Council

JSC/9/23-24 Renewal of insurances contract - Use of urgency powers

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

The report notified members that the Chief Executive used their urgency powers to award the insurance contract for the period 1st June 2023 to 31st May 2026 with the option to extend for a further 2 years.

Members discussed the report and agreed that the use of emergency powers was justified

Decision:

- i) The Joint Strategic Committee notes that the Chief Executive used her urgency power to approve the renewal of the contracts as follows:
 - a) Lot 1 - Zurich Municipal
 - b) Lot 2 - RMP (Risk Management Partners)
 - c) Lot 3 - Zurich Municipal
 - d) Lot 4 - RMP

- ii) The Joint Strategic Committee is asked to approve the use of the Capacity Issues Reserve to fund the additional costs as set out in section 6.0 of the report.

Call-in:

The call-in deadline for the decision will be 5.00pm on 21 July 2023.

JSC/10/23-24 Proactive working with residents in Adur and Worthing: an update

Before the Committee was a report by the Director for Housing and Communities, copies of which had been circulated to all Members and a copy of which is attached to the signed copy of these minutes as Item 10

In February 2021 this Committee received the report, Covid Benefit Measures impact on vulnerable residents, detailing how the Councils would develop proactive interventions to address issues arising from the Covid-19 pandemic and the cost of living crisis. The report set out how the Councils would work with Policy in Practice and its Low Income Family Tracker (LIFT) platform to use data to identify and target interventions.

Proactive had been developed to describe a way of working which used data to target interventions aimed at reducing vulnerability and enhancing resilience. The work was core to the delivery of the mission to enable more people to thrive, focusing on enabling residents to be healthy, resilient and resourceful, to access the right help when they needed it and to ensure that everyone had access to a home and the help they needed to sustain their tenancy.

Proactive was about more than just the data. The Councils would work to redesign front line services to respond to the evidence. The Councils were seeing the benefits of working in a more proactive way. It was focused on hardwiring a more proactive approach into how officers collect income and recover debt, ensuring that this was aligned to the new corporate debt policy, which was premised on being fair, consistent and sensitive to people's needs. The Councils were also designing more capacity into teams to enable the Councils to become more proactive in its approach to residents that needed help and support early, to enable them to manage and become more resilient. Working alongside community partners, officers would continue to develop the cost of living working within neighbourhoods and places, building strong community capacity to ensure that communities had what they needed to help each other during difficult times.

The report updated Members about the progress made, the cohorts that had been contacted and the impact to date. It shared information about TellJO - an online wellbeing assessment tool - and how officers had been using this with some early cohorts. Members were also updated on broader work to implement our income recovery approaches.

Members were asked to note that the next phase for Proactive would require the implementation of the new leadership structure to be in place. In the interim, the report sets out the use of the Shared Prosperity Fund and Homelessness Prevention Grant to support much needed capacity for this work.

Finally, Members were asked to note that Proactive was connected to the work of the Councils through the respective Cost of Living road maps, working with communities and partners across Adur and Worthing and within local neighbourhoods.

A question was asked about comparative data and how proactive had impacted individual wards. Members were told that additional capacity would allow the team to analyse data on a more forensic level.

Members discussed the item and lauded the work of the teams involved and the collaborative work carried out the partner organisations

Decision:

- i) That the contents of the report and progress made by Proactive be noted.
- ii) That the refocusing of this work as set out in relation to outcomes focused on alleviating housing front door pressures (Paragraph 5.12) 134 be supported.
- iii) That the next steps for this work, including confirming the breakdown for the allocation of the Shared Prosperity Fund for Proactive during 2023/4 and 2024/25, as set out in paragraphs 5.10-5.14) be approved.
- iv) That it be noted that the governance for this work sits with the respective Adur Cabinet Member for Adur Homes and Customer Services and the Worthing Cabinet Member for Housing and Citizen Services.
- v) That a budget virement to create a programme of work for Proactive as set out in this report, funded from the UK Shared Prosperity Fund be approve, as follows:
- a) £141,480 for 2023/24:
- Adur £59,480
 - Worthing £82,000
- b) £658,250 for 2024/25 (noting this is the committed Proactive and Cost of Living allocation):
- Adur £340,520
 - Worthing £318,000

Call In:

The call-in deadline for the decisions will be 5.00pm on 21 July 2023.

