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Contact Officer:

John Armstrong, Democratic Services
and Elections Manager

5 March 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 **WEDNESDAY 13 MARCH 2024 at 7.00 pm.**

Yours faithfully

Pedro Wrobel
Chief Executive

MEMBERS OF THE COMMITTEE

Chairman: Councillor Phil Bellamy

Vice-Chairman: Councillor Bob Hughes

Councillor Joss Bigmore
Councillor Stephen Hives
Councillor James Jones
Councillor George Potter
Councillor James Walsh

+Murray Litvak
^Julia Osborn
^Simon Schofield
^Tim Wolfenden

*Independent member

^ Parish member

Authorised Substitute Members:

Councillor Bilal Akhtar
Councillor Honor Brooker
Councillor Ruth Brothwell
Councillor Amanda Creese

Councillor Vanessa King
Councillor Richard Mills OBE
Councillor Howard Smith
Councillor Katie Steel

WEBCASTING NOTICE

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QUORUM 3

THE COUNCIL'S STRATEGIC FRAMEWORK (2021- 2025)

Our Vision:

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

Our Mission:

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

Our Values:

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

Our strategic priorities:

Homes and Jobs

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

- Maximise opportunities for digital infrastructure improvements and smart places technology

Environment

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

Community

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

AGENDA

ITEM

1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

2 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 - 30)

To confirm the minutes of the meeting of the Corporate Governance and Standards Committee held on 18 January 2024.

4 ACTION TRACKER (Pages 31 - 34)

5 INTERNAL AUDIT PROGRESS REPORT (FEBRUARY 2024) (Pages 35 - 58)

6 INTERNAL AUDIT CHARTER 2024-25 (Pages 59 - 72)

7 INTERNAL AUDIT PLAN 2024-25 (Pages 73 - 86)

8 MONTH 10 FINANCIAL MONITORING 2023-24 (Pages 87 - 126)

9 WORK PROGRAMME (Pages 127 - 136)

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CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

18 January 2024

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

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, the Lead Councillor for Regulatory & Democratic Services, Councillor Merel Rehorst-Smith and Councillor Howard Smith were also in attendance.

The Lead Councillor for Commercial Services, Councillor Catherine Houston, and Councillors Yves de Contades, and Richard Mills OBE were in remote attendance.

CGS55 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

An apology for absence was received from Mr Murray Litvak.

CGS56 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS

There were no disclosures of interest.

CGS57 MINUTES

The minutes of the meetings held on 16 and 29 November 2023 were confirmed as a correct record. The chairman signed the minutes.

CGS58 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 noted that the external auditors had not yet provided an update on the actions requested on 28 September 2023 in respect of the value for money letter to the Chief Finance Officer.

The Committee, having noted the updates on the supplementary information sheet,

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

CGS59 INTERNAL AUDIT PROGRESS REPORT: NOVEMBER 2023

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 eight-month period up to 30 November 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.

Iona Bond of the Southern Internal Audit Partnership presented the report and drew the Committee's attention to the revised presentation of the table showing Stakeholder Satisfaction Survey Results as requested at the last meeting.

The Committee's attention was also drawn to the reference to the KPMG review of Performance Monitoring in the table of "live" audit reviews, which had been included in error as all the management actions had been completed.

The Committee noted that since the last report, two audit reviews had been undertaken - on procurement and information governance both of which had concluded with a "reasonable" assurance opinion, with a number of management actions none of which were due at the time the report had been produced.

In relation to the rolling work programme (section 7 of the report), the Committee were informed that all of the scheduled Q.3 work was currently in progress. The internal auditor had also finalised three further audit reports which would be considered at the next meeting.

In relation to Annex 1 to the report (overdue "high priority" management actions), the internal auditor reported that, since the last Committee meeting, there was only one overdue management action (on budgetary control) that had reached its

revised implementation date and to note that the implementation date had moved again. The second overdue recommendation on the payroll budget discrepancy had not yet been followed up because the revised target date had been 30 December 2023. This would be updated in the next progress report.

In relation to Annex 2 (overdue “low to medium priority” management actions), it was noted that, whilst there had not been any significant changes, because most of the revised target implementation dates had not yet been, there were two exceptions namely Core Financial Controls - Journals, and Core Financial Controls - General Ledger, each of which had medium priority recommendations where the due dates had slipped for a further two months. The Internal Auditor emphasised, however, that work was ongoing in respect of these overdue management actions on these individual audit reviews, but they were all integral to the wider work streams associated with the financial recovery plan.

The Internal Auditor noted that, at the last meeting of the Committee, a request had been made to provide additional information on the overdue low and medium priority management actions and explained that this had not yet been addressed partly due to the limited time available between committee meetings. It was hoped that this information could be provided at the next meeting, and subsequently each year at the March meeting.

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

- In response to a question as to how concerned the Committee should be with the number of overdue medium and high priority management actions, and whether these actions would be undertaken soon, the Internal Auditor confirmed that work was ongoing to resolve and implement the management actions. However, that work was taking longer than expected as much of the work related to key financial systems.
- Noting the comments of the Internal Auditor as to the number of overdue management actions, and the work that was ongoing to address them it was noted that a number of these actions had revised due dates for 31 December 2023 and the Internal Auditor was asked whether these due dates had been revised further. The Internal Auditor indicated that this report only included their follow-up work on overdue management actions that fell due before 30 November 2023, and that it was not yet possible to confirm whether the revised target date of 31 December had been achieved.
- It was noted that the covering report had not been written using the revised report template, as it omitted sections on climate change/ sustainability implications and equality and diversity implications.
- There should be clearer accountability for implementation of management actions, with identifiable officers responsible for their implementation by the

due dates. It would be useful to understand how the due dates were agreed, and whether those due dates were realistic in terms of implementation.

- In response to a question as to how the audit review of S106 Contributions had provided a significant assurance opinion with minor improvement opportunities, whilst the Committee had previously raised concerns regarding unspent contributions, the Internal Auditor commented that that review had been undertaken by the previous auditors, KPMG in 2022-23.

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 be noted.

Reason:

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

Action:	Officer to action:
To ensure that future covering reports accompanying Internal Audit Progress reports are written on the correct report template.	Iona Bond Assistant Head of Southern Internal Audit Partnership

CGS60 CAPITAL AND INVESTMENT STRATEGY 2024-25 TO 2028-29

The Committee considered a report on the Council's capital and investment strategy, which gave a high-level overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of local public services along with an overview of how associated risk was managed and the implications for future financial sustainability.

Decisions made now, and during the period of the strategy on capital and treasury management would have financial consequences for the Council for many years into the future. The report therefore included 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 had also covered the requirements of the Treasury Management Code and the prevailing DLUHC Statutory Guidance.

The Committee noted that in order to achieve the ambitious targets within the Corporate Plan, the Council needed to invest in its assets, via capital expenditure, which was split into the General Fund (GF) and Housing Revenue Account (HRA).

All projects, regardless of the fund, would be funded by capital receipts, grants and contributions, reserves, and finally borrowing. When preparing the budget reports, it was not known how each scheme would be funded and, in the case of regeneration projects, what the delivery model would be. The report showed a high-level position. The business case for each individual project would set out the detailed funding arrangements for the project.

The Committee noted that some capital receipts or revenue income streams might arise as a result of regeneration schemes, but in most cases the position was currently uncertain, and it was too early at this stage to make assumptions. It was likely that there would be cash-flow implications of the development schemes, where income would come in after the five-year time horizon of the report and the expenditure incurred earlier in the programme.

The Committee also noted that Prudential Indicators were set to ensure that the Council could demonstrate that its capital expenditure plans were affordable, sustainable, and prudent.

The Council had an underlying need to borrow for the General Fund capital programme of £202 million between 2023-24 and 2028-29. Officers had 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.

The capital programme included several significant regeneration schemes, which it was assumed would be financed from GF resources. Detailed funding proposals for each scheme would be considered when their Outline Business Case was presented to the Executive for approval.

The main areas of expenditure (shown gross), as set out in the report, were:

- £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)

The report contained a summary of the new bids submitted and the position and profiling of the current programme (2023-24 to 2028-29).

The HRA capital programme was split between expenditure on existing stock and either development of or purchase of new dwellings to add to the stock. A lot of work had been done on stock condition surveys and the results were being analysed with a view to having a robust stock condition assessment which would provide 100% stock data over a rolling 5-year programme and allow for effective assessment against Regulatory and legislative standards.

Improved building safety standards across social housing had resulted in a national drive to improve standards and safety, Guildford had started to respond to this and had spent a significant sum on its properties. The budget for 2024-25 and ongoing would see budgets return to more modest levels seen in the past. The capital programme would be funded from HRA capital receipts and reserves. The programme also included £121 million between 2023-24 and 2028-29 for development projects to build or acquire new housing (including WUV). Officers had recommended 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.

The main areas of major repairs and improvement expenditure were:

- refurbishment, replacement & renewal programme of existing stock, £1.3 million, which included 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

The main HRA development projects were:

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

The Committee was informed that officers carried out the treasury management function within the parameters set by the Council each year and in accordance with the approved treasury management practices.

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

The Committee noted that councils could 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 was the primary purpose).

Investment property had been 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%. In line with the Government's guidelines, the Council was not making any future purchases solely for yield.

The Council had also invested £25.3 million in its housing company North Downs Housing Ltd (NDH), via 40% equity to Guildford Borough Council Holdings Ltd (£10.1 million) who, in turn, passed the equity to NDH, and 60% repayment loan direct to NDH (£15.3 million) at a rate of 5%.

The report had also included the Council's Minimum Revenue Provision (MRP) policy, the Prudential Indicators and the updated flexible use of capital receipts policy. This policy, if approved at Council, would permit the use of any capital receipts received in year to be used to fund any service transformation costs incurred in the same year.

The Committee noted the comments and recommendations of the Joint Executive Advisory Board which had also considered this report at its meeting held on 11 January 2024, particularly with regard to the proposed new capital bids.

The Lead Councillor for Finance and Property commented that a significant part of the £18 million gap in the medium-term financial plan at the start of this financial year, had been due to debt servicing costs. Overall debt at that time was around £300 million and was projected to rise over to over £600 million by the end of the decade. This revised Capital and Investment Strategy represented a reduction in capital expenditure of approximately £100 million. The significant reduction in debt servicing costs over the medium-term financial plan period was a critical part of the Council's Financial Recovery Plan

During the debate, the Committee made the following comments:

- In response to a question as to whether there was a clear definition of what was permitted in terms of local authorities earning investment income, the Lead Specialist (Finance) explained that the Section 151 Officer was required to sign off investment income of any kind. Any borrowing from the Public Works Loan Board now required a great deal more information to be provided in terms of the purpose for which any loan was required.
- Inadequate scrutiny of the budget process, particularly in view of the previous mistakes made. In response, the Lead Councillor for Finance & Property indicated that many of the more detailed aspects of the

budget had been discussed at the Financial Recovery Executive Working Group. It was also noted that the current arrangements for consideration of draft budget papers had not changed over the past five years.

- Proposals to reduce the Council’s overall borrowing by approximately £100 million over the next few years was welcomed. Noting the Arlingclose interest rate forecast of a reduction to around 3% by early to mid-2026, officers were asked to comment on the impact of such a reduction on the Council’s finances in the medium-term. The Lead Specialist (Finance) indicated that prudent assumptions had been made in respect of interest rates on borrowing in the medium-term so that in 2025-26, it was anticipated that interest rates would reduce from 4% to 3.5%
- The level of detail in the mandate proposals in respect of each of the growth bids was welcomed.
- There were errors in the tables in paragraph 8.20 of the report and paragraph 4.16 of Appendix 1 to the report (Capital Expenditure Summary) in relation to HRA Capital Expenditure for 2023-24, which would be corrected by officers.

Having considered the report, the Committee,

RESOLVED: That the recommendations to the Executive and Council in respect of the Capital and Investment Strategy, as set out in the report submitted to the Committee, together with the comments referred to in the debate and summarised in the bullet points above, be endorsed.

Reason:

To enable the 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 investment proposals.

Action:	Officer to action:
To pass on the Committee’s comments to the Executive.	Democratic Services & Elections Manager

CGS61 EXTERNAL AUDIT UPDATE

Mr Paul Cuttle from the Council’s external auditors Grant Thornton gave an oral update on the external audits of the Council’s financial statements. In relation to 2020-21, it was noted that Grant Thornton had presented their Audit Findings Report to the Committee in July 2023 which explained that the Audit had been largely completed and that it was ready to be signed-off. However, due to the potential housing maintenance fraud, the audit was paused whilst further information was sought in that regard. Following discussions with management,

Grant Thornton were now in a position where they were comfortable, subject to agreeing a disclosure in the financial statements for 2020-21, and some audit procedures that would enable sign-off of those accounts within the next month.

In relation to the audits for 2021-22 and 2022-23, which were both outstanding, Mr Cuttle explained that there had been significant delays nationally in completing local government external audits. The Department for Levelling Up, Housing and Communities (DLUHC) had expressed an intention to take various actions to catch up on the backlog of audits, which included the introduction of a backstop date after which, if an audit was not completed, there would be no further work undertaken. In these circumstances, this would require a disclaimer audit opinion issued in respect of any incomplete audits. The Committee was informed that the original intention was that the backstop date would be March 2024; however, it was now understood that the likely backstop date would be September 2024, but this would be subject to consultation which had not yet commenced. It was noted that, whilst the details would follow, there would need to be legislation required to do this. The impact on the Council would be that there would be two years of outstanding audits.

Given the ongoing investigation into possible housing maintenance fraud and the potential implications for the Council's financial statements for 2021-22 and 2022-23, it was unlikely that these outstanding audits would be completed within the period envisaged. Grant Thornton were therefore proposing that they would take up the disclaimer option for those two years of audit and then start afresh in 2023-24.

It was not clear yet what the intention would be around opening balances for the 2023-24 audit, given that there would be two years' worth of incomplete audits, but it was expected that this would be clarified through the consultation period.

During the debate, the following points were raised:

- The position regarding incomplete audits was deeply unsatisfactory and was a reflection of how the audit system nationally had failed.
- There was no guarantee that external audits would be completed and signed off in the future unless there was a fundamental change in how they were undertaken. The Council would still be faced with the problem of opening balances and comparables.
- In response to the above comments, Mr Cuttle noted that there had been no problems signing off the Council's audits up to 2020-21, which was the first year the Council had changed its financial systems and led to significant delays in being able to complete that audit. Mr Cuttle agreed that there were clear issues with auditor capacity. Grant Thornton, whilst accepting that they would not necessarily achieve the initial deadline for 2022-23 audits, would be signing off other audits in Surrey. The Audit

Findings Report presented to the Committee last July was a substantial document that highlighted significant material changes to the financial statements that required a significant amount of work to get to that position. Had the accounts been of a better quality, the Council would not be in the position it currently found itself in. The additional work required due to the issue of opening balances could cause significant delays to the 2023-24 audit.

The Monitoring Officer commented that it was beneficial for the Committee to hear from the external auditors some of the reasons around why the 2021-22 and 2022-23 accounts might not be audited. It was clear that there were some legitimate and good reasons for that and that these problems were being experienced across the country. The Committee was reminded, however, that the Council was still in a difficult position because there was a statutory obligation to publish audited accounts. Further legal advice may have to be given to the Committee in that regard in due course.

The Committee

RESOLVED: That the oral update on the external audits of the Council's financial statements be noted.

CGS62 FINANCIAL MONITORING 2023-24 PERIOD 8 (APRIL TO NOVEMBER 2023)

The Committee considered the Financial Monitoring Report for Period 8 which summarised 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 revised budget had been adjusted to reflect the changes agreed to bring the budget back into a balanced position. Officers were projecting an underspend within services on the GF revenue account of £0.467 million, which included specific reserves transfers. Corporate adjustments, provisions and external interest receivable, was 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.

Within the forecast of external interest was a budget of £0.800 million which was expected to be received from North Downs Housing (NDH), which had been highlighted as being a risk based on past performance, and a provision of £0.300 million had been included to reduce the risk to which the Council was exposed. However, the Committee noted that latest information available had indicated that the monies due from NDH would be received.

Officers were projecting an overspend on the HRA of £0.616 million, details of which were highlighted in the report.

The Orchard housing management system contained a number of jobs which had not been invoiced and therefore not shown in Business World.

GF reserves were forecast to be £34.819 million at year end, of which £31.622 million were earmarked and £3.198 million were available and classed as usable, although this excluded the GF working balance.

Progress against the capital programme was underway, and the Council was expected 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 supported the report of the Interim Director of Finance reducing the Capital programme by £99.6 million.

The Committee was reminded that the Month 6 report considered at the last meeting (29 November 2023) had contained a number of errors. A corrected report had been circulated to the Committee on 1 December. For transparency purposes, the corrected report was attached, for information, as Appendix 5 to the current report.

The Committee's attention was drawn to an error in the table in paragraph 10.1 of the report showing the variances within each directorate's spending. The total variance should have indicated a favourable variance, or an underspend, of £467,000.

The Lead Councillor for Finance and Property, Councillor Richard Lucas commented that this monitoring report was a significant improvement on previous reports, as it helped officers to better manage their operations, and associated risks and improved transparency, so that the Committee had greater visibility of what was going on.

During the debate, the following points were raised:

- Concern regarding the volatility in the reporting of financial monitoring from one meeting to the next, for example the Month 6 monitoring report had indicated a projected £200,000 surplus on the General Fund at year end, and this report had indicated that the surplus would be £1.1 million. It should be expected that such volatility should reduce significantly towards the end of the financial year.
- In response to a question about the risk associated with the General Fund forecast, in particular around the external interest receivable, which was now £1.3 million, the Committee noted that external interest came from a number of different sources, some as bank interest, which was easy to predict, but other sources were only declared on a quarterly or half yearly

basis. However, officers were getting better at how to investigate and determine those figures and it was hoped that would improve going forward.

