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Contact Officer:

John Armstrong,  
Democratic Services and Elections Manager  
Tel: 01483 444102

18 August 2021

Dear Councillor

Your attendance is requested at a special meeting of the **CORPORATE GOVERNANCE AND STANDARDS COMMITTEE** to be held in the Council Chamber, Millmead House, Millmead, Guildford, Surrey GU2 4BB on **THURSDAY, 26 AUGUST 2021** at **7.00 pm**.

Yours faithfully

James Whiteman  
Managing Director

**MEMBERS OF THE COMMITTEE**

Chairman: Councillor George Potter

Vice-Chairman: Councillor Deborah Seabrook

Councillor David Goodwin  
Councillor Nigel Manning  
Councillor Susan Parker  
Councillor John Redpath  
Councillor James Walsh

+Maria Angel MBE  
+Murray Litvak  
^Julia Osborn  
^Ian Symes  
^Tim Wolfenden

\*Independent member

^ Parish member

**Authorised Substitute Members:**

Councillor Jon Askew  
Councillor Ruth Brothwell  
Councillor Colin Cross  
Councillor Guida Esteves  
Councillor Andrew Gomm  
Councillor Angela Gunning  
Councillor Liz Hogger

Councillor Masuk Miah  
The Mayor, Councillor Marsha Moseley  
Councillor Ramsey Nagaty  
Councillor Jo Randall  
Councillor Tony Rooth  
Councillor Catherine Young

**WEBCASTING NOTICE**

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**QUORUM 3**



## THE COUNCIL'S STRATEGIC FRAMEWORK

### Vision – for the borough

For Guildford to be a town and rural borough that is the most desirable place to live, work and visit in South East England. A centre for education, healthcare, innovative cutting-edge businesses, high quality retail and wellbeing. A county town set in a vibrant rural environment, which balances the needs of urban and rural communities alike. Known for our outstanding urban planning and design, and with infrastructure that will properly cope with our needs.

### Three fundamental themes and nine strategic priorities that support our vision:

- |                     |  |
|---------------------|--|
| <b>Place-making</b> | Delivering the Guildford Borough Local Plan and providing the range of housing that people need, particularly affordable homes |
|                     | Making travel in Guildford and across the borough easier   |
|                     | Regenerating and improving Guildford town centre and other urban areas   |
| <b>Community</b>    | Supporting older, more vulnerable and less advantaged people in our community  |
|                     | Protecting our environment   |
|                     | Enhancing sporting, cultural, community, and recreational facilities   |
| <b>Innovation</b>   | Encouraging sustainable and proportionate economic growth to help provide the prosperity and employment that people need       |
|                     | Creating smart places infrastructure across Guildford  |
|                     | Using innovation, technology and new ways of working to improve value for money and efficiency in Council services             |

### Values for our residents

- We will strive to be the best Council.
- We will deliver quality and value for money services.
- We will help the vulnerable members of our community.
- We will be open and accountable.
- We will deliver improvements and enable change across the borough.

## AGENDA

### ITEM

**1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

**2 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS**

In accordance with the local Code of Conduct, a councillor is required to disclose at the meeting any disclosable pecuniary interest (DPI) that they may have in respect of any matter for consideration on this agenda. Any councillor with a DPI must not participate in any discussion or vote regarding that matter and they must also withdraw from the meeting immediately before consideration of the matter.

If that DPI has not been registered, you must notify the Monitoring Officer of the details of the DPI within 28 days of the date of the meeting.

Councillors are further invited to disclose any non-pecuniary interest which may be relevant to any matter on this agenda, in the interests of transparency, and to confirm that it will not affect their objectivity in relation to that matter.

**3 MINUTES (Pages 5 - 12)**

To confirm the minutes of the meeting of the Corporate Governance and Standards Committee held on 29 July 2021.

**4 SUMMARY OF INTERNAL AUDIT REPORTS OCTOBER 2020 – MARCH 2021**  
(Pages 13 - 24)

**5 FINANCIAL MONITORING 2021-22 PERIOD 3 (APRIL/JUNE 2021) (Pages 25 - 72)**

**6 EXTERNAL AUDIT PLAN 2020-21 (Pages 73 - 108)**

**7 WORK PROGRAMME (Pages 109 - 116)**

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# CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

29 July 2021

- \* Councillor George Potter (Chairman)
- \* Councillor Deborah Seabrook (Vice-Chairman)

- \* Councillor David Goodwin
- Councillor Nigel Manning
- Councillor Susan Parker
- \* Councillor John Redpath
- Councillor James Walsh

Independent Members:

- \*Mrs Maria Angel MBE
- Mr Murray Litvak

Parish Members:

- Ms Julia Osborn
- \*Mr Ian Symes
- \*Mr Tim Wolfenden

\*Present

The Leader of the Council, Councillor Joss Bigmore and Councillor Ramsey Nagaty were also in attendance.

## **CGS10 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

Apologies for absence were received from Councillors Nigel Manning, Susan Parker (for whom Councillor Ramsey Nagaty substituted), James Walsh, and from Murray Litvak and Julia Osborn.

## **CGS11 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS**

There were no disclosures of interest.

## **CGS12 MINUTES**

The minutes of the meeting of the Committee held on 17 June 2021 were approved as a correct record. The Chairman signed the minutes.

## **CGS13 EXTERNAL AUDIT PLAN AND AUDIT UPDATE 2020-21**

The Committee noted that, Paul Cuttle, Grant Thornton's new Engagement Lead for the Council's external audit had unfortunately been unable to attend the meeting. The chairman had therefore agreed to defer this item to the special meeting of the Committee to be held on 26 August 2021.

The Chairman also drew the Committee's attention to the external audit plan and specifically to Grant Thornton's enquiry as to whether members of this Committee

- (a) understood various aspects of methods and models used to make the accounting estimates and the risks related to them;
- (b) had oversight of management processes for making accounting estimates, and the monitoring activities undertaken by management; and
- (c) could evaluate how management made the accounting estimates.

Mindful of the need for appropriate training for committee members in this regard, particularly in respect of having the necessary skills and understanding of the processes leading up to the adoption of our audited statement of accounts, the Chairman referred to the recent invitation

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sent to all members of this Committee to attend some training in this regard, which would to be held on Monday 13 September 2021 from 6pm.

#### **CGS14 2020-21 AUDITED STATEMENT OF ACCOUNTS**

The Committee noted that this item had been included on the agenda in error. The audited statement of accounts for 2020-21 would be presented to this Committee at its meeting on 23 September (or the fall-back date of 28 September).

#### **CGS15 CAPITAL AND INVESTMENT OUTTURN REPORT 2020-21**

The Committee considered the Capital and Investment Outturn Report for 2020-21, which had included:

- a summary of the economic factors affecting the approved strategy and counterparty update
- a summary of the approved strategy for 2020-21
- a summary of the treasury management activity for 2020-21
- details of compliance with the treasury and prudential indicators
- non-treasury investments
- capital programme
- risks and performance
- Minimum Revenue Provision (MRP)
- details of external service providers
- details of training

The Committee was informed that total expenditure on the General Fund capital programme in 2020-21 had been £29.4 million, against the original budget of £171.5 million, and revised budget of £28.8 million. Details of the revised estimate and actual expenditure in the year for each scheme were set out in Appendix 3 to the report. Although the budget for MRP had been £1.64 million, the outturn had been £1.29 million, due to slippage in the capital programme in 2019-20.

The Committee noted that one of the strands of the Council's savings strategy was to review the projects in the capital programme. Officers had recommended that three capital schemes be removed due to the length of time they had been in the programme, and as such the original proposal was no longer relevant and a new business case would need to be prepared if any of the schemes were to come forward in the future. These were:

- Guildford Gyrotory and Approaches - £10.967 million on the provisional capital programme in 2024-25
- Stoke Park Office Accommodation - £665,000 on the provisional programme in 2024-25
- Stoke Park – Home Farm redevelopment - £4 million on the provisional programme in 2024-25

It was also noted that the Council's investment property portfolio stood at £155 million as at 31 March 2021. Rental income had been £8.1 million, and income return was 5.8% against the benchmark of 4.6%.

The Council's cash balances had built up over a number of years, and reflected the strong balance sheet, with considerable revenue and capital reserves. Officers carried out the treasury function within the parameters set by the Council each year in the Capital and Investment Strategy. As at 31 March 2021, the Council held £159.1 million in investments, £310.5 million in long-term borrowing of which £118.5 million is short-term borrowing, and £192 million is long term borrowing (related to HRA) so net debt of £151.4 million.

The report confirmed that the Council had complied with its prudential indicators, treasury management policy statement, and treasury management practices for 2020-21.

The Committee noted that the slippage in the capital programme had resulted in a lower Capital Financing Requirement than estimated. Interest paid on debt had been lower than budget, due to less long-term borrowing taken out on the General Fund because of slippage in the capital programme.

The yield returned on investments had been lower than estimated, but the interest received had been higher due to more cash being available to invest in the year – a direct result of the capital programme slippage.

Officers had been reporting higher interest receivable and payable and a lower charge for MRP during the year as part of the budget monitoring when reported to councillors during the year.

The report had also set out detailed information on the return on investments, and interest paid on external debt.

During the debate, the following comments/queries were raised:

- (a) In response to a request for an explanation as to the reasons why the short-term debt at the end of the year had been substantially higher than the end of the previous year, the Deputy Chief Finance Officer confirmed that the Council had substantial internal borrowing for the capital programme, which had been externalised by way of short-term borrowing, which was why borrowing had increased. Officers were also aware that we were going to need to use our reserves for Covid expenditure. The Council had also been required to borrow from the PWLB in the current financial year through the local infrastructure rate funding subsidy which would start the long-term borrowing for capital programme in 2021-22.
- (b) Officers clarified that the rental income referred to in the report, which had been the same as the previous year, was rental income due. It was expected that, as most tenants paid their rent promptly and there had been very few repayment plans, the Council would receive a substantial proportion of the rent due.
- (c) In response to a question as to the impact of a possible increase in inflation on the capital and investment programme, it was not anticipated that any increase in inflation would have much impact on returns on the Council's investment portfolio.
- (d) In response to a question as to the benefits of a strategy of holding £160 million of investments and increasing borrowing, which costs £1.5 million, the Deputy Chief Finance Officer confirmed that the fixed rate debt of £147 million and the variable rate debt of £45 million related to the Housing Revenue Account, the cost of which was charged directly charge to the Housing Revenue Account. For the remainder of the investment portfolio, the Council yielded 1.08% and the temporary borrowing was 0.51% so there was no cost of carry on that short-term borrowing overall.
- (e) In response to an enquiry as to the impact on the Council and associated costs of the slippage in the capital programme over the last four or five years, the Committee noted that the main financial impact was the Minimum Revenue Provision, which was the repayment of internal borrowing which impacted on the General Fund and Council Tax. It was also noted that a review of the Council's balance sheet and capital programme had been undertaken approximately four years ago and we identified over the previous three years that although there had been a consistent 64% slippage in the capital programme, it had generally been the same schemes that had been delayed, for example, the Weyside Urban Village scheme. Part of the reason for this was that at the time, the Council did not have some of the delivery mechanisms in place that we have now. This was being addressed and new governance procedures and project

management tools had been introduced. The Leader of the Council acknowledged that there had been issues in programme management and that a 64% slippage rate was not acceptable. Whilst a number of the schemes had been particularly complex, the Council was determined to improve performance.

- (f) It was confirmed that the rental income from investment property was £3.1 million and expenditure on repairs and maintenance of £600,000, and in relation to industrial estates we had expenditure of £210,000 against £4.7 million income.

The Committee, having noted the various corrections on the Supplementary Information Sheet and that the outturn report would also be considered by the Executive at its meeting on 24 August 2021, and by full Council on 5 October 2021.

RESOLVED: That, subject to the comments referred to above and to the corrections set out on the Supplementary information Sheet, the report be commended to the Executive, and the recommendations therein be endorsed.

Reason:

To comply with the Council's treasury management policy statement, the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on treasury management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

### **CGS16 HOUSING REVENUE ACCOUNT FINAL ACCOUNTS 2020-21**

The Committee received a report setting out the final position on the Housing Revenue Account (HRA) for the 2020-21 financial year including the actual level of revenue spending on day-to-day services provided to tenants recorded in the HRA in 2020-21. The HRA recorded all the income and expenditure associated with the provision and management of Council owned residential dwellings in the Borough.

The actual net income of revenue services in 2020-21 had been £1.319 million lower than the budget of £15.810 million. This variation represented 3.97% of the total turnover of £33.20 million. The final outturn (subject to audit) had shown a surplus for the year of £9.95 million compared to a budgeted surplus of £11.6 million. This included the HRA working balance at year-end, which remained at £2.5 million.

The Chief Finance Officer, in consultation with the Leader of the Council and Lead Councillor for Community and Lead Councillor for Resources had used her delegated authority to transfer £2.5 million to the reserve for future capital programmes, with the balance of £7.45 million transferred to the new build reserve. This continued the policy adopted in previous years, whereby the year-end surplus was applied to each of those reserves.

During the debate, officers responded to the various comments as follows:

- (a) With the inclusion of the proposed transfer of £2.5 million, the balance in the reserve for future capital programmes was £38 million at the end of the financial year. The Council had not yet spent anything from that reserve. The Leader of the Council reminded the Committee of the current review of the Housing Strategy which included a review of investment levels in the Council's existing stock, particularly in terms of repairs and maintenance to extend the life of the existing stock. Work in respect of bringing void properties back into use had been delayed due to the pandemic, but it was hoped that work could progress more speedily on this moving forward.
- (b) The Council had approximately 5,000 HRA properties, which yielded nearly £10m per annum, or £2,000 per property, which was not a huge amount of money to spend on refurbishment per unit.



Having noted that this matter would be considered by the Executive at its meeting on 24 August 2021, the Committee

RESOLVED: That, subject to the comments referred to above, the report be commended to the Executive.

Reason:

To allow the Statutory Statement of Accounts to be finalised and subject to external audit, prior to approval by the Corporate Governance and Standards Committee, on behalf of the Council.

**CGS17 REVENUE OUTTURN REPORT 2020-21**

The Committee received a report setting out the final position on the General Fund and the Collection Fund revenue accounts, for the 2020-21 financial year.

Overall, the outturn on the General Fund had been £6,498,122 more than originally budgeted, which reflected the Council's continued efforts to deal with the impact of the Covid pandemic. The report had set out the major reasons for the variance. Reserves would be utilised to maintain balance in line with the information presented in the outline budget 2021-22 to the Executive at its meeting on 24 November 2020.

Net income from interest receipts had been £1.417 million more than estimated and the minimum revenue provision (MRP) for debt repayment had been £351,107 lower than estimated.

The Chief Finance Officer, in consultation with the Leader of the Council and the Lead Councillor for Resources, would use her delegated authority to deal with the overspend and transfer the necessary resources from reserves.

Details of the closing balance on all the Council reserves were set out in the report, together with the ongoing policy for each.

The Committee noted that the Business Rates balance on the Collection Fund was particularly susceptible to movements in the number and value of appeals that businesses had made against their rateable values. The Council had no control over these appeals and had limited information from the Valuation Office to help assess the potential impact.

The Committee was advised that there was an overall deficit on the Collection Fund of £62.394 million, as detailed in the report.

The outturn position would be included in the Statement of Accounts to be signed by the Chief Finance Officer before 31 July 2021, which would be subsequently audited by the Council's external auditor, Grant Thornton. The Committee noted that the audited accounts would be reviewed at its meeting in September 2021.

During the debate, the Committee noted the Council had initially estimated the likely deficit caused by the pandemic to be between £10 million and 15 million, which assumed minimal assistance from central government. However, there were various government schemes through the year that compensated the Council for some losses in revenue and also some grant funding for some of the increased costs. The Council was now exploring a number of initiatives within the savings strategy to address the ongoing deficit.

Having noted that this matter would be considered by the Executive on 24 August 2021, the Committee

RESOLVED: That, subject to the comments referred to above, the report be commended to the Executive.

Reasons:

- To note the final outturn position and delegated decisions taken by the Chief Finance Officer, which have been included within the statutory accounts the Chief Finance Officer will sign at the end of July.
- To facilitate the on-going financial management of the Council.

**CGS18 ANNUAL GOVERNANCE STATEMENT 2020-21**

The Committee considered a report on the Council's Annual Governance Statement for 2020-21, as required by the Accounts and Audit (England) Regulations 2015. The Statement was underpinned by the Annual Opinion Report (April 2020 to March 2021) prepared by KPMG, who were the Council's internal audit managers, which was considered by the Committee at its meeting held on 25 March 2021.

The Statement set out the Council's governance framework and procedures that had operated at the Council during the year, a review of their effectiveness, significant governance issues that had occurred and a statement of assurance.

The Annual Governance Statement, which would be included in the Council's statement of accounts for 2020-21, acknowledged the significant challenges (both financial and organisational) placed on the Council due to the Covid 19 pandemic, which came at a time when the Council was undergoing a major organisational transformation (Future Guildford), and the need to return to the good governance practices and processes that the Council normally prided itself upon. The significant governance issues identified during the year, were reported in Appendix 1 section 6.

Where areas for further improvement had been identified, the necessary action would be taken to implement changes that would further develop our governance framework.

The Committee noted that the report had also been considered by the Executive at its meeting on 20 July 2021. The Executive had commended the Annual Governance Statement to the Committee for adoption, subject to the following comments:

- (a) In Part A of the table in Section 3 of the Annual Governance Statement, the Corporate Governance & Standards Committee does not appear to have considered the Email Signature Guidance for Councillors proposed by the Corporate Governance Task Group.
- (b) In Part B of the table in Section 3 of the Annual Governance Statement, add the following:
  - "The Council has a petition scheme to enable anyone who lives, works, or studies in the borough to create paper petitions, or use the e-petition facility, to ask the Council to take action in respect of any matter on which we have functions, powers, or duties."
- (c) The Corporate Governance and Standards Committee to receive a mid-year update report on significant governance issues that arose in the financial year relating to the AGS.

During the debate, the following points were raised/clarifications made:

- The Leader of the Council commented on the mitigating circumstances around the areas in respect of which performance had not been to the standards the Council expected. Notwithstanding the considerable challenges caused by the pandemic, the Council still maintained and delivered essential services to residents. The Leader indicated that the Council would address the significant issues highlighted and was confident that the new

performance management framework would assist in bringing performance back to acceptable levels.

- In relation to the comment in (a) above from the Executive, the Committee noted that it would be necessary to refer the Email Signature Guidance for Councillors back to the Corporate Governance Task Group before the matter was submitted formally to the Committee for consideration.
- The Committee was happy to accept the comment in (b) above from the Executive.
- In relation to the comment in (c) above from the Executive, the Committee did not feel that a further interim report was necessary given that the Committee already had a reporting mechanism in place by way of regular reports back from KPMG in respect of significant governance and audit related matters.
- It was suggested that reference be made in Part A of the table in Section 3 of the Annual Governance Statement (Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law) of the Council's encouragement of parish councils to adopt codes of conduct for councillors similar to that of the Council's own Code of Conduct.
- In response to a comment as to whether the Council might consider including client satisfaction returns into the Annual Governance Statement, it was pointed out that perceptions of stakeholders and client satisfaction, whilst important in themselves, were not part of the consideration of the effectiveness of the Council's governance framework and did not therefore fall within the scope of the Annual Governance Statement. It was noted that the dashboard of Key Performance Indicators recently introduced as part of the new Performance Management Framework, together with the new Customer Relationship Management system, would provide the appropriate means by which customer satisfaction, or dissatisfaction, could be monitored.

Having considered the report and the Annual Governance Statement set out in the Appendix thereto, the Committee

RESOLVED: That, subject to the inclusion of the reference to the petition scheme in Part B of the table in Section 3 as indicated above, the Council's Annual Governance Statement for 2020-21, as set out in Appendix 1 to the report submitted to the Committee, be adopted and published alongside the adopted statement of accounts for 2020-21.

Reason:

To comply with the Accounts and Audit Regulations 2015, the Council must prepare, approve, and publish an Annual Governance Statement.

**CGS19 WORK PROGRAMME**

The Committee considered its updated 12 month rolling work programme and noted the items of business to be scheduled in for the special meeting on 26 August, which were set out on the Supplementary Information Sheet.

The Committee noted that the Council was currently carrying out a review of the Corporate Risk Register and Risk Management Strategy and requested that a report on the outcome of the review be included in the work programme.

RESOLVED: That the updated 12 month rolling work programme, as set out in Appendix 1 to the report submitted to the Committee, be approved.

Reason:

To allow the Committee to maintain and update its work programme.

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The meeting finished at 8.16 pm

Signed .....

Chairman

Date .....

Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Director of Resources

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Date: 26 August 2021

## Internal Audit progress report (April to July 2021)

### Executive Summary

Appendix 1 presents a report from our internal audit contractor, KPMG on progress against their audit plan for 2021-22 and a summary of audit findings from the reviews undertaken during the first four months of the year (April 2021 to July 2021).

### Recommendation to Committee

The Committee is requested to note internal audit progress against their 2021-22 plan and the key findings from the reviews undertaken.

#### Reason for Recommendation:

To ensure good governance arrangements and internal control by undertaking an adequate level of audit coverage

**Is the report (or part of it) exempt from publication? No**

### 1. Purpose of Report

1.1 To present a summary of audit work completed since the last meeting.

### 2. Strategic Priorities

2.1 The audit of Council services supports the priority of providing efficient, cost effective and relevant quality public services that give the community value for money.

### 3. Background

3.1 The Audit Plan for 2021-22 is now being delivered by Neil Hewitson from KPMG who is the Council's outsourced internal audit manager. The contract with KPMG

covers the three financial years 2020-21, 2021-22 and 2022-23. A copy of their progress report and a summary of audit findings from the reviews undertaken in the period April to July 2021 is attached as Appendix 1.

**4. Financial Implications**

4.1 There are no financial implications as a result of this report.

**5. Legal Implications**

5.1 There are no legal implications as a result of this report.

**6. Human Resource Implications**

6.1 There are no HR implications as a result of this report.

**7. Conclusion**

7.1 The summary of internal audit reports is presented at Appendix 1.

**8. Background Papers**

None

**9. Appendices**

Appendix 1: Internal Audit progress report (July - August 2021)



# Internal Audit Progress report

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**Guildford Borough Council**

KPMG Governance, Risk and Compliance Services

—  
August 2021

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Appendix 1

# Content

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## **Key contacts**

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# Executive Summary

The purpose of this document is to provide the Corporate Governance and Standards Committee with an update on the Internal Audit plan for 2021-22. We have summarised below the key points to draw your attention in the period since we last reported to you:

Activity	Comments
Progress against the plan	— Commenced fieldwork for our Safeguarding review and scoping of our Key learnings from Covid and Future Guildford Programme reviews from the 2021-22 plan.
Reports completed	— Finalised our report on performance monitoring. See appendix A for the executive summary of the report. — In June 2021 we presented our report on HRA/RTB receipts to CGSC.
Significant findings to highlight	— Nothing new to report at this stage.



#### For approval:

- Performance monitoring – KPI review one
- Performance monitoring – KPI review two
- Performance monitoring – KPI review three



#### For information

- August 2021 internal audit progress report:

## Progress of plan

Below is the full status of the 2021-22 Internal Audit plan as approved by the Corporate Governance and Standards Committee.

