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Contact Officer:

John Armstrong,  
Democratic Services and Elections Manager  
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11 January 2023

Dear Councillor

Your attendance is requested at a meeting of the **CORPORATE GOVERNANCE AND STANDARDS COMMITTEE** to be held in the Council Chamber, Millmead House, Millmead, Guildford, Surrey GU2 4BB on **THURSDAY 19 JANUARY 2023 at 7.00 pm.**

Yours faithfully

Tom Horwood  
Joint Chief Executive

**MEMBERS OF THE COMMITTEE**

Chairman: Councillor Deborah Seabrook

Councillor Ruth Brothwell	+Maria Angel MBE
Councillor Liz Hogger	+Murray Litvak
Councillor Nigel Manning	^Julia Osborn
Councillor Susan Parker	^Ian Symes
Councillor George Potter	^Tim Wolfenden
Councillor James Walsh	

\*Independent member

^ Parish member

**Authorised Substitute Members:**

Councillor Jon Askew	The Deputy Mayor, Councillor Masuk Miah
Councillor Colin Cross	Councillor Marsha Moseley
Councillor Guida Esteves	Councillor Ramsey Nagaty
Councillor Graham Eyre	Councillor Jo Randall
Councillor David Goodwin	Councillor John Redpath
Councillor Angela Gunning	Councillor Catherine Young

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**QUORUM 3**

## THE COUNCIL'S STRATEGIC FRAMEWORK (2021- 2025)

### **Our Vision:**

A green, thriving town and villages where people have the homes they need, access to quality employment, with strong and safe communities that come together to support those needing help.

### **Our Mission:**

A trusted, efficient, innovative, and transparent Council that listens and responds quickly to the needs of our community.

### **Our Values:**

- We will put the interests of our community first.
- We will listen to the views of residents and be open and accountable in our decision-making.
- We will deliver excellent customer service.
- We will spend money carefully and deliver good value for money services.
- We will put the environment at the heart of our actions and decisions to deliver on our commitment to the climate change emergency.
- We will support the most vulnerable members of our community as we believe that every person matters.
- We will support our local economy.
- We will work constructively with other councils, partners, businesses, and communities to achieve the best outcomes for all.
- We will ensure that our councillors and staff uphold the highest standards of conduct.

### **Our strategic priorities:**

#### Homes and Jobs

- Revive Guildford town centre to unlock its full potential
- Provide and facilitate housing that people can afford
- Create employment opportunities through regeneration
- Support high quality development of strategic sites
- Support our business community and attract new inward investment
- Maximise opportunities for digital infrastructure improvements and smart places technology

#### Environment

- Provide leadership in our own operations by reducing carbon emissions, energy consumption and waste
- Engage with residents and businesses to encourage them to act in more environmentally sustainable ways through their waste, travel, and energy choices
- Work with partners to make travel more sustainable and reduce congestion
- Make every effort to protect and enhance our biodiversity and natural environment.

#### Community

- Tackling inequality in our communities
- Work with communities to support those in need
- Support the unemployed back into the workplace and facilitate opportunities for residents to enhance their skills
- Prevent homelessness and rough-sleeping in the borough

## AGENDA

### ITEM

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

**2 ELECTION OF VICE-CHAIRMAN OF THE COMMITTEE 2022-23**

**3 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.

**4 MINUTES (Pages 5 - 10)**

To confirm the minutes of the meeting of the Corporate Governance and Standards Committee held on 17 November 2023.

**5 DECISION AND ACTION TRACKER (Pages 11 - 14)**

**6 REVIEW OF PROBITY IN PLANNING LOCAL CODE OF PRACTICE - HANDBOOK FOR COUNCILLORS AND OFFICERS (Pages 15 - 80)**

**7 SUMMARY OF INTERNAL AUDIT REPORTS (APRIL 2022 TO JANUARY 2023) (Pages 81 - 92)**

**8 SAFEGUARDING - INTERNAL AUDIT REPORT UPDATE (Pages 93 - 122)**

**9 CAPITAL AND INVESTMENT STRATEGY 2023-24 TO 2027-28 (Pages 123 - 200)**

**10 FINANCIAL MONITORING 2022-23 : PERIOD 8 (APRIL TO NOVEMBER 2022)**

To receive a verbal update.

**11 ANNUAL REPORT OF THE CORPORATE GOVERNANCE AND STANDARDS COMMITTEE 2021-22 (Pages 201 - 216)**

**12 WORK PROGRAMME (Pages 217 - 224)**

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# CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

17 November 2022

\* Councillor Deborah Seabrook (Chairman)

- \* Councillor Liz Hogger
- Councillor Nigel Manning
- \* Councillor Susan Parker
- \* Councillor George Potter
- Councillor Tony Rooth
- \* Councillor James Walsh

Independent Members:

- \* Maria Angel MBE
- Murray Litvak

Parish Members:

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

\*Present

The Deputy Leader of the Council, Councillor Joss Bigmore was also in attendance. Councillor Ramsey Nagaty was in remote attendance.

## **CGS38 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

An apology for absence was received from Councillor Nigel Manning.

## **CGS39 ELECTION OF CHAIRMAN FOR THE REMAINDER OF THE 2022-23 MUNICIPAL YEAR**

The Committee noted that Article 10 of the Council's Constitution prohibited, among other things, a lead councillor from being chairman or vice-chairman of this Committee. There was now a vacancy in the office of chairman of this Committee following the appointment, on 7 November 2022, of Councillor George Potter to the Executive as Lead Councillor for Climate Change.

Council Procedure Rule 29 (b) provided that where a vacancy occurs in the office of chairman or vice-chairman of a committee during the course of a municipal year, the election of their successor for the remainder of that municipal year shall be conducted by the committee at its next meeting.

Accordingly, the Committee

RESOLVED: That Councillor Deborah Seabrook be elected Chairman of the Committee for the remainder of the 2022-23 municipal year.

## **CGS40 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS**

There were no disclosures of interest.

## **CGS41 MINUTES**

The minutes of the meeting of the Committee held on 29 September 2022, and the special meeting held on 6 October 2022 were approved as a correct record.

The Chairman signed the minutes.

## **CGS42 DECISION AND ACTION TRACKER**

The Committee noted that the decision and action tracker had been introduced to monitor progress against the decisions and actions that the Committee had agreed, which would be kept up to date for each meeting. When decisions/actions were reported as being 'completed', the Committee would be asked to agree to remove these items from the tracker.

The Committee, having noted the updates set out on the Supplementary Information Sheet

RESOLVED: That the decision and action tracker be noted and that the actions reported as being completed be removed from the table.

## **CGS43 SUMMARY OF INTERNAL AUDIT REPORTS (APRIL TO NOVEMBER 2022)**

The Committee considered a report on progress made by the Council's internal audit manager (KPMG) on their internal audit plan for 2022-23 for the period April to November 2022, which included a summary of the work that they had concluded since the previous report to Committee and what they had planned to do ahead of the next.

The report also reviewed:

- (a) the design and effectiveness of the corporate risk management processes and controls at the Council. KPMG reported that there had been a significant improvement in this area of the Council's work since it was last reviewed two years ago. This was reflected in the 'significant assurance with minor improvement opportunities' (amber/green rating) that KPMG had provided in that regard; and
- (b) processes and controls relating to IT infrastructure for remote working for which KPMG had also provided a 'significant assurance with minor improvement opportunities' (amber/green rating) in that regard.

In debating this item, the members of the Committee raised the following points:

- In response to a request for clarity, it was explained that the corporate-level business continuity plan referred to in recommendation 2.2 (IT infrastructure for remote working) would be drafted by amalgamating existing service level business continuity plans.
- In response to ongoing concerns over the associated risks of investing in other local authorities, in particular the £10 million invested in Thurrock Council, the Joint Section 151 Officer gave assurance that such loans were underwritten by the Public Works Loan Board. In any event, the term of that particular loan was fixed until 30 March 2023. It was also explained that the investment strategy formed part of the overall Treasury Management Strategy which would be subject to formal approval as part of the budget process.

The Committee

RESOLVED: That the Internal Audit Progress Report (April to November 2022), attached as Appendix 1 to the report submitted to the Committee, together with the key findings from the reviews undertaken since the last report to the Committee, be noted.

### Reason:

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

## **CGS44 RISK MANAGEMENT AND CORPORATE RISK REGISTER**

The Committee considered a report on the changes to the corporate risk register since it was last presented to the Committee in April 2022, including the change in residual RAG ratings in respect of three corporate risks, as shown by table 1 referred to in the report.

This report also detailed how the new process continued to achieve the desired outcomes set out in the Risk Management Strategy and Policy as well as setting out any changes made to the Strategy and Policy by the Risk Management Group.

Whilst the Committee acknowledged and appreciated the work carried out to date, there were a number of comments and suggestions for improvement as follows:

- where items were being re-scored, particularly if they were moving into a red rating, more information was requested in that regard in respect of the reasons for the change and any concomitant mitigations. There was particular concern, which was shared by the Deputy Leader, about CR9 (risk that capital programmes and projects experience issues that affect time, quality or budget) and further information as to reasons and mitigation measures was requested. The Deputy Leader confirmed that the main reason for the red rating on CR9 was inflationary pressures in major projects such that the viability of some of those projects was under review. It would be a matter for the Major Projects Board and the various governance boards to propose possible solutions and mitigations, which would then need to be put to Executive and, if additional monies or changes to the objectives or delivery plan for such projects were required, to full Council for approval.
- It was suggested that the Risk Management Group consider for future reports:
  - (a) whether the risk change heatmap should also plot the gross scores as well as residual scores, so that it is easy to see risk changes before any mitigation is applied;
  - (b) the axes on the heatmap charts are labelled in order to identify the 'likelihood' axis and the 'impact' axis;
  - (c) all the boxes are the same size so that some sense of perspective is achieved;
  - (d) the risk register is re-arranged in descending order according to gross scores;
  - (e) the possible duplication of reference to CR23 (risk that Council staff or contractual staff take industrial action) on the revised heatmap and whether it should be rated green, rather than red;
  - (f) In view of the outcome of the internal audit report on risk management considered at this meeting, whether CR25 (risk that management and governance processes in place are not fully utilised for all programmes and projects) had been rated too strongly as a red risk;
  - (g) whether CR21 (risk that the Council fails to meet its target of becoming net carbon zero by 2030) should appear on the heatmap.

The Committee, having considered the corporate risk register

**RESOLVED:**

- (1) That the Committee's comments and suggestions, as outlined above, be considered by the Risk Management Group.
- (2) That the Committee notes the progress made to implement the new risk management process.

Reason:

The Risk Management Strategy and Policy states that this Committee will review the corporate risk register on a six-monthly basis. It is the responsibility of the Committee to ensure it is

satisfied that the Council operates and maintains a robust and effective risk management process.

<b>Action:</b>	<b>Officer to action:</b>
To circulate to the Committee further information from the Major Projects Board as to reasons for CR9 (risk that capital programmes and projects experience issues that affect time, quality or budget) moving into a red rating, together with the key mitigation measures to be put in place.	Yasmine Makin, Policy Officer to liaise with Abi Lewis and Major Projects Board
<p>To ask the Risk Management Group to consider, for future reports:</p> <ul style="list-style-type: none"> <li>(a) whether the risk change heatmap should also plot the gross scores as well as residual scores, so that it is easy to see risk changes before any mitigation is applied;</li> <li>(b) the axes on the heatmap charts are labelled in order to identify the 'likelihood' axis and the 'impact' axis;</li> <li>(c) all the boxes are the same size so that some sense of perspective is achieved; and</li> <li>(d) the risk register is re-arranged in descending order according to gross scores;</li> <li>(e) the possible duplication of reference to CR23 (risk that Council staff or contractual staff take industrial action) on the revised heatmap and whether it should be rated green, rather than red;</li> <li>(f) In view of the outcome of the internal audit report on risk management considered at this meeting, whether CR25 (risk that management and governance processes in place are not fully utilised for all programmes and projects) had been rated too strongly as a red risk;</li> <li>(g) whether CR21 (risk that the Council fails to meet its target of becoming net carbon zero by 2030) should appear on the heatmap.</li> </ul>	Yasmine Makin, Policy Officer

#### **CGS45 WORK PROGRAMME**

The Committee considered its updated 12-month rolling work programme and noted that the Financial Monitoring report for period 6 was due to be considered at this meeting, but the chairman had been advised, however, that the projected period 6 outturn remained unchanged from period 4. The new Joint Management Team wanted the opportunity to review the current position in more depth and to identify opportunities for remedial action where possible in line with the approved action plan presented to the Executive on 27 October 2022.

The Committee's attention was drawn to the update on the safeguarding audit action plan, which had been provided in a tabular format and was attached as Appendix 2 to the report. This matter was also due to be considered at this meeting but had been deferred to the January meeting.

The Committee

**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.



The meeting finished at 7.55 pm

Signed .....  
Chairman

Date .....

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**Corporate Governance and Standards Committee**

**19 January 2023**

**Decision and Action tracker**

This tracker monitors progress against the decisions and actions that the Committee has agreed since January 2022. It is updated for each committee meeting. When decisions / actions are reported as being ‘completed’, the Committee will be asked to agree to remove these items from the tracker.

<b>Date of Meeting</b>	<b>Item</b>	<b>Decision/Action requested</b>	<b>Responsible Officer</b>	<b>Update on implementation</b>
16 June 2022	Planning Appeals Monitoring Report	To provide an update to members of the Committee on the outcome of a review of the correspondence received from a member of public in relation to alleged inaccuracies in the figures in the report.	Interim Executive Head of Planning Development	Not yet provided
6 October 2022	Summary of Internal Audit Reports (April to October 2022)	The Corporate Management Board be requested to:  (a) consider adding a new KPI to the Performance Monitoring Report to Overview and Scrutiny Committee on complaint handling and the time taken to resolve complaints; and  (b) bring a brief update to the Corporate Governance & Standards Committee at its 15 March 2023 meeting, so that it can receive assurance that the agreed management actions were being carried out.	Joint Strategic Director: Community Wellbeing/ Executive Head of Comms and Customer Service	Confirmation of action taken not yet received
6 October 2022	Section 106 Monitoring Report	To give priority to expediting arrangements internally to ensure, as far as practicable, that “Expired Funds” are allocated to schemes, or purposes for which the S106 Agreement was entered into.	Interim Head of Place/ Specialist – S106 Officer	

Date of Meeting	Item	Decision/Action requested	Responsible Officer	Update on implementation
		<p>To ensure future Section 106 Monitoring reports provide:</p> <ul style="list-style-type: none"> <li>(a) not only the dates on which Agreements were signed but also, where possible, the dates on which monies needed to be spent or allocated.</li> <li>(b) a summary table of information showing the overall headings of Expired Funds, Available Funds, Pending Funds, and Spent Funds</li> <li>(c) details as to who was responsible for spending committed S106 monies</li> <li>(d) more information about how much SANG and SAMM contributions were allocated to each site, perhaps by way of a pie chart.</li> <li>(e) comparisons with the figures from the previous report with commentary, as appropriate, on the variance between the two.</li> </ul>	Specialist – S106 Officer	
6 October 2022	Financial Monitoring 2022-23	To ensure that future reports clarify the extent to which debts were overdue and further information as to the reason why a high proportion of overdue debt has no payment plan.	Executive Head of Finance	
17 November 2022	Risk Management and Corporate Risk Register	(i) To circulate to the Committee further information from the Major Projects Board as to reasons for CR9 (risk that capital programmes and projects experience issues that affect time, quality or budget)	Yasmine Makin, Policy Officer to liaise with Abi Lewis and Major Projects Board	

Date of Meeting	Item	Decision/Action requested	Responsible Officer	Update on implementation
		<p>moving into a red rating, together with the key mitigation measures to be put in place.</p> <p>(ii) To ask the Risk Management Group to consider, for future reports:</p> <p>(a) whether the risk change heatmap should also plot the gross scores as well as residual scores, so that it is easy to see risk changes before any mitigation is applied;</p> <p>(b) the axes on the heatmap charts are labelled in order to identify the 'likelihood' axis and the 'impact' axis;</p> <p>(c) all the boxes are the same size so that some sense of perspective is achieved; and</p> <p>(d) the risk register is re-arranged in descending order according to gross scores;</p> <p>(e) the possible duplication of reference to CR23 (risk that Council staff or contractual staff take industrial action) on the revised heatmap and whether it should be rated green, rather than red;</p> <p>(f) In view of the outcome of the internal audit report on risk management considered at this meeting, whether CR25 (risk that management and governance processes in place are not fully utilised for all programmes and projects) had been rated too strongly as a red risk;</p>	Yasmine Makin, Policy Officer	

Date of Meeting	Item	Decision/Action requested	Responsible Officer	Update on implementation
		(g) whether CR21 (risk that the Council fails to meet its target of becoming net carbon zero by 2030) should appear on the heatmap.		

Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Joint Strategic Director: Transformation and Governance

Joint Strategic Director: Place

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Lead Councillor responsible: Tom Hunt

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Date: 19 January 2023

## **Review of Probity in Planning Local Code of Practice Handbook for Councillors and Officers**

### **Executive Summary**

The Council last reviewed the Probity in Planning - Local Code of Practice Handbook in April 2019 (see Appendix 1). The Handbook forms part of the Council's Constitution and provides guidance for councillors and officers on their role and conduct in the planning process. The guidance includes how councillors and officers should manage contact with applicants, developers and objectors or supporters. The purpose of the guidance provided in the document is to ensure that decisions made in the planning process are not biased and are taken openly and transparently, and based on material planning considerations only.

As part of its ongoing work reviewing various aspects of the corporate governance of the Council, the Corporate Governance Task Group appointed by this Committee has conducted a thorough review of the Handbook.

The draft revised Handbook, as recommended by the Task Group, is attached as Appendix 2 to this report.

This report will also be referred to the Planning Committee for comments at its special meeting to be held on 7 February 2023, and comments from both Committees will be reported to the extraordinary meeting of the Council, scheduled for 22 February 2023.

### **Recommendation to the Committee:**

That the revised 'Probity in Planning Local Code of Practice Handbook for Councillors and Officers', attached as Appendix 2 to this report, be commended to the Planning Committee at its special meeting on 7 February 2023, and full Council on 22 February

2023 for adoption.

Reason for Recommendation:

To provide revised, up to date and fit for purpose Probity in Planning guidance to councillors and officers, together with other relevant information on the planning process at the Council in a helpful handbook.

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

## **1. Purpose of Report**

- 1.1 The purpose of this report is to set out why the Probity in Planning – Local Code of Practice Handbook for Councillors has been reviewed, the process of the review and to highlight the changes that have been made. This report asks the Committee to commend the Handbook to full Council for adoption.

## **2. Strategic Priorities**

- 2.1 The Council, as the local planning authority, has a key role in local development, redevelopment and implementation of the Local Plan in line with legislation and the National Planning Policy Framework. The Council must ensure that councillors and officers are properly supported with fit for purpose guidance that can provide confidence in the decision-making process and reassurance to local residents and businesses. This is consistent with the following values in our Strategic Framework (2021-2025):

- We will listen to the views of residents and be open and accountable in our decision-making
- We will ensure that our councillors and staff uphold the highest standards of conduct.

## **3. Background**

- 3.1 Probity in Planning guidance is provided by all local authorities, and it normally sits within councils' constitutions. There is no statutory requirement to provide such codes of practice, but it is good practice to have accessible, up to date guidance available to all decision makers. The guidance should be read alongside the Councillors' Code of Conduct, the Code of Conduct for Staff and the Protocol on Councillor/Officer Relations.
- 3.2 The Council's Probity in Planning – Local Code of Practice Handbook was last reviewed and updated in 2019.
- 3.3 Arising from a number of concerns raised by councillors following the 2019 elections in relation to ethical standards, communications, and transparency, this Committee established a cross-party task group,



including a co-opted parish representative and an independent member of the Committee, with a wide remit to consider, review and make recommendations in respect of these, and other corporate governance related matters.

- 3.4 The Task Group commenced its review of the Handbook in June 2022, and this followed consideration of a proposed protocol for Informal Presentations to Councillors by third parties relating to Development. The protocol was considered and endorsed by the Committee at its meeting on 28 July 2022. The Committee agreed that the protocol should be appended to the revised Probity in Planning Handbook. This is attached as Annex 2 to the revised Handbook.
- 3.5 During its consideration of the review of the Handbook, the Task Group invited to its meetings the Chairman and Vice-Chairman of the Planning Committee, together with the then Head of Place and, latterly, the new interim Executive Head of Planning Development for the purpose of providing advice and guidance on key elements of the Handbook.
- 3.6 It was noted during the review that certain matters referred to in the Handbook were also part of a separate review being conducted by the Planning Committee Review Working Group which had been established by the Executive to consider the recommendations of the LGA Peer Review. These matters were the call-up process for referral of applications to Planning Committee by councillors, and the member overturn process. Whilst there was general agreement by the Task Group on many aspects of the review of the Handbook, it is acknowledged that there were differences of opinion on particular matters such as the call-up process.
- 3.7 The revised Handbook will be a useful tool for all councillors, particularly those newly elected following the Borough Council elections in May, especially those who are appointed to the Planning Committee. A copy of the draft revised 'Handbook' is attached as Appendix 2 to this report.

#### **4. Consultations**

- 4.1 The Interim Joint Executive Head of Planning Development, the Senior Planning Solicitor and the Monitoring Officer have reviewed this draft version.
- 4.2 As stated above, the 'Handbook' will be an essential tool for all councillors, but as it is directly relevant to the planning process and the operation of the Planning Committee, it was considered appropriate that that Committee is afforded the opportunity of being consulted on it. Any comments arising from the Planning Committee's consideration of the report at its special meeting on 7 February, will be reported to the full Council for adoption at its extraordinary meeting, on 22 February.

**5. Equality and Diversity Implications**

5.1 Public authorities are required to have due regard to the aims of the Public Sector Equality Duty (Equality Act 2010) when making decisions and setting policies.

5.2 There are no equality and diversity implications arising from this report

**6. Financial Implications**

6.1 There are no immediate financial implications arising from this report; however, it is of vital importance that councillors and officers operate under the guidance issued in the Planning in Probity document so as not to expose the Council to awards of costs resulting from poor decision-making.

**7. Legal Implications**

7.1 The legal implications are set out in the draft Handbook.

**8. Human Resource Implications**

8.1 There are no human resource implications arising from this report

**9. Climate Change/Sustainability Implications**

9.1 There are no climate change/sustainability implications arising from this report.

**10. Summary of Options**

10.1 The Committee may recommend that the existing Probity in Planning – Local Code of Practice Handbook be retained if councillors consider it remains fit for purpose.

10.2 The Committee may submit the matter back to officers, or the Task Group, for further revision if it considers it is still not fit for purpose after the recent review.

10.3 The Committee may commend the Probity in Planning Councillors' Handbook' to the Planning Committee, and full Council for adoption.

**11. Background Papers**

None

**12. Appendices**

Appendix 1: Current Probity in Planning – Local Code of Practice Handbook for Councillors

Appendix 2: Proposed Probity in Planning – Local Code of Practice Handbook for Councillors and Officers

# PROBITY IN PLANNING – COUNCILLORS’ HANDBOOK

## CONTENTS

	Page
1. Foreword.....	5-28
2. Introduction.....	5-28
3. Planning policies and the Local Plan.....	5-29
4. Applicability of the code.....	5-29
5. Breaches of the code.....	5-29
6. Training.....	5-29
7. Role of the Councillor.....	5-29
8. Role of the Planning Officer.....	5-30
9. Role of the Monitoring Officer.....	5-30
10. Disclosure and registration of interests.....	5-30
11. Predisposition, predetermination or bias.....	5-31
12. Fettering discretion.....	5-31
13. Members of more than one tier of local government.....	5-31
14. Development proposals submitted by the council, councillors and officers.....	5-32
15. Lobbying and Negotiations.....	5-32
16. Pre-application discussions.....	5-32
17. Publicity.....	5-33
18. Planning applications.....	5-34
19. Seven day notification process.....	5-35
20. Councillor Call-in.....	5-36
21. Site visits.....	5-36
22. Planning Committee.....	5-38
23. Councillor behaviour in committee meetings.....	5-39
24. Webcasting of meetings.....	5-40
25. Confidential/exempt reports.....	5-40
26. Officer reports.....	5-40
27. Public speaking.....	5-41
28. Decisions contrary to officer recommendations.....	5-41
29. Councillor representations on appeals against planning decisions.....	5-41
30. Planning Enforcement.....	5-42
31. Further reading.....	5-42
Appendix 1: Councillor interests.....	5-43
Appendix 2: Planning application publicity .....	5-44
Appendix 3: Speaking at Committee .....	5-46
Appendix 4: Seven day notification process councillor template.....	5-54
Appendix 5: Enforcement Call-in Procedure.....	5-56

## 1. Foreword Appendix 1

- 1.1 This Probity in Planning guide is for councillors and planning officers and reflects the requirements of the Localism Act 2011, the recommendations of the Third Report on Standards in Public Life Committee ('Nolan Report'), Local Government Association guidance and the Council's own experience.
- 1.2 The guidance clarifies how councillors should understand their roles and responsibilities when involved in planning discussions, plan making and determining planning applications.
- 1.3 It is important that councillors and officers familiarise themselves with this guidance and with the other Codes and Protocols which sit alongside it in Part 5 of the Council's Constitution. Councillors must ensure that their conduct accords with the requirements of the Councillors' Code of Conduct and Protocol on Councillor/Officer Relations included in Part 5 of the Constitution. Equally, officers must ensure that their conduct accords with the Code of Conduct for Staff and the Protocol on Councillor/Officer Relations
- 1.4 Councillors should note that this guidance does not constitute legal advice.
- 1.5 Any councillor or officer with any doubts about the matters presented in this guidance should contact the Monitoring Officer for clarification.

## 2. Introduction

- 2.1 The planning system involves taking decisions about the use and development of land. It is not an exact science and relies on informed judgement within a firm policy context. It is important that all concerned (applicants, objectors, practitioners, officers, councillors and the general public) have complete confidence in the integrity and transparency of the system.
- 2.2 Councillors are required to adhere to the following general principles prescribed by the Localism Act 2011, as attached to the Councillors' Code of Conduct:
  - **Selflessness.** Holders of public office should act solely in terms of the public interest.
  - **Integrity.** Holders of public office must avoid placing themselves under any obligation to people or organisations that try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves their family or their friends. They must declare and resolve any interests and relationships.
  - **Objectivity.** Holders of public office must act and take decisions impartially, fairly and on merit using the best evidence and without discrimination or bias.
  - **Accountability.** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
  - **Openness.** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
  - **Honesty.** Holders of public office should be truthful.
  - **Leadership.** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.
- 2.3 The Councillors' Code of Conduct makes clear that, in taking public office, councillors must accept constraints on their behaviour. It is not enough to avoid actual impropriety. You should at all times avoid any occasion for suspicion and any appearance of improper conduct.

- 2.4 This local code of practice has been prepared to reflect government guidance within the local context of Guildford. It is intended as a guide to councillors and officers to ensure that decisions are taken impartially, without bias and are well founded.

### **3. Planning policies and the Local Plan**

- 3.1 This local code of practice also applies to decisions on development plans, supplementary planning guidance or other policy documents.
- 3.2 Local plans must be positively prepared, justified, effective and consistent with national policy in accordance with section 20 of the Planning and Compulsory Purchase Act 2004 (as amended). If a Local Development Plan has been adopted, councillors must vote in accordance with it unless there are mitigating material considerations.

### **4. Applicability of the Code**

- 4.1 This code of practice is intended to be a guide for councillors as to the conduct expected of them on matters relating to planning in the Borough.
- 4.2 Members of the Planning Committee and others to whom this code applies must make their own judgments as to its application to specific planning matters, including individual planning applications. In most cases, its applicability will be clear. If any councillor is in doubt, he or she may seek advice from the Monitoring Officer. However, the final decision must be for the councillor to determine.

### **5. Breaches of the Code**

- 5.1 A breach of the code is a serious matter and, although usually not amounting to a breach of the criminal law, may incur an adverse report from the Local Government Ombudsman and/or action under the Councillors' Code of Conduct.

### **6. Training**

- 4.1 The Council requires that all councillors receive an introduction to planning training session when they are elected. It is important for all councillors, not only those sitting on the Planning Committee, to receive this training as some complex applications can be referred to full Council.
- 4.2 For those members sitting on the Planning Committee 'bite-sized' training sessions are delivered regularly. It is important that members and substitute members attend all training sessions so that the any risk for the Council is kept low and the local community can be reassured that those determining Planning matters have the knowledge to be able to do so.
- 4.3 Members of the Planning Committee or substitute members who are absent when training is delivered must ensure they view the training recorded on the webcast to familiarise themselves with the training provided.
- 4.4 All councillors will receive training on the Councillors' Code of Conduct to remind them of the responsibilities of public office and remind them to review their register of interests regularly.

### **5. Role of the Councillor**

- 5.1 Councillors and officers have different but complementary roles. Both serve the public but councillors are responsible to the electorate, whilst officers are responsible to the Council as a whole.

- 5.2 The Court of Appeal has held that Planning Committees are not acting in a judicial or quasi-judicial role when deciding planning applications but “in a situation of democratic accountability”. Planning Committee Members must therefore:
1. act fairly, openly and apolitically;
  2. approach each planning application with an open mind, avoiding pre-conceived opinions;
  3. carefully weigh up all relevant issues;
  4. determine each application on its individual planning merits;
  5. avoid undue contact with interested parties; and
  6. ensure that the reasons for their decisions are clearly stated.
  7. consider the interests and well-being of the whole borough and not only their own ward.
- 5.3 The above role applies also to councillors who are nominated as substitutes to the Planning Committee. Equally, the conduct of members of any working party or committee considering planning policy must be similar to that outlined above relating to the Planning Committee.

## **6. Role of the Planning Officer**

- 6.1 Officers advise councillors and the Council and carry out the Council’s work. A successful relationship between councillors and officers will be based upon mutual trust, understanding and respect of each other’s positions.
- 6.2 Planning officers advise councillors on planning policy and planning applications. They will:
1. provide professional, objective and comprehensive advice;
  2. provide a clear and accurate analysis of the issues;
  3. advise on the development plan and other material considerations;
  4. give a clear recommendation; and
  5. implement the Committee’s/Council’s decisions (including those made by officers under powers delegated to them).

## **7. Role of the Monitoring Officer (or representative)**

- 7.1 The Monitoring Officer will give clear and objective advice to councillors:
- on legal issues arising out of the conduct of the Committee’s functions; and
  - regarding the implementation of the Committee’s decisions and proposed courses of action
- 7.2 The Monitoring officer will implement the Committee’s/Council’s decisions so far as they require the completion of any legal agreements, institution/defence of any proceedings, issuing of notices etc.
- 7.3 The Democratic Services and Elections Manager (or representative) will also give clear and objective advice to councillors as necessary on administrative issues arising out of the conduct of the Committee’s functions.

## **8. Disclosure and Registration of Interests (see also Appendix 1)**

### **Disclosable pecuniary interest (DPI).**

- 8.1 A person’s pecuniary interests are their business interests (for example their employment, trade, profession, contracts, or any company with which they are associated) and wider financial interests they might have (for example trust funds, investments, and assets including land and property). Councillors with a DPI may not speak on the item and should absent themselves from the debate and the vote. There is clear guidance in the Councillors’

Code of Conduct on what constitutes a 'disclosable pecuniary interest'

### **Non-pecuniary interest**

- 8.2 If a councillor has a non-pecuniary interest they must declare it at the meeting, but they may speak on the item and need not absent themselves for the debate or the vote. Councillors should check with the Monitoring Officer if they are in any doubt.
- 8.3 It is very important that councillors disclose any interests they may have in particular schemes at the earliest opportunity. This requirement relates to individual planning applications and planning policies and proposals, which are being developed in development plans, supplementary planning guidance or development briefs.
- 8.4 Interests must be disclosed by councillors before the Committee discusses the item concerned. Such disclosures are usually taken at the start of the meeting and are recorded in the minutes.
- 8.5 It is also important for officers to disclose interests in writing to their service leader/director, if they consider that those interests might affect their objectivity.
- 8.6 The Council has a publicly available register of councillors' interests, a copy of which is also available for inspection on the Council's website:  
<http://www.guildford.gov.uk/councillorsearch>
- 8.7 The Council also holds a register of officers' interests, which is not available to the public. The Councillors' Code of Conduct also sets out rules on acceptance of gifts and hospitality by councillors. There is also guidance for officers and a hospitality register is held within directorates.

## **9. Predisposition, Predetermination or bias**

- 11.1 It is entirely permissible for Committee Members, who are democratically accountable decision makers, to be predisposed towards a particular outcome. Nonetheless, they must address the planning issues before them fairly and on their individual merits. That means they can have a view on the application but must not make up their minds on how to vote before formally considering the application, listening to the officer presentation any representations and the full debate. Committee Members must have an open mind to the merits of a proposal before it is formally considered at the Committee meeting and they must be prepared to be persuaded by a different view in the light of any detailed arguments or representations concerning the particular matter under consideration.

## **10. Fettering discretion**

- 10.1 Councillors being involved with a matter that they will later be called upon to take a decision on as a member of the Council can fetter their discretion.
- 10.2 Pressure is sometimes put on councillors to comment on a matter before the meeting, either in the press or on social media. The councillor should not be put in a position where it appears they have already taken a view. The councillor should always say that they will consider all the facts and take a decision based on the merits of the case presented.

## **11. Members of more than one tier of local government**

- 11.1 Provided a member of the Planning Committee has not acted at parish or county level in so far as they will have predetermined the matter then they may remain in the Committee meeting to speak and vote.
- 11.2 Councillors serving on other councils may reserve their right to change their position when

more information is provided at the Planning Committee meeting. More information may become available in the Planning Officer's report, which will include all representations.

**12. Development proposals submitted by the Council, councillors and officers**

- 14.1 Planning applications submitted by individual councillors or officers will be determined by the Planning Committee and not under delegated powers in order to maintain propriety and transparency.
- 14.2 Any councillor submitting a planning application is likely to have a disclosable pecuniary interest and must follow the guidance set out in the Councillors' Code of Conduct.
- 14.3 Aside from minor Council applications, which can be approved under delegated authority, proposals for the Council's own development will be treated with the same transparency and impartiality as those of private developers.

**13. Lobbying and Negotiations**

- 13.1 Lobbying is usual during the planning process and those affected by an application will seek to influence individual councillors and the Planning Committee. Councillors should expect to be contacted in this regard and should listen to all views.
- 13.2 Councillors may offer advice, for example suggesting to those lobbying that they write to the planning officer or register to speak at the committee, but should take care when being lobbied that any comments they make do not give the impression that they have predetermined the matter. Instead they should make it clear that they will not make a final decision until they have heard all of the arguments at the Committee meeting.
- 13.3 Political group decisions must not be taken on planning applications and related matters and councillors should not lobby one another or agree with one another on how to vote.
- 13.4 Councillors should adhere to the Protocol on Councillor/Officer Relations at all times and should not attempt to influence or to apply pressure to officers in any way. (If a councillor is concerned about the recommendation or the advice a case officer is giving, the Director of Planning and Regeneration must be informed immediately.)
- 13.5 Any councillor wishing to make representations in a planning inquiry should seek the advice of the Monitoring Officer and the Planning Development Manager.
- 13.6 Councillors and, in particular, those sitting as the Planning Committee need to take account of the general public's (and the Ombudsman's) expectation that a planning application will be processed and determined in a transparent, open, reasonable and fair manner.

**14. Pre-Application Discussions**

- 14.1 Pre-application discussions with potential applicants may take place, but unless the discussion simply relates to policies and procedures, such meetings should always involve officers, who can give professional planning advice. Such discussions can be extremely useful to all concerned and can save a great deal of wasted effort (on both sides) as well as contributing to a higher quality development.
- 14.2 Councillors will only be involved (primarily for fact-finding) in pre-application discussions on major schemes when a specific forum has been arranged by officers for that purpose.
- 14.3 In complex or contentious cases, at least one planning officer will be present.



- 14.4 A meeting note will be taken by planning officers and placed on the relevant file. Some pre-application discussions are undertaken on a confidential basis and these will be placed in a confidential envelope on the appropriate file. These will normally be made public once an application has been received.
- 14.5 On larger schemes it is possible the proposal will be the subject of a Design Review Panel. The local ward councillors would be invited to attend that review.
- 14.6 It will be made clear that the planning officers are giving provisional views (based on the development plan and up-to-date government guidance); that no decisions are being made and that decision-making rests with councillors at Planning Committee or by the relevant officer under delegated powers.
- 14.7 Similar issues apply to the development of planning policy. There may be occasions where owners, developers or other interested parties will wish to discuss with councillors aspects of emerging policy in the development plan and other policy documents. This may be as promoters of a particular development or objectors to specific proposals. In such circumstances, councillors should always:
- avoid as far as possible meeting a promoter of a development alone;
  - avoid making it known in advance of the Committee or similar meeting whether they support or oppose the proposal;
  - restrict advice to procedures only;
  - direct objectors or promoters of schemes to the planning officers so that they can be included in the appropriate report;
  - make a note of any relevant meeting and copy to the planning officer(s).
- 14.8 Councillors should make a note of any formal meetings with an applicant or any other interested party, whom if possible a councillor should avoid meeting alone, which will be publicly available on the planning file and inform those present that this will be done.
- 14.9 Councillors should direct objectors and other interested parties to planning officers who will include reference to their opinions (where relevant) in their report to the Planning Committee.
- 14.10 Councillors should restrict pre-application advice to procedures and policies only.
- 14.11 If meeting with an applicant, objector or potential applicant, councillors should restrict their comments to policies and procedures that may be involved in coming to a decision. Councillors may wish to involve a colleague or planning officer in such meetings. It is essential that councillors do not become involved in the negotiation process, but direct applicants to the case officer to carry out the relevant negotiations.
- 15. Publicity (see Appendix 2)**
- 17.1 There are statutory requirements in place around advertising planning applications dependent upon the type of application received.
- 17.2 The Council will publish information widely as set out in Appendix 2.
- 17.3 All planning applications will be published on the Council's website.
- 17.4 All applications that require advertisement will be published in a local newspaper.
- 17.5 Where appropriate signs detailing and referencing the application will be put up on the site or as near as possible to it.

- 17.6 Neighbouring residents abutting the application red line site will be informed of an application by letter, depending on the application type and scale of proposal
- 17.7 Interested parties will have up to 21 days to respond with the exception of 'permission in principle' applications which have only 14 days to respond
- 17.8 If an application is amended, further notification and publicity will be given with 7 - 21 days' notice depending upon the extent of the changes
- 17.9 The Council will not determine an application until the notice period is complete.
- 17.10 Anyone can respond to a planning application regardless of whether they have been formally notified.
- 17.11 Decisions **will** be based upon planning policy and planning matters including:
- design issues
  - privacy
  - traffic
  - access
  - landscaping
  - noise
- 17.12 The following **will not** be a factor in determining an application:
- private property matters
  - any effect on the value of a property
  - the loss of a view
  - matters covered by other legislation
  - the character or motives of an applicant
  - any personal comments about the applicant or occupiers of the application property
- 17.13 Responses can be made in writing to the Director of Planning and Regeneration, by email to [planningenquiries@guildford.gov.uk](mailto:planningenquiries@guildford.gov.uk), or may be submitted via the Council's website where progress of the application can also be tracked.
- 17.14 Responses will be published on the Council's website unless they are of a confidential nature.
- 17.15 Correspondence will not usually be entered into.
- 17.16 If the required number of responses are received then public speaking will be triggered and all of those who responded with be notified. Those wishing to speak on an application must register by 12 noon on the day before the meeting as per the rules set out in Section 23 of this guide.

## **16. Planning Applications**

- 18.1 All planning applications are determined either by the Planning Committee or delegated to officers.
- 18.2 Major applications and minor applications  
Major development
- 10+ dwellings/over half a hectare/buildings exceeding 1000 sq. metres
  - Office/light industrial – 1000+ sq. metres/1+ hectare
  - Retail – 1000+ sq. metres/ 1+ hectare
  - Gypsy/traveller site – 10+ pitches
  - Site area exceeding 1 hectare

Minor development

- 1-9 dwellings (unless floor space exceeds 1000 sq. metres under half a hectare)
- Office /light industrial - up to 999 sq. metres/under 1 hectare
- General industrial – up to 999 sq. metres/under 1 hectare
- Retail – up to 999 sq. metres/ under 1 hectare
- Gypsy/traveller site – 0-9 pitches

- 18.3 Applications are referred automatically to the Planning Committee in the following cases:
- for all householder and other applications, the trigger for Committee will be 10 letters/emails or more contrary to the officer's recommendation;
  - for all Major and Minor applications, the trigger for Committee will be 20 letters/emails or more contrary to the officer's recommendation;
  - large scale applications submitted by Guildford Borough Council, for example redevelopment of an existing site or provision of new housing. Small scale and minor schemes will be dealt with under delegated powers;
  - a councillor or a Council employee has submitted an application, or when the applicant is related to a councillor or council employee;
  - that the Director of Planning and Regeneration asks the Committee to decide; or
  - that a councillor asks the Committee to decide for planning reasons.
- 18.4 Councillors are notified of all planning applications within their wards. A 21-day consultation period is set during which time anyone can submit written comments about the application.
- 18.5 Councillors' comments received will be taken into account in determining the application; however, councillors should not provide a clear opinion either way at this stage as it could prejudice their ability to vote on the matter should it come before the Planning Committee. At any point prior to the Committee meeting, should councillors wish to give an opinion, they are advised to state that this is their opinion based upon the information currently available, which may change in the light of additional information. Councillor comments are kept on file.
- 18.7 Under the Council's Constitution, there is the ability to refer planning applications to full Council for consideration. In those circumstances, this code of practice would equally apply to consideration of such applications by all councillors.
- 18.8 In order for a planning application to be referred to the full Council for determination in its capacity as the Local Planning Authority, a councillor must first with a seconder, write/email the Democratic Services and Elections Manager detailing the rationale for the request (the proposer and seconder does not have to be a Planning Committee member).
- 18.9 The Democratic Services and Elections Manager shall inform all councillors by email of the request to determine an application by full Council, including the rationale provided for that request. The matter would then be placed as an agenda item for consideration at the next Planning Committee meeting. The proposer and seconder would each be given three minutes to state their case. The decision to refer a planning application to the full Council will be decided by a majority vote of the Planning Committee.
- 17. Seven day notification period (see Appendix 3)**
- 19.1 The 'seven day notification' process requires the officer report to be referred to all ward councillors in the event of a single objection being received or if they are looking to refuse a planning application.
- 19.2 Exemptions to this process are all Lawful Development Certificates; Prior Approval applications; Statutory Consultations from other authorities including Surrey County Council

and Section 211 Tree applications (notices), whereby properties are located within a Conservation Area and are subject to a time limited 6 week process.

- 19.3 Many applications are referred to ward councillors on the 'seven-day notification' process, very few applications of those seven-day notifications are actually referred to Planning Committee for decision.
- 19.4 Councillors should use the 'seven-day' call up to Committee process responsibly.
- 19.5 The 7-day process is not an opportunity for lobbying by either the applicant or third parties. Please remember that during the seven-day notification process the officer report should always remain confidential and should not be shared or forwarded to the applicant, agent, Parish Council or third parties.
- 19.6 If no objection letters have been received then officers can process the application, without reference to Councillors, if the application is to be approved.
- 19.7 If a 'seven day notification' is necessary, the officer will get their report checked and signed off by a senior manager who has delegated authority to sign off. They will then utilise an automated template email to send out to all the ward members.

## **18. Councillor Call-in**

- 20.1 All councillors receive a list of planning applications submitted to the Council.
- 20.2 Any member of the council may call-in a planning application to be determined by the Planning Committee rather than be determined under delegated powers.
- 20.3 There is a 21-day period between when an application is received and it being determined when a councillor can exercise call-in. To call-in an application, a written request should be sent to the Director of Planning and Regeneration with reasons to justify this action.
- 20.4 The Director of Planning and Regeneration has the power to refuse the call-in if the justification is not reasonable.
- 20.5 Councillors who have exercised call-in will be expected to speak to the item at Planning Committee provided they have not demonstrated a predetermination.
- 20.6 All councillors receive a list of enforcement actions. Any councillor can call-in an enforcement as above, but the time window will be 14 days.

## **19. Site Visits**

### **Up-Front Site Visits**

- 21.1 When the agenda for the Planning Committee meeting has been published, Planning Committee members can request that a site visit is undertaken for an application listed. Councillors must submit their request, detailing their reasons and material planning considerations, to the Committee Officer by no later than midday on the Thursday the week prior to the Planning Committee meeting.
- 21.2 The request for a site visit is discussed in liaison with the Chairman of the Planning Committee and Planning Development Manager at the Pre-Planning Committee meeting (which is generally held in the afternoon on the Thursday prior to the Planning Committee meeting). If the Chairman and Planning Development Manager agree the request for a site visit, the Committee Officer will confirm the site visit details with the Councillors and applicant.

21.3 Site visits are scheduled to be held on the Tuesday, the day prior to the Planning Committee meeting at approx. 9:30am.

**Requested Site Visits**

21.4 Site visits can also be requested at a Planning Committee meeting and will only be agreed by the Committee and scheduled at an agreed date and time.

21.5 Site visits should only be held in circumstances in which it is not possible for councillors to make an informed decision without seeing the site for themselves. Examples of such circumstances include:

- the impact of the proposed development is difficult to visualise from the plans and any supporting material, including photographs taken by officers
- the comments of the applicant and objectors cannot be expressed adequately in writing
- the proposal is particularly contentious

21.6 The Committee minutes will show the planning reasons for the decision to hold a site visit.

21.7 Site visits are generally not appropriate in cases where purely policy matters are at issue.

21.8 The applicant will be notified in advance in writing of the time and date of the visit. A planning officer and the Planning Committee Manager will attend.