- Having this level of monthly monitoring and being able to see month by month, what was happening through financial monitoring, it was not that surprising to see so much volatility. The information provided in the Summary of Directorate Variances was welcomed. The report also identified areas which were clearly going to need a greater focus going forward e.g. assets and property and planning and development.

Having considered the report, the Committee

RESOLVED: That the Council's latest financial monitoring for Month 8 of the 2023-24 financial year be noted that the Committee's comments and observations referred to above be passed to the Executive.

Reason:

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

CGS63 UPDATE ON THE REVISED, JOINT EQUALITY, DIVERSITY AND INCLUSION POLICY, AND ASSOCIATED ACTION PLAN

The Committee noted that, under the Equality Act 2010 there were statutory obligations for organisations to have equality objectives and to adhere to the general and specific duties within the Act.

The Committee considered an update report on the revised joint Equality, Diversity and Inclusion Policy and associated action plan, the key objectives of which were:

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

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

During the debate, the following points were raised:

- Since the previous report to the Committee, the vice-chairman remained of the view that it lacked ambition, particularly in respect of making a difference for people with disabilities, and requested the opportunity, once again, to discuss it further with officers and work with the Lead Councillor. It was suggested that there were no proactive actions within the action plan, for example there was no policy to make adaptations or indeed to attract applicants with disabilities to work for the Council, or to consult with staff and others with disabilities, including groups and organisations representing disabled people, about what they think and want from the Council. There were also no targets in respect of what the Council was seeking to achieve in terms of improvements. The action plan made no reference to improvements for disabled people elsewhere in the borough, for example in the town centre, and the North Street development.
- In response, the Strategic Director for Community Wellbeing explained that the policy before the Committee was an internal policy for the Council's staff and how the Council operated as a business. However, the points raised regarding the external environment and the impact that had on those with disabilities was still valid. The Strategic Director indicated that she would take those comments back to the Equalities, Diversity and Inclusion Group and make sure that they were passed on to the people who were looking at the wider environment and the place-shaping around Guildford.
- It was suggested that action 2.2 of the action plan "Upgrade our Disability Confident Committed" status to level 2 Disability Confident Employer via the government scheme would address many of the points raised by the vice-chairman in respect of the Council as an employer. However, it was noted that the deadline for that action to be completed was 18 January 2024, and an update on this via the Action Tracker was requested.
- The Strategic Director indicated that she would pass on these comments to the Strategic Director for Transformation and Governance and that officers would be happy to meet with the vice-chairman as requested.

Having considered the report, the Committee

RESOLVED: That, subject to the comments raised at the meeting, the updated Equality, Diversity and Inclusion policy and its associated action plan as set out in Appendices 1 and 2 to the report submitted to the Committee, be approved.

Reasons:

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.

Action:	Officer to action:
<ul style="list-style-type: none"> • To meet with the vice-chairman of the Committee to discuss how the Equality, Diversity and Inclusion Action Plan could be made more ambitious. • To provide an update on implementation of Action 2.2 of the Equality, Diversity and Inclusion Action Plan 2022-23: “Upgrade our Disability Confident Committed status to level 2, Disability Confident Employer through the government scheme”. 	<p>Executive Head of Organisational Development</p>

CGS64 AMENDMENTS TO THE GUILDFORD AND WAVERLEY JOINT GOVERNANCE COMMITTEE TERMS OF REFERENCE

The Committee noted that the Guildford & Waverley Joint Governance Committee (JGC) had been established in April 2022 following approval by both councils of its Terms of Reference. At the request of the Joint Executive Head of Legal & Democratic Services, the Terms of Reference for the JGC were reviewed to ensure they remained, relevant, fit for purpose and included any collaboration arrangement updates.

The amendments focused mainly 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 included the rephrasing of text for clarity and correcting some minor typographical errors.

The proposed amendments had been considered initially by 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.

At its meeting on 30 November 2023, the matter was considered by the Joint Constitutions Review Group (JCRG). The JCRG agreed to recommend approval of the proposed amendments 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 Terms of Reference to their respective full Council meetings.

The Committee noted that Waverley’s Standards & General Purposes Committee had endorsed the proposed amendments at its meeting held on 8 January 2024.

Having considered the proposed amendments, the Committee

RESOLVED: 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 the report submitted to the Committee, be adopted into the Constitution.

Reason:

To ensure both councils continue to adopt and exercise strong governance arrangements for inter-authority working.

Action	Officer
To submit the report, including the Committee's endorsement of the recommendation to the extraordinary Council meeting on 23 January 2024.	Democratic Services & Elections Manager

CGS65 GUILDFORD BOROUGH COUNCIL AND WAVERLEY BOROUGH COUNCIL: OFFICER EMPLOYMENT PROCEDURE RULES

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 had deemed the Officer Employment Procedure Rules as a high priority, requiring urgent attention, particularly at WBC where none currently existed.

Officers had recommended the introduction of new Officer Employment Procedure Rules, using examples of good practice, based on the statutory framework.

The Committee noted that all members of the Joint Management Team (JMT) were employed by WBC and the Officer Employment Procedure Rules based on the Council’s current staff structures, applied only to members of the JMT. It was proposed that the new Officer Employment Procedure Rules would 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.

The Committee also noted that GBC currently had an Employment Committee, whose terms of reference included 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 were now set out in the existing Officer Employment Procedure Rules.

The Employment Committee's terms of reference did not take into account the collaboration between the two councils, the establishment of the JMT and of the Guildford & Waverley Joint Appointments Committee. They were therefore out of date, of no practical use and superfluous and in contradiction with the terms of reference of the Joint Appointments Committee. The terms of reference of the Joint Appointments Committee included the process for the appointment of the Joint Chief Executive, Joint Section 151 Officer, Joint Monitoring Officer, and Joint Strategic Director posts.

Approval of the new Officer Employment Procedure Rules would therefore, as a consequence, require the formal disbandment of the Employment Committee which no longer had a role. It was noted, however, that the Employment Committee's terms of reference also included "*approval of the Council's human resources policies*", which were not within the remit of the Joint Appointments Committee. It was 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.

The Committee noted that the Joint Appointments Committee had been established in August 2021 to deal with the appointments of joint senior members of staff. To support the new Officer Employment Procedure Rules, and to incorporate statutory requirements, it had become evident that the Joint Appointment Committee's remit would need to be expanded to also deal with disciplinary action against, and the dismissal of, joint senior members of staff.

It was proposed therefore that the Joint Appointments Committee's terms of reference be amended to deal with appointments, disciplinaries and dismissals of relevant officers, to reflect legislation. As such, the Joint Appointments Committee would require a change of name to better reflect its new purpose, and it was proposed that it be known as the 'Joint Senior Staff Committee'.

At its meeting on 30 November 2023, the Joint Constitutions Review Group (JCRG) had considered a report on the introduction of the new Officer Employment Procedure Rules, together with the other related matters referred to above. The JCRG had recommended 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.

The Committee noted that Waverley's Standards & General Purposes Committee, at its meeting held on 8 January 2024, had endorsed the proposed new Officer

Employment Procedure Rules, subject to one minor amendment, together with the other recommendations that affected both councils.

Having considered the report, the Committee

RESOLVED: To recommend to Council:

- (1) That, subject to the inclusion of the minor amendment proposed by Waverley’s Standards & General Purposes Committee to include a reference to the schedule of proper officers listed in Part 3 of the Constitution, the new Officer Employment Procedure Rules, as set out in Appendix 1 to the report, be adopted into the Constitution, and that they replace the Council’s existing Officer Employment Procedure Rules.
- (2) That the Employment Committee be disbanded.
- (3) That the Head of Paid Service be authorised to approve, where necessary, any human resources policies that apply to Guildford Borough Council.
- (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 the report, be adopted.
- (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
- (6) That the Monitoring Officer be authorised to convene, where necessary, an Independent Panel, as provided for in the Officer Employment Procedure Rules.

Reason:

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.

Action	Officer
To submit the report, including the Committee's recommendations, to the extraordinary Council meeting on 23 January 2024.	Democratic Services & Elections Manager

CGS66 GUILDFORD BOROUGH COUNCIL AND WAVERLEY BOROUGH COUNCIL MONITORING OFFICER PROTOCOL

The Committee was reminded that Section 5(1) Local Government and Housing Act 1989 required every Council to designate an Officer as the Council's Monitoring Officer. The Monitoring Officer was designated by Council and may or may not be an employee of the Council.

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 had deemed the introduction of a Monitoring Officer Protocol as a high priority, to ensure that both councils had the proper procedures in place to allow the Monitoring Officer to effectively discharge their statutory obligations.

The law did not prescribe exactly how the Monitoring Officer was to carry out their functions. Therefore, the Protocol had described the manner in which the Council expected the Monitoring Officer to discharge these functions and how it expected Officers and Members to co-operate with the Monitoring Officer in order to enable them to discharge these functions effectively.

The Committee noted that the report had been considered initially by the Joint Constitutions Review Group (JCRG) at its meeting on 18 December 2023. The JCRG had supported the adoption of the proposed Protocol by both councils and had 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).

The Committee noted that Waverley's Standards & General Purposes Committee, at its meeting held on 8 January 2024, had endorsed the proposed new Monitoring Officer Protocol, subject to two minor amendments.

Having considered the report and the amendments suggested by Waverley's Standards & General Purposes Committee, the Committee

RESOLVED: To recommend to Council the adoption into the Constitution of the proposed Monitoring Officer Protocol, as set out in Appendix 1 to the report submitted to the Committee, subject to the inclusion of the two minor amendments proposed by Waverley's Standards & General Purposes Committee as follows:

- (a) the amendment of the first bullet point in paragraph 4.0 of the Protocol as follows:

- *“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, or conflict of interest; and”*

(b) the amendment of the sixth bullet point in paragraph 5.2 of the Protocol to reflect the Monitoring Officer being responsible for providing or obtaining legal advice rather than necessarily being the principal legal adviser to the Council.

Reason:

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.

Action	Officer
To submit the report, including the Committee's endorsement of the recommendation to the extraordinary Council meeting on 23 January 2024.	Democratic Services & Elections Manager

CGS67 AMENDMENTS TO THE GUILDFORD BOROUGH COUNCIL AND WAVERLEY BOROUGH COUNCIL PRE-ELECTION PUBLICITY & DECISION-MAKING POLICY

The Committee noted that both Guildford and Waverley had adopted the current Pre-Election Publicity Policy in April 2022, which was identical for both councils.

The main purpose of the existing policy was 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. A key aspect of the existing Policy was 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) would not be scheduled during the pre-election period;
- Where an unscheduled election was 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 was considered by the Joint Chief Executive prudent to do so; and

- Extraordinary Full Council and/or Special Committee meetings would be arranged if, in the opinion of the Joint Chief Executive and Monitoring Officer, it was considered to be in the Council's interests to hold them for urgent items of business.

However, after further careful review and consideration, it was 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 could be held during the pre-election period on a case-by-case basis. Such an approach provided the Proper Officers with the flexibility to take into account whether a forthcoming election was in respect of Borough elections, or another election, and the level of political sensitivity around each election which could impact on Council business.

The Committee considered a report which recommended the adoption of a revised Pre-Election Period Publicity & Decision-Making Policy, focusing on the Pre-Election published guidance by the former DCLG and LGA which emphasised that councils should continue to discharge normal council business during the pre-election period.

The report had been considered initially by the Joint Constitutions Review Group (JCRG) at its meeting on 18 December 2023. The JCRG had supported the proposed revised Policy and had referred it to this Committee and Waverley's Standards & General Purposes Committee for formal consideration. The Committee was 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.

The Committee noted that Waverley's Standards & General Purposes Committee, at its meeting held on 8 January 2024, had endorsed the proposed amendments to the Pre-Election Publicity and Decision-making Policy, subject to one minor amendment.

Having considered the report and the amendment suggested by Waverley's Standards & General Purposes Committee, the Committee

RESOLVED: To recommend to Council the adoption into the Constitution of the proposed revised Pre-Election Publicity & Decision-Making Policy, as set out in Appendix 3 to the report submitted to the Committee, subject to the inclusion of the minor amendment proposed by Waverley's Standards & General Purposes Committee to the fourth bullet point in paragraph 8 of the Policy as follows:

- *“continue with business as usual Council, Executive, and Committee meetings, subject to the proviso that the business to be transacted at those meetings, including motions brought and conduct displayed at*

those meetings, does not, in the view of the Monitoring Officer, contravene the provisions of this policy”.

Reasons:

- 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.
- To provide further flexibility for the Councils’ Proper Officers to assess and decide which council meetings can be held during the pre-election period.

Action	Officer
To submit the report, including the Committee's endorsement of the recommendation to the extraordinary Council meeting on 23 January 2024.	Democratic Services & Elections Manager

CGS68 GUILDFORD BOROUGH COUNCIL - WHISTLEBLOWING POLICY

The Committee considered a report on the proposed revision of the Council’s Whistleblowing Policy, which had been reviewed previously in 2017 and was therefore long overdue a review and update. The Committee noted that the aim of the Whistleblowing Policy was to:

- Encourage staff to report suspected wrongdoing as soon as possible, in the knowledge that their concerns would be taken seriously and investigated as appropriate, and that their confidentiality would 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 turned out to be mistaken, provided the disclosure was made in the public interest.

The Council was committed to conducting business with honesty and integrity and expected all staff to maintain high standards of conduct. Staff were often the first to realise that there might be something seriously wrong within an organisation. Whistleblowing was viewed by the Council as a positive act that could make a valuable contribution to the Council’s efficiency and long-term success.

The Committee acknowledged that the Whistleblowing Policy should be regularly reviewed, at least biennially, or more frequently where there were changes to legislation or statutory guidance, or learning from its operation that should be taken into account. The Committee was informed that it was proposed that Guildford Borough Council and Waverley Borough Council attempt to align their respective Whistleblowing Policies as far as it was appropriate to do so, whilst accepting there might be local differences. Proposals similar to those contained in the report were due to be considered at Waverley Borough Council shortly.

During the debate, the following points were raised:

- The importance of ensuring that:
 - (a) whistleblowing was embedded in the culture of the organisation,
 - (b) statistics on instances of whistleblowing were collated and reported,
 - and
 - (c) external bodies with whom the Council contracts its services also have robust whistleblowing policies.
- It was noted that the terms of reference for this Committee included consideration of a report, at least annually, on whistleblowing, although the Monitoring Officer was minded to bring reports to the Committee on the outcome of whistleblowing investigations as and when necessary.
- In response to a request to identify the key differences between the current 2017 Whistleblowing Policy and the proposed policy, the Monitoring Officer reported that although there had been no change to the legislation that underpinned whistleblowing, the revised policy had been strengthened significantly, for example, by widening the group of people who were encouraged to be able to whistleblow under the policy, and encouraging people to use the internal process first, rather than going direct to the media or an external organisation.
- It was suggested that authority be delegated to the Monitoring Officer to make minor or consequential administrative amendments to the policy to reflect, for example, any future change in external auditors or legislation regarding whistleblowing.

Having considered the report, the Committee

RESOLVED: That the following feedback be provided to the Executive when it considers this matter at its meeting on 25 January 2024:

- (1) That this Committee commends the adoption of the revised Whistleblowing Policy, as set out in Appendix 1 to the report submitted to the Committee, subject to the following amendments:
 - (a) in the third paragraph of Section 1.0 (Purpose), substitute “Public Interest Disclosure Act 1998” in place of “Public Disclosure Act 1998”;

and

(b) the omission of the final paragraph of Section 16 (External Disclosures) as it is factually inaccurate.

- (2) That authority be delegated to the Monitoring Officer to make such minor amendments to the Whistleblowing Policy as they deem appropriate for the purpose of keeping it up to date.

Reasons:

- 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.
- It is important that the Council has a Policy in place to govern such disclosures and that such Policy is kept under regular review.
- 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 was 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.

Action	Officer
To forward the Committee’s recommendation to the Executive meeting on 25 January 2024.	Democratic Services & Elections Manager

CGS69 WORK PROGRAMME

The Committee considered its updated 12 month rolling work programme and it was suggested that consideration be given to an interim update on the revised Equality, Diversity and Inclusion Policy and associated action plan, to establish whether any changes to the Policy were required.

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.

Action	Officer
To report on an interim update on the revised Equality, Diversity and Inclusion Policy and associated action plan, to	Joint Executive Head of Organisational Development

Agenda item number: 3

establish whether any changes to the Policy are required.	
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Before closing the meeting, the Chairman informed the Committee that this was Victoria Worsfold's last meeting before she leaves Guildford Borough Council for Surrey Heath Borough Council. The Committee thanked her for her service and wished her well in her future endeavours.