Internal audit	Status				Results	Recommendations			
	Planning	Fieldwork	Draft Report	Final Report	Overall Rating	High	Medium	Low	Total
01/22: HRA / RTB receipts	✓	✓	✓	✓	Partial assurance with improvement required	1	6	-	7
02/22: Performance monitoring – KPI review one	✓	✓	✓	✓	Significant assurance with minor improvement opportunities				
03/22: Performance monitoring – KPI review two	✓	✓	✓	✓	Significant assurance with minor improvement opportunities	-	3	1	4
04/22: Performance monitoring – KPI review two	✓	✓	✓	✓	Significant assurance with minor improvement opportunities				
05/22: Safeguarding	✓	In progress	Not due	Not due	Not due	-	-	-	-
06/22: Key learnings from Covid	In progress	Not due	Not due	Not due	Not due	-	-	-	-
07/22: Future Guildford Programme	In progress	Not due	Not due	Not due	Not due	-	-	-	-
08/22: Financial controls: capital management	Not due	Not due	Not due	Not due	Not due	-	-	-	-
09/22: Financial controls: income and accounts receivable compliance	Not due	Not due	Not due	Not due	Not due	-	-	-	-



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## Progress of plan (cont.)

Internal audit	Status				Results				
	Planning	Fieldwork	Draft Report	Final Report	Overall Rating	High	Medium	Low	Total
10/22: Financial controls: expenditure and accounts payable compliance	Not due	Not due	Not due	Not due	Not due	-	-	-	-
11/22: Financial controls: procurement	Not due	Not due	Not due	Not due	Not due	-	-	-	-
12/22: Follow up reviews from 2020-21	Not due	Not due	Not due	Not due	Not due	-	-	-	-
13/22: Risk management	Not due	Not due	Not due	Not due	Not due	-	-	-	-
14/22: Financial controls: budgetary control	Not due	Not due	Not due	Not due	Not due	-	-	-	-
					Total	<b>1</b>	<b>9</b>	<b>1</b>	<b>11</b>

# Appendix A - Performance reporting executive summary

## Conclusion

We reviewed the design and effectiveness of performance monitoring arrangements at the Council through specific review of three KPIs chosen from the most recently available performance report, 'Corporate Performance Reporting' taken to Corporate Governance and Standards Committee (CGSC) on 17 March 2021. Overall we provide 'significant assurance with minor improvements' (amber green), which is in line with Management's forecast. Our rating is largely driven by the fact that there is now KPI reporting through the governance structure, data for two KPIs agreed to underlying records and were found to be calculated correctly. We raised three medium priority findings in relation to review of KPI data prior to reporting, reliability of t cards paper-based records that are the primary source of information on voids) for storage of data on void properties and clarity around the criteria used to count a property as void.

We considered processes and controls around the collation of data and reporting of three KPIs:

**Staff Turnover:** *This is a rolling year-to-date figure calculated from the total number of staff leaving (voluntarily and non-voluntary) as a percentage of total staff in post. Data provided by HR.*

The KPI is well defined and reflects the underlying data. There is a robust process and set of controls around the collation of data on leavers. This involves the use of Business World (BW) to capture employee leaving dates and to generate reports on staff turnover and head count, which inform the KPI.

We recalculated the KPI and found it to be accurate. We checked that the KPI data agreed to underlying reports from BW. Sample testing of leavers showed that the leaving dates agree to supporting evidence, providing assurance on the accuracy of the KPI. We obtained assurance over completeness of the head count figures by checking that a sample of current staff were included in the KPI calculation.

There is limited evidence that the KPI results undergo a robust review process prior to inclusion in the service plan and performance monitoring reports.

**Average time to let void housing properties:** *This is the number of voids / the number of days void. The data is provided by Housing Advice.*

The KPI definition is not clear on the items excluded from the denominator. Such as major voids, new builds, sheltered and supported properties. The process for collating data could be improved by clarifying the criteria for counting a property as void and having a robust system for recording voids. The primary source of void data is paper based 't cards' which are susceptible to loss.



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## Summary

<b>Overall rating:</b>	<b>Significant assurance with minor improvement opportunities</b>	
<b>Priority rating:</b>	Control design	Operating effectiveness
High	0	0
Medium	3	0
Low	1	0
Direction of travel: ▲		

## Acknowledgements

We would like to thank the following individuals for their contribution during this internal audit:

- Claire Morris, Resources Director, Executive Sponsor
- Amanda Hargreaves, Performance Officer
- Belinda Hayden, Revenue and Benefits Lead
- Siobhan Rumble, Neighbourhood Housing Lead
- Helen Buck, Technical Services Manager
- Stephen Mynett, Specialist Revenue and Benefits Lead
- Melissa Hughes, Specialist Advice, Allocations and Options
- Sarah Jagger, Caseworker
- Natasha Sherwood, Specialist – HR Business Partner

# Appendix A – Performance reporting executive summary

## Conclusion (cont.)

Recalculation of the KPI showed that the number of voids was overstated by one. In addition, sample testing of the voids identified that the void date captured for one property was incorrect. We performed sample testing on the 'number of void days' and found that the dates used in the calculation agreed to supporting documentation. We obtained assurance on the completeness by checking that a sample of properties had been included / excluded appropriately from the KPI.

There is limited evidence that the KPI results are reviewed before being included in the service plan and monitoring reports for circulation.

**Council tax collected:** *This is the payments received compared to the total amounts payable in that year'. Data provided by Exchequer Services.*

The KPI was renamed and redefined following presentation of the Quarter 3 (Q3) performance report to the CGSC and now better reflects the KPI data. There is a robust process for collating data on council tax arrears. This involves the use of CIVICA to generate the council tax balance for each customer. The reports that underlie the KPI are extracted from CIVICA.

We recalculated the KPI and found it to be accurate, including checking that the KPI data agreed to underlying reports from CIVICA. Sample testing of customer balances identified that they agreed to supporting letters / bills in CIVICA.

There is limited evidence that the KPI results are reviewed before being included in the service plan and monitoring reports for circulation.

## Reporting of KPIs

The reporting of KPI data through the governance structure started for Q3 2020-21. The report is considered by the Corporate Management Team (CMT), Executive Liaison Group and CGSC. Performance is discussed at these meetings and the need for any remedial action identified. These actions are included and tracked in the service plan.

## Acknowledgements (cont.)

- Francesca Shaw, Lead Specialist Human Resources
- Lisa Dudley, Specialist ICT Data and Application Management

# Appendix A - Performance reporting executive summary

## Areas of good practice

- ✓ Two KPIs calculate correctly, we reperformed the Q3 calculations for the 'Staff Turnover' and 'Council Tax Collected' KPIs and they were found to be accurate.
- ✓ The data used to calculate the 'staff turnover' and 'council tax arrears' KPIs agrees to underlying records. Data is extracted directly from Business World (BW) and CIVICA respectively, ensuring reliability of the KPI. Sample testing of the 'staff turnover' and 'council tax arrears' KPIs to source documentation confirmed the accuracy of the data from BW and CIVICA.
- ✓ The three KPIs have now been reported twice to CGSC: 25 March 2021 and 9 June 2021.
- ✓ The performance report provides relevant information around each KPI which provides context. This information includes: definition of the KPI, commentary on the previous and current performance, RAG ratings, graphics of the performance across five quarters, roles and responsibilities around reporting and frequency of reporting.

## Summary of key findings

<b>Review of KPI data</b>	<b>2.1</b> Checks on KPI data are not performed prior to inclusion of the results in the performance monitoring report. This finding was raised in our 2020/21 performance management report, however, management has not yet implemented the agreed action.
<b>Reliability of t cards</b>	<b>2.2</b> Paper based 't cards' are the primary source of information on voids properties. The data on these cards is subject to loss due to their manual nature. 't card' data is used to monitor upcoming voids.
<b>Clarity of the void date</b>	<b>2.3</b> There is a lack of clarity on the criteria used to determine when to count a property as void.
<b>Clarity on the definition of the KPI 'average time to let void housing properties'</b>	<b>2.4</b> The denominator for the KPI is defined as the number of days void however, recalculation of the KPI identified that this is an average of the number of void days for properties let in a given quarter.



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Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Director of Resources

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Date: 26 August 2021

## Financial Monitoring (April to June 2021)

### Executive Summary

The report summarises the projected outturn position for the Council's general fund revenue account, based on actual and accrued data for the period April 2021 to June 2021.

Officers are projecting an increase in net expenditure on the general fund revenue account of around £4.4million.

Covid-19 continues to impact the Council. The direct expenditure incurred by the Council in the current financial year stands at £59,718. The Government support will contribute to both the direct and indirect costs of the Covid-19 pandemic.

The indirect costs of Covid-19, particularly the loss of income, are reflected in the services forecasting. As the pandemic continues, estimates for losses in income and increased costs have been made with the best information available; these are subject to change as the year progresses. This report considers the expenditure and income forecasted up to 30 June 2021 and will potentially be subject to substantial movement depending on the success of the Government's roadmap for lifting all Covid restrictions. The Council will be able to make a claim for some of the income loss under the Sales, Fees and Charges compensation scheme; however, officers are waiting for the government to issue guidance on this scheme for 2021-22 so an estimate of how much may be claimed is not currently included within the projection.

There is a reduction (£217,940) in the statutory Minimum Revenue Provision (MRP) charge to the general fund to make provision for the repayment of past capital debt reflecting a re-profiling of capital schemes.

A surplus on the Housing Revenue Account will enable a projected transfer of £7.2million to the new build reserve and £2.5 million to the reserve for future capital at year-end.

Progress against significant capital projects on the approved programme as outlined in section 7 is underway. The Council expects to spend £118,194 million on its capital schemes by the end of the financial year.

The Council's underlying need to borrow to finance the capital programme is expected to be £73.329 million by 31 March 2022, against an estimated position of £94.59 million. The lower underlying need to borrow is a result of slippage on both the approved and provisional capital programme as detailed in paragraphs 7.3 to 7.6 of the report.

The Council held £130 million of investments and £271 million of external borrowing on 30 June 2021, which includes £192.5 million of HRA loans. Officers confirm that the Council has complied with its Prudential indicators in the period, which were set in February 2021 as part of the Council's Capital Strategy.

### **Recommendation to Corporate Governance and Standards Committee**

That the Committee notes the results of the Council's financial monitoring for the period April to June 2021 and makes any comments it feels appropriate.

#### Reason for Recommendation:

To allow the Committee to undertake its role in relation to scrutinising the Council's finances.

## **1. Purpose of Report**

- 1.1 Recommendation 8 of the 2015 Council Governance Review was: 'That the importance of the Corporate Governance and Standards Committee to the Council be recognised, particularly in the way in which it supports the overview and scrutiny function through ongoing scrutiny of financial matters, including its proposed expanded remit on the treasury management function and budget monitoring.'
- 1.2 This Committee started its enhanced review of our financial management at its meeting on 24 September 2015. This report covers the period April to June 2021.

## **2. Strategic Priorities**

- 2.1 Councillors have reviewed and adopted a corporate plan for the period 2018-2023. The plan includes many significant projects and aspirations that will challenge us financially. Monitoring of our financial position during the financial year is a critical part of the management of resources that will ultimately support delivery of the corporate plan.

## **3 Background**

- 3.1 The Council undertakes regular financial monitoring in the following ways:
  - (a) reporting the General Fund and Housing Revenue Account position on a bimonthly basis [periods 3, 4, 6, 8 and 10]. This report covers the period to June 2021 [period 3].
  - (b) quarterly monitoring of the capital programme

(c) monthly and quarterly monitoring of its treasury management activity

3.2 The Council's Corporate Management Team (CMT), Chief Finance Officer and deputy, and officer capital programme monitoring group review the monitoring reports. Financial monitoring for all services is reported to this Committee on a regular basis.

3.3 This report sets out the financial monitoring and covers:

- (a) general fund revenue monitoring (section 4)
- (b) housing revenue account monitoring (section 5)
- (c) treasury management (section 6)
- (d) capital programmes (section 7)

#### 4 General Fund Revenue Account monitoring

4.1 Officers are projecting an increase in net expenditure on services, net of reserve transfers of £4.4million.

4.2 The direct costs associated with the Covid-19 pandemic in the current financial are £59,718 and are included in the forecast for the Resources Directorate. The breakdown of the direct costs to date are shown in the table below along with an estimated forecast for the year.

Description	Actual £	Forecast £
<b>Housing</b>		<b>20,000</b>
Emergency Accommodation	800	
<b>Culture</b>		<b>240,000</b>
Leisure costs	20,000	
<b>Other lockdown compliance</b>		<b>149,000</b>
Equipment, materials, contractors	12,418	
<b>Public Health</b>		<b>220,000</b>
Track and Trace	26,500	
<b>Gross Expenditure</b>	<b>59,718</b>	<b>629,000</b>

4.3 The estimates contained within the report relate to the period from April 2021 to the end of June 2021 and therefore considers some, but not all, of the costs and implications of recent announcements.

4.4 **Appendix 1** shows the summary monitoring report for the general fund revenue account. Officers have prepared the projected outturn on three months' actual and accrued data.

4.5 **Appendix 2** shows detailed information for each service split between direct expenditure and income and indirect costs. We monitor the projected outturn against the revised (or latest) budget as this takes into account any virement or supplementary estimates approved since the original budget was set in February 2021.

- 4.6 Net external interest is currently projected to be in line with our original estimate.
- 4.7 The Minimum Revenue Provision (MRP) based on the Capital Financing Requirement (CFR) on 31 March 2021 for the purposes of this report is shown as £1.317 million. This is £217,940 lower than originally estimated. The reduction is due to slippage in the capital programme experienced during 2020-21.
- 4.8 The tables below show the supplementary estimates and virements approved to date.

#### Supplementary Estimates 2021-22

Service/Description	Approval Date	Committee	Value £
Nil			
<b>TOTAL</b>			<b>NIL</b>

#### Virement Record 2021-22

Service/Description	Nature of Virement	Approved by	Date of Approval	Value £
Homicide review	Revenue	CFO	23-04-2021	12,000
Stoney Castle	Revenue	MD	21-06-2021	180,000
<b>TOTAL</b>				<b>192,000</b>

- 4.9 **Appendix 2** provides detailed information on variances at service level. The table below summarises the Service variances against the revised budgeted service level expenditure in 2021-22 referred to in paragraph 4.1 before any changes to reserves.

Directorate	Revised Budget, £	Projected Outturn, £	Variance, £
Resources	1,885,169	3,330,620	1,445,451
Services	16,796,462	20,673,709	3,877,247
Strategy	(88,753)	1,694,471	1,783,224
<b>Totals</b>	<b>18,592,878</b>	<b>25,698,800</b>	<b>7,105,922</b>

#### Use of Reserves

- 4.10 As part of the budget setting process for 2021-22 it was anticipated that £16.975 million would be transferred from earmarked reserves during the year. Major movements anticipated at this point in the year are explained in the table below.

Reserve	Variance (£000)	Explanation
Carry Forward Items	-521	Infrastructure development planning and major projects spending.
Car Park Maintenance	-2079	Revenue contributions to capital spending.
IT Renewals	-831	IT expenditure
New Homes Bonus	-60	Ripley Village Hall offset by less expenditure expected on the Town Centre masterplan.

Reserve	Variance (£000)	Explanation
Spectrum Reserve	-532	Capital financing costs
Invest to Save Reserve	-1,269	Future Guildford implementation cost
Other Reserves	-106	Awaiting confirmation of Spa site spends
Net movement	(5,398)	

## 5 Housing Revenue Account

5.1 **Appendix 3** shows the budget monitoring report for the Housing Revenue Account (HRA) for the period April to June 2021. The report shows that HRA gross service expenditure, projected outturn is 99% of the budgeted level arising from likely underspend in repairs due to access restriction as a result of Covid 19, whilst income is projected to be 97% of the budgeted level, with a likelihood of increased bad debt provision. The projected outturn would enable a transfer of around £7.2 million to the new build reserve and £2.5 million to the reserve for future capital expenditure.

- The rental income estimates for 2021-22 included a revised prudent allowance for Right to Buy (RTB) sales and the re-commissioning of new units. Rental income is currently projected to be £29,895,018 a 2% change from original forecast of £30,507,450 as a result of changes in the economic landscape, especially in employment, lending, and property market due to the Covid-19 pandemic.
- Current projections indicate that salary related expenditure; net of temporary staffing and redundancy costs, will be slightly lower than budget.
- Emphasis continues to be on planned rather than responsive maintenance, supported by the benefits accruing from past levels of expenditure on planned capital and revenue maintenance works. Looking at last year's out-turn we are forecasting a modest increase in budget but slightly below last year's expenditure on repairs.
- The projected cost increases in communal cost includes insurance provision and other costs incurred last year that were not specifically provided for in the budget.
- Apart from receipts from RTB sales, the estimates for the year do not provide for any repayment of HRA debt principal or for setting aside any amounts towards the repayment of debt. This is consistent with the HRA Business Plan, which prioritised the provision of additional housing. This approach will be subject to regular review and an updated business plan will be submitted reflecting constraints placed on the HRA by the prevailing legislation.

5.2 Tenancy arrears remain stable and are consistent with the assumptions contained in the business plan. Particular attention is paid to introductory tenancies (tenants of less than 12 months), as they often have no previous experience of managing a household budget or of renting a property.

<b>HRA Budget</b>	<b>2021-22 Estimate</b>	<b>2021-22 Projection</b>	<b>Variance</b>
Income	(£33,732,537)	(£32,879,963)	£ 852,574
Expenditure on Housing Services	£ 17,710,972	£ 17,462,980	(£247,992)
HRA Share of CDC	£256,800	£256,800	0
Net Interest	£4,543,970	£4,912,420	£368,450
Net reserves transfer	£10,933,504	£9,764,567	(1,168,937)
<b>Net HRA Budget</b>	<b>(£287,291)</b>	<b>(£483,196)</b>	<b>(£195,905)</b>

## **6 Treasury Management**

- 6.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management ("the Code") recommends that Councillors are informed of treasury management activities at least twice a year. This report therefore ensures the Council is embracing best practice in accordance with CIPFA's recommendations by reporting quarterly to Councillors.

### **Debt management**

- 6.2 We have a substantial long-term PWLB debt portfolio for the HRA totalling £193 million. Currently, the general fund is only borrowing short-term for cash flow purposes. There is no cost of carry on our short-term borrowing.

### **Investment activity**

- 6.3 During the period, we have continued with the diversification of our in-house investment portfolio into secure instruments such as bonds and secure bank deposits (not subject to bail-in) in line with our Treasury Management Strategy.

### **Prudential Indicators**

- 6.4 Officers confirm that the Council has complied with its Prudential indicators in the period, which were set in February 2021 as part of the Council's Treasury Management Strategy Statement.

#### *Authorised limit and Operational Boundary for External Debt*

- 6.5 The Local Government Act 2003 requires the Council to set an Affordable Borrowing Limit, irrespective of their indebted status. This is a statutory limit, which we should not breach.
- 6.6 The Council's authorised borrowing limit was set at £531 million for 2021-22.
- 6.7 The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst-case scenario without the additional headroom included in the Authorised Limit.

- 6.8 The operational boundary was set at £477 million for 2021-22.
- 6.9 The Chief Financial Officer confirms that there have been no breaches to the authorised limit and operational boundary during the year.

## 7 Capital Programmes

- 7.1 **Appendices 4 to 9** to this report set out the following for each scheme on the Council's capital programme
- the gross estimate for the scheme approved by the Executive
  - the cumulative expenditure to 31 March 2022 for each scheme
  - the estimate for 2021-22 as approved by Council in February 2021
  - the 2021-22 revised estimate which considers the approved estimate, any project under spends up to 31 March 2021, and any virement or supplementary estimates
  - 2021-22 current expenditure
  - 2021-22 projected expenditure estimated by the project officer
- 7.2 The table below summarises the current position on the various strands of the Council's capital programme. Detailed explanation is provided in paragraph 7.3 to 7.11

<b>CAPITAL EXPENDITURE SUMMARY</b>	<b>2021-22 Approved £000</b>	<b>2021-22 Revised £000</b>	<b>2021-22 Outturn £000</b>	<b>2020-21 Variance £000</b>
<b>General Fund Capital Expenditure</b>				
- Main Programme	66,654	70,705	70,547	-158
- Provisional schemes	79,669	78,817	43,734	-35,083
- Schemes funded by reserves	1,975	3,807	3,751	-56
- S106 Projects	0	220	162	-58
<b>Total Expenditure</b>	<b>148,298</b>	<b>153,549</b>	<b>118,194</b>	<b>-35,355</b>
<b>Housing Revenue Account Capital Expenditure</b>				
Approved programme	17,988	24,936	16,206	-8,731
Provisional programme	33,437	33,687	0	-33,687
<b>Total Expenditure</b>	<b>51,425</b>	<b>58,623</b>	<b>16,206</b>	<b>-42,418</b>

### Approved (main) programme (Appendix 4)

- 7.3 Expenditure is expected to be £70.547 million representing a £158,000 variance to the revised estimate of £70.705 million. If a project is on the approved programme, it is an indicator that the project has started or is near to start following the approval of a final business case by Executive. Whilst actual expenditure for the period of £8,005 million may seem low, several significant projects are in progress. These include:

- OP6 – Vehicles, Plant & Equipment Replacement (£1.4m)– to include the replacement of minibuses and sweepers.

- P5 – Walnut Bridge replacement (£2.1m) – works progressing timeframe for completion 12-18 months. This project is part grant funded from the Enterprise M3 Local Enterprise Partnership (LEP). As part of the grant funding agreement there are specific milestones that have to be met in the delivery of the project and any slippage in delivery of the programme to the milestones may result in the loss of grant funding.
- P21 – Ash Road Bridge (£10.5m) – work is progressing on this scheme. This project is part grant funded from Homes England Housing Infrastructure Fund (HIF). As part of the grant funding agreement there are specific milestones that have to be met in the delivery of the project and any slippage in delivery of the programme to the milestones may result in the loss of grant funding.
- ED6 – WUV (£0m) and (New GBC Depot (£2.421m) - work is progressing on the detailed design, pre-planning and site investigation work for this scheme to inform the final business case. An Executive report is currently being drafted to move funds from provisional programme and reprofile expenditure. This project is also part grant funded from Homes England Housing Infrastructure Fund (HIF). As part of the grant funding agreement there are specific milestones that have to be met in the delivery of the project and any slippage in delivery of the programme to the milestones may result in the loss of grant funding.
- SMC (£2.836m) – Currently waiting decision on progression and scope of scheme. This project is part grant funded from the Enterprise M3 Local Enterprise Partnership (LEP). As part of the grant funding agreement there are specific milestones that have to be met in the delivery of the project and any slippage in delivery of the programme to the milestones may result in the loss of grant funding.
- P12 – Strategic Property Acquisitions (£25.2m)
- North Downs Housing (£4.038m) and Guildford Borough Council Holdings Ltd (£2.687m) – target to purchase further properties this financial year.
- ED49 – Midleton Industrial Estate redevelopment (£4m) – Phase 4 due to go out to tender, report to be prepared to move remaining budget from provisional programme.
- P16 – A331 Hotspots (£3.579m) – scheme is being delivered by SCC and amounts will be payable upon request from SCC. This project is part grant funded from the Enterprise M3 Local Enterprise Partnership (LEP). As part of the grant funding agreement there are specific milestones that have to be met in the delivery of the project and any slippage in delivery of the programme to the milestones may result in the loss of grant funding.
- FS1 – Capital Contingency Fund – (£5m)
- P22 – Guildford Economic Regeneration Programme - (£1.1m)

7.4 In addition to the schemes outlined above, the re-profiling of the following significant amounts that were due to be spent on schemes or projects in 2021-22 will now be carried forward into 2022-23 or future years:

- To date no significant amounts have been reprofiled.



### **Provisional programme (Appendix 5)**

- 7.5 Expenditure on the provisional programme is expected to be £43.734 million, against the revised estimate of £78.817 million, representing a variance of £35.083 million. These projects are still at feasibility stage and will be subject to Executive approval of a business case before they are transferred to the approved capital programme. It is only once the business case is approved that the capital works can start. Monitoring progress of these projects is key to identifying project timescales.

The re-profiling of schemes has resulted in a lower level of expenditure than planned in 2020-21.