JSC/11/23-24 Regulating wisely: Updated Adur and Worthing Public Health & Regulation Enforcement Policy

Before the Committee was a report by the Director for Sustainability and Resources, copies of which had been circulated to all Members and a copy of which is attached to the signed copy of these minutes as Item 11

The report introduced the updated Public Health and Regulation Enforcement Policy. The Policy provided a regulatory framework to improve the health, safety and wellbeing of businesses, communities and places.

A question was asked about the method of the public consultation process and the limited response was acknowledged

Members noted the positive approach outlined in the report and approved the recommendations therein.

Decision:

That the Public Health & Regulation Team Enforcement Policy be approved for a further period of three years, until July 2026.

Call In:

The call-in deadline for the decisions will be 5.00pm on 21 July 2023.

JSC/12/23-24 Review of Joint Strategic Committee Pilot Scheme

Before the Committee was a report by the Director for Sustainability and Resources, copies of which had been circulated to all Members and a copy of which is attached to the signed copy of these minutes as Item 12

On 7 June 2022 the Joint Strategic Committee introduced a pilot scheme to make use of Joint Strategic Committee Subcommittees for a period of one year.

The purpose of the Report was to; update Members on the use of the pilot scheme; how it had worked in the last year and to provide Members with data and observations on the use of Sub-Committees, with a view to extending the pilot scheme to enable a wider review of the constitution and decision making between our two Councils, to ensure it is effective, streamlined and reflects our annual planning process.

A question was asked about public engagement in meetings taking place in the community. The Monitoring Officer undertook to provide a response after the meeting.

Members advocated an extension to the scheme and approved the recommendations within the report.

Decision:

That the Joint Strategic Committee

- i) Notes the contents of this Report and an extension to the Pilot scheme subject to the proposed amendments to the scheme as set out at paragraph 4 of this report be approved.
- ii) Agrees to the proposal to reconvene the Constitution Working Group set up by the Joint Audit & Governance Committee on 31st May 2022 to consider further Constitutional amendments to both Councils' Constitutions

Call In:

The call-in deadline for the decisions will be 5.00pm on 21 July 2023.

Cllrs Parkin, Dunn, Evans, Boram and Neocleous left the meeting

JSC/13/23-24 Exclusion of the Press and Public

Resolved: 'that under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting from the following items of business on the grounds that they involve the likely disclosure of exempt information as

defined in the paragraph of Part 3 of Schedule 12 A to the Act indicated against the item.

JSC/14/23-24 Union Place - Joint Venture Partnership with Roffey Homes

Note: this item was opened in the public part of the meeting, the introduction and a question were heard before the matter went into private session. The meeting was opened again and the decision of the Committee was read out

Before the Committee was a report by the Director for Place, copies of which had been circulated to all Members and a copy of which is attached to the signed copy of these minutes as Item 13

The Union Place redevelopment proposal provided a major opportunity to deliver new high quality, energy efficient, modern and affordable homes for the community in Worthing. Working with an experienced local private sector partner, the development would also deliver new commercial space, high quality green spaces, return Union Place to being a tree lined avenue and maximise opportunities for social connections to reduce isolation and promote inclusion. The development would have an architectural approach rooted in local vernacular architecture, and also sought to design out crime, improve health outcomes, and use an environmentally sustainable approach to development.

The purpose of the report was to advise members of the Committee on the progress with negotiations with the Council's preferred Joint Venture Partner on the redevelopment of the Union Place site, and to 185 Agenda Item 13 seek the Committee's approval to the Joint Venture Agreement and to progress towards development of the site.

The Exempt Appendices to this Report set out the detailed nature of the proposed Joint Venture Agreement which it was intended will be conducted through the formation of an Limited Liability Partnership (LLP) between the Council and Roffey Homes, and the proposal for the Council to invest land into the LLP company at the outset, with a further parcel of land being invested following grant of planning permission. The report set out how the value of the Council's investment is then matched by Roffey Homes equity and sets out how the development will be funded. The Council's governance structures and appointment to the LLP are set out in section 5.0.