The meeting finished at 9.21 pm

Signed

Date

Chairman

Corporate Governance and Standards Committee

13 March 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"> • To give an opinion as to the actual reasons for the delay in finalising external audits. • To provide an update on the issues caused by the introduction of the new General Ledger System. 	Interim Chief Finance Officer	This was reported at the 18 January 2024 meeting
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 & Elections Manager</p> <p>(c) Executive Head of Organisational Development</p>	

Date of Meeting	Item	Decision/Action requested	Responsible Officer	Update on implementation
18 January 2024	Internal Audit Progress Report: November 2023	To ensure that future covering reports accompanying Internal Audit Progress reports are written on the correct report template.	Iona Bond Assistant Head of Southern Internal Audit Partnership	Done – See report at item 5 on this agenda
18 January 2024	Capital & Investment Strategy 2024-25 to 2028-29	To pass on the Committee’s comments to the Executive.	Democratic Services & Elections Manager	Done.
18 January 2024	Update on the Revised, Joint Equality, Diversity and Inclusion Policy, and associated Action Plan	<p>(a) To meet with the vice-chairman of the Committee to discuss how the Equality, Diversity and Inclusion Action Plan could be made more ambitious.</p> <p>(b) To provide an update on implementation of Action 2.2 of the Equality, Diversity and Inclusion Action Plan 2022-23: “Upgrade our Disability Confident Committed status to level 2, Disability Confident Employer through the government scheme”.</p>	Executive Head of Organisational Development	
18 January 2024	Amendments to the Guildford and Waverley Joint Governance Committee Terms of Reference	To submit the report, including the Committee's endorsement of the recommendation to the extraordinary Council meeting on 23 January 2024.	Democratic Services & Elections Manager	<p>Done.</p> <p>Council approved the amendments to the Joint Governance Committee’s Terms of Reference on 23 January 2024</p>

Date of Meeting	Item	Decision/Action requested	Responsible Officer	Update on implementation
18 January 2024	Guildford Borough Council & Waverley Borough Council: Officer Employment Procedure Rules	To submit the report, including the Committee's recommendations, to the extraordinary Council meeting on 23 January 2024.	Democratic Services & Elections Manager	Done. Council approved all the recommendations on 23 January 2024
18 January 2024	Guildford Borough Council and Waverley Borough Council Monitoring Officer Protocol	To submit the report, including the Committee's endorsement of the recommendation to the extraordinary Council meeting on 23 January 2024.	Democratic Services & Elections Manager	Done. Council approved the Monitoring Officer Protocol on 23 January 2024
18 January 2024	Amendments to the Guildford Borough Council and Waverley Borough Council Pre-Election Publicity & Decision-Making Policy	To submit the report, including the Committee's endorsement of the recommendation to the extraordinary Council meeting on 23 January 2024.	Democratic Services & Elections Manager	Done. Council approved the amended Policy on 23 January 2024
18 January 2024	Whistleblowing Policy	To forward the Committee's recommendation to the Executive meeting on 25 January 2024.	Democratic Services & Elections Manager	Done. Executive adopted the Whistleblowing Policy on 25 January incorporating the Committee's suggested amendments
18 January 2024	Work Programme	To report on an interim update on the revised Equality, Diversity and Inclusion Policy and associated action plan, to establish whether any changes to the Policy are required.	Executive Head of Organisational Development	

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Guildford Borough Council

Report to: Corporate Governance and Standards Committee

Date: 13 March 2024

Ward(s) affected: All

Report of Director: Transformation & Governance

Author: Richard Bates, Joint Executive Head of Finance (Section 151 Officer)

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Report Status: Open

Internal Audit Progress Report February 2024

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 February 2024, attached as Appendix 1 to this report.

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

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

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 29 February 2024.

8. Consultations

8.1. No formal consultations have been undertaken in the production of this report.

9. Key Risks

9.1. None.

9.2. Management actions agreed as part of an internal audit are designed to mitigate any risks identified through the review.

10. Financial Implications

10.1. None.

11. Legal Implications

11.1. None.

12. Human Resource Implications

12.1. None.

13. Equality and Diversity Implications

13.1. None.

14. Climate Change/Sustainability Implications

14.1. None.

15. Conclusion

- 15.1 The Committee is asked to approve the proposed Internal Audit Plan for 2024-25, as set out in Appendix 1 to this report.

16. Background Papers

None.

17. Appendices

Appendix 1: Internal Audit plan 2024-25.

Southern Internal Audit Partnership

Assurance through excellence
and innovation

GUILDFORD BOROUGH COUNCIL INTERNAL AUDIT PROGRESS REPORT JANUARY 2024

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

FEBRUARY 2024

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:

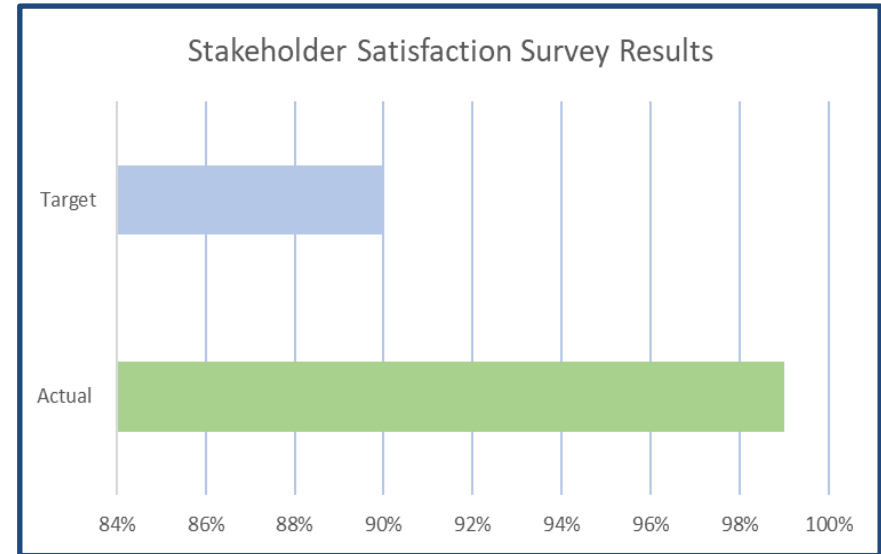
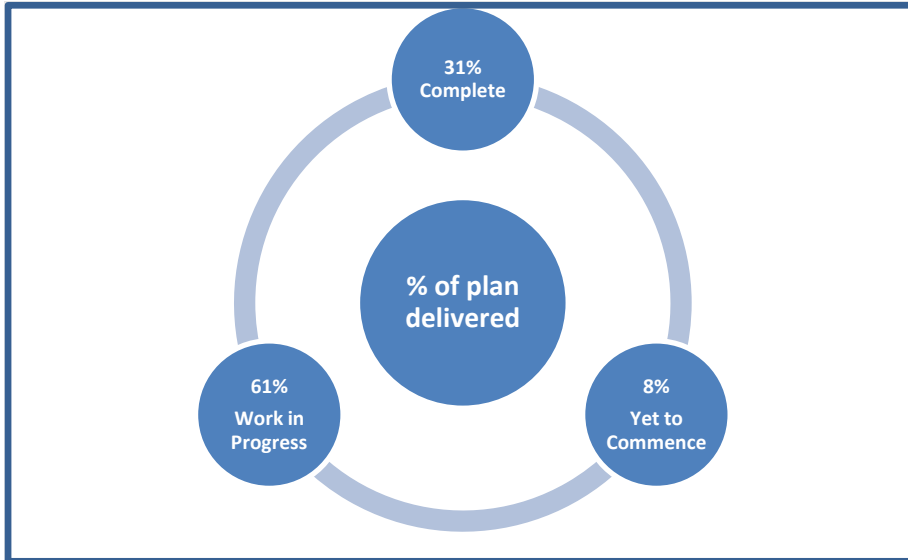
- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

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:

Substantial	<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>
Reasonable	<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>
Limited	<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>
No	<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



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									
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)	5 (0)	1		
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)	5 (4)		3	1
S106 Contributions	Mar 23	JSDoP	Significant (minor improvement opportunities)	6 (0)	0 (0)	2 (0)	No update received		
Core Financial Controls – Journals	Mar 23	JSDoT&G	Significant (minor improvement opportunities)	3 (0)	0 (0)	2 (0)		1	
Payroll Budget Discrepancy	Mar 23	JSDoT&G	Partial	5 (3)	0 (0)	3 (2)	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)			
Accounts Receivable and Debt Management	20.12.2023	JSDoT&G	Limited	8 (3)	8 (3)				
Housing Allocations	21.12.2023	JSDoCW	Reasonable	1 (1)	1 (1)				

Initial inspection checks are being undertaken by the Resettlement Officers to ensure safeguarding aspects are appropriate, complete ID verification and to report any identified issues or concerns. A review of the inspection checklists, letters and supporting documentation noted that the visits are being undertaken and recorded in line with the guidance. However, our audit testing identified some instances where the initial inspection was not carried out before the Guest arrived to ensure a safe environment. Additionally, on the occasions where Guests have arrived prior to the initial inspection, records within the Foundry sheet show that both the initial and secondary safeguarding visits happen as one, combined inspection. For all secondary inspection visits in these cases, although the date is recorded on Foundry Master Sheet, there is little paperwork completed to evidence the second inspection portion of the visits.



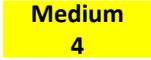

If new accommodation is required for the rematching of Sponsors and Guests, this is tracked and monitored within the Foundry Master Sheet, however, there was some evidence that was unable to be provided in support of the rematching cases.

We were informed that Sponsor duplicate checks are being undertaken as part of the Sponsor application process, however, the checks are not recorded to support this statement.

It is necessary for the records monitoring and the status verification to take place to the household situation, to ensure Guests are still with the Sponsor and they are still eligible for the payment. Although we noted that the communication is being held between Sponsors and the Council, the 6 month point continuity sponsorship checks are not being recorded. We were advised that an additional check/third visit will be introduced as a further control to ensure that the Guest still lives with the Sponsor and they are still eligible for the payment, however, that check is currently in a development stage.

Ukrainian Sponsor application outcome letters are being sent to the successful and rejected Sponsors, providing key information and reasoning, and within the Scheme unique reference numbers are used as identifiers for each Sponsor. The reference number allows the Sponsor to claim their thank you payments for participating in the Scheme. Through sample testing it was identified that some of these reference numbers aren't consistent across supporting Sponsor documentation such as inspection forms and outcome letters which are issued.

Accounts Receivable and Debt Management

Audit Sponsor	Assurance opinion	Management Actions		
Joint Strategic Director Transformation and Governance				

Summary of key observations:

An overarching Debt Management Policy is in place. However, review found that it is devoid of key elements conducive to an effective debt recovery process, such as providing a schedule of recovery action (i.e., defining the frequency of warning letters) or a sub-policy on the triggering criteria inducing involvement of the Council’s procured debt recovery enforcement business (Rundle’s Recovery). It is not evident from the document itself whether it has been reviewed and approved by the Executive Leadership Board, nor when it was last updated and whether it is a live document, further compounded by the mention of “draft” on the first page.

There are no defined role profiles or procedure notes attributing ownership to key tasks. Although a basic overview sheet has been produced during the course of the audit, this isn’t comprehensive and elements such as the clearing and review of the suppressed debts are not included.

All invoices tested were authorised according to the authority limits as set in the Business World system, however, the Financial Procedures Rules state that a list of staff is to be maintained who are approved to authorise invoices, which was not made available during the course of the review. Whilst limits are built into the system and enforced through the flowcharts, there is no documentation to support how this was set up or whether it is correctly configured.

Suppressed debts (suspended recovery actions) as designated through “Complaint Codes” are not verifiably suppressed with an accompanying justification and documentation and there is no procedural check for staff to review their status and ensure that they are being actioned, or to resume recovery where necessary. Furthermore, it did not appear determinable from the system audit logs who had applied the Complaint Codes, therefore we could not establish whether this function is restricted only to those authorised to apply it. The amount currently suppressed is in excess of £2million.

In addition to those suppressed, 32 out of 55 debts tested were not being actively recovered despite not baring a formal Complaint Code. Where in these cases recovery was suspended temporarily (resulting in only a delay of letter issuing) or the ceasing of letters altogether, no evidence was available on system to support these actions, or any indicator for current staff to investigate or pursue their recovery.

There are no checks in place of subscription payment proposals to ensure that the staff who set them up did so accurately and in accordance with terms that are documented and retained.

There is no documented timescale by which invoices are to be set up once raised (by the wider business areas), therefore we did not test the timeliness of the raising of invoices, due to the absence of a policy to refer against.

The Fees and Charges sheet, although approved by the Budget Council, is not available in its latest form on the Council website under “Budget books”, the most recent version being dated 2019-20.

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
Corporate								
Procurement	T&G	✓	✓	✓	✓	✓	Reasonable	
Governance								
Information Governance	T&G	✓	✓	✓	✓	✓	Reasonable	
Fraud Framework	T&G							Unable to progress as no key contact information provided
Decision Making and Accountability	T&G	✓	✓	✓				
Core Financial								

Appendix 1
Agenda item number: 5

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Accounts Receivable and Debt Management	T&G	✓	✓	✓	✓	✓	Limited	
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	✓						
Accounts Payable	T&G	✓						
Homes and Jobs								
Housing Allocations	CW	✓	✓	✓	✓	✓	Reasonable	
Other								
Car Parks and Enforcement	T&G	✓	✓	✓				

Agenda item number: 5
Appendix 1

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 due to a separately commissioned investigation within this area.
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 to accommodate Housing Allocations as a higher priority.
Fleet Operations	Removed to accommodate reviews of higher priority.

Housing Voids	Capacity issues within the department, due to the impact of the ongoing major investigation.
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.
IT Cyber Security	DLUC funding received for external assessment.
Building Control	Capacity issues within the department.
Safeguarding	Reassessed as better timed for 2024/25 to allow for new staff to embed and review processes.
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.

Overdue 'High Priority' Management Actions

Budgetary Control – Partial Assurance			
Observation: 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 31.03.2024	This has begun but not fully in place. One of the focuses during Q4 will be around setting a process for all agency staff including a review of all staff.

Overdue 'Low & Medium Priority' Management Actions

Low & Medium Actions Outstanding

Customer Services – Complaints Handling

Observation	Management Action	(Original) and Latest Revised Target Date	Latest Service Update
Currently, there is no formal process for reflection of lessons learnt and common themes arising from complaints data.	Analyse complaints data periodically to draw out common complaint themes to be fed back to service areas. Where actions have been identified for improvement, they should be tracked to completion.	(31.03.2023) 30.04.2024 31.12.2023	The technical aspects should be implemented during February. The roll out to the organisation will come after this but we now need to ensure that this is in line with the new complaints code that was issued by the housing ombudsman recently so will need to review our approaches to ensure we are compliant

Payroll

Observation	Management Action	(Original) and Latest Revised Target Date	Latest Service Update
There are no formal policies and procedures outlining the roles and responsibilities of officers across HR, Payroll and Resources. Management are broadly aware of overarching	Produce a policy document outlining roles and responsibilities of HR, Payroll and Caseworkers (Resources) in each stage of the payroll process.	(31.12.2022) 30.04.2024	This information is documented within KBAs in the Helpdesk. A policy document can be created, this

<p>processes for payroll and there is guidance provided through individual KBAs and Business World flowcharts, however evidence is not retained for all controls in place as there is no overarching policy setting out these requirements</p>	<p>Set up a checklist of expected documents to be shared across the functions and retained for each individual, clearly indicating the control to be performed, who by, when this is to be performed and management sign off that the checklist is complete.</p>		<p>work will be added to the existing list of policy review priorities for HR.</p>
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IT Infrastructure for Remote Working

Observation	Management Action	(Original) and Latest Revised Target Date	Latest Service Update
<p>The Corporate-level Business Continuity Plan (BCP) is to be drafted and then reviewed and approved by Corporate Management Board (CMB).</p>	<p>Ensure the Corporate-level BCP is reviewed and approved at CMB.</p>	<p>(31.12.2022) TBC</p>	<p>Under our contract, Applied Resilience are leading on the review of the Corporate level BCP.</p> <p>Update from AR (04/02/2023) is as follows:</p> <ul style="list-style-type: none"> • V1.0 of the Strategic BC plan for Guildford Borough Council (May 2022) is in place. This plan is being reviewed to account for the collaboration of Guildford and Waverley Borough Councils. That review is still underway. • We have the Guildford and Waverley BC Corporate Business Continuity Policy V1.0 (March 2023). This is being reviewed alongside the Plan as it is stipulated in the

			<p>plan that there should be a full review of Plan alongside the policy within 24 months.</p> <ul style="list-style-type: none"> • The policy has been signed off by JMT (March 2023) although the Strategic BC plan is in draft form. • The progress on this plan has been hindered somewhat by the number of hours Applied Resilience have put into various incidents in recent months however business continuity is a high priority on their workload and Strategic BC plan along with finalisation of SLP (Service level plans) is at the top of the agenda going forward.
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Redevelopment Projects

Observation	Management Action	(Original) and Latest Revised Target Date	Latest Service Update
The Programme Manager is responsible for assisting the Head of Regeneration and Corporate Programmes in tracking progress and monitoring the operational delivery plan for the corporate programmes portfolio.	Fill the Programme Manager role.	(30.04.2023) 31.03.2024	Job description rewritten but needs to be evaluated prior to commencement of recruitment activity.
	Define responsibilities of the Programme Manager role.	(30.04.2023) 31.03.2024	Linked to above
Given the ongoing increases in project costs due to inflation and increasing prices, we recommend that the Council presents the WUV financial report to the Executive	Bi-annual WUV financial reporting to Executive.	(31.07.2023) 29.02.2024	Next report scheduled for January/ February 2024 Executive and Full Council meetings. Will include briefings for Councillors beforehand.

biannually to allow for appropriate oversight of changes in project budgets.			
The Council should explore integration between Verto and Business World for integrated financial reporting.	Explore Verto and Business Word system integration to export financial data on Business World to Verto.	(30.09.2023) 31.03.2024	Work has been focused on baselining information, including budgets and spend, within Verto. Work has also been underway to refine Business World operations so not appropriate to look at this action yet.
Currently, project data is stored in shared drives and transferred to Verto for reporting purposes.	Explore use of Verto as a data and information management system.	(30.09.2023) 31.03.2024	Focus has been on addressing complex issues within the Weyside programme and therefore this action has not been prioritised.

