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Contact Officer:

John Armstrong,  
Democratic Services and Elections Manager  
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10 January 2024

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 18 JANUARY 2024 at 7.00 pm.**

Yours faithfully

Tom Horwood  
Chief Executive

**MEMBERS OF THE COMMITTEE:**

Chairman: Councillor Phil Bellamy  
Vice-Chairman: Councillor Bob Hughes

Councillor Joss Bigmore	+Murray Litvak
Councillor James Jones	^Julia Osborn
Councillor George Potter	^Simon Schofield
Councillor James Walsh	^Tim Wolfenden
One Vacancy	

\*Independent member

^ Parish member

**Authorised Substitute Members:**

Councillor Bilal Akhtar	Councillor Vanessa King
Councillor Honor Brooker	Councillor Richard Mills OBE
Councillor Ruth Brothwell	Councillor Howard Smith
Councillor Amanda Creese	Councillor Katie Steel

### **WEBCASTING NOTICE**

This meeting will be 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 webcasting of meetings, please contact Democratic Services.

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

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

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

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

**3 MINUTES (Pages 7 - 34)**

To confirm the minutes of the meetings of the Corporate Governance and Standards Committee held on 16 and 29 November 2023.

**4 ACTION TRACKER (Pages 35 - 40)**

**5 INTERNAL AUDIT PROGRESS REPORT: NOVEMBER 2023 (Pages 41 - 56)**

**6 CAPITAL AND INVESTMENT STRATEGY 2024-25 TO 2028-29 (Pages 57 - 200)**

**7 EXTERNAL AUDIT UPDATE**

To receive an oral update from the Council's external auditors, Grant Thornton.

- 8 FINANCIAL MONITORING 2023-24 PERIOD 8 (APRIL TO NOVEMBER 2023)** (Pages 201 - 258)
- 9 UPDATE ON THE REVISED, JOINT EQUALITY, DIVERSITY AND INCLUSION POLICY, AND ASSOCIATED ACTION PLAN**  
(Pages 259 - 276)
- 10 AMENDMENTS TO THE GUILDFORD AND WAVERLEY JOINT GOVERNANCE COMMITTEE TERMS OF REFERENCE** (Pages 277 - 290)
- 11 GUILDFORD BOROUGH COUNCIL AND WAVERLEY BOROUGH COUNCIL: OFFICER EMPLOYMENT PROCEDURE RULES**  
(Pages 291 - 326)
- 12 GUILDFORD BOROUGH COUNCIL AND WAVERLEY BOROUGH COUNCIL MONITORING OFFICER PROTOCOL** (Pages 327 - 342)
- 13 AMENDMENTS TO THE GUILDFORD BOROUGH COUNCIL AND WAVERLEY BOROUGH COUNCIL PRE-ELECTION PUBLICITY & DECISION-MAKING POLICY** (Pages 343 - 366)
- 14 GUILDFORD BOROUGH COUNCIL - WHISTLEBLOWING POLICY**  
(Pages 367 - 390)
- 15 WORK PROGRAMME** (Pages 391 - 400)

## **CORPORATE GOVERNANCE AND STANDARDS COMMITTEE**

16 November 2023

- \* Councillor Phil Bellamy (Chairman)
- \* Councillor Bob Hughes (Vice-Chairman)
  - \* Councillor Joss Bigmore
  - \* Councillor James Jones
  - \* Councillor George Potter
  - \* Councillor James Walsh
  - Councillor Fiona White

### Independent Members:

- \* Murray Litvak

### Parish Members:

- Julia Osborn
- Simon Schofield
- \* Tim Wolfenden

\*Present

The Leader of the Council, Councillor Julia McShane, the Lead Councillor for Finance & Property, Councillor Richard Lucas, and Councillors Philip Brooker, Richard Mills OBE, and Howard Smith were also in attendance.

The Lead Councillor for Engagement and Customer Services, Councillor Angela Goodwin, and Councillors Ruth Brothwell, Amanda Creese and Geoff Davis were in remote attendance.

### **CGS34 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

Apologies for absence were received from Councillor Fiona White, for whom Councillor Vanessa King substituted, and from Julia Osborn and Simon Schofield.

### **CGS35 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS**

There were no disclosures of interest.

### **CGS36 MINUTES**

The minutes of the meetings of the Committee held on 27 July and 28 September 2023 were approved as a correct record. The Chairman signed the minutes.

### **CGS37 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

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

### **CGS38 FREEDOM OF INFORMATION COMPLIANCE UPDATE**

The Committee considered an update report on the monitoring of the Council's performance in dealing with Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests.

Following a fall in performance standards during 2020-21, largely due to the Covid pandemic lockdown and recent corporate restructures, performance rates for timely delivery of FOI/EIR requests within the 20- working day deadline had since improved over the 2021-22 and 2022-23 financial years.

The Committee noted that during the first six months of 2023 (January to June inclusive – i.e. Quarter 4 of 2022-23 and Quarter 1 of 2023-24) the Council had received 376 FOI/EIR requests – of which 90.5% were responded to within the 20 working day statutory deadline. This was in line with the Corporate Management Board's set target of 90%.

Furthermore, following the Committee's request to monitor, as an additional target, response rates dealt with promptly within 10 working days (i.e., half of the statutory time limit), it was reported that, during this period 145 (38.5% of the total) were responded to within 10 or fewer working days. This compared favourably with the overall 2022-23 figure of 36.5%.

Questions and comments from the Committee raised the following points:

- In response to a request for information as to how the number of requests made had compared with similar periods in previous years, and the impact of signposting people to relevant information on the website, the Information Governance Officer indicated that the disclosure log on the website, which contained copies of responses to previous similar requests for information, had brought down the number of formal requests to a small extent. The Lead Councillor for Engagement and Customer Services indicated that she was happy to look at providing comparative information for future reports.
- It was noted that there had been only three internal reviews during the period in question and no appeals to the Information Commissioner's Office.

The Committee

RESOLVED: That the update report be noted and that the Committee continues to receive regular updates.

Reasons:

- To ensure that the Committee is kept up to date with developments in the FOI/EIR framework.
- To ensure that the Committee has the necessary information to enable requests for information to be made easily to the Council and properly responded to.
- To assist with learning lessons and improving performance following requests for information made to the Council.

Action:	Officer to action:
To provide information in future reports on how the number of requests made had compared with similar periods in previous years.	Information Governance Officer

**CGS39 CAPITAL AND INVESTMENT OUTTURN REPORT 2022-23**

The Committee considered the annual outturn report on capital expenditure, non-treasury investments and treasury management performance for 2022-23.

In total, expenditure on the General Fund capital programme had been £35.4 million against the original budget of £158 million, and revised budget of £169 million. Details of the revised estimate and actual expenditure in the year for each scheme were set out in Appendix 3 to the report.

The budget for Minimum Revenue Provision (MRP) had been £1.5 million and the outturn was £1.38 million. This was due to slippage in the capital programme in 2021-22.

Officers had reviewed the capital programme and had determined that there were schemes that were no longer required, that no longer met the original business case or had been removed pending a new business case in light of the Council’s ongoing budget deficit. These schemes were detailed in the Financial Recovery Plan within the capital programme workstream. Removing these schemes would reduce the Council’s underlying need to borrow for capital purposes and would generate a saving to the revenue account in respect of MRP and interest.

The Council's investment property portfolio stood at £178 million at the end of the year. Rental income was £9.5 million, and income return had been 5.7% against the benchmark of 4.7%.

The Council's cash balances had built up over several years, and reflected the strong balance sheet, with considerable revenue and capital reserves in the HRA. Officers carried out the treasury function within the parameters set by the Council each year in the Capital and Investment Strategy. At 31 March 2023, the Council held £98 million in investments, £295 million in borrowing of which £147 million related to the HRA, £32 million related to the Weyside Urban Village Project, and £115 million was short term borrowing, resulting in net debt of £197 million.

The Council borrowed short-term from other local authorities for cash flow purposes in the year and had taken out a loan for Weyside Urban Village under the infrastructure rate. This interest was capitalised against the project and not charged to the General Fund as interest payable.

Section 8 of the report confirmed that the Council had complied with its prudential indicators, treasury management policy statement and treasury management practices (TMPs) for 2022-23. The policy statement was included and approved annually as part of the Capital and Investment Strategy, and the TMPs were approved under delegated authority.

The treasury management performance over the last year, compared to estimate, had been summarised in the report, and the factors affecting this performance had also been highlighted. There had been slippage in the capital programme which resulted in a lower Capital Financing Requirement than estimated. Interest paid on debt had been lower than budget, due to less long-term borrowing taken out on the General Fund because of slippage in the capital programme.

The yield returned on investments had been lower than estimated, but the interest received had been higher due to more cash being available to invest in the year – a direct result of the capital programme slippage. Officers had been reporting higher interest receivable and payable and a lower charge for MRP during the year as part of the budget monitoring when reported to councillors during the year.

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

During the debate, the Committee made the following comments:

- In relation to the Council's investment property fund portfolio, it was noted that demand for light industrial units was particularly high, and this

element of the portfolio had performed considerably better than other parts of the property market within Guildford.

- Concerns were expressed regarding ongoing slippage in the capital programme and over provision in the budget for MRP. The Committee noted that MRP was calculated on a scheme-by-scheme basis, and it was only applicable when a capital scheme becomes operational. Where there was slippage, the impact on the budget for MRP was reduced.
- In response to a question as to the extent to which the Council was receiving a good return on its investments, and whether the Council should continue to hold certain investments, the Committee noted that a review of all investments would be taking place imminently.
- In relation to key points relevant to investment property in the local area, it was suggested that the office and retail markets were “stagnant” rather than “subdued”. Clarification was sought in respect of whether the comment in the report that landlords were “taking a 10-year approach when renting” meant that landlords were actually seeking 10-year leases.
- Clarification was also sought as to whether town centre retail vacancies were significantly down, and running at a lower vacancy rate than the south-east average.
- In response to a question as to the approximate proportion of the Public Works Loan Board (PWLB) debt related to assets acquired to increase rental incomes and therefore would no longer be allowed under the rules, it was confirmed that none of it was used for such purposes. It related mainly to the borrowing on the Housing Revenue Account and to the Weyside Urban Village project. The Council had used its own resources to finance the acquisition of investment properties.

Having noted that this matter would be considered by the Executive at its meeting on 23 November, and by Council on 5 December, the Committee

RESOLVED: That the recommendations to the Executive and full Council contained in the report be supported, subject to the comments referred to above made by the Committee during its debate.

Reasons:

- To comply with the Council’s treasury management policy statement, the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on treasury management and the CIPFA Prudential Code for Capital Finance in Local Authorities.
- As per the treasury management code although the scrutiny of treasury management (and indeed all finance) had been delegated to the Committee, ultimate responsibility remained with full Council. This report therefore fulfilled that need.

Action:	Officer to action:
<p>(a) To clarify whether the comment in the report that landlords were “taking a 10-year approach when renting” meant that landlords were actually seeking 10-year leases.</p> <p>(b) To clarify whether town centre retail vacancies were significantly down, and running at a lower vacancy rate than the south-east average.</p>	<p>Lead Specialist - Finance</p>

#### **CGS40 HOUSING REVENUE ACCOUNT FINAL ACCOUNTS 2022-23**

The Committee considered a report on the Housing Revenue Account (HRA) final accounts for 2022-23. The HRA recorded all the income and expenditure associated with the provision and management of Council owned residential dwellings in the Borough. The requirement to maintain a HRA was set out in the Local Government and Housing Act 1989 and the requirement to publish final accounts was set out in the Accounts and Audit (England) Regulations 2015.

The report had set out the actual level of revenue spending on day-to-day services provided to tenants and recorded in the HRA in 2022-23. The operating surplus for the HRA in 2022-23 had been £3.12 million less than the budgeted surplus of £10.89 million (Section 7.5) at £7.76 million. The outturn allowed a contribution of £2.5 million to the reserve for future capital and a contribution of £5.26 million to the New Build reserve. The HRA working balance at year-end remained at £2.5 million.

The Chief Finance Officer, in consultation with the Leader of the Council and Lead Councillor for Finance and Property had used their delegated authority to make the necessary transfers to reserves. This continued the policy adopted in previous years, whereby the year-end surplus was applied to each of the two reserves referred to above.

The HRA capital programme had budgeted expenditure of £53.9 million with an actual spend of £26.3 million. There had been £24.5 million of major repairs estimated with an outturn of £20.3 million. £27.05 million had been budgeted for new developments, where actual expenditure had been £6 million due to delays in the progression of some of the new schemes.

During the debate, the Committee made the following comments:

- In response to a question, the interim Section 151 Officer confirmed that the figures in the report represented all the HRA expenditure both in terms



of revenue and capital incurred in 2022-23, including the unbudgeted sums in relation to housing maintenance. There were, however, outstanding orders and other work that was ongoing, which were not included in those figures, but would be included in the current year's figures.

- Whilst the Committee could be reassured that the figures represented what had actually been spent, it could not at this point be assured as to what had been delivered in terms of physical improvements to the housing stock as a consequence of that expenditure.
- The Committee noted that the Monitoring Officer would be submitting a report to the Committee at its special meeting on 29 November outlining the governance around the housing maintenance issue.
- In response to a question as to whether the 3% loss of rental income compared to estimates due to voids was within the normal range, or whether it was something about which the Committee should be concerned, officers indicated that the quarterly Performance Monitoring Report considered by the Overview and Scrutiny Committee included a KPI on void properties.

Having considered the report and noted that this matter would also be considered by the Executive at its meeting on 23 November, the Committee

RESOLVED: That the recommendation to the Executive contained in the report be supported, subject to the comments referred to above made by the Committee during its debate.

Reason:

To allow the Statutory Statement of Accounts to be finalised and subject to external audit prior to approval.

**CGS41 REVENUE OUTTURN REPORT 2022-23**

The Committee received a report setting out the final position on the General Fund and the Collection Fund revenue accounts, for the 2022-23 financial year.

Overall, the outturn on the General Fund for 2022-23 had been £6.49 million more than originally budgeted, which would be financed from the Medium-Term Financial Plan reserve. The Chief Financial Officer, in consultation with the Leader of the Council and the Lead Councillor for Finance and Property, had delegated authority to deal with the overspend and to transfer the necessary resources from the reserve.

The report had set out the major reasons for the variance. Net income from interest receipts had been £915,000 more than estimated and the minimum revenue provision (MRP) for debt repayment had been £5,000 higher than estimated.

During the accounts closure process, a number of adjustments had been made following a review of the balance sheet, details of which were set out in the report.

Historically the Council held many reserves for specific purposes. For 2022-23 all reserves that were held for internal policy reasons had been merged into the Medium-Term Financial Plan Reserve. There were still some specific reserves, but these had been kept to a minimum.

The business rates balance on the collection fund was particularly susceptible to movements in the number and values of appeals businesses had made against their rateable values. The Council had no control over such appeals and had limited information from the Valuation Office to help assess the potential impact.

The Collection Fund revenue account for the year had shown an overall deficit of £1.735 million, of which the Council's share was £0.694 million, which would be recovered from the General Fund in 2023-24.

The outturn position will be included in the Statement of Accounts which would be signed by the Chief Financial Officer and subsequently audited by Grant Thornton. This Committee would review the audited statement of accounts.

During the debate, the Committee made the following comments:

- In response to a request for an update on the annual audit of accounts, the Interim Section 151 Officer had spoken recently to Paul Cuttle, Lead Auditor from Grant Thornton who had indicated that nationally, the government had decided that outstanding audits not finalised by 31 March 2024 were unlikely to be completed. For Guildford, that would mean that, although the 2020-21 accounts would be signed off before that date, the audits of the 2021-22 and 2022-23 accounts might never be completed. The Committee was advised that the finance team had undertaken a full review of those accounts and had exercised due diligence to ensure that the issues raised as part of the 2020-21 accounts did not recur in the subsequent accounts. A particular problem that might arise in respect of the audit of the current year's accounts would be establishing opening balances.
- Concern over provision for bad debt of £500,000 for caravan sites identified following the balance sheet review during the 2022-23 closing process, and enquiry as to what provisions had been put in place to prevent a recurrence of the bad debt. In response, officers explained that the review of the balance sheet had been comprehensive, and that the figure represented an accumulated historical error and that the provision for bad debt had been revised based on actual arrears shown on the system.

Having considered the report and noted that this matter would also be considered by the Executive at its meeting on 23 November, the Committee

RESOLVED: That the recommendation to the Executive contained in the report be supported, subject to the comments referred to above made by the Committee during its debate.

Reasons:

- To note the final outturn position for 2022-23 and delegated decisions taken by the Chief Financial Officer which would be included in the statutory accounts.
- To facilitate the ongoing financial management of the Council.

**CGS42 MEDIUM TERM FINANCIAL PLAN (MTFP) AND FINANCIAL RECOVERY PLAN - NOVEMBER UPDATE REPORT**

The Committee received a report setting out an update on the Medium-Term Financial Plan (MTFP) and progress with the Financial Recovery Plan.

The Committee noted that the Council had agreed the 2023-24 budget in February 2023 with a £3.3m shortfall requiring further work to remove this gap, with the fallback position being the deployment of usable reserves.

An updated MTFP position had been presented to full Council on 25 July 2023 which set out the key issues and the position in which the Council was now left. In summary, this had been a remaining in-year deficit of £1.7m and a budget gap of £18.3m over the MTFP period to 2026-27.

A Financial Recovery Plan had been presented to full Council at its extraordinary meeting on 30 August and updated at its last meeting on 10 October. This had set out the immediate and medium-term actions being taken to address both the in-year and medium-term budget gaps.

In October, the Interim s151 officer had concluded that sufficient progress had been made to avoid the need for a s114 report to be issued but that significant work was still required to produce a balanced budget for 2024-25 and beyond.

In addition to providing an update on the MTFP position, potential funding changes, and progress on the Recovery Plan workstreams, the report presented to the Committee had also set out the outcome of the review of the Capital Programme. If approved, this would remove £96.6m from the Approved and Provisional Capital programmes which, in turn, would reduce the Council's projected borrowing needs.

The report had also provided a high-level update on the potential remaining budget gap to be addressed and the actions ongoing to address this. The work to date on the Financial Recovery Plan had reduced the July MTFP gap of £18.3m to £7.3m. Although excellent progress had been made, significant further work was still required to produce a balanced budget for 2024-25.

The Interim Section 151 Officer informed the Committee that he was hopeful that when the finance settlement was announced by Government in December the New Homes Bonus, which was one of the funding assumptions that had been built into the July MTFP update, would continue for the next financial year.

During the debate, the Committee made the following comments:

- In response to a question as to whether increased housebuilding was factored into future Council Tax funding assumptions and whether it had much of a significant effect, the Interim Section 151 Officer confirmed that the finance team had built an assumption each year, both around the actual increase in Council Tax, assuming that the capping limit would remain at 2.99%, and also an assumption of taxbase growth year on year.
- Concern that measures to be actively implemented over the four-year period only constituted approximately half what was assumed to be the total range of measures that would be needed to get the Council back to the financial position in which it wanted to be. In response, the Interim Section 151 Officer confirmed that approximately half of the £18.3 million budget gap effectively comprised of additional borrowing costs, but that other workstreams being undertaken as part of the Financial Recovery Plan such as income reviews, for example around car parking were generating a significant contribution towards closing that budget gap. Contract renewals, such as utilities, were likely to generate further significant savings.
- Concerns over proposals in the approved capital programme to delay flood resilience measures, and traveller transit site provision. A response from the relevant heads of service, setting out the reasons for the delay would be circulated to the Committee.
- In response to a question as to whether extra car park revenue of approximately £950,000 would be achieved in the current year, the Interim Section 151 Officer confirmed that was his expectation, and that it may even be exceeded. It was noted that approximately £80,000 of that figure was expected to comprise parking fines.
- It was noted that the wording of paragraph 11.2 of the report needed to be updated to reflect the fact that the revised projected budget gap over the MTFP period was now £7.3 million, rather than £18.3 million. This would be corrected.
- It was noted that not all of the £96 million of the reduction in the capital programme attracted MRP, and the revenue saving was only £2.5 million. It would be useful to understand what the implications for MRP were for each of

the proposed reductions in the various capital projects. In response, the Interim Section 151 Officer indicated that this could be incorporated into the report on the Capital & Investment Strategy to be taken to the budget Council meeting in February.

- Support the assumptions in the report about capital asset disposal.
- Query the pay assumption at 3.3% when inflation was still high. The Interim Section 151 Officer stated that the average pay award over the three-year period was 3.3%, but understood that it was frontloaded in the provision for next year.
- Concern was expressed, and clarification was sought, in respect of the Council's intentions in relation to the Shaping Guildford's Future project. The Interim Section 151 Officer informed the Committee that it was proposed to remove the capital allocation of £4.1 million within the programme, and that there would be some revenue impacts which would be brought forward as part of the budget proposals in February.
- Clarification was sought in respect of the reference in paragraph 9.2 of the report that the 2023-24 in-year position was balanced whilst the table in paragraph 9.1 had indicated that the remaining target to be achieved in 2023-24 was £600,000. In response, the Interim Section 151 Officer explained that in terms of balancing the budget for the current financial year, many of the actions taken, for example, holding vacancies and stopping some discretionary expenditure, were of a one-off nature, and would not be repeated as base budget adjustments for the next financial year. The £600,000 referred to needed to be addressed as extra base budget savings to balance the budget in the next financial year.
- Clarification was also sought in respect of the reference in the report to possible policy changes (accounting and discretionary policies) as one of the potential further measures to reduce the shortfall. In response, the Interim Section 151 Officer explained that this related to matters over which the Council had some discretion such as reviewing the charges we make both into and out of the Housing Revenue Account, which impacted on the General Fund.
- The report needed to be explicit and honest about the climate change and sustainability implications of some of the proposed changes to provisional schemes in particular. For example, energy efficiency compliance, flood resilience, and electric waste vehicles were being delayed, and the sustainable movement corridor was no longer required.

Having considered the report and noted that this matter would also be considered by the Executive at its meeting on 23 November, and by Council on 5 December, the Committee

RESOLVED: That the recommendations to the Executive and full Council contained in the report be supported, subject to the comments referred to above made by the Committee during its debate.

Reasons:

To enable the Council to protect the current level of reserves and to set a balanced budget and a robust Medium-Term Financial Plan.

(Councillor Bob Hughes requested that his abstention in respect of the vote on this matter be recorded)

<b>Action:</b>	<b>Officer to action:</b>
(a) To circulate to the Committee a response from the relevant heads of service regarding the concerns expressed over proposals in the approved capital programme to delay flood resilience measures, and traveller transit site provision, and the reasons for the delay.	Lead Specialist – Finance
(b) To update the wording of paragraph 11.2 of the report to reflect the fact that the revised projected budget gap over the MTFP period was now £7.3 million, rather than £18.3 million.	Democratic Services & Elections Manager

**CGS43 COUNCILLOR TRAINING AND ANNUAL DEVELOPMENT ANNUAL REPORT 2023-24**

The Committee considered the annual report on Councillor Training and Development, which was led by the Councillor Development Steering Group. The report had set out details of the work undertaken by the Steering Group over the past year, focussing on the Councillor Induction Programme following the local elections this year, which ran from May to the end of July, and the feedback received, and the ongoing training that had followed.

Given the high turnover of councillors following the elections, the Committee noted that, in addition to the already busy and intense Induction Programme for councillors, several briefings for councillors in respect of key projects and planning applications had to be incorporated into the programme.

In the spirit of the collaboration with Waverley, a number of shared training and development opportunities had been identified, particularly in respect of generic topic areas such as the regulatory functions like planning and licensing and in relation to ethical standards. In such cases, reciprocal arrangements had been established with Waverley whereby their councillors had been invited to Guildford’s training sessions and Guildford councillors had been invited to theirs.

The Induction Programme had also included some sessions for parish councillors on planning, ethical standards, and data protection.

The report had made some suggestions as to how the induction process could be improved after the next local elections in 2027.

During the debate, the Committee made the following comments:

- Proposed training focusing on planning, including s106 payments, ecology and biodiversity, and climate change and sustainable construction, and good design and landscaping was particularly welcomed.
- Query as to whether training on understanding the demand of the role of councillor and dealing with ward issues was the responsibility of the political groups, particularly bearing in mind that following recent elections new political groups had been established which had resulted in very few, if any, councillors with any previous experience. It was suggested that some practical training/guidance for new councillors on dealing with ward issues could be provided for the next induction programme.

The Committee

RESOLVED: That the Committee notes the valuable work being undertaken by the Councillor Development Steering Group in developing a clear structured plan for councillor development that responds both to the Council’s corporate priorities and councillors’ individual training needs.

Reason:

To recognise the important and ongoing work of the Councillor Development Steering Group

<b>Action:</b>	<b>Officer to action:</b>
To ask the Councillor Development Steering Group to look at the various suggestions in the report and those made at the meeting to improve the Councillor Induction Programme.	Democratic Services and Elections Manager

**CGS44 WORK PROGRAMME**

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.

Agenda item number: 3

The meeting finished at 8.24 pm

Signed .....

Date .....

Chairman



## **CORPORATE GOVERNANCE AND STANDARDS COMMITTEE**

29 November 2023

- \* Councillor Phil Bellamy (Chairman)
- \* Councillor Bob Hughes (Vice-Chairman)
  - \* Councillor Joss Bigmore
  - \* Councillor James Jones
  - \* Councillor George Potter
  - \* Councillor James Walsh
  - Councillor Fiona White

### Independent Members:

- \* Murray Litvak

### Parish Members:

- \* Julia Osborn
- \* Simon Schofield
- \* Tim Wolfenden

\*Present

The Deputy Leader of the Council, Councillor Tom Hunt, the Lead Councillor for Finance & Property, Councillor Richard Lucas, the Lead Councillor for Community and Organisational Development, Councillor Carla Morson, the Lead Councillor for Regulatory & Democratic Services, Councillor Merel Rehorst-Smith and Councillors Philip Brooker, Vanessa King, and Howard Smith were also in attendance.

The Lead Councillor for Commercial Services, Councillor Catherine Houston, and Councillors Ruth Brothwell, Yves de Contades, Amanda Creese, Richard Mills OBE, Maddy Redpath, Joanne Shaw, and Sue Wyeth-Price were in remote attendance.

### **CGS45 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

Apologies for absence were received from Councillor Fiona White, for whom Councillor Vanessa King substituted.

### **CGS46 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS**

There were no disclosures of interest.

### **CGS47 INTERNAL AUDIT PROGRESS REPORT 2023-24**

The Committee considered an update report from the Southern Internal Audit Partnership which set out a clear and transparent articulation of internal audit activity, performance, and outcomes during the six-month period up to 30 September 2023.

The report had included the status of ‘live’ internal audit reports; an update on progress against the annual audit plan; a summary of internal audit performance, planning and resourcing issues; and a summary of significant issues that would impact on the Chief Internal Auditor’s annual opinion.

In relation to the analysis of the ‘Live’ audit reviews, the Committee noted on the Supplementary Information sheet the responses received to the management actions arising from the internal audit reviews undertaken in 2022-23 by KPMG in respect of Performance Monitoring and Risk Management.

During the debate, the following points were raised by the Committee:

- Request for better presentation of the graph showing “Stakeholder Satisfaction Survey Results” in the Performance Dashboard.
- In response to a concern as to whether the revised due dates in respect of the Overdue ‘High Priority’ Management Actions in relation to budgetary controls and payroll budget discrepancy, would be achieved, the internal auditor confirmed that these would be followed up in December and January and reported back to the Committee as appropriate. Explanations would be provided where implementation of any actions had not been achieved by the revised target dates.
- It was also noted that there had been significant delays in responding to Overdue ‘Low & Medium Priority’ Management Actions arising from earlier audit reviews. The internal auditor would seek clarification of the reason for the delays from the responsible officers and inform the Committee. It was suggested that explanation of delays should only be given where a due date had slipped for a second time.
- Clarification was requested for future reports of “Audit sponsors”.

Having considered the report, the Committee

RESOLVED: That the progress made against the internal audit plan for 2023-24, as detailed in the report submitted to the Committee, together with the update provided on the Supplementary Information Sheet, be noted.

Reason:

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

<b>Action:</b>	<b>Officer to action:</b>
<ul style="list-style-type: none"><li>• To provide better presentation of the graph showing “Stakeholder Satisfaction Survey Results” in the Performance Dashboard in</li></ul>	Iona Bond Assistant Head of Southern Internal Audit Partnership

Action:	Officer to action:
<p>future reports.</p> <ul style="list-style-type: none"> <li>• To seek clarification from the responsible officers of the reason for the delays in responding to Overdue 'Low &amp; Medium Priority' Management Actions arising from earlier audit reviews and to inform the Committee</li> <li>• To clarify in future reports who "Audit sponsors" were.</li> </ul>	

**CGS48 MONITORING OF S.106 CONTRIBUTIONS**

At its meeting on 27 July 2023, the Committee had considered a Section 106 Monitoring report, which provided a schedule showing the details of Section 106 contributions that had been secured, received and spent as of the date of the report. The Committee had raised concerns about the following matters:

- lack of member and parish council involvement in decisions to re-prioritise spend
- substantial sums of unspent monies with a specific focus on education and health care contributions,
- the robustness of negotiations on Section 106 for larger scale development with specific reference to the Wisley Airfield site.

The Committee requested that a further report be submitted to respond to some of the specific questions raised to enable the Committee to have a better understanding of how Section 106 monies were held and being spent.

The Committee considered the further report, presented by the Executive Head of Planning Development, which addressed these concerns.

During the debate, the following points were raised by the Committee:

- Further information was requested on the Council’s approach with Surrey County Council (SCC) and the Integrated Care Board (ICB), on ensuring that the appropriate infrastructure was put in place and the S106 funding allocated for those purposes was spent. The Executive Head of Planning Development confirmed that SCC had recently appointed an officer responsible for monitoring S106 spend at a more senior level and that she would be seeking to establish a more robust governance arrangement, with more frequent discussions and reporting to each other on S106 spend on SCC related matters. In relation to the ICB, the Executive Head of

Planning Development referred to recent discussions that had taken place in the context of the Wisley public inquiry, in particular the extent to which their requirements met the CIL tests, which would be explored by the Inspector through the round-table discussions on the S106, and by the outcome of the appeal.

- In relation to the Wisley public inquiry, it was noted that although the allocation site was supposed to have included a secondary school, such provision had not been included in the S106.
- In response to an enquiry as to whether any of the S106 monies allocated to the upgrading of a nature reserve in Send could be used for other projects in the village, the Executive Head of Planning Development confirmed that the allocation of those S106 monies would be determined ultimately by the wording of the Agreement and whether there was any flexibility to allocate some of the monies to other projects
- It was noted that contributions to SANGs were substantial due to the fact that their upkeep was required in perpetuity.
- It was also noted that parish councils, community groups and residents can request as part of the consideration of planning applications contributions, via S106 Agreements, for particular projects in the area, which could be included provided the compliance tests were met.

Having considered the report, the Committee

RESOLVED: That the contents of the report be noted.

Reason:

To ensure that the Committee is informed of the measures to be implemented to address concerns raised at its meeting on 27 July 2023.

**CGS49 CORPORATE RISK REGISTER**

The Committee considered a report on the changes that had been made to the corporate risk register since it was last presented to the Committee in June 2023, including the addition of new risks, changes to scoring, mitigations etc. which were detailed in Appendix 1 to the report, together with the scoring matrix and risk criteria for impact and likelihood.

The report had 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 the changes made to the Strategy and Policy by the Risk Management Group.

The Corporate Risk Register set out in the report had included 31 risks in total, with 9 marked as red, 14 amber, and 8 green.

The following comments were made during the debate:

- Concern was expressed that there were too many risks contained in the high-level corporate risk register and that some of the risks ought to be moved to directorate/service risk registers. Further concern was raised that there should be a more consistent approach between all the risk registers at the various levels. It was suggested that there should be a review of the whole risk management framework across both Guildford and Waverley.
- Noting the risk change heat map in Appendix 2 to the report, concern was expressed that the likelihood and impact of CR15 – Risk of Financial Fraud had shifted from low to high. The anti-fraud and corruption policy was stated as one of the mitigating factors. It was suggested that this policy should be reviewed by this Committee or the Overview & Scrutiny Committee. The Chairman indicated that he would follow up the suggestion to ascertain whether the anti-fraud and corruption policy was due for review and, if so, the governance route for such a review.
- It was noted that when the Committee had considered the external auditor's report, a concern was raised as to whether a specific risk had been included in the Corporate Risk Register in respect of the receipt of timely independent external assurance in accordance with statutory deadlines. It did not appear that such a risk had been included. The Chairman indicated that he would ensure that this point was followed up.
- In relation to CR14 (risk that the Council experiences increased costs), clarification was sought as to whether this was an "in year" risk, or a risk associated with the medium-term financial plan period. In response, officers confirmed that the mitigation had referred to financial monitoring with the assumption that the risk was associated with the "in year" position.

Having considered the report, the Committee

RESOLVED: That the progress made to implement the risk management process be noted and that officers be requested to respond to the Committee's observations and comments referred to above.

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 undertake a review of the whole risk management framework across both Guildford and Waverley to ensure a more consistent approach between all the risk registers at the various levels.	Executive Head of Organisational Development
To ascertain whether the anti-fraud and corruption policy was due for review and, if so, the governance route for such a review.	Democratic Services & Elections Manager
To establish whether the Corporate Risk Register should include a specific risk in respect of the receipt of timely independent external assurance in accordance with statutory deadlines.	Executive Head of Organisational Development

## **CGS50 ANNUAL GOVERNANCE STATEMENT 2022-23**

The Committee considered a report on the Council's Annual Governance Statement (AGS) for 2022-23, as required by the Accounts and Audit (England) Regulations 2015. The AGS would be included in the Council's statement of accounts for 2022-23.

The AGS had set out in tabular format how the Council puts the principles of good governance, as described in the CIPFA/SOLACE framework, into practice along with recent achievements, developments, and areas for improvement.

The AGS was underpinned by the Annual Opinion Report (April 2022 to March 2023) prepared by KPMG, who were the Council's outsourced internal audit managers, which was considered by the Committee at its meeting held on 15 March 2023.

The Audit Opinion for 2022-23 on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control had been: 'Significant assurance with minor improvement opportunities'.

The AGS had also provided an update on governance issues reported in the 2021-22 AGS, together with the significant governance issues identified during the 2022-23. Where areas for further improvement had been identified, the necessary action would be taken to implement changes that would further develop and strengthen the Council's governance framework.

Before the debate, the Chief Executive commented on the number of events that had occurred over the past 12 months which had demonstrated failures in

governance at the Council. He therefore announced in his capacity as Head of Paid Service that he, together with the Monitoring Officer and Interim Section 151 Officer, were commissioning, with the support of the Leader of the Council, an independent review of governance across the Council. The review would cover policies, practices, capacity, and culture within the organisation. The outcome of the review, including findings and recommendations would be reported to this Committee in due course.

During the debate, the following points were raised:

- The Chief Executive's announcement of the wider review of governance across the Council was welcomed, and it was hoped that councillors, amongst many others, would be asked for their views.
- In the context of the Chief Executive's announcement, a committee member noted with some surprise that internal auditors were comfortable that the overall control environment at the Council was robust.
- It was noted that the audit process had failed to identify some of the issues and challenges around governance, and the Committee should perhaps be asking questions about the audit process and exercising greater scrutiny over it. The AGS had accurately summarised the audit findings.

Having considered the report, the Committee

RESOLVED: That the Council's Annual Governance Statement for 2022-23, as set out in Appendix 1 to the report submitted to the Committee be adopted and published alongside the adopted statement of accounts for 2022-23.

Reason:

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

**CGS51 FINANCIAL MONITORING 2023-24: PERIOD 6 (APRIL TO SEPTEMBER 2023)**

The Committee's attention was drawn to an error in the table in paragraph 10.2 of the report (General Fund Summary). The projected outturn for 2023-24 on the Net General Fund Cost should have read: £11,065,909, which would leave a surplus of £186,791 rather than a deficit of £613,209. There were also errors in Appendix 1 to the report (Summary of Directorate Variances) where the comments at the beginning of each Directorate's variances had incorrectly summarised the variances even though the figures in the tables were correct.

The chairman suggested that consideration of this report be deferred to the next meeting to enable a corrected version of the report to be circulated to the Committee.

Agenda item number: 3

The Lead Councillor for Finance and Property advised that it was proposed to bring a further financial monitoring report (for Period 7) to the Committee at its next meeting and its focus at that meeting ought to be the most up to date monitoring report rather than a corrected version of the report on this agenda.

Officers would circulate the corrected version of the Period 6 report to the Committee and invite members to discuss any part of it.

The Committee

RESOLVED: That consideration of the corrected Period 6 Monitoring Report be deferred to the next meeting of the Committee.

Reason:

To enable the Committee to note the corrected report.

<b>Action:</b>	<b>Officer to action:</b>
<ul style="list-style-type: none"><li>• To circulate the corrected version of the Period 6 Financial Monitoring report to the Committee and invite members to discuss any part of it.</li><li>• To ensure that the corrected Financial Monitoring Report is included on the agenda for the next meeting on 18 January 2024</li></ul>	Executive Head of Finance

## **CGS52 GOVERNANCE FRAMEWORK: GUILDFORD BOROUGH COUNCIL HOUSING SERVICES**

The Committee noted that there had been some non-compliance issues within the Council's Housing Service, which had led to a lack of governance around contract management, people management and financial controls. The Committee considered a report on a governance review in respect of the Housing service to ascertain how such failures had arisen, to make recommendations to provide a more robust governance framework and an action plan to provide assurance of compliance going forward.

The Monitoring Officer reported that over the past three months, a significant amount of work had been undertaken by a number of officers in respect of various work streams, details of which were set out in the appendix to the report. Each of the work streams was being monitored via the governance of a newly established strategic project group, comprising of the relevant Director and Head of Service, two of the statutory officers and other specialist officers across the Council.



It was now proposed to establish a further work stream, which would be an internal governance review team, to look at exactly how the Council had got into this position and to make recommendations and an action plan for implementation going forward, so that the Council could be assured that there could be no recurrence of these failures.

The Committee noted that the two existing workstreams were the external investigation team, and the strategic project group. The new internal governance team would report into a strategic project board comprising the Council's three statutory officers, the relevant director, and also the Leader of the Council and the Chairman of this Committee. The board would then, in due course, report back to this Committee and ultimately to Full Council with their findings. At this stage, the Committee was simply being asked to note the report and the work that was ongoing and the framework that had been put in place, and to receive a further report back from the Strategic Project Board in approximately six months, or sooner if that was feasible.

During the debate the Committee heard the following comments:

- Concerns regarding lack of transparency and public scrutiny, with the first progress report coming a full year after the governance failures had been discovered. The magnitude of the sums involved demanded immediate public scrutiny. In response to a suggestion that the monthly reports being prepared should be made public, the Monitoring Officer reassured the Committee that transparency was at the heart of the proposals contained in the report which would result ultimately in a report back to this Committee and to full Council at a point when there were some findings to be shared with members. However, there were clearly some sensitivities around this piece of work and there would be some information being fed back to the Project Board, particularly from the external investigation team, which would be sensitive and confidential at this stage and could jeopardise the Council's longer-term position of trying to recover any financial losses that may have been incurred.
- In response to concerns over the full cost of the investigation (up to £350,000), the Monitoring Officer indicated that this figure was at the upper end of the anticipated overall cost of what was a very complex piece of work, pulling together many strands requiring full and independent investigation into the various governance issues around the housing services.
- It was very likely that there would be an interrelationship between this governance review and the wider governance review announced by the Chief Executive earlier in the meeting, and the outcome and recommendations of the governance review in respect of the housing service would feed into the wider governance review.

- In response to a query as to how an issue that was ring-fenced in the Housing Revenue Account had a financial impact on the General Fund, the Committee noted that officers were cognisant of that issue and gave assurance that nothing would be charged to the General Fund in relation to this matter if it should properly be charged to the HRA.
- Concerns over the involvement in the Strategic Project Board of the Leader of the Council, who had been the Lead Councillor for housing at the time the governance failures had occurred. Further concerns were expressed that the Strategic Project Board was not a cross party Board and chaired by an opposition group member.
- The proposed Strategic Project Board would involve councillors based on their role, not on their political party affiliation, and officers whose role is to serve the Council, including councillors of all parties. It was noted that all Councillors had received a confidential briefing on this matter and political group leaders had also been updated periodically. Bearing in mind the complexity of housing maintenance contracts involving many separate jobs on hundreds of houses, it was no surprise that it had taken time to understand the situation and put in place actions to ensure the housing team was able to function going forward and to prioritise the safety of tenants.
- In response to concerns over the time taken to set up this governance review, its complicated structure, and the proposed frequency of reports back to this Committee, the Monitoring Officer stated that a significant amount of work had already been undertaken in respect of the investigation, and the Strategic Project Group had been in place since early September and had met on a weekly basis with progress being made in respect of several workstreams. When the matter first came to light, officers had prioritised actions that needed to be taken to stop any wrongdoing that was ongoing at the time and dealing with various legal and contractual issues, as well as gathering evidence.
- Welcome candid report acknowledging that anything involving contractors and building contracts was complex, and the matter would not be resolved very quickly, but would also welcome more frequent feedback to the Committee even if such feedback was given verbally whilst recognising the sensitivities.
- In response to a request that the Leader and Deputy Leader of the Council reconsider the membership of the Strategic Project Board, the Deputy Leader indicated that he would discuss this with the Leader, the Monitoring Officer, and the Chief Executive, but acknowledged that whilst there was a desire to be as transparent as possible, information previously given in confidence to all councillors in respect of this matter had been disclosed to the press.

The Committee

RESOLVED: That the contents of the report be noted and that a report from the Strategic Project Board be submitted to the Committee in approximately six months' time.

Reasons:

To ensure that the Committee has oversight of this matter by providing an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards. The Committee's terms of reference include its role in considering the Council's arrangements for corporate governance and recommending to the Council any action necessary to ensure compliance with best practice.

Action:	Officer to action:
To submit an update report to the Committee from the Strategic Project Board in six months' time.	Monitoring Officer

**CGS53 EXCLUSION OF THE PUBLIC**

The Committee

RESOLVED:

- (1) That, in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of agenda item 10 on the grounds that it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the item, there would be disclosure to them of exempt information (as defined by Section 100I of the Act) of the description specified in paragraph 2 of the revised Part 1 of Schedule 12A to the Local Government Act 1972: 'Information which is likely to reveal the identity of an individual'.
- (2) That the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

**CGS54 WHISTLEBLOWING: GUILDFORD BOROUGH COUNCIL BEREAVEMENT SERVICES**

The Committee considered a report by the Monitoring Officer in respect of concerns raised formally under the Council's Whistleblowing Policy regarding allegations of inappropriate behaviour/conduct by a member of staff within, and

subsequently the operational practices by, the Council's Bereavement Services team.

The allegations had been investigated internally and, subsequently, by an external investigator who carried out a full investigation and submitted their findings and recommendations to the Strategic Director, Community Wellbeing and relevant Executive Head of Service, which led to improvement plans being implemented. Full details of the investigator's findings and recommendations, the improvement plans, including progress against those plans, were set out in the committee report.

The Committee noted that the current Whistleblowing Policy (dated 2017) was overdue for a review and that steps were being taken to review and update the policy and align it, where appropriate, with Waverley Borough Council's Policy. It was anticipated that a further report on the matter would be submitted to the Committee for consideration within the next six months.

The Committee

RESOLVED:

- (1) That the contents of the report be noted.
- (2) That a further report on the review of the Council's Whistleblowing Policy be submitted to the Committee within the next 6 months.

Reasons:

- The Committee was a key component of the authority's corporate governance regime, and provided an independent and high-level focus on the assurance and reporting arrangements that underpin good governance.
- The Committee had, within its terms of reference in Part 3 paragraph 14: "To consider an annual report of the operation of the whistle-blowing policy, including incidents reported".

<b>Action:</b>	<b>Officer to action:</b>
To submit a further report to the Committee within six months on the review of the Council's Whistleblowing Policy.	Monitoring Officer

The meeting finished at 8.57 pm

Signed .....

Date .....

Chairman

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## Corporate Governance and Standards Committee

**18 January 2024**

### 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 actions are reported as being ‘completed’, the Committee will be asked to agree to remove these items from the tracker.

The actions listed below are outstanding.

Date of Meeting	Item	Decision/Action requested	Responsible Officer	Update on implementation
28 September 2023	External Auditor’s Value For Money Letter to the Chief Finance Officer	<ul style="list-style-type: none"> <li>• To give an opinion as to the actual reasons for the delay in finalising external audits.</li> <li>• To provide an update on the issues caused by the introduction of the new General Ledger System.</li> </ul>	Interim Chief Finance Officer	
16 November 2023	Freedom of Information Compliance Update	To provide information in future reports on how the number of requests made had compared with similar periods in previous years.	Information Governance Officer	Noted for future reports
16 November 2023	Capital & Investment Outturn Report 2022-23	(a) To clarify whether the comment in the report that landlords were “taking a 10-year approach when renting” meant that landlords were actually seeking 10-year leases.	Executive Head of Assets and Property	(a) This is a reflection of improved retail tenant activity/demand. Leases immediately post-lockdown were very short, but agents reported stronger activity and with some tenants seeking to invest in fit out cap-ex, hence a move towards 10 year terms typically with tenant

Date of Meeting	Item	Decision/Action requested	Responsible Officer	Update on implementation
		<p>(b) To clarify whether town centre retail vacancies were significantly down, and running at a lower vacancy rate than the south-east average.</p>		<p>break options. The comment relates more specifically to prime retail as opposed to secondary/tertiary where we believe lease terms remain short for the most part.</p> <p>(b) The report did not cover retail vacancy levels, but to answer this query specifically, we do have some data supplied to us by Experience Guildford who subscribe to a third party data provider. From this data we can see the town centre vacancy level in Guildford was 13.6% in April 2021, reducing to 11.2% in April 2022 and 8.9% in April 2023. In comparison to the south east average vacancy rates, Guildford vacancies were marginally higher (some towns higher, others lower).</p>



Date of Meeting	Item	Decision/Action requested	Responsible Officer	Update on implementation
16 November 2023	Medium Term Financial Plan and Financial Recovery Plan - November Update Report	<p>(a) To circulate to the Committee a response from the relevant heads of service regarding the concerns expressed over proposals in the approved capital programme to delay flood resilience measures, and traveller transit site provision, and the reasons for the delay.</p> <p>(b) To update the wording of paragraph 11.2 of the report to reflect the fact that the revised projected budget gap over the MTFP period was now £7.3 million, rather than £18.3 million.</p>	<p>Lead Specialist – Finance</p> <p>Democratic Services &amp; Elections Manager</p>	<p>(a)</p> <p>(b) Done</p>
16 November 2023	Councillor Training and Annual Development Annual Report 2023-24	To ask the Councillor Development Steering Group to look at the various suggestions in the report and those made at the meeting to improve the Councillor Induction Programme.	Democratic Services and Elections Manager	
29 November 2023	Internal Audit Progress Report 2023-24	<ul style="list-style-type: none"> <li>To provide better presentation of the graph showing “Stakeholder Satisfaction Survey Results” in the Performance Dashboard in future reports.</li> <li>To seek clarification from the responsible officers of the reason for the delays in responding to Overdue ‘Low &amp; Medium Priority’ Management Actions arising from earlier audit reviews and to inform the Committee</li> <li>To clarify in future reports who “Audit sponsors” were.</li> </ul>	Iona Bond Assistant Head of Southern Internal Audit Partnership	See report at item 5 on the agenda

Date of Meeting	Item	Decision/Action requested	Responsible Officer	Update on implementation
29 November 2023	Corporate Risk Register	<p>(a) To undertake a review of the whole risk management framework across both Guildford and Waverley to ensure a more consistent approach between all the risk registers at the various levels.</p> <p>(b) To ascertain whether the anti-fraud and corruption policy was due for review and, if so, the governance route for such a review.</p> <p>(c) To establish whether the Corporate Risk Register should include a specific risk in respect of the receipt of timely independent external assurance in accordance with statutory deadlines.</p>	<p>(a) Executive Head of Organisational Development</p> <p>(b) Democratic Services &amp; Elections Manager</p> <p>(c) Executive Head of Organisational Development</p>	
29 November 2023	Financial Monitoring 2023-24: Period 6 (April to September 2023)	<ul style="list-style-type: none"> <li>To circulate the corrected version of the Period 6 Financial Monitoring report to the Committee and invite members to discuss any part of it.</li> <li>To ensure that the corrected Financial Monitoring Report is included on the agenda for the next meeting on 18 January 2024</li> </ul>	Executive Head of Finance	<ul style="list-style-type: none"> <li>Corrected version was circulated to the Committee on 1 December 2023</li> <li>Corrected version is attached, for information, to the Financial Monitoring Report on this agenda</li> </ul>
29 November 2023	Governance Framework: Guildford Borough Council Housing Services	To submit an update report to the Committee from the Strategic Project Board in six months' time.	Monitoring Officer	This has been included in the Committee's work programme for consideration at the 6 June 2024 meeting.

Date of Meeting	Item	Decision/Action requested	Responsible Officer	Update on implementation
29 November 2023	Whistleblowing: Guildford Borough Council Bereavement Services	To submit a further report to the Committee within six months on the review of the Council's Whistleblowing Policy.	Monitoring Officer	See item 14 on this agenda

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# Guildford Borough Council

Report to: Corporate Governance and Standards Committee

Date: 18 January 2024

Ward(s) affected: All

Report of Interim Head of Finance and Chief Finance officer (Sec 151)

Author: Richard Bates

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Email: richard.bates@guildford.gov.uk

Lead Councillor responsible: Merel Rehorst-Smith

Tel: 01483 610581

Email: merel.rehorst-smith@guildford.gov.uk

Report Status: Open

## Internal Audit Progress Report: November 2023

### **1. Executive Summary**

1.1 Appendix 1 presents the progress of the Council's Internal Audit service against the approved Internal Audit Plan for 2023-24 from 1 April 2023.

### **2. Recommendation to Committee**

2.1 The Committee is asked to note the Internal Audit Progress Report to November 2023, attached as Appendix 1.

### **3 Reason for Recommendation:**

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

#### **4 Exemption from publication**

None.

#### **5. Purpose of Report**

5.1 The Committee has a responsibility to review the Internal Audit Progress Report to ensure that action has been taken by relevant managers on risk-based issues identified by Internal Audit (see Appendix 1).

#### **6. Strategic Priorities**

6.1 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.

#### **7. Background**

7.1 Under the Accounts and Audit (England) Regulations 2015, the Council is responsible for:

- ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of functions and includes arrangements for the management of risk; and
- undertaking an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance.

7.2 In accordance with proper internal audit practices (Public Sector Internal Audit Standards), the Chief Internal Auditor is required to provide a written status report to the Committee, summarising:

- The status of 'live' internal audit reports (outstanding management actions);
- an update on progress against the annual audit plan;

- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that may impact on the Chief Internal Auditor's annual opinion.

7.3 The progress report is attached at Appendix 1 and provides a clear and transparent articulation of internal audit activity, performance, and outcomes during the period up to 30 November 2023.

## **8. Financial Implications**

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

## **9. Legal Implications**

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

## **10. Human Resource Implications**

10.1 There are no human resource implications as a result of this report.

## **11. Conclusion**

11.1 The Committee is asked to note the Internal Audit Progress report to 30 November 2023, all as set out in Appendix 1 to this covering report.

## **12. Background Papers**

The Internal Audit Plan 2023-24.

## **13. Appendices**

Appendix 1: Internal Audit Progress Report November 2023.

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# Southern Internal Audit Partnership

Assurance through excellence  
and innovation

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## GUILDFORD BOROUGH COUNCIL INTERNAL AUDIT PROGRESS REPORT NOVEMBER 2023

**Prepared by: Iona Bond, Assistant Head of Partnership**

**DECEMBER 2023**

## 1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

*‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’*

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

*‘Independent, objective assurance and consulting activity designed to add value and improve an organisations’ operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.*

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations’ objectives.

## 2. Purpose of report

In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

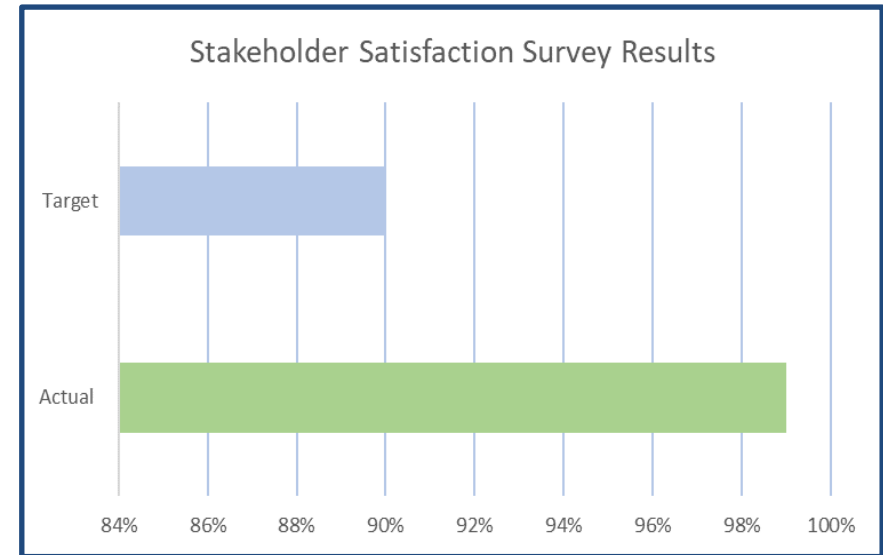
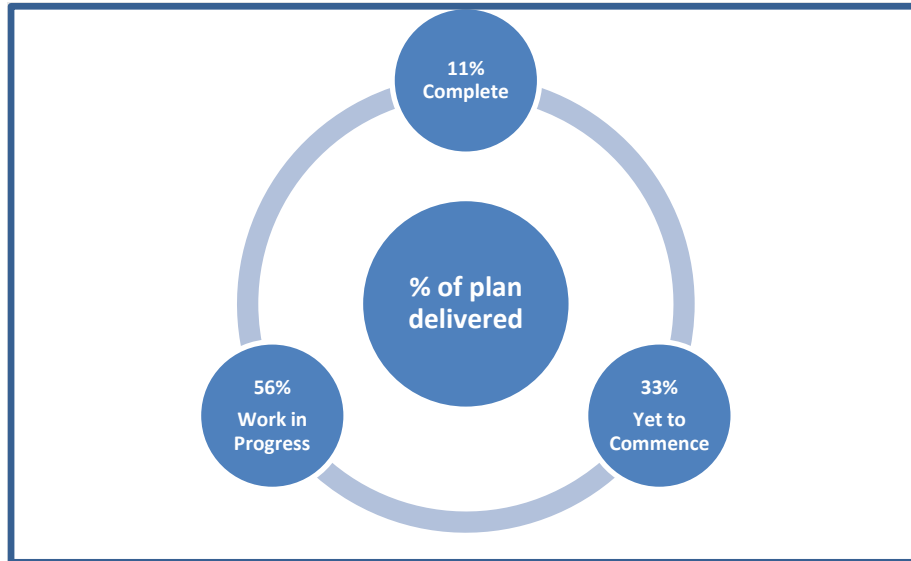
- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The assurance opinions are categorised as follows:

<b>Substantial</b>	<i>A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.</i>
<b>Reasonable</b>	<i>There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.</i>
<b>Limited</b>	<i>Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.</i>
<b>No</b>	<i>Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.</i>

\* Some reports listed within this progress report (pre 2023-24 audit plan) refer to categorisations applied by the Council’s previous internal auditors – KPMG. The definitions applied to these categorisations is provided at Annex 3. Opinions applied to all work from 2023/24 are in accordance with the CIPFA standard definitions.

**3. Performance dashboard NEEDS UPDATING**



**Compliance with Public Sector Internal Audit Standards**

An 'External Quality Assessment' of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020. The report concluded:

*'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles.'*

*'We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'*

## 4. Analysis of 'Live' audit reviews

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Action(s)*	Not Yet Due	Complete	Overdue		
							L	M	H
2022/23 KPMG Reviews									
Performance Monitoring	June 22	JSDoT&G	Significant (minor improvement opportunities)	3 (0)	3 (0)	3 (0)			
Customer Services – Complaints Handling	Aug 22	JSDoT&G	Partial	10 (6)	0(0)	9 (6)	1		
Payroll	Sept 22	JSDoT&G	Significant (minor improvement opportunities)	3 (0)	0 (0)	1 (0)		2	
Risk Management	Oct 22	JSDoT&G	Significant (minor improvement opportunities)	5 (0)	2 (0)	3 (0)			
IT Infrastructure for Remote Working	Nov 22	JSDoCW	Significant (minor improvement opportunities)	6 (0)	0 (0)	2 (0)	4		
Redevelopment Projects	Jan 23	JSoP	Partial	12 (5)	0 (0)	7 (5)	2	3	
Budgetary Control	Feb 23	JSDoT&G	Partial	9 (5)	0 (0)	4 (4)		4	1
S106 Contributions	Mar 23	JSoP	Significant (minor improvement opportunities)	6 (0)	0 (0)	2 (0)	2	2	
Core Financial Controls – Journals	Mar 23	JSDoT&G	Significant (minor improvement opportunities)	3 (0)	0 (0)	1 (0)		2	
Payroll Budget Discrepancy	Mar 23	JSDoT&G	Partial	5 (3)	0 (0)	3 (2)	1		1
Core Financial Controls – General Ledger	Mar 23	JSDoT&G	Significant (minor improvement opportunities)	4 (0)	0 (0)	0 (0)		4	
2023/24									
Procurement	31.10.2023	JSDoT&G	Reasonable	9 (2)	4 (1)	5 (1)			
Information Governance	04.12.2023	JSDoT&G	Reasonable	14 (6)	13 (6)	1 (0)			
<b>Total</b>							<b>10</b>	<b>17</b>	<b>2</b>

\*Total number of actions (total number of high priority actions)

<b>Audit Sponsor (Joint Strategic Director)</b>
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JSDoT&G	Joint Strategic Director of Transformation and Governance	JSoP	Joint Strategic Director of Place
JSDoCW	Joint Strategic Director of Community Wellbeing		

## 5. Executive Summaries of reports published concluding a ‘Limited’ or ‘No’ assurance opinion

There have been no reports published concluding a “Limited” or “No” assurance opinion to date for 2023/24.

## 6. Planning & Resourcing

The internal audit plan for 2023-24 was presented to the Corporate Management Board and the Corporate Governance and Standards Committee in March 2023.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. A number of adjustments to the plan have been made since the plan was approved by this Committee in March 2023 and these are reflected within section 8 of this report. Progress against the plan is detailed within section 7.

## 7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
<b>Corporate</b>								
Procurement	T&G	✓	✓	✓	✓	✓	Reasonable	
<b>Governance</b>								
Information Governance	T&G	✓	✓	✓	✓	✓	Reasonable	
Fraud Framework	T&G							Q4
Decision Making and Accountability	T&G	✓						

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
<b>IT</b>								
Cyber Security	CW							Q4
<b>Core Financial</b>								
Accounts Receivable and Debt Management	T&G	✓	✓	✓	✓			
Housing Benefits	T&G	✓	✓	✓	✓			
Main Accounting – Reconciliations, Feeder Systems	T&G	✓						
Main Accounting – Budgetary Control	T&G	✓						
Treasury Management	T&G	✓	✓					
Contract Management	T&G							Q4
Accounts Payable	T&G							Q4
<b>Homes and Jobs</b>								
Housing Stores	CW							Q4
Housing Allocations	CW	✓	✓	✓	✓			
Building Control	T&G	✓						
<b>Community</b>								
Safeguarding	CW							Q4
Supporting Vulnerable People	CW	✓	✓	✓	✓			
<b>Other</b>								
Car Parks and Enforcement	T&G	✓	✓	✓				

## 8. Adjustments to the Internal Audit Plan

The following adjustments to the plan have been made:

Plan Variations	
Removed from the Plan	Reason
Risk Management	Audited in 2022/23 by KPMG, no significant issues identified.
Payroll	Audited in 2022/23 by KPMG, no significant issues identified.
Planned Maintenance	Removed to accommodate Housing Allocations as a higher priority.
Health and Safety (Corporate)	Removed to accommodate reviews of higher priority.
IT – Identity and Access Management	Removed to accommodate reviews of higher priority.
Responsive and Emergency Repairs	Removed due to a separately commissioned investigation within this area.
Fleet Operations	Removed to accommodate reviews of higher priority.
Housing Voids	Capacity issues within the department.
Savings Realisation	Due to ongoing work on the Financial Recovery Plan better timed in 2024/25 as part of a financial recovery focused audit review.
Added to the Plan	Reason
Fraud Framework	Anti-Fraud and Corruption Strategy being reviewed and updated. Management request to review changes. This will be undertaken encompassing a wider review of the corporate fraud framework.
Main Accounting	Following review of the completed KPMG 2022/23 report and management /Member concern around budget monitoring this has been added for 2023/24.
Housing Allocations	Brought forward from 2025/26 as considered a higher priority area.
Treasury Management	Reassessed as a high priority review due to significant financial pressures faced by the Council.
Contract Management	Reassessed as a high priority review due to significant financial pressures faced by the Council.
Accounts Payable	Reassessed as a high priority review due to significant financial pressures faced by the Council.
Housing Stores	Reassessed as a high priority review in view of other ongoing work within housing.



## Annex 1

## Overdue 'High Priority' Management Actions

Budgetary Control – Partial Assurance			
<b>Observation:</b> Review of the 2021/22 budget identified that a large proportion of variances were in relation to staff expenditure.			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
Ensure that use of agency staff in service areas are robustly challenged by Finance.	30.09.2023	30.11.2023	In progress. Report written as part of the recovery plan will undertake a full review followed by process design.
		31.03.2.24	This has begun but not fully in place. One of the focus during Q4 will be around setting a process for all agency staff including a review of all staff.

Payroll Budget Discrepancy – Partial Assurance			
<b>Observation:</b> Corporate programmes, like the FGP, are often outsourced to external consultants or contractors, who may not have a direct connection to the Finance department.			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
Implement a formalised, clear and consistent process of Finance oversight of corporate programmes	30.09.2023	30.12.2023	In progress. Part of the Finance Recovery Plan.

## Annex 2

## Overdue 'Low &amp; Medium Priority' Management Actions

Audit Review	Report Date	Opinion	Priority	Due Date	Revised Due Date
Customer Services – Complaints Handling	Aug 2022	Partial	Low	31.03.2023	30.09.2023 31.12.2023
S106 Contributions	Mar 2023	Significant	Low	30.09.2023	31.01.2024
			Low	30.09.2023	31.01.2024
			Medium	30.09.2023	31.01.2024
			Medium	30.09.2023	31.01.2024
Payroll	Aug 2022	Significant	Medium	31.12.2022	30.09.2023 30.04.2024
			Medium	31.12.2022	30.09.2023 30.04.2024
IT Infrastructure for Remote Working	Nov 2022	Significant	Low	31.01.2023	31.12.2023
			Low	31.01.2023	31.12.2023
			Low	31.01.2023	31.12.2023
			Low	31.12.2022	31.12.2023
Redevelopment Projects	Jan 2023	Partial	Low	30.09.2023	31.03.2024
			Low	30.09.2023	31.03.2024
			Medium	30.04.2023	31.03.2024
			Medium	30.04.2023	31.03.2024
			Medium	31.07.2023	28.02.2024
Budgetary Controls	Feb 23	Partial	Medium	30.09.2023	31.12.2023
			Medium	30.09.2023	31.12.2023
			Medium	30.09.2023	31.12.2023
			Medium	30.09.2023	31.03.2024
Core Financial Controls - Journals	Mar 23	Significant	Medium	30.09.2023	31.10.2023 31.01.2024
			Medium	30.09.2023	30.11.2023 31.01.2024
Payroll Budget Discrepancy	Mar 23	Partial	Low	30.09.2023	31.03.2024

Agenda item number: 5  
Appendix 1

Audit Review	Report Date	Opinion	Priority	Due Date	Revised Due Date
Core Financial Controls – General Ledger	Mar 23	Significant	Medium	30.09.2023	30.11.2023 31.01.2024
			Medium	30.09.2023	30.11.2023 31.01.2024
			Medium	30.09.2023	30.11.2023 31.01.2024
			Medium	30.09.2023	30.11.2023 31.01.2024

## Annex 3

Assurance Opinion	Definition
Significant assurance	The system is well designed and only minor low priority management actions have been identified related to its operation. Might be indicated by priority three only, or no management actions (i.e. any weaknesses identified relate only to issues of good practice which could improve the efficiency and effectiveness of the system or process).
Significant assurance with minor improvement opportunities	The system is generally well designed however minor improvements could be made and some exceptions in its operation have been identified. Might be indicated by one or more priority two management actions. (i.e. there are weaknesses requiring improvement but these are not vital to the achievement of strategic aims and objectives - however, if not addressed the weaknesses could increase the likelihood of strategic risks occurring).
Partial assurance with improvements required	Both the design of the system and its effective operation need to be addressed by management. Might be indicated by one or more priority one, or a high number of priority two management actions that taken cumulatively suggest a weak control environment. (i.e. the weakness or weaknesses identified have a significant impact preventing achievement of strategic aims and/or objectives; or result in an unacceptable exposure to reputation or other strategic risks).
No assurance	The system has not been designed effectively and is not operating effectively. Audit work has been limited by ineffective system design and significant attention is needed to address the controls. Might be indicated by one or more priority one management actions and fundamental design or operational weaknesses in the area under review. (i.e. the weakness or weaknesses identified have a fundamental and immediate impact preventing achievement of strategic aims and/or objectives; or result in an unacceptable exposure to reputation or other strategic risks)

# **Guildford Borough Council**

Report to: Joint Executive Advisory Board /Corporate Governance & Standards Committee

Date: 11 January 2024 / 18 January 2024

Ward(s) affected: All

Report of Director: Transformation & Governance

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Report Status: Open

## **Capital and Investment Strategy 2024/25 – 2028/29**

### **1. Executive Summary**

- 1.1 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.
- 1.2 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**

- 1.3 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).
- 1.4 All projects, regardless of the fund, will be funded by capital receipts, grants and 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.
- 1.5 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.
- 1.6 To ensure the Council demonstrates that its capital expenditure plans are affordable, sustainable, and prudent, we set Prudential Indicators.

### **General Fund**

- 1.7 The Council has an underlying need to borrow for the GF capital programme of £202 million between 2023/24 to 2028/29.
- 1.8 Officers have put forward bids, with a net cost over the same period of £9.8 million, increasing this underlying need to borrow to £211.8 million should these proposals be approved for inclusion in the programme.
- 1.9 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.

1.10 The main areas of expenditure (shown gross) are:

- £258 million Weyside Urban Village (WUV)
- £35 million Ash Road bridge and footbridge (Total gross cost £44 million, external funding, £36 million, net cost to GBC £8 million)

1.11 Appendix 2 contains details of each of the new bids submitted. Appendix 3 shows the position and profiling of the current GF Capital programme (2023/24 to 2028/29).

