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Contact Officer:

John Armstrong,
Democratic Services and Elections Manager

21 November 2023

Dear Councillor

Your attendance is requested at a special meeting of the **CORPORATE GOVERNANCE AND STANDARDS COMMITTEE** to be held in the Council Chamber, Millmead House, Millmead, Guildford, Surrey GU2 4BB on **WEDNESDAY, 29 NOVEMBER 2023 at 7.00 pm.**

Yours faithfully

Tom Horwood
Chief Executive

MEMBERS OF THE COMMITTEE

Chairman: Councillor Phil Bellamy

Vice-Chairman: Councillor Bob Hughes

Councillor Joss Bigmore
Councillor James Jones
Councillor George Potter
Councillor James Walsh
Councillor Fiona White

+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

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

If you have any queries regarding webcasting of meetings, please contact Democratic Services.

QUORUM 3

THE COUNCIL'S STRATEGIC FRAMEWORK (2021- 2025)

Our Vision:

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

Our Mission:

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

Our Values:

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

Our strategic priorities:

Homes and Jobs

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

- Maximise opportunities for digital infrastructure improvements and smart places technology

Environment

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

Community

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

AGENDA

ITEM

1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

2 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS

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

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

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

3 INTERNAL AUDIT PROGRESS REPORT 2023-24 (Pages 7 - 22)

4 MONITORING OF S.106 CONTRIBUTIONS (Pages 23 - 28)

5 CORPORATE RISK REGISTER (Pages 29 - 46)

6 ANNUAL GOVERNANCE STATEMENT 2022-23 (Pages 47 - 74)

7 FINANCIAL MONITORING 2023-24: PERIOD 6 (APRIL TO SEPTEMBER 2023) (Pages 75 - 108)

8 GOVERNANCE FRAMEWORK: GUILDFORD BOROUGH COUNCIL HOUSING SERVICES (Pages 109 - 118)

9 EXCLUSION OF THE PUBLIC

The Committee is invited to consider passing the following resolution:

“That in accordance with Section 100A(4) of the Local Government Act 1972, the Committee agrees:

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

(2) That the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”

**10 WHISTLEBLOWING: GUILDFORD BOROUGH COUNCIL
BEREAVEMENT SERVICES (Pages 119 - 144)**

Guildford Borough Council

Report to: Corporate Governance and Standards Committee

Date: 29 November 2023

Ward(s) affected: All

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

Author: Richard Bates

Tel: 01483 523539

Email: richard.bates@guildford.gov.uk

Lead Councillor responsible: Richard Lucas

Tel: 07834 020422

Email: Richard.lucas@guildford.gov.uk

Report Status: Open

Internal Audit Progress Report: September 2023

1. Executive Summary

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

2. Recommendation to Committee

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

3 Reason for Recommendation:

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

4 Exemption from publication

None.

5. Purpose of Report

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

6. Strategic Priorities

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

7. Background

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

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

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

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

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

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

8. Financial Implications

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

9. Legal Implications

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

10. Human Resource Implications

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

11. Conclusion

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

12. Background Papers

The Internal Audit Plan 2023-24.

13. Appendices

Appendix 1: Internal Audit Progress Report September 2023.

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Southern Internal Audit Partnership

Assurance through excellence
and innovation

GUILDFORD BOROUGH COUNCIL INTERNAL AUDIT PROGRESS REPORT OCTOBER 2023

Prepared by: Iona Bond, Assistant Head of Partnership

NOVEMBER 2023

1. Role of Internal Audit

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

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

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

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

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

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

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

2. Purpose of report

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

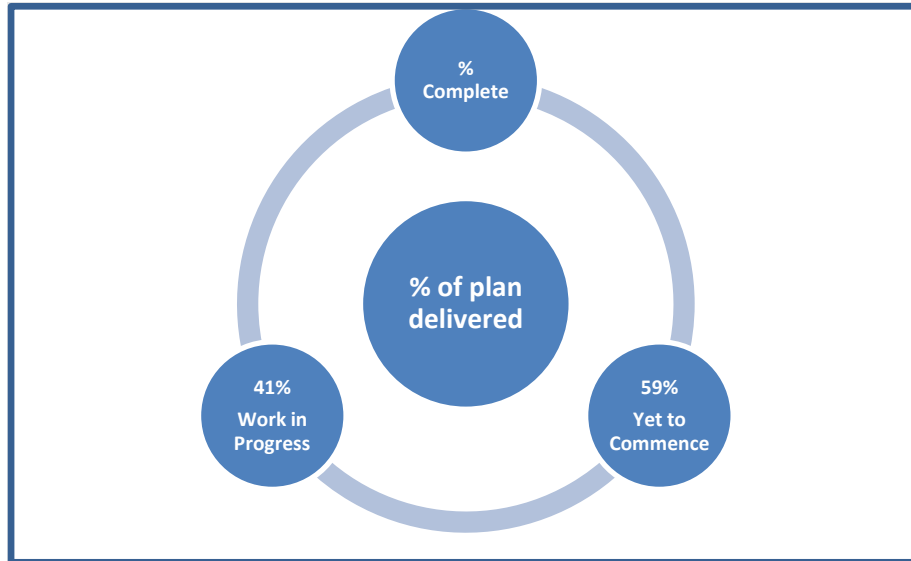
- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