Budgetary Controls

Observation	Management Action	(Original) and Latest Revised Target Date	Latest Service Update
The Council should utilise the finance system, Business World for the budget setting and monitoring process.	Draw up a formal action plan for transitioning the budget setting process to Business World with actions, actions owners and due dates	(30.09.2023) 31.03.2024	There is significant work to be done on how we use business World including a plan on how we do this. New support has been recruited and will need to embed before any action is undertaken.
The Council should ensure that the Financial Procedure rules are	Review and update the Financial Procedure Rules.	(30.09.2023) 28.02.2024	Delayed due to the resource needing to be directed to 24/25 budget setting - work has started and should be finished by end of the month.

reviewed regularly to ensure that it is relevant and up to date.	Obtain relevant approval of the revised Financial Procedure Rules from relevant committees.	(30.09.2023) 28.02.2024	
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S106 Contributions

Observation	Management Action	(Original) and Latest Revised Target Date	Latest Service Update
Through testing a sample, we found one instance where the draft agreement was not reviewed by the s.106 officer.	Management should implement a checklist for the various review stages prior to planning decisions being made and decisions sent to Developers.	(30.09.2023) 31.01.2024	No update following request sent 12/01/24
	Completed checklists, along with evidence of each review stage, should be held within Acolaid, or an appropriate shared folder which relevant team members have access to.	(30.09.2023) 31.01.2024	
We found that Council procedure documents relating to s.106 contributions have not been reviewed, updated and approved in several years.	Management should define a review cycle for policies and procedure documents and review accordingly.	30.09.2023) 31.01.2024	

<p>Through our sample testing, we have identified instances where there were delays in the receipt of contributions from developers but no interest was charged. We also identified instances where there were delays in issuance of invoices to developers</p>	<p>Update policies and procedure documents to clarify the timeframes for finance in providing calculations to the s.106 officer to minimise delays in issuing invoices.</p>	<p>30.09.2023) 31.01.2024</p>	
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Core Financial Controls - Journals

Observation	Management Action	(Original) and Latest Revised Target Date	Latest Service Update
<p>The Council SFI's do not set out approval limits based on the sign off required for journals of significant monetary value.</p>	<p>Update Business World workflows to reflect approval limits.</p>	<p>(30.09.2023) 28.02.2024</p>	<p>Part of the Finance Recovery Plan - will start to look at this in January 2025</p>

Payroll Budget Discrepancy

Observation	Management Action	(Original) and Latest Revised Target Date	Latest Service Update
<p>The payroll projection functionality on Business World could be utilised at the Council.</p>	<p>Investigate the mechanism for starting to forecast payroll costs, including the potential use of the Business World payroll projection function.</p>	<p>(30.09.2023) 31.03.2024</p>	<p>Unable to use the BW payroll function at the moment as no posts for position numbers in BW. A new report has been set up to give managers insight into their establishment and will be available from month 7.</p>

Core Financial Controls – General Ledger

Observation	Management Action	(Original) and Latest Revised Target Date	Latest Service Update
Through testing a sample of monthly reconciliations we found that not all reconciliations between the ledger and key subledger, accounts and systems had been consistently performed. We also note that there is no segregation of duties ensuring that reconciliations are performed and reviewed and approved by separate individuals.	Update policies/SFIs to clarify the requirement for all monthly reconciliations to be reviewed in a timely manner.	(30.09.23) 28.02.2024	This has been delayed due to the resource needing to be directed 24/25 budget setting - work has started and should be finished by end of the month.
	Ensure there is clarity in policies/SFIs regarding the roles and responsibilities for which individuals are required to perform the reconciliations and those required to review and approve.	(30.09.2023) 31.03.2024	This has commenced in preparation for year end and should be completed and documented by the end of current year.
	Ensure that the monthly work monitor includes a field to record the management review of reconciliations performed.		
	Review the frequency of reconciliations.		

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: Corporate Governance and Standards Committee

Date: 13 March 2024

Ward(s) affected: All

Report of Director: Transformation & Governance

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Report Status: Open

Internal Audit Charter 2024-25

1. Executive Summary

- 1.1 Appendix 1 presents the proposed Internal Audit Charter for 2024-25 to the Committee in accordance with the requirements of the Public Sector Internal Audit Standards.

2. Recommendation to Committee

- 2.1 That the Committee approves the Internal Audit Charter for 2024-25 attached as Appendix 1 to this report.

3. Reason for Recommendation:

- 3.1. The Committee has a responsibility to approve the Internal Audit Charter in accordance with the Public Sector Internal Audit Standards.

4. Exemption from publication

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

5. Purpose of Report

5.1 The purpose of this paper is to present the Internal Audit Charter 2024-25 to the Committee in accordance with the requirements of the Public Sector Internal Audit Standards. (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 The Accounts and Audit (England) Regulations 2015 state (Reg 5 (1)):

‘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’.

7.2 The Public Sector Internal Audit Standards (attribute standard 1000) requires that all internal audit activities maintain an ‘internal audit charter’.

7.3 The internal audit charter establishes internal audit’s position within the organisation including:

- Recognising the mandatory nature of the Public Sector Internal Audit Standards
- Defining the scope of internal audit responsibilities.
- Establishing the organisational independence of internal audit.
- Establishing accountability and reporting lines (functional and administrative).
- Arrangements that exist with regard anti-fraud and anti-corruption.
- Establishing internal audit’s rights of access.

- Defining the terms 'board' and 'senior management' for the purpose of internal audit.

7.4 In accordance with the Standards the internal audit charter should be reviewed annually (minimum) and approved by senior management and by this Committee.

7.5 Appendix 1 provides a draft copy of the Internal Audit Charter 2024-25 for review and comment.

8. Consultations

8.1. No formal consultations have been undertaken in the production of this report.

9. Key Risks

9.1. None.

10. Financial Implications

10.1. None.

11. Legal Implications

11.1. None.

12. Human Resource Implications

12.1. None.

13. Equality and Diversity Implications

13.1. None.

14. Climate Change/Sustainability Implications

14.1. None.

15. Conclusion

- 15.1 The Committee is asked to approve the proposed Internal Audit Charter for 2024-25, as set out in Appendix 1 to this report.

16. Background Papers

None.

17. Appendices

Appendix 1: Internal Audit Charter 2024-25.

Southern Internal Audit Partnership

Assurance through excellence
and innovation

GUILDFORD BOROUGH COUNCIL

Internal Audit Charter 2024/25

Prepared By: Iona Bond, Assistant Head of Partnership
February 2024

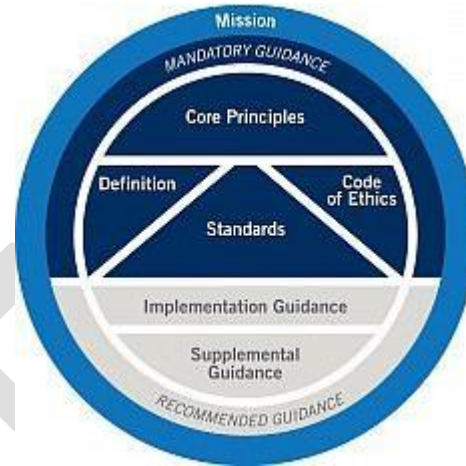
Introduction

The Public Sector Internal Audit Standards (the Standards) provide a consolidated approach to audit standards across the whole of the public sector providing continuity, sound corporate governance and transparency.

The Standards form part of the wider mandatory elements of the International Professional Practices Framework (IPPF) which also includes:

- the mission;
- core principles;
- definition of internal audit; and
- Code of Ethics.

The Standards require all internal audit activities to implement and retain an 'Internal Audit Charter'.



The purpose of the Internal Audit Charter is to formally define the internal audit activity's purpose, authority, and responsibility.

Mission and Core Principles

The IPPF 'Mission' aims *'to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.'*

The 'Core Principles' underpin delivery of the IPPF mission:

- Demonstrates integrity;
- Demonstrates competence and due professional care;
- Is objective and free from undue influence (independent);
- Aligns with the strategies, objectives and risks of the organisation;
- Is appropriately positioned and adequately resourced;
- Demonstrates quality and continuous improvement;
- Communicates effectively;
- Provides risk-based assurance;
- Is insightful, proactive, and future-focused; and
- Promotes organisational improvement.

Authority

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

‘undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control’.

The standards for ‘proper practices’ in relation to internal audit are laid down in the Public Sector Internal Audit Standards (updated 2017).

Purpose

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 organisation’s objectives.

This is achieved through internal audit providing a combination of assurance and consulting activities. Assurance work involves assessing how well the systems and processes are designed and working, with consulting activities available to help to improve those systems and processes where necessary.

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’.

Responsibility

The responsibility for maintaining an adequate and effective system of internal audit within Guildford Borough Council lies with the S151 Officer.

For the Council, internal audit is provided by the Southern Internal Audit Partnership.

The Chief Internal Auditor (Assistant Head of Southern Internal Audit Partnership) is responsible for effectively managing the internal audit activity in accordance with the ‘Mission’, ‘Core Principles’, ‘Definition of Internal Auditing’, the ‘Code of Ethics’ and ‘the Standards’.

Definitions

For the purposes of this charter the following definitions shall apply:

The Board – the governance group charged with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting. At the Council this shall mean the Corporate Governance and Standards Committee.

Senior Management – those responsible for the leadership and direction of the Council. At the Council this shall mean the Corporate Management Board.

Position in the organisation

The Chief Internal Auditor reports functionally to the Board, and organisationally to the S151 Officer who has statutory responsibility as proper officer under Section 151 of the Local Government Act 1972, for ensuring an effective system of internal financial control and proper financial administration of the Council's affairs.

The Chief Internal Auditor has direct access to the Joint Chief Executive who carries the responsibility for the proper management of the Council and for ensuring that the principles of good governance are reflected in sound management arrangements.

The Chief Internal Auditor has direct access to the Council's Monitoring Officer where matters arise relating to Monitoring Officer responsibility, legality and standards.

Where it is considered necessary to the proper discharge of the internal audit function, the Chief Internal Auditor has direct access to elected Members of the Council and in particular those who serve on committees charged with governance (i.e. the Corporate Governance and Standards Committee).

Internal audit resources

The Chief Internal Auditor will be professionally qualified (CMIIA, CCAB or equivalent) and have wide internal audit and management experience, reflecting the responsibilities that arise from the need to liaise internally and externally with Members, senior management and other professionals.

The S151 Officer will provide the Chief Internal Auditor with the resources necessary to fulfil the Council's requirements and expectations as to the robustness and scope of the internal audit opinion.

The Chief Internal Auditor will ensure that the internal audit service has access to an appropriate range of knowledge, skills, qualifications and experience required to deliver the audit strategy and operational audit plan.

The annual operational plan will identify the resources required to complete the work, thereby highlighting sufficiency of available resources. The Chief Internal Auditor can propose an increase in audit resource or a reduction in the number of audits if there are insufficient resources.

'Senior Management' and *'the Board'* will be advised where, for whatever reason, internal audit is unable to provide assurance on any significant risks within the timescale envisaged by the risk assessment process.

The annual operational plan will be submitted to *'senior management'* and *'the Board'*, for approval. The Chief Internal Auditor will be responsible for delivery of the plan. The plan will be kept under review to ensure it remains responsive to the changing priorities and risks of the Council.

Significant matters that jeopardise the delivery of the plan or require changes to the plan will be identified, addressed and reported to *'senior management'* and *'the Board'*.

If the Chief Internal Auditor, *'the Board'* or *'Senior Management'* consider that the scope or coverage of internal audit is limited in any way, or the ability of internal audit to deliver a service consistent with the Standards is prejudiced, they will advise the S151 Officer accordingly.

Independence and objectivity

Internal auditors must be sufficiently independent of the activities they audit to enable them to provide impartial, unbiased and effective professional judgements and advice.

Internal auditors must maintain an unbiased attitude that allows them to perform their engagements in such a manner that they believe in their work product and that no quality compromises are made. Objectivity requires that internal auditors do not subordinate their judgement on audit matters to others.

To achieve the degree of independence and objectivity necessary to effectively discharge its responsibilities, arrangements are in place to ensure the internal audit activity:

- retains no executive or operational responsibilities;
- operates in a framework that allows unrestricted access to *'senior management'* and *'the Board'*;
- reports functionally to *'the Board'*;
- reports in their own name;
- rotates responsibilities for audit assignments within the internal audit team; and
- completes individual declarations confirming compliance with rules on independence, conflicts of interest and acceptance of inducements.

If independence or objectivity is impaired in fact or appearance, the details of the impairment will be disclosed to *'Senior Management'* and *'the Board'*. The nature of the disclosure will depend upon the impairment.

Due professional care

Internal auditors will perform work with due professional care, competence and diligence. Internal auditors cannot be expected to identify every control weakness or irregularity, but their work should be designed to enable them to provide reasonable assurance regarding the controls examined within the scope of their review.

Internal auditors will have a continuing duty to develop and maintain their professional skills, knowledge and judgement based on appropriate training, ability, integrity, objectivity and respect.

Internal auditors will apprise themselves of the '*Mission*', '*Core Principles*', '*Definition of Internal Auditing*', the '*Code of Ethics*' and the '*Standards*' and will work in accordance with them in the conduct of their duties.

Internal auditors will be alert to the possibility of intentional wrongdoing, errors and omissions, poor value for money, failure to comply with management policy and conflicts of interest. They will ensure that any suspicions of fraud, corruption or improper conduct are promptly reported in accordance with the Council's Anti-fraud and Corruption Policy.

Internal auditors will treat the information they receive in carrying out their duties as confidential. There will be no unauthorised disclosure of information unless there is a legal or professional requirement to do so. Confidential information gained in the course of internal audit work will not be used to effect personal gain.

Access to relevant personnel and records

In carrying out their duties, internal audit (on production of identification) shall have unrestricted right of access to all records, assets, personnel and premises, belonging to the Council or its key delivery partner organisations.

Internal audit has authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities. Such access shall be granted on demand and not subject to prior notice.

Scope of Internal Audit activities

The Chief Internal Auditor is responsible for the delivery of an annual audit opinion and report that can be used by the Council to inform its governance statement. The annual opinion will conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The Council assume a Key Stakeholder role within the Southern Internal Audit Partnership (SIAP). The SIAP currently provides internal audit services to a wide portfolio of public sector clients (Annex 1) through a variety of partnership and sold service delivery models.

A range of internal audit services are provided (Annex 2) to form the annual opinion for each member / client of the SIAP. The approach is determined by the Chief Internal Auditor and will depend on the level of assurance required, the significance of the objectives under review to the organisation's success, the risks inherent in the achievement of objectives and the level of confidence required that controls are well designed and operating as intended.

In accordance with the annual audit plan, auditors will plan and evaluate their work so as to have a reasonable expectation of detecting fraud and identifying any significant weaknesses in internal controls.

Managing the risk of fraud is the responsibility of line management and strategic responsibility for reactive and proactive fraud work sits with the S151 Officer who would ensure any suspected or detected fraud or corruption was investigated.

The Council participates in the National Fraud Initiative (NFI) in which data from the Council's main systems are matched with data supplied from other local authorities and external agencies to detect potential fraudulent activity.

The S151 Officer will commission resource to undertake any investigations required and notify SIAP of any suspected or detected fraud to inform their opinion.

SIAP will review the governance arrangements to prevent, detect and investigate fraud and irregularities on a cyclical basis.

Reporting

Chief Internal Auditor's Annual Report and Opinion

The Chief Internal Auditor shall deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The annual internal audit report and opinion will conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual report will incorporate as a minimum:

- The opinion;
- A summary of the work that supports the opinion; and
- A statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

Senior Management

As those responsible for the leadership and direction of the Council. It is imperative that the Corporate management Board are engaged in:

- approving the internal audit charter (minimum annually);
- approving the risk based internal audit plan;
- receiving communications from the Chief Internal Auditor on the internal audit activity's performance relative to its plan and other matters;
- making appropriate enquiries of management and the Chief Internal Auditor to determine whether there are inappropriate scope and resource limitations; and
- receiving the results of internal and external assessments of the quality assurance and improvement programme, including areas of non-conformance.

The Board

Organisational independence is effectively achieved when the Chief Internal Auditor reports functionally to the Board. Such reporting will include:

- approving the internal audit charter;
- approving the risk based internal audit plan;
- receiving communications from the Chief Internal Auditor on the internal audit activity's performance relative to its plan and other matters, including the annual report and opinion;
- making appropriate enquiries of management and the Chief Internal Auditor to determine whether there are inappropriate scope or resource limitations;
- receiving the results of internal and external assessments of the quality assurance and improvement programme, including areas of non-conformance; and
- approval of significant consulting services not already included in the audit plan, prior to acceptance of the engagement.

Review of the internal audit charter

This charter will be reviewed annually (minimum) by the Chief Internal Auditor and presented to 'Senior Management' and 'the Board' for approval.

Southern Internal Audit Partnership – Client Portfolio

Strategic Partners:	Hampshire County Council
Key Stakeholder Partners:	West Sussex County Council Havant Borough Council East Hampshire District Council Winchester City Council New Forest District Council Mole Valley District Council Epsom & Ewell Borough Council Reigate & Banstead Borough Council Tandridge District Council Crawley Borough Council Arun District Council Guildford Borough Council Hart District Council
Blue light Key Stakeholder Partners:	Hampshire & IoW Fire & Rescue Authority West Sussex Fire Service Office of the Hampshire & IoW Police & Crime Commissioner / Hampshire & IoW Constabulary Office of the Sussex Police & Crime Commissioner / Sussex Police Force Office of the Surrey Police & Crime Commissioner / Surrey Police Force
External clients:	Waverley Borough Council Hampshire Pension Fund West Sussex Pension Fund New Forest National Park Authority Ringwood Town Council Lymington & Pennington Town Council Langstone Harbour Authority Chichester Harbour Authority Isle of Wight College

Assurance Services

- **Risk based audit:** in which risks and controls associated with the achievement of defined business objectives are identified and both the design and operation of the controls in place to mitigate key risks are assessed and tested, to ascertain the residual risk to the achievement of managements' objectives. Any audit work intended to provide an audit opinion will be undertaken using this approach.
- **Developing systems audit:** in which:
 - the plans and designs of systems under development are assessed to identify the potential weaknesses in internal control and risk management; and
 - programme / project management controls are assessed to ascertain whether the system is likely to be delivered efficiently, effectively and economically.
- **Compliance audit:** in which a limited review, covering only the operation of controls in place to fulfil statutory, good practice or policy compliance obligations are assessed.
- **Quality assurance review:** in which the approach and competency of other reviewers / assurance providers are assessed in order to form an opinion on the reliance that can be placed on the findings and conclusions arising from their work.
- **Fraud and irregularity investigations:** Internal audit may also provide specialist skills and knowledge to assist in or lead fraud or irregularity investigations, or to ascertain the effectiveness of fraud prevention controls and detection processes. Internal audit's role in this respect is outlined in the Council's Anti Fraud and Anti Corruption Strategy.
- **Advisory / Consultancy services:** in which advice can be provided, either through formal review and reporting or more informally through discussion or briefing, on the framework of internal control, risk management and governance. It should be noted that it would not be appropriate for an auditor to become involved in establishing or implementing controls or to assume any operational responsibilities and that any advisory work undertaken must not prejudice the scope, objectivity and quality of future audit work.