### **HRA**

1.12 The HRA capital programme is split between expenditure on existing stock and either development of or purchase of dwellings to add to the stock. A lot of work has been done on stock condition surveys and the results are being analysed with a view to having a robust stock condition assessment which provides 100% stock data over a rolling 5-year programme and allows for effective assessment against Regulatory and legislative standards. This will allow compliance with the new building safety legislation and standards.

1.13 Improved building safety standards across social housing has resulted in a national drive to improve standards and safety, Guildford has started responding to this and has spent a significant sum on its properties. The budget for 2024/25 and ongoing will see budgets return to more modest levels seen in the past. The capital programme will be funded from HRA capital receipts and reserves. There is also £121 million between 2023/24 and 2028/29 million included for development projects to build or acquire new housing (including WUV). Officers recommend removing the Bright Hill scheme from the HRA programme, as previously reported to Councillors, due to the change in the scope of the scheme being delivered.

1.14 The main areas of major repairs and improvement expenditure are:

- refurbishment, replacement & renewal programme of existing stock, £1.3 million, which includes kitchen & bathroom upgrades, void property refurbishment and roof works
- works to existing stock to comply with changes to standards and legislation, £3.4 million, including replacement fire doors, electrical testing and fire protection works
- mechanical and electrical works £400,000, including central heating systems
- other works of £1.2 million including disabled adaptations

1.15 The main HRA development projects are:

- Guildford Park Car Park: £39 million
- WUV: £49 million
- Foxburrows: £11 million

1.16 Appendix 4 shows the position and profiling of the current programme (2023/24 to 2028/29)

### **Treasury Management**

1.17 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.

1.18 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.

1.19 The budget for investment income for 2024/25 is £3 million, based on an average investment portfolio of £86 million, at a weighted average rate of 5%. The budget for debt interest paid is £14.8 million, of which £5.4 million relates to the HRA and £7.9 million is being capitalised and added to the cost of schemes in the capital programme, which is a net cost to the General Fund of £1.5 million for the year.



## **Service and Commercial investments**

- 1.20 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).
- 1.21 Investment property (primary purpose is to earn a yield) is valued at £178 million, as per the 2022/23 unaudited Statement of Accounts, with rent receipts of £9.2 million, and a yield of 5.7%. The Council is not making any future purchases solely for yield, which is in line with the government guidelines.
- 1.22 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 an interest rate of 5%. The loan is a repayment loan in line with the NDH business plan. There is no further investment planned within this capital and investment strategy.
- 1.23 This report also includes the Council’s Minimum Revenue Provision (MRP) policy and the Prudential Indicators, which are detailed in section 5 of the main report.
- 1.24 Due to the specialised nature of treasury management and capital finance, there is a glossary of terms at Appendix 10.

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

- 1.25 The updated flexible use of capital receipts policy can be found in Appendix 9. The Government have extended this flexibility for 2024/25. 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.
- 1.26 This report will also be considered by the Executive at its meeting on 25 January, before referral to the Budget Meeting of the Council on 7 February 2024.

## **2. Recommendation**

- 2.1 The Joint EAB and Corporate Governance & Standards Committee are asked to comment on the following recommendations that will be considered by the Executive on 25 January:

That the Executive approves

- (1) the new bids, as shown in Appendix 2 for inclusion in the capital programme as indicated, subject to Council approval.
- (2) removing the Bright Hill scheme on the HRA approved and provisional programmes as previously reported to Councillors.

The Executive will be asked to recommend (to Council on 7 February 2024)

- (1) That the General Fund and HRA capital programmes, as shown in Appendices 3 and 4, as amended to include such bids as may be approved by the Executive at its meeting on 25 January 2024, be approved.
- (2) That the Minimum Revenue Provision policy, referred to in section 9 of this report, be approved.
- (3) That the capital and investment strategy, specifically the investment strategy and Prudential Indicators contained within this report and Appendix 1, be approved.
- (4) That the updated flexible use of capital receipts policy, as set out in Appendix 9, be approved.

## **3. Reasons for Recommendation:**

- 3.1. To enable Council, at its budget meeting on 7 February 2024, to approve the capital and investment strategy for 2024/25 to 2028/29, and the funding required for the new capital schemes proposed.

## **4. Exemption from publication**

- 4.1 No part of this report is exempt from publication.

## **5. Purpose of Report**

- 5.1. 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.
- 5.2. 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.
- 5.3. The Local Government Finance Act 2003 requires 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.
- 5.4. Decisions made each 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.
- 5.5. As debt is only a temporary source of borrowing, General Fund (GF), the Council must put aside revenue resources where it finances capital expenditure by debt (internal or external), to repay that debt in later years. 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.
- 5.6. The Council also follows the CIPFA recommendation of adhering to the UK Money Markets Code to its members as good practice. The UK Money

Markets Code (April 2021 revision) is a voluntary code of practice which CIPFA recommends authorities follow. It is endorsed by the Bank of England's Money Markets Committee and has been developed to provide a common set of principles to promote the integrity and effective functioning of the UK money markets.

## **6. Strategic Priorities**

- 6.1. A comprehensive and well managed capital programme supports all the fundamental themes of the Corporate Plan and the Council's strategic priorities.
- 6.2. 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, help the Council achieve the best use of its resources and it links with the Council's strategic framework and delivery of the Corporate Plan.

## **7. Background**

- 7.1. The Local Government Act 2003 requires 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.
- 7.2. 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.
- 7.3. 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.

- 7.4. To demonstrate the Council has fulfilled these objectives, this report, and Appendix 1, details the Prudential Indicators that must be set and monitored each year.
- 7.5. 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.
- 7.6. 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.
- 7.7. 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). Note, this is only historical purchases, Local Authorities are strongly advised against making these purchases and there are consequences of them doing so.
- 7.8. Under the TM Code and the prevailing DLUHC Guidance, we are required to provide details of each of these purposes in the investment strategy, which is detailed throughout the report and in Appendix 1.
- 7.9. The statutory guidance defines investments as *“all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios”*. We interpret this to exclude:

- (a) trade receivables which meet the accounting definition of financial assets but are not investments in the everyday sense of the word, and
- (b) property held partially to generate a profit but primarily for the provision of local public services.

This aligns the Council's definition of an investment with that in the 2021 edition of the Prudential Code, a more recent piece of statutory guidance.

## **8. Capital expenditure and Financing**

- 8.1. 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.
- 8.2. We show the HRA capital programme separately as the HRA is a separate ring-fenced account ensuring Council housing does not subsidise, or is not subsidised by, other local services.
- 8.3. 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.
- 8.4. All capital expenditure must be financed, either from external sources (grants and contributions), own resources (revenue, reserves, capital receipts) or debt (borrowing or leasing).
- 8.5. 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 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.
- 8.6. 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.

- 8.7. Officers calculate the interest budgets (both investment and borrowing) according to the planned capital expenditure, which also feeds into the MRP calculations (for the GF only), and the liability benchmark.
- 8.8. As part of the Council's approved Financial Recovery Plan, there is a target to sell £50 million of assets to generate capital receipts to help fund the capital programme and reduce ongoing MRP and interest costs. These asset sales are not factored into the underlying need to borrow for capital purposes due to the unknown timescale, although it is factored into future cash flow projections for making assumptions around borrowing levels and subsequent interest costs.

### **Current capital programme**

- 8.9. A copy of the current capital programmes is attached at Appendix 3, together with a schedule of the latest resource availability for, and financing of the programme.
- 8.10. 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.
- 8.11. At the Council meeting on 5 December 2023, officers presented the MTFP and Financial recovery plan November update report. Within this report it was recommended that 9 schemes be removed from the programme at a cost of £96 million. These schemes have been removed and the figures throughout this report reflect the smaller capital programme.
- 8.12. The Council is currently projecting expenditure of £196 million for HRA and £353 million for GF, for the period of the report. The underlying need to borrow for the period is £202 million.

### **New capital schemes**

8.13. Officers have put forward 15 bids, with gross expenditure totalling £9.8 million up to 2028/29. Details of each of the bids can be found in **Appendix 2**. Officers also recommend continuing to include £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 £211.8 million up to 2028/29.

8.14. The net cost each year, of the new proposals are:

Bid no.	Project title	GROSS ESTIMATES					TOTAL COST £000
		2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	
<b>General fund: Provisional</b>							
1	Grounds Maintenance machinery	22	10	10	0	0	42
2	Wildfield Muga	0	0	0	0	30	30
3	Playground refurb	20	80	300	200	0	600
4	ICT Hardware	583	437	63	65	338	1,486
5	Bedford Rd MSCP and office - brickwork/concrete frame	150	0	0	0	0	150
6	Broadwater cottage roof replacement	15	180	0	0	0	195
7	Leapale Rd MSCP - cladding	150	0	0	0	0	150
8	Slyfield Enterprise - redevelop	0	50	50	4,000	0	4,100
9	Slyfield Foundation - redevelop	0	25	25	2,000	0	2,050
10	Stoke Pk Gardener's cottage re roof	100	0	0	0	0	100
11	The Billings Roof	0	200	200	200	0	600
12	Sydenham Rd CP retaining wall	50	0	0	0	0	50
13	Investigation & works to underground shelter	20	0	0	0	0	20
14	Friary bus station	50	0	500	0	0	550
15	Stoke Cemetery drainage	80	0	0	0	0	80
	<b>Total</b>	<b>1,240</b>	<b>982</b>	<b>1,148</b>	<b>6,465</b>	<b>368</b>	<b>10,203</b>
	<b>Gross total (excl vision)</b>	<b>1,240</b>	<b>982</b>	<b>1,148</b>	<b>6,465</b>	<b>368</b>	<b>10,203</b>
	Funded by reserves or contributions	(350)	0	0	0	0	(350)
	<b>Cost to the Council</b>	<b>890</b>	<b>982</b>	<b>1,148</b>	<b>6,465</b>	<b>368</b>	<b>9,853</b>
	Already in programme	0	0	0	0	0	0
	<b>Net addition to the programme</b>	<b>890</b>	<b>982</b>	<b>1,148</b>	<b>6,465</b>	<b>368</b>	<b>9,853</b>

## HRA

8.15. The HRA capital programme is split between expenditure on existing stock and either development of or purchase of dwellings to add to the stock. A



lot of work has been done on stock condition surveys and the results are being analysed with a view to having a robust stock condition assessment which provides 100% stock data over a rolling 5-year programme and allows for effective assessment against Regulatory and legislative standards. This will allow compliance with the new building safety legislation and standards.

- 8.16. Improved building safety standards across social housing has resulted in a national drive to improve standards and safety, Guildford has started responding to this and has spent a significant sum on its properties. The budget for 2024/25 and ongoing will see budgets return to more modest levels seen in the past. The capital programme will be funded from HRA capital receipts and reserves. There is also £137 million between 2023/24 and 2028/29 million included for development projects to build or acquire new housing (including WUV). The proposed budget can be seen in Appendix 4.

### **Prudential Indicators**

- 8.17. 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.
- 8.18. 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 Chief Finance Officer (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 ratios, local indicators, and affordability ratios / indicators.
- 8.19. Indicators we are required to calculate, and monitor are detailed below.

### **Estimates of capital expenditure**

- 8.20. 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>2023/24 Approved £000</b>	<b>2023/24 Outturn £000</b>	<b>2023/24 Variance £000</b>	<b>2024/25 Est £000</b>	<b>2025/26 Est £000</b>	<b>2026/27 Est £000</b>	<b>2027/28 Est £000</b>	<b>2028/29 Est £000</b>
<b>General Fund Capital Expenditure</b>								
- Main Programme	147,239	77,963	(69,276)	83,074	2,496	2,000	2,000	0
- Provisional schemes	48,428	2,078	(46,350)	91,892	59,690	14,841	8,365	5,380
- Schemes funded by reserves	1,031	1,504	473	1,120	0	0	0	0
- S106 Projects	122	303	181	0	0	0	0	0
- New Bids (net cost)	0	0	0	890	982	1,148	6,465	368
<b>Total Expenditure</b>	<b>196,820</b>	<b>81,848</b>	<b>(114,972)</b>	<b>176,976</b>	<b>63,168</b>	<b>17,989</b>	<b>16,830</b>	<b>5,748</b>
<b>Financed by:</b>								
Capital Receipts	0	(2,681)	(2,681)	(2,000)	(39,109)	(16,091)	(10,365)	(5,380)
Capital Grants/Contributions	(46,336)	(49,079)	(2,743)	(20,622)	(1,020)	(750)	0	0
Capital Reserves/Revenue	(1,131)	(1,787)	(656)	(1,192)	0	0	0	0
Borrowing	(149,353)	(28,300)	121,053	(153,162)	(23,039)	(1,148)	(6,465)	(368)
<b>Financing - Totals</b>	<b>(196,820)</b>	<b>(81,848)</b>	<b>114,972</b>	<b>(176,976)</b>	<b>(63,168)</b>	<b>(17,989)</b>	<b>(16,830)</b>	<b>(5,748)</b>
<b>Housing Revenue Account Capital Expenditure</b>								
- Main Programme	47,866	34,537	(13,329)	16,789	6,019	2,377	5,040	0
- Provisional schemes	15,928	0	(15,928)	18,124	26,047	57,282	11,582	18,239
- New bids	0	0	0	0	0	0	0	0
<b>Total Expenditure</b>	<b>63,794</b>	<b>34,537</b>	<b>(29,257)</b>	<b>34,913</b>	<b>32,066</b>	<b>59,659</b>	<b>16,623</b>	<b>18,239</b>
<b>Financed by:</b>								
- Capital Receipts	(8,494)	(2,740)	5,754	(11,595)	(10,836)	(21,633)	0	(5,066)
- Capital Reserves/Revenue	(28,286)	(15,461)	12,825	(23,318)	(21,230)	(38,025)	(16,623)	(13,173)
- Borrowing	0	0	0	0	0	0	0	0
<b>Financing - Totals</b>	<b>(36,780)</b>	<b>(18,201)</b>	<b>18,579</b>	<b>(34,913)</b>	<b>(32,066)</b>	<b>(59,659)</b>	<b>(16,623)</b>	<b>(18,239)</b>

8.21. 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 as part of the budget monitoring reports.

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

8.22. The CFR is the cumulative balance of unfinanced capital expenditure (“debt”) less the provision made for the repayment of debt (MRP).

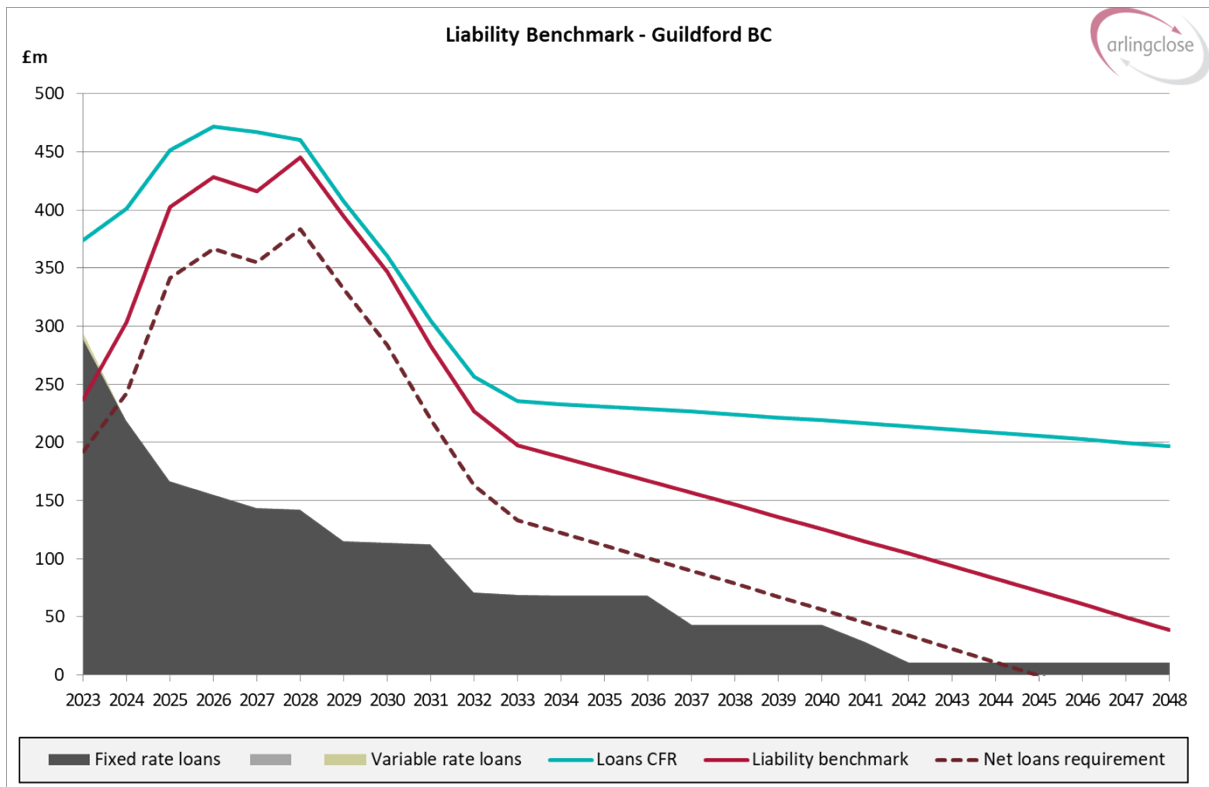
8.23. The Council is required to make reasonable estimates of the total CFR over at least the forthcoming year and following two years. Because we use our CFR projections as part of our liability benchmark, we project over a longer period, and present in the report at least the five-year time frame in line with the time frame presented in the capital programme.

8.24. The following table shows the Council’s estimated CFR, level of reserves and borrowing to calculate the overall borrowing requirement:

Position at 31 March	Actual	Forecasts		£m			
	2023	2024	2025	2026	2027	2028	2029
Loans CFR	374.2	400.9	451.5	471.8	467.1	460.1	407.2
External borrowing	-295.1	-229.6	-177.0	-165.5	-153.9	-152.4	-125.9
Internal (over) borrowing	79.1	171.3	274.5	306.3	313.2	307.7	281.4
Balance sheet resources	-182.2	-162.0	-138.3	-124.0	-103.9	-100.1	-109.0
Investments (new borrowing)	103.1	-9.4	-136.2	-182.3	-209.3	-207.6	-172.4
Treasury investments	103.1	98.2	51.0	35.3	20.0	20.0	20.2
New borrowing	0.0	107.5	187.2	217.6	229.3	227.6	192.6
Net loans requirement	192.0	239.0	313.3	347.8	363.2	360.0	298.3
Liquidity allowance	20.0	98.2	51.0	35.3	20.0	20.0	20.2
Liability benchmark	212.0	337.1	364.2	383.1	383.2	380.0	318.5

8.25. 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.

8.26. 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 £20 million). We have adopted this policy for a number of years and propose to continue doing so.



8.27. 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**

8.28. 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. Separate limits are set for GF and HRA.

8.29. 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.

8.30. 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.

<b>Operational Boundary of External Debt</b>	<b>2023/24 Approved £000</b>	<b>2023/24 Revised £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>2028/29 Estimate £000</b>
Borrowing - General Fund	338,316	260,916	257,316	277,546	272,896	265,926	213,046
Borrowing - HRA	199,204	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>563,520</b>	<b>486,120</b>	<b>482,520</b>	<b>502,750</b>	<b>498,100</b>	<b>491,130</b>	<b>438,250</b>

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

<b>Authorised Limit for External Debt</b>	<b>2023/24 Approved £000</b>	<b>2023/24 Revised £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>2028/29 Estimate £000</b>
Borrowing - General Fund	309,556	320,916	302,316	322,546	317,896	310,926	258,046
Borrowing - HRA	199,204	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>534,760</b>	<b>546,120</b>	<b>527,520</b>	<b>547,750</b>	<b>543,100</b>	<b>536,130</b>	<b>483,250</b>

**Proportion of financing costs to net revenue stream**

8.32. 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.

8.33. 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)

8.34. The table below shows the financing costs as a % of net revenue stream

	2023/24 Approved	2023/24 Outturn	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
General Fund	-4.67%	4.79%	-5.27%	-22.50%	-18.38%	-20.27%	-25.83%
HRA	32.49%	38.79%	32.72%	28.20%	23.64%	20.13%	19.71%

8.35. The GF lower outturn for 2023/24 reflects less debt interest to the GF as a result in the change in policy on capitalisation of interest as part of the financial recovery plan. The increasing percentage is as a result of increasing debt costs due to the capital programme and reducing interest income as internal resources are spent on the capital programme.

8.36. The HRA has stable debt costs, but reducing interest earned on its balances as per the item 8 debit calculation over the period because of reducing reserves as a result of the capital programme.

## 9. Minimum Revenue Provision (MRP)

9.1. 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.

9.2. This Guidance requires local authorities to approve an annual MRP statement each year and recommends options but does not preclude locally determined prudent methods.

9.3. 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.

9.4. The aim of the guidance is to ensure that capital expenditure is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.

9.5. 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.

9.6. We apply a life of 50 years for the purchase of land and schemes which are on land (for example transport schemes).

- 9.7. MRP becomes chargeable in the financial year after the expenditure is incurred or when the asset becomes operational – whichever is the latter.
- 9.8. Based on the Council’s estimate of its CFR on 31 March 2023, and unfinanced capital expenditure in 2023/24 of £202 million, the budget for MRP for 2024/25 and future years is:

2024/25	£1.68 million
2025/26	£1.81 million
2026/27	£1.86 million
2027/28	£1.87 million
2028/29	£2.1 million

- 9.9. 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**

- 9.10. The Council will use the asset life method as its main method of applying MRP but will use the annuity method for investment property.
- 9.11. 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.
- 9.12. 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.

- 9.13. 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 arising from the loan repayment 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, including delaying MRP until the year after the assets became operational. Sufficient MRP will be charged to ensure that the outstanding CFR on the loan is no higher than the principal amount outstanding less the expected credit loss. This option was proposed by the Government in its recent MRP consultation and in the Council's view is consistent with the current regulations.
- 9.14. For investments classed as capital expenditure, we will apply a life related to the underlying asset in which the share capital has been invested.
- 9.15. 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.
- 9.16. 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.
- 9.17. 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.
- 9.18. No MRP will be charged in respect of assets held within the HRA but depreciation on those assets will be charged instead in line with regulations.



## **10. Treasury Management**

- 10.1. 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, a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account.
- 10.2. The policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns.
- 10.3. 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 the longer term is invested in a select portfolio to balance the risk of loss against the risk of receiving returns below inflation.
- 10.4. The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.
- 10.5. 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 the Committee is also responsible for scrutinising treasury management decisions.
- 10.6. The Council currently has a total of £200 million long-term borrowing of which £167 million is related to the HRA at an average rate of 3.5% with a cost of £5.4 million in interest, and the remaining £33 million relates to WUV and the interest is being capitalised to the project at the pooled interest rate of all council borrowing. Short-term borrowing, falling on the GF, is expected to cost £1 million at an average rate of 5%.

10.7. The Council's average investment portfolio is £86 million at an average rate of 5%, generating £3 million of interest.

### **Borrowing strategy**

10.8. The Council's main objectives 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.

10.9. The Council does not borrow to invest for the primary purpose of financial return and therefore retains full access to the PWLB.

10.10. Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The liability benchmark in paragraphs 8.23 to 8.26 show we are meeting the statutory guidance.

10.11. The detailed borrowing strategy can be found in Appendix 1, Section 5.

### **Investment strategy**

10.12. 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.

10.13. 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.

10.14. 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, to maintain the spending power of the sum invested.

10.15. The detailed investment strategy can be found in Appendix 1, section 5.

10.16. 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.

	<b>2023/24 Budget £000</b>	<b>2023/24 Revised £000</b>	<b>2024/25 Budget £000</b>	<b>2025/26 Budget £000</b>	<b>2026/27 Budget £000</b>
Gross Service Expenditure	110,099	111,030	97,910	97,910	97,910
Investment property income	8,649	9,704	10,130	10,130	10,130
Treasury management income	3,490	4,879	3,089	1,867	1,237
Investment income %	11%	13%	14%	12%	12%

10.17. Investment property and treasury management income (“investment income”) contribute approximately 12% to the gross cost of services across the Council.

## **11. Service and commercial investments**

### **Property asset management**

11.1. 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 condition 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.

### **Investment for service purposes**

- 11.2. 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.
- 11.3. 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.
- 11.4. 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. 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.
- 11.5. 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.
- 11.6. The Council invests in and has purchased shares in Guildford Borough Council Holdings Limited (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**

- 11.7. 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.
- 11.8. Investment property is valued at £178 million as per the 2022/23 unaudited statement of accounts, with rent receipts of £9.1 million. Budgeted receipts for 2023/24 was £9.7 million.
- 11.9. 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, monthly, against the value of the Council's treasury management investments, to ensure proportionality of investments across the Council.
- 11.10. 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 risking 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 11.1, and keeping a balanced portfolio spread across different property types. Officers prepare detailed cash flow models for each prospective investment acquisition to appraise the cash flow risk and the Internal Rate of Return (IRR) of the investment, in line with the approved asset investment strategy.
- 11.11. 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.
- 11.12. 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.

11.13. 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.

11.14. 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 is no approved budget in the capital programme, committee approval will be sought in line with Financial Procedure Rules.

11.15. 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.

11.16. 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.

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

11.17. The table below shows net revenue stream compared to the net income from commercial investments:

	<b>2023/24 Approved</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>
Net Revenue Stream	15,828	16,576	15,886	16,125	16,492
Net income	8,649	10,130	10,130	10,130	10,130

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

### **Other liabilities**

11.19. 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.

11.20. 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 £116 million of other long-term liabilities which relates to the Pension Fund liability.

11.21. We have provisions to cover risks including Business Rates appeals. We have not allowed for any financial guarantees.

11.22. 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.

11.23. Decisions on incurring new discretionary liabilities are taken by the relevant service leader and the CFO.

11.24. 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.

## **12. Knowledge and skills**

12.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions, and ensure appropriate training and skill updating are available to the relevant staff to undertake the duties expected / required.

- 12.2 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.
- 12.3 Under the MiFID<sup>1</sup> 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.

### **13. Consultations**

- 13.1 The Lead Councillor for Resources and Assets supports the recommendations in this report.

### **14. Key Risks and mitigations**

- 14.1 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).
- 14.2 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.

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<sup>1</sup> Markets in Financial Instruments Directive



- 14.3 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.
- 14.4 Slippage in the capital programme could also mean costs are higher than originally budgeted 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 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.
- 14.5 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.
- 14.6 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.
- 14.7 The Council has some significant and costly capital schemes in its programme. Each of these schemes has 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**

- 14.8 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.

14.9 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.

14.10 Treasury management activity needs to be managed to maximise investment income and reduce debt interest whilst maintaining the Council's exposure to risk.

14.11 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. Conversely if inflation falls fixed investments give higher returns, but both these scenarios are features of timing difference and will even out over time.

14.12 Risk indicators relating to treasury management are in Appendix 1.

### **Risks relating to Commercial investments**

14.13 There are some identifiable risks of investing in property.

14.14 A downturn in the property market or the general economy could lead to falling rents or higher vacancies meaning that rental income may not cover borrowing costs.

14.15 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.

14.16 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 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.

## **15. Financial Implications**

- 15.1 The financial implications are covered throughout the report, and in the appendices.
- 15.2 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).
- 15.3 The budget for treasury management investment income is based on an average investment portfolio for the previous year, at a weighted average rate. The budget for debt interest is based on current outstanding interest calculations. If actual levels of investments and borrowing, and actual interest rates differ from that forecast, performance against budget will be correspondingly different.
- 15.4 Income from investment property is estimated to be £8.6 million in 2024/25.
- 15.5 The MRP budget is £1.7 million in 2024/25.
- 15.6 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**

- 15.7 The Government has extended the ability for councils to use capital receipts to fund revenue costs of transformation programmes, and officers are recommending that 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 2024/25. The policy can be found at Appendix 9.

## Risk indicators

- 15.8 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

- 15.9 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.

Total Investment Exposure	2023/24 Projection £000	2024/25 Forecast £000	2025/26 Forecast £000
Treasury management investments	118,078	85,917	65,441
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>317,634</b>	<b>285,473</b>	<b>264,997</b>

- 15.10 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 Borough Council Holdings) could be described as being funded by borrowing – as they are part of the Capital programme and therefore form 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

15.11 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.

Investments net rate of return	2023/24 Projection £000	2024/25 Forecast £000	2025/26 Forecast £000
Treasury management investments	4.60%	3.92%	4.54%
Service investments: Loans	5.50%	5.50%	5.50%
Service investments: Shares	0.00%	0.00%	0.00%
Investment property	6.00%	5.50%	5.50%

## 16. Legal Implications

16.1 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

## **17. Human Resource Implications**

17.1 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.

## **18. Equality and Diversity Implications**

18.1 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.

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

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

## **20. Joint Executive Advisory Board Comments**

20.1. To be inserted

## **21. Corporate Governance & Standards Committee Comments**

21.1 To be inserted

## **22. Summary of Options**

22.1 Officers have detailed the options within each new capital bid / mandate.

22.2 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 Assets believes the strategy represents an appropriate balance between risk and cost effectiveness. Some alternative strategies and risk management implications are set out in the table below:

<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 be offset by higher investment income	Higher investment balance leading to higher impact in the event of a default; however, long-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

## **23. Conclusion**

- 23.1 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.
- 23.2 If all schemes proceed within the timescales indicated, there will be an underlying need to borrow of £211.8 million by 31 March 2028.
- 23.3 The information in this report, and the appendices, show the Council has adopted the principles of best practice and complied with the relevant statute, guidance, and accounting standards.

## **24. Background Papers**

None

## **25. Appendices**

Appendix 1: Detailed capital and investment strategy  
Appendix 2: Detailed New Capital Bids  
Appendix 3: Schedule of GF capital programme  
Appendix 4: HRA capital programme  
Appendix 5: Treasury Management Policy Statement  
Appendix 6: Money Market Code Principles  
Appendix 7: Arlingclose Economic and Interest Rate Forecast  
Appendix 8: Credit rating equivalents and definitions  
Appendix 9: Flexible use of capital receipts policy  
Appendix 10: Glossary



# 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), 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.

1.3 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 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.

1.5 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.

1.6 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"*

- 1.7 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.

- 1.8 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, then, MHCLG investment guidance also suggest some local indicators.
- 1.9 The following sections of the strategy outline the Council's balance sheet and treasury position, capital expenditure and treasury management strategy.
- 1.10 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 to 5.25% in August 2023, which has been maintained since, but have not said that this is the final interest base rate. The actions are broadly in line with the other world banks.
- 2.2 The impact of higher interest rates and inflation, weak economic outlook, uncertain political climate (due to an upcoming general election), conflicts in Ukraine and the Middle East, general slowing in world economies will all influence this strategy.
- 2.3 Growth is then expected to continue to be minimal throughout 2024 and the first half of 2025.
- 2.4 CPI inflation is expected to continue to reduce as last year's key inflation drivers fall away, achieving target in two years' time.
- 2.5 The Monetary Policy Forecast (MPF) shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate project to be rising to around 5% in late 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 has peaked (although the OBR – Office for Budget Responsibility used a base rate of 5.4% in its predictions for the Autumn Statement) and as the BoE attempts to subdue inflation which is significantly above its 2% target will 'remain higher for longer'.
- 2.9 While interest rate expectations are for reductions to begin in late 2024 to stimulate the UK economy reducing to a low of around 3% by early to mid-2026.
- 2.10 Yields are expected to fall from current levels reflecting the lower medium-term path for bank rate. It is anticipated that yields will remain relatively higher than in the past due to quantitative tightening and significant bond supply. 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 31/3/22 (restated)			Balance at 31/3/23		
	£'000	£'000	%	£'000	£'000	%
Long term assets	1,052,504			1,123,052		
Short term assets	27,894			27,958		
		1,080,398	87%		1,151,010	91%
Long term investments	58,111			35,212		
Short term investments	106,888			81,808		
		164,999	13%		117,020	9%
<b>Total Assets</b>		<b>1,245,397</b>			<b>1,268,030</b>	
Current liabilities	(66,221)			(65,020)		
Long term liabilities	(116,284)			(20,550)		
		(182,505)	38%		(85,570)	22%
Short term borrowing	(134,292)			(127,232)		
Long term borrowing	(169,599)			(168,053)		
		(303,891)	62%		(295,285)	78%
<b>Total Liabilities</b>		<b>(486,396)</b>			<b>(380,855)</b>	
<b>Net Assets</b>		<b>759,001</b>			<b>887,175</b>	

3.2 The summary balance sheet shows that cash investments make up approximately 10% of the Councils assets. Investment property makes up 15% of the long-term assets (being £178 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.

	2022/23 Actual ('000)	2023/24 Outturn ('000)	2024/25 Estimate ('000)	2025/26 Estimate ('000)	2026/27 Estimate ('000)	2027/28 Estimate ('000)
Total debts	295,285	231,235	383,507	405,564	405,564	405,564
Total assets	1,268,030	1,347,333	1,521,419	1,544,496	1,542,432	1,537,246
Debt Ratio %	23%	17%	25%	26%	26%	26%

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 Government local indicators are:

Indicator	Description
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 23 Actual £'000	Dec 23 position £'000
<b>Investments</b>		
<u>Managed in-house</u>		
Notice Accounts - UK	3,000	3,000
Money Market Funds	3,901	32,530
Temporary Fixed Deposits	60,200	47,000
Long term Fixed Deposits	0	10,000
Short term bonds	5,150	1,000
Covered Bonds	10,050	10,550
<b>Total investments managed in-house</b>	<b>82,301</b>	<b>104,080</b>
<u>Pooled Funds</u>		
CCLA	6,420	6,309
Schroders	730	718
UBS	1,767	1,711
Royal London	2,133	2,178
Fundamentum	1,880	1,966
Aegon	2,407	2,410
Funding Circle	96	96
<b>Total pooled funds investments</b>	<b>15,433</b>	<b>15,389</b>
<b>Total Investments</b>	<b>97,734</b>	<b>119,469</b>
<b>Borrowing</b>		
Temporary borrowing	115,000	88,000
Long-term borrowing (PWLb)	179,599	200,235
<b>Total borrowing</b>	<b>294,599</b>	<b>288,235</b>
<b>Net investments / (borrowing)</b>	<b>(196,865)</b>	<b>(168,766)</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 2023 (the latest position).

3.11 Investment balances have increased as a result of cash flow timings. Long term borrowing has increased in favour of short-term borrowing as a result of borrowing for the capital programme. The net borrowing position has decreased since due to a higher level of investments than reduction in borrowing.



## 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 a Corporate Plan and medium to long-term aspirations within the Borough. There are processes and procedures 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 rolling 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 schemes in the capital programme are development projects, and their expenditure and income profiles 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 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.
- 4.9 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.

- 4.10 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.
- 4.11 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.
- 4.12 The capital programme is also reviewed by CMB 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 Enterprise Portfolio Board (EPB), and its subgroups, meet regularly, and they receive highlight reports on the progress of all the major projects in the capital programme.
- 4.13 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
- 4.14 The actual financing of each years' capital programme is determined in the year in question.
- 4.15 Capital expenditure is split between the GF (incorporating non-HRA housing) and HRA housing.
- 4.16 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:

<b>CAPITAL EXPENDITURE SUMMARY</b>	<b>2023/24 Approved £000</b>	<b>2023/24 Outturn £000</b>	<b>2023/24 Variance £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>2028/29 Estimate £000</b>
<b>General Fund Capital Expenditure</b>								
- Main Programme	147,239	77,963	(69,276)	83,074	2,496	2,000	2,000	0
- Provisional schemes	48,428	2,078	(46,350)	91,892	59,690	14,841	8,365	5,380
- Schemes funded by reserves	1,031	1,504	473	1,120	0	0	0	0
- S106 Projects	122	303	181	0	0	0	0	0
- New Bids (net cost)	0	0	0	890	982	1,148	6,465	368
<b>Total Expenditure</b>	<b>196,820</b>	<b>81,848</b>	<b>(114,972)</b>	<b>176,976</b>	<b>63,168</b>	<b>17,989</b>	<b>16,830</b>	<b>5,748</b>
<b>Financed by :</b>								
Capital Receipts	0	(2,681)	(2,681)	(2,000)	(39,109)	(16,091)	(10,365)	(5,380)
Capital Grants/Contributions	(46,336)	(49,079)	(2,743)	(20,622)	(1,020)	(750)	0	0
Capital Reserves/Revenue	(1,131)	(1,787)	(656)	(1,192)	0	0	0	0
Borrowing	(149,353)	(28,300)	121,053	(153,162)	(23,039)	(1,148)	(6,465)	(368)
<b>Financing - Totals</b>	<b>(196,820)</b>	<b>(81,848)</b>	<b>114,972</b>	<b>(176,976)</b>	<b>(63,168)</b>	<b>(17,989)</b>	<b>(16,830)</b>	<b>(5,748)</b>
<b>Housing Revenue Account Capital Expenditure</b>								
- Main Programme	47,866	34,537	(13,329)	16,789	6,019	2,377	5,040	0
- Provisional schemes	15,928	0	(15,928)	18,124	26,047	57,282	11,582	18,239
- New bids	0	0	0	0	0	0	0	0
<b>Total Expenditure</b>	<b>63,794</b>	<b>34,537</b>	<b>(29,257)</b>	<b>34,913</b>	<b>32,066</b>	<b>59,659</b>	<b>16,623</b>	<b>18,239</b>
<b>Financed by :</b>								
- Capital Receipts	(8,494)	(2,740)	5,754	(11,595)	(10,836)	(21,633)	0	(5,066)
- Capital Reserves/Revenue	(28,286)	(15,461)	12,825	(23,318)	(21,230)	(38,025)	(16,623)	(13,173)
- Borrowing	0	0	0	0	0	0	0	0
<b>Financing - Totals</b>	<b>(36,780)</b>	<b>(18,201)</b>	<b>18,579</b>	<b>(34,913)</b>	<b>(32,066)</b>	<b>(59,659)</b>	<b>(16,623)</b>	<b>(18,239)</b>

4.17 The programme has slipped in 2023/24 – estimated expenditure on the GF of £196 million, has been reduced to £82 million. The majority of this relates to expenditure on investment properties and regeneration schemes and have now either been removed from the programme in December 2023 or moved into later years.

4.18 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**

- 4.19 To ensure good governance, the Council has the following process for the capital programme.
- 4.20 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.
- 4.21 Any projects that are expected to be delivered after the five-year period, or 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.
- 4.22 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 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.

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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.

4.23 The Council has a limited resources and must have regard to the overall affordability of the capital programme in future years. Each scheme, therefore, is evaluated to ensure it meets the Council's objectives. The criteria are:

- 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.

4.24 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.

- 4.25 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.
- 4.26 The net addition of the new bids for the GF is assumed to be funded by borrowing. Any HRA new bids are assumed to be funded 1/3 capital receipts (RTB receipts), 1/3 borrowing and 1/3 capital reserves.

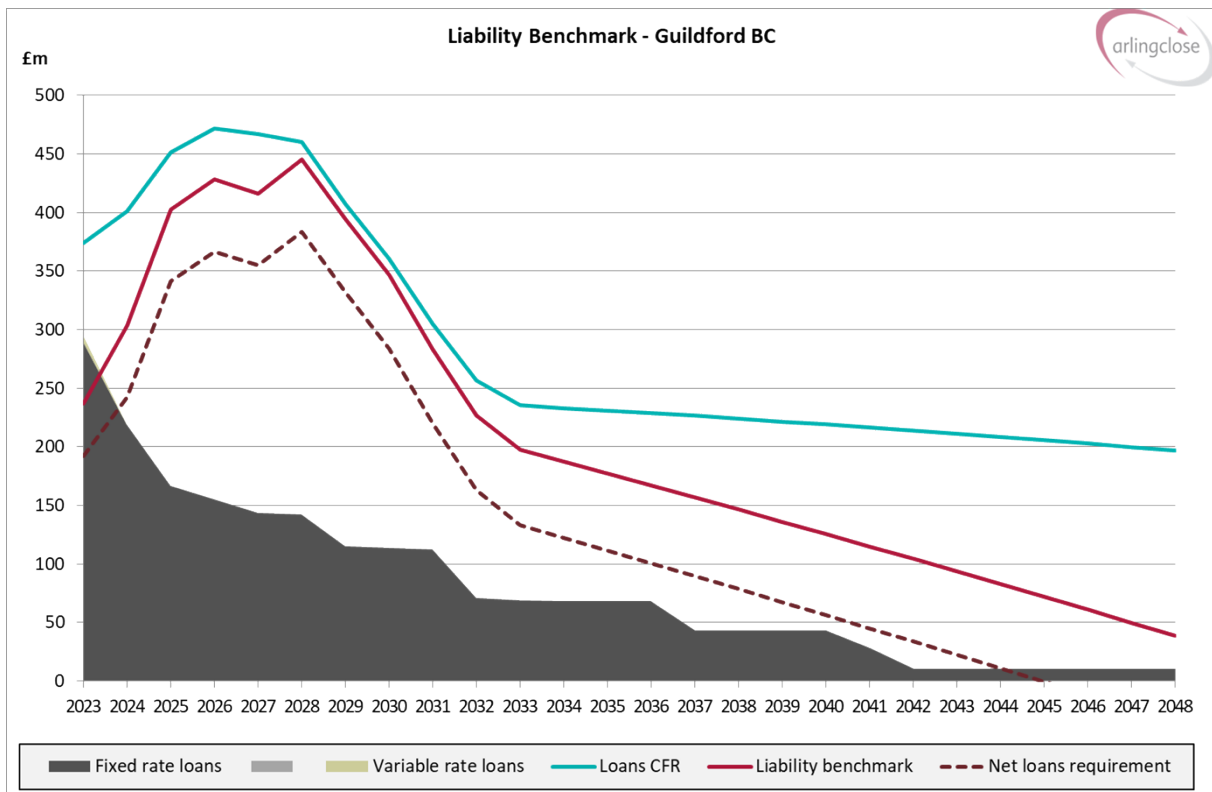
## **5. Treasury management, borrowing and investment strategy**

- 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 Liability Benchmark 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.



NOTE - The impact of the asset disposal programme is not shown as timing is unpredictable at present. This will reduce the peak CFR to below £450 million.

5.7 The liability benchmark shows the lowest risk level of required 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 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 (2023/24 to 2025/26).

Position at 31 March	Actual	Forecasts		£m			
	2023	2024	2025	2026	2027	2028	2029
Loans CFR	374.2	400.9	451.5	471.8	467.1	460.1	407.2
External borrowing	-295.1	-229.6	-177.0	-165.5	-153.9	-152.4	-125.9
Internal (over) borrowing	79.1	171.3	274.5	306.3	313.2	307.7	281.4
Balance sheet resources	-182.2	-162.0	-138.3	-124.0	-103.9	-100.1	-109.0
Investments (new borrowing)	103.1	-9.4	-136.2	-182.3	-209.3	-207.6	-172.4
Treasury investments	103.1	98.2	51.0	35.3	20.0	20.0	20.2
New borrowing	0.0	107.5	187.2	217.6	229.3	227.6	192.6
Net loans requirement	192.0	239.0	313.3	347.8	363.2	360.0	298.3
Liquidity allowance	20.0	98.2	51.0	35.3	20.0	20.0	20.2
Liability benchmark	212.0	337.1	364.2	383.1	383.2	380.0	318.5

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 relatively stable (our core cash). The CFR is increasing sharply due to the proposed capital programme.

We are projecting a large need to borrow for the Council from 2024/25, 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. Short-term interest rates are currently at a 15 year high but are expected to fall in the coming years, therefore, it is likely to be more cost effective over the medium-term to either use internal resources or to borrow short-term loans 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 borrowing rates in the market. 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 2024/25 with a view to keeping future interest costs low, even if this causes additional cost in the short term.

- 5.21 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).
- 5.22 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.
- 5.23 We may continue to borrow short-term for cash flow shortages.
- 5.24 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.
- 5.25 The Government has also announced a HRA borrowing rate which is gilts less 60bp. The Council has previously repaid £45 million of HRA borrowing and may choose to re borrow this to take advantage of the preferential rates.

### **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

- UK Infrastructure Bank
- 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
- Other private institutional investors

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
- similar asset based finance

### **Municipal Bond Agency (MBA)**

5.30 UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association (LGA) 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>2024/25</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 sufficient 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 (and CIPFA 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, 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 type 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 to, and 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 (REITs): 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.
- 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 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 changes 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 (“negative watch”) 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 The Council is aware that investments with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.
- 5.65 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, 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.

5.66 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 2024/25.
- 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**

5.67 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

5.68 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 upper limit on the long-term treasury management investments is £30 million.

5.69 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.

5.70 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.

- 5.71 Whilst we are a long-term borrower, where we do invest cash for longer than three years it is generally in tradeable instruments (e.g. covered bonds) so we have access to liquidity if we need it, and are therefore comfortable we are not investing primarily for financial return

## **6. Other items**

- 6.1 There are a number of additional items the Council is obliged under the TM CIPFA code.

### **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. Annual interest will be calculated on the closing balance at our average interest rate on treasury investments excluding strategic pooled funds, adjusted for credit risk if a net investment balance, and at the council's average rate of borrowing if a net borrowing balance.
- 6.10 We will charge long-term loan interest on an actual basis, as incurred.

<b>Mandate Proposal</b>			
<b>Author:</b>			
1. Introduction and background:			
Machinery for grounds maintenance at the crematorium			
2. Why should a project be started, or a growth bid be considered now?			
To renew vital equipment in line with HAV protocol			
3. What is the good idea or problem to be solved?			
Machinery is nearing end of life and requires replacing - it is not an option to not maintain the crematorium gardens of remembrance			
4. What will be delivered? What are the success criteria? What is the purpose of the project?			
To maintain upkeep of the gardens of remembrance where ashes are laid to rest.			
5. What is in scope and what is out of scope?			
N/A			
What priority, corporate objective or strategy is fulfilled by this project?			
N/A			
6. List desired benefits (non-financial)			
Maintains gardens of remembrance.			
7. IT Project Requirements (Ensure you consider links to Business World and SalesForce)			
N/A			
8. What are the strategic options available to GBC to deliver a solution?			
n/a			
9. Who is the Director (SRO) and Executive Head and portfolio Holder (Lead Cllr) who will lead and direct the project and use the products in live service			
N/a			
10. What impact assessments have been undertaken? What are the impacts on other Services or projects?			
n/a			
11. What general approach will be taken to deliver?			
Will team with parks to obtain best value			
12. When and why must the work/project start?			
Machinery has end of life – this capital bid incorporates what we know needs replacing.			
13a. What does Waverley/Guildford currently do to provide this service?			
FTE are employed at the crematorium to maintain the grounds these FTE also provide chapel cover and cremator tech cover.			
13b. What discussion has been had with Waverley/Guildford about this mandate?			
Nil			
13c. What opportunities are there for savings through the collaboration?			
Currently looking at options for grounds maintenance for the cemeteries with Waverly’s contractor but there are procurement issues at present. No collaboration ref crematorium grounds.			
13. What stakeholders will need to be involved?			
Nil			
14. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?			
Nil			
15. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.			
<b>Year</b>	<b>Capital Total (£)</b>	<b>Revenue Total (£)</b>	<b>Income Total (£)</b>
2023/24			

2024/25	22,000	Nil	Nil	
2025/26	10,000			
2026/27	10,000			
2027/28				
16. For projects, what are the potential resource costs to progress to the next stage/gate?				
Nil				
17. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks				
Issue – There is an issue that				
Nil				
Assumptions – There is an assumption that...				
Dependencies – There is a dependency on...				
Constraints – A constraint is...				
Opportunities – There is an opportunity to...				
Risks – There is a risk that...				



<b>Mandate Proposal: Wildfield Ballcourt</b>
<b>Author: Sally Astles</b>
<b>1. Introduction and background:</b>
<p>This report is seeking capital for <u>Wildfield ballcourt in Wood Street Village</u>. The Council entered into a lease to install and maintain a ballcourt on land owned by Surrey County Council (SCC) with the terms that GBC would remove the ballcourt at the end of the lease. The lease has expired and to avoid removing the ballcourt right now, we are entering into a renewal of five years. We estimate the tarmac surface has five to ten years of life. The surface is starting to show areas of wear. We do not anticipate any costs for maintenance over the next five years, beyond the current routine safety checks and litter removal, but we anticipate repair costs after that time. We have a legal requirement to remove the ballcourt at the end of the lease (or renew the lease and maintain the court). Visitor use of the ballcourt appears relatively light based on wear to the grass to the court.</p>
<b>2. Why should a project be started, or a growth bid be considered now?</b>
<p>This bid is for five years' time.</p> <p>At the end of the lease, if we neither remove the ballcourt nor maintain the surface, we will be in breach of the lease we agreed, and SCC could take legal action against us.</p> <p>Capital is required as we cannot fund the removal or a refurbishment from revenue due to the cost of tarmac. The capital is required to ensure:</p> <ul style="list-style-type: none"> <li>• funding is in place to remove the MUGA in a timely fashion at the end of the lease;</li> <li>• to meet our legal obligations under the lease;</li> <li>• to help fund resurfacing or repairs to the tarmac surface (cost unknown) if the Council decides to keep the ballcourt and renew the lease again in five years' time.</li> </ul>
<b>3. What is the good idea or problem to be solved?</b>
<p>To meet our legal obligations in a lease between GBC and SCC.</p>
<b>4. What will be delivered? What are the success criteria? What is the purpose of the project?</b>
<p>As described above.</p>
<b>5. What is in scope and what is out of scope?</b>
<p>Funding will be required to break up and remove all the tarmac, dispose of it, remove the ballcourt ends and reinstate grass. Possibly the ballcourt ends could be installed at another site rather than disposed of.</p> <p>Alternatively, funding will be required to repair the tarmac and reline the ballcourt within five years of the renewal.</p>
<b>What priority, corporate objective or strategy is fulfilled by this project?</b>
<p>None, this is required due to GBC signing a lease that commits us to funding a ballcourt.</p>

6. List desired benefits (Non-financial)
Meeting the terms of the lease
7. IT Project Requirements (Ensure you consider links to Business World and Salesforce)
N/A
8. What are the strategic options available to GBC to deliver a solution?
<p>There are two options at the end of the lease:</p> <ol style="list-style-type: none"> <li>1. Funding will be required to break up and remove all the tarmac, dispose of it, remove the ballcourt ends and reinstate the grass. This will allow GBC to end the lease with SCC and cease any maintenance and repair obligations. It will remove the facility, but it will end GBC's responsibility to keep the ballcourt safe and in good repair.</li> <li>2. Alternatively, funding will be required to repair the tarmac and reline the ballcourt. This will continue GBC's responsibility to visit and check the site for hazards, litter and repairs. The tarmac surface will require repair at some point during the years after 2029.</li> </ol> <p>The removal will close a facility to residents and therefore in five years' time, the Council may take the view that we should continue to maintain the ballcourt. However, the ballcourt is located on common land and GBC have no other maintenance obligations on the land. Removal will hand the site back to SCC to maintain and this is currently the recommended option, subject to a review of circumstances at that time.</p>
9. Who is the Director (SRO) and Executive Head and portfolio Holder (Lead Cllr) who will lead and direct the project and use the products in live service
<p>Joint Strategic Director – Community Wellbeing, Annie Righton, Executive Head Environmental Services, Chris Wheeler, and Lead Councillor for Planning, Environment and Climate Change, Cllr George Potter</p>
10. What impact assessments have been undertaken? What are the impacts on other Services or projects?
None.
11. What general approach will be taken to deliver?
<p>The removal of the ballcourt would be carried out in-house. If the courts are refurbished, a contractor would be employed.</p>
12. When and why must the work/project start?
<p>2028/9 so that the lease can be terminated within the terms required. The exact date is not yet known as the lease renewal has not yet concluded, but it must be five years from the completion.</p>
13a. What does Waverley/Guildford currently do to provide this service?
N/A

13b. What discussion has been had with Waverley/Guildford about this mandate?			
N/A			
13c. What opportunities are there for savings through the collaboration?			
N/A			
13. What stakeholders will need to be involved?			
Ward Cllrs and Lead Cllr in five years' time.			
14. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?			
Nothing required until the lease ends. Then Parks staff will need to progress the in-house removal or appoint a contractor to resurface the court. Asset Management and Legal services will need to end or renew the lease.			
15. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.			
N/A			
<b>Year</b>	<b>Capital Total (£)</b>	<b>Revenue Total (£)</b>	<b>Income Total (£)</b>
2023/24			
2024/25			
2025/26			
2026/27			
2027/28			
2028/29	£30,000		
16. For projects, what are the potential resource costs to progress to the next stage/gate?			
N/A			
17. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks			
Issue – Without the funding we will not be able to remove the ballcourt and will be in breach of the lease. Alternatively, we may not be able to fund keeping the ballcourt in a safe state of repair under a renewed lease.			
Assumptions – There is an assumption that... the Council's aim is not to be in breach of the lease.			
Dependencies – There is a dependency on...			

Constraints – A constraint is... the terms of the lease.
Opportunities – There is an opportunity to... end the resource requirement to maintain the ballcourt (in five years' time)
Risks – There is a risk that... SCC could take legal action if we fail to carry out the terms of the lease.
<b>18. Reviewer List: No one further to add</b>
Involved or sighted so far and to be updated on changes: <ul style="list-style-type: none"><li>• Ward Cllrs: Bilal Akhtar, Honor Brooker, Philip Brooker, George Potter</li><li>• ..</li></ul> Next to be consulted <ul style="list-style-type: none"><li>• ..</li><li>• ..</li></ul>

**Mandate Proposal Playground Refurbishments**

**Author:**

**1. Introduction and background:**

**Playground Refurbishments 2024 to 2029**

GBC is responsible for thirty-five play areas around the borough. The council has successfully completed a capital programme of refurbishment for many years to ensure these are upgraded, based on the council’s Play Strategies and refurbishment ‘Action Plans’. The [Play Strategy 2016 - 2021](#) was a project milestone within the Council’s Corporate Plan 2018-2023. The overall aim of the strategy is to enhance and promote opportunities for play and to ensure the importance of play is recognised and valued. Since then, the playground action plan has been revised to incorporate the latest condition findings and the programme timescales for future refurbishments have been updated.

In 2024, two playgrounds in Westborough will be refurbished using capital funding and a further play area in Ash will be refurbished later in the year, using s106 funding. Whilst s106 continues to be pooled to fund playground refurbishments, it is not necessarily available to the playgrounds that need refurbishing or in amounts required to fund a full replacement. Many wards do not have opportunities for s106 from development, or they are in small amounts. Westborough for instance lacked s106 funding and therefore capital was the only option.

This mandate it to seek approval to continue the capital programme for playground refurbishments from 2025 onwards to be used to support and supplement available s106, where appropriate.

**2. Why should a project be started, or a growth bid be considered now?**

Local authorities are one of the main providers of play provision and facilities. We recognise that play is a crucial part of a child’s development and wellbeing. It is something adults take for granted that children do naturally. The more complicated, busy and risk averse our lives become, the fewer opportunities there are for children to play freely. Play provision is therefore part of the necessary infrastructure, which needs to be planned and sustained, in order to play its part in sustaining healthy communities.

By adequately funding our play areas we will also ensure that we are adhering to the UN convention on the rights of the child.

[UN Convention on the Rights of the Child - UNICEF UK](#)

**3. What is the good idea or problem to be solved?**

Playgrounds require continuous maintenance. Their typical lifespan is around 20 to 25 years, but parts that move and surfacing has a life expectancy of around 5 years or less. Playground equipment must be kept safe and is expensive to replace. Revenue only supports day to day repairs.

Funding for playgrounds needs to be planned and sustained to ensure safe and attractive play spaces for residents of the borough. Failing to refurbish them is likely to lead to closures due to safety issues and lack of revenue budget to repair or replace them.

4. What will be delivered? What are the success criteria? What is the purpose of the project?
<p>The objective will be to complete five playgrounds in the next five years using s106 and capital funding, in addition to the three planned to complete in 2024. Parks will also deliver a new path for the newly refurbished Foxenden Quarry play area which has a cost of £20,000 and creates DDA access through the play area.</p>
5. What is in scope and what is out of scope?
<p>Refurbishment of play areas will include reviewing and replacing where necessary fencing, gates, surfacing, play equipment, playground paths and landscaping at each play area.</p>
What priority, corporate objective or strategy is fulfilled by this project?
<p>Corporate Plan:          “ We will support the most vulnerable members of our community as we believe that every person matters.”          “Tackling inequality in our communities”          “Work with communities to support those in need”</p> <p>Guildford’s Play Strategy:          The play strategy establishes that ‘play provision is part of the necessary infrastructure for healthy communities’. It sets out the action plan to refurbish our play areas.</p> <p>In 2019, the <a href="#">Surrey Health and Wellbeing Board</a> published a 10-year Health and Wellbeing Strategy, refreshed in 2022, to ensure a focus on reducing health inequalities. The strategy’s priorities, supported by GBC, are:</p> <ul style="list-style-type: none"> <li>• promote physical, emotional and mental wellbeing</li> <li>• help people achieve their full potential by addressing the things that affect health</li> <li>• supporting people to lead a healthy lifestyle.</li> </ul>
6. List desired benefits (Non-financial)
<p>Research has evidenced the positive role of open space and physical activity for children and adults alike in reducing health inequalities and improving mental as well as physical health. Outdoor activity has been shown to benefit children who find it difficult to concentrate indoors, to benefit mental health and general physical health and thereby contribute to healthy communities. There is also evidence that the more children play outside, the more likely they are to use outdoor spaces as adults – and therefore go on to encourage their own children to play outside. The research is reflected in the physical activity guidelines for children and adults produced by the Department of Health.</p>
7. IT Project Requirements (Ensure you consider links to Business World and Salesforce)
<p>N/A</p>
8. What are the strategic options available to GBC to deliver a solution?
<p><u>Do Nothing</u> – Parks will continue to maintain the playgrounds we have, but when repairs to make them safe exceed the available revenue budget, the only option will be closure.</p>

<p><u>Do Minimum</u> - this would be a small capital budget to replace surfacing and equipment when it fails. Play areas would remain as they are, requiring increased levels for maintenance as they age. This option may still lead to playground closures if funds run out. A minimum amount for this purpose might be around £100,000. It would not be sufficient to completely replace a mid-sized play area but would replace a few items of equipment and/or surfacing.</p> <p><b><u>Do more</u> – approve the funding for the current programme for the next five years (recommended). This is requested at £600,000 and assumes there will be s106 available over the next five years to top up this fund.</b></p> <p><u>Do most</u> – approve a larger capital budget for the next five years for even better/larger playgrounds at the proposed sites and potential to refurbish more playgrounds in the time period. A guide amount for this would be £1,000,000.</p>
<p>9. Who is the Director (SRO) and Executive Head and portfolio Holder (Lead Cllr) who will lead and direct the project and use the products in live service</p>
<p>Joint Strategic Director – Community Wellbeing, Annie Righton, Executive Head Environmental Services, Chris Wheeler, and Lead Councilor for Planning, Environment and Climate Change, Cllr George Potter</p>
<p>10. What impact assessments have been undertaken? What are the impacts on other Services or projects?</p>
<p>N/A</p>
<p>11. What general approach will be taken to deliver?</p>
<p>Each new playground will be procured via a tender process.</p>
<p>12. When and why must the work/project start?</p>
<p>Available budget for new playgrounds runs out in 2024, once the two playgrounds in Westborough open. This capital bid is therefore for the year 2025/26 onwards.</p>
<p>13a. What does Waverley/Guildford currently do to provide this service?</p>
<p>The maintenance of playgrounds is outsourced.</p>
<p>13b. What discussion has been had with Waverley/Guildford about this mandate?</p>
<p>N/A</p>
<p>13c. What opportunities are there for savings through the collaboration?</p>
<p>None</p>
<p>13. What stakeholders will need to be involved?</p>
<p>Cllrs, Ward Cllrs and residents local to each playground who will need to be consulted on the design proposals.</p>
<p>14. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?</p>
<p></p>

Parks Asset officer to progress the projects, Procurement, Legal, Comms etc. at various stages of each playground refurbishment.			
15. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.			
<b>Year</b>	<b>Capital Total (£)</b>	<b>Revenue Total (£)</b>	<b>Income Total (£)</b>
2023/24	0*		
2024/25	£20,000		
2025/26	£80,000		
2026/27	£300,000		
2027/28	£200,000		
<b>*excludes already approved capital for Westborough playgrounds</b>			
16. For projects, what are the potential resource costs to progress to the next stage/gate?			
No additional resource costs. Progressed in-house.			
17. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks			
Issue – There is an issue that there is no planned funding to replace old and unsafe playgrounds.			
Assumptions – There is an assumption that...the council wishes to continue to provide playgrounds in its open spaces and maintain the number it currently has. That the capital will only be used to replace existing playgrounds and not to add additional new ones where none already exist (as this will increase revenue costs).			
Dependencies – There is a dependency on... staff resource to project manage, develop contracts and procure contractors to carry out the refurbishments.			
Constraints – A constraint is... budget level and availability			
Opportunities – There is an opportunity to... continue the refurbishment programme and maintain the high standard of Guildford’s play spaces.			
Risks – There is a risk that...playgrounds will be delayed by lack of staff resource and slow processes. There is a risk of price increases, reducing what the budget will purchase in future years.			
18. Reviewer List:			
Involved or sighted so far and to be updated on changes:			
• ..			
• ..			
Next to be consulted			
• Cllr George Potter			
• ..			
19. CMB:EPB Date & Direction			
CMB: EPB Date:			



CMB:EPB outcome and next steps:
Governance route - What are the possible or proposed next steps for this mandate/business justification case in terms of governance and decision making?
Delegated authority to the Exec Joint Head of Environment for each playground contract.

<b>Mandate Proposal</b>
<b>Author: James Beach</b>
<b>1. Introduction and background:</b>
<p>Historically ICT has had access to the IT Renewals Reserve via an “IT Renewals Fund” allocation of £500k annually. This has funded:</p> <ul style="list-style-type: none"> <li>- The organisation’s annual Microsoft Enterprise Agreement (licensing and cloud usage charges) renewal</li> <li>- IT user hardware (laptops, monitors etc.) replacement/purchases</li> <li>- Infrastructure hardware purchases</li> </ul> <p>This year we are being asked to bid for this funding. This bid covers the second and third bullet points only: our IT user hardware replacement/purchases and minor infrastructure hardware purchases.</p> <p>IT hardware used to be replaced on a break-fix basis i.e. we used them until they broke. This model impacts business users with older devices as they become less reliable with use.</p> <p>In 2020 we agreed a lifecycle for each device type (based on common industry standards), and forecast to replace devices in-line with this. Due to the Council’s financial challenges, this model was paused in 2021 for all devices other than smartphones and tablets where devices are insecure after their vendor-defined lifecycle ends due to the Council’s financial challenges.</p>
<b>2. Why should a project be started, or a growth bid be considered now?</b>
<ul style="list-style-type: none"> <li>• Existing IT hardware will become increasingly unreliable and ultimately fail if there is no plan to replace them. Unreliable user hardware reduces the efficiency of affected staff, unreliable infrastructure hardware is likely to cause wider outages of ICT services.</li> <li>• New devices are needed when there are no existing devices for new starters, or replacement of a lost, stolen or irreparable failure.</li> </ul>
<b>3. What is the good idea or problem to be solved?</b>
<p><u>Good idea:</u> Agree a new lifecycle or approach for device replacement, and reinstate the IT Renewals fund accordingly.</p> <p><u>Problem:</u> Existing ICT hardware has not been replaced unless it completely fails*, since 2020 (possibly before):</p> <ul style="list-style-type: none"> <li>• Most “new” ICT infrastructure hardware was purchased in Summer 2018. These are seen to have a 5-year reliable lifecycle stretchable to 7-years, therefore will likely need to be replaced in the next couple of years to remain reliable. With the removal of the IT Renewals Fund, no repair or replacement budget currently exists.</li> <li>• Most laptop were bought between November 2018 and January 2019. These are seen to have a 3-year reliable lifecycle stretchable to 4-years, therefore we are likely to see increased issues with these. With the removal of the IT Renewals Fund, no repair or replacement budget currently exists.</li> </ul> <p>*Except smartphones and tablets as these devices have a vendor-defined lifecycle and become insecure once this is reached (no security updates are released).</p>
<b>4. What will be delivered? What are the success criteria? What is the purpose of the project?</b>
<p>Funding to:</p> <ul style="list-style-type: none"> <li>- Replace IT hardware on an agreed lifecycle, and</li> </ul>

<ul style="list-style-type: none"> <li>- Repair and maintain IT hardware within lifecycle</li> </ul> <p>Assuming an extended lifecycle remains the agreed strategy for the Council (perhaps 7 years for infrastructure hardware, and 5-years for user hardware), a repair budget would not only repair accidental damage (e.g. broken screens) but also parts that are more likely to fail with age (e.g. batteries, hard drives, keyboards and fans).</p> <p>Success would be measured by:</p> <ul style="list-style-type: none"> <li>- Maintaining near-zero IT outages from hardware failure</li> <li>- Maintaining a low level of tickets for user hardware failure</li> <li>- Business satisfaction that user devices and peripherals are not affecting the efficiency of their teams.</li> </ul>
<p>5. What is in scope and what is out of scope?</p>
<p>In-scope:</p> <ul style="list-style-type: none"> <li>- Capitalisable IT hardware (e.g. servers, network switches and firewalls, plus laptops, PC's, monitors, and docking stations)</li> </ul> <p>Out-of-scope:</p> <ul style="list-style-type: none"> <li>- Smartphones and tablets (Finance do not treat these as capital assets currently)</li> <li>- Peripherals e.g. headsets and USB keyboards</li> </ul>
<p>What priority, corporate objective or strategy is fulfilled by this project?</p>
<p>All – IT infrastructure hardware and user devices are used across all business areas, to support the delivery of their goals.</p> <p>“Efficient” mission: Reliable hardware enables staff in all teams to work more efficiently.</p> <p>The above said, this bid is less about accelerating replacement of devices, and more about clarifying our interim IT hardware replacement strategy.</p>
<p>6. List desired benefits (Non-financial)</p>
<p>Agreement to an interim hardware replacement strategy whilst financial constraints have made it appropriate to pause existing lifecycles.</p>
<p>7. IT Project Requirements (Ensure you consider links to Business World and Salesforce)</p>
<p>There is likely to be a resource requirement to support the infrastructure hardware replacement need when this is scheduled.</p>
<p>8. What are the strategic options available to GBC to deliver a solution?</p>
<p>1. Do nothing (current process): Seek to strip broken hardware for parts, and try to repair/fix devices as they fail wherever possible.</p> <p><i>This option has a significant risk of efficiency impacts on users from extended outages both from individual laptop outages, and infrastructure outages.</i></p> <p><i>It is still likely that a number of laptops would be needed over time, to replace irreparable devices, and those stripped for parts.</i></p> <p><i>This option requires a budget:</i></p> <ul style="list-style-type: none"> <li>a. To replace hardware left irreparable or stripped for parts</li> <li>b. Optional but recommended: a small budget for parts</li> </ul>

c. *Optional but recommended: a small budget for third party repairs to enable a wider range of repairs to be conducted by skilled maintenance engineers*

2. Do minimum: Agree an extended lifecycle for hardware, seeking to repair devices up to this extended lifecycle, replacing them only when they require repair beyond this extended lifecycle.