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

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									
Performance Monitoring	June 22	T&G, PL	Significant (minor improvement opportunities)	4 (0)	4 (0)	No response received			
Customer Services – Complaints Handling	Aug 22	T&G	Partial	10 (6)	0(0)	9 (6)	1		
Payroll	Sept 22	T&G	Significant (minor improvement opportunities)	3 (0)	0 (0)	1 (0)		2	
Risk Management	Oct 22	T&G	Significant (minor improvement opportunities)	5 (0)	5 (0)	No response received			
IT Infrastructure for Remote Working	Nov 22	CW	Significant (minor improvement opportunities)	6 (0)	0 (0)	2 (0)	4		
Redevelopment Projects	Jan 23	PL	Partial	12 (5)	0 (5)	7 (5)	2	3	
Budgetary Control	Feb 23	T&G	Partial	9 (5)	0 (1)	4 (4)		4	1
S106 Contributions	Mar 23	PL	Significant (minor improvement opportunities)	6 (0)	0 (0)	2 (0)	2	2	
Core Financial Controls – Journals	Mar 23	T&G	Significant (minor improvement opportunities)	3 (0)	3 (0)	0 (0)	1	2	
Payroll Budget Discrepancy	Mar 23	T&G	Partial	5 (3)	0 (0)	3 (2)	1		1
Core Financial Controls – General Ledger	Mar 23	T&G	Significant (minor improvement opportunities)	4 (0)	4 (0)	0 (0)		4	
2023/24									
No reports yet finalised									
Total							11	17	2

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

Audit Sponsor (Joint Strategic Director)

JEHoF	Joint Executive Head of Finance (\$151)	JEHoC&CS	Joint Executive Head of Communications and Customer
JEHoL& DS	Joint Executive Head of Legal & Democratic	JEHoH	Joint Executive Head of Housing
JEHoCS	Joint Executive Head of Commercial Services	JEHoA&P	Joint Executive Head of Assets and Property
JEHoRS	Joint Executive Head of Regulatory Services	JEHoP	Joint Executive Head of Planning
JEHoR& PP	Joint Executive Head of Regeneration &	JEHoES	Joint Executive Head of Environmental Services
JEHoCS	Joint Executive Head of Community Services	JEHoOD	Joint Executive Head of Organisational Development
JCEO	Joint Chief Executive Officer	JSDoT&G	Joint Strategic Director of Transformation and Governance
JSDoCW	Joint Strategic Director of Community	JSDoP	Joint Strategic Director of Place

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

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

6. Planning & Resourcing

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

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

7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Corporate								
Procurement	T&G	✓	✓	✓	✓			
Governance								
Information Governance	T&G	✓	✓	✓	✓			
Fraud Framework	T&G							Q4
Decision making and Accountability	T&G							Q3
IT								
Cyber Security	CW							Q4
Core Financial								
Accounts Receivable and Debt Management	T&G	✓	✓	✓	✓			
Housing Benefits	T&G	✓	✓	✓				
Main Accounting	T&G							Q3
Treasury Management	T&G							Q3
Contract Management	T&G							Q4
Accounts Payable	T&G							Q4
Homes and Jobs								
Housing Stores	CW							Q4
Housing Allocations	CW	✓	✓	✓				
Building Control	T&G							Q3
Community								
Safeguarding	CW							Q4
Supporting Vulnerable People	CW	✓	✓	✓	✓			
Other								
Car Parks and Enforcement	T&G	✓	✓	✓				

8. Adjustments to the Internal Audit Plan

The following adjustments to the plan have been made:

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

Overdue 'High Priority' Management Actions

Budgetary Controls – 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	In progress. Report written as part of the recovery plan will undertake a full review followed by process design

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

Annex 2

Overdue 'Low & Medium Priority' Management Actions

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

Audit Review	Report Date	Opinion	Priority	Due Date	Revised Due Date
Payroll Budget Discrepancy	Mar 23	Partial	Low	30.09.2023	31.03.2024
Core Financial Controls – General Ledger	Mar 23	Significant	Medium	30.09.2023	30.11.2023
			Medium	30.09.2023	30.11.2023
			Medium	30.09.2023	30.11.2023
			Medium	30.09.2023	30.11.2023

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 Standards Committee

Date: 29 November 2023

Ward(s) affected: All Wards

Report of Strategic Director: Place

Author: Claire Upton-Brown (Executive Head of Planning Development)

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Lead Councillor responsible: George Potter

Tel: 07411 005115

Email: George.Potter@guildford.gov.uk

Report Status: Open

Section 106 Monitoring Report

1. Executive Summary

1.1 At its meeting on 27 July 2023, this Committee considered a Section 106 Monitoring report, which provided a schedule showing the details of Section 106 contributions that have been secured, received and spent as of the date of the report.

1.2 The Committee raised concerns about the following matters:

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

1.3 The Committee agreed that a further report would come to this meeting to respond to some of the specific questions raised to enable the Committee to have a better understanding of how Section

106 monies are held and are being spent. This report provides further details to the above questions. The Executive Head of Planning Development invites questions relating to specific details contained in individual Section 106 Agreements to be addressed to her directly either before or after the meeting.

2. Recommendation to Committee

2.1 That the Committee notes the contents of the report.

3. Reason for Recommendation:

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

4. Exemption from publication

4.1 No

5. Purpose of Report

5.1 The purpose of this report is to update the Committee on specific matters raised at its meeting of the 27 July 2023 and to enable the Committee to better understand how Section 106 monies are held and measure to ensure that monies are spent.

6. Strategic Priorities

6.1 It is not considered that this report has any impact on the strategic priorities of the Council. It is recognised that the infrastructure delivered through developer contributions, secured via a Section 106 Agreement, contributes towards strategic priorities, and plays an important role in shaping our communities.

7. Background

7.1 Section 106 of The Town and County Planning Act 1990 allows for legal agreements to be entered into for the purpose of securing infrastructure that cannot be secured through a planning condition which mitigates the

impacts of a proposed development. The agreement forms part of the planning permission.

- 7.2 A contribution can only be required if it meets the three tests set out in the Community Infrastructure Levy (CIL) Regulations 2020 which require that the infrastructure is:
- a) Necessary to make the development acceptable in planning terms
 - b) Directly related to the development; and
 - c) Fairly and reasonably related in scale and kind to the development
- 7.3 Section 106 Agreements are recorded and monitored using a module of the main planning database called Acolaid, from the signing of the agreement to spending the contributions. The Council's Finance team keep a monitor of income and spend of developer contributions. It should be noted that, as part of wider project to replace the Acoloid system, other systems including standalone systems will be explored.
- 7.4 Many Section 106 contributions relate to infrastructure that other organisations have responsibility for delivery such as Surrey County Council (SCC) for education, transport and libraries, the Integrated Care Board (formerly Clinical Commissioning Groups) for Health, Surrey Police, etc. These contributions are passed to these organisations in accordance with provisions of the relevant Section 106 Agreement. The contributions that this Council is responsible for spending are allocated and spent by the relevant spending Service, all of which is monitored.
- 7.5 At the July Committee concern was raised about the reprofiling of spend and potential lack of transparency. It is first worth clarifying that, to meet the three tests set out above, contributions now need to be specific and these are clearly described within the Section 106 Agreement. Accordingly, there will be a diminishing number of cases where reprofile of spend will be required. However, going forward officers will ensure that, in circumstances where reprofiling of spend within an area is needed, this will be done with input from the

relevant parish council, the local ward member(s) and the Portfolio Holder.