21.9 Site visits are:

- fact finding exercises.
- not part of the formal consideration of the application and, therefore, public rights of attendance and speaking by applicants and objectors do not apply.
- to enable officers to point out relevant features.
- to enable councillors to ask questions on site for clarification. However, discussion on the application will only take place at Planning Committee when all parties will be present.

21.10 Councillors should not allow themselves to be addressed by individual parties, members of the public or applicants at councillors' site visits.

21.11 Any councillor who may visit the site alone is only entitled to view the site from public vantage points and has no individual rights to enter private property.

21.12 It is not good practice to enter the site if invited by the owner if alone as this can lead to the perception that the councillor may no longer be impartial.

21.13 The Chairman of the Committee or, in their absence, the Vice-Chairman must maintain a firm control over the conduct of the site visit, which, whilst not part of a formal meeting of the Planning Committee, must be conducted as a single meeting and in an orderly fashion.

21.14 There will be no decision made by the site visit party. The application subject of the site visit will normally be reported to the next available Planning Committee meeting for formal decision.

21.15 A half-day yearly tour, visiting two or three sites as exemplars will be arranged usually in September, for members of the Planning Committee.

**20. Planning Committee**

- 20.1 The Planning Committee is made up of 15 borough councillors. A number of other councillors are named as substitute members of the Committee.
- 20.2 Planning Committee meetings are held in the Council Chamber, and usually take place every four weeks on a Wednesday evening beginning at 7pm. Sometimes there are special meetings to discuss major or strategic applications.
- 20.3 Agendas are published on the Council's website five clear working days before each meeting.
- 20.4 Any member of the public can attend Planning Committee meetings and listen to the discussions about applications and other matters on the public part of the meeting agenda.
- 20.5 The Planning Committee makes decisions on about 5% of the planning applications the Council receives. The Director of Planning and Regeneration decides all other applications under delegated powers.
- 20.6 All meetings are open to the public (s100 Local Government Act 1972). Where there are aspects of a matter which are required to be dealt with in private, the Committee may pass a resolution to exclude the public from the meeting (s100A(4) LGA 1972), That resolution must identify the matters to which it refers and state the description of the "Exempt Information" under Schedule 12A of the LGA 1972.
- 22.7 Unless otherwise decided by a majority of councillors present and voting at the meeting, all meetings shall finish by no later than 10.30pm. Any outstanding items not completed by the end of the meeting shall be adjourned to a reconvened meeting or the next ordinary meeting of the Committee.

**Procedures for dealing with planning applications at Planning Committee**

- 22.8 Any member of the council who wishes to speak on an item on the agenda may do so with the consent of the Chairman of the Planning Committee in accordance with the rules for public speaking.
- 22.9 Ward councillors (who are not Planning Committee members) must register to speak by midday on the day prior to the Planning meeting and if speaking in that capacity, cannot attend as a substitute.
- 22.10 Committee members wishing to speak for or against an application may for that item step away from the committee and speak in the public speaking place, but shall not be entitled to speak for more than three minutes. They shall take no further part in that item, and no substitute shall be allowed for that item.
- 22.11 Councillors must not attend a meeting of the Planning Committee with a prepared speech or notes giving the impression that they have predetermined their decision.
- 22.12 Ward Councillors (who are not Planning Committee members) wishing to speak must register with the Committee Officer by email, by no later than midday the day before the meeting. The Committee Officer will then advise the Chairman.
- 22.13 Each speaker, including councillors or members of the public, may address the Planning Committee for a maximum of three minutes. In exceptional circumstances, the chairman can agree to speakers having longer than three minutes to address an item. An example of this would be a strategic site with multiple and complex issues.
- 22.14 Under the procedure rules, the Chairman has the right to decline to hear anyone behaving

improperly at the meeting.

- 22.15 No additional written evidence or information such as photographs, plans or models may be circulated at the meeting.
- 22.16 The Chairman will move the officer recommendation following the debate. If it is seconded, the motion is put to the vote. A simple majority vote is required for the motion to be carried. If it is not seconded, or the motion is not carried, then the Chairman will ask for a second alternative motion to be put to the vote.
- 22.17 In any case where the motion is contrary to officer recommendation, that is:
- Approval to refusal, or;
  - Refusal to approval;
  - Or where the motion proposed additional reasons or additional conditions.
  - Provided that a motion has been properly moved and seconded, the Chairman shall temporarily pause the meeting in advance of the vote. This is to allow officers; the mover of the motion and the Chairman the opportunity to discuss the reason(s), conditions (where applicable) and policy(ies) put forward to ensure that they are sufficiently precise, state the harm (where applicable) and support the correct policies to justify the motion. Following any pause and upon reconvening the meeting, Chairman will put to the Committee the motion and the reason(s) for the decision before moving to the vote.
- 22.18 Officers might occasionally defer a committee item following publication of the agenda.
- 22.19 The Planning Committee might defer an application at the meeting. A motion may be proposed and seconded at any time during the debate to defer or adjourn consideration of an application. The Committee will do this if they run out of time to discuss it fully, if members feel additional information is required, or if they would like to make a formal committee site visit. In most situations, they will not defer an application until all speakers have spoken about it at a meeting.
- 22.20 If the committee defers an application, and there has already been public speaking on this item at a meeting, there will be no further public speaking on it when it is discussed again at committee. However, the comments of speakers from the first meeting will be fully summarised in the updated report.
- 22.21 Councillors, objectors, the applicant and (where relevant) parish councils will be notified when an application is coming back to the Planning Committee following deferral.

## **21. Councillor behaviour in committee meetings**

- 21.1 Councillors will afford courtesy and respect to one another, to officers and to all of those attending committee meetings and/or making representation. This will include the use of electronic devices in line with the Council's codes, protocols and policies.
- 21.2 Councillors will not pass notes or paperwork between themselves or others attending the meeting.
- 21.3 Councillors will not deliver pre-prepared speeches in support of or in opposition to any application. Pre-prepared speeches can appear as if you have come to the meeting with a pre-determined view.
- 21.4 It is considered acceptable for councillors to have prepared bullet points for any contributions they may make in advance of a meeting. Bullet points enable you to speak naturally rather than a pre-prepared speech which looks and sounds unnatural.

**22. Webcasting**

- 22.1 All Planning Committee meetings will be webcast, except in circumstances where the committee considers confidential or exempt information during the consideration of any matter.
- 22.2 Viewing figures for Planning Committee meetings can vary according to the type of applications being considered. Councillors should be mindful that for larger applications for example, the public interest will increase.
- 22.3 Webcasting ensures the process of local government is both transparent and accessible to the public, helping people to engage with the decisions that affect their lives and community on a daily basis.
- 22.4 Webcasting encourages good governance and preparation for meetings (by both members and officers).
- 22.5 Councillors should be mindful of their body language, slumping can be misinterpreted as disengagement and eye resting as sleeping.
- 22.6 Councillors should be aware of how their messages could be interpreted by the public such as applicants, agents, objectors and supporters of an application, both by what you say and how you say it.
- 22.7 Councillors should be clear about the information they give so that it is clear to a lay person what you are doing and why you are doing it.

**23. Reports containing confidential or exempt information**

- 23.1 Reports or sections of reports published on pink paper will be subject to confidentiality and may not be viewed or shared with any other person.
- 23.2 On occasion, owing to the sensitivity of a matter, the confidential item will only be handed out in hard copy at the meeting itself. Councillors will be given sufficient time to read through the report prior to debating the item and coming to a conclusion.
- 23.3 Councillors must ensure that their private papers are handed back to the Committee Services Officer at the end of the consideration of that item. This is essential so that the papers can be confidentially shredded.

**24. Officer Reports**

- 26.1 Officer reports are key to decision-making and make a significant contribution to consistency and confidence in the system.
- 26.2 At a minimum, the report should include:
  - Executive Summary
  - Recommendation
  - Purpose of report
  - Strategic priorities
  - Background
  - Consultations
  - Equality & Diversity implications
  - Financial implications
  - Legal implications
  - Human resource implications



- Options
- Conclusions
- Background papers
- Appendices

- 26.3 Planning reports should be accurate and comprehensive and include the substance of objections and the views of all of those who have been consulted.
- 26.4 It is important that the report sets out the pros and cons of planning proposals in a fair manner and then comes to a recommendation after balancing them.
- 26.5 Planning reports should be relevant and include a clear exposition of the development plan, site history and all other material considerations.
- 26.6 Planning reports should have a written recommendation of action with a technical appraisal which clearly justifies the recommendation.
- 26.7 If the recommendation is contrary to the development plan, the material considerations which justify this must be clearly stated in the planning report.
- 26.8 Supplementary Information Sheets (also known as “Late Sheets”) published on the day of the meeting will set out details of public speakers, and inform councillors and other interested parties of any amendments to recommendations or other considerations that may have arisen since the committee report was published with the agenda.

**25. Public Speaking (see Appendix 3)**

- 27.1 The Guide to Planning Committee Meetings, which deals with public speaking at Planning Committee Meetings, is also available for viewing on the website:  
<http://www2.guildford.gov.uk/councilmeetings/mgCommitteeDetails.aspx?ID=130>

**26. Decisions Contrary to Officer Recommendations**

- 28.1 From time to time, members of the Planning Committee will disagree with the professional advice given by planning officers. It is vital that councillors supporting and seconding a motion that is contrary to officer recommendation cite clear and relevant reasons and policies.
- 28.2 If a councillor has concerns about an application, they should meet with the Planning Development Manager in advance of any decision to clarify the reasons for concern.
- 28.3 The planning reasons for rejecting an officer’s recommendation will be clearly stated and recorded in the minutes.
- 28.4 Where an appeal arises against such a decision, it is unlikely that the case officer will give evidence and, in some cases, consultants will be employed.
- 28.5 Support will be given to the relevant councillors in preparing evidence for the appeal and providing factual evidence.

**27. Councillor representations on appeals against planning decisions**

- 29.1 Where a councillor wishes to support an appellant on any appeal against a Council decision on a planning matter, that councillor shall as a matter of courtesy give written notice of his or her intention to the Monitoring Officer and Planning Development Manager, as well as the appellant.

- 29.2 Where the appeal is to be dealt with at an inquiry, the notice shall be delivered to the Monitoring Officer and Planning Development Manager and the appellant not less than five working days before the start of the inquiry.
- 29.3 Councillors proposing to support an appellant at an appeal must in addition make it clear to the planning inspector that they are appearing in their personal capacity and not as a spokesperson for the Council.

## **28. Planning Enforcement**

- 30.1 The Council's [Local Enforcement Plan](#) will set out how a breach of planning control should be addressed.
- 30.2 Councillors should be aware of the ability of homeowners to build to an extent under permitted development and the background to every case should be carefully considered before action is taken.
- 30.3 Planning enforcement is subject to a strong legal framework and councillors should take care not to prejudice the Council's position. Councillors should refrain from entering private land without permission and restrict any enquiries to matters of fact or general information.
- 30.4 Any decision to take action will be made by either the Planning Committee or the Director of Planning and Regeneration under delegated authority.

## **29. Further Reading**

- Probity in planning: the role of councillors and officers – revised guidance note on good planning practice for councillors and officers dealing with planning matters  
Local Government Association, May 2009  
<https://www.local.gov.uk/sites/default/files/documents/probity-planning-councill-d92.pdf>
- The Localism Act 2011:  
<https://www.gov.uk/government/publications/localism-act-2011-overview>
- Revised National Planning Policy Framework Department for Communities and local Government, July 2018  
<https://www.gov.uk/government/collections/revised-national-planning-policy-framework>
- Royal Town Planning Institute Code of Professional Conduct:  
[https://www.rtpi.org.uk/media/1736907/rtpi\\_code\\_of\\_professional\\_conduct\\_-\\_feb\\_2016.pdf](https://www.rtpi.org.uk/media/1736907/rtpi_code_of_professional_conduct_-_feb_2016.pdf)
- The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012  
Openness and transparency on personal interests: guidance for councillors,  
Department for Communities and Local Government, March 2013:  
<https://www.legislation.gov.uk/ukxi/2012/1464/contents/made>
- The Planning System – matching expectations to capacity Audit Commission, February 2006:  
<https://webarchive.nationalarchives.gov.uk/20150423154441/http://archive.audit-commission.gov.uk/auditcommission/aboutus/publications/pages/national-reports-and-studies-archiv.aspx.html>
- 'Standards Matter' Kelly Committee Jan 2013:  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/228884/8519.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/228884/8519.pdf)
- Guildford Borough Council Planning and Building Control Documents:  
<https://www.guildford.gov.uk/planningandbuildingcontroldocumentsandpublications>

# Appendix 1: Councillor interests

Disclosable Pecuniary Interests include business, trade, profession, contract and wider financial interests such as land, payments, securities, shares etc.

If a spouse or civil partner has interests which would be considered Disclosable Pecuniary Interests then these must also be registered under the councillor's name

**Enter Personal Interests into the Register**  
Also include those Pecuniary Interests that need to be disclosed

**Councillor is a member of the Planning Committee**

**Councillor has a Disclosable Pecuniary Interest which relates to an item at the Planning Committee**

**Councillor has a personal interest which relates to an item at the Planning Committee**

**Councillor cannot participate (either as a councillor or member of the public) in the discussion or take part in any vote**

**Councillor must decide if this interest is likely to be seen as prejudicing their impartiality or ability to meet the principles of public life**

**Councillor has a Disclosable Pecuniary Interest which relates to an item at the Planning Committee**

**Note:**  
This flowchart is for illustration purposes only  
It is a criminal offence not to follow the rules on Disclosable Pecuniary Interests  
If in doubt, a councillor should always consult the Council's Monitoring Officer

**The councillor is free to take part in the debate and any subsequent vote on the item in question**

**The councillor must leave the room.**

YES

NO

## Appendix 2: Publicity arrangements for planning applications

(NB: These arrangements are for guidance only and are subject to change)

	Website	Site notice	Site notice or neighbour/ owner	Press advert	Parish council	Ward Member
<b>Planning applications:</b>	Y	Y1	Y	Y1	Y	Y
EIA development	Y	Y	Y	Y	Y	Y
Not in accordance with Development Plan	Y	Y	Y	Y	Y	Y
Affecting a public right of way	Y					
Major development	Y	Y	Y	Y	Y	Y
Affecting the setting of a Listed Building or the character and appearance of a Conservation Area	Y	Y	Y	Y	Y	Y
Other planning applications	Y	Y1	Y	Y1	Y	Y
<b>Listed Building applications:</b>	Y	Y	Y	Y	Y	Y
Vary or discharge conditions on Listed Building application	Y					
<b>Prior Notifications Part 1: Larger Homes Household Extensions</b>	Y		Y			
<b>Prior Notifications: Part 3</b>						
Class A, Class B, Class C, Class D, Class E, Class F, Class G, Class H, Class I, Class J, Class K, Class L, Class M	Y	Y1				
Class N Sui Generis to Residential	Y	Y1				
Class O Offices to Dwelling Houses	Y	Y1				
Class P Storage or Distribution to Dwelling Houses	Y	Y1				
Class Q Agricultural Buildings to Dwelling Houses	Y	Y1				
Class R, Class S, Class T, Class U, Class V	Y	Y1				
<b>Prior Notifications Part 4: Class A-E Temporary Buildings and Uses</b>	Y	Y1				
<b>Prior Notifications Parts 5 to 15</b>	Y	Y1				

	Website	Site notice	Site notice or neighbour/ owner	Press advert	Parish council	Ward Member
<b>Prior Notifications: Part 16</b> Telecommunications	Y	Y1				
<b>Prior Notifications: Parts 17-19</b>	Y	Y1				
<b>Advertisement applications</b>	Y	Y1	Y		Y	Y
<b>Applications for works to TPO trees</b>	Y	Y	Y		Y	Y
<b>Notice of works to trees in Conservation Areas</b>	Y				Y	Y
<b>Hedgerow removal applications</b>	Y	Y1			Y	Y

Y	Statutory requirement
Y1	Needs to stipulate on the site notice the reason for the advert

### Appendix 3: Speaking at Planning Committee



GUILDFORD  
B O R O U G H

## Guide to Planning Committee meetings



A guide for anyone who would like to:

- **know** how the committee process works;
- **attend** a Planning Committee meeting; or
- **speak** about an application at a Planning Committee meeting.

[www.guildford.gov.uk](http://www.guildford.gov.uk)

## **Introducing this guide**

This guide explains what you need to know if you want to speak at or attend a Planning Committee meeting. You will find this guide useful if you:

- have applied for planning permission and your application is being considered by the committee;
- are the neighbour of someone whose planning application is being considered by the committee; or
- are interested in planning and how the Planning Committee makes decisions.

## ***Attending a Planning Committee meeting***

### **Where do Planning Committee meetings take place?**

Our Planning Committee meetings are held in the Council Chamber, which is in the civic suite of Millmead House. The public entrance to the Council Chamber is signposted in the front car park at Millmead House.

### ***Accessibility at Planning Committee Meetings***

Planning Committee meetings are held in the Council Chamber which is accessed from the main reception up one flight of stairs. The main reception can be accessed via a disability ramp. The Council Chamber is accessible via a wheelchair accessible lift.

A hearing loop is also installed in the Council Chamber for those who are hard of hearing and use hearing aids. Please note that your hearing aid should be set to 'T'.

### ***How often does the Planning Committee meet?***

Planning Committee meetings normally take place every four weeks. Meetings normally are on Wednesday evenings and start at 7pm. Occasionally, there are special meetings to discuss major or strategic planning applications.

For a list of meeting dates please view our website at the following address:

<http://www2.guildford.gov.uk/councilmeetings/mgCommitteeDetails.aspx?ID=130>

### ***Who can attend a Planning Committee meeting?***

Any member of the public can attend our Planning Committee meetings and listen to the discussions about applications and other matters on the public part of the meeting agenda.

In certain situations, you can speak at a committee meeting about a planning application you're interested in. If you would like to speak, you will need to arrange this with us before the meeting.

More information about speaking at Planning Committee meetings is given from page 3.

There may be times when the Planning Committee needs to discuss matters that are not on the public part of the agenda. The Chairman will explain this at the meeting and end the public part of the meeting.

The public seating area is at the back of the Council Chamber, next to the public entrance. A layout plan of the Council Chamber is given on the back page of this guide showing the public seating area and where councillors and officers sit.

### **What does the Planning Committee do?**

Our Planning Committee makes decisions on about 5% of the planning applications we receive. All other applications are decided by the Director of Planning and Regeneration under delegated powers.

The Planning Committee will make a decision on applications:

## Appendix 1

- for all householder and other applications, the trigger for committee will be 10 letters/emails or more contrary to the officer's recommendation;
- 
- for all Major and Minor applications, the trigger for committee will be 20 letters/emails or more contrary to the officer's recommendation;
- large scale applications submitted by Guildford Borough Council, for example redevelopment of an existing site or provision of new housing. Small scale and minor schemes will be dealt with under delegated powers;
- that a councillor or a council employee has made, or when the applicant is related to a councillor or council employee;
- that the Director of Planning and Regeneration asks the committee to decide; or
- that a councillor asks the committee to decide for planning reasons.

The agenda contains reports on each item referred compiled by officers, which will include the recommendation along with any conditions or reasons for refusal. The reports are available for Members to review prior to the meeting along with the relevant plans and other information within the file.

Officers will carry out a brief presentation for each item, which may include relevant plans of the development and photographs of the site.

Agendas are published five working days before each meeting. The agenda can be viewed on our website or copies are available at the committee meeting.

### **Who is on the committee?**

The Planning Committee is made up of 15 borough councillors. A number of other councillors are named as substitute members of the committee.

Visit our website at [www.guildford.gov.uk](http://www.guildford.gov.uk) for the contact details of the members of the Planning Committee.

### **Webcasting Arrangements**

Planning Committee meetings are recorded for live and/or subsequent broadcast on the Council's website in accordance with the Council's capacity in performing a task in the public interest and in line with the Openness of Local Government Bodies Regulations 2014. The whole of the meeting will be recorded, except where there are confidential or exempt items, and the footage will be on the website for six months.

If you have any queries regarding the webcasting of meetings, please contact Committee Services by email on: [committeeservices@guildford.gov.uk](mailto:committeeservices@guildford.gov.uk)

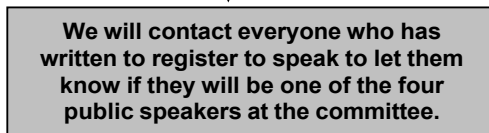
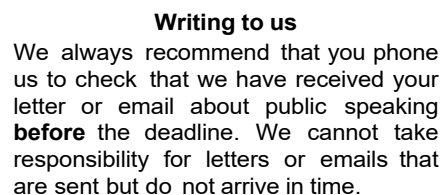
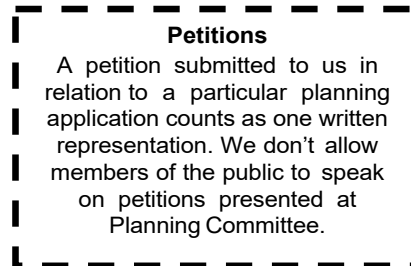
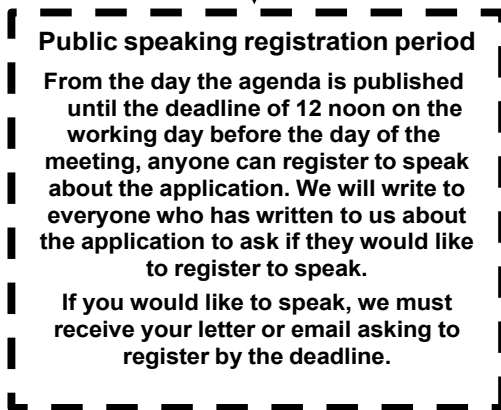
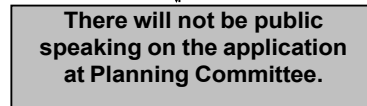
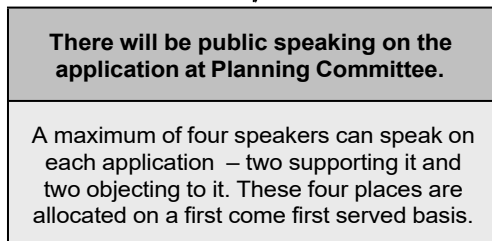
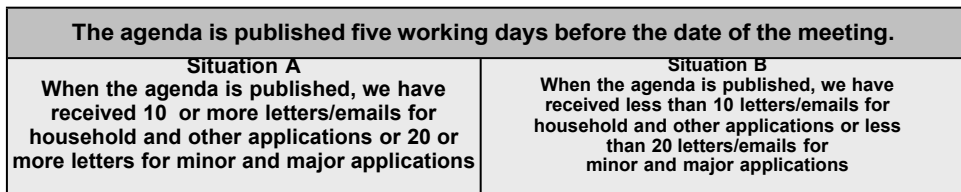
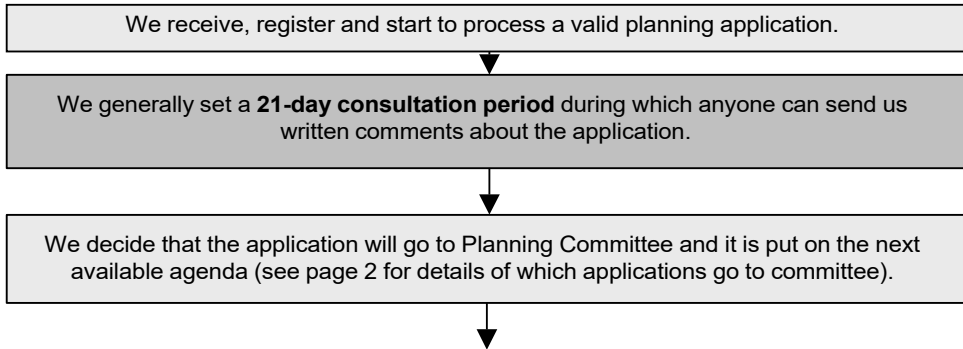
### **The Public's Responsibilities**

Members of the public must not be violent, abusive or threatening to councillors or officers and must not wilfully harm things owned by the Council, councillors or officers. The public are entitled to attend public meetings of the Planning Committee, but must comply with the ruling of the Chairman. They may not disrupt the meeting or cause undue disturbance or they may be removed from the meeting. The display of written signs or placards is not permitted in the Council Chamber or anywhere on the Council premises.

### **Speaking at Planning Committee meetings**

The diagram on the following page explains the process for deciding whether public speaking will take place on a planning application being presented to the Planning Committee.





### Registering to speak

If you would like to register to speak on a public speaking item, registration starts on the day the agenda is published, which is five clear working days prior to the meeting. For example, planning committee meetings are normally held on a Wednesday, therefore the agenda is published on the Tuesday the week before. You must write to us or email us by **12 noon on the working day before the day of the meeting**. You must send your email or letter to:

Sophie Butcher  
Democratic Services Officer  
Guildford Borough Council  
Millmead House  
Millmead  
GUILDFORD  
Surrey GU2 4BB

Email: [sophie.butcher@guildford.gov.uk](mailto:sophie.butcher@guildford.gov.uk)  
Tel: 01483 444056

### Your letter or email must contain:

- Your name
- Your address
- Your daytime phone number
- The planning application number
- The name of the development
- Whether you want to speak to support or object to the application

### If I write to you about an application, do I have to speak at a meeting?

No, you don't. If we receive a letter or email from you within the 21-day consultation period for the application, we will include a summary of your comments in the Planning Officer's report.

If we receive your letter or email **after the agenda is published but before noon on the working day before the day of the meeting**, the Committee Officer will include a summary of your comments in a document known as the 'Late Sheet'. This is given to councillors and the public at the meeting.

### How many people can speak about each application?

Up to **four** people can speak about an application.

- Two speakers who **object** to the application.
- Two speakers who **support** the application.

As there can be no more than four speakers, we will only invite the first two people who write to us objecting to an application, and the first two people who write to us supporting an application to speak at the meeting.

A person can speak to the committee on behalf of others who support or object to an application. If we have written to tell you that you can speak at a meeting, we may pass your details to others who object to or support the application so that they can contact you. If you would prefer us not to pass your details on to others, please let us know.

### **How long can I speak for?**

Each speaker has three minutes to speak. The Chairman will let you know when your three minutes are almost finished. You must make sure you cover all of your points in those three minutes. You cannot ask councillors, officers or other speakers any questions.

You are not allowed to use any presentation equipment when you speak at the meeting. For example, you cannot give a computer presentation or use an overhead projector or a slide projector.

### **Can I hand out information at the meeting?**

No, you cannot hand out any documents (such as plans and photographs) at the meeting and you cannot display any models.

### **If I am speaking at a meeting, when should I arrive?**

You should arrive in the Council Chamber by 6.45pm. The Senior Committee Officer will introduce herself and note your attendance.

### **What will happen at the meeting?**

- Everyone who attends the meeting will be given a list of people who have registered to speak at the meeting.
- The committee will first consider the applications for which there is public speaking, in the order on the list of speakers.
- When the Chairman calls out the name and number of the application you are interested in a planning officer will give a presentation on it.
- The Chairman will call each of the speakers in turn to go to the public speaking desk at the front of the Council Chamber to have their say.
- When you have finished your speech, you will be asked to return to your seat in the public seating area.
- When all of the speakers have been heard, the committee will discuss the application. The public cannot take part in the discussion.
- The committee will make a decision on the application.

**If you have registered to speak and you arrive late or don't turn up to the meeting, the committee will still make a decision on the application.**

### **What happens if the committee put off making a decision on an application until a future committee meeting?**

The Planning Committee might sometimes decide to put off making a decision on an application. This is known as 'deferring an application'. They will do this if they run out of time to discuss it fully, if members feel additional information is required, or if they would like to make a formal committee site visit. In most situations, they will not defer an application until all speakers have spoken about it at a meeting.

If the committee defers an application, and there has already been public speaking on this item at a meeting, there will be **no further public speaking** on it when it is discussed again at committee.

### **What issues should I speak about?**

The Planning Committee's decision on an application can be based only on planning issues.

These planning issues can include:

- local, regional and national policies and government guidance;
- the design, appearance and layout of a proposed development;
- road safety and traffic issues;
- the effect on the local area and local properties;
- loss of light and overlooking;
- nuisance caused by noise, disturbance and smell; and
- protecting buildings and trees.

When you speak at a meeting, you should talk about these issues and explain how the proposed development will affect you personally.

The Planning Committee cannot consider issues that are not planning issues. These include:

- any disagreements between you and your neighbours about boundary lines or access;
- the developer's morals or motives;
- your loss of view across a neighbour's land; and
- how the development may affect the value of your property.

If you would like more advice on what is a planning issue, please email [planningenquiries@guildford.gov.uk](mailto:planningenquiries@guildford.gov.uk) or phone planning enquiries on 01483 444609.

For more information about committee meetings and speaking at a Planning Committee meeting, contact Sophie Butcher, Democratic Services Officer, by emailing [sophie.butcher@guildford.gov.uk](mailto:sophie.butcher@guildford.gov.uk) or by phoning 01483 444056.

**The council chamber layout for a Planning Committee meeting**

		Senior Committee Officer	Senior Solicitor	Chairman	Planning Development Manager	Planning Officer		
Public Speaker								NPCMS
Cllr								Cllr
Cllr								Cllr
	Cllr	Cllr	Cllr	Cllr	Cllr	Cllr	Cllr	Cllr

Cllr: Planning Committee Member  
NPCMS: Non-Planning Committee member speaker

**Committee Room 1 public seating**  
**Any other councillors who attend the meeting will sit here**

**Please contact us to request this document in an alternative format**

**Contact us:**

Guildford Borough Council  
Millmead House  
Millmead  
Guildford  
Surrey GU2 4BB

01483 444609 for planning enquiries email: [planningenquiries@guildford.gov.uk](mailto:planningenquiries@guildford.gov.uk)  
01483 444056 for committee services email: [sophie.butcher@guildford.gov.uk](mailto:sophie.butcher@guildford.gov.uk)  
website: <http://www2.guildford.gov.uk/councilmeetings/ieListMeetings.aspx?Committeed=130>



## Appendix 4: Seven day notification process template

The template used is as follows:

You may search for a planning application via:

<https://www.guildford.gov.uk/searchforaplanningapplication>

### Recommended decision

#### For reference

The application is recommended for refusal for the reasons set out in the report and therefore in line with our delegated practices I would be grateful for your confirmation of the recommendation or, if you do not agree that the application should be refused, your reasons for calling the item to Planning Committee (please note these must be valid reasons why you feel that the proposal may warrant approval or to justify any additional reasons for refusal)

Please note comments must be received within seven days from the date of this email or the application will be determined in accordance with the officer recommendation. This includes ensuring full reasons and policies, where applicable, are provided within the seven day period. Please ensure responses are received before 12 noon on the final day to ensure that applications are determined in a timely manner.

#### Where less than seven days

Whilst the usual response time is seven days, the deadline for response in this instance expires on ..... I would therefore be very grateful if you could respond no later than 12 noon on this date to allow the application to be determined on time. If, for any reason, you are unable to respond sooner, we will not issue any decision until the full seven-day period has expired.

#### Please make your selection using an X

Councillor response	'X'	
I agree the officer recommendation		
I would like to refer the application to planning committee		Reasons Planning policies
I would like to request a committee site visit		Reasons for a site visit

Under current arrangements, the 15 members of the Planning Committee are the nominated responders for seven-day notifications for their respective wards. Where there is more than one member of the Planning Committee representing the same ward, those members will agree amongst themselves who the nominated responder for seven-day notifications will be and inform the Planning Development Manager accordingly. If they are unable to agree, it will fall to the Chairman of the Planning Committee, in consultation with their Group Leader(s), to nominate the single responder.

In relation to seven-day notifications in respect of applications in multi-member wards not represented on the Planning Committee, the relevant ward members will agree amongst themselves who the nominated responder for seven-day notifications will be and inform the Planning Development Manager accordingly. If they are unable to agree, it will fall to the Chairman of the Planning Committee, in consultation with their Group Leader(s) to nominate the single responder.

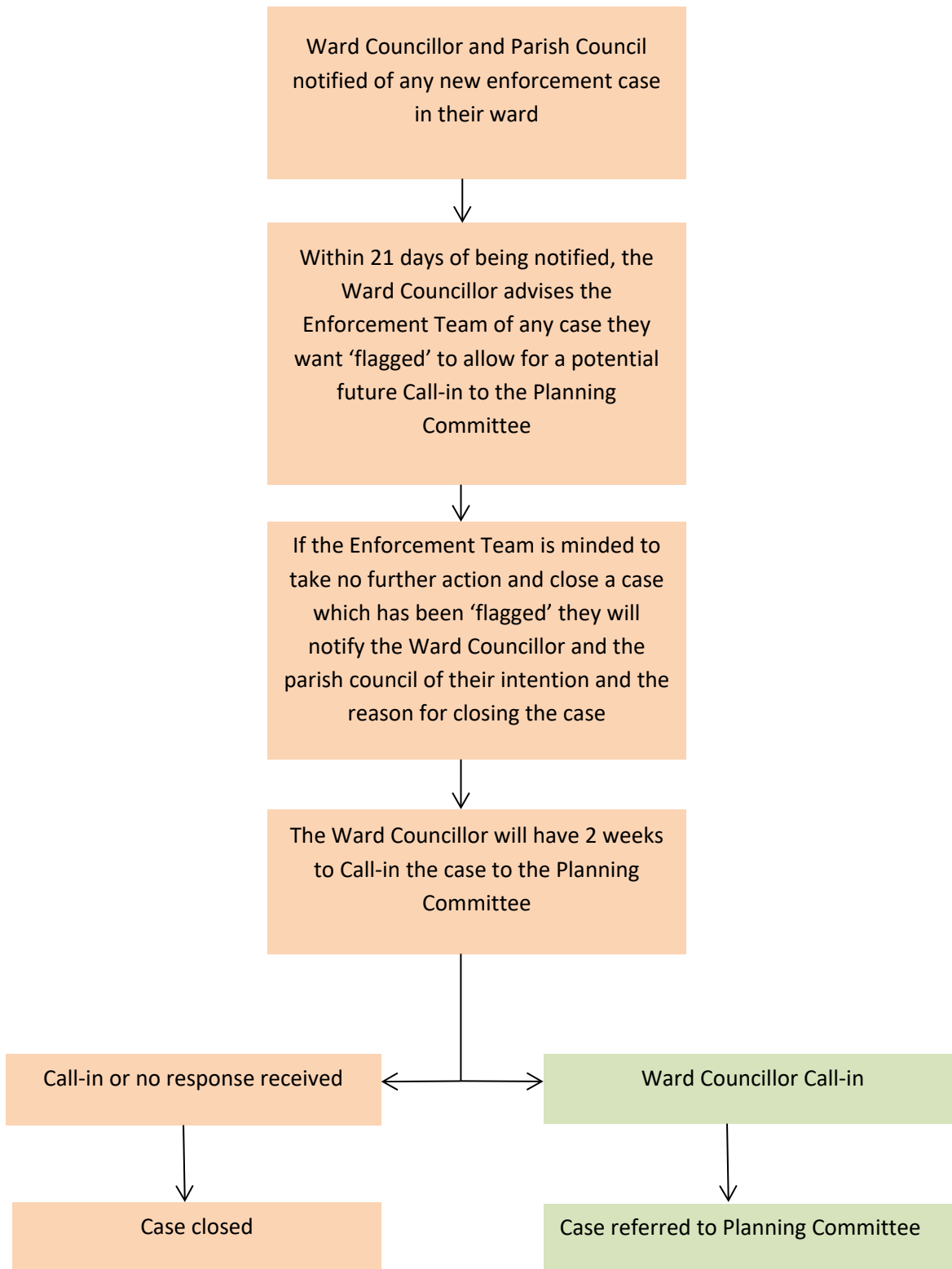
Once officers have heard back from the nominated responder the decision notice can be issued.

Where a ward member who is not the nominated responder in respect of that ward does not agree with the nominated responder in relation to a response to a particular application, they must raise their concerns with the nominated responder before a response is sent. If a response is sent directly to the case officer from a ward member who is not the nominated responder, that councillor will be requested to discuss with the nominated responder in the first instance. The final response should then come from the nominated responder.

**Important elements to remember**

- To respond promptly and, if possible, early in the process, there is no need to wait for the full 7 days
- If you are going away and have no, or limited, access to emails please nominate another councillor to respond on your behalf. This should be another ward councillor, or councillor for an adjoining ward, or the Chairman/Vice Chairman of the Planning Committee.
- If we have not heard back from you following the 7-day period, we will issue the decision in accordance with the officer recommendation.
- We encourage councillors to approach the case officer early in the application process should they have concerns or require clarification on points. Please remember that the seven-day notification process is not a councillor negotiation process. It is a process to agree the officer recommendation or to request a referral to the Planning Committee for planning reasons supported by planning policies where applicable.
- Should the officer report be significantly altered or changed post a seven day notification referral to councillors, (by virtue of the item being called to Committee), then as a courtesy the revised report will be sent out to the ward Councillors once more.

Appendix 5:  
**Enforcement Call-in Procedure**





**PROBITY IN PLANNING LOCAL CODE OF PRACTICE –HANDBOOK FOR COUNCILLORS AND OFFICERS**

**CONTENTS**

Page

1. Foreword.....

2. Introduction.....

3. Planning policies and the Local Plan.....

4. Applicability of the code.....

5. Breaches of the code.....

6. Training.....

7. Role of the Councillor.....

8. Role of the Planning Officer.....

9. Role of the Monitoring Officer.....

10. Disclosure and registration of interests.....

11. Predisposition, predetermination or bias.....

12. Limiting discretion.....

13. Members of more than one tier of local government.....

14. Development proposals submitted by the council, councillors and officers.....

15. Lobbying and Negotiations.....

16. Pre-application discussions including Planning Performance Agreements.....

17. Publicity.....

18. Planning applications.....

19. Councillor Call-up to Planning Committee.....

20. Site visits by Planning Committee Members.....

21. Planning Committee.....

22. Councillor behaviour in committee meetings.....

23. Webcasting of meetings.....

24. Reports containing confidential or exempt information.....

25. Public speaking at Planning Committee.....

26. Councillor representations on appeals against planning decisions.....

Annexes:

Annex 1: Councillor interests.....

Annex 2: Protocol for Informal Presentations to Councillors relating to Development

Annex 3: Process for Councillor ‘call-up’ to Planning Committee .....

Annex 4: Procedure for councillors overturning officer recommendations at Committee

Annex 5: Public Speaking at Planning Committee .....

## 1. Foreword

- 1.1 This Probity in Planning guide is for councillors and planning officers and reflects the requirements of the Localism Act 2011, the recommendations of the Third Report of the Committee on Standards in Public Life ('Nolan Report'), Local Government Association guidance and the Council's own experience.
- 1.2 The guidance clarifies how all councillors should understand their roles and responsibilities when involved in planning discussions, plan making and determining planning applications.
- 1.3 It is important that councillors and officers familiarise themselves with this guidance and with the other Codes and Protocols which sit alongside it in Part 5 of the Council's Constitution. Councillors must ensure that their conduct accords with the requirements of the Councillors' Code of Conduct and Protocol on Councillor/Officer Relations. Equally, officers must ensure that their conduct accords with the Code of Conduct for Staff and the Protocol on Councillor/Officer Relations.
- 1.4 Councillors should note that this guidance does not constitute legal advice.
- 1.5 Any councillor or officer with any doubts about the matters presented in this guidance should contact the Monitoring Officer for clarification.

## 2. Introduction

- 2.1 The planning system involves taking decisions about the use and development of land. It is not an exact science and relies on informed judgement within a firm policy context. It is important that all concerned (applicants, objectors, practitioners, officers, councillors, and the general public) have complete confidence in the integrity and transparency of the system.
- 2.2 Councillors are required to adhere to the following general principles prescribed by the Localism Act 2011, as attached to the Councillors' Code of Conduct:
  - **Selflessness.** Holders of public office should act solely in terms of the public interest.
  - **Integrity.** Holders of public office must avoid placing themselves under any obligation to people or organisations that try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves their family or their friends. They must declare and resolve any interests and relationships.
  - **Objectivity.** Holders of public office must act and take decisions impartially, fairly and on merit using the best evidence and without discrimination or bias.
  - **Accountability.** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
  - **Openness.** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
  - **Honesty.** Holders of public office should be truthful.

- **Leadership.** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Officers are also obliged to adhere to the above-mentioned principles.

- 2.3 The Councillors' Code of Conduct makes clear that, in taking public office, councillors must accept constraints on their behaviour. It is not enough to avoid actual impropriety. You should at all times avoid any occasion for suspicion and any appearance of improper conduct.
- 2.4 This local code of practice has been prepared to reflect government guidance within the local context of Guildford. It is intended as a guide to councillors and officers to ensure that decisions are taken impartially, without bias and are well founded.

### **3. Planning policies and the Local Plan**

- 3.1 This local code of practice also applies to decisions on development plans, supplementary planning guidance or other policy documents.
- 3.2 Local plans must be positively prepared, justified, effective and consistent with national policy in accordance with section 20 of the Planning and Compulsory Purchase Act 2004 (as amended). Decisions must be taken in accordance with the provisions of the Development Plan and councillors must vote in accordance with it unless there are mitigating material considerations.

### **4. Applicability of the Code**

- 4.1 This code of practice is intended to be a guide for councillors and officers as to the conduct expected of them on matters relating to planning in the Borough.
- 4.2 Councillors and others to whom this code applies must make their own judgments as to its application to specific planning matters, including individual planning applications. In most cases, its applicability will be clear. If any councillor is in doubt, they should seek advice from the Monitoring Officer. However, the final decision must be for the councillor to determine.

### **5. Breaches of the Code**

- 5.1 A breach of the code is a serious matter and, although usually not amounting to a breach of the criminal law, may incur an adverse report from the Local Government Ombudsman and/or action under the Councillors' Code of Conduct.

### **6. Training**

- 4.1 The Council requires that all councillors receive an introduction to planning training session when they are elected. It is important for all councillors, not only those sitting on the Planning Committee, to receive this training as some complex applications can be referred to full Council for determination. No member or substitute member of the Planning Committee shall be permitted to sit on the Committee as a decision-maker unless they have completed the introduction to planning training session.

- 4.2 For those members sitting on the Planning Committee further training sessions are delivered regularly. It is important that members and substitute members attend all training sessions so that any risk for the Council is kept low and the local community can be reassured that those determining Planning matters have the knowledge to be able to do so.
- 4.3 Members of the Planning Committee or substitute members who are absent when training is delivered must ensure they view the training recorded on the webcast to familiarise themselves with the training provided.
- 4.4 All councillors will receive training on the Councillors' Code of Conduct to remind them of the responsibilities of public office and remind them to review their register of interests regularly.

## **5. Role of the Councillor**

- 5.1 Councillors and officers have different but complementary roles. Both serve the public, but councillors are responsible to the electorate, whilst officers are responsible to the Council as a whole.
- 5.2 The Court of Appeal has held that Planning Committees are not acting in a judicial or quasi-judicial role when deciding planning applications but "in a situation of democratic accountability". Planning Committee Members **must** therefore:
1. act fairly, openly and apolitically;
  2. approach each planning application with an open mind, avoiding pre-conceived opinions;
  3. carefully weigh up all relevant issues;
  4. determine each application on its individual planning merits;
  5. avoid undue contact with interested parties;
  6. ensure that the reasons for their decisions are clearly stated and
  7. consider the interests and well-being of the whole borough and not only their own ward.
- 5.3 The above role applies also to councillors who are nominated as substitutes to the Planning Committee. Equally, the conduct of members of any working party or committee considering planning policy must be similar to that outlined above relating to the Planning Committee.

## **6. Role of the Planning Officer**

- 6.1 Officers advise councillors and the Council and carry out the Council's work. A successful relationship between councillors and officers will be based upon mutual trust, understanding and respect of each other's positions.
- 6.2 Planning officers advise councillors on planning policy and planning applications. They will:
1. provide professional, objective and comprehensive advice;
  2. provide a clear and accurate analysis of the issues;
  3. advise on the development plan and other material considerations;

4. give a clear recommendation; and
5. implement the Committee's/Council's decisions (including those made by officers under powers delegated to them).

## **7. Role of the Monitoring Officer (or representative)**

- 7.1 The Monitoring Officer will give clear and objective advice to councillors:
- on legal issues arising out of the conduct of the Committee's functions; and
  - regarding the implementation of the Committee's decisions and proposed courses of action
- 7.2 The Monitoring officer will implement the Committee's/Council's decisions so far as they require the completion of any legal agreements, institution/defence of any proceedings, issuing of notices etc.
- 7.3 The Democratic Services and Elections Manager (or representative) will also give clear and objective advice to councillors as necessary on administrative issues arising out of the conduct of the Committee's functions.

## **8. Disclosure and Registration of Interests (see also Annex 1)**

### **Disclosable pecuniary interests (DPIs).**

- 8.1 A person's pecuniary interests are their business interests (for example their employment, trade, profession, contracts, or any company with which they are associated) and wider financial interests they might have (for example trust funds, investments, and assets including land and property). Councillors, or their spouse/partner, with a DPI in relation to any item on the Planning Committee agenda, may not speak on that item and should absent themselves from the debate and the vote. There is clear guidance in the Councillors' Code of Conduct on what constitutes a 'disclosable pecuniary interest'. The Council has a publicly available register of councillors' interests, a copy of which is also available for inspection on the Council's website: [Your Councillors - Guildford Borough Council](#).

### **Non-pecuniary interests**

- 8.2 If a councillor has a non-pecuniary interest they must declare it at the meeting, but they may speak on the item and need not absent themselves from the debate or the vote. Councillors should check with the Monitoring Officer if they are in any doubt.
- 8.3 It is very important that councillors disclose any interests they may have in particular schemes at the earliest opportunity. This requirement relates to individual planning applications and planning policies and proposals, which are being developed in development plans, supplementary planning guidance or development briefs.
- 8.4 Interests must be disclosed by councillors before the Committee discusses the item concerned. Such disclosures are usually taken at the start of the meeting and are recorded in the minutes.