*This option clarifies a strategy, and then seeks to use hardware until the point of failure, repairing to an agreed age, and replacing on failure thereafter. This option allows increasing reliability issues to affect the business, but seeks to get life out of assets that work beyond their forecast lifecycle.*

*If this option is chosen, it is recommended that Case Services/ICT Specialists be supported in the early retirement of devices that have high repair costs (or repeated repair requirement) close to the lifecycle date. This avoids investment in devices that the Council's ICT experts expect to remain unreliable.*

*This option requires a budget:*

- a. *To replace hardware that is retired*
- b. *Optional but recommended: a small budget for parts*
- c. *Optional but recommended: a small budget for third party repairs to enable a wider range of repairs to be conducted by skilled maintenance engineers*

3. Do more: Agree to reimplement agreed lifecycle model for hardware, but ask ICT to take greater risk in lifecycle timings

*This option would reinstate lifecycles permanently, but ask ICT to model the timelines for lifecycles on a higher risk approach than standard industry lifecycles (e.g. targeting 10% level of user hardware failure before a model is replaced).*

*This approach increases the risk of business impact from outages, but extends the use of hardware within the organization, thereby reducing planned costs. So long as lifecycles are not excessively extended, it is likely to impacts will be contained to efficiency loss without financial costs (external spend).*

*This option requires a budget:*

- a. *To replace hardware that is retired*
- b. *Optional but recommended: a small budget for parts*
- c. *Optional but recommended: a small budget for third party repairs to enable a wider range of repairs to be conducted by skilled maintenance engineers*

4. Do most: Agree to reimplement originally agreed lifecycle for hardware

*This option would make most user hardware due for replacement in 2024/25, and infrastructure hardware either in 2024/25 or 2025/26. This would bring hardware back into support, and reduce outage risks.*

*Lifecycles are not fixed timelines. When implemented, they should be monitored by the Lead Specialist for ICT, and adjusted (left and right) based on actual hardware performance. Models seeing earlier signs of failure than expected may see their lifecycle shortened, equally lifecycles are extended where models appear to outperform expectations.*

*Given the significant delays to the business system migrations in the ICT Refresh Programme, the 2018 servers have not been used as heavily as their lifecycle assumed. It is therefore*

<p><i>likely that ICT would choose to extend their lifecycle, and monitor carefully for early signs of failure.</i></p> <p><i>This option requires a budget:</i></p> <ul style="list-style-type: none"> <li><i>a. To replace hardware that is retired</i></li> <li><i>b. Optional but recommended: a small budget for parts</i></li> <li><i>c. Optional but recommended: a small budget for third party repairs to enable a wider range of repairs to be conducted by skilled maintenance engineers</i></li> </ul> <p>Option 3 is recommended, as it balances the need to avoid business impact (by retiring models rather than waiting for each device and therefore staff member to be affected by a hardware failure) with the need to reduced costs for the Council. This will increase the risk and occurrence of hardware failures, but it is believed that this is an appropriate interim balance whilst the Council tackles cost challenges.</p>
<p>9. Who is the Director (SRO) and Executive Head and portfolio Holder (Lead Cllr) who will lead and direct the project and use the products in live service</p>
<p>Director: Annie Righton          Executive Head: Nicola Haymes          Portfolio Holder: Angela Goodwin</p>
<p>10. What impact assessments have been undertaken? What are the impacts on other Services or projects?</p>
<p>The original lifecycles were based on minimizing the impact from outages on business areas. Dependent on the option chosen, it may be appropriate to perform impact assessments for the impacts of outages.</p>
<p>11. What general approach will be taken to deliver?</p>
<p>Case services are likely to be able to handle end-user hardware replacements.</p> <p>Case services can handle some simple end-user hardware maintenance and repairs, if parts are available (purchased or stripped from other devices).</p> <p>Complex or risky end-user hardware maintenance and repairs would currently need to be outsourced (if a budget was available for this).</p> <p>A similar situation exists for infrastructure hardware with ICT Specialists. Significant infrastructure changes may also require third party assistance (e.g. replacement of firewalls for security reasons must be implemented perfectly first-time).</p>
<p>12. When and why must the work/project start?</p>
<p>Prior to the new financial year: Without a clear direction on IT hardware replacement plans, the removal of the IT Renewals Fund leaves no option for IT hardware to be replaced when failed, or for new starters to be issued hardware if no functional option exists.</p>
<p>13a. What does Waverley/Guildford currently do to provide this service?</p>
<p>Waverley currently replace hardware in a similar lifecycle model (in-line with the IT Manager's recommendation).</p>
<p>13b. What discussion has been had with Waverley/Guildford about this mandate?</p>
<p>None</p>

<b>13c. What opportunities are there for savings through the collaboration?</b>			
<p>If the Council's were happy that things did not need to be reasonably reversible, the Council's could share business systems, or an infrastructure environment (servers etc.). Whilst this would not half the ICT infrastructure costs (unless sites and staff reduced to that of one of the organisations), a reduction in infrastructure costs would be expected from decommissioning one organisations server infrastructure.</p> <p>Laptops/end-user devices differ significantly between the organisations. If a standard was agreed between the organisations, we could share the cost of these, rather than issue separate end-user devices (WBC issuing thin clients, GBC issuing laptops).</p>			
<b>13. What stakeholders will need to be involved?</b>			
<p>Finance/Financial Control Panel, ICT, and potentially JMT/Directors.</p> <p>This is a decision about balancing the risk/impact of hardware failure with the hardware costs during a financially pressured time for the Council. There is no "right" answer.</p>			
<b>14. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?</b>			
<p>Capital bid process stakeholders</p>			
<b>15. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.</b>			
<p><b>This estimate assumes option 3. Also, per Finance team standards, this does not allow for inflation, although inflation is standard in ICT hardware providers so it is strongly recommended that this is applied.</b></p> <p><b>It should be noted that this estimate has to predict hardware failures, and the timing that BAU resource will be able to implement infrastructural hardware. It is therefore subject to many variables. Whilst long-term estimates are likely to be reasonably accurate, the allocation to each Financial Year is likely to be less accurate.</b></p>			
<b>Year</b>	<b>Capital Total (£)</b>	<b>Revenue Total (£)</b>	<b>Income Total (£)</b>
2023/24	£73,000		
2024/25	£577,000 + £3,000 + £3,000		
2025/26	£430,500 + £3,000 + £3,000		
2026/27	£57,000 + £3,000 + £3,000		
2027/28	£59,000		

	+ £3,000		
	+ £3,000		
2028/29	£332,000		
	+ £3,000		
	+ £3,000		

**16. For projects, what are the potential resource costs to progress to the next stage/gate?**

Case services are likely to be able to handle end-user hardware replacements.

Case services can handle some simple end-user hardware maintenance and repairs, if parts are available (purchased or stripped from other devices).

Complex or risky end-user hardware maintenance and repairs would currently need to be outsourced (if a budget was available for this). An allowance has been included in Q15 for this.

A similar situation exists for infrastructure hardware with ICT Specialists. Significant infrastructure changes may also require third party assistance (e.g. replacement of firewalls for security reasons must be implemented perfectly first-time). Costs would have to be identified when individual hardware components were considered for replacement.

**17. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks**

**Issue**

- There is an issue that the Council has withdrawn the usual allocation for the IT Renewals Fund, without which a further 5-years would need to be gained from all existing hardware with no repair bills or new purchases incurred. This is highly unlikely to be possible.
- The Council is in the process of signing a new mobile telephony contract, which will no longer provide a “technology fund” (a pre-purchased hardware fund for smartphones and tablets). This means there will be no ability to replace existing devices when they can no long receive security updates, are broken, or an addition device is requested.

**Assumptions**

- There is an assumption that Finance wish to continue to capitalize laptops, PC’s, monitors and docking stations, plus bulk but not small-scale purchases of smartphones and tablets.

**Dependencies –** There is a dependency on

**Constraints –** A constraint is that all new staff and many contractors using our systems need a device. IT has no choice but to buy (and therefore fund) such hardware once a new starter record is created by the business (showing they have entered a contract with a new staff member or organization).

**Opportunities**

- There is an opportunity to explore Bring-Your-Own-Device for staff and/or contractors, to avoid providing laptops. In the case of staff, this is likely to require the Council to avoid a cash allowance initially equal to the cost of the replacement, so of little short term benefit. For contractors this has been reviewed by ICT. The current urgent nature of the ICT Refresh Programme and Cyber Resilience Programmes have been prioritized first, but initially assessments have suggested further

server hardware and licensing would be needed to handle the volume of virtual desktop sessions to replace contractor devices. It is assumed that this will be considered in the options for scaling of replacement servers once agreed to happen.

Risks –

- There is a risk that the number of WBC employees requiring a GBC device continues to slowly grow without funding from the collaboration programme.
- There is a risk that short term staff including work experience students and contractors are recruited to tackle short term business area challenges. These generally require laptops and can force purchases.
- Continuation of the last 3-years freeze on IT hardware lifecycles with an aim to “review in a year” risks us having no plan for the capital costs when replacement becomes essential.
- The longer hardware lifecycles are extended, the more likely the Council will default to the “IT device refresh project” model (i.e. replace all devices in a short window), likely requiring external resource to manage a large-scale rollout. Lifecycling was designed to avoid such costs by replacing 25-33% of user devices per year ongoing.
- Hardware is already being used beyond warranty support periods (including core network and server infrastructure). If failures occur, outages could be significant as no support arrangement is in place to repair/replace the failed hardware, and specialist resources may need to be purchased to resolve/recover for issues.



<b>Mandate Proposal – Bedford Rd MSCP – Brick, Concrete and Water Damage Repairs</b>	
<b>Author: Scott Jagdeo</b>	
1. Introduction and background:	Bedford Road Multi Storey Car Park is one of five owned and operated in Guildford by the Council. There are structural issues with the brick clad wall at a high level on one corner of the car park. Sections of the brick cladding are loose and required immediate attention to repair. Investigations show that sections of the brick cladding and surrounding reinforced (RC) concrete frame are failing because of water leaking from adjacent raised flower beds on a podium deck that serves Housing’s Bedford Rd HRA flats above the car park. Works are required to remove or tank these flower beds, followed by safe access and brick cladding and concrete repairs to the RC concrete frame.
2. Why should a project be started, or a growth bid be considered now?	The project is required since initial investigations identified failings in the brick cladding and concrete frame to parts of the car park. Temporary works have been undertaken to make the area safe. However, a permanent repair is required.
3. What is the good idea or problem to be solved?	Remove or tank / line the raised flower beds to the podium deck that are largely responsible for the surrounding failures to the brick cladding and concrete frame. Repair and stabilise the brick cladding and concrete frame to various part of the car park where this is failing and mitigate any health and safety risks.
4. What will be delivered? What are the success criteria? What is the purpose of the project?	The purpose of the project is to repair and stabilise the brick cladding and concrete frame to various parts of the car park. Remove and repair the cause for these failures, namely, the adjacent brick-built planters.  The success criteria will be to deliver the project on time, within budget, and to the requisite quality. As well as ensuring that all health and safety matters are suitably addressed.
5. What is in scope and what is out of scope?	In scope is safe access (scaffold, cherry picker etc.) and rebuilding and repairing the brick cladding and concrete to various parts of the car park. Moreover, works to either remove or line the brick-built flower beds to prevent any further decay.  No other works to Bedford Rd MSCP or the curtilage of this property or land are proposed.
6. What priority, corporate objective or strategy is fulfilled by this project?	The proposed work does not specifically address a corporate objective or strategy. It does, however, look to resolve structural and health and safety issues that are currently mitigated by temporary repair works.
7. List desired benefits (Non-financial):	Resolution of structural and health and safety issues. Repairs and future preservation of a Council owned asset.
8. IT Project Requirements (Ensure you consider links to Business World and Salesforce):	N/A.
9. What are the strategic options available to GBC to deliver a solution?	As a project designed to repair high level brick cladding and reinforced concrete frame there are few alternatives to affecting an approved repair in the manner described. Whilst the option of doing nothing always exists, in this case structural issues have been highlighted, temporary repairs undertaken, and repairs are deemed essential. Not undertaking these works will lead to further deterioration of the brick cladding and RC concrete frame, increased cost, and the likelihood that parts of the car park will need to be taken out of use.
10. Who is the Director (SRO) and Executive Head and portfolio Holder (Lead Cllr) who will lead and direct the project and use the products in live service:	The work will be managed and undertaken Assets and Property building surveyors. As such, the relevant leads for that team are as follows: <ul style="list-style-type: none"> <li>• Dawn Hudd – Joint Strategic Director – Place</li> <li>• Marieke van der Reijden – Executive Head for Assets and Property</li> </ul>

<ul style="list-style-type: none"> <li>• Cllr Richard Lucas - Lead Member for Assets and Finance</li> </ul>																								
<p>11. What impact assessments have been undertaken? What are the impacts on other Services or projects?</p>																								
<p>No impact assessments have been undertaken. The services that will be involved in delivery of the project are Procurement, Legal, and Assets and Property.</p>																								
<p>12. What general approach will be taken to deliver?</p>																								
<p>The project will largely be delivered in house by a building surveyor within the Assets and Property team. A Structural Engineer will be required and will be appointed externally. A Principal Designer will be required to comply with the CDM Regulations 2015; an external consultant will be appointed for this role also.</p>																								
<p>13. When and why must the work/project start?</p>																								
<p>The works are proposed to commence in 2024/2025. Works are of a health and safety concern and thus deemed critical.</p>																								
<p>13a. What does Waverley/Guildford currently do to provide this service?</p>																								
<p>N/A.</p>																								
<p>13b. What discussion has been had with Waverley/Guildford about this mandate?</p>																								
<p>N/A.</p>																								
<p>13c. What opportunities are there for savings through the collaboration?</p>																								
<p>N/A.</p>																								
<p>14. What stakeholders will need to be involved?</p>																								
<p>Assets and Property will coordinate the works with the Council's Parking team, to ensure works do not impact on the operation of the car park too greatly. The Housing team will be kept abreast of matters relating to works to the podium deck. Marieke van der Reijden will be kept informed of the project.</p>																								
<p>15. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?</p>																								
<p>The work will be managed by a building surveyor in the Assets and Property team. Input will be required from Procurement to assist with tendering for the work and from Legal for putting the necessary contracts in place. A structural engineer will be appointed in connection with the design of the structural repairs. An external CDM coordinator will be employed to oversee compliance with the Construction (Design and Management) Regulations 2015.</p>																								
<p>16. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.</p>																								
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<p>17. For projects, what are the potential resource costs to progress to the next stage/gate?</p>																								
<p>Subject to financial approval, the next stage of this project is to design and specify the repair works and seek the necessary approvals to proceed. For that the input of external consultants together with officer time to</p>																								

manage the process will be required. The cost of this exercise is estimated to be in the region of £15k-£20k. Costs are included in the above.
<b>18. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks</b>
<p>Issue – There is an issue that:</p> <ul style="list-style-type: none"> <li>• There is an issue that the Assets and Property service currently does not have a senior building surveyor in post. This could lead to delays in procuring the external consultants to get going asap.</li> </ul>
<p>Assumptions – There is an assumption that:</p> <ul style="list-style-type: none"> <li>• The Council has an aspiration to retain the asset.</li> <li>• Funding will be afforded.</li> </ul>
<p>Dependencies – There is a dependency on:</p> <ul style="list-style-type: none"> <li>• Procurement.</li> <li>• Legal.</li> <li>• External consultants will also be required; namely, Structural Engineer and Principal Designer.</li> </ul>
<p>Constraints – A constraint is:</p> <ul style="list-style-type: none"> <li>• Internal resource.</li> <li>• The car park will be operational thus works will need to be undertaken in close liaison with the Council’s car parks team.</li> </ul>
<p>Opportunities – There is an opportunity to:</p> <ul style="list-style-type: none"> <li>• Repair and stabilise the brick cladding and concrete frame to various sections of the car park as well as remove / repair the brick-built flower beds that are the cause for most of these failures.</li> </ul>
<p>Risks – There is a risk that:</p> <p>There are several broad risks associated with the project beyond those normally attributed to construction work:</p> <ul style="list-style-type: none"> <li>• The failed brick cladding and RC concrete frame may deteriorate further, despite the temporary repairs undertaken.</li> <li>• The failed brick cladding and RC frame is considered a dangerous structure and notice served as such under the Building Act.</li> <li>• As advised above, this issue is a health and safety concern and whilst repairs have been undertaken to mitigate the risk, a permanent, long-term solution is required.</li> </ul>

<b>Mandate Proposal - Crematorium Broadwater Cottage – Roof Replacement and Structural Repairs</b>	
<b>Author: Scott Jagdeo</b>	
1. Introduction and background:	
Broadwater Cottage is a Grade II listed property located on New Pond Road, list entry number 1029435. The property is used for staff accommodation for the Council’s Bereavement Services Lead, located adjacent to the Council owned Crematorium. The cottage underwent substantial refurbishment works over recent years, during which structural issues with the roof became apparent. Repairs were undertaken at the time to mitigate these issues, but the Council were advised by independent Structural Engineers that larger scale structural repairs were required. The Council has been advised that the roof finish requires removing, structural repairs undertaken, and the property re-roofed. Due to the listed nature of the property and that it is also known bat roost, there are restrictions.	
2. Why should a project be started, or a growth bid be considered now?	
The project is required since the Council has been advised by independent Structural Engineers that essential structural repairs are required to the asset. Due to the age of the building, it is susceptible to further degradation and deterioration.	
3. What is the good idea or problem to be solved?	
The structural issues currently present at Broadwater Cottage need to be fixed to prevent further deterioration of the building and preserve the listed asset’s future.	
4. What will be delivered? What are the success criteria? What is the purpose of the project?	
The purpose of the project is to undertake essential repair works to the cottage to ensure this is structurally sound, further deterioration prevented, and to preserve the future of the listed asset. The property will need to remain unoccupied during the works.	
The success criteria will be to deliver the project on time, within budget, and to the requisite quality. Compliance with listed building consent, license from Natural England, and building control consent are also essential.	
5. What is in scope and what is out of scope?	
In scope is scaffold access, stripping the roof tiles, battens, felt, undertaking structural repairs, and re-roofing. This will require a license with Natural England due to the bat roost, listed building consent, and likely building control consent.	
No other works to the property or its curtilage are proposed.	
6. What priority, corporate objective or strategy is fulfilled by this project?	
The proposed work does not specifically address a corporate objective or strategy. It does, however, look to resolve the structural issues at one of the Council’s owned assets.	
7. List desired benefits (Non-financial):	
Protection of a Council owned grade II listed asset of special architectural and historic interest.	
8. IT Project Requirements (Ensure you consider links to Business World and Salesforce):	
N/A.	
9. What are the strategic options available to GBC to deliver a solution?	
As a project designed to repair and maintain an existing asset, there are few alternatives to affecting an approved repair in the manner described. Whilst the option of doing nothing always exists, in this case structural issues have been highlighted by an external Structural Engineer, and repairs are deemed essential. Not undertaking these works will lead to further deterioration of the asset, increased cost, and the property will need to remain vacant. It should be noted that deterioration will be of a grade II listed property of special architectural and historic significance, which leaves the possible risk of notification by Natural England obliging the Council, as landowner, to undertake the works.	
10. Who is the Director (SRO) and Executive Head and portfolio Holder (Lead Cllr) who will lead and direct the project and use the products in live service:	

The work will be managed and undertaken by a building surveyor of the Asset Management team. As such, the relevant leads for that team are as follows:

- Dawn Hudd – Joint Strategic Director – Place
- Marieke van der Reijden – Executive Head for Assets and Property
- Cllr Richard Lucas - Lead Member for Assets and Finance

**11. What impact assessments have been undertaken? What are the impacts on other Services or projects?**

No impact assessments have been undertaken.  
 The services that will be involved in delivery of the project are Procurement, Legal, and Assets and Property, Building Control, and Planning Services (listed building consent application).

**12. What general approach will be taken to deliver?**

The project will largely be delivered in house by a building surveyor within the Assets and Property team. A Structural Engineer will be required and appointed externally. An ecologist will be required and appointed externally. A Principal Designer will be required to comply with the CDM Regulations 2015; an external consultant will be appointed for this role.

**13. When and why must the work/project start?**

The works are proposed to commence in 2025/2026. Due to the listed nature of the property, and more importantly, that it is a known bat roosts, timings will be critical and will be agreed with Planning’s Conservation Officer and Natural England in advance. This work is proposed to commence during 2024/2025.

**13a. What does Waverley/Guildford currently do to provide this service?**

N/A

**13b. What discussion has been had with Waverley/Guildford about this mandate?**

N/A

**13c. What opportunities are there for savings through the collaboration?**

N/A

**14. What stakeholders will need to be involved?**

Assets and Property will coordinate the works with the Bereavement Services Lead who resides at the property, and to ensure works do not impact on the adjacent Crematorium. Marieke van der Reijden will be kept abreast of the project.

**15. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?**

The work will be managed by a building surveyor in the Assets and Property team.  
 Input will be required from Procurement to assist with tendering for the work and from Legal for putting the necessary contracts in place.  
 The input of an independent structural engineer will be required in connection with the design of the structural repairs. An ecologist will be appointed as the cottage is a known bat roost. Finally, an external CDM coordinator will be required to oversee compliance with the Construction (Design and Management) Regulations 2015.

**16. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.**

Year	Capital Total (£)	Revenue Total (£)	Income Total (£)
2023/24			
2024/25	£15,000.00		
2025/26	£ 180,000.00		

2026/27				
2027/28				
<b>17. For projects, what are the potential resource costs to progress to the next stage/gate?</b>				
Subject to financial approval, the next stage of this project is to design and specify the repair works and seek the necessary approval to proceed. This will require the input of external consultants together with officer time to manage the process. The cost of this exercise is estimated to be in the region of £15K. These costs are included in the above.				
<b>18. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks:</b>				
Issue – There is an issue that:				
<ul style="list-style-type: none"> <li>• There is an issue that the Assets and Property service currently does not have a senior building surveyor in post. This could lead to delays in procuring the external consultants to be appointed until later in 2024/2025.</li> </ul>				
Assumptions – There is an assumption that:				
<ul style="list-style-type: none"> <li>• The Council has an aspiration to retain the asset.</li> <li>• Listed Building Consent will be granted.</li> <li>• Natural England will grant a license for the works.</li> <li>• Funding will be afforded.</li> </ul>				
Dependencies – There is a dependency on:				
<ul style="list-style-type: none"> <li>• Procurement.</li> <li>• Legal.</li> <li>• The Building Surveying team of Assets and Property.</li> <li>• External consultants namely, Structural Engineer, Ecologist, and Principal Designer.</li> </ul>				
Constraints – A constraint is:				
<ul style="list-style-type: none"> <li>• Internal resource.</li> <li>• Due to the listed nature of the property and that it is a known bat roost, all works, and the timings of such works will need to be agreed with the appointed Conservation Officer and Natural England.</li> </ul>				
Opportunities – There is an opportunity to:				
<ul style="list-style-type: none"> <li>• Repair and secure the future longevity of the asset.</li> <li>• Reinststate the asset as staff accommodation on completion of the works.</li> </ul>				
Risks – There is a risk that:				
There are several broad risks associated with the project beyond those normally attributed to construction work:				
<ul style="list-style-type: none"> <li>• The failed structure may deteriorate to the point that it becomes unsafe and costs to repair increase.</li> <li>• It is difficult to determine the exact extent of the work until the roof finish is stripped. This is mitigated by provisional sums and contingency allowances in this proposal.</li> <li>• Due to the listed nature of the property and that it is a known bat roost, the works and the timings are heavily influenced by the appointed Conservation Officer and Natural England.</li> </ul>				

<b>Mandate Proposal - Leapale Rd MSCP – Brick Cladding Repair</b>	
<b>Author: Scott Jagdeo</b>	
1. Introduction and background:	
<p>Leapale Road Multi Storey Car Park is one of five owned and operated in Guildford by the Council. There are structural issues with the brick clad wall at a high level on one corner of the car park. Sections of the brick cladding are loose and required immediate attention to repair.</p> <p>Investigations show that sections of the brick cladding and surrounding reinforced (RC) concrete frame are structurally unsound. Works are required to provide scaffold access and undertake repairs to the brick cladding.</p>	
2. Why should a project be started, or a growth bid be considered now?	
<p>The project is required since initial investigations identified failings in the brick cladding on Level 12 of the car park, which consequently has insufficient lateral restraint at a high level and to the corners rendering one corner exposed to movement. Temporary works have been put in place to make safe and mitigate any risk. Part of the car park is currently cordoned off. Until repair works are undertaken, part of this car park, will remain out of use. Whilst temporary works have been undertaken to make the area safe, a permanent repair is required.</p>	
3. What is the good idea or problem to be solved?	
<p>Repair and stabilise the brick cladding to Level 12 to re-open this part of the car park and mitigate any ongoing health and safety risks.</p>	
4. What will be delivered? What are the success criteria? What is the purpose of the project?	
<p>The purpose of the project is to repair and stabilise the brick cladding to Level 12 to re-open this part of the car park and mitigate any ongoing health and safety risk.</p> <p>The success criteria will be to deliver the project on time, within budget, and to the requisite quality. As well as ensuring that all health and safety matters are suitably addressed, and this section of the car park can be re-opened for public use.</p>	
5. What is in scope and what is out of scope?	
<p>In scope is scaffold access and rebuilding and repairing the brick cladding to Level 12.          No other works to Leapale Rd MSCP or the curtilage of this property or land are proposed.</p>	
6. What priority, corporate objective or strategy is fulfilled by this project?	
<p>The proposed work does not specifically address a corporate objective or strategy. It does, however, look to resolve structural and health &amp; safety issues that are currently mitigated by temporary measures.</p>	
7. List desired benefits (Non-financial):	
<p>Resolution of structural and health and safety issues.          Repairs and future preservation of a Council owned asset.</p>	
8. IT Project Requirements (Ensure you consider links to Business World and Salesforce):	
<p>N/A.</p>	
9. What are the strategic options available to GBC to deliver a solution?	
<p>As a project designed to repair high level brick cladding there are few alternatives to affecting an approved repair in the manner described. Whilst the option of doing nothing always exists, in this case structural issues have been highlighted, temporary measures incorporated, and repairs are deemed essential. Not undertaking these works will lead to further deterioration of the brick cladding, increased cost, and the part of the car park will need to remain out of use.</p>	
10. Who is the Director (SRO) and Executive Head and portfolio Holder (Lead Cllr) who will lead and direct the project and use the products in live service:	
<p>The work will be managed and undertaken Assets and Property building surveyors. As such, the relevant leads for that team are as follows:</p> <ul style="list-style-type: none"> <li>• Dawn Hudd – Joint Strategic Director – Place</li> <li>• Marieke van der Reijden – Executive Head for Assets and Property</li> </ul>	



<ul style="list-style-type: none"> <li>• Cllr Richard Lucas - Lead Member for Assets and Finance</li> </ul>																								
<p>11. What impact assessments have been undertaken? What are the impacts on other Services or projects?</p>																								
<p>No impact assessments have been undertaken. The services that will be involved in delivery of the project are Procurement, Legal, and Assets and Property.</p>																								
<p>12. What general approach will be taken to deliver?</p>																								
<p>The project will largely be delivered in house by a building surveyor within the Assets and Property team. A Structural Engineer will be required and will be appointed externally. A Principal Designer will be required to comply with the CDM Regulations 2015; an external consultant will be appointed for this role also.</p>																								
<p>13. When and why must the work/project start?</p>																								
<p>The works are proposed to commence in 2024/2025. Works are of a health and safety concern and thus deemed critical.</p>																								
<p>13a. What does Waverley/Guildford currently do to provide this service?</p>																								
<p>N/A.</p>																								
<p>13b. What discussion has been had with Waverley/Guildford about this mandate?</p>																								
<p>N/A.</p>																								
<p>13c. What opportunities are there for savings through the collaboration?</p>																								
<p>N/A.</p>																								
<p>14. What stakeholders will need to be involved?</p>																								
<p>Assets and Property will coordinate the works with the Council's Parking team, to ensure works do not impact on the operation of the car park too greatly. Marieke van der Reijden will be kept informed of the project.</p>																								
<p>15. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?</p>																								
<p>The work will be managed by a building surveyor in the Assets and Property team. Input will be required from Procurement to assist with tendering for the work and from Legal for putting the necessary contracts in place. A structural engineer will be appointed in connection with the design of the structural repairs. An external CDM coordinator will be employed to oversee compliance with the Construction (Design and Management) Regulations 2015.</p>																								
<p>16. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.</p>																								
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2023/24																								
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<p>17. For projects, what are the potential resource costs to progress to the next stage/gate?</p>																								
<p>Subject to financial approval, the next stage of this project is to design and specify the repair works and seek the necessary approvals to proceed. For that the input of external consultants together with officer time to</p>																								



manage the process will be required. The cost of this exercise is estimated to be in the region of £15k-£20k. Costs are included in the above.
<b>18. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks</b>
Issue – There is an issue that: <ul style="list-style-type: none"> <li>• There is an issue that the Assets and Property service currently does not have a senior building surveyor in post. This could lead to delays in procuring the external consultants to get going asap.</li> </ul>
Assumptions – There is an assumption that: <ul style="list-style-type: none"> <li>• The Council has an aspiration to retain the asset.</li> <li>• Funding will be afforded.</li> </ul>
Dependencies – There is a dependency on: <ul style="list-style-type: none"> <li>• Procurement.</li> <li>• Legal.</li> <li>• External consultants will also be required; namely, Structural Engineer and Principal Designer.</li> </ul>
Constraints – A constraint is: <ul style="list-style-type: none"> <li>• Internal resource.</li> <li>• The car park will be operational thus works will need to be undertaken in close liaison with the Council’s car parks team.</li> </ul>
Opportunities – There is an opportunity to: <ul style="list-style-type: none"> <li>• Repair and stabilise the brick cladding and concrete frame to various sections of the car park as well as remove / repair the brick-built flower beds that are the cause for most of these failures.</li> </ul>
Risks – There is a risk that: <p>There are several broad risks associated with the project beyond those normally attributed to construction work:</p> <ul style="list-style-type: none"> <li>• The failed brick cladding and RC concrete frame may deteriorate further, despite the temporary repairs undertaken.</li> <li>• The failed brick cladding and RC frame is considered a dangerous structure and notice served as such under the Building Act.</li> <li>• As advised above, this issue is a health and safety concern and whilst repairs have been undertaken to mitigate the risk, a permanent, long-term solution is required.</li> </ul>

<b>Mandate Proposal – Slyfield Enterprise Estate – Repairs and Redevelopment</b>
<b>Author: Charles Wood</b>
<b>1. Introduction and background:</b>
<p>Slyfield Enterprise Estate is a multi-let estate consisting of 25 light industrial letting units. The property was built in the 1980s and is nearing the end of its useful life. The units are popular with tenants and fully occupied/income generating, but the buildings are becoming increasingly tired and failing to meet the needs of modern light industrial occupiers. It is likely this will impact on rental income as tenants seek to relocate elsewhere. At the same time the units are starting to fail minimum energy efficiency standards (MEES) for commercial property in England and Wales, and this will worsen with future milestones that have been set by Central Government to comply with minimum standards. Accordingly, Assets and Property officers are working towards total refurbishment/redevelopment to meet modern requirements and to enhance rental income. This process will require careful planning. We envisage this process will start in the 2025/26 financial year with preliminary work and planning.</p> <p>The cost implications are detailed below: -</p> <p>2024/25 – 0                  2025/26 – £50,000 – preliminary costs relating to redevelopment or comprehensive refurbishment                  2026/27 – £50,000 - preliminary costs relating to redevelopment or comprehensive refurbishment                  2027/28 - £4,000,000 - Redevelopment/complete refurbishment</p>
<b>2. Why should a project be started, or a growth bid be considered now?</b>
<p>The long-term redevelopment proposal will be comprehensive and require considerable resource in advance to secure planning consent, architects’ drawings/specification, creation of Tender documents and then to seek contractors via tender. At the same time Assets and Property will need to work towards achieving vacant possession to enable the works to proceed. The standard lease at the estate is for three years, officers envisage preparing a strategy to achieve this potentially involving a phased development to minimize tenant disruption.</p> <p>The growth bid should therefore be considered now to allow time for officers to bring detailed proposals together.</p>
<b>3. What is the good idea or problem to be solved?</b>
<p>Due to the nature of this ageing asset, it is not achieving full potential. Current rents are c.£15 per sq ft as compared to our recently completed Middleton Enterprise Park units that are achieving rents in the region of £19-22 per sq ft, depending on size.</p> <p>Middleton Enterprise Park development forms a model for what is envisaged at Slyfield Enterprise Estate where the specification is fit for purpose to cater for the needs of modern occupiers with green credentials to include renewable energy generated via roof mounted PV units, electric car chargers, efficient insulation and built to achieve A category EPCs.</p> <p>The existing estate is somewhat ‘tired’ and becoming obsolete at the end of its economic lifespan, which is likely to result in tenants relocating elsewhere coupled with diminishing tenant demand and consequently achievable rent levels and potential voids. Given the current challenges in acquiring new commercial property investments for increased income and following the success of the regeneration of Middleton Enterprise Park through the redevelopment programme, investment into the Council’s existing portfolio will enable officers to secure the best lease terms to protect and grow financial returns and achieve its strategic objectives whilst driving regeneration of the Council’s portfolio.</p>
<b>4. What will be delivered? What are the success criteria? What is the purpose of the project?</b>
<p>This project will replace ageing stock that has reached the end of its useful economic life with modern fit for purpose small industrial units aimed at local enterprises. These small estates are important as they act a</p>

<p>seedbed for small businesses who often move on to larger premises and enhanced job creation. As well as this longer-term aim, the short-term appearance can be improved to make this scheme less of an eyesore and source of regular complaints from the existing tenants. In addition, the work proposed will:</p> <ul style="list-style-type: none"> <li>• Improve the ongoing management and performance of the Asset which is linked to the Asset Investment Strategy 2020.</li> <li>• Ensure the Council is positioned to proactively respond to enquiries from third parties.</li> <li>• Contribute to a dynamic economy and regenerations by improving the quality of the properties for the Council’s tenants.</li> </ul> <p>As a result, the success criteria are to:</p> <ul style="list-style-type: none"> <li>• Protect and grow existing income and generate new additional income.</li> <li>• Ensure that our corporate property estate is fit for purpose.</li> <li>• Support the Council’s corporate priorities e.g., create employment opportunities, support business community, and attract new inward investment.</li> <li>• Create new employment opportunities via refurbishment and regeneration of land and buildings.</li> </ul>
5. What is in scope and what is out of scope?
n/a
6. What priority, corporate objective or strategy is fulfilled by this project?
<p><b>Commercial Property Investment Programme</b>                  Assets and Property have been tasked to achieve additional rental income of £230K in 23/24, £200K in 24/25, £200K in 25/26 and £200K in 26/27, therefore totalling £830K above the 2022/23 budget, known as the ‘base budget’. The investment of capital monies is required to ensure the corporate property estate, particularly the investment and industrial assets are in a tenatable condition and preferably refurbished to a high specification to allow officers to secure the highest possible rent per square foot and generate the necessary additional income of £830K over the next 4 years.</p> <p><b>Capital and Investment Strategy</b>                  The additional rental income will allow officers to contribute to the Council’s Capital and Investment Strategy 2022/23 – 2026/27 and as such help the Council achieve financial excellence and value for money. It will also support the delivery of the Corporate Plan.</p>
7. List desired benefits (Non-financial)
<ul style="list-style-type: none"> <li>• Improve the ongoing management and performance of the Asset which is linked to the Asset Investment Strategy 2020.</li> <li>• Ensure the Council is positioned to proactively respond to enquiries from third parties.</li> <li>• Contribute to a dynamic economy by regeneration the estate and improving the quality of the properties for the Council’s tenants.</li> <li>• Ensure our diverse community can work in safety and with dignity.</li> <li>• Ensure that our corporate property estate is fit for purpose.</li> <li>• Provide a platform for Local Enterprise in the form of a ‘seedbed centre’.</li> </ul>
8. IT Project Requirements (Ensure you consider links to Business World and Salesforce)
n/a
9. What are the strategic options available to GBC to deliver a solution?
<ol style="list-style-type: none"> <li>1. <b>Do nothing</b> – do not invest in our property estate and risk the loss of income.</li> <li>2. <b>Do minimum</b> – abandon the major works to in favor of basic refurbishment. Officers consider this is simply delaying the problem and will result in a loss of rental income/possible voids going forward. It is unlikely however that MEES thresholds will be met in 2025, 2027 and 2030 without considerable investment. Refurbishment prospects are somewhat limited (e.g. The cladding is single skin and as a minimum needs replacement).</li> </ol>

3. <b>Do more</b> – proceed with a comprehensive redevelopment of the Asset as set out.																							
Officers recommend option 3, considered strategically and financially advantageous.																							
10. Who is the Director (SRO) and Executive Head and portfolio Holder (Lead Cllr) who will lead and direct the project and use the products in live service																							
Dawn Hudd – Joint Strategic Director – Place Marieke van der Reijden – Executive Head for Assets and Property Cllr Richard Lucas - Lead Member for Assets and Finance																							
11. What impact assessments have been undertaken? What are the impacts on other Services or projects?																							
N/A																							
12. What general approach will be taken to deliver?																							
For the stated capital sums to be made available over a 5-year period.																							
13. When and why must the work/project start?																							
From April 2025 (the start of the 25/26 financial year) so that the Council can protect the continued receipt of rental income from properties which would otherwise become less desirable to tenants.																							
13a. What does Waverley/Guildford currently do to provide this service?																							
n/a																							
13b. What discussion has been had with Waverley/Guildford about this mandate?																							
n/a																							
13c. What opportunities are there for savings through the collaboration?																							
n/a																							
14. What stakeholders will need to be involved?																							
CMB, Finance and Assets and Property including the Building Surveying and Corporate Programmes team.																							
15. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?																							
Assets and Property, Finance																							
16. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.																							
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Year	Capital Total (£)	Revenue Total (£)	Income Total (£)																				
2024/25	0																						
2025/26	50,000																						
2026/27	50,000																						
2027/28	4,000,000																						
17. For projects, what are the potential resource costs to progress to the next stage/gate?																							
N/A																							
18. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks																							
Issue – There is an issue that the Asset is reaching the end of its useful life/is no longer fit for purpose.																							
Assumptions – There is an assumption that redevelopment cost will be an enhanced floor area of 20,000 sq ft at £200 per sq ft based on previous market evidence.																							
Dependencies – There is a dependency on successfully achieving vacant possession of the units on a phased basis to allow the reworks to take place.																							

Constraints – Planning consent will be required. Tenants will have to be relocated at least temporarily.
Opportunities – There is an opportunity to replace ageing stock and regenerate the estate with modern fit for purpose units and enhance the floor area along with rental income.
Risks – There is a risk that costs will escalate and/or the occupational market will diminish.

<b>Mandate Proposal – Slyfield Foundation Units – Repairs and Redevelopment</b>
<b>Author: Charles Wood</b>
<b>1. Introduction and background:</b>
<p>Slyfield Foundation Units comprise a multi-let estate consisting of 12 light industrial letting units. The property was built in the 1980s and is nearing the end of its useful life. The units are popular with tenants and fully occupied/income generating, but the buildings are becoming increasingly tired and failing to meet the needs of modern light industrial occupiers. It is likely this will impact on rental income as tenants seek to relocate elsewhere. At the same time the units are starting to fail minimum energy efficiency standards (MEES) for commercial property in England and Wales, and this will worsen with future milestones that have been set by Central Government to comply with minimum standards. Accordingly, Assets and Property officers are working towards total refurbishment/redevelopment to meet modern requirements and to enhance rental income. This process will require careful planning. We envisage this process will start in the 2025/26 financial year with preliminary work and planning.</p> <p>The cost implications are detailed below: -</p> <p>2024/25 – 0                  2025/26 – £25,000 – preliminary costs relating to redevelopment or comprehensive refurbishment                  2026/27 – £25,000 - preliminary costs relating to redevelopment or comprehensive refurbishment                  2027/28 - £2,000,000 - Redevelopment/complete refurbishment</p>
<b>2. Why should a project be started, or a growth bid be considered now?</b>
<p>The long-term redevelopment proposal will be comprehensive and require considerable resource in advance to secure planning consent, architects’ drawings/specification, creation of Tender documents and then to seek contractors via tender. At the same time Assets and Property will need to work towards achieving vacant possession to enable the works to proceed. The standard lease at the estate is for three years, officers envisage preparing a strategy to achieve this potentially involving a phased development to minimize tenant disruption.</p> <p>The growth bid should therefore be considered now to allow time for officers to bring detailed proposals together.</p>
<b>3. What is the good idea or problem to be solved?</b>
<p>Due to the nature of this ageing asset, it is not achieving full potential. Current rents are c.£13 per sq ft as compared to our recently completed Midleton Enterprise Park units that are achieving rents in the region of £19-22 per sq ft, depending on size.</p> <p>Officers envisage a continuation of motor trade use here – there are very few locations left in the Borough where motor trade use is permitted, and this estate allows small businesses to establish in a ‘seedbed’ environment.</p> <p>Midleton Enterprise Park development forms a model for what is envisaged at Slyfield Foundation Units where the specification is fit for purpose to cater for the needs of modern occupiers with green credentials to include renewable energy generated via roof mounted PV units, electric car chargers, efficient insulation and built to achieve A category EPCs.</p> <p>The existing estate is somewhat ‘tired’ and becoming obsolete at the end of its economic lifespan, which is likely to result in tenants relocating elsewhere coupled with diminishing tenant demand and consequently achievable rent levels and potential voids. Given the current challenges in acquiring new commercial property investments for increased income and following the success of the regeneration of Midleton Enterprise Park through the redevelopment programme, investment into the Council’s existing portfolio will</p>

enable officers to secure the best lease terms to protect and grow financial returns and achieve its strategic objectives whilst driving regeneration of the Council’s portfolio.
<b>4. What will be delivered? What are the success criteria? What is the purpose of the project?</b>
<p>This project will replace ageing stock that has reached the end of its useful economic life with modern fit for purpose small industrial units aimed at local enterprises. These small estates are important as they act a seedbed for small businesses who often move on to larger premises and enhanced job creation. As well as this longer-term aim, the short-term appearance can be improved to make this scheme less of an eyesore and source of regular complaints from the existing tenants. In addition, the work proposed will:</p> <ul style="list-style-type: none"> <li>• Improve the ongoing management and performance of the Asset which is linked to the Asset Investment Strategy 2020.</li> <li>• Ensure the Council is positioned to proactively respond to enquiries from third parties.</li> <li>• Contribute to a dynamic economy and regenerations by improving the quality of the properties for</li> </ul> <p>As a result, the success criteria are to:</p> <ul style="list-style-type: none"> <li>• Protect and grow existing income and generate new additional income.</li> <li>• Ensure that our corporate property estate is fit for purpose.</li> <li>• Support the Council’s corporate priorities e.g., create employment opportunities, support business community, and attract new inward investment.</li> <li>• Create new employment opportunities via refurbishment and regeneration of land and buildings.</li> </ul>
<b>5. What is in scope and what is out of scope?</b>
n/a
<b>What priority, corporate objective or strategy is fulfilled by this project?</b>
<p><b>Commercial Property Investment Programme</b>          Assets and Property have been tasked to achieve additional rental income of £230K in 23/24, £200K in 24/25, £200K in 25/26 and £200K in 26/27, therefore totalling £830K above the 2022/23 budget, known as the ‘base budget’. The investment of capital monies is required to ensure the corporate property estate, particularly the investment and industrial assets are in a tenatable condition and preferably refurbished to a high specification to allow officers to secure the highest possible rent per square foot and generate the necessary additional income of £830K over the next 4 years.</p> <p><b>Capital and Investment Strategy</b>          The additional rental income will allow officers to contribute to the Council’s Capital and Investment Strategy 2022/23 – 2026/27 and as such help the Council achieve financial excellence and value for money. It will also support the delivery of the Corporate Plan.</p>
<b>6. List desired benefits (Non-financial)</b>
<ul style="list-style-type: none"> <li>• Improve the ongoing management and performance of the Asset which is linked to the Asset Investment Strategy 2020.</li> <li>• Ensure the Council is positioned to proactively respond to enquiries from third parties.</li> <li>• Contribute to a dynamic economy by regeneration the estate and improving the quality of the properties for the Council’s tenants.</li> <li>• Ensure our diverse community can work in safety and with dignity.</li> <li>• Ensure that our corporate property estate is fit for purpose.</li> <li>• Provide a platform for Local Enterprise in the form of a ‘seedbed centre’.</li> </ul>
<b>7. IT Project Requirements (Ensure you consider links to Business World and Salesforce)</b>
n/a
<b>8. What are the strategic options available to GBC to deliver a solution?</b>

1. **Do nothing** – do not invest in our property estate and risk the loss of income.
2. **Do minimum** – abandon the major works to in favor of basic refurbishment. Officers consider this is simply delaying the problem and will result in a loss of rental income/possible voids going forward. It is unlikely however that MEEs thresholds will be met in 2025, 2027 and 2030 without considerable investment. Refurbishment prospects are somewhat limited (e.g. The cladding is single skin and as a minimum needs replacement).
3. **Do more** – proceed with a comprehensive redevelopment of the Asset as set out.

Officers recommend option 3, considered strategically and financially advantageous.

9. Who is the Director (SRO) and Executive Head and portfolio Holder (Lead Cllr) who will lead and direct the project and use the products in live service

Dawn Hudd – Joint Strategic Director – Place  
 Marieke van der Reijden – Executive Head for Assets and Property  
 Cllr Richard Lucas - Lead Member for Assets and Finance

10. What impact assessments have been undertaken? What are the impacts on other Services or projects?

N/A

11. What general approach will be taken to deliver?

For the stated capital sums to be made available over a 5-year period.

12. When and why must the work/project start?

From April 2025 (the start of the 25/26 financial year) so that the Council can protect the continued receipt of rental income from properties which would otherwise become less desirable to tenants.

- 13a. What does Waverley/Guildford currently do to provide this service?

n/a

- 13b. What discussion has been had with Waverley/Guildford about this mandate?

n/a

- 13c. What opportunities are there for savings through the collaboration?

n/a

13. What stakeholders will need to be involved?

CMB, Finance and Assets and Property including the Building Surveying and Corporate Programmes team.

14. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?

Assets and Property, Finance

15. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.

Year	Capital Total (£)	Revenue Total (£)	Income Total (£)
2024/25	0		
2025/26	£25,000		
2026/27	£25,000		
2027/28	£2,000,000		

16. For projects, what are the potential resource costs to progress to the next stage/gate?

N/A

17. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks



Issue – There is an issue that the Asset is reaching the end of its useful life/is no longer fit for purpose.
Assumptions – There is an assumption that redevelopment cost will be an enhanced floor area of 10,000-12,000 sq ft at £200 per sq ft based on previous market evidence.
Dependencies – There is a dependency on successfully achieving vacant possession of the units on a phased basis to allow the reworks to take place.
Constraints – Planning consent will be required. Tenants will have to be relocated at least temporarily.
Opportunities – There is an opportunity to replace ageing stock with modern fit for purpose units and enhance the floor area along with rental income.
Risks – There is a risk that costs will escalate and/or the occupational market will diminish.

<b>Mandate Proposal – Stoke Park Gardeners Cottage – Roof Replacement</b>
<b>Author: Scott Jagdeo</b>
<b>1. Introduction and background:</b>
Stoke Park Gardeners Cottage is a detached dwelling house located in Stoke Park, Guildford. The cottage is used for staff accommodation and is currently occupied. The cottage has undergone a series of planned and reactive roofing repairs over the last few years; however, the roof has come to the end of its useful life expectancy and replacement is required.
<b>2. Why should a project be started, or a growth bid be considered now?</b>
The project is required since the roof has come to the end of its useful life expectancy and maintenance and repair is no longer feasible.
<b>3. What is the good idea or problem to be solved?</b>
To replace the roof that has come to the end of its natural lifecycle and will ensure preservation of the asset's future.
<b>4. What will be delivered? What are the success criteria? What is the purpose of the project?</b>
The purpose of the project is to replace the roof of the cottage to ensure this is wind and watertight, further deterioration prevented, and to preserve the future of the asset.  The success criteria will be to deliver the project on time, within budget, and to the requisite quality. Compliance with building control consent is also essential.
<b>5. What is in scope and what is out of scope?</b>
In scope is scaffold access, stripping the roof tiles, battens, felt, undertaking any required repairs that are identified, and re-roofing. This will require building control consent.  No other works to the property or its curtilage are proposed.
<b>6. What priority, corporate objective or strategy is fulfilled by this project?</b>
The proposed work does not specifically address a corporate objective or strategy. It does, however, look to resolve the failed roof at one of the Council's owned assets.
<b>7. List desired benefits (Non-financial):</b>
Protection of a Council owned asset.
<b>8. IT Project Requirements (Ensure you consider links to Business World and Salesforce):</b>
N/A
<b>9. What are the strategic options available to GBC to deliver a solution?</b>
As a project designed to repair and maintain an existing asset, there are few alternatives to affecting an approved repair in the manner described. Whilst the option of doing nothing always exists, in this case the roof has failed, is beyond its reasonable life expectancy, and replacement is deemed essential. Not undertaking these works will lead to further deterioration of the asset and increased cost. Moreover, the property may become uninhabitable.
<b>10. Who is the Director (SRO) and Executive Head and portfolio Holder (Lead Cllr) who will lead and direct the project and use the products in live service:</b>
The work will be managed and undertaken by a building surveyor of the Asset Management team. As such, the relevant leads for that team are as follows: <ul style="list-style-type: none"> <li>• Dawn Hudd – Joint Strategic Director – Place</li> <li>• Marieke van der Reijden – Executive Head for Assets and Property</li> <li>• Cllr Richard Lucas - Lead Member for Assets and Finance</li> </ul>
<b>11. What impact assessments have been undertaken? What are the impacts on other Services or projects?</b>
No impact assessments have been undertaken. The services that will be involved in delivery of the project are Procurement, Legal, and Assets and Property, and Building Control.

<b>12. What general approach will be taken to deliver?</b>																											
The project will largely be delivered in house by a building surveyor within the Assets and Property team. A Principal Designer will be required to comply with the CDM Regulations 2015; an external consultant will be appointed for this role.																											
<b>13. When and why must the work/project start?</b>																											
This works are proposed to commence during 2024/2025.																											
<b>13a. What does Waverley/Guildford currently do to provide this service?</b>																											
N/A																											
<b>13b. What discussion has been had with Waverley/Guildford about this mandate?</b>																											
N/A																											
<b>13c. What opportunities are there for savings through the collaboration?</b>																											
N/A																											
<b>14. What stakeholders will need to be involved?</b>																											
Assets and Property will coordinate the works with the resident of the property as well as the Parks and Countryside team to ensure works do not impact on the adjacent park and occupation of the property too greatly. Marieke van der Reijden will be kept abreast of the project.																											
<b>15. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?</b>																											
The work will be managed by a building surveyor in the Assets and Property team. Input will be required from Procurement to assist with tendering for the work and from Legal for putting the necessary contracts in place. An external CDM coordinator will be required to oversee compliance with the Construction (Design and Management) Regulations 2015.																											
<b>16. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.</b>																											
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Year	Capital Total (£)	Revenue Total (£)	Income Total (£)																								
2023/24																											
2024/25	£100,000.00																										
2025/26																											
2026/27																											
2027/28																											
<b>17. For projects, what are the potential resource costs to progress to the next stage/gate?</b>																											
Subject to financial approval, the next stage of this project is to design the repair and replacement roof works and seek the necessary approval to proceed. This will require the input of external consultants together with officer time to manage the process. The cost of this exercise is estimated to be in the region of £10k. These costs are included in the above.																											
<b>18. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks</b>																											
Issue – There is an issue that: There is an issue that the Assets and Property service currently does not have a senior building surveyor in post. This could lead to delays in procuring the external consultants to get going asap.																											
Assumptions – There is an assumption that: <ul style="list-style-type: none"> <li>The Council has an aspiration to retain the asset.</li> </ul>																											

<ul style="list-style-type: none"><li>• Funding will be afforded.</li></ul>
Dependencies – There is a dependency on: <ul style="list-style-type: none"><li>• Procurement.</li><li>• Legal.</li><li>• The Building Surveying team of Assets and Property.</li><li>• External consultants namely, Principal Designer.</li></ul>
Constraints – A constraint is: <ul style="list-style-type: none"><li>• Internal resource.</li><li>• The property is occupied and thus works will need to be undertaken in close liaison with the resident.</li></ul>
Opportunities – There is an opportunity to: <ul style="list-style-type: none"><li>• Repair and secure the future longevity of the asset.</li><li>• Retain the asset as staff accommodation on completion of the works.</li></ul>
Risks – There is a risk that:  There are several broad risks associated with the project beyond those normally attributed to construction work: <ul style="list-style-type: none"><li>• The failed roof may deteriorate further and costs to repair increase.</li><li>• It is difficult to determine the exact extent of the work until the roof finish is stripped. This is mitigated by provisional sums and contingency allowances in this proposal.</li></ul>

<b>Mandate Proposal - The Billings - Roof Replacement</b>	
<b>Author: Scott Jagdeo</b>	
1. Introduction and background:	
The Billings is a detached brick built former printing works constructed in 1856 converted into office units and one warehouse unit. The Billings is located along Walnut Tree Close, with Guildford Train Station located to the West and the River Wey to the East. The property forms part of the Council’s investment portfolio and is currently let on various leases. All slate roofs have come to the end of their useful life expectancy and thus require replacement. The roof to Unit 4 was replaced last year. This bid covers the replacement of roofs to Units 1, 2 and 3.	
2. Why should a project be started, or a growth bid be considered now?	
The project is required since the roofs to Units 1, 2 and 3 have come to the end of their useful life expectancy and maintenance and repair is no longer feasible.	
3. What is the good idea or problem to be solved?	
The proposal is to replace the roofs to Units 1, 2 and 3, which have come to the end of their useful life expectancy. This will ensure preservation of the asset’s future and help to secure existing and future lettings.	
4. What will be delivered? What are the success criteria? What is the purpose of the project?	
The purpose of the project is to replace the slate roof to Units 1, 2 and 3 to ensure the offices remain wind and watertight, further deterioration is prevented, and to preserve the future of the asset.  The success criteria will be to deliver the project on time, within budget, and to the requisite quality. Compliance with building control consent is also essential.	
5. What is in scope and what is out of scope?	
In scope is scaffold access, stripping the roof slates, battens, felt, undertaking any required repairs that are identified to the roof structure, and re-roofing. This will require building control consent.  No other works to the property or its curtilage are proposed.	
6. What priority, corporate objective or strategy is fulfilled by this project?	
The proposed work does not specifically address a corporate objective or strategy. It does, however, look to resolve various failed roofs at one of the Council owned investment assets.	
7. List desired benefits (Non-financial):	
Protection / futureproofing of a Council owned investment asset. Reduce further deterioration and hence cost. Easier to market and let; new roofs will come with an insurance backed guarantee. Also more likely that existing tenants will wish to renew their leases. Council maintains exterior of Unit 2 and thus has lease obligations to the existing tenants in this property.	
8. IT Project Requirements (Ensure you consider links to Business World and Salesforce):	
N/A.	
9. What are the strategic options available to GBC to deliver a solution?	
As a project designed to repair and maintain an existing asset, there are few alternatives to affecting an approved repair other than to replace the roof. Whilst the option of doing nothing always exists, in this case the roofs have failed, are beyond their reasonable life expectancy, and thus replacement is deemed essential. This was known and pointed out as a risk when the Council acquired the property. Not undertaking these works will lead to further deterioration of the asset and increased cost. Moreover, the property may become unlettable.	
10. Who is the Director (SRO) and Executive Head and portfolio Holder (Lead Cllr) who will lead and direct the project and use the products in live service:	
The work will be managed and undertaken by a building surveyor of the Asset Management team. As such, the relevant leads for that team are as follows: <ul style="list-style-type: none"> <li>• Dawn Hudd – Joint Strategic Director – Place</li> </ul>	

- Marieke van der Reijden – Executive Head for Assets and Property  
Cllr Richard Lucas - Lead Member for Assets and Finance

11. What impact assessments have been undertaken? What are the impacts on other Services or projects?

No impact assessments have been undertaken.

The services that will be involved in delivery of the project are Procurement, Legal, Assets and Property and Building Control. Whilst it is not envisaged that external consultants will be required, apart for the Principal Designer role, this is subject to officer availability.

12. What general approach will be taken to deliver?

The project will largely be delivered in house by a building surveyor within the Assets and Property team. A Principal Designer will be required to comply with the CDM Regulations 2015; an external consultant will be appointed for this role.

Due to value, works will go through a competitive tender process, which will likely be evaluated on a cost and quality basis. Tenders will be dealt with via the Council’s online In-Tend portal. Alternatively, existing frameworks may be sought to expedite matters, but this would have to be agreed with the Council’s Procurement and Legal teams.

13. When and why must the work/project start?

The works are proposed to commence on Unit 2 in 2025/2026, followed by Unit 1 in 2026/2027, and then Unit 3 in 2027/2028. The roof to Unit 4 has already been replaced, and works were undertaken last year.

13a. What does Waverley/Guildford currently do to provide this service?

N/A.

13b. What discussion has been had with Waverley/Guildford about this mandate?

N/A.

13c. What opportunities are there for savings through the collaboration?

N/A.

14. What stakeholders will need to be involved?

Assets and Property will coordinate the works with the occupying tenants, where applicable, as well as the Council’s Asset Management team to ensure works do not impact on the occupation of the property too greatly. Marieke van der Reijden will be kept abreast of the project.

15. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?

The work will be managed by a building surveyor in the Assets and Property team. Input will be required from Procurement to assist with tendering for the work and from Legal for putting the necessary contracts in place.

Externally, we will require the input of a Principal Designer / CDM advisor to oversee compliance with the Construction (Design and Management) Regulations 2015.

16. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.

Year	Capital Total (£)	Revenue Total (£)	Income Total (£)
2023/24			
2024/25			
2025/26	£200,000.00		
2026/27	£200,000.00		

2027/28	£200,000.00		
<b>17. For projects, what are the potential resource costs to progress to the next stage/gate?</b>			
<p>Subject to financial approval, the next stage of this project is to design the repair and replacement roof works and seek the necessary approval to proceed. The Council will require the input of external consultants (Principal Designer / CDM Advisor) together with officer time to manage the process.</p> <p>The cost of this exercise is estimated to be in the region of £100,000 per roof. Costs are included in the above.</p>			
<b>18. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks</b>			
<p>Issue – There is an issue that:</p> <ul style="list-style-type: none"> <li>There is an issue that the Assets and Property service currently does not have a senior building surveyor in post. As such, the Council may not have the internal resource to manage this project.</li> </ul>			
<p>Assumptions – There is an assumption that:</p> <ul style="list-style-type: none"> <li>The Council has an aspiration to retain the asset. If divesting of the asset, then proposed works will likely be withdrawn.</li> <li>Funding will be afforded.</li> </ul>			
<p>Dependencies – There is a dependency on:</p> <ul style="list-style-type: none"> <li>Procurement – tendering.</li> <li>Legal – contracts.</li> <li>The Assets and Property Building Surveying Team– project management, contract administrator etc.</li> <li>External consultants will also be required; namely, Principal Designer / CDM Advisor.</li> </ul>			
<p>Constraints – A constraint is:</p> <ul style="list-style-type: none"> <li>Internal resource.</li> <li>The properties are let / part let and thus works will need to be undertaken in close liaison with the current tenants.</li> <li>Access is a constraint for this site generally, and scaffold licenses and possibly lane closures along Walnut Tree Close will be required.</li> </ul>			
<p>Opportunities – There is an opportunity to:</p> <ul style="list-style-type: none"> <li>Repair and secure the future longevity of the asset.</li> <li>Retain the asset as an investment asset on completion of the works.</li> </ul>			
<p>Risks – There is a risk that:</p> <p>There are several broad risks associated with the project beyond those normally attributed to construction work:</p> <ul style="list-style-type: none"> <li>The failed roof may deteriorate further and costs to repair increase.</li> <li>It is difficult to determine the exact extent of the work until the roof finish is stripped. This is mitigated by provisional sums and contingency allowances in this proposal.</li> <li>Access is a particular constraint here and works can only be undertaken subject to scaffold licenses and possibly a lane closure along Walnut Tree Close. It is assumed that such licenses / permissions will be forthcoming in a reasonable timeframe.</li> </ul>			

<b>Mandate Proposal – Sydenham Rd Car Park – Party Wall Works</b>
<b>Author: Scott Jagdeo</b>
<b>1. Introduction and background:</b>
Sydenham Road Car Park is an open-air car park owned by the Council and is currently used by private permit holders for town centre parking. Adjacent to the car park is 12 Trinity Churchyard. The owner of 12 Trinity Churchyard has raised two issues with the Council in relation to the repair and replacement of a party wall and damage to the gable wall of number 12 because of the adjacent Council owned car park.
<b>2. Why should a project be started, or a growth bid be considered now?</b>
The project is required since initial investigation has shown that the failing brick wall is likely to be a party wall issue and so jointly owned by the Council and the owner of 12 Trinity Cottage. As such, the Council is likely to be responsible for an apportionment of the costs for rebuilding / repairing the wall. Moreover, the raising of levels to form the Council owned car park has potentially led to structural and damp issues to the gable wall of 12 Trinity Cottage. The owner of 12 Trinity Cottage has appointed a local firm of Surveyors and Engineers and has contacted the Council regarding the above matters.
<b>3. What is the good idea or problem to be solved?</b>
Repair and replace a party wall jointly owned by the Council and the owner of 12 Trinity Cottage and repair the failing gable wall to 12 Trinity Cottage; failure is potentially attributable to the raising of levels to the ground on which the Council owned car park sits.
<b>4. What will be delivered? What are the success criteria? What is the purpose of the project?</b>
The purpose of the project is to repair / replace a party wall jointly owned between the Council and the owner of 12 Trinity Cottage as well as repair the failing gable wall to 12 Trinity Cottage; failure potentially attributable to the Council – see above.
The success criteria will be to deliver the project on time, within budget, and to the requisite quality. As well as ensuring that all potential liabilities to the owner of 12 Trinity Cottage are settled.
<b>5. What is in scope and what is out of scope?</b>
In scope is rebuilding / repairing the party wall in tandem with the owner of 12 Trinity Cottage as well as repairing the failing gable wall to 12 Trinity Cottage.
No other works to 12 Trinity Cottage, Sydenham Road Car Park, or the curtilage of either property or land are proposed.
<b>6. What priority, corporate objective or strategy is fulfilled by this project?</b>
The proposed work does not specifically address a corporate objective or strategy. It does, however, look to resolve the Council's potential liabilities to the owner of 12 Trinity Cottage with regards to a party wall and failing gable wall.
<b>7. List desired benefits (Non-financial):</b>
Resolution of any liabilities to the owner of 12 Trinity Cottage. Repairing and unsafe wall that is jointly owned by the Council.
<b>8. IT Project Requirements (Ensure you consider links to Business World and Salesforce):</b>
N/A.
<b>9. What are the strategic options available to GBC to deliver a solution?</b>
As a project designed to repair / replace a party wall, and repair a gable wall, there are few alternatives to affecting an approved repair in the manner described. Whilst the option of doing nothing always exists, in this case the owner of 12 Trinity Cottage has appointed a local firm of Structural Engineers and Building Surveyors and has approached the Council for party wall discussions. Initial investigation shows that the failing wall is likely to be either a party wall or jointly owned (this is currently being checked by the Council's Legal team) and the damage to the gable wall of 12 Trinity Cottage, is likely to be in part caused by the raising of the adjacent land to on which the Council owned car park sits. Thus, the Council looks to be partly liable for both items.
<b>10. Who is the Director (SRO) and Executive Head and portfolio Holder (Lead Cllr) who will lead and direct the project and use the products in live service:</b>



<p>The work will be managed and undertaken by a building surveyor of the Asset Management team. As such, the relevant leads for that team are as follows:</p> <ul style="list-style-type: none"> <li>• Dawn Hudd – Joint Strategic Director – Place</li> <li>• Marieke van der Reijden – Executive Head for Assets and Property</li> <li>• Cllr Richard Lucas - Lead Member for Assets and Finance</li> </ul>																			
<p>11. What impact assessments have been undertaken? What are the impacts on other Services or projects?</p>																			
<p>No impact assessments have been undertaken.</p> <p>The services that will be involved in delivery of the project are Procurement, Legal, and Assets and Property. However, if the owner of 12 Trinity Cottage decides to pursue matters under the relevant legislation, then it may simply be that the Council needs only pay damages, in which case, only Assets and Property and Legal teams will be required.</p>																			
<p>12. What general approach will be taken to deliver?</p>																			
<p>The project will largely be delivered in house by a building surveyor within the Assets and Property team. However, as above, if the owner of 12 Trinity Cottage decides to pursue matters under the relevant legislation, then it may simply be that the Council needs only pay damages. A building surveyor in the Assets and Property team will be required to undertake any party wall negotiations as well as oversee any repairs that are being part funded by the council.</p>																			
<p>13. When and why must the work/project start?</p>																			
<p>The works are proposed to commence in 2024/2025.                  As advised, the owner of 12 Trinity Cottage has already appointed a firm of Structural Engineers and Surveyors and is already in contact with the Council on both issues.</p>																			
<p>13a. What does Waverley/Guildford currently do to provide this service?</p>																			
<p>N/A.</p>																			
<p>13b. What discussion has been had with Waverley/Guildford about this mandate?</p>																			
<p>N/A.</p>																			
<p>13c. What opportunities are there for savings through the collaboration?</p>																			
<p>N/A.</p>																			
<p>14. What stakeholders will need to be involved?</p>																			
<p>Assets and Property will coordinate the works with the current owner of 12 Trinity Cottage and the Council's car park team. Marieke van der Reijden will be kept abreast of the project.</p>																			
<p>15. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?</p>																			
<p>The work will be managed by a building surveyor in the Assets and Property team.                  Input will be required from Procurement to assist with tendering for the work and from Legal for putting the necessary contracts in place.                  As advised above, if the owner of 12 Trinity Cottage decides to pursue matters under the relevant legislation, then it may simply be that the Council needs only pay damages – this is the preferred approach. In this case a building surveyor will still be required to negotiate any party wall requirements as well as monitor works that are in part being funded by the Council.</p>																			
<p>16. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.</p>																			
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Year	Capital Total (£)	Revenue Total (£)	Income Total (£)																
2023/24																			
2024/25	£50,000.00																		
2025/26																			

2026/27				
2027/28				
<b>17. For projects, what are the potential resource costs to progress to the next stage/gate?</b>				
Subject to financial approval, the next stage of this project is to design the repair and replacement of the party wall and gable wall and seek the necessary approval to proceed. However, as above, if the owner of 12 Trinity Cottage decides to pursue matters under the relevant legislation, then it may simply be that the Council needs only pay damages – this is the preferred approach. In this case a building surveyor will still be required to negotiate any party wall requirements as well as monitor works that are in part being funded by the Council.				
<b>18. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks</b>				
Issue – There is an issue that:				
<ul style="list-style-type: none"> <li>There is an issue that the Assets and Property service currently does not have a senior building surveyor in post. This could lead to delays in procuring the external consultants to get going asap.</li> </ul>				
Assumptions – There is an assumption that:				
<ul style="list-style-type: none"> <li>The Council has an aspiration to retain the open-air car park. If the Council were able to sell the parcel of land, then the issue would cease to exist for it.</li> <li>Funding will be afforded.</li> </ul>				
Dependencies – There is a dependency on:				
<ul style="list-style-type: none"> <li>Procurement (possibly).</li> <li>Legal.</li> <li>The Building Surveying team in Assets and Property.</li> </ul>				
Constraints – A constraint is:				
<ul style="list-style-type: none"> <li>Internal resource.</li> <li>12 Trinity Cottage is occupied and thus works will need to be undertaken in close liaison with the current occupier alongside the Council’s car parks team.</li> </ul>				
Opportunities – There is an opportunity to:				
<ul style="list-style-type: none"> <li>Repair and stabilise the party wall and gable wall to 12 Trinity Cottage and avoid any legal claims in relation to either of these.</li> </ul>				
Risks – There is a risk that:				
There are several broad risks associated with the project beyond those normally attributed to construction work:				
<ul style="list-style-type: none"> <li>The failed party wall and gable wall may deteriorate further and costs to repair and replace increase.</li> <li>The party wall and/or gable wall are considered a dangerous structure and notice served as such under the Building Act.</li> <li>The owner pursues the Council under the relevant legislation before the Council has secured funding.</li> </ul>				

<b>Mandate Proposal – Investigation and Works to Underground Shelter</b>	
<b>Author: Marieke van der Reijden</b>	
1. Introduction and background:	
An area of open space in Guildford requires investigation of what is believed to be an underground shelter dug during WW2. Further investigation is required to open the area of ground and make safe.	
2. Why should a project be started, or a growth bid be considered now?	
To investigate the full extents of the structure and understand its condition with the possibility of filling the structure to avoid the risk of collapse and the potential danger to the public.	
3. What is the good idea or problem to be solved?	
To investigate the full extents of the structure and understand its condition with the possibility of filling the structure to avoid the risk of collapse and the potential danger to the public.	
4. What will be delivered? What are the success criteria? What is the purpose of the project?	
The capital bid will provide funds to pay for the works under the Council’s Civil Engineering Contract at the direction of GBC Engineers.	
5. What is in scope and what is out of scope?	
To investigate the full extents of the structure and understand its condition with the possibility of filling the structure to avoid the risk of collapse and the potential danger to the public and return the area to good order.	
What priority, corporate objective or strategy is fulfilled by this project?	
The proposed work does not specifically fulfil a corporate objective or strategy. It does, however, resolve a potential health and safety concern.	
6. List desired benefits (Non-financial)	
Remove the potential danger to the public and return the area to good order.	
7. IT Project Requirements (Ensure you consider links to Business World and Salesforce)	
N/A	
8. What are the strategic options available to GBC to deliver a solution?	
<ol style="list-style-type: none"> <li>1. <b>Do nothing</b> –Risk of deterioration and collapse that would result from that decision.</li> <li>2. <b>Do minimum</b> – only undertake the initial investigation to understand the full extent of the structure.</li> <li>3. <b>Do more</b> – act proactively and undertake the necessary investigation being prepared for the likelihood that the structure is more extensive.</li> </ol> Officers recommend option 3, considered reputationally advantageous.	
9. Who is the Director (SRO) and Executive Head and portfolio Holder (Lead Cllr) who will lead and direct the project and use the products in live service	
Dawn Hudd – Joint Strategic Director – Place Marieke van der Reijden – Executive Head of Service for Assets & Property Cllr Richard Lucas – Lead Member for Assets and Property	
10. What impact assessments have been undertaken? What are the impacts on other Services or projects?	
None. This may require the Council to liaise the Surrey Archaeology	
11. What general approach will be taken to deliver?	
The project will be managed inhouse via the Council’s Civil Engineering Contract.	
12. When and why must the work/project start?	
ASAP but could be delayed to 24/25	
13a. What does Waverley/Guildford currently do to provide this service?	
N/A	
13b. What discussion has been had with Waverley/Guildford about this mandate?	
None	
13c. What opportunities are there for savings through the collaboration?	
None	
13. What stakeholders will need to be involved?	