- 7.6 A number of projects, that were also anticipated to start in 2021-22 have been re-profiled into future years including:
- PL21(p) - Ash Road Footbridge (£4.521m)
  - P12(p) – Strategic Property Acquisitions (£28.292m)
  - North Street/ Bus Station relocation (£1m)

### **S106 (Appendix 6)**

- 7.7 Capital schemes funded from s106 developer contributions are expected to total £162,000. Developer contributions are time limited and if they are not used within the timescales to fund a capital project then they will need to be repaid to the developer. As a result, it is important that the Council closely monitors the S106 funds it has and puts plans in place to spend the contributions within the required timescales.

### **Reserves (Appendix 7)**

- 7.8 Capital schemes funded from the Council's specific reserves. The outturn is anticipated to be £3.751 million. The main projects are:
- expenditure on car parks £2.016 million
  - ICT renewals and infrastructure improvements £831,000

### **Capital resources (Appendix 8)**

- 7.9 When the Council approved the budget, the estimated underlying need to borrow for 2021-22 was £94,593 million. The current estimated underlying need to borrow is £74.329 million. The reduction is due to slippage in the programme where schemes are re-profiled into future years.

### **Housing Investment Programme Approval Capital (Appendix 9)**

- 7.10 The HRA approved capital programme is expected to outturn at £16.206 million against a revised estimate of £24.936 million. Several projects are in progress. These include:

- Guildford Park – (£660k) this scheme is awaiting decision regarding progression of works and new planning approval. The complete budget for this scheme has been moved to the HRA capital programme, a significant amount of the cost of this project is still on the provisional capital programme awaiting final business case approval. (£2.6m has been reprofiled to future year)
- Various small site projects – (£800k) there is slippage on these projects. (£5.6m has been reprofiled to future years)
- Acquisitions of Land and Buildings – (£4.886m) spend is dependent on availability of sites, we are currently actively purchasing suitable properties to mitigate slippage on building projects.
- Major Repairs & Improvements - (£9.2m) outturn is expected to be on budget as works delayed due to COVID can now be progressed.

The Guildford Park, various small site new build projects and acquisition of land and buildings into the HRA is partially funded by receipts generated through Right to Buy (RTB) Sales of Council Houses. With the recent changes on Right to Buy Pooling the Council now has 5 years in which it can spend RTB receipts and can fund 40% of the cost of replacement housing from RTB receipts. If the Council does not spend enough money on its Housing Investment Programme in order to utilise its RTB receipts within the timescales, then they need to be repaid to government with interest at base rate plus 4%. The RTB schedule below details the amount of expenditure required to avoid repayment, based on estimates of spend and assumption of 20 RTB sales per year no additional spend is required until 2028-29.

<b>Guildford Right to Buy Model Calculation of Future Annual Additional Cap Expenditure Needed to Avoid Repayment</b> (taking account of voluntary repayments)		
Year	Year	Annual
10	2021.22	0
11	2022.23	0
12	2023.24	0
13	2024.25	0
14	2025.26	0
15	2026.27	0
16	2027.28	0
17	2028.29	4,275,214

### **Housing Investment Programme Provisional Capital (Appendix 10)**

7.11 The provisional programme revised estimate is £33.437 million with no expenditure anticipated this financial year to date. The reprofiling of schemes will result in a lower level of expenditure on 2021-22.

- Guildford Park –(£14.499m) - this scheme is awaiting decision regarding progression of works and new planning approval. (£14.499m has been reprofiled to future years)
- Bright Hill & Redevelopment Bids – (£14.558m) - reprofiled to future years

The two projects above are partially funded by RTB receipts there is a significant risk that repayment of RTB receipts will be necessary in future years if project delivery continues to be significantly behind schedule.

### **Housing Revenue Account Resources (Appendix 11)**

7.12 Appendix 11 shows how the HRA capital programme is financed and the projected balances on reserves at the end of the financial year.

### **Summary of Housing Revenue Account Capital Expenditure and Financing (Appendix 12)**

7.13 The summary shows the overall expenditure and financing of the Housing Investment Programme and the Overall HRA Capital programme for the current financial year and how the projected expenditure relates on the Housing Investment Programme relates to what is required to be spent as per the RTB model.

## **8 Consultations**

8.1 The accountants prepare the budget monitor in consultation with the relevant service managers.

## **9 Equality and Diversity Implications**

9.1 There are no direct equality and diversity implications as a result of this report. Each service manager will consider these issues when providing their services and monitoring their budgets.

## **10 Financial Implications**

10.1 The financial implications are contained throughout the report.

## **11 Legal Implications**

11.1 The Local Government Act 1972, Section 151 states that each local authority has a statutory duty to make arrangements for the proper administration of their financial affairs. In addition, the Accounts and Audit Regulations 2015 impose an explicit duty on the Council to ensure that financial management is adequate and effective and that they have a sound system of internal control, including arrangements for the management of risk.

11.2 Proper administration is not statutorily defined; however, there is guidance, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) on the responsibilities of the Chief Financial Officer (CFO). This states that local authorities have a corporate responsibility to operate within available resources and the CFO should support the effective governance of the authority through development of corporate governance arrangements, risk management and reporting framework. Regular monitoring of the Council's actual expenditure to budget and forecasting of the expenditure for the full year is part of the proper administration and governance of the Council.

11.3 There are no further direct legal implications because of this report.

## **12 Human Resource Implications**

12.1 There are no human resource implications arising from this report.

## **13 Summary of Options**

13.1 This report outlines the anticipated outturn position for the 2021-22 financial year based on three months actual data. There are no specific recommendations and therefore no options to consider.

## **14 Conclusions**

14.1 The report summarises the financial monitoring position for the period April 2021 to June 2021 for the 2021-22 financial year.

14.2 Officers are currently projecting an increase in expenditure of £4.4million on the general fund revenue account. Mainly due to pressures on expenditure and income in relation to Covid-19.

14.3 The Chief Financial Officer in consultation with the Lead Councillor for Resources will determine the treatment of any balance as part of closing the 2021-22 accounts.

14.4 The surplus on the Housing Revenue Account will enable a transfer of £7.2 million to the new build reserve and the reserve for future capital at year-end.

14.5 Actual expenditure incurred on our general fund capital programme for the period has been comparatively low against the programme envisaged at the 1 April 2021. Officers are making progress against significant capital projects on the approved programme as outlined in section 7. The Council expects to spend £119.194 million on its capital schemes by the end of the financial year.

14.6 It is anticipated that the Council's underlying need to borrow to finance the capital programme will be £119.194 million by 31 March 2022. The Council has complied with Prudential Indicators during the period except for the upper limit on variable interest rates.

14.7 At the end of June 2021, the Council had £143 million of investment balances, and £276 million borrowing.

**15 Background Papers**

None

**16 Appendices**

- Appendix 1 - General fund revenue account summary
- Appendix 2 - General fund services - revenue detail
- Appendix 3 - Housing Revenue Account summary
- Appendix 4 - Approved capital programme
- Appendix 5 - Provisional capital programme
- Appendix 6 - Schemes funded from S106
- Appendix 7 - Capital reserves
- Appendix 8 - Capital resources
- Appendix 9 - Housing Revenue Account approved capital programme
- Appendix 10 - Housing Revenue Account provisional capital programme
- Appendix 11 - Housing Revenue Account resources
- Appendix 12 - Summary of HRA Capital Expenditure and Financing

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GENERAL FUND SUMMARY 2021 - 2022

Draft Actual 2020-21 £	GENERAL FUND SUMMARY	Original Estimate 2021-22 £	Latest Estimate 2021-22 £	Projected Outturn 2021-22 £
18,543,228	Strategy Directorate	-100,753	-88,753	1,694,471
26,375,088	Services Directorate	16,616,462	16,796,462	20,673,709
2,790,974	Resources Directorate	2,077,170	1,885,170	3,330,620
<b>47,709,290</b>	<b>Total Directorate Level</b>	<b>18,592,879</b>	<b>18,592,879</b>	<b>25,698,800</b>
	Growth to be allocated to services	0	0	0
	Savings to be allocated to services	0	0	0
-27,553,497	Depreciation (contra to Service Unit Budgets)	-8,791,000	-8,791,000	-8,213,830
<b>20,155,793</b>	<b>Directorate Level excluding depreciation</b>	<b>9,801,879</b>	<b>9,801,879</b>	<b>17,484,970</b>
-2,069,098	External interest receivable (net)	-682,726	-682,726	-682,726
11,437	Housing Revenue Account	481,700	481,700	481,700
1,288,064	Minimum Revenue Provision	1,534,915	1,534,915	1,316,975
0	Revenue income from sale of assets	0	0	0
	<b>Revenue Contributions to Capital Outlay (RCCO)</b>			
599,781	Met from: Capital Schemes reserve	0	0	0
2,419,065	Other reserves	537,000	537,000	2,847,000
0	General Fund	0	0	0
<b>22,405,041</b>	<b>Total before transfers to and from reserves</b>	<b>11,672,768</b>	<b>11,672,768</b>	<b>21,447,919</b>
	<b>Transfers to and from reserves</b>			
	Capital Schemes reserve			
-599,781	Funding of Revenue Contribution to Capital Outlay <i>Contribution in year</i>	0	0	0
-328,000	Budget Pressures reserve	0	0	0
18,420,301	Business Rates Equalisation reserve	-17,640,564	-17,640,563	-17,640,563
191,572	Car Park Maintenance reserve	63,000	63,000	-2,016,000
62,500	Election Costs reserve	63,000	63,000	63,000
0	Insurance reserve	0	0	0
-122,679	IT Renewals reserve	543,000	543,000	-288,000
-3,596,523	Invest to Save reserve	250,000	250,000	-1,019,270
-355,581	New Homes Bonus reserve	-298,000	-298,000	-358,000
44,326	Energy Management reserve	0	0	0
0	On Street Parking reserve	-260,000	-260,000	-260,000
2,929,168	Pensions reserve (Statutory)	0	0	0
0	Recycling reserve	0	0	0
188,843	Spectrum reserve	193,000	193,000	-339,000
-826,192	Carry Forward Items	0	0	-521,455
6,493,702	Covid reserve			
1,005,458	Other reserves	112,000	112,000	6,200
<b>45,912,156</b>	<b>Total after transfers to and from reserves</b>	<b>-5,301,797</b>	<b>-5,301,795</b>	<b>-925,169</b>
	<b>Business Rates Retention Scheme payments</b>			
31,843,510	Business Rates tariff payment	31,844,000	31,844,000	31,844,000
0	Business Rates levy payment to MHCLG	100,000	100,000	100,000
-260,687	Business Rates tariff payment/Safety net from MHCLG	0	0	0
	<b>Non specific government grants</b>			
0	s31 grant re BRR scheme	-1,308,138	-1,308,138	-1,308,138
-18,978,993	s31 grant re council tax	-100,000	-100,000	-100,000
0	New Burdens grant	0	0	0
0	COVID Funding	-622,690	-622,690	-622,690
-1,640	Other government grant	-389,546	-389,546	-389,546
-851,019	New Homes Bonus grant	-192,251	-192,251	-192,251
<b>57,663,327</b>	<b>GUILDFORD BOROUGH COUNCIL NET BUDGET</b>	<b>24,029,578</b>	<b>24,029,580</b>	<b>28,406,206</b>
1,876,544	Parish Council Precepts	1,935,225	1,935,225	1,935,225
<b>59,539,871</b>	<b>TOTAL NET BUDGET</b>	<b>25,964,803</b>	<b>25,964,805</b>	<b>30,341,431</b>
-34,713,245	Business Rates - retained income	-33,727,000	-33,727,000	-33,727,000
-4,140,430	Collection Fund Deficit - Business Rates	20,120,077	20,120,077	20,120,077
0	Collection Fund Surplus - Council Tax	-30,274	-30,274	-30,274
<b>20,686,196</b>	<b>COUNCIL TAX REQUIREMENT</b>	<b>12,327,606</b>	<b>12,327,608</b>	<b>16,704,234</b>
	<b>Projected (under)/over spend</b>			<b>4,376,626</b>
	<b>Movement in MRP and External Interest</b>			<b>(217,940)</b>
	<b>Underlying (under) / overspend on services</b>			<b>4,594,566</b>

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<b>Resources Directorate</b>			
	<b>Revised Budget</b>	<b>Projected Outturn</b>	<b>Variance</b>
<b>Net (Income)/Expenditure</b>	<b>1,885,169</b>	<b>3,330,620</b>	<b>1,445,451</b>
	<b>Revised Budget</b>	<b>Projected Outturn</b>	<b>Variance</b>
<b>AUDIT - Audit Management</b>	-41,990	-53,322	-11,332
<b>CASEWRK - Resources Caseworker</b>	-206,181	-19,816	186,365
Service Comments: Main adjustments have been made to salary costings. Awaiting people budgeting changes to reflect actuals on budgets moving forward. No anticipated salary overspend against establishment FTE when people budgeting reflected in cost centre.			
<b>CORFIN - Corporate Financial</b>	277,380	352,466	75,086
Service Comments: Treasury Mgt - brokers commission is expected to be over budget due to fees on arranging borrowing			
<b>CORSER - Corporate Services</b>	1,015,460	1,315,089	299,629
Service Comments: Salaries are projected to be over budget due to reallocation of budgets to reflect the new structure being required. Software licence for ModernGov has been included here where there is not budget and realignment of software budgets across the resources directorate are required to match where the expenditure is going.			
<b>FEASTU - Feasibility Studies</b>	40,470	40,509	39
<b>FINAMN - Lead Specialist - Finance</b>	-197,740	40,816	238,556
Service Comments: Salary/agency budgets need to be realigned in year, casual and agency staff is higher than budget due to additional resource employed during the first half of the year. Software costs are higher than budget due to a realignment of budgets being required in the resources directorate			

<b>HR - Lead Specialist - HR</b>	-176,751	(120,748)	56,003
Service Comments: Consultancy costs are charged to HR initially then coded out to the correct service during each month.			
<b>ICT - Lead Specialist - ICT</b>	435,907	536,932	101,026
<b>Service Comments:</b> With the FY20/21 budget being used as the baseline for the FY21/22 budget, the forecast has been updated to reflect a modern bottom-up analysis of planned ICT spend. People budgets (salary, pensions etc.) are awaiting an update to re-align them based on the new Future Guildford organisation structure which centralised many roles into ICT. The permanent headcount in ICT is currently below that of the Future Guildford structure due to vacancies, though ICT people budgets are currently £146k below forecast spend for the year as they do not reflect all role changes yet. This should be resolved once people budgeting is completed for the organisation. In total direct controllable cost forecasts across ICT are £55k above budget. The main deviations are: £50k - Microsoft Extended Support for Windows 2008 - This provides security patching and support from Microsoft for our older servers whilst services are migrated to new servers. £85k - Business World application support contract for the resolution of system Defects and implementation of new functionality on the HR/Payroll side of the system.			
<b>INSREV - Insurance Revenue Account</b>	0	0	0
<b>Service Comments:</b> The insurance revenue account carries all of the insurance premiums for the year is recharged across all services as part of an annual year-end reconciliation.			
<b>ITREV - ICT Investment and Renewal Fund</b>	21,190	21,190	0
Service Comments:			
<b>LEGAL - Lead Specialist - Legal</b>	-226,600	-41,850	184,750
Service Comments: Re-structuring and redundancy costs and review of vacancy credit needed. Publication costs will be offset with a reduction in postage, franking and photocopying due to JCT online system and adobe electronic signatures.			
<b>MISEXE - Miscellaneous Expenses</b>	-98,234	250,000	348,234
Service Comments: Miscellaneous expenses is where amongst other things the COVID costs for 2021-22 are coded. This is undergoing further analysis on the back of closing the 2020-21 accounts.			
<b>OTHEMP - Other Employee Costs</b>	99,690	99,690	0
Service Comments:			
<b>PARISH - Parish Liasion</b>	195,540	187,708	-7,832
<b>UNALLO - Unallocatable Central Overhead</b>	747,030	721,956	-25,074
Service Comments: Pension fund strain adjustment.			

## Service Directorate

	Revised Budget	Projected Outturn	Variance
<b>Net (Income)/Expenditure</b>	16,796,462	20,673,709	3,877,246
	Revised Budget	Projected Outturn	Variance
<b>ARTDEV - Arts Development</b>	117,920	42,000	-75,920
Service Comments: Salary budget not allocated correctly. Oututrn adjusted to reflect change			
<b>BUICON - Building Control</b>	365,830	380,664	14,834
Service Comments:			
<b>BUIMAI - Building Maintenance</b>	47,870	184,349	136,479
Service Comments: Budget acc code D2003 - Materials, should be increased due to overspend as per 20/21.;There has been a significant increase in the cost of building materials & associated supplies.;Workload has grown bringing in an increase in income.Predicted year end - £1,200,000			
<b>BUSRAT - Business Rates</b>	-22,920	(23,424)	(504)
Service Comments: We are in receipt of an additional government grant for administering COVID initiatives and need to do some more work to determine how it will be allocated and used.			
<b>CARSIT - Traveller Caravan Sites</b>	-97,041	-12,701	84,340
Service Comments: Waiting for SCC payment to come through and also repairs and maintenance to be done – electricity meters have also been replaced due to stock shortage of current model which will come out of budget when invoicing catches up.			
<b>CASESVC - Case Services</b>	0	235,129	235,129
Service Comments: Salaries / budget for salaries have not been correctly allocated yet, therefore figures are incorrect. No anticipated salary overspend against establishment FTE when people budgeting reflected correctly in cost centre.			
<b>CCTV - Town Centre CCTV</b>	100,700	124,699	23,999
<b>CEMETE - Cemeteries</b>	212,980	124,301	-88,679
Service Comments: Salary allocation under review			
<b>CIVEMS - Civil Emergencies</b>	61,440	69,082	7,642
Service Comments:			

<b>CREMAT - Crematorium</b>	-1,060,460	(831,198)	229,262
<b>Service Comments:</b> Salary Allocation under review. Depreciation over budget, with Finance to Review Software costs planned to be over budget, awaiting virement from ICT renewals for new system. Income overall on track, allocation issue			
<b>CTAX - Council Tax</b>	532,410	665,483	133,073
<b>Service Comments:</b> Projected overspend is due to Future Guildford redundancy costs and use of agency staff during Phase B transition			
<b>CUST - Customer Services</b>	-67,950	39,595	107,545
<b>Service Comments:</b> Adjustments need to be made to salary allocations, redundancy costs to move to FG - to be finalised			
<b>DAYSER - Day Services</b>	558,360	711,397	153,037
<b>Service Comments:</b> Income not yet posted. Transactions for Covid-19 have been coded to DAYSER, will require correcting.			
<b>DEVCON - Development Control</b>	795,259	1,084,701	289,442
<b>Service Comments:</b> Salary reallocations to the Case Team have yet to be actioned which has resulted in an overspend and there are increased agency costs. Legal and consultants fees are over budget but some will be recovered from Planning Performance Agreements income. Planning income is projected to be over budget at this stage.			
<b>DIGITAL - Digital Services</b>	238,770	264,309	25,539
<b>Service Comments:</b> Salary allocations are yet to be finalised and account for overspend. Expect this position to be corrected at some point.			
<b>EMECOM - Emergency Communications</b>	-123,790	(127,292)	-3,502
<b>EMISER - EMI Services</b>	111,370	118,547	7,177
<b>ENGTRA - Engineering and Transportation Services</b>	-41,570	15,526	57,096
<b>Service Comments :</b> Lower staffing levels after FG leading to a lower recharge level than budgeted			
<b>ENVHEA - Environmental Health</b>	633,680	593,297	-40,383
<b>Service Comments:</b>			
<b>FAMSUP - Family and Refugee Support Programme</b>	106,270	166,634	60,364
<b>Service Comments:</b> Salary budget allocation are yet to be finalised and account for overspend. Reduced income due to families changing to Universal credit			
<b>FLEMAN - Fleet Management</b>	66,863	65,000	-1,863
<b>Service Comments:</b>			
<b>FOODSF - Food Safety</b>	375,070	374,875	-195
<b>GLIVE - G Live</b>	1,722,570	1,718,731	-3,839

<b>GUIHOU - Guildford House</b>	399,679	341,788	-57,891
<b>Service Comments:</b> Significant asset maintenance costs due to the mathematical tiling and kitchen refurbishment etc.			
<b>GUILDH - Guildhall</b>	146,450	214,975	68,525
<b>Service Comments:</b> The income for the site has been affected by the closure due to the pandemic and works.			
<b>HOUSBEN - Housing Benefits</b>	436,250	402,690	-33,560
<b>Service Comments:</b> Projected overspend C4511 is due to Future Guildford redundancy costs and use of agency staff during Phase B transition			
<b>HEASAF - Corporate Health and Safety</b>	9,200	12,195	2,995
<b>HOMLES - Homelessness Support</b>	857,890	(187,181)	-1,045,071
<b>Service Comments :</b> MHCLG grant of 140K to cover extra duties for rough sleepers and top up for support for the first quarter 2021/22.e.g Additional emergency accommodation costs.Homelessness Prevention Grant of 417K will in part cover additional costs relating to Domestic abuse and use of sanctuary scheme .			
<b>HOUADV - Housing Advice</b>	350,160	350,160	0
<b>Service Comments:</b>			
<b>HOUASS - Affordable Housing</b>	114,190	201,120	86,930
<b>Service Comments:</b> No anticipated rise in salary costs this year against established FTE. Any delay in confirmation of current post will be off set by MHCLG grant.			
<b>HOUSURV - Housing Surveying</b>	-240	105,033	105,273
<b>Service Comments:</b> Salary allocations under review at time of monitoring			
<b>LANCHA - Land Charges</b>	-13,670	(25,000)	(11,330)
<b>Service Comments:</b>			
<b>LANDRA - Land Drainage</b>	294,970	300,557	5,587
<b>LEICOM - Leisure and Community</b>	115,360	127,623	12,263
<b>LEIMAN - Leisure Management Contract</b>	1,299,200	1,968,052	668,852
<b>Service Comments:</b> Income from management fee waived due to Covid-19.			
<b>LEIPLY - Leisure Play</b>	215,790	218,742	2,952
<b>LEIRAN - Leisure Rangers</b>	231,260	247,398	16,138
<b>LEISPO - Leisure Sports</b>	101,610	88,688	-12,922

<b>LICENS - Licensing</b>	162,140	169,829	7,689
Service Comments:			
<b>MILLH - Millmead House</b>	-272,831	(377,240)	-104,409
<b>Service Comments:</b> Salary allocations under review by Finance. Business rates actuals not in at point of review. Recharges over budget			
<b>MOTBAY - MOT Bay</b>	2,210	18,163	15,953
<b>MOWTPT - Community Meals and Transport</b>			
	196,700	271,140	74,440
Service Comments: Salary budget allocation are yet to be finalised and account for overspend			
<b>MUSEUM - Guildford Museum</b>	528,190	545,858	17,668
<b>Service Comments:</b> Income severely affected by covid closures.			
<b>NDH - North Downs Housing</b>	0	1,615	1,615
<b>OFFSTR - Off Street Parking</b>			
	-4,641,431	(3,089,535)	1,551,896
Service Comments: Income is projected to be £1.47 m under budget. There are redundancy costs of £47,000 which will be moved to the FG cost centre in due course. Asset maintenance will be over budget by £107,000 some of which will be met either from a budget virement at year end or be funded from the Car Parks Maintenance Reserve. Depreciation will be over budget by £74,000.			
<b>ONSTR - On Street Parking</b>	-336,750	(123,925)	212,825
Service Comments: There are redundancy costs of £75,000 which will be moved to the FG cost centre in due course. Income is projected to be under budget by £170,000 and the corresponding payment to SCC under the agency will be reduced.			
<b>OSMAP - Ordnance Survey and Mapping</b>	8,070	25,305	17,235
<b>PARKS - Countryside and Parks Services</b>			
	2,120,107	2,727,563	607,456
<b>Service Comments:</b> Salary allocations under review at time of monitoring. Transport pool hire greater than budget, under review, but likely to be allocation issue			
<b>PARKSCS - Parks Countryside Management</b>	1,647,776	2,391,488	743,712
<b>Service Comments:</b> Income affected by Covid.			
<b>PARRID - Park and Ride Service</b>	803,620	724,505	-79,115
Service Comments: There are savings to our contribution to the bus operator at Onslow P & R as the site will be used for Covid testing until December 2021			
<b>PESCON - Pest Control</b>	990	(7,863)	(8,853)
<b>PRIHOU - Private Sector Housing Maintenance</b>			
	97,849	183,706	85,857
Service Comments: Change of delivery model and associated costs due to market changes in materials			