### **Officers' interests**

- 8.5 It is also important for officers to disclose interests in writing to their Joint Executive Head of Service /Joint Strategic Director, if they consider that those interests might affect their objectivity.

- 8.6 The Council also holds a register of officers' interests, which is not available to the public.

### **Gifts and Hospitality**

- 8.7 The Councillors' Code of Conduct sets out rules on acceptance of gifts and hospitality by councillors. There is also guidance for officers and a hospitality register is held within directorates.

## **9. Predisposition, Predetermination or Bias**

- 11.1 It is entirely permissible for Committee Members, who are democratically accountable decision makers, to be predisposed towards a particular outcome. Nonetheless, they must address the planning issues before them fairly and on their individual merits. That means they can have a view on the application but must not make up their minds on how to vote before formally considering the application, listening to the officer presentation, any representations and the full debate. Committee Members must have an open mind to the merits of a proposal before it is formally considered at the Committee meeting and they must be prepared to be persuaded by a different view in the light of any detailed arguments or representations concerning the particular matter under consideration.

## **10. Limiting discretion**

- 10.1 Councillors being involved with a matter that they will later be called upon to take a decision on as a member of the Council can limit their discretion.
- 10.2 Pressure is sometimes put on councillors to comment on a matter before the meeting, either in the press or on social media. Councillors should not put themselves in a position where it appears they have already taken a view. Councillors should always say that they will consider all the facts and take a decision based on the merits of the case presented.

## **11. Members of more than one tier of local government**

- 11.1 Provided a member of the Planning Committee has not acted at parish or county level, in so far as they will have predetermined the matter, then they may remain in the Committee meeting to speak and vote.
- 11.2 Councillors serving on other councils may reserve their right to change their position when more information is provided at the Planning Committee meeting. More information may become available in the Planning Officer's report, which will include all representations.

## **12. Development proposals submitted by the Council, councillors and officers**

- 14.1 Planning applications submitted by individual councillors or officers will be determined by the Planning Committee and not under delegated powers in order to maintain propriety and transparency.
- 14.2 Any councillor submitting a planning application is likely to have a disclosable pecuniary interest and must follow the guidance set out in the Councillors' Code of

Conduct.

- 14.3 Aside from minor Council applications, which can be approved under delegated authority proposals for the Council's own development will be treated with the same transparency and impartiality as those of private developers.

### **13. Lobbying and Negotiations**

- 13.1 Lobbying is usual during the planning process and those affected by an application will seek to influence individual councillors and the Planning Committee. Councillors should expect to be contacted in this regard and should listen to all views.
- 13.2 Councillors may offer advice, for example suggesting to those lobbying that they write to the planning officer or register to speak at the Committee but should take care when being lobbied that any comments they make do not give the impression that they have predetermined the matter. Instead, they should make it clear that they will not make a final decision until they have heard all of the arguments at the Committee meeting.
- 13.3 Political group decisions must not be taken on planning applications and related matters and councillors should not lobby one another or agree with one another on how to vote.
- 13.4 Councillors should adhere to the Protocol on Councillor/Officer Relations at all times and should not attempt to influence or to apply pressure to officers in any way. (If a councillor is concerned about the recommendation or the advice a case officer is giving, the Joint Executive Head of Planning Development or the Joint Strategic Director (Place) must be informed immediately.)
- 13.5 Councillors on the Planning Committee may receive correspondence from the public asking them to reject or grant an application. If the correspondence is received before the officer has completed their report, the councillor should direct the author to submit their representations via the website: [Search for information about a planning application - Guildford Borough Council](#).
- 13.6 If the correspondence is received after the officer has completed their report and before the Planning Committee meeting sits, the councillor should forward the correspondence to the Planning Committee's Democratic Services Officer, who will forward to the whole Planning Committee and the relevant planning officer(s).

### **14. Pre-Application Discussions including Planning Performance Agreements (PPAs)**

- 14.1 Pre-application discussions with potential applicants are an essential part of the planning process and help identify problems and address issues before the submission of an application. They can also be used to identify the right means of engagement before and during the application process. Such discussions are led by officers and the Council has a paid pre-application advice service and PPA service in place to ensure all discussions take place correctly. Councillors should be cautious of being approached in an attempt to circumvent this normal process. If any enquiries are received about obtaining pre-application advice, the Councillor should direct the enquirer to the Council's website: [Apply for our pre-application](#)

[advice - Guildford Borough Council](#). Pre-application advice is confidential until the submission of an application and the applicant's consent must be gained before disclosing the advice. If a Councillor takes part in the pre-application process, they must be mindful of this confidentiality.

- 14.2 If a potential applicant requests a meeting with a Councillor, either before or after a pre-application enquiry has been made, the Councillor should contact officers before agreeing. The officer will advise whether a meeting at this stage is appropriate. If a meeting does take place as a matter of course an officer should be present. These should generally be in exceptional circumstances so as not to undermine normal pre-application discussions and to ensure good use of officer and Councillor time.
- 14.3 For large scale development proposals, it is appropriate to include relevant Councillors; however, this will normally be a briefing from officers rather than as direct engagement with the developer. Initially it will be for the officer to determine whether this briefing should take place.
- 14.4 As part of the pre-application advice process on larger developments a [Design Review Panel](#) process is also offered. This comprises design experts who are independent from the Council, more information on this process is available online. Relevant ward councillors would be invited to attend that review.
- 14.5 There should be a record of any meetings which take place. It should be agreed ahead of the meeting who will be responsible for taking notes/records (applicant/officer/ councillor etc). Before being finalised, those notes should be circulated to attendees to ensure transparency. A copy will then be placed on the pre-app file for record.
- 16.6 Occasionally, a third party may make a request to make an informal presentation to councillors on development proposals that do not form part of any formal planning application, and which do not fall within the formal Application or Pre-Application process. The Council has adopted a protocol to establish clear guidance to third parties and the Council in respect of such requests, and to promote an environment of openness and transparency. The protocol is attached as **Annex 2**.

## 15. Publicity

- 15.1 There are statutory requirements in place around advertising planning applications dependent upon the type of application received these are primarily set out in the Development Management Procedure Order:
- [The Town and Country Planning \(Development Management Procedure\) \(England\) Order 2015 \(legislation.gov.uk\)](https://www.legislation.gov.uk/uksi/2015/595/contents/made)  
<https://www.legislation.gov.uk/uksi/2015/595/contents/made>
- 17.2 The Council will publish how it will carry out its duties to publicise applications in the Statement of Community Involvement which can be accessed on the Council's website:
- [Find out how we involve the community in our policies - Guildford Borough Council](https://www.guildford.gov.uk/sci)  
<https://www.guildford.gov.uk/sci>



- 17.3 Interested parties will have up to 21 days to respond with the exception of 'permission in principle' applications, where interested parties only have 14 days in which to respond. The Council cannot determine an application until this period has expired.
- 17.4 If an application is amended, the case officer will consider whether the extent of the changes requires a 're-consultation' and will determine the length of time, this will not normally be less than 7 days.
- 17.5 Anyone can respond to a planning application regardless of whether they have been formally notified. All comments received are made public as part of the planning application process (although sensitive information is redacted online)
- 17.6 Comments on an application should be made via the Council's website: [Search or comment on a planning application - Guildford Borough Council](https://www.guildford.gov.uk/commentonaplanningapplication)  
<https://www.guildford.gov.uk/commentonaplanningapplication> where progress of the application can also be tracked.

If that is not possible, comments may be submitted by email to: [planningenquiries@guildford.gov.uk](mailto:planningenquiries@guildford.gov.uk) or by letter to the Joint Executive Head of Planning Development.

- 17.7 The purpose of this process is to seek people's views on the application. It is not possible to respond to individual written representations or enter into correspondence.
- 17.8 The number of representations received can affect whether an application is referred to Planning Committee (see paras 18.2 and 18.3 below).

## **16. Planning Applications**

- 18.1 All planning applications are determined either under delegated powers by officers or by the Planning Committee.
- 18.2 Planning applications are designated by statutory classes set out by regulation and these fall into three main categories:
- Major applications
  - minor applications
  - householders and others (these include listed building consent and advertisement consent applications)

### Major development

- 10+ dwellings/over half a hectare/buildings exceeding 1000 sq. metres
- Office/light industrial – 1000+ sq. metres/1+ hectare
- Retail – 1000+ sq. metres/ 1+ hectare
- Gypsy/traveller site – 10+ pitches
- Site area exceeding 1 hectare

Minor development

- 1-9 dwellings (unless floor space exceeds 1000 sq. metres or the site area exceeds half a hectare)
- Office /light industrial - up to 999 sq. metres/under 1 hectare
- General industrial – up to 999 sq. metres/under 1 hectare
- Retail – up to 999 sq. metres/ under 1 hectare
- Gypsy/traveller site – 0-9 pitches

18.3 Planning applications are referred to the Planning Committee in the following cases:

- where the number of representations contrary to the officers' recommendation received triggers the public speaking requirements at Planning Committee (as set out in Public Speaking Procedure Rules in the Council's Constitution):
  - for all householder and other applications: 10 representations
  - for all Major and Minor applications: 20 representations;
- all major applications submitted by Guildford Borough Council;
- when a councillor or a Council employee has submitted an application, or when the applicant is related to a councillor or council employee;
- when a Joint Strategic Director asks the Committee to decide; or
- when a councillor refers an item to planning committee for planning reasons.

18.4 Councillors are notified of all planning applications within their wards via the weekly lists. Councillors' comments received will be taken into account in determining the application; however, councillors who are members (or substitute members) of the Planning Committee should not provide a clear opinion either way at this stage as it could prejudice their ability to vote on the matter should it come before the Committee. At any point prior to the Committee meeting, should councillors wish to give an opinion, they are advised to state that this is their opinion based upon the information currently available, which may change in the light of additional information. Councillor comments are kept on file.

18.5 Under the Council's Constitution, there is the ability to refer planning applications to full Council for consideration. In those circumstances, this code of practice would equally apply to consideration of such applications by all councillors (see Council Procedure Rule 26 (c)).

18.6 In addition to planning applications, the Council also deals with other types of applications which are not subject to referral to Planning Committee as they deal with matters of fact rather than planning policies and/or are subject to determination deadlines which can result in 'deemed' consent being granted. These include:

- certificates of lawful development/use (existing and proposed)
- applications for prior approval or prior notification

**17. Councillor 'call-up' to Planning Committee (see Annex 3)**

19.1 Councillors should use call up powers responsibly. There are likely to be many applications where Councillors may disagree with part of the recommendation. However, applications should only be referred to Planning Committee where there are strong planning grounds to do so. Referrals should not take place because an alternative development would be preferred or because of prior conduct of the

applicant (including because the application is retrospective). By getting involved at an early stage, councillors can have their opinions and suggestions considered by officers and there is the opportunity for discussion.

- 19.2 The process for councillors to refer applications to the Planning Committee is set out in **Annex 3**.
- 19.3 Exclusions to this process are all Lawful Development Certificate applications; Prior Approval applications; Section 211 notifications (Trees in Conservation Areas), and Statutory Consultations from other authorities including Surrey County Council.
- 19.4 The officer report is confidential until it is published on the Planning Committee agenda, if it is referred to Committee, or until the application is determined under delegated powers, and must not be shared or forwarded to the applicant, agent, Parish Council, or third parties before this.
- 19.5 If, in the opinion of the Joint Executive Head of Planning Development and/or the relevant Joint Strategic Director, a call up request is not based on planning grounds then the request can be refused; however, officers will always explain their reason to the relevant Councillor.
- 19.6 Councillors who have exercised call-up will normally be expected to speak to the item when it is considered by the Planning Committee provided that, in the case of Planning Committee members, they have not demonstrated a predetermination.

## **20. Site Visits by Planning Committee members**

- 20.1 Committee site visits may be conducted either before the meeting of the Planning Committee at which the application is to be determined following a request by a councillor, or the Committee may decide at the meeting to conduct a site visit. However, there may be circumstances where the Joint Executive Head of Planning Development considers the application to be of sufficient scale/importance that a site visit should be arranged irrespective of any request by Councillors. All formal site visits should follow the provisions of the Site Visit Protocol set out below.

### **Pre-Committee meeting Site Visits requested by a councillor**

- 20.2. Pre-Committee meeting Site Visits assist with the debate at the meeting and avoid further delay to the determination of the application. Such site visits may be initiated on request by a councillor:
- when making a call up request, or
  - following the publication of the Committee agenda by detailing their request to the Democratic Services Officer by no later than midday on the Thursday of the week prior to the Planning Committee meeting.
- 20.3 The request for a site visit is discussed in liaison with the Chairman of the Planning Committee and Joint Executive Head of Planning Development at the Chairman's Briefing (which is generally held in the afternoon on the Thursday prior to the Planning Committee meeting). If the Chairman and Joint Executive Head of Planning Development agree the request for a site visit, the Democratic Services Officer will confirm the site visit details with the Planning Committee members and

the applicant.

- 20.4 Pre-Committee meeting site visits are scheduled to be held on the Tuesday, the day before the Planning Committee meeting commencing at approximately 9:30am.

#### **Site Visits agreed by the Committee**

- 20.5 Site visits can also be requested at a Planning Committee meeting. Reasons should be given as to why a Pre-Committee meeting site visit was not requested. Councillors must be mindful of the delay such a deferral will cause to the application and the implications, including possible appeal against non-determination. If the request is supported by the Committee, the application will stand deferred to enable a site visit to be scheduled at an agreed date and time. The Democratic Services Officer will confirm the site visit details with the Planning Committee members and the applicant.

- 20.6 The Committee minutes will show the planning reasons for the decision to hold a site visit.

#### **Site visit protocol**

- 20.7 In all cases site visits should only be held in circumstances in which it is not possible for councillors to make an informed decision on the application without seeing the site for themselves. Examples of such circumstances include:

- the impact of the proposed development is difficult to visualise from the plans and any supporting material, including photographs taken by officers
- the comments of the applicant and objectors cannot be expressed adequately in writing

- 20.8 Site visits are generally not appropriate in cases where purely policy matters are at issue.

- 20.9 A planning officer and the Democratic Services Officer will attend all formal site visits.

- 20.10 Site visits are:

- fact finding exercises.
- not part of the formal consideration of the application and, therefore, public rights of attendance and speaking by applicants and objectors do not apply.
- to enable officers to point out relevant features.
- to enable councillors to ask questions on site for clarification. However, discussion on the merits of the application will only take place at the Planning Committee meeting when all parties will be present.

- 20.11 Councillors should not allow themselves to be addressed by individual parties, members of the public or applicants at formal site visits.

- 20.12 The Chairman of the Committee or, in their absence, the Vice-Chairman must maintain control over the conduct of the site visit which, whilst not part of a formal

meeting of the Planning Committee, must be conducted as a single meeting and in an orderly fashion.

- 20.13 Planning Committee members who are unable to attend a formal site visit may, if they wish, visit the site informally but should be mindful of the provisions of the Site Visit protocol. Any councillor who may visit the site alone is only entitled to view the site from public vantage points and has no individual rights to enter private property. If alone, it is not good practice to enter the site if invited by the owner, as this can lead to the perception that the councillor may no longer be impartial.

## **21. Planning Committee**

- 21.1 The Planning Committee is made up of 15 borough councillors. A number of other councillors are named as substitute members of the Committee.
- 21.2 Planning Committee meetings are held in the Council Chamber, and usually take place every four weeks on a Wednesday evening beginning at 7pm. Sometimes there are special meetings to discuss major or strategic applications.
- 21.3 Agendas are published on the Council's website five clear working days before each meeting.
- 21.4 Any member of the public can attend Planning Committee meetings and listen to the discussions about applications and other matters on the public part of the meeting agenda.
- 21.5 The Planning Committee makes decisions on about 5% of the planning applications the Council receives. The Joint Executive Head of Planning Development decides all other applications under delegated powers.
- 21.6 All meetings are open to the public (s100 Local Government Act 1972). Where there are aspects of a matter which are required to be dealt with in private, the Committee may pass a resolution to exclude the public from the meeting (s100A(4) LGA 1972). That resolution must identify the matters to which it refers and state the description of the "Exempt Information" under the relevant paragraph(s) of Part 1 of Schedule 12A to the LGA 1972.
- 21.7 Unless otherwise decided by a majority of councillors present and voting at the meeting, all meetings shall finish by no later than 10.30pm. Any outstanding items not completed by the end of the meeting shall be adjourned to a reconvened meeting or the next ordinary meeting of the Committee.

### **Procedures for dealing with planning applications at Planning Committee**

- 21.8 Councillors (who are not Planning Committee members) who wish to speak on a planning application on the agenda, whether the site is inside or outside of their ward, may do so with the consent of the Chairman of the Committee. They must register their wish to speak with the Democratic Services Officer by midday on the day prior to the Planning meeting and, if speaking in that capacity, cannot attend the meeting as a substitute.
- 21.9 Committee members wishing to speak for or against an application may for that

item step away from the committee and speak from the seat allocated to ward councillors when they address the Committee but shall not be entitled to speak for more than three minutes. They shall then leave the chamber until the conclusion of that item. No substitute shall be allowed for that item.

- 21.10 Each speaker, including councillors or members of the public, may address the Planning Committee for a maximum of three minutes. In exceptional circumstances, the chairman can agree to speakers having longer than three minutes to address an item. An example of this would be a strategic site with multiple and complex issues.
- 21.11 Under Council Procedure Rules, the Chairman has the right to decline to hear anyone behaving improperly at the meeting.
- 21.12 No additional written evidence or information such as photographs, plans or models may be circulated at the meeting.
- 21.13 The procedure to be adopted in circumstances where the Committee wish to overturn the officer's recommendation is contained in **Annex 4**.
- 21.14 Officers might occasionally defer an application following publication of the agenda.
- 21.15 The Planning Committee might defer an application at the meeting. A motion may be proposed and seconded at any time during the debate to defer or adjourn consideration of an application. The Committee will do this if they run out of time to discuss it fully, if members feel additional information is required, or if they would like to make a formal committee site visit. In most situations, they will not defer an application until all speakers have spoken about it at a meeting.
- 21.16 If the Committee defers an application, and there has already been public speaking on this item at a meeting, there will be no further public speaking on it when it is discussed again by the Committee. However, the comments of speakers from the first meeting will be fully summarised in the updated report.
- 21.17 Councillors, objectors, the applicant and (where relevant) parish councils will be notified when an application is coming back to the Planning Committee following deferral.

## **22. Councillor behaviour in committee meetings**

- 22.1 Councillors and officers will afford courtesy and respect to **one** another, and to all of those attending committee meetings and/or making representations.
- 22.2 Councillors will not pass notes in any format between themselves or others during the meeting.
- 22.3 Committee members and substitute members will not deliver pre-prepared speeches in support of, or in opposition to, any application giving the impression that they have pre-determined their decision.
- 22.4 It is considered acceptable for Committee members and substitute members to have prepared bullet points for any contributions they may make in advance of a meeting.

**23. Webcasting**

- 23.1 All Planning Committee meetings will be webcast. Webcasts of meetings will be suspended in circumstances where the Committee considers confidential or exempt information during the consideration of any matter.

**24. Reports containing confidential or exempt information**

- 24.1 Reports or sections of reports published on pink paper marked “Restricted” will be subject to confidentiality and may not be viewed or shared with any other person outside of the Council.
- 24.2 On occasion, owing to the sensitivity of a matter, the confidential item will only be handed out in hard copy at the meeting itself. Councillors will be given sufficient time to read through the report prior to debating the item and coming to a conclusion.
- 24.3 Councillors must ensure that their private papers are handed back to the Democratic Services Officer at the end of the consideration of that item. This is essential so that the papers can be confidentially shredded.

**25. Public Speaking at Planning Committee (see Annex 5)**

- 25.1 The Guide to Planning Committee Meetings, which deals with public speaking at Planning Committee Meetings, is attached as **Annex 5**.

**26. Councillor representations on appeals against planning decisions**

- 26.1 Where a councillor wishes to support an appellant on any appeal against a Council decision on a planning matter, that councillor shall give written notice of his or her intention to the Monitoring Officer and Executive Head of Service, as well as the appellant. Where the appeal is to be dealt with at an inquiry, the written notice shall be delivered not less than five working days before the start of the inquiry.
- 26.2 Councillors proposing to support an appellant at an appeal must in addition make it clear to the planning inspector that they are appearing in their personal capacity and not as a spokesperson for the Council.

# Annex 1: Councillor interests

Disclosable Pecuniary Interests include business, trade, profession, contract and wider financial interests such as land, payments, securities, shares etc.

If a spouse or civil partner has interests which would be considered Disclosable Pecuniary Interests then these must also be registered under the councillor's name

**Enter Personal Interests into the Register**  
Also include those Pecuniary Interests that need to be disclosed

**Councillor is a member of the Planning Committee**

**Councillor has a Disclosable Pecuniary Interest which relates to an item at the Planning Committee**

**Councillor has a personal interest which relates to an item at the Planning Committee**

**Councillor cannot participate (either as a councillor or member of the public) in the discussion or take part in any vote**

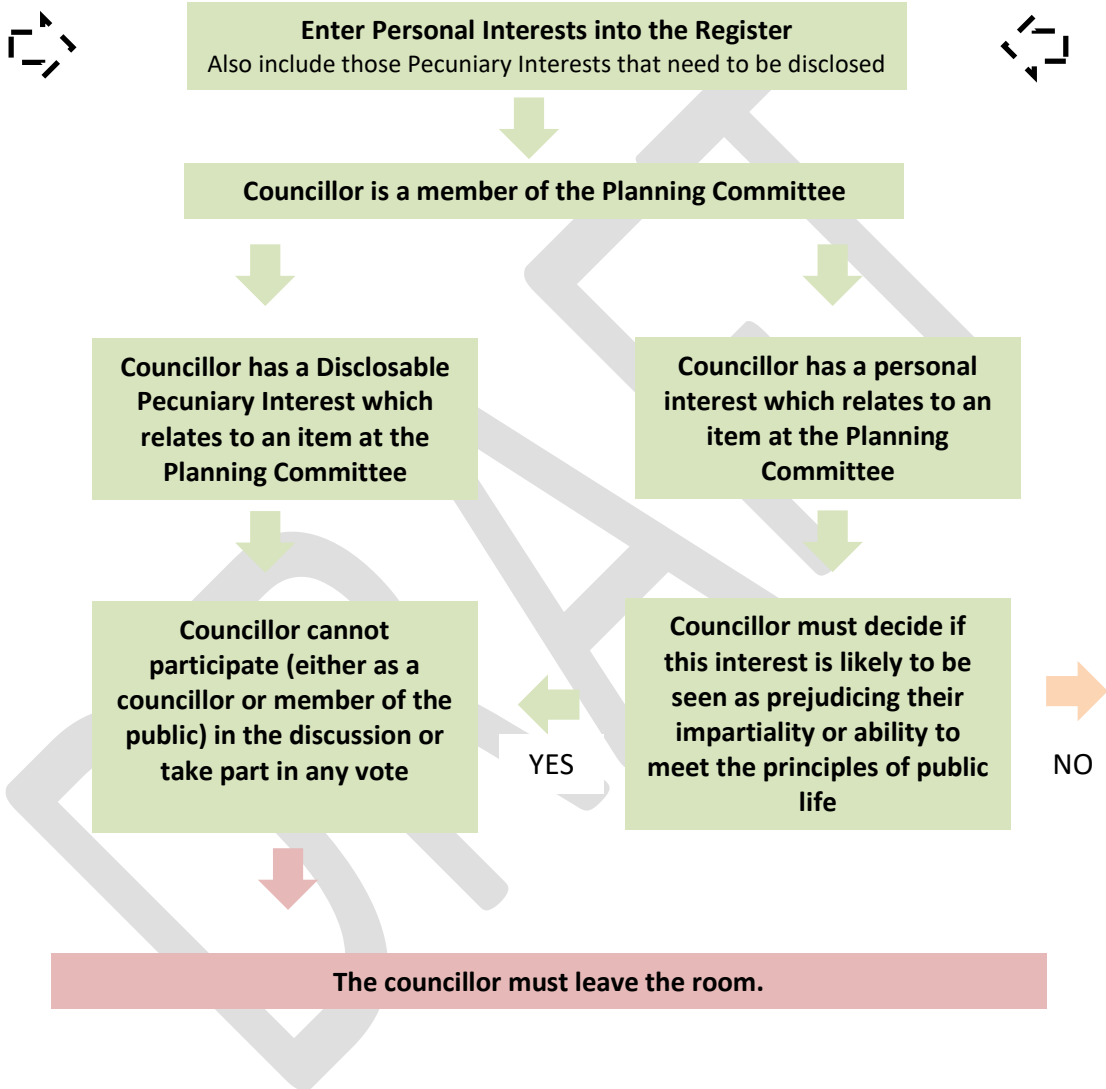
**Councillor must decide if this interest is likely to be seen as prejudicing their impartiality or ability to meet the principles of public life**

**Councillor has a Disclosable Pecuniary Interest which relates to an item at the Planning Committee**

**Note:**  
This flowchart is for illustration purposes only  
It is a criminal offence not to follow the rules on Disclosable Pecuniary Interests  
If in doubt, a councillor should always consult the Council's Monitoring Officer

**The councillor is free to take part in the debate and any subsequent vote on the item in question**

**The councillor must leave the room.**





## **Annex 2: Protocol for informal presentations to councillors relating to development**

A protocol to clarify the role of third-party informal presentations to the Council and to provide guidance to third parties and councillors on attending such informal presentations that **do not form part of any formal planning application, and which do not fall within the formal Application process and Pre-Application process.**

In the event of conflict between this protocol and the Councillor Code of Conduct or the Councillors' Handbook, (**the Codes**) the Code/Handbook shall take precedence.

### **PROTOCOL**

#### **Scope**

1. This protocol covers any request made by a third party to make an **informal presentation** to councillors. A third party may also include the Council when acting as a developer, and/or landowner.
2. This Protocol seeks to establish clear guidance to third parties and the Council in respect of requests for and the presentation of third-party informal presentations to councillors, and to promote an environment of openness and transparency.

#### **Informal Presentation Request**

3. A request by a third party to make an informal presentation of information shall be made in writing to the relevant director setting out the reason(s) for the proposed presentation, the subject matter, and any other relevant information.
4. The director may agree or refuse the request or may agree to elements of the proposed presentation. Alternatively, the director may refer the request to the Executive or lead councillor (as appropriate to the proposal) together with any advice from the Monitoring Officer, to agree or to refuse the request or to agree to elements of it.

#### **Refusal of Request**

5. When a request is refused, the relevant director taking that decision will set out the reasons for the refusal, and provide the decision and reasons to the third party

#### **Acceptance of Request**

6. The relevant director shall provide a copy of this protocol to the third party with the decision that the informal presentation may proceed.

#### **The Presentation**

7. When a request is agreed the informal presentation shall proceed in accordance with the following rules:

##### The third party

- 7.1 The third party will:
  - a. arrange the platform/venue and time of the meeting, at no cost to the Council. The date and time to be agreed by the relevant director. Presentations will, generally, be convened in the evening and recorded wherever possible for those councillors that are unable to attend.
  - b. provide any presentation materials to the relevant director at least **5 working days** in advance

- c. invite all councillors via email: [councillors@guildford.gov.uk](mailto:councillors@guildford.gov.uk)
- d. keep a record of attendance at the presentation.
- e. ensure notes of what is said at the presentation are taken and circulated to the relevant director for comment within 5 days of the presentation and once agreed will share them with all councillors.
- f. ensure that the presentation is for information purposes only and will not lobby any councillor(s) for support.

### The Council

#### 7.2 The Council will:

- a. distribute any presentation materials to Councillors at least **2 working days** in advance of the informal presentation.
- b. ensure that at least one planning officer and one senior officer, from the Joint Management Team, shall be present during the informal presentation.
- c. ensure that no councillor will be involved in making a presentation as a representative of the third party or otherwise.
- d. require all councillors to disclose any interests in the matter, in accordance with the Councillors' Code of Conduct, before the presentation starts, and all disclosures made will be recorded as part of the notes referred to in (7.1 (e)) above.

### All parties

#### 7.3 All Parties will:

- a. ensure that all those present understand that the presentation does not form part of the Council's decision-making process and that the process of debate and determination of any matter arising will be undertaken in accordance with the Council's normal procedures.
- b. ensure that those present understand that Councillors may ask questions for clarification purposes. Should any view(s) be expressed by any councillor(s) at the informal presentation, it will not bind them, nor the Council, to any decision in respect of any subsequent planning application that may be submitted in respect of the development proposal.

This Protocol is to be reviewed on or before two years of the date of its adoption.

### Annex 3: Process for Councillor ‘call-up’ to Planning Committee

Applications to be included in this process:

- All planning applications, including S.73 applications
- Listed building consent applications
- Advertisement consent applications
- Tree Work Applications for trees subject to a TPO

Applications excluded from this process:

- Lawful Development Certificate applications
- Prior approval applications
- Section 211 notifications (Trees in Conservation Areas)
- Consultations from other authorities

#### Process

Upon validation of relevant applications, they will be included on the weekly list of planning applications. Councillors will have 21 days from the date of the weekly list to submit a committee referral.

Councillors will be requested to make one of the following responses:

- No comments
- I have concerns/see potential benefits (these must be planning considerations, directly related to the applications) and would like the application referred to committee. Please indicate planning concerns/benefits:.....  
.....
- I consider that due to the specific circumstances/scale of the development it will have wide ranging planning implications and I would like the application referred to committee. Please specify the nature of the wide-ranging implications:.....  
.....
- I do not wish to refer the application to Committee, but I would like the following comments/suggestions for conditions taken into consideration:  
.....  
.....

Where there is more than one Councillor representing a ward, all the ward councillors are able to comment.

Response to be sent via email directly to the case officer and copied to [PlanningEnquiries@guildford.gov.uk](mailto:PlanningEnquiries@guildford.gov.uk) to ensure that it is recorded on the file and not missed due to officer absence. The request will be detailed in the officer’s report.

Where comments are raised that are NOT material planning considerations the case officer will advise the Councillor of this before drafting the report.

### Determination/referral to Committee

The referral of the application MUST have regard to the Councillor(s) response and the following scenarios may occur:

- Where “No comments” are specified; or where no councillor response is received, the application will proceed under delegated powers. No further councillor contact required.
- Where a Councillor has made a comment the case officer will include it in the delegated report and notify the Councillor.
- Where the Councillor response is a request to refer to Committee. Their request will be referred to in the committee report. Should the application be amended, the officer will notify the Councillor to see whether their request stands.

All requests for referral to Planning Committee will be subject to ratification by the Chairman of the Planning Committee and Executive Head of Service (or Strategic Director). The draft agenda will be shared with the Chairman who can comment at that point on any of the Member referrals.

Note – these referral measures do NOT affect the automatic thresholds for Committee referrals i.e. number of representation letters received.

### **Reporting**

Management information should be produced to facilitate reviews of the process. Subject to system constraints, the following information should be produced every 12 months and should include a comparison with the previous 12 months:

- Number of applications decided in the period
- Number and percentage of applications referred to the committee
- Number and percentage of referrals overturned by the committee
- Number and percentage of overturns upheld at appeal

### **Implementation**

The new process will require changes to functionality of the current planning IT system. However, the new process will be implemented as soon as possible

### **Reviewing**

A review of this process shall be carried out after the first 12 months of operation following its adoption, or sooner if sufficient cause is identified by the Executive Head of Service following consultation with the Chairman and Vice Chairman of the Planning Committee. Any such review should seek views from officers and Councillors over the operation of this

process. It should also look at the management information and compare with the previous system.

It is intended that this should offer a flexible framework and be adaptable. If issues arise which do not fundamentally alter the concept, then these operational changes should be put in place to allow for efficient working.

Longer term reviews of delegated processes should be undertaken at least every 24 months, led by the Executive Head of Service, in consultation with the Chairman of the Planning Committee. Officers should also seek the views of members during such a review.

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#### **Annex 4: Procedure for councillors overturning officer recommendations at the Planning Committee**

If, during the debate on an application, it is apparent that Committee members do not support the officer's recommendation, the Chairman shall ask if any Committee member wishes to propose a motion contrary to the officer's recommendation, subject to the proviso that the rationale behind any such motion is based on material planning considerations. Any such motion must be seconded by another Committee member.

- Where such a motion proposes a refusal, the proposer of the motion shall be expected to state the harm the proposed development would cause in planning terms, together with the relevant planning policy(ies), where possible, as the basis for the reasons for refusal. In advance of the vote, the Chairman shall discuss with the relevant officers, the proposed reason(s) put forward to ensure that they are sufficiently precise, state the harm that would be caused, and refer to the relevant policy(ies) to justify the motion. The Committee shall take a separate vote on each proposed reason for refusal, following which the Committee shall take a vote on the motion to refuse the application based on all of the agreed reasons.
- Where such a motion proposes approval, the proposer of the motion shall be expected to state why the proposed development would be acceptable in planning terms, together with the relevant planning policy(ies), where possible. In advance of the vote, the Chairman shall discuss with the relevant officers the proposed reason(s) put forward to ensure that the planning reason for approval is sufficiently precise to justify the motion. In addition, the Committee shall discuss and agree the substance of the planning conditions necessary to grant a permission before taking a vote on the motion to approve.
- Where such a motion proposes deferral, (for example for further information/ advice) the Committee shall discuss and agree the reason(s) for deferring the application, before taking a vote on the motion to defer.

If the motion is not seconded, or if it is not carried, the Chairman will determine whether there is an alternative motion and, if there is not, the Chairman will move the officer's recommendation and ask another Committee member to second the motion. That motion will then be put to the vote.

## Annex 5: Speaking at Planning Committee



GUILDFORD  
BOROUGH

### Guide to Planning Committee meetings



A guide for anyone who would like to:

- **know** how the committee process works;
- **attend** a Planning Committee meeting; or
- **speak** about an application at a Planning Committee meeting.

[www.guildford.gov.uk](http://www.guildford.gov.uk)

## **Introducing this guide**

This guide explains what you need to know if you want to speak at or attend a Planning Committee meeting. You will find this guide useful if you:

- have applied for planning permission and your application is being considered by the committee;
- are the neighbour of someone whose planning application is being considered by the committee; or
- are interested in planning and how the Planning Committee makes decisions.

## ***Attending a Planning Committee meeting***

### **Where do Planning Committee meetings take place?**

Our Planning Committee meetings are held in the Council Chamber, which is in the civic suite of Millmead House. The public entrance to the Council Chamber is signposted in the front car park at Millmead House.

### ***Accessibility at Planning Committee Meetings***

Planning Committee meetings are held in the Council Chamber which is accessed from the main reception up one flight of stairs. The main reception can be accessed via a disability ramp. The Council Chamber is accessible via a wheelchair accessible lift.

A hearing loop is also installed in the Council Chamber for those who are hard of hearing and use hearing aids. Please note that your hearing aid should be set to 'T'.

### ***How often does the Planning Committee meet?***

Planning Committee meetings normally take place every four weeks. Meetings normally are on Wednesday evenings and start at 7pm. Occasionally, there are special meetings to discuss major or strategic planning applications.

For a list of meeting dates please view our website at the following address:

<https://www.guildford.gov.uk/council>

### ***Who can attend a Planning Committee meeting?***

Any member of the public can attend our Planning Committee meetings and listen to the discussions about items on the public part of the meeting agenda.

In certain situations, you can speak at a committee meeting about a planning application you're interested in. If you would like to speak, you will need to arrange this with us before the meeting.

More information about speaking at Planning Committee meetings is given below.

There may be times when the Planning Committee needs to discuss confidential matters that are not on the public part of the agenda. Where this is necessary, the Chairman



will explain this at the meeting, and you will be asked to leave at the point at which the Committee decides to formally exclude the public from the meeting.

The public seating area is at the back of the Council Chamber, next to the public entrance. A layout plan of the Council Chamber is given on the back page of this guide showing the public seating area and where councillors and officers sit.

### **What does the Planning Committee do?**

Our Planning Committee makes decisions on about 5% of the planning applications we receive. All other applications are decided by the Joint Executive Head of Planning Development under delegated powers.

The Planning Committee will make a decision on applications:

- for all householder and other applications, the trigger for Committee will be receipt of 10 letters/emails or more contrary to the officer's recommendation;
- for all Major and Minor applications, the trigger for Committee will be receipt of 20 letters/emails or more contrary to the officer's recommendation;
- that are major applications submitted by Guildford Borough Council;
- that a councillor or a council employee has made, or when the applicant is related to a councillor or council employee;
- that the Joint Executive Head of Planning Development asks the Committee to decide; or
- that a councillor asks the Committee to decide for planning reasons.

The agenda contains reports compiled by officers, which will include the recommendation along with any conditions or reasons for refusal. The reports are available for Members of the Committee to review prior to the meeting, along with the relevant plans and other information within the file.

Agendas are published five working days before each meeting. The agenda can be viewed on our website: [Browse meetings - Planning Committee - Guildford Borough Council](https://democracy.guildford.gov.uk/ieListMeetings.aspx?Committeed=130)  
<https://democracy.guildford.gov.uk/ieListMeetings.aspx?Committeed=130>

Officers will carry out a brief presentation for each item, which may include relevant plans of the development and photographs of the site.

### **Who is on the committee?**

The Planning Committee is made up of 15 borough councillors. A number of other councillors are named as substitute members of the Committee.

Contact details of the members of the Planning Committee can be viewed on our website: [Contact details - Planning Committee - Guildford Borough Council](https://democracy.guildford.gov.uk/mgCommitteeMailingList.aspx?ID=130)  
<https://democracy.guildford.gov.uk/mgCommitteeMailingList.aspx?ID=130>

### **Webcasting Arrangements**

Planning Committee meetings are recorded for live and/or subsequent broadcast on the Council's website. The whole of the meeting will be recorded, except where there are confidential or exempt items, and the footage will be on the website for six months.

If you have any queries regarding the webcasting of meetings, please contact Committee Services by email on: [committeeservices@guildford.gov.uk](mailto:committeeservices@guildford.gov.uk)

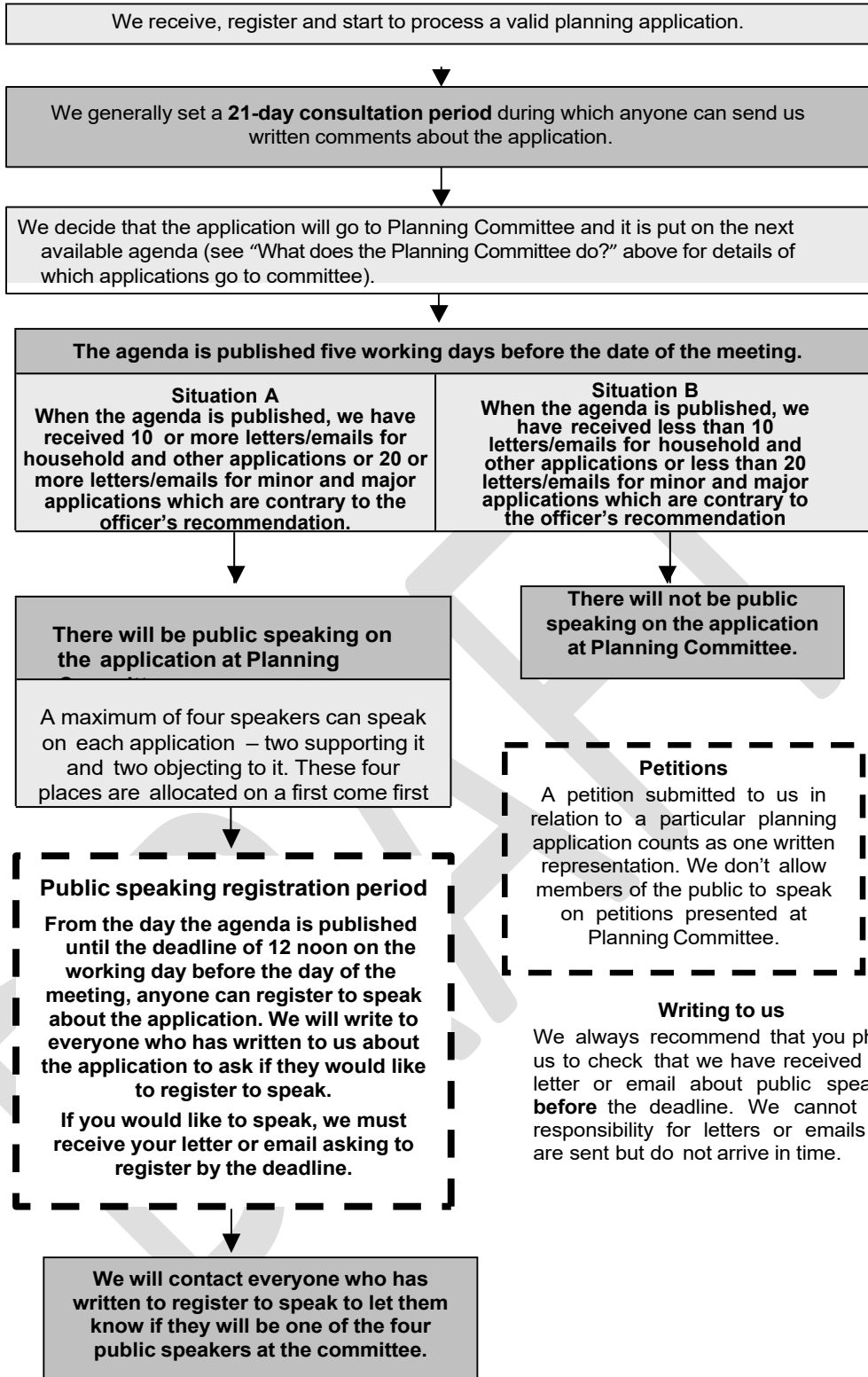
### **The Public's Responsibilities**

Members of the public must not be violent, abusive or threatening to councillors or officers and must not wilfully harm things owned by the Council, councillors or officers. Subject to available space, the public are entitled to attend public meetings of the Planning Committee but must comply with the ruling of the Chairman. They may not disrupt the meeting or cause undue disturbance, or they may be removed from the meeting. The display of banners or placards is not permitted in the Council Chamber or anywhere on the Council premises.

### **Speaking at Planning Committee meetings**

The diagram on the following page explains the process for deciding whether public speaking will take place on a planning application being presented to the Planning Committee.

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## Registering to speak

If you would like to register to speak on a public speaking item, registration starts on the day the agenda is published, which is five clear working days prior to the meeting. For example, planning committee meetings are normally held on a Wednesday, therefore the agenda is published on the Tuesday the week before. You must write to us or email us by **12 noon on the working day before the day of the meeting**. You must send your email or letter to:

Democratic Services Officer for the Planning Committee  
Guildford Borough Council  
Millmead House  
Millmead  
GUILDFORD  
Surrey GU2 4BB

Email: [committeeservices@guildford.gov.uk](mailto:committeeservices@guildford.gov.uk)

Tel: 01483 444056

### Your letter or email must contain:

- Your name
- Your address
- Your daytime phone number
- The planning application number
- The name of the development
- Whether you want to speak to support or object to the application

### If I write to you about an application, do I have to speak at a meeting?

No, you don't. If we receive a letter or email from you within the 21-day consultation period for the application, we will include a summary of your comments in the Planning Officer's report.

If we receive your letter or email **after the agenda is published but before noon on the working day before the day of the meeting**, the Democratic Services Officer will include a summary of your comments in a document known as the 'Late Sheet'. This is given to councillors and the public at the meeting.

### How many people can speak about each application?

Up to **four** people can speak about an application.

- Two speakers who **object** to the application.
- Two speakers who **support** the application.

As there can be no more than four speakers, we will only invite the first two people who write to us objecting to an application, and the first two people who write to us supporting an application to speak at the meeting.

A person can speak to the committee on behalf of others who support or object to an application. If we have written to tell you that you can speak at a meeting, we may pass your details to others who object to or support the application so that they can contact you. If you would prefer us not to pass your details on to others, please let us know.

### **How long can I speak for?**

Each speaker has three minutes to speak. The Chairman will let you know when your three minutes are almost finished. You must make sure you cover all of your points in those three minutes. You cannot ask councillors, officers or other speakers any questions.

You are not allowed to use any presentation equipment when you speak at the meeting. For example, you cannot give a computer presentation or use an overhead projector or a slide projector.

### **Can I hand out information at the meeting?**

No, you cannot hand out any documents (such as plans and photographs) at the meeting and you cannot display any models. If you wish to send in additional documentation, or information, you must do this in advance of the meeting and by no later than 12 noon on the working day before the meeting. This must be sent, preferably by email, to the Democratic Services Officer: [committeeservices@guildford.gov.uk](mailto:committeeservices@guildford.gov.uk)

### **If I am speaking at a meeting, when should I arrive?**

You should arrive in the Council Chamber by 6.45pm. The Democratic Services Officer will introduce themselves and note your attendance.

### **What will happen at the meeting?**

- Everyone who attends the meeting will be given a list of people who have registered to speak at the meeting.
- The committee will first consider the applications for which there is public speaking, in the order on the list of speakers.
- When the Chairman announces the name and number of the application you are interested in a planning officer will give a presentation on it.
- The Chairman will call each of the speakers in turn to go to the public speaking desk at the front of the Council Chamber to have their say.
- When you have finished your speech, you will be asked to return to your seat in the public seating area.
- When all the speakers have been heard, the committee will discuss the application. The public cannot take part in the discussion.
- The committee will make a decision on the application.

If you have registered to speak and you arrive late or don't turn up to the meeting, the committee will still make a decision on the application.

### **What happens if the Committee put off making a decision on an application until a future committee meeting?**

The Planning Committee might sometimes decide to put off making a decision on an application. This is known as 'deferring an application'. They will do this if they run out

of time to discuss it fully, if members feel additional information is required, or if they would like to make a formal committee site visit. In most situations, they will not defer an application until all speakers have spoken about it at a meeting.

If the committee defers an application, and there has already been public speaking on this item at a meeting, there will be **no further public speaking** on it when it is discussed again at committee.