Guildford Borough Council

Report to: Corporate Governance and Standards Committee

Date: 13 March 2024

Ward(s) affected: All

Report of Director: Transformation & Governance

Author: Richard Bates, Joint Executive Head of Finance (Section 151 Officer)

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Lead Councillor responsible: Richard Lucas

Tel: 07834 020422

Email: richard.lucas@guildford.gov.uk

Report Status: Open

Internal Audit Plan 2024-25

1. Executive Summary

- 1.1 Appendix 1 presents the proposed Internal Audit Plan for 2023-24 in accordance with the requirements of the Public Sector Internal Audit Standards.

2. Recommendation to Committee

- 2.1 That the Committee approves the Internal Audit Plan for 2024-25 attached as Appendix 1 to this report.

3. Reasons for Recommendation:

- 3.1. The Committee has a responsibility to approve the Internal Audit Plan in accordance with the Public Sector Internal Audit Standards.

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

4. Exemption from publication

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

5. Purpose of Report

- 5.1 The purpose of this report is to present the Internal Audit Plan 2024-25 to the Committee in accordance with the requirements of the Public Sector Internal Audit Standards (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 The aim of internal audit's work programme is to provide independent and objective assurance to management, in relation to business activities, systems or processes under review to ensure that:
 - The framework of internal control, risk management and governance is appropriate and operating effectively; and
 - Risks to the achievement of the Council's objectives are identified, assessed, and managed to a defined acceptable level.
- 7.2 The Internal Audit Plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control, and governance arrangement.
- 7.3 Internal audit focus should remain proportionate and appropriately aligned to key areas of organisational risk.

- 7.4 All auditable areas of review remain within the audit universe and are subject to ongoing assessment. The audit plan will remain fluid to ensure internal audit's ability to react to the changing needs of the Council.
- 7.5 Other reviews, based on criteria other than risk, may also be built into the work plan. These may include 'mandatory' audits or reviews requested or commissioned by management. Any commissioned review must be able to clearly demonstrate a contribution to the audit opinion on risk management, control, and governance.
- 7.6 Appendix 1 provides a copy of the Internal Audit Plan 2024-25 (draft) for review and comment.

8. Consultations

- 8.1. Consultation with Senior Management has been undertaken as part of the process of drawing up the proposed internal audit plan for 2024-25.

9. Key Risks

- 9.1. None.

10. Financial Implications

- 10.1. None.

11. Legal Implications

- 11.1. None.

12. Human Resource Implications

- 12.1. None.

13. Equality and Diversity Implications

- 13.1. None.

14. Climate Change/Sustainability Implications

14.1. None.

15. Conclusion

15.1 The Committee is asked to approve the proposed Internal Audit Plan for 2024-25, as set out in Appendix 1 to this report.

16. Background Papers

None.

17. Appendices

Appendix 1: Internal Audit plan 2024-25.



Southern Internal Audit Partnership

Assurance through excellence
and innovation

GUILDFORD BOROUGH COUNCIL INTERNAL AUDIT PLAN 2024-25

**Prepared by: Iona Bond, Assistant Head of Partnership
February 2024**

Introduction

The role of internal audit is that of an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisation’s 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 organisation’s objectives.

The aim of internal audit’s work programme is to provide independent and objective assurance to management, in relation to the business activities; systems or processes under review that:

- the framework of internal control, risk management and governance is appropriate and operating effectively; and
- risk to the achievement of the Council’s objectives is identified, assessed and managed to a defined acceptable level.

The internal audit plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of Internal Audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.

Internal Audit focus should be proportionate and appropriately aligned. The plan will remain fluid and subject to on-going review and amendment, in consultation with the relevant stakeholders to ensure it continues to reflect the needs of the Council. Amendments to the plan will be identified through the Southern Internal Audit Partnership’s continued contact and liaison with those responsible for the governance of the Council.

Your Internal Audit Team

Your internal audit service is provided by the Southern Internal Audit Partnership. The strategic lead will be Iona Bond, Assistant Head of Partnership, supported by Jade Lakeland, Audit Manager.

Conformance with Internal Auditing Standards

The Southern Internal Audit Partnership service is designed to conform to the Public Sector Internal Audit Standards (PSIAS). Under the PSIAS there is a requirement for audit services to have an external quality assessment every five years. In September 2020 the Institute of Internal Auditors were commissioned to complete an external quality assessment of the Southern Internal Audit Partnership against the PSIAS, Local Government Application Note and the International Professional Practices Framework.

In selecting the Institute of Internal Auditors (IIA) a conscious effort was taken to ensure the external assessment was undertaken by the most credible source. As the authors of the Standards and the leading Internal Audit authority nationally and internationally the IIA were excellently positioned to undertake the external assessment.

considering all sources of evidence the external assessment team 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.'

Conflicts of Interest

We are not aware of any relationships that may affect the independence and objectivity of the team which are required to be disclosed under internal auditing standards.

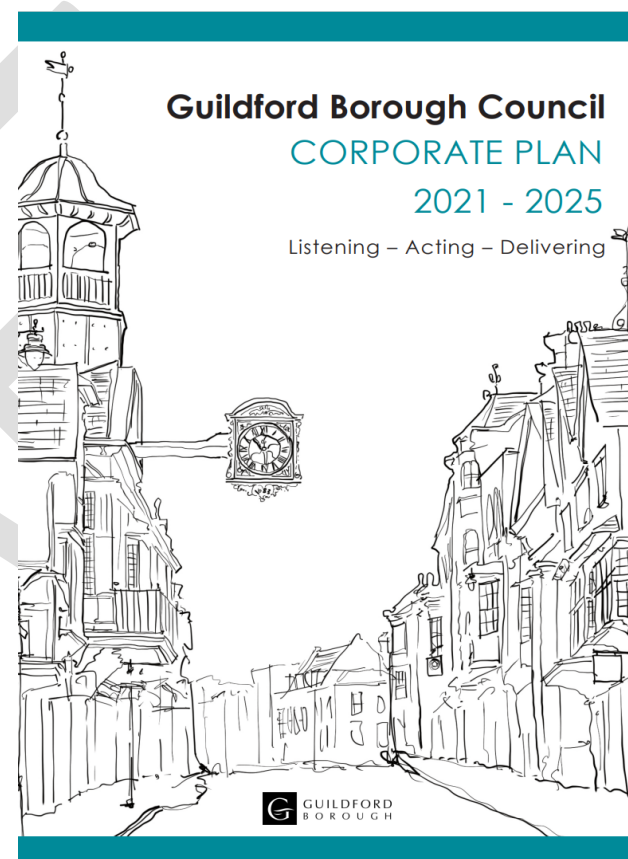
Guildford Borough Council – Corporate Priorities 2021 – 2025

Guildford Borough Council have set their Corporate Plan for 2021 to 2025 which sets out their priorities for the next four years:

- **Homes and Jobs – Residents having access to the homes and jobs they need**
- **Environment – Protecting the environment**
- **Community – Empowering communities and supporting people who need help**

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These three key priorities are underpinned by a range of 21 objectives, projects, and initiatives.



Agenda item number: 7
Appendix 1

Council Risk

The corporate risks assessed by the Council are a key focus of our planning for the year to ensure it meets the organisation's assurance needs and contributes to the achievement of their objectives (those of a high and medium risk highlighted below).

Risk Number	Title	Net Risk Score
CR14	The Council experiences increased costs.	24
CR15	Financial fraud is committed by a resident, contractor or service user.	24
CR9	Capital programmes and projects experience issues that affect time, quality or budget.	20
CR25	Management and governance processes in place are not fully utilised for all programmes and projects.	16
CR26	There is a lack of decision making in relation to service delivery in response to the current economic climate and financial challenges.	16
CR21	The Council fails to meet its target of becoming net carbon zero by 2030 for the Council's own operations in Scope 1 & 2.	15
CR30	The current IT model and level of resource is not sufficient or viable for the level of change happening in the organisation.	15
CR6	The Council is unable to recruit and retain staff, including as a result of the Guildford/Waverley collaboration.	12
CR24	The Council does not achieve the most efficiency and value of key IT systems for example Business World, Salesforce modules.	12
CR28	The Council does not spend sufficient RTB receipts.	12
CR31	Procurement processes are not being adhered to across the Council.	12
CR7	External events cause major emergencies and incidents in the borough (such as flooding, fire, terrorism, climate change, pandemic/new variant of Covid-19).	9
CR11	The Council will be unable to achieve its ambitions in certain areas as a result of being unable to access certain funding, for example for infrastructure from LEP, Homes England etc.	9
CR12	The Council will be unable to make the savings required to close the budget gap.	9
CR1	A member of staff or a Council contractor is involved in an incident or accident at work.	8
CR2	The public is involved in an incident or accident relating to the Council's work or services carried out by a contractor or partner delivered on the Council's behalf, including the Freedom Leisure and Glive contracts.	8
CR3	Vulnerable adults and children are not properly safeguarded.	8
CR13	The Council experiences loss of income from local income streams e.g., fees and charges / council tax / property rents etc.	8
CR16	The Council experiences a major data breach.	8
CR22	A member of the public suffers injury or loss of life at a Council property or premises.	8
CR8	The Guildford/Waverley collaboration does not meet its objectives.	6
CR27	The operating case model isn't applied consistently and effectively across services.	6
CR17	The Council experiences a minor data breach.	4

We will monitor the corporate risk register closely over the course of the year to ensure our plan remains agile to the rapidly changing landscape

Developing the Internal Audit Plan 2024/25

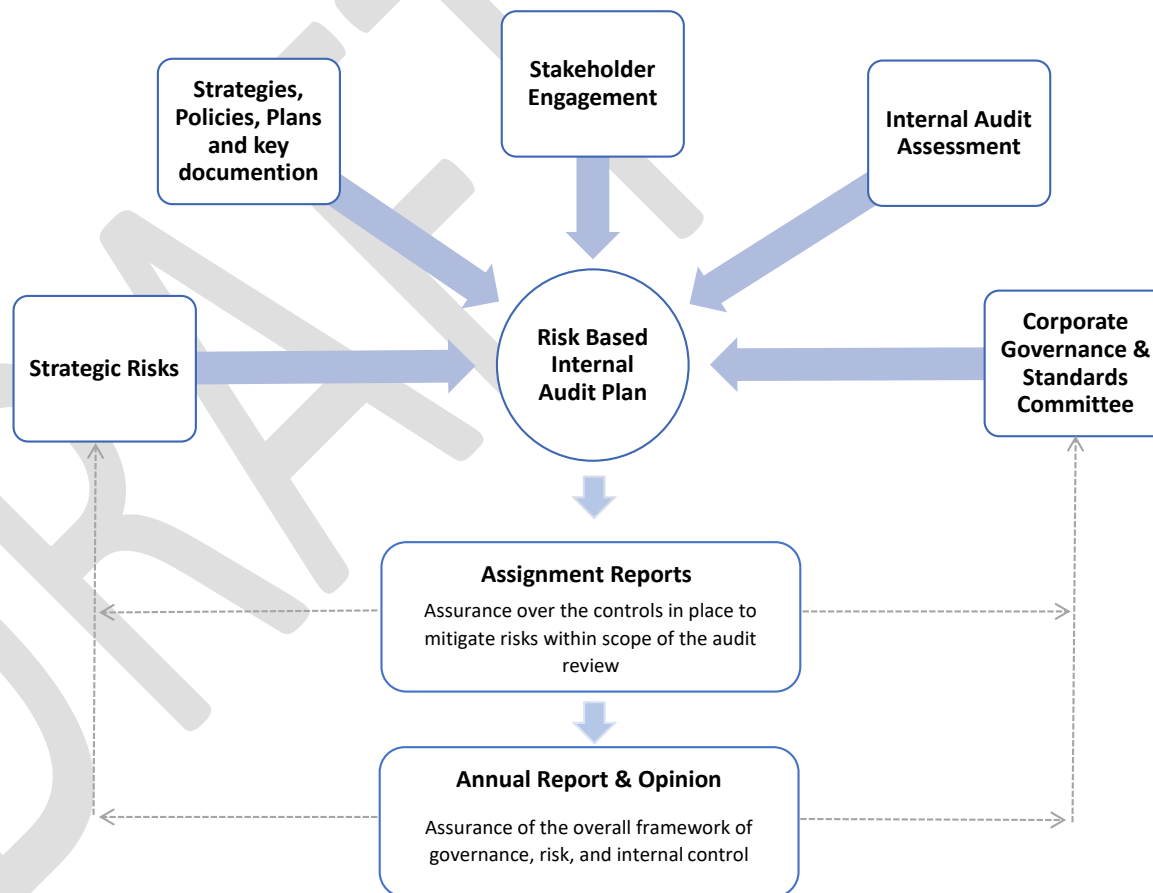
In accordance with the Public Sector Internal Audit Standards there is a requirement that internal audit establish a risk-based audit plan to determine the resourcing of the internal audit service, consistent with the organisation’s goals.

Based on conversations with key stakeholders, review of risk registers, key corporate documents and our understanding of the organisation, the Southern Internal Audit Partnership have developed an annual audit plan for the coming year.

Audit planning is a perpetual process throughout the course of the year to ensure we are able to react to new and emerging risks and the changing needs of the organisation.

The Council are reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not seek to cover all risks and processes within the organisation.

We will however continue to work closely with other assurance providers to ensure that duplication is minimised, and a suitable breadth of assurance is obtained.



Internal Audit Plan 2024-25

Audit Review	Audit Sponsor (Joint Strategic Director)	Indicative Scope	Corporate Risks	Proposed Timing
Governance				
Annual Governance Statement	Transformation and Governance	Cyclical assurance over the governance arrangements to compile, contribute and deliver the AGS.		Q1
Risk Management	Transformation and Governance	Assurance over the risk management framework including governance, transparency and maturity.		Q4
Corporate				
Commercial Properties (Investments)	Place	To provide assurance over the governance, management and accountability of commercial property investments including due diligence and benefits realisation (remaining cognisant of CIPFA guidance).		Q2
Capital Programme Delivery	Place	Assurance over the governance arrangements in place for the collection and distribution of CIL/S106 monies.	CR9, CR25	Q3
Human Resources	Transformation and Governance	Assurance against key services / risk over a cyclical period, to include: <ul style="list-style-type: none"> · Workforce Strategy / Development · Performance Management · Absence Management · Recruitment · Training & Development · Use of Agency Staff · Use of Volunteers For 24/25 the focus will be on recruitment and retention.	CR6	Q2
Health and Safety (Corporate)	Place	Effective H&S Strategy in place and operating effectively with effective governance, accountability and issue resolution.	CR1, CR2, CR22	Q2
IT				

Audit Review	Audit Sponsor (Joint Strategic Director)	Indicative Scope	Corporate Risks	Proposed Timing
IT Asset Management	Community Wellbeing	Assurance that effective processes are in place to manage and maintain the Council's IT assets. Of particular importance in light of changes to the operating model during .		Q4
Identity and Access Management	Community Wellbeing	Assurance over policies and procedures in place to ensure access to systems and data is appropriately authenticated, limited to least privilege principles and auditable.		Q2
Core Financial				
Council Tax	Transformation and Governance	Cyclical review as a key financial system.		Q3
Main Accounting	Transformation and Governance	TBC – Balance Sheet feeder systems		Q1
Medium Term Financial Planning	Transformation and Governance	Assurance over the process and development of the medium-term financial strategy.	CR14, CR12	Q1
Homes and Jobs				
Housing Stores	Community Wellbeing	Assurance over the framework of control in place for the management and operation of the housing store.		Q4
Housing Rents	Community Wellbeing	Cyclical review of the rent collection process.		Q1
Repairs and Maintenance (Statutory H&S Checks)	Community Wellbeing	Assurance over the arrangements in place to ensure that all required legislative checks are being conducted and any remedial works identified are undertaken in a timely manner for the Council's housing stock. For 2024/25 the focus will be on electrical and fire safety checks.		Q2
Responsive and Emergency Repairs	Community Wellbeing	Assurance over the governance arrangements in place for the management and operation of responsive repairs works.		Q3
Building Control	Transformation and Governance	Assurance over the administration of building control applications, including the collection of fees and charges.		Q4
Environment				

Audit Review	Audit Sponsor (Joint Strategic Director)	Indicative Scope	Corporate Risks	Proposed Timing
Fleet Operations	Community Wellbeing	Assurances over the processes in place for the management and operation of the Council's fleet, including maintenance, inspections and MOT's.		Q1
Environmental Health and Crime	Place	To provide assurance over regulatory activities including animal control, food safety, pollution control, enforcement, etc. For 224/25 the focus will be air quality monitoring.		Q3
Climate Strategy	Transformation and Governance	Assurance over the governance arrangements and funding plan established to manage and monitor progress against the Climate Change Action Plan.	CR21	Q3
Community				
Safeguarding	Community Wellbeing	To ensure effective policies and procedures are in place and training provided to staff along with appropriate statutory checks.	CR3	Q2
Other				
Events	Transformation and Governance	Assurance over the process in place for the approval of events , including the fees and charges set, collecting of income.		Q1
Miscellaneous				
Management				Q1 – Q4
Total Days				300

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Guildford Borough Council

Report to: Corporate Governance & Standards Committee

Date: 13 March 2024

Ward(s) affected: All

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

Author: Jo Knight – Interim Finance Executive

Contact jo.knight@guildford.gov.uk

Lead Councillor responsible: Richard Lucas

Email: Richard.lucas@guildford.gov.uk

Report Status: Open

Month 10 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 overspend within services on the GF revenue account of £0.237 million which includes specific reserves transfers. Corporate adjustments, provisions and external interest receivable, is forecast to overachieve by £0.488 million to give an overall favourable variance of £0.251 million. Any surpluses or deficits would impact reserves at year end.
- 1.3 Officers are projecting an overspend on the HRA of £0.328 million, details are highlighted in the report.
- 1.4 GF reserves are forecast to be £39.210 million at year end, of which £31.445 million are earmarked and £7.765 million are available and classed as usable, this excludes the GF working balance.