<b>PRIHOUS - Private Sector Housing</b>	305,009	108,916	-196,093
Service Comments:			
<b>PUBCON - Public Conveniences</b>	293,209	322,873	29,664
Service Comments: Premises related expenses will be over budget by £16,600.			
<b>PUBHEA - Public Health</b>	384,210	323,103	-61,107
Service Comments: Delay in covid work but will catch up in rest of year			
<b>REFYCL - Refuse and Recycling</b>	3,929,610	4,537,906	608,296
<b>Service Comments:</b>			
Salary allocations under reviewTransport pool hire over budget, under review, likely to be allocation issueServices over budget (bartec in cab software annual service charge), likely to be miscode, under investigation			
<b>RIVCON - River Control</b>	27,240	32,580	5,340
<b>ROAFOO - Roads and Footpaths</b>	109,690	103,380	-6,310
<b>SNOICE - Snow and Ice</b>	-21,120	(7,707)	13,413
<b>SPASIT - SPA Sites</b>	24,550	(630,688)	-655,238
Service Comments:			
<b>STRCLE - Street Cleansing</b>	2,296,560	2,328,626	32,066
Service Comments: The Transport Pool Hire recharge will be over budget.			
<b>STRFUR - Street Furniture</b>	111,390	107,925	-3,465
<b>TAXLIC - Taxi Licensing</b>	92,660	86,863	-5,797
<b>TIC - Tourist Information Centre</b>	255,280	262,518	7,238
<b>VEHMAI - Vehicle Maintenance</b>	5,360	(6,821)	-12,181
<b>WASDEV - Waste and Fleet Business Development</b>	-628,690	(744,472)	-115,782
<b>Service Comments:</b>			
Higher levels of garden waste subscription than anticipated			
<b>WRD - Woking Road Depot</b>	103,249	43,571	-59,678
Service Comments:			

<b>WRDSTO - Woking Road Depot Stores</b>	-110	(6,017)	-5,907
<b>Strategy Directorate</b>			
	<b>Revised Budget</b>	<b>Projected Outturn</b>	<b>Variance</b>
Direct Expenditure	7,516,612	10,356,137	2,839,525
Income	(11,869,480)	(13,134,394)	(1,264,914)
<b>Total Controllable Expenditure</b>	<b>(4,352,868)</b>	<b>(2,778,257)</b>	<b>1,574,611</b>
Net Indirect Expenditure	4,264,115	4,436,829	172,714
<b>Net (Income)/Expenditure</b>	<b>(88,753)</b>	<b>1,694,471</b>	<b>1,783,225</b>
	<b>Revised Budget</b>	<b>Projected Outturn</b>	<b>Variance</b>
<b>BUSFOR - Business Forum</b>	26,820	33,149	6,329
<b>BUSIMP - Business Improvement</b>	-81,430	1,454,826	1,536,256
Service Comments: Future Guildford Costs are funded from earmarked reserves as set out in the business case. The expenditure above will be transferred to earmarked reserves at the year end.			
<b>CITADV - Citizens Advice Bureau</b>	284,710	302,500	17,790
<b>CIVEXP - Civic Expenses</b>	211,110	210,406	-704
<b>CLIMAT - Climate Change</b>	45,030	45,452	422
Service Comments: Revised to be in line with budget			
<b>COMDEV - Community Development</b>	150,770	158,543	7,773
<b>COMGFD - About Guildford</b>	51,900	44,471	-7,429
<b>COMLOT - Community Lottery</b>	-100	(936)	-836
<b>COMOUB - Public Relations</b>	275,629	290,445	14,816



<b>COMSAF - Community Safety</b>	175,520	120,524	-54,996
Service Comments: Following the withdrawal of central government funding some years ago, this budget is managed to deliver an underspend and carry forward each year to fund future initiatives			
<b>COMSUP - Council and Committee Support</b>	425,189	386,739	-38,450
Service Comments: Salary budget allocation are yet to be finalised and account for underspend			
<b>CORPRO - Corporate Programmes</b>	1,573,249	1,589,713	16,464
<b>DEMREP - Democratic Representation</b>	818,820	881,338	62,518
Service Comments: Salary budget allocation are yet to be finalised and account for overspend			
<b>ELECTI - Elections</b>	94,800	232,003	137,203
Service Comments: Salary budget allocation are yet to be finalised and account for overspend			
<b>ELECTO - Electoral Registration</b>	275,670	359,710	84,040
Service Comments: Commitments for postage & printing are affecting outturn position			
<b>EVENTS - Events</b>	6,450	7,948	1,498
<b>GRANTH - Grants to Voluntary Organisations</b>	483,540	270,000	-213,540
Service Comments: Not sure what is expected to come from this budget – I'm only aware of expected expenditure of £270k this year			
<b>GRANTL - Leisure Grants to Voluntary Organisations</b>	393,060	393,060	0
Service Comments:			
<b>INDEST - Industrial Estates</b>	-2,587,581	(2,587,581)	0
Service Comments:			
<b>INFORO - Lead Specialist - Information Governance</b>	4,330	8,652	4,322
<b>INVPRO - Investment Properties</b>	-4,690,200	(5,299,799)	-609,599
<b>MAJPRO - Major Projects</b>	629,950	1,718,378	1,088,428
<b>Service Comments:</b> Revised budget need to be updated for consultant costs as £988,253 will be funded from reserves for consultant costs for GERP (£466,798.41) Guildford West (£244,759.01) and Spectrum (£276,696.00) Unbudgeted agency costs £194,513 to cover vacant posts, salary savings are split over various cost centres (need to be updated).			
<b>MARKET - Markets</b>	-3,600	(4,666)	-1,066

<b>OSHRA - Housing Outside the HRA</b>	59,630	6,691	-52,939
<i>Service Comments: MHCLG to cover 2 years interim measures</i>			
<b>OTHPRO - Other Property</b>	-597,270	(890,279)	-293,009
<b>POLICY - Policy, Community and Events</b>	1,376,230	1,221,063	-155,167
<i>Service Comments: Printing savings. Inspector costs savings as process delayed. NP adoption results in increased income. Salaries reduction in Conservation and Design to reflect establishment posts.</i>			
<b>PROASP - Project Aspire</b>	0	2,186	2,186
<b>SAFGUI - Community Wellbeing</b>	324,800	344,457	19,657
<b>TOUDEV - Tourism &amp; Development</b>	401,053	423,031	21,978
<b>TOWMAN - Town Centre Management</b>	-216,841	(27,563)	189,278
<i>Service Comments: The variance is due to the fact that the sponsorship income target in the budget will not be met. This will need to be considered and addressed in the 2022/23 budget setting process.</i>			
<b>YOUCOU - Youth Council</b>	10	10	0

2019-20 Actual £	2020-21 Estimate £	Analysis	2020-21	2021-22	2021-22
			Projection £	Estimate £	Projection £
<b>Borough Housing Services</b>					
793,019	689,140	Income Collection	668,787	684,649	710,460
1,164,320	888,840	Tenants Services	1,230,913	1,259,070	931,420
122,998	148,880	Tenant Participation	114,599	117,245	151,651
107,717	101,690	Garage Management	94,367	95,099	98,566
41,744	75,280	Elderly Persons Dwellings	43,280	43,779	61,727
575,851	513,510	Flats Communal Services	601,168	611,716	506,161
414,254	444,460	Environmental Works to Estates	429,677	430,894	461,194
6,265,983	5,857,920	Responsive & Planned Maintenance	3,793,321	5,857,920	5,979,713
137,128	139,780	SOCH & Equity Share Administration	147,322	150,489	128,614
<b>9,623,015</b>	<b>8,859,500</b>		<b>7,123,434</b>	<b>9,250,861</b>	<b>9,029,505</b>
<b>Strategic Housing Services</b>					
485,497	715,830	Advice, Registers & Tenant Selection	665,119	681,991	733,649
201,203	212,220	Void Property Management & Lettings	181,031	184,820	220,702
5,120	5,120	Homelessness Hostels	5,120	5,248	5,120
175,717	159,700	Supported Housing Management	153,752	157,954	160,730
527,717	382,340	Strategic Support to the HRA	467,493	476,346	431,100
<b>1,395,255</b>	<b>1,475,210</b>		<b>1,472,515</b>	<b>1,506,359</b>	<b>1,551,300</b>
<b>Community Services</b>					
883,927	904,640	Sheltered Housing	734,460	872,642	801,065
<b>Other Items</b>					
5,640,147	5,525,000	Depreciation	5,528,730	5,528,730	5,528,730
5,059,974	0	Revaluation and other Capital items	0		0
160,590	150,000	Debt Management	150,000	150,000	150,000
36,359	402,380	Other Items	403,543	402,380	402,380
<b>22,799,267</b>	<b>17,316,730</b>	<b>Total Expenditure</b>	<b>15,412,682</b>	<b>17,710,972</b>	<b>17,462,980</b>
(32,532,978)	(33,136,660)	Income	(33,484,159)	(33,732,537)	(32,879,963)
<b>(9,733,711)</b>	<b>(15,819,930)</b>	<b>Net Cost of Services(per inc &amp; exp a/c)</b>	<b>(18,071,477)</b>	<b>(16,021,565)</b>	<b>(15,416,983)</b>
<b>251,530</b>	<b>256,800</b>	HRA share of CDC	<b>251,530</b>	<b>256,800</b>	<b>256,800</b>
<b>(9,482,181)</b>	<b>(15,563,130)</b>	<b>Net Cost of HRA Services</b>	<b>(17,819,947)</b>	<b>(15,764,765)</b>	<b>(15,160,183)</b>
(598,260)	(598,260)	Investment Income	(598,260)	(598,260)	(11,437)
5,131,995	5,142,230	Interest Payable	5,675,260	5,142,230	4,923,857
<b>(4,948,446)</b>	<b>(11,019,160)</b>	<b>Deficit for Year on HRA Services</b>	<b>(12,742,947)</b>	<b>(11,220,795)</b>	<b>(10,247,763)</b>
67,919	75,000	REFCUS - Revenue funded from capital	75,000	75,000	64,567
2,500,000	2,500,000	Contrib to/(Use of) RFFC	2,500,000	2,500,000	2,500,000
2,380,528	8,433,504	Contrib to/(Use of) New Build Reserve	8,530,888	8,433,504	7,200,000
0	0	Tfr (fr) to Pensions Reserve	0		0
0	10,656	Tfr (from)/to CAA re: Voluntary Revenue Provision	1,637,058	212,292	0
0	0	Tfr (from)/to CAA re: Revaluation	0		0
0	0	Tfr (from)/to CAA re: REFCUS	0		0
0	0	Tfr (from)/to CAA re: Intangible assets	0		0
0	0	Tfr (from)/to CAA re: rev. inc. from sale of asset	0		0
<b>0</b>	<b>0</b>	<b>HRA Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>
(2,500,000)	(2,500,000)	Balance Brought Forward	(2,500,000)	(2,500,000)	(2,500,000)
<b>(2,500,000)</b>	<b>(2,500,000)</b>	<b>Balance Carried Forward</b>	<b>(2,500,000)</b>	<b>2,500,000</b>	<b>(2,500,000)</b>
<b>2019-20</b>					
<b>Projection</b>	<b>2019-20</b>	<b>Analysis</b>	<b>2019-20</b>		<b>2019-20</b>
<b>£</b>	<b>Estimate</b>	<b>Borough Housing Services</b>	<b>Estimate</b>		<b>Projection</b>
	<b>£</b>		<b>£</b>		<b>£</b>
(29,570,473)	(29,977,450)	Rent Income - Dwellings	(29,967,996)	(30,507,420)	(29,895,018)
(208,349)	(208,350)	Rent Income - Rosebery Hsg Assoc	(159,003)	(212,100)	(208,350)
(225,551)	(316,830)	Rents - Shops, Buildings etc	(316,830)	(322,533)	(316,196)
(753,058)	(759,740)	Rents - Garages	(759,740)	(785,572)	(757,651)
<b>(30,757,431)</b>	<b>(31,262,370)</b>	<b>Total Rent Income</b>	<b>(31,203,569)</b>	<b>(31,827,625)</b>	<b>(31,177,215)</b>
(113,577)	(144,180)	Supporting People Grant	(144,180)	(144,180)	(145,550)
(1,098,353)	(1,116,020)	Service Charges	(1,114,559)	(1,136,108)	(1,014,883)
(15,339)	(28,840)	Legal Fees Recovered	0	(28,840)	(27,398)
(53,277)	(57,730)	Service Charges Recovered	(506,317)	(58,769)	(57,614)
(495,001)	(527,520)	Miscellaneous Income	(515,534)	(537,015)	(457,303)
<b>(32,532,978)</b>	<b>(33,136,660)</b>	<b>Total Income</b>	<b>(33,484,159)</b>	<b>(33,732,537)</b>	<b>(32,879,963)</b>

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GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2021-22 to 2026-27

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate (a)	Cumulative spend at 31-03-21 (b)	2021-22		Expenditure at P3 (e)	Projected exp est by project officer (f)	2022-23 Est for year (ii)	2023-24 Est for year (iii)	2024-25 Est for year (iv)	2025-26 Est for year (v)	2026-27 Est for year (v)	Future years est exp (g)	Projected expenditure total (b)+(f)+(g) = (h) £000	Grants / Contributions towards cost of scheme (i) £000	Funded from Reserves (j)	Net cost of scheme (h)-(i)-(j)= (k) £000
				Estimate approved by Council in February (c)	Revised estimate (d)												
P14	Town Centre Approaches	1,033	453	400	580	337	580	-	-	-	-	-	-	1,033	(700)		333
P22	Ash Bridge Land acquisition	120	104	-	16	-	16	-	-	-	-	-	-	120	-		120
P21	Ash Road Bridge	33,770	2,780	19,697	10,525	143	10,525	20,165	300	-	-	-	20,465	33,770	(30,400)		3,370
P21	Ash Road Footbridge	500	29	279	180	-	180	255	36	-	-	-	291	500	-	-	500
P11	Guildford West (PB) station	500	-	500	500	-	500	-	-	-	-	-	-	500	-		500
<b>Development Financial</b>																	
	Investment in North Downs Housing (60%)	15,180	11,142	1,682	4,038	1,408	4,038	-	-	-	-	-	-	15,180	-		15,180
	Equity shares in Guildford Holdings ltd (40%)	10,120	7,433	1,117	2,687	942	2,687	-	-	-	-	-	-	10,120	-		10,120
ED49	Middleton Ind Est Redevelopment	9,350	5,319	3,700	4,031	1,802	4,031	-	-	-	-	-	-	9,350			9,350
P12	Property acquisitions	33,520	8,309	25,000	25,211	23	25,211	-	-	-	-	-	-	33,520	-		33,520
PL9	Rebuild Crematorium	11,822	10,909	-	127	13	127	-	-	-	-	-	-	11,036	-		11,036
ED27	North Street Development / Guild Town Centre regeneration	1,477	1,137	-	340	72	340	-	-	-	-	-	-	1,477	(50)		1,427
P22	Guildford Economic Regeneration (GER) Programme	1,100	-	1,100	1,100	-	1,100	-	-	-	-	-	-	1,100			1,100
ED6	Slyfield Area Regeneration Project (SARP)	31,259	8,420	2,211	-	768	-	3,005	3,436	-	-	-	6,441	31,459	(4,078)		27,381
ED6	WUV - Allotment relocation	200	612	-	-	246	-	-	-	-	-	-	-	-	-		-
ED6	WUV - Int roads, Site clearance	-	1	-	-	-	-	-	-	-	-	-	-	-	-		-
ED6	WUV - New GBC Depot	2,480	59	-	2,421	181	2,421	-	-	-	-	-	-	2,480			2,480
ED6	WUV - Thames Water relocation	-	14,895	-	-	691	-	-	-	-	-	-	-	-			-
ED6	WUV - Land Purchase	-	1,091	-	-	-	-	-	-	-	-	-	-	-			-
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION</b>		<b>177,451</b>	<b>88,497</b>	<b>58,283</b>	<b>60,970</b>	<b>6,870</b>	<b>60,970</b>	<b>23,425</b>	<b>3,772</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,197</b>	<b>176,664</b>	<b>-48,958</b>	<b>-950</b>	<b>126,756</b>
<b>APPROVED SCHEMES TOTAL</b>		<b>197,283</b>	<b>103,839</b>	<b>66,654</b>	<b>70,705</b>	<b>8,005</b>	<b>70,547</b>	<b>29,208</b>	<b>9,537</b>	<b>5,705</b>	<b>0</b>	<b>0</b>	<b>44,450</b>	<b>218,399</b>	<b>-49,909</b>	<b>-950</b>	<b>167,413</b>
non-development projects total		19,833	15,342	8,371	9,735	1,135	9,577	5,783	5,765	5,705	0	0	17,253	41,734	-951	0	40,656
development/infrastructure - non-financial benefit		60,943	19,171	23,473	21,016	725	21,016	20,420	336	0	0	0	20,756	60,943	-44,829	-950	15,163
development- financial benefit		116,508	69,326	34,810	39,955	6,145	39,955	3,005	3,436	0	0	0	6,441	115,722	-4,128	0	111,594
<b>TOTAL</b>		<b>197,283</b>	<b>103,839</b>	<b>66,654</b>	<b>70,705</b>	<b>8,005</b>	<b>70,547</b>	<b>29,208</b>	<b>9,537</b>	<b>5,705</b>	<b>0</b>	<b>0</b>	<b>44,450</b>	<b>218,399</b>	<b>-49,909</b>	<b>-950</b>	<b>167,413</b>
<b>SUMMARY</b>																	
<b>APPROVED SCHEMES - TOTAL</b>		<b>197,283</b>	<b>103,839</b>	<b>66,654</b>	<b>70,705</b>	<b>8,005</b>	<b>70,547</b>	<b>29,208</b>	<b>9,537</b>	<b>5,705</b>	<b>-</b>	<b>-</b>	<b>44,450</b>	<b>218,399</b>	<b>(49,909)</b>		<b>167,413</b>
<b>GRAND TOTAL</b>		<b>197,283</b>	<b>103,839</b>	<b>66,654</b>	<b>70,705</b>	<b>8,005</b>	<b>70,547</b>	<b>29,208</b>	<b>9,537</b>	<b>5,705</b>	<b>-</b>	<b>-</b>	<b>44,450</b>	<b>218,399</b>	<b>(49,909)</b>		<b>167,413</b>

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2021-22 to 2026-27

Ref	Directorate / Service Units Capital Schemes	Gross estimate	Cumulative	2021-22		Expenditure at P3	Projected exp est by project	2022-23 Est for year	2023-24 Est for year	2024-25 Est for year	2025-26 Est for year	2026-27 Est for year	Future years estimated expenditure	Projected expenditure total (b)+(g)+(h)-(i)	Grants or Contributions towards cost (j)	Net total cost of scheme (k) - (j) =
		annovnd (a)	spend at 31-03-21 (b)	Estimate approved by Council (c)	Revised estimate (e)											
<b>PROVISIONAL SCHEMES (schemes approved in principle; further report to the Executive required)</b>																
<b>COMMUNITY DIRECTORATE</b>																
<b>Corporate Property</b>																
ED21(P)	Methane gas monitoring system	150	-	-	-	-	-	-	150	-	-	-	150	150	-	150
ED22(P)	Energy efficiency compliance - Council owned properties	950	-	-	-	-	-	-	950	-	-	-	950	950	-	950
ED26(P)	Bridges	370	-	370	370	-	370	-	-	-	-	-	370	370	-	370
ED48(p)	Westfield/Moorfield rd resurfacing	3,152	-	-	-	-	-	-	3,152	-	-	-	3,152	3,152	-	3,152
ED56(p)	Land to the rear of 39-42 Castle Street	10	-	-	-	-	-	10	-	-	-	-	10	10	-	10
CP5	Energy & CO2 reduction in Council non HRA properties	2,268	-	768	768	-	768	500	500	500	-	-	1,500	2,268	-	2,268
<b>Office Services</b>																
BS3(p)	Millmead House - M&E plant renewal	33	-	-	-	-	-	33	-	-	-	-	33	33	-	33
<b>COMMUNITY DIRECTORATE TOTAL</b>		<b>6,933</b>	<b>-</b>	<b>1,138</b>	<b>1,138</b>	<b>-</b>	<b>1,138</b>	<b>543</b>	<b>4,752</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>5,795</b>	<b>6,933</b>	<b>-</b>	<b>6,933</b>
<b>ENVIRONMENT DIRECTORATE</b>																
<b>Operational Services</b>																
OP5(P)	Mill Lane (Pirbright) Flood Protection Scheme	200	-	-	-	-	-	-	200	-	-	-	200	200	(20)	180
OP6(P)	Vehicles, Plant & Equipment Replacement Programme	780	-	780	780	-	780	-	-	-	-	-	780	780	-	780
OP21(P)	Surface water management plan	200	-	-	-	-	-	-	200	-	-	-	200	200	-	200
<b>Parks and Leisure</b>																
PL16(P)	New burial grounds - acquisition & development	88	38	30	50	-	50	-	-	-	-	-	-	88	-	88
PL18(P)	Refurbishment / rebuild Sutherland Memorial Park Pavilion	150	-	-	-	-	-	-	-	150	-	-	150	150	-	150
PL41(P)	Stoke pk office accommodation & storage buildings	665	-	-	-	-	-	-	-	665	-	-	665	665	-	665
PL45(p)	Stoke Pk gardens water feature refurb	40	-	40	40	-	40	-	-	-	-	-	40	40	(29)	11
PL56(p)	Stoke Park Masterplan enabling costs	500	-	200	250	-	350	150	-	-	-	-	500	500	-	500
PL57(p)	Parks and Countryside - repairs and renewal of paths, roads and	1,442	-	992	1,042	-	192	250	250	250	250	250	1,250	1,442	-	1,442
PL58(p)	Sports pavilions - replace water heaters	154	-	42	70	-	-	-	-	154	-	-	154	154	-	154
PL59(p)	Millmead fish pass	60	-	60	60	-	-	60	-	-	-	-	60	60	-	60
<b>ENVIRONMENT DIRECTORATE TOTAL</b>		<b>4,279</b>	<b>38</b>	<b>2,144</b>	<b>2,292</b>	<b>-</b>	<b>1,022</b>	<b>700</b>	<b>800</b>	<b>1,219</b>	<b>250</b>	<b>250</b>	<b>3,219</b>	<b>4,279</b>	<b>(49)</b>	<b>4,230</b>
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS</b>																
<b>Development / Infrastructure</b>																
	Investment in North Downs Housing	30,100	-	5,518	5,518	-	5,518	12,539	-	-	-	-	12,539	18,057	-	18,057
	Equity shares in Guildford Holdings Ltd	-	-	3,683	3,683	-	3,683	8,360	-	-	-	-	8,360	12,043	-	12,043
P10(p)	Sustainable Movement Corridor	6,045	-	-	-	-	-	-	-	6,045	-	-	6,045	6,045	-	6,045
P11(p)	Guildford West (PB) station	4,700	-	1,000	1,000	-	1,000	2,000	1,700	-	-	-	3,700	4,700	-	4,700
P14(p)	Guildford Gyrotary & approaches	10,967	-	-	-	-	-	-	-	10,967	-	-	10,967	10,967	(5,000)	5,967
P17(p)	Bus station relocation	500	-	-	-	-	-	-	-	500	-	-	500	500	-	500
P21(p)	Ash Road Footbridge	4,521	-	4,521	4,521	-	-	-	183	4,288	50	-	4,521	4,521	(2,500)	2,021
<b>Development Financial</b>																
ED49(p)	Redevelop Midleton industrial estate	5,557	-	5,557	5,557	-	5,557	-	-	-	-	-	-	5,557	-	5,557
PL51(p)	Stoke Park - Home Farm Redevelopment	4,000	-	-	-	-	-	-	-	4,000	-	-	4,000	4,000	-	4,000
ED16(P)	Slyfield Area Regeneration Project (SARP) (GBC share)	289,869	-	26,136	26,136	-	26,136	69,012	34,206	40,112	34,881	24,342	263,733	289,869	(52,300)	237,569
ED38(P)	North Street development	1,500	-	1,000	1,000	-	-	-	-	1,500	-	-	1,500	1,500	-	1,500
HC4(p)	Bright Hill Development	13,500	-	680	680	-	680	5,000	7,000	820	-	-	12,820	13,500	-	13,500
P12(p)	Property acquisitions	38,292	-	28,292	28,292	-	-	28,292	10,000	-	-	-	38,292	38,292	-	38,292
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS TOTAL</b>		<b>409,551</b>	<b>-</b>	<b>76,387</b>	<b>76,387</b>	<b>-</b>	<b>42,574</b>	<b>125,203</b>	<b>53,089</b>	<b>68,232</b>	<b>34,931</b>	<b>24,342</b>	<b>366,977</b>	<b>409,551</b>	<b>(59,800)</b>	<b>349,751</b>
<b>PROVISIONAL SCHEMES - GRAND TOTALS</b>		<b>420,763</b>	<b>38</b>	<b>79,669</b>	<b>79,817</b>	<b>-</b>	<b>44,734</b>	<b>126,446</b>	<b>58,641</b>	<b>69,951</b>	<b>35,181</b>	<b>24,592</b>	<b>375,991</b>	<b>420,763</b>	<b>(59,849)</b>	<b>360,914</b>
non development projects		11,212	38	3,282	3,430	-	2,160	1,243	5,552	1,719	250	250	9,014	11,212	(49)	11,163
development/infrastructure - non-financial benefit		56,833	0	14,722	14,722	0	10,201	22,899	1,883	21,800	50	0	46,632	56,833	-7,500	49,333
development- financial benefit		352,718	0	61,665	61,665	0	32,373	102,304	51,206	46,432	34,881	24,342	320,345	352,718	-52,300	300,418
<b>TOTAL</b>		<b>420,763</b>	<b>38</b>	<b>79,669</b>	<b>79,817</b>	<b>0</b>	<b>44,734</b>	<b>126,446</b>	<b>58,641</b>	<b>69,951</b>	<b>35,181</b>	<b>24,592</b>	<b>375,991</b>	<b>420,763</b>	<b>-59,849</b>	<b>360,914</b>
<b>SUMMARY</b>																
<b>PROVISIONAL SCHEMES - TOTAL</b>		<b>420,763</b>	<b>38</b>	<b>79,669</b>	<b>79,817</b>	<b>-</b>	<b>44,734</b>	<b>126,446</b>	<b>58,641</b>	<b>69,951</b>	<b>35,181</b>	<b>24,592</b>	<b>375,991</b>	<b>420,763</b>	<b>(59,849)</b>	<b>360,914</b>
<b>GRAND TOTAL</b>		<b>420,763</b>	<b>38</b>	<b>79,669</b>	<b>79,817</b>	<b>-</b>	<b>44,734</b>	<b>126,446</b>	<b>58,641</b>	<b>69,951</b>	<b>35,181</b>	<b>24,592</b>	<b>375,991</b>	<b>420,763</b>	<b>(59,849)</b>	<b>360,914</b>