### **What issues should I speak about?**

The Planning Committee can only take into consideration 'planning' issues relevant to the proposed development and cannot consider any other matters in its decision making. Therefore, when you are speaking to the Planning Committee you should focus only on Development Plan (local plan and neighbourhood plan) policies and other material planning considerations relevant to the Planning application that is being decided.

### **What are 'material planning considerations' and how are they determined?**

Material considerations are decided by statements of national Government policy or by decisions of the courts. The following are examples of material planning considerations:

- Development Plan (local plan and neighbourhood plan) policies
- National Planning Policy Framework and other Government planning policy
- Overlooking / loss privacy
- Loss of light / overshadowing
- Effect on listed building
- Layout, density
- Design, materials
- Previous decisions/appeals
- Natural environment
- Flood risk
- Parking
- Highway safety
- Traffic
- Noise
- Disabled access

The following are examples of what are **not** material planning considerations:

- House prices and house insurance
- Personal circumstances
- The applicant - characteristics and conduct
- The strength or volume of opposition / objection
- Loss of a *private* view
- Damage to property or Party Wall Act matters
- Loss of trade
- Boundary disputes or covenants

In making its decision the Committee must take into account the officer's report.

The Committee cannot give weight to non-planning consideration in making a planning decision. The weight that should be attached to each material planning consideration in any particular case is for the Committee to determine as decision maker.

At the meeting

1. Please keep your speech to the subject of the application and material planning considerations. The Chairman will stop you speaking if you deviate from planning issues
2. Please do not make statements of a personal or slanderous nature or be abusive
3. During your speech, you are not permitted to refer to the conduct of officers or councillors or to the manner in which an application has been dealt with. The Council has a separate Complaints Procedure in place to deal with these issues
4. You are also not permitted to make personal comments about individual applicants, objectors, supporters or others involved in an application.
5. Do not interrupt other speakers, or the Committee during the debate
6. The Chairman of the Planning Committee has sole discretion on whether a person can speak or not and retains overall responsibility for the smooth running of the meeting. The Chairman's decision on procedural matters is final and must be adhered to.

If you would like more advice on what is a planning issue, please email [planningenquiries@guildford.gov.uk](mailto:planningenquiries@guildford.gov.uk) or phone planning enquiries on 01483 444609.

For more information about committee meetings and speaking at a Planning Committee meeting, please contact the Democratic Services Officer for the Planning Committee, by emailing [committeeservices@guildford.gov.uk](mailto:committeeservices@guildford.gov.uk), or by phone on 01483 444056.

**The Council Chamber layout for a Planning Committee meeting**

		Senior Solicitor	Democratic Services Officer	Chairman	Planning Development Manager	Planning Officer		
--	--	------------------	-----------------------------	----------	------------------------------	------------------	--	--

Public Speaker												NPCMS
Cllr												Cllr
Cllr												Cllr
	Cllr	Cllr	Cllr	Cllr	Cllr	Cllr	Cllr	Cllr	Cllr	Cllr		

Cllr: Planning Committee Member  
NPCMS: Non-Planning Committee member speaker

**Committee Room 1 public seating**  
**Any other councillors who attend the meeting will sit here**

Please contact us to request this document in an alternative format





Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Section 151 Officer

Author: Peter Vickers

Tel: 01483 523539

Email: peter.vickers@guildford.gov.uk

Lead Councillor responsible: Joss Bigmore

Tel: 07974 979369

Email: joss.bigmore@guildford.gov.uk

Date: 19 January 2023

## **Internal Audit progress report (April 2022 – January 2023)**

### **Executive Summary**

Appendix 1 presents a report from our internal audit contractor, KPMG on progress against their audit plan for 2022-23 and a summary of audit findings from the reviews undertaken during the period April 2022 to January 2023.

### **Recommendation to Committee**

The Committee is requested to note the Internal Audit Progress Report to January 2023, attached as Appendix 1, together with the key findings from the reviews undertaken since the last report to the Committee.

#### 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 Council's Internal Audit Plan for 2022-23 is 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 2022 to January 2023 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 – January 2023



# Internal Audit Progress Report

Page 83

**Guildford Borough Council**

KPMG Governance, Risk and Compliance Services

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January 2023

Agenda item number: 7  
Appendix 1

# Content

● — ○	<b>01 Executive summary</b>	<b>3</b>
● — ○	<b>02 Progress of plan</b>	<b>4</b>
	Appendix A – Corporate Programmes: Redevelopment Projects	6

## **Key contacts**

Neil Hewitson  
Director  
[neil.hewitson@kpmg.co.uk](mailto:neil.hewitson@kpmg.co.uk)

Jack Crouch  
Manager  
[jack.crouch@kpmg.co.uk](mailto:jack.crouch@kpmg.co.uk)

# 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 2022-23. We have summarised below the key points since we last reported to you:

Activity	Comments
Progress against the plan	<ul style="list-style-type: none"> <li>— We have finalised and issued the report for our Corporate Programmes: Redevelopment Projects review.</li> <li>— Fieldwork is complete for our Core Financial Controls: Budgetary Controls review with the draft report due to be issued in January.</li> <li>— Following the discussion at the last CGSC meeting, we agreed with Management to undertake an additional review looking at the payroll budget discrepancy identified in 2022. Fieldwork for this review is in progress.</li> <li>— We are due to commence fieldwork for our remaining 2022/23 reviews in January.</li> </ul>
Reports completed	<ul style="list-style-type: none"> <li>— We have finalised our report on Corporate Programmes: Redevelopment Projects. See appendix A for the executive summary of this report.</li> </ul>
Significant findings to highlight	<ul style="list-style-type: none"> <li>— We raise one high priority finding in our Corporate Programmes: Redevelopment Projects review around the tracking of procurement activity.</li> </ul>



## For information

- January 2023 internal audit progress report

# Progress of plan

Below is the status of the 2022-23 Internal Audit plan as approved by the Corporate Governance and Standards Committee. We highlight the 'core' reviews driving our 2022/23 Head of Internal Audit Opinion.

Internal audit	Status						Results	Management Actions			
	Planning	Fieldwork	Draft Report	Final Report	Reporting to CMB	Reporting to CGSC	Overall Rating	High	Medium	Low	Total
01/22: IT Infrastructure for Remote Working	✓	✓	✓	✓	✓	✓	Significant assurance with minor improvement opportunities	-	1	2	3
02/22: Performance Monitoring – KPI Review One <b>(Core)</b>	✓	✓	✓	✓	✓	✓	Significant assurance with minor improvement opportunities	-	1	2	3
03/22: Performance monitoring – KPI Review Two <b>(Core)</b>	✓	✓	✓	✓	✓	✓					
04/22: Performance monitoring – KPI Review Three <b>(Core)</b>	✓	✓	✓	✓	✓	✓					
05/22: Customer Services: Complaints Handling	✓	✓	✓	✓	✓	✓	Partial assurance with improvements required	1	2	2	5
06/22: Corporate Programmes: Redevelopment Projects <b>(Core)</b>	✓	✓	✓	✓	✓	✓	Partial assurance with improvements required	1	3	2	6
07/22: Risk management <b>(Core)</b>	✓	✓	✓	✓	✓	✓	Significant assurance with minor improvement opportunities	-	1	2	3

# Progress of plan (cont.)

Internal audit	Status						Results		Recommendations		
	Planning	Fieldwork	Draft Report	Final Report	Reporting to CMB	Reporting to CGSC	Overall Rating	High	Medium	Low	Total
08/22: Financial controls: budgetary controls <b>(Core)</b>	✓	✓	w/c 23 January	w/c 06 February	28 February	15 March	Not due	-	-	-	-
09/22: Financial controls: general ledger <b>(Core)</b>	✓	In progress	w/c 30 January	w/c 13 February	28 February	15 March	Not due	-	-	-	-
10/22: Financial controls: payroll <b>(Core)</b>	✓	✓	✓	✓	✓	✓	Significant assurance with minor improvement opportunities	-	1	1	2
11/22: s.106 Contributions	In progress	w/c 23 January	w/c 06 February	w/c 20 February	28 February	15 March	Not due	-	-	-	-
12/22: Follow up reviews from 2021-22	✓	In progress	w/c 30 January	w/c 13 February	28 February	15 March	Not due	-	-	-	-
13/22: Regeneration	In progress	w/c 23 January	w/c 06 February	w/c 20 February	28 February	15 March	Not due	-	-	-	-
14/22: Financial controls: journals <b>(Core)</b>	✓	In progress	w/c 30 January	w/c 13 February	28 February	15 March	Not due	-	-	-	-
15/22: Payroll Budget Discrepancy (additional review)	✓	In progress	w/c 23 January	w/c 06 February	28 February	15 March	Not due	-	-	-	-
							Total	<b>2</b>	<b>9</b>	<b>11</b>	<b>22</b>

# Appendix A - Corporate Programmes - Redevelopment Projects

## Conclusion

We reviewed the design and effectiveness of processes and controls over corporate programmes and provide 'partial assurance with improvements required' (**amber red**), which is in line with management's expectation. As part of our review, we reviewed the operating effectiveness of controls for the Weyside Urban Village (WUV) development project. Our assurance rating is driven by the need for more stringent tracking and monitoring of WUV procurement activity to ensure that actual project spend is in line with contracts. There is no formal, ongoing monitoring of procurement contracts and spend against them. Our testing of 15 procurement contracts identified 3/15 contracts where the total individual contract spend is 150% of the original contract value but re-procurement had not been initiated, as per the requirements of the policy.

There are significant stages throughout the corporate programmes process that have input from multiple stakeholders including Council management and consultants. It is vital that there is sufficient capacity in the team to ensure that there is appropriate oversight of all of these key stages. We raise a finding around management recruiting a dedicated Programme Manager to provide this management and oversight.

The new Project and Programme Management (PPM) Governance Framework sets out the project lifecycle stages and embeds the requirements for project mandates and business cases. Policies and procedures outline the input from service areas including Finance, Legal and Procurement at the various mandate and business case stages.

The Council onboarded Verto as a reporting tool. Baselines for time, cost and quality are extracted from business case documents and input on Verto to ensure that objectives are being delivered. Project data and information are stored on shared drives rather than using Verto as a project data and information management system.

Financial data is extracted from Business World, the Council's finance system, and manually input into Verto for project finance reporting. The Council should explore system integration between Verto and Business World for a seamless financial reconciliation and reporting..

## Summary

<b>Overall rating:</b>	<b>Partial assurance with improvements required</b>	
<b>Priority rating:</b>	Control design	Operating effectiveness
High	-	1
Medium	3	-
Low	2	-



# Executive summary

## Conclusion (cont.)

There are robust governance structures including a Major Projects Portfolio Board (MPPB), Sub Portfolio Programme Boards (SPPB) and the Enterprise Portfolio Board (EPB) for appropriate oversight, management and approval of corporate programmes. However, we found that Executive receive reporting on WUV once a year. We raise a finding to increase the frequency of reporting so that Executive have oversight of key milestones, financial summaries and key risks and issues.

The membership of MPPB and SPPB comprises of councillors and senior Council officers. Membership includes key internal stakeholders like legal, procurement and finance.

# Executive summary

## Areas of good practice

- ✓ There are detailed mandate and business case guidance circulated internally as part of the new PPM Governance Framework.
- ✓ Template mandate and business cases are available for consistency across the Council.
- ✓ Verto has been onboarded by the Council as a project management tool. Baselines for time, cost and quality from the business case as well as the project lifecycle, approval gates and key deliverables are illustrated on the system.
- ✓ Highlight reporting can be generated from Verto with data fields automatically populated from project data held on the system.
- ✓ EPB has been established as the Corporate Management Board (CMB) sitting as a strategic change board to ensure that sufficient senior management oversight of delivery of corporate programmes.

## Summary of key findings

<b>Tracking of WUV procurement activity</b>	<b>2.1</b> It is crucial that the Council monitors spend against the original contracted value and where there are large variances, involve procurement and legal advice as per the Council's Procurement Procedure Rules. Variation in contractual scope should formally require procurement and legal advice.
<b>Recruitment of Programme Manager</b>	<b>2.2</b> The Programme Manager is responsible for assisting the Head of Regeneration and Corporate Programmes in tracking progress and monitoring the operational delivery plan for the corporate programmes portfolio.
<b>Centralised WUV project reporting on Verto</b>	<b>2.3</b> The Council should align all project reporting processes with the use of Verto to ensure that highlight reporting generated is complete and accurate.
<b>Increased frequency of WUV financial reporting to Executive</b>	<b>2.4</b> Given the ongoing increases in project costs due to inflation and increasing prices, we recommend that the Council presents the WUV financial report to the Executive biannually to allow for appropriate oversight of changes in project budgets.
<b>System integration between Verto and Business World</b>	<b>2.5</b> The Council should explore integration between Verto and Business World for integrated financial reporting.
<b>Verto as a data and information management system</b>	<b>2.6</b> Currently, project data is stored in shared drives and transferred to Verto for reporting purposes.

# Findings and management actions

## 2.1 Tracking of WUV procurement activity

High

It is crucial that the Council monitors their contractual spend against the original contracted value and where there are large variances, involve procurement and legal advice as per the Council's Procurement Procedure Rules. Variation in contractual scope should formally require procurement and legal advice.

The Council Procurement Procedure Rules outlines that where an individual contract reaches 150% of agreed contract spend, the contract needs to undergo re-procurement.

From our sample of 15 WUV contracts, we noted that 3/15 has exceeded the contractual value threshold but re-procurement has not been initiated. On average, the spend value exceeded the contract value by 159% (£648k).

There are no monitoring processes of overall purchase orders raised against the contractual value, which allows sign-offs on purchases on contracts that have far exceeded the re-procurement threshold. There is a risk that budgets set are not accurate or unachievable if actual spend values exceeds the budgeted contract value. Currently, variation in scope on contracts do not formally require procurement or legal advice,

The Council should formally require legal and procurement advice where there is variation in scope to contracts. Whilst there is ongoing work on a procurement tracker to track WUV procurement activity, the Council needs to have ongoing reconciliation between the contract value and actual spend. Where the spend is close to 150% of the contract value, re-procurement processes should be initiated as per policy.

**Risk:** There are insufficient governance structures in place to provide appropriate oversight of corporate programmes.

Policies and processes do not adequately support the management of corporate programmes.

### Agreed management actions:

1. Develop a complete WUV procurement activity tracker including contract value against current spend
2. Reconcile purchase orders to contract value in the procurement tracker on an ongoing basis.
3. Ensure re-procurement process is initiated where the spend has reached 150% of the contract value.
4. Require legal and procurement sign-off where there is variation to scope of contract.
5. Review the resource capacity within supporting teams, such as Procurement, Legal, and Finance as well as the WUV project team, to ensure processes to track procurement activity can be embedded.

### Evidence to confirm implementation:

1. Legal and procurement advice required where there is variation to scope of contract.
2. Purchase orders reconciled to contract value in the procurement tracker on an ongoing basis.
3. Re-procurement initiated where spend has exceeded 50% of the contract value.

### Responsible person/title:

Executive Head of Regeneration and Planning Policy

### Target date:

31 May 2023



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This report is provided pursuant to the terms of our engagement letter dated 12 April 2018. Nothing in this report constitutes a valuation or legal advice. We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances set out in our engagement letter. This report is for the sole benefit of Guildford Borough Council. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Council, even though we may have been aware that others might read this report. This report is not suitable to be relied on by any party wishing to acquire rights against KPMG LLP (other than Guildford Borough Council) for any purpose or in any context. Any party other than the Council that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through the Council's Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Council. Any disclosure of this report beyond what is permitted under our engagement letter may prejudice substantially our commercial interests. A request for our consent to any such wider disclosure may result in our agreement to these disclosure restrictions being lifted in part. If Guildford Borough Council receives a request for disclosure of the product of our work or this report under the Freedom of Information Act 2000 or the Freedom of Information (Scotland) Act 2002, having regard to these actionable disclosure restrictions the Council should let us know and should not make a disclosure in response to any such request without first consulting KPMG LLP and taking into account any representations that KPMG LLP might make.

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Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Director of Community and Wellbeing

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Date: 19 January 2023

## Safeguarding – Internal Audit Report Update

### **Executive Summary**

This report sets out the progress made in response to the recommended actions in the KPMG internal audit report on the Council's safeguarding arrangements in November 2021.

The purpose of this report is to provide the Committee with the opportunity to examine the progress and activities undertaken in the context of our statutory safeguarding duties, and to advise and comment on the appropriateness of the draft Strategic Safeguarding action plan 2023-24.

The report provides the background to the Council's responsibilities and our safeguarding audit commitments in the context of the statutory duties set out in the legislation and statutory guidance.

The activities undertaken, progress made towards target actions, and mitigations implemented in the last year are summarised in the report with more detailed tracking of targets and commentary presented in Appendix 1.

The report ends by setting out, in Appendix 2, the draft Strategic Safeguarding action plan 2023-24, which responds to the recommendations made in the latest Section 11 and SSAB quality assurance audits (our statutory responsibilities), as well as the outstanding actions from the KPMG audit (non statutory).

Appendix 3 of this report provides the Committee with the terms of reference of the Strategic Safeguarding Group.

### **Recommendation to Committee**

The Committee is invited:

- (1) To review the progress against the recommended actions in the KPMG Safeguarding audit 2021, as set out in Appendix 1 to this report.

- (2) To comment on the appropriateness of the Strategic Safeguarding Group Action Plan 2023-24 as set out in Appendix 2 to this report.

Reasons for Recommendation:

- To inform the Committee of the recent activities towards meeting the recommendations set out in the internal audit, and draft future activities to mitigate against risks to meeting statutory duties.
- The Children Acts of 1989 and 2004 (as amended by the Children and Social Work Act 2017) and the Care Act 2014, set out specific duties for organisations and agencies in relation to safeguarding and promoting the welfare of children.
- Section 11 of the Children Act 2004 places duties on a range of organisations, agencies, and individuals to ensure their functions, and any services that they contract out to others, are discharged having regard to the need to safeguard and promote the welfare of children. This includes district and borough councils.
- The Care Act 2014, places duties on a range of organisations, agencies, and individuals to ensure their functions and any services contracted out to others, are discharged having regard to the need to safeguard and promote the welfare of adults with care and support needs. This includes district and borough councils.

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

**1. Purpose of Report**

- 1.1 The purpose of this report is to provide information for the Committee to be able to examine progress against the recommended actions in the KPMG safeguarding internal audit report (November 2021).
- 1.2 The report also presents the Committee with the opportunity to advise and comment on the appropriateness of the Strategic Safeguarding Group Action Plan for 2023-24.

**2. Strategic Priorities**

- 2.1 To achieve its strategic priorities, the Council must respond to its statutory duties to safeguard children, and adults with care and support needs. Our strategic approach to safeguarding ensures we are tackling inequality and working with our communities to support those in need.

**3. Background**

*The Council's statutory safeguarding responsibilities*

- 3.1 Our statutory duties for safeguarding (set out in section 9) place specific duties on the Council to safeguard children, and adults with care and support needs.

We have additional duties as a housing authority in relation to housing and homelessness.

- 3.2 Statutory responsibility for the effective implementation of local safeguarding children arrangements is fulfilled by the Surrey Safeguarding Children Partnership (SSCP).
- 3.3 The Surrey Safeguarding Adults Board (SSAB) is responsible for the effectiveness of adult safeguarding work across the county, co-ordinating activities to ensure adults with care and support needs are protected.
- 3.4 We work with SSCP and SSAB, to ensure we meet our statutory duties to cooperate in safeguarding and to promote the welfare of children and adults with care and support needs in discharging all our functions. This includes any services or function we contract out.

*Safeguarding audit commitments*

- 3.5 We have a duty to respond to:
  - the SSCP Section 11 Audit. This refers to the statutory duties of responsible authorities as set in section 11 of the Children Act 2004.
  - the SSAB requests under their Quality Assurance Framework as well as other requests to ensure their assurance requirements are met.
- 3.6 Both the SSCP and SSAB audits provide assurance that we are meeting our statutory duties to cooperate in safeguarding.
- 3.7 In November 2021, KPMG (our internal audit contractor) presented the findings and recommendations of our internal audit on safeguarding, to the Committee (see background papers).
- 3.8 KPMG presented 7 key findings (5 with 'partial assurance with improvements required' and 2 with 'significant assurance').
- 3.9 The Committee were also presented with a Supplementary Information Sheet in response to the report findings (see background papers), where it was noted that recommendations in the report did not acknowledge that our Safeguarding Policy and Procedure was meeting its aims. It was also noted that statutory roles and responsibilities of Surrey County Council as the top tier authority did not appear to be clearly understood by auditors.
- 3.10 In November 2022, the Committee were presented with [an update summary](#) of the actions taken in response to the key findings within the KPMG report.

**4. KPMG Safeguarding audit recommendations- update December 2022**

- 4.1 Appendix 1 to this report presents a further update (Dec 2022) on the progress towards the audit recommendations.

- 4.2 The update includes commentary on progress, RAG rating against progress, mitigations where appropriate and a revised target date for completion of any outstanding actions under the 7 key findings:
- policy and procedure (combined 2 key findings)
  - strategic action plan
  - staff training
  - recording safeguarding referrals
  - safeguarding groups
  - sharing best practices and lessons learned
- 4.3 There are 4 areas with a green RAG rating indicating they are either complete, on track for completion or operating as business as usual.
- 4.4 There are 2 areas with an amber/green RAG rating indicating they are in progress with mitigations but have one or more outstanding issues to be completed within 6 to 12 months.
- 4.5 Barriers to progress in delivering against actions include capacity and resource within services, changes in the structure of the organisation and a requirement for a case management system that fits the organisation.
- 4.6 The progress made against the new policy and procedure presents an opportunity to demonstrate our organisational commitment to safeguarding, embed the recommendations presented in the audit and to deliver engagement and training opportunities with all staff and councillors.
- 5. Strategic Safeguarding Action Plan 2023-24**
- 5.1 The Strategic Safeguarding Group (SSG) is responsible for developing, monitoring, delivering, and reporting on the action plan presented in Appendix 2. The action plan has been reviewed and updated following the recommendations in the audit.
- 5.2 Terms of Reference for the SSG, including details of membership, are provided in Appendix 3.
- 5.3 The action plan is set out under 4 key priorities:
- awareness and accountability
  - training
  - record keeping
  - policies and procedures
- 5.3 It reflects the recommendations made in the latest Section 11 and SSAB quality assurance audits (our statutory responsibilities) as well as the outstanding actions from the KPMG audit (non statutory).
- 5.4 Progress against the action plan will be presented to Corporate Management Board twice a year.



## **6. Consultations**

- 6.1. Members of the SSG, including the Lead Councillor for Housing and Community, have been consulted on the content of this report and appendices.

## **7. Key Risks**

- 7.1 Without a fit for purpose Strategic Safeguarding Action Plan we will not be able to demonstrate how we are meeting our statutory safeguarding duties.

## **8. Financial Implications**

- 8.1 There are no financial implications arising directly from this report. However, the recommended requirement for a case management solution to effectively manage safeguarding referrals will require a business case which will need to include licence and developer costs.

## **9. Legal Implications**

### 9.1 Legislation:

- The Children Acts of 1989 and 2004, and Children and Social Work Act (2017)
- The Care Act 2014
- The Mental Capacity Act 2005

### 9.2 Statutory Guidance:

- Working Together to Safeguard Children (2018)- statutory guidance
- Care and Support Statutory Guidance (updated November 2022)

## **10. Human Resource Implications**

- 10.1 The SSG is the key mechanism for driving forward the strategic priorities for safeguarding across the Council and for agreeing how each service will co-operate to safeguard and promote the welfare of children, and adults with care and support needs.
- 10.2 The group is responsible for ensuring the Council is meeting its statutory duties across both adult and children's safeguarding by:
- responding to the legislation within the Children Acts (1989 and 2004) and the statutory guidance 'Working Together to Safeguard Children' (2018).
  - responding to the legislation within the Care Act 2014 and the Mental Capacity Act 2005 and the statutory guidance 'Care and Support Statutory Guidance' (updated 2020)
  - coordinating the effective implementation of policies and procedures
  - promoting a culture of effective safeguarding practice across the organisation
  - communicating the need to safeguard and promote welfare to all staff, volunteers, councillors, and contractors

- 10.3 The new training safeguarding training programme aligned to the training pathways, has been developed to be sustainable within the resources we have available.

**11. Equality and Diversity Implications**

- 11.1 There are no Equality and Diversity implications arising directly from this report. There may be equality and diversity implications arising from some of the actions within the SSG action plan and if that is the case an equalities impact assessment will be required for those actions.

**12. Climate Change/Sustainability Implications**

- 12.1 There are no relevant climate change/sustainability implications.

**13. Summary of Options**

- 13.1 The Committee is asked to consider and comment on the progress against the KPMG audit recommendations and appropriateness of the SSG action plan set out in this report.

**14. Conclusion**

- 14.1 The Committee is presented with an opportunity to review the progress against the recommendations set out in the KPMG audit. The SSG action plan has been reviewed and updated. The Committee will receive the next safeguarding report detailing progress against the SSG action plan in January 2024.

**15. Background Papers**

[KPMG Audit Report November 2021](#)  
[Supplementary late sheet November 2021](#)

**16. Appendices**

Appendix 1: Audit update summary- December 2022  
Appendix 2: Strategic Safeguarding action plan 2023-24  
Appendix 3: Terms of Reference SSG

Please ensure the following service areas have signed off your report. Please complete this box and do not delete.

<b>Service</b>	<b>Sign off date</b>
<i>Finance / S.151 Officer</i>	<i>V Worsfold 07/12/22</i>
<i>Legal / Governance</i>	<i>D Jones 08/12/2022</i>
<i>HR</i>	<i>A Holman 18/12/2022</i>
<i>Equalities</i>	<i>A Holman 18/12/2022</i>
<i>Lead Councillor</i>	<i>J McShane 18/12/2022</i>
<i>CMT</i>	<i>13/12/2022</i>
<i>Executive Liaison</i>	<i>04/01/2023</i>
<i>Committee Services</i>	<i>20/12/2022</i>

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Safeguarding KPMG audit action plan update December 2022

Area	Actions	Target Date	Comments in supplementary audit response provided in 2021	Progress December 2022	Updated target date/completion
<b>1. Safeguarding Policy and Procedure (update and content)</b>	Ensure the Policy clearly states how frequently it should be reviewed, circumstances for review outside of the normal review cycle and who is responsible for the review and for approving it	June 2022	The full audit report recognises and comments on how comprehensive the policy is and provides reassurance that our current policy is detailed, relevant and reflects current legislation.	Forward plan item for new Policy approval scheduled: EAB 6 Feb 23 Executive 16 March 23 Draft Policy in progress Draft Procedure complete and being reviewed by enablers	Quick Guides reviewed, updated, and published on Intranet March 2022 and August 2022  All policy recommendations incorporated in draft policy and procedure  Full policy and procedure adoption in Forward Plan scheduled for March 23
	Include a version control table for the document showing the version number, when the review took place, who undertook it, when was it approved, by whom, what amendments have been made and when the next review is due		It also acknowledges that there are clear and detailed processes for identifying and reporting concerns.  The report recognises the usefulness of the quick guides developed in 2020 to address the immediate need already identified, for the policy to be more accessible.	Recommendation already in corporate policy guidance Draft policy includes recommendation	
	Ensure the policy is in a more focused, streamlined and summarised form.		The summary of key findings does not appear to	Draft Policy in progress following new corporate policy guidance structure Separate procedure draft makes information accessible	

Safeguarding KPMG audit action plan update December 2022

Area	Actions	Target Date	Comments in supplementary audit response provided in 2021	Progress December 2022	Updated target date/completion
			acknowledge that the policy is meeting its aims.	Quick guides updated and published on intranet	
Clarify governance structure around Safeguarding in place at the Council as well as interactions with Surrey County bodies and align this with the Terms of Reference for the relevant groups.		The draft safeguarding action plan has prioritised a review of the policy to improve accessibility.	Terms of Reference updated to be appendix in policy		
Include elements regarding where and how to store the relevant documentation for each safeguarding concern raised, who and how should follow up on the concerns raised.		The high-level review and update of the safeguarding policy in 2020 during the pandemic was done in consultation with the Lead Councillor for safeguarding. This approach was approved in the Exec report that approved the policy in 2018.	New referral document storage process Included in draft procedure with updated process		
Update and provide clarity over the roles and responsibilities of individuals when it comes to safeguarding.		The Council’s wider policy and governance framework is an area that has been addressed through Future Guildford by the creation of a Strategy and Comms team whose responsibility it is to improve that framework. Work is underway to	Embedded in draft policy Roll out of policy comms provide further embedding and awareness Embedded through Operational Safeguarding Group Review and update		

Safeguarding KPMG audit action plan update December 2022

Area	Actions	Target Date	Comments in supplementary audit response provided in 2021	Progress December 2022	Updated target date/completion
			<p>standardise all policies to ensure they have version control. ownership, review dates etc.</p> <p>Similarly, the governance framework around Safeguarding (Strategic Group and Operational Group) are not yet reflected in the policy as they have only recently been created. They will be included in the review of the policy in the governance section.</p>		
<p><b>2. Draft Strategic Action Plan</b></p>	<p>Ensure the objectives included in the draft action plan are SMART</p> <p>Ensure that the plan is updated to address internal audit actions</p> <p>Clearly capture the date when the action has been added to the plan, the stages it is expected to go through, what progress has been made,</p>	<p>April 2022</p>	<p>Agreed – acknowledging the action plan is draft and needs ownership from the Strategic Safeguarding Group.</p> <p>We requested that audit recommendations provide content to be able to inform the action plan. The Strategic Safeguarding Group will review this task.</p>	<p>Latest update Dec 22</p> <p>Latest update Dec 22 where relevant and not repeated</p> <p>Latest update Dec 22 where relevant and not repeated</p>	<p>Completed amends Review for each meeting</p>

Safeguarding KPMG audit action plan update December 2022

Area	Actions	Target Date	Comments in supplementary audit response provided in 2021	Progress December 2022	Updated target date/completion
	<p>when was it last updated and the expected implementation date.</p> <p>Regularly monitor the progress of the actions at all Strategic and/or Operational group meetings.</p> <p>Spread responsibility for the implementation of the actions included in the plan across all the members of the Strategic Group in a balanced manner as far as possible.</p>			<p>Ongoing</p> <p>Ongoing</p>	
<p><b>3. Staff training</b></p>	<p>A clear, consistent, and transparent Council wide standard should be developed stating the training level required for each role and mentioned in the job description</p>	<p>April 2022</p>	<p>The draft action plan has prioritised the need for a training audit, review of the corporate training programme and a central recording system.</p>	<p>Training level guidance developed for audit aligned to Surrey Safeguarding board’s training pathways that specifies which Safeguarding training items are required in which role level</p> <p>HR have advised Job Descriptions are purposefully high level and do not contain this</p>	<p>Completion of audit Jan 2023</p> <p>Analysis of audit Feb 2023</p> <p>Outcomes of audit action plan to roll out training implemented April 23 onwards</p>



Safeguarding KPMG audit action plan update December 2022

Area	Actions	Target Date	Comments in supplementary audit response provided in 2021	Progress December 2022	Updated target date/completion
				<p>detail. A standard Safeguarding statement has been included in all JD's. This approach to JDs is unlikely to change.</p> <p>Exploring the possibility of adding safeguarding levels to individual job descriptions</p>	
	<p>A comprehensive schedule with training sessions for each of the various levels required at the Council should be developed and adhered to.</p>			<p>Pathways aligned to training needs These are explicit in draft Policy and will be communicated through training</p>	<p>Full policy and procedure adoption in Forward Plan scheduled for March 23</p>
	<p>Refresh sessions and refresh periodicity should be agreed and adhered to ensuring the relevant information is up to date.</p>			<p>Pathway documents for safeguarding training reinforced in draft policy</p> <p>New training programme for all levels agreed – roll out April 2023 onwards</p>	<p>Full policy and procedure adoption in Forward Plan scheduled for March 23</p> <p>Revised training programme delivery start April</p>

Safeguarding KPMG audit action plan update December 2022

Area	Actions	Target Date	Comments in supplementary audit response provided in 2021	Progress December 2022	Updated target date/completion
	Adherence to the training requirements and time frames should be captured in employee training records, monitored and enforced by and reported on			<p>Individual participation in specialised training is already recorded in safeguarding training records held by the safeguarding board. Responsibility for managers to monitor in staff development and 121's set out in policy.</p> <p>Recording of corporate induction recorded in staff files already.</p> <p>A proportionate approach to reporting training will need to be adopted for in house delivery only.</p>	<p>23 with launch of policy</p> <p>Full policy and procedure adoption in Forward Plan scheduled for March 23-responsibilities on monitoring and recording training</p>
<b>4. Recording safeguarding referrals</b>	Define a clear and consistent way across the Council in which safeguarding concerns should be recorded stating: how, what documents would be acceptable, where	July 2022	<p>The draft action plan has prioritised the need to address a central recording system for referrals across the organisation.</p> <p>It should be acknowledged that there is likely to be an</p>	Operational Safeguarding group created to include representatives from all areas of the Council. Teams area created to store all documentation,	<p>Interim procedures in delivery.</p> <p>ECINS capability/ exploration target April 23 dependent on ECINS support availability</p>

Safeguarding KPMG audit action plan update December 2022

Area	Actions	Target Date	Comments in supplementary audit response provided in 2021	Progress December 2022	Updated target date/completion
	<p>should the case be recorded and tracked, where should the documentation and subsequent communication be stored, who should have visibility and how to restrict access only to relevant people.</p> <p>Communicate the new process to all staff, promote awareness and consistent application.</p>		<p>IT solution required for this. Multi system use across the Council issues recognised. This has been the barrier to this being achieved before.</p> <p>Resource is required to define the processes, specification for a fit for purpose solution. The IT solution needs to meet all the accessibility, confidentiality and usability requirements and be corporately aligned (possible use of Salesforce new CRM or ECINS community safety case management). Resource required to develop, cost to develop and time to implement.</p>	<p>access limited to members of the group. Safeguarding monitoring form created for members to complete. Spreadsheet created as a record of all referrals. All live referrals reviewed and RAG rated by Operational group.</p> <p>New procedure for referrals communicated through Operational Safeguarding Group and included in draft policy and procedure</p>	<p style="background-color: yellow;">[Empty cell]</p> <p style="background-color: #90EE90;">Continue to review and update as needed</p> <p style="background-color: #90EE90;">Scoping of new case management system in SSG 23-24 action plan</p>
<b>5. Safeguarding groups</b>	Clarify for each of the governance bodies what are members' responsibilities	April 2022	No further response	Complete- Terms of reference already exist	Completed prior to audit Updated Dec 22 Appendix of policy

Safeguarding KPMG audit action plan update December 2022

Area	Actions	Target Date	Comments in supplementary audit response provided in 2021	Progress December 2022	Updated target date/completion
	Clarify the inputs each group will use from the wider organisation and what outputs they are expected to produce for wider reporting as well as the form and frequency of communication to and from them.			Terms of reference already exist. Operational Safeguarding meeting held every 5 weeks. All live referrals discussed, and RAG rating reviewed with owner of referral. Closed cases moved to another tab in the spreadsheet. Any information from other groups shared with attendees at meeting. Strategic Safeguarding Group to be re-established quarterly following Joint Management implementation	TofR for both groups appendix in Policy
	Communicate and raise awareness regarding what each of the two groups does among staff.			Complete-Incorporated in Corporate Induction	Appendix in Policy
	Set out a clear calendar of meetings and establish how their			Established in Terms of Reference	Continue to deliver scheduled meetings

Safeguarding KPMG audit action plan update December 2022

Area	Actions	Target Date	Comments in supplementary audit response provided in 2021	Progress December 2022	Updated target date/completion
	activity will be evidenced and set out clear KPIs to measure and monitor the activity of the groups.				
	Agree and implement a regular structure for how CMT will receive twice-yearly updates on Safeguarding.			6 monthly reporting set out in policy following approval	Launch of new Policy and commence reporting
<b>6. Sharing Best Practices and lessons learned</b>	Formal case reviews should be undertaken as a regular part of reporting to detail valuable lessons and best practices for each concern raised.	April 2022	The county safeguarding boards have a statutory responsibility to compile and disseminate national and local learning. This resource is available through the boards and should be referenced as the primary content to share with the Operational Safeguarding group.	All referrals discussed with whole group at meetings to aid continuous learning. Head of Service oversight of cases that are raised directly	Continue Operational Safeguarding Group referral reviews
	The best practices and lessons learned should be communicated to the wider staff groups with safeguarding responsibilities.			As above and additional use of Safeguarding Teams channels to provide updates, shared learning and changes to guidance being delivered	Continue to use Teams communication channels

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## Guildford Borough Council Strategic Safeguarding Group Action Plan

### Priorities

#### 1. Awareness and Accountability:

There is effective awareness and responsibility of our duties to safeguarding & promoting the welfare of children and adults with care and support needs, across the organisation.

#### 2. Training:

All staff have access to training that provides them with the right information, skills and knowledge to effectively carry out their roles, responsibilities and accountabilities to safeguard and promote the welfare of children and adults with care and support needs.

There are clear training and development pathways for staff matched to their roles and responsibilities

There is an effective and corporate process to record, monitor and identify gaps and opportunities for training across the organisation

There is an effective internal safeguarding induction programme and access to specialist external training

#### 3. Record Keeping:

There is a clear process and corporate system for:

- recording and reporting safeguarding concerns
- recording the outcomes of assessments made (internally or externally)
- recording any actions taken to safeguarding and promote the welfare of children and adults with care and support needs

#### 4. Policies and Procedures:

There is clear and accessible guidance and procedures on:

- the Council's duties to safeguarding promote the welfare of children and adults with care and support needs
- how to respond to a concern of abuse or the welfare of children or adults with care and support needs
- reporting concerns of abuse or the welfare of children or adults with care and support needs
- additional vulnerabilities and risk factors of some children and adults with care and support needs
- information sharing in the context of safeguarding
- safer recruitment and selection
- managing complaints, allegations and promoting whistleblowing

#### 5. Governance:

There is clear leadership and commitment to safeguarding demonstrated through appropriate governance and standards

Current position/issues	Actions required	Desired outcome	Responsibility for action	Added to plan	6 month target	12 month target	Progress
Inconsistent awareness of guidance, procedures and policy and the Council's duties across whole organisation	Update policy and procedures and roll out new training programme and internal communications. Publish approved Policy and Procedure on Intranet and Council website	All staff, Councillors, volunteers and contractors have a clear understanding of the Council's duties and their own roles, responsibilities and accountability to safeguard and promote welfare	Jo James		Nov-21 Policy approval Exec March 23 Awareness training April 23 onwards	Ensure policy and procedure is embedded in mandatory training	Draft policy and Procedure in progress to be presented to EAB Feb 23 and Exec March 23
Irregular and ad hoc communications on safeguarding across the organisation	Schedule regular communications/campaigns and content across internal channels. Use Teams channel to communicate to SSG and OSG	Regular drip feeding/campaigns to promote our safeguarding duties	Comms		Nov-21 6 month internal comms promoting policy and refresher training available	Annual internal comms promoting policy and refresher training available	All staff comms to be scheduled when policy approved Regular Teams comms in progress
Inconsistent locations for guidance and procedures	Maintain content and shared access to Teams Safeguarding channels Maintain content and promote access to Safeguarding section of intranet	Clear and accessible shared locations for guidance, updates and procedures	Jo James Sam Hutchison		Nov-21 Update following JMT structure Needs maintaining	Maintaining	Last intranet update Aug 2022 Monthly review scheduled Regular updates posted Teams channel SSG and operational channels updated since JMT
Inconsistent knowledge and information sharing on latest practice and learning from reviews	Establish and deliver Operational Safeguarding Group aligned to ToFR	Operational staff have regular opportunities to learn from reviews and each other and share good practice	Sam Hutchison		Nov-21 Minutes recorded	Schedule Operational Group meetings	Teams channel set up to host key information and support Operational Safeguarding Group



Current position/issues	Actions required	Desired outcome	Responsibility for action	Added to plan	6 month target	12 month target	Progress
Unknown/ lack of accurate records for safeguarding training across the organisation	Coordinate a staff safeguarding training audit to identify training pathway needs and compliance aligned to SSCP and SSAB guidance	Managers are able to regularly assess and address training requirements and needs	Jo James Hannah Cornick		Nov-21 Schedule and deliver training to meet needs Compliance update from managers scheduled on SSG agenda	Compliance achieved and maintained	Training programme agreed aligned to pathways. Audit in progress Action plan to address audit needs to be produced in Feb 23
Staff and Managers not fully aware of training pathways, training requirements for their roles and access to training	Disseminate information to managers through audit Embed responsibilities through policy	Managers are able to regularly assess and address training requirements and needs	Jo James Hannah Cornick		Nov-21 Compliance update from managers scheduled on SSG agenda	Compliance achieved and maintained	Training pathways and access to training from SSCP and SSAB available on Teams channels Awareness of responsibilities and pathways and access to training to be delivered through new Policy launch
Inconsistent/incomplete recording of safeguarding training records across organisation	Clarify roles and responsibilities in policy documents	Managers are able to regularly assess and address training requirements and needs	Jo James Managers		Nov-21 Compliance update from managers scheduled on SSG agenda	Compliance achieved and maintained	Roles and responsibilities included in draft policy
Corporate induction and refresher training not consistently delivered to meet requirements. No refresher training available	Update mandatory induction and refresher training material for level 0 and 1 training and roll out to organisation	Staff and councillors are effectively trained in safeguarding and training is kept up to date	Jo James Hannah Cornick		Nov-21 Training agreed and scheduled roll out	SSG receive report on internal training programme	Training programme agreed. Audit outcome action plan to roll out Feb 23
Training records maintained and monitored	Roles and responsibilities set out in Policy	Accurate training records are maintained	Managers- monitoring all recording above level 1 HR recording up to level 1		Nov-21 Internal training schedule recording set up	SSG receive report on internal training programme	

Current position/issues	Actions required	Desired outcome	Responsibility for delivering action	6 month target	12 month target	Progress
Inconsistent approach to recording concerns, assessments, reporting referrals and recording outcomes reliant on service based records	Develop interim corporate recording keeping process practice minimum requirements for all staff to implement	Managed risk in absence of corporate case management solution	Sam Hutchison	Compliance update from OSG scheduled on SSG agenda	Compliance update from OSG scheduled on SSG agenda	Interim recording process and case review in place through Teams channel
Absence of/ inconsistent approaches to information sharing across the organisation critical to safeguarding	Develop requirements for a corporate information sharing and case management system to meet requirements. Implement system across organisation	Robust, auditable and user friendly corporate case management system for all services to use effectively	Sam Hutchison	Scoping and requirements complete	Completion of case management system appraisal	Scoping of case management requirements and options appraisal to be completed within 6 months Options available through existing case management systems: Salesforce ECINS Dependent on requirements and capacity to develop

Current position/issues	Actions required	Desired outcome	Responsibility for delivering action	Added to plan	6 month target	12 month target	Progress
Existing policy and procedures are thorough but too onerous on reader, content is heavily reliant on changes to SSCP and SSAB	Review existing policy and procedural documents and produce new policy rationalising content in line with Working Together guidance, SSCP and SSAB. Include recommendations in internal audit	Robust policies and procedures that are accessible to all staff and align to current legislative standards	Jo James	Nov-21	Approval Executive March 23	Annual review	Draft complete- enabler review  Scheduled Forward Plan item  Current policy on intranet Quick guides updated March and August 2022
Inconsistent awareness and familiarity with where to find policy and procedures	Share and communicate policy documents through Intranet and communications plan	Staff are confident about their responsibilities for safeguarding and where to go for information	Jo James	Nov-21	Update intranet post approval	Annual review	Current intranet pages up to date with current policy
Existing linked policies across organisation not up to date to reflect safeguarding policy	Undertake a review of linked policies and prioritise with Service Leads for updates	All associate policies and procedures that are accessible to all staff are up to date and align to safeguarding policy	Francesca Chapman HR policies Exec Heads of Service	Nov-21	Review and confirm priority update schedule	Update according to priority schedule targets	Linked policies identified in Safeguarding Policy

Current position/issues	Actions required	Desired outcome	Responsibility for delivering action	Added to plan	6 month target	12 month target	Progress
Governance and ownership of Safeguarding unclear and inconsistent	Produce Terms of Reference for Strategic Safeguarding and Operation Groups	Consistent and clear governance is established and maintained	Annie Righton Sam Hutchison		Nov-21 Review ToF R	Review T of R	Terms of Ref updated Nov 22 to reflect JMT changes
Actions to address issues and concerns are not recorded and tracked	Minutes and actions recorded in SSG and OSG	Accurate records, responsibilities and action tracking	Sam Hutchison		Nov-21 BAU	BAU	In progress BAU
Recommendations in KPMG internal audit	Deliver recommendations from KPMG internal audit where appropriate	Recommendations improve areas of practice and become BAU	Annie Righton Sam Hutchison		Nov-21 Progress report on action plan delivery to CMB	Progress report on action plan delivery to CMB	In progress update to CGSC Nov 22 full report to CGSC schedule Jan 23 Outstanding actions transferred to SSG action plan
Recommendations in section 11 audit	Deliver recommendations against Section 11 audit	Recommendations improve areas of practice and become BAU	Annie Righton Sam Hutchison		Nov-21 Progress report on action plan delivery to CMB	Progress report on action plan delivery to CMB	Actions embedded in SSG action plan

## **Guildford Borough Council Strategic Safeguarding Group (SSG)**

### **Terms of Reference**

#### **Overview of group:**

The Council's Strategic Safeguarding Group (SSG) is the key mechanism for driving forward the strategic priorities for safeguarding across the Council and for agreeing how each service will co-operate to safeguard and promote the welfare of children, and adults with care and support needs.