Local ward councillors			
14. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?			
The investigatory work will be undertaken by GBC Engineers and Council's Civil Engineering contractor providing the physical works.			
15. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.			
<b>Year</b>	<b>Capital Total (£)</b>	<b>Revenue Total (£)</b>	<b>Income Total (£)</b>
2023/24	£5,000 or defer to 24/25		
2024/25	£15,000		
2025/26			
2026/27			
2027/28			
16. For projects, what are the potential resource costs to progress to the next stage/gate?			
Estimate of 20 hours of GBC Engineers time.			
17. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks			
Issue – None			
Assumptions – That funding for this work will be made available.			
Dependencies – Involvement of Surrey Archaeology may delay the works.			
Constraints – Involvement of Surrey Archaeology may delay the works.			
Opportunities – Make the area available to the Public.			
Risks – The structure may collapse.			

<b>Mandate Proposal – Guildford Bus Station – Repairs and Resurfacing</b>
<b>Author: Marieke van der Reijden</b>
1. Introduction and background:
<p>The Council is responsible for the concrete surface deck and drainage at Guildford Bus Station, which is located adjacent to and partly above the Friary Centre. The deck surfacing and drainage have failed, which is allowing water ingress through the concrete deck into the basement car park and electrical substation below. During heavy downpours the basement car park and substation flood, causing a health and safety risk as well as making the basement unusable. The car park is used by several companies and the Council is being pursued by the freeholder owner beneath the deck to remedy the issue as a matter of urgency.</p> <p>The North St Development project includes for an upgrade and refurbishment of Guildford Bus Station in around 2-3 years' time. When these works take place, the Council will have an opportunity to undertake long-term infrastructure repair works to the surface of the bus station. These long-term maintenance repairs were known to the Council at the time the bus station land title transferred to Council ownership in 2020 when the risks were highlighted as part of the negotiations and decision to proceed.</p>
2. Why should a project be started, or a growth bid be considered now?
<p>Works have been undertaken over the past 2 years by the Assets and Property team to resolve the immediate issue of water leaking through the bus station concrete deck; this included drainage clearance alongside repairs to the movement joints in the concrete deck undertaken by M&amp;G, the owner of the freeholder interest in land beneath the deck. Unfortunately, whilst these repairs helped mitigate the flooding, the leaks remain an issue and further works are required. These works are required as a matter of urgency.</p> <p>A complete resurfacing of the bus station is also required for long term protection of the deck and column structure underneath.</p>
3. What is the good idea or problem to be solved?
<p>Preliminary investigation and immediate works are required. Assets and Property are applying for £12,000 to be made immediately available to facilitate the appointment of an external consultant(s) to undertake a full survey and provide a report to diagnose the cause(s) of the water ingress and the immediate works required to resolve the matter.</p> <p>The appointed consultant will also be asked to provide cost estimates for the proposed works to facilitate a total resurfacing project.</p> <p>There are currently no arrangements in place to deal with this matter. As the bus station was inherited in this state, there have been no actions undertaken to date that adequately satisfy addressing the issue at hand.</p>
4. What will be delivered? What are the success criteria? What is the purpose of the project?
<p>The capital bid will provide funds to appoint a consultant(s) to produce a report into what the major causes of the disrepair and produce all required documentation to allow the Council to procure a contractor to undertake short term repair works. It is likely the appointed consultant(s) will also be asked to manage the project.</p> <p>Their work will inform the progression of a detailed project to resurface the deck and any remedial actions required to the infrastructure. This will inform the Council of the expected costs, extent of repair work required, any additional consents that might be required, and the timescales involved. This, in turn, will enable the Council to liaise with the North St Developer to synchronise the timings for the long-term surface repair works with when the developer closes the bus station to undertake their refurbishment. The benefit of synchronising the works means only having to close the bus station once and possibility of negotiating a share of the costs attached to temporary relocation of the bus stops and stopping up of the highway.</p>

<p><b>Key deliverables include:</b></p> <ul style="list-style-type: none"> <li>• Short term – avoiding disputes or insurance claims for damage to the freeholder’s interest beneath the bus station.</li> <li>• Long term – contribution to the overall desire of the North St project to have a newly refurbished bus station for the benefit of the public using or transferring through the bus station</li> <li>• Safeguarding the Council’s asset by stopping the water ingress damaging the reinforced concrete structure.</li> </ul>
<p>5. What is in scope and what is out of scope?</p>
<p>The investigation into the water leaks and damage to the bus station deck and underground car park beneath, paying for short term repairs, and resurfacing for the long term.</p>
<p>What priority, corporate objective or strategy is fulfilled by this project?</p>
<p>The proposed work does not specifically fulfil a corporate objective or strategy. It does, however, resolve a potential health and safety concern. It also contributes to the Homes and Jobs corporate priority including:</p> <ul style="list-style-type: none"> <li>• Revive Guildford town centre to unlock its full potential.</li> <li>• Support high quality development of strategic sites.</li> </ul>
<p>6. List desired benefits (Non-financial)</p>
<p>Long term – contribution to the overall desire of the North St project to have a newly refurbished bus station for the benefit of the public using or transferring through the bus station.</p>
<p>7. IT Project Requirements (Ensure you consider links to Business World and Salesforce)</p>
<p>N/A</p>
<p>8. What are the strategic options available to GBC to deliver a solution?</p>
<p>1. <b>Do nothing</b> – do not invest in bus station and risk the deterioration that would result from that decision.</p> <p>2. <b>Do minimum</b> – only undertake the short-term repairs to resolve immediate concerns and risk further deterioration that will lead to a more costly resurfacing later.</p> <p>3. <b>Do more</b> – act proactively and undertake the necessary investigation being prepared for the likelihood that short term repairs will be required followed by substantial resurfacing later for protection of this asset into the long term.</p> <p>Officers recommend option 3, considered strategically and reputationally advantageous.</p>
<p>9. Who is the Director (SRO) and Executive Head and portfolio Holder (Lead Cllr) who will lead and direct the project and use the products in live service</p>
<p>Dawn Hudd – Joint Strategic Director – Place          Marieke van der Reijden – Executive Head of Service for Assets &amp; Property          Cllr Richard Lucas – Lead Member for Assets and Property</p>
<p>10. What impact assessments have been undertaken? What are the impacts on other Services or projects?</p>
<p>None. This will require the Council to liaise and work closely with the North St Developer to ensure the long-term resurfacing works are delivered at the same time as their bus station refurbishment works.</p>
<p>11. What general approach will be taken to deliver?</p>
<p>The project will be managed inhouse but delivered via outsourced external consultancy support.</p>
<p>12. When and why must the work/project start?</p>
<p>From April 2024 (the start of the next financial year) so that the Council can protect itself from a deteriorating asset that could lead to insurance claims in the future. Works are deemed essential; during the last heavy downpour the basement electrical substation flooded, and the electricity supply company, UKPN, were called-out to undertake an emergency inspection.</p> <p>Undertaking the detailed work now will also assist in being prepared for the resurfacing works to be prepared well in advance of the North St Development refurbishment of the bus station thereby avoiding as best we can the potential consequences of any delays.</p>
<p>13a. What does Waverley/Guildford currently do to provide this service?</p>

N/A																								
13b. What discussion has been had with Waverley/Guildford about this mandate?																								
N/A																								
13c. What opportunities are there for savings through the collaboration?																								
N/A																								
13. What stakeholders will need to be involved?																								
<ul style="list-style-type: none"> <li>• Freehold owner of land beneath the bus station</li> <li>• Bus operators</li> <li>• North St Developer</li> <li>• Highways Authority</li> <li>• Corporate Programmes</li> </ul>																								
14. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?																								
<p>The investigatory work will be undertaken by an external, specialist consultant and any physical works will be designed and managed by them. The responsibility for the corporate running of the short-term project will be the Assets and Property service. The resurfacing works may end up being run by Corporate Programme Service.</p> <p>Input required from Procurement to assist with tendering for the work.</p> <p>Input required from Legal in connection with arranging access equipment permits and for putting the necessary works contracts in place.</p> <p>An external CDM coordinator required to oversee compliance with the Construction (Design and Management) Regulations 2015.</p>																								
15. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.																								
<table border="1"> <thead> <tr> <th>Year</th> <th>Capital Total (£)</th> <th>Revenue Total (£)</th> <th>Income Total (£)</th> </tr> </thead> <tbody> <tr> <td>2023/24</td> <td></td> <td></td> <td></td> </tr> <tr> <td>2024/25</td> <td>50,000</td> <td></td> <td></td> </tr> <tr> <td>2025/26</td> <td></td> <td></td> <td></td> </tr> <tr> <td>2026/27</td> <td>500,000</td> <td></td> <td></td> </tr> <tr> <td>2027/28</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Year	Capital Total (£)	Revenue Total (£)	Income Total (£)	2023/24				2024/25	50,000			2025/26				2026/27	500,000			2027/28			
Year	Capital Total (£)	Revenue Total (£)	Income Total (£)																					
2023/24																								
2024/25	50,000																							
2025/26																								
2026/27	500,000																							
2027/28																								
16. For projects, what are the potential resource costs to progress to the next stage/gate?																								
<p>Subject to financial approval, the first stage of the project is to obtain consultancy advice from Structural/Drainage Engineer and Building Surveyor to determine what the likely source of the issues is and the deterioration that requires a short-term repair; this exercise is estimated to be in the region of £12-15K.</p> <p>The next stage will be to design the repair works and seek the necessary approvals to enable the work to proceed. For that we will require officer time together with some input from the external consultants. We are not clear on what those costs will be but anticipate they will need doing in the short-term and this makes up the remainder of the £50K for 2024-25.</p>																								

17. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks
<p>Issue – There is an issue that the Assets and Property service currently does not have a senior building surveyor or engineer in post. This could lead to delays in procuring the external consultants to get going asap.</p> <p>The works are reliant on being able to gain access to the structure part of which is the responsibility of the landowner beneath the bus station. The complex nature of the repair makes it impractical to undertake this work easily and we will have to gain agreement for access from the landowner beneath the deck as well as the bus operators whilst undertaking any repair work within an operating bus station.</p>
<p>Assumptions – There is an assumption that permission to access the site will be forthcoming from the adjacent landowners, and that funding for this work will be made available.</p>
<p>Dependencies – The project will depend on the successful liaison with the adjoining landowner to coordinate the long-term resurfacing project with the refurbishment of the bus station, that is, the willingness of the North St Developer to work in tandem.</p>
<p>Constraints – The constrained nature of the site makes the work more difficult to implement because of the enclosed space underneath the structure and the exposed nature of the working areas above ground. Plus, this work could be weather dependent. Significant wind or rain will have a detrimental impact on the ability to complete the work and it is for this reason that it must be undertaken during the summer and autumn months.</p>
<p>Opportunities – There is an opportunity to create a resurfaced and refurbished bus station for the benefit of the users and those who traverse the site contributing to good public realm.</p>
<p>Risks – The strategic risks associated with the successful delivery of the project beyond those normally attributed to construction work are:</p> <ul style="list-style-type: none"><li>• The bus station surface and infrastructure beneath may deteriorate to the point that it becomes unsafe. Whilst we consider this to be unlikely in the short term, this could arise, and so investigatory works area required asap, and we would implement temporary measures should the need arise.</li><li>• It is difficult to determine the exact extent of the works required until it is possible to closely assess all areas of issue. This is mitigated by allowances in this proposal for investigatory works to be done asap.</li><li>• The work is very susceptible to interfering with the operation of the adjoining landowner’s car park beneath the deck and the bus operation above. This would be mitigated by setting up joint meetings to communicate and inform, plus good project management.</li></ul>



<b>Mandate Proposal</b>
<b>Author:</b>
1. Introduction and background:
Leak at Stoke cemetery
2. Why should a project be started, or a growth bid be considered now?
Health and Safety issues both in terms of walking hazard but also leakage through cemetery grave spaces.
3. What is the good idea or problem to be solved?
A section of the cemetery is waterlogged affecting graves and main pedestrian footpath. Our engineers have come up with a draft proposal to divert water to a pre-existing drain. This needs to be approved by the environmental agency. The engineers need a topographic survey to inform their proposal for the application to the EA and the application also needs to be accompanied by a tiered site assessment. The project is to solve the H and S issues this leak presents in this section of the cemetery. What are the success criteria? What is the purpose of the project?
Purpose is to solve the water leak issues in this section of the cemetery.
What is in scope and what is out of scope?
N/A
What priority, corporate objective or strategy is fulfilled by this project?
N/A
4. List desired benefits (non-financial)
H and S
5. IT Project Requirements (Ensure you consider links to Business World and Salesforce)
N/A
6. What are the strategic options available to GBC to deliver a solution?
n/a
7. Who is the Director (SRO) and Executive Head and portfolio Holder (Lead Cllr) who will lead and direct the project and use the products in live service
AR CW James Potter
8. What impact assessments have been undertaken? What are the impacts on other Services or projects?
n/a
9. What general approach will be taken to deliver?
EH have confirmed no resource to assist so consultants will manage the application to the environment agency and complete the tiered assessment.
10. When and why must the work/project start?
24/25 as operational issues limit where we can store waste at present.
13a. What does Waverley/Guildford currently do to provide this service?
Waverly contract out waste disposal – guildford inhouse but this particular waste is all taken away in roro's at present.
13b. What discussion has been had with Waverley/Guildford about this mandate?
Nil
13c. What opportunities are there for savings through the collaboration?
Nil
11. What stakeholders will need to be involved?
Nil
12. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?
Bereaved service lead, engineering team – external consultants for tiered assessment and application and any correspondence with the environment agency.

13. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.

Year	Capital Total (£)	Revenue Total (£)	Income Total (£)
2023/24	20k		
2024/25	80k	Nil	Nil
2025/26			
2026/27			
2027/28			

14. For projects, what are the potential resource costs to progress to the next stage/gate?

Nil

15. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks

Issue – There is an issue that

Nil

Assumptions – There is an assumption that...

Environmental Agency will accept proposal from engineers

Dependencies – There is a dependency on...

Resource if engineers and bereavement service

Constraints – A constraint is...

Opportunities – There is an opportunity to...

Risks – There is a risk that...

GENERAL FUND CAPITAL PROGRAMME - S106 ESTIMATED EXPENDITURE 2023-24 to 2028-29

Ref	Project Officer	Code	Service Units / Capital Schemes	Approved gross estimate	Cumulative spend at 31-03-23	2023-24		Expenditure at 02.01.24	Projected exp est by project officer	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	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme
						Estimate approved by Council in February	Revised estimate										
				(a)	(b)	(c)	(d)	(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(f)+(g) = (h)	(i)
				£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>APPROVED SCHEMES (fully funded from S106 contributions)</b>																	
<b>COMMUNITY WELLBEING DIRECTORATE</b>																	
<b>Environmental Services</b>																	
S-PL36	HJ	P18177	Gunpowder mills - signage, access and woodland imps	36	22	14	14	1	14	-	-	-	-	-	-	36	(36)
S-PL38	HJ	P18192	Chantry Wood Campsite	36		36	36	-	36	-	-	-	-	-	-	36	(36)
S-PL51	SA	P18225	Foxenden Quarry	101	54	59	47	18	47	-	-	-	-	-	-	101	(101)
S-PL48	HJ	P18230	Boardwalk Heathfield Nature Reserve	13		13	13	-	13	-	-	-	-	-	-	13	(13)
S-PL54	SA	P18241	Shalford park Trim Trail	12			12		12	-	-	-	-	-	-	12	(12)
S-PL55		P18242	GLIVE Landscaping	1			1	1	1							1	(1)
S-PL56		P18243	The Briars Playarea	169			169		169							169	(169)
S-PL57	SA	P18245	Stoke Park Fencing of Feature Planting & Ponw	10			10	10	10							10	(10)
<b>COMMUNITY WELLBEING DIRECTORATE TOTAL</b>				<b>378</b>	<b>76</b>	<b>122</b>	<b>303</b>	<b>30</b>	<b>303</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>378</b>	<b>(378)</b>
<b>APPROVED S106 SCHEMES TOTAL</b>				<b>378</b>	<b>76</b>	<b>122</b>	<b>303</b>	<b>30</b>	<b>303</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>378</b>	<b>(378)</b>

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

76	122	303	30	303	-	-	-	-	-	-	-	378	(378)
<b>76</b>	<b>122</b>	<b>303</b>	<b>30</b>	<b>303</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>378</b>	<b>(378)</b>

<b>FINANCED BY - S106 CONTRIBUTIONS</b>
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<b>(76)</b>	<b>(122)</b>	<b>(303)</b>	<b>(30)</b>	<b>(303)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(378)</b>	<b>378</b>
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GENERAL FUND CAPITAL SCHEMES - PROJECTS FUNDED VIA RESERVES: ESTIMATED EXPENDITURE

Item No.	Project Officer	Code	Projects & Sources of Funding	Approved gross estimate (a) £000	Cumulative spend at 31-03-23 (b) £000	2023-24		Expenditure at 02.01.24 (e) £000	Projected exp est by project officer (f) £000	2024-25 Est for year (i) £000	2025-26 Est for year (ii) £000	2026-27 Est for year (iii) £000	2027-28 Est for year (iv) £000	2028-29 Est for year (v) £000	Future years est exp (g) £000	Projected expenditure total (b)+(f)+(g) = £000	
						Estimate approved by Council in February (c) £000	Revised estimate (d) £000										
<b>PLACE DIRECTORATE</b>																	
		P59...	ENERGY PROJECTS per SALIX RESERVE:(PR220)														
R-EN12	7-2021		LED lighting	44												44	
			ENERGY PROJECTS per GBC INVEST TO SAVE RESERVE: <i>GBC 'Invest to Save' energy projects (to be repaid in line with savings)</i>														
R-EN14	BID207	P59108	SMP - air source heat pump	28	1											29	
<b>ENERGY RESERVES TOTAL</b>				<b>72</b>	<b>1</b>		<b>71</b>		<b>71</b>							<b>72</b>	
<b>CAR PARKS RESERVE</b>																	
R-CP1	KMc	P37503	Car parks - install/replace pay-on-foot equipment	1,170	240					930					930	1,170	
R-CP14	KMc/RH	P37514	Lift replacement (PR000293)	841	716		125		125							841	
R-CP19	BID194	P37523	Structural works to MSCP	300	50		100		100							150	
R-CP21	08-2021	P37526	Additional barriers Farnham Rd	15			15		15							15	
R-CP22	08-2021	P37527	Deck surface replacement (stair cores)Farnham Rd	70			70	5	70							70	
R-CP25	& BID 11	P37530	Structural repairs roof turret timbers Castle St Car Park	210		200	200		20	190					190	210	
<b>CAR PARKS RESERVE TOTAL</b>				<b>2,606</b>	<b>1,006</b>	<b>200</b>	<b>510</b>	<b>5</b>	<b>330</b>	<b>1,120</b>					<b>1,120</b>	<b>2,456</b>	
<b>COMMUNITY WELLBEING DIRECTORATE</b>																	
<b>INFORMATION TECHNOLOGY - IT Renewals Reserve (PR265) : approved annually</b>																	
			Hardware / software budget	500		440	440		440							440	
R-IT1	SW-M	P81002	Hardware	annual	annual			73									
R-IT2	SW-M	P81002	Software	annual	annual												
		12,710	P81038	ICT Refresh Phase 2		60	60	6	60							60	
			P81037	Salesforce	1,200	196			131	131							
R-IT3	09-1920		IDOX Acolaid to Uniform	275		275	275		275							275	
R-IT4	09-1920		LCTS alternative	56		56	56		56							56	
<b>IT RENEWALS RESERVE TOTAL</b>				<b>2,031</b>	<b>196</b>	<b>831</b>	<b>831</b>	<b>209</b>	<b>962</b>							<b>831</b>	
<b>SPA RESERVE :</b>																	
R-SPA1		P20...	SPA schemes (various)	100	annual		151		151							151	
		P201..	Chantry Woods														
R-SPA2		P202..	Effingham														
R-SPA3		P203..	Lakeside														
R-SPA4		P204..	Riverside														
R-SPA5		P205..	Parsonage														
<b>SPA RESERVE TOTAL</b>				<b>100</b>			<b>151</b>		<b>151</b>							<b>151</b>	
<b>TRANSFORMATION &amp; GOVERNANCE DIRECTORATE</b>																	
<b>SPECTRUM RESERVE</b>																	
R-S14			Spectrum schemes (to be agreed with Freedom Leisure)	431	168											168	
<b>SPECTRUM RESERVE TOTAL</b>				<b>431</b>	<b>168</b>											<b>168</b>	
<b>GRAND TOTALS</b>				<b>5,240</b>	<b>1,370</b>	<b>1,031</b>	<b>1,564</b>	<b>214</b>	<b>1,514</b>	<b>1,120</b>					<b>1,120</b>	<b>3,678</b>	

Appendix 3  
Agenda item number: 6

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

### 1.0 AVAILABILITY OF RESOURCES - NOTES :

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

1.2 The actuals for 2022-23 have not been audited.

### 1.3 Funding assumptions:

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

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

### 2.0 Capital receipts - Balances (T01001)

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

	2022-23 Actuals £000	2023-24 Budget £000	2023-24 Est Outturn £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000	2028-29 Estimate £000
Balance as at 1 April	127	0	136	0	0	0	2,814	8,000
Add estimated usable receipts in year	169	0	2,545	2,000	39,109	18,905	15,551	56,227
Less applied re funding of capital schemes	(159)	0	(2,681)	(2,000)	(39,109)	(16,091)	(10,365)	(5,380)
<b>Balance after funding capital expenditure as at 31 March</b>	<b>136</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,814</b>	<b>8,000</b>	<b>58,847</b>

Agenda item number: 6  
Appendix 3

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

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

### 3.0 Capital expenditure and funding - summary

#### Estimated capital expenditure

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

#### Total estimated capital expenditure

#### To be funded by:

Capital receipts (*per 2.above*)  
Contributions  
R.C.C.O. :  
Other reserves

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

#### Total funding required

	2022-23 Actuals £000	2023-24 Budget £000	2023-24 Est Outturn £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000	2028-29 Estimate £000
	34,053	147,359	72,123	88,944	2,496	2,000	2,000	0
	0	48,308	458	93,392	59,690	14,841	8,365	5,380
	283	122	303	0	0	0	0	0
	1,109	1,031	1,514	1,120	0	0	0	0
	0	0	0	0	0	0	0	0
<b>Total estimated capital expenditure</b>	<b>35,445</b>	<b>196,820</b>	<b>74,398</b>	<b>183,456</b>	<b>62,186</b>	<b>16,841</b>	<b>10,365</b>	<b>5,380</b>
	(159)	0	(2,681)	(2,000)	(39,109)	(16,091)	(10,365)	(5,380)
	(6,862)	(46,336)	(49,079)	(20,622)	(1,020)	(750)	0	0
	(2,389)	(1,131)	(1,798)	(1,192)	0	0	0	0
	0	0	0	0	0	0	0	0
	(9,410)	(47,467)	(53,558)	(23,814)	(40,129)	(16,841)	(10,365)	(5,380)
	(26,035)	(149,353)	(20,840)	(159,642)	(22,057)	0	0	0
<b>Total funding required</b>	<b>(35,445)</b>	<b>(196,820)</b>	<b>(74,398)</b>	<b>(183,456)</b>	<b>(62,186)</b>	<b>(16,841)</b>	<b>(10,365)</b>	<b>(5,380)</b>

### 4.0 General Fund Capital Schemes Reserve (U01030)

Balance as at 1 April  
Add: General Fund Revenue Budget variations  
Contribution from revenue

Less: Applied re funding of capital programme

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

	2022-23 Actuals £000	2023-24 Budget £000	2023-24 Est Outturn £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000	2028-29 Estimate £000
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0

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

	26,035	149,353	20,840	159,642	22,057	0	0	0
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## GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

### 5.0 Housing capital receipts (pre 2013-14) - estimated availability/usage for Housing, Affordable Housing and Regeneration projects - GBC policy

Balance as at 1 April (T01008)  
 Add: Estimated receipts in year  
 Less: Applied re Housing (General Fund) capital programme  
 Less: Applied re Housing company

	2022-23 Actuals £000	2023-24 Budget £000	2023-24 Est Outturn £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000	2028-29 Estimate £000
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))

Balance as at 1 April (T01012)  
 Add: Estimated receipts in year  
 Less: Applied re Housing (General Fund) capital programme  
 Less: Applied re Housing Improvement programme

	2022-23 Actuals £000	2023-24 Budget £000	2023-24 Est Outturn £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000	2028-29 Estimate £000
Balance as at 1 April (T01012)	50	348	0	360	371	383	395	410
Add: Estimated receipts in year	645	301	0	304	307	310	313	0
Less: Applied re Housing (General Fund) capital programme	0	(189)	0	(72)	(75)	(78)	(78)	0
Less: Applied re Housing Improvement programme	(695)	(100)	0	(220)	(220)	(220)	(220)	(410)
	0	360	0	371	383	395	410	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>360</b>	<b>0</b>	<b>371</b>	<b>383</b>	<b>395</b>	<b>410</b>	<b>0</b>

Total £'000s

### 6.1 Estimated annual borrowing requirement

Bids for funding (net)

**Total estimated borrowing requirement if all bids on Appendix 1 approved**

	26,035	149,353	20,840	159,642	22,057	0	0	0	202,539
<b>Total estimated borrowing requirement if all bids on Appendix 1 approved</b>		<b>149,353</b>	<b>20,840</b>	<b>159,642</b>	<b>22,057</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>202,539</b>

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2023-24 to 2028-29

Revised budg Actual exp

Forecast

Ref	Bid ref	Code	Directorate/Service and Capital Scheme name	Approved gross estimate (a) £000	Cumulative spend at 31-03-23 (b) £000	Estimate approved by Council in February (c) £000	Revised estimate (d) £000	2023-24	2024-25 Est for year (ii) £000	2025-26 Est for year (iii) £000	2026-27 Est for year (iv) £000	2027-28 Est for year (v) £000	2028-29 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) £000	Net cost of scheme (h)-(i)-(j)= (k) £000	
								Expenditure at 02.01.24 (e) £000											
<b>APPROVED SCHEMES</b>																			
<b>COMMUNITY WELLBEING DIRECTORATE</b>																			
			<b>General Fund Housing</b>																
PR381	N51008		Disabled Facilities Grants		annual	605	605	357	605	605	-	-	-	605	1,210	(1,210)	-	-	
	N51019		Better Care Fund		annual	-	-	266	-	-	-	-	-	-	-	-	-	-	
PR381	N51020		Home Improvement Assistance		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	
PR381	N51021		Solar Energy Loans		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	
	N51023		BCF TESH Project		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	
	N51024		BCF Prevention grant		annual	-	-	9	-	-	-	-	-	-	-	-	-	-	
	N51030/32		SHIP		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	
			General Grants to HAs		annual	100	100	-	100	100	-	-	-	100	200	-	-	200	
<b>COMMUNITY WELLBEING DIRECTORATE TOTAL</b>				<b>0</b>	<b>0</b>	<b>705</b>	<b>705</b>	<b>632</b>	<b>705</b>	<b>705</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>705</b>	<b>1,410</b>	<b>-1,210</b>	<b>0</b>	<b>200</b>	
<b>PLACE DIRECTORATE</b>																			
<b>Assets and Property</b>																			
ED21 &	P72022		Methane gas monitoring system	100	48	52	52	-	(0)	52	-	-	-	52	100	-	-	100	
ED22 &	P74058		Energy efficiency compliance - Council owned properties	245	102	133	143	-	0	143	-	-	-	143	245	-	-	245	
ED26	P51053		Bridges -Inspections and remedial works	317	256	-	61	15	61	-	-	-	-	317	-	-	-	317	
ED53	BID97	P74072	Tyting Farm Land-removal of barns and concrete hardstanding	200	143	57	57	7	10	47	-	-	-	47	200	-	-	200	
OP1/OP		P66*	Flood resilience measures (use in conjunction with grant	445	324	-	121	-	0	121	-	-	-	121	445	-	-	445	
OP26	PR264	P35022	Marrow lane grille & headwall construction	60	3	-	57	-	-	57	-	-	-	57	60	-	-	60	
<b>PLACE DIRECTORATE TOTAL</b>				<b>1,367</b>	<b>876</b>	<b>242</b>	<b>491</b>	<b>22</b>	<b>71</b>	<b>420</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>420</b>	<b>1,367</b>	<b>0</b>	<b>0</b>	<b>1,367</b>	
<b>COMMUNITY WELLBEING DIRECTORATE</b>																			
<b>Community Services</b>																			
PL60	7-1920		Traveller transit site provision	127	-	-	127	-	-	127	-	-	-	127	127	-	-	127	
<b>Environmental Services</b>																			
OP6	PR304	P58012	Vehicles, Plant & Equipment Replacement Programme	12,815	10,529	149	136	30	70	2,216	-	-	-	2,216	12,815	(26)	-	12,789	
OP28	PR284		Crown court CCTV	10	-	-	10	-	-	10	-	-	-	10	10	-	-	10	
OP22	5-1920		Town Centre CCTV upgrade	106	-	125	250	-	-	106	-	-	-	106	106	(106)	-	-	
PL20(c)		P18224	Redevelopment of Westborough and Park Barn play area	376	-	320	376	91	376	-	-	-	-	376	376	(56)	-	320	
PL34	PR186	P04009	Stoke cemetery re-tarmac	122	77	-	45	-	45	-	-	-	-	122	-	-	-	122	
PL57 &	BID211	P18215	Parks and Countryside - repairs and renewal of paths,roads	355	337	-	18	18	18	-	-	-	-	355	-	-	-	355	
PL58	1-1920	P18220	Shalford Common - regularising car parking/reduction of	121	36	92	85	2	10	75	-	-	-	75	121	-	-	121	
PL60	7-1920	P18226	Traveller encampments	53	-	26	53	3	3	50	-	-	-	50	53	-	-	53	
PL61	Bid 2	P18238	Stoke Park Paddling Pool (complete)	170	168	-	2	2	2	-	-	-	-	170	-	-	-	170	
PL62		P22067	Lido - Drainage Works and Changing Rooms	2,100	1,168	200	879	730	879	53	-	-	-	53	2,100	-	(1,500)	600	
PL68	BID 6	P18418	SMP astro turf surface (complete)	3	-	8	8	3	3	-	-	-	-	3	-	-	-	3	
		P05010	Crematorium Bollards & Lampost	5	-	5	5	-	5	-	-	-	-	5	-	-	-	5	
PL67	BID 5		Derby Road playground conversion	120	-	120	30	-	30	-	-	-	-	30	-	-	-	30	
<b>COMMUNITY WELLBEING TOTAL DIRECTORATE</b>				<b>16,483</b>	<b>12,316</b>	<b>1,040</b>	<b>2,024</b>	<b>879</b>	<b>1,441</b>	<b>2,637</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,637</b>	<b>16,394</b>	<b>(188)</b>	<b>(1,500)</b>	<b>14,706</b>	
<b>TRANSFORMATION &amp; GOVERNANCE DIRECTORATE</b>																			
<b>Finance</b>																			
FS1	PR303		Capital contingency fund	annual	-	2,000	1,820	-	1,820	2,000	2,000	2,000	2,000	8,000	9,820	-	-	9,820	
<b>TRANSFORMATION &amp; GOVERNANCE DIRECTORATE TOTAL</b>				<b>0</b>	<b>0</b>	<b>2,000</b>	<b>1,820</b>	<b>0</b>	<b>1,820</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>8,000</b>	<b>9,820</b>	<b>0</b>	<b>-</b>	<b>9,820</b>	
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS</b>																			
<b>Development / Infrastructure PLACE DIRECTORATE</b>																			
ED54	BID129	P74069/P740	Rodboro Buildings - electric theatre through road and parking	416	39	379	377	0	-	377	-	-	-	377	416	-	-	416	
P5	PR354	P79027/P790	Walnut Bridge replacement	5,098	5,642	-	-	40	40	-	-	-	-	-	5,682	(2,460)	(950)	2,272	
		P79032	SMC(West) Phase 1 (complete)	1,944	1,928	-	39	16	16	-	-	-	-	1,944	(914)	-	-	1,029	
P21		P79037/P790	Ash Road Bridge	44,000	9,189	22,491	30,473	7,648	19,349	14,966	496	-	-	15,462	44,000	(35,965)	-	8,035	
P21		P79038	Ash Road Footbridge	500	183	36	317	0	-	317	-	-	-	317	500	-	-	500	
		P79995	Broadband for Surrey Hills (B4SH)	60	46	-	14	1	1	13	-	-	-	13	60	-	-	60	
P11	PR364 &		Guildford West (PB) station (moved to Capital Vision)	500	-	250	500	-	-	-	-	-	-	-	-	-	-	-	
<b>Development Financial - PLACE DIRECTORATE</b>																			
ED49	PR395	P72037	Middleton Ind Est Redevelopment	15,007	12,860	300	2,147	2,023	2,147	-	-	-	-	-	15,007	-	-	15,007	
P12	PR371 &	P72045	Property acquisitions	12,697	9,675	23,953	23,845	1,630	2,022	1,000	-	-	-	1,000	12,697	-	-	12,697	
PL9	PR136	P05009	Rebuild Crematorium(complete)	11,111	10,934	-	177	177	177	-	-	-	-	-	11,111	-	-	11,111	
ED27		P79023/P790	North Street Development / Guild Town Centre regeneration	1,727	1,586	100	141	57	141	-	-	-	-	-	1,727	(250)	-	1,477	
P22	BID 21-	P79039	Shaping Guildford Future (SGF) (no longer reqd)	4,170	-	2,640	4,170	-	-	-	-	-	-	-	-	-	-	-	
ED32	PR028	P79026	Internal Estate Road - CLLR Phase 1	11,139	10,946	-	193	896	193	-	-	-	-	-	11,139	(5,107)	-	6,032	
P	ED6	PR350	P74039 / WUV (Weyside Urban Village)	170,506	29,004	93,223	110,452	5,653	43,943	66,509	-	-	-	66,509	170,706	(56,787)	-	113,918	
	ED6	PR350	P79100/P182 WUV - Allotment relocation	200	3,442	-	-	281	-	-	-	-	-	-	-	-	-	-	
	ED6	PR350	P79101 WUV - Int roads, Site clearance	-	1	-	-	1,145	-	-	-	-	-	-	-	-	-	-	
	ED6	PR350	P79102 WUV - New GBC Depot	2,480	2,424	-	56	578	56	-	-	-	-	-	2,480	-	-	2,480	
	ED6	PR350	P79103 WUV - Off Site Highways	-	-	-	-	530	-	-	-	-	-	-	-	-	-	-	
	ED6	PR350	P79104 WUV - Thames Water relocation	-	26,717	-	-	17,075	-	-	-	-	-	-	-	-	-	-	
	ED6	PR350	P79105 WUV -Utilities & Plot services	-	-	-	-	77	-	-	-	-	-	-	-	-	-	-	
	ED6	PR350	P79106 WUV - Land Purchase	-	1,091	-	-	-	-	-	-	-	-	-	-	-	-	-	
	ED6	PR350	P79108 WUV - Waste Transfer Centre	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
	ED6	PR350	P79109 WUV - Commercial Development	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
	ED6	PR350	P79110 WUV - SANG	-	-	-	-	212	-	-	-	-	-	-	-	-	-	-	
	ED6	PR350	P79111 WUV - Common Land	-	-	-	-	113	-	-	-	-	-	-	-	-	-	-	
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION</b>				<b>281,555</b>	<b>125,705</b>	<b>143,372</b>	<b>172,902</b>	<b>38,152</b>	<b>68,086</b>	<b>83,182</b>	<b>496</b>	<b>0</b>	<b>0</b>	<b>83,678</b>	<b>277,468</b>	<b>-101,484</b>	<b>-950</b>	<b>175,034</b>	
<b>APPROVED SCHEMES TOTAL</b>				<b>299,405</b>	<b>138,896</b>	<b>147,359</b>	<b>177,942</b>	<b>39,686</b>	<b>72,123</b>	<b>88,944</b>	<b>2,496</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>	<b>95,440</b>	<b>306,459</b>	<b>-102,882</b>	<b>-2,450</b>	<b>201,127</b>
<b>non-development projects total</b>				<b>17,850</b>	<b>13,192</b>	<b>3,987</b>	<b>5,040</b>	<b>1,534</b>	<b>4,037</b>	<b>5,762</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>	<b>11,762</b>	<b>28,991</b>	<b>-1,398</b>	<b>-1,500</b>	<b>26,093</b>
<b>development/infrastructure - non-financial benefit</b>				<b>52,518</b>	<b>17,027</b>	<b>23,156</b>	<b>31,720</b>	<b>7,705</b>	<b>19,406</b>	<b>15,673</b>	<b>496</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,169</b>	<b>52,601</b>	<b>-39,339</b>	<b>-950</b>	<b>12,312</b>
<b>development- financial benefit</b>				<b>229,037</b>	<b>108,678</b>	<b>120,216</b>	<b>141,182</b>	<b>30,447</b>	<b>48,680</b>	<b>67,509</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>67,509</b>	<b>224,867</b>	<b>-62,144</b>	<b>0</b>	<b>162,723</b>	
<b>TOTAL</b>				<b>299,405</b>	<b>138,896</b>	<b>147,359</b>	<b>177,942</b>	<b>39,686</b>	<b>72,123</b>	<b>88,944</b>	<b>2,496</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>	<b>95,440</b>	<b>306,459</b>	<b>-102,882</b>	<b>-2,450</b>	<b>201,127</b>



GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2023-24 to 2028-29

Ref	Veto ref	Code	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive	2023-24											Future years estimated expenditure	Projected expenditure total	Grants or Contributions towards cost of scheme	Net total cost of scheme to the Council			
					Cumulative spend at 31-03-23	Estimate approved by Council in February	Revised estimate	Expenditure at 02.01.24	Projected exp est by project officer	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 year	2031-32 est for yr and SARP to 3233	
(a)	(b)	(c)	(e)	(f)	(g)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(h)	(b)+(g)+(h)=(i)	(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>PLACE DIRECTORATE</b>																						
<b>Assets and Property</b>																						
ED21(P)			Methane gas monitoring system	150	-	150	150	-	-	150	-	-	-	-	150	150	-	150				
ED22(P)			Energy efficiency compliance - Council owned properties & Bridges	3,218	-	2,718	2,718	-	-	2,718	500	-	-	-	3,218	3,218	-	3,218				
ED28(P)			Bridges	370	-	370	370	-	-	370	-	-	-	-	370	370	-	370				
ED57(p)	BID 7 2324		Investment Property void pot	500	-	100	100	-	100	100	100	100	-	-	400	500	-	500				
OP21(P)	PR261		Surface water management plan	200	-	200	200	-	-	200	-	-	-	-	200	200	-	200				
PL62(p)	Bid 4 2223		Chilworth Gunpowder Mills	180	-	165	176	-	20	160	-	-	-	-	160	180	-	180				
<b>PLACE DIRECTORATE TOTAL</b>				<b>4,618</b>	<b>-</b>	<b>3,333</b>	<b>3,713</b>	<b>-</b>	<b>120</b>	<b>980</b>	<b>2,818</b>	<b>600</b>	<b>100</b>	<b>-</b>	<b>4,498</b>	<b>4,618</b>	<b>-</b>	<b>4,618</b>				
<b>COMMUNITY WELLBEING DIRECTORATE</b>																						
<b>Environmental Services</b>																						
OP6(P)	Bid 5 2223		Vehicles, Plans & Equipment Replacement Programme	21,850	-	2,900	2,900	-	-	-	3,085	2,766	7,183	5,330	2,000	600	886	21,850				
PL18(P)			Refurbishment / rebuild Sutherland Memorial Park Pavilion (no longer reqd)	150	-	-	-	-	-	-	-	-	-	-	-	-	-	150				
PL45(p)	PR388		Stoke Pk gardens water feature refurb (no longer reqd)	40	-	40	40	-	-	-	-	-	-	-	-	-	(29)	(29)				
PL57(p)	BID211	P18215	Parks and Countryside - repairs and renewal of paths,roads and	1,382	-	250	250	-	-	500	250	250	382	-	-	-	-	1,382				
PL59(p)	BID229		Milmead fish pass	60	-	60	60	-	-	60	-	-	-	-	60	60	-	60				
PL63(p)	Bid 9 2223		Memorial Wall	100	-	-	-	-	-	-	100	-	-	-	100	100	-	100				
PL34(p)	Bid 10 2223		Stoke cemetery re-landscaping	18	-	18	18	-	-	-	-	-	-	-	18	18	-	18				
PL64(p)	BID 1 2324		Lido Road Allotment Security Fencing	70	-	70	70	-	70	-	-	-	-	-	70	70	-	70				
PL65(p)	BID 2 2324		2015 Play strategy action plan (no longer reqd)	200	-	200	200	-	-	-	-	-	-	-	-	-	-	200				
<b>COMMUNITY WELLBEING DIRECTORATE TOTAL</b>				<b>23,870</b>	<b>-</b>	<b>3,460</b>	<b>3,538</b>	<b>-</b>	<b>88</b>	<b>560</b>	<b>3,435</b>	<b>3,016</b>	<b>7,565</b>	<b>5,330</b>	<b>2,000</b>	<b>600</b>	<b>886</b>	<b>23,392</b>	<b>(29)</b>	<b>23,451</b>		
<b>TRANSFORMATION &amp; GOVERNANCE DIRECTORATE</b>																						
<b>Commercial Services</b>																						
PL66(p)	BID 3 2324		Spectrum upgrades	7,100	-	1,250	1,250	-	-	3,000	2,300	1,150	650	-	-	-	-	7,100				
<b>TRANSFORMATION &amp; GOVERNANCE DIRECTORATE TOTAL</b>				<b>7,100</b>	<b>-</b>	<b>1,250</b>	<b>1,250</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>2,300</b>	<b>1,150</b>	<b>650</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,100</b>	<b>-</b>	<b>7,100</b>		
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS</b>																						
<b>Development / Infrastructure - PLACE DIRECTORATE</b>																						
PR130	P79996		Investment in North Downs Housing (no longer reqd)	30,100	-	5,518	5,518	-	-	-	-	-	-	-	-	-	-	-				
PR130	P79997		Equity shares in Guildford Holdings Ltd (no longer reqd)	-	-	3,683	3,683	-	-	-	-	-	-	-	-	-	-	-				
P10(p)	PR316		Sustainable Movement Corridor (no longer reqd)	150	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
P11(p)	PR364 &		Guildford West (PB) station (moved to Capital Vision)	1,000	-	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-				
ED48(p)	PR390		Westfield/Moorfield rd resurfacing	3,152	-	-	-	-	-	3,152	-	-	-	-	-	-	-	3,152				
OP24(p)	BID 4 2324		Development Financial - PLACE DIRECTORATE	2,430	-	200	200	-	200	2,200	30	-	-	-	-	-	-	2,430				
ED16(P)	PR350		WUV (Wayside Urban Village)	150,622	-	1,522	1,522	-	-	83,450	51,057	10,025	-	-	-	-	-	144,532				
ED38(P)	PR041		North Street development	1,250	-	50	50	-	50	50	50	50	950	-	-	-	-	1,250				
P12(p)	PR371 & 4		Property acquisitions (no longer reqd)	38,292	-	28,292	28,292	-	-	-	-	-	-	-	-	-	-	-				
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS TOTAL</b>				<b>226,996</b>	<b>-</b>	<b>40,265</b>	<b>40,265</b>	<b>-</b>	<b>250</b>	<b>88,852</b>	<b>51,137</b>	<b>10,075</b>	<b>50</b>	<b>50</b>	<b>950</b>	<b>-</b>	<b>-</b>	<b>151,114</b>	<b>(29)</b>	<b>151,364</b>		
<b>PROVISIONAL SCHEMES - GRAND TOTALS</b>				<b>262,584</b>	<b>-</b>	<b>48,308</b>	<b>48,766</b>	<b>-</b>	<b>458</b>	<b>93,392</b>	<b>59,690</b>	<b>14,841</b>	<b>8,365</b>	<b>5,380</b>	<b>2,950</b>	<b>600</b>	<b>886</b>	<b>186,104</b>	<b>(29)</b>	<b>186,533</b>		
<b>Summary of Development/Infrastructure - non-financial benefit</b>																						
non development projects				35,588	-	8,043	8,041	-	208	4,440	8,553	4,766	8,315	5,330	2,000	600	886	34,990	35,198	(29)	35,169	
Development/Infrastructure - non-financial benefit				34,402	0	10,201	10,201	0	0	3,152	0	0	0	0	0	0	0	0	3,152	3,152	0	3,152
Development - financial benefit				192,594	0	30,064	30,064	0	250	85,700	51,137	10,075	50	50	950	0	0	0	147,962	148,212	0	148,212
<b>TOTAL</b>				<b>262,584</b>	<b>0</b>	<b>48,308</b>	<b>48,766</b>	<b>0</b>	<b>458</b>	<b>93,392</b>	<b>59,690</b>	<b>14,841</b>	<b>8,365</b>	<b>5,380</b>	<b>2,950</b>	<b>600</b>	<b>886</b>	<b>186,104</b>	<b>(29)</b>	<b>186,533</b>		
<b>SUMMARY</b>																						
<b>PROVISIONAL SCHEMES - TOTAL</b>				<b>262,584</b>	<b>-</b>	<b>48,308</b>	<b>48,766</b>	<b>-</b>	<b>458</b>	<b>93,392</b>	<b>59,690</b>	<b>14,841</b>	<b>8,365</b>	<b>5,380</b>	<b>2,950</b>	<b>600</b>	<b>886</b>	<b>186,104</b>	<b>(29)</b>	<b>186,533</b>		
<b>GRAND TOTAL</b>				<b>262,584</b>	<b>-</b>	<b>48,308</b>	<b>48,766</b>	<b>-</b>	<b>458</b>	<b>93,392</b>	<b>59,690</b>	<b>14,841</b>	<b>8,365</b>	<b>5,380</b>	<b>2,950</b>	<b>600</b>	<b>886</b>	<b>186,104</b>	<b>(29)</b>	<b>186,533</b>		

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GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2023-24 to 2028-29: HRA APPROVED PROGRAMME

	Project Budget £000	2022-23 Actual £000	Project Spend at 31-03-23 £000	2023-24 Estimate £000	Carry Forward	2023-24 Revised Estimate £000	Expenditure as at 03.01.24 0	2023-24 Projected Outturn £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000	2028-29 Estimate £000	Total Project Exp £000
<b>Acquisition of Land &amp; Buildings</b>	22,900	4,165	18,382	4,000	518	4,518	2,441	4,518	0	0	0	0	0	22,900
<b>New Build</b>														
Guildford Park	6,575	1,766	5,366	1,084	125	1,209	244	745	464	0	0	0	0	6,575
Bright Hill (no longer reqd)	500	50	67	423	10	433	0	0	0	0	0	0	0	67
Foxburrows Redevelopment	10,657	0	0	9,591	0	9,591	0	0	9,591	1,066	0	0	0	10,657
Shawfield Redevelopment	300		4	296	0	296	0	0	296	0	0	0	0	300
Various small sites & feasibility/Site preparation	1,000		0	0	0	0	0	0	1,000	0	0	0	0	1,000
Pipeline projects:	9,425		7	3,422	5,700	9,122		0	0	0	0	0	0	9,122
Manor House Flats		20	95			0	18	74	59	1,271	1,688	292		
Banders Rise		5	28			0	3	2	0	0				
Station Road East		4	27			0	6	60	355	314	62			
Dunmore Garden Land		5	39			0	31	73	445	61	51			
Clover Road Garages		11	57			0	7	101	1,071	1,588	272			
Rapleys Field		11	29			0	6	90	729	1,184	198			
Georgelands 108		4	5			0	10	72	359	46	36			
27 Broomfield		5	9			0	7	59	325	45	36			
17 Wharf Lane		4	8			0	6	57	312	44	34			
Development Projects	7,100			7,100		7,100		0	0			4,748		7,100
<b>Schemes to promote Home-Ownership</b>														
Equity Share Re-purchases	annual	0	annual	400	0	400	0	400	400	400	0	0	0	annual
<b>Major Repairs &amp; Improvements</b>				20,600	6,736	27,336		27,336	0					
Retentions & minor carry forwards	annual	0	annual				0	0						annual
Modern Homes - Kitchens, Bathrooms & Void refurb	annual	6,602	annual				13,137	0						annual
Doors and Windows	annual	908	annual				1,855	0						annual
Structural/Roof	annual	1,056	annual				734	0						annual
Energy efficiency: Central heating/Lighting	annual	1,948	annual				1,100	0						annual
General	annual	9,794	annual				5,903	0						annual
ICT - Housing Management System	1,900			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>60,357</b>	<b>26,355</b>	<b>24,122</b>	<b>47,866</b>	<b>13,089</b>	<b>60,955</b>	<b>25,509</b>	<b>34,537</b>	<b>16,356</b>	<b>6,019</b>	<b>2,377</b>	<b>5,040</b>	<b>0</b>	<b>59,621</b>

**GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2023-24 to 2028-29: HRA PROVISIONAL PROGRAMME**

	Project Budget	2022-23 Actual	Project Spend at 31-03-23	2023-24 Estimate	Carry Forward	2023-24 Revised Estimate	2023-24 Projected Outturn	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate	Total Project Exp
	£000	£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000
<b>New Build</b>													
Guildford Park	39,125	0	1,225	1,173	0	1,173	0	3,869	8,472	6,887	6,007	12,664	39,125
Bright Hill Development	16,500	0	0	8,680	0	8,680	0	0	0	0	0	0	0
Slyfield (25/26 £5m; 26/27 £44m)	50,000	0	0	0	1,000	1,000	0	0	5,000	44,000	0	0	49,000
Shawfield Redevelopment	3,000	0	0	500	0	500	0	0	0	0	0	0	0
<b>Major Repairs &amp; Improvements</b>													
Major Repairs & Improvements	annual		annual	5,500	0	5,500	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	0	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>15,928</b>	<b>1,000</b>	<b>16,928</b>	<b>0</b>	<b>9,444</b>	<b>19,047</b>	<b>56,462</b>	<b>11,582</b>	<b>18,239</b>	<b>88,125</b>

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Appendix 4

## 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

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Appendix 5

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 responsible 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 2023

- UK inflation and wage growth remain elevated but have eased over the past two months fuelling rate cuts expectations. Near-term rate cuts remain unlikely, although downside risks will increase as the UK economy likely slides into recession.
- The MPC’s message remains unchanged as the Committee seeks to maintain tighter financial conditions. Monetary policy will remain tight as inflation is expected to moderate to target slowly, although some wage and inflation measures are below the Bank’s last forecasts.
- Despite some deterioration in activity data, the UK economy remains resilient in the face of tighter monetary policy. Recent data has been soft but mixed; the more timely PMI figures suggest that the services sector is recovering from a weak Q3. Tighter policy will however bear down on domestic and external activity as interest rates bite.
- Employment demand is easing. Anecdotal evidence suggests slowing recruitment and pay growth, and we expect unemployment to rise further. As unemployment rises and interest rates remain high, consumer sentiment will deteriorate. Household and business spending will therefore be weak.
- Inflation will fall over the next 12 months. The path to the target will not be smooth, with higher energy prices and base effects interrupting the downtrend at times. The MPC’s attention will remain on underlying inflation measures and wage data. We believe policy rates will remain at the peak for another 10 months, or until the MPC is comfortable the risk of further ‘second-round’ effects has diminished.
- Maintaining monetary policy in restrictive territory for so long, when the economy is already struggling, will require significant loosening in the future to boost activity.
- Global bond yields will remain volatile. Markets are currently running with expectations of near-term US rate cuts, fuelled somewhat unexpectedly by US policymakers themselves. Term premia and bond yields have experienced a marked decline. It would not be a surprise to see a reversal if data points do not support the narrative, but the current 10-year yield appears broadly reflective of a lower medium- term level for Bank Rate.
- There is a heightened risk of fiscal policy and/or geo-political events causing substantial volatility in yields.

	Current	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
<b>Official Bank Rate</b>													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.25	5.25	5.25	5.25	5.00	4.75	4.25	4.00	3.75	3.50	3.25	3.00	3.00
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
<b>3-month money market rate</b>													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.40	5.40	5.40	5.30	5.15	4.80	4.30	4.10	3.80	3.50	3.25	3.05	3.05
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
<b>5yr gilt yield</b>													
Upside risk	0.00	0.25	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.77	3.75	3.75	3.75	3.70	3.60	3.50	3.50	3.40	3.30	3.30	3.30	3.35
Downside risk	0.00	-0.25	-0.75	-0.85	-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	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.72	3.75	3.80	3.80	3.80	3.80	3.80	3.80	3.75	3.65	3.60	3.65	3.70
Downside risk	0.00	-0.25	-0.75	-0.85	-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	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.16	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.25
Downside risk	0.00	-0.25	-0.75	-0.85	-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	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.76	3.80	3.85	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.95	3.95	3.95
Downside risk	0.00	-0.25	-0.75	-0.85	-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%  
 PWLB HRA Rate (Maturity Loans) = Gilt yield + 0.40%; UKIB Rate (Maturity Loans) = Gilt yield + 0.60%

- The MPC held Bank Rate at 5.25% in December. We believe this is the peak for Bank Rate.
- The MPC will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. We see rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.
- The immediate risks around Bank Rate have become more balanced, due to the weakening UK economy and dampening effects on inflation. This shifts to the downside in the short term as the economy weakens.
- Long-term gilt yields are now substantially lower. Arlingclose expects yields to be flat from here over the short-term reflecting medium term Bank Rate forecasts. Periodic volatility is likely.

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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 2024/25 to 2025/26**

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 has applied from the financial years 1 April 2016 to 1 April 2021 without amendment. In February 2021, the scheme was extended for financial years from 1 April 2022 to 1 April 2024, and it was announced as part of the LG Finance Settlement in December 2023 to extend the scheme further.

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

this flexibility to help fund transformation, service redesign costs and any costs associated with our savings programme from 2024/25.

The recommendation in this report is to request Councillors to approve the flexible use of capital receipts strategy, for the transformation costs incurred in 2024/25.

## 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)

# Guildford Borough Council

Report to: Corporate Governance and Standards Committee

Date: 18 January 2024

Ward(s) affected: All

Report of Director: Joint Executive Head of Finance (section 151)

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Report Status: Open

## Month 8 Financial Monitoring 2023/24

### 1. Executive Summary

- 1.1 The report summarises the projected outturn position for the Council's General Fund (GF) revenue account and Housing Revenue Account (HRA), based on the latest actual and accrued data.
- 1.2 The revised budget has been adjusted to reflect the changes agreed to bring the budget back into a balanced position. Officers are projecting an underspend within services on the GF revenue account of £0.467 million which includes specific reserves transfers. Corporate adjustments, provisions and external interest receivable, is forecast to overachieve by £0.629 million to give an overall favourable variance of £1.096 million. Any surpluses or deficits would impact reserves at year end.
- 1.3 Within the forecast of external interest is a budget of £0.800 million which is expected to be received from North Downs Housing (NDH), this has been highlighted as being a risk based on past performance, and a provision of £0.300 million has been included to reduce the risk

the Council is exposed to. Discussions will be held with NDH to agree this position.

- 1.4 Officers are projecting an overspend on the HRA of £0.616 million, details are highlighted in the report.
- 1.5 The Orchard system (Housing management system) contains a number of jobs which have not been invoiced for and therefore not shown in Business World.
- 1.6 GF reserves are forecast to be £34.819 million at year end, of which £31.622 million are earmarked and £3.198 million are available and classed as usable, this excludes the GF working balance.
- 1.7 Progress against the capital programme is underway. The Council expects to spend £81.85 million on its capital schemes by the end of the financial year against a budgeted expenditure of £228.66 million. This forecast supports the report of the Interim Director of Finance reducing the Capital programme by £99.6 million.
- 1.8 The Committee will recall that the Month 6 report on the agenda for the last meeting on 29 November 2023 contained a number of errors. A corrected report was circulated to the Committee on 1 December. For transparency purposes, the corrected report is attached, for information, as Appendix 5 to this report.

## **2. Recommendation to Committee**

- 2.1. That the Committee notes the Council's latest financial monitoring for Month 8 of the 2023/24 financial year, and passes any comments and observations to the Executive.

## **3. Reason for Recommendation:**

- 3.1. To ensure that Councillors and executives fulfil their responsibilities for the overall financial management of the council's resources.

## **4. Exemption from publication**

- 4.1. No part of this report is exempt from publication.

## **5. Purpose of Report**

- 5.1. This report shows the projected outturn for 2023/24 for the GF and HRA based on the latest actual position and assumptions, and progress against capital projects within its capital programme.

## **6. Strategic Priorities**

- 6.1. Councillors have reviewed and adopted a Corporate Plan for the period 2021-2025. Monitoring of our financial position during the year is a crucial part of managing the resources that will ultimately support the delivery of the Corporate Plan.

## **7. Background**

- 7.1. The Council's Corporate Management Board, Chief Financial Officer and Deputy review monitoring reports. Financial monitoring for all services is reported to this Committee on a regular basis.
- 7.2. This report sets out the financial monitoring and covers the GF, Capital and HRA monitoring.

## **8. Consultations**

- 8.1. Finance specialists prepare the financial monitoring in consultation with the relevant service managers, Joint Executive Heads of Service and Directors.
- 8.2. The Lead Councillor for Finance & Property has been consulted on the content of this report.

## **9. Key Risks**

- 9.1. Any overspend on the GF will impact on the Council's reserve position and potentially in future years depending on the reasons for the overspend.
- 9.2. Any overspend on the HRA will impact on the ringfenced reserves held within the HRA.

- 9.3. The value of unpaid work held within the Orchard system may have significant impact on GF and HRA reserves.
- 9.4. Interest payment of £0.800 million are budgeted from NDH which, based on past performance, may not be achieved. As a mitigation, £0.300 million has been included as a provision for non-receipt of interest.

## 10. Financial Implications

### General Fund Revenue Account

- 10.1. The current forecast spending against the Council's net GF budget for the year is projected to be a favourable position of £1.096 million. The forecast is based on the worst-case scenario for expenditure pressure. The table below shows the GF Summary monitoring report. Officers have prepared the projected outturn on the latest available information. Monitoring takes place against the revised budget for the year (original budget approved by Council in July 2023 plus any virements or supplementary estimates during the year).

<b>GENERAL FUND SUMMARY</b>	<b>Original Estimate 2023-24 £</b>	<b>Latest Estimate 2023-24 £</b>	<b>Projected Outturn 2023-24 £</b>	<b>Variance to latest 2023-24 £</b>
Community Wellbeing	18,037,833	17,969,449	18,082,341	112,892
Place	(2,044,480)	(2,472,928)	(1,573,740)	899,188
Transformation and Governance	10,190,811	9,441,690	7,963,016	(1,478,674)
<b>Total Directorate Level</b>	<b>26,184,164</b>	<b>24,938,211</b>	<b>24,471,617</b>	<b>(466,594)</b>
Less capital charges	(8,772,936)	(8,772,936)	(8,772,936)	0
	<b>17,411,228</b>	<b>16,165,275</b>	<b>15,698,681</b>	<b>(466,594)</b>
<u>Corporate Items</u>				
External interest receivable (net)	(2,794,690)	(3,394,690)	(4,340,706)	(946,016)
Interest payable to Housing Revenue Account	1,375,960	1,375,960	1,307,779	(68,181)
Minimum Revenue Provision	1,780,745	1,618,674	1,617,981	(693)
Other reserve movements	9,940	9,940	95,786	85,846
Business Rates GF impact	(3,152,126)	(3,152,126)	(3,152,126)	0
Provisions	0	0	300,000	300,000
Other Govt Grants	(227,765)	(227,765)	(227,765)	0



New Homes Bonus	(1,282,629)	(1,282,629)	(1,282,629)	0
Council Tax Collection Fund	0	140,061	140,061	0
<b>Net General Fund Cost</b>	<b>13,120,662</b>	<b>11,252,699</b>	<b>10,157,061</b>	<b>(1,095,638)</b>
Council Tax requirement	11,252,700	11,252,700	11,252,700	0
<b>Shortfall / (surplus)</b>	<b>1,867,962</b>	<b>(1)</b>	<b>(1,095,639)</b>	<b>(1,095,638)</b>

The table below shows variances within each directorate's spending with major variances across services explained in Appendix 1.

<b>Directorate</b>	<b>2023/24 Revised Budget £ million</b>	<b>2023/24 Year-end Forecast £ million</b>	<b>2023/24 Variance £ million</b>
Community Wellbeing	17.969	18.082	0.113
Place	(2.473)	(1.574)	0.899
Transformation & Governance	9.442	7.963	(1.479)
<b>Totals</b>	<b>24.938</b>	<b>24.472</b>	<b>0.467</b>

## 10.2. Housing Revenue Account

The HRA is forecast to have an adverse variance this financial year by £0.616 million, as summarised in the table below. This would reduce the transfer to reserves if action cannot be taken to reduce this.

	<b>2023/24 Revised Budget £ million</b>	<b>2023/24 Forecast £ million</b>	<b>2023/24 Variance £ million</b>
Expenditure	21.761	22.885	1.123
Income	(36.654)	(37.161)	(0.507)
Transfer to Reserves	14.893	14.893	0
<b>(surplus)/deficit</b>	<b>0.000</b>	<b>0.616</b>	<b>0.616</b>

All significant variances are shown in Appendix 2.

### **Orchard System**

The Housing Management System (Orchard) holds details of all the repairs and maintenance for the properties within Guildford. Jobs are entered into this system, undertaken by both internal and external expertise. Once the jobs are approved as being completed, they are authorised within Orchard and transferred to BW for payment. Jobs held within Orchard are jobs which are awaiting post inspection approval or have been cancelled but not removed. These activities cover General Fund, capital and HRA properties and budgets. The values held in Orchard below for both a 3 month and 12-month since the job was raised.

	12 month £M	3 month £M
Capital	13.171	2.002
General Fund	0.307	0.135
HRA	3.518	1.966
<b>Total</b>	<b>16.996</b>	<b>4.103</b>

An exercise is currently being undertaken to review all the outstanding orders and cancel as appropriate. This will leave a true value of outstanding commitments, which will eventually feed into the general ledger system.

### **10.3. Reserves Monitoring**

The GF earmarked revenue reserves estimate as at 31 March 2024 includes £31.122 million of projected earmarked reserves which are not available for general spending because they are contingent in nature (for example the insurance reserve) or are earmarked for specific future spending such as car parks maintenance which helps even out expenditure on the GF.