- 1.5 Progress against the capital programme is underway. The Council expects to spend £73.68 million on its capital schemes by the end of the financial year against a budgeted expenditure of £228.64 million. This forecast supports the report of the Interim Executive Head of Finance reducing the Capital Programme by £96.6 million.
- 1.6 Debt due to the Council is £4.576 million of which £1.333 million is supported by payment plans leaving £3.243 million which is debt due to the Council.
- 1.7 There are £6.613 million savings within the 2024-25 budget which will be monitored and reported on monthly.

2. Recommendation to Committee

- 2.1 The Committee is asked to agree the following:
 - (1) That the Council's latest financial monitoring for the financial year 2023-24 be noted and that any comments and observations be passed on to the Executive.
 - (2) That underspends be earmarked for any additional interim support needed at the current time.

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.

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 the 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 Finance 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 report in consultation with the relevant service managers, Joint Executive Heads of Service and Directors.
- 8.2. The Lead Councillor for Finance and 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.

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 £0.251 million. The forecast is based on the worst-case scenario for expenditure pressure.

10.2 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).

GENERAL FUND SUMMARY	Original Estimate	Latest Estimate	Projected Outturn	Variance to latest
	2023-24	2023-24	2023-24	2023-24
	£	£	£	£
Community Wellbeing	18,037,833	17,932,525	19,542,291	1,609,766
Place	(2,044,480)	(2,300,667)	(2,388,420)	(87,752)
Transformation and Governance	10,190,811	9,316,294	8,031,726	(1,284,568)
Total Directorate Level	26,184,164	24,948,152	25,185,597	237,445
Less capital charges	(8,772,936)	(8,772,936)	(8,772,936)	0
	17,411,228	16,175,216	16,412,662	237,445
Corporate Items				
External interest receivable (net)	(2,794,690)	(3,394,690)	(4,441,427)	(1,046,737)
Interest payable to Housing Revenue Account	1,375,960	1,375,960	1,935,429	559,469
Minimum Revenue Provision	1,780,745	1,618,674	1,617,981	(693)
Other reserve movements	9,940	0	0	0
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	0	140,061	140,061	0
Net General Fund Cost	13,120,662	11,252,700	11,002,185	(250,515)
Council Tax requirement	11,252,700	11,252,700	11,252,700	0
Shortfall / (surplus)	1,867,962	0	(250,515)	(250,515)

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

Directorate	2023/24 Revised Budget £ million	2023/24 Year-end Forecast £ million	2023/24 Variance £ million
Community Wellbeing	17.933	19.542	1.610
Place	(2.301)	(2.388)	(0.088)
Transformation & Governance	9.316	8.0312	(1.285)
Totals	24.948	25.186	0.237

Housing Revenue Account

10.3 The HRA is forecast to have an adverse variance this financial year by £0.953 million, as summarised in the table below. This would reduce the transfer to reserves if action cannot be taken to reduce this.

	2023/24 Revised Budget £ million	2023/24 Forecast £ million	2023/24 Variance £ million
Expenditure	21.856	22.394	0.538
Income	(36.654)	(36.865)	(0.211)
Transfer to Reserves	14.798	14.471	(0.328)
(surplus)/deficit	0.000	0.000	0.000

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

Reserves Monitoring

10.4 The GF earmarked revenue reserves estimate, as at 31 March 2024, includes £31.445 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.

- 10.5 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 £14.099 million, as at 31 March 2024.
- 10.6 The level of projected earmarked reserves available for general purposes, to support the revenue or capital budgets is therefore the balance of the MTFP £7.765 million.
- 10.7 Following the accounting changes approved in the Financial Recovery Plan in October 2023, the opening balances have moved due to changes made in previous periods. This includes the capitalisation of interest for 2021-22 and 2022-23 as per the budget report. These have been identified and forecast within the current forecast.

	Balance at 31 March 2023	Receipts in Year	Transfers out in Year	Estimated Balance at 31 March 2024
	£000	£000	£000	£000
General Fund Reserves				
MTFP	(8,264,502)	(589,154)	1,088,950	(7,764,706)
Carried Forward Items	(893,738)	0	194,000	(699,738)
ICT Renewals	(1,894,367)	(500,000)	656,000	(1,738,367)
Insurance	(500,000)	0	0	(500,000)
Spectrum	(773,352)	0	352,631	(420,721)
Car Parks Maintenance	(2,330,540)	0	282,222	(2,048,318)
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	(13,452,057)	(741,215)	94,701	(14,098,570)
BR Covid ongoing	(330,462)	0	0	(330,462)
Other reserves	(1,361,017)	(1,735,966)	538,208	(2,558,774)
TOTAL	(32,730,574)	(9,686,097)	3,206,712	(39,209,960)

Capital Programme

- 10.8 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.

CAPITAL EXPENDITURE SUMMARY	2023/24 Approved £000	2023/24 Revised £000	2023/24 Outturn £000	2023/24 Variance £000
General Fund Capital Expenditure				
- Main Programme	147,379	177,962	72,317	(105,646)
- Provisional schemes	48,288	48,746	0	(48,746)
Schemes funded by reserves	1,031	1,564	997	(567)
- S106 Projects	122	370	370	0
Total Expenditure	196,820	228,642	73,684	(154,959)
Housing Revenue Account Capital Expenditure				
Approved programme	47,866	60,955	34,361	(26,595)
Provisional programme	15,928	16,928	0	(16,928)
Total Expenditure	63,794	77,883	34,361	(43,523)

Approved (main) programme

- 10.9 Expenditure is expected to be £72.32 million representing a £105.65 million variance to the revised estimate of £177.96 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 the Executive. Whilst actual expenditure for the period of £42.58 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

- 10.10 Expenditure on the provisional programme is expected to be £0 million, against the revised estimate of £48.75 million, representing a variance of £48.75 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.

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

S106 programme

10.12 Capital schemes funded from s106 developer contributions are expected to total £370,000. 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

10.13 Some capital schemes are funded from the Council's specific reserves. The outturn is anticipated to be £997,000. The main projects are:

- Expenditure on car parks £190,000.
- ICT renewals and infrastructure improvements £656,000

Capital Resources

10.14 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 £20.58 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

10.15 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	claimed in year	Funds received to P10	payment due	2023-24 estimated remaining funding	Future Years	Total Funding
	£	£	£	£	£	£	£
Weyside Urban Village (WUV)							
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		64,417		70,220	-	409,256
HIF Grant WUV £52.3m	9,875,816	15,771,823	12,433,254	3,338,569	7,005,877	19,646,484	52,300,000
WUV Funding total	19,470,072	15,771,823	12,497,671	3,338,569	7,076,097	19,646,484	61,894,256
							0
Ash Road Bridge							0
Ash Road Bridge HIF (capacity funding)	410,040					-	410,040
Ash Road Bridge HIF £23.9m	5,921,573	8,892,835	8,892,835	-	9,085,592	-	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
ARB Funding total	8,836,947	8,892,835	9,041,937	-	15,446,490	2,640,000	35,965,374

Housing Investment Programme Approved Capital

10.16 The HRA approved capital programme is expected to outturn at £34.361 million against a revised estimate of £60.955 million. Several projects are in progress.

10.17 Guildford Park 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.

10.18 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.

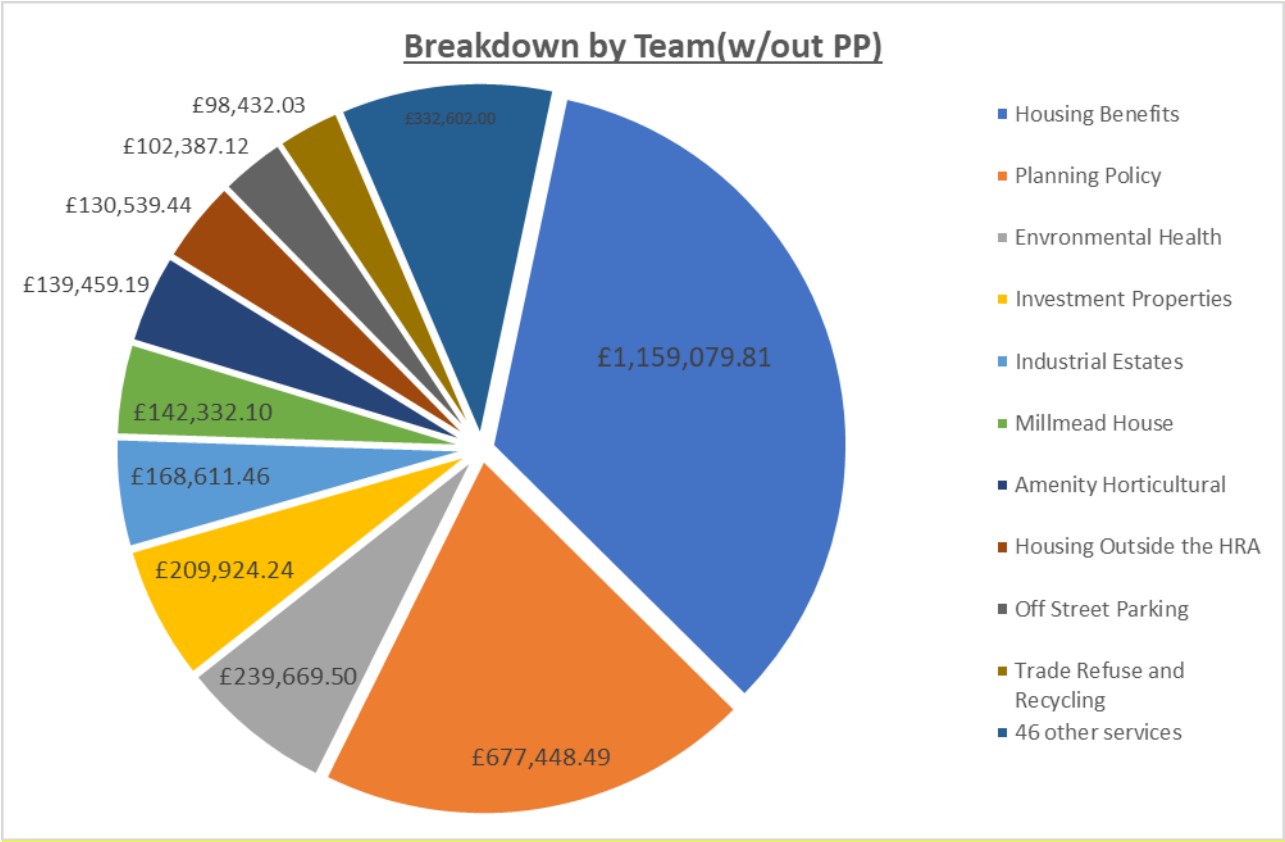
Reconciliation of Spend to RTB	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Value of receipts that will need surrendering if no further spend	0	0	0	0	2010
HIP Expenditure required to avoid RTB repayments	0	0	0	0	5,026
Forecast HIP Expenditure from the Approved Capital program	3,193	3,620	5,006	0	0
Cumulative Expenditure forecast	6,075	9,695	14,701	14,701	14,701
Forecast additional receipts that will be used (c x 40%)	1,277	1,448	2,002	0	0
Cumulative additional receipts that will be used ((cumulative	1,277	2,725	4,728	4,728	2,717
Revised value of receipts that might need to be surrendered			0	0	0

11. Sundry Debt

11.1. As at 31 January 2024, the sundry debt (including Housing Benefit overpayments) position is £4.734 million of which £0.157 million is less than 30 days and within payment terms, leaving £4.576 million overdue debt. Of that, £1.333 million is supported by payment plans leaving £3.243 million which is debt due to the Council. This is down from the position at the end of December but still higher than November. The position is still high due to the one invoice for £0.620 million (SAMM Contribution) rolling over again from last month, but this has now been paid.

Period	Total Overdue Debt	Total Payment Plan	Remaining Overdue Debt	Payment Plan %
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%
202309	£ 5,201,773.84	£ 1,504,745.50	£ 3,697,028.34	29%
202310	£ 4,576,319.89	£ 1,333,417.39	£ 3,242,902.50	29%

11.2 The total debt figure continues to fall and overdue debt without a payment plan has reduced by over £0.400 million, had the invoice above been paid before the end of January we would have been at the lowest debt for the previous 12 months. As this is now paid, it is expected that the total debt will reduce at the end of period 11.



Age of Debt

11.3 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 *inc debt not due
Type of Debt	£	£	£	£	£	£
Sundry Debt on a Payment plan	1,725	18,559	9,545	153,419	562,027	749,193
Remaining Sundry Debt	704,349	582,125	88,760	340,482	384,429	2,241,406
Housing Benefit Debt on Payment Plan	0	0	5,047	9,938	569,237	584,224
Remaining Housing Benefit Debt	7,026	23,960	5,889	49,148	1,060,645	1,159,079
Total Debt	713,101	624,645	109,243	552,989	2,576,340	4,733,903

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

1. Recruitment to two roles within the case team continues which is having an impact in a small team.
2. Monthly reviews of the case team debt portfolio are scheduled and continue to benefit the team with clear prioritisation and more support on difficult customers.
3. Escalation process is continuing to progress with services now receiving the debt reports for their services and also the wider finance team include the debt position into the regular conversations being had around budget monitoring.
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. Budget Savings for 2024-25

- 12.1 The 2024-25 budget includes £6.613 million of savings which are either service specific or cross organisational. Work is currently being undertaken with services to ensure there are robust plans including timelines for all savings plans. During 2024-25 reporting on the achievement of savings will form part of the monthly monitoring and forecasting. Achievement of the savings will enable the Council to balance its budget and any savings which cannot be achieved will require mitigations to be in place.

Service	Saving Target	Saving forecast	Saving achieved to date
Community Wellbeing	£1,038,000	£1,038,000	£50,000
Place	£187,000	£187,000	£124,000
Transformation & Governance	£3,594,000	£3,594,000	£707,000
All services	£1,793,900	£1,793,900	£0
Total Savings	£6,612,900	£6,612,900	£881,000

13. Legal Implications

13.1 Financial reporting is consistent with the Section 151 officer’s duty to ensure good financial administration of the Council.

14. Human Resource Implications

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

15. Equality and Diversity Implications

15.1 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.

15.2 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.

16. Climate Change/Sustainability Implications

16.1 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.

17. 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 updated December Financial Recovery Plan

18. 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 £0.251 million on the general fund. Services must review all known risks and continue to manage budgets to ensure this remains favourable.

19. Background Papers

None.

20. Appendices

Appendix 1: Summary Directorate Variances

Appendix 2: HRA Summary Variances

Appendix 3: Approved Capital Programme Movements

Appendix 4: Capital Programme

Summary Directorate Variances

Community Wellbeing

The Community Wellbeing Directorate is currently forecast to be overspent by £1.610 million.

Community Wellbeing	2023/24 Revised Budget £ million	2023/24 Year-end Forecast £ million	2023/24 Variance £ million
Communications & Customer Services	1.466	1.293	(0.174)
Community Services	3.999	3.752	(0.246)
Environmental Services	10.565	11.626	1.061
Housing Services	1.900	2.913	1.013
North Downs Housing	0.003	(0.041)	(0.045)
Total Community Wellbeing	17.933	19.542	1.610

The key variances are detailed below.

Service Area	Forecast Variance £ million	Explanation
Communications & Customer Services	(0.174)	Saving is due to an underspend on staffing because of vacant posts.
Community Services	(0.246)	There is an overachievement of income from the help on hand service, from previous periods in addition to a saving on salaries and unbudgeted grant income received.
Environmental Services	1.061	Fleet Management are forecasting to overspend by £0.604 million due to vehicle hire, overtime and material costs. The crematorium has increased costs on asset maintenance due to breakdowns. Both Domestic refuse and recycling and garden waste are forecasting overspends mostly due

		to increased staffing costs. Street Cleaning and Amenity Horticulture are forecasting a favourable variance due to vacant posts from failed recruitment.
Housing Services	1.013	Building Maintenance is forecasting an overspend of £1.225 million due to the rising costs of materials, labour and staffing costs. 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.

Place Directorate

The Place Directorate is currently forecast to be underspent by £0.088 million

Place	2023/24 Revised Budget £ million	2023/24 Year-end Forecast £ million	2023/24 Variance £ million
Assets and Property	(7.163)	(7.685)	(0.522)
Planning & Development	1.351	2.138	0.787
Regeneration & Planning Policy	1.893	1.622	(0.272)
Regulatory Services	1.618	1.537	(0.081)
Total Place	(2.301)	(2.388)	(0.088)

The key variances are detailed below.