The group is responsible for ensuring the Council is meeting its statutory duties across both adult and children's safeguarding by:

- responding to the legislation within the Children's Acts (1989 and 2004) and the statutory guidance 'Working Together to Safeguard Children' (2018).
- responding to the legislation within the Care Act 2014 and the Mental Capacity Act 2005 and the statutory guidance 'Care and Support Statutory Guidance' (updated 2020)
- coordinating the effective implementation of policies and procedures
- promoting a culture of effective safeguarding practice across the organisation
- communicating the need to safeguard and promote welfare to all staff, volunteers, councillors, and contractors

#### **The objectives of the SSG are:**

- To promote the welfare of children, and adults with care and supports needs, consistent with statutory guidance and best practice.
- To develop and agree corporate policies and procedures for safeguarding including the action to be taken where there are concerns about the safety or welfare of a child or of an adult with care and support needs.
- To influence and develop the Council's response to safeguarding within corporate policies and procedures relating to:
  - staff recruitment, vetting and barring, induction, training, development, supervision, discipline, and conduct
  - information sharing and management of data
- To ensure representation of the Council within the Surrey Safeguarding Partnership groups for adults and children
- To monitor, report on and challenge the effectiveness of what is done to safeguard and promote the welfare of children and of adults with care and support needs, across the Council.

### **Membership**

Members must commit to their responsibilities to ensure the Council is meeting its statutory duties to safeguard and promote the welfare of children and of adults with care and support needs:

Lead Councillor for Community

Joint Strategic Director Community Wellbeing- Corporate Management Team lead for safeguarding

Joint Executive Head- Community Services- JMT Safeguarding Lead

Senior Policy Officer – Strategic Lead Officer for safeguarding

Joint Executive Head- Organisational Development

Joint Executive Head- Communications and Customer Service

Joint Executive Head- Regulatory Services

Joint Executive Head- Housing Services

Joint Executive Head- Commercial Services

Legal Lead Specialist

Specialist – HR - Training

### **Frequency of meetings:**

Quarterly

### Performance, Governance and Structure

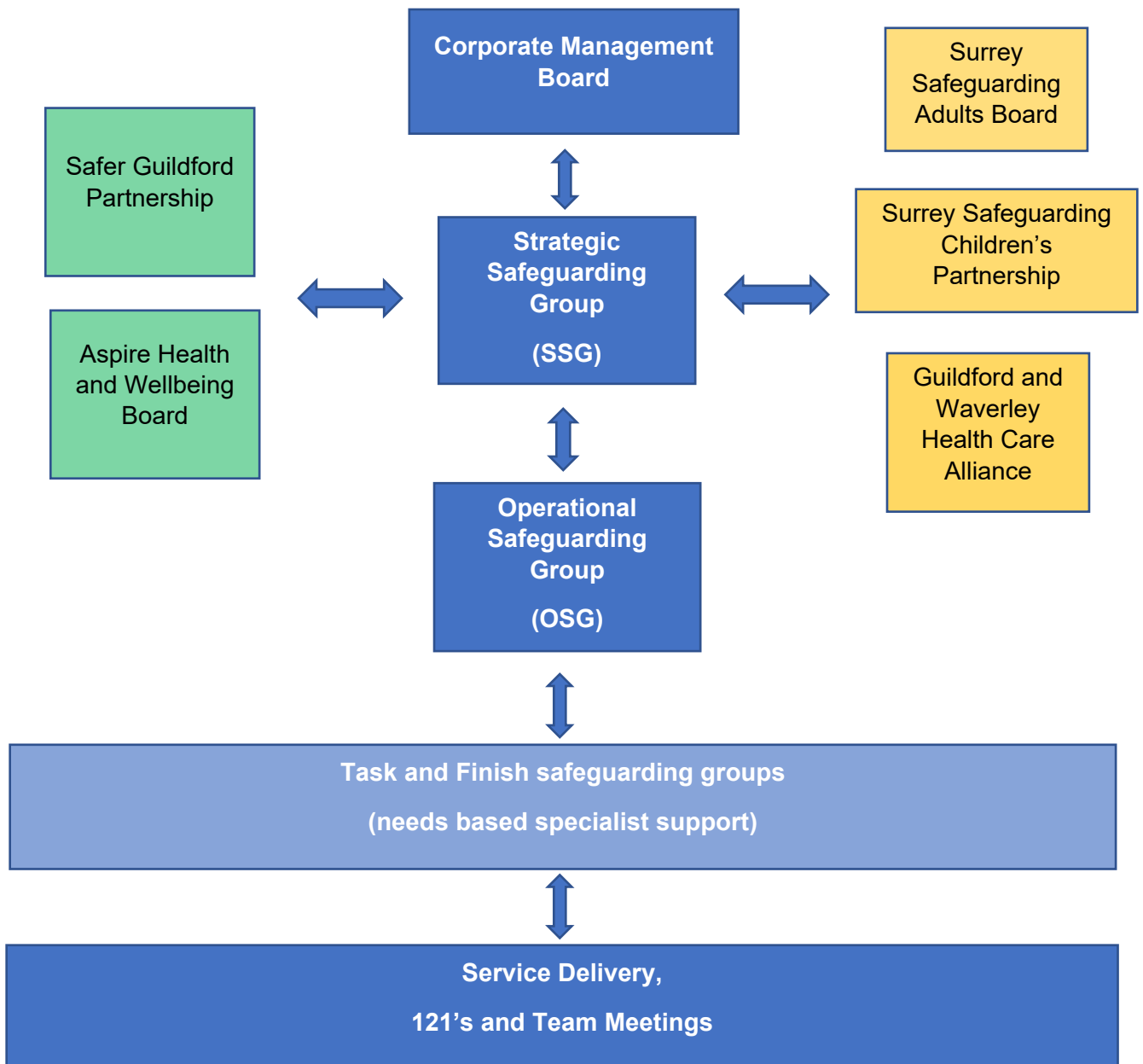
#### Strategic Safeguarding Structure

Key:

**Blue**- GBC Safeguarding accountability

**Yellow**- relationship with SCC Partnerships/Boards

**Green**- relationship with GBC Partnership/Boards



### *SSG Strategic Action Plan*

The SSG will develop, coordinate, and ensure delivery of an annual strategic action plan. The action plan will primarily respond to any gaps in compliance with the Council's statutory duties and audit recommendations but will also support best practice across the Council. The action plan will set the work programme for the SSG and relevant subgroups. The plan will be reviewed at each meeting to ensure it is continuing to respond to current legislation and best practice.

### *Service Planning*

The Council's service planning framework recognises safeguarding responsibilities in those services directly working with children and those working with adults with care and support needs.

The Community Services service plan recognises the accountability for the coordination of strategic and operational safeguarding.

### *Performance Monitoring*

The Council's performance monitoring framework is aligned to service plans. Core activity measures and milestones reflecting the Council's safeguarding arrangements are monitored monthly, through the Community Services Service Plan.

The SSG will provide an update on the strategic action plan to Corporate Management Team twice a year.

### **Quality assurance**

The Council has a statutory duty to complete the Surrey Safeguarding Children's Partnership self assessment section 11 audit and Surrey Safeguarding Adults Board audits. Each of these have associated action plans for improvement that are reflected in the SSG action plan.

The Council's internal audit programme includes safeguarding every 2 years. The outcome of the audit is an action plan for improvement which is reflected in the SSG action plan. A bi annual progress report is presented to CMB. An annual progress report is required by Corporate Governance and Standards Committee.

### **Integration with Council Services**

Organisational Development have lead responsibility for ensuring an effective strategy, service planning, policy and partnerships framework underpins our statutory safeguarding responsibilities.

Specialists in Organisational Development, Community Services, Communications and Customer Service, Regulatory Services, Housing Services and Commercial Services work with the SSG to deliver against the SSG strategic action plan.



### *Task and Finish groups*

Task and finish groups will respond to specific areas of work within the strategic action plan, engaging the relevant specialists from across the Council where appropriate. Examples of task and finish group activities may include but are not limited to:

- reviewing and rewriting policy documents
- undertaking training audits
- reviewing and rewriting training material where appropriate

### *Operational Safeguarding Delivery Group*

The Council's Operational Safeguarding Delivery Group (OSDG) is the key mechanism for communication between specialist service delivery staff. It also supports the dissemination of information from the SSG to service delivery areas. The group provides a forum for sharing best practice and learning from case reviews, highlighting barriers in service delivery and escalating issues to the SSG.

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Corporate Governance & Standards Committee Report

Ward(s) affected: All

Report of s151 officer

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Date: 19 January 2023

## Capital and Investment Strategy 2023-24 – 2027-28

### **Executive Summary**

The capital and investment strategy gives an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services. The strategy also details how associated risks are managed and the implications for future sustainability.

Decisions made now, and during the period of the strategy on capital and treasury management will have financial consequences for the Council for many years into the future. This report, therefore, includes details of the capital programme, any new bids/mandates submitted for approval, plus the requirements of the Prudential Code and the investment strategy covering treasury management investments, service investments and commercial investments. The report also covers the requirements of the Treasury Management Code and the prevailing DLUHC Statutory Guidance.

### Capital programme

The Council has an ambitious Corporate Plan and in order to achieve the targets within that we need to invest in our assets, via capital expenditure.

Capital expenditure is split into the General Fund (GF) and Housing Revenue Account (HRA).

All projects, regardless of the fund, will be funded by capital receipts, grants & contributions, reserves and finally borrowing. When preparing the budget reports, we do not always know how each scheme will be funded and, in the case of regeneration projects, what the delivery model will be. This report shows a high-level position. The business case for each individual project will set out the detailed the funding arrangements for the project.

Some capital receipts or revenue income streams may arise as a result of regeneration schemes, but in most cases are currently uncertain and it is too early at this stage to make assumptions. It is likely there are cash-flow implications of the development schemes, where income will come in after the five-year time horizon of the report and the expenditure will be incurred earlier in the programme.

To ensure the Council demonstrates that its capital expenditure plans are affordable, sustainable and prudent, we set Prudential Indicators.

#### *General Fund*

The Council has an underlying need to borrow for the GF capital programme of £286 million between 2022-23 to 2027-28.

Officers have put forward bids, with a net cost over the same period of £10 million, increasing this underlying need to borrow to £296 million should these proposals be approved for inclusion in the programme.

The capital programme includes several significant regeneration schemes, which we have assumed will be financed from GF resources. Detailed funding proposals for each scheme will be considered when the Outline Business Case for each scheme is presented to the Executive for approval.

The main areas of expenditure (shown gross) are:

- £274 million Weyside Urban Village (WUV)
- £62 million strategic property purchases
- £32 million North Downs Housing (NDH)
- £28 million Ash road bridge and footbridge

Appendix 2 contains a summary of the new bids submitted. Appendices 3 to 9 show the position and profiling of the current programme (2022-23 to 2027-28)

Upon reviewing the current capital programme, it has been identified that there is a separate scheme for the bus station which this cost has also been included in the SGF scheme, and therefore can be removed from the capital programme.

#### *HRA*

The HRA capital programme is split between expenditure on existing stock and either development of or purchase of dwellings to add to the stock. The council has in place a robust stock condition review process which provides 100% stock data over a rolling 5-year programme, which allows for effective assessment against Regulatory and legislative standards. In addition to which, the recently updated Fire Risk Assessments, allow us to plan the current and future programme to ensure compliance with the new building safety legislation and standards. This in turn is complimented by the new compliance framework that has been rolled out over the last year which provides enhanced and improved levels of assurance and up to date information and requirements to meet the requirements of other key areas of compliance including asbestos, legionella, lifts and gas.

Improved building safety standards across social housing has resulted in a national drive to improve standards and safety, Guildford has responded to the recent and forthcoming changes in requirements with an extensive improvement programme. The first year of the programme required an investment at levels not previously seen in Guildford with £24.5 million invested in 2022-23, and a further £20 million planned for 2023-24 after which the extensive programme of building safety improvement will be completed and investment level will return to levels as previous seen. The capital programme will be funded from HRA capital

receipts and reserves. There is also £145 million between 2022-23 and 2027-28 million included for development projects to build or acquire new housing (including WUV).

The main areas of major repairs and improvement expenditure are:

- refurbishment, replacement & renewal programme of existing stock, £11 million, which includes kitchen & bathroom upgrades, void property refurbishment and roof works
- works to existing stock to comply with changes to standards and legislation, £9 million, including replacement fire doors, electrical testing and fire protection works
- mechanical and electrical works £2 million, including central heating systems
- other works of £1.9 million including damp prevention works

The main development projects include:

- Guildford Park Car Park £38.9 million
- WUV £49 million
- Foxburrows £10 million

Para 4.12 contains a summary of the new bids submitted. Appendices 2 and 3 show the position and profiling of the current programme (2022-23 to 2027-28)

#### Treasury Management

Treasury management is the control and management of the Council's cash, regardless of its source. It covers management of the daily cash position, investments and borrowing.

Officers carry out the treasury management function within the parameters set by the Council each year (detailed in Appendix 1 to this report) and in accordance with the approved treasury management practices.

The budget for investment income for 2023-24 is £3.5 million, based on an average investment portfolio of £75 million, at a weighted average rate of 3.56%. The budget for debt interest paid is £8.2 million, of which £4.8 million relates to the HRA and £600,000 short term loans. WUV interest of £2.8 million is being capitalised and added to the cost of the scheme.

#### Service and Commercial investments

Councils can invest to support public services by lending to or buying shares in other organisations (service investments) or to earn investment income (commercial investments, where earning a return is the primary purpose).

Investment property is valued at £174 million, as per the 2021-22 unaudited Statement of Accounts, with rent receipts of £8.2 million

The Council has invested £25.3 million in our housing company – North Downs Housing Ltd (NDH). This is via 40% equity to Guildford Borough Council Holdings Ltd (£10.1 million) (who in turn pass the equity to NDH), and 60% loan direct to NDH (£15.3 million) at a rate of 5%. The loan is a repayment loan in line with the NDH business plan.

This report also includes the Council's Minimum Revenue Provision (MRP) policy and the Prudential Indicators. Section 5 of the report

Due to the specialised nature of treasury management and capital finance, there is a glossary of terms at Appendix 9.

Flexible use of capital receipts policy

The updated flexible use of capital receipts policy can be found in Appendix 8. This policy, if approved at Council, allows us to use any capital receipts received in year to be used to fund any service transformation costs incurred in the same year. Officers are recommending this policy be approved to allow us the flexibility to fund transformation costs if appropriate.

**Recommendation to Executive / Council**

Subject to Council approving the budget on 8 February 2023, the Executive will be asked to agree the following:

- 1) That the following scheme be removed from the capital programme:
  - a) North Street - £500k – the costs are included in the x scheme
- 2) That the new bids, as shown in Para 4.12 of this report be approved for inclusion in the capital programme as indicated

**The Executive will also be asked to recommend to Council:**

- 1) That the General Fund and HRA capital estimates, as shown in appendices 2 and 3, as amended to include such bids as may be approved by the Executive at its meeting on 26 January 2023, be approved
- 2) That the Minimum Revenue Provision policy, referred to in section 5 of this report, be approved.
- 3) That the capital and investment strategy be approved, specifically the investment strategy and Prudential Indicators contained within this report and in Appendix 1.
- 4) That the updated flexible use of capital receipts policy at Appendix 8 be approved.

Reasons for Recommendation:

- To enable the Council to approve the capital and investment strategy for 2023-24 to 2027-28
- To enable the Council, at its budget meeting on 8 February 2023, to approve the funding required for the new capital schemes proposed

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

**1. Purpose of Report**

- 1.1 The Local Government Finance Act 2003 require local authorities to have regard to the CIPFA Treasury Management Code of Practice ("TM Code"), and specifically the CIPFA Prudential Code when determining how much it can afford to borrow, and to regulate treasury activities. The requirement to report in accordance with the TM code, and the prevailing DLUHC Investment Guidance is incorporated within this report and appendices.
- 1.2 The Council must have an approved investment strategy, comprising both treasury and non-treasury investments (including service and commercial investments). The implications associated with that are detailed in this capital and investment strategy.

- 1.3 The Capital and Investment Strategy gives an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how risk is managed and the implications for future financial sustainability and is, therefore, the foundation of long-term capital planning.
- 1.4 Decisions made this year on capital expenditure and treasury management activity will have financial consequences for the Council for many years to come. They are, therefore, subject to both a national regulatory framework and to local policy framework, which is discussed through the report and the appendices.
- 1.5 This report invites the Council to consider the capital programmes, and the new schemes the Council may wish or need to undertake in the next five years.
- 1.6 For the General Fund (GF), the Council must put aside revenue resources where the Council finances capital expenditure by debt (internal or external), to repay that debt in later years, as debt is only a temporary source of borrowing. This cost is charged to the revenue account annually, and forms part of the Council Tax cost to taxpayers and is known as Minimum Revenue Provision (MRP). MRP is essentially the equivalent of repaying the principal loan amount within a mortgage (as opposed to the interest). The annual MRP statement and policy is included in section 5 of this report.
- 1.7 CIPFA also recommends adhering to the UK Money Markets Code to its members as good practice.

## **2. Strategic Priorities**

- 2.1 A comprehensive and well managed capital programme supports all the fundamental themes of the Corporate Plan and the Council's strategic priorities.
- 2.2 Treasury Management is a key function in enabling the Council to achieve financial excellence and value for money. This report, and the strategies within it, is designed to help the Council achieve the best use of its resources and it therefore underpins the Council's strategic framework and delivery of the Corporate Plan.
- 2.3 We have an ambitious Corporate Plan in the period, and therefore the capital programme, plus aspirations for the longer-term and effective treasury management supports the financial sustainability of that

## **3. Background**

- 3.1 The Local Government Act 2003 require local authorities to have regard to the CIPFA Treasury Management Code of Practice ("TM Code"), and specifically the CIPFA Prudential Code when determining how much it can afford to borrow.

- 3.2 The objectives of the Prudential Code are to ensure within a clear reporting framework, that
- capital expenditure and investment plans are affordable and proportionate
  - all external borrowing and other long-term liabilities are within prudent and sustainable levels
  - the risks associated with investments for commercial purposes are proportionate to the financial capacity and
  - treasury management decisions are taken in accordance with good professional practice.
- 3.3 The Council's capital expenditure plans are a key driver of treasury management activity. The outputs of the capital expenditure plan are reflected in prudential indicators, which are designed to assist Councillors when making decisions.
- 3.4 To demonstrate the Council has fulfilled these objectives, this report details the Prudential Indicators that must be set and monitored each year.
- 3.5 We must put aside resources where the Council finances capital expenditure by borrowing (internal or external) to repay that debt in later years for the GF. This is charged to the revenue account annually and called MRP. There is not an earmarked reserve for MRP, it is represented in the balance sheet as increased cash as it forms part of the Council Tax Requirement.
- 3.6 The underlying need to borrow for capital purposes is measured by the Capital Financial Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment.
- 3.7 The Council invests its money for three broad purposes:
- because it has surplus cash as a result of day-to-day activities, for example when income is received in advance of expenditure (treasury management investments)
  - to support local public services by lending to or buying shares in other organisations (service investments)
  - to earn investment income (commercial investments where this is the main purpose)
- 3.8 Under the TM Code and the prevailing DLUHC Guidance, we are required to provide details of each of these purposes in the investment strategy.
- 3.9 The UK Money Markets Code (April 2021 revision) is a voluntary code of practice which CIPFA recommends authorities follow as good practice. It is endorsed by the Bank of England's Money Markets Committee (MMC) and has been developed to provide a common set of principles in order to promote the integrity and effective functioning of the UK money markets.



#### **4. Capital Expenditure and Financing**

- 4.1 Capital expenditure is where the Council spends money on assets, e.g., property or vehicles, that will be used for more than one year. In Local Government, this includes expenditure on assets owned by other bodies, and loans or grants to other bodies enabling them to buy assets.
- 4.2 As the HRA is a separate ring-fenced account to ensure Council housing does not subsidise, or is not subsidised, by other local services, we show the HRA capital programme separately.
- 4.3 The Council has an ambitious Corporate Plan and medium to long-term aspirations within the Borough. All schemes in the capital programme have been assessed against the Council's strategic priorities and Corporate Plan, ensuring expenditure meets the key objectives of the Council.
- 4.4 All capital expenditure must be financed, either from external sources (grants and contributions), own resources (revenue, reserves, capital receipts) or debt (borrowing or leasing).
- 4.5 Initially we will finance capital expenditure from external or our own resources. If we do not have enough to finance all the planned expenditure, there will be an increase in the underlying need to borrow (borrowing requirement - the Capital Financing Requirement (CFR)). If we take out physical loans to meet that borrowing requirement (replacing cash we have spent), then external borrowing is in place. If there are no physical loans, then the Council has internal borrowing. This means that we are using cash relating to items in the balance sheet in the interim for capital funding purposes.
- 4.6 For planning purposes, we have assumed we will borrow internally for all schemes, but in doing so we are projecting a need to borrow externally (borrowing requirement). Depending on how much we spend and how much capital income we may receive will determine how the overall capital programme is financed.
- 4.7 Officers calculate the interest estimates (both investment and borrowing) according to the planned capital expenditure. We assume actual expenditure of 50% for schemes on the provisional programmes in the financial year. This also feeds into the MRP calculations (for the GF only), and the liability benchmark to ensure we are not being over prudent in our budgeting.

#### **Current capital programme**

- 4.8 A copy of the current capital programmes is attached at appendices 2 and 3, together with a schedule of the latest resource availability for, and financing of the programme.
- 4.9 All projections are based on current estimates for schemes and level of resource availability. If costs increase, and/or additional capital resources are received, the methods of financing and the level of borrowing required will vary accordingly.

- 4.10 The Council is currently projecting expenditure of £200 million for HRA and £434 million for GF. The underlying need to borrow for the period is £286 million.

**New capital schemes**

General Fund

- 4.11 Officers have put forward 7 bids, with gross expenditure of totalling £10.4 million up to 2027-28. Officers also recommend including £2 million per annum as the capital contingency fund to allow for unknown capital expenditure. This will increase the current underlying need to borrow to £287 million up to 2027-28.
- 4.12 The net cost each year, of the new proposals are:

Project title	GROSS ESTIMATES					TOTAL COST £000
	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	
<b>General fund: Provisional</b>						
Lido road allotments security fencing	70	0	0	0	0	70
2015 Play strategy action plan	200	0	0	0	0	200
Spectrum upgrades	1,250	1,750	2,300	1,150	650	7,100
GBC Depot - operational	200	2,200	30	0	0	2,430
Derby Rd playground conversion	120	0	0	0	0	120
SMP astro turf surface	8	2	0	0	0	10
Investment Property void pot	100	100	100	100	100	500
<b>Total</b>	<b>1,948</b>	<b>4,052</b>	<b>2,430</b>	<b>1,250</b>	<b>750</b>	<b>10,430</b>
<b>HRA: Approved</b>						
Capital works to properties/estates	20,600	0	0	0	0	20,600
<b>Total HRA</b>	<b>20,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,600</b>
<b>Gross total</b>	<b>22,548</b>	<b>4,052</b>	<b>2,430</b>	<b>1,250</b>	<b>750</b>	<b>31,030</b>
Funded by reserves or contributions	(20,600)	0	0	0	0	(20,600)
<b>Cost to the Council</b>	<b>1,948</b>	<b>4,052</b>	<b>2,430</b>	<b>1,250</b>	<b>750</b>	<b>10,430</b>

- 4.13 The Spectrum and GBC Operational depot will come forward as separate mandates in due course.

HRA

- 4.14 The HRA capital programme is split between expenditure on existing stock and either development of or purchase of dwellings to add to the stock. The council has in place a robust stock condition review process which provides 100% stock data over a rolling 5-year period, which allows for effective assessment against Regulatory and legislative standards. In addition to which, the recently updated Fire Risk Assessments, allow us to plan the current and future programme to ensure compliance with the new building safety legislation and standards. This in turn is complimented by the new compliance framework that has been rolled out over the last year which provides enhanced and improved levels of assurance,

up to date information to meet the requirements of other key areas of compliance including asbestos, legionella, lifts and gas.

- 4.15 Improved building safety standards across social housing has resulted in a national drive to improve standards and safety, Guildford has responded to the recent and forthcoming changes in requirements with an extensive programme of improvements. The first year of the programme required an investment at levels not previous seen in Guildford with £24.5 million invested in 2022-23, with a further £20 million planned for 2023-24 after which the extensive programme of building safety improvement will be completed, and investment level will return to levels as previous seen. The capital programme will be funded from HRA capital receipts and reserves. There is also £145 million between 2022-23 and 2027-28 million included for development projects to build or acquire new housing (including WUV). The proposed budget can be seen in Appendix 3.

### **Prudential Indicators**

- 4.16 The Prudential Code covers all capital expenditure and investment decisions and should consider all potential long-term liabilities relevant to the Council. This includes the consideration of investments and liabilities of subsidiary companies.
- 4.17 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years in the future. The CFO therefore needs to be satisfied that the proposed capital programme is prudent, affordable and sustainable. This will be by looking at the overall gearing ratio's, local indicators and affordability ratios / indicators.
- 4.18 Indicators we are required to calculate, and monitor are detailed below

### *Estimates of Capital Expenditure*

- 4.19 This indicator is a summary of the Council's capital programme and financing of the programme, summarised in the table below

<b>CAPITAL EXPENDITURE SUMMARY</b>	<b>2022-23 Approved £000</b>	<b>2022-23 Outturn £000</b>	<b>2022-23 Variance £000</b>	<b>2023-24 Estimate £000</b>	<b>2024-25 Estimate £000</b>	<b>2025-26 Estimate £000</b>	<b>2026-27 Estimate £000</b>	<b>2027-28 Estimate £000</b>
<b>General Fund Capital Expenditure</b>								
- Main Programme	107,404	58,822	(48,582)	74,886	2,833	2,000	2,000	2,000
- Provisional schemes	44,510	725	(43,785)	118,833	67,989	43,483	27,642	29,203
- Schemes funded by reserves	1,618	1,530	(88)	1,031	940	0	0	0
- S106 Projects	58	263	205	122	0	0	0	0
- New Bids (net cost)	0	0	0	1,948	4,052	2,430	1,250	750
<b>Total Expenditure</b>	<b>153,590</b>	<b>61,340</b>	<b>(92,250)</b>	<b>196,820</b>	<b>75,814</b>	<b>47,913</b>	<b>30,892</b>	<b>31,953</b>
<b>Financed by :</b>								
Capital Receipts	0	(0)	(0)	0	0	(21,641)	(27,117)	(22,593)
Capital Grants/Contributions	(47,472)	(19,758)	27,714	(46,336)	(4,589)	(1,020)	0	0
Capital Reserves/Revenue	(1,838)	(2,979)	(1,141)	(1,131)	(1,160)	(220)	0	0
Borrowing	(104,280)	(38,603)	65,677	(149,353)	(70,065)	(25,032)	(3,775)	(9,360)
<b>Financing - Totals</b>	<b>(153,590)</b>	<b>(61,340)</b>	<b>92,250</b>	<b>(196,820)</b>	<b>(75,814)</b>	<b>(47,913)</b>	<b>(30,892)</b>	<b>(31,953)</b>
<b>Housing Revenue Account Capital Expenditure</b>								
- Main Programme	52,909	32,869	(20,040)	27,266	7,847	400	0	0
- Provisional schemes	7,281	75	(7,206)	15,928	26,324	34,373	49,575	5,575
- New bids	0	0	0	20,600	0	0	0	0
<b>Total Expenditure</b>	<b>60,190</b>	<b>32,944</b>	<b>(27,246)</b>	<b>63,794</b>	<b>34,171</b>	<b>34,773</b>	<b>49,575</b>	<b>5,575</b>
<b>Financed by :</b>								
- Capital Receipts	(8,540)	(3,208)	5,332	(8,494)	(3,430)	(3,521)	0	0
- Capital Reserves/Revenue	(40,103)	(18,188)	21,915	(55,300)	(30,741)	(31,252)	(49,575)	(5,575)
- Borrowing	0	0	0	0	0	0	0	0
<b>Financing - Totals</b>	<b>(48,643)</b>	<b>(21,396)</b>	<b>27,247</b>	<b>(63,794)</b>	<b>(34,171)</b>	<b>(34,773)</b>	<b>(49,575)</b>	<b>(5,575)</b>

4.20 The table shows that most of our GF capital expenditure at this stage will be financed from borrowing due to the availability of known capital receipts and reserves. This is the most prudent assumption. Any future capital receipts, grants or contributions will be taken account of when they are known. Regular monitoring throughout the year will identify these, and the updated underlying need to borrow will be presented to Councillors.

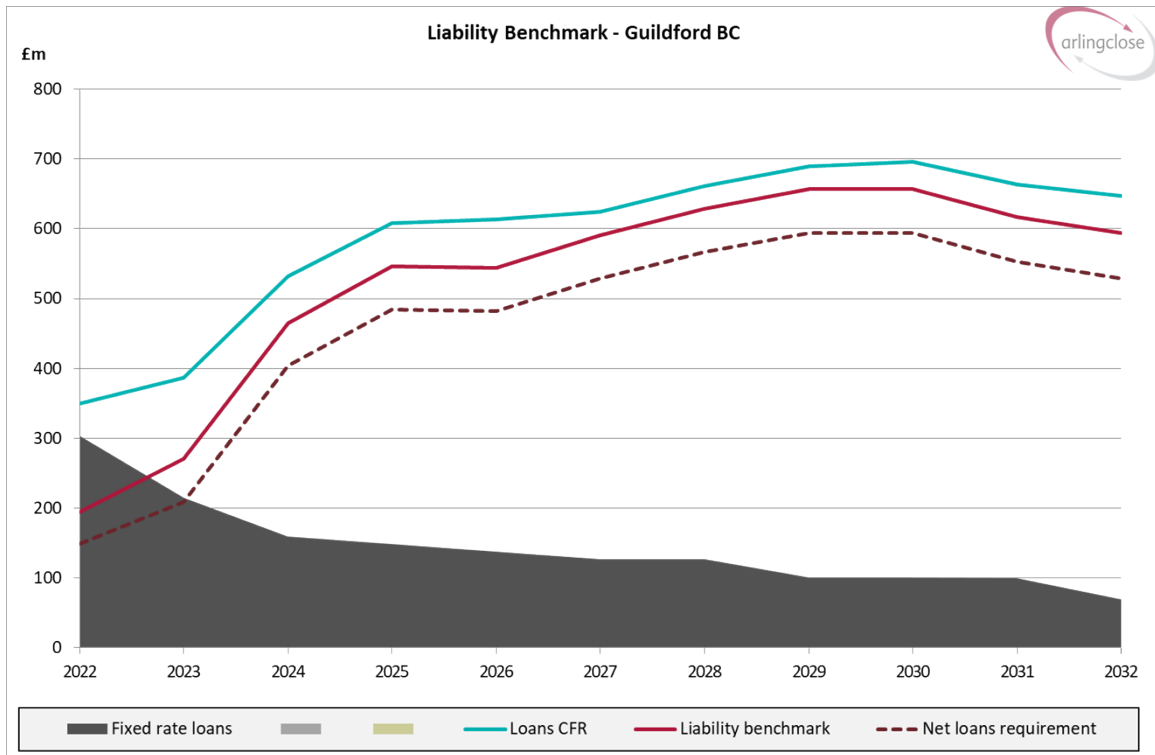
*Estimates of the CFR, Gross Debt and the Liability Benchmark*

- 4.21 The CFR is the cumulative balance of unfinanced capital expenditure ("debt") less the provision made for the repayment of debt (MRP).
- 4.22 The Council is required to make reasonable estimates of the total CFR over at least the forthcoming year and following two years. Because we use our CFR projections as part of our liability benchmark, we project over a longer period, and present in the report at least the five-year time frame in line with the time frame presented in the capital programme.
- 4.23 The following table shows the Council's estimated CFR, level of reserves and borrowing to calculate the overall borrowing requirement.

	Actual	Forecasts	£m				
<b>Position at 31 March</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Loans CFR	350.1	386.3	532.5	608.5	613.5	624.2	660.9
External borrowing	-303.7	-214.6	-159.0	-148.3	-137.7	-127.1	-126.4
Internal (over) borrowing	46.3	171.7	373.6	460.1	475.8	497.1	534.5
Balance sheet resources	-201.0	-177.6	-128.9	-123.7	-130.9	-95.3	-93.8
Investments (new borrowing)	154.6	5.9	-244.6	-336.4	-344.9	-401.8	-440.8

4.24 The Gross Debt compared to the CFR is key in ensuring debt is only for a capital purpose. The table shows that debt is expected to remain below the CFR during the period shown.

4.25 This is then shown in graphical format identifying the liability benchmark. The liability benchmark is the lowest risk level of borrowing – borrowing only when your reserves reach your set minimum level (we have set at £45 million). We have adopted this policy for a number of years and propose to continue doing so.



4.26 The gap between the lines and the shaded area is the need to borrow externally, only assuming the capital expenditure that has been or is being approved as part of this report.

*Operational boundary and authorised limit for external debt*

4.27 The Council is legally obliged to set an annual affordable borrowing limit (termed “authorised limit for external debt”). This is the maximum the Council can borrow. In line with statutory guidance, a lower operational boundary is also set as a warning level should debt approach that limit.

4.28 The operational boundary is the most likely level of borrowing in year, directly linked to capital expenditure plans and the CFR and cash-flow requirements.

4.29 We set a separate limit for the HRA, which is now important to monitor due to the removal of the debt cap.

- 4.30 We are required to set a limit for other long-term liabilities, for example finance leases. We have included £26 million for items that could be classed as finance leases, particularly with the introduction of IFRS16 in April 2024.

Operational Boundary of External Debt	2022-23 Approved £000	2022-23 Revised £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
Borrowing - General Fund	250,856	192,056	338,316	414,256	419,256	429,976	466,716
Borrowing - HRA	217,024	199,204	199,204	199,204	199,204	199,204	199,204
Other Long Term Liabilities	26,000	26,000	26,000	26,000	26,000	26,000	26,000
<b>Total</b>	<b>493,880</b>	<b>417,260</b>	<b>563,520</b>	<b>639,460</b>	<b>644,460</b>	<b>655,180</b>	<b>691,920</b>

- 4.31 The authorised limit gives headroom for significant cash-flow movements. Officers monitor the Council's debt level against the authorised limit on a daily basis against all items on the balance sheet (long and short-term borrowing, overdrawn bank balances and long-term liabilities).

Authorised Limit for External Debt	2022-23 Approved £000	2022-23 Revised £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
Borrowing - General Fund	309,556	244,956	403,316	479,256	484,256	494,976	531,716
Borrowing - HRA	217,024	199,204	199,204	199,204	199,204	199,204	199,204
Other Long Term Liabilities	26,000	26,000	26,000	26,000	26,000	26,000	26,000
<b>Total</b>	<b>552,580</b>	<b>470,160</b>	<b>628,520</b>	<b>704,460</b>	<b>709,460</b>	<b>720,180</b>	<b>756,920</b>

*Proportion of financing costs to net revenue stream*

- 4.32 This is an indicator of affordability and highlights the revenue implications of the capital programme, by identifying the proportion of the revenue budget required to meet financing costs associated with capital spending, net of investment income.
- 4.33 Although capital expenditure is not charged directly to the revenue account, interest payable on loans and MRP are charged. The net annual charge is known as financing costs and is compared to the net revenue stream (i.e., the amount funded from Council Tax, Business Rates and general government grants for the GF and for the HRA its income).
- 4.34 The table below shows the financing costs as a % of net revenue stream

	2022-23 Approved	2022-23 Outturn	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
General Fund	8.42%	0.60%	8.42%	20.26%	25.24%	53.75%	74.41%
HRA	32.49%	31.46%	32.49%	32.63%	31.64%	31.65%	32.83%

- 4.35 The HRA is remaining consistent due to the stable income, and assumption there will be interest costs on the whole £148 million PWLB debt.
- 4.36 For the GF external borrowing costs and MRP costs are increasing due to the cost of the capital programme, with stable investment income

**5. Minimum Revenue Provision**

- 5.1 The Local Government Finance Act 2003 requires local authorities to have regard to the former MHCLG’s Guidance on MRP, most recently issued in 2018.
- 5.2 The Guidance requires local authorities to approve an annual MRP statement each year and recommends options but does not preclude locally determined prudent methods.
- 5.3 Where the Council finances capital expenditure by borrowing, the CFR will increase and we must put aside resources, from revenue, to repay that debt in later years, known as MRP. MRP only applies to GF.
- 5.4 The aim of the guidance is to ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.
- 5.5 It recommends a maximum useful life of 50 years for all assets, unless the Council has an opinion from an appropriately qualified professional advisor that an asset will deliver service functionality for more than 50-years.
- 5.6 MRP becomes chargeable in the financial year after the expenditure is incurred or when the asset becomes operational – whichever is the latter.
- 5.7 Based on the Council’s estimate of its CFR on 31 March 2023, and unfinanced capital expenditure in 2022-23 of £235 million, the budget for MRP for 2023-24 and future years is:

2023/24	£1.7 million
2024/25	£3.9 million
2025/26	£4.0 million
2026/27	£4.1 million
2027/28	£4.1 million

- 5.8 Profiling of capital expenditure is key in determining the impact of MRP on the revenue account because it forms part of the annual Council Tax Requirement.

**MRP Policy**

- 5.9 The Council will use the asset life method as its main method of applying MRP but will use the annuity method for investment property.
- 5.10 Where appropriate, for example in relation to capital expenditure on regeneration schemes, we may use an annuity method starting in the year after the asset becomes operational.
- 5.11 Where we acquire assets ahead of a development scheme, we will charge MRP based on the income flow of the asset or as service benefit is obtained. Therefore, where construction, major refurbishment or redevelopment of an asset

- occurs, we will not charge MRP during the period of construction, refurbishment or redevelopment. MRP will not be charged from the date a property is vacant (if the development starts within 12 months of the vacation date). MRP will be charged in the financial year after the asset has returned to operational use.
- 5.12 We will apply a life of 50 years for the purchase of land and schemes which are on land (for example transport schemes).
- 5.13 Where loans are made to other bodies for their capital expenditure, where the loans are repaid in at least annual instalments of principal, there will be no MRP, but we will apply the capital receipts to reduce the CFR. Where there is no repayment, MRP will be charged in accordance with the MRP policy for assets funded by the loan.
- 5.14 For investments classed as capital expenditure, we will apply a life related to the underlying asset in which the share capital has been invested.
- 5.15 We will apply a prudent approach to determining which schemes are financed from capital resources and which ones will be subject to MRP. For example, we feel it is prudent to apply capital resources to those schemes that have a shorter estimated life. We will determine this annually as part of closing the accounts.
- 5.16 Generally, the asset life for MRP will be matched to the life used for depreciation purposes. Estimated life periods will be determined under delegated powers to the CFO.
- 5.17 Where former operating leases have been brought onto our balance sheet on 1 April 2024, due to the adoption of IFRS16 leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and / or discounts, then the annual MRP charge will be adjusted so the total charge to revenue remains unaffected by new standard.

## **6. Treasury Management**

- 6.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, which a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account.
- 6.2 The policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns.
- 6.3 The Council is typically cash rich in the short-term as revenue income is received before it is spent (and invested more securely to minimise the risk of loss), but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing. Money that will be held for longer terms is invested more widely to balance the risk of loss against the risk of receiving returns below inflation.



- 6.4 Decisions on treasury management investment and borrowing decisions are made daily and therefore delegated to the CFO and staff, as per the Treasury Management Practices (TMPs), who must act in line with the treasury management strategy approved by Council in February each year. Treasury management activity is presented to the Corporate Governance and Standards Committee as part of the Council's financial monitoring report throughout the year and are responsible for scrutinising treasury management decisions.
- 6.5 The Council currently has a total of £170 million long-term borrowing which £148 million is related to the HRA at an average rate of 3.37% with a cost of £4.7 million in interest, and the remaining £22 million relates to WUV and the interest is being capitalised to the project. Short-term borrowing, falling on the GF, is expected to cost £0.6 million at an average rate of 4.5%. The Council's average investment portfolio is £75 million at an average rate of 3.56%, generating £3.5 million of interest.

**Borrowing Strategy**

- 6.6 The Council's main objective when borrowing is to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council seeks to strike a balance between cheaper short-term loans and long-term fixed rate loans where the future cost is known but higher.
- 6.7 The Council does not borrow to invest for the primary purpose of financial return and therefore retains full access to the PWLB.
- 6.8 Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The liability benchmark in paragraphs 4.23 to 4.26 show we are meeting the statutory guidance.
- 6.9 The detailed borrowing strategy can be found in Appendix 1, Section 5.

**Investment strategy**

- 6.10 The CIPFA Code requires local authorities to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the higher rate of return, or yield.
- 6.11 The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 6.12 Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
- 6.13 The detailed investment strategy can be found in Appendix 1, section 5.
- 6.14 The Council has identified the proportion of income from these types of investments against gross service expenditure. This income is part of the net service cost and therefore makes a positive contribution to the Council Tax

Requirement. We have an interest rates movement earmarked reserve to cover any loss in investment income in the year, and for lower investment property income we have an earmarked reserve

	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Gross Service Expenditure	110,099	119,154	120,230	121,628
Investment property income	8,649	9,704	9,704	9,704
Treasury management income	3,490	2,833	2,076	2,076
Investment income %	11%	11%	10%	10%

- 6.15 The table shows that the income from both investment property and treasury management income (“investment income”) contributes around 10% to the gross cost of services across the Council.

## 7. Service and Commercial investments

### Property asset management

- 7.1 To ensure that capital assets continue to be of use in the long-term, the Council has an asset strategy and asset management framework. These include the following objectives.
- for operational properties to operate at full potential in the delivery of services, assessing them against performance criteria and investing where necessary to ensure they remain fit for purpose and improve service capability
  - for investment properties to achieve a maximum return by actively managing and reviewing properties, reduce risk, and enhance income, negotiate leases on the best possible terms, invest where necessary to retain their value and sell high cost of underperforming assets
  - for all buildings to be held to a high standard of repair, by undertaking regular conditions surveys and linking the output of the condition survey to an identifiable programme of works
  - for all works to provide value for money by undertaking cost analysis and options for appraisals to determine whether to fund capital improvements and ensure robust procedures are followed when arranging works to encourage competitive and best value pricing
  - for all properties to be fully compliant with statutory requirements including health and safety and energy efficiency regulations

### Investments for service purposes

- 7.2 The Council makes investments to assist local public services, including loans to and buying shares in local service providers, local small businesses to promote economic growth and the Council’s subsidiary companies. Considering the public service objective, the Council is willing to take more risk than with treasury investments; however, it still plans for such investments to at least break even after all costs.

- 7.3 Opportunities on service investments are initiated by the relevant service leader and any decisions are made by the CFO. Most loans and shares are capital expenditure and purchases will therefore be approved as part of the capital programme and PPM Governance framework.
- 7.4 The main risk when making service loans is that the borrower will be unable to repay the principal lent and / or the interest due. One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk and ensure that total exposure to service loans remains proportionate to the size of the Council, we will undertake independent due diligence before entering into a loan or purchasing shares.
- 7.5 Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures in the Statement of Accounts will be shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.
- 7.6 The Council invests in and has purchased shares in Guildford Holdings Company (40% equity then transferred into North Downs Housing). A small amount has been used to purchase shares in the Surrey and Sussex Credit Union (Boom) and the Broadband for Surrey Hills (B4SH). The projected future investment in the Council's companies is detailed in the capital programme. It is not expected to increase exposure to Boom or B4SH.

#### **Commercial Activities**

- 7.7 The Council has acquired its investment properties over several years to facilitate the economic development of the borough and generate rental income that helps support the wider financial position of the Council.
- 7.8 Investment property is valued at £174 million as per the 2021-22 unaudited statement of accounts, with rent receipts of £8.75 million
- 7.9 Compared with other investment types, property is relatively difficult to sell and convert into cash at short notice and can take a considerable amount of time to sell in certain market conditions. Therefore, the size of the investment property portfolio is compared, on a monthly basis, against the value of the Council's treasury management investments, in order to ensure proportionality of investments across the Council.
- 7.10 With financial return being the main objective, the Council accepts higher risk on commercial investment than treasury investments. The principal risk exposures include fluctuating capital values, vacancies, tenant defaults and rising financing costs. All these factors can have an impact on the net financial return to the Council. The Council mitigates the risks through the choice of more secure property investments using the criteria described above in para 7.1, and keeping a balanced portfolio spread across different property types. Officers prepare detailed cash flow models for each prospective investment acquisition in order to appraise the cash flow risk and the Internal Rate of Return (IRR) of the investment, in line with the approved asset investment strategy.

- 7.11 In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase costs, including taxes and transaction costs. The Council values investment property annually.
- 7.12 If the fair value assessment of the portfolio in the accounts is at or above the purchase cost, the underlying asset provides security for the capital investment. Should the valuation be lower than purchase cost, the Council will report this in the capital and investment annual report, along with the consequences of the loss on security of investments and any revenue consequences arising.
- 7.13 Performance is also reviewed regularly throughout the year and an investment fund portfolio report submitted annually to the Property Review Group and as part of the Capital and Investment Strategy annual report.
- 7.14 In accordance with the Council's Constitution, the Joint Strategic Director of Place is authorised to acquire property up to £1 million, in consultation with the relevant lead councillor, where budget provision exists in the approved capital programmes. Purchases must be in consultation with the CFO in line with the criteria set in the asset investment strategy. Where there isn't an approved budget in the capital programme, committee approval will be sought in line with the financial regulations.
- 7.15 The asset investment strategy provides a robust viable framework for the acquisition of commercial properties located within the borough. This will direct investment in assets that local businesses occupy as well as those nationally or internationally that contribute to growth in the local economy. There will be continual evaluation of the property investment portfolio to meet the Council's priorities and ensure that it is fit for purpose.
- 7.16 We will also consider new opportunities as they arise. For example, the Council recognises that another major industrial site is coming to the end of its physical life where our tenants want to reinvest. The Council will support development plans by tenants to improve their sites and the estate, which again, may instigate capital investment by the Council alongside income generation. We also set aside proceeds from investment property sales that are not performing, to allow us to purchase new property within the Borough.

