

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

**Gordon Room, Town Hall, Worthing**

**Tuesday 24 January 2017**

Councillor Elizabeth Sparkes (Chairman)

**Adur District Council:**

Councillor George Barton  
Councillor Kevin Boram  
Councillor Carol Albury  
Councillor Ken Bishop  
\*Councillor Jim Funnell  
Councillor Paul Graysmark  
\*Councillor Emily Hilditch  
\*Councillor Barry Mear

**Worthing Borough Council:**

Councillor Paul Yallop  
Councillor Paul Baker  
\*Councillor Joan Bradley  
Councillor Alex Harman  
Councillor Lionel Harman  
Councillor Steve Wills  
Councillor Mark Withers

\*Absent

**JGC/16-17/035      Declarations of Interest / Substitute Members**

There were no declarations of interest.

**JGC/16-17/036      Minutes**

The minutes of the Joint Governance Committee meeting held on the 22 November 2016, were agreed as a correct record.

**JGC/16-17/037      Public Question Time**

There were no questions from the public.

**JGC/16-17/038      Items Raised Under Urgency Provisions**

There were no urgent items raised.

## **JGC/16-17/039      Audit Plans 2016/17**

Before the Committee were the 2016/17 Audit Plans 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 5.

Paul King, Ernst & Young LLP, attended the meeting and presented the audit plans. Members attention was drawn to the significant value for money risk identified in both the Adur and Worthing Audit Plans and the audit approach proposed.

The Committee noted that the overall materiality for the financial statements of Adur District Council was £1,178,000 based on 2% of Gross Revenue Expenditure and for Worthing Borough Council was £1,355,000, also based on 2% of Gross Revenue Expenditure.

A breakdown of the auditors fees were set out in Appendix A to both plans which identified an indicative fee scale of £48,122 for the audit of Adur District Council and £47,157 for the audit of Worthing Borough Council.

A Member asked officers to outline their approach to the significant value for money risk identified for Adur District Council. Officers advised that both Adur and Worthing Councils had an agreed budget strategy which had been considered earlier in the year. The strategy set out plans to target commercial income from existing businesses, invest in commercial property and to promote business efficiency through the use of digital technology.

Progress reports presented to both JOSC and JSC in December 2016, highlighted that sufficient savings had been identified to balance the Adur budget for 2017/18. This was predicated on increasing Council Tax up to the maximum amount allowed (1.98%) and by achieving the expected level of government grant.

### **Resolved,**

The Joint Governance Committee noted the contents of the Audit Plans for 2016/17.

## **JGC/16-17/040      Certification of claims and returns annual reports 2015/16**

Before the Committee were 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 6.

Tom Wilkins, Ernst & Young LLP, attended the meeting and presented the annual reports.

The Committee noted that a number of errors had been identified by the auditors in relation to the calculation of benefit and compilation of claims undertaken by

CenSus. These had resulted in the DWP requesting a claw back of £80k in respect of claims paid by CenSus on behalf of Adur District Council. Officers advised that following a number of significant payments to the DWP over the last 3 years, Adur District Council had taken the decision to withdraw from the CenSus partnership as a number of improvements were required to the service.

The Committee noted that 3 errors were identified by the auditors in relation to the calculation of benefit and compilation of claims for Worthing Borough Council. The auditors advised Members that the errors were much more random in nature and that claimant income was notoriously difficult to calculate.

The 2015-16 certification fees were highlighted in both reports and Members noted that the 2016/17 work programme was being consulted on at the moment.

A Member questioned whether being a day late with certification (for WBC) had identified a capacity issue. Officers advised that the delay was a 'specialist issue' resulting from a member of staff being ill at the time. It was noted that there had been some issues resulting from individual specialisms, but following a restructure of the service last year, trainees would now provide extra capacity, mitigating such risks in the future.

#### **Resolved,**

The Joint Governance Committee noted the contents of the reports.

#### **JGC/16-17/041      Joint Half Year In-House Treasury Management Operations Report 1 April - 30 September 2016 for Adur District Council and Worthing Borough Council**

Before the Committee was a report by the Director for Digital and 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 presented the treasury management portfolio position for the halfway point of the 2016/17 financial year for both Adur District Council and Worthing Borough Council.

The Committee noted that the Councils operated a balanced budget, which broadly meant cash raised during the year would meet the cash expenditure. Part of the treasury management function was to ensure that cash flow was adequately planned, with surplus monies being invested in approved counterparties, providing security foremost, adequate liquidity and a yield commensurate with going market rates at the time of investment.

The second main function of the treasury management service was the funding of the Councils' capital plans. The capital plans provided a guide to the long-term borrowing needs of the Councils: essentially the longer term cash flow planning was

to ensure the Councils could meet their capital spending plans. The management of longer term cash involved arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

A Member sought clarification regarding a Lancing Parish Council (LPC) Loan. Officers advised that Adur District Council (ADC) and LPC had a partnership arrangement where LPC invested its precept with ADC and then drew down from it throughout the year.