- 7.6 The Committee was advised at the July meeting that in circumstances where contributions are made for education, transport or healthcare infrastructure, such contributions are forwarded to the relevant body responsible for delivering this infrastructure (SCC in the case of education and transport and the Integrated Care Board in the case of healthcare).
- 7.7 Whilst these other parties are responsible for the delivery of specific infrastructure it is the role of the local planning authority (i.e. this Council) to ensure that any contributions requested meet the CIL tests set out above and through the drafting of the Section 106 Agreement are secured early enough in any development to enable delivery of the infrastructure as demand occurs. There was concern raised that the Council was simply collecting a sum of money that was then transferred to another body to be spent how they chose. The Committee is advised that this is not the case.
- 7.8 The details of monies that have been transferred to either SCC or the ICB and remain unspent highlighted to the Committee that some infrastructure is not being delivered to the same timelines as the development that generates the need for this infrastructure. This is a matter of concern and there is an ongoing discussion with both SCC and the ICB to ensure that a more robust arrangement can be developed to give assurance to the Council, in its capacity as local planning authority, that the requirements of the planning permission are being met. It is suggested that this forms the subject of a future report once these arrangements have been formalised.
- 7.9 The final matter that was raised at the July Committee related to the robustness of negotiations on Section 106 Agreements relating to larger developments with a specific reference to Wisley. As the Committee will be aware, Wisley is the subject of a Public Inquiry with the Hearing dates running throughout November. Significant resource has been focused on the negotiation of the content of the

Section 106 Agreement, clauses within the Agreement and triggers for the delivery of infrastructure and payments of contributions. The Committee is advised that ensuring that Section 106 Agreements are as robust as possible is a key priority to ensure that sustainable development is delivered within the Borough.

8. Key Risks

- 8.1 In some cases, the contribution may become at risk of being returned to the developer if the contribution has not been spent, allocated or committed for spend by the end of the spend period set out in each Section 106 Agreement. This is a matter that is being closely monitored to ensure that monies are spent within the time period. However, it must be acknowledged that there will be cases where, for other reasons, infrastructure may be needed sooner and therefore may be funded from other routes.

9. Financial Implications

- 9.1 Where this Council is the spending authority, responsibility for budgeting and monitoring contributions and expenditure is undertaken within our own monitoring reports. This includes:
- S106 receipts which are held on the balance sheet. Under Financial Procedure Rules, schemes that are fully funded by s106 receipts can be added to the capital programme, where they have been approved by the relevant Lead Councillor and Director in consultation with the Lead Specialist - Finance and,
 - GBC is also required, under accounting practices, to hold endowment funds received as developer planning contributions in earmarked reserves for the long-term repairs and maintenance expenditure on Special Protection Areas (SPAs) or Suitable Alternative Natural Greenspaces (SANGs), these reserves are required to fund the revenue costs of SPAs/ SANGs in perpetuity.

- 9.2 The funds for SCC and other authorities are held on our balance sheet as a creditor but are not budgeted for and do not form part of the Capital and Investment Strategy. These amounts are passed to the relevant authorities upon receipt of a qualifying invoice.

10. Legal Implications

- 10.1 There are no direct legal implications arising from this report.

11. Human Resource Implications

- 11.1 No HR implications apply in respect of this report and no specific comments from the Lead Specialist - HR when assessing this report.

12. Equality and Diversity Implications

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

13. Climate Change/Sustainability Implications

- 13.1 No climate change implications directly apply; however, the failure to deliver infrastructure needed to deliver sustainable development will have implications to both climate change and sustainability.

14. Conclusion

- 14.1 This report has been submitted in response to a series of questions raised at the July Committee meeting; it sets out actions that are being taken to ensure the timely delivery of infrastructure needed to make developments sustainable.

15. Background Papers

None

16. Appendices

None

Guildford Borough Council

Report to: Corporate Governance and Standards Committee

Date: 29 November 2023

Ward(s) affected: All

Report of Director: Transformation & Governance

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Report Status: Open

Risk Management and Corporate Risk Register

1. Executive Summary

- 1.1. This report presents the changes to the corporate risk register since it was last presented to the Corporate Governance and Standards (CGS) Committee in June 2023.
- 1.2. This report also details how the new process continues to achieve the desired outcomes set out in the Risk Management Strategy and Policy as well as setting out any changes made to the Strategy and Policy by the Risk Management Group.

2. Recommendation to Committee

- 2.1. That the Committee considers the progress made to implement the risk management process and makes any observations or comments.

3. Reason(s) for Recommendation:

- 3.1. The [Risk Management Strategy & Policy](#) states that the CGS Committee will review the corporate risk register on a six-monthly basis. It is the responsibility of the CGS Committee to ensure it is satisfied that the Council operates and maintains a robust and effective risk management process.

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 changes to the corporate risk register since it was last presented to the CGS Committee in June 2023.