*Net income from commercial and service investments to net revenue stream*

- 7.17 The table below shows net revenue stream compared to the net income from commercial investments:

	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>
	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Net Revenue Stream	15,828	15,061	15,300	15,667	15,919
Net income	8,760	8,751	8,741	8,741	8,741

- 7.18 The table shows that income from commercial investments is significant when compared to the Council's net revenue stream.

**Other Liabilities**

- 7.19 Although not strictly counted as investments, since no money has changed hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness.
- 7.20 The Council is committed to making future payments to cover its share of the pension fund deficit, on the face of the Council's balance sheet, there is £143 million of other long-term liabilities which relates to the Pension Fund liability.
- 7.21 We have also put aside £6 million to cover risks of Business Rates appeals plus other smaller provisions. We have not allowed for any financial guarantees but have identified two. One relates to the Electric Theatre pension payments, and another is a tax guarantee we have provided to Thames Water for the WUV project.
- 7.22 The Council is also at risk of having to pay for levies relating to our liability for asbestos but has not put aside money into a provision because it is not yet certain.
- 7.23 Decisions on incurring new discretionary liabilities are taken by the relevant service leader and the CFO.
- 7.24 A new accounting standard, IFRS16 – accounting for leases, comes into effect from 1 April 2024. The key change is that accounting for leases (i.e., leasing in assets) will change, and there will no longer be a distinction between finance and operating leases. The Council is currently working through the implications, but it will mean an increase in the assets and liabilities on our balance sheet.

**8. Knowledge and skills**

- 8.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Joint Executive Head of Finance and Lead Specialist Finance (s151 and deputy s151 respectively) are both qualified accountants with many years' post qualification experience, and other senior members of the finance team have good operational experience. The Head of Asset Management, and Deputy Head are qualified chartered surveyors and members of the Royal Institution of Chartered Surveyors (RICS) as are other members of the asset management team. The Council pays for junior staff to study towards relevant professional qualifications including CIPFA, ACT (treasury) and RICS.
- 8.2 Where Council staff do not have the knowledge and skills required, use is made of external advisors and consultants that are specialist in their field. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

- 8.3 Under the MiFID regulations, for the Council to “opt-up” to professional status, the Council is required to state the knowledge and skills of key staff involved in the treasury decision making – this is a mandatory criterion. Financial institutions decide whether the Council can opt-up, and there is comfort in that where the Council is accepted as a professional client; we have the required level of skills and knowledge expected by the financial institution of key treasury staff

## **9. Consultations**

- 9.1 The Lead Councillor for Finance and Planning Policy supports the recommendations in this report.

## **10. Key Risks**

- 10.1 Officers submit bids with a proposed timeframe for the project to be completed. This is put into the capital programme and feeds into the liquidity benchmark (to determine where we may need to borrow – at a high level), cash flow forecasts (projecting investment income and possible borrowing costs feeding into the medium-term financial strategy) and the MRP projections (again feeding into the medium-term financial strategy)
- 10.2 The capital programme predicts the Council’s underlying need to borrow. This is the starting point to determine whether the Council needs to borrow externally, and for what period. If the profiling of the capital programme is significantly wrong, this means the Council will have budgeted less investment income, more external borrowing interest and more MRP than it needs to. All these are a cost to the revenue budget and therefore the council taxpayer.
- 10.3 Officers work together to minimise this impact and meet on a quarterly basis to review the capital programme and adjust the profiling. The medium-term financial strategy is updated continually with the latest interest and MRP projections taking account of the latest capital programme and profile to ensure the most realistic position is presented in the revenue budget.
- 10.4 Slippage in the capital programme could also mean costs are higher than originally budget because of price inflation and changing market conditions. To help mitigate this, the Council has a capital contingency fund budget of £2 million each year (reduced from £5 million to reflect the improved governance procedures we have now introduced) acting as an additional budget included in the borrowing calculations across the programme as a whole. Each scheme also has contingencies built into the individual budgets
- 10.5 Many of the larger schemes in the programme have external funding attached to them. Generally, as part of this funding, when the bids for funding are made, a time frame for spend needs to be agreed. If schemes are delayed, there is a risk that the funding will either have to be repaid or the funding will no longer be available to us. This will increase the cost of borrowing to the Council.

- 10.6 If we do not deliver new housing schemes, we are at risk of having to repay housing capital receipts back to the Government. It is therefore important we have a planned programme of development schemes to be able to monitor future expenditure with reasonable certainty to help avoid the risk of having to return money plus interest.
- 10.7 The Council has some significant and costly capital schemes in its programme. Each of these schemes have a high level of scrutiny in its finances with continually updated finance cases as any change in these can be financially significant. The key risk being that if any of these schemes were approved based on a net income or break even, and they then become a cost to the Council this will increase the borrowing burden on the GF.

**Treasury management risks**

- 10.8 The effective management and control of risk are prime objectives of the Council's treasury management activities. The treasury management strategy therefore sets out the various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.
- 10.9 Overall responsibility for treasury management remains with the Council. Treasury management activity involves risk and cannot be eliminated. The effective identification and management of risks are integral to the Council's treasury management objectives.
- 10.10 Treasury management activity needs to be managed to maximise investment income and reduce debt interest whilst maintaining the Council's exposure to risk.
- 10.11 Inflation is also a key factor. Investments are made and earn a return. If inflation is high, and investment returns are low, the investment return is not keeping up with inflation and the Council is therefore losing money.
- 10.12 Risk indicators relating to treasury management are in Appendix 1.

**Risks relating to Commercial investments**

- 10.13 There are some identifiable risks of investing in property
- 10.14 A downturn in the property market could lead to falling rents or higher vacancies meaning that rental income may not cover borrowing costs
- 10.15 In addition, a downturn could lead to a fall in property valued which could impact capital receipts if the Council wanted to sell the property to use the receipts for other purposes
- 10.16 The Council mitigates these by having a diverse investment property portfolio, a review of tenant covenant strength prior to becoming a tenant, including a review of the company finances and credit checks. The Council will also request rent deposits where appropriate. In addition, we undertake a prudent cash flow model for each prospective investment in order to appraise the cash flow risk and the

internal rate of return of the investment, and we keep abreast of the latest property market information to inform decisions

## **11. Financial Implications**

- 11.1 The financial implications are covered throughout the report, and in the appendices
- 11.2 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by an income receivable. The net annual charge is known as financing costs; this is compared to the new revenue stream (i.e., the amount funded from Council Tax, Business rates and general government grants)
- 11.3 The budget for treasury management investment income in 2023-24 is £3.5 million, based on an average investment portfolio of £70 million, at a weighted average rate of 3.56%. The budget for debt interest paid of £8.2 million, of which £4.7 million relates to the HRA, £2.8 million capitalised for WUV and £600,000 temporary borrowing cost. If actual levels of investments and borrowing, and actual interest rates differ from that forecast, performance against budget will be correspondingly different.
- 11.4 Income from investment property is estimated to be £9.7 million in 2023-24
- 11.5 The MRP budget is £1.7 million in 2023-24
- 11.6 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for many years into the future. The CFO is comfortable that the proposed capital programme is prudent, affordable and sustainable

### **Flexible use of capital receipts**

- 11.7 The Government has extended the ability for Council's to use capital receipts to fund revenue costs of transformation programmes, and officers are recommending to Councillors the policy is approved to enable the flexibility to fund the costs relating to the Guildford and Waverley Collaboration and any other transformations, restructures or efficiency changes that may be incurred during 2023-24. The policy can be found at appendix 8.

### **Risk indicators**

- 11.8 The Council has set the following quantitative indicators to allow readers to assess the total risk exposure as a result of investment decisions

#### *Total risk exposure*

- 11.9 This indicator shows the total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down and the guarantees the Council has issued over third-party loans



<b>Total Investment Exposure</b>	<b>2022-23 Projection £000</b>	<b>2023-24 Forecast £000</b>	<b>2024-25 Forecast £000</b>
Treasury management investments	95,628	61,383	54,792
Service investments: Loans	15,180	15,180	15,180
Service investments: Shares	10,120	10,120	10,120
Investment property	174,256	174,256	174,256
<b>Total Investments</b>	<b>295,184</b>	<b>260,939</b>	<b>254,348</b>

11.10 Government guidance is that we should show how these investments are funded. Since the Council does not normally associate particular assets with particular liabilities this is difficult to comply with. However, investments in loans and shares (North Downs Housing and Guildford Holdings) could be described as being funded by borrowing – as they are part of the Capital programme and therefore forms part of the underlying need to borrow for a capital purpose. The remainder of the Council’s investments are funded by usable reserves and income received in advance of expenditure

*Rate of return achieved*

11.11 This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Councillors should note that due to the complex nature of the local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred

<b>Investments net rate of return</b>	<b>2022-23 Projection £000</b>	<b>2023-24 Forecast £000</b>	<b>2024-25 Forecast £000</b>
Treasury management investments	1.17%	3.67%	2.24%
Service investments: Loans	5.00%	5.00%	5.00%
Service investments: Shares	0.00%	0.00%	0.00%
Investment property	6.00%	5.50%	5.50%

**12. Legal Implications**

12.1 Various professional codes, statutes and guidance regulate the Council’s capital and treasury management activities. These are

- the Local Government Act 2003 (“the 2003 Act”), provides the statutory powers to borrow and invest and prescribes controls and limits on these activities, and in particular within the Local Authority (Capital Finance and Accounting) (England) Regulations 2003
- the 2003 Act permits the Secretary of State to set limits on either the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken
- Statutory Instrument (SI) 3146 2003 (“the SI”), as amended, develops the controls and powers within the 2003 Act
- the SI requires the Council to undertake borrowing activity with regard to the Prudential Code. The Prudential Code requires indicators to be set –

some of which are absolute limits – for a minimum of three forthcoming years

- the SI also requires the Council to operate the overall treasury management function with regard to the CIPFA TM Code
- under the terms of the Act, the Government issues “Investment Guidance” to structure and regulate the Council’s investment activities. The emphasis of the Guidance is on the security and liquidity of investments
- Localism Act 2011

### **13. Human Resource Implications**

- 13.1 Where additional resources are required to deliver schemes identified within this report, officers have included this in the bid or have submitted a revenue bid

### **14. Equality and Diversity Implications**

- 14.1 This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report

### **15. Climate Change/Sustainability Implications**

- 15.1 There are no specific implications as a result of this report, however, capital bids have been made for some schemes relating to reducing carbon

### **16. Summary of Options**

- 16.1 Officers have detailed the options within each new capital bid / mandate
- 16.2 The CIPFA TM Code does not prescribe any particular treasury management strategy for local authorities to adopt. The CFO, having consulted with the Lead Councillor for Finance and Asset Management, believes the strategy represents an appropriate balance between risk and cost effectiveness. Some alternative strategies and risk management implications are:

<b>Alternative</b>	<b>Impact on Income / Expenditure</b>	<b>Impact on risk management</b>
Invest in a narrower range of counterparties and / or for shorter times	Interest income will be lower	Lower chance of losses, from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and / or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to	Higher investment balance leading to higher impact in the event of a default; however, long-

	be offset by higher investment income	term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium-term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is unlikely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

**17. Conclusion**

- 17.1 The information included in this report shows the position of the current approved capital programme. Bids for future years that are viewed as essential projects have been submitted by officers.
- 17.2 If all schemes proceed within the timescales indicated, there will be an underlying need to borrow of £315 million by 31 March 2027.
- 17.3 The information in this report, and the appendices, shows the Council has adopted the principles of best practice and complied with the relevant statute, guidance and accounting standards.

**18. Background Papers**

None

**19. Appendices**

- Appendix 1: Detailed capital and investment strategy
- Appendix 2: Schedule of GF capital programme
- Appendix 3: HRA capital programme
- Appendix 4: Treasury Management Policy Statement
- Appendix 5: Money Market Code Principles
- Appendix 6: Arlingclose Economic and Interest Rate Forecast
- Appendix 7: Credit rating equivalents and definitions
- Appendix 8: Flexible use of capital receipts policy
- Appendix 9: Glossary

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## Capital, Treasury and Investment Strategy - detail

### 1. Introduction

1.1 A capital strategy is the foundation of proper long-term planning of capital investment in assets and how it is to be delivered. It needs to link into the Council's overall corporate objectives and strategic priorities.

1.2 Council's need to invest in their assets, as they are the most valuable resource (termed as non-financial assets throughout the report).

1.3 Capital expenditure is defined as:

*"Money spent on acquiring or upgrading fixed assets, to increase the life of the asset or improve its productivity or efficiency to the organisation"*

1.4 Capital planning is about investment in assets and is, therefore, linked to asset planning. Council assets have been acquired using public money, so we have an obligation to protect the value of those assets. Failure to do this means assets will gradually deteriorate and in the long-term this puts the Council's ability to fulfil its basic responsibilities at risk.

1.5 An integral part of a capital strategy is how the programme is financed. This is inexplicitly linked to treasury management and informs the resources available for treasury investments.

1.6 Treasury management is an important part of the overall management of the Council's finances. Council's may borrow or invest for any purpose related to its functions, under any enactment, or for the purpose of the prudent management of its financial affairs.

1.7 The CIPFA definition of treasury management is:

*"the management of the organisations borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks"*

1.8 The Local Government Act 2003 requires Local Authorities to have regard to the Prudential Code. The Prudential Code, last revised in 2021, requires Local Authorities to determine a capital strategy. The strategy is to have regard to:

#### Capital expenditure

- an overview of the governance process for the approval and monitoring of capital expenditure
- a long-term view of capital expenditure plans
- an overview of asset management planning
- any restrictions around borrowing or funding of ongoing capital finance

#### Debt and borrowing and treasury management

- a projection of external debt and use of internal borrowing to support capital expenditure

- provision for the repayment of debt over the life of the underlying asset
- authorised limit and operational boundary for the following year
- the approach to treasury management including processes, due diligence and defining the risk appetite

#### Commercial activity

- the Council's approach to commercial activities, including processes, ensuring effective due diligence and defining the risk appetite including proportionality in respect of overall resources

#### Other long-term liabilities

- an overview of the governance process for approval and monitoring and ongoing risk management of any other financial guarantees and other long-term liabilities.

#### Knowledge and skills

- a summary of the knowledge and skills available to the Council and confirmation that these are commensurate with the risk appetite.

- 1.9 Included in these regulations and codes of practice, we are required to set Prudential and Treasury Indicators for assessing the prudence, affordability and sustainability of capital expenditure and treasury management decisions. The MHCLG investment guidance also suggest some local indicators.
- 1.10 The following sections of the strategy outline the Council's balance sheet and treasury position, capital expenditure and treasury management strategy.
- 1.11 In order to understand the context of the capital and investment strategy (where we are going and how we will get there), it is important to understand where we are now.

## **2. External Context**

### **Economic Background**

- 2.1 The Bank of England (BoE) increased Bank Rate by 0.75% to 3.0% in November 2022, the largest single rate hike since 1989 and the eighth successive rise since December 2021
- 2.2 The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over 10% in the near-term. Inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.
- 2.3 Growth is then expected to continue to fall throughout 2023 and the first half of 2024.
- 2.4 CPI inflation is expected to peak at around 11% in the last calendar quarter of 2022 and then fall sharply to 1.4%, below the 2% target, in two years' time and to 0% in three years' time if Bank Rate follows the path implied by financial markets with a peak of 5.25%.
- 2.5 the MPR shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate rising to around 6.5% in 2025.

**Credit outlook**

- 2.6 The weakening economic picture during 2022 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several local authorities and financial institutions, revising them from to negative from stable.
- 2.7 There are competing tensions in the banking sector which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions in many regions increase the possibility of a deterioration in the quality of banks' assets, while higher interest rates provide a boost to net income and profitability

**Interest rate forecast**

- 2.8 Arlingclose forecasts that Bank Rate will continue to rise in 2022 and 2023 as the Bank of England attempts to subdue inflation which is significantly above its 2% target.
- 2.9 While interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the forecast horizon despite looming recession. Arlingclose expects Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near- and medium-term to the upside should inflation not evolve as the Bank forecasts and remains persistently higher.
- 2.10 Yields are expected to remain broadly at current levels over the medium-term, with 5-, 10- and 20-year gilt yields expected to average around 3.6%, 3.7%, and 3.9% respectively over the 3-year period to September 2025. The risks for short, medium and longer-term yields are judged to be broadly balanced over the forecast horizon. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

**3. Balance sheet and treasury position**

**Balance Sheet**

- 3.1 The Council has a strong asset backed balance sheet

	Balance at 31 March 2021		Balance at 31 March 2022		
	£'000	£'000	£'000	£'000	£'000
Long term assets	966,521			1,052,236	
Short term assets	92,938			65,185	
		1,059,459	89%	1,117,421	90%
Long term investments	27,022			39,174	
Short term investments	100,969			90,873	
		127,991	11%	130,047	10%
<b>Total assets</b>		<b>1,187,450</b>		<b>1,247,468</b>	
Current liabilities	(62,544)			(57,992)	
Long term liabilities	(143,258)			(116,284)	
		(205,802)	40%	(174,276)	36%
Short term borrowing	(163,772)			(134,294)	
Long term borrowing	(147,435)			(169,599)	
		(311,207)	60%	(303,893)	64%
<b>Total liabilities</b>		<b>(517,009)</b>		<b>(478,169)</b>	
<b>Net assets</b>		<b>670,441</b>		<b>769,299</b>	

- 3.2 The summary balance sheet shows that cash investments make up only 10% of the Councils assets. Investment property makes up 17% of the long-term assets (being £174 million). The largest proportion of our liabilities is long-term borrowing, of which 87% is HRA debt, and the remaining 13% is for the WUV project.

*Financial Stability/Sustainability*

- 3.3 Gearing is a measure of financial leverage, demonstrating the degree to which activities are funded by our own money or by debt. The higher the leverage, the riskier the organisation is considered to be because of the financial risk and that they must continue to service its debt regardless of the level of income or surplus. Gearing can be calculated by using the debt ratio (total debt / total assets) and is the proportion of our assets that are financed by debt.

	2021-22 Actual ('000)	2022-23 Outturn ('£000)	2023-24 Estimate ('£000)	2024-25 Estimate ('£000)	2025-26 Estimate ('£000)	2026-27 Estimate ('£000)
Total debts	303,893	240,235	388,277	454,290	476,892	479,417
Total assets	1,247,468	1,326,505	1,503,680	1,575,442	1,620,925	1,652,128
Debt Ratio %	24%	18%	26%	29%	29%	29%

- 3.4 This shows that our gearing is low, but increasing and remaining steady, which is because of our strong asset base, and projecting forwards capital spend will continue to grow our asset base.
- 3.5 Future years' estimates are based on adding the budgeted cost of capital investment onto the assets, and adding the assumed debt funded expenditure (not external debt as shown in the liability benchmark) to the debt figure to give an idea how the financial stability of the Council will be evolving.



*Local indicators*

3.6 The Local Government Association (LGA) use a number of different financial indicators to assess the financial sustainability of Councils as part of their financial diagnostic tool. We have chosen to use the following as local indicators:

- Total debt as a % of long-term assets
- Ratio of equity by net revenue expenditure
- Un-ringfenced reserves as a % of net revenue expenditure
- Working capital as a % of net revenue expenditure
- Short term liability pressure (short term liabilities as a % of total liabilities)
- Total investments as a % of net revenue expenditure
- Investment property as a % of net revenue expenditure

3.7 Suggested MHCLG local indicators are:

<b>Indicator</b>	<b>Description</b>
Debt to net service expenditure (NSE) ratio	Gross debt as a percentage of net service expenditure
Commercial income to NSE ratio	Dependence on non-fees and charges income to deliver core services. Fees and Charges are to be netted off gross service expenditure to calculate the NSE
Investment cover ratio	The total net income from property investments, compared to the interest expense
Loan to value ratio	The amount of debt compared to the total asset value
Target income returns	Net revenue income compared to equity. This is a measure of achievement of the portfolio of properties
Benchmarking of returns	As a measure against other investments and against other Council's property portfolios
Gross and net income	The income received from the investment portfolio at a gross level and net level (less costs) over time
Operating costs	The trend in operating costs of the non-financial investment portfolio over time, as the portfolio of non-investments expands
Vacancy levels and tenant exposures for non-financial investments	Monitoring vacancy levels (voids) ensure the property portfolio is being managed (including marketing and tenant relations) to ensure the portfolio is as productive as possible

3.8 These indicators will be calculated on an actual basis and will form part of the outturn report.

**Treasury position**

3.9 The following table shows the Council's current treasury position, which is the next step to moving forward from the balance sheet.

	March 22 Actual £'000	Dec 22 position £'000
<b>Investments</b>		
<u>Managed in-house</u>		
Call Accounts	330	2,810
Notice Accounts - UK	3,000	3,000
Money Market Funds	39,220	11,516
Temporary Fixed Deposits	57,500	53,000
Long term Fixed Deposits	18,500	20,000
Cash plus	5,000	0
Short term bonds	2,000	2,500
Gilts	0	5,000
Covered Bonds	16,100	11,400
CD	0	2,000
<b>Total investments managed in-house</b>	<b>141,650</b>	<b>111,226</b>
<u>Pooled Funds</u>		
CCLA	6,490	6,717
M&G	3,530	0
Schroders	700	730
UBS	2,220	1,797
Royal London	2,330	2,134
Fundamentum	1,980	2,066
Aegon	0	2,438
Funding Circle	500	98
<b>Total pooled funds investments</b>	<b>17,750</b>	<b>15,980</b>
<b>Total Investments</b>	<b>159,400</b>	<b>127,206</b>
<b>Borrowing</b>		
Temporary borrowing	163,772	87,000
Long-term borrowing (PWLb)	147,435	175,000
<b>Total borrowing</b>	<b>311,207</b>	<b>262,000</b>
<b>Net investments / (borrowing)</b>	<b>(151,807)</b>	<b>(134,794)</b>

3.10 The table shows the position at the start of the financial year (included in the balance sheet), and the position at the end of December 2022 (the latest position).

3.11 Investment balances have reduced, due to repaying temporary borrowing. The net borrowing position has decreased since due to a higher reduction in borrowing than reduction in investments.

#### 4. Capital expenditure

4.1 To understand the movement in our balance sheet over the medium term, it is important to understand the anticipated capital expenditure and capital receipts over that time.

4.2 The Council has an ambitious Corporate Plan and medium to long-term aspirations within the Borough. There is, therefore, a number of processes in place to ensure the capital programme is approved and monitored for good governance.

4.3 The Council has the following parts to its capital programme:

- Capital vision (radar stage)

- Approved programme (outline & final business case stage)
- Provisional programme (strategic outline case stage)
- Reserves and s106 funded programmes

- 4.4 The Council splits the schemes into three types to enable us to review the amount of spend on statutory items against those which we are expecting a financial return from as part of our regeneration plans:
- a) development for financial reasons - those schemes that are for economic growth, regeneration and redevelopment (including housing schemes) which have a neutral or positive direct financial benefit to the council. It is envisaged that this is achieved by the revenue income generated by the completed scheme/project being greater than the capital financing costs on the GF revenue account or by the capital receipts generated from the scheme being sufficient to repay any debt used to finance the scheme such that there are no borrowing costs on the revenue account.
  - b) development for non-financial reasons - those schemes that are for economic growth, regeneration, redevelopment, including housing schemes and infrastructure which have no direct financial benefit to the Council and
  - c) non-development essential schemes (i.e., those that must be done to keep our fixed assets in an acceptable condition) - those schemes that need to be undertaken for statutory/compliance reasons, are required to maintain service provision at existing levels (or prevent cost escalation). They often do not have cashable savings or efficiencies associated with them, but often prevent further cost escalation of services. Essential schemes often have revenue costs associated with them, particularly if funded from borrowing.
- 4.5 The capital programme covers a 5 to 10-year period, with more emphasis on the first five years.
- 4.6 Any projects that are expected to be delivered after the first five years of the programme, or those where the scheme has not yet been fully identified are placed on the Council's Capital Vision. The vision enables us to model the potential financial impact of these schemes and be aware of the potential schemes to be brought forward onto the GF capital programme in future.
- 4.7 Many of the bids in the capital programme are development projects, and their expenditure and income profile can span beyond the five-year timeframe. The Council's capital programme, is therefore, a prudent one. Any income arising as a result of a development project that is outside the five years or is currently only estimated is shown in the capital vision. Any development projects will be subject to a thorough business case, which will assess the delivery model, and officers will ensure that they are financially viable before they can proceed.
- 4.8 The Council maintains a provisional programme to be able to produce a realistic five-year programme and include the financial implications in the outline budget. It also gives Councillors an indication as to what schemes are being investigated, and an indication as to when these schemes may be progressed.
- 4.9 Under the financial regulations, schemes that are fully funded by s106 receipts or grants and contributions can be added to the capital programme under delegation.
- 4.10 During the year, the Capital Monitoring Group (CMG) meets on a quarterly basis to review the scheduling of the capital programme. The group consists of officer

representatives across the Council from different departments to give a joined-up approach.

- 4.11 The capital programme is also reviewed by CMT and Corporate Governance and Standards Committee (CGSC) as part of the regular quarterly financial monitoring and then as part of the final accounts report. Under the PPM Governance framework, the Major Project Portfolio Board, and its subgroups, meet regularly, and they receive highlight reports on the progress of all the major projects in the capital programme.
- 4.12 The proposed financing of the capital programme assume available resources will be used in the following order:
- a) capital receipts from the sale of assets (after applying the flexible use of capital receipts policy if applicable)
  - b) capital grants and contributions
  - c) earmarked reserves
  - d) the general fund capital schemes reserve
  - e) revenue contributions
  - f) internal borrowing
  - g) external borrowing
- 4.13 The actual financing of each years' capital programme is determined in the year in question.
- 4.14 Capital expenditure is split between the GF (incorporating non-HRA housing) and HRA housing.
- 4.15 Our current approved capital programme, revised in year for updates in the programme and for the new bids to be submitted for approval by the Executive is as follows:

CAPITAL EXPENDITURE SUMMARY	2022-23	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Approved £000	Outturn £000	Variance £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000
<b>General Fund Capital Expenditure</b>								
- Main Programme	107,404	58,822	(48,582)	74,886	2,833	2,000	2,000	2,000
- Provisional schemes	44,510	725	(43,785)	118,833	67,989	43,483	27,642	29,203
- Schemes funded by reserves	1,618	1,530	(88)	1,031	940	0	0	0
- S106 Projects	58	263	205	122	0	0	0	0
- New Bids (net cost)	0	0	0	1,948	4,052	2,430	1,250	750
<b>Total Expenditure</b>	<b>153,590</b>	<b>61,340</b>	<b>(92,250)</b>	<b>196,820</b>	<b>75,814</b>	<b>47,913</b>	<b>30,892</b>	<b>31,953</b>
<b>Financed by :</b>								
Capital Receipts	0	(0)	(0)	0	0	(21,641)	(27,117)	(22,593)
Capital Grants/Contributions	(47,472)	(19,758)	27,714	(46,336)	(4,589)	(1,020)	0	0
Capital Reserves/Revenue	(1,838)	(2,979)	(1,141)	(1,131)	(1,160)	(220)	0	0
Borrowing	(104,280)	(38,603)	65,677	(149,353)	(70,065)	(25,032)	(3,775)	(9,360)
<b>Financing - Totals</b>	<b>(153,590)</b>	<b>(61,340)</b>	<b>92,250</b>	<b>(196,820)</b>	<b>(75,814)</b>	<b>(47,913)</b>	<b>(30,892)</b>	<b>(31,953)</b>
<b>Housing Revenue Account Capital Expenditure</b>								
- Main Programme	52,909	32,869	(20,040)	27,266	7,847	400	0	0
- Provisional schemes	7,281	75	(7,206)	15,928	26,324	34,373	49,575	5,575
- New bids	0	0	0	20,600	0	0	0	0
<b>Total Expenditure</b>	<b>60,190</b>	<b>32,944</b>	<b>(27,246)</b>	<b>63,794</b>	<b>34,171</b>	<b>34,773</b>	<b>49,575</b>	<b>5,575</b>
<b>Financed by :</b>								
- Capital Receipts	(8,540)	(3,208)	5,332	(8,494)	(3,430)	(3,521)	0	0
- Capital Reserves/Revenue	(40,103)	(18,188)	21,915	(55,300)	(30,741)	(31,252)	(49,575)	(5,575)
- Borrowing	0	0	0	0	0	0	0	0
<b>Financing - Totals</b>	<b>(48,643)</b>	<b>(21,396)</b>	<b>27,247</b>	<b>(63,794)</b>	<b>(34,171)</b>	<b>(34,773)</b>	<b>(49,575)</b>	<b>(5,575)</b>

- 4.16 The programme has slipped in 2022-23 – estimated expenditure on the GF of £154 million, has been reduced to £61 million. The majority of this relates to expenditure on regeneration schemes and has been moved into later years.
- 4.17 We split expenditure on housing services between the HRA and GF housing. Any expenditure that relates to the Council’s own stock, or its role as a landlord, is accounted for in the HRA capital programme. All other housing related expenditure is accounted for in the GF capital programme. Where there are mixed use schemes, we will split the expenditure based on the proposed percentage of social/affordable housing to be developed.

**New capital schemes**

- 4.18 To ensure good governance, the Council has the following process for the capital programme.
- 4.19 Each year, as part of the budget cycle, officers are asked to submit bids for capital funding covering at least a five-year period, and also radar projects for the capital vision. Requests also come through via the PPM mandate process the Council has adopted.
- 4.20 Any projects that are expected to be delivered after the five-year period, of those where a scheme has not yet been fully identified are placed on the Council’s Capital Vision <sup>1</sup>(see Appendix 9). This allows us to model the potential financial impact of these schemes and be aware of schemes that are likely to be brought forward onto the GF capital programme in future and start planning potential funding streams for those schemes.
- 4.21 Many of the bids in the programme are development projects, and their expenditure and income profile could span beyond the five-year timeframe in this report. This report, therefore, shows a prudent capital programme and any income arising as a result of a development project (either revenue or capital) that is outside of the five years or is currently only estimates, is shown on the capital vision.
- 4.22 Some capital receipts or revenue streams may arise as a result of investment in particular schemes, but in most cases are currently uncertain and it is too early to make assumptions. Some information has been included in the capital vision highlighting the potential income. It is likely there are cash-flow implications of the development schemes, where income will come in after the five-year time horizon and the expenditure will be incurred earlier in the programme.
- 4.23 Each project will require a business case, in line with guidance set out in the HM Treasury Green Book (‘Green book’). The following applies:
- Simple non-complex projects (e.g., BAU R&M) – a simple business justification case will be required to justify the spending proposal
  - All other projects will require a 3-stage business case consisting of:
    - a strategic outline case (i.e., the capital bid)
    - a detailed outline business case evaluating the strategic case, economic case (including options appraisal), commercial viability, financial affordability and management case for change – this will be

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<sup>1</sup> Long-term schemes identified in documents such as the Corporate Plan, SCC Local Transport Plan, the Councils’ Regeneration Strategy, Local Plan and the emerging Infrastructure Delivery Plan.

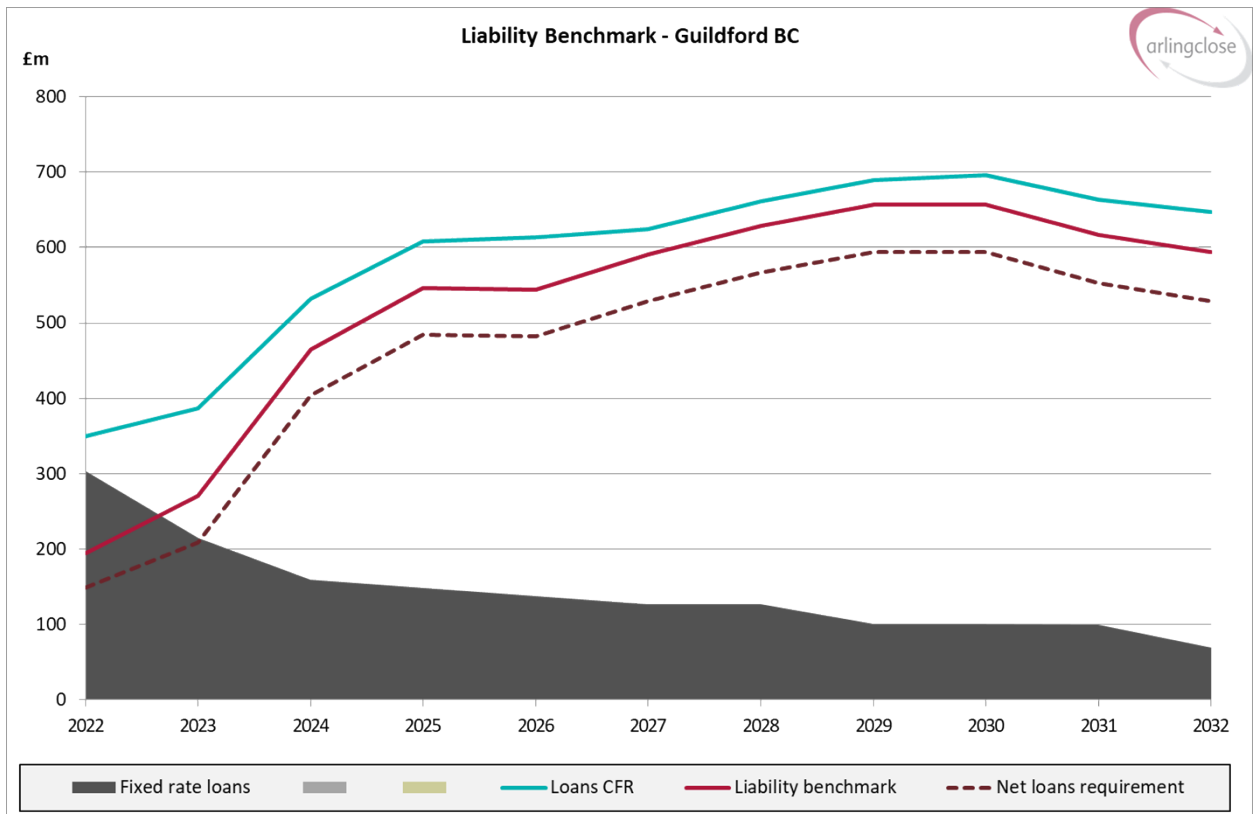
- reported to the Executive at the point a project is asking for approval to be moved from the provisional to the approved capital programme
  - a final business case – setting out the procurement process and evaluation of tenders prior to the contractual commitment of expenditure
- 4.24 The Council has a limited amount of resources and needs to have regard to the overall affordability of the capital programme in future years. Each scheme, therefore, needs to be evaluated to ensure it meets the Council's objectives. The criteria is:
- a) Each project must meet one of the five spending objectives:
    - a. Economy (invest to save, i.e., to reduce cost of services)
    - b. Efficiency (i.e., to improve throughput and unit costs)
    - c. Effectiveness (improving outcomes for the community)
    - d. Retendering to replace elements of the existing service
    - e. Statutory or regulatory compliance (i.e., H&S)
  - b) Each scheme must be assessed against the fundamental themes within the Council's Corporate Plan to show how well it contributes towards achieving the strategic objectives of the Council
  - c) Each scheme must have some or all of a cost benefit analysis, including but not limited to detailing the Net Present Value calculation (NPV) of both cash-flows and quantifiable economic benefits, payback period, Internal Rate of Return (IRR), Peak Debt and the assessment of its Revenue impact.
  - d) NPV is to be the most important criteria and must remain positive over a range of sensitivities for the Council to invest
  - e) NPV calculation must use the recommended treasury discount rate in the Green Book, currently at 3.5%
  - f) The revenue impact must be neutral or positive on the GF for all development schemes for financial reasons
  - g) All projects should assess the qualitative benefits
- 4.25 Once Councillors have approved the new bids, they will be added to the provisional capital programme, unless the business case specifically recommends the scheme be implemented immediately, explaining in detail why.
- 4.26 Most projects over £200,000 require a further outline business case to be approved by the Executive before a project can be moved from the provisional to the approved programme, and authority is provided for officers to start implementing the project. Any project under £200,000 can be moved under delegation.
- 4.27 The net addition of the new bids for the GF is assumed to be funded by borrowing. The HRA new bids are assumed to be funded 1/3 capital receipts (RTB receipts), 1/3 borrowing and 1/3 capital reserves.

**5. Treasury management, borrowing and investment strategy**

- 5.1 Treasury management is the management of the Council's cash flows, borrowing and investments and the associated risks. The Council both borrows and invests substantial amounts of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.
- 5.2 Treasury risk management at the Council is conducted within the framework of the CIPFA Treasury Management in the Public Services: Code of Practice 2021 ('TM Code') which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the TM Code.

**Capital Financing Requirement (CFR)**

- 5.3 With the current treasury position, and future capital expenditure plans known, we can prepare a table showing the extent of our need to borrow for capital purposes (the CFR), and what we have borrowed, compared to our level (and projected level) of reserves. We split this between the HRA and the GF.
- 5.4 The CFR is derived from unfinanced capital expenditure, which arises when there are no capital receipts or reserves available to fund the capital programme.
- 5.5 The Council's investments consist of usable reserves and working capital and are the underlying resources available for investment.
- 5.6 The updated Codes require a new Prudential Indicator called the Liability Benchmark which Guildford had already been reporting for some years. This is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day to day cash flow.



- 5.7 The liability benchmark shows the lowest risk level of borrowing – i.e., using the Council’s overall cash to fund the capital programme, and only externalising the borrowing when our minimum liquidity requirement is reached. If the liability benchmark line rises above the amount of loans we have (shaded area), we need to borrow externally and no longer have any internal borrowing capacity
- 5.8 The differential between the CFR and the net loans requirement is the Council’s overall external borrowing need. Where the external borrowing amount is lower than the CFR, it means we have internally borrowed and used non-capital receipts and reserves to initially finance capital expenditure (i.e., the Council’s overall cash). Items on the capital vision are currently excluded, mainly because the cost and/or timings of the schemes are unknown.
- 5.9 The Prudential Code recommends that the Council’s total debt (external borrowing) should be lower than its forecast CFR over the next three years – in other words, not over borrowing. The above shows that we are expecting to comply with this recommendation.
- 5.10 The table below shows our gross debt position against our CFR. This is one of the Prudential Indicators, and is a key indicator of prudence. This indicator aims to ensure that, over the medium-term, debt will only be for a capital purpose. We monitor this position and demonstrate prudence by ensuring that medium to long-term debt does not exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years (2022-23 to 2024-25).



Position at 31 March	Actual Forecasts £m						
	2022	2023	2024	2025	2026	2027	2028
Loans CFR	350.1	386.3	532.5	608.5	613.5	624.2	660.9
External borrowing	-303.7	-214.6	-159.0	-148.3	-137.7	-127.1	-126.4
Internal (over) borrowing	46.3	171.7	373.6	460.1	475.8	497.1	534.5
Balance sheet resources	-201.0	-177.6	-128.9	-123.7	-130.9	-95.3	-93.8
Investments (new borrowing)	154.6	5.9	-244.6	-336.4	-344.9	-401.8	-440.8

- 5.11 The Council has an increasing CFR due to the increasing need to borrow for the GF capital programme. The increase in estimated capital spend is more than the annual MRP. We are projecting the cash balance of the Council to reduce, whilst maintaining a good level of (core) reserves over the period shown in the table.
- 5.12 HRA reserves are decreasing over the early part of the period because of the HRA plans to build new social housing. Our priority is to build new homes rather than reduce debt.
- 5.13 GF reserves are projected to remain stable (our core cash). The CFR is increasing sharply due to the proposed capital programme. We are projecting a small need to borrow for the Council 2023-24, based on the current profile of the capital programme. We have taken out short-term loans in the year to cover cash flow.

#### **Borrowing strategy**

- 5.14 The Council's primary objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long term plans change is a secondary objective.
- 5.15 Given the significant cuts to public expenditure and in particular local government funding, our borrowing strategy continues to focus on affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources or to borrow short-term instead.
- 5.16 We will not automatically externally borrow for the GF when the cash balance is negative, although we will review the position in line with our borrowing strategy and the cash position for the Council as a whole.
- 5.17 When making decisions about longer-term borrowing, we will review the liability benchmark, as opposed to just the CFR, to assess the length of time we need to borrow for, according to our projections on the level of reserves we may have, as well as other factors detailed in our borrowing strategy. This helps to limit a number of treasury risks of holding large amounts of debt and investments. We will also assess borrowing based on individual projects.
- 5.18 By doing this, we are able to reduce net borrowing costs (despite forgone investment income) and reduce overall treasury risk.
- 5.19 We will undertake some modelling taking into account the projects listed in the Corporate Plan and capital vision, for example, which will tell us the potential impact on our borrowing requirement.
- 5.20 We will continue to monitor our internal borrowing position against the potential of incurring additional interest costs if we defer externalising borrowing into the future

when long-term borrowing costs are forecast to rise modestly. Arlingclose will assist us with this 'cost of carry' and breakdown analysis in line with our capital spending plans. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2023-24 with a view to keeping future interest costs low, even if this causes additional cost in the short term.

- 5.21 PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council needs to avoid this activity in order to retain access to PWLB funding.
- 5.22 The Council may decide to externalise our current internal borrowing, or to pre-fund future years' requirement, providing this does not exceed the authorised borrowing limit and the highest level of the CFR in the next three years (to ensure we do not over borrow).
- 5.23 Its output may determine whether we arrange forward starting loans where the interest is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
- 5.24 We may continue to borrow short-term for cash flow shortages.
- 5.25 We have an agreement with Homes England on the WUV project, whereby we have been successful in being granted a loan at the local infrastructure rate. Borrowing will be taken out from the PWLB in line with the agreed timetable.

*Sources of borrowing*

- 5.26 We have previously borrowed our long-term borrowing from the PWLB. We will consider all borrowing sources moving forwards and may explore the possibility of issuing bonds and similar instruments in order to lower interest costs and reduce over reliance on one source of funding, in line with the TM Code.
- 5.27 PWLB loans are no longer available to local authorities planning to buy investment assets primary for yield, we made the decision several years ago to only buy properties for strategic reasons, and not those purely for yield.
- 5.28 We will consider, but are not limited to, the following long- and short-term borrowing sources:
- HM Treasury's PWLB lending facility
  - any institution approved for investments
  - any other bank or building society authorised to operate in the UK
  - any other UK public sector body
  - UK public and private sector pension funds (except the local pension fund)
  - capital market bond investors
  - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- 5.29 We may also raise capital finance by the following methods that are not borrowing, but may be classed as other debt liabilities:
- leasing
  - hire purchase

- sale and leaseback

*Municipal Bond Agency (MBA)*

5.30 UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB because:

- a) borrowing authorities will be required to provide bonds investors with a guarantee to refund their investment in the event that the agency is unable to for any reason and
- b) there will be a lead time of several months between committing to borrow and knowing the interest rate payable.

*Short-term and variable rate loans*

5.31 These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the following interest rate exposure limits indicator, which is set to control the Council’s exposure to interest rate risk. Financial derivatives may be used to manage this interest rate risk (see below).

5.32 The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

5.33 We are also required to present the maturity structure of borrowing. This indicator is set to control the Council’s exposure to refinancing risk, in terms of loans being unavailable. The upper and lower limits of on the maturity structure of borrowing will be:

<b>Maturity Structure of borrowing</b>		
	<b>2023-24</b>	
	<b>Lower</b>	<b>Upper</b>
Under 12 months	0%	50.00%
1 year to 2 years	0%	50.00%
3 years to 5 years	0%	60.00%
6 years to 10 years	0%	75.00%
11 years and above	0%	100.00%

5.34 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

*Debt Rescheduling*

5.35 The PWLB allows local authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk and where we have enough money in reserves to fund the repayment. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

**Investment strategy**

- 5.36 The TM code requires the Council to invest its treasury funds prudently, and to have regard to the security (protecting capital sums from loss) and liquidity (keeping money readily available for expenditure when needed or having access to cash) of investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 5.37 Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal to or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
- 5.38 The TM Code does not permit Councils to both borrow and invest long-term for cash flow management, but they may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme up to three years, to manage inflation risk by investing usable reserves in instruments whose value rises with inflation and to manage price risk by adding diversification to the strategic pooled fund portfolio.
- 5.39 Diversification is key. All investments can earn extra interest, but not all investments will default. Also, to highlight the need for security and diversification it takes a long time of earning an extra 1% of interest cover to cover the 20% to 50% loss from a default. It is unlikely we will be able to move away from unsecured deposits entirely, but the less in this category and the more diversified the portfolio is the better the spread of risk.
- 5.40 Under the IRFS 9 accounting standard the accounting of certain investments depends on the Council's 'business model' for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and, therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.
- 5.41 The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.
- 5.42 ESG considerations are increasingly a factor in global investors decision making, but the framework for evaluating investment opportunities is still developing and therefore the Councils policy does not currently include ESG scoring or other real time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

*Counterparty limits*

- 5.43 Limits per counterparty on investments are shown in the table below:

Sector	Time limit	Counterparty limit	Sector limit
UK Government	50 yrs	unlimited	n/a
Local authorities and other Government entities	25 yrs	£10 million	unlimited
Secured investments	25 yrs	£10 million	unlimited
Banks (unsecured)	13 mths	£6 million	unlimited
Building Societies (unsecured)	13 mths	£6 million	£15 million
Registered providers (unsecured)	5 yrs	£6 million	£20 million
Money Market Funds	n/a	£20 million	unlimited
Strategic pooled funds	n/a	£10 million	£50 million
Real estate investment trusts	n/a	£10 million	£20 million
Other investments	5 yrs	£10 million	£20 million

- 5.44 The time limits shown are the maximum from the start of an investment, and operationally we could have a shorter duration.
- 5.45 We have set limits to try and avoid default on our investments, although this may not always be successful. By setting realistic, but prudent limits we are forcing diversification which aims to help reduce the value of a default if we are exposed to one.
- 5.46 Credit rating: investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
- 5.47 For entities without published credit ratings, investments will only be made following external advice.
- 5.48 Government: loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years. Local Authorities are statutory bodies and have access to the PWLB for borrowing, and any of these loans would be transferred to a successor body. There has not been a Local authority default, despite some s114 notices being put in place, instead Government has stepped in so the risk of a local authority defaulting is very low.
- 5.49 Secured investments: investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured

investments with any one counterparty will not exceed the cash limit for secured investments.