Service Area	Forecast Variance £ million	Explanation
Assets and Property	(0.522)	The asset maintenance forecast is adjusted to show an underspend of

		£784,200 in the service as expenditure is incurred and forecast across other services (total anticipated overspend £396,000). There are salary savings due to vacancies. Valuers' fees were overstated in the previous monitoring report and have now been adjusted to reflect predicted. Woking Road Facilities Management is overspent on equipment, staffing and building maintenance.
Planning & Development	0.787	There is a significant forecasted overspend on consultants and additional agency staff for appeals and planning applications which has been partially offset by vacancies and a transfer from reserves. Planning fees will be under budget by £492,000 in part due to the suspension of pre-application charges but largely due to a significant decrease in planning application fee income. The income from land charges will under achieve due to a downturn in the housing market.
Regeneration & Planning Policy	(0.272)	A favourable forecast due to underspends on major projects, recharges to capital and planned savings and vacancies held to support current financial situation
Regulatory services	(0.081)	Increase income from grant from Air Quality Active Travel Grant.

Transformation & Governance Directorate

The Transformation & Governance Directorate is currently forecasting to be underspent by £1.285 million.

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Appendix 1

Transformation & Governance	2023/24 Revised Budget £ million	2023/24 Year-end Forecast £ million	2023/24 Variance £ million
Commercial Services	1.667	1.228	(0.440)
Finance	1.540	0.823	(0.718)
Corporate Management	1.964	1.616	(0.347)
Unallocated Costs	3.106	3.354	0.247
Legal & Democratic Services	0.815	0.772	(0.043)
Organisational Development	0.233	0.239	0.015
Total Transformation & Governance	9.316	8.032	(1.285)

The key variances are detailed below.

Service Area	Forecast Variance £ million	Explanation
Commercial Services	(0.440)	Overachievement of car park income due to increased usage and increased PCN income. Building control is forecasting an overspend due to unachieved income targets and additional agency costs. Leisure Management is forecasting an overspend due to reduced income from utilities cost recovery.
Corporate Management	(0.347)	Forecast underspend due to savings on staffing from to vacant posts and consultancy which has been offset by additional costs of external Audit.
Finance	(0.718)	The forecast underspend is due to Housing benefits where grant due to be received is above the budgeted amount in addition to savings on staffing costs.

Unallocated Costs	0.247	Overspend is due to transfer to reserves for items identified within the budget report for 2024/25 offset by the unused inflationary increase.
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Housing Revenue Account Forecast Outturn Position for 2023/24

The HRA is currently forecast to have a deficit of £0.327 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
	£	£	£
Expenditure			
Strategic and Community Housing Service	13,122,812	13,477,750	354,938
Sheltered Housing	852,211	1,189,122	336,912
Depreciation	5,864,700	5,864,700	0
Other	2,016,238	1,862,527	-153,711
Total Expenditure	21,855,961	22,394,099	538,139
Income			
Council House Rents	-34,428,974	-34,989,601	-560,627
Fee's, Charges and Misc. Income	-2,225,342	-1,875,304	350,038
Total Income	-36,654,316	-36,864,905	-210,589
Transfer to Reserves			
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	9,065,310	8,737,761	-327,549
Total Income	14,798,355	14,470,806	-327,549
(SURPLUS)/DEFICIT	0	0	0

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

Aged Debt

The debt for the Service is £106,288 with £106,239 due now as the rest is within payment terms.

Team	Not due yet	Overdue by less than 30 days	Overdue between 31 & 60 days	Overdue between 61 & 90 days	Overdue between 3 to 6 months	Overdue by more than 6 months	Total Debt
Tenant Services	0	0	0	1,700	0	0	1,700
Sheltered Housing	0	0	0	0	80	98	178
Flats Communal Services	(260)	(258)	(15)	8,681	(4,627)	68,557	72,077
HRA Income	309	4,038	7,183	4,938	100	15,765	32,332
Grand Total	49	3,779	7,168	15,318	(4,447)	84,420	106,288

Appendix 3

Background to movements in the capital programme

GF Approved programme

Expenditure is expected to be £72.32 million representing a £105.6 million variance to the revised estimate of £177.96 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 (or Council where appropriate). Whilst actual expenditure for the period of £42.58 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 challenging site conditions caused by inclement weather. This project is part grant funded from Homes England Housing Infrastructure Fund (HIF) and as part of the grant funding agreement there are specific milestones that have to be met in the delivery of the project, where any slippage in delivery of the programme to the milestones may result in the loss of grant funding. The overall status of the project is Green, which includes a green rating for the budget and comms. However, there is a Red rating against current risks and milestones.
- ED6 – Weyside Urban Village (£43.99 million) – This project has been reprofiled based on current cashflow information. Work is progressing on the detailed design and infrastructure delivery. The project status is currently rated-Red on the SPPB 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. Initial Planning Consent risk has been mitigated and the project team are actively working through the planning conditions on the critical path. This extension to the milestone 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. An annual update on the financial forecast will be

presented to Executive and Council in March/ April 2024, with a subsequent paper on these mitigation options to follow.

- FS1 – Capital Contingency Fund – (£1.8 million)
- ED49 – Midleton Industrial Estate redevelopment (£2.15 million) – Phase 4 construction completed in December 2023, and final accounts scheduled for completion this financial year.

In addition to the schemes outlined above, the re-profiling of the following significant amounts that were due to be spent on schemes or projects in 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) – As outlined above, work is progressing on this scheme, with the current estimated spend in 2023/24 at £19.3 million from an original budget of £30.4 million. The remaining amount has been moved to 2024/25 to reflect a reprofiled cash flow linked to construction delivery.
- ED6 – WUV (£66.45 million) - Current estimated spend in 2023/24 is £43.9 million from an 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 scheme has been reviewed and decision made to remove from the Capital programme. A revenue allocation has been made within the 2024/5 Revenue budget instead.

GF Provisional programme

Expenditure on the provisional programme is expected to be £0 million, against the revised estimate of £48.75 million, representing a variance of £48.75 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)
- Spectrum upgrades (£1.25 million)

Housing investment programme

The HRA approved capital programme is expected to outturn at £34.361 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 SPPB monitoring report due to uncertainty around the scheme cost to the Council in advance of the procurement process being completed. £464,000 has been reprofiled to 2024-25 but 24/25 budget requirements 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 2026/27 in anticipation of a mandate coming forward to Executive for approval to progress feasibility work.

- Various small site projects – (£9.12 million) there is slippage on these projects but it is anticipated that a number of schemes will be in delivery in 2024/5. (£8.7 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.

Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-23	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
			Estimate approved by Council in February	Revised estimate	Expenditure at 06.02.24	Projected exp est by project officer											
	(a)	(b)	(c)	(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	
APPROVED SCHEMES																	
COMMUNITY WELLBEING DIRECTORATE																	
General Fund Housing																	
Disabled Facilities Grants		annual	605	605	381	694	605	-	-	-	-	605	1,299	(1,210)	-	89	
Better Care Fund		annual	-	-	303	-	-	-	-	-	-	-	-	-	-	-	
Home Improvement Assistance		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Solar Energy Loans		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
BCF TESH Project		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
BCF Prevention grant		annual	-	-	9	-	-	-	-	-	-	-	-	-	-	-	
SHIP		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
General Grants to HAs		annual	100	100	-	100	100	-	-	-	-	100	200	-	-	200	
COMMUNITY WELLBEING DIRECTORATE TOTAL	0	0	705	705	694	794	705	0	0	0	0	705	1,499	-1,210	0	289	
PLACE DIRECTORATE																	
Assets and Property																	
Methane gas monitoring system	100	48	52	52	-	(0)	52	-	-	-	-	52	100	-	-	100	
Energy efficiency compliance - Council owned properties	245	102	133	143	-	0	143	-	-	-	-	143	245	-	-	245	
Bridges -Inspections and remedial works	317	256	-	61	15	40	21	-	-	-	-	21	317	-	-	317	
Tyting Farm Land-removal of barns and concrete hardstanding	200	143	57	57	7	10	47	-	-	-	-	47	200	-	-	200	
Flood resilience measures (use in conjunction with grant)	445	324	-	121	-	0	121	-	-	-	-	121	445	-	-	445	
Merrow lane grille & headwall construction	60	3	-	57	-	-	57	-	-	-	-	57	60	-	-	60	
Chilworth Gunpowder Mills	20		20	20	-	20	-	-	-	-	-	-	20	-	-	20	
PLACE DIRECTORATE TOTAL	1,387	876	262	511	22	70	441	0	0	0	0	441	1,387	0	0	1,387	
COMMUNITY WELLBEING DIRECTORATE																	
Community Services																	
Traveller transit site provision	127		-	127	-	-	127	-	-	-	-	127	127	-	-	127	
Environmental Services																	
Vehicles, Plant & Equipment Replacement Programme	12,815	10,529	149	136	30	70	2,216	-	-	-	-	2,216	12,815	(26)	-	12,789	
Crown court CCTV	10	-	-	10	-	-	10	-	-	-	-	10	10	-	-	10	
Town Centre CCTV upgrade	106	-	125	250	-	-	106	-	-	-	-	106	106	(106)	-	-	
Redevelopment of Westborough and Park Barn play area	376	-	320	376	142	376	-	-	-	-	-	-	376	(56)	-	320	
Stoke cemetery re-tarmac	122	77	-	45	-	45	-	-	-	-	-	-	122	-	-	122	
Parks and Countryside - repairs and renewal of paths,roads	355	337	-	18	18	18	-	-	-	-	-	-	355	-	-	355	
Shalford Common - regularising car parking/reduction of	121	36	92	85	2	10	75	-	-	-	-	75	121	-	-	121	
Traveller encampments	53		26	53	3	3	50	-	-	-	-	50	53	-	-	53	
Stoke Park Paddling Pool (complete)	170	168	-	2	2	2	-	-	-	-	-	-	170	-	-	170	
Lido - Drainage Works and Changing Rooms	2,100	1,168	200	879	731	879	53	-	-	-	-	53	2,100	-	(1,500)	600	
SMP astro turf surface (complete)	3		8	8	3	3	-	-	-	-	-	-	3	-	-	3	
Crematorium Bollards & Lamppost	5			5	-	5	-	-	-	-	-	-	5	-	-	5	
Derby Road playground conversion	120		120	30	-	30	-	-	-	-	-	-	30	-	-	30	
COMMUNITY WELLBEING TOTAL DIRECTORATE	16,483	12,316	1,040	2,024	930	1,441	2,637	-	-	-	-	2,637	16,394	(188)	(1,500)	14,706	
TRANSFORMATION & GOVERNANCE DIRECTORATE																	
Finance																	
Capital contingency fund	annual	-	2,000	1,820	-	1,820	2,000	2,000	2,000	2,000	-	8,000	9,820	-	-	9,820	
TRANSFORMATION & GOVERNANCE DIRECTORATE TOTAL	0	0	2,000	1,820	0	1,820	2,000	2,000	2,000	2,000	0	8,000	9,820	0		9,820	
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																	
Development / Infrastructure PLACE DIRECTORATE																	
Rodboro Buildings - electric theatre through road and parking	416	39	379	377	1	-	377	-	-	-	-	377	416	-	-	416	
Walnut Bridge replacement	5,098	5,642	-	-	183	183	-	-	-	-	-	-	5,825	(2,460)	(950)	2,415	
SMC(West) Phase 1 (complete)	1,948	1,928	-	39	20	20	-	-	-	-	-	-	1,948	(914)	-	1,033	
Ash Road Bridge	44,000	9,189	22,491	30,473	8,530	19,349	14,966	496	-	-	-	15,462	44,000	(35,965)	-	8,035	
Ash Road Footbridge	500	183	36	317	0	-	317	-	-	-	-	317	500	-	-	500	
Broadband for Surrey Hills (B4SH)	60	46	-	14	1	1	13	-	-	-	-	13	60	-	-	60	
Guildford West (PB) station (moved to Capital Vision)	500	-	250	500	-	-	-	-	-	-	-	-	-	-	-	-	
Development Financial - PLACE DIRECTORATE																	
Middleton Ind Est Redevelopment	15,007	12,860	300	2,147	2,028	2,147	-	-	-	-	-	-	15,007	-	-	15,007	
Property acquisitions	12,697	9,675	23,953	23,845	1,634	2,022	1,000	-	-	-	-	1,000	12,697	-	-	12,697	
Rebuild Crematorium(complete)	11,111	10,934	-	177	177	177	-	-	-	-	-	-	11,111	-	-	11,111	
North Street Development / Guild Town Centre regeneration	1,727	1,586	100	141	66	99	42	-	-	-	-	42	1,727	(250)	-	1,477	
Shaping Guildford Future (SGF) (no longer reqd)	4,170		2,640	4,170	-	-	-	-	-	-	-	-	-	-	-	-	

Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-23	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
			Estimate approved by Council in February	Revised estimate	Expenditure at 06.02.24	Projected exp est by project officer											
			(c)	(d)	(e)	(f)	(g)										
(a)	(b)	(c)	(d)	(e)	(f)	(ii)	(iii)	(iv)	(v)	(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	
Internal Estate Road - CLLR Phase 1	11,139	10,946	-	193	960	193	-	-	-	-	-	-	11,139	(5,107)		6,032	
P WUV (Weyside Urban Village)	170,506	29,004	93,223	110,452	6,039	43,943	66,509	-	-	-	-	66,509	170,706	(56,787)		113,918	
WUV - Allotment relocation	200	3,442	-	-	302	-	-										
WUV - Int roads, Site clearance	-	1	-	-	1,296	-											
WUV - New GBC Depot	2,480	2,424	-	56	792	56	-					-	2,480			2,480	
WUV - Off Site Highways	-	-	-	-	584	-	-					-					
WUV - Thames Water relocation	-	26,717	-	-	17,914	-											
WUV - Utilities & Plot services	-	-	-	-	79	-	-					-	-			-	
WUV - Land Purchase	-	1,091	-	-	-	-											
WUV - Waste Transfer Centre					0												
WUV - Commercial Development					1												
WUV - SANG			-	-	212	-	-					-	-			-	
WUV - Common Land			-	-	117	-	-					-	-			-	
DEVELOPMENT/INCOME GENERATING/COST REDUCTION	281,559	125,705	143,372	172,902	40,936	68,191	83,224	496	0	0	0	83,720	277,616	-101,484	-950	175,181	
APPROVED SCHEMES TOTAL	299,429	138,896	147,379	177,962	42,583	72,317	89,007	2,496	2,000	2,000	0	95,503	306,716	-102,882	-2,450	201,383	
non-development projects total	17,870	13,192	4,007	5,060	1,647	4,126	5,783	2,000	2,000	2,000	0	11,783	29,100	-1,398	-1,500	26,202	
development/infrastructure - non-financial benefit	52,522	17,027	23,156	31,720	8,734	19,553	15,673	496	0	0	0	16,169	52,749	-39,339	-950	12,459	
development- financial benefit	229,037	108,678	120,216	141,182	32,202	48,638	67,551	0	0	0	0	67,551	224,867	-62,144	0	162,723	
TOTAL	299,429	138,896	147,379	177,962	42,583	72,317	89,007	2,496	2,000	2,000	0	95,503	306,716	-102,882	-2,450	201,383	
SUMMARY																	
APPROVED SCHEMES - TOTAL	299,429	138,896	147,379	177,962	42,583	72,317	89,007	2,496	2,000	2,000	-	95,503	306,716	(102,882)		201,383	
GRAND TOTAL	299,429	138,896	147,379	177,962	42,583	72,317	89,007	2,496	2,000	2,000	-	95,503	306,716	(102,882)		201,383	