The Council is also required, under accounting practice, to hold endowment funds received as developer planning contributions in earmarked reserves for the long-term repairs and maintenance expenditure on Special Protection Areas (SPA) or Suitable Alternative Natural Greenspaces (SANGs), these reserves are required to fund the revenue costs of SPA / SANGS in perpetuity. Earmarked reserves for SPA and SANGS are projected to be £14.140 million at 31 March 2024.

The level of projected earmarked reserves available for general purposes, to support the revenue or capital budgets is therefore the balance of the MTFP £3.198 million.

	Balance at 31 March 2023	Receipts in Year	Transfers out in Year	Estimated Balance at 31 March 2024
	£000	£000	£000	£000
<b>General Fund Reserves</b>				
MTFP	-4,277,712	0	1,079,950	-3,197,762
Carried Forward Items	-870,238	0	122,000	-748,238
ICT Renewals	-1,894,367	-500,000	926,000	-1,468,367
Insurance	-500,000	0	0	-500,000
Spectrum	-773,352	0	352,631	-420,721
Car Parks Maintenance	-2,330,540	0	394,049	-1,936,491
Car Parks Equalisation reserve	0	-500,000	0	-500,000
Business Rates equalisation	-2,930,539	-5,619,763	0	-8,550,302
Special Protection Areas (SPA) sites	-13,588,745	-658,212	107,369	-14,139,588
BR Covid ongoing	-330,462	0	0	-330,462
Other reserves	-1,361,017	-1,666,611	500,207	-2,527,421
<b>TOTAL</b>	<b>-28,856,972</b>	<b>-8,944,586</b>	<b>3,482,206</b>	<b>-34,319,352</b>

There is no statutory minimum for the level of General Fund Balance to be held although it is widely accepted that between 5% – 10% of net budget is best practice. For the Council this would be between £1.249 million and £2.498 million.

#### 10.4. Capital Programme

The table below summarises the current position on the various strands of the Council’s capital programme. A detailed explanation is provided in the paragraphs below.

<b>CAPITAL EXPENDITURE SUMMARY</b>	<b>2023-24 Approved £000</b>	<b>2023-24 Revised £000</b>	<b>2023-24 Outturn £000</b>	<b>2023-24 Variance £000</b>
<b>General Fund Capital Expenditure</b>				
- Main Programme	147,239	177,912	77,963	(99,949)
- Provisional schemes	48,428	48,886	2,078	(46,808)
- Schemes funded by reserves	1,031	1,564	1,504	(60)
- S106 Projects	122	303	303	0
<b>Total Expenditure</b>	<b>196,820</b>	<b>228,665</b>	<b>81,848</b>	<b>(146,817)</b>
<b>Housing Revenue Account Capital Expenditure</b>				
Approved programme	47,866	60,955	34,537	(26,419)
Provisional programme	15,928	16,928	0	(16,928)
<b>Total Expenditure</b>	<b>63,794</b>	<b>77,883</b>	<b>34,537</b>	<b>(43,347)</b>

**Approved (main) programme** Expenditure is expected to be £77.96 million representing a £99.95 million variance to the revised estimate of £177.9 million. If a project is on the approved programme, it is an indicator that the project has started or is near to start following the approval of a final business case by Executive. Whilst actual expenditure for the period of £31.96 million (as shown in Appendix 4) may seem low, several significant projects are in progress and delivery of the corporate projects and programmes is progressing. See appendix 3 for details of the movements.

### **Provisional programme**

Expenditure on the provisional programme is expected to be £2.07 million, against the revised estimate of £48.8 million, representing a variance of £46.8 million. These projects are still at feasibility stage and will be subject to Executive approval of a business case before they are transferred to the approved capital programme. It is only once the business case is approved that the capital works can begin. Monitoring the progress of these projects is key to identifying project timescales.

The re-profiling of schemes has resulted in a lower level of expenditure than planned in 2023/24.

### **S106 programme**

Capital schemes funded from s106 developer contributions are expected to total £303,000. Developer contributions are time limited

and if they are not used within the timescales to fund a capital project then they will need to be repaid to the developer. As a result, it is important that the Council closely monitors the S106 funds it has and puts plans in place to spend the contributions within the required timescales. There is regular reporting to CGSC on the position of s106 agreements.

### **Reserves**

Some capital schemes are funded from the Council's specific reserves. The outturn is anticipated to be £1.50 million. The main projects are:

- Expenditure on car parks £330,000.
- ICT renewals and infrastructure improvements £926,000

### **Capital Resources**

When the Council approved the budget in February 2023, the estimated underlying need to borrow for 2023/24 was £149.35 million. The current estimated underlying need to borrow is £28.3 million. The reduction is due to significant changes in the programme where schemes have been re-profiled into future years, removed from the programme, or moved to the Capital Vision (as agreed as part of the Financial Recovery Plan in December).

### **Capital Funding**

The table below outlines the various streams of grant and s106 funding for our two main Capital Projects, Weyside Urban Village (WUV) and Ash Road Bridge.

	Funding received or accrued as at 31.03.23	2023-24			2023-24 estimated remaining funding	Future Years	Total Funding
		claimed in year	Funds received	payment due			
	£	£	£	£	£	£	£
<b>Weyside Urban Village (WUV)</b>							
LEP: WUV Internal Estate Road	5,106,767					-	5,106,767
LEP WUV	3,943,233					-	3,943,233
Grant WUV £135k Homes for England SCC	135,000					-	135,000
HIF Grant WUV (capacity funding)	409,256				134,637		409,256
HIF Grant WUV £52.3m	9,875,816	12,433,254		13,745,576	10,344,446	19,646,484	52,300,000
<b>WUV Funding total</b>	<b>19,470,072</b>	<b>12,433,254</b>	-	<b>13,745,576</b>	<b>10,479,083</b>	<b>19,646,484</b>	<b>61,894,255</b>
							0
<b>Ash Road Bridge</b>							0
Ash Road Bridge HIF (capacity funding)	410,040					-	410,040
Ash Road Bridge HIF £23.9m	5,921,573	8,893,235	4,557,300	4,335,934	9,085,192		23,900,000
Ash Road Bridge SCC					5,000,000		5,000,000
Ash Road Bridge s106 contributions	2,505,334		149,102		1,360,898	2,640,000	6,655,334
							0
<b>ARB Funding total</b>	<b>8,836,947</b>	<b>8,893,235</b>	<b>4,706,402</b>	<b>4,335,934</b>	<b>15,446,090</b>	<b>2,640,000</b>	<b>35,965,374</b>

### Housing Investment Programme Approved Capital

The HRA approved capital programme is expected to outturn at £34.537 million against a revised estimate of £60.955 million. Several projects are in progress.

The Guildford Park, Bright Hill and various small site new build projects and acquisition of land and buildings into the HRA is partially funded by receipts generated through Right to Buy (RTB) Sales of Council Houses. With the changes on RTB Pooling the council now has 5 years in which it can spend RTB receipts and can fund 40% of the cost of replacement housing from the RTB receipts. Should the Council not spend enough money on its Housing Investment Programme in order to utilise its RTB receipts within the timescales then they will need to be repaid to government with interest at base rate plus 4%. The RTB schedule below details:

- the amount of expenditure required to avoid repayment, based on actual spend to date and assumption of 20 RTB sales per year, and
- A forecast of expenditure to be incurred as detailed on the approved housing capital programme.

Based on this scenario there is no current risk of repayment over the MTFP period, however, should the capital programme be subject to delay and slippage this risk will increase.

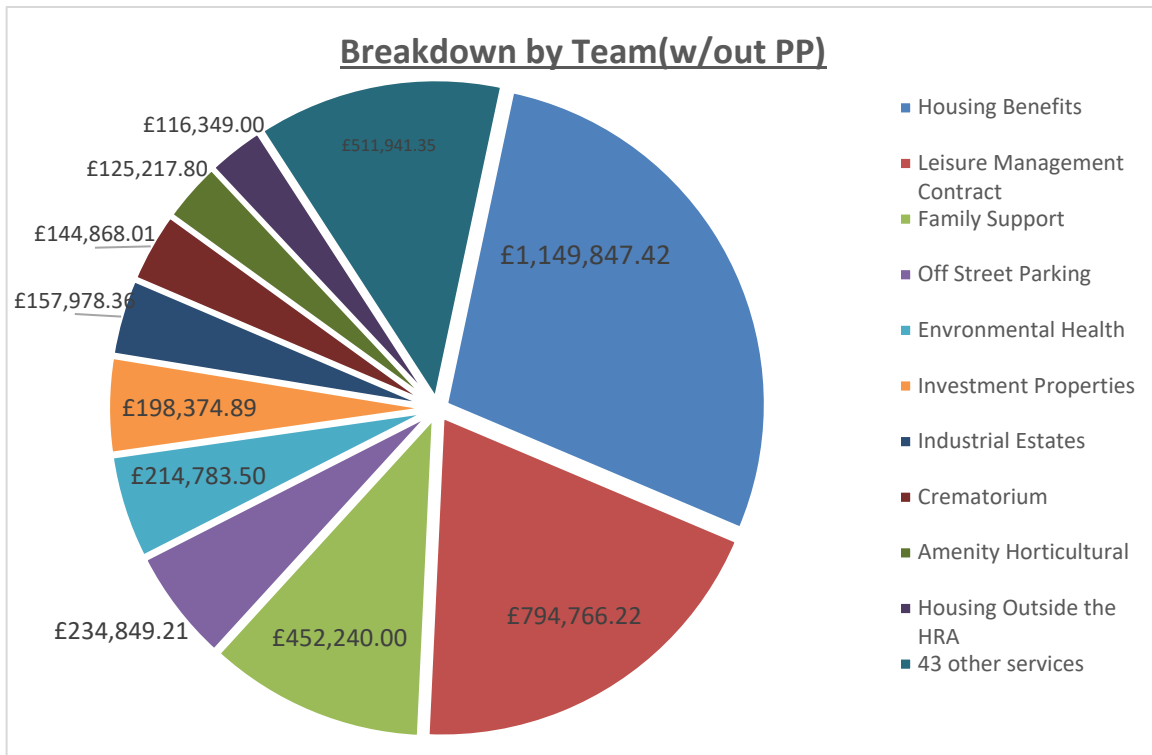
<b>Reconciliation of Spend to RTB</b>	<b>2023-24 £000</b>	<b>2024-25 £000</b>	<b>2025-26 £000</b>	<b>2026-27 £000</b>	<b>2027-28 £000</b>
Value of receipts that will need surrendering if no further spend	0	0	0	0	2676
HIP Expenditure required to avoid RTB repayments	0	0	0	0	6,691
Forecast HIP Expenditure from the Approved Capital program	4,428	15,839	6,019	0	0
Cumulative Expenditure forecast	6,250	22,089	28,107	28,107	28,107
Forecast additional receipts that will be used (c x 40%)	1,771	6,335	2,407	0	0
Cumulative additional receipts that will be used ((cumulative	1,771	8,106	10,514	10,514	7,838
<b>Revised value of receipts that might need to be surrendered</b>			0	0	0

## 11. Sundry Debt

11.1. As at 30 November 2023, the current sundry debt (including Housing Benefit overpayments) position is £5.642 million of which £1.2 million is less than 30 days and within payment terms, leaving £4.442 million overdue debt. Of that £1.541 million is supported by payment plans leaving £2.901 million which is debt due to the Council. This has risen from last month due to one invoice for £611,000 moving to overdue, it has been confirmed this has now been paid.

<b>Period</b>	<b>Total Overdue Debt</b>	<b>Total Payment Plan</b>	<b>Remaining Overdue Debt</b>	<b>Payment Plan %</b>
202208	£ 5,592,452.61	£ 2,010,598.34	£ 3,581,854.27	36%
202209	£ 5,620,812.91	£ 2,365,288.44	£ 3,255,524.47	42%
202210	£ 5,336,596.73	£ 2,305,930.36	£ 3,030,666.37	43%
202211	£ 8,077,774.74	£ 2,317,955.82	£ 5,759,818.92	29%
202212	£12,180,649.67	£ 2,644,307.89	£ 9,536,341.78	22%
202301	£ 9,354,272.01	£ 2,607,303.05	£ 6,746,968.96	28%
202302	£ 7,053,358.32	£ 2,578,619.12	£ 4,474,739.20	37%
202303	£ 5,682,074.83	£ 2,346,931.83	£ 3,335,143.00	41%
202304	£ 5,364,338.08	£ 2,209,650.54	£ 3,154,687.54	41%
202305	£ 4,534,405.53	£ 1,951,096.70	£ 2,583,308.83	43%
202306	£ 5,644,518.75	£ 1,859,929.23	£ 3,784,589.52	33%
202307	£ 4,499,292.52	£ 1,745,717.13	£ 2,753,575.39	39%
202308	£ 4,442,079.40	£ 1,541,055.43	£ 2,901,023.97	35%

Overdue debt continues the downward trend at £4.442 million with only the one invoice of £611,000, that has now been paid, stopping us being under £4 million overdue.



### Age of Debt

Age of debt is monitored to ensure our response is appropriate and effective.

Age of Debt	Overdue by less than 30 days	Overdue between 31 & 60 days	Overdue between 61 & 90 days	Overdue between 3 to 12 months	Overdue by more than 12 months	Total Debt
Type of Debt	£	£	£	£	£	£
Sundry Debt on a Payment plan	13,108	429	61,310	222,938	614,702	912,487
Remaining Sundry Debt	789,437	63,152	215,918	307,872	402,964	1,779,343
Housing Benefit Debt on Payment Plan	2,972	9041.44	0	11,922	604,207	628,142
Remaining Housing Benefit Debt	3,038	2,740	9,677	54,775	1,051,877	1,122,107
<b>Total Debt</b>	<b>808,554</b>	<b>75,362</b>	<b>286,905</b>	<b>597,507</b>	<b>2,673,751</b>	<b>4,442,079</b>

NB: Green = value is less than last month Red = value is higher than last month

1. As seen from the above majority of areas re showing a reduction with the exception of less than 30 days which is reflective of the £611,000 which has now been paid.
2. New reporting is now available to the case team which should allow for easier prioritization and more effective collection from the team.



3. Escalation process is an ongoing project in collaboration with Finance, Resource Case team and services. A further update on this will be given on a monthly basis to ensure the relative people are informed of progress.
4. Any overdue debt at the end of the financial year will give rise to a bad debt calculation and impact on the GF revenue account.

## **12. Legal Implications**

- 12.1 Financial reporting is consistent with the Section 151 officer's duty to ensure good financial administration of the council.

## **13. Human Resource Implications**

- 13.1 There are no human resources implications arising from this report.

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

- 14.1 There are no direct equality and diversity because of this report. Each Executive Head of Service will consider these issues when providing their services and monitoring their budgets.
- 14.2 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 This duty has been considered in the context of this report and it has been concluded that there are no climate change or sustainability implications arising directly from this report.

## **16. Summary of Options**

- 16.1 This report outlines the anticipated end of year position for the 2023/24 financial year based on the latest assumptions and actual data. This report should be considered in the current economic context and the updated December Finance Recovery Plan

## **17. Conclusion**

- 17.1 The report summarises the financial monitoring position to date for the 2023/24 financial year.
- 17.2 There is currently a net favourable variance from budget of £1.096 million on the general fund. Services must review all known risks and continue to manage budgets to ensure this remains favourable.

## **18. Background Papers**

None.

## **19. Appendices**

Appendix 1: Summary Directorate Variances

Appendix 2: HRA Summary Variances

Appendix 3: Approved Capital Programme Movements

Appendix 4: Capital Programme

Appendix 5: Copy of the corrected Month 6 Report submitted to the Committee on 29 November 2023

## Summary Directorate Variances

### Community Wellbeing

The Community Wellbeing Directorate is currently forecast to be overspent by £0.113 million.

Community Wellbeing	2023/24 Revised Budget £ million	2023/24 Year-end Forecast £ million	2023/24 Variance £ million
Communications & Customer Services	1.520	1.458	(0.062)
Community Services	4.034	3.689	(0.345)
Environmental Services	10.463	10.667	0.203
Housing Services	1.953	2.269	0.316
<b>Total Community Wellbeing</b>	<b>17.969</b>	<b>18.082</b>	<b>0.113</b>

The key variances are detailed below.

Service Area	Forecast Variance £ million	Explanation
Community Services	(0.345)	Underspend is due to additional income from the help on hand service from previous periods, saving on salaries and unbudgeted grant income received.
Environmental Services	0.203	The cremator experienced unexpected damage which required unbudgeted additional costs and loss of income. Additional staffing costs in refuse and recycling, fleet management, garden waste. The service also experienced additional operating costs in fleet management. Overspend have been partially mitigated by underspends in amenity Horticulture due to unsuccessful recruitment leading to vacant posts.
Housing Services	0.316	The housing service has significant increased costs due to the rising costs of materials,

		labour and staffing costs in Building Management. Woking Road Depot stores are forecasting an overspend due to use of casuals and reduced income. This is offset by an underspend on staff in housing surveying in addition to increased recharges to capital and projects. Within homelessness we are monitoring potential homelessness due to the closing of some venues.
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### Place Directorate

The Place Directorate is currently forecast to be overspent by £0.899 million.

Place	2023/24 Revised Budget £ million	2023/24 Year-end Forecast £ million	2023/24 Variance £ million
Assets and Property	(7.335)	(6.660)	0.675
Planning & Development	1.351	2.174	0.823
Regeneration & Planning Policy	1.894	1.563	(0.331)
Regulatory Services	1.618	1.350	(0.268)
<b>Total Place</b>	<b>(2.473)</b>	<b>(1.574)</b>	<b>0.899</b>

The key variances are detailed below.

Service Area	Forecast Variance £ million	Explanation
Assets and Property	0.675	Anticipated overspend of £632,903 on Asset Maintenance, of which £495,000 is maintenance items not under the control of Assets & Property. Overspend in Woking Road Facilities Management on maintenance contracts, equipment, services and unbudgeted spends on agency staff,

		partly due to health and safety concerns
Planning & Development	0.823	There are considerable additional costs forecast within the service due to appeals and the need for experts and consultants. There has been a transfer from reserves of approx. £0.9 million. to help mitigate these additional costs. Reduced income from land charges due to economic climate deterring homeowners requiring this service.
Regeneration & Planning Policy	(0.331)	A favourable forecast due to underspends on major projects, recharges to capital and planned savings to support current financial situation
Regulatory services	(0.268)	Unbudgeted additional income due to the HMO 4-year renewal in addition to increased grant income from Air Quality Active Travel Grant. Savings on salaries due to recruitment freeze offsetting additional costs due to risk management funding and health and safety training.

### Transformation & Governance Directorate

The Transformation & Governance Directorate is currently forecasting to be underspent by £1.479 million.

Transformation & Governance	2023/24 Revised Budget £ million	2023/24 Year-end Forecast £ million	2023/24 Variance £ million
Commercial Services	1.889	0.834	(1.056)
Finance	1.565	1.488	(0.077)
Corporate Management	1.890	1.756	(0.133)
Unallocated Costs	3.106	3.079	(0.028)

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Appendix 1

Legal & Democratic Services	0.815	0.651	(0.164)
North Downs Housing	(0.020)	(0.041)	(0.020)
Organisational Development	0.197	0.197	(0.000)
Total Transformation & Governance	9.442	7.963	(1.479)

The key variances are detailed below.

Service Area	Forecast Variance £ million	Explanation
Commercial Services	(1.056)	Overachievement of income in car parks due to increased demand has been offset by reduced fee income within Building Control due to reduced demand.
Corporate Management	(0.133)	Forecast underspent from savings on staffing due to vacant posts and consultancy which has been offset by additional costs of external Audit.
Legal & Democratic	(0.164)	Greater income generated from work for neighbouring authorities within Legal Services

## Housing Revenue Account Forecast Outturn Position for 2023/24

The HRA is currently forecast to have a deficit of £0.616 million which would reduce the forecast transfer to reserves.

The table below shows the Housing Revenue Account Summary monitoring report. Officers have prepared the projected outturn on the latest available information.

Monitoring takes place against the revised budget for the year.

	2023/24	2023/24	2023/24
HRA Services	Revised Budget	Forecast	Variance
	£	£	£
<b>Expenditure</b>			
Strategic and Community Housing Service	13,028,109	14,321,284	1,293,175
Sheltered Housing	852,211	1,173,471	321,260
Depreciation	5,864,700	5,864,700	0
Other	2,016,238	1,862,527	-153,711
<b>Total Expenditure</b>	<b>21,761,258</b>	<b>23,221,982</b>	<b>1,460,724</b>
<b>Income</b>			
Council House Rents	-34,428,974	-34,989,600	-560,626
Fee's, Charges and Misc. Income	-2,225,342	-2,172,245	53,096
<b>Total Income</b>	<b>-36,654,316</b>	<b>-37,161,845</b>	<b>-507,530</b>
<b>Transfer to Reserves</b>			
Interest Received	-1,593,180	-1,593,180	0
REFCUS	75,000	75,000	0
RFFC	2,500,000	2,500,000	0
Interest Payable	4,751,225	4,751,225	0
New Build Reserves	9,160,013	8,206,818	-953,195
<b>Total Income</b>	<b>14,893,058</b>	<b>13,939,863</b>	<b>-953,195</b>
<b>(SURPLUS)/DEFICIT</b>	<b>0</b>	<b>0</b>	<b>-0</b>

### Main Variances

- Strategic and Community Housing** – Overspend is within HRA Responsive and Planned Maintenance, cost of repairs to housing stock.
- Sheltered Housing** – Overspend is due to increased utility costs.
- Other** – Underspend over a number of corporate budgets.
- Council House Rents** – Overachievement of rents in particular equity share rent

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## **Background to movements in the capital programme**

### **GF Approved programme**

Expenditure is expected to be £77.96 million representing a £99.95 million variance to the revised estimate of £177.9 million. If a project is on the approved programme, it is an indicator that the project has started or is near to start following the approval of a final business case by Executive. Whilst actual expenditure for the period of £31.96 million may seem low, several significant projects are in progress and delivery of the corporate projects and programmes is progressing. These include:

- P21 – Ash Road Bridge (£19.3 million) – This project has been reprofiled based on current cashflow information. The contractor is making good progress, despite being hampered by two recent storms. This project is part grant funded from Homes England Housing Infrastructure Fund (HIF). As part of the grant funding agreement there are specific milestones that have to be met in the delivery of the project and any slippage in delivery of the programme to the milestones may result in the loss of grant funding. Officers complete regular monitoring reports to Homes England (HE) and the Major Projects Portfolio Board. Overall status of the project is Green, which includes a green rating for the budget and comms. However, there is an amber rating against current risks and milestones associated with Boundary issues and Homes England Funding.
- ED6 – Weyside Urban Village (£49.81million) – This project has been reprofiled based on current cashflow information. Work is progressing on the detailed design and infrastructure delivery. This project is also part grant funded from Homes England Housing Infrastructure Fund (HIF). As part of the grant funding agreement there are specific milestones that must be met in the delivery of the project and any slippage in delivery of the programme to the milestones may result in the loss of grant funding. Officers complete regular monitoring reports to Homes England, the WUV programme Board and the Major Projects Portfolio Board on the progress of the project. The project status is currently rated-Red on the MPPB monitoring report, HIF milestones and funding is a current risk to the programme, with the deadline of March 2025 for closure of the grant window. Following the approval of the Remediation Plan and completion of the subsequent Deed of Variation, the Council must deliver against the milestones outlined in the document. The next critical milestone is the commencement of procurement for the housing delivery partner which has been extended to March 2024. This extension is an interim measure and

conditional on The Council's consideration of the mitigation options relating to the potential deficit as reported in January 2023. Initial Planning Consent risk has been mitigated and the project team are actively working through the planning conditions on the critical path.

- FS1 – Capital Contingency Fund – (£1.8 million)
- ED49 – Midleton Industrial Estate redevelopment (£2.15 million) – Phase 4 construction is due to complete on site in Nov 23, and final accounts scheduled for completion this financial year.

In addition to the scheme outlines above, the re-profiling of the following significant amounts that were due to be spend on schemes or projects in 2023/24 will now be carried forward into 2024/25 or future years.

- P12 – Strategic Property Acquisitions/redevelopment (£21.8 million). The majority of original budget (£23.8 million) has been removed due to the change in strategy on property acquisition for commercial purposes, and no immediate plans for redevelopment of our existing portfolio.
- P21 – Ash Road Bridge (£11.1 million) – Work is progressing on this scheme, current estimated spend in 2023/24 is £19.3 million from original budget £30.4 million the remaining amount has been moved to 2024/25 due to reprofiling of scheme.
- ED6 – WUV (£60.60 million) - Work is progressing on this scheme, current estimated spend in 2023/24 is £49.8 million from original budget £110.4 million the remaining amount has been moved to future years due to slippage and reprofiling of the programme.
- P22 – Shaping Guildford Future (SGF) (£4.1 million) – The scope of the is scheme has been reviewed and decision made to remove from programme.

### **GF Provisional programme**

Expenditure on the provisional programme is expected to be £2.07 million, against the revised estimate of £48.8 million, representing a variance of £46.8 million. These projects are still at feasibility stage and will be subject to Executive approval of a business case before they are transferred to the approved capital programme. It is only once the business case is approved that the capital works can begin. Monitoring the progress of these projects is key to identifying project timescales.

The re-profiling of schemes has resulted in a lower level of expenditure than planned in 2023-24. Several projects, that were also anticipated to start in 2023/24 have been either reprofiled into future years, removed from the programme or transferred to the Capital Vision due to change in strategy/priorities.

- Strategic Property Acquisitions/redevelopment (£28.3 million)
- Guildford West Station (£1 million)
- North Downs Housing (£5.5 million)
- Guildford Holding Ltd (£3.6 million)
- Vehicles, Plant and Equipment Replacement Programme (£2.9 million)
- Energy efficiency compliance (£2.7 million)

### **Housing investment programme**

The HRA approved capital programme is expected to outturn at £34.937 million against a revised estimate of £60.955 million. Several projects are in progress. These include:

- Guildford Park – (£0.745 million) The main objective of the project is to redevelop this site to provide much-needed housing, including affordable. In accordance with the Executive Decision of March 2023, Officers are undertaking work to procure a Development Partner, who will finalise design proposals, submit a new planning application and build out the scheme on the Council's behalf. The Council's requirements will be set out in a Development Agreement including the required affordable housing to be delivered. The status of the project is currently amber on the MPPB monitoring report due to budget risks. £464,000 has been reprofiled to 2024-25 but 24/25 budget requirement are yet to be fully determined as these will be informed by the outcome of the current procurement process.
- Foxburrows Redevelopment – (£9.59 million) reprofiled to 2024/25 awaiting decision on progression of scheme.
- Various small site projects – (£9.12 million) there is slippage on these projects. (£8.53 million has been reprofiled to future years)
- Acquisitions of Land and Buildings – (£4.518 million) spend is dependent on availability of sites, we are currently actively purchasing suitable properties to mitigate slippage on building projects.
- Major Repairs & Improvements – (£27.336 million) outturn is expected to be on budget as works delayed due to COVID can now be progressed.

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GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2023-24 to 2028-29

Revised budg Actual exp Forecast

Ref	Bid ref	Code	Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-23	Estimate approved by Council in February	Rolled over	2023-24		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	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Funded from Reserves	Net cost of scheme	
								Revised estimate	Expenditure at 01.12.23											Projected exp est by project officer
				(a)	(b)	(c)	(d) (i)	(d)	(e)	(ii)	(iii)	(iv)	(v)	(v)	(g)	(b)+(f)+(g) = (h)	(i)	(j)	(h)-(i)-(j)= (k)	
				£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>APPROVED SCHEMES</b>																				
<b>COMMUNITY WELLBEING DIRECTORATE</b>																				
<b>General Fund Housing</b>																				
PR381	N51008		Disabled Facilities Grants		annual	605	-	605	292	605	605	-	-	-	605	1,210	(1,210)	-	-	
	N51019		Better Care Fund		annual	-	-	-	249	-	-	-	-	-	-	-	-	-	-	
PR381	N51020		Home Improvement Assistance		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
PR381	N51021		Solar Energy Loans		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	N51023		BCF TESH Project		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	N51024		BCF Prevention grant		annual	-	-	-	8	-	-	-	-	-	-	-	-	-	-	
	N51030/32		SHIP		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
			General Grants to HAS		annual	100	-	100	-	100	-	-	-	-	100	200	-	-	200	
<b>COMMUNITY WELLBEING DIRECTORATE TOTAL</b>				<b>0</b>	<b>0</b>	<b>705</b>	<b>0</b>	<b>705</b>	<b>549</b>	<b>705</b>	<b>705</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>705</b>	<b>1,410</b>	<b>-1,210</b>	<b>0</b>	<b>200</b>	
<b>PLACE DIRECTORATE</b>																				
<b>Assets and Property</b>																				
ED21 &	P72022		Methane gas monitoring system	100	48	52	(0)	52	-	(0)	52	-	-	-	52	100	-	-	100	
ED22 &	P74058		Energy efficiency compliance - Council owned properties	245	102	133	10	143	-	0	143	-	-	-	143	245	-	-	245	
ED26	P51053		Bridges -Inspections and remedial works	317	256	-	61	61	15	61	-	-	-	-	61	317	-	-	317	
ED53	BID97	P74072	Tyting Farm Land-removal of barns and concrete hardstanding	200	143	57	-	57	7	10	47	-	-	-	47	200	-	-	200	
OP1/O		P66*	Flood resilience measures (use in conjunction with grant	445	324	-	121	121	-	0	121	-	-	-	121	445	-	-	445	
OP26	PR264	P35022	Marrow lane grille & headwall construction	60	3	-	57	57	-	-	57	-	-	-	57	60	-	-	60	
<b>PLACE DIRECTORATE TOTAL</b>				<b>1,367</b>	<b>876</b>	<b>242</b>	<b>249</b>	<b>491</b>	<b>22</b>	<b>71</b>	<b>420</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>420</b>	<b>1,367</b>	<b>0</b>	<b>0</b>	<b>1,367</b>	
<b>COMMUNITY WELLBEING DIRECTORATE</b>																				
<b>Community Services</b>																				
PL60	7-1920		Traveller transit site provision	127	-	-	127	127	-	-	127	-	-	-	127	127	-	-	127	
<b>Environmental Services</b>																				
OP6	PR304	P58012	Vehicles, Plant & Equipment Replacement Programme	12,815	10,529	149	(13)	136	30	70	2,216	-	-	-	2,216	12,815	(26)	-	12,789	
OP28	PR284		Crown court CCTV	10	-	-	10	10	-	10	-	-	-	-	10	10	-	-	10	
OP22	5-1920		Town Centre CCTV upgrade	106	-	125	125	250	-	-	106	-	-	-	106	106	(106)	-	-	
PL20(c)		P18224	Redevelopment of Westborough and Park Barn play area	376	-	320	-	376	91	376	-	-	-	-	-	376	(56)	-	320	
PL34	PR186	P04009	Stoke cemetery re-tarmac	122	77	-	45	45	-	45	-	-	-	-	45	122	-	-	122	
PL57 &	BID211	P18215	Parks and Countryside - repairs and renewal of paths,roads	355	337	-	18	18	18	18	-	-	-	-	18	355	-	-	355	
PL58	1-1920	P18220	Shalford Common - regularising car parking/reduction of	121	36	92	(7)	85	2	10	75	-	-	-	75	121	-	-	121	
PL60	7-1920	P18226	Traveller encampments	53	-	26	27	53	3	3	50	-	-	-	50	53	-	-	53	
PL61	Bid 2	P18238	Stoke Park Paddling Pool (complete)	170	168	-	2	2	2	2	-	-	-	-	2	170	-	-	170	
PL62		P22067	Lido - Drainage Works and Changing Rooms	2,100	1,168	200	679	879	640	879	53	-	-	-	53	2,100	(1,500)	-	600	
PL68	BID 6	P18418	SMP astro turf surface (complete)	3	-	8	-	8	3	3	-	-	-	-	3	3	-	-	3	
		P05010	Crematorium Bollards & Lampost	5	-	-	-	5	-	5	-	-	-	-	5	-	-	-	5	
<b>COMMUNITY WELLBEING TOTAL DIRECTORATE</b>				<b>16,363</b>	<b>12,316</b>	<b>920</b>	<b>1,013</b>	<b>1,994</b>	<b>789</b>	<b>1,411</b>	<b>2,637</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,637</b>	<b>16,364</b>	<b>(188)</b>	<b>(1,500)</b>	<b>14,676</b>	
<b>TRANSFORMATION &amp; GOVERNANCE DIRECTORATE</b>																				
<b>Finance</b>																				
FS1	PR303		Capital contingency fund	annual	-	2,000	-	1,820	-	1,820	2,000	2,000	2,000	2,000	-	8,000	9,820	-	9,820	
<b>TRANSFORMATION &amp; GOVERNANCE DIRECTORATE TOTAL</b>				<b>0</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>1,820</b>	<b>0</b>	<b>1,820</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>	<b>8,000</b>	<b>9,820</b>	<b>0</b>	<b>9,820</b>	
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS</b>																				
<b>Development / Infrastructure PLACE DIRECTORATE</b>																				
ED54	BID129	P74069/P740	Robboro Buildings - electric theatre through road and parking	416	39	379	(2)	377	0	-	377	-	-	-	377	416	-	-	416	
P5	PR354	P79027/P790	Walnut Bridge replacement	5,098	5,642	-	-	-	40	40	-	-	-	-	-	5,682	(2,460)	(950)	2,272	
		P79032	SMC(West) Phase 1 (complete)	1,944	1,928	-	39	39	16	16	-	-	-	-	-	1,944	(914)	-	1,029	
P21		P79037/P790	Ash Road Bridge	44,000	9,189	22,491	7,982	30,473	6,634	19,349	14,966	496	-	-	15,462	44,000	(35,965)	-	8,035	
P21		P79038	Ash Road Footbridge	500	183	36	281	317	0	-	317	-	-	-	317	500	-	-	500	
		P79995	Broadband for Surrey Hills (B4SH)	60	46	-	14	14	1	1	13	-	-	-	13	60	-	-	60	
P11	PR364		Guildford West (PB) station (moved to Capital Vision)	500	-	250	250	500	-	-	-	-	-	-	-	-	-	-	-	
<b>Development Financial - PLACE DIRECTORATE</b>																				
ED49	PR395	P72037	Middleton Ind Est Redevelopment	15,007	12,860	300	1,672	2,147	2,142	2,147	-	-	-	-	-	15,007	-	-	15,007	
P12	PR371	P72045	Property acquisitions	12,697	9,675	23,953	(108)	23,845	1,630	2,022	1,000	-	-	-	1,000	12,697	-	-	12,697	
PL9	PR136	P05009	Rebuild Crematorium(complete)	11,111	10,934	-	102	177	177	177	-	-	-	-	-	11,111	-	-	11,111	
ED27		P79023/P790	North Street Development / Guild Town Centre regeneration	1,727	1,586	100	41	141	50	141	-	-	-	-	-	1,727	(250)	-	1,477	
P22	BID 21-	P79039	Shaping Guildford Future (SGF) (no longer reqd)	4,170	-	2,640	1,530	4,170	-	-	-	-	-	-	-	-	-	-	-	
ED32	PR028	P79026	Internal Estate Road - CLLR Phase 1	11,139	10,946	-	193	193	127	193	-	-	-	-	-	11,139	(5,107)	-	6,032	
P	ED6	PR350	P74039/ WUV (Weyside Urban Village)	170,506	29,004	93,223	17,229	110,452	5,027	49,813	60,639	-	-	-	60,639	170,706	(56,787)	-	113,918	
	ED6	PR350	P79100/P182 WUV - Allotment relocation	200	3,442	-	-	-	198	-	-	-	-	-	-	-	-	-	-	
	ED6	PR350	P79101 WUV - Int roads, Site clearance	-	1	-	-	-	841	-	-	-	-	-	-	-	-	-	-	
	ED6	PR350	P79102 WUV - New GBC Depot	2,480	2,424	-	56	56	475	56	-	-	-	-	-	2,480	-	-	2,480	
	ED6	PR350	P79103 WUV - Off Site Highways	-	-	-	-	-	106	-	-	-	-	-	-	-	-	-	-	
	ED6	PR350	P79104 WUV - Thames Water relocation	-	26,717	-	-	-	12,747	-	-	-	-	-	-	-	-	-	-	
	ED6	PR350	P79105 WUV -Utilities & Plot services	-	-	-	-	-	76	-	-	-	-	-	-	-	-	-	-	
	ED6	PR350	P79106 WUV - Land Purchase	-	1,091	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	ED6	PR350	P79108 WUV - Waste Transfer Centre	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
	ED6	PR350	P79109 WUV - Commercial Development	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
	ED6	PR350	P79110 WUV - SANG	-	-	-	-	-	202	-	-	-	-	-	-	-	-	-	-	
	ED6	PR350	P79111 WUV - Common Land	-	-	-	-	-	108	-	-	-	-	-	-	-	-	-	-	
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION</b>				<b>281,555</b>	<b>125,705</b>	<b>143,372</b>	<b>29,280</b>	<b>172,902</b>	<b>30,598</b>	<b>73,956</b>	<b>77,312</b>	<b>496</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>77,808</b>	<b>277,468</b>	<b>-101,484</b>	<b>-950</b>	<b>175,034</b>
<b>APPROVED SCHEMES TOTAL</b>				<b>299,285</b>	<b>138,896</b>	<b>147,239</b>	<b>30,542</b>	<b>177,912</b>	<b>31,958</b>	<b>77,963</b>	<b>83,074</b>	<b>2,496</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>	<b>89,570</b>	<b>306,429</b>	<b>-102,882</b>	<b>-2,450</b>	<b>201,097</b>
non-development projects total				17,730	13,192	3,867	1,262	5,010	1,360	4,007	5,762	2,000	2,000	2,000	0	11,762	28,961	-1,398	-1,500	26,063
development/infrastructure - non-financial benefit				52,518	17,027	23,156	8,564	31,720	6,691	19,406	15,673	496	0	0	0	16,169	52,601	-39,339	-950	12,312
development- financial benefit				229,037	108,678	120,216	20,716	141,182	23,907	54,550	61,639	0	0	0	0	61,639	224,867	-62,144	0	162,723
<b>TOTAL</b>				<b>299,285</b>	<b>138,896</b>	<b>147,239</b>	<b>30,542</b>	<b>177,912</b>	<b>31,958</b>	<b>77,963</b>	<b>83,074</b>	<b>2,496</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>	<b>89,570</b>	<b>306,429</b>	<b>-102,882</b>	<b>-2,450</b> </	

Ref	Bid ref	Code	Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-23	Estimate approved by Council in February	2023-24		Expenditure at 01.12.23	Projected exp est by project officer	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	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Funded from Reserves	Net cost of scheme
							Rolled over	Revised estimate												
				(a)	(b)	(c)	(d) (f)	(d)	(e)	(f)	(ii)	(iii)	(iv)	(v)	(v)	(g)	(b)+(f)+(g) = (h)	(i)	(j)	(h)-(i)-(j) = (k)
				£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>SUMMARY</b>																				
<b>APPROVED SCHEMES - TOTAL</b>				299,285	138,896	147,239	30,542	177,912	31,958	77,963	83,074	2,496	2,000	2,000	-	89,570	306,429	(102,882)		201,097
<b>GRAND TOTAL</b>				<b>299,285</b>	<b>138,896</b>	<b>147,239</b>	<b>30,542</b>	<b>177,912</b>	<b>31,958</b>	<b>77,963</b>	<b>83,074</b>	<b>2,496</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>	<b>89,570</b>	<b>306,429</b>	<b>(102,882)</b>		<b>201,097</b>

# Guildford Borough Council

Report to: Corporate Governance & Standards Committee

Date: 29<sup>th</sup> November 2023

Ward(s) affected: All

Report of Director: Joint Executive Head of Finance (section 151)

Author: Jo Knight – Interim Finance Executive

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Lead Councillor responsible: Richard Lucas

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Report Status: Open

## Month 6 Financial Monitoring 2023-24

### 1. Executive Summary

The report summarises the projected outturn position for the Council's General Fund (GF) revenue account and Housing Revenue Account (HRA), based on the latest actual and accrued data.

The Original Budget approved at Council in February 2023 included a budget gap of £3.1 million. A revised budget was presented to Committee in July 2023 with a reduced budget gap of £1.6 million, following a review of budgets with services. Further work has been undertaken, since July, jointly by the management team, finance and services to close this gap and savings have been made to reduce this ensuring the Revised Budget is balanced. Several areas were identified as a financial risk to the council. Budgets have been increased to reflect this and are listed below. The month 6 forecast includes these budget changes.

The revised budget has been adjusted to reflect the changes above, officers are projecting an underspend within services on the General Fund revenue account of £0.545 million which includes specific reserves transfers. Corporate adjustments, specifically external interest receivable, is forecast to underachieve by £0.359 million to give an overall forecast favourable position of £0.187 million. Any surpluses or deficits would impact reserves at year end.

Within the forecast of external interest is a forecast of £0.8 million which is expected to be received from North Downs Housing which has been highlighted as being a risk based on past performance. Further work is needed to confirm the position.

The Corporate Management Board is implementing measures to address the budget gap in 2023/24 through a “Financial Recovery Plan” and the initial actions are set out in the budget report considered by council on 30th August 2023. Some of these measures will be one-off, in-year adjustments which will not help the budget in 2024/25 and future years. This will be prioritised in the mid-year review of the Medium-Term Financial Plan reported to committee in November 2023.

Officers are projecting an overspend on the HRA of £0.231 million. This report sets out the detail behind this variance.

Progress against the capital programme is underway. The Council expects to spend £119.6 million on its main programme of capital schemes by the end of the financial year against a budgeted expenditure of £177.9 million

## **2. Recommendation to Committee**

That the Committee notes:

- 2.1. The Council’s latest financial monitoring for the financial year 2023/24 and pass any comments and observations to the Executive.

## **3. Reason(s) for Recommendation:**

- 3.1. To ensure that Councillors and executives fulfil their responsibilities for the overall financial management of the council’s resources.

## **4. Exemption from publication**

- 4.1. No.



## **5. Purpose of Report**

- 5.1. This report shows the projected outturn for 2023/24 for the GF and HRA based on the latest actual position and assumptions, and progress against capital projects within its capital programme.

## **6. Strategic Priorities**

- 6.1. Councillors have reviewed and adopted a Corporate Plan for the period 2021-2025. Monitoring of our financial position during the year is a crucial part of managing the resources that will ultimately support the delivery of the corporate plan.

## **7. Background**

- 7.1. The Council's Corporate Management Board, Chief Financial Officer and Deputy review monitoring reports. Financial monitoring for all services is reported to the Council's Corporate Governance and Standards Committee on a regular basis.
- 7.2. This report sets out the financial monitoring and covers the GF and HRA monitoring.

## **8. Consultations**

- 8.1. Finance specialists prepare the financial monitoring in consultation with the relevant service managers, Joint Executive Heads of Service and Directors.
- 8.2. The lead councillor for finance has been consulted on the content of this report.

## **9. Key Risks**

- 9.1. Any overspend on the GF will impact on the Council's reserve position and potentially in future years depending on the reasons for the overspend.

9.2. Any overspend on the HRA will impact on the ringfenced reserves held within the HRA.

9.3. Interest payment of £0.8 million are budgeted from North Downs Housing which based on past performance may not be achieved.

## 10. Financial Implications

### General Fund Revenue Account

10.1. The current forecast spending against the council's net GF budget for the year is projected to be a favourable position of £0.545 million. The forecast is based on the worst-case scenario for expenditure pressure.

The table below shows the GF Summary monitoring report. Officers have prepared the projected outturn on the latest available information. Monitoring takes place against the revised budget for the year (original budget approved by Council in July 2023 plus any virements or supplementary estimates during the year).

<b>GENERAL FUND SUMMARY</b>	<b>Original Estimate 2023-24</b>	<b>Revised Budget 2023-24</b>	<b>Projected Outturn 2023-24</b>	<b>Variance to latest 2023-24</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Community Wellbeing Place	18,037,833	18,000,176	18,850,893	850,717
Transformation and Governance	(2,044,480)	(2,094,118)	(2,955,168)	(861,050)
<b>Total Directorate Level</b>	<b>10,041,822</b>	<b>9,032,153</b>	<b>8,497,132</b>	<b>(535,021)</b>
Less capital charges	(8,772,936)	(8,772,936)	(8,772,936)	0
<b>Net service cost</b>	<b>17,262,239</b>	<b>16,165,275</b>	<b>15,619,921</b>	<b>(545,354)</b>
Corporate Items				
External interest receivable (net)	(2,794,690)	(3,394,690)	(2,967,313)	427,377
Interest payable to HRA	1,375,960	1,375,960	1,307,779	(68,181)
Minimum Revenue Provision	1,786,674	1,618,674	1,617,981	(693)
Other reserve movements	9,940	9,940	10,000	60
Business Rates GF impact	(3,152,126)	(3,152,126)	(3,152,126)	0
Other Govt Grants	(227,765)	(227,765)	(227,765)	0
New Homes Bonus	(1,282,629)	(1,282,629)	(1,282,629)	0
Council Tax Collection Fund	140,061	140,061	140,061	0
<b>Net General Fund Cost</b>	<b>13,117,664</b>	<b>11,252,700</b>	<b>11,065,909</b>	<b>(186,791)</b>
Council Tax requirement	11,252,700	11,252,700	11,252,700	0
<b>Shortfall / (surplus)</b>	<b>1,864,964</b>	<b>0</b>	<b>(186,791)</b>	<b>(186,791)</b>

The table below shows variances within the directorates spending with major variances across services explained in **Appendix 1**.

<b>Directorate</b>	<b>2023/24 Revised Budget £ million</b>	<b>2023/24 Year-end Forecast £ million</b>	<b>2023/24 Variance £ million</b>
Community Wellbeing	18.000	18.851	0.851
Place	(2.094)	(2.955)	(0.861)
Transformation & Governance	9.032	8.497	(0.535)
<b>Totals</b>	<b>24.938</b>	<b>24.392</b>	<b>(0.545)</b>

## 10.2. Housing Revenue Account

The HRA is forecast to have an adverse variance the year by £0.231 million, as summarised in table below. This would reduce the transfer to reserves if action cannot be taken to reduce this.

	<b>2023/24 Revised Budget £ million</b>	<b>2023/24 Forecast £ million</b>	<b>2023/24 Variance £ million</b>
Expenditure	38.247	38.979	0.732
Income	(38.247)	(38.748)	(0.501)
<b>(surplus)/deficit for the year</b>	<b>0.000</b>	<b>0.231</b>	<b>0.231</b>

All significant variances are shown in **Appendix 2**

### 10.3. Capital Programme

The table below summarises the current position on the various strands of the Council's capital programme. A detailed explanation is provided in paragraphs below.

<b>CAPITAL EXPENDITURE SUMMARY</b>	<b>2023-24 Approved £000</b>	<b>2023-24 Revised £000</b>	<b>2023-24 Outturn £000</b>	<b>2023-24 Variance £000</b>
<b>General Fund Capital Expenditure</b>				
- Main Programme	147,240	177,913	119,605	(58,308)
- Provisional schemes	48,428	49,119	3,181	(45,938)
- Schemes funded by reserves	1,031	1,564	1,469	(95)
- S106 Projects	122	293	293	0
<b>Total Expenditure</b>	<b>196,821</b>	<b>228,888</b>	<b>124,548</b>	<b>(104,340)</b>
<b>Housing Revenue Account Capital Expenditure</b>				
Approved programme	47,866	60,955	34,537	(26,419)
Provisional programme	15,928	16,928	0	(16,928)
<b>Total Expenditure</b>	<b>63,794</b>	<b>77,883</b>	<b>34,537</b>	<b>(43,347)</b>

**Approved (main) programme** Expenditure is expected to be £119.6 million representing a £58.3 million variance to the revised estimate of £177.7 million. If a project is on the approved programme, it is an indicator that the project has started or is near to start following the approval of a final business case by Executive. Whilst actual expenditure for the period of £24.3 million may seem low, several significant projects are in progress and delivery of the corporate projects and programmes is progressing. See appendix C for details of the movements

#### Provisional programme

Expenditure on the provisional programme is expected to be £3.1 million, against the revised estimate of £49.1 million, representing a variance of £45.9 million. These projects are still at feasibility stage and will be subject to Executive approval of a business case before they are transferred to the approved capital programme. It is only once the business case is approved that the capital works can begin. Monitoring the progress of these projects is key to identifying project timescales.

The re-profiling of schemes has resulted in a lower level of expenditure than planned in 2023/24.

### **S106 programme**

Capital schemes funded from s106 developer contributions are expected to total £293,000. Developer contributions are time limited and if they are not used within the timescales to fund a capital project then they will need to be repaid to the developer. As a result, it is important that the Council closely monitors the S106 funds it has and puts plans in place to spend the contributions within the required timescales.

### **Reserves**

Some capital schemes are funded from the Council's specific reserves. The outturn is anticipated to be £1.47 million. The main projects are:

- Expenditure on car parks £330,000.
- ICT renewals and infrastructure improvements £889,000

### **Capital Resources**

When the Council approved the budget in February 2023, the estimated underlying need to borrow for 2023/24 was £149.354 million. The current estimated underlying need to borrow is £71.393 million. The reduction is due to slippage in the programme where schemes have been re-profiled into future years.

### **Housing Investment Programme Approved Capital**

The HRA approved capital programme is expected to outturn at £34.537 million against a revised estimate of £60.955 million. Several projects are in progress.

The Guildford Park, Bright Hill and various small site new build projects and acquisition of land and buildings into the HRA is partially funded by receipts generated through Right to Buy (RTB) Sales of Council Houses. With the

changes on Right to Buy Pooling the council now has 5 years in which it can spend RTB receipts and can fund 40% of the cost of replacement housing from the RTB receipts. Should the Council not spend enough money on its Housing Investment Programme in order to utilise its RTB receipts within the timescales then they will need to be repaid to government with interest at base rate plus 4%. The RTB schedule below details:

- the amount of expenditure required to avoid repayment, based on actual spend to date and assumption of 20 RTB sales per year, and
- A forecast of expenditure to be incurred as detailed on the approved housing capital programme.

Based on this scenario there is no current risk of repayment, however, should the capital programme be subject to delay and slippage this risk will increase.

<b>Reconciliation of Spend to RTB</b>	<b>2023-24 £000</b>	<b>2024-25 £000</b>	<b>2025-26 £000</b>	<b>2026-27 £000</b>	<b>2027-28 £000</b>
Value of receipts that will need surrendering if no further spend	0	0	0	0	2,703
HIP Expenditure required to avoid RTB repayments	0	0	0	0	6,759
Forecast HIP Expenditure from the Approved Capital program	5,162	15,839	6,019	0	0
Cumulative Expenditure forecast	6,251	22,089	28,108	28,108	28,108
Forecast additional receipts that will be used (c x 40%)	2,065	6,335	2,407	0	0
Cumulative additional receipts that will be used ((cumulative e	2,065	8,400	10,808	10,808	8,104
<b>Revised value of receipts that might need to be surrendered</b>			0	0	0

## 11. Sundry Debt

11.1. As at the 30th September the current sundry debt (including Housing Benefit overpayments) position is £5.645 million. £1.640 million is less than 30 days and within payment terms. £1.854 million is supported by payment plans leaving £3.790 million which is the debt due to the council.

<b>Period</b>	<b>Total Overdue Debt</b>	<b>Total Payment Plan</b>	<b>Remaining Overdue Debt</b>	<b>Payment Plan %</b>
202206	£ 5,482,912.03	£ 2,542,697.92	£ 2,940,214.11	46%
202207	£ 5,395,445.99	£ 2,159,454.02	£ 3,235,991.97	40%
202208	£ 5,592,452.61	£ 2,010,598.34	£ 3,581,854.27	36%
202209	£ 5,620,812.91	£ 2,365,288.44	£ 3,255,524.47	42%
202210	£ 5,336,596.73	£ 2,305,930.36	£ 3,030,666.37	43%
202211	£ 8,077,774.74	£ 2,317,955.82	£ 5,759,818.92	29%

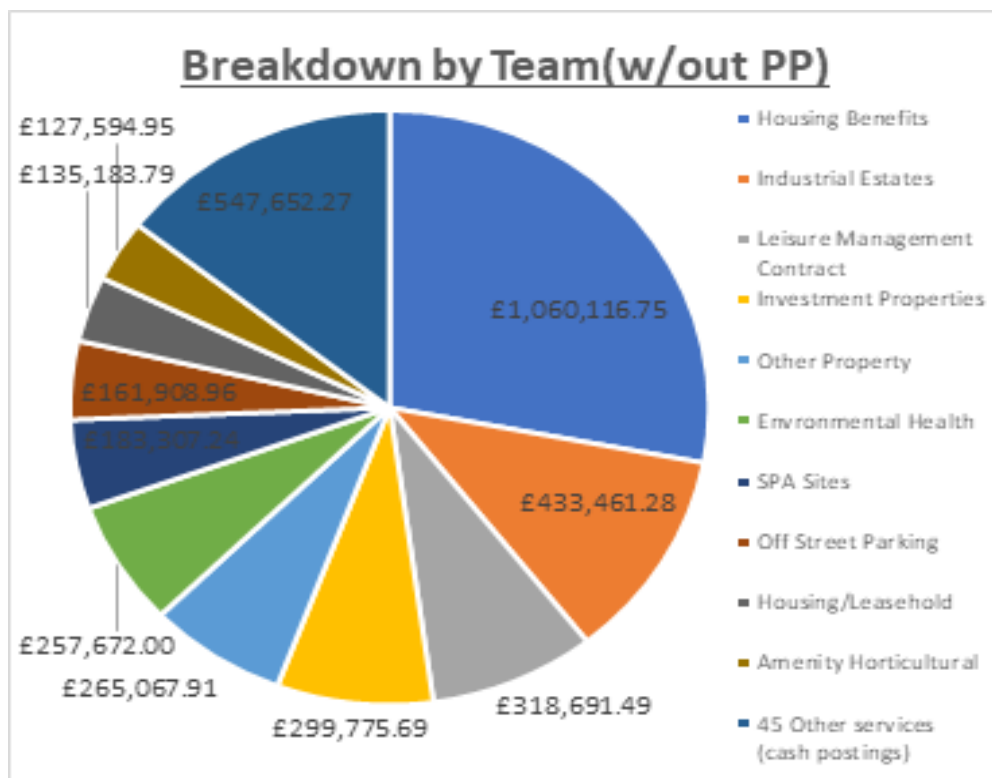
202212	£12,180,649.67	£ 2,644,307.89	£ 9,536,341.78	22%
202301	£ 9,354,272.01	£ 2,607,303.05	£ 6,746,968.96	28%
202302	£ 7,053,358.32	£ 2,578,619.12	£ 4,474,739.20	37%
202303	£ 5,682,074.83	£ 2,346,931.83	£ 3,335,143.00	41%
202304	£ 5,364,338.08	£ 2,209,650.54	£ 3,154,687.54	41%
202305	£ 4,534,405.53	£ 1,951,096.70	£ 2,583,308.83	43%
202306	£ 5,644,518.75	£ 1,854,086.42	£ 3,790,432.33	33%

Payment Plans

Payment plans are the first step in recovering from individuals and businesses owing the council money. Values under £1,000 which can be repaid within 12 months will be agreed by the case team with approval of the finance specialist.

For any payment plans outside of the above, the services are consulted, and a proposed agreement is taken to the deputy S151 or S151 or Directors for approval according to the Scheme of Delegation.

Debt without payment plans are a higher risk to the council than those with payment plans and services are supported in the recovery of these debts.



### Age of Debt

Age of debt is monitored to ensure our response is appropriate and effective.

Age of Debt	less than 30 days	31 - 60 days	61 - 90 days	3 -12 months	over 12 months	All debt
Type of Debt	£	£	£	£	£	£
Sundry Debt on a Payment plan	3,451	36,832	19,658	240,983	855,556	1,156,480
Remaining Sundry Debt	1,626,821	114,193	295,127	213,153	481,022	2,730,316
Housing Benefit Debt on Payment Plan	0	2,333	0	11,609	683,664	697,606
Remaining Housing Benefit Debt	10,191	2,589	3,499	60,458	983,380	1,060,117
<b>Total Debt</b>	<b>1,640,462</b>	<b>155,947</b>	<b>318,284</b>	<b>526,203</b>	<b>3,003,622</b>	<b>5,644,519</b>

2. Current debt position is high due to September being our legal quarter billing date for many of our commercial assets. It is expected this will be collected within the next month.
3. There has been changes which have affected our debt collection in the past including ceasing collection during the pandemic, reorganisations, new ERP systems and an increase in customer queries.
4. The ERP system is now fully functioning, and the Accounts Receivable section has been recruited to and fully trained within the case team. We are now confident of the invoices being raised, can now send reminder letters as a standard and are able to accurately monitor and report on the levels of debt.
5. We are also currently working on our escalation processes whereby we work closely with services and are regularly escalating overdue debt to our debt collection service.
6. The total debt including Housing Benefit, aged debt and service breakdown will continue to be reported each month.

## **12. Legal Implications**

- 11.1. Financial reporting is consistent with the Section 151 officer's duty to ensure good financial administration of the council.



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

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

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

13.1. There are no direct equality and diversity because of this report. Each Executive Head of Service will consider these issues when providing their services and monitoring their budgets.

13.2. 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**

14.1. This duty has been considered in the context of this report and it has been concluded that there are no climate change or sustainability implications arising directly from this report.

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

17.1. This report outlines the anticipated end of year position for the 2023/24 financial year based on the latest assumptions and actual data. This report should be considered in the current economic context and the July Finance recovery plan.

### **17. Conclusion**

18.1. The report summarises the financial monitoring position to date for the 2023/24 financial year.

18.2. There is currently a net favourable variance from budget of £0.187 million on the general fund. Services must review all known risks and continue to manage budgets to ensure this remains favourable.

### **18. Background Papers**

19.1. None.

## 19. Appendices

20.1. Appendix 1 Summary Directorate Variances

20.2. Appendix 2 HRA Summary Variances

20.3. Appendix 3 Approved Capital Programme Movements

20.4. Appendix 4 Capital Programme

Please ensure the areas have signed  
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not delete.

a) Service	b) Sign off date
c) Finance / S.151 Officer	d)
e) Legal / Governance	f)
g) HR	h)
i) Equalities	j)
k) Lead Councillor	l)
m) CMB	n)
o) Executive Liaison/briefing	p)
q) Committee Services	r)

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Appendix 1

**Summary Directorate Variances**

**Community Wellbeing**

The Community Wellbeing Directorate is currently forecast to be overspent by 0.851 million.

Community Wellbeing	2023/24 Revised Budget £ million	2023/24 Year-end Forecast £ million	2023/24 Variance £ million
Communications & Customer Services	1.510	1.055	(0.455)
Community Services	3.981	3.612	(0.369)
Environmental Services	10.562	11.391	0.829
Housing Services	1.947	2.793	0.846
<b>Total Community Wellbeing</b>	<b>18.000</b>	<b>18.851</b>	<b>0.851</b>

The key variances are detailed below.

Service Area	Forecast Variance £ million	Explanation
Communications & Customer Services	(0.455)	Savings due to vacant posts and uncommitted consultancy budgets.
Community Services	(0.369)	Underspend is due to additional income from the help on hands service from previous periods and saving on salaries
Environmental Services	0.829	The overspend is due to a number of issues over the wider service in addition to the requirement to align asset spend with budget during period 7. The cremator experienced unexpected damage which required unbudgeted additional costs and additional staffing costs in refuse and recycling, fleet

		management, garden waste. The service also experienced additional operating costs in fleet management.
Housing Services	0.846	The housing service has significant increased costs due to the rising costs of materials, labour and staffing costs in Building Management. Homelessness Support is forecasting increased costs due to adverse weather and Woking Road Depot stores are forecasting an overspend due to use of casuals and reduced income. This is offset by an underspend on staff in housing surveying in addition to increased recharges to capital and projects.

### Place Directorate

The Place Directorate is currently forecast to be underspent by £0.861 million

Place	2023/24 Revised Budget £ million	2023/24 Year-end Forecast £ million	2023/24 Variance £ million
Assets and Property	(6.962)	(7.561)	(0.599)
Planning & Development	1.349	1.484	0.135
Regeneration & Planning Policy	1.921	1.690	(0.231)
Regulatory Services	1.597	1.431	(0.166)
Total Place	(2.094)	(2.955)	(0.861)

The key variances are detailed below.

Service Area	Forecast Variance £ million	Explanation

Assets and Property	(0.599)	A favourable forecast due to budgets for assets being held within this service but costs being held elsewhere within the directorates. Work is ongoing to align these.
Planning & Development	0.135	There are considerable additional costs forecast within the service due to appeals and the need for experts and consultants. There will be a transfer from reserve once all costs are known of approx. £0.9 million.
Regeneration & Planning Policy	(0.231)	A favourable forecast due to underspends on major projects and planned savings to support current financial situation
Regulatory services	(0.166)	Unbudgeted additional income due to the HMO 4 year renewal in addition to increased grant income from air quality grant. Savings on salaries due to recruitment freeze offset additional costs due to risk management funding and health and safety training.

### Transformation & Governance Directorate

The Transformation & Governance Directorate is currently forecasting to be underspent by £0.535 million.

Transformation & Governance	2023/24 Revised Budget £ million	2023/24 Year-end Forecast £ million	2023/24 Variance £ million
Commercial Services	1.432	0.687	(0.745)
Finance	6.551	6.566	0.015
Legal & Democratic Services	0.776	1.101	0.326

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North Downs Housing	(0.021)	0.040	(0.020)
Organisational Development	0.294	0.184	(0.110)
Total Transformation & Governance	9.032	8.497	(0.535)

The key variances are detailed below.

Service Area	Forecast Variance £ million	Explanation
Commercial Services	(0.745)	Overachievement of income in car parks due to increased demand has been offset by reduced fee income within Building Control due to reduced demand. There will be a realignment of budgets during period 7 for maintenance off assets to align budgets and current spent which will have a positive effect within the service.
Legal & Democratic	0.326	Overspend due to 4 yearly elections which will be funded from a transfer from reserves and additional costs of member training which will be funded from a transfer of budget from HR during period 7.
Organisational Development	(0.110)	Underspends due to vacant posts within community safety and budget held in HR for training and medical fees which are forecast within services. Virement will be undertaken during month 7 to correct. There is an overspend within HR for unbudgeted Business World (Finance system) costs and the use of consultants.

**Appendix 2**

**Housing Revenue Account Forecast Outturn Position for 2023/24**

The HRA is currently forecast to have a deficit of £0.231 million which would reduce the forecast transfer to reserves.

	2023/24 Revised Budget £ million	2023/24 Year-end Forecast £ million	2023/24 Variance £ million
<b>Expenditure</b>			
Strategic and Community Housing Service	13.029	14.118	1.090
Sheltered Housing	0.852	1.133	0.280
Depreciation	5.865	5.865	0.0
Other	2.016	1.377	(0.639)
Interest Payable	4.751	4.751	0.0
Transfer to Reserves	11.735	11.735	0.0
<b>Total Expenditure</b>	<b>38.247</b>	<b>38.979</b>	<b>0.732</b>
<b>Income</b>			
Council House Rents	(34.426)	(35.016)	(0.589)
Interest Received	(1.593)	(1.593)	0.000
Fee's, Charges and Misc. Income	(2.228)	(2.139)	0.089
<b>Total Income</b>	<b>(38.247)</b>	<b>(38.748)</b>	<b>(0.501)</b>
<b>(SURPLUS)/DEFICIT</b>	<b>(0.000)</b>	<b>0.231</b>	<b>0.231</b>

The key variances are detailed below.

Service Area	Forecast Variance Month 6  £M	Explanation
Strategic & Community Housing Services	1.090	Forecast overspend is due to vacant post being covered by interim staff and the forecast maintenance of assets being over budget.
Sheltered Housing	0.280	This is due to an unbudgeted increased cost of utilities, the council is currently reviewing all contracts in an effort to reduce this.
Other	(0.639)	Reduced costs of debt management plus savings due to vacant posts
Council House Rents	(0.589)	Increased costs of rents which had not been uplifted in budget assumptions

There needs to be a review of all budgets including recharges within the HRA to ensure they reflect actual costs. This will be done as part of the Finance recovery plan during the remaining months of 2023-24.



## Appendix 3

### Background to movements in the capital programme

#### GF Approved programme

Expenditure is expected to be £119.6 million representing a £58.3 million variance to the revised estimate of £177.7 million. If a project is on the approved programme, it is an indicator that the project has started or is near to start following the approval of a final business case by Executive. Whilst actual expenditure for the period of £24.3 million may seem low, several significant projects are in progress and delivery of the corporate projects and programmes is progressing. These include:

- P21 – Ash Road Bridge (£22.5 million) – work is progressing on this scheme and a contractor has been appointed and started in site. This project is part grant funded from Homes England Housing Infrastructure Fund (HIF). As part of the grant funding agreement there are specific milestones that have to be met in the delivery of the project and any slippage in delivery of the programme to the milestones may result in the loss of grant funding. Officers complete regular monitoring reports to Homes England (HE) and the Major Projects Portfolio Board. The project status is currently rated as Amber on the MPPB monitoring report due to potential site access issues to the northern portion due to Bellways' construction site, pre commencement condition clearance and the issues in relation to 3<sup>rd</sup> parties land and required agreements to facilitate contractors and SSEN's works both on their land and boundary treatments.
- ED6 – Weyside Urban Village (£86.9 million) - work is progressing on the detailed design, pre-planning, and site investigation work for this scheme to inform the final business case. This project is also part grant funded from Homes England Housing Infrastructure Fund (HIF). As part of the grant funding agreement there are specific milestones that must be met in the delivery of the project and any slippage in delivery of the programme to the milestones may result in the loss of grant funding. Officers complete regular monitoring reports to Homes England, the WUV programme Board and the Major Projects Portfolio Board on the progress of the project. The project status is currently rated-Red on the MPPB monitoring report, HIF milestones and funding is a current risk to the programme, deadline of March 2024 for majority of funding claim. Now the Remediation Plan has been approved by Homes England, the Council must deliver against the milestones outlined in the document. Two of the milestones have recently been resolved (TW agreement and payment to UKPN) but the next critical one is the commencement of procurement for the housing delivery in October. Planning risk has been mitigated and the project team are actively working through the outstanding planning conditions.
- FS1 – Capital Contingency Fund – (£1.9 million)

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- ED49 – Middleton Industrial Estate redevelopment (£1.9 million) – Phase 4 construction is underway, and project scheduled for completion this financial year.

In addition to the scheme outlines above, the re-profiling of the following significant amounts that were due to be spend on schemes or projects in 2023/24 will now be carried forward into 2024/25 or future years.

- P12 – Strategic Property Acquisitions/redevelopment (£21.8 million). The majority of original budget (£23.8 million) has been moved into later years due to the change in strategy on property acquisition for commercial purposes, and no immediate plans for redevelopment of our existing portfolio.
- P21 – Ash Road Bridge (£7.9 million) – Work is progressing on this scheme, current estimated spend in 2023/24 is £22.5 million from original budget £30.4 million the remaining amount has been moved to 2024/25 due to reprofiling of scheme.
- ED6 – WUV (£23.5 million) - Work is progressing on this scheme, current estimated spend in 2023/24 is £86.9 million from original budget £110.4 million the remaining amount has been moved to future years due to slippage and reprofiling of the programme.
- P22 – Shaping Guildford Future (SGF) (4.1 million) – Reprofiling to 2024/25 decision to be made on progression of scheme.