- 5.50 Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
- 5.51 Registered providers (unsecured): loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formally known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.
- 5.52 Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- 5.53 Strategic Pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
- 5.54 Real estate investment trusts: shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with the property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.
- 5.55 Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.
- 5.56 Operational bank accounts: the Council may incur operational exposures, for example, through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

- 5.57 HSBC are our bankers. We may place investments with them, and on occasions we may be in a position where we have received some unexpected cash, and we may, therefore, breach the unsecured limit. We would aim for this to be for as short a duration as possible.
- 5.58 In addition, we may make an investment that is defined as capital expenditure by legislation, such as company shares.
- 5.59 We may invest in investments that are termed 'alternative' investments. These include, by way of example, but are not limited to, things such as renewable energy bonds (solar farms) and regeneration bonds. These are asset backed bonds, offering good returns, and will enable the Council to enter new markets, thus furthering the diversification of our investment portfolio with secured investments and enhancing yield. Any investments entered into of this type will be subject to a full due diligence review.

*Risk and credit ratings*

- 5.60 Arlingclose obtain and monitor credit ratings and they notify us with any changed in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made
  - any existing investments that can be recalled or sold at no cost will be, and
  - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty
- 5.61 Where credit rating agencies announce that a credit rating is on review for possible downgrade ("rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, we will limit new investments with that organisation to overnight until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
- 5.62 The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the institutions in which we invest, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management and investment advisors.
- 5.63 We will not make investments with any organisation if there are substantive doubts about its credit quality, even if it meets the above criteria.
- 5.64 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of our investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to meet the Council's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or

invested in government treasury bills for example or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

5.65 We will measure and manage our exposure to treasury management risk by using the following indicators:

- **Security:** we have adopted a voluntary measure of our exposure to credit risk by monitoring the value-weighted average credit rating of our investment portfolio. This is calculated by applying a score to each investment based on credit ratings (AAA=1, AA+=2 etc) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk. The average portfolio credit rating target is set for A for 2023-24.
- **Liquidity:** we monitor our liquidity for a given financial year using an online cash-flow system. We project forward for the financial year and enter all known cash transactions at the beginning of the financial year and then update the position on a daily basis. This forms the basis of our investment decisions in terms of duration and value of investments made. We have set £45 million as our minimum liquidity requirement. We also have a high-level cash flow projection over four years.

Interest rate risk

5.66 Interest rate risk is defined as “the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation’s finances, against which the organisation has failed to protect itself adequately”. In local authorities this risk is therefore commonly considered in the context of the impact of changes in interest rates on the revenue account

5.67 Long term treasury management investments: the purpose of this indicator is to control the Council’s exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term treasury management investments will be:

	2022-23 Approved	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Upper limit for total principal sums invested for longer than a year	£50m	£50m	£50m	£50m

5.68 Long-term investments with no fixed maturity date include strategic pooled funds, and REITS but exclude money market funds and bank accounts with no fixed maturity date as these are considered long-term.

5.69 Where we invest longer-term, we strike a balance between tradeable and fixed term investments. Whilst we do not enter into the tradeable deposits with the intention of selling, we are helping mitigate the risk exposure by using these types of investments so if we have a liquidity problem, we can liquidate these investments prior to maturity at nil or minimal cost.

**6. Other items**

6.1 There are a number of additional items the Council is obliged by CIPFA and/or MHCLG to include in our strategy.



**Policy on the use of Financial Derivatives**

- 6.2 Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g., interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits).
- 6.3 The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e., those that are not embedded into a loan or investment).
- 6.4 The Council will only use standalone derivatives (such as swaps, forwards, futures, and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 6.5 We may arrange financial derivative transactions with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
- 6.6 In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

**Markets in Financial Instruments Derivative**

- 6.7 The Council has opted up to professional client status with its providers of financial services, allowing it to access a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of our treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

**Policy on apportioning interest to the HRA**

- 6.8 The Council operates a two-pooled approach to its loan's portfolio, which means we separate long-term HRA and GF loans.
- 6.9 Interest payable and other costs or income arising from long-term loans (for example premiums and discounts on early redemption) will be charged or credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRAs underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance, which may be positive or negative.
- 6.10 We will charge long-term loan interest on an actual basis, as incurred.
- 6.11 For notional cash balances we will apply the average DMO rate for the year. This rate is the lowest credit risk investment. We apply this because if there are any investment defaults it will be a charge to the GF, regardless of whether it was HRA cash that was lost.

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GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2022-23 to 2027-28

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate (a) £000	Cumulative spend at 31-03-22 (b) £000	2022-23		Expenditure at P9 (e) £000	Projected exp est by project officer (f) £000	2023-24 Est for year (ii) £000	2024-25 Est for year (iii) £000	2025-26 Est for year (iv) £000	2026-27 Est for year (v) £000	2027-28 Est for year (v) £000	Future years est exp (g) £000	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) £000	Revised estimate (d) £000												
	<b>APPROVED SCHEMES</b>																
	<b>COMMUNITY DIRECTORATE</b>																
	<b>General Fund Housing</b>																
	Disabled Facilities Grants		annual	605	605	371	605	605	605	-	-		1,210	1,815	(806)	-	1,009
	Better Care Fund		annual	-	-	203	-	-	-	-	-		-	-	-	-	-
	Home Improvement Assistance		annual	-	-	13	-	-	-	-	-		-	-	-	-	-
	Solar Energy Loans		annual	-	-	-	-	-	-	-	-		-	-	-	-	-
	BCF TESH Project		annual	-	-	-	-	-	-	-	-		-	-	-	-	-
	BCF Prevention grant		annual	-	-	3	-	-	-	-	-		-	-	-	-	-
	SHIP		annual	-	-	-	-	-	-	-	-		-	-	-	-	-
	General Grants to HAs		annual	100	100	-	-	100	100	-	-		200	200	-	-	200
	<b>Asset Management</b>																
	Void investment property refurbishment works	570	503	-	55	-	55	-	-	-	-		-	-	-	-	-
ED14(e)																	
ED15	1 Middleton void works				9	-	9	-	-	-	-		-	-	-	-	-
	C4 41 Moorfield Road Slyfield void works(complete)			10	3	3	3	-	-	-	-		-	-	-	-	-
ED14	10 Middleton void works	230	222	-	8	-	8	-	-	-	-		230	(100)	-	130	
ED21	Methane gas monitoring system	100	48	51	52	-	-	52	-	-	-		52	100	-	-	100
ED22	Energy efficiency compliance - Council owned properties	245	82	163	163	3	30	133	-	-	-		133	245	-	-	245
ED26	Bridges -Inspections and remedial works	317	203	90	114	27	114	-	-	-	-		-	317	-	-	317
ED41	The Billings roof	200	192	-	8	4	8	-	-	-	-		-	200	-	-	200
ED53	Tyting Farm Land-removal of barns and concrete hardstanding	200	143	57	57	-	-	57	-	-	-		57	200	-	-	200
	<b>COMMUNITY DIRECTORATE TOTAL</b>	<b>1,862</b>	<b>1,394</b>	<b>1,076</b>	<b>1,173</b>	<b>627</b>	<b>831</b>	<b>947</b>	<b>705</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,652</b>	<b>3,878</b>	<b>-906</b>		<b>2,972</b>
	<b>ENVIRONMENT DIRECTORATE</b>																
	<b>Operational Services</b>																
OP1/OP20	Flood resilience measures (use in conjunction with grant funded schemes)	445	324	121	121	-	121	-	-	-	-		-	445	-	-	445
OP5	Mill Lane (Pirbright) Flood Protection Scheme(no longer reqd)	71	55	16	16	-	-	-	-	-	-		-	55	(19)	-	36
OP6	Vehicles, Plant & Equipment Replacement Programme	10,665	10,395	-	270	99	121	149	-	-	-		149	10,665	(26)	-	10,639
OP26	Marrow lane grille & headwall construction	60	3	57	57	-	57	-	-	-	-		-	60	-	-	60
OP28	Crown court CCTV	10	-	10	10	-	10	-	-	-	-		-	10	-	-	10
OP22	Town Centre CCTV upgrade	250	-	250	250	-	125	125	-	-	-		125	250	-	-	250
OP24	Yorkies Bridge Lighting	20	-	20	20	12	20	-	-	-	-		-	20	-	-	20
	<b>Parks and Leisure</b>																
PL20(c)	Redevelopment of Westborough and Park barn play area	320	-	320	320	-	-	320	-	-	-		320	320	-	-	320
PL34	Stoke cemetery re-tarmac	122	-	122	122	55	122	-	-	-	-		-	122	-	-	122
PL57	Parks and Countryside - repairs and renewal of paths,roads and car parks	355	256	97	99	71	99	-	-	-	-		-	355	-	-	355
PL58	Shalford Common - regularising car parking/reduction of encroachments	121	29	30	32	-	-	92	-	-	-		92	121	-	-	121
PL60	Traveller encampments	53	-	28	53	-	27	26	-	-	-		26	53	-	-	53
PL60	Traveller transit site provision	127	-	127	127	-	127	-	-	-	-		-	127	-	-	127
	Works to Weir		418		-		-		-	-	-		-	418	-	-	418
PL61	Stoke Park Paddling Pool	170	-	170	170	168	170	-	-	-	-		-	170	-	-	170
PL62	Lido - Drainage Works	2,100	2		2,098	251	1,845	200	53				253	2,100		(1,500)	600

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2022-23 to 2027-28

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate (a)	Cumulative spend at 31-03-22 (b)	2022-23			Expenditure at P9 (e)	Projected exp est by project officer (f)	2023-24 Est for year (ii)	2024-25 Est for year (iii)	2025-26 Est for year (iv)	2026-27 Est for year (v)	2027-28 Est for year (v)	Future years est exp (g)	Projected expenditure total (b)+(f)+(g) = (h)	Grants / Contributions towards cost of scheme (i)	Funded from Reserves (j)	Net cost of scheme (h)-(i)-(j) = (k)
				Estimate approved by Council in February (c)	Revised estimate (d)													
				£000	£000	£000												
<b>ENVIRONMENT TOTAL DIRECTORATE</b>		<b>14,889</b>	<b>11,482</b>	<b>1,368</b>	<b>3,765</b>	<b>656</b>	<b>2,844</b>	<b>912</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>965</b>	<b>15,291</b>	<b>(45)</b>	<b>(1,500)</b>	<b>13,746</b>	
<b>FINANCE DIRECTORATE</b>																		
FS1	Financial Services Capital contingency fund	annual	-	2,000	1,340	-	1,340	2,000	2,000	2,000	2,000	2,000	10,000	11,340	-		11,340	
<b>RESOURCES DIRECTORATE TOTAL</b>		<b>0</b>	<b>0</b>	<b>2,000</b>	<b>1,340</b>	<b>0</b>	<b>1,340</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>10,000</b>	<b>11,340</b>	<b>0</b>		<b>11,340</b>	
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS</b>																		
<b>Development / Infrastructure</b>																		
ED54	Rodboro Buildings - electric theatre through road and parking	416	36	370	369	3	1	379	-	-	-	-	379	416	-		416	
P5	Walnut Bridge replacement	5,098	4,567	500	530	705	530	-	-	-	-	-	-	5,098	(2,456)	(950)	1,691	
	SMC(West) Phase 1	1,967	1,785	200	182	7	182	-	-	-	-	-	-	1,967	(914)		1,053	
P22	Ash Bridge Land acquisition	145	145	-	0	157	0	-	-	-	-	-	-	145	-		145	
P21	Ash Road Bridge	33,745	6,349	14,393	18,983	1,950	5,088	22,308	-	-	-	-	22,308	33,745	(30,400)		3,345	
P21	Ash Road Footbridge	500	58	255	406	36	406	36	-	-	-	-	36	500	-	-	500	
	Broadband for Surrey Hills (B4SH)	60	3		60	44	60											
P11	Guildford West (PB) station	500	-	500	500	-	250	250	-	-	-	-	250	500	-		500	
<b>Development Financial</b>																		
	Investment in North Downs Housing (60%)	15,180	13,717	1,073	1,463	1,463	1,463	-	-	-	-	-	-	15,180	-		15,180	
	Equity shares in Guildford Holdings Ltd (40%)	10,120	9,154	710	966	966	966	-	-	-	-	-	-	10,120	-		10,120	
ED49	Middleton Ind Est Redevelopment	14,907	9,310	5,557	5,597	2,687	5,222	300	75	-	-	-	375	14,907	-		14,907	
P12	Property acquisitions	33,520	8,767	24,992	24,753	16	800	23,953	-	-	-	-	23,953	33,520	-		33,520	
PL9	Rebuild Crematorium	11,036	10,927	-	109	6	109	-	-	-	-	-	-	11,036	-		11,036	
ED27	North Street Development / Guild Town Centre regeneration	1,627	1,473	150	154	98	154	-	-	-	-	-	-	1,627	(250)		1,377	
P22	Shaping Guildford Future (SGF)	4,170		1,530	2,630	3	1,530	2,640					2,640	4,170			4,170	
ED32	Internal Estate Road - CLLR Phase 1	11,139	10,946	-	193	-	193	-	-	-	-	-	-	11,139	(5,107)		6,032	
P	ED6	Slyfield Area Regeneration Project (SARP)	98,444	21,444	52,730	53,725	5,605	36,000	21,161	-	-	-	-	21,161	98,644	(24,431)		74,213
	ED6	WUV - Allotment relocation	200	2,641	-	-	497	-	-	-	-	-	-	-	-			
	ED6	WUV - Int roads, Site clearance	-	1	-	-	-	-	-	-	-	-	-	-	-			
	ED6	WUV - New GBC Depot	2,480	1,628	-	852	743	852	-	-	-	-	-	2,480	-		2,480	
	ED6	WUV - Thames Water relocation	-	16,307	-	-	3,850	-	-	-	-	-	-	-	-			
	ED6	WUV - Land Purchase	-	1,091	-	-	-	-	-	-	-	-	-	-	-			
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS TOTAL</b>		<b>245,254</b>	<b>120,348</b>	<b>102,960</b>	<b>111,473</b>	<b>18,835</b>	<b>53,807</b>	<b>71,027</b>	<b>75</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>71,102</b>	<b>245,194</b>	<b>-63,558</b>	<b>-950</b>	<b>180,686</b>	
<b>APPROVED SCHEMES TOTAL</b>		<b>262,005</b>	<b>133,224</b>	<b>107,404</b>	<b>117,751</b>	<b>20,118</b>	<b>58,822</b>	<b>74,886</b>	<b>2,833</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>83,719</b>	<b>275,703</b>	<b>-64,509</b>	<b>-2,450</b>	<b>208,744</b>	
non-development projects total		16,751	12,876	4,444	6,278	1,283	5,016	3,859	2,758	2,000	2,000	2,000	12,617	30,509	-951	-1,500	28,058	
development/infrastructure - non-financial benefit		42,431	12,943	16,218	21,030	2,901	6,517	22,973	0	0	0	0	22,973	42,371	-33,770	-950	7,651	
development- financial benefit		202,823	107,405	86,742	90,442	15,934	47,289	48,054	75	0	0	0	48,129	202,823	-29,788	0	173,035	
<b>TOTAL</b>		<b>262,005</b>	<b>133,224</b>	<b>107,404</b>	<b>117,751</b>	<b>20,118</b>	<b>58,822</b>	<b>74,886</b>	<b>2,833</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>83,719</b>	<b>275,703</b>	<b>-64,509</b>	<b>-2,450</b>	<b>208,744</b>	

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2022-23 to 2027-28

Ref	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive	Cumulative spend at 31-03-22	2022-23 Estimate approved by Council in February	Revised estimate	Expenditure at P9	Projected exp est by project officer	2023-24 Est for year	2024-25 Est for year	2025-26 Est for year	2026-27 Est for year	2027-28 Est for year	2028-29 Est for year	2029-30 Est for year	2030-31 est for yr and SARP to 3233	Future years estimated expenditure	Projected expenditure total	Grants or Contributions towards cost of scheme	Net total cost of scheme to the Council
		(a)	(b)	(c)	(e)	(f)	(g)	(i)	(ii)	(iii)	(iv)	(v)	(v)	(v)	(v)	(h)	(b)+(g)+(h)=(j)	(j)	(i) - (j) = (k)
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
	<b>PROVISIONAL SCHEMES (schemes approved in principle; further report to the Executive required)</b>																		
	<b>COMMUNITY DIRECTORATE</b>																		
	<b>Asset Management</b>																		
ED21(P)	Methane gas monitoring system	150	-	-	-	-	-	150	-	-	-	-	-	-	-	150	150	-	150
ED22(P) CP5	Energy efficiency compliance - Council owned properties & Energy & CO2 reduction in Council non HRA properties	3,218	-	1,268	1,268	-	-	2,718	500	-	-	-	-	-	-	3,218	3,218	-	3,218
ED26(P)	Bridges	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	-	10
	<b>Office Services</b>																		
BS3(p)	Millmead House - M&E plant renewal	33	-	33	33	-	33	-	-	-	-	-	-	-	-	-	33	-	33
	<b>COMMUNITY DIRECTORATE TOTAL</b>																		
		6,933	-	1,681	1,681	-	413	2,868	500	3,152	-	-	-	-	-	6,520	6,933	-	6,933
	<b>ENVIRONMENT DIRECTORATE</b>																		
	<b>Operational Services</b>																		
OP6(P)	Vehicles, Plant & Equipment Replacement Programme	24,000	-	3,280	2,500	-	-	2,900	2,500	5,000	3,000	6,500	1,500	2,000	600	24,000	24,000	-	24,000
OP21(P)	Surface water management plan	200	-	-	-	-	-	200	-	-	-	-	-	-	-	200	200	-	200
OP22(P)	YMCA Lighting	24	-	24	24	-	24	-	-	-	-	-	-	-	-	-	24	-	24
OP23(p)	Millmead House Lifts	200	-	200	200	-	200	-	-	-	-	-	-	-	-	-	200	-	200
	<b>Parks and Leisure</b>																		
PL18(P)	Refurbishment / rebuild Sutherland Memorial Park Pavilion	150	-	-	-	-	-	-	150	-	-	-	-	-	-	150	150	-	150
PL45(p)	Stoke Pk gardens water feature refurb	40	-	40	40	-	-	40	-	-	-	-	-	-	-	40	40	(29)	11
PL57(p)	Parks and Countryside - repairs and renewal of paths,roads and car	1,382	-	382	382	-	-	250	250	250	250	382	-	-	-	1,382	1,382	-	1,382
PL59(p)	Millmead fish pass	60	-	60	60	-	60	-	-	-	-	-	-	-	-	-	60	-	60
PL61(p)	Albury Closed Burial Ground(no longer reqd)	60	-	57	57	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PL62(p)	Chilworth Gunpowder Mills	180	-	175	175	-	10	165	5	-	-	-	-	-	-	170	180	-	180
PL63(p)	Memorial Wall	100	-	100	100	-	-	-	-	100	-	-	-	-	-	100	100	-	100
PL34(p)	Stoke cemetery re-tarmac	18	-	18	18	-	18	-	-	-	-	-	-	-	-	-	18	-	18
	<b>ENVIRONMENT DIRECTORATE TOTAL</b>																		
		26,414	-	4,336	3,556	-	312	3,555	2,905	5,350	3,250	6,882	1,500	2,000	600	26,042	26,354	(29)	26,325
	<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	-	-	-	-	-	-	18,057	18,057	-	18,057
	Equity shares in Guildford Holdings Ltd	-	-	3,683	3,683	-	-	3,683	8,360	-	-	-	-	-	-	12,043	12,043	-	12,043
P10(p)	Sustainable Movement Corridor	150	-	-	-	-	-	-	150	-	-	-	-	-	-	150	150	-	150
P11(p)	Guildford West (PB) station	1,000	-	1,000	1,000	-	-	1,000	-	-	-	-	-	-	-	1,000	1,000	-	1,000
P17(p)	Bus station relocation	500	-	-	-	-	-	-	500	-	-	-	-	-	-	500	500	-	500
P21(p)	Ash Road Footbridge	4,521	-	-	-	-	-	183	4,288	50	-	-	-	-	-	4,521	4,521	-	4,521
	<b>Development Financial</b>																		
P ED16(P)	Slyfield Area Regeneration Project (SARP) (GBC share)	222,684	-	-	-	-	-	73,584	28,697	34,881	24,342	22,271	14,910	17,909	-	216,594	216,594	(13,704)	202,890
ED38(P)	North Street development	1,350	-	-	-	-	-	150	50	50	50	50	50	950	-	1,350	1,350	-	1,350
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>																		
		298,597	-	38,493	38,493	-	-	112,410	64,584	34,981	24,392	22,321	14,960	18,859	-	292,507	292,507	(13,704)	278,803
	<b>PROVISIONAL SCHEMES - GRAND TOTALS</b>																		
		331,944	-	44,510	43,730	-	725	118,833	67,989	43,483	27,642	29,203	16,460	20,859	600	325,069	325,794	(13,733)	312,061
	non development projects	33,347	-	6,017	5,237	-	725	6,423	3,405	8,502	3,250	6,882	1,500	2,000	600	32,562	33,287	(29)	33,258
	development/infrastructure - non-financial benefit	36,271	0	10,201	10,201	0	0	10,384	25,837	50	0	0	0	0	0	36,271	36,271	0	36,271
	development- financial benefit	262,326	0	28,292	28,292	0	0	102,026	38,747	34,931	24,392	22,321	14,960	18,859	0	256,236	256,236	-13,704	242,532

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2022-23 to 2027-28

Ref	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive	Cumulative spend at 31-03-22	2022-23 Estimate approved by Council in February	Revised estimate	Expenditure at P9	Projected exp est by project officer	2023-24 Est for year	2024-25 Est for year	2025-26 Est for year	2026-27 Est for year	2027-28 Est for year	2028-29 Est for year	2029-30 Est for year	2030-31 est for yr and SARP to 3233	Future years estimated expenditure	Projected expenditure total	Grants or Contributions towards cost of scheme	Net total cost of scheme to the Council
		(a) £000	(b) £000	(c) £000	(e) £000	(f) £000	(g) £000	(i) £000	(ii) £000	(iii) £000	(iv) £000	(v) £000	(v) £000	(v) £000	(v) £000	(h) £000	(b)+(g)+(h)=(i) £000	(j) £000	(i) - (j) = (k) £000
PROVISIONAL SCHEMES (schemes approved in principle; further report to the Executive required)																			
TOTAL		331,944	0	44,510	43,730	0	725	118,833	67,989	43,483	27,642	29,203	16,460	20,859	600	325,069	325,794	-13,733	312,061

GENERAL FUND CAPITAL SCHEMES - PROJECTS FUNDED VIA RESERVES: ESTIMATED EXPENDITURE 202

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-22	2022-23 Estimate approved by Council in February	Revised estimate	Expenditure at P9	Projected exp est by project officer	2023-24 Est for year	2024-25 Est for year	2025-26 Est for year	2026-27 Est for year	2027-28 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>													
	ENERGY PROJECTS per SALIX RESERVE:(PR220)			-		-	-	-					-	-
R-EN12	LED lighting	44		-	44	-	44	-	-	-	-	-	-	44
R-EN14	MILLMEAD HOUSE & FARNHAM ROAD CP - PV	192	155		38	4	38	-					-	192
R-EN15	FARNHAM ROAD CP- PV													
	ENERGY PROJECTS per GBC INVEST TO SAVE RESERVE: GBC 'Invest to Save' energy projects (to be repaid in line with savings)			-	-	-	-	-					-	-
R-EN14	SMP - air source heat pump	28	1	-	27	-	27	-	-	-	-	-	-	28
	<b>ENERGY RESERVES TOTAL</b>	<b>264</b>	<b>155</b>	<b>-</b>	<b>109</b>	<b>4</b>	<b>109</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>264</b>
	<b>FINANCE DIRECTORATE</b>													
	INFORMATION TECHNOLOGY - IT Renewals Reserve (PR265) : approved annually Hardware / software budget	500		303	303	-	303	440	-	-	-	-	440	743
R-IT1	Hardware	annual	annual	-	-	35	-	-	-	-	-	-	-	-
R-IT2	Software	annual	annual	-	-	477	-	-	-	-	-	-	-	-
	ICT Refresh Phase 2			197	197	14	197	60	-	-	-	-	60	257
R-IT3	IDOX Acolaid to Uniform	275		-	275		-	275	-	-	-	-	275	275
R-IT4	LCTS alternative	56		-	56		0	56	-	-	-	-	56	56
	<b>IT RENEWALS RESERVE TOTAL</b>	<b>831</b>	<b>-</b>	<b>500</b>	<b>831</b>	<b>527</b>	<b>500</b>	<b>831</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>831</b>	<b>1,331</b>
	<b>ENVIRONMENT DIRECTORATE</b>													
	<b>SPECTRUM RESERVE</b>													
R-S14	Spectrum schemes (to be agreed with Freedom Leisure)	431	168	263	263	-	-	-					-	168
	Spectrum - Retaining Wall	204	170		34	-	34	-					-	204
	Lido - Drainage Works (moved to Main approved)	-	-		-	-	-	-					-	-
	<b>SPECTRUM RESERVE TOTAL</b>	<b>635</b>	<b>338</b>	<b>263</b>	<b>297</b>	<b>-</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>372</b>
	<b>CAR PARKS RESERVE</b>													
R-CP1 R-CP20	Car parks - install/replace pay-on-foot equipment	1,170	240	-	-	-	-	-	930	-	-	-	930	1,170
	<u>Car Parks - Lighting &amp; Electrical improvements:</u>													
R-CP14	Lift replacement (PR000293)	841	716	-	125	-	125	-	-	-	-	-	-	841
R-CP19	Structural works to MSCP	300	50	250	250	-	100	-	-	-	-	-	-	150
R-CP20	MSCP- Deck surface replacement & barriers	652	526	-	126	-	126	-	-	-	-	-	-	652
R-CP21	Additional barriers Farnham Rd	15		15	15	-	15	-	-	-	-	-	-	15
R-CP22	Deck surface replacement (stair cores)Farnham Rd	70		70	70	-	70	-	-	-	-	-	-	70

GENERAL FUND CAPITAL SCHEMES - PROJECTS FUNDED VIA RESERVES: ESTIMATED EXPENDITURE 202

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-22	2022-23		Expenditure at P9	Projected exp est by project officer	2023-24 Est for year	2024-25 Est for year	2025-26 Est for year	2026-27 Est for year	2027-28 Est for year	Future years est exp	Projected expenditure total
				Estimate approved by Council in February	Revised estimate									
				(a)	(b)									
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
R-CP23	Deck surface replacement Leapale Rd(complete)	600	603	15	(3)	-	-	-	-	-	-	-	-	603
R-CP25	Structural repairs roof turret timbers Castle St	210		205	205	-	-	200	10	-	-	-	210	210
	Car Park Lighting	300		300	300	296	300	-					-	300
	<b>CAR PARKS RESERVE TOTAL</b>	<b>4,158</b>	<b>2,135</b>	<b>855</b>	<b>1,088</b>	<b>296</b>	<b>736</b>	<b>200</b>	<b>940</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,140</b>	<b>4,011</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>5,988</b>	<b>2,628</b>	<b>1,618</b>	<b>2,476</b>	<b>827</b>	<b>1,530</b>	<b>1,031</b>	<b>940</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,971</b>	<b>6,129</b>

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

Estimate approved by Council in February	Revised estimate	Expenditure at P9	Projected exp est by project officer	2023-24 Est for year	2024-25 Est for year	2025-26 Est for year	2026-27 Est for year	2027-28 Est for year
£000	£000	£000	£000	£000	£000	£000	£000	£000
1,618	2,325	827	1,379	1,031	940	-	-	-
-	151	-	151	-	-	-	-	-
<b>1,618</b>	<b>2,476</b>	<b>827</b>	<b>1,530</b>	<b>1,031</b>	<b>940</b>	<b>-</b>	<b>-</b>	<b>-</b>



**GENERAL FUND CAPITAL PROGRAMME - S106 ESTIMATED EXPENDITURE 2022-23 to 2027-28**

Ref	Service Units / Capital Schemes	Approved gross estimate	Cumulative spend at 31-03-22	2021-22	Revised estimate	Expenditure at P9	Projected exp est by project officer	2023-24	2024-25	2025-26	2026-27	2027-28	Future years est exp	Projected expenditure total
				Estimate approved by Council in February				Est for year	Est for year	Est for year	Est for year			
		(a)	(b)	(c)	(d)	(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(f)+(g) = (h)
		£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 imps	36	22	9	14	-	0	14	-	-	-	-	14	36
S-PL38	Chantry Wood Campsite	36		36	36	-	-	36	-	-	-	-	36	36
S-PL51	Foxenden Quarry	101	13		87	28	28	59					59	100
S-PL48	Boardwalk Heathfield Nature Reserve	13		13	13	-	-	13					13	13
S-PL49	Waterside Playarea Muti Unit(complete)	30	28		2	2	2	-					-	30
S-PL50	Albury Playground Equip (PC)	23	17		5	-	5	-					-	23
S-PL53	Pirbright (PC) Drainage Works/Playground surfacing	10	11		-	0	0							11
S-PL51	West Horsley PC - Litterbins				1	1	1							1
S-PL52	Kings College Sports Facilities	226			226	226	226							226
	<b>ENVIRONMENT DIRECTORATE TOTAL</b>	<b>475</b>	<b>91</b>	<b>58</b>	<b>385</b>	<b>258</b>	<b>263</b>	<b>122</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122</b>	<b>477</b>
	<b>APPROVED S106 SCHEMES TOTAL</b>	<b>475</b>	<b>91</b>	<b>58</b>	<b>385</b>	<b>258</b>	<b>263</b>	<b>122</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122</b>	<b>477</b>

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

<b>1.0 AVAILABILITY OF RESOURCES - NOTES :</b>
1.1 The following balances have been calculated taking account of estimated expenditure on the approved capital schemes
1.2 The actuals for 2021-22 have not been audited.
<b>1.3 Funding assumptions:</b>
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)

	2021-22 Actuals £000	2022-23 Budget £000	2022-23 Est Outturn £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
Balance as at 1 April	112	0	127	0	0	0	0	0
Add estimated usable receipts in year	984	0	(127)	0	0	21,641	27,117	22,593
Less applied re funding of capital schemes	(969)	0	(0)	0	0	(21,641)	(27,117)	(22,593)
<b>Balance after funding capital expenditure as at 31 March</b>	<b>127</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

### 3.0 Capital expenditure and funding - summary

	2021-22 Actuals £000	2022-23 Budget £000	2022-23 Est Outturn £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
<u>Estimated capital expenditure</u>								
Main programme - approved	38,096	107,404	58,822	74,886	2,833	2,000	2,000	2,000
Main programme - provisional s106	0	44,510	725	118,833	67,989	43,483	27,642	29,203
Reserves	72	58	263	122	0	0	0	0
GF Housing	1,609	1,618	1,530	1,031	940	0	0	0
<b>Total estimated capital expenditure</b>	<b>39,777</b>	<b>153,590</b>	<b>61,340</b>	<b>194,872</b>	<b>71,762</b>	<b>45,483</b>	<b>29,642</b>	<b>31,203</b>
<b>To be funded by:</b>								
Capital receipts (per 2.above)	(969)	0	(0)	0	0	(21,641)	(27,117)	(22,593)
Contributions	(12,936)	(47,472)	(19,758)	(46,336)	(4,589)	(1,020)	0	0
<u>R.C.C.O. :</u>								
Other reserves	(1,609)	(1,838)	(2,979)	(1,131)	(1,160)	(220)	0	0
	0	0	0	0	0	0	0	0
	(15,513)	(49,310)	(22,737)	(47,467)	(5,749)	(22,881)	(27,117)	(22,593)
Balance of funding to be met from (i) the Capital Reserve, and (ii) borrowing	(24,264)	(104,280)	(38,603)	(147,405)	(66,013)	(22,602)	(2,525)	(8,610)

**Total funding required**

<b>(39,777)</b>	<b>(153,590)</b>	<b>(61,340)</b>	<b>(194,872)</b>	<b>(71,762)</b>	<b>(45,483)</b>	<b>(29,642)</b>	<b>(31,203)</b>
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**4.0 General Fund Capital Schemes Reserve (U01030)**

	<b>2021-22 Actuals £000</b>	<b>2022-23 Budget £000</b>	<b>2022-23 Est Outturn £000</b>	<b>2023-24 Estimate £000</b>	<b>2024-25 Estimate £000</b>	<b>2025-26 Estimate £000</b>	<b>2026-27 Estimate £000</b>	<b>2027-28 Estimate £000</b>
Balance as at 1 April	0	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
	0	0	0	0	0	0	0	0
Less: Applied re funding of capital programme	0	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>24,264</b>	<b>104,280</b>	<b>38,603</b>	<b>147,405</b>	<b>66,013</b>	<b>22,602</b>	<b>2,525</b>	<b>8,610</b>
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**5.0 Housing capital receipts (pre 2013-14) - estimated availability/usage for Housing, Affordable Housing and Regeneration projects - GBC policy**

	<b>2021-22 Actuals £000</b>	<b>2022-23 Budget £000</b>	<b>2022-23 Est Outturn £000</b>	<b>2023-24 Estimate £000</b>	<b>2024-25 Estimate £000</b>	<b>2025-26 Estimate £000</b>	<b>2026-27 Estimate £000</b>	<b>2027-28 Estimate £000</b>
Balance as at 1 April (T01008)	0	0	0	0	0	0	0	0
Add: Estimated receipts in year	0	0	0	0	0	0	0	0
Less: Applied re Housing (General Fund) capital programme	0	0	0	0	0	0	0	0
Less: Applied re Housing company	0	0	0	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	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>	<b>0</b>

**5.1 Housing capital receipts (post 2013-14) - estimated availability/usage for Housing, Affordable Housing and Regeneration projects only (statutory (impact CFR))**

	<b>2021-22 Actuals £000</b>	<b>2022-23 Budget £000</b>	<b>2022-23 Est Outturn £000</b>	<b>2023-24 Estimate £000</b>	<b>2024-25 Estimate £000</b>	<b>2025-26 Estimate £000</b>	<b>2026-27 Estimate £000</b>	<b>2027-28 Estimate £000</b>
Balance as at 1 April (T01012)	0	0	0	0	0	0	0	0
Add: Estimated receipts in year	802	289	0	289	292	295	298	301
Less: Applied re Housing (General Fund) capital programme	(752)	(220)	(100)	(100)	(220)	(220)	(220)	(220)
Less: Applied re Housing Improvement programme	(50)	(69)	100	(189)	(72)	(75)	(78)	(81)
	0	0	0	0	0	0	0	0
Less: Applied on regeneration schemes	0	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>	<b>0</b>

**Total £'000s**

**6.1 Estimated annual borrowing requirement**

<b>24,264</b>	<b>104,280</b>	<b>38,603</b>	<b>147,405</b>	<b>66,013</b>	<b>22,602</b>	<b>2,525</b>	<b>8,610</b>	<b>285,758</b>
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GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2022-23 to 2027-28: HRA APPROVED PROGRAMME

Project Budget	2021-22 Actual	Project Spend at 31-03-22	2022-23 Estimate	Carry Forward	2022-23 Revised Estimate	Expenditure as at P9	2022-23 Projected Outturn	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate	Total Project Exp	
£000	£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Acquisition of Land &amp; Buildings</b>	22,900	6,804	14,218		4,800	(118)	4,682	2,184	4,682	4,000	0	0	0	22,900
<b>New Build</b>														
Guildford Park	75	0	75	0	0	0	0	0	0	0	0	0	0	75
Guildford Park (from GF)	6,500	378	3,526	1,100	608	1,708	1,226	1,890	1,084	0	0	0	0	6,500
Bright Hill	500	17	17	463	20	483	45	60	423	0	0	0	0	500
Foxburrows Redevelopment	10,657			9,591	0	9,591	0	0	9,591	1,066				10,657
Shawfield Redevelopment	300		4	296	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	0	1,000
Pipeline projects:	9,425		115	0	100	100	0	0	3,422	5,381	0	0	0	9,425
Manor House Flats		42	42	1,530		1,530	18	144						
Banders Rise		1	1	130		130	4	30						
Station Road East		2	2	112		112	4	30						
Dunmore Garden Land		1	1	159		159	4	24						
Clover Road Garages		46	46	1,032		1,032	9	42						
Rapleys Field		18	18	415		415	10	40						
Georgelands 108		1	1	118		118	4	17						
27 Broomfield		4	4	109		109	4	30						
17 Wharf Lane		4	4	104		104	4	30						
Development Projects	7,100			7,100		7,100	0	0	7,100					7,100
<b>Schemes to promote Home-Ownership</b>														
Equity Share Re-purchases	annual	458	annual	400	0	400	0	400	400	400	400	0	0	annual
<b>Major Repairs &amp; Improvements</b>				24,500	0	24,500	0	0						
Retentions & minor carry forwards	annual	0	annual				0	0						annual
Modern Homes - Kitchens, Bathrooms & Void refurb	annual	971	annual				3,724	6,000						annual
Doors and Windows	annual	241	annual				237	3,200						annual
Structural/Roof	annual	307	annual				709	3,800						annual
Energy efficiency: Central heating/Lighting	annual	1,262	annual				1,155	1,800						annual
General	annual	880	annual				7,372	9,700						annual
ICT - Housing Management System	950			950		950		950	950	0				1,900
<b>Grants</b>														
Cash Incentive Scheme	annual	0	annual	0	0	0	0	0						annual
<b>TOTAL APPROVED SCHEMES</b>	<b>59,407</b>	<b>11,438</b>	<b>18,074</b>	<b>52,909</b>	<b>610</b>	<b>53,519</b>	<b>16,713</b>	<b>32,869</b>	<b>27,266</b>	<b>7,847</b>	<b>400</b>	<b>0</b>	<b>0</b>	<b>60,356</b>

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2022-23 to 2027-28: HRA PROVISIONAL PROGRAMME

	Project Budget £000	2021-22 Actual £000	Project Spend at 31-03-22 £000	2022-23 Estimate £000	Carry Forward	2022-23 Revised Estimate	2022-23 Projected Outturn £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000	Total Project Exp £000
<b>New Build</b>													
Guildford Park	16,000	0	1,225	26	0	26	0	0	0	14,775	0	0	16,000
Guildford Park (from GF)	23,125	0	0	0	0	0	0	1,173	13,749	8,203	0	0	23,125
Bright Hill	3,000	0	0	3,000	0	3,000	0	3,000	0	0	0	0	3,000
Bright Hill Development (from GF)	13,500	0	0	680	0	680	0	5,680	7,000	820	0	0	13,500
Slyfield (25/26 £5m; 26/27 £44m)	50,000	0	0	1,000	0	1,000	0	0	0	5,000	44,000	0	49,000
Shawfield Redevelopment	3,000	0	0	2,500	0	2,500	0	500	0	0	0	0	500
<b>Major Repairs &amp; Improvements</b>													
Major Repairs & Improvements	annual		annual	0	0	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	75		75	75	75	75	75	75	75	annual
<b>Total Expenditure to be financed</b>	<b>108,625</b>	<b>0</b>	<b>1,225</b>	<b>7,281</b>	<b>0</b>	<b>7,281</b>	<b>75</b>	<b>15,928</b>	<b>26,324</b>	<b>34,373</b>	<b>49,575</b>	<b>5,575</b>	<b>105,125</b>

**GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2022-23 to 2027-28: HRA RESOURCES AND FUNDING STATEMENT**

	2021-22 Actual £000	2022-23 Estimate £000	2022-23 Projected Outturn £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
<b>EXPENDITURE</b>								
Approved programme	15,739	52,909	32,869	27,266	7,847	400	0	0
Provisional programme	0	7,281	75	15,928	26,324	34,373	49,575	5,575
<b>Total Expenditure</b>	<b>15,739</b>	<b>60,190</b>	<b>32,944</b>	<b>43,194</b>	<b>34,171</b>	<b>34,773</b>	<b>49,575</b>	<b>5,575</b>
<b>FINANCING OF PROGRAMME</b>								
Capital Receipts	752	400	400	400	400	400	0	0
1-4-1 receipts	2,980	8,140	2,808	8,094	3,030	3,121	3,213	0
Contribution from Housing Revenue a/c (re cash incentives)	0	75	75	75	75	75	75	75
Future Capital Programme reserve	0	11,547	11,547	6,414	8,248	8,398	14,387	0
Major Repairs Reserve	8,153	13,903	13,903	6,450	5,500	5,500	5,500	5,500
New Build Reserve	3,824	26,125	4,211	21,761	16,918	17,279	26,400	0
Grants and Contributions	30	0	0	0	0	0	0	0
<b>Total Financing (= Total Expenditure)</b>	<b>15,739</b>	<b>60,190</b>	<b>32,944</b>	<b>43,194</b>	<b>34,171</b>	<b>34,773</b>	<b>49,575</b>	<b>5,575</b>
<b>RESERVES - BALANCES</b>								
	2021-22 Actual £000	2022-23 Estimate £000	2022-23 Projected Outturn £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
<b>Reserve for Future Capital Programme (U01035) Ju</b>								
Balance b/f	38,329	40,829	40,829	31,782	27,868	22,120	16,222	4,335
Contribution in year	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Used in year	0	-11,547	-11,547	-6,414	-8,248	-8,398	-14,387	
Balance c/f	<b>40,829</b>	<b>31,782</b>	<b>31,782</b>	<b>27,868</b>	<b>22,120</b>	<b>16,222</b>	<b>4,335</b>	<b>6,835</b>
<b>Major Repairs Reserve (U01036)</b>								
Balance b/f	11,876	8,378	9,588	1,210	285	285	285	285
Contribution in year	5,865	5,525	5,525	5,525	5,500	5,500	5,500	5,500
Used in Year	-8,153	-13,903	-13,903	-6,450	-5,500	-5,500	-5,500	-5,500
Balance c/f	<b>9,588</b>	<b>0</b>	<b>1,210</b>	<b>285</b>	<b>285</b>	<b>285</b>	<b>285</b>	<b>285</b>
<b>New Build Reserve (U01069)</b>								
Balance b/f	59,383	62,477	63,398	66,261	52,882	44,515	35,958	18,454
Contribution in year	7,839	8,383	7,074	8,383	8,551	8,722	8,896	9,074
Used in Year	-3,824	-26,125	-4,211	-21,761	-16,918	-17,279	-26,400	0
Balance c/f	<b>63,398</b>	<b>44,735</b>	<b>66,261</b>	<b>52,882</b>	<b>44,515</b>	<b>35,958</b>	<b>18,454</b>	<b>27,528</b>
<b>Usable Capital Receipts: 1-4-1 receipts (T01011)</b>								

**GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2022-23 to 2027-28: HRA RESOURCES AND FUNDING STATEMENT**

	<b>2021-22 Actual</b>	<b>2022-23 Estimate</b>	<b>2022-23 Projected Outturn</b>	<b>2023-24 Estimate</b>	<b>2024-25 Estimate</b>	<b>2025-26 Estimate</b>	<b>2026-27 Estimate</b>	<b>2027-28 Estimate</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance b/f	4,526	5,412	5,226	5,630	413	465	518	573
Contribution in year	3,680	2,728	3,211	2,876	3,083	3,174	3,268	3,334
Repayment in year	0	0	0	0	0	0	0	0
Used in Year	-2,980	-8,140	-2,808	-8,094	-3,030	-3,121	-3,213	
Balance c/f	<b>5,226</b>	<b>0</b>	<b>5,630</b>	<b>413</b>	<b>465</b>	<b>518</b>	<b>573</b>	<b>3,907</b>

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	4,262	4,308	5,280	6,123	6,845	7,629	8,439	9,274
Contribution in year	1,017	661	843	722	784	810	836	862
Used in Year	0	0	0	0	0	0	0	0
Balance c/f	<b>5,280</b>	<b>4,969</b>	<b>6,123</b>	<b>6,845</b>	<b>7,629</b>	<b>8,439</b>	<b>9,274</b>	<b>10,137</b>

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	0	0	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)	0	0	0	0	0	0	0	0
Used in Year (GF Housing - DFG)	0	0	0	0	0	0	0	0
Balance c/f	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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	50	348	360	371	383	395
Contribution in year	802	289	298	301	304	307	310	313
Used in Year (HRA = above)	-752	-69	0	-189	-72	-75	-78	-78
Used in Year (GF Housing)	0	-220	0	-100	-220	-220	-220	-220
Balance c/f	<b>50</b>	<b>0</b>	<b>348</b>	<b>360</b>	<b>371</b>	<b>383</b>	<b>395</b>	<b>410</b>

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



## Treasury management policy statement

### Background

The Council adopts the key recommendations of the CIPFA's Treasury Management in the Public Services: Code of Practice (the TM Code), as described in Section 5 of the TM Code.

The Council will create and maintain, as the cornerstones for effective treasury management:

- a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
- suitable treasury management practices (TMP's), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities

### CIPFA requirement

The Council is required to adopt the following to define the policies and objectives of its treasury management activities.

1. The Council defines its treasury management activities are:

*“the management of the Council’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”*

2. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on the Council's risk implications, and any financial instruments entered into to manage these risks
3. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

### The Council's requirements

The Council is also required to detail its high-level policies for borrowing and investments

Agenda item number: 9  
Appendix 4

1. The Council (i.e. full council) will receive reports on its treasury management policies, practices and objectives including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its closed, in the form prescribed in the TMPs
2. The Council delegates responsibility for the
  - a. implementation and monitoring of its treasury management practices and policies to the Corporate Governance and Standards Committee and
  - b. execution and administration of treasury management decisions, along with changes to the TMP's to the Chief Finance Officer, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
3. The Council nominates the Corporate Governance and Standards Committee to be responsibility for ensuring effective scrutiny of the treasury management strategy and policies
4. The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk, refinancing risk and maturity risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt
5. The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Council's investments followed by the yield earned in investments remain important but are secondary considerations.