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

Directorate / Service Units Capital Schemes	Gross estimate approved by Executive	Cumulative spend at 31-03-23	2023-24 Estimate approved by Council in February	Revised estimate	Expenditure at 06.02.24	Projected expenditure 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	Future years estimated expenditure	Projected expenditure total	Grants or Contributions towards cost of scheme	Net total cost of scheme to the Council
	(a)	(b)	(c)	(e)	(f)	(g)	(i)	(ii)	(iii)	(iv)	(v)	(v)	(v)	(v)	(h)	(b)+(g)+(h)=(i)	(j)	(i) - (j) = (k)
	£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)																		
PLACE DIRECTORATE																		
Assets and Property																		
Methane gas monitoring system	150	-	150	150	-	-	150	-	-	-	-	-	-	-	150	150	-	150
Energy efficiency compliance - Council owned properties & Bridges	3,218	-	2,718	2,718	-	-	-	2,718	500	-	-	-	-	-	3,218	3,218	-	3,218
Investment Property void pot	370	-	-	370	-	-	370	-	-	-	-	-	-	-	370	370	-	370
Surface water management plan	500	-	100	100	-	-	100	100	100	100	-	-	-	-	500	500	-	500
Chilworth Gunpowder Mills	200	-	200	200	-	-	200	-	-	-	-	-	-	-	200	200	-	200
	160	-	145	155	-	-	160	-	-	-	-	-	-	-	160	160	-	160
PLACE DIRECTORATE TOTAL	4,598	-	3,313	3,693	-	-	980	2,818	600	100	100	-	-	-	4,598	4,598	-	4,598
COMMUNITY WELLBEING DIRECTORATE																		
Environmental Services																		
Vehicles, Plant & Equipment Replacement Programme	21,850	-	2,900	2,900	-	-	-	3,085	2,766	7,183	5,330	2,000	600	886	21,850	21,850	-	21,850
Refurbishment / rebuild Sutherland Memorial Park Pavilion (no longer reqd)	150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stoke Pk gardens water feature refurb (no longer reqd)	40	-	40	40	-	-	-	-	-	-	-	-	-	-	-	-	(29)	(29)
Parks and Countryside - repairs and renewal of paths,roads	1,382	-	250	250	-	-	500	250	250	382	-	-	-	-	1,382	1,382	-	1,382
Millmead fish pass	60	-	-	60	-	-	60	-	-	-	-	-	-	-	60	60	-	60
Memorial Wall	100	-	-	-	-	-	-	100	-	-	-	-	-	-	100	100	-	100
Stoke cemetery re-tarmac	18	-	-	18	-	-	18	-	-	-	-	-	-	-	18	18	-	18
Lido Road Allotment Security Fencing	70	-	70	70	-	-	70	-	-	-	-	-	-	-	70	70	-	70
2015 Play strategy action plan (no longer reqd)	200	-	200	200	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COMMUNITY WELLBEING DIRECTORATE TOTAL	23,870	-	3,460	3,538	-	-	648	3,435	3,016	7,565	5,330	2,000	600	886	23,480	23,480	(29)	23,451
TRANSFORMATION & GOVERNANCE DIRECTORATE																		
Commercial Services																		
Spectrum upgrades	7,100	-	1,250	1,250	-	-	3,000	2,300	1,150	650	-	-	-	-	7,100	7,100	-	7,100
TRANSFORMATION & GOVERNANCE DIRECTORATE TOTAL	7,100	-	1,250	1,250	-	-	3,000	2,300	1,150	650	-	-	-	-	7,100	7,100	-	7,100
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																		
Development / Infrastructure - PLACE DIRECTORATE																		
Investment in North Downs Housing (no longer reqd)	30,100	-	5,518	5,518	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity shares in Guildford Holdings Ltd (no longer reqd)	-	-	3,683	3,683	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sustainable Movement Corridor (no longer reqd)	150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guildford West (PB) station (moved to Capital Vision)	1,000	-	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Westfield/Moorfield rd resurfacing	3,152	-	-	-	-	-	3,152	-	-	-	-	-	-	-	3,152	3,152	-	3,152
Development Financial - PLACE DIRECTORATE																		
GBC Depot - operational	2,430	-	200	200	-	-	2,400	30	-	-	-	-	-	-	2,430	2,430	-	2,430
WUV (Weyside Urban Village)	150,622	-	1,522	1,522	-	-	83,450	51,057	10,025	-	-	-	-	-	144,532	144,532	-	144,532
North Street development	1,250	-	50	50	-	-	100	50	50	50	950	-	-	-	1,250	1,250	-	1,250
Property acquisitions (no longer reqd)	38,292	-	28,292	28,292	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INCOME GENERATING/COST REDUCTION PROJECTS TOTAL	226,996	-	40,265	40,265	-	-	89,102	51,137	10,075	50	50	950	-	-	151,364	151,364	-	151,364
PROVISIONAL SCHEMES - GRAND TOTALS	262,564	-	48,288	48,746	-	-	93,730	59,690	14,841	8,365	5,480	2,950	600	886	186,542	186,542	(29)	186,513
non development projects	35,568	-	8,023	8,481	-	-	4,628	8,553	4,766	8,315	5,430	2,000	600	886	35,178	35,178	(29)	35,149
development/infrastructure - non-financial benefit	34,402	0	10,201	10,201	0	0	3,152	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	0	85,950	51,137	10,075	50	50	950	0	0	148,212	148,212	0	148,212
TOTAL	262,564	0	48,288	48,746	0	0	93,730	59,690	14,841	8,365	5,480	2,950	600	886	186,542	186,542	(29)	186,513
SUMMARY																		
PROVISIONAL SCHEMES - TOTAL	262,564	-	48,288	48,746	-	-	93,730	59,690	14,841	8,365	5,480	2,950	600	886	186,542	186,542	(29)	186,513
GRAND TOTAL	262,564	-	48,288	48,746	-	-	93,730	59,690	14,841	8,365	5,480	2,950	600	886	186,542	186,542	(29)	186,513

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

Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-23	2023-24				Projected expenditure 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
			Estimate approved by Council in February	Revised estimate	Expenditure at 06.02.24									
	(a)	(b)	(c)		(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(f)+(g) = (h)	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
PLACE DIRECTORATE														
ENERGY PROJECTS per SALIX RESERVE:(PR220)			-		-	-	-					-	-	
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)			-		-	-	-					-	-	
SMP - air source heat pump	28	1	-	27	-	0	27	-	-	-	-	27	28	
ENERGY RESERVES TOTAL	72	1	-	71	-	0	71	-	-	-	-	71	72	
CAR PARKS RESERVE														
Car parks - install/replace pay-on-foot equipment	1,170	240	-	-	-	-	930	-	-	-	-	930	1,170	
Lift replacement (PR000293)	841	716	-	125	-	0	125	-	-	-	-	125	841	
Structural works to MSCP	300	50	-	100	-	100	-	-	-	-	-	-	150	
Additional barriers Farnham Rd	15		-	15	-	-	15	-	-	-	-	15	15	
Deck surface replacement (stair cores)Farnham Rd	70		-	70	5	70	-	-	-	-	-	-	70	
Structural repairs roof turret timbers Castle St Car Park	210		200	200	1	20	190	-	-	-	-	190	210	
CAR PARKS RESERVE TOTAL	2,606	1,006	200	510	7	190	1,260	-	-	-	-	1,260	2,456	
COMMUNITY WELLBEING DIRECTORATE														
INFORMATION TECHNOLOGY - IT Renewals Reserve (PR265) : approved annually														
Hardware / software budget	500		440	440	-	440	-	-	-	-	-	-	440	
Hardware	annual	annual	-	-	73	-	-	-	-	-	-	-	-	
Software	annual	annual	-	-	-	-	-	-	-	-	-	-	-	
IC Refresh Phase 2			60	60	8	60	-	-	-	-	-	-	60	
Salesforce	1,200	196			155	155								
IDOX Acolaid to Uniform	275		275	275		-	275	-	-	-	-	275	275	
LCTS alternative	56		56	56		0	56	-	-	-	-	56	56	
IT RENEWALS RESERVE TOTAL	2,031	196	831	831	236	656	331	-	-	-	-	331	831	
SPA RESERVE :														
SPA schemes (various)	100	annual	-	151	-	151	-	-	-	-	-	-	151	
Chantry Woods														
Effingham														
Lakeside														
Riverside														
Parsonage														
SPA RESERVE TOTAL	100	-	-	151	-	151	-	-	-	-	-	-	151	
TRANSFORMATION & GOVERNANCE DIRECTORATE														
SPECTRUM RESERVE														
Spectrum schemes (to be agreed with Freedom Leisure)	431	168	-	-	-	-	-	-	-	-	-	-	168	
SPECTRUM RESERVE TOTAL	431	168	-	-	-	-	-	-	-	-	-	-	168	
GRAND TOTALS	5,240	1,370	1,031	1,564	242	997	1,662	-	-	-	-	1,662	3,678	

FUNDING SUMMARY

Estimate £000	Revised £000	Expenditure at £000	Projected £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000
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GENERAL FUND CAPITAL SCHEMES - PROJECTS FUNDED VIA RESERVES: ESTIMATED EXPENDITURE

Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-23	2023-24		Expenditure at 06.02.24	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
			Estimate approved by Council in February	Revised estimate									
	(a)	(b)	(c)		(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(f)+(g) = (h)
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Reserves (various)			1,031	1,413	242	846	1,662	-	-	-	-		
Grants & contributions			-	151	-	151	-	-	-	-	-		
TOTALS			1,031	1,564	242	997	1,662	-	-	-	-		

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

Service Units / Capital Schemes	Approved gross estimate (a) £000	Cumulative spend at 31-03-23 (b) £000	2023-24		Expenditure at 06.02.24 (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) = (h) £000	Grants / Contributions towards cost of scheme (i) £000	Net cost of scheme (h)-(i) £000
			Estimate approved by Council in February (c) £000	Revised estimate (d)											
APPROVED SCHEMES (fully funded from S106 contributions)															
COMMUNITY WELLBEING DIRECTORATE															
Environmental Services															
Gunpowder mills - signage, access and woodland imp	36	22	14	14	1	14	-	-	-	-	-	-	36	(36)	-
Chantry Wood Campsite	36		36	36	-	36	-	-	-	-	-	-	36	(36)	-
Foxenden Quarry	101	54	59	47	18	47	-	-	-	-	-	-	101	(101)	-
Boardwalk Heathfield Nature Reserve	13		13	13	-	13	-	-	-	-	-	-	13	(13)	-
Shalford park Trim Trail	12			12		12	-	-	-	-	-	-	12	(12)	-
GLIVE Landscaping	1			1	1	1							1	(1)	-
The Briars Playarea	169			169		169							169	(169)	-
Stoke Park Fencing of Feature Planting & Ponw	10			10	10	10							10	(10)	-
Stoke Park Sona Playarea	50			50	50	50							50	(50)	-
Bellfields Pond	18			18		18							18	(18)	-
COMMUNITY WELLBEING DIRECTORATE TOTAL	445	76	122	370	80	370	-	-	-	-	-	-	446	(445)	-
APPROVED S106 SCHEMES TOTAL	445	76	122	370	80	370	-	-	-	-	-	-	446	(445)	-

SUMMARY	
APPROVED S106 SCHEMES - TOTAL	76
GRAND TOTAL	76

76	122	370	80	370	-	-	-	-	-	-	-	446	(445)	-
76	122	370	80	370	-	-	-	-	-	-	-	446	(445)	-

FINANCED BY - S106 CONTRIBUTIONS

(76)	(122)	(370)	(80)	(370)	-	-	-	-	-	-	-	(446)	445	-
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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)

	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)	(5,480)
Balance after funding capital expenditure as at 31 March	136	0	0	0	0	2,814	8,000	58,747

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	147,379	72,317	89,007	2,496	2,000	2,000	0
	0	48,288	0	93,730	59,690	14,841	8,365	5,480
	283	122	370	0	0	0	0	0
	1,109	1,031	997	1,662	0	0	0	0
	0	0	0	0	0	0	0	0
Total estimated capital expenditure	35,445	196,820	73,684	184,399	62,186	16,841	10,365	5,480
To be funded by:								
Capital receipts (<i>per 2.above</i>)	(159)	0	(2,681)	(2,000)	(39,109)	(16,091)	(10,365)	(5,480)
Contributions	(6,862)	(46,336)	(49,147)	(20,622)	(1,020)	(750)	0	0
R.C.C.O.:								
Other reserves	(2,389)	(1,131)	(1,280)	(1,734)	0	0	0	0
	0	0	0	0	0	0	0	0
	(9,410)	(47,467)	(53,108)	(24,356)	(40,129)	(16,841)	(10,365)	(5,480)
Balance of funding to be met from (i) the Capital Reserve, and (ii) borrowing	(26,035)	(149,353)	(20,575)	(160,043)	(22,057)	0	0	0
Total funding required	(35,445)	(196,820)	(73,684)	(184,399)	(62,186)	(16,841)	(10,365)	(5,480)

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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
Balance as at 1 April	0	0	0	0	0	0	0	0
Add: General Fund Revenue Budget variations	0	0	0	0	0	0	0	0
Contribution from revenue	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
Less: Applied re funding of capital programme	0	0	0	0	0	0	0	0
Balance after funding capital expenditure etc.as at 31 March	0	0	0	0	0	0	0	0
Estimated shortfall at year-end to be funded from borrowing	26,035	149,353	20,575	160,043	22,057	0	0	0

Agenda item number: 8
Appendix 4

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 06.02.24 P10	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
Acquisition of Land & Buildings	22,900	4,165	18,382	4,000	518	4,518	2,441	4,518	0	0	0	0	0	22,900
New Build														
Guildford Park	6,575	1,766	5,366	1,084	125	1,209	312	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	0	0	9,591	1,066	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	9,425
Manor House Flats		20	95			0	21	95	96	760	1,567	272	245	
Banders Rise		5	28			0	3	2	0	0				
Station Road East		4	27			0	9	57	69	513	101	67		
Dunmore Garden Land		5	39			0	38	75	311	285	62			
Clover Road Garages		11	57			0	11	24	272	1,425	1,123	264		
Rapleys Field		11	29			0	10	22	148	1,032	809	193		
Georgelands 108		4	5			0	13	46	148	236	37			
27 Broomfield		5	9			0	13	47	214	183	39			
17 Wharf Lane		4	8			0	11	44	202	171	37			
Development Projects	7,100			7,100		7,100		0	0			4,928		7,100
Schemes to promote Home-Ownership								0						
Equity Share Re-purchases	annual	0	annual	400	0	400	0	400	400	400	0	0	0	annual
Major Repairs & Improvements				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				14,324	0						annual
Doors and Windows	annual	908	annual				1,884	0						annual
Structural/Roof	annual	1,056	annual				757	0						annual
Energy efficiency: Central heating/Lighting	annual	1,948	annual				1,297	0						annual
General	annual	9,794	annual				6,040	0						annual
ICT - Housing Management System	1,900			950		950		950	950	0				1,900
Grants														
Cash Incentive Scheme	annual	0	annual	0	0	0	0	0						annual
TOTAL APPROVED SCHEMES	60,357	26,355	24,122	47,866	13,089	60,955	27,183	34,361	4,570	5,006	13,366	6,789	245	59,924

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
New Build													
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
Major Repairs & Improvements													
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
Grants													
Cash Incentive Scheme	annual		annual	75		75	0	75	75	75	75	75	annual
Total Expenditure to be financed	108,625	0	1,225	15,928	1,000	16,928	0	9,444	19,047	56,462	11,582	18,239	88,125

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

	2022-23 Actual	2023-24 Estimate	2023-24 Projected Outturn	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate
	£000	£000	£000	£000	£000	£000	£000	£000
EXPENDITURE								
Approved programme	26,355	47,866	34,361	4,570	5,006	13,366	6,789	245
Provisional programme	0	15,928	0	9,444	19,047	56,462	11,582	18,239
Total Expenditure	26,355	63,794	34,361	14,015	24,053	69,828	18,372	18,484
FINANCING OF PROGRAMME								
Capital Receipts	695	400	400	400	400	0	0	0
1-4-1 receipts	2,372	8,094	2,270	2,836	7,231	25,701	4,374	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	3,405	4,254	10,847	38,552	6,561	7,745
Grants and Contributions	0	0	0	0	0	0	0	0
Total Financing (= Total Expenditure)	26,355	63,794	34,361	14,015	24,053	69,828	16,510	18,386
RESERVES - BALANCES								
	2022-23 Actual	2023-24 Estimate	2023-24 Projected Outturn	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate
	£000	£000	£000	£000	£000	£000	£000	£000
Reserve for Future Capital Programme (U01035)								
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	32,609	7,268	18,775	20,325	22,825	25,325	27,825	30,325
Major Repairs Reserve (U01036)								
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	6,427	285	0	0	0	0	0	0
New Build Reserve (U01069)								
Balance b/f	63,788	66,261	66,068	69,737	73,866	71,570	41,740	44,074
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	-3,405	-4,254	-10,847	-38,552	-6,561	-7,745
Balance c/f	66,068	52,882	69,737	73,866	71,570	41,740	44,074	45,403

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

Balance b/f	5,226	5,630	6,183	7,709	7,655	3,318	-19,400	-20,700
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	-2,270	-2,836	-7,231	-25,701	-4,374	-5,066
Balance c/f	6,183	413	7,709	7,655	3,318	-19,400	-20,700	-22,597

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	5,859	6,845	6,004	6,856	7,741	8,655	9,596	10,568

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	0	0	0	0	0	0	0	0

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

Usable Capital Receipts - post 2013-14 (T01012)

Balance b/f	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	-0	360	301	312	324	336	351	589

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

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Guildford Borough Council

Report to: Corporate Governance and Standards Committee

Date: 13 March 2024

Ward(s) affected: n/a

Report of Director: Transformation & Governance

Author: John Armstrong, Democratic Services & Elections Manager

Tel: 01483 444102

Email: john.armstrong@guildford.gov.uk

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

6 June 2024

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
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
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 Task Groups reporting to the Committee	To review the work carried out by the task groups over the past 12 months and work to be carried out in the next 12 months and appoint councillors to the groups	Corporate Governance and Standards Committee	John Armstrong 01483 444102
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 appeals against refusal of planning permission.	Corporate Governance and Standards Committee	Claire Upton-Brown 01483 444316

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE: 12 MONTH ROLLING WORK PROGRAMME

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
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
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

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE: 12 MONTH ROLLING WORK PROGRAMME

25 July 2024

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
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	Jo Knight 07792 460446
Revenue Outturn Report 2023-24	To submit any comments to the Executive.	Executive: August 2024 On the recommendation of: Corporate Governance and Standards Committee	Jo Knight 07792 460446
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	Jo Knight 07792 460446
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	Jo Knight 07792 460446
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

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
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	Jo Knight 07792 460446
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	Jo Knight 07792 460446
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

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
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	Jo Knight 07792 460446
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	Jo Knight 07792 460446
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
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

20 March 2025

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Financial Monitoring 2024-25 Period 10 (April 2024 to January 2025)	To note the results of the Council’s financial monitoring for period April 2024 to January 2025	Corporate Governance and Standards Committee	Jo Knight 07792 460446
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
Internal Audit Plan for 2025-26	To consider the draft 2025-26 internal audit plan	Corporate Governance and Standards Committee	Iona Bond Southern Internal Audit Partnership 07784 265293
Internal Audit Charter for 2025-26	To consider the Internal Audit Charter for 2025-26	Corporate Governance and Standards Committee	Iona Bond Southern Internal Audit Partnership 07784 265293
Safeguarding	To consider a report detailing progress against the approved Strategic Safeguarding Group Action Plan 2024-25	Corporate Governance and Standards Committee	Sam Hutchison Tel: 01483 444385

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