6. Strategic Priorities

- 6.1. To achieve its strategic priorities, the Council must identify, manage, and learn from corporate risks. The new corporate risk register enables the Council to better articulate and mitigate the risks to achieving its strategic priorities.

7. Background

- 7.1. At its meeting in April 2022, the CGS Committee received the new corporate risk register and the Risk Management Strategy and Policy. The report can [be accessed online](#). Since then, the Risk Management Group (RMG) have met quarterly and reported to Corporate Management Board (CMB) in accordance with the roles and responsibilities set out within the Strategy and Policy document.

8. Corporate Risk Register

- 8.1. The summary below outlines the changes to the corporate risk register since June 2023, including the addition of new risks, changes to scoring, mitigations etc. which are detailed in Appendix 1, together with the scoring matrix and risk criteria for impact and likelihood:

	Risk	Change	Reasoning
1	<p>CR1 (There is a risk that a member of staff or a Council contractor is involved in an incident or accident at work);</p> <p>CR2 (There is a risk that 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);</p> <p>and CR22 (There is a risk that a member of the public suffers injury or loss of life at a Council property or premises)</p>	<p>Addition to Mitigation Measures:</p> <p>Revised Guide for Managers published 25 September and link circulated to all staff.</p> <p>Managers' Health and Safety refresher course to be re-launched.</p> <p>Addition to Target dates for Mitigations:</p> <p>Managers health and safety refresher courses to be re-launched in November</p>	Updated by Executive Head of Regulatory Services
2	<p>CR2 (There is a risk that 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)</p>	Scoring to be reviewed by RMG in light of additional facilities included in Risk Description	
3	<p>CR9 (There is a risk that capital programmes and projects experience issues that affect time, quality or budget)</p>	Review scoring definitions for major capital projects	Need to consider financial thresholds for capital projects, as could be significantly higher than the threshold for a 'devastating' impact for a BAU function/project.
4	<p>CR12 (There is a risk that the Council will be unable to make the savings required to close the budget gap)</p>	<p>Addition to Consequence:</p> <p>....and the issuing of a s114 notice (leading to government intervention).</p>	
5	<p>CR13 (There is a risk that the Council experiences loss of income from local income streams e.g. fees and charges / council tax / property rents etc)</p>	<p>Addition to Mitigation Measures:</p> <p>Planning applications involving land where income is generated (i.e. car parks)</p>	

	Risk	Change	Reasoning
6	CR15 (There is a risk that financial fraud is committed by a resident, staff member, contractor or service user)	Residual Scoring reviewed – currently 3 x 2 and changed to 6 x 4	Suggested by Monitoring Officer should be a higher risk
7	CR17 (There is a risk that the Council experiences a minor data breach)	Addition to Mitigation Measures: Close working between HR and ICT and development of structure in Business World. Being considered in discussion re staff sharing	Updated by Executive Head of Communications & Customer Service
8	CR18 (There is a risk that FOIs are not responded to in the legal timeframe)	Amendment to Action Owner/Exec Head: Executive Head of Legal & Democratic Services	Change of EHOS responsibility for FOIs
9	CR21 (There is a risk that the Council fails to meet its target of becoming net carbon zero by 2030 for the Council's own operations in Scope 1 & 2)	Draft scoring, mitigations and Target Date to be reviewed and agreed by RMG in consultation with the Climate Change Officer	
10	CR24 (There is a risk that the Council does not achieve the most efficiency and value of key IT (service specific) systems for example Business World, Virgin, Salesforce modules)	Amendment to Risk Description: Deletion of Virgin from example. Amendment to Factors affecting likelihood: Revised wording: Not all modules from key systems are currently being purchased or utilised	Updated by Executive Head of Communications & Customer Service
11	CR25 (There is a risk the management and governance processes in place are not fully utilised for all programmes and projects); and CR28 (There is a risk that the Council does not spend sufficient RTB receipts)	Amendment to Action Owner/Exec Head: Addition of S151 Officer	Governance role
12	CR30 (There is a risk that the current IT model and level of resource is not sufficient or viable for the level of change happening in the organisation)	Addition to Mitigation Measures: Review of governance processes for establishing and approving business priorities taking place autumn/winter 2023	Updated by Executive Head of Communications & Customer Service

	Risk	Change	Reasoning
		New resource was approved and is in the process of being implemented. Residual Risks now scored	
13	CR32 (There is a risk of designation by the Secretary of State for failing to determine the required number of applications within the required timeframes)	Revised Risk Description, Consequence, Factors affecting likelihood, Scoring and Mitigation Measures	Reviewed and updated by Director of Place and Executive Head of Planning Development