### **GF Provisional programme**

Expenditure on the provisional programme is expected to be £3.1 million, against the revised estimate of £49.1 million, representing a variance of £45.9 million. These projects are still at feasibility stage and will be subject to Executive approval of a business case before they are transferred to the approved capital programme. It is only once the business case is approved that the capital works can begin. Monitoring the progress of these projects is key to identifying project timescales.

The re-profiling of schemes has resulted in a lower level of expenditure than planned in 2022-23.

Several projects, that were also anticipated to start in 2023/24 have been re-profiled into future years including:

- Strategic Property Acquisitions/redevelopment (£28.3 million)
- Guildford West Station (£1 million)
- North Downs Housing (£5.5 million)
- Guildford Holding Ltd (£3.6 million)
- Vehicles, Plant and Equipment Replacement Programme (£2.9 million)
- Energy efficiency compliance (£2.7 million)

### **Housing investment programme**

The HRA approved capital programme is expected to outturn at £34.937 million against a revised estimate of £60.955 million. Several projects are in progress. These include:

- Guildford Park – (£1.209 million) The main objective of the project is to redevelop this site to provide much-needed housing, including affordable. In accordance with the Executive Decision of March 2023, Officers are undertaking work to procure a Development Partner, who will finalise design proposals, submit a new planning application and build out the scheme on the Council's behalf. The Council's requirements will be set out in a Development Agreement including the required affordable housing to be delivered. The status of the project is currently Green on the MPPB monitoring report due to budget risks. Spend for 2023/24 has been refiled to £745,000.
- Foxburrows Redevelopment – (£9.59 million) refiled to 2024/25 awaiting decision on progression of scheme.
- Various small site projects – (£9.12 million) there is slippage on these projects. (£8.53 million has been refiled to future years)
- Acquisitions of Land and Buildings – (£4.518 million) spend is dependent on availability of sites, we are currently actively purchasing suitable properties to mitigate slippage on building projects.
- Major Repairs & Improvements – (£27.336 million) outturn is expected to be on budget as works delayed due to COVID can now be progressed.

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2023-24 to 2028-29

Ref	Bid ref	Code	Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-23	2023-24		Supplementary Ests	Virements	Revised estimate	Expenditure at 05.10.23	Projected exp est by project officer	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	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Funded from Reserves	Net cost of scheme																					
						Estimate approved by Council in February	Rolled over																(a)	(b)	(c)	(d) (i)	(d) (ii)	(d)	(e)	(f)	(ii)	(iii)	(iv)	(v)	(v)	(g)	(b)+(f)+(g) = (h)	(i)	(j)	(h)-(i) -(j) = (k)			
																						£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>APPROVED SCHEMES</b>																																											
<b>COMMUNITY DIRECTORATE</b>																																											
<b>General Fund Housing</b>																																											
PR381	N51008		Disabled Facilities Grants		annual	605	-	-	-	605	194	605	605	-	-	-	-	605	1,210	(1,210)	-	-																					
	N51019		Better Care Fund		annual	-	-	-	-	-	209	-	-	-	-	-	-	-	-	-	-	-																					
PR381	N51020		Home Improvement Assistance		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																					
PR381	N51021		Solar Energy Loans		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																					
	N51023		BCF TESH Project		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																					
	N51024		BCF Prevention grant		annual	-	-	-	-	-	5	-	-	-	-	-	-	-	-	-	-	-																					
	N51030/32		SHIP		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																					
			General Grants to HAs		annual	100	-	-	-	100	-	100	100	-	-	-	-	100	200	-	-	200																					
<b>Asset Management</b>																																											
ED21 &	P72022		Methane gas monitoring system	100	48	52	(0)	-	-	52	-	52	-	-	-	-	-	-	100	-	-	100																					
ED22 &	P74058		Energy efficiency compliance - Council owned properties	245	102	133	10	-	-	143	-	143	-	-	-	-	-	-	245	-	-	245																					
ED26	P51053		Bridges -inspections and remedial works	317	256	-	61	-	-	61	15	61	-	-	-	-	-	-	317	-	-	317																					
ED53	BID97	P74072	Tying Farm Land-removal of barns and concrete hardstanding	200	143	57	-	-	-	57	6	57	-	-	-	-	-	-	200	-	-	200																					
<b>COMMUNITY DIRECTORATE TOTAL</b>																						<b>862</b>	<b>549</b>	<b>947</b>	<b>71</b>	<b>0</b>	<b>0</b>	<b>1,018</b>	<b>429</b>	<b>1,018</b>	<b>705</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>705</b>	<b>2,272</b>	<b>-1,210</b>	<b>-</b>	<b>1,062</b>		
<b>ENVIRONMENT DIRECTORATE</b>																																											
<b>Operational Services</b>																																											
OP1/OP	P66*		Flood resilience measures (use in conjunction with grant funded)	445	324	-	121	-	-	121	-	121	-	-	-	-	-	-	445	-	-	445																					
OP6	PR304	P58012	Vehicles, Plant & Equipment Replacement Programme	12,815	10,529	149	(13)	-	-	136	30	136	2,150	-	-	-	-	2,150	12,815	(26)	-	12,789																					
OP26	PR264	P35022	Marrow lane grille & headwall construction	60	3	-	57	-	-	57	-	57	-	-	-	-	-	-	60	-	-	60																					
OP28	PR284		Crown court CCTV	10	-	-	10	-	-	10	-	10	10	-	-	-	-	10	10	-	-	10																					
OP22	5-1920		Town Centre CCTV upgrade	250	-	125	125	-	-	250	-	250	250	-	-	-	-	250	250	-	-	250																					
<b>Parks and Leisure</b>																																											
PL20(c)	P18224		Redevelopment of Westborough and Park Barn play area	376	-	320	-	56	-	376	-	376	-	-	-	-	-	-	376	(56)	-	320																					
PL34	PR186	P04009	Stoke cemetery re-tarmac	122	77	-	45	-	-	45	-	45	-	-	-	-	-	-	122	-	-	122																					
PL57 &	BID211	P18215	Parks and Countryside - repairs and renewal of paths,roads	355	337	-	18	-	-	18	18	18	-	-	-	-	-	-	355	-	-	355																					
PL58	1-1920	P18220	Shalford Common - regularising car parking/reduction of	121	36	92	(7)	-	-	85	1	10	75	-	-	-	-	75	121	-	-	121																					
PL60	7-1920	P18226	Traveller encampments	53	26	27	-	-	-	53	3	25	28	-	-	-	-	28	53	-	-	53																					
PL60	7-1920		Traveller transit site provision	127	-	127	-	-	-	127	-	127	-	-	-	-	-	-	127	-	-	127																					
PL61	Bid 2	P18238	Stoke Park Paddling Pool	170	168	-	2	-	-	2	-	2	-	-	-	-	-	-	170	-	-	170																					
PL62		P22067	Lido - Drainage Works	2,100	1,168	200	679	-	-	879	640	879	53	-	-	-	-	53	2,100	(1,500)	-	600																					
PL68	BID 6	P18418	SMP astro turf surface	10	-	8	-	-	-	8	3	3	3	4	-	-	-	7	10	-	-	10																					
<b>ENVIRONMENT TOTAL DIRECTORATE</b>																						<b>17,014</b>	<b>12,642</b>	<b>920</b>	<b>1,191</b>	<b>56</b>	<b>-</b>	<b>2,168</b>	<b>695</b>	<b>1,800</b>	<b>2,569</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,573</b>	<b>17,015</b>	<b>(82)</b>	<b>(1,500)</b>	<b>15,433</b>		
<b>FINANCE DIRECTORATE</b>																																											
<b>Financial Services</b>																																											
FS1	PR303		Capital contingency fund	annual	-	2,000	-	-	(75)	1,925	-	1,925	2,000	2,000	2,000	2,000	-	8,000	9,925	-	-	9,925																					
<b>RESOURCES DIRECTORATE TOTAL</b>																						<b>0</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>-75</b>	<b>1,925</b>	<b>0</b>	<b>1,925</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>8,000</b>	<b>9,925</b>	<b>0</b>	<b>-</b>	<b>9,925</b>		
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS</b>																																											
<b>Development / Infrastructure</b>																																											
ED54	BID129	P74069/P740	Rodboro Buildings - electric theatre through road and parking	416	39	379	(2)	-	-	377	0	377	-	-	-	-	-	-	416	-	-	416																					
P5	PR354	P79027/P790	Walnut Bridge replacement	5,098	5,642	-	-	-	-	-	39	39	-	-	-	-	-	-	5,681	(2,456)	(950)	2,275																					
		P79032	SMC(West) Phase 1 (complete)	1,967	1,928	-	39	-	-	39	11	12	-	-	-	-	-	1,940	(914)	-	-	1,026																					
P21		P79037/P790	Ash Road Bridge	44,000	9,189	22,491	7,982	-	-	30,473	2,911	22,531	11,864	416	-	-	-	12,280	44,000	(35,400)	-	8,600																					
		P79038	Ash Road Footbridge	500	183	36	281	-	-	317	0	317	-	-	-	-	-	-	500	-	-	500																					
		P79995	Broadband for Surrey Hills (B4SH)	60	46	-	14	-	-	14	1	14	-	-	-	-	-	-	60	-	-	60																					
P11	PR364 &		Guildford West (PB) station	500	-	250	250	-	-	500	-	-	250	250	-	-	-	500	500	-	-	500																					
<b>Development Financial</b>																																											
	PR130	P79996	Investment in North Downs Housing (60%)	15,180	15,180	-	-	-	-	-	-	-	-	-	-	-	-	-	15,180	-	-	15,180																					
	PR130	P79997	Equity shares in Guildford Holdings Ltd (40%)	10,120	10,120	-	-	-	-	-	-	-	-	-	-	-	-	-	10,120	-	-	10,120																					
ED49	PR395	P72037	Middleton Ind Est Redevelopment	14,907	12,860	300	1,672	-	-	1,972	1,670	1,972	75	-	-	-	-	75	14,907	-	-	14,907																					
P12	PR371 &	P72045	Property acquisitions	33,520	9,675	23,953	(108)	-	-	23,845	1,629	2,022	7,869	13,954	-	-	-	21,823	33,520	-	-	33,520																					
PL9	PR136	P05009	Rebuild Crematorium(complete)	11,111	10,934	-	177	-	75	252	177	252	-	-	-	-	-	-	11,186	-	-	11,186																					
ED27		P79023/P790	North Street Development / Guild Town Centre regeneration	1,727	1,586	100	41	-	-	141	38	141	-	-	-	-	-	-	1,727	(250)	-	1,477																					
P22	BID 21-	P79039	Shaping Guildford Future (SGF)	4,170	-	2,640	1,530	-	-	4,170	-	-	4,170	-	-	-	-	4,170	4,170	-	-	4,170																					
ED32	PR028	P79026	Internal Estate Road - CLLR Phase 1	11,139	10,946	-	193	-	-	193	36	193	-	-	-	-	-	-	11,139	(5,107)	-	6,032																					
ED6	PR350	P74039 /	WUV (Weyside Urban Village)	170,506	29,004	93,223	17,229	-	-	110,452	4,338	86,935	23,517	-	-	-	-	23,517	170,706	(56,787)	-	113,918																					
ED6	PR350	P79100/P182	WUV - Allotment relocation	200	3,442	-	-	-	-	-	149	-	-	-	-	-	-	-	-	-	-	-																					
ED6	PR350	P79101	WUV - Int roads, Site clearance	-	1	-	-	-	-	-	551	-	-	-	-	-	-	-	-	-	-	-																					
ED6	PR350	P79102	WUV - New GBC Depot	2,480	2,424	-	56	-	-	56	335	56	-	-	-	-	-	2,480	-	-	-	2,480																					
ED6	PR350	P79103	WUV - Off Site Highways	-	-	-	1	-	-	-	38	-	-	-	-	-	-	-	-	-	-	-																					
ED6	PR350	P79104	WUV - Thames Water relocation	-	26,717	-	-	-	-	-	11,066	-	-	-	-	-	-	-	-	-	-	-																					
ED6	PR350	P79105	WUV - Utilities & Plot services	-	-	-	-	-	-	-	16	-	-	-	-	-	-	-	-	-	-	-																					
ED6	PR350	P79106	WUV - Land Purchase	-	1,091	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																					
ED6	PR350	P79110	WUV - SANG	-	-	-	-	-	-	-	156	-	-	-	-	-	-	-	-	-	-	-																					
ED6	PR350	P79111	WUV - Common Land	-	-	-	-	-	-	-	106	-	-	-	-	-	-	-	-	-	-	-																					
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION</b>																						<b>327,601</b>	<b>151,005</b>	<b>143,373</b>	<b>29,355</b>	<b>0</b>	<b>75</b>	<b>172,802</b>	<b>23,266</b>	<b>114,862</b>	<b>47,745</b>	<b>14,620</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62,365</b>	<b>328,232</b>	<b>-100,914</b>	<b>-950</b>	<b>226,367</b>		
<b>APPROVED SCHEMES TOTAL</b>																						<b>345,477</b>	<b>164,196</b>	<b>147,240</b>	<b>30,617</b>	<b>56</b>	<b>0</b>	<b>177,913</b>	<b>24,390</b>	<b>119,605</b>	<b>53,019</b>	<b>16,624</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>73,643&lt;/</b>						

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2023-24 to 2028-29

Ref	Verio ref	Code	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive	Cumulative spend at 31-03-23	2023-24		Revised estimate	Expenditure at 05.10.23	Projected exp est by project officer	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 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	
						Estimate approved by Council in February	Rollled over																Supp Ests
				£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
PROVISIONAL SCHEMES (schemes approved in principle; further report to the Executive required)																							
COMMUNITY DIRECTORATE																							
Asset Management																							
ED21(P)			Wastewater monitoring system	150	-	150	-	150	-	-	150	-	-	-	-	-	-	-	150	150	-	150	
ED22(P)			Energy efficiency compliance - Council owned properties &	3,218	-	2,718	-	2,718	-	-	2,718	500	-	-	-	-	-	-	3,218	3,218	-	3,218	
ED26(P)			Bridges	370	-	-	370	-	370	-	-	-	-	-	-	-	-	-	-	370	-	370	
ED29(P)	PR390		Westfield/Moorfield rd resurfacing	3,152	-	-	-	-	-	-	3,152	-	-	-	-	-	-	-	3,152	3,152	-	3,152	
ED57(P)	BID 7 2324		Investment Property void pot	500	-	100	-	100	-	100	100	100	100	-	-	-	-	-	400	500	-	500	
Office Services																							
BS3(p)	BID201		Millmead House - MSE plant renewal	33	-	-	33	33	33	-	-	-	-	-	-	-	-	-	-	33	-	33	
COMMUNITY DIRECTORATE TOTAL																							
				7,423	-	2,968	403	-	3,371	-	503	2,968	3,752	100	100	-	-	-	6,920	7,423	-	7,423	
ENVIRONMENT DIRECTORATE																							
Operational Services																							
OP6(P)	Bid 5 2223		Vehicles, Plant & Equipment Replacement Programme	21,850	-	2,900	-	2,900	-	-	1,010	3,990	2,470	6,450	5,330	2,000	600	-	21,850	21,850	-	21,850	
OP21(P)	PR281		Surface water management plan	200	-	200	-	200	-	200	-	-	-	-	-	-	-	-	-	200	-	200	
OP23(p)	Bid 7 2223		Millmead House Lits	200	-	-	200	200	200	-	-	-	-	-	-	-	-	-	-	200	-	200	
OP24(p)	BID 4 2324		GBC Depot - operational	2,430	-	200	-	200	-	200	2,200	30	-	-	-	-	-	-	2,230	2,430	-	2,430	
Parks and Leisure																							
PL18(P)			Rejuvenation / refurbishment of Sutherland Memorial Park Pavilion	150	-	-	-	-	-	-	150	-	-	-	-	-	-	-	-	150	-	150	
PL45(p)	PR388		Stoke Pk gardens water feature refurb	40	-	40	-	40	-	40	-	-	-	-	-	-	-	-	-	40	(29)	11	
PL57(p)	BID211	P18215	Parks and Countryside - repairs and renewal of paths,roads and	1,382	-	250	-	250	-	250	250	250	250	382	-	-	-	-	1,132	1,382	-	1,382	
PL59(p)	BID229		Millmead fish cases	60	-	60	-	60	-	60	-	-	-	-	-	-	-	-	60	-	60		
PL62(p)	Bid 4 2223		Chilworth Gunpowder Mills	180	-	165	10	175	-	20	160	-	-	-	-	-	-	-	160	180	-	180	
PL63(p)	Bid 9 2223		Memorial Wall	100	-	-	-	-	-	-	100	-	-	-	-	-	-	-	100	100	-	100	
PL34(p)	Bid 10 2223		Stoke cemetery re-tarmac	18	-	18	-	18	-	18	-	-	-	-	-	-	-	-	18	-	18		
PL64(p)	BID 1 2324		Lido Road Allotment Security Fencing	70	-	70	-	70	-	70	-	-	-	-	-	-	-	-	70	-	70		
PL65(p)	BID 2 2324		2015 Play strategy action plan	200	-	200	-	200	-	200	-	-	-	-	-	-	-	-	200	-	200		
PL66(p)	BID 3 2324		Spectrum upgrades	7,100	-	1,250	-	1,250	-	1,250	1,750	2,300	1,150	650	-	-	-	-	5,850	7,100	-	7,100	
PL67(p)	BID 5 2324		Derby Road playground conversion	120	-	120	-	120	-	120	-	-	-	-	-	-	-	-	-	120	-	120	
ENVIRONMENT DIRECTORATE TOTAL				34,100	-	5,395	288	-	5,683	-	2,628	5,520	6,670	3,870	7,482	5,330	2,000	600	-	31,472	34,100	(29)	34,071
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																							
Development / Infrastructure																							
PR130	P79996		Investment in North Downs Housing	30,100	-	5,518	-	5,518	-	-	-	-	-	18,057	-	-	-	-	18,057	18,057	-	18,057	
PR130	P79997		Equity shares in Guildford Holdings Ltd	-	-	3,683	-	3,683	-	-	-	-	-	12,043	-	-	-	-	12,043	12,043	-	12,043	
P10(p)	PR316		Sustainable Movement Corridor	150	-	-	-	-	-	150	-	-	-	-	-	-	-	-	150	150	-	150	
P11(p)	PR384 &		Guildford West (WB) station	1,000	-	1,000	-	1,000	-	-	1,000	-	-	-	-	-	-	-	1,000	1,000	-	1,000	
Development Financial																							
ED16(P)	PR350		WUV (Weyside Urban Village)	150,622	-	1,522	-	1,522	-	-	84,104	39,368	21,080	-	-	-	-	-	144,532	144,532	-	144,532	
ED36(P)	PR041		North Street development	1,250	-	50	-	50	-	50	50	50	50	50	950	-	-	-	1,200	1,250	-	1,250	
P12(p)	PR371 & 4-		Property acquisitions	38,292	-	28,292	-	28,292	-	-	13,000	13,000	12,292	-	-	-	-	-	38,292	38,292	-	38,292	
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS TOTAL				221,414	-	40,065	-	40,065	-	50	84,304	53,418	34,110	42,442	50	950	-	-	215,274	215,324	-	215,324	
PROVISIONAL SCHEMES - GRAND TOTALS				262,937	-	48,428	691	-	49,119	-	3,181	92,792	63,840	38,080	50,024	5,380	2,950	600	-	253,666	256,847	(29)	256,818
non development projects				41,523	-	8,363	691	-	9,054	-	3,131	8,488	10,422	3,970	7,582	5,330	2,000	600	-	38,392	41,523	(29)	41,494
development/infrastructure - non-financial benefit				31,250	0	10,201	0	0	10,201	0	0	150	1,000	0	30,100	0	0	0	0	31,250	31,250	0	31,250
development-financial benefit				180,164	0	29,864	0	0	29,864	0	50	84,154	52,418	34,110	12,342	50	950	0	0	184,024	184,074	0	184,074
TOTAL				262,937	0	48,428	691	0	49,119	0	3,181	92,792	63,840	38,080	50,024	5,380	2,950	600	0	253,666	256,847	-29	256,818

GENERAL FUND CAPITAL SCHEMES - PROJECTS FUNDED VIA RESERVES: ESTIMATED EXPENDITURE 2023-24 to 2028-29

Item No.	Project Officer	Code	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-23	2022-23 Estimate approved by Council in February	Rolled over	Virements	Revised estimate	Expenditure at 05.10.23	Projected exp est by project officer	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	Future years est exp	Projected expenditure total
				(a)	(b)	(c)	(d) (i)		(e)	(f)	(g)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(f)+(g) = (h)
				£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
			<b>COMMUNITY DIRECTORATE</b>															
		P59...	ENERGY PROJECTS per SALIX RESERVE:(PR220)			-												
R-EN12	7-2021		LED lighting	44			44		44		44							44
			ENERGY PROJECTS per GBC INVEST TO SAVE RESERVE: GBC 'Invest to Save' energy projects (to be repaid in line with savings)															
R-EN14	BID207	P59108	SMP - air source heat pump	28	1		27		27		27							28
			<b>ENERGY RESERVES TOTAL</b>	<b>72</b>	<b>1</b>	<b>-</b>	<b>71</b>	<b>-</b>	<b>71</b>	<b>-</b>	<b>71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72</b>
			<b>FINANCE DIRECTORATE</b>															
			<b>INFORMATION TECHNOLOGY - IT Renewals Reserve (PR265) : approved annually</b>															
			Hardware / software budget	500		440			440		440							440
R-IT1	SW-M	P81002	Hardware	annual	annual					63								
R-IT2	SW-M	P81002	Software	annual	annual													
			12,710			60			60	3	60							60
		P81038	ICT Refresh Phase 2															
		P81037	Salesforce	1,200	196				85		85							
R-IT3	09-1920		IDOX Acolaid to Uniform	275		275			275		275							275
R-IT4	09-1920		LCTS alternative	56		56	0		56		56							56
			<b>IT RENEWALS RESERVE TOTAL</b>	<b>2,031</b>	<b>196</b>	<b>831</b>	<b>0</b>	<b>-</b>	<b>831</b>	<b>151</b>	<b>917</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>831</b>
			<b>ENVIRONMENT DIRECTORATE</b>															
			<b>SPECTRUM RESERVE</b>															
			Spectrum schemes (to be agreed with Freedom Leisure)	431	168													168
			<b>SPECTRUM RESERVE TOTAL</b>	<b>431</b>	<b>168</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168</b>
			<b>CAR PARKS RESERVE</b>															
R-CP1	KMc	P37503	Car parks - install/replace pay-on-foot equipment	1,170	240							930						930
			Car Parks - Lighting & Electrical improvements:															
R-CP14	KMc/RH	P37514	Lift replacement (PR000293)	841	716		125		125		125							841
R-CP19	BID194	P37523	Structural works to MSCP	300	50		100		100		100							150
R-CP21	08-2021	P37526	Additional barriers Farnham Rd	15			15		15		15							15
R-CP22	08-2021	P37527	Deck surface replacement (stair cores)Farnham Rd	70			70		70	5	70							70
R-CP25	1 & BID 11	P37530	Structural repairs roof turret timbers Castle St	210		200			200		20	190					190	210
			<b>CAR PARKS RESERVE TOTAL</b>	<b>2,606</b>	<b>1,006</b>	<b>200</b>	<b>310</b>	<b>-</b>	<b>510</b>	<b>5</b>	<b>330</b>	<b>1,120</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,120</b>	<b>2,456</b>
			<b>SPA RESERVE :</b>															
		P20...	SPA schemes (various)	100	annual		151		151		151							151
R-SPA1		P201..	Chantry Woods															
R-SPA2		P202..	Effingham															
R-SPA3		P203..	Lakeside															
R-SPA4		P204..	Riverside															
R-SPA5		P205..	Parsonage															
			<b>SPA RESERVE TOTAL</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>151</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>5,240</b>	<b>1,370</b>	<b>1,031</b>	<b>533</b>	<b>-</b>	<b>1,564</b>	<b>156</b>	<b>1,469</b>	<b>1,120</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,120</b>	<b>3,678</b>

FUNDING SUMMARY	
Reserves (various)	1,031
Grants & contributions	-
<b>TOTALS</b>	<b>1,031</b>

Estimate £000	Rolled £000	Virements £000	Revised £000	Expenditure £000	Projected £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000
1,031	382	-	1,413	156	1,318	1,120	-	-	-	-
-	151	-	151	-	151	-	-	-	-	-
<b>1,031</b>	<b>533</b>	<b>-</b>	<b>1,564</b>	<b>156</b>	<b>1,469</b>	<b>1,120</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

GENERAL FUND CAPITAL PROGRAMME - S106 ESTIMATED EXPENDITURE 2023-24 to 2028-29

Ref	Project Officer	Code	Service Units / Capital Schemes	Approved gross estimate	Cumulative spend at 31-03-23	2022-23		Revised estimate	Expenditure at 05.10.23	Projected exp est by project officer	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	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Net cost of scheme	Total net cost approved by Executive	
						Estimate approved by Council in February	Rolled over														Virements
				(a)	(b)	(c)	(d) (i)	(d) (ii)	(d)	(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(f)+(g) = (h)	(i)	(h)-(i)	(i)
				£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>APPROVED SCHEMES (fully funded from S106 contributions)</b>																					
<b>ENVIRONMENT DIRECTORATE</b>																					
<b>Operational Services</b>																					
<b>Parks and Leisure</b>																					
S-PL36	HJ	P18177	Gunpowder mills - signage, access and woodland imps	36	22	14	0	-	14	1	14	-	-	-	-	-	-	36	(36)	-	
S-PL38	HJ	P18192	Chantry Wood Campsite	36		36	-	-	36	-	36	-	-	-	-	-	-	36	(36)	-	
S-PL51	SA	P18225	Foxenden Quarry	101	54	59	(12)	-	47	12	47	-	-	-	-	-	-	101	(101)		
S-PL48	HJ	P18230	Boardwalk Heathfield Nature Reserve	13		13	-	-	13	-	13	-	-	-	-	-	-	13	(13)		
S-PL54	SA	P18241	Shalford park Trim Trail	12			12		12		12							12	(12)		
S-PL55		P18242	GLIVE Landscaping	1					1	1	1							1	(1)		
S-PL56		P18243	The Briars Playarea	169					169		169							169	(169)		
<b>ENVIRONMENT DIRECTORATE TOTAL</b>				<b>368</b>	<b>76</b>	<b>122</b>	<b>0</b>	<b>-</b>	<b>293</b>	<b>14</b>	<b>293</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>368</b>	<b>(368)</b>	<b>-</b>	<b>-</b>
<b>APPROVED S106 SCHEMES TOTAL</b>				<b>368</b>	<b>76</b>	<b>122</b>	<b>0</b>	<b>-</b>	<b>293</b>	<b>14</b>	<b>293</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>368</b>	<b>(368)</b>	<b>-</b>	<b>-</b>

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

76	122	0	-	293	14	293	-	-	-	-	-	-	-	-	-	-	368	(368)	-	
<b>76</b>	<b>122</b>	<b>0</b>	<b>-</b>	<b>293</b>	<b>14</b>	<b>293</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>368</b>	<b>(368)</b>	<b>-</b>	<b>-</b>

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

### 1.0 AVAILABILITY OF RESOURCES - NOTES :

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

1.2 The actuals for 2022-23 have not been audited.

### 1.3 Funding assumptions:

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

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

### 2.0 Capital receipts - Balances (T01001)

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

	<b>2022-23 Actuals £000</b>	<b>2023-24 Budget £000</b>	<b>2023-24 Est Outturn £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>2028-29 Estimate £000</b>
Balance as at 1 April	127	0	136	0	0	0	0	0
Add estimated usable receipts in year	169	0	45	0	39,109	23,905	15,551	56,227
Less applied re funding of capital schemes	(159)	0	(181)	0	(39,109)	(23,905)	(15,551)	(56,227)
<b>Balance after funding capital expenditure as at 31 March</b>	<b>136</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



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

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

### 3.0 Capital expenditure and funding - summary

#### Estimated capital expenditure

Main programme - approved

Main programme - provisional

s106

Reserves

GF Housing

**Total estimated capital expenditure**

**To be funded by:**

Capital receipts (*per 2.above*)

Contributions

R.C.C.O. :

Other reserves

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

**Total funding required**

	2022-23 Actuals £000	2023-24 Budget £000	2023-24 Est Outturn £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000	2028-29 Estimate £000
	34,053	147,240	119,605	53,019	16,624	2,000	2,000	0
	0	48,428	3,181	92,792	63,840	38,080	50,024	5,380
	283	122	293	0	0	0	0	0
	1,109	1,031	1,469	1,120	0	0	0	0
	0	0	0	0	0	0	0	0
<b>Total estimated capital expenditure</b>	<b>35,445</b>	<b>196,821</b>	<b>124,548</b>	<b>146,931</b>	<b>80,464</b>	<b>40,080</b>	<b>52,024</b>	<b>5,380</b>
<b>To be funded by:</b>								
Capital receipts ( <i>per 2.above</i> )	(159)	0	(181)	0	(39,109)	(23,905)	(15,551)	(56,227)
Contributions	(6,862)	(46,336)	(51,221)	(18,294)	(1,020)	(750)	0	0
<u>R.C.C.O. :</u>								
Other reserves	(2,389)	(1,131)	(1,752)	(1,192)	0	0	0	0
	0	0	0	0	0	0	0	0
	(9,410)	(47,467)	(53,155)	(19,486)	(40,129)	(24,655)	(15,551)	(56,227)
Balance of funding to be met from (i) the Capital Reserve, and (ii) borrowing	(26,035)	(149,354)	(71,393)	(127,445)	(40,335)	(15,425)	(36,473)	50,847
<b>Total funding required</b>	<b>(35,445)</b>	<b>(196,821)</b>	<b>(124,548)</b>	<b>(146,931)</b>	<b>(80,464)</b>	<b>(40,080)</b>	<b>(52,024)</b>	<b>(5,380)</b>

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### 4.0 General Fund Capital Schemes Reserve (U01030)

Balance as at 1 April

Add: General Fund Revenue Budget variations

Contribution from revenue

Less: Applied re funding of capital programme

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

	2022-23 Actuals £000	2023-24 Budget £000	2023-24 Est Outturn £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000	2028-29 Estimate £000
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	50,847
<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>50,847</b>

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

	<b>26,035</b>	<b>149,354</b>	<b>71,393</b>	<b>127,445</b>	<b>40,335</b>	<b>15,425</b>	<b>36,473</b>	<b>0</b>
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Agenda item number: 8  
Appendix 5

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

### 5.0 Housing capital receipts (pre 2013-14) - estimated availability/usage for Housing, Affordable Housing and Regeneration projects - GBC policy

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
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>

	2022-23 Actuals £000	2023-24 Budget £000	2023-24 Est Outturn £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000	2028-29 Estimate £000
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
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))

Balance as at 1 April (T01012)	50	348	0	360	371	383	395	410
Add: Estimated receipts in year	645	301	0	304	307	310	313	0
Less: Applied re Housing (General Fund) capital programme	0	(189)	0	(72)	(75)	(78)	(78)	0
Less: Applied re Housing Improvement programme	(695)	(100)	0	(220)	(220)	(220)	(220)	(410)
Less: Applied on regeneration schemes	0	360	0	371	383	395	410	0
<b>Housing receipts - estimated balance in hand</b>	<b>0</b>	<b>360</b>	<b>0</b>	<b>371</b>	<b>383</b>	<b>395</b>	<b>410</b>	<b>0</b>

	2022-23 Actuals £000	2023-24 Budget £000	2023-24 Est Outturn £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000	2028-29 Estimate £000
Balance as at 1 April (T01012)	50	348	0	360	371	383	395	410
Add: Estimated receipts in year	645	301	0	304	307	310	313	0
Less: Applied re Housing (General Fund) capital programme	0	(189)	0	(72)	(75)	(78)	(78)	0
Less: Applied re Housing Improvement programme	(695)	(100)	0	(220)	(220)	(220)	(220)	(410)
Less: Applied on regeneration schemes	0	360	0	371	383	395	410	0
<b>Housing receipts - estimated balance in hand</b>	<b>0</b>	<b>360</b>	<b>0</b>	<b>371</b>	<b>383</b>	<b>395</b>	<b>410</b>	<b>0</b>

Total £'000s

### 6.1 Estimated annual borrowing requirement Bids for funding (net)

**Total estimated borrowing requirement if all bids on Appendix 1 approved**

26,035	149,354	71,393	127,445	40,335	15,425	36,473	0	291,071
								0
	149,354	71,393	127,445	40,335	15,425	36,473	0	291,071

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Appendix 5

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2023-24 to 2028-29: HRA APPROVED PROGRAMME

	Project Budget £000	2022-23 Actual £000	Project Spend at 31-03-23 £000	2023-24 Estimate £000	Carry Forward	2023-24 Revised Estimate £000	Expenditure as at 06.10.23 0	2023-24 Projected Outturn £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000	2028-29 Estimate £000	Total Project Exp £000
<b>Acquisition of Land &amp; Buildings</b>	22,900	4,165	18,382	4,000	518	4,518	852	4,518	0	0	0	0	0	22,900
<b>New Build</b>														
N30011 Guildford Park	75	0	75	0	0	0	0	0	0	0	0	0	0	75
Guildford Park (from GF)	6,500	1,766	5,291	1,084	125	1,209	192	745	464	0	0	0	0	6,500
N30023 Bright Hill	500	50	67	423	10	433	0	0	433	0	0	0	0	500
N30029 Foxburrows Redevelopment	10,657	0	0	9,591	0	9,591	0	0	9,591	1,066	0	0	0	10,657
N30020 Shawfield Redevelopment	300		4	296	0	296	0	0	296	0	0	0	0	300
Various small sites & feasibility/Site preparation	1,000		0	0	0	0	0	0	1,000	0	0	0	0	1,000
Pipeline projects:	9,425		7	3,422	5,700	9,122	0	0	0	0	0	0	0	9,122
N30022 Manor House Flats		20	95			0	13	74	59	1,271	1,688	292		
N30026 Banders Rise		5	28			0	2	2	0	0				
N30027 Station Road East		4	27			0	3	60	355	314	62			
N30028 Dunmore Garden Land		5	39			0	5	73	445	61	51			
N30030 Clover Road Garages		11	57			0	5	101	1,071	1,588	272			
N30031 Rapleys Field		11	29			0	5	90	729	1,184	198			
N30032 Georgelands 108		4	5			0	6	72	359	46	36			
N30033 27 Broomfield		5	9			0	3	59	325	45	36			
N30034 17 Wharf Lane		4	8			0	3	57	312	44	34			
Development Projects	7,100			7,100		7,100		0	0			4,748		7,100
<b>Schemes to promote Home-Ownership</b>														
Equity Share Re-purchases	annual	0	annual	400	0	400	0	400	400	400	0	0	0	annual
<b>Major Repairs &amp; Improvements</b>				20,600	6,736	27,336		27,336	0					
Retentions & minor carry forwards	annual	0	annual				0	0						annual
Modern Homes - Kitchens, Bathrooms & Void refurb	annual	6,602	annual				6,993	0						annual
Doors and Windows	annual	908	annual				1,322	0						annual
Structural/Roof	annual	1,056	annual				648	0						annual
Energy efficiency: Central heating/Lighting	annual	1,948	annual				710	0						annual
General	annual	9,794	annual				5,332	0						annual
ICT - Housing Management System	1,900			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>60,357</b>	<b>26,355</b>	<b>24,122</b>	<b>47,866</b>	<b>13,089</b>	<b>60,955</b>	<b>16,094</b>	<b>34,537</b>	<b>16,789</b>	<b>6,019</b>	<b>2,377</b>	<b>5,040</b>	<b>0</b>	<b>60,054</b>

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2023-24 to 2028-29: HRA PROVISIONAL PROGRAMME

	Project Budget	2022-23 Actual	Project Spend at 31-03-23	2023-24 Estimate	Carry Forward	2023-24 Revised Estimate	2023-24 Projected Outturn	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate	Total Project Exp
	£000	£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000
<b>New Build</b>													
Guildford Park	16,000	0	1,225	0	0	0	0	0	0	0	2,111	12,664	16,000
Guildford Park (from GF)	23,125	0	0	1,173	0	1,173	0	3,869	8,472	6,887	3,896	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	5,680	0	5,680	0	5,680	7,000	820	0	0	13,500
Slyfield (25/26 £5m; 26/27 £44m)	50,000	0	0	0	1,000	1,000	0	0	5,000	44,000	0	0	49,000
Shawfield Redevelopment	3,000	0	0	500	0	500	0	0	0	0	0	0	0
<b>Major Repairs &amp; Improvements</b>													
Major Repairs & Improvements	annual		annual	5,500	0	5,500	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	0	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>15,928</b>	<b>1,000</b>	<b>16,928</b>	<b>0</b>	<b>18,124</b>	<b>26,047</b>	<b>57,282</b>	<b>11,582</b>	<b>18,239</b>	<b>104,625</b>

**GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2023-24 to 2028-29: HRA RESOURCES AND FUNDING STATEMENT**

	<b>2022-23 Actual</b>	<b>2023-24 Estimate</b>	<b>2023-24 Projected Outturn</b>	<b>2024-25 Estimate</b>	<b>2025-26 Estimate</b>	<b>2026-27 Estimate</b>	<b>2027-28 Estimate</b>	<b>2028-29 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>
<b>EXPENDITURE</b>								
Approved programme	26,355	47,866	34,537	16,789	6,019	2,377	5,040	0
Provisional programme	0	15,928	0	18,124	26,047	57,282	11,582	18,239
<b>Total Expenditure</b>	<b>26,355</b>	<b>63,794</b>	<b>34,537</b>	<b>34,913</b>	<b>32,066</b>	<b>59,659</b>	<b>16,623</b>	<b>18,239</b>
<b>FINANCING OF PROGRAMME</b>								
Capital Receipts	695	400	400	400	400	0	0	0
1-4-1 receipts	2,372	8,094	2,340	11,195	10,436	21,633	4,302	5,066
Contribution from Housing Revenue a/c (re cash incentives)	0	75	0	75	75	75	75	75
Future Capital Programme reserve	10,719	27,014	16,334	950	0	0	0	0
Major Repairs Reserve	9,588	6,450	11,952	5,500	5,500	5,500	5,500	5,500
New Build Reserve	2,981	21,761	3,510	16,793	15,655	32,450	6,453	7,598
Grants and Contributions	0	0	0	0	0	0	0	0
<b>Total Financing (= Total Expenditure)</b>	<b>26,355</b>	<b>63,794</b>	<b>34,537</b>	<b>34,913</b>	<b>32,066</b>	<b>59,659</b>	<b>16,330</b>	<b>18,239</b>
<b>RESERVES - BALANCES</b>								
<b>Reserve for Future Capital Programme (U01035)</b>								
Balance b/f	40,829	31,782	32,609	18,775	20,325	22,825	25,325	27,825
Contribution in year	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Used in year	-10,719	-27,014	-16,334	-950	0	0	0	0
Balance c/f	<b>32,609</b>	<b>7,268</b>	<b>18,775</b>	<b>20,325</b>	<b>22,825</b>	<b>25,325</b>	<b>27,825</b>	<b>30,325</b>
<b>Major Repairs Reserve (U01036)</b>								
Balance b/f	9,588	1,210	6,427	0	0	0	0	0
Contribution in year	17,146	5,525	5,525	5,500	5,500	5,500	5,500	5,500
Used in Year	-20,307	-6,450	-11,952	-5,500	-5,500	-5,500	-5,500	-5,500
Balance c/f	<b>6,427</b>	<b>285</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>New Build Reserve (U01069)</b>								
Balance b/f	63,788	66,261	66,068	69,632	61,222	54,118	30,389	32,832
Contribution in year	5,261	8,383	7,074	8,383	8,551	8,722	8,896	9,074
Used in Year	-2,981	-21,761	-3,510	-16,793	-15,655	-32,450	-6,453	-7,598
Balance c/f	<b>66,068</b>	<b>52,882</b>	<b>69,632</b>	<b>61,222</b>	<b>54,118</b>	<b>30,389</b>	<b>32,832</b>	<b>34,308</b>

**Usable Capital Receipts: 1-4-1 receipts (T01011)**

Balance b/f	5,226	5,630	6,183	7,638	-775	-8,317	-26,967	-28,195
Contribution in year	3,936	2,876	3,796	2,782	2,894	2,983	3,075	3,168
Repayment in year	0	0	0	0	0	0	0	0
Used in Year	-2,980	-8,094	-2,340	-11,195	-10,436	-21,633	-4,302	-5,066
Balance c/f	<b>6,183</b>	<b>413</b>	<b>7,638</b>	<b>-775</b>	<b>-8,317</b>	<b>-26,967</b>	<b>-28,195</b>	<b>-30,092</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	5,280	6,123	5,859	6,004	6,856	7,741	8,655	9,596
Contribution in year	579	722	145	852	885	913	942	971
Used in Year	0	0	0	0	0	0	0	0
Balance c/f	<b>5,859</b>	<b>6,845</b>	<b>6,004</b>	<b>6,856</b>	<b>7,741</b>	<b>8,655</b>	<b>9,596</b>	<b>10,568</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	50	348	-0	301	312	324	336	351
Contribution in year	645	301	301	304	307	310	313	316
Used in Year (HRA = above)	-695	-100	0	-220	-220	-220	-220	-78
Used in Year (GF Housing)	0	-189	0	-72	-75	-78	-78	0
Balance c/f	<b>-0</b>	<b>360</b>	<b>301</b>	<b>312</b>	<b>324</b>	<b>336</b>	<b>351</b>	<b>589</b>

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

# **Guildford Borough Council**

**Report to:** Corporate Governance and Standards Committee

**Date:** 18 January 2024

**Ward(s) affected:** n/a

**Report of Director:** Transformation & Governance

**Author:** Ali Holman, Specialist HR (Business Partner)

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**Report Status:** Open

## **Update on the revised, joint Equality, Diversity and Inclusion Policy, and associated action plan.**

### **1. Executive Summary**

1.1 Under the Equality Act 2010 there are statutory obligations for organisations to have equality objectives and to adhere to the general and specific duties within the Act.

1.2 The key objectives of the updated policy and action plan are:

- To demonstrate how the Council will meet its legal obligations set out in the Equality Act 2010
- To provide a structured and easy to understand equality framework
- To ensure that our workforce encourages equality, diversity and inclusion to help prevent legal challenges arising from bullying, harassment, and discrimination.

- 1.2 The policy itself has been updated in June 2023 in collaboration with Waverley Borough Council and is now a shared policy (albeit with a separate action plan for each Council). It is reviewed annually and updated every three years. The action plan itself has been updated to be more accessible and easier to use. It is an organic document which is reviewed by the Equality, Diversity and Inclusion Group every quarter and progress updated annually to this Committee.

## **2 Recommendation to Committee**

- 2.1 That the Committee approves the updated Equality, Diversity and Inclusion policy and its associated action plan as set out in Appendices 1 and 2 to this report.

## **3 Reasons for Recommendation**

- 3.1 To assist the Council in meeting its obligations under the Equality Act 2010 and to provide a way to measure and evidence our work in this area.

## **4 Exemption from publication**

- 4.1 No

## **5 Purpose of Report**

- 5.1 To obtain approval of the updated, joint policy and Guildford's action plan.

## **6 Strategic Priorities**

- 6.1 To further collaboration with Waverley in having a joint ED&I policy
- 6.2 To contribute to the Council's fundamental theme of supporting older, more vulnerable, and less advantaged people in our community.



## 7 Background

7.1 A workplace encouraging equality, diversity and inclusion can help:

- Make it more successful
- Keep employees happy and motivated
- Prevent serious or legal issues arising, such as bullying, harassment, or discrimination
- To better serve a diverse range of customers
- To improve ideas and problem solving
- To attract and retain quality staff and become an employer of choice.

7.2 The detailed action plan is attached in Appendix 1. Some key actions taken and updates under each heading of the plan include:

**Provide high quality public services which are accessible to all and delivered fairly, and ensure under-represented groups throughout the Borough are able to access our services**

- Guidance on reasonable adjustments for service users published to all staff.
- Video training on how to complete Equality Impact Assessments is finished and waiting to be published.

**Work with partners and stakeholders to develop Communities where equality, diversity and inclusion are respected, and discrimination is eliminated**

- EDI training for Councillors took place in July 2023
- Review of Disability Confident Scheme and rating.

**Improve inclusion and value differences by supporting EDI initiatives, and communicating the embedding equality and diversity practices into the whole organisation.**

- The joint Waverley and Guildford policy has been approved by the Corporate Management Board (CMB) and is being submitted to this Committee for final review. Plan to

update the intranet with our EDI objectives to ensure a joint Council approach.

- A menopause survey is planned along with a period dignity project with a view to signposting and removing stigma.
- Support the organisation in addressing gender and ethnicity pay gaps, and diversity under-representation.

**Promote and environment where people feel safe to challenge discriminatory behaviour and language.**

- All staff email to promote the use of personal pronouns jointly to both Waverley and Guildford – awaiting publication
- Planned update on equality fields in Business World, then undertake EDI data refresh.

7.3 Endorsement of the updated policy and action plan will re-affirm the Council's commitment to equality and diversity as well as highlighting its stance on key issues such as sexual and racial discrimination.

7.4 The actions will develop and change over time and progress will be reviewed periodically by CMB.

## **8 Consultations**

8.1 No formal consultations conducted as this is a progress update on the revised policy and action plan.

## **9 Key Risks**

9.1 No risks have been identified

## **10 Financial Implications**

10.1 There are no financial implications. Existing employees form the ED&I group.

## **11 Legal Implications**

- 11.1 The Equality and Human Rights Commission (EHRC) is the regulatory body responsible for enforcing the Equality Act. They have enforcement powers, which range from guidance to investigations and court action where organisations fail to meet their obligations.
- 11.2 It is not a legal requirement to have an equality action plan or policy; however, there are obligations to have equality objectives and to adhere to the general and specific duties of the Equality Act. The policy and action plan are an ideal minimum to evidence this.

## **12 Human Resource Implications**

- 12.1 Equality and diversity form a fundamental part of the HR team's remit. There are therefore no HR implications.

## **13 Equality and Diversity Implications**

- 13.1 The Equality Impact Assessment for this policy was completed in May 2023 and found no negative E&D implications.

## **14 Climate Change/Sustainability Implications**

- 14.1 There are no Climate Change/Sustainability implications associated with this report.

## **15 Summary of Options**

- 15.1 Option 1:  
To approve and comment, if applicable, on the reviewed policy and action plan – this is the recommended option.
- 15.2 Option 2  
To not approve the policy. This option carries some risk as it may result in the Council not adhering to the duties of the Equality Act.

This could result in an increase in discrimination claims, potential reputational damage, and potential court action by the EHRC.

## **16 Conclusion**

- 16.1 The Equality, Diversity and Inclusion Policy has been reviewed in collaboration with Waverley Borough Council and is presented to this Committee.
- 16.2 The action plan has been updated and refreshed so that it is more user friendly and practical.
- 16.3 Having a diverse and inclusive workforce is fundamental to the success of any organisation and our senior management are committed to equality and diversity both throughout the organisation and for our service users.
- 16.4 Discrimination claims are uncapped in employment law and it makes sense to ensure the organisation protects itself from breaches of the Equality Act.

## **17 Background Papers**

None

## **18 Appendices**

Appendix 1: Equality, Diversity, and Inclusion Policy  
Appendix 2: Equality action plan



# Equality, Diversity and Inclusion Policy

**Latest version number: 0.3**

**Latest publication date:**

**Team: Guildford HR Team and Waverley Corporate Policy Team**

## Document Information & Governance

### Approval & Publication:

Approving Body	Approval route requirement	Publication Type	Publication requirement	Review frequency	Document owner	Next Review Date
CMB		Internal/external		Every 2 years	Jointly: WBC Corporate Policy Manager/GBC HR EDI Specialist	March 2025

### Version Control Information:

Version	Version Status (Draft, Approved /Published Internally or Externally)	Date	Version Comment	Version Author
V0.1	Draft	January 2023	Creation of the document	Grace da Costa
V0.2	Draft	February 2023	Reviewed by Corporate Policy Manager	Louise Norie
V0.2	Draft	April 2023	Reviewed by PFH. Corporate Equality Group, HR	Louise Norie
V0.3	Draft	April 28 2023	Draft sent to GBC for sign off	Louise Norie
	Approved Draft	May 23 2023	Approved by CMB	
	Approved Draft		Executive Briefing	
			Resources Overview & Scrutiny	
	Final Approval		Approved by the Executive	
	Published		1 <sup>st</sup> Publication	
		2025	Full Annual review	

### Impact Assessments and Consideration:

Impact Assessment Type	Required / Not Required	Date Completed	Impact Assessments and Considerations Comment	Assessment Owner
Equality Impact Assessment	Required	18 May 2023		Louise Norie
Data Protection Impact Assessment	Not required			
Climate Change	Not required			

## 1. Document Statement

We recognise the value and worth of everyone who lives and works in our respective Boroughs. This policy sets out our commitment as an employer, community leader and provider of services to actively promote equality, diversity and inclusion and commit to equal opportunities for all, upholding the provisions of the Equality Act 2010.

## 2. Scope and Purpose

The scope of this policy covers not only the role of the council as a major employer and provider of services but also recognises that we have an important role to play as a community leader. This policy sets out our commitment to the values of equality, diversity and inclusion (EDI) and their importance in underlying everything we do as a council.

### 2.1 Our Equality Objectives

Our equality objectives, published on our website, make a commitment to:

- provide high quality public services which are accessible to all; delivered fairly and with an understanding of where need is greatest
- work with partners to develop cohesive communities where equality, diversity and inclusion are respected and championed in accordance with the principles above and discrimination is eliminated
- actively welcome those world citizens who are seeking refuge in the UK from war, repression, natural disasters, extreme hunger and poverty
- actively welcome and respect difference and recognise the performance benefits that a diverse and engaged workforce brings and build a culture in which the contribution everyone makes is valued, recognised and celebrated
- promote an environment where people feel safe to challenge discriminatory behaviour and discriminatory language and will respond swiftly and transparently to any such allegations.

### 2.2 Our Legislative and Regulatory Requirements

The [Equality Act 2010](#) legally protects people from discrimination in the workplace and in wider society. The following protected characteristics are covered by the Act:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

As a local authority, we have both general and specific duties under the Public Sector Equality Duty. The **general duty** sets out three main aims. As a public body, we must have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act

## Appendix 1

- advance equality of opportunity between people who share a protected characteristic and those who do not
- foster good relations between people who share a protected characteristic and those who do not.

The Act states that compliance with the equality duty may involve treating some people more favourably than others in order to take account of their differing needs.

The **specific duties** are:

- to publish equality information annually to demonstrate compliance with the general equality duty. This includes information relating to people with protected characteristics who are: its employees, or affected by its policies and practices e.g. service users.
- to publish at least one equality objective we think we should achieve in order to meet the general duty. This must be done at least every four years and objectives must be specific and measurable.

### 2.3 As an Employer

We commit to creating a working environment free of bullying, harassment, victimisation and unlawful discrimination, promoting dignity and respect for all, and where individual differences and the contributions of all staff are recognised and valued.

We carry out the following **monitoring** to ensure we are treating everyone fairly and without bias or discrimination.

- Reporting on data held on the HR management system.
- Reporting on data collected through the recruitment process.
- Monitoring and publishing quarterly workforce profiles and gender pay gap data annually.
- Maintaining an up-to-date EDI action plan monitored by our Equality Group.
- Monitoring and taking appropriate action on reports from our employees regarding any aggression, accidents, bullying or near misses.
- Continue to review our HR policies and ensure gender neutral language is being used.
- Take appropriate action in response to complaints of discrimination or other inappropriate behaviour.
- Enable managers to make reasonable adjustments to meet the needs of staff with a disability so that they can carry out their work.
- Conduct staff surveys regularly to find out what employees think and feel about working for the council.



## Recruitment

The recruitment process is designed to give all candidates equal opportunities and to ensure decisions are based on merit (apart from in any necessary and limited exemptions and exceptions allowed under the Equality Act.)

The interview procedure ensures that interview panels must be made up of fully trained interviewers. Reasonable adjustments must be made for anyone who identifies as having a disability as defined under the Equality Act 2010 and interviewers must be aware of their equality responsibilities and ensure that these are met. Consideration should be given to using panel members from other services to provide balance and the gender/age mix of the panel bearing in mind the nature of the role being interviewed for. Interviews must be inclusive, welcoming, private and give the candidate a positive experience of the council whether or not they are successful.

We are:

- a Disability Confident organisation.
- supportive of the Armed Forces Covenant.

## Learning and Development

EDI learning and development is crucial to the EDI Policy and is already an established area of good practice. Opportunities for learning, training and development will be available to all staff, who will be helped and encouraged to develop their full potential, so their talents and resources can be fully utilised to maximise the efficiency of the organisation.

We offer:

- Mandatory induction training on EDI awareness.
- Additional EDI training workshops through Surrey Learn and other providers on a range of learning including Neurodiversity in the Workplace, Gypsy and Traveller awareness, disability awareness, dementia, resilience training, health and wellbeing, Mental First Aid and commitment to the [Time to Change Employers Pledge](#).
- Regular internal communications raising awareness of cultural, religious and wellbeing events.
- Positive action through additional training/support .

We also have internal equality groups that meet regularly.

## Performance management

Performance is managed through an annual performance agreement process at which performance is assessed, targets are set and EDI support needs discussed as appropriate.

Managers are enabled to make reasonable adjustments to meet and support the needs of staff with a disability to ensure barriers to work are minimised.

## **Employees**

We expect all employees to be treated, and to treat others, with fairness, dignity and respect. Where behaviour falls short and unfair treatment is identified, we will take steps to correct this through the normal procedures. We take a zero tolerance approach to bullying, discrimination and harassment and will investigate any complaints of this nature thoroughly.

To support our employees in this approach, we have robust policies including equal opportunities, bullying and harassment at work, staff code of conduct, dignity and respect policy, grievance and discipline. These policies are regularly reviewed and equality checked to take account of changes in the law and equality impact assessments are undertaken.

The council aims to provide an accessible and inclusive working environment where the contribution everyone makes is valued, recognised and celebrated and everyone feels comfortable to be themselves.

## **2.4 As a Provider of Services**

The council provides over a hundred different services to residents, businesses and customers. We are committed to “providing high quality public services which are accessible to all; delivered fairly and with an understanding of where need is greatest”. (Equality Objective)

We expect contractors, working on our behalf, to uphold and demonstrate at least the same commitment to the values of equality, diversity and inclusion as the council and the legal obligations under the Public Sector Equality Duty.

## **Equality Impact Assessments**

Service managers are responsible for carrying out appropriate Equality Impact Assessments to ensure there is no discrimination in the way services are provided. Impact assessments should be carried out when there are proposals to change service delivery, policies or practices and should result in the mitigation of any negative effects that might arise. Impact assessments should be done at the start of project. It is important that decision makers take ‘due regard’ of the impact of the changes or policies proposed and therefore the evidence of the impact assessment should be included in the decision making process.

## **Complaints Process**

All complaints of bullying, harassment, victimisation and unlawful discrimination by employees, customers, suppliers, visitors, the public and any others in the course of the organisation’s work activities will be taken seriously. Complaints will be investigated under the Council’s complaints procedure and appropriate action taken.

## **Customer Surveys**

When conducting customer surveys, it is important to ensure that those responding are a representative sample of the customer base. Equality monitoring questions should be included on a proportionate basis and guidance can be found on the council’s intranet.

## **2.5 As a Community Leader**

In our role as Community Leaders, we are committed to:

- working with partners to develop cohesive communities where equality, diversity and inclusion are respected and championed and discrimination is eliminated
- actively welcoming those world citizens who are seeking refuge in the UK from war, repression, natural disasters, extreme hunger and poverty.
- actively welcoming and respecting difference and recognising the performance benefits that a diverse and engaged workforce brings and build a culture in which the contribution everyone makes is valued recognised and celebrated.
- promoting an environment where people feel safe to challenge discriminatory behaviour and discriminatory language and will respond swiftly and transparently to any such allegations.

## **3. Document Improvement**

The Council welcomes comments and feedback on its policies and procedures. Please contact the Waverley Corporate Policy Manager, Organisational Development, or the Specialist – HR (Business Partner) for Guildford, if you have any comments.

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## Guildford Equality, Diversity and Inclusion Action Plan 2022/23

The following action plan focuses on achieving our priority outcomes for 2022-2023. Progress will be monitored by the Corporate Equality Group at each of its meetings where the plan will be reviewed.

1. Provide high quality public services which are accessible to all and delivered fairly (engagement, consultation, EIAs, collaboration) and ensure that under-represented groups throughout the borough are able to access our services (EIAs, reasonable adjustments etc).

	Actions	Deadline	Lead Officer	Action to be taken/taken	Date completed	RAG Rating
1.1 Page 273	Ensure the Council adheres to our Public Sector Equality Duty including (but not limited to) producing meaningful Equality Impact Assessments (EIA).	December 2023	Specialist Training	Provide video EIA training to be completed on the intranet as and when needed. Content finished, voiceover completed. Some technical difficulties have delayed launch, currently with IT as a ticket.  HC to chase		Yellow
			Senior Legal Speciality	Specific Housing related PSED training already provided	?	Green
		Feb 2023  January 2024	Specialist HR	Ensure that all staff are aware of the of any reasonable adjustments that can be made for service users with disabilities.  This has been circulated to all staff along with accessibility guidance for Word documents.  AH to add to intranet	Feb 23	Green

1.2	Ensure any reports submitted to CMB have had regard to the PSED and if there are equalities implications and a meaningful EIA accompanies the report	December 2023  Ongoing		Provide training (as above)  Reports should be reviewed by Legal and HR and, should be challenged and returned if necessary  CMB to take final and overarching responsibility for the Duty and its requirements		
1.4	Publish workforce profile by end of March annually	Annual	Specialist HR	Published May 23	May 23	
1.5	Ensure that customer complaints and compliments from people with protected characteristics are dealt with effectively	Ongoing	Customer Svs Mngr	CMB to consider the recruitment of a dedicated Customer Complaints Manager to cover the whole organisation. This will become mandatory next year.  JB		

Page 274 Work with partners and stakeholders to develop communities where equality, diversity and inclusion are respected and discrimination is eliminated

	Actions	Deadline	Lead Officer	Action to be taken/taken	Date completed	RAG rating
2.1	EDI training for Councillors	4/7/23		AH attending online to answer queries etc	4/7/23	
2.2	Upgrade our Disability Confident Committed status to level 2, Disability Confident Employer through the gov.uk scheme	18/1/24	Specialist HR	AH to research what is required and present to the next EDI group meeting		

3. Improve inclusion and value difference by supporting internal EDI initiatives, and communicating and embedding EDI practices into the whole organisation

	Actions	Deadline	Lead Officer	Action to be taken/taken	Date completed	RAG Rating
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3.1	Ensure a collaborative approach to EDI through a joint/shared EDI policy for Waverley and Guildford	July 23	Specialist HR	Worked with Wav to create a shared policy with common objectives ID to add this to the CGSC agenda and present. Once reviewed by CGSC, AH to update intranet		
3.2	Support employees who are experiencing symptoms of the menopause and their families.	January 24	Specialist HR	Carry out a menopause survey with a view to providing policy, guidance and/or signposting depending on results.  AH to liaise with Wav to arrange a Menopause at Work day at Guildford.		
3.4	Training focussed on 'banter' culture to tackle potential discrimination	January 24	Specialist Training	Consider publishing a piece on the intranet on what is and what isn't OK to say, rather than a specific training course.  AH to review the pronoun piece to see if this will suffice.		
3.5	Ensure pay and benefits are regularly reviewed and that staff are paid fairly and equitably	End of March annually	Lead Specialist HR	Equal pay review published annually	March 23	

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Promote an environment where people feel safe to challenge discriminatory behaviour and language. Help to create a culture where staff feel comfortable to be themselves, to be open about our differences and to ask for help if needed.

	<b>Actions</b>	<b>Deadline</b>	<b>Lead Officer</b>	<b>Action to be taken/taken</b>	<b>Date completed</b>	<b>RAG Rating</b>
4.1	All staff email being sent jointly to both Councils and Councillors encouraging the use of personal pronouns in email signatures	December 23	Specialist HR	Shared approach for Wav and GBC. Wording is agreed. Awaiting date from Wav re. timing.		
4.2	Update BW to reflect best practice in protected characteristics	TBC	Specialist IT and HR	e.g. need to include gender reassignment, trans (?), marriage/civil partnership, more options for pronouns. AH - Need to find out if this is possible on BW		
4.3	Undertake a EDI data refresh across the Council encouraging staff to update their own records.	TBC (depending on above)	HR	All staff email? Paper forms for staff without access?		

4.4	Align processes between Waverley and Guildford to ensure a consistent approach to complaints and grievances relating to protected characteristics.	Ongoing	Specialist HR	AH meeting with Wav to produce joint Capability, Sickness, Restructure policies.		
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DRAFT - UNDER REVIEW



# Guildford Borough Council

**Report to:** Corporate Governance & Standards Committee

**Date:** 18 January 2024

**Ward(s) affected:** All

**Report of Director:** Transformation and Governance

**Author:** Susan Sale, Joint Executive Head of Legal & Democratic Services

**Tel:** 01483 444022

**Email:** susan.sale@guildford.gov.uk

**Report Status:** Open

## Amendments to the Guildford and Waverley Joint Governance Committee Terms of Reference

### 1. Executive Summary

- 1.1 The Guildford & Waverley Joint Governance Committee (JGC) was created in April 2022 and its Terms of Reference (TOR) can be found in Part 3 – (Appendix 2) of the Waverley Borough Council’s Constitution, Part 3 – (Terms of Reference of the Council) of the Guildford Borough Council Constitution and in **Appendix 1** to this report.
- 1.2 At the request of the Joint Executive Head of Legal & Democratic Services, the TOR for the JGC were reviewed to ensure they remained, relevant, fit for purpose and included any collaboration arrangement updates.
- 1.3 The amendments mainly focus on the inclusion of the Temporary Shared Staffing Inter Authority Agreement (IAA), periodic review

periods, frequency of meetings, quorum, and procedures for electing a chairperson (in the absence of a Co-Chair) and voting. The amendments also include the rephrasing of text for clarity and correcting some minor typos.

- 1.4 A report was taken to the JGC on 1 November 2023, where members of the committee reviewed, noted, and supported the proposed amendments. The JGC made an additional recommendation, for a further amendment to the use of substitutes under clause 8; requesting that the respective Group Leaders nominate an ongoing main substitute.
- 1.5 At its meeting on 30 November 2023, this report was considered by the Joint Constitutions Review Group (JCRG). The JCRG agreed to recommend approval of the amendments to the JGC's TOR to both this Committee and to Waverley's Standards & General Purposes Committee at their respective meetings in January, with a further recommendation that each committee recommends the adoption of the amended TOR to their respective full Council meetings<sup>1</sup>.
- 1.6 The outcome of the consideration of this item by Waverley's Standards & General Purposes Committee on 8 January 2024, will be reported to this Committee.

## **2. Recommendation**

- 2.1 That the Committee resolves to recommend to Council that the proposed amended terms of reference for the Guildford & Waverley Joint Governance Committee, as set out in Appendix 3 to this report, be adopted into the Constitution.

## **3. Reason(s) for Recommendation:**

- 3.1 To ensure both councils continue to adopt and exercise strong governance arrangements for inter-authority working.

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<sup>1</sup> Extraordinary council meetings scheduled for 23 January (G), and 24 January (W)

#### **4. Exemption from publication**

4.1 No part of this report is exempt from publication.

#### **5. Purpose of Report**

5.1 This report asks the Committee to consider the amendments to the JGC's terms of reference, as proposed by the JCRG, and to recommend their adoption by full Council.

#### **6. Strategic Priorities**

6.1 The collaboration between Guildford and Waverley assists in the delivery of both councils' corporate priorities.

#### **7. Background**

7.1 The JGC was created in April 2022 and its Terms of Reference (TOR) can be found in Part 3 – Appendix 2 of the Waverley Borough Council's Constitution, Part 3 – (Terms of Reference of the Council) of the Guildford Borough Council Constitution and **Appendix 1** to this report.

7.2 **Appendix 2** shows the proposed amendments to the current TOR with tracked changes, as recommended by both the JGC at its meeting on 1 November and the JCRG at its meeting on 30 November. The amendments mainly focus on the inclusion of the Temporary Shared Staffing IAA, periodic review periods, frequency of meetings, quorum, and procedures for electing a chairperson (in the absence of a Co-Chair) and voting. The amendments also include arrangements for working groups, sub-committees, the rephrasing of text for clarity and correcting some minor typos.

7.3 The current TOR state (in paragraph 7) that the JGC frequency of meeting should be as and when required. The Joint Executive Head of Legal & Democratic Services has suggested that the frequency of the meeting should be a formal arrangement and the meetings should take place **as and when required but at least biannually**, in

line with the JGC's responsibilities to review inter-authority working arrangements and risk assessments.

- 7.4 The current TOR of the JGC include (in para (9) Role & Function): '(i) To undertake periodically a formal review (at least once every 12 months) of the inter-authority agreement, ensuring it continues to be fit for purpose and recommending to both Full Councils any changes required.'
- 7.5 The Joint Executive Head of Legal & Democratic Services has suggested that the wording be amended to include the Temporary Shared Staff IAA '(i) To undertake periodically a formal review (*at least once every 12 months*) of the inter-authority agreement(s), ensuring **they** continue to be fit for purpose and recommends to both Full Councils any changes required.'
- 7.6 At the meetings of the Guildford and Waverley Executives held on 20 July and 5 September 2023 respectively, the Executives unanimously approved:
- i. The principle of sharing staff between Guildford Borough Council and Waverley Borough Council, on a temporary basis, where appropriate to support the collaboration programme.
  - ii. Delegating authority to the Joint Chief Executive, to approve, subject to a business case, future temporary staff sharing arrangements between Guildford Borough Council and Waverley Borough Council, to support the collaboration and transformation programme.
  - iii. Delegating authority to the Joint Executive Head of Legal and Democratic Services to enter into an agreement between Guildford Borough Council and Waverley Borough Council for the sharing of their staff on a temporary basis.

## **8. Equality and Diversity Implications**

- 8.1 The Committee is responsible for having due regard to the requirements of the Public Sector Equality Duty (Equality Act 2010) when making any

recommendations concerning governance arrangements. There are no equality and diversity implications arising from this report.

## **9. Financial Implications**

- 9.1 There are no financial implications arising from this report. Any proposals, projects, or suggestions from the groups with financial implications will either be contained within approved budgets or considered as part of the Service and Financial Planning cycle.