A Member requested that Officers reconsider the timing of this report in future so that it could be considered by the Joint Governance Committee prior to its consideration by the Joint Strategic Committee.

**Resolved,**

The Joint Governance Committee noted the contents of the report.

**JGC/16-17/042      Risk & Opportunity Management**

Before the Committee was a report by the Director for Digital and 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 quarterly updates on the management of Risks and Opportunities.

The Committee were informed that a training session had been held on 23 January 2017 regarding the use of the Trello App and that additional detail regarding current risks had been included as an Appendix to the report.

It was noted that there were 122 risks and 16 opportunities at the time of reporting compared with 136 Risks and 15 Opportunities in the report to Committee in September 2016.

Members welcomed the report and the additional detail included in the appendix. The Committee requested that this be provided in all future reports.

**Resolved,**

The Joint Governance Committee noted the progress in managing risks and opportunities and requested that a further progress report be presented to the Committee in June 2017.

### **JGC/16-17/043      Disaster Recovery Provisions**

Before the Committee was a report by the Director for Digital and 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 a response to queries raised at Adur and Worthing Councils Joint Governance Committee through JGC/16-17-008. CenSus ICT had been asked to respond to the Committee regarding the state of Disaster Recovery services and options at the Councils' disposal.

The report provided an update on activities undertaken since the Joint Governance Committee on 27 September 2016.

#### **Resolved,**

That the Joint Governance Committee noted the progress made towards the provision of IT disaster recovery arrangements; and wider business continuity planning and requested that a quarterly update be brought to the Committee as from June 2017.

### **JGC/16-17/044      The Appointment of External Auditors for Adur District Council and Worthing Borough Council**

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

The report summarised the changes to the arrangements for appointing external auditors following the closure of the Audit Commission and the end of the transitional arrangements at the conclusion of the 2017-18 audits. It was noted that the Local Audit and Accountability Act 2014 required authorities to either opt in to the Appointing Person regime or to establish an auditor panel and conduct their own procurement exercise.

#### **Resolved,**

That the Joint Governance Committee recommended to Adur and Worthing Councils that both Councils opt into the Appointing Person arrangements made by the Public Sector Audit Appointments (PSAA) for the appointment of external auditors.

## **JGC/16-17/045      Proposed Revisions to Contract Standing Orders**

Before the Committee was a report by the Director for Digital and Resources, 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 proposed some further amendments to the Joint Contract Standing Orders. The provisions had been the subject of consultation with both Executive Members of Resources, Chairman of the Joint Governance Committee and the Council's Leadership Team.

The Committee noted that the procurement limits had been reviewed to reflect those in other Councils and a summary of this information had been attached to the report as Appendix 1.

### **Resolved,**

That the Joint Governance Committee recommended to Adur and Worthing Councils that the revised Contract Standing Orders be approved.

## **JGC/16-17/046      Elected Member Involvement in the Appointment and Discipline of the Councils' Senior Officers**

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 12.

The report informed the Committee that the Monitoring Officer had undertaken a review of the Councils' existing arrangements for the recruitment, appointment, discipline and dismissal of its Senior Officers and, with a view to ensuring an efficient, streamlined, independent and fair process, had made proposals for change.

It was noted that if the proposals were adopted by the Councils, they would be subject to consultation with Unison, and consequential changes would need to be made to the Officer Employment Procedure Rules and the Terms of Reference of Staffing Committees within the Councils' Constitutions. Further, it was likely that the Committee structure would change, with the abolition of the Joint Senior Staff (Appeals) Committee. Further, consequential changes would need to be made, by Human Resources Officers, to the Councils' Recruitment & Selection and Disciplinary Policies.

The Committee discussed the merits of Options 2 and 3, as outlined in the report, acknowledging that Member involvement in such issues had not always resulted in best outcomes in the past.

A Member sought clarification in regards to when meaningful consultation with the Executive would take place. The Committee was advised that detailed information

would need to be shared with the Executive, including the reasons for appointment or dismissal, prior to implementation.

It was proposed and seconded that the Committee recommend the adoption of Option 2.

**Resolved,**

That the Joint Governance Committee:-

- agreed option 2 as their preferred option and included the wording *‘the appeal officer would either be the Head of Paid Service or an officer nominated by him, of whom he is satisfied as to competency and independence’*;
- recommended to both Adur and Worthing Councils the adoption of option 2, subject to consultation with Unison; and
- recommended to both Adur and Worthing Councils that they delegate the authority to the Monitoring Officer to implement the adopted option and in particular to make consequential changes to the Officer Employment Procedure Rules and the terms of reference of the Staffing Committees in each Council’s Constitution.

The meeting was declared closed by the Chairman at 7:39pm, having commenced at 6:30pm.

**Chairman**