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GENERAL FUND CAPITAL PROGRAMME - S106 ESTIMATED EXPENDITURE 2021-22 to 2025-26

Ref	Service Units / Capital Schemes	Approved gross estimate	Cumulative spend at 31-03-21	2021-22 Estimate approved by Council in February (c)	Revised estimate (d)	Expenditure at P3 (e)	Projected expenditure by project officer (f)	2022-23 Est for year (i)	2023-24 Est for year (ii)	2024-25 Est for year (iii)	2025-26 Est for year (iv)	2026-27 Est for year (v)	Future years est exp (g)	Projected expenditure total (b)+(f)+(g) = (h)	Grants / Contributions towards cost of scheme (i)	Net cost of scheme (h)-(i)
		(a)	(b)	(c)	(d)	(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(f)+(g) = (h)	(i)	(h)-(i)
		£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>APPROVED SCHEMES (fully funded from S106 contributions)</b>																
<b>ENVIRONMENT DIRECTORATE</b>																
<b>Operational Services</b>																
<b>Parks and Leisure</b>																
S-PL36	Gunpowder mills - signage, access and woodland imp	36	22	-	14	-	5	9	-	-	-	-	9	36	(36)	-
S-PL38	Chantry Wood Campsite	36		-	36	-	-	36	-	-	-	-	36	36	(36)	-
S-PL51	Foxenden Quarry	101	3		98	-	98							101	(101)	
S-PL47	Fir Tree Garden	28	4	-	24	-	24		-	-	-	-	-	28	(28)	-
S-PL48	Boardwalk Heathfield Nature Reserve	13			13	-	-	13					13	13	(13)	
S-PL49	Waterside Playarea Muti Unit	30			30	15	30						-	30	(30)	
S-PL50	Albury Playground Equip (PC)	23	17		5	-	5						-	23	(23)	
<b>ENVIRONMENT DIRECTORATE TOTAL</b>		<b>267</b>	<b>46</b>	<b>-</b>	<b>220</b>	<b>15</b>	<b>162</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58</b>	<b>266</b>	<b>(267)</b>	<b>-</b>
<b>APPROVED S106 SCHEMES TOTAL</b>		<b>267</b>	<b>46</b>	<b>-</b>	<b>220</b>	<b>15</b>	<b>162</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58</b>	<b>266</b>	<b>(267)</b>	<b>-</b>

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<b>SUMMARY</b>	
APPROVED S106 SCHEMES - TOTAL	
<b>GRAND TOTAL</b>	

46	-	220	15	162	58	-	-	-	-	58	266	(267)	-
<b>46</b>	<b>-</b>	<b>220</b>	<b>15</b>	<b>162</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58</b>	<b>266</b>	<b>(267)</b>	<b>-</b>

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GENERAL FUND CAPITAL SCHEMES - PROJECTS FUNDED VIA RESERVES: ESTIMATED EXPENDITURE

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-21	2021-22 Estimate approved by Council in February	Revised estimate	Expenditure at P3	Projected exp est by project officer	2022-23 Est for year	2023-24 Est for year	2024-25 Est for year	2025-26 Est for year	2026-27 Est for year	Future years est exp	Projected expenditure total
		(a)	(b)	(c)		(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(f)+(g) = (h)
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
	<b>COMMUNITY DIRECTORATE</b>													
	<u>ENERGY PROJECTS per SALIX RESERVE:(PR220)</u>			-		-	-	-					-	-
R-EN12	LED lighting	44		-	44	-	44	-	-	-	-	-	-	44
R-EN13	ASHP CAB ( no longer reqd)	28		28	28	-	28	-	-	-	-	-	-	28
R-EN14	MILLMEAD HOUSE & FARNHAM ROAD CP - PV	192	70		122	84	122	-					-	192
R-EN15	FARNHAM ROAD CP- PV													
	<u>ENERGY PROJECTS per GBC INVEST TO SAVE RESERVE:</u> <u>GBC 'Invest to Save' energy projects (to be repaid in line with savings)</u>			-		-	-	-					-	-
R-EN14	SMP - air source heat pump	28	1	27	27	-	27	-	-	-	-	-	-	28
	<b>ENERGY RESERVES TOTAL</b>	<b>292</b>	<b>71</b>	<b>55</b>	<b>221</b>	<b>84</b>	<b>221</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>292</b>
Page 59	<b>FINANCE DIRECTORATE</b>													
	<u>INFORMATION TECHNOLOGY - IT Renewals Reserve (PR265) : approved annually</u>													
	Hardware / software budget	500		500	500	-	500	500	500	-	-	-	1,000	1,500
	R-IT1 Hardware	annual	annual	-	-	-	-	-	-	-	-	-	-	-
	R-IT2 Software	annual	annual	-	-	16	-	-	-	-	-	-	-	-
	R-IT3 IDOX Acolaid to Uniform	275		-	275	-	275	-	-	-	-	-	-	275
	R-IT4 LCTS alternative	56		-	56	-	56	-	-	-	-	-	-	56
	<b>IT RENEWALS RESERVE TOTAL</b>	<b>831</b>	<b>-</b>	<b>500</b>	<b>831</b>	<b>16</b>	<b>831</b>	<b>500</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>1,831</b>
	<b>ENVIRONMENT DIRECTORATE</b>													
	<b>SPECTRUM RESERVE</b>													
R-S14	Spectrum schemes (to be agreed with Freedom Leisure)	700	168	-	532	-	532	-					-	700
	Spectrum - Retaining Wall													
	<b>SPECTRUM RESERVE TOTAL</b>	<b>700</b>	<b>168</b>	<b>-</b>	<b>532</b>	<b>-</b>	<b>532</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>700</b>
	<b>CAR PARKS RESERVE</b>													
R-CP1	Car parks - install/replace pay-on-foot equipment	1,170	240	930	930	-	930	-	-	-	-	-	-	1,170
	<u>Car Parks - Lighting &amp; Electrical improvements:</u>													
R-CP14	Lift replacement (PR000293)	841	676	-	165	40	165	-	-	-	-	-	-	841
R-CP17	Leapale rd MSCP drainage (PR000433)	90	26	-	64	-	8	-	-	-	-	-	-	34
R-CP19	Structural works to MSCP	300	50	100	250	-	250	-	-	-	-	-	-	300
R-CP20	MSCP- Deck surface replacement & barriers	652	526	-	126	-	126	-	-	-	-	-	-	652
R-CP21	Additional barriers Farnham Rd	15		-	15	-	15	-	-	-	-	-	-	15
R-CP22	Deck surface replacement (stair cores)Farnham Rd	70		-	70	-	70	-	-	-	-	-	-	70
R-CP23	Deck surface replacement Leapale Rd	400	8	390	393	129	393	-	-	-	-	-	-	400
R-CP25	Structural repairs roof turret timbers Castle St	60		-	60	-	60	-	-	-	-	-	-	60

Agenda item number: 5  
Appendix 7

GENERAL FUND CAPITAL SCHEMES - PROJECTS FUNDED VIA RESERVES: ESTIMATED EXPENDITUR

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-21	2021-22 Estimate approved by Council in February	Revised estimate	Expenditure at P3	Projected exp est by project officer	2022-23 Est for year	2023-24 Est for year	2024-25 Est for year	2025-26 Est for year	2026-27 Est for year	Future years est exp	Projected expenditure total
		(a)	(b)	(c)		(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(f)+(g)
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
	<b>CAR PARKS RESERVE TOTAL</b>	<b>3,598</b>	<b>1,526</b>	<b>1,420</b>	<b>2,072</b>	<b>168</b>	<b>2,016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,542</b>
	<b>SPA RESERVE :</b>													
	SPA schemes (various)	100	annual	-	151	-	151	-	-	-	-	-	-	151
R-SPA1	Chantry Woods					-	-						-	
R-SPA2	Effingham					-	-						-	
R-SPA3	Lakeside					-	-						-	
R-SPA4	Riverside					-	-						-	
R-SPA5	Parsonage					-	-						-	
	<b>SPA RESERVE TOTAL</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>151</b>	<b>-</b>	<b>151</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>151</b>
	<b>GRAND TOTALS</b>	<b>5,521</b>	<b>1,765</b>	<b>1,975</b>	<b>3,807</b>	<b>268</b>	<b>3,751</b>	<b>500</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>6,516</b>

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Agenda item number: 5  
Appendix 7

FUNDING SUMMARY	
Reserves (various)	
Grants & contributions	
<b>TOTALS</b>	

Estimate approved by Council in February £000	Revised estimate £000	Expenditure at P3 £000	Projected exp est by project officer £000	2022-23 Est for year £000	2023-24 Est for year £000	2024-25 Est for year £000	2025-26 Est for year £000	2026-27 Est for year £000
1,975	3,656	268	3,600	500	500	-	-	-
-	151	-	151	-	-	-	-	-
<b>1,975</b>	<b>3,807</b>	<b>268</b>	<b>3,751</b>	<b>500</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>

## GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

### 1.0 AVAILABILITY OF RESOURCES - NOTES :

1.1 The following balances have been calculated taking account of estimated expenditure on the approved capital schemes

1.2 The actuals for 2020-21 have not been audited.

### 1.3 Funding assumptions:

1. All capital expenditure will be funded in the first instance from available capital receipts and the General Fund capital programme reserve.
2. Once the above resources have been exhausted in any given year, the balance of expenditure will be financed from borrowing, both internally and externally, depending upon the Council's financial situation at the time.

1.4 These projections are based on estimated project costs, some of which will be 'firmed up' in due course. Any variations to the estimates and the phasing of expenditure will affect year on year funding projections.

### 2.0 Capital receipts - Balances (T01001)

Balance as at 1 April  
 Add estimated usable receipts in year  
 Less applied re funding of capital schemes

2020-21 Actuals £000	2021-22 Budget £000	2021-22 Est Outturn £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000
95	95	112	0	0	0	0	21,641
2,571	0	44	0	0	0	21,641	27,117
-2,554	-95	-155	0	0	0	0	0
<b>112</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21,641</b>	<b>48,758</b>

**Balance after funding capital expenditure as at 31 March**

# GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

during year = outturn (col v, actual = col u)

## 3.0 Capital expenditure and funding - summary

### Estimated capital expenditure

Main programme - approved  
Main programme - provisional  
s106  
Reserves  
GF Housing

### Total estimated capital expenditure

### To be funded by:

Capital receipts (*per 2.above*)

Contributions

R.C.C.O. :

Other reserves

Balance of funding to be met from (i) the Capital Reserve, and (ii) borrowing

### Total funding required

	2020-21 Actuals £000	2021-22 Budget £000	2021-22 Est Outturn £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000
	27,710	66,654	70,547	29,208	9,537	5,705	0	0
	0	79,669	44,734	126,446	58,641	69,951	35,181	24,592
	81	0	162	58	0	0	0	0
	1,649	1,975	3,751	500	500	0	0	0
	0	0	0	0	0	0	0	0
<b>Total estimated capital expenditure</b>	<b>29,440</b>	<b>148,298</b>	<b>119,194</b>	<b>156,212</b>	<b>68,678</b>	<b>75,656</b>	<b>35,181</b>	<b>24,592</b>
Capital receipts ( <i>per 2.above</i> )	-2,554	-95	-155	0	0	0	0	0
Contributions	-7,070	-51,415	-40,236	-25,910	-5,600	-6,620	0	0
R.C.C.O. :								
Other reserves	-6,164	-2,195	-4,474	-720	-720	-220	0	0
	0	0	0	0	0	0	0	0
	-15,787	-53,705	-44,865	-26,630	-6,320	-6,840	0	0
Balance of funding to be met from (i) the Capital Reserve, and (ii) borrowing	-13,653	-94,593	-74,329	-129,582	-62,358	-68,816	-35,181	-24,592
<b>Total funding required</b>	<b>-29,440</b>	<b>-148,298</b>	<b>-119,194</b>	<b>-156,212</b>	<b>-68,678</b>	<b>-75,656</b>	<b>-35,181</b>	<b>-24,592</b>

## 4.0 General Fund Capital Schemes Reserve (U01030)

Balance as at 1 April

Add: General Fund Revenue Budget variations

Contribution from revenue

Less: Applied re funding of capital programme

### Balance after funding capital expenditure etc.as at 31 March

	2020-21 Actuals £000	2021-22 Budget £000	2021-22 Est Outturn £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000
Balance as at 1 April	600	0	0	0	0	0	0	0
Add: General Fund Revenue Budget variations	0	0	0	0	0	0	0	0
Contribution from revenue	0	0	0	0	0	0	0	0
	600	0	0	0	0	0	0	0
Less: Applied re funding of capital programme	-600	0	0	0	0	0	0	0
<b>Balance after funding capital expenditure etc.as at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Estimated shortfall at year-end to be funded from borrowing

	<b>13,053</b>	<b>94,593</b>	<b>74,329</b>	<b>129,582</b>	<b>62,358</b>	<b>68,816</b>	<b>35,181</b>	<b>24,592</b>
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## GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

2020-21 Actuals £000	2021-22 Budget £000	2021-22 Est Outturn £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000
<b>5.0 Housing capital receipts (pre 2013-14) - estimated availability/usage for Housing, Affordable Housing and Regeneration projects - GBC policy</b>							
Balance as at 1 April (T01008)	3,618	0	-0	-0	0	0	0
Add: Estimated receipts in year	0	0	0	0	0	0	0
Less: Applied re Housing (General Fund) capital programme	0	0	0	0	0	0	0
Less: Applied re Housing company	-3,618	0	0	0	0	0	0
	-0	0	-0	0	0	0	0
Less: Applied on regeneration schemes	0	0	0	0	0	0	0
<b>Housing receipts - estimated balance in hand at year end</b>	<b>-0</b>	<b>0</b>	<b>-0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

2020-21 Actuals £000	2021-22 Budget £000	2021-22 Est Outturn £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000
<b>5.1 Housing capital receipts (post 2013-14) - estimated availability/usage for Housing, Affordable Housing and Regeneration projects only (statutory (impact CFR))</b>							
Balance as at 1 April (T01012)	0	0	0	0	0	0	0
Add: Estimated receipts in year	544	289	502	289	292	295	298
Less: Applied re Housing (General Fund) capital programme	-123	-220	-100	-220	-220	-220	-220
Less: Applied re Housing Improvement programme	-421	-69	-402	-69	-72	-75	-78
	0	0	0	0	0	0	0
Less: Applied on regeneration schemes	0	0	0	0	0	0	0
<b>Housing receipts - estimated balance in hand</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	Total £'000s								
<b>6.1 Estimated annual borrowing requirement</b>	<b>13,053</b>	<b>94,593</b>	<b>74,329</b>	<b>129,582</b>	<b>62,358</b>	<b>68,816</b>	<b>35,181</b>	<b>24,592</b>	<b>394,858</b>
Bids for funding (net)	0	0	0	0	0	0	0	0	0
<b>Total estimated borrowing requirement if all bids on Appendix 1 approved</b>	<b>94,593</b>	<b>74,329</b>	<b>129,582</b>	<b>62,358</b>	<b>68,816</b>	<b>35,181</b>	<b>24,592</b>	<b>394,858</b>	

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GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2021-22 to 2026-27: HRA APPROVED PROGRAMME

	Project Budget £000	2020-21 Actual £000	Project Spend at 31-03-21 £000	2021-22 Estimate £000	Carry Forward	Expenditure as at P3 £000	2021-22 Projected Outturn £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	Total Project Exp £000
<b>Acquisition of Land &amp; Buildings</b>	15,900	5,276	7,414	4,800	86	886	4,886	1,800	1,800	0	0	0	15,900
<b>New Build</b>													
Appletree pub site	3,200	18	3,502	0	0	47	47	0	0	0	0	0	3,549
Fire Station/Ladymead	2,000	17	1,917	0	83	39	39	0	0	0	0	0	1,956
Guildford Park	75	0	75	0	0	0	0	0	0	0	0	0	75
Guildford Park (from GF)	6,500	3,148	3,148	2,806	546	16	660	650	2,042	0	0	0	6,500
Bright Hill	500	0	0	0	500	3	65	435	0	0	0	0	500
Foxburrows Redevelopment	533			0	533	0	533	0					533
Shawfield Redevelopment	300	4	4	0	296	0	0	296					300
Various small sites & feasibility/Site preparation	1,000		0	0	0	0	0	0	0	1,000	0	0	1,000
Pipeline projects:	9,425	61	115	3,325	2,285	4	300	7,135	1,875	0	0	0	9,425
Manor House Flats						8							
Banders Rise						1							
Station Road East						2							
Dunmore Garden Land						1							
Clover Road Garages						15							
Rapleys Field						0							
Georgelands 108						1							
27 Broomfield						1							
17 Wharf Lane						1							
<b>Schemes to promote Home-Ownership</b>							0						
Equity Share Re-purchases	annual	458	annual	400	0	0	400	400	400	400	400	0	annual
<b>Major Repairs &amp; Improvements</b>				6,582	2,618		0						
Retentions & minor carry forwards	annual	0	annual			0	0						annual
Modern Homes - Kitchens, Bathrooms & Void refurb	annual	971	annual			203	3,191						annual
Doors and Windows	annual	241	annual			7	856						annual
Structural/Roof	annual	307	annual			13	1,053						annual
Energy efficiency: Central heating/Lighting	annual	1,262	annual			85	1,351						annual
General	annual	880	annual			255	2,749						annual
<b>Grants</b>													
Cash Incentive Scheme	annual	0	annual	75	0	0	75						annual
<b>TOTAL APPROVED SCHEMES</b>	<b>39,433</b>	<b>12,643</b>	<b>16,174</b>	<b>17,988</b>	<b>6,948</b>	<b>1,589</b>	<b>16,206</b>	<b>10,716</b>	<b>6,117</b>	<b>1,400</b>	<b>400</b>	<b>0</b>	<b>39,737</b>

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GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2020-21 to 2026-27: HRA PROVISIONAL PROGRAMME

	Project Budget £000	2020-21 Actual £000	Project Spend at 31-03-21 £000	2021-22 Estimate £000	Carry Forward	2021-22 Projected Outturn £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	Total Project Exp £000
<b>Acquisition of Land &amp; Buildings</b>	7,000	0	0	0		0	3,000	4,000	0	0	0	7,000
<b>New Build</b>												
Guildford Park	16,000	0	1,225	14,499	250	0	26	14,749	0	0	0	16,000
Guildford Park (from GF)	23,125			4,380		0	0	4,380	11,625	7,120		23,125
Bright Hill	3,000	0	0	3,000	0	0	3,000	0	0	0	0	3,000
Slyfield (25/26 £5m; 26/27 £44m)	1,000	0	0	0	0	0	1,000	0	0	0	0	1,000
Foxburrows Redevelopment	10,124			9,058		0	9,058	1,066	0	0	0	10,124
Shawfield Redevelopment	3,000			2,500		0	2,500	500	0	0	0	3,000
<b>Major Repairs &amp; Improvements</b>												
Major Repairs & Improvements	annual		annual	0		0	5,500	5,500	5,500	5,500	5,500	annual
Retentions & minor carry forwards	annual		annual									annual
Modern Homes: Kitchens and bathrooms	annual		annual									annual
Doors and Windows	annual		annual									annual
Structural	annual		annual									annual
Energy efficiency: Central heating	annual		annual									annual
General	annual		annual									annual
<b>Grants</b>												
Cash Incentive Scheme	annual		annual	0		0	75	75	75	75	75	annual
<b>Total Expenditure to be financed</b>	<b>63,249</b>	<b>0</b>	<b>1,225</b>	<b>33,437</b>	<b>250</b>	<b>0</b>	<b>24,159</b>	<b>30,270</b>	<b>17,200</b>	<b>12,695</b>	<b>5,575</b>	<b>63,249</b>

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**GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2021-22 to 2026-27: HRA RESOURCES AND FUNDING STATEMENT**