## **10. Legal Implications**

- 10.1 Section 101(5) Local Government Act 1972 provides that two or more local authorities may discharge any of their functions jointly. The JGC was established by both Guildford Borough Council and Waverley Borough Council jointly to discharge their functions in accordance with the JGC's terms of reference.

## **11. Human Resource Implications**

- 11.1 There are no direct human resource implications arising from this report.

## **12. Background Papers**

- Guildford Borough Council Constitution
- Waverley Borough Council Constitution
- 20 July 2023: Report to GBC Executive on Temporary Shared Staffing
- 5 September 2023: Report to WBC Executive on Temporary Shared Staffing
- 1 November 2023: Report to G&W Joint Governance Committee
- 30 November 2023: Report to G&W Joint Constitutions Review Group

## **13. Appendices**

Appendix 1: Current Joint Governance Committee Terms of Reference (July 2023)

Appendix 2: Proposed amended Terms of Reference (with tracked changes and comments from the JGC November 2023)

Appendix 3: Proposed amended Terms of Reference (without tracked changes November 2023)

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**PART 3 – TERMS OF REFERENCE OF COUNCIL, THE LEADER/EXECUTIVE, AND COMMITTEES**

**GUILDFORD BOROUGH COUNCIL AND WAVERLEY BOROUGH COUNCIL  
JOINT GOVERNANCE COMMITTEE**

**COMPOSITION AND TERMS OF REFERENCE**

1. This Joint Committee is to be established by Guildford Borough Council and Waverley Borough Council (“the councils”) in accordance with Section 102 (1) (b) of the Local Government Act 1972 (Appointment of committees)
2. MEMBERS: 12
  - (a) The Joint Governance Committee shall comprise the respective Leaders of both councils, plus five members appointed by Guildford Borough Council and five members appointed by Waverley Borough Council
  - (b) Appointments shall be made in accordance with the Local Government (Committees and Political Groups) Regulations 1990
3. QUORUM: 7 (subject to each council being represented at a meeting by at least three members)
4. CHAIR: The Joint Governance Committee shall be chaired alternately between the councils by their respective Leaders.
5. PLACE OF MEETINGS: The venue for meetings of the Joint Governance Committee shall normally alternate between the two councils with the host Leader chairing the meeting. The venue for the first meeting shall be at Guildford Borough Council’s offices.
6. GENERAL ROLE: Adopting and exercising such of the functions of the councils as can be delegated by those councils in respect of the governance arrangements for inter-authority working
7. FREQUENCY OF MEETINGS: As and when required
8. SUBSTITUTES: Substitutes may be appointed. Any appointed member of the Joint Governance Committee may be substituted by any other member of their political group on the Council they represent.
9. ROLE AND FUNCTION:
  - (i) To undertake periodically a formal review (at least once every 12 months) of the inter-authority agreement, ensuring it continues to be fit for purpose and recommending to both Full Councils any changes required.
  - (ii) To undertake periodically a formal review (at least once every 6 months) of the collaboration risk assessment, reviewing current and target impact and likelihood scores and making any changes to the list of risks and mitigating actions.
  - (iii) Notwithstanding (i) and (ii) above, to undertake a formal review of the inter-authority agreement or the collaboration risk assessment at such other time as may be determined by the Joint Committee.
  - (iv) To discharge any other functions that relate to the governance of the inter-authority working arrangements that may from time to time be delegated to the Joint Committee.

10. **SERVICING THE JOINT GOVERNANCE COMMITTEE:** The servicing of the Joint Governance Committee shall be agreed between the Councils' Democratic Services Managers.
11. **MEETINGS OF THE JOINT GOVERNANCE COMMITTEE SHALL BE CONDUCTED IN ACCORDANCE WITH THE FOLLOWING PROCEDURE:**
  - (a) A meeting of the Joint Governance Committee shall be summoned by the relevant Proper Officer of the Council who shall give a minimum of five clear working days' notice (or less in the case of urgency)
  - (b) Meetings of the Joint Governance Committee shall be held in public except in so far as the matters for decision relate to issues which can be dealt with in private in accordance with Section 100A (4) and (5) of the Local Government Act 1972 (as amended)
  - (c) The order of business at meetings of the Joint Governance Committee shall include the following:
    - (a) Apologies for Absence and notification of substitutes
    - (b) Disclosures of Interest
    - (c) Adoption of the Minutes of the previous meeting
    - (d) Matters set out in the agenda for the meeting
    - (e) Matters not set out in the agenda for the meeting but which the chairman agrees pursuant to Section 100B (4) (b) of the Local Government Act 1972 (as amended) should be considered at the meeting as a matter of urgency
  - (d) Any matter will be decided by a simple majority of those members of the Joint Governance Committee present and voting at the time the question was put. A vote shall be taken either by show of hands or, if there is no dissent, by the affirmation of the meeting.
  - (e) The Joint Governance Committee shall have no function or power delegated to it in any circumstance where a majority decision cannot be made without the need for the chairman or person presiding having to exercise their second or casting vote.



**PART 3 – TERMS OF REFERENCE OF COUNCIL, THE LEADER/EXECUTIVE, AND COMMITTEES**

**GUILDFORD BOROUGH COUNCIL AND WAVERLEY BOROUGH COUNCIL  
JOINT GOVERNANCE COMMITTEE**

**COMPOSITION AND TERMS OF REFERENCE**

(Guildford Borough Council and Waverley Borough Council)

1. This Joint Committee is to be established by Guildford Borough Council and Waverley Borough Council (“the councils”) in accordance with Section 10 ~~1 (5)2-(1)~~ ~~(b)~~ of the Local Government Act 1972 (Appointment of committees)
2. MEMBERS: 12
  - (a) The Joint Governance Committee shall comprise the respective Leaders of ~~each~~~~both~~ councils, plus five members appointed by Guildford Borough Council and five members appointed by Waverley Borough Council
  - (b) Appointments shall be made in accordance with the Local Government (Committees and Political Groups) Regulations 1990 in respect of each council.
3. QUORUM: ~~74 members in total,~~ (subject to each council being represented at a meeting by at least ~~two~~three of their members).
4. CHAIR: The Joint Governance Committee shall be chaired alternately between the councils by their ~~respective~~ Leaders of the Council, hosting the meeting, or in their absence, the Leader of the Council not hosting the meeting, or in both Leaders absence, the Chair shall be appointed by a majority vote of those members present and voting.
5. PLACE OF MEETINGS: The venue for meetings of the Joint Governance Committee shall normally alternate between the two councils with the host Leader chairing the meeting, but the venue may be varied by the Joint Monitoring Officer following consultation with the Leader of each Council. The venue for the first meeting shall be at Guildford Borough Council's offices.
6. GENERAL ROLE: Adopting and exercising such of the functions of the councils as ~~can~~may be delegated by those councils in respect of the governance arrangements for inter-authority working between Guildford Borough Council and Waverley Borough Council.
7. FREQUENCY OF MEETINGS: As and when required, but at least bi-annually.
8. SUBSTITUTES: Substitutes may be appointed. The respective Group Leaders shall nominate an ongoing main substitute. Any appointed member of the Joint Governance Committee may be substituted by any other member of their political group on the ~~c~~Council they represent.
9. ROLE AND FUNCTION:
  - (i) To undertake periodically a formal review (at least once every 12 months) of ~~the all~~ inter-authority agreements, between Guildford Borough Council and Waverley Borough Council, ensuring ~~they~~ continues to be fit for purpose and recommending to both Full Councils any changes required.

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Agenda item number: 10  
Appendix 2

- (ii) To undertake periodically a formal review (at least once every 6 months) of the collaboration risk assessment, reviewing current and target impact and likelihood scores and making any changes to the list of risks and mitigating actions.
  - (iii) Notwithstanding (i) and (ii) above, to undertake a formal review of the inter-authority agreements or the collaboration risk assessment at such other time as may be determined by the Joint Committee.
  - (iv) To discharge any other functions that relate to the governance of the inter-authority working arrangements that may from time to time be delegated to the Joint Committee.
  - (v) The Joint Governance Committee may arrange for the discharge of its functions by an Officer, of either Waverley Borough Council or Guildford Borough Council, and in doing so will set out clearly any limits upon such delegation.
  - (vi) The Joint Governance Committee may establish working groups to assist them in their work and in doing so will set clear terms of reference for them. Such working groups shall not be decision-making bodies.
  - ~~(iv)~~(vii) The Joint Governance Committee may establish a Sub-Committee consisting solely of Members of one Council to consider matters solely relating to that Council.
10. SERVICING THE JOINT GOVERNANCE COMMITTEE: The servicing of the Joint Governance Committee shall be agreed between the CC Councils' Democratic Services Managers.
11. MEETINGS OF THE JOINT GOVERNANCE COMMITTEE SHALL BE CONDUCTED IN ACCORDANCE WITH THE FOLLOWING PROCEDURE:
- (a) A meeting of the Joint Governance Committee shall be summoned by the relevant Proper Officer of the Council who shall give a minimum of five clear working days' notice (or less in the case of urgency)
  - (b) Meetings of the Joint Governance Committee shall be held in public except in so far as the matters for decision relate to issues which can be dealt with in private in accordance with Section 100A (4) and (5) of the Local Government Act 1972 (as amended)
  - (c) The order of business at meetings of the Joint Governance Committee shall include the following:
    - (a) Apologies for Absence and notification of substitutes
    - (b) Disclosures of Interest
    - (c) Adoption of the Minutes of the previous meeting
    - (d) Matters set out in the agenda for the meeting
    - (e) Matters not set out in the agenda for the meeting but which the chairman agrees pursuant to Section 100B (4) (b) of the Local Government Act 1972 (as amended) should be considered at the meeting as a matter of urgency

(d) Any matter will be decided by a simple majority of those members of the Joint Governance Committee present and voting at the time the question was put. A vote shall be taken either by show of hands or, if there is no dissent, by the affirmation of the meeting. The chairman or person presiding shall have the ~~ne~~ casting vote.

~~(e) The Joint Governance Committee shall have no function or power delegated to it in any circumstance where a majority decision cannot be made without the need for the chairman or person presiding having to exercise their second or casting vote.~~

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## **PART 3 – TERMS OF REFERENCE OF COUNCIL, THE LEADER/EXECUTIVE, AND COMMITTEES**

### **JOINT GOVERNANCE COMMITTEE**

(Guildford Borough Council and Waverley Borough Council)

1. This Joint Committee is to be established by Guildford Borough Council and Waverley Borough Council (“the councils”) in accordance with Section 101 (5) of the Local Government Act 1972 (Appointment of committees)
2. MEMBERS: 12
  - (a) The Joint Governance Committee shall comprise the respective Leader of each council, plus five members appointed by Guildford Borough Council and five members appointed by Waverley Borough Council
  - (b) Appointments shall be made in accordance with the Local Government (Committees and Political Groups) Regulations 1990 in respect of each council.
3. QUORUM: 4 members in total, subject to each council being represented at a meeting by at least two of their members.
4. CHAIR: The Joint Governance Committee shall be chaired alternately between the councils by the Leader of the Council, hosting the meeting, or in their absence, the Leader of the Council not hosting the meeting, or in both Leaders absence, the Chair shall be appointed by a majority vote of those members present and voting.
5. PLACE OF MEETINGS: The venue for meetings of the Joint Governance Committee shall normally alternate between the two councils with the host Leader chairing the meeting, but the venue may be varied by the Joint Monitoring Officer following consultation with the Leader of each Council. .
6. GENERAL ROLE: Adopting and exercising such of the functions of the councils as may be delegated by those councils in respect of the governance arrangements for inter-authority working between Guildford Borough Council and Waverley Borough Council.
7. FREQUENCY OF MEETINGS: As and when required, but at least bi-annually.
8. SUBSTITUTES: Substitutes may be appointed. The respective Group Leaders shall nominate an ongoing main substitute. Any appointed member of the Joint Governance Committee may be substituted by any other member of their political group on the council they represent.
9. ROLE AND FUNCTION:
  - (i) To undertake periodically a formal review (at least once every 12 months) of all inter-authority agreements, between Guildford Borough Council and Waverley Borough Council, ensuring they continue to be fit for purpose and recommending to both Full Councils any changes required.
  - (ii) To undertake periodically a formal review (at least once every 6 months) of the collaboration risk assessment, reviewing current and target impact and likelihood scores and making any changes to the list of risks and mitigating actions.

- (iii) Notwithstanding (i) and (ii) above, to undertake a formal review of the inter-authority agreements or the collaboration risk assessment at such other time as may be determined by the Joint Committee.
  - (iv) To discharge any other functions that relate to the governance of the inter-authority working arrangements that may from time to time be delegated to the Joint Committee.
  - (v) The Joint Governance Committee may arrange for the discharge of its functions by an Officer, of either Waverley Borough Council or Guildford Borough Council, and in doing so will set out clearly any limits upon such delegation.
  - (vi) The Joint Governance Committee may establish working groups to assist them in their work and in doing so will set clear terms of reference for them. Such working groups shall not be decision-making bodies.
  - (vii) The Joint Governance Committee may establish a Sub-Committee consisting solely of Members of one Council to consider matters solely relating to that Council.
10. SERVICING THE JOINT GOVERNANCE COMMITTEE: The servicing of the Joint Governance Committee shall be agreed between the councils' Democratic Services Managers.
11. MEETINGS OF THE JOINT GOVERNANCE COMMITTEE SHALL BE CONDUCTED IN ACCORDANCE WITH THE FOLLOWING PROCEDURE:
- (a) A meeting of the Joint Governance Committee shall be summoned by the relevant Proper Officer of the Council who shall give a minimum of five clear working days' notice (or less in the case of urgency)
  - (b) Meetings of the Joint Governance Committee shall be held in public except in so far as the matters for decision relate to issues which can be dealt with in private in accordance with Section 100A (4) and (5) of the Local Government Act 1972 (as amended)
  - (c) The order of business at meetings of the Joint Governance Committee shall include the following:
    - (a) Apologies for Absence and notification of substitutes
    - (b) Disclosures of Interest
    - (c) Adoption of the Minutes of the previous meeting
    - (d) Matters set out in the agenda for the meeting
    - (e) Matters not set out in the agenda for the meeting but which the chairman agrees pursuant to Section 100B (4) (b) of the Local Government Act 1972 (as amended) should be considered at the meeting as a matter of urgency
  - (d) Any matter will be decided by a simple majority of those members of the Joint Governance Committee present and voting at the time the question was put. A vote shall be taken either by show of hands or, if there is no dissent, by the affirmation of the meeting. The chairman or person presiding shall have the casting vote.

# **Guildford & Waverley Borough Councils**

**Report to:** Corporate Governance & Standards Committee

**Date:** 18 January 2024

**Ward(s) affected:** All

**Report of Director:** Transformation and Governance

**Author:** Susan Sale, Joint Executive Head of Legal & Democratic Services

**Tel:** 01483 444022

**Email:** susan.sale@guildford.gov.uk

Report Status: Open

## **Guildford Borough Council & Waverley Borough Council: Officer Employment Procedure Rules**

### **1. Executive Summary**

- 1.1 There is a statutory obligation upon every Local Authority to have a constitution and to both maintain and publish it. It is considered good practice to keep the constitution under constant review and for councillors to consider a more formal review on an annual basis.
- 1.2 As part of the current work programme to update the constitutions of both Guildford Borough Council (GBC) and Waverley Borough Council (WBC), the Joint Executive Head of Legal and Democratic Services has deemed the Officer Employment Procedure Rules as a high priority, requiring urgent attention, particularly at WBC where none currently exist.

- 1.3 The GBC Officer Employment Procedure Rules can be found in Part 4 (Procedure Rules) of its constitution. WBC currently does not have any Officer Employment Procedure Rules published in its constitution. Officers are recommending the introduction of new Officer Employment Procedure Rules, using examples of good practice, based on the statutory framework.
- 1.4 At its meeting on 30 November 2023, this report was considered by the Joint Constitutions Review Group (JCRG). The JCRG agreed to recommend approval of the new Officer Employment Procedure Rules to both this Committee and to Waverley's Standards & General Purposes Committee at their respective meetings in January, with a further recommendation that each committee recommends the adoption of the new procedure rules to their respective full Council meetings<sup>1</sup>.
- 1.5 The outcome of the consideration of this item by Waverley's Standards & General Purposes Committee on 8 January 2024, will be reported to this Committee.
- 1.6 All members of the Joint Management Team (JMT) are employed by WBC and the Officer Employment Procedure Rules based on the Council's current staff structures, apply only to members of the JMT. It is proposed that the new Officer Employment Procedure Rules will be included in the constitutions of both councils. The existing Officer Employment Procedure Rules in GBC's Constitution would be superseded by the new rules.
- 1.7 GBC currently has an Employment Committee, whose terms of reference include matters relating to the employment (including appointment, disciplinary action and dismissal) of the Council's most senior officers. The procedures for dealing with those matters are set out in the existing Officer Employment Procedure Rules.
- 1.8 The Employment Committee's terms of reference do not take into account the collaboration between the two councils, the

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<sup>1</sup> Extraordinary council meetings scheduled for 23 January (G), and 24 January (W)



establishment of the JMT and of the Guildford & Waverley Joint Appointments Committee. They are therefore out of date, of no practical use and are superfluous and in contradiction to the terms of reference of the Joint Appointments Committee. The terms of reference of the Joint Appointments Committee includes the process for the appointment of the Joint Chief Executive, Joint Section 151 Officer, Joint Monitoring Officer, and Joint Strategic Director posts.

- 1.9 Approval of the new Officer Employment Procedure Rules will therefore, as a consequence, require the formal disbandment of the Employment Committee which no longer has a role, other than as set out in paragraph 1.9 below.
- 1.10 The GBC Employment Committee's terms of reference also include "*approval of the Council's human resources policies*", which are not within the remit of the Joint Appointments Committee. It is therefore proposed that this function be delegated to the Head of Paid Service, and that the GBC Scheme of Officer Delegations be amended to reflect this.
- 1.11 The Joint Appointments Committee was formed in August 2021 to deal with the appointments of joint senior members of staff. The TOR for this committee lies in the constitution for both councils, Part 3 page 19 of the GBC constitution and Part 3 appendix 2 of the WBC constitution. To support the improvements to the Officer Employment Procedure Rules, and incorporate statutory requirements, it has become evident that the Joint Appointment Committee's remit needs to be expanded to also deal with disciplinary action against, and the dismissal of, joint senior members of staff.
- 1.12 It is proposed that the Joint Appointments Committee's TOR be amended to deal with appointments, disciplinaries and dismissals of relevant officers, to reflect legislation. As such, the Committee will require a change of name to better reflect its new purpose, and it is proposed that it be known as the 'Joint Senior Staff Committee' (JSSC), rather than the 'Joint Appointments Committee' (JAC).

## **2. Recommendation to Committee**

That the Committee resolves to recommend to Council:

- 2.1 That the new Officer Employment Procedure Rules, as set out in **Appendix 1** to this report, be adopted into the Constitution, and that they replace the Council's existing Officer Employment Procedure Rules.
- 2.2 That the Employment Committee be disbanded.
- 2.3 That the Head of Paid Service be authorised to approve, where necessary, any human resource policies that apply to Guildford Borough Council.
- 2.4 That the revised terms of reference for the Joint Appointments Committee and change of its name to "Joint Senior Staff Committee" to reflect its expanded responsibilities, as set out in **Appendix 4** to this report, be adopted.
- 2.5 That the Council confirms the GBC membership of the Joint Senior Staff Committee, for the remainder of the 2023-24 municipal year, as being:
  - Councillor Philip Brooker
  - Councillor Julia McShane
  - Councillor Fiona White
- 2.6 That the Monitoring Officer be authorised to convene, where necessary, an Independent Panel, as provided for in the Officer Employment Procedure Rules.

## **3. Reason for Recommendation:**

- 3.1 To ensure that both GBC and WBC have adequate arrangements in place to deal with the employment of all officers including senior management and statutory officers. Approval of the new Officer Employment Procedure Rules will be the first step in the process to align the constitutions of GBC and WBC where appropriate to do so.

#### **4. Exemption from publication**

4.1 No part of this report is exempt from publication.

#### **5. Purpose of Report**

5.1 This report asks the Committee:

- (a) To consider the proposed new Officer Employment Procedure Rules.
- (b) To make recommendations to the Council in respect of the formal adoption of the new Officer Employment Procedure Rules.
- (c) To make consequential recommendations to Council:
  - to disband the Employment Committee;
  - to authorise the Head of Paid Service to approve the Council's HR policies;
  - to rename the Joint Appointments Committee the "Joint Senior Staff Committee", approve its revised terms of reference, and confirm the GBC membership; and
  - to authorise the Monitoring Officer to convene, where necessary, an Independent Panel, as provided for in the new Officer Employment Procedure Rules.

#### **6. Strategic Priorities**

6.1 The collaboration between Guildford and Waverley assists in the delivery of both councils' corporate priorities.

#### **7. Background**

##### The Officer Employment Procedure Rules

7.1 The statutory officers of both councils, the Head of Paid Service (Chief Executive), the Section 151 Officer (Executive Head of Finance) and the Monitoring Officer (Executive Head of Legal and Democratic Services), have duties to advise and protect the councils as corporate bodies. In carrying out their duties at times they may be required to provide

- advice to members that is not welcome or popular, or to take such action in connection with that advice in order to fulfil their statutory responsibilities.
- 7.2 Accordingly, these three statutory posts are protected by law under specific regulations from unwarranted political interference in carrying out their proper duties. In the event that disciplinary action is contemplated against a statutory officer, members will need to ensure that they understand the procedure to be used complies with the regulatory requirements and the relevant terms and conditions of employment.
  - 7.3 The Local Authorities (Standing Orders) (England)(Amendment) Regulations 2015 amended the previous legislation to change the statutory process for dismissing the Head of Paid Service, Monitoring Officer and Chief Finance Officer (“the relevant officers”). Previously no disciplinary action could be taken against a relevant officer other than in accordance with a recommendation in a report made by a Designated Independent Person (DIP). The 2015 Regulations abolished the role of the DIP and outlined a new process to be followed and to be incorporated into Council constitutions.
  - 7.4 The Model Disciplinary Procedure and Guidance which incorporate the relevant statutory requirements was nationally negotiated and agreed by the Joint Negotiating Committee (JNC) for Local Authority Chief Executives issued in October 2016. It was then incorporated into the contractual terms and conditions of employment for Local Authority Chief Executives.
  - 7.5 Additionally, the August 2017 Chief Officers’ JNC contains a modified procedure for Monitoring Officers and Section 151 Officer, indicating that the relevant provisions of the Chief Executives’ Handbook can be used as a reference guide in such circumstances. This Model Procedure for Chief Executives has been adopted across England and it is now recommended that it should govern any future disciplinary procedures for the relevant Statutory Officers employed here.

Guildford and Waverley Borough Council Collaboration

- 7.6 Following the commitment by both Guildford and Waverley to collaborate and the establishment of a JMT, with the prospect of further collaborative proposals coming forward, the benefits of approving new Officer Employment Procedure Rules and related governance processes within the respective Constitutions, where appropriate to do so, are becoming increasingly apparent.
- 7.7 The current published version of WBC constitution lists the Officer Employment Procedure Rules in Part 4 (4.8), however there is a note advising that the section is under review. The previous version was removed in October 2022. This was initially due to the timing of the recruitment process of the JMT and was left under review with an update imminent.
- 7.8 The GBC Officer Employment Procedure rules can be found in Part 4, pages 77 - 94 of its constitution, it is a total of 17 pages. As part of the constitutions review process, we have compared both sections to guidance, best practice, and those of several other collaborating borough/district councils. In comparison the average length of the Officer Employment Procedure Rules is 6 pages, they also tend to be less descriptive and more succinct.
- 7.9 It was decided by both councils in April 2022 that all Statutory officers (The Head of Paid Service, Monitoring Officer and Chief Finance Officer) and the entire JMT would be employed directly by WBC. It is proposed that the new Officer Employment Procedure Rules, set out in **Appendix 1** to this report, will be included in the constitutions of both councils. The existing Officer Employment Procedure Rules in GBC's Constitution would be superseded by the new rules.
- 7.10 It will also be necessary for Guildford to formally disband its existing Employment Committee.
- 7.11 The terms of reference for the current Joint Appointments Committee are set out in **Appendix 2** to this report, the proposed changes are found as a tracked change version at **Appendix 3** and a clean copy of proposed changes can be found at **Appendix 4** to this report.

## **8. Equality and Diversity Implications**

- 8.1 The JCRG will be responsible for having due regard to the requirements of the Public Sector Equality Duty (Equality Act 2010) when making any recommendations concerning constitutional arrangements.

## **9. Financial Implications**

- 9.1 There are no financial implications arising from this report. Any proposals, projects, or suggestions from the groups with financial implications will either be contained within approved budgets or considered as part of the Service and Financial Planning cycle.

## **10. Legal Implications**

- 10.1 The Local Authorities (Standing Orders) (England) Regulations 2001, as amended, govern the appointment and disciplinary arrangements within a Local Authority relevant to senior officers.
- 10.2 Section 112 Local Government Act 1972 provides a Local authority with the power to appoint such officers as they think necessary for the proper discharge by the authority of their functions.

## **11. Human Resource Implications**

- 11.1 The Human Resources implications for certain senior Officers of the Council are set out in the body of the report.

## **12. Summary of Options**

- 12.1 The Committee is invited to consider the proposed new Officer Employment Procedure Rules attached as **Appendix 1**.
- 12.2 In terms of options available, the Committee may:
- (a) support the proposed new Officer Employment Procedure Rules and agree to recommend their adoption by full Council;
  - (b) amend any of the proposed new Rules before submitting them to Council for adoption; or

(c) ask officers to reconsider any part(s) of the new Rules that raise concerns.

**13. Background Papers**

Waverley Borough Council Constitution

Guildford Borough Council Constitution

Minutes from the GBC Full Council meetings held on 5 April 2022

Minutes from the GBC Full Council meetings held on 26 April 2022

**14. Appendices**

Appendix 1: Draft Officer Employment Procedure Rules

Appendix 2: Current TOR for the Joint Appointments Committee

Appendix 3: Draft TOR for the Joint Senior Staff Committee (tracked change version)

Appendix 4: Draft TOR for the Joint Senior Staff Committee (clean version)

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## OFFICER EMPLOYMENT PROCEDURE RULES

### 1.0 INTRODUCTION

#### 1.1 Definitions

In these Rules:

- 1.1.1 'The 2001 Regulations' means the Local Authorities (Standing Orders) (England) Regulations 2001; 'The 2015 Regulations' means the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015.
- 1.1.2 'Appointor' means, in relation to the appointment of a person as an Officer of the Authority, the Authorities or, where a Joint Committee, Committee, Sub-Committee or Officer is discharging the function of appointment on behalf of the Authorities, that Joint Committee, Committee, Sub-Committee or Officer, as the case may be;
- 1.1.3 'Disciplinary Action' in relation to an Officer of the Council means any action occasioned by alleged misconduct which, if proven, would, according to the Council's usual practice, be recorded on the member of staff's personal file. This includes any proposal for dismissal of a member of staff for any reason other than redundancy, permanent ill-health or infirmity of mind or body, but does not include failure to renew a contract of employment for a fixed term unless the Authority has undertaken to renew such a contract;
- 1.1.4 'Dismissor' means, in relation to the dismissal of an Officer of the Authority, the Authorities or, where a Joint Committee, Committee, Sub-Committee or another Officer is discharging the function of dismissal on behalf of the Authorities, that Joint Committee, Committee, Sub-Committee or other Officer, as the case may be;
- 1.1.5 The 'Joint Management Team' means the group of Officers consisting of the Joint Chief Executive, the Joint Strategic Directors and the Joint Executive Heads of Service.
- 1.1.6 'Head of Paid Service' means the Officer designated under *Section 4(1) of the Local Government and Housing Act 1989* – the Council's Joint Chief Executive has been designated the Head of Paid Service;
- 1.1.7 'Chief Finance Officer' means the Officer having responsibility, for the purposes of *Section 151 of the Local Government Act 1972*, for the administration of the Council's financial affairs – the Council's Joint Executive Head of Finance has been designated the Chief Finance Officer;
- 1.1.8 'Monitoring Officer' means the Officer designated under *Section 5(1) of the Local Government and Housing Act 1989* – the Council's Joint Executive Head of Legal and Democratic Services has been designated the Monitoring Officer;
- 1.1.9 'Statutory Chief Officer' means, in accordance with *section 2(6) Local Government and Housing Act 1989*, the officer responsible for the purposes of *s151 of the Local Government Act 1972* for the administration of the authority's financial affairs - the Council's Chief Finance Officer is a Statutory Chief Officer.
- 1.1.10 'Non-statutory Chief Officer' means, in accordance with *section 2(7) Local Government and Housing Act 1989* a person for whom the Head of Paid Service is directly responsible, a person who as respects all or most of the duties of their post is required to report directly or is directly accountable to the Head of Paid Service, or a person who as respects all or most of the duties of their post is required to report directly or is directly accountable to the local authority themselves, (except a person

whose duties are solely secretarial or clerical or are otherwise in the nature of support services) – the Council’s Joint Strategic Directors are designated Non-statutory Chief Officers;

1.1.11 ‘Deputy Chief Officer’ means, in accordance with section 2(8) Local Government and Housing Act 1989 a person who, with respect to all or most of the duties of their post, is required to report directly or is directly accountable to one or more of the Statutory or Non-Statutory Chief Officers – the Council’s Joint Executive Heads of Service, other than the Joint Executive Head of Finance are designated Deputy Chief Officers;

1.1.12 ‘Joint Senior Staff Committee’ means a Committee set up in accordance with s102 Local Government Act 1972 between Guildford Borough Council and Waverley Borough Council. The Terms of reference of the Joint Senior Staff Committee can be found in Part 3 of the Council’s constitution.

## 1.2 Scope of these Procedure Rules

These procedure rules govern the specific arrangements for the recruitment, appointment and disciplinary action (including dismissal) of the Joint Head of Paid Service, the Joint Chief Finance Officer, the Joint Monitoring Officer the Joint Strategic Directors and the Joint Executive Heads of Service.

The function of recruitment, appointment, disciplinary action and dismissal in respect of all other staff must be discharged, on behalf of the Council, by the Head of Paid Service or an Officer nominated by them (in accordance with *paragraph 2 Part II schedule 1 of the 2001 Regulations*).

Such functions will be carried out in accordance with the Council’s Human Resource policies, as adopted from time to time.

## 1.3 Posts

For ease of reference, the posts which fall under the relevant definitions in these Officer Employment Procedure Rules, at the time of writing, are as follows:

Definition	Relevant Post
Head of Paid Service	Joint Chief Executive
Statutory Chief Officer	Joint Executive Head of Finance
Monitoring Officer	Joint Executive Head of Legal and Democratic Services
Non-Statutory Chief Officers	Joint Strategic Directors
Deputy Chief Officers	Joint Executive Heads of Service, other than the Joint Executive Head of Finance.

## 2.0 RECRUITMENT

### 2.1 Declarations

A candidate for any employment with the Council, or a staff member involved in a transfer or promotion, to such a post, shall disclose to the Head of Paid Service, whether they are related to, or cohabit with, any Councillor or other Officer or any other person who may have an influence on the decision to appoint.

Any candidate who fails to disclose such a relationship may be disqualified for appointment and any offer of appointment being rescinded and, if appointed, may be liable to dismissal without notice.

Every Councillor and Senior Officer (being an Officer comprising part of the Joint Management Team) of the Council shall disclose to the Head of Paid Service any

relationship known to exist between them and any person whom they know to be a candidate for an appointment to the Council.

The Head of Paid Service will report to the Monitoring Officer on any such required disclosures made to them.

## **2.2 Support for Appointment**

The Council will disqualify any applicant who directly or indirectly seeks the support of any Councillor or Senior Officer (being an Officer comprising part of the Joint Management Team) for any appointment with the Council.

No Councillor nor Senior Officer (comprising part of the Joint Management Team) shall seek support for any person for any appointment with the Council and shall not provide any written testimonial of a candidate's ability, experience or character for submission to the Council.

## **2.3 Confidentiality**

The Council, the Executive, a Joint Committee, a Committee, a Sub-Committee or a Panel should, unless there are exceptional circumstances which dictate otherwise, resolve to exclude the press and public under Section 100A of the Local Government Act 1972 where matters relating to the appointment, promotion, dismissal or discipline, severance, salary or conditions of an individual member of staff or individual post are to be discussed.

## **2.4 Process and Procedure**

2.4.1 Where the Council proposes to appoint an Officer within the Joint Management Team, being either the Head of Paid Service, the Statutory Chief Officer, the Monitoring Officer, a Non-Statutory Chief Officer or Deputy Chief Officer, and it is not proposed that the appointment will be made exclusively from among their existing Officers, the Head of Paid Service or their delegate will:

- (a) draw up a statement specifying:
  - (i) the duties of the Officer concerned; and
  - (ii) any qualifications or qualities to be sought in the person to be appointed;
- (b) advertise the post in such a way as is likely to bring it to the attention of persons who are qualified to apply for it; and
- (c) send a copy of the statement mentioned in paragraph (a) above to any person on request.
- (d) Where a post has been advertised as provided in (b) above, the Council will:
  - (i) interview all qualified applicants for the post; or
  - (ii) select a short list of such qualified applicants and interview those included on the short list; or
  - (iii) if no qualified person has applied, the Council will make further arrangements for advertisement in accordance with paragraph (b) above.

## **3.0 APPOINTMENT**

### **3.1 Appointment of Joint Chief Executive and designation of Head of Paid Service**

The Joint Senior Staff Committee will be responsible for the recruitment process and selection of the Head of Paid Service and for making a recommendation to the Council of both Waverley Borough Council and Guildford Borough Council for the appointment of their preferred candidate.

Each Council will be responsible for appointing the Joint Chief Executive and the designation of the Head of Paid Service to the role, and must do so before an offer of such an appointment is made.

The Councils may only make such an appointment following the consultation requirements set out at paragraph 3.5 below.

### **3.2 Appointment of Joint Strategic Directors**

The Joint Senior Staff Committee will also be responsible for the recruitment and selection process of the Joint Strategic Directors and for appointing their preferred candidates.

The Joint Senior Staff Committee may only make such appointments following the consultation requirements set out at paragraph 3.5 below.

### **3.3 Designation of the Joint Monitoring Officer and Joint Chief Financial Officer**

The Joint Senior Staff Committee will also be responsible for the recruitment and selection process of the Joint Monitoring Officer and Joint Chief Financial Officer. The Joint Senior Staff Committee are responsible for making a recommendation to the Council of both Waverley Borough Council and Guildford Borough Council for the designation of the role to their preferred candidate.

Each Council will be responsible for designating an Officer as the Joint Monitoring Officer and as the Joint Chief Finance Officer, and must do so before an offer of any such designation is made.

An offer of employment as Joint Monitoring Officer or Joint Chief Finance Officer may only be made following the consultation requirements set out at paragraph 3.5 below.

### **3.4 Appointment of Joint Executive Heads of Service**

The Head of Paid Service, or their nominated representative, shall be responsible for the function of the appointment of Deputy Chief Officers. The Head of Paid Service's nominated representative may include an Officer of the Council of the appropriate level of seniority, or an external expert, provided that such representative shall have, in the opinion of the Head of Paid Service, the appropriate level of independence, knowledge, expertise and competence.

An offer of employment as a Joint Executive Head of Service may only be made following the consultation requirements set out in paragraph 3.5 below.

### **3.5 Consultation Requirements for Appointments**

In respect of the appointment of the Joint Head of Paid Service, the Joint Monitoring Officer, the Joint Chief Financial Officer, the Joint Strategic Directors and the Joint Executive Heads of Service, the offer of appointment cannot be made until this section has been complied with.

An offer of appointment to any of those Officers, as above, must not be made by the Appointor until:

- (a) The Appointor has notified the Proper Officer of the name of the person to whom the Appointer wishes to make the offer and any other particulars which the Appointor considers are relevant to the appointment, including evidence and reasons for the choice of preferred candidate;
- (b) The Proper Officer has notified every Executive Member of each Council of:
  - (i) the name of the person to whom the Appointor wishes to make the offer, and the reasons why they are the Appointor's preferred candidate, including evidence;

- (ii) any other particulars relevant to the appointment which the Appointor has notified to the Proper Officer; and
- (iii) the period within which any objection to the making of the offer is to be made by the Leader of either Council on behalf of their respective Executive to the Proper Officer; and
- (c) either:
  - (i) the Leader of either Council has, within the period specified in the notice under sub-paragraph (b)(iii), notified the Proper Officer that neither they nor any other Member of their Executive has any objection to the making of the offer; or
  - (ii) the Proper Officer has notified the Appointor that no objection was received by them within that period from the Leader of either Council; or
  - (iii) the Appointor is satisfied that any objection received from the Leader of either Council within that period is not material or is not well-founded.

### 3.6 Appointment of Senior Officers

Post	Appointment	Conditions
Head of Paid Service	Joint Senior Staff Committee	Requires consultation with each of the Executives and resolution of each full Councils
Statutory Chief Officer (S151)	Joint Senior Staff Committee	Requires consultation with each of the Executives and resolution of each full Councils
Monitoring Officer	Joint Senior Staff Committee	Requires consultation with each of the Executives and approval of each full Councils
Non-Statutory Chief Officers	Joint Senior Staff Committee	Requires consultation with each of the Executives
Deputy Chief Officers	Head of Paid Service or nominee	Requires consultation with each of the Executives

## 4.0 DISCIPLINARY ACTION

### 4.1 Disciplinary Action in respect of the Joint Head of Paid Service, Joint Chief Financial Officer and Joint Monitoring Officer

4.1.1 The Joint Senior Staff Committee shall consider any alleged misconduct in respect of the Joint Head of Paid Service, Joint Chief Finance Officer, and Joint Monitoring Officer. The Joint Senior Staff Committee will appoint an external, suitably qualified, experienced and competent, investigator to act as the Investigating Officer to conduct an investigation into the alleged misconduct and report back to the Committee with their Investigator's Report.

4.1.2 In carrying out the investigation the Investigating Officer may:

- (a) Inspect any documents relating to the conduct of the relevant Officer which are in the possession of the Council, or which the Council has the power to authorise them to inspect; and
- (b) Require any Officer or Elected Member to answer questions concerning the conduct of the relevant Officer.

4.1.3 Pending the report of the Investigator the Joint Head of Paid Service, the Joint Monitoring Officer or the Joint Chief Finance Officer may be suspended by the Joint Senior Staff Committee whilst the alleged misconduct by the Officer is investigated. Any such suspension will be for a maximum period of three calendar months, or for

such period as may be necessary to investigate and report on the allegations, and will be on full pay, other than in exceptional circumstances.

- 4.1.4 Following receipt of the report of the Investigating Officer, the Joint Senior Staff Committee will determine any disciplinary action, other than dismissal, to be taken, as necessary, in accordance with any Human Resources Policies which have been adopted by the Council from time to time. The Joint Senior Staff Committee has the authority to impose any disciplinary action, other than dismissal.
- 4.1.5 The Council's Joint Head of Paid Service, Joint Monitoring Officer and Joint Chief Finance Officer cannot be dismissed without a resolution to that effect by each Council, as the full Council of each authority is responsible for the function of dismissal of such an Officer.
- 4.1.6 Should the Joint Senior Staff Committee consider that the relevant disciplinary action to be taken, having considered the Investigator's Report, is dismissal of the Officer, an Independent Panel must be appointed by the authority, or an Officer to whom the task is delegated. Such an Independent Panel will be formed in accordance with the 2015 Regulations, and shall be a committee appointed by the authority under section 102(4) Local Government Act 1972 for the purposes of advising the authority on matters relating to the dismissal of such officers.
- 4.1.7 The authority, or an Officer to whom the task is delegated, will invite Independent Persons who have been appointed for the purposes of the Members' Conduct Regime under section 28(7) of the Localism Act 2011 to form an Independent Panel. An Independent Panel will be formed if two or more Independent Persons accept the invitation.
- 4.1.8 The role of the Independent Panel is to prepare a report for each Council setting out their advice, views and recommendations as to the proposed dismissal.
- 4.1.9 Where dismissal is being considered, a meeting of each full Council must be convened within 20 working days of the Independent Panel being appointed, to consider and determine the matter.
- 4.1.10 A Joint Head of Paid Service, Joint Chief Finance Officer or Joint Monitoring Officer attending a Council meeting where proposed dismissal against them is being considered, is entitled to make both oral and written representations to Council, as is their representative, who may be a colleague, a Union representative, a companion, or a legal representative.
- 4.1.11 Before taking a vote at such a Council meeting on whether or not to approve such a proposed dismissal, the Council must take into account:
  - (a) Any advice, views or recommendations of the Independent Panel;
  - (b) The conclusions of any investigation into the alleged misconduct;
  - (c) Any representations from the relevant Officer or their representative.

## **4.2 Disciplinary Action in respect of Joint Strategic Directors**

- 4.2.1 The Joint Senior Staff Committee shall consider any alleged misconduct in respect of the Joint Strategic Directors and will appoint an external, suitably qualified, experienced and competent, investigator to act as the Investigating Officer to conduct an investigation into the alleged misconduct and report back to the Committee with their Investigator's Report.

- 4.2.2 In carrying out the investigation the Investigating Officer may:

- (a) Inspect any documents relating to the conduct of the relevant Officer which are in the possession of the Council, or which the Council has the power to authorise them to inspect; and
- (b) Require any Officer or Elected Member to answer questions concerning the conduct of the relevant Officer.

4.2.3 Pending the report of the Investigator the Joint Strategic Director may be suspended by the Joint Senior Staff Committee whilst the alleged misconduct by the Officer is investigated. Any such suspension will be for a maximum period of three calendar months, or for such period as may be necessary to investigate and report on the allegations, and will be on full pay, other than in exceptional circumstances.

4.2.4 Following receipt of the report of the Investigating Officer, the Joint Senior Staff Committee will determine any disciplinary action, including dismissal, to be taken, as necessary, in accordance with any Human Resources Policies which have been adopted by the Council from time to time. The Joint Senior Staff Committee has the authority to impose any disciplinary action, and shall be responsible for the function of dismissal where appropriate.

### 4.3 Disciplinary Action in respect of Joint Executive Heads of Service

4.3.1 The Joint Head of Paid Service or their nominated representative, will investigate any alleged misconduct in respect of Deputy Chief Officers, as necessary, in accordance with any Human Resources Policies which have been adopted by the Council from time to time.

4.3.2 The Joint Head of Paid Service’s nominated representative may include an Officer of the Council, of the appropriate level of seniority, or an external expert, provided that such representative shall have, in the opinion of the Head of Paid Service, the appropriate level of independence, knowledge, expertise and competence.

4.3.3 Pending the outcome of such investigation the Deputy Chief Officer may be suspended by the Joint Head of Paid Service or their nominated representative. Such suspension will be for no longer than 3 calendar months, or for such period as may be necessary to investigate and report on the allegations, and will be on full pay, other than in exceptional circumstances.

4.3.4 Subject to paragraph 4.4 below, the Joint Head of Paid Service, or a representative nominated by them, shall decide upon any disciplinary action to be taken, following a disciplinary hearing, and shall be responsible for the function of dismissal, where appropriate, of Deputy Chief Officers. Such nominated representative may not be the same individual responsible for the investigation into alleged misconduct and must be wholly independent from that individual.

### 4.4 Disciplinary Action of Senior Officers

Post	Investigation	Notes	Appeal
Head of Paid Services, Chief Finance Officer and Monitoring Officer	Investigating Officer appointed by the Joint Senior Staff Committee who presents findings to Joint Senior Staff Committee who have the power to impose disciplinary action other than dismissal	Decision to dismiss must be taken by Council, following consideration of the views of the Independent Panel and consultation with the Executives of each Council.	None

Non-Statutory Chief Officers	Investigating Officer appointed by the Joint Senior Staff Committee who presents findings to Joint Senior Staff Committee who have the power to impose disciplinary action including dismissal.	Decision to dismiss is the responsibility of the Joint Senior Staff Committee but may only be taken following consultation with the Executives of each Council.	None
Deputy Chief Officers	Head of Paid Service or their representative	Decision to dismiss may only be taken following consultation with the Executives of each Councils.	Joint Head of Paid Services or their representative provided such individual played no part in the investigation.

#### 4.5 Consultation Requirements for Dismissals

4.5.1 This provision applies to the dismissal of The Head of Paid Service, the Chief Financial Officer, the Monitoring Officer, Non-Statutory Chief Officers, and Deputy Chief Officers.

4.5.2 Notice of dismissal of any of those Officers must not be given by the Dismissor until:

- (a) the Dismissor has notified the Proper Officer of the name of the person whom the Dismissor wishes to dismiss and any other particulars which the Dismissor considers are relevant to the dismissal, including a summary of the evidence heard at the disciplinary hearing and the reasons for the proposed decision;
- (b) the Proper Officer has notified every Executive Member of both Councils of:
  - (i) the name of the person whom the Dismissor wishes to dismiss and the reasons for the decision;
  - (ii) any other particulars relevant to the dismissal which the Dismissor has notified to the Proper Officer; and
  - (iii) the period within which any objection to the dismissal is to be made by the Executive Leader of either Council on behalf of their respective Executive to the Proper Officer; and
- (c) either:
  - (i) the Executive Leader of either Authority has, within the period specified in the notice under subparagraph (b)(iii), notified the Proper Officer that neither they nor any other Member of their Executive has any objection to the dismissal;
  - (ii) the Proper Officer has notified the Dismissor that no objection was received by them within that period from either Executive Leader; or
  - (iii) the Dismissor is satisfied that any objection received from an Executive Leader within that period is not material or is not well-founded.

#### 4.6 Appeals

4.6.1 The Joint Head of Paid Service, Joint Chief Finance Officer, Joint Monitoring Officer and Joint Strategic Directors shall have no right of appeal against disciplinary action.



- 4.6.2 Deputy Chief Officers who feel that the outcome of any Disciplinary Action against them is wrong or unjust may appeal in accordance with any relevant Council Staffing Policies to the Joint Head of Paid Service or their nominated representative.

The Joint Head of Paid Service's nominated representative may include an Officer of the Council, of the appropriate level of seniority, or an external expert, provided that such representative shall have, in the opinion of the Head of Paid Service, the appropriate level of independence, knowledge, expertise and competence. Such nominated representative must not be the same individual responsible for carrying out the investigation into the alleged misconduct, nor the same individual responsible for deciding upon the disciplinary action, and must be wholly independent from those individuals.

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**GUILDFORD BOROUGH COUNCIL AND WAVERLEY BOROUGH COUNCIL  
JOINT APPOINTMENTS COMMITTEE  
COMPOSITION AND TERMS OF REFERENCE**

This Joint Committee is to be established in accordance with Section 102 (1) (b) of the Local Government Act 1972 (Appointment of committees)

**MEMBERS:** 6

The Joint Appointments Committee shall comprise the respective Leaders of both councils plus two members appointed by Guildford Borough Council and two members appointed by Waverley Borough Council (one of whom will be the Leader of Waverley's Principal Opposition Group)

Appointments shall be made in accordance with the Local Government (Committees and Political Groups) Regulations 1990

**QUORUM:** 3 (subject to each council being represented at a meeting by at least 1 member)

**PLACE OF MEETINGS:** The venue for meetings of the Joint Appointments Committee shall normally alternate between the two councils with the host Leader chairing the meeting. The venue for the first meeting shall be at Waverley Borough Council offices.

**CHAIRMAN:** The Joint Appointments Committee shall be chaired alternately between the councils by their respective Leaders

**GENERAL ROLE:** Adopting and exercising such of the functions of Guildford Borough Council and Waverley Borough Council ("the councils") as can be delegated by those councils in respect of the appointment of the councils' Joint Chief Executive/Head of Paid Service and any Joint Statutory Officer and Director posts as are covered by the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended) or any successor regulations

**FREQUENCY OF MEETINGS:** As and when required

**SUBSTITUTES:** Substitutes may be appointed. Guildford Borough Council may appoint two substitute members. Waverley Borough Council may appoint two

substitute members, with one being nominated by the Leader of the council, and one nominated by the Leader of Waverley's Principal Opposition Group.

ROLE AND FUNCTION:

Appointment of Joint Chief Executive/Head of Paid Service

- (i) Subject to (ii) below, to undertake and determine on behalf of the councils all aspects of the process for the recruitment and selection of the Joint Chief Executive/Head of Paid Service, including final approval of the terms and conditions of employment (based on current provisions) for that post
- (ii) The final decision as to the appointment of the joint Chief Executive/Head of Paid Service shall be reserved to full meetings of both councils, and subject to no material or well-founded objection to the making of an offer of appointment being received by either Leader on behalf of their respective executives
- (iii) To determine pension discretions relating to the Joint Chief Executive/ Head of Paid Service
- (iv) To consider any financial settlement of an affected employee who is unsuccessful in respect of the selection of the Joint Chief Executive/Head of Paid Service, and to make recommendations as appropriate for formal approval by each council
- (v) To confirm into post, or otherwise, the successful candidate following any probationary or trial period
- (vi) To be responsible for ad-hoc employment matters affecting the Joint Chief Executive/Head of Paid Service post, including consideration and determination of any 'cost of living' pay award

Appointment of any Joint Statutory Officer<sup>1</sup> posts

- (i) Subject to (ii) below, to undertake and determine on behalf of the councils all aspects of the process for the appointment of any Joint Statutory Officer posts
- (ii) The final decision as to the appointment of any Joint Statutory Officer posts shall be reserved to full meetings of both councils and, where the provisions of Part II

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<sup>1</sup> Section 151/Chief Finance Officer and Monitoring Officer

of Schedule 2 to the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended) apply to any such appointment, subject to no material or well-founded objection to the making of an offer of appointment being received by either Leader on behalf of their respective executives

- (iii) To determine pension discretions relating to any Joint Statutory Officer posts
- (iv) To consider any financial settlement of an affected employee who is unsuccessful in respect of the selection of any Joint Statutory Officer posts, and where necessary to make recommendations as appropriate for formal approval by each council
- (v) To be responsible for ad-hoc employment matters affecting any Joint Statutory Officer posts

Appointment of any Joint Directors

- (i) Subject to (ii) below, to undertake and determine on behalf of the councils all aspects of the process for the appointment of any Joint Directors
- (ii) The appointment of any Joint Directors shall be subject to no material or well-founded objection to the making of an offer of appointment being received by either Leader on behalf of their respective executives
- (iii) To determine pension discretions relating to any Joint Directors
- (iv) To consider any financial settlement of an affected employee who is unsuccessful in respect of the selection and appointment of any Joint Directors, and where necessary to make recommendations as appropriate for formal approval by each council
- (vii) To be responsible for ad-hoc employment matters affecting any Joint Director posts

SERVICING THE JOINT APPOINTMENTS COMMITTEE: The Joint Appointments Committee shall be serviced by committee staff from the council hosting the relevant meeting.

MEETINGS OF THE JOINT APPOINTMENTS COMMITTEE SHALL BE CONDUCTED IN ACCORDANCE WITH THE FOLLOWING PROCEDURE:

1. A meeting of the Joint Appointments Committee shall be summoned by the relevant officer of the Council hosting the meeting who shall give a minimum of five clear working days' notice (or less in the case of urgency)
2. Meetings of the Joint Appointments Committee shall be held in public except in so far as the matters for decision relate to issues which can be dealt with in private in accordance with Section 100A (4) and (5) of the Local Government Act 1972 (as amended)
3. The Joint Appointments Committee shall have no function or power delegated to it in any circumstance where a majority decision cannot be made without the need for the chairman or person presiding having to exercise their second or casting vote
4. The order of business at meetings of the Joint Appointments Committee shall include the following:
  - (a) Apologies for Absence
  - (b) Disclosures of Interest
  - (c) Adoption of the Minutes of the previous meeting
  - (d) Matters set out in the agenda for the meeting
  - (e) Matters not set out in the agenda for the meeting but which the chairman agrees pursuant to Section 100B (4) (b) of the Local Government Act 1972 (as amended) should be considered at the meeting as a matter of urgency
5. Any matter will be decided by a simple majority of those members of the Joint Appointments Committee present and voting at the time the question was put. A vote shall be taken either by show of hands or, if there is no dissent, by the affirmation of the meeting

**GUILDFORD BOROUGH COUNCIL AND WAVERLEY BOROUGH COUNCIL**  
**JOINT ~~APPOINTMENTS~~ SENIOR STAFF COMMITTEE**  
**~~COMPOSITION AND~~ TERMS OF REFERENCE**

This Joint Senior Staff Committee is to be established in accordance with Section 102 (1) (b) of the Local Government Act 1972 (Appointment of committees).

**1.0 MEMBERS:**

The Joint ~~Appointments~~ Senior Staff Committee shall comprise 6 members, being the respective Leaders of ~~each~~ both ~~Councils~~ plus two members appointed by Guildford Borough Council (one of whom shall be the Leader of the principal Opposition Group) and two members appointed by Waverley Borough Council (one of whom ~~shall be~~ will be the Leader of ~~the principal~~ Waverley's Principal Opposition Group). The Committee shall be politically balanced for each Council in accordance with the provisions of the Local Government and Housing Act 1989.

**2.0 APPOINTMENT**

Appointments shall be made in accordance with the Local Government (Committees and Political Groups) Regulations 1990.

**3.0 QUORUM:**

The quorum for a meeting of the Joint Senior Staff Committee shall be 3 members (subject to each ~~Council~~ being represented at any meeting by at least 1 member)

**4.0 ~~PLACE-TIME & LOCATION~~ OF MEETINGS:**

The venue and commencement time for meetings of the Joint ~~Appointments~~ Senior Staff Committee shall be determined by the Joint Monitoring Officer in consultation with the Leader of each Council, and shall normally alternate between the Civic Office of each ~~two~~ ~~Councils,~~ with the host Leader chairing the meeting. ~~The venue for the first meeting shall be at Waverley Borough Council offices~~

**5.0 CHAIRMAN**

~~The~~ Joint ~~Appointments~~ Senior Staff Committee shall be chaired by the Leader of the Council at whose civic office the meeting is held. ~~alternately between the councils by their respective Leaders~~ In their absence the meeting will be chaired by the Leader of the Council not hosting the meeting. In the absence of both Leaders, the chair will be elected by the meeting on the basis of a majority vote.

## **6.0 VOTING**

Decisions of the Joint Senior Staff Committee shall be made by a majority vote of those members present and voting. A vote will be taken either by way of a show of hands or by electronic means. The Chairman shall have no second or casting vote. In circumstances where a majority decision cannot be made by the Joint Senior Staff Committee, the delegation of powers and function to the Committee, relating to that decision, will immediately cease. Any such decision will be referred to each Council for determination.

## **7.0 GENERAL ROLE:**

Adopting and exercising such of the functions of Guildford Borough Council and Waverley Borough Council ("the ~~C~~eouncils") as can be delegated by those ~~C~~eouncils in respect of the appointment and disciplinary action relating to the Councils' Joint Chief Executive, Joint Chief Officers and Joint Deputy Chief Officers ~~of the councils' Joint Chief Executive/Head of Paid Service and any Joint Statutory Officer and Director posts~~ as provided for by ~~are covered by~~ the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended) or any successor regulations.

## **8.0 FREQUENCY OF MEETINGS**

Meetings will be arranged by the Joint Monitoring Officer in consultation with the Leader of each Council, on such occasions as is necessary to determine any business within its terms of reference. ~~As and when required~~

## **9.0 SUBSTITUTE MEMBERS:**

In the event of an appointed Councillor being unable to attend any meeting of the Joint Senior Staff Committee, the relevant Political Group Leader may appoint a Substitute Member, from the same Council, provided that prior written notice of such substitution is given to the Monitoring Officer by 5pm the working day prior to the meeting. ~~Substitutes may be appointed. Guildford Borough Council may appoint two substitute members. Waverley Borough Council may appoint two substitute members, with one being nominated by the Leader of the council, and one nominated by the Leader of Waverley's Principal Opposition Group.~~

## **10.0 DELEGATION**

The Joint Senior Staff Committee may arrange for the discharge of their functions by an Officer and in doing so will set out clearly any limits upon such delegation.



## 11.0 WORKING GROUPS

The Joint Senior Staff Committee may establish working groups to assist them in their work and in doing so will set clear terms of reference for them. Such working groups shall not be decision-making bodies.

## 12.0 SUB-COMMITTEES

The Joint Senior Staff Committee may establish sub-committees consisting solely of the Members of one Council, to consider matters relating to that Council.

## 13.0 OFFICER EMPLOYMENT PROCEDURE RULES

The Joint Senior Staff Committee shall operate in compliance with the Officer Employment Procedure Rules adopted by each Council into their Constitution.

## 14.0 FUNCTIONS AND RESPONSIBILITIES~~ROLE AND FUNCTION:~~

### Appointment of 14.1 Joint Chief Executive/Head of Paid Service

- (i) Subject to (ii) below, to undertake and determine on behalf of the Councils all aspects of the process for the recruitment and selection of the Joint Chief Executive/Head of Paid Service, including final approval of the terms and conditions of employment (based on current provisions) for that post.
- (ii) The final decision as to the appointment of the joint Chief Executive/Head of Paid Service shall be reserved to ~~full meetings of both each~~ Councils, and subject to no material or well-founded objection to the making of an offer of appointment being received by ~~either the~~ Leader of either Council on behalf of their respective Executives.
- (iii) To determine pension discretions relating to the Joint Chief Executive/ Head of Paid Service.
- (iv) To consider any financial settlement of an affected employee who is unsuccessful in respect of the selection of the Joint Chief Executive/Head of Paid Service, and to make recommendations as appropriate for formal approval by each Council.
- (v) To confirm into post, or otherwise, the successful candidate following any probationary or trial period.

(vi) To be responsible for ad-hoc employment matters affecting the Joint Chief Executive/Head of Paid Service post, including consideration and determination of any 'cost of living' pay award.

(vii) To be responsible, subject to (viii) below for any disciplinary action regarding the Joint Chief Executive / Head of Paid Service.

~~(vi)~~(viii) The final decision to dismiss the Joint Chief Executive / Head of Paid Service shall be reserved to each Council and shall be subject to no material or well-founded objection to the proposed dismissal being received by the Leader of either Council on behalf of their respective Executives.

Appointment of any 14.2 Joint Statutory Officer<sup>1</sup> posts

- (i) Subject to (ii) below, to undertake and determine on behalf of the Ccouncils all aspects of the process of recruitment and selection~~for the appointment~~ of any Joint Statutory Officer posts.
- (ii) The final decision as to the appointment of any Joint Statutory Officer posts shall be reserved to full meetings of both each C-councils and, ~~where the provisions of Part II of Schedule 2 to the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended) apply to any such appointment,~~ subject to no material or well-founded objection to the making of an offer of appointment being received by either the Leader of either Council on behalf of their respective Executives
- (iii) To determine pension discretions relating to any Joint Statutory Officer posts.
- (iv) To consider any financial settlement of an affected employee who is unsuccessful in respect of the selection of any Joint Statutory Officer posts, and where necessary to make recommendations as appropriate for formal approval by each Ccouncil.
- (v) To be responsible for ad-hoc employment matters affecting any Joint Statutory Officer posts.
- (vi) To be responsible, subject to (vii) below, for any disciplinary action regarding any Joint Statutory Officer.

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<sup>1</sup> Section 151/Chief Finance Officer and Monitoring Officer

~~(v)~~(vii) The final decision to dismiss any Joint Statutory Officer shall be reserved to each Council and shall be subject to no material or well-founded objection to the proposed dismissal being received by the Leader of either Council on behalf of their respective Executives.

#### Appointment of any 14.3 Joint Strategic Directors

- (i) Subject to (ii) below, to undertake and determine on behalf of the Councils all aspects of the process for the appointment of any Joint Strategic Directors.
- (ii) The appointment of any Joint Strategic Directors shall be subject to no material or well-founded objection to the making of an offer of appointment being received by ~~either the~~ the Leader of either Council on behalf of their respective Executives.
- (iii) To determine pension discretions relating to any Joint Strategic Directors.
- (iv) To consider any financial settlement of an affected employee who is unsuccessful in respect of the selection and appointment of any Joint Strategic Directors, and where necessary to make recommendations as appropriate for formal approval by each Council.
- (v) To be responsible for ad-hoc employment matters affecting any Joint Strategic Director post\_s.
- (vi) To be responsible, subject to vii) below, for any disciplinary action regarding any Joint Strategic Director.
- (vii) The dismissal of any Joint Strategic Director shall be subject to no material or well-founded objection to the proposed dismissal being received by the Leader of either Council on behalf of their respective Executives.

#### 15.0 SERVICING THE JOINT SENIOR STAFF APPOINTMENTS COMMITTEE:

The Joint Senior Staff Appointments Committee shall be serviced by staff as agreed between the Democratic Services Managers of each Council. ~~committee staff from the council hosting the relevant meeting.~~

The Joint Senior Staff Committee will be supported by professional advisors including legal advisors or human resources advisors as appropriate. The views of such advisors must be taken into account.

**16.0 MEETINGS OF THE JOINT ~~APPOINTMENTS SENIOR STAFF~~ COMMITTEE  
SHALL BE CONDUCTED IN ACCORDANCE WITH THE FOLLOWING PROCEDURE:**

1. A meeting of the Joint ~~Appointments-Senior Staff~~ Committee shall be summoned by the ~~Joint Monitoring Officer~~~~relevant officer of the Council hosting the meeting~~ who shall give a minimum of five clear working days' notice (or less in the case of urgency).
2. Meetings of the Joint ~~Appointments-Senior Staff~~ Committee shall be held in public except in so far as the matters for decision relate to issues which can be dealt with in private in accordance with Section 100A (4) and (5) of the Local Government Act 1972 (as amended) ~~and the Committee resolve to exclude the public.~~

~~The Joint Appointments Committee shall have no function or power delegated to it in any circumstance where a majority decision cannot be made without the need for the chairman or person presiding having to exercise their second or casting vote~~

3. The order of business at meetings of the Joint ~~Appointments-Senior Staff~~ Committee shall include the following:
  - (a) Apologies for Absence ~~and notification of~~ ~~Substitute Members;~~
  - (b) ~~Disclosures-Declarations~~ of Interests;
  - (c) ~~Agreement and a~~ adoption of the Minutes of the previous meeting;
  - (d) Matters set out in the agenda for the meeting;
  - (e) Matters not set out in the agenda for the meeting but which the chairman agrees pursuant to Section 100B (4) (b) of the Local Government Act 1972 (as amended) should be considered at the meeting as a matter of urgency.
4. ~~Any matter will be decided by a simple majority of those members of the Joint Appointments Committee present and voting at the time the question was put. A vote shall be taken either by show of hands or, if there is no dissent, by the affirmation of the meeting~~

**GUILDFORD BOROUGH COUNCIL AND WAVERLEY BOROUGH COUNCIL  
JOINT SENIOR STAFF COMMITTEE  
TERMS OF REFERENCE**

The Joint Senior Staff Committee is to be established in accordance with Section 102 (1) (b) of the Local Government Act 1972 (Appointment of committees).

**1.0 MEMBERSHIP**

The Joint Senior Staff Committee shall comprise 6 Councillors, being the respective Leader of each Council plus two Councillors appointed by Guildford Borough Council (one of whom shall be the Leader of the principal Opposition Group) and two Councillors appointed by Waverley Borough Council (one of whom shall be the Leader of the principal Opposition Group). The Committee shall be politically balanced for each Council in accordance with the provisions of the Local Government and Housing Act 1989.

**2.0 APPOINTMENT**

Appointments shall be made in accordance with the Local Government (Committees and Political Groups) Regulations 1990.

**3.0 QUORUM**

The quorum for a meeting of the Joint Senior Staff Committee shall be 3 members (subject to each Council being represented at any meeting by at least 1 member).

**4.0 TIME & LOCATION OF MEETINGS**

The venue and commencement time for meetings of the Joint Senior Staff Committee shall be determined by the Joint Monitoring Officer in consultation with the Leader of each Council, and shall normally alternate between the Civic Office of each Council.

**5.0 CHAIRMAN**

The Joint Senior Staff Committee shall be chaired by the Leader of the Council at whose civic office the meeting is held. In their absence the meeting will be chaired by the Leader of the Council not hosting the meeting. In the absence of both Leaders, the chair will be elected by the meeting on the basis of a majority vote.

**6.0 VOTING**

Decisions of the Joint Senior Staff Committee shall be made by a majority vote of those members present and voting. A vote will be taken either by way of a show of hands or by electronic means. The Chairman shall have no second or casting vote. In circumstances

where a majority decision cannot be made by the Joint Senior Staff Committee, the delegation of powers and function to the Committee, relating to that decision, will immediately cease. Any such decision will be referred to each Council for determination.

#### **7.0 ROLE**

Adopting and exercising such of the functions of Guildford Borough Council and Waverley Borough Council (“the Councils”) as can be delegated by those Councils in respect of the appointment and disciplinary action relating to the Councils’ Joint Chief Executive, Joint Chief Officers and Joint Deputy Chief Officers as provided for by the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended) or any successor regulations.

#### **8.0 FREQUENCY OF MEETINGS**

Meetings will be arranged by the Joint Monitoring Officer in consultation with the Leader of each Council, on such occasions as is necessary to determine any business within its terms of reference.

#### **9.0 SUBSTITUTE MEMBERS**

In the event of an appointed Councillor being unable to attend any meeting of the Joint Senior Staff Committee, the relevant Political Group Leader may appoint a Substitute Member, from the same Council, provided that prior written notice of such substitution is given to the Monitoring Officer by 5pm the working day prior to the meeting.

#### **10.0 DELEGATION**

The Joint Senior Staff Committee may arrange for the discharge of their functions by an Officer and in doing so will set out clearly any limits upon such delegation.

#### **11.0 WORKING GROUPS**

The Joint Senior Staff Committee may establish working groups to assist them in their work and in doing so will set clear terms of reference for them. Such working groups shall not be decision-making bodies.

#### **12.0 SUB-COMMITTEES**

The Joint Senior Staff Committee may establish sub-committees consisting solely of the Members of one Council, to consider matters relating only to that Council.

#### **13.0 OFFICER EMPLOYMENT PROCEDURE RULES**

The Joint Senior Staff Committee shall operate in compliance with the Officer Employment Procedure Rules adopted by each Council into their Constitution.

## **14.0 FUNCTIONS AND RESPONSIBILITIES**

### **14.1 Joint Chief Executive/Head of Paid Service**

- (i) Subject to (ii) below, to undertake and determine on behalf of the Councils all aspects of the process for the recruitment and selection of the Joint Chief Executive/Head of Paid Service, including final approval of the terms and conditions of employment (based on current provisions) for that post.
- (ii) The final decision as to the appointment of the joint Chief Executive/Head of Paid Service shall be reserved to each Council, and subject to no material or well-founded objection to the making of an offer of appointment being received by the Leader of either Council on behalf of their respective Executives.
- (iii) To determine pension discretions relating to the Joint Chief Executive/ Head of Paid Service.
- (iv) To consider any financial settlement of an affected employee who is unsuccessful in respect of the selection of the Joint Chief Executive/Head of Paid Service, and to make recommendations as appropriate for formal approval by each Council.
- (v) To confirm into post, or otherwise, the successful candidate following any probationary or trial period.
- (vi) To be responsible for ad-hoc employment matters affecting the Joint Chief Executive/Head of Paid Service post, including consideration and determination of any 'cost of living' pay award.
- (vii) To be responsible, subject to viii) below for any disciplinary action regarding the Joint Chief Executive / Head of Paid Service.
- (viii) The final decision to dismiss the Joint Chief Executive / Head of Paid Service shall be reserved to each Council and shall be subject to no material or well-founded objection to the proposed dismissal being received by the Leader of either Council on behalf of their respective Executives.