The Exempt Appendix updated members on key issues following the most recent report on the project in March 2023 surrounding procurement, state aid/subsidy control, risk, and tax implications of the proposed joint venture.

The report summarised the work undertaken to date to design the scheme, and agree land valuations.

The report set out the various steps that would be undertaken to enter into the Joint Venture Agreement and sought various delegations to officers to enable the project to proceed.

A question was asked about the anticipated timeline of work beginning on the site. The Committee was told that a Planning Application was forthcoming for the site and the ambition was to be on site in Spring 2024 although there could be no absolute certainty in matters of this sort.

The Committee debated matters of an exempt nature in closed session

Decision:

That the Joint Strategic Committee:

i) Delegate authority to the Director for Place to progress the negotiations and drafting of the Members Agreement and all contractual documentation required to establish the Joint Venture Limited Liability Partnership (LLP) between the Council and Roffey Homes for the purpose of developing the Union Place site on the terms set out in the Structure Note and the Exempt Appendices 1-5.

ii) Delegate authority to the Director for Place to take further legal, procurement, subsidy and financial due diligence on the final terms of the Members Agreement and contract documents and to produce a detailed business plan supporting the proposal to enter into the LLP.

iii) Authorise the Director for Place to enter into the LLP by executing the Members Agreement and all necessary contract documents subject to the following procedure for completion-

That the Director for Place delivers a report to the Leader of Worthing Borough Council which details:-

- a) The final terms of the Members Agreement and Contract Documents;
- b) The outcome of the due diligence referred to at paragraph 2.3 of this report;
- c) The supporting business plan and
- d) The report shall seek authority from the Leader of Worthing Borough Council in consultation with the Cabinet Member for Regeneration for the Director for Place to enter into The Members Agreement and all necessary contractual documentation to form the LLP; including authority to continue with the land transfers which are envisaged in the Structure Note at Exempt Appendix 1 and further referred to in Exempt Appendix 5.

iv) To delegate to the Director for Place in consultation with the Leader and the Cabinet Member for Regeneration, the authority to appoint officer representatives to the LLP Board; and review and approve LLP Business Plans (including costs incurred and forecast) in consultation with the Leader and Cabinet Member for Regeneration to require the project board to report back to the JSC (SC) on a regular basis with progression updates and financial reporting

v) Prior to entering into the LLP to authorise the Director for Place to fund half of the planning costs (estimated in total at £600,000 with BC to fund £300,000) payable in the event that satisfactory planning consent for the development is not satisfied or for any reason the development does not proceed;

vi) Prior to entering into the LLP to delegate to the Director for Place authority to negotiate the final terms of the agreement with LCR to terminate the Landpool and Promotion Agreement with LCR and to consult with the Leader and Cabinet Member for Resources on the terms of the termination agreement and resource implications

vii) That the release of £300,000 from the capacity issues reserve to fund the revenue consequences of the unwinding of the LCR agreement as set out in confidential Appendix 5A be approved.

viii) Delegate to the Cabinet Member for Resources the authority to vire £570,000 from the strategic property investment fund in the event that the new LLP is not in a position to buy back the land associated with the LCR land pooling agreement as set out in confidential appendix 5b

ix) That it be recommended to Worthing Borough Council to amend the Annual Investment Strategy to allow for the acquisition of shares in the new Joint Venture.

x) That it be recommended to Worthing Borough Council that it amends the Capital Programme Investment Strategy to approve the capital investment for the purchase of a 50% share in the ownership of the LLP in the sum of £6m funded through the transfer of land and approves the appointment of Worthing Borough Council as a Member to the LLP (through a Members Agreement) and to note that the strategic and operational decisions will be made by the Executive with the project board reporting back regularly to that Committee on progression with finance reports.

Call-in:

The call-in deadline for the decisions will be 5.00pm on 21 July 2023.

There is no call-in for recommendations ix) and x) as they are recommendations to Council.

The meeting was declared closed by the Chairman at 8.25 pm, it having commenced at 6.30 pm

Chairman