	2020-21 Actual	2021-22 Estimate	2021-22 Projected Outturn	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
	£000	£000	£000	£000	£000	£000	£000	£000
<b>EXPENDITURE</b>								
Approved programme	12,685	17,988	16,206	10,716	6,117	1,400	400	0
Provisional programme	0	33,437	0	24,159	30,270	17,200	12,695	5,575
<b>Total Expenditure</b>	<b>12,685</b>	<b>51,425</b>	<b>16,206</b>	<b>34,875</b>	<b>36,387</b>	<b>18,600</b>	<b>13,095</b>	<b>5,575</b>
<b>FINANCING OF PROGRAMME</b>								
Capital Receipts	421	400	402	400	400	400	400	0
1-4-1 receipts	2,186	13,310	2,612	8,670	9,124	3,788	2,136	0
Contribution from Housing Revenue a/c (re cash incentives)	0	75	75	75	75	75	75	75
Future Capital Programme reserve	0	0	0	0	0	0	0	0
Major Repairs Reserve	3,662	6,582	9,200	5,500	5,500	5,500	5,500	5,500
New Build Reserve	4,818	31,058	3,918	20,230	21,288	8,838	4,984	0
Grants and Contributions	1,599	0	0	0	0	0	0	0
<b>Total Financing (= Total Expenditure)</b>	<b>12,685</b>	<b>51,425</b>	<b>16,206</b>	<b>34,875</b>	<b>36,387</b>	<b>18,600</b>	<b>13,095</b>	<b>5,575</b>

**RESERVES - BALANCES**

	2020-21 Actual	2021-22 Estimate	2021-22 Projected Outturn	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Reserve for Future Capital Programme (U01035)</b>								
Balance b/f	35,829	38,329	38,329	40,829	43,329	45,829	48,329	50,829
Contribution in year	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Used in year	0	0	0	0	0	0	0	0
Balance c/f	<b>38,329</b>	<b>40,829</b>	<b>40,829</b>	<b>43,329</b>	<b>45,829</b>	<b>48,329</b>	<b>50,829</b>	<b>53,329</b>
<b>Major Repairs Reserve (U01036)</b>								
Balance b/f	9,852	8,526	6,190	2,625	2,760	2,760	2,760	2,760
Contribution in year	0	5,500	5,635	5,635	5,500	5,500	5,500	5,500
Used in Year	-3,662	-6,582	-9,200	-5,500	-5,500	-5,500	-5,500	-5,500
Balance c/f	<b>6,190</b>	<b>7,444</b>	<b>2,625</b>	<b>2,760</b>	<b>2,760</b>	<b>2,760</b>	<b>2,760</b>	<b>2,760</b>
<b>New Build Reserve (U01069)</b>								
Balance b/f	56,112	54,634	51,295	55,618	43,794	31,079	30,987	34,924
Contribution in year	0	8,406	8,241	8,406	8,574	8,746	8,921	9,099
Used in Year	-4,818	-31,058	-3,918	-20,230	-21,288	-8,838	-4,984	0
Balance c/f	<b>51,295</b>	<b>31,982</b>	<b>55,618</b>	<b>43,794</b>	<b>31,079</b>	<b>30,987</b>	<b>34,924</b>	<b>44,023</b>
<b>Usable Capital Receipts: 1-4-1 receipts (T01011)</b>								
Balance b/f	6,004	7,657	4,526	2,622	-3,439	-9,678	-10,704	-9,999
Contribution in year	708	2,609	708	2,609	2,884	2,762	2,841	2,898
Repayment in year	0	0	0	0	0	0	0	0
Used in Year	-2,186	-13,310	-2,612	-8,670	-9,124	-3,788	-2,136	0

Balance c/f	4,526	-3,044	2,622	-3,439	-9,678	-10,704	-9,999	-7,101
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Note: a contribution to this reserve is dependent on the number of RTB sales in the year determined in the HRA self financing model. There are many variables to the calculation of the 1:4:1 contribution. As an estimate, I have used a model provided by Sector which is based on our assumption of RTB sales

**Usable Capital Receipts - HRA Debt Repayment (T01010)**

Balance b/f	4,216	4,243	4,262	4,308	4,969	5,652	6,357	7,085
Contribution in year	46	661	46	661	683	705	728	752
Used in Year	0	0	0	0	0	0	0	0
Balance c/f	4,262	4,904	4,308	4,969	5,652	6,357	7,085	7,837

Note: each RTB sale generates a contribution to this reserve toward debt repayment determined in the HRA self financing model. A small number of sales are anticipated each year.

**Usable Capital Receipts - pre 2013-14 (T01008)**

Balance b/f	3,618	2,260	-0	-0	0	0	0	0
Contribution in year	0	0	0	0	0	0	0	0
Used in Year (HRA = above)	0	0	0	0	0	0	0	0
Used in Year (GF Housing Co)	-3,618	0	0	0	0	0	0	0
Used in Year (GF Housing - DFG)	0	0	0	0	0	0	0	0
Balance c/f	-0	2,260	-0	0	0	0	0	0

Note: Can only be used for HRA capital expenditure, affordable housing and regeneration schemes as set by GBC policy

**Usable Capital Receipts - post 2013-14 (T01012)**

Balance b/f	0	0	-0	-0	-0	-0	-0	-0
Contribution in year	542	289	502	289	292	295	298	298
Used in Year (HRA = above)	-419	-69	-402	-69	-72	-75	-78	-475
Used in Year (GF Housing)	-123	-220	-100	-220	-220	-220	-220	-220
Balance c/f	-0	0	-0	-0	-0	-0	-0	-397

Note: Can only be used for HRA capital expenditure, affordable housing and regeneration schemes as set by the Government

**Summary of Housing Investment Programme Expenditure Delay and RTB receipts impact**

Scheme	2021-22 £000		Carry Forwards from 2020-21	2021-22 TOTAL Budget (Approved & Provisional)	Forecasted spend @ P3 Monitoring	Projected Outturn Spend 31.3.22	Difference	% Slippage	Future Years Budgets (All Years)		
	Approved	Provisional							Approved	Provisional	TOTAL Future years (All years)
<b>Acquisition of Land &amp; Buildings</b>	4,800		86	4,886	886	4,886	0	0%	3,600	7,000	10,600
<b>New Build Programme</b>											
Guildford Park		14,499	250	14,749	0	0	-14,749	100%	0	14,775	14,775
Guildford Park - moved from GF	2,806	4,380	546	7,732	16	660	-7,072	91%	2,692	23,125	25,817
Appletree pub site	0		0	0	47	47	47	0%	0		0
Fire Station/Ladymead	0		83	83	39	39	-44	53%	0		0
Bright Hill	0	3,000	500	3,500	3	65	-3,435	98%	435	3,000	3,435
Weyside Urban Village									0	1,000	1,000
Various small sites & feasibility/Site preparation	0			0	0	0	0		1,000		1,000
Pipeline projects:	3,325		2,285	5,610	4	300	-5,310	95%	9,010		9,010
Manor House Flats						8					
Banders Rise						1					
Station Road East						2					
Dunmore Garden Land						1					
Clover Road Garages						15					
Rapleys Field						0					
Georgelands 108						1					
27 Broomfield						1					
17 Wharf Lane						1					
Foxburrows Redevelopment	0	9,058	533	9,591	0	533	-9,058	94%	0	10,124	10,124
Shawfield Redevelopment	0	2,500	296	2,796	0	0	-2,796	100%	296	3,000	3,296
Equity Share repurchases	400			400	0	400	0	0%	1,600		1,600
<b>SUB TOTAL Housing Investment Prog (HIP)</b>	<b>11,331</b>	<b>33,437</b>	<b>4,580</b>	<b>49,348</b>	<b>1,025</b>	<b>6,931</b>	<b>-42,417</b>	<b>86%</b>	<b>18,633</b>	<b>62,024</b>	<b>80,657</b>
Major repairs and improvements	6,582		2,618	9,200	564	9,200	0	0%	0	27,500	27,500
HRA cash incentive grants	75			75	0	75	0	0%	0	375	375
<b>TOTAL HRA Capital Programme</b>	<b>17,988</b>	<b>33,437</b>	<b>7,198</b>	<b>58,623</b>	<b>1,589</b>	<b>16,206</b>	<b>-42,417</b>	<b>72%</b>	<b>18,633</b>	<b>89,899</b>	<b>108,532</b>

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Financing	2020-21 £000		TOTAL Budget Approved at Council	Forecasted spend @ P3 Monitoring	Projected Outturn Spend 31.3.22	Difference	% Slippage			Financing of future spend
Capital Receipts										
<b>1-4-1 receipts</b>			<b>13,310</b>		<b>2,612</b>	<b>-10,698</b>	<b>-80%</b>			<b>23,717</b>
Contribution from Housing Revenue a/c (re cash incentives)			75		75	0				375
Future Capital Programme reserve			0		0	0				0
<b>Major Repairs reserve</b>			<b>6,582</b>		<b>9,200</b>	<b>2,618</b>				<b>27,500</b>
New Build Reserve			31,058		3,918	-27,140				55,340
Grants and Contributions			0		0	0				0
<b>TOTAL Financing</b>			<b>51,425</b>		<b>16,205</b>	<b>-35,220</b>				<b>108,532</b>

Reconciliation of Spend to RTB (DELTA MHCLG)	2021-22 £000
HIP Expenditure required to avoid RTB repayments	0
HIP Expenditure from the Capital programme	6,931
Difference	0
Repayment risk (30% of difference)	0

Note - no repayment will be required in 2021-22 - based on estimates no risk of repayments until 2028-29

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Corporate Governance and Standards Committee Report

Report of the Director of Resources

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Date: 26 August 2021

## External Audit Plan 2020-21

### Executive Summary

The Council's external auditors, Grant Thornton, have prepared their annual audit plan for 2020-21. The plan is attached as Appendix 1, it details the programme of work that Grant Thornton intend to carry out during 2020-21, the approach they will adopt and significant risks that they will review as part of the audit. Pages 25 and 26 of the audit plan details the fee that Grant Thornton will charge in respect of the external audit of the Council. The scale fee for the core audit, which is published by Public Sector Audit Appointments (PSAA) Ltd of £44,300, has not changed since 2018-19. However, the Financial Reporting Council (FRC) has set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge and to undertake additional and more robust testing.

Within the public sector, where the FRC has recently assumed responsibility for the inspection of local government audit, the regulator requires that all audits achieve a 2A (few improvements needed) rating. This has led to additional work being required. The revised fee for 2020-21 will be £80,300 for the core audit. A further fee of £24,000 is estimated for the audit of grant claims as set out in page 27 of the audit plan (Appendix 1).

PSAA are responsible for appointing an auditor to principal local government and police bodies that have chosen to opt into its national auditor appointment arrangements. At its meeting on 6 December 2016, the Council resolved to opt-in to the appointing person arrangements made by PSAA. Grant Thornton UK LLP was successful in winning a contract in the procurement process and were recommended by PSAA as the Council's auditors for a period of 5 years from 2018-19. This appointment is made under Regulation 13 of the Local Audit (Appointing Person) Regulations 2015, and was approved by the PSAA Board at its meeting on 14 December 2017 and by Council on 10 April 2018.

PSAA have recently consulted on their draft prospectus for public sector audit from April 2023. As part of the exercise the Council will need to decide in the autumn if it wishes to be part of the national procurement exercise or whether it wishes to

undertake its own procurement exercise and set up an independent auditor appointment panel.

**Recommendation to Committee:**

That the Committee approves the external audit plan submitted by Grant Thornton, attached as Appendix 1 to this report, including the audit fee set out on page 25, and makes any comments it feels relevant.

Reason(s) for Recommendation:

To enable the Committee to consider and comment on the planned audit fee, work programme and update report

**Is the report (or part of it) exempt from publication? No**

**1. Purpose of Report**

- 1.1 This report provides a summary of the proposed external audit fee and the work programme for the audit of the 2020-21 accounts, value for money opinion and the grant certification work as set out in the audit plan attached at **Appendix 1**. Officers recommend that the Committee notes the fee and makes any comment that it feels relevant.

**2. Strategic Framework**

- 2.1 The annual audit by Grant Thornton underpins the achievement of all of the Corporate Plan key priorities. In particular the key priority of Using innovation, technology, and new ways of working to improve value for money and efficiency in Council services.

**3. Background**

- 3.1 During 2017, the audit of local government bodies was retendered by Public Sector Audit Appointments (PSAA) Ltd. As a result, Grant Thornton were appointed as the Council's auditors for a 5-year period from 2018-19 by the PSAA board at its meeting on 14 December 2017 and by this Council on 10 April 2018.
- 3.2 The fee for the 2020-21 core audit will be £80,300, the audit fee is an increase from the 2019-20 final audit fee of £66,657. The audit plan at **Appendix 1** contains details of the scope of work covered by the core audit fee.
- 3.3 The external auditor charges a separate fee for Grant Certification and non-audit related work. The indicative fee for 2020-21 of the non-core audit work is expected to be £24,000 as set out on page 27 of **Appendix 1**. The actual fee charged may vary from the indicative fee, depending on the level of work necessary to complete the grant certification work. The certification work covers the audit of the Housing Benefit Subsidy Claim, and Pooling of Capital receipts.

- 3.4 The overall fees to be paid to Grant Thornton for 2019-20 will be £104,300 taking into account all elements of work.

#### **4. Financial Implications**

- 4.1 There is budget provision of £50,550 in the 2021-22 estimates for the audit fees; however, the fees proposed represent a significant increase to what has been budgeted. This will place a cost pressure on the Council which will need to be managed through a virement process to ensure the budget is increased to a sufficient level for 2021-22. A growth bid will be required for the audit fees for 2022-23.

#### **5. Legal Implications**

- 5.1 Section 4 of the Local Audit and Accountability Act 2014 ('the Act') states that the accounts of a relevant authority for a financial year must be audited:
- a) in accordance with the Act and provision made under it, and
  - b) by an auditor (a "local auditor") appointed in accordance with the Act or provision made under it.
- 5.2 Section 20 (5) of the Act states that a local auditor must, in carrying out the auditor's functions in relation to the accounts of a relevant authority, comply with the code of audit practice applicable to the authority that is for the time being in force. The current code of practice for UK Local Government is the 'Code of Audit Practice 2020' issued by the National Audit Office (NAO). The code adopts the International Standards of Auditing (ISAs) as issued by the FRC (Financial Reporting Council).
- 5.3 The document known as 'ISA 260 (International Standard on Auditing 260) (Revised), Communication with those charged with governance', requires the auditor to outline the audit strategy and plan to deliver the audit.
- 5.4 Section 7 of the Act requires a relevant authority (such as this Council) to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year. Section 8 governs the procedure for this appointment, including that the authority must consult and take account of the advice of its auditor panel on the selection and appointment of a local auditor.
- 5.5 Paragraph 1 of Schedule 3 to the Act also provides that where a relevant authority is a local authority operating executive arrangements, the function of appointing a local auditor to audit its accounts is not the responsibility of an executive of the authority under those arrangements.

#### **6. Human Resource Implications**

- 6.1 There are no human resource implications to the report

#### **7. Conclusion**

- 7.1 The report outlines Grant Thornton's external audit plan for 2020-21.

Agenda item number: 6

**8. Background Papers**

None

**9. Appendices**

Appendix 1: Grant Thornton: External Audit Plan for Guildford Borough Council  
year ended 31 March 2021

# External Audit Plan – Guildford Borough Council

Year ending 31 March 2021



# Contents



## Your key Grant Thornton team members are:

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Key matters

## Factors

### Impact of COVID-19 pandemic

The Covid-19 pandemic has impacted the Council's financial position during 2020/21. As reported to your Corporate Governance and Standards Committee in January 2021, direct costs related to the pandemic of £2.9m are offset in part by Government Grant of £2.2m however there are additional Covid related costs that create a cost pressure of £3.3m. The reduction of income from fees and charges of £7m is mitigated in part by being able to claim £4.5m from the government compensation scheme. The combined impact is a £8.2m increase in net expenditure as forecast at the end of Month 8. The Council has continually monitored the merging situation and its impact on the Council finances throughout the year and updated Members as new information has become available via regular budget monitoring. As at November 2020, the cumulative budget gap of £4m for the period 2021/22 to 2024/25. Taken together there is pressure on the Council's reserve position.

The Council has received a number of covid-19 related grants from Central Government to mitigate some of the additional pressures experienced in responding to the pandemic locally, which have been incorporated into the budget and medium term financial strategy.

## Our response

At this time we have not identified a specific COVID-19 significant audit risk (as we did for Local Government audits in 2019/20 which covered a number of risks including the availability of Council staff to produce accounts, year end stock take completion and valuation uncertainties in relation to land and buildings). We will revisit this assessment should the current pressures the sector faces continues and impacts year end accounting and auditing processes.

We will consider your arrangements for managing and reporting your financial resources and assessing your financial resilience as part of our audit in completing our Value for Money work.

Agenda item number: 6  
Appendix 1

# Key matters

## Factors

### Accounting and auditing developments

On 1 April 2020, the National Audit Office introduced a new Code of Audit Practice which comes into effect from audit year 2020/21. The Code introduced a revised approach to the audit of Value for Money. (VFM) There are three main changes arising from the NAO's new approach:

- A new set of key criteria, covering financial sustainability, governance and improvements in economy, efficiency and effectiveness
- More extensive reporting, with a requirement on the auditor to produce a commentary on arrangements across all of the key criteria, rather than the current 'reporting by exception' approach
- The replacement of the binary (qualified / unqualified) approach to VFM conclusions, with more sophisticated judgements on performance, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

In the period December 2018 to January 2020 the Financial Reporting Council issued a number of updated International Auditing Standards (ISAs (UK)) which are effective for audits of financial statements for periods beginning on or after 15 December 2019. ISA (UK) 540 (revised): Auditing Accounting Estimates and Related Disclosures includes significant enhancements in respect of the audit risk assessment process for accounting estimates. As part of this process auditors also need to obtain an understanding of the effectiveness of the role of those charged with governance relating to accounting estimates adopted by management, which is particularly important where the estimates have high estimation uncertainty or require significant judgement.

Although the implementation of IFRS 16 has been delayed, audited bodies still need to include disclosures in their 2020/21 statements to comply with the requirements of IAS 8. As a minimum, we would expect the Council to disclose the title of the standard, the date of initial application and the nature of the changes in accounting policy for leases. If the impact of IFRS 16 is not known or reasonably estimable, the accounts should state this.

In the prior year the Council's valuer reported a material uncertainty regarding the valuations of properties due to the COVID-19 pandemic. In addition, there was a material uncertainty in relation to the valuation of the pooled property funds which impacted both the Council's and Pension Funds position. We will monitor the position for the 31 March 2021 valuations.

## Our response

As part of our planning work, we considered and concluded there were not any risks of significant weakness in the council's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have identified a number of areas of focus to update our understanding of the Council's arrangements as set out at page 17.

The revisions to the standard have been incorporated into our audit approach and methodology. We have already identified the material accounting estimates likely to be impacted by the new auditing standard and will work with management to agree the information required and the disclosures required in the financial statements.

We will continue to provide you with sector updates via our Audit Committee updates.

We will liaise with the Council's valuer to clarify any potential material uncertainties in 2020-21.



# Introduction and headlines

## Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Guildford Borough Council ('the Council') for those charged with governance.

## Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the agreed *Terms of Appointment and Statement of Responsibilities* issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of Guildford Borough Council. We draw your attention to both of these documents.

## Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the:

- Council's financial statements that have been prepared by management with the oversight of those charged with governance (the Corporate Governance and Standards Committee); and
- Value for Money arrangements in place at the Council for securing economy, efficiency and effectiveness in your use of resources.

The audit of the financial statements does not relieve management or the Corporate Governance and Standards Committee of your responsibilities. It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Council's business and is risk based.

## Group Audit

The Council is required to prepare group financial statements that consolidate the financial information of North Downs Housing Limited. We have considered our approach the components of the group on the following page.

## Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Revenue cycle includes fraudulent transactions (risk rebutted)
- Fraud in expenditure recognition
- Management override of controls
- Valuation of land and buildings including investment properties
- Valuation of net pension fund liability
- Implementation of a new general ledger system

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

## Materiality

We have determined planning materiality to be £2.52m (PY £2.2m) for the group and £2.5m (PY £2.1m) for the Council, which equates to 1.9% of your prior year gross expenditure for the year. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £0.125m (PY £0.1m).

## Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money has not identified any risks of significant weakness: We will continue to review and update our risk assessment over the course of the audit.

## Audit logistics

Our planning and risk assessment visit took place in April, remotely, and our final visit will take place in September, with dates to be confirmed. Our key deliverables are this Audit Plan, our Audit Findings Report and Auditor's Annual Report. Our audit approach is detailed in Appendix A.

Our fee for the audit is £80,300 (PY: £66,657). The fee subject to the Council delivering a good set of financial statements and working papers.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements..

# Group audit scope and risk assessment

In accordance with ISA (UK) 600, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

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Component	Individually Significant?	Level of response required under ISA (UK) 600	Risks identified	Planned audit approach
Guildford Borough Council	Yes	Comprehensive	<ul style="list-style-type: none"> <li>Risks identified on proceeding pages.</li> </ul>	Full scope audit performed by Grant Thornton UK LLP
North Downs Housing Limited	Yes	Specified audit procedures	<ul style="list-style-type: none"> <li>Valuation of Property assets, long term debtors and investments as at 31 March 2021</li> </ul>	Specific scope procedures on Property valuations, long term debtors and investments to be performed by Grant Thornton UK LLP.
Guildford Borough Council Holdings Limited	Yes	Analytical Only	<ul style="list-style-type: none"> <li>None – we understand that this is a holding company only</li> </ul>	Analytical review performed by Grant Thornton UK LLP.

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## Key changes within the group:

We have confirmed via discussion with officers that the group structure remains consistent with the prior year. The Council controls North Downs Housing Limited and its parent company Guildford Borough Council Holdings Limited through its ownership of 100% of the shares of Guildford Borough Council Holdings Limited.