#### **14.2 Joint Statutory Officer<sup>1</sup> posts**

- (i) Subject to (ii) below, to undertake and determine on behalf of the Councils all aspects of the process of recruitment and selection of any Joint Statutory Officer post.
- (ii) The final decision as to the appointment of any Joint Statutory Officer posts shall be reserved to each Council and, subject to no material or well-founded objection to the making of an offer of appointment being received by the Leader of either Council on behalf of their respective Executives
- (iii) To determine pension discretions relating to any Joint Statutory Officer posts.
- (iv) To consider any financial settlement of an affected employee who is unsuccessful in respect of the selection of any Joint Statutory Officer posts, and where necessary to make recommendations as appropriate for formal approval by each Council.
- (v) To be responsible for ad-hoc employment matters affecting any Joint Statutory Officer posts.
- (vi) To be responsible, subject to (vii) below, for any disciplinary action regarding any Joint Statutory Officer.
- (vii) The final decision to dismiss any Joint Statutory Officer shall be reserved to each Council and shall be subject to no material or well-founded objection to the proposed dismissal being received by the Leader of either Council on behalf of their respective Executives.

#### **14.3 Joint Strategic Directors**

- (i) Subject to (ii) below, to undertake and determine on behalf of the Councils all aspects of the process for the appointment of any Joint Strategic Director.
- (ii) The appointment of any Joint Strategic Director shall be subject to no material or well-founded objection to the making of an offer of appointment being received by the Leader of either Council on behalf of their respective Executives.

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<sup>1</sup> Section 151/Chief Finance Officer and Monitoring Officer



- (iii) To determine pension discretions relating to any Joint Strategic Director.
- (iv) To consider any financial settlement of an affected employee who is unsuccessful in respect of the selection and appointment of any Joint Strategic Director, and where necessary to make recommendations as appropriate for formal approval by each Council.
- v) To be responsible for ad-hoc employment matters affecting any Joint Strategic Director post.
- vi) To be responsible, subject to vii) below, for any disciplinary action regarding any Joint Strategic Director.
- vii) The dismissal of any Joint Strategic Director shall be subject to no material or well-founded objection to the proposed dismissal being received by the Leader of either Council on behalf of their respective Executives.

#### **15.0 SERVICING THE JOINT SENIOR STAFF COMMITTEE**

The Joint Senior Staff Committee shall be serviced by staff as agreed between the Democratic Services Managers of each Council.

The Joint Senior Staff Committee will be supported by professional advisors including legal advisors or human resources advisors as appropriate. The views of such advisors must be taken into account.

#### **16.0 MEETINGS OF THE JOINT SENIOR STAFF COMMITTEE SHALL BE CONDUCTED IN ACCORDANCE WITH THE FOLLOWING PROCEDURE:**

1. A meeting of the Joint Senior Staff Committee shall be summoned by the Joint Monitoring Officer who shall give a minimum of five clear working days' notice (or less in the case of urgency).
2. Meetings of the Joint Senior Staff Committee shall be held in public except in so far as the matters for decision relate to issues which can be dealt with in private in accordance with Section 100A (4) and (5) of the Local Government Act 1972 (as amended) and the Committee resolve to exclude the public.

3. The order of business at meetings of the Joint Senior Staff Committee shall include the following:

- (a) Apologies for Absence and Substitute Members;
- (b) Declarations of Interests;
- (c) Agreement and adoption of the Minutes of the previous meeting;
- (d) Matters set out in the agenda for the meeting;
- (e) Matters not set out in the agenda for the meeting but which the chairman agrees pursuant to Section 100B (4) (b) of the Local Government Act 1972 (as amended) should be considered at the meeting as a matter of urgency.

# **Guildford Borough Council**

**Report to:** Corporate Governance & Standards Committee

**Date:** 18 January 2024

**Ward(s) affected:** All

**Report of Director:** Transformation and Governance

**Author:** Susan Sale, Joint Executive Head of Legal & Democratic Services

**Tel:** 01483 444022

**Email:** susan.sale@guildford.gov.uk

**Report Status:** Open

## **Guildford Borough Council and Waverley Borough Council Monitoring Officer Protocol**

### **1. Executive Summary**

- 1.1 Section 5(1) Local Government and Housing Act 1989 requires every Council to designate an Officer as the Council's Monitoring Officer. The Monitoring Officer is designated by Council and may or may not be an employee of the Council.
- 1.2 As part of the current work programme to update the constitutions of both Guildford Borough Council (GBC) and Waverley Borough Council (WBC), the Joint Executive Head of Legal and Democratic Services has deemed the Monitoring Officer Protocol as a high priority, to ensure that both councils have the proper procedures in place to allow the Monitoring Officer to effectively discharge their statutory obligations.
- 1.3 The law does not prescribe exactly how the Monitoring Officer is to carry out their functions. Therefore, this protocol describes the manner in which the Council expects the Monitoring Officer to

discharge these functions and how it expects Officers and Members to co-operate with the Monitoring Officer in order to enable them to discharge these functions effectively.

- 1.4 This report was considered initially by the Joint Constitutions Review Group (JCRG) at its meeting on 18 December 2023. The JCRG supports the adoption of the proposed Protocol by both councils and has referred it to this Committee and Waverley's Standards & General Purposes Committee for formal consideration. The JCRG also felt that similar protocols should be developed for the two other statutory officer posts: Head of Paid Service and the Section 151 (Chief Finance Officer).
- 1.5 The Committee is asked to consider the proposed Monitoring Officer Protocol, as set out in **Appendix 1** to this report, and to recommend its adoption by the Council at its extraordinary meeting on 23 January 2024 for inclusion in the Council's Constitution.
- 1.6 The outcome of the consideration of this item by Waverley's Standards & General Purposes Committee on 8 January 2024, will be reported to this Committee.

## **2. Recommendation to Committee**

That the Committee resolves to:

- 2.1 Recommend to the Council the adoption of the proposed Monitoring Officer Protocol, as set out in Appendix 1 to this report for inclusion in the Council's Constitution.

## **3. Reason(s) for Recommendation:**

- 3.1 To protect the interests of the Council, and to provide guidance on how it expects Officers and Members to co-operate with the Monitoring Officer in order to enable them to discharge these functions effectively.

#### **4. Exemption from publication**

4.1 No part of this report is exempt from publication.

#### **5. Purpose of Report**

5.1 This report asks the Committee to consider the Monitoring Officer Protocol proposed by the Joint Constitutions Review Group, as set out in Appendix 1 to this report.

#### **6. Strategic Priorities**

6.1 The recommended Monitoring Officer Protocol will support the Council's strategic priorities and commitment to open, democratic and participative governance.

#### **7. Background**

7.1 The Monitoring Officer is responsible for ensuring that the Council and its Members act lawfully, do not cause maladministration, and comply with the Code of Conduct for Members. The Monitoring Officer is the Council's primary source of advice on all legal issues, and to Members on their legal obligations, but also has specific statutory duties, such as investigating complaints of Member misconduct and making public report to the Council in cases of illegality.

7.2 The purpose of this protocol is to enable Members to make use of the Monitoring Officer's ability to provide them with practical advice on legality and conduct, by setting out how the Monitoring Officer will carry out their functions. Section 5(1) Local Government and Housing Act 1989 and the Localism Act 2011 requires the Council to designate an Officer as the Council's Monitoring Officer and gives that Officer personal responsibility to:

- Report on actual, and anticipated, illegality within the Council;
- Report cases where the Ombudsman has found maladministration on the part of the Council;
- Maintain the Register of Members' Interests; and

- Administer, assess and investigate complaints of Members' misconduct.

7.3 It is recognised that an effective Monitoring Officer positively engaged in the discharge of the Council's business, is essential to the effective running and sound governance of the Council.

## **8. Equality and Diversity Implications**

8.1 The Committee will be responsible for having due regard to the requirements of the Public Sector Equality Duty (Equality Act 2010) when making any recommendations concerning governance arrangements.

## **9. Financial Implications**

9.1 There are no financial implications arising from this report. Any proposals, projects, or suggestions from the groups with financial implications will either be contained within approved budgets or considered as part of the Service and Financial Planning cycle.

## **10. Legal Implications**

10.1 The legal position in relation to the legislation and related Code

- Section 5(2)(a) and (b) Local Government and Housing Act 1989.
- Section 81(1) Local Government Act 2000
- Section 29 Localism Act 2011 (registration of interests).
- Members' Code of Conduct, in accordance with the Localism Act 2011.

## **11. Human Resource Implications**

11.1 There are no direct human resource implications arising from this report. Any appointment to the role of Executive Head of Legal & Democratic Services and designation to the role of Monitoring Officer must be made in accordance with the Officer Employment Procedure Rules at Part 4 of the Constitution.

**12. Background Papers**

None

**13. Appendices**

Appendix 1: Proposed Monitoring Officer Protocol

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**PART 5: MONITORING OFFICER PROTOCOL**

**WAVERLEY BOROUGH COUNCIL / GUILDFORD BOROUGH COUNCIL**

**MONITORING OFFICER PROTOCOL**

**1.0 THE MONITORING OFFICER**

The Monitoring Officer is responsible for ensuring that the Council and its Members act lawfully, do not cause maladministration, and comply with the Code of Conduct for Members. The Monitoring Officer is the Council's primary source of advice on all legal issues, and to Members on their legal obligations, but also has specific statutory duties, such as investigating complaints of Member misconduct and making public report to the Council in cases of illegality.

The purpose of this protocol is to enable Members to make use of the Monitoring Officer's ability to provide them with practical advice on legality and conduct, by setting out how the Monitoring Officer will carry out their functions.

**2.0 INTRODUCTION**

The Council recognises that an effective Monitoring Officer, positively engaged in the discharge of the Council's business, is essential to the effective running and sound governance of the Council.

Section 5(1) Local Government and Housing Act 1989 requires the Council to appoint an Officer as the Council's Monitoring Officer and gives that Officer personal responsibility to:

- Report on actual, and anticipated, illegality within the Council; and
- Report cases where the Ombudsman has found maladministration on the part of the Council;

The Localism Act 2011 places a statutory responsibility on the Monitoring Officer to:

- Maintain the Register of Members' Interests; and
- Administer, assess and investigate complaints to Members' misconduct.

The law does not prescribe exactly how the Monitoring Officer is to carry out these functions. Therefore, this protocol describes the manner in which the Council expects the Monitoring Officer to discharge these functions and how it expects Officers and Members to co-operate with the Monitoring Officer in order to enable them to discharge these functions effectively.

### **3.0 DESIGNATION**

The Monitoring Officer is designated by Council and may or may not be an employee of the Council. Where the Monitoring Officer is an employee of the Council and leaves that employment, they automatically cease to be the Monitoring Officer for the Council. The Council may appoint an Officer as Monitoring Officer on an interim basis pending a permanent appointment.

The Council's structure provides for the Executive Head of Legal & Democratic Services to be the Monitoring Officer. Any appointment to the role of Executive Head of Legal & Democratic Services and designation to the role of Monitoring Officer must be made in accordance with the Officer Employment Procedure Rules at Part 4 of the Constitution.

### **4.0 PERSONAL RESPONSIBILITY**

The Monitoring Officer is required to carry out the statutory functions of their post personally, with the exception that:

- The Monitoring Officer, rather than the Council, will nominate at least one Officer as Deputy Monitoring Officer, with the power to act as Monitoring Officer where the Monitoring Officer is unable to act as a result of absence or illness; and

- In respect of the obligations relating to alleged breaches of the Members' Code of Conduct, the Monitoring Officer may arrange for any person to perform all or any of their functions, for example by delegating internally or by instructing an external and independent individual to conduct a particular investigation.
- Whilst the statutory functions are personal to the Monitoring Officer, they may arrange for any Officer to assist them in the discharge of any non-statutory functions.

## **5.0 FUNCTIONS**

The functions of the Monitoring Officer are as follows:

### **5.1 Statutory Functions**

- To report to the Council in any case where they are of the opinion that any proposal, decision or omission by the Council or any of its Committees, Sub-Committees, or any Member or Officer, has given rise to, or is likely to give rise to any illegality, in accordance with section 5(2)(a) Local Government and Housing Act 1989.
- To report to the Council in any case where the Ombudsman, after investigation, has reported that any proposal, decision or omission by the Council or any of its Committees, Sub-Committee, or any Member or Officer, has given rise to maladministration or injustice, in accordance with section 5(2)(b) Local Government and Housing Act 1989.
- To maintain the Register of Member's Interests in accordance with section 81(1) Local Government Act 2000 and section 29 Localism Act 2011, including dealing with sensitive interests under section 32 Localism Act 2011.
- To administer, assess and investigate complaints of allegations of breach of the Members' Code of Conduct, in accordance with the Localism Act 2011.

## 5.2 Non-Statutory Functions

- To ensure that the Council has effective governance arrangements in place.
- To provide an effective, robust and ongoing programme of elected member training and development.
- To contribute to the corporate management of strategic risks.
- To encourage effective scrutiny of the Council.
- To monitor and uphold the Constitution.
- To act as principal Legal Advisor to the Council.
- To provide advice to Members on conduct and ethics matters generally.
- To consult regularly with the Chief Executive / Head of Paid Service, the Chief Financial Officer and Auditors to identify areas where the probity of the Council can be improved or better protected and to take appropriate action.
- To investigate any applications for dispensation from a Member and to report and recommend to the Council and / or [Standards & General Purposes Committee](#) / [Corporate Governance & Standards Committee](#) as appropriate.
- To report to the Council on resources which they consider they require for the discharge of their functions.

## 6.0 ADVICE AND DECISIONS

The Monitoring Officer's responsibilities fall into 3 distinct categories:

### 6.1 Advice

A Member may seek advice from the Monitoring Officer, for example concerning their interests. The Monitoring Officer will provide their advice but ultimately it is for the individual Member to take their own decision as to their conduct in the light of that advice.

## **6.2 Decisions**

Where the proposal, act or omission would cause the Council to act unlawfully, the Monitoring Officer may be required to decide whether there is any illegality that they are required to report to Council which would have the effect of suspending implementation of the action or decision until their report has been considered.

## **6.3 Advice and Decision**

In some case, for example a Member conduct matter, the Monitoring Officer may be obliged to advise a Member whilst also being required to take action as Monitoring Officer.

## **7.0 SEEKING THE ADVICE OF THE MONITORING OFFICER**

The Monitoring Officer will be most effective if they are able to advise on any issue at an early stage of policy formulation or implementation. Officers and Members should therefore routinely consult the Monitoring Officer in respect of new policy proposals and action programmes.

Members and Officers of the Council may consult the Monitoring Officer in confidence in respect of any proposal, decision or omission. Wherever possible, the Monitoring Officer will seek to avoid any illegality or maladministration by identifying alternative means of achieving the objective or rectifying any deficiency. The Monitoring Officer may only make a report on illegality in respect of a proposal public where the relevant Officer or Member progresses the matter despite having been advised not to by the Monitoring Officer. Before reporting to Council on any illegality or maladministration, the Monitoring Officer will consult with the Chief Executive / Head of Paid Service and Chief Financial Officer.

The Monitoring Officer is responsible for advising Members on conduct and ethics matters and any Member can seek the confidential advice of the Monitoring Officer about their own position. Subject to any conflict of interest with the Council, the Monitoring Officer will advise whether

in their view the conduct would amount to a breach of the Code and will not disclose that advice unless required to do so by law or as part of an investigation into an alleged breach of the code.

Members are encouraged to seek the advice of the Monitoring Officer concerning the conduct of another Member, prior to making a formal complaint, and they should do so in writing. The Monitoring Officer may make contact with the Member complained of, before responding.

## **8.0 INVESTIGATION**

The Council expects the Monitoring Officer to investigate matters which give them concern as to possible illegality, maladministration or breach of code of conduct.

Where the Monitoring Officer is considering a complaint of a breach of the code of conduct, they will follow the Council's procedures and arrangements set out for the assessment, investigation and determination of such complaints.

Where the Monitoring Officer considers a complaint of illegality or maladministration and determines that the proposal, act or omission does, or would, give rise to maladministration or illegality, they shall seek to agree an alternative and lawful course of action and/or make a statutory report.

Upon receiving any complaint of illegality, maladministration or breach of the code of conduct, the Monitoring Officer will, where appropriate, seek to resolve the matter amicably and informally, but there may be circumstances where the matter is not appropriate for local resolution, is incapable of so being resolved, or if of such seriousness that a statutory report is an appropriate response.

## **9.0 REPORTING**

Where the Monitoring Officer is of the opinion that illegality or maladministration has occurred or will occur, they will, after consulting

with the Chief Executive / Head of Paid Service and Chief Financial Officer, report to Council. Alternatively, to negate the need for a separate statutory report, they are also able to add their written advice to the report on the matter by any other Council officer, and/or to provide oral advice at any meeting of the Council.

#### **10.0 ADVICE TO INDIVIDUAL MEMBERS**

Wherever possible the Monitoring Officer will provide advice to individual Members to support them in the discharge of their responsibilities as a Councillor. The Monitoring Officer will not however provide advice to a political group of the Council. The Monitoring Officer is designated as statutory officer to the Council, rather than to any individual Member or group of Members. Where the Monitoring Officer considers that providing advice to a Member is incompatible with their role as advisor to the Council, they may decline to provide such advice but can, at their discretion, secure such advice from an independent source at the Council's expense.

#### **11.0 MONITORING AND INTERPRETING THE CONSTITUTION**

The Monitoring Officer will monitor, and review on a regular basis, the effectiveness and operation of the Council's constitution so as to ensure that the aims and principles of the Constitution are given full effect and that the Constitution enables the Council to discharge its functions effectively.

In order to conduct such monitoring and review, the Monitoring Officer may:

- Consult any Member or Officer, other organisations and stakeholders.
- Observe meetings of Members and/or Officers at any level.
- Undertake an audit trail of a sample of decisions.
- Record and analyse issues raised with them by Members, Officers, the public or stakeholders.

- Compare practices in this Council will those in other comparable authorities, or national examples of best practice.
- Consider any relevant reports and recommendations of the Auditors and other regulatory agencies.

The Monitoring Officer will maintain an up-to-date copy of the Constitution and ensure that it is accessible to Members, Officers and the public and will make such amendments to the Constitution as are necessary to reflect changes of law, decisions made by Council and any other minor and consequential amendments.

The Monitoring Officer is responsible for advising on the interpretation of the Constitution.

## **12.0 RESOURCES**

The Council is required by statute to provide the Monitoring Officer with the resources which they consider are necessary for the fulfilment of their statutory duties.

For the purpose of carrying out their functions, the Monitoring Officer shall be provided with the following resources:

- The right of access to all documents and information held by or on behalf of the Council.
- The right of access to any meetings of Members or Officers of the Council, other than political group meetings.
- The right to require any Officer or Member of the Council to provide an explanation of any matter under investigation.
- A right to report to the Council and to the Executive, including the right to present a written report and to attend and advise verbally.
- The right of access to the Chief Executive / Head of Paid Service and the Chief Financial Officer.
- The right, following consultation with the Chief Executive / Head of Paid Service and the Chief Financial Officer, to notify the Police, the Council's Auditors and other regulatory agencies of their concerns in respect of



any matter and to provide them with information and documents in order to assist them with their statutory functions.

- The right to obtain legal advice at the Council's expense from an independent external source.

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# Guildford Borough Council

**Report to:** Corporate Governance & Standards Committee

**Date:** 18 January 2024

**Ward(s) affected:** All

**Report of Director:** Transformation and Governance

**Author:** Susan Sale, Joint Executive Head of Legal & Democratic Services

**Tel:** 01483 444022

**Email:** susan.sale@guildford.gov.uk

**Report Status:** Open

## Amendments to the Guildford Borough Council and Waverley Borough Council Pre-Election Publicity & Decision-Making Policy

### 1. Executive Summary

- 1.1 A report was taken to GBC full Council on 5 April 2022 and to WBC full Council on 26 April 2022, recommending the adoption of the current Pre-Election Publicity Policy, a copy of which is attached as **Appendix 1** to this report. The policy is identical for both councils.
- 1.2 The main purpose of the existing policy is to protect the interests of the Council, and to provide guidance to Councillors and Officers on publicity and the use of Council resources during the pre-election period.
- 1.3 A key aspect of the existing Policy is to limit the Council and Committee meetings during the pre-election period. Specifically:

- Regular Full Council, Executive, and Committee meetings (excluding Planning Committee, Licensing Sub-Committee and Licensing Regulatory Sub-Committee) will not be scheduled during the pre-election period;
- Where an unscheduled election is called, meetings scheduled to take place in the pre-election period (other than meetings of the Planning Committee, Licensing Sub-Committee and Licensing Regulatory Sub-Committee) may be cancelled if it is considered by the Joint Chief Executive prudent to do so; and
- Extraordinary Full Council and/or Special Committee meetings will be arranged if, in the opinion of the Joint Chief Executive and Monitoring Officer, it is considered to be in the Council's interests to hold them for urgent items of business.

- 1.4 However, after further careful review and consideration, it is proposed that the Pre-Election Publicity & Decision-Making Policy be amended to provide more flexibility for the Proper Officers of the Council to assess and decide which council meetings can be held during the pre-election period on a case-by-case basis. Such an approach provides the Proper Officers with the flexibility to take into account whether the forthcoming election is in respect of Borough elections, or another election, and the level of political sensitivity around each election which could impact on Council business.
- 1.5 This report recommends the adoption of a revised Pre-Election Period Publicity & Decision-Making Policy, attached as **Appendix 2** to this report with tracked changes, and a clean version of the Policy attached as **Appendix 3**. The amended policy focuses on the Pre-Election published guidance by the former DCLG and LGA which emphasises that councils should continue to discharge normal council business i.e., 'Business as usual'.
- 1.6 This report was considered initially by the Joint Constitutions Review Group (JCRG) at its meeting on 18 December 2023. The JCRG supports the proposed revised Policy, and has referred it to this

Committee and Waverley's Standards & General Purposes Committee for formal consideration. The Committee is asked to consider the amendments to the Pre-Election Publicity & Decision-Making Policy and to recommend the adoption of the revised Policy by the Council at its extraordinary meeting on 23 January 2024.

- 1.7 The outcome of the consideration of this item by Waverley's Standards & General Purposes Committee on 8 January 2024, will be reported to this Committee.

## **2. Recommendation to Committee**

That the Committee resolves to:

- 2.1 Recommend to Council the adoption of the revised Pre-Election Publicity & Decision-Making Policy, as set out in Appendix 3 to this report, for inclusion in the Council's Constitution.

## **3. Reason(s) for Recommendation:**

- 3.1 To protect the interests of the Council, and to provide guidance to Councillors and Officers on publicity and the use of Council resources during the pre-election period.
- 3.2 To provide further flexibility for the Councils' Proper Officers to assess and decide which council meetings can be held during the pre-election period.

## **4. Exemption from publication**

- 4.1 No part of this report is exempt from publication.

## **5. Purpose of Report**

- 5.1 This report asks the Committee to consider the amendments to the Pre-Election Publicity & Decision-Making Policy proposed by the Joint Constitutions Review Group (shown as tracked changes in Appendix 2), and to recommend to Council the adoption of the revised policy (as set out in Appendix 3).

**6. Strategic Priorities**

- 6.1 The recommended revised policy continues to support the Council's strategic priorities including a commitment to open, democratic and participative governance.

**7. Background**

- 7.1 The pre-election period is the period prior to an election. There are statutory restrictions that apply to Council publicity during the pre-election period.
- 7.2 The Pre-Election Publicity & Decision-Making Policy seeks to ensure that the Council acts lawfully in relation to the use of Council resources in the lead up to an election, to provide guidance to Councillors and Officers and to limit Council and Committee meetings and other decision making which takes place during the pre-election period to those which are strictly necessary and/or business as usual. The pre-election period is the period of approximately 6 weeks prior to an election. There are statutory restrictions that apply to Council publicity during the pre-election period.
- 7.3 The Council must comply at all times with restrictions outlined in Section 2 of the Local Government Act 1986 which states that councils should "not publish any material which, in whole, or in part, appears to be designed to affect public support for a political party". Publicity is defined as "any communication, in whatever form, addressed to the public at large or to a section of the public."
- 7.4 In addition, a Code of Recommended Practice on Local Authority Publicity, published in 2011, makes it clear that particular care should be taken in periods of heightened sensitivity, such as in the run up to an election. The Code of Practice recommends that councils should generally not issue any publicity which seeks to influence voters and that publicity relating to candidates and politicians involved directly in the election should not be published unless expressly authorised by statute.

- 7.5 The Pre-Election Publicity & Decision-Making Policy ('the Policy') seeks to ensure that the Council acts lawfully in relation to the use of Council resources in the lead up to an election, to provide guidance to Councillors and Officers and to limit Council and Committee meetings and other decision making which takes place during the pre-election period to those which are strictly necessary and business as usual.
- 7.6 The Policy defines what is covered by 'publicity' and sets out in detail what is and is not an acceptable use of Council resources during the pre-election period. Quotes included in press releases and statements issued in response to media enquiries should generally be attributed to Officers during the pre-election period or the Mayor when an elected Councillor response is required. Particular care should be taken by Officers in relation to the Council's social media accounts during the pre-election period.

## **8. Equality and Diversity Implications**

- 8.1 The Committee will be responsible for having due regard to the requirements of the Public Sector Equality Duty (Equality Act 2010) when making any recommendations concerning governance arrangements.

## **9. Financial Implications**

- 9.1 There are no financial implications arising from this report.

## **10. Legal Implications**

- 10.1 The legal position in relation to the legislation and related Code is set out within paragraphs 7.3 and 7.4 of this report. The purpose of policy in any context is to support consistency of decision-making in any area, and in relation to pre-election publicity the policy will continue to support consistency as well as transparency and structure of decision-making in relation to such matters.

**11. Human Resource Implications**

11.1 There are no direct human resource implications arising from this report.

**12. Background Papers**

5 April 2022: Report to GBC Council on the Pre-Election Publicity Policy

26 April 2022: Report to WBC Council on the Pre-Election Publicity Policy

**13. Appendices**

Appendix 1: Current Pre-Election Publicity & Decision-Making Policy  
(April 2022)

Appendix 2: Proposed amended Pre-Election Publicity & Decision-Making Policy (with tracked changes December 2023)

Appendix 3: Proposed amended Pre-Election Publicity & Decision-Making Policy (without tracked changes December 2023)



## **Pre-election period publicity and decision-making Policy for all Elections conducted in the Borough of Guildford**

1. This Policy applies from the date of the publication of the Notice of Election until after polls close being the period when Pre-election Period publicity restrictions apply. This policy restricts the Council and its officers during the pre-election period; it does not fetter candidates and councillors from their own political campaigning when doing so using their own resources.

### **Statutory requirements**

2. There are statutory restrictions that apply to Council publicity before all elections. Although it should be *business as usual* in relation to decision-making, there are also some important sensitivities and conventions that councillors and officers should follow to reduce the risk of legal challenge being brought against the Council.
3. The Council must comply with restrictions outlined in Section 2 of the Local Government Act 1986 ('the Act'). In addition, a Code of Recommended Practice on Local Authority Publicity published in 2011 ("the Code of Practice") makes clear that particular care should be taken in periods of heightened sensitivity, such as in the run up to an election. The Act defines publicity as "**any communication, in whatever form, addressed to the public at large or to a section of the public.**"
4. Section 2 of the Act says that we should "**not publish any material which, in whole, or in part, appears to be designed to affect public support for a political party.**" The Code of Practice recommends that Councils should generally not issue any publicity which seeks to influence voters and that publicity relating to candidates and politicians involved directly in the election should not be published unless expressly authorised by statute.
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### **Publicity**

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## Decision making and Committee Meetings

12. The principle of the Council carrying on with *business as usual* during the pre-election period is subject to the wider context of pre-election sensitivity as to publicity.

Specifically:

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- Where an unscheduled election is called, meetings scheduled to take place in the Pre-election Period (other than meetings of the Planning Committee, Licensing Sub-Committee and Licensing Regulatory Sub-Committee) may be cancelled if it is considered by the Joint Chief Executive prudent to do so; and
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26. *Business as usual* officer decisions may continue be taken. However, politically controversial items may be deferred until after the election if to continue would, in the opinion of the Joint Chief Executive, the Borough Returning Officer and the Monitoring Officer, be harmful to the conduct of the election.

### **Risks**

27. If these rules about publicity are broken, the Council could be subject to legal challenge and, in a worst-case scenario, election results could be invalidated. Officers who fail to observe the rules may be liable to disciplinary action.

### **By-Elections**

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### **Useful Links**

Agenda item number: 13  
Appendix 1

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**Statutory requirements**

2. There are statutory restrictions that apply to Council publicity before all elections. Although it should be *business as usual* in relation to decision-making, there are also some important sensitivities and conventions that councillors and officers should follow to reduce the risk of legal challenge being brought against the Council.
3. The Council must comply with restrictions outlined in Section 2 of the Local Government Act 1986 ('the Act'). In addition, a Code of Recommended Practice on Local Authority Publicity published in 2011 ("the Code of Practice") makes clear that particular care should be taken in periods of heightened sensitivity, such as in the run up to an election. The Act defines publicity as **"any communication, in whatever form, addressed to the public at large or to a section of the public."**
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- continue with *business as usual* Council, Executive, and Committee meetings, ~~officer decision making and urgent meetings if required~~ subject to the proviso that the business to be transacted at those meetings does not, in the view of the Monitoring Officer, contravene the provisions of this policy.

Commented [JA1]: See para 26 which refers to officer decision making

9. During the pre-election period the Council will avoid:

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- ~~However, any meetings, formal decisions, Council motions or scrutiny projects on issues which are considered to have the potential to be politically contentious may be re-scheduled until after the pre-election period has ended, unless it is required by law to undertake them, or it's necessary to decide the matter to meet a statutory timetable. This will avoid the risk of the decision-making process being skewed or otherwise affected.~~
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# Guildford Borough Council

Report to: Corporate Governance & Standards Committee

Date: 18 January 2024

Ward(s) affected: All

Report of Director: Monitoring Officer

Author: Susan Sale, Joint Executive Head of Legal & Democratic Services and Monitoring Officer

Tel: 01483 444022

Email: susan.sale@guildford.gov.uk

Executive Lead Councillor responsible: Merel Rehorst-Smith

Email: merel.rehorst-smith@guildford.gov.uk

Report Status: Open

# Guildford Borough Council

## Whistleblowing Policy

### **1. Executive Summary**

1.1 Guildford Borough Council encourages staff and others to report any cases of suspected wrongdoing or misconduct, illegal acts, or failure to act within the Council, as part of its commitment to act with integrity and openness in the best interest of its residents and communities. To govern any such disclosures, the Council has a Whistleblowing Policy. That Policy has been reviewed and updated.

### **2. Recommendation to Committee**

The Committee is recommended:

2.1. To consider the proposed revised Whistleblowing Policy at Appendix 1 to this report.

- 2.2. To provide any consultation feedback to the Executive for it to take into account when considering the adoption of the revised Policy at its meeting on 25 January 2024.

### **3. Reasons for Recommendation:**

- 3.1. It is right and proper to uphold the principles of transparency to encourage individuals to make any disclosures and raise any concerns where they suspect wrongdoing.
- 3.2. It is important that the Council has a Policy in place to govern such disclosures and that such Policy is kept under regular review.
- 3.3. Whilst the adoption of the Policy is within the remit of the Executive, as this Committee has a role in monitoring the operation of the Policy, there is merit in the Committee having the opportunity to consider any proposed revisions to the Policy and being able to provide feedback by way of consultation to the Executive.

### **4. Exemption from publication**

- 4.1. This report does not contain exempt information under schedule 12A to the Local Government Act 1972.

### **5. Purpose of Report**

- 5.1. The purpose of the report is for the Committee to have the opportunity to consider the proposed revisions to the Council's Whistleblowing Policy and to provide feedback to the Executive before it considers whether to adopt the revised Policy.

### **6. Strategic Priorities**

- 6.1. One of the Council's values is to ensure that its councillors and staff uphold the highest standards of conduct.
- 6.2. The Council's mission is to be a trusted, efficient, innovative and transparent Council that listens and responds quickly to the needs of our community.

## **7. Background**

7.1. The aim of the Whistleblowing Policy is to encourage employees and others who have serious concerns about any aspects of the Council's work to come forwards and voice those concerns.

7.2. The Council's Whistleblowing Policy intends to:

- Encourage staff to report suspected wrongdoing as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate, and that their confidentiality will be respected as far as possible;
- Encourage and enable staff to raise concerns within the Council rather than ignoring a problem or blowing the whistle externally without exhausting internal procedures;
- Provide staff with guidance as to how to raise those concerns;
- Reassure staff that they should be able to raise genuine concerns without fear of reprisals, victimisation, subsequent discrimination, disadvantage or dismissal, even if they turn out to be mistaken, provided the disclosure is made in the public interest.

7.3 The Council is committed to conducting business with honesty and integrity, and expects all staff to maintain high standards of conduct. However, all organisations face the risk of things going wrong from time to time, or of unknowingly harbouring illegal or unethical conduct. A culture of openness and accountability is essential in order to prevent such situations occurring or to address them when they do occur.

7.4 Staff are often the first to realise that there may be something seriously wrong within an organisation. Whistleblowing is viewed by the Council as a positive act that can make a valuable contribution to the Council's efficiency and long-term success. It is not disloyal to colleagues or the Council to speak up. The Council is committed to achieving the highest possible standards of service and the highest

possible ethical standards in public life and in all aspects of its practices. To help achieve these standards it encourages freedom of speech.

- 7.5 The Whistleblowing Policy should be regularly reviewed and at least every two years, or more frequently where there is change to legislation or statutory guidance, or learning from its operation that should be taken into account.
- 7.6 The existing Guildford Borough Council Whistleblowing Policy was adopted in 2017 and so it is overdue for a review. It is due to be considered by the Executive at its meeting on 25 January 2024, and then due for a further review in January 2026.
- 7.7 It is proposed that Guildford Borough Council and Waverley Borough Council attempt to align their Whistleblowing Policies as far as it is appropriate to do so, whilst accepting there may be local differences. This is with a view to supporting the collaboration and transformation programme. Proposals similar to this report are due to be considered at Waverley Borough Council shortly.

## **8. Consultations**

- 8.1. The purpose of this report is to consult with the Council's Corporate Governance & Standards Committee.

## **9. Key Risks**

- 9.1. There is a risk of not having a Whistleblowing Policy in place, in that disclosures are not made, or not made in a transparent way, or dealt with in accordance with process, or that disclosures are made externally without exhausting any internal process. Without a Whistleblowing Policy there is a greater risk of wrongdoing going unchecked within the Council.

## **10. Financial Implications**

- 10.1. There are no financial implications arising from this report.

## **11. Legal Implications**

- 11.1. This Committee's terms of reference provide that the Committee is responsible for considering an annual report of the operation of the whistle-blowing policy, including incidents reported.
- 11.2. The Constitution provides that the Executive is responsible for making decisions on all executive matters within the policy framework which are not the responsibility of any other part of the Council.

## **12. Human Resource Implications**

- 12.1 There are no Human Resource implications arising from this report.

## **13. Equality and Diversity Implications**

- 13.1 There are no Equality & Diversity implications arising from this report.

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

- 14.1. There are no Climate Change/Sustainability implications arising from this report.

## **15. Background Papers**

None.

## **16. Appendices**

Appendix 1: Revised Whistleblowing Policy 2024

Appendix 2: Existing Whistleblowing Policy 2017

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## **Whistleblowing Policy**

### **Guildford Borough Council**

#### **Document Information**

Version Control: Draft Version 2.0

Policy Service Owner: Monitoring Officer

This document replaces: Whistleblowing Policy 2017

Document Creation Date: January 2024

Next review date: January 2026

Governance: Adoption by Executive, 25 January 2024. Review of policy effectiveness led by Corporate Governance and Standards Committee.

## **Harmonisation**

Please be aware that this Whistleblowing policy is aligned with Waverley Borough Council's Whistleblowing Policy. This means that the policy is structured and formatted with similar language. Whilst many of the substantive provisions are similar there may be some local differences in policy as adopted by each Council's member approval process.

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## 1.0 Purpose

Guildford Borough Council is committed to delivering high quality and value for money services to the highest standards of openness, honesty and accountability. The Council has rules, policies and procedures to ensure that it maintains the highest standards of conduct wherever possible. Where malpractice does occur, it will not be tolerated.

The Council believes that knowing that any malpractice will be reported and thoroughly investigated, and that prompt and appropriate action will be taken against those responsible, acts as a deterrent to such conduct.

We acknowledge the legal protection under the Public Disclosure Act 1998 provided for employees who make disclosures about malpractice.

## 2.0 Aims

The Whistleblowing Policy aims to encourage and enable anyone to raise issues of concern about suspected improper conduct in the way Guildford Borough Council carries out its business. It aims to give staff, councillors and others, the confidence to raise concerns by assuring them that they can do so without fear of harassment, victimisation or reprisals. It also confirms our commitment to investigate and rectify any malpractice reported to us swiftly and thoroughly.

## 3.0 Policy Scope

This policy applies to

- all Council employees (temporary, permanent, part time and full time);
- all Council trainees;
- agency staff, casual staff or consultants undertaking council work;
- contractors working for the Council;
- suppliers and those providing services under contract with the Council;
- volunteers.

Our staff, councillors or others working with us are often the first to realise that there may be something wrong. We encourage them to raise concerns, that are in the public interest, as soon as there is a reasonable suspicion of wrongdoing.

Complaints of a personal nature, such as, about the terms of an individual's employment, should be raised via the [grievance procedure](#) rather than through this policy.

## **4.0 Policy Definitions**

Whistleblowing is the reporting of information which relates to suspected wrongdoing at work, including possible unlawful conduct, fraud, risks to the public or malpractice.

Such concerns can be raised if there is a reasonable belief that one or more of the following has occurred:

- any unlawful act, whether criminal or a breach of civil law;
- maladministration;
- breach of any statutory code of practice;
- serious breach of or failure to implement or comply with a Council policy;
- serious breach or failure to safeguard children and vulnerable people in accordance with our policies and procedures;
- failure to comply with appropriate professional standards;
- corruption or fraud;
- breach of the Council's officer code of conduct;
- actions which are likely to cause physical danger to any person or to give rise to a risk of significant damage to property;
- an act that creates risk to health and safety;
- an act causing damage to the environment;
- failure to take reasonable steps to report and rectify any situation which is likely to give rise to a significant avoidable cost or loss of income to the Council or would otherwise seriously prejudice the Council or its residents;
- abuse of power, or the use of the Council's powers and authority for any unauthorised or ulterior purpose;
- a miscarriage of justice;
- concealment of any of the above.

This is not an exhaustive list, but an illustration of the sorts of concerns that may be raised under this policy.

## **5.0 Links to other Strategies, Policies, and Procedures**

The Council has adopted a number of rules and procedures to ensure the Council's business is properly monitored and controlled. They form part of the Council's internal control process and system of governance and it is important that all councillors and officers are aware of, and abide by, them.

[Appendix 1](#) sets out the linked policies and procedures that should be read alongside this policy.

## **6.0 Confidentiality**

An individual is encouraged to raise concerns openly wherever possible. This will enable them to exercise their right of protection under the law and help with subsequent investigations.

The Council will do its best to protect the identity of an individual when a concern is raised and the individual wishes to remain anonymous. In such circumstances, the Council will keep the number of people aware of who raised the matter to a minimum, although it must be accepted that sometimes an individual may be identifiable by the nature of the information they provide. If disciplinary or other proceedings follow any whistleblowing investigation, it may not be possible for the Council to take action as a result of the disclosure without the individual coming forwards as a witness. Any such witness would be offered appropriate advice and support.

## **7.0 Harassment and Victimisation**

We recognise that the decision to report a concern can be a difficult one, not least because of the fear of reprisal from those responsible for the misconduct. The Council will not tolerate harassment or victimisation and will take all reasonable measures to protect those who raise a concern in good faith. This still applies even if, after investigation, the disclosure is found to be incorrect or unfounded.

The Council will not tolerate any attempt on the part of any officer, councillor, contractor, supplier or anyone under their control, to apply any sanction or detriment (including informal pressure) to any person who has reported any serious and genuine concern of malpractice and will take all reasonable measures to protect the whistleblower.

Anyone who victimises a whistleblower could be exposed to liability for a criminal offence and also to personal liability as the whistleblower may choose to issue a direct civil claim against them.

If an individual feels victimised or harassed as a result of raising a concern, they should notify the Council's Monitoring Officer, or one of the Deputy Monitoring Officers, as soon as possible.

The Council may be vicariously liable for an officer or councillor's conduct in victimising a whistleblower. The Council will treat any recriminations, victimisation or harassment by an employee as a serious disciplinary matter. Where a councillor carries out any such recrimination, victimisation or harassment, the Council will regard this as a potential breach of the Councillors' Code of Conduct and appropriate action will be taken against the councillor in accordance with the Council's standards arrangements. Where a contractor or supplier carries out any such recrimination, victimisation or harassment,

the Council will regard this as a potential breach of contract and instigate necessary action.

If an individual is unsure as whether to raise a concern formally under the Whistleblowing Policy, they should discuss the issue with their line manager, Executive Head of Service, Strategic Director or with Human Resources.

## **8.0 Anonymous Allegations**

The Council encourages whistleblowers to put their name to their allegation whenever possible. If they do not, it may be more difficult for action to be taken and more difficult for the Council to protect the position of the whistleblower or provide them with information relating to the outcome of the process.

The Council will take all concerns raised seriously. Concerns expressed anonymously may be less powerful but will be considered at the discretion of the Monitoring Officer.

In exercising this discretion, the Monitoring Officer would take into account:

- the seriousness of the concern raised;
- the credibility of the concern; and
- the likelihood of being able to investigate and verify the allegation from reliable alternative sources.

## **9.0 False allegations**

There is no requirement for disclosures to be true in order for whistleblowers to receive statutory protection. For example, if an individual suspects wrongdoing and reports it, they will be protected under this policy even if the concern is found not to be substantiated following an investigation.

However, any allegation that the whistleblower knows to be false and/or is brought maliciously would not be afforded the statutory protection as such a disclosure would not be deemed to be in the public interest. To ensure the protection of all of the Council's officers, those who make an allegation they do not reasonably believe to be true and/or made in the public interest may be liable to disciplinary action.

## **10.0 Safeguarding**

Safeguarding concerns about children and vulnerable people should be raised through our [safeguarding policies and procedures](#).

However, the Whistleblowing Policy may be used in circumstances where an individual may have a concern about the conduct of an individual who may be in a position of trust within the organisation, which could be detrimental to the safety or wellbeing of

children and vulnerable adults where, for whatever reason, the individual feels unable to raise such concern under the Council's Safeguarding Policy.

The designated Lead Safeguarding Specialist must be contacted to provide appropriate advice with regards to disciplinary and grievance procedures and contacting the Local Authority Designated Officer (LADO).

### **11.0 Data Protection**

All records relating to disclosures, subsequent investigation and action taken, will be managed in compliance with the Data Protection Act 2018, GDPR and the Council's Retention and Disposal Policy.

### **12.0 Learning and Improvement**

Investigations may result in recommendations for changes to procedures and systems which will be incorporated into action plans. Follow-up reviews will also be carried out to ensure that recommendations are implemented.

### **13.0 Review of the Policy**

The Council's Executive will be responsible for the adoption and review of this Policy. However, the Council's Corporate Governance and Standards Committee will be responsible for monitoring the operation of the Policy and will receive confidential reports from the Monitoring Officer on an annual basis of any disclosures made under the Policy and their outcome. As a result of consideration of the operation of the Policy, the Corporate Governance & Standards Committee may wish to make recommendations to the Executive upon the review of the Policy.

The Monitoring Officer is authorised to make minor and consequential amendments to this Policy in consultation with the Lead Executive Member, to ensure it remains fit for purpose. Minor amends include, but are not limited to, updating weblinks, changes in job titles, accessibility requirements, names of officers, contact details, and/or organisation names referenced in the document.

### **14.0 How to Report a Concern**

An individual should submit their disclosure to the Monitoring Officer by one of the following methods:

- e-mailing [monitoringofficer@guildford.gov.uk](mailto:monitoringofficer@guildford.gov.uk); or



- writing to the Monitoring Officer in a sealed envelope marked “Private and Confidential: To be opened by Address only” and addressing the envelope to the Monitoring Officer, Guildford Borough Council, Millmead House, Millmead, Guildford, GU2 4BB, or delivering by hand and leaving at reception.

In the absence of the Monitoring Officer, or in cases where it would not be appropriate to submit a disclosure to the Monitoring Officer, the individual should make their disclosure directly to one of the Deputy Monitoring Officers, who have full authority to act in accordance with this Policy.

Any disclosure should include:

- name(s) of the person, body or organisation that the concern is about;
- nature and details of the disclosure;
- names and contact details (if known) of any witnesses;
- dates of any incidents;
- whether the whistleblower wishes for their name to remain confidential and if so why.

If any whistleblower considers that they would benefit from additional support in the workplace, then they should make such request to the Monitoring Officer. The Monitoring Officer will consider allocating a Human Resources Officer, or a senior manager not involved in the disclosure or investigation, to provide such support.

The earlier any concern is raised, the easier it will be for the Council to take appropriate action.

## **15.0 How the Disclosure will be Dealt with**

The Monitoring Officer is responsible for the operation of this Policy and will ensure that adequate resources are allocated for the investigation of any complaints.

The Monitoring Officer will:

- receive and record any disclosures under the Policy;
- take steps to protect the whistleblower’s identity when a disclosure is made and the whistleblower has indicated that they do not want their name to be disclosed and such request is deemed to be reasonable by the Monitoring Officer;
- investigate promptly the disclosure using appropriate staff as required, or an external investigator;
- report the outcome of the investigation to the Corporate Management Board and recommend the action to be taken;
- where the disclosure relates to the conduct of a member of the Corporate Management Board, report to the Chief Executive;

- where the disclosure relates to the Chief Executive, report to the Leader of the Council;
- report, as appropriate, either jointly with the Chief Executive or in their own right, to the Corporate Governance and Standards Committee as part of the annual report on the operation of this policy, or separately in cases of urgency;
- recommend appropriate action to resolve a concern raised.

The Monitoring Officer will acknowledge receipt of any whistleblowing disclosure within five working days of receipt. Within a further five working days the Monitoring Officer will confirm whether the matter will be investigated further and the nature and arrangements of any such investigation, unless the Monitoring Officer requests further information to inform this decision. A whistleblower shall have the opportunity to be accompanied by a workplace colleague or trade union representative at any subsequent meetings or interviews.

The Council may also ask for more information where this would assist in the investigation.

The action the Council shall take will depend on the nature of the concern. The matter may:

- be investigated internally by staff or externally by an external investigator
- be referred to the Police
- be referred to the internal or external auditor
- form the subject of an independent inquiry

The outcome of an investigation may lead to disciplinary action against employees, conducted in accordance with the Council's Disciplinary Procedures. In this situation, the employee would be informed that the issue has been raised under the Whistleblowing Policy. This may be in addition to any legal proceedings instigated by the Police.

For the purposes of the investigation, the Monitoring Officer has a right of access to all councillors and officers and to all documents and records of the Council as they determine to be necessary and appropriate.

If a whistleblowing disclosure is made and later withdrawn by the whistleblower, the Council will take account of the whistleblower's wishes. However, there may be circumstances where the Monitoring Officer will deem it appropriate to continue to investigate, which may result in further evidence being required from the whistleblower.

## **16.0 External Disclosures**

This Policy provides individuals with the opportunity to raise concerns as to wrongdoing with the Council and provides assurance that the Council will investigate all reasonable claims promptly and thoroughly.

The Council encourages individuals to use this Policy, rather than blowing the whistle outside of the organisation, as premature or unnecessary publicity may damage the Council's reputation, impede or prejudice proper investigation and due process or cause needless hurt to individuals.

However, if an individual considers it is right to take the matter outside the Council, or has exhausted the procedure under the Policy and remains dissatisfied, the following are possible contact points:

- the relevant councillor;
- the Council's External Auditor, Grant Thornton;
- any relevant professional bodies or regulatory organisations;
- an independent external solicitor
- the Police
- the charity "Protect" (020 7404 6609)

Any individual reporting a disclosure outside of the Council, would need to ensure that they did not disclose confidential information or that any disclosure was protected by legal professional privilege.

### **17.0 Employee Co-operation**

The Council expects the full co-operation of all of its officers, councillors, contractors, suppliers and partners in securing the highest standards of service delivery and conduct.

Where employees are aware of, or suspect, malpractice, we expect them to report it. We will regard the failure by an employee to report such malpractice, or the suspicion of malpractice, as a serious matter which may be investigated under the disciplinary policy.

### **18.0 Review of the Procedure**

The Council will review this Policy at least every two years or when there are changes to legislation or statutory codes of practice.

## **Appendix 1: Links to Guildford Borough Council Strategies, Policies and Procedures**

[Bullying and Harassment Procedure](#): clear guidance on the informal and formal steps that can be taken if bullying or harassment is taking place in the workplace.

[Code of conduct for staff](#): sets out the rules and requirements that staff must follow to maintain the high standards expected by the public.

[Complaints Policy and Procedure](#): this policy sets out our approach to dealing with customer complaints and ensuring that complaints are investigated in an evidence-based, fair, and efficient way.

[Councillors' Code of Conduct](#): sets out the rules and requirements that councillors must follow to maintain the high standards expected by the public

[Disciplinary Policy and Procedure](#): this policy covers our disciplinary rules and procedures that must be followed by managers so that individuals are treated fairly and consistently.

[Financial Procedure Rules](#): financial procedure rules for managing the Council's financial affairs which must be followed by everyone acting on behalf of the Council

[Grievance Policy and Procedure](#): this policy outlines the issues that may cause grievances and what steps can be taken to resolve them

[Induction checklist for managers](#): process for managers to follow when inducting new employees including safeguarding training requirements

[IT, Information Management, and Information Security Policies](#): a framework of different policies for users and managers that address the need to protect confidential and sensitive information from disclosure, unauthorised access, loss, corruption, and interference.

[Investigations - Guidance on conducting workplace investigations](#): this guidance is intended for use by managers and employees involved in internal, workplace investigations arising out of allegations of misconduct, gross misconduct or poor performance.

[Privacy & Data Protection Policy](#): guidance on the safe handling of personal information.

[Procurement Procedure Rules](#): applies to all purchases of works, goods and services that must be followed so that the Council is fair, open, transparent, non-discriminatory, and lawful.

[Record and Retention and Disposal Schedule](#): This document aims to set out the legislation, guidance, and policy about record retention.

**DOCUMENT INFORMATION**

Origination/author:	Steve Benbough, Corporate Development
Date/detail of consultation:	Unison (July 2017)
Date of Council approval:	25 July 2017
Last reviewed:	July 2017
Next review date:	July 2020

**GUILDFORD BOROUGH COUNCIL  
WHISTLEBLOWING POLICY**

**1. Aims and scope of policy**

- 1.1 We are committed to delivering high quality and value for money services and to the highest standards of openness, honesty and accountability. We have rules, policies and procedures to ensure that we maintain the highest standards of conduct, but malpractice can occur. We will not tolerate any such malpractice.
- 1.2 We believe that knowing that any malpractice will be reported and thoroughly investigated and that we will take prompt and appropriate action against those responsible acts as the best deterrent.
- 1.3 This policy covers any malpractice by our councillors and staff, including agency staff and casual employees, and organisations and individuals providing goods or services or carrying out works for us.
- 1.4 Our staff, councillors or others working with us are often the first to realise that there may be something wrong. We encourage them to raise concerns that are in the public interest as soon as there is a reasonable suspicion of wrongdoing.
- 1.5 This policy aims to give staff, councillors and others the confidence to raise concerns by assuring them that they can do so without fear of harassment, victimisation or reprisals. It also confirms our commitment to investigate and rectify any malpractice reported to us swiftly and thoroughly. The policy does not cover complaints or reports from members of the public. We will consider these under our complaints procedure or deal with them through our anti-fraud and corruption procedures.

**2. Whistleblowing and the public interest**

- 2.1 Whistleblowing is a report about suspected wrongdoing, which is in the public interest. It allows serious concerns about malpractice to be identified and resolved quickly. We encourage employees, councillors and others working with us to report any malpractice.
- 2.2 If you have a reasonable belief that the disclosure you are making is in the public interest, you will be protected against recriminations, victimisation or harassment. This still applies even if, after investigation, your disclosure is found to be incorrect or unfounded.

- 2.3 Complaints of a personal nature, such as the terms of your employment, should be raised via the grievance procedure rather than through this whistleblowing policy.
- 2.4 Safeguarding concerns about children and vulnerable people should be raised through our safeguarding policies and procedures.
- 2.5 We will not tolerate any attempt on the part of any employee, worker, councillor, contractor or supplier to apply any sanction or detriment (including informal pressure) to any person who has reported any serious and genuine concern of malpractice to us and will take all reasonable measures to protect you. Anyone who victimises a whistleblower will be personally liable as the whistleblower can bring a direct claim against the culprit. If you feel victimised or harassed as a result of raising a concern, you should notify the Monitoring Officer or Deputy Monitoring Officer.
- 2.6 The Council will be vicariously liable for an employee's conduct in victimising a whistleblower. We will treat any recriminations, victimisation or harassment by an employee as a serious disciplinary matter.
- 2.7 Where a councillor carries out any such recrimination, victimisation or harassment, we will regard this as a serious breach of the Code of Conduct and appropriate action will be taken against the perpetrator in accordance with the Arrangements for Dealing with Allegations of Misconduct by Councillors, as set out in Part 5 of the Constitution.
- 2.8 Where a contractor or supplier carries out any such recrimination, victimisation or harassment, we will regard this as a serious breach of contract and instigate necessary action.
- 2.9 If you are unsure as whether to raise a concern, you should discuss the issue with your line manager, service manager, director or Human Resources.

### **3. Malpractice**

- 3.1 Malpractice includes the following:
  - (a) any unlawful act, whether criminal or a breach of civil law
  - (b) maladministration
  - (c) breach of any statutory code of practice
  - (d) serious breach of or failure to implement or comply with a Council policy
  - (e) serious breach or failure to safeguard children and vulnerable people in accordance with our policies and procedures
  - (f) failure to comply with appropriate professional standards
  - (g) corruption or fraud

- (h) breach of any Council code of conduct
- (i) actions which are likely to cause physical danger to any person or to give rise to a risk of significant damage to property
- (j) an act that creates risk to health and safety
- (k) an act causing damage to the environment
- (l) failure to take reasonable steps to report and rectify any situation which is likely to give rise to a significant avoidable cost or loss of income to the Council or would otherwise seriously prejudice the Council
- (m) abuse of power, or the use of the Council's powers and authority for any unauthorised or ulterior purpose
- (n) a miscarriage of justice
- (o) concealment of any of the above

3.2 This is not a comprehensive list, but an illustration of the sorts of issues that may be raised under this policy.

#### **4. Confidentiality and anonymous allegations**

4.1 You are encouraged to raise concerns openly wherever possible. This will enable you to exercise your right of protection under the law and help with subsequent investigations.

4.2 We will do our best to protect your identity when you raise a concern and do not want your name disclosed. During the investigation, we will keep the number of people aware of who raised the matter to a minimum. However, you must appreciate that the investigation process may reveal the source and you may be required to make a statement as part of the evidence.

4.3 We encourage staff to put their name to their allegation whenever possible.

4.4 The Council will take all concerns raised seriously. Concerns expressed anonymously are much less powerful, but will be considered at the discretion of the Council. In exercising this discretion, the factors to be taken into account would include:

- the seriousness of the issues raised;
- the credibility of the concern; and
- the likelihood of confirming the allegation from attributable sources.

#### **5. False allegations**

5.1 There is no requirement for disclosures to be true in order for whistleblowers to receive statutory protection. For example, if you suspect malpractice and report it, you will be protected under this policy even if your suspicions are found not to be substantiated following an investigation.

- 5.2 However, any allegation that you make which you know to be false is not protected as the disclosure would not be in the public interest. To ensure the protection of all our employees, those who make an allegation they do not reasonably believe to be true and/or made in public interest will be liable to disciplinary action.

## **6. Making a complaint**

- 6.1 You should submit your complaint to the Monitoring Officer by:
- (a) writing to him or her in a sealed envelope marked “private and confidential” and addressed to:

Monitoring Officer  
Guildford Borough Council  
Millmead House  
Millmead  
Guildford  
GU2 4BB

- (b) telephoning on 01483 444135; or
- (c) e-mailing [whistleblowing@guildford.gov.uk](mailto:whistleblowing@guildford.gov.uk).
- 6.2 In the absence of the Monitoring Officer or in cases where it would not be appropriate to submit your complaint to him or her, you should make your disclosure to the Deputy Monitoring Officer who has full authority to act in accordance with this policy.
- 6.3 Your complaint should include:
- (a) name(s) of any person you are complaining about;
- (b) nature and details of the complaint;
- (c) names and contact details (if known) of any witnesses;
- (d) dates of any incidents; and
- (e) whether you wish your name to remain confidential.
- 6.4 If you consider that you would benefit from additional support in the workplace, then you may make a request to the Monitoring Officer for this. The Monitoring Officer will consider allocating a Human Resources Officer or a senior manager not involved in the matter or investigation to provide you with support.
- 6.5 The earlier you raise the concern, the easier it will be for us to take action.

## **7. Receipt and investigation of complaints of malpractice**

- 7.1 The Monitoring Officer is responsible for the operation of this policy and will ensure that adequate resources are allocated for the investigation of any complaints. The Monitoring Officer will:
- (a) receive and record any complaints under the policy;
- (b) take steps to protect your identity when you raise a concern and do not want your name to be disclosed;



- (c) investigate promptly any complaint using appropriate staff from Legal Services and other departments as required;
  - (d) report the outcome of the investigation to the appropriate director and the Managing Director and recommend the action to be taken;
  - (e) where the complaint relates to the conduct of a director, report to the Managing Director;
  - (f) where the complaint relates to the Managing Director, report to the Leader of the Council;
  - (g) report, as appropriate, either jointly with the Managing Director or in his or her own right, to the Council or Executive;
  - (h) recommend appropriate action to resolve a complaint; and
  - (i) report annually to the Corporate Governance and Standards Committee on the operation of the policy.
- 7.2 The Monitoring Officer will write to you within ten working days to acknowledge receipt of your complaint, confirm whether the matter will be investigated further and the nature of that investigation and advise you of your opportunity to be accompanied or represented at any later meetings or interviews.
- 7.3 The action we take will depend on the nature of the concern. The matter may:
- be investigated internally;
  - be referred to the Police;
  - be referred to the external auditor; or
  - form the subject of an independent inquiry.
- 7.4 For the purposes of the investigation, the Monitoring Officer has a right of access to all councillors and employees and to all documents and records of the Council.
- 8. Taking the matter further**
- 8.1 This policy gives you the opportunity to raise concerns within the Council and assures you that we will investigate all reasonable claims promptly and thoroughly. We would encourage you to use it rather than blowing the whistle outside as premature or unnecessary publicity may damage our reputation, impede proper investigations or cause needless hurt to individuals. However, if you feel it is right to take the matter outside the Council, the following are possible contact points:
- your local councillor (if you live in the borough)
  - the external auditor
  - relevant professional bodies or regulatory organisations
  - your solicitor
  - the Police
  - the charity “Public Concern at Work” (020 7404 6609)
- 8.2 If you do take the matter outside the Council, you need to ensure that you do not disclose confidential information or that disclosure would be privileged.

**9. Employee cooperation**

- 9.1 We expect the full co-operation of all our employees in securing the highest standards of service delivery and conduct.
- 9.2 Where employees are aware of, or suspect, malpractice, we expect them to report it. We will regard the failure by an employee to report such malpractice, or the suspicion of malpractice, as a disciplinary matter.

# **Guildford Borough Council**

**Report to:** Corporate Governance and Standards Committee

**Date:** 16 November 2023

**Ward(s) affected:** n/a

**Report of Director:** Transformation & Governance

**Author:** John Armstrong, Democratic Services & Elections Manager

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**Report Status:** Open

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

### **1. Executive Summary**

- 1.1 The Committee is asked to consider its 12-month rolling work programme, which is set out in Appendix 1.

### **2. Recommendation to Committee**

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

### **3. Reason(s) for Recommendation:**

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

### **4. Exemption from publication**

- 4.1. This report and any part of it is not exempt from publication.

**5. Purpose of Report**

- 5.1 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.

**6. Draft work programme**

- 6.1 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.

**7. Financial Implications**

- 7.1 There are no financial implications arising directly from this report.

**8. Legal Implications**

- 8.1 There are no legal implications arising directly from this report.

**9. Human Resource Implications**

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

**10. Background Papers**

None

**11. Appendices**

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

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

**(Wednesday) 13 March 2024**

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	Monitoring Officer 01483 444991
Review of the Constitution: Review of Council Procedure Rules	To consider the recommendations of the Joint Constitutions Review Group	Council: TBC On the recommendation of the Committee	Susan Sale 01483 444022
Financial Monitoring 2023-24 Period 10 (April 2023 to January 2024)	To note the results of the Council's financial monitoring for period April 2023 to January 2024	Corporate Governance and Standards Committee	To be confirmed
Internal audit 2023-24 progress report	To consider the internal audit progress report and progress on the internal audit plan	Corporate Governance and Standards Committee	Iona Bond Southern Internal Audit Partnership 07784 265293
Internal Audit Plan for 2024-25	To consider the draft 2024-25 internal audit plan	Corporate Governance and Standards Committee	Iona Bond Southern Internal Audit Partnership 07784 265293
Internal Audit Charter for 2024-25	To consider the Internal Audit Charter for 2024-25	Corporate Governance and Standards Committee	Iona Bond

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

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
			Southern Internal Audit Partnership 07784 265293
Safeguarding	To consider report detailing progress against the approved Strategic Safeguarding Group Action Plan 2023-24	Corporate Governance and Standards Committee	Sam Hutchison Tel: 01483 444385

### 6 June 2024

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
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 2023-24	To consider the annual report for 2023-24 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
Planning Appeals	To consider the annual monitoring report of the Council's performance at	Corporate Governance and Standards Committee	Claire Upton-Brown 01483 444316

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

<b>Subject</b>	<b>Details of decision to be taken</b>	<b>Decision to be taken by</b>	<b>Contact Officer</b>
	appeals against refusal of planning permission.		
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	Andrea Barnett 01483 444062
Governance Framework-Housing Services	To consider an update report from the Strategic Project Board	Council: 23 July 2024  Corporate Governance and Standards Committee	Susan Sale 01483 444022

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

**25 July 2024**

<b>Subject</b>	<b>Details of decision to be taken</b>	<b>Decision to be taken by</b>	<b>Contact Officer</b>
Capital and Investment Outturn Report 2023-24	To submit any comments to the Executive, prior to determination by full Council.	Council: October 2024 On the recommendation of: Corporate Governance and Standards Committee Executive: August 2024	To be confirmed
Revenue Outturn Report 2023-24	To submit any comments to the Executive.	Executive: August 2024 On the recommendation of: Corporate Governance and Standards Committee	To be confirmed
Housing Revenue Account Final Accounts 2023-24	To submit any comments to the Executive	Executive: August 2024 On the recommendation of: Corporate Governance and Standards Committee	To be confirmed
Financial Monitoring 2024-25 Period 2 (April/May 2024)	To note the results of the Council's financial monitoring for the period April/May 2024	Corporate Governance and Standards Committee	To be confirmed
Internal Audit Annual Report 2023-24.	To consider the Internal Audit Annual Report 2023-24	Corporate Governance and Standards Committee	Iona Bond Southern Internal Audit Partnership 07784 265293



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

**26 September 2024**

<b>Subject</b>	<b>Details of decision to be taken</b>	<b>Decision to be taken by</b>	<b>Contact Officer</b>
Financial Monitoring 2024-25 Period 4 (April to July 2024)	To note the results of the Council's financial monitoring for the period April to July 2024	Corporate Governance and Standards Committee	To be confirmed
Annual Governance Statement 2023-24	To adopt the Council's Annual Governance Statement 2023-24	Corporate Governance and Standards Committee On the recommendation of: Executive: September 2024	To be confirmed
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
Annual Report of the Corporate Governance & Standards Committee	To consider the Annual Report for 2023-24	Council: October 2024  On the recommendation of: Corporate Governance and Standards Committee	John Armstrong 01483 444102
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

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

**14 November 2024**

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
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
Freedom of Information Compliance update	To consider the update report on the Council's performance in dealing with Freedom of Information requests (April to September 2024)	Corporate Governance and Standards Committee	Ciaran Ward 01483 444072
Financial Monitoring 2024-25: Period 6 (April to September 2024)	To note the results of the Council's financial monitoring for the period April to September 2024	Corporate Governance and Standards Committee	To be confirmed
Internal audit 2024-25 progress report	To consider the internal audit progress report and progress on the internal audit plan	Corporate Governance and Standards Committee	Iona Bond Southern Internal Audit Partnership 07784 265293
Corporate Risk Register	To consider the six-monthly review of the Corporate Risk Register	Corporate Governance and Standards Committee	Andrea Barnett 01483 444062

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

**23 January 2025**

<b>Subject</b>	<b>Details of decision to be taken</b>	<b>Decision to be taken by</b>	<b>Contact Officer</b>
Capital and investment strategy (2025-26 to 2029-30)	To comment on various recommendations to the Executive and Council	Council: 5 February 2025  On the recommendation of: Corporate Governance and Standards Committee Executive: 30 January 2025	To be confirmed
Financial Monitoring 2024-25 Period 7 (April to October 2024)	To note the results of the Council's financial monitoring for the period April to October 2024	Corporate Governance and Standards Committee	To be confirmed
Internal audit 2024-25 progress report	To consider the internal audit progress report and progress on the internal audit plan	Corporate Governance and Standards Committee	Iona Bond Southern Internal Audit Partnership 07784 265293
Safeguarding	To consider report detailing progress against the approved Strategic Safeguarding Group Action Plan 2024-25	Corporate Governance and Standards Committee	Sam Hutchison Tel: 01483 444385
Whistle-blowing Policy	To consider the Annual Report 2023-24	Corporate Governance and Standards Committee	Susan Sale 01483 444022
Equality, Diversity and Inclusion Policy	To consider an update on the revised, Policy, and associated action plan	Corporate Governance and Standards Committee	Robin Taylor 01483 444112

## 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
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	To be confirmed
Final 2021-22 Audited Statement of Accounts	To approve the 2021-22 Statement of Accounts	Corporate Governance and Standards Committee	To be confirmed
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
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