## **Money Market Code Principles**

The money market code has been developed to provide a common set of principles in order to promote the integrity and effective functioning of the UK money markets.

It is intended to promote a fair, effective and transparent market in which a diverse set of UK market participants, supported by resilient infrastructure, are able to confidently and effectively transact in a manner that is consistent with the highest standards of behaviour.

The code is based on six underpinning principles in order to promote an open, fair and effective market:

### **Ethics**

1. UK Market Participants are expected to behave in an appropriate and professional manner

### **Governance and Risk Management**

2. UK Market Participants should have an applicable governance framework that facilitates responsible participation in the UK Markets and provides for comprehensive oversight of such activity at an appropriately senior level of management. There should be clear and defined internal escalation routes
3. UK Market Participants are expected to maintain a vigorous control environment to effectively identify, measure, monitor, manage and report on the risks associated with their engagement in the UK market

### **Information Sharing, Confidentiality and Communications**

4. UK Market Participants are expected to be clear, accurate, professional, and not misleading in their communications, and to protect relevant confidential information to support effective communication

### **Execution, Surveillance, Confirmations and Settlement**

5. UK Market Participants are expected to exercise appropriate care when negotiating, executing and settling transactions  
UK Market Participants are expected to put in place effective and efficient processes to promote the secure, smooth, and timely settlement of transactions

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# Economic and Interest Rate Forecast

## 19<sup>th</sup> December 2022

- The influence of the mini-budget on rates and yields continues to wane following the more responsible approach shown by the new incumbents of Downing Street.
- Volatility in global markets continues, however, as investors seek the extent to which central banks are willing to tighten policy, as evidence of recessionary conditions builds. Investors have been more willing to price in the downturn in growth, easing financial conditions, to the displeasure of policymakers. This raises the risk that central banks will incur a policy error by tightening too much.
- The UK economy is already experiencing recessionary conditions and recent GDP and PMI data suggests the economy entered a technical recession in Q3 2022. The resilience shown by the economy has been surprising, despite the downturn in business activity and household spending. Lower demand should bear down on business pricing power - recent data suggests the UK has passed peak inflation.
- The lagged effect of the sharp tightening of monetary policy, and the lingering effects of the mini-budget on the housing market, widespread strike action, alongside high inflation, will continue to put pressure on household disposable income and wealth. The short- to medium-term outlook for the UK economy remains bleak.
- Demand for labour appears to be ebbing, but not quickly enough in the official data for most MPC policymakers. The labour market remains the bright spot in the economy and persisting employment strength may support activity, although there is a feeling of borrowed time. The MPC focus is on nominal wage growth, despite the huge real term pay cuts being experienced by the vast majority. Bank Rate will remain relatively high(er) until both inflation and wage growth declines.
- Global bond yields remain volatile as investors price in recessions even as central bankers push back on expectations for rate cuts in 2023. The US labour market remains tight and the Fed wants to see persistently higher policy rates, but the lagged effects of past hikes will depress activity more significantly to test the Fed's resolve.
- While the BoE appears to be somewhat more dovish given the weak outlook for the UK economy, the ECB seems to harbour (worryingly) few doubts about the short term direction of policy. Gilt yields will be broadly supported by both significant new bond supply and global rates expectations due to hawkish central bankers, offsetting the effects of declining inflation and growth.

	Current	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>Official Bank Rate</b>													
Upside risk	0.00	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25	1.25
Arlingclose Central Case	3.50	4.00	4.25	4.25	4.25	4.25	4.00	3.75	3.50	3.25	3.25	3.25	3.25
Downside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
<b>3-month money market rate</b>													
Upside risk	0.00	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25	1.25
Arlingclose Central Case	3.00	4.40	4.40	4.40	4.35	4.30	4.25	4.00	3.75	3.50	3.40	3.40	3.40
Downside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
<b>5yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.43	3.60	3.80	3.80	3.80	3.70	3.60	3.50	3.40	3.30	3.30	3.30	3.30
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>10yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.47	3.50	3.60	3.60	3.60	3.60	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>20yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.86	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>50yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.46	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

- The MPC raised Bank Rate by 50bps to 3.5% in December as expected, with signs that some members believe that 3% is restrictive enough. However, a majority of members think further increases in Bank Rate might be required. Arlingclose continues to expect Bank Rate to peak at 4.25%, with further 25bps rises February, March and May 2023.
- The MPC will cut rates in the medium term to stimulate a stuttering UK economy, but will be reluctant to do so until wage growth eases. We see rate cuts in the first half of 2024.
- Arlingclose expects gilt yields to remain broadly steady over the medium term, although with continued volatility across shorter time periods.
- Gilt yields face pressures to both sides from hawkish US/EZ central bank policy on one hand to the weak global economic outlook on the other. BoE bond sales and high government borrowing will provide further underlying support for yields.

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### Credit Rating Equivalents and Definitions

	Fitch	Moody's	Standard & Poor's	Fitch	Moody's	Standard & Poor's
<b>Long Term Investment Grade</b>	AAA	Aaa	AAA	<b>AAA</b> Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in the case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.	<b>Aaa</b> Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.	<b>AAA</b> An obligator rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by Standard & Pooers.
	AA+	Aa1	AA+	<b>AA</b> Very high credit quality. 'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.	<b>Aa</b> Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.	<b>AA</b> An obligator rated 'AA' has very strong capacity to meets its financial commitments. It differs from the highest rated obligators only to a small degree.
	AA	Aa2	AA			
AA-	Aa3	AA-				
	A+	A1	A+	<b>A</b> High credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.	<b>A</b> Obligations rated A are considered upper-medium grade and are subject to low credit risk.	<b>A</b> An obligator rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligators in higher rated categories.
	A	A2	A			
	A-	A3	A-			
	BBB+	Baa1	BBB+	<b>BBB</b> Good credit quality. 'BBB' ratings indicate that there are currently expectations of low credit risk. The capacity for payment of financial commitments is considered adequate but adverse changes in circumstances and economic conditions are more likely to impair this capacity. This is the lowest investment grade category.	<b>Baa</b> Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.	<b>BBB</b> An obligator rated 'BBB' has adequate capacity to meets its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligator to meet its financial commitments.
	BBB	Baa2	BBB			
	BBB-	Baa3	BBB-			
<b>Sub Investment Grade</b>	BB+	Ba1	BB+			
	BB	Ba2	BB			
	BB-	Ba3	BB-			
	B+	B1	B+			
	B	B2	B			
	B-	B3	B-			
	CCC+	Caa1	CCC+			
	CCC	Caa2	CCC			
	CCC-	Caa3	CCC-			
	CC+	Ca1	CC+			
	CC	Ca2	CC			
	CC-	Ca3	CC-			
	C+	C1	C+			
	C	C2	C			
	C-	C3	C-			
	D		D or SD			





**Guildford Borough Council**  
**Flexible Use of Capital Receipts Strategy 2022-23**

When a capital asset is no longer needed, it may be sold to generate a capital receipt. Capital receipts are normally ringfenced to finance the capital programme such as purchasing or developing new assets or to repay debt.

On 6 February 2018 the Secretary of State issued a direction under Section 16(2)(b) of the Local Government Act 2003 and guidance under section 15(1)(a) of the Local Government Act 2003 to allow local authorities to spend capital receipts on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility. The direction applies to the financial years that being on 1 April 2016, 1 April 2017, 1 April 2018, 1 April 2020, 1 April 2021 and has now been extended for financial year from 1 April 2022.

The set up and implementation costs of any new processes or arrangements are classified as qualifying expenditure which can apply for the flexible use of capital receipts.

Examples of projects include:

- Sharing back-office and administrative services with one or more other council or public sector bodies;
- Investment in service reform feasibility work, e.g. setting up pilot schemes;
- Collaboration between local authorities and central government departments to free up land for economic use;
- Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation;
- Sharing Chief-Executives, management teams or staffing structures;
- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible;
- Aggregating procurement on common goods and services where possible, either as part of local arrangements or using Crown Commercial Services or regional procurement hubs or Professional Buying Organisations;
- Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training;
- Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, through selling services to others); and
- Integrating public facing services across two or more public sector bodies (for example children’s social care, trading standards) to generate savings or to transform service delivery.

A policy on the flexible use of capital receipts was previously approved by Council as part of the Capital and Investment strategy in February 2019 to help finance the transformation costs of the Future Guildford transformation project (should it be required), and again in November 2021 for the Collaboration costs with Waverley BC. As the Government has now extended the scheme further, we can take advantage of

Agenda item number: 9  
Appendix 8

this flexibility to help fund transformation, service redesign costs and any costs associated with our savings programme in 2022-23.

The recommendation in this report is to request Councillors to approve the flexible use of capital receipts strategy, for the transformation costs incurred in 2022-23.

## Glossary

**Affordable Housing Grants** – grants given to Registered Providers to facilitate the provision of affordable housing.

**Arlingclose** – the Council’s treasury management advisors

**Authorised Limit** – the maximum amount of external debt at any one time in the financial year

**Bail in risk** – Following the financial crisis of 2008 when governments in various jurisdictions injected billions of dollars into banks as part of bail-out packages, it was recognised that bondholders, who largely remained untouched through this period, should share the burden in future by making them forfeit part of their investment to “bail-in” a bank before taxpayers are called upon.

A bail in takes place before a bankruptcy and under current proposals, regulators would have the power to impose losses on bondholders while leaving untouched other creditors of similar stature, such as derivatives counterparties. A corollary to this is that bondholders will require more interest if they are to risk losing money to a bail-in.

**Balances and Reserves** – accumulated sums that are maintained either earmarked for specific future costs or commitments or generally held to meet unforeseen or emergency expenditure

**Bank Rate** – the Bank of England base rate

**Banks – Secured** – covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the banks assets, which limits the potential losses in the unlikely event of insolvency and means they are exempt from bail in.

**Banks – Unsecured** – accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. Subject to the risk of credit loss via a bail in should the regulator determine that the bank is failing or likely to fail.

**Bonds** – Bonds are debt instruments issued by government, multinational companies, banks and multilateral development banks. Interest is paid by the issuer to the bond holder at regular pre-agreed periods. The repayment date of the principal is also set at the outset.

**Capital expenditure** – expenditure on the acquisition, creation or enhancement of capital assets

**Capital Financing Requirement (CFR)** – the Council's underlying need to borrow for a capital purpose, representing the cumulative capital expenditure of the Council that has not been financed

**Certainty rate** – the government has reduced by 20 basis points (0.20%) the interest rates on loans via the Public Works Loan Board (PWLB) to principal local authorities who provide information as specified on their plans for long-term borrowing and associated capital spending.

**Certificates of deposit** – Certificates of deposit (CDs) are negotiable time deposits issued by banks and building societies and can pay either fixed or floating rates of interest. They can be traded on the secondary market, enabling the holder to sell the CD to a third party to release cash before the maturity date.

**CIPFA** - the Chartered Institute of Public Finance and Accountancy. The institute is one of the leading professional accountancy bodies in the UK and the only one which specialises in the public sector. It is responsible for the education and training of professional accountants and for their regulation through the setting and monitoring of professional standards. Uniquely among the professional accountancy bodies in the UK, CIPFA has responsibility for setting accounting standards for a significant part of the economy, namely local government. CIPFA's members work, in public service bodies, in the national audit agencies and major accountancy firms.

**CLG** – Department for Communities and Local Government

**Corporates** – loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent.

**Corporate bonds** – Corporate bonds are those issued by companies. Generally, however, the term is used to cover all bonds other than those issued by governments. The key difference between corporate bonds and government bonds is the risk of default.

**Cost of Carry** - Costs incurred as a result of an investment position, for example the additional cost incurred when borrowing in advance of need, if investment returns don't match the interest payable on the debt.

**Counterparty** – the organisation the Council is investing with

**Covered bonds** – a bond backed by assets such as mortgage loans (covered mortgage bond). Covered bonds are backed by pools of mortgages that remain on the issuer's balance sheet, as opposed to mortgage-backed securities such as collateralised mortgage obligations (CMOs), where the assets are taken off the balance sheet.

**Credit default swaps (CDS)** – similar to an insurance policy against a credit default. Both the buyer and seller of a CDS are exposed to credit risk. The buyer effectively pays a premium against the risk of default.

**Credit Rating** – an assessment of the credit worthiness of an institution

**Creditworthiness** – a measure of the ability to meet debt obligations

**Derivative investments** – derivatives are securities whose value is derived from the some other time-varying quantity. Usually that other quantity is the price of some other asset such as bonds, stocks, currencies, or commodities.

**Diversification / diversified exposure** – the spreading of investments among different types of assets or between markets in order to reduce risk.

**Derivatives** – Financial instruments whose value, and price, are dependent on one or more underlying assets. Derivatives can be used to gain exposure to, or to help protect against, expected changes in the value of the underlying investments. Derivatives may be traded on a regulated exchange or traded ‘over the counter’.

**DMADF** – Debt Management Account Deposit Facility operated by the DMO where users can place cash in secure fixed-term deposits. Deposits are guaranteed by the government and therefore have the equivalent of the sovereign credit rating.

**DMO** – debt management office. An Executive Agency of Her Majesty’s Treasury (HMT) with responsibilities including debt and cash management for the UK Government, lending to local authorities and managing certain public sector funds.

**EIP Loans** – Equal Instalments of Principal. A repayment method whereby a fixed amount of principal is repaid with interest being calculated on the principal outstanding

**European Investment Bank (EIB)** – The European Investment Bank is the European Union’s non-profit long-term lending institution established in 1958 under the Treaty of Rome. It is a “policy driven bank” whose shareholders are the member states of the EU. The EIB uses its financing operations to support projects that bring about European integration and social cohesion.

**Finance Lease** - a finance lease is a lease that is primarily a method of raising finance to pay for assets, rather than a genuine rental. The latter is an operating lease. The key difference between a finance lease and an operating lease is whether the lessor (the legal owner who rents out the assets) or lessee (who uses the asset) takes on the risks of ownership of the leased assets. The classification of a lease (as an operating or finance lease) also affects how it is reported in the accounts.

**Floating rate notes** – Floating rate notes (FRNs) are debt securities with payments that are reset periodically against a benchmark rate, such as the three month London inter-bank offer rate (LIBOR). FRNs can be used to balance risks incurred through other interest rate instruments in an investment portfolio.

**Government** – loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail in, and there is an insignificant risk of insolvency.

**Gilts** – long term fixed income debt security (bond) issued by the UK Government and traded on the London Stock Exchange

**Housing Grants** – see Affordable Housing Grants

**Illiquid** – cannot be easily converted into cash

**Interest rate risk** – the risk that unexpected movements in interest rates have an adverse impact on revenue due to higher interest paid or lower interest received.

**Liability benchmark** – the minimum amount of borrowing required to keep investments at a minimum liquidity level (which may be zero)

**LIBID** – London Interbank BID Rate – the interest rate at which London banks are willing to borrow from one another

**LIBOR** - London Interbank Offer Rate – the interest rate at which London banks offer one another. Fixed every day by the British Bankers Association to five decimal places.

**Liquidity risk** – the risk stemming from the inability to trade an investment (usually an asset) quickly enough to prevent or minimise a loss.

**Market risk** – the risk that the value of an investment will decrease due to movements in the market.

**Mark to market accounting** – values the asset at the price that could be obtained if the assets were sold (market price)

**Maturity loans** – a repayment method whereby interest is repaid throughout the period of the loan and the principal is repaid at the end of the loan period.

**Minimum Revenue Provision (MRP)** - the minimum amount which must be charged to an authority's revenue account each year and set aside towards repaying borrowing

**Money Market** - the market in which institutions borrow and lend

**Money market funds** – an open-end mutual fund which invests only in money markets. These funds invest in short-term debt obligations such as short-dated government debt, certificates of deposit and commercial paper. The main goal is the preservation of principal, accompanied by modest dividends. The fund's net asset value remains constant (e.g. £1 per unit) but the interest rates does fluctuate. These are liquid investments, and therefore, are often used by financial institutions to store money that is not currently invested. Risk is extremely low due to the high rating of the MMFs; many have achieved AAA credit status from the rating agencies:

- Constant net asset value (CNAV) refers to funds which use amortised cost accounting to value all of their assets. They aim to maintain a net asset value (NAV), or value of a share of the fund, at £1 and calculate their price to two decimal places known as “penny rounding”. Most CNAV funds distribute income to investors on a regular basis (distributing share class), though some may choose to accumulate the income, or add it on to the NAV (accumulating share class). The NAV of accumulating CNAV funds will vary by the income received.
- Variable net asset value (VNAV) refers to funds which use mark-to-market accounting to value some of their assets. The NAV of these funds will vary

by a slight amount, due to the changing value of the assets and, in the case of an accumulating fund, by the amount of income received.

This means that a fund with an unchanging NAV is, by definition, CNAV, but a fund with a NAV that varies may be accumulating CNAV or distributing or accumulating VNAV.

**Money Market Rates** – interest rates on money market investments

**Multilateral Investment banks** – International financial institutions that provide financial and technical assistance for economic development

**Municipal Bonds Agency** – An independent body owned by the local government sector that seeks to raise money on the capital markets at regular interval to on-lend to participating local authorities.

**Non Specified Investments** - all types of investment not meeting the criteria for specified investments.

**Operational Boundary** – the most likely, prudent but not worse case scenario of external debt at any one time

**Pooled Funds** – investments are made with an organisation who pool together investments from other organisations and apply the same investment strategy to the portfolio. Pooled fund investments benefit from economies of scale, which allows for lower trading costs per pound, diversification and professional money management.

**Project rate** – the government has reduced by 40 basis points (0.40%) the interest rates on loans via the Public Works Loans Board (PWLB) for lending in respect of an infrastructure project nominated by a Local Enterprise Partnership (LEP).

**Prudential Code** – a governance procedure for the setting and revising of prudential indicators. Its aim is to ensure, within a clear framework, that the capital investment plans of the Council are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good practice.

**Prudential Indicators** – indicators set out in the Prudential Code that calculates the financial impact and sets limits for treasury management activities and capital investment

**PWLB (Public Works Loans Board)** - a central government agency which provides long- and medium-term loans to local authorities at interest rates only slightly higher than those at which the Government itself can borrow. Local authorities are able to borrow to finance capital spending from this source.

**Registered Providers (RPs)** – also referred to as Housing Associations.

**Repo** - A repo is an agreement to make an investment and purchase a security (usually bonds, gilts, treasuries or other government or tradeable securities) tied to an agreement to sell it back later at a pre-determined date and price. Repos are secured investments and sit outside the bail-in regime.

**Reserve Schemes** – category of schemes within the General Fund capital programme that are funded from earmarked reserves, for example the Car Parks Maintenance reserve or Spectrum reserves.

**Sovereign** – the countries the Council are able to invest in

**Specified Investments** - Specified investments are defined as:

- a. denominated in pound sterling;
- b. due to be repaid within 12 months of arrangement;
- c. not defined as capital expenditure; and
- d. invested with one of:
  - i. the UK government;
  - ii. a UK local authority, parish council or community council, or
  - iii. a body or institution scheme of high credit quality

**Stable Net Asset Value money market funds** – the principle invested remains at its invested value and achieves a return on investment

**Subsidy Capital Financing Requirement** – the housing capital financing requirement set by the Government for Housing Subsidy purposes

**SWAP Bid** – a benchmark interest rate used by institutions

**Temporary borrowing** – borrowing to cover peaks and troughs of cash flow, not to fund spending

**Treasury Management** – the management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risk associated with those activities and the pursuit of optimum performance with those risks.

**Treasury net** – the Council's cash management system

**Treasury Management Practices** – schedule of treasury management functions and how those functions will be carried out

**Treasury Management Strategy Statement** – also referred to as the TMSS.

**Voluntary Revenue Provision** – a voluntary amount charged to an authority's revenue account and set aside towards repaying borrowing.

**Working capital** – timing differences between income and expenditure (debtors and creditors)



Corporate Governance and Standards Committee Report

Ward(s) affected: n/a

Report of Joint Strategic Director: Transformation and Governance

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Date: 19 January 2023

## **Corporate Governance & Standards Committee Annual Report: 2021-22**

### **Executive Summary**

Following receipt of the KPMG internal audit report on the effectiveness of the Committee, which was considered on 24 March 2022, one of the recommendations was that the Committee should report at least annually to the Council on its activities and an assessment of its performance in discharging its responsibilities as defined in the Committee's terms of reference.

The first of these annual reports, for the municipal year 2021-22, is attached as Appendix 1.

### **Recommendation to Committee**

The Committee is asked to review its annual report for 2021-22 and recommend its adoption by full Council.

#### Reason for Recommendation:

To ensure that the Committee is accountable for its work to the full Council

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

### **1. Purpose of Report**

- 1.1 The purpose of this report is to ask the Committee to review its annual report for the 2021-22 municipal year and commend its adoption by the full Council at its next ordinary meeting.

### **2. Strategic Priorities**

- 2.1 The contents of the report are consistent with the following Values set out in the Council's Strategic Framework (2021-2025):

- We will listen to the views of residents and be open and accountable in our decision-making.
- We will deliver excellent customer service.
- We will spend money carefully and deliver good value for money services.
- We will ensure that our councillors and staff uphold the highest standards of conduct.

### **3. Background**

- 3.1 Following receipt of the KPMG internal audit report on the effectiveness of the Committee, which was considered on 24 March 2022, one of the recommendations was that the Committee should report at least annually to the Council on its activities and an assessment of its performance in discharging its responsibilities as defined in the Committee's terms of reference.
- 3.2 The first of these annual reports, for the municipal year 2021-22, is attached for the Committee's consideration, as Appendix 1.

### **4. Financial Implications**

- 4.1 There are no direct financial implications in respect of this report

### **5. Legal Implications**

- 5.1 Whilst production of an annual report on the activities of the committee is not a legal requirement, it is recognised as best practice. There are no direct legal implications arising from this report.

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

- 6.1 There are no direct human resource implications in respect of this report.

### **7. Equality and Diversity Implications**

- 7.1 Public authorities are required to have due regard to the aims of the Public Sector Equality Duty (Equality Act 2010) when making decisions and setting policies. This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from it.

### **8. Climate Change/Sustainability Implications**

- 8.1 There are no direct climate change/sustainability implications arising from this report.

**9. Summary of Options**

- 9.1 The Committee can either refer the Annual Report, as drafted, to full Council, or amend it as appropriate before it is referred to full Council.

**10. Background Papers**

None

**11. Appendices**

Appendix 1: Draft Annual Report of the Corporate Governance & Standards Committee 2021-22

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**CORPORATE GOVERNANCE AND STANDARDS COMMITTEE****ANNUAL REPORT 2021-22**

This report details the work undertaken by the Corporate Governance and Standards Committee over the 2021-22 municipal year. The purpose of this annual review of the work of the Committee is to help Members review the previous year's work and plan for the coming year.

In 2021-22, the Committee met on eight occasions. Additionally, the Committee met informally for the first time in January and March 2022 with the Council's internal and external auditors respectively.

The membership of the Committee in 2021-22, and their individual attendance record, was as follows:

<b>Appointed councillors</b>	<b>Actual Attendance</b>	<b>% Attendance</b>
Cllr George Potter (C)	8/8	100
Cllr Deborah Seabrook (VC)	8/8	100
Cllr David Goodwin	5/8	63
Cllr Nigel Manning	4/8	50
Cllr Susan Parker	7/8	88
Cllr John Redpath	6/8	75
Cllr James Walsh	5/8	63
<b>Co-opted Independent Members:</b>		
Mrs Maria Angel MBE	5/8	63
Mr Murray Litvak	3/8	38
<b>Co-opted Parish Members:</b>		
Ms Julia Osborn	5/8	63
Mr Ian Symes	5/8	63
Mr Tim Wolfenden	2/8	25

The attendance at most meetings by the Lead Councillors with audit and finance, and governance portfolio responsibilities ensures that the Committee maintains direct communication with the Executive.

Article 10 of the Council's Constitution limits the number of Executive members permitted to be members of the Committee to one, and they are also not permitted to be either chairman or vice-chairman of the Committee.

The Committee was supported at every meeting by the Director of Resources (S151 Officer), the Lead Specialist – Finance (Deputy S151 Officer), the Lead Specialist – Legal (Monitoring Officer), and the Democratic Services and Elections Manager.

This frequency of meetings ensures the Committee can fulfil its responsibilities in an efficient and effective way.

## **Purpose of the Annual Report**

At its meeting on 24 March 2022, the Committee considered an Internal Audit Report from KPMG on the effectiveness of the Committee. One of the recommendations to management was the preparation of an annual report to full Council on an assessment of the performance of the Committee during the year.

The Committee agreed at its March 2022 to review its terms of reference, which was conducted by the Corporate Governance Task Group, who reported back to the Committee in June 2022. The Council adopted the revised terms of reference in July 2022 (see **Annex 1**).

The core functions of the Committee, which were not changed following adoption of the revised terms of reference, are to consider the Council's arrangements relating to:

- Audit and Accounts activity;
- Corporate Governance activity; and
- Ethical Standards activity

This annual report to full Council demonstrates the importance the Council places on the authority's governance and audit arrangements. The report on the work of the Committee provides assurance to the Council how the Committee is working towards:

- fulfilling its agreed terms of reference and adopted recommended practice; and
- strengthening risk management, internal control and governance arrangements.

This report also underpins the Annual Governance Statement, which is approved by this Committee.

### **Summary of work activity undertaken in 2021-22**

A table showing the reports considered by the Committee in 2021-22 can be found in **Annex 2**. The main outcomes of the Committee's work in relation to its core functions can be summarised as follows:

### **Audit and Accounts Activity**

#### **External Audit**

In a normal year, the Committee would be expected to approve the Council's audited Statement of Accounts and consider the external auditor's findings and management's response in that regard. However, due to a number of factors it has not yet been possible to adopt the 2020-21 accounts. Grant Thornton, the Council's external auditors, reported an update on progress with the audit to the Committee at its meeting on 21 April 2022.

During 2021-22, the Committee has received from the external auditor:

- Audit Reports on Certification of Financial Claims & Returns: Housing Benefit Subsidy and Pooling Housing Capital Receipts for the 2019-20 and 2020-21 financial years
- The external audit plan for 2020-21

The Committee also considered a report on arrangements for the re-appointment of the Council's external auditor for a 5-year period from 2023-24 and recommended to full Council that it accepts Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government for five financial years from 1 April 2023.

### Internal Audit

The Committee considered reports from the Council's outsourced internal auditors, KPMG, in relation to the following activities:

- HRA / RTB receipts. (Outcome: **Amber/Red** - Partial assurance with improvement required). KPMG issued one high priority recommendation which related to the lack of a formal policy setting out roles, responsibilities, accountability and ownership throughout the process of monitoring and reporting on the spend of Right To Buy receipts. The Executive adopted such a policy on 24 February 2022.
- Review of the design and effectiveness of performance monitoring arrangements at the Council through specific review of three KPIs (Outcome: **Amber/Green** - significant assurance with minor improvement opportunities)
- Safeguarding (Outcome: **Amber/Red** - Partial assurance with improvement required)
- Key Learnings from Covid (Outcome: **Amber/Green** - significant assurance with minor improvement opportunities)
- The Future Guildford Programme (Outcome: **Amber/Green** - significant assurance with minor improvement opportunities)
- Financial Controls: Capital Management (Outcome: **Amber/Green** - significant assurance with minor improvement opportunities)
- Financial Controls: income and accounts receivable compliance (Outcome: **Amber/Red** - Partial assurance with improvement required) KPMG issued one high priority recommendation which related to the lack of formal procedures and controls to ensure regular monitoring of outstanding debt and subsequent chasing of customers. Management agreed various actions to address this recommendation with a target date of 30 June 2022.
- Financial Controls: expenditure and accounts payable compliance (Outcome: **Amber/Green** - significant assurance with minor improvement opportunities)
- Financial Controls: Procurement (Outcome: **Amber/Green** - significant assurance with minor improvement opportunities)
- Follow up reviews from 2020-21 (Outcome: **Amber/Green** - significant assurance with minor improvement opportunities)
- CIPFA Financial Management (Outcome: **Amber/Green** - significant assurance with minor improvement opportunities)
- Audit Committee Effectiveness (Outcome: **Amber/Green** - significant assurance with minor improvement opportunities)

Agenda item number: 11

#### Appendix 1

The Committee also received from KPMG the internal audit annual report and opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control. The overall opinion was stated as 'Partial assurance with improvements required'. A link to the Opinion was included in the Annual Governance Statement for 2021-22.

The Committee also agreed the internal audit plan for 2022-23.

### **Accounts**

The Committee provides financial scrutiny of the Council's accounts by continuing to receive regular financial monitoring reports which summarise the projected outturn position for the Council's general fund revenue account, based on actual and accrued data for each reporting period.

The Committee also considered outturn reports for the 2020-21 financial year in respect of:

- Capital and Investment
- Housing Revenue Account
- General Fund Revenue Account

As part of the budget setting process each year the Committee also considers the Capital and Investment Strategy before it is considered by the Executive and adopted by full Council at its Budget Meeting.

### **Corporate Governance Activity**

The Committee has considered a range of reports relating to corporate governance activities within its terms of reference.

One of the key aspects of the Committee's corporate governance activity is to consider and approve the Council's Annual Governance Statement (AGS) in advance of the formal approval of the Statement of Accounts. The AGS is a statutory requirement which sets out the Council's governance framework and procedures operating at the Council during the year, reviews their effectiveness, and identifies any significant governance issues occurring during the year.

The Committee noted that the 2020-21 AGS, had 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). Consequently, there were a number of significant governance issues identified during the year, some of which were Covid related with priorities necessarily changed to focus on the need to support our most vulnerable residents, local businesses, and essential services.

In respect of its monitoring role, the Committee has considered and made specific requests for improvements in terms of layout and information provided in relation to the following key monitoring reports:

- Corporate Performance Monitoring
- Planning Appeals Monitoring Report



- Section 106 Monitoring

Following audit recommendations from KPMG in March 2021, the Committee had monitored the work undertaken to improve the Council's risk management processes, in particular the development of a new Risk Management Framework. Consequently, in April 2022, the Committee considered the proposed Corporate Risk Register and Risk Management Strategy and Policy and had made a number of comments to the Executive to inform its decision taken on 28 April to approve the Risk Register and the Strategy and Policy.

In relation to equalities, the Committee considers and reviews on an annual basis the Council's Equality Scheme and updates to the Action Plan, as well as the Gender Pay Gap Report.

In relation to information management, the Committee receives biannual reports on the Council's performance in responding to Freedom of Information requests, together with update reports on Data Protection and Information Security initiatives.

The Committee is responsible for monitoring the work of two cross party councillor working groups, the Councillor Development Steering Group and the Corporate Governance Task Group. This is done at least annually, or on a more frequent basis whenever it is necessary for the one of the groups to report to the Committee on any matter requiring a formal decision.

In addition, the Committee may be asked to consider any relevant corporate governance related issue referred to it by the Joint Chief Executive, a Director, the Leader/Executive, or another committee. In 2021, the then Leader asked the Corporate Governance Task Group to review the Protocol on the appointment, role, status, rights and obligations of Honorary Freemen and Honorary Aldermen. The Task Group undertook the review and reported its findings to the Committee in September 2021 and the Committee submitted formal recommendations for approval by Council in October 2021.

### **Ethical Standards Activity**

In March 2022, the Committee considered the Annual Report of the Monitoring Officer on Misconduct Allegations dealt with during the 2021 calendar year. The Assessment Sub-Committee met twice to consider how three of those misconduct allegations against two borough councillors should be dealt with.

Of the three complaints referred to the Sub-Committee, two were recommended for informal resolution and no further action was taken in respect of the other.

### **Training and Development**

Although training has been provided for councillors and co-opted members on the following relevant matters:

- Overview of role of Corporate Governance and Standards Committee
- Introduction to Local Government Finance

Agenda item number: 11

Appendix 1

- Treasury Management Training
- Introduction to Investment and Strategy, and
- Overview of Local Government Financial Reporting and Guide to the Accounting Statements

one of the recommendations contained in the Internal Audit Report from KPMG on the effectiveness of the Committee considered on 24 March 2022, was to note that the Chartered Institute of Public Finance and Accountancy (CIPFA) provided a knowledge and skills framework which included core areas of knowledge, specialist areas of knowledge and core skills against which members of the Committee should be assessed.

CIPFA subsequently confirmed that they were in the process of reviewing their knowledge and skills framework, which would form part of their revised *Audit Committees: Practical Guidance for Local Authorities and Police*, a copy of which was only received in November 2022. This piece of work is therefore still outstanding.

In the circumstances, it is proposed that this assessment should be made following the Borough Council elections with future training and development targeted at identified skills and knowledge gaps.

### **Work Programme**

The Committee maintains a 12-month rolling-work programme, which is reviewed and updated at each meeting. It also includes unscheduled reports.

### **Looking Forward**

Looking forward to the new municipal year following the Borough Council elections, the Committee will have a considerable number of matters to deal with on its work programme. Through the receipt of regular reports, the Committee will provide the usual level of robust challenge to corporate governance and audit practice and procedure across the authority to ensure that our arrangements are up to date and fit for purpose, communicated, embedded and routinely complied with. In addition, the Committee will request and consider reports in relation to relevant matters which come to its attention during the course of the year.

## **CORPORATE GOVERNANCE AND STANDARDS COMMITTEE**

### **TERMS OF REFERENCE**

#### **Statement of purpose**

The Committee has a dual purpose both as an audit committee and a standards committee.

The Committee is a key component of the authority's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of the Committee is to provide independent assurance to councillors of the adequacy of the risk management framework and the internal control environment. It provides independent review of the authority's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

With regard to standards, the Committee promotes high standards of conduct by councillors and co-opted members and oversees the arrangements for dealing with allegations of misconduct.

#### **Audit and Accounts Activity**

1. To consider reports on the summary of internal audit activity (actual and proposed) and the level of assurance that it can give over the Council's corporate governance arrangements and monitor the progress of high priority actions arising from audit recommendations
2. To consider reports dealing with the management and performance of the providers of the internal and external audit functions.
3. To approve the Internal and External Audit Plans, and significant interim changes.
4. To consider the external auditor's annual letter (including their audit fee), relevant reports (both financial and strategic) and the report to those charged with governance.
5. To consider specific reports submitted by the internal or external auditors
6. To comment on the scope and depth of internal and external audit work and ensure that it gives value for money.
7. To review and approve the annual statement of accounts and Audit Findings Report with specific emphasis on whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
8. To consider reports on the Capital and Investment Strategy prior to their referral to the Executive and Council
9. To consider budget monitoring reports at least on a quarterly basis.

#### **Corporate Governance Activity**

10. To monitor and review the operation of the Council's Constitution, particularly in respect of financial procedures and protocols, procurement procedures and guidelines

Agenda item number: 11

Appendix 1

and make recommendations, as appropriate, in respect of any proposed amendments to the Executive and Council.

11. To consider the Council's arrangements for corporate governance and to recommend such actions necessary to ensure compliance with best practice, together with any relevant corporate governance related issues referred to the Committee by the Joint Chief Executive, a Director, the Leader/Executive or any other committee of the Council.
12. To monitor the effective development and operation of risk management undertaken throughout the Council including the review of the Corporate Risk Register.
13. To consider and approve the Council's Annual Governance Statement in advance of the formal approval of the Council's Statement of Accounts.
14. To consider an annual report of the operation of the whistle-blowing policy, including incidents reported
15. To monitor and audit the Council's equality and diversity policies and approve the Equality Scheme and associated action plan.
16. To monitor bi-annually the Council's performance in dealing with Freedom of Information and Environmental Information Regulations requests.
17. To monitor the Council's progress on various data protection and information security initiatives.
18. To consider annual reports on the work of task groups appointed by the Committee, together with other matters submitted to the Committee periodically by those task groups
19. To consider bi-annually Planning Appeals Monitoring Reports and S106 Monitoring Reports
20. To consider an annual report on the exercise of powers under the Regulation of Investigatory Powers Act 2000

**Ethical Standards Activity**

21. To promote and maintain high standards of conduct by councillors and co-opted members<sup>1</sup>
22. To advise the Council on the adoption or revision of the Councillors' code of conduct.
23. To advise, train or arrange to train councillors and co-opted members on matters relating to the code of conduct.
24. To agree arrangements for the selection and interviewing of candidates for appointment as Independent Persons (including such joint arrangements with other councils as may be deemed by the Monitoring Officer to be appropriate) and to make recommendations to full Council on these appointments.
25. To agree allowances and expenses for the Independent Person and any Reserve Independent Persons
26. To grant dispensations, after consultation with the independent person, to councillors and co-opted members with disclosable pecuniary interests.

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<sup>1</sup> A "co-opted member" for this purpose is, defined in the Localism Act section 27 (4) as "a person who is not a member of the authority but who

(a) is a member of any committee or sub-committee of the authority, or

(b) is a member of, and represents the authority on, any joint committee or joint sub-committee of the authority; and who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee".

Reference to councillors or co-opted members in paragraphs 30 and 31 includes councillors or co-opted members of parish councils in the Council's area.

27. To monitor and review the operation of the Code of Conduct for Staff and the Protocol on Councillor/ Officer Relations and to make recommendations as appropriate to Council in respect of any necessary amendments.
28. To consider the Monitoring Officer's Annual Report on misconduct complaints against councillors, and any other matter referred by the Monitoring Officer.

**Accountability arrangements**

To report to those charged with governance on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.

To report annually to full Council on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose.

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**CORPORATE GOVERNANCE AND STANDARDS COMMITTEE ACTIVITY – 2021/22**

**Annex 2**

<b>REPORTS</b>	<b>Jun 2021</b>	<b>Jul 2021</b>	<b>Aug 2021</b>	<b>Sep 2021</b>	<b>Nov 2021</b>	<b>Jan 2022</b>	<b>Mar 2022</b>	<b>Apr 2022</b>
<b>Annual Reports</b>								
Equality Scheme and Action Plan								
Audit Report on Certification of Financial Claims & Returns: Housing Benefit Subsidy and Pooling Housing Capital Receipts								
Review of Task Groups Reporting to the Committee								
Capital and Investment Outturn Report 2020-21								
Housing Revenue Account Final Accounts 2020-21								
Revenue Outturn Report 2020-21								
Annual Governance Statement 2020-21								
External Audit Plan 2020-21								
Councillor Training and Development Update								
Capital and Investment Strategy (2022-23 to 2026-27)								
Annual Report of the Monitoring Officer - Misconduct Allegations								
Gender Pay Gap Report 2022								
<b>Regular Reports</b>								
Corporate Performance Monitoring								
Financial Monitoring								
Internal Audit Progress Reports								
Freedom of Information Compliance Update								
Data Protection and Information Security Update Report								
Planning Appeals Monitoring Report								
Risk Management								
Section 106 Monitoring								
Committee Work Programme								
Decision and Action Tracker								
<b>Other reports received in accordance with terms of reference</b>								
HRA Right To Buy Receipts Audit Report								
Protocol on the appointment, role, status, rights and obligations of Honorary Freemen and Honorary Aldermen								
Appointment of External Auditors								

Agenda item number: 11  
Appendix 1

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Corporate Governance and Standards Committee Report

Ward(s) affected: n/a

Report of Strategic Director: Transformation & Governance

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Date: 19 January 2023

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

### **Executive Summary**

The Committee is asked to consider its 12 month rolling work programme, which is set out in Appendix 1.

### **Recommendation to Committee**

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

**7. Appendices**

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

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

**(Wednesday) 15 March 2023**

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Annual report of the Monitoring Officer regarding misconduct allegations	(1) To note the cases dealt with; and  (2) To advise the Monitoring Officer of any areas of concern upon which they would like further information and/or further work carried out.	Corporate Governance and Standards Committee	Stephen Rix 01483 444991
Financial Monitoring 2022-23 Period 10 (April 2022 to January 2023)	To note the results of the Council's financial monitoring for period April 2022 to January 2023	Corporate Governance and Standards Committee	Victoria Worsfold 01483 444834
Summary of Internal Audit Reports (April 2022 to February 2023)	To consider the summary of internal audit reports for the period April 2022 to February 2023, and the draft 2023-24 internal audit plan and draft annual report, including head of internal audit opinion.	Corporate Governance and Standards Committee	Neil Hewitson (KPMG) 0207 311 1791
Gender Pay Gap Report 2023	To note the Council's gender pay gap report	Corporate Governance and Standards Committee	Francesca Chapman 01483 444014
Planning Appeals	To monitor the Council's performance at appeals against refusal of planning permission by the Planning Committee.	Corporate Governance and Standards Committee	To be confirmed
Complaint Handling (arising from Internal Audit Report considered on 6 October 2022)	To note a brief update on progress with implementation of the agreed management actions.	Corporate Governance and Standards Committee	To be confirmed

**NB: No meeting has been fixed for this Committee in April 2023 as it falls within the Pre-Election Period**

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

**15 June 2023**

<b>Subject</b>	<b>Details of decision to be taken</b>	<b>Decision to be taken by</b>	<b>Contact Officer</b>
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 put in the next 12 months and appoint councillors to the groups	Corporate Governance and Standards Committee	John Armstrong 01483 444102
Freedom of Information Compliance - Annual Report 2022-23	To consider the annual report for 2022-23 on the Council's performance in dealing with Freedom of Information requests.	Corporate Governance and Standards Committee	Ciaran Ward 01483 444072
Monitoring of S.106 Contributions	To note the six-monthly monitoring report on S.106 Contributions	Corporate Governance and Standards Committee	Rosie Trussler 01483 444463
External Audit Plan and Audit Update and Fee Letter 2022-23	To approve the external audit plan for 2022-23, 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	To be confirmed
Corporate Risk Register	To consider the six-monthly review of the Corporate Risk Register	Corporate Governance and Standards Committee	Yasmine Makin 01483 444070
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
Audit Report on the Certification of Financial Claims and Returns 2021-22: Housing Benefit Subsidy and Pooling Housing Capital Receipts	To note the position regarding the certification of financial claims and returns for 2021-22	Corporate Governance and Standards Committee	Belinda Hayden 01483 444867

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

27 July 2023

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Capital and Investment Outturn Report 2022-23	To submit any comments to the Executive, prior to determination by full Council.	Council: October 2023 On the recommendation of: Corporate Governance and Standards Committee Executive: August 2023	Victoria Worsfold 01483 444834
Revenue Outturn Report 2022-23	To submit any comments to the Executive.	Executive: August 2023 On the recommendation of: Corporate Governance and Standards Committee	Victoria Worsfold 01483 444834
Housing Revenue Account Final Accounts 2022-23	To submit any comments to the Executive	Executive: August 2023 On the recommendation of: Corporate Governance and Standards Committee	Victoria Worsfold 01483 444834
Financial Monitoring 2023-24 Period 2 (April/May 2023)	To note the results of the Council's financial monitoring for the period April/May 2023	Corporate Governance and Standards Committee	Victoria Worsfold 01483 444834
Summary of Internal Audit Reports April to June 2023	To consider the summary of internal audit reports for the period April to June 2023.	Corporate Governance and Standards Committee	To be confirmed
Annual Governance Statement 2022-23	To adopt the Council's Annual Governance Statement 2022-23	Corporate Governance and Standards Committee On the recommendation of: Executive: July 2023	To be confirmed

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

## 28 September 2023

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Financial Monitoring 2023-24 Period 3 (April to July 2023)	To note the results of the Council's financial monitoring for the period April to July 2023	Corporate Governance and Standards Committee	Victoria Worsfold 01483 444834
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 the annual 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 2023)	Corporate Governance and Standards Committee	Ciaran Ward 01483 444072

## 16 November 2023

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Financial Monitoring 2023-24: Period 6 (April to September 2023)	To note the results of the Council's financial monitoring for the period April to September 2023	Corporate Governance and Standards Committee	Victoria Worsfold 01483 444834
Summary of internal audit reports (April to November 2023)	To consider the summary of internal audit reports and progress on the internal audit plan for April to November 2023	Corporate Governance and Standards Committee	To be confirmed
Corporate Risk Register	To consider the six monthly review of the Corporate Risk Register	Corporate Governance and Standards Committee	Yasmine Makin 01483 444070
Monitoring of S.106 Contributions	To note the six-monthly monitoring report on S.106 Contributions	Corporate Governance and Standards Committee	Rosie Trussler 01483 444463
Regulation of Investigatory Powers Act 2000	To consider an annual report on the exercise of powers under the Regulation of Investigatory Powers Act 2000	Corporate Governance and Standards Committee	Ciaran Ward 01483 444072

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

18 January 2024

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Capital and investment strategy (2024-25 to 2027-28)	To comment on various recommendations to the Executive and Council	Council: 7 February 2024  On the recommendation of: Corporate Governance and Standards Committee Executive: 25 January 2024	Victoria Worsfold 01483 444834
Financial Monitoring 2023-24 Period 8 (April to November 2023)	To note the results of the Council's financial monitoring for the period April to November 2023	Corporate Governance and Standards Committee	Victoria Worsfold 01483 444834
Summary of Internal Audit Reports (April to December 2023)	To consider the summary of internal audit reports for the period April to December 2022.	Corporate Governance and Standards Committee	
Annual Report of the Corporate Governance & Standards Committee	To consider the Annual Report for 2022-23	Council: 7 February 2024  On the recommendation of: Corporate Governance and Standards Committee	John Armstrong 01483 444102
Safeguarding	To consider report detailing progress against the approved Strategic Safeguarding Group Action Plan 2023-24	Corporate Governance and Standards Committee	Jo James Tel: 01483 444703

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

## Unscheduled

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
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
2021-22 Audit Findings Report: Year ended 31 March 2022	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 2021-22 Audited Statement of Accounts	To approve the 2021-22 Statement of Accounts	Corporate Governance and Standards Committee	Victoria Worsfold 01483 444834
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	To be confirmed
The Council's Constitution	To review and update Financial Procedure Rules	Council  On the recommendation of: Corporate Governance and Standards Committee and Executive	Victoria Worsfold 01483 444834