## Audit scope

- Audit of the financial information of the component using component materiality
- Audit of one more classes of transactions, account balances or disclosures relating to significant risks of material misstatement of the group financial statements
- Review of component's financial information
- Specified audit procedures relating to significant risks of material misstatement of the group financial statements
- Analytical procedures at group level

# Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Risk Relates to	Reason for risk identification	Key aspects of our proposed response to the risk
The revenue cycle includes fraudulent transactions (rebutted)	Council	<p>Under ISA 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p> <p>Having considered the risk factors set out in ISA240 and nature of the revenue streams at Guildford Borough Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> <li>• there is little incentive to manipulate revenue recognition</li> <li>• opportunities to manipulate revenue recognition are very limited</li> <li>• the culture and ethical frameworks of local authorities, including Guildford Borough Council, mean that all forms of fraud are seen as unacceptable</li> </ul>	We do not consider this to be a significant risk for Guildford Borough Council.
Fraud in expenditure recognition	Council	<p>As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure recognition may be greater than the risk of fraud related to revenue recognition. There is a risk the Council may manipulate expenditure to meet externally set targets and we had regard to this when planning and performing our audit procedures.</p> <p>Management could defer recognition of non-pay expenditure by under-accruing for expenses that have been incurred during the period but which were not paid until after the year-end or not record expenses accurately in order to improve the financial results with the aim of reducing the impact on declining reserves. We have rebutted the risk in relation to other expenditure streams.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• inspect transactions incurred around the end of the financial year to assess whether they had been included in the correct accounting period;</li> <li>• inspect a sample of accruals made at year end for expenditure but not yet invoiced to assess whether the valuation of the accrual was consistent with the value billed after the year; and</li> <li>• investigate manual journals posted as part of the year end accounts preparation that reduces expenditure to assess whether there is appropriate supporting evidence for the reduction in expenditure.</li> </ul>

# Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Management over-ride of controls	Group and Council	<p>Under ISA (UK) 240 there is a non rebuttable presumed risk that the risk of management override of controls is present in all entities. You face external scrutiny of your spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• evaluate the design effectiveness of management controls over journals;</li> <li>• analyse the journals listing and determine the criteria for selecting high risk unusual journals;</li> <li>• test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration;</li> <li>• gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; and</li> <li>• evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.</li> </ul>
Valuation of land and buildings (including investment properties)	Group and Council	<p>The group revalues high value fixed assets on an annual basis and the remainder of assets on a rolling five-yearly basis.</p> <p>This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£781 million and £153 million of investment properties in 2019/20) and the sensitivity of this estimate to changes in key assumptions.</p> <p>Additionally, management will need to ensure the carrying value in the Council financial statements is not materially different from the current value or the fair value (for investment properties) at the financial statements date, where a rolling programme is used.</p> <p>We therefore identified valuation of land and buildings and investment properties, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work;</li> <li>• evaluate the competence, capabilities and objectivity of the valuation expert;</li> <li>• write to the valuer to confirm the basis on which the valuation was carried out;</li> <li>• challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding, the valuer's report and the assumptions that underpin the valuation;</li> <li>• test revaluations made during the year to see if they had been input correctly into your asset register; and</li> <li>• evaluate the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end.</li> </ul>

# Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of the pension fund net liability	Council	<p>Your pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£114 million in your balance sheet) and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the Council's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• update our understanding of the processes and controls put in place by management to ensure that the Council's pension fund net liability is not materially misstated and evaluate the design of the associated controls;</li> <li>• evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work;</li> <li>• assess the competence, capabilities and objectivity of the actuary who carried out the Council's pension fund valuation;</li> <li>• assess the accuracy and completeness of the information provided by the Council to the actuary to estimate the liability;</li> <li>• test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary;</li> <li>• undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and</li> <li>• obtain assurances from the auditor of Surrey County Council Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.</li> </ul>
Incomplete or inaccurate financial information transferred to the new general leader	Group and Council	<p>In July 2020, the Council implemented a new general ledger system. When implementing a new significant accounting system, it is important to ensure that sufficient controls have been designed and operate to ensure the integrity of data. There is also a risk over the completeness and accuracy of the data transfer from the previous ledger system.</p> <p>We therefore identified the completeness and accuracy of the transfer of financial information to the new general ledger system as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• Complete an information technology (IT) environment review by our IT audit specialists to document, evaluate and test the IT controls operating within the new general ledger system</li> <li>• Map the transfer of data to ensure accuracy and completeness of the financial information</li> </ul>

# Other risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Accounting for grant revenues and expenditure correctly	Council	<p>The Council (similar to all other local authorities) has been the recipient of significant increased grant revenues in 2020/21 relating to Covid-19. Some of these grants relate to the Council, and others are grants which should be passed onto other entities.</p> <p>The Council will need to consider for each type of grant whether it is acting as agent or principal, and depending on that decision how the grant income and amounts paid out should be accounted for.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• Discuss with management and understand the different types of material grants received during 2020/21 and what the conditions are in the grant agreements;</li> <li>• Understand the conditions for payment out to other entities;</li> <li>• Therefore understand whether the Council should be acting as agent or principal for accounting purposes; and</li> <li>• We will test material grant revenues to see whether the Council has accounted for these correctly.</li> </ul>

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings Report.

# Accounting estimates and related disclosures

The Financial Reporting Council issued an updated ISA (UK) 540 (revised): *Auditing Accounting Estimates and Related Disclosures* which includes significant enhancements in respect of the audit risk assessment process for accounting estimates. We did not identify any issues or recommendations in our 2019/20 audit in relation to the Council's estimation processes.

## Introduction

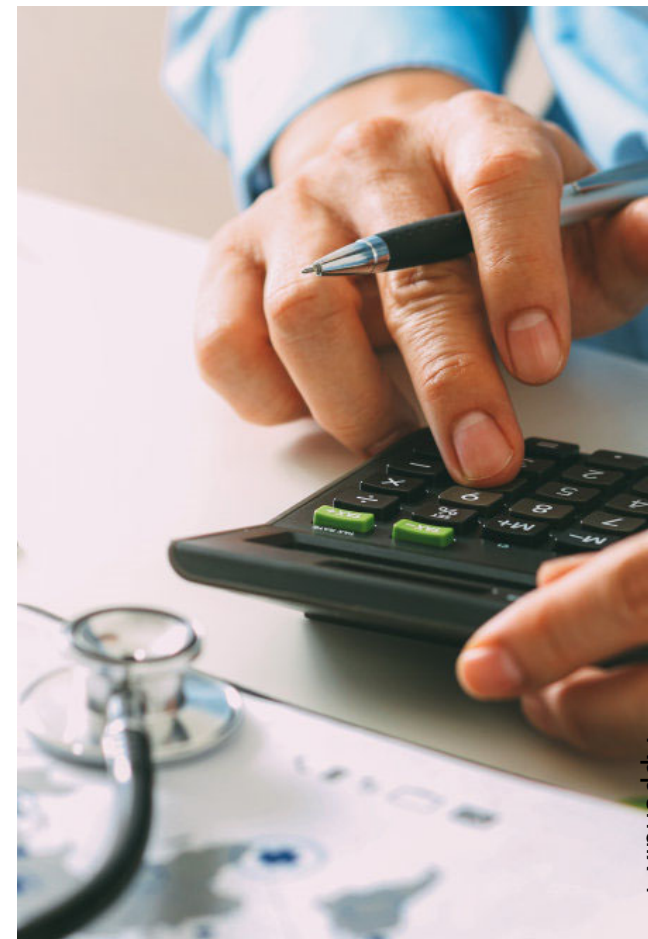
Under ISA (UK) 540 (Revised December 2018) auditors are required to understand and assess an entity's internal controls over accounting estimates, including:

- The nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates;
- How management identifies the need for and applies specialised skills or knowledge related to accounting estimates;
- How the entity's risk management process identifies and addresses risks relating to accounting estimates;
- The entity's information system as it relates to accounting estimates;
- The entity's control activities in relation to accounting estimates; and
- How management reviews the outcomes of previous accounting estimates.

As part of this process auditors also need to obtain an understanding of the role of those charged with governance, which is particularly important where the estimates have high estimation uncertainty, or require significant judgement.

Specifically do Corporate Governance and Standards Committee members:

- Understand the characteristics of the methods and models used to make the accounting estimates and the risks related to them;
- Oversee management's process for making accounting estimates, including the use of models, and the monitoring activities undertaken by management; and
- Evaluate how management made the accounting estimates?



# Accounting estimates and related disclosures

## Additional information that will be required

To ensure our compliance with this revised auditing standard, we will be requesting further information from management and those charged with governance during our audit for the year ended 31 March 2021.

Based on our knowledge of the Council we have identified the following material accounting estimates for which this is likely to apply:

- Valuations of land and buildings and investment properties
- Business rates appeals provision
- Credit loss and impairment allowances
- Valuation of defined benefit net pension fund liabilities
- Fair value estimates (level 2)

## The Council's Information systems

In respect of the Council's information systems we are required to consider how management identifies the methods, assumptions and source data used for each material accounting estimate and the need for any changes to these. This includes how management selects, or designs, the methods, assumptions and data to be used and applies the methods used in the valuations.

When the models used include increased complexity or subjectivity, as is the case for many valuation models, auditors need to understand and assess the controls in place over the models and the data included therein. Where adequate controls are not in place we may need to report this as a significant control deficiency and this could affect the amount of detailed substantive testing required during the audit.

If management has changed the method for making an accounting estimate we will need to fully understand management's rationale for this change. Any unexpected changes are likely to raise the audit risk profile of this accounting estimate and may result in the need for additional audit procedures.

We are aware that the Council uses management experts in deriving some of its more complex estimates, e.g. asset valuations and pensions liabilities. However, it is important to note that the use of management experts does not diminish the responsibilities of management and those charged with governance to ensure that:

- All accounting estimates and related disclosures included in the financial statements have been prepared in accordance with the requirements of the financial reporting framework, and are materially accurate;
- There are adequate controls in place at the Council (and where applicable its service provider or management expert) over the models, assumptions and source data used in the preparation of accounting estimates.

## Estimation uncertainty

Under ISA (UK) 540 we are required to consider the following:

- How management understands the degree of estimation uncertainty related to each accounting estimate; and
- How management address this estimation uncertainty when selecting their point estimate.

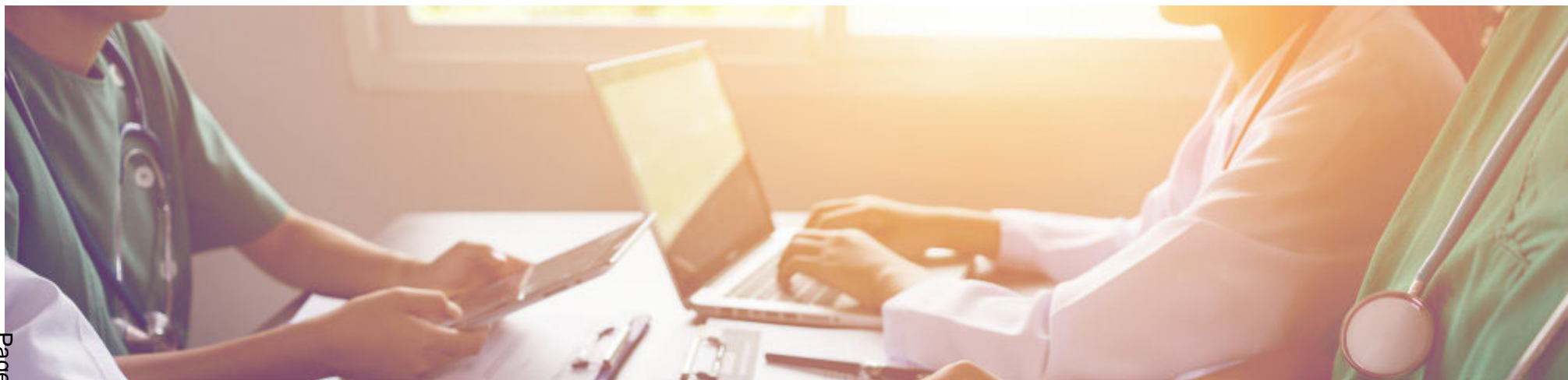
For example, how management identified and considered alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the point estimate used.

The revised standard includes increased emphasis on the importance of the financial statement disclosures. Under ISA (UK) 540 (Revised December 2018), auditors are required to assess whether both the accounting estimates themselves and the related disclosures are reasonable.

Where there is a material uncertainty, that is where there is a significant risk of a material change to the estimated carrying value of an asset or liability within the next year, there needs to be additional disclosures. Note that not all material estimates will have a material uncertainty and it is also possible that an estimate that is not material could have a risk of material uncertainty.



# Accounting estimates and related disclosures



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Where there is material estimation uncertainty, we would expect the financial statement disclosures to detail:

- **What the assumptions and uncertainties are;**
- **How sensitive the assets and liabilities are to those assumptions, and why;**
- **The expected resolution of the uncertainty and the range of reasonably possible outcomes for the next financial year; and**
- **An explanation of any changes made to past assumptions if the uncertainty is unresolved.**

## Planning enquiries

As part of our planning risk assessment procedures we have sent inquiries to the management that will be shared with the Corporate Governance and Standards Committee for approval.

## Further information

Further details on the requirements of ISA (UK) 540 (Revised December 2018) can be found in the auditing standard on the Financial Reporting Council's website:

[https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-\(UK\)-540\\_Revised-December-2018\\_final.pdf](https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-(UK)-540_Revised-December-2018_final.pdf)

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# Other matters

## Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Council.
  - We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.
  - We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
- giving electors the opportunity to raise questions about your 2020/21 financial statements, consider and decide upon any objections received in relation to the 2020/21 financial statements;
  - issuing a report in the public interest or written recommendations to the Council under section 24 of the Local Audit and Accountability Act 2014 (the Act);
  - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act; and
  - issuing an advisory notice under section 29 of the Act.
- We certify completion of our audit.

## Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

## Going concern

As auditors, we are required to obtain sufficient appropriate audit evidence regarding, and conclude on:

- whether a material uncertainty related to going concern exists; and
- the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements.

The Public Audit Forum has been designated by the Financial Reporting Council as a "SORP-making body" for the purposes of maintaining and updating Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom (PN 10). It is intended that auditors of public sector bodies read PN 10 in conjunction with (ISAs) (UK).




PN 10 has recently been updated to take account of revisions to ISAs (UK), including ISA (UK) 570 on going concern. The revisions to PN 10 in respect of going concern are important and mark a significant departure from how this concept has been audited in the public sector in the past. In particular, PN 10 allows auditors to apply a 'continued provision of service approach' to auditing going concern, where appropriate. Applying such an approach should enable us to increase our focus on wider financial resilience (as part of our VfM work) and ensure that our work on going concern is proportionate for public sector bodies. We will review the Council's arrangements for securing financial sustainability as part of our Value for Money work and provide a commentary on this in our Auditor's Annual Report (see page 17). We will also need to identify whether any material uncertainties in respect of going concern have been reported for the Council's subsidiaries. If such a situation arises, we will consider our audit response for the group.

# Progress against prior year audit recommendations



We identified the following issues in our 2019/20 audit of the group financial statements, which resulted in 4 recommendations being reported in our 2019/20 Audit Findings Report. We have followed up on the implementation of our recommendations, however our year end work on the financial statements will confirm if these issues have been fully addressed.

Assessment	Progress	Issue and risk previously communicated	Update on actions taken to address the issue
<p>●</p> <p>Medium</p>	Ongoing	<p><b>Other land and Buildings - Guildford Lido valuation</b></p> <p>We identified that this asset was valued at 31st January 2020 for the 2019/20 accounts however, the previous valuation was completed at 1st April 2014. Therefore this asset was not revalued for over 5 years. The Code stipulates that all assets have to be revalued by a LG authority at least every 5 years.</p> <p>The asset had a brought forward valuation of £800,000 and a closing valuation of £2,224,000. There is a risk that the brought forward balance not revalued is different to its actual value at that time by a non-trivial amount.</p>	<p>Management sought confirmation from the valuer and confirmed that, although the latest valuation was performed at 31 January 2020, a supplementary valuation was performed as at 1 April 2019, within the five year window.</p>
<p>●</p> <p>Medium</p>	Ongoing	<p><b>Investment Properties – Haydon Place</b></p> <p>We identified that one asset - Haydon Place - was classified as an Investment Property by the client but the valuation was completed as if it was an operational property. We obtained an understanding of why this was - the client instructed the valuer in 2018/19 to value it as an operational property for the 2019/20 accounts based on the plans for the new lease. However, this fell through but the valuer wasn't informed, meaning the basis for this valuation was incorrect. We requested that the client obtains an investment property valuation for this asset. The value of the property in the draft financial statements is £585,000. There is a risk that, under a different valuation basis, the asset would have a non-trivially different value.</p>	<p>Management sought confirmation from the valuer as to whether the asset would have a different value if it had been valued as an investment property; the estimate provide indicates the estimated different to be between 2.5% to 5.0% of the asset's value.</p> <p>This initial assessment would not indicate a material risk noting the valuation of the asset and the fact that the range of uncertainty is below our triviality threshold.</p>

# Progress against prior year audit recommendations

Assessment	Progress	Issue and risk previously communicated	Update on actions taken to address the issue
 <b>Medium</b>	Ongoing	<p><b>HRA Dwellings disposed but not removed from asset register</b></p> <p>From the work on the Dwellings (housing) we identified 2 HRA properties were not revalued this year. On review, these were not included in the revaluation schedule because these were equity share assets for which the last part-disposal had taken place, and GBC no longer owns these assets - they should have been taken off the fixed asset register but were not.</p> <p>The total value of these assets is £165k, therefore the Dwellings is overstated by £165k, this is above trivial but not material, and has been identified as an unadjusted misstatement.</p>	Finance will liaise with housing at the end of the financial year to double check the share properties tie in with the asset register.
 <b>Medium</b>	Ongoing	<p><b>Debtors / creditors journals posted after accounts closure</b></p> <p>The audit work on debtors and creditors revealed that the transaction listings for debtors and creditors did not match the amounts disclosed in the financial statements. Further investigation revealed that journals to record revenue from collection funds and for business improvement district charges were entered in the revenue accounts correctly, however, the corresponding entries to the receivables and liability accounts were not recorded before publication of the first draft of financial statements. Journals had not gone through at time accounts were drafted and so had to be posted as correcting journals.</p>	Finance aim to return to the 31 May date for preparing the draft SOA and all journals will be posted in the preparation as has happened in previous years.
 <b>Medium</b>	Ongoing	<p><b>Grants document retention</b></p> <p>In sample testing revenue from grants, we could not verify two sample items due to missing documentation. The client was not able to provide the audit team with source documentation to verify the occurrence and accuracy of the revenue recognized from the two sample items. We were advised that this was due to information that had not been recorded prior to the transition to Business World combined with the fact that these both related to historic grants with an ongoing income element. This generated a sample error of £552k which, though not material, is non-trivial.</p>	Accountants are obtaining copies of agreements as and when grants are received so we have the information to hand when we close the accounts.

# Progress against prior year audit recommendations

Assessment	Progress	Issue and risk previously communicated	Update on actions taken to address the issue
 <b>Medium</b>	Ongoing	<p><b>Group Accounts – preparation arrangements</b></p> <p>The draft group accounts were presented for audit on 25th November 2020, late in the audit process. The underlying workings provided did not enable the auditor to reperform management's consolidation process, particularly over intra-group eliminating entries, meaning additional audit time was required to understand and reperform management's consolidation process. Part of the reason for this is that the workings were essentially presented as two separate consolidation processes, one between North Downs Housing Ltd and Guildford Borough Council Holdings Ltd (GBCH) and another between GBCH and the Council. This two tier manual approach increases the risk of error and version control issues (which was found to be a problem). In addition, there was no documented review process or timetable for the group accounts, which should be produced at the same time as the Council's accounts as they align to the same statutory publication deadline. While no significant quantitative errors were noted, it is recommended that the production and review process be enhanced. It is acknowledged that this is the first year that Group Accounts have been produced and that this may have contributed to the delay and method in producing them; getting the process more systemised will benefit the Council in future years particularly if there are changes or expansions to the Group structure.</p>	<p>Additional resource has been created in the finance team who is responsible for company accounts which will enable the accounts to be prepared in a more timely fashion and allow more time to be spent on the consolidation.</p>
 <b>Medium</b>	Ongoing	<p><b>Related party declarations not received</b></p> <p>As part of our testing over related party transactions, we identified that declarations were not received from 7 councillors. As per discussions with the Deputy CFO, to ensure that the Council has not omitted any material related party transactions from disclosure, a review of the prior year declarations is made and an assessment as to whether there is expectation for material transactions to have occurred in the current year is made. While this process and our work performed did not identify any unidentified related parties, receipt of declarations from councillors remains a key tool for the Council to identify related parties and so compliance in this area needs to be enhanced.</p>	<p>This was more tricky this year with remote working. In future, we will be able to work with Councillors at committee meetings so should have a higher return rate</p>

# Progress against prior year audit recommendations

Assessment	Progress	Issue and risk previously communicated	Update on actions taken to address the issue
<p>● Medium</p>	Ongoing	<p><b>Finance team capacity</b></p> <p>A high volume of misstatements and adjustments appeared to stem from finance team capacity and errors made prior to the draft accounts being produced. A high volume of working papers initially provided, and evidence subsequently provided, did not initially meet our audit evidence requirements. In addition, key items such as the group accounts were not made available until very late in the audit process (25 November).</p>	<p>With the aim to prepare the draft accounts by the end of May, and the Audit for 20/21 likely to start from July, the finance team will have more time to spend on increasing the quality of working papers, with more cross referencing.</p>
<p>● Medium</p>	Ongoing	<p><b>Treasury management working papers</b></p> <p>The initial treasury management working papers had the following did not tie back to the amounts disclosed in the accounts and were as such unsuitable for completing our testing. As such revised working papers were required, which were provided on 21 January 2021</p>	<p>Many discussions on the treasury management transactions we had throughout the whole audit process, there were only a couple of outstanding items that were resolved in January, the majority were resolved much earlier in the audit. We will ensure the working papers are better cross referenced in future.</p>
<p>● Medium</p>	Ongoing	<p><b>Unrecorded liabilities</b></p> <p>As part of our review of post year end supplier payments we identified two transactions which had not been recorded as liabilities prior to year end despite these relating to 2019/20 goods or services. While the value of these was not material (and management have accepted these as an unadjusted misstatement).</p> <p>While we note the disruption caused by the onset of Covid-19 restrictions at year end ( March/April 2020 cut-off) may have impaired the Council's ability to effect normal processes we recommend that the root causes of the unprocessed invoices are identified and addressed.</p>	<p>This does depend on whether invoices are in dispute, held up or not received/paid in time during the closing process (which is what happened with one of these transactions). With the introduction of Business World, we are now operating a Purchase Order process so we hope this will mitigate this issue. Finance do also review the new year payments and will accrue for any that managers haven't accrued for and this process will continue.</p>



# Progress against prior year audit recommendations

Assessment	Progress	Issue and risk previously communicated	Update on actions taken to address the issue
● Low	Ongoing	<p><b>Fully amortised assets</b></p> <p>We established that several assets in the intangible assets register have reached their full useful economic lives. These assets appear in the intangible assets register with nil net book values. There is need for the Council to put in place measures to ensure that intangible assets that are reaching/have reached their full economic useful life are evaluated and appropriate action is taken to either revise estimates or clearly show that these assets are no longer in use in the intangible assets register.</p>	Finance will review the assets on the asset register
● Low	Ongoing	<p><b>Accounts payable document retention</b></p> <p>For one of our accounts payable sample, the Council were not able to provide a supplier invoice. The root of this finding was an absence of synchronisation between the ledger and the housing management system (Orchard). We have gained assurance that the amount represents a creditor at year end and that the service the expenditure relates to took place.</p>	<p>Since the introduction of Business World, the way we process invoices has changed. This should help with the source documentation being available.</p> <p>From 1/4/21 Orchard invoices will be dealt with differently to currently, and PO's will be raised in BW as well as Orchard.</p>
● Low	Ongoing	<p><b>Employee starters contracts</b></p> <p>From the testing of starters and leavers as part of the procedures on Employee Benefit Expenditure, we identified two starters in the 2019-20 financial year where the employee did not sign their contract. HR's view is that if they start the employment they agree to the terms implicitly. Although this practice is not uncommon, we identified that beyond this there are no specific mitigations against having unsigned contracts.</p> <p>Our work did not identify any issues with respect to the validity, value or accurate processing of the HR data contained within. All forms had been correctly signed by HR.</p>	The starter process is being reviewed as part of the transformation programme and the implementation of the new ERP.
● Low	Ongoing	<p><b>Fully depreciated assets</b></p> <p>We established that several assets in the fixed asset register have reached their full useful economic lives. These assets appear in the fixed asset register with nil net book values. There is need for the Council to put in place measures to ensure that assets that are reaching/have reached their full economic useful life are evaluated and appropriate action is taken to either revise estimates or clearly show that these assets are no longer in use in the fixed asset register.</p>	Finance will work with the Asset team to review these assets in the asset register.

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# Progress against prior year audit recommendations

Assessment	Progress	Issue and risk previously communicated	Update on actions taken to address the issue
 Low	Ongoing	<b>Leases (2017/18)</b> We recommend that management ensure that the classification of leases are monitored on an ongoing basis and that the classification and subsequent financial reporting treatment is consistent with the underlying nature of the transaction. This will be particularly relevant given the adoption of a new accounting standard IFRS 16, which will apply to public sector bodies for periods starting on or after 1 April 2021 (in the case of Guildford, financial year 2021/22)	Management planned to review the lease treatment of assets held on the asset register as part of their preparation for IFRS 16. The delayed implementation of IFRS16 has delayed management's action
 Low	Ongoing	<b>IT access (2017/18)</b> All logical access within financially critical systems belonging to leavers should be revoked in a timely manner upon their departure from the Council. Security/System administrators should be provided with (a) timely, proactive notifications from HR of leaver activity for anticipated terminations and (b) timely, per-occurrence notifications for unanticipated terminations (e.g. monthly rather than quarterly). Security/system administrators should then use these notifications to either (a) end-date user accounts associated with anticipated leaver's date or (b) immediately disable user accounts associated with unanticipated leavers.	As part of the Future Guildford transformation project, the Council will consider changing its HR policies on recording employees regardless of the route for engagement and the use of Selima as the authoritative identity source which can be automatically linked to account provisioning and management.  The implementation of the ERP system was delayed from April 2020 to August 2020 due to COVID 19. The new system does record all employees engaged by the council regardless of their engagement (i.e. employee costs and details are based on person not position) however the workflows relating to the starters and leavers process within the new system are still being reviewed with the aim of updating the workflow by the end of March 2021.



# Materiality

## The concept of materiality

Materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

## Materiality for planning purposes

We have determined financial statement materiality based on a proportion of the gross expenditure of the group and Council for the financial year. In the prior year we used the same benchmark. Materiality at the planning stage of our audit is £2.52m (PY £2.21m) for the group and £2.5m (PY £2.2m) for the Council, which equates to 1.9% of your prior year gross expenditure for the year. We design our procedures to detect errors in specific accounts at a lower level of precision, however given the low value of the triviality figure for the Council we are satisfied this will capture misstatements at a sufficient level across the accounts.

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

## Matters we will report to the Corporate Governance and Standards Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Corporate Governance and Standards Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. In the context of the group and Council, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.125m (PY £0.1m).

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Corporate Governance and Standards Committee to assist it in fulfilling its governance responsibilities.

## Prior year gross operating costs

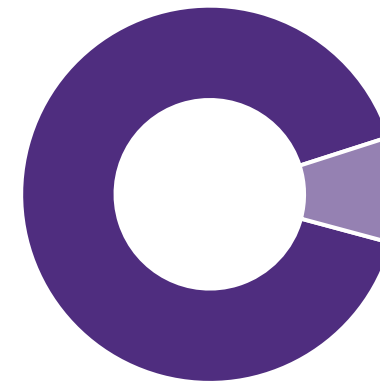
£132m group

(PY: £116m)

£132m Council

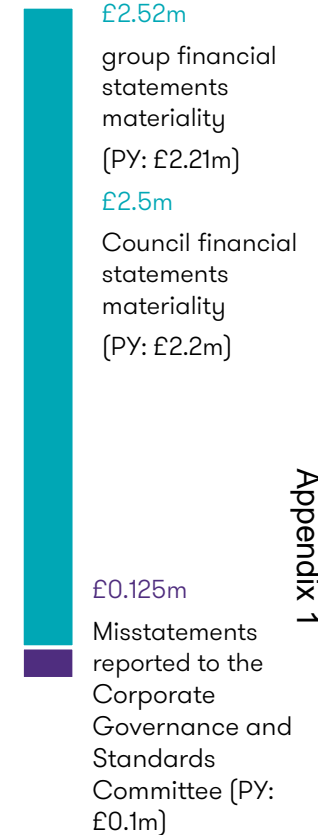
(PY: £116m)

Materiality based on the 2019/20 accounts



■ Prior year gross operating costs

## Materiality



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Appendix 1

# Value for Money arrangements

## Revised approach to Value for Money work for 2020/21

On 1 April 2020, the National Audit Office introduced a new Code of Audit Practice which comes into effect from audit year 2020/21. The Code introduced a revised approach to the audit of Value for Money. (VFM)

There are three main changes arising from the NAO's new approach:

- A new set of key criteria, covering financial sustainability, governance and improvements in economy, efficiency and effectiveness
- More extensive reporting, with a requirement on the auditor to produce a commentary on arrangements across all of the key criteria, rather than the current 'reporting by exception' approach
- The replacement of the binary qualified/unqualified approach to VFM conclusions, with far more sophisticated judgements on performance, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

The Code require auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under three specified reporting criteria. These are as set out to the right:



### Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



### Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years)



### Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information



# Risks of significant VFM weaknesses

As part of our planning work, we considered whether there were any risks of significant weakness in the body's arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on. Whilst our planning assessment did not identify any significant weaknesses in arrangements, we have highlighted further key areas of focus which are listed below. We may be required to raise recommendations as a result of our findings. The potential different types of recommendations we could make are set out in the second table below.

As part of our planning work, we have considered whether there were any risks of significant weakness in the body's arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on. We have:

- Met with your senior officers to discuss the current risk profile and outlook for the Council and to discuss and understand any recent changes to the Council's arrangements for securing VFM;
- Reviewed publicly available reports and documentation (including minutes of all significant Council meetings), relating to both financial and operational areas of the Council's functions;
- Reviewed risk registers to understand the Council's own view and assessment of the severity of the risks it faces in the current unprecedented times.

We have not identified any risks of this nature from our initial planning work. However we have identified some specific areas of focus where we will need to obtain a deeper understanding of your arrangements in our ongoing detailed work, these are:

- The reasonableness of the assumptions underpinning the medium term financial plan from 2021/22 onwards;
- The Council's arrangements for addressing the identified gap of £6 million;
- The Council's arrangements for delivering Future Guildford, a major transformation programme;
- The Council's governance arrangements over North Downs Housing and the investment of a further £5 million in 2020/21; and
- The Council's arrangements to deliver the substantial capital programme where the 2020/21 budget was £181 million and slippage of £42 million has been experienced.

We will continue our review of your arrangements, including reviewing your Annual Governance Statement, before we issue our auditor's annual report.

Should this additional work identify risks of significant weakness then we may need to make recommendations following the completion of our work.

The potential different types of recommendations we could make are also set out below.

## Potential types of recommendations

A range of different recommendations could be made following the completion of work on risks of significant weakness, as follows:



### Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



### Key recommendation

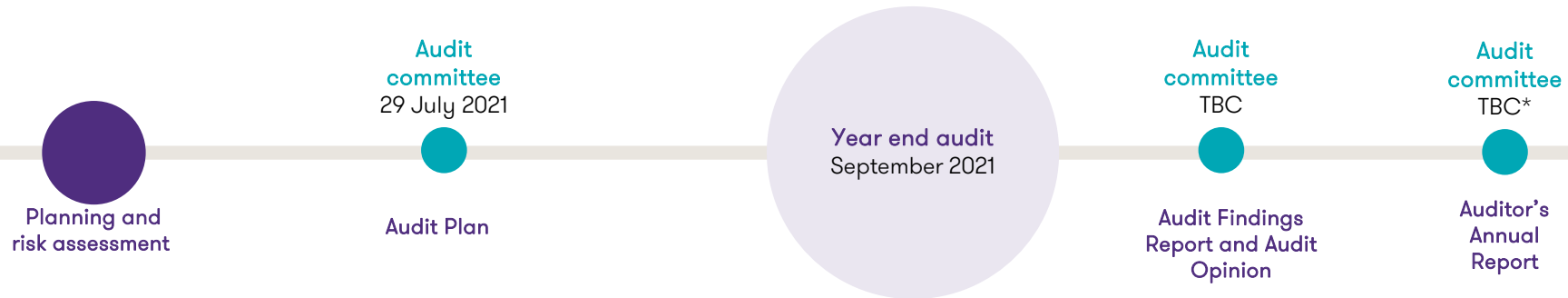
The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



### Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements

# Audit logistics and team



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## Paul Cuttle, Engagement Lead

Responsible for overall client relationship, quality control, provision of accounts opinions, meeting with key internal stakeholders and final authorization of reports. Attendance of Corporate Governance & Standards Committee meetings supported by Manager as required.

## Emily McKeown, Audit Manager

Emily will work with the senior members of the finance team ensuring the delivery of the final accounts audit and VFM conclusion. Emily will attend Corporate Governance and Standards Committees, undertake reviews of the team's work and draft reports ensuring they remain clear, concise and understandable to all.

## Audited body responsibilities

Where audited bodies do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other audits. Where the elapsed time to complete an audit exceeds that agreed due to a client not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

## Our requirements

To minimise the risk of a delayed audit, you need to ensure that you:

- produce draft financial statements of good quality by the agreed timetable you have agreed with us, including all notes, the Narrative Report and the Annual Governance Statement
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples for testing
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit
- respond promptly and adequately to audit queries.

\*NAO Guidance has advised that the Auditor's Annual Report can be provided up to 3 months after the signing of the audit opinion.

# Audit fees

In 2018, PSAA awarded a contract of audit for Guildford Borough Council to begin with effect from 2018/19. The fee agreed in the contract was £44,300. Since that time, there have been a number of developments, particularly in relation to the revised Code and ISA's which are relevant for the 2020/21 audit.

As referred to on page 22, the 2020/21 Code introduces a revised approach to our VFM work. This requires auditors to produce a commentary on arrangements across all of the key criteria, rather than the current 'reporting by exception' approach. Auditors now have to make far more sophisticated judgements on performance, as well as issue key recommendations if any significant weaknesses in arrangements are identified during the audit. We will be working with the NAO and other audit firms to discuss and share learning in respect of common issues arising across the sector.

The new approach will be more challenging for audited bodies, involving discussions at a wider and more strategic level. Both the reporting, and the planning and risk assessment which underpins it, will require more audit time, delivered through a richer skill mix than in previous years.

Additionally, across all sectors and firms, the FRC has set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge and to undertake additional and more robust testing, as noted in the number of revised ISA's issued by the FRC that are applicable to audits of financial statements commencing on or after 15 December 2019, as detailed in Appendix 1..

As a firm, we are absolutely committed to meeting the expectations of the FRC with regard to audit quality and public sector financial reporting. Our proposed work and fee for 2020/21 is set out below and detailed overleaf. As part of its response to the Redmond Review in December 2020, MHCLG committed an extra £15m to support the delivery of local audit in 2020/21. We understand that the Council will receive a grant to support 2020/21 audit fees.

	Actual Fee 2019/20	Proposed fee 2020/21
Guildford Borough Council Audit	£66,657	£80,300

## Assumptions

In setting the above fees, we have assumed that the Council will:

- prepare a good quality set of accounts, supported by comprehensive and well presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements.

## Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2019\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

# Audit fees – detailed analysis

	Commentary	19/20	20/21
Scale fee published by PSAA		£44,300	£44,300
<b>Additional fees relating to 2018/19 only</b>			
<i>Recurring variation to scale fee (first identified in 2019/20) e.g. PPE valuation and pensions</i>		£10,500	£10,500
<b>Non-recurring variation to scale fee (identified in 2019/20):</b>			
Covid-19	Reported in AFR – additional requirements related to Covid-19	£7,000	
New developments 19/20	Accounting standard change	£1,500	
<b>Variation to scale fee (identified in 2020/21):</b>			
Value for Money (VfM)	Change in the National Audit Office Code of Practice		£9,000
New system implementation	Additional IT support required plus part year implementation requires additional testing		£10,000
New developments 20/21	Auditing standard developments on estimates		£6,500
<b>Total audit fees (excluding VAT)</b>		<b>£66,657</b>	<b>£80,300</b>

# Independence and non-audit services

## Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons, relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard (Revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council.

## Other services

The following other services provided by Grant Thornton were identified.

The amounts detailed are fees agreed to-date for audit related and non-audit services to be undertaken by Grant Thornton UK LLP in the current financial year. These services are consistent with the Council's policy on the allotment of non-audit work to your auditors. Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.






None of the services provided are subject to contingent fees.

Service	Fees £	Threats	Safeguards
Audit related			
Certification of Housing Benefit Subsidy	16,000	Self-Interest because this is a recurring fee	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is low in comparison to the total fee for the audit and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Pooling housing capital receipts	5,000	Self-Interest because this is a recurring fee	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is low in comparison to the total fee for the audit and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.

# Appendix 1: Revised Auditor Standards and application guidance









## FRC revisions to Auditor Standards and associated application guidance

The following Auditing Standards and associated application guidance that were applicable to 19/20 audits, have been revised or updated by the FRC, with additional requirements for auditors for implementation in 2020/21 audits and beyond.




	Date of revision	Application to 2020/21 Audits
ISQC (UK) 1 – Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Service Engagements	November 2019	
ISA (UK) 200 – Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing (UK)	January 2020	
ISA (UK) 220 – Quality Control for an Audit of Financial Statements	November 2019	
ISA (UK) 230 – Audit Documentation	January 2020	
ISA (UK) 240 – The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements	January 2020	
ISA (UK) 250 Section A – Consideration of Laws and Regulations in an Audit of Financial Statements	November 2019	
ISA (UK) 250 Section B – The Auditor’s Statutory Right and Duty to Report to Regulators of Public Interest Entities and Regulators of Other Entities in the Financial Sector	November 2019	



# Appendix 1: Revised Auditor Standards and application guidance continued

	Date of revision	Application to 2020/21 Audits
ISA (UK) 260 – Communication With Those Charged With Governance	January 2020	
ISA (UK) 315 – Identifying and Assessing the Risks of Material Misstatement Through Understanding of the Entity and Its Environment	July 2020	
ISA (UK) 500 – Audit Evidence	January 2020	
ISA (UK) 540 – Auditing Accounting Estimates and Related Disclosures	December 2018	
ISA (UK) 570 – Going Concern	September 2019	
ISA (UK) 580 – Written Representations	January 2020	
ISA (UK) 600 – Special considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)	November 2019	
ISA (UK) 620 – Using the Work of an Auditor’s Expert	November 2019	
ISA (UK) 700 – Forming an Opinion and Reporting on Financial Statements	January 2020	

# Appendix 1: Revised Auditor Standards and application guidance continued

	Date of revision	Application to 2020/21 Audits
ISA (UK) 701 – Communicating Key Audit Matters in the Independent Auditor’s Report	January 2020	
ISA (UK) 720 – The Auditor’s Responsibilities Relating to Other Information	November 2019	
Practice Note 10: Audit of Financial Statements of Public Sector Bodies in the United Kingdom	December 2020	

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Appendix 1



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Corporate Governance and Standards Committee Report

Ward(s) affected: n/a

Report of Director of Strategic Services

Author: John Armstrong, Democratic Services and Elections Manager

Tel: 01483 444102

Email: john.armstrong@guildford.gov.uk

Date: 26 August 2021

## **Corporate Governance and Standards Committee – 12 month rolling Work Programme**

### **Recommendation**

That the Committee considers and approves its updated 12 month rolling work programme, as detailed in Appendix 1 to this report.

#### Reason for recommendation:

To allow the Committee to maintain and update its work programme.

**Is the report (or part of it) exempt from publication? No**

### **1. Purpose of report**

1.1 The draft work programme attached as Appendix 1 sets out the items scheduled to be considered by this Committee at its meetings over the next 12 months.

### **2. Draft work programme**

2.1 The draft work programme for the Corporate Governance and Standards Committee is set out in Appendix 1 to this report. The timing of the reports contained in the work programme is subject to change, in consultation with the chairman. The items to be considered include decisions to be made by the Executive and/or full Council, with consideration of any comments or recommendations made by this Committee.

### **3. Financial Implications**

3.1 There are no financial implications arising directly from this report.

### **4. Legal Implications**

4.1 There are no legal implications arising directly from this report.

### **5. Human Resource Implications**

5.1 There are no human resources implications arising directly from this report.

**6. Background Papers**

- Guildford Borough Council Forward Plan
- Corporate Management Team Forward Plan

**7. Appendices**

Appendix 1: Corporate Governance and Standards Committee 12 month rolling work programme

# CORPORATE GOVERNANCE AND STANDARDS COMMITTEE: 12 MONTH ROLLING WORK PROGRAMME

**23 September 2021 or 28 September 2021 (dependent on progress with finalising the draft statement of accounts)<sup>1</sup>**

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Draft 2020-21 Statement of Accounts	To approve the draft 2020-21 Statement of Accounts for consultation	Corporate Governance and Standards Committee	Victoria Worsfold 01483 444834
Financial Monitoring 2021-22 Period 4 (April to July 2021)	To note the results of the Council's financial monitoring for the period April to July 2021	Corporate Governance and Standards Committee	Victoria Worsfold 01483 444834
Corporate Performance Monitoring	To receive a quarterly report setting out the Council's performance against its Key Performance Indicators	Corporate Governance and Standards Committee	Andrea Barnett 01483 444062
Councillor Training and Development Update	To consider a report from the Councillors' Development Steering Group relating to councillor training and development	Corporate Governance and Standards Committee	Sophie Butcher 01483 444056
Data Protection and Information Security Update Report	To consider a six-monthly update on compliance with statutory requirements	Corporate Governance and Standards Committee	Ciaran Ward 01483 444072
Freedom of Information Compliance update	To consider the update report on the Council's performance in dealing with Freedom of Information requests (January to June 2021)	Corporate Governance and Standards Committee	Ciaran Ward 01483 444072
Protocol on the appointment, role, status, rights and obligations of Honorary Freemen and Honorary Aldermen	To consider the outcome of the review of the Protocol by the Corporate Governance Task Group and make recommendations as appropriate to full Council	Corporate Governance and Standards Committee  Council: 5 October 2021	John Armstrong 01483 444102

<sup>1</sup> As agreed by the Committee on 14 January 2021

# CORPORATE GOVERNANCE AND STANDARDS COMMITTEE: 12 MONTH ROLLING WORK PROGRAMME

**18 November 2021**

<b>Subject</b>	<b>Details of decision to be taken</b>	<b>Decision to be taken by</b>	<b>Contact Officer</b>
2020-21 Audit Findings Report: Year ended 31 March 2021	To note the external auditor's findings and management's response in the Action Plan	Corporate Governance and Standards Committee	Victoria Worsfold 01483 444834
Final 2020-21 Audited Statement of Accounts	To approve the 2020-21 Statement of Accounts	Corporate Governance and Standards Committee	Victoria Worsfold 01483 444834
Planning Appeals	To monitor the Council's performance at appeals against refusal of planning permission by the Planning Committee (both in respect of officer recommendations for refusal and Committee overturns) including, where appeals are upheld, details of costs awarded against the Council and other associated legal/external adviser costs.	Corporate Governance and Standards Committee	Tim Dawes 01483 444650
Financial Monitoring 2021-22: Period 6 (April to October 2021)	To note the results of the Council's financial monitoring for the period April to October 2021	Corporate Governance and Standards Committee	Victoria Worsfold 01483 444834
Summary of internal audit reports (April to September 2021)	To consider the summary of internal audit reports and progress on the internal audit plan for April to September 2021, including update on complaints to the Local Government Ombudsman for that period.	Corporate Governance and Standards Committee	Neil Hewitson (KPMG) 0207 311 1791
Corporate Performance Monitoring	To receive a quarterly report setting out the Council's performance against its Key Performance Indicators	Corporate Governance and Standards Committee	Andrea Barnett 01483 444062
Appointment of External Auditors	To consider options for the appointment of external auditors	Council 7 December 2021	Claire Morris 01483 444827
The Council's Constitution	To review and update Financial Procedure Rules	Corporate Governance and Standards Committee Executive: 23 November Council: 7 December 2021	Victoria Worsfold 01483 444834



# CORPORATE GOVERNANCE AND STANDARDS COMMITTEE: 12 MONTH ROLLING WORK PROGRAMME

20 January 2022

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Annual Audit Letter 2020-21	To review the letter and make any comments to the Executive as appropriate.	Corporate Governance and Standards Committee Executive: 25 January 2022	Claire Morris 01483 444827
Capital and investment strategy (2022-23 to 2025-26)	To comment on various recommendations to the Executive and Council	Corporate Governance and Standards Committee Executive: 25 January 2022 Council: 9 February 2022	Victoria Worsfold 01483 444834
Financial Monitoring 2021-22 Period 8 (April to November 2021)	To note the results of the Council's financial monitoring for the period April to November 2021	Corporate Governance and Standards Committee	Victoria Worsfold 01483 444834
Gender Pay Gap Report 2022-23	To note the Council's gender pay gap report	Corporate Governance and Standards Committee	Francesca Smith 01483 444014
Corporate Performance Monitoring	To receive a quarterly report setting out the Council's performance against its Key Performance Indicators	Corporate Governance and Standards Committee	Amanda Hargreaves 01483 444276
Freedom of Information Compliance - Annual Report 2021	To consider the annual report for 2021 on the Council's performance in dealing with Freedom of Information requests.	Corporate Governance and Standards Committee	Ciaran Ward 01483 444072

# CORPORATE GOVERNANCE AND STANDARDS COMMITTEE: 12 MONTH ROLLING WORK PROGRAMME

**24 March 2022**

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Annual Governance Statement 2021-22	To adopt the Council's Annual Governance Statement 2021-22	Executive: 26 April 2022	John Armstrong 01483 444102
Financial Monitoring 2021-22 Period 10 (April 2021 to January 2022)	To note the results of the Council's financial monitoring for period April 2020 to January 2021	Corporate Governance and Standards Committee	Victoria Worsfold 01483 444834
Corporate Performance Monitoring	To receive a quarterly report setting out the Council's performance against its Key Performance Indicators	Corporate Governance and Standards Committee	Amanda Hargreaves 01483 444276
Audit Report on the Certification of Financial Claims and Returns 2020-21: Housing Benefit Subsidy and Pooling Housing Capital Receipts	To note the position regarding the certification of financial claims and returns for 2020-21	Corporate Governance and Standards Committee	Belinda Hayden 01483 444867
Planning Appeals	To monitor the Council's performance at appeals against refusal of planning permission by the Planning Committee (both in respect of officer recommendations for refusal and Committee overturns) including, where appeals are upheld, details of costs awarded against the Council and other associated legal/external adviser costs.	Corporate Governance and Standards Committee	Tim Dawes 01483 444650

## CORPORATE GOVERNANCE AND STANDARDS COMMITTEE: 12 MONTH ROLLING WORK PROGRAMME

### 21 April 2022

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
External Audit Plan and Audit Update and Fee Letter 2021-22	To approve the external audit plan for 2021-22, and to note the content of the External Auditor's update report and make any appropriate comments.  To consider the planned audit fee.	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Data Protection and Information Security Update Report	To consider a six-monthly update on compliance with statutory requirements	Corporate Governance and Standards Committee	Ciaran Ward 01483 444072
Equality Scheme Action Plan	Annual monitoring report on the implementation of the actions in the Equality Scheme action plan approved in June 2021	Corporate Governance and Standards Committee	Ali Holman 01483 444008

### June 2022

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Corporate Performance Monitoring	To receive a quarterly report setting out the Council's performance against its Key Performance Indicators	Corporate Governance and Standards Committee	Amanda Hargreaves 01483 444276
Review of Task Groups reporting to the Committee	To review the work carried out by the task groups over the past 12 months and work to be carried out in the next 12 months and appoint councillors to the groups	Corporate Governance and Standards Committee	John Armstrong 01483 444102

# CORPORATE GOVERNANCE AND STANDARDS COMMITTEE: 12 MONTH ROLLING WORK PROGRAMME

## July 2022

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Draft 2021-22 Statement of Accounts	To approve the draft 2021-22 Statement of Accounts for consultation	Corporate Governance and Standards Committee	Victoria Worsfold 01483 444834
Capital and Investment outturn report 2021-22	To submit any comments to the Executive.	Executive: August 2022 Council: October 2022	Victoria Worsfold 01483 444834
Revenue Outturn Report 2021-22	To submit any comments to the Executive.	Executive: August 2022	Victoria Worsfold 01483 444834
Housing Revenue Account Final Accounts 2020-21	To submit any comments to the Executive	Executive: August 2022	Victoria Worsfold 01483 444834
Financial Monitoring 2022-23 Period 2 (April/May 2022)	To note the results of the Council's financial monitoring for the period April/May 2022	Corporate Governance and Standards Committee	Victoria Worsfold 01483 444834
Summary of Internal Audit Reports October 2021 – March 2022	To consider the summary of internal audit reports for the period October 2021 to March 2022, including an update on complaints to the Local Government Ombudsman for that period	Corporate Governance and Standards Committee	Neil Hewitson (KPMG) 0207 311 1791