9. Update on actions by the Risk Management Group

- 9.1. Following a recommendation from the CMB, we have been working with a Risk Consultant from our insurers, Zurich, and held service level risk challenge sessions with Executive Heads of Service to provide assurance for risks set out in their service risk registers and have also reviewed the Corporate Risk Register with CMB. The aim of the sessions was to assess whether the mitigation measures identified would address the risks and factors affecting likelihood.
- 9.2. From these sessions, some common themes were identified within the reviewed registers and recommendations made, including:
- **BAU risks** - to ensure there was an understanding of the difference between issues (current) and risks (future, uncertain).
 - **Root cause analysis** – in some cases risks were unspecific and not entirely clear about what is being/needs to be managed. Risk descriptions are being reviewed using the why and then what technique, to ensure clarity around the actual risk, its causes and consequences.
 - **Mitigations** – many controls identified in the risk registers were not actually in place, rather they were intentions or plans that do not yet serve to mitigate the risk. Best practice is to only include those actions that are already in place and impacting the risk.
- 9.3. In light of the above, Risk Owners are currently reviewing their risks with their Teams, including current mitigations, future actions and Residual Risk Scores to ensure that only controls that are already in place are

considered. Any action plans, ongoing recruitments or other future actions will be considered as a Target Score and Target dates for actions included.

- 9.4. A risk heatmap is attached at Appendix 2 which shows how the residual scores of risks on the corporate risk register have changed since the document was seen by this Committee in June 2023.
- 9.5. The response to questions and comments from the CGS Committee held on 15 June 2023 are attached Appendix 3, together with updates where there have been significant changes to corporate risks.
- 9.6. Should members of the Committee have any queries about specific risks, please contact Andrea Barnett (andrea.barnett@guildford.gov.uk) at least two days prior to the Committee meeting, so we can liaise with the risk owner to provide a response either at or as soon as possible after the meeting.

10. Consultations

- 10.1. Executive Heads of Service are consulted on the corporate risk register regularly, including in advance of each Risk Management Group meeting and report to CMB.

11. Key Risks

- 11.1. Without a fit-for-purpose and consistent risk management process the Council risks being exposed to unnecessary and unacceptable risks.

12. Financial Implications

- 12.1. There are no financial implications arising directly from this report although individual risk mitigations may have financial implications. These will be progressed through the appropriate governance.

13. Legal Implications

- 13.1. The Accounts and Audit Regulations 2015, Regulation 3, provides that: 'A relevant authority must ensure that it has a sound system of internal control which—(a) facilitates the effective exercise of its functions and the achievement of its aims and objectives; (b) ensures that the financial and

operational management of the authority is effective; and (c) includes effective arrangements for the management of risk.

- 13.2. The proposals in this report contribute to the Council's effective arrangements for the management of risk.

14. Human Resource Implications

- 14.1. The Council's Risk Management Strategy and Policy sets out the approach to risk management at both strategic and operational levels and outlines the roles and responsibilities of posts and services across the Council. Accountabilities and responsibilities of employees and specific posts for managing risks are clearly communicated in the risk register. All senior managers have overall responsibility for managing risks in their service area. We will increase the understanding and expertise of these risk management roles through targeted training of employees and the sharing of good practice.

- 14.2. The Council is responsible as an employer for the health and safety of its employees, councillors, and the general public. The aim of the Risk Management Strategy and Policy is to implement common methods of risk identification, assessment and monitoring to provide protection from harm. The risk management process supports the service specific risk processes that are in place for health and safety. As the Council moves to different models of service delivery the health and safety risks will be reviewed through those processes.

15. Equality and Diversity Implications

- 15.1. The Public Sector Equality 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. There are no direct climate change or sustainability implications of this report. The Council must manage risk effectively, especially risks relating to programmes and projects.
- 16.2. Appendix 3 refers to risk CR21 – the risk that the Council fails to meet its target of becoming net carbon zero by 2030 for the Council's own

operations in Scope 1 & 2. In respect of this risk, the Committee requested an update and officer commentary has been provided.

17. Conclusion

- 17.1. The new risk management process is embedding with risks being effectively identified, articulated, and escalated through the appropriate governance channels. The Committee will receive the next 6-monthly report next Summer detailing the latest changes to the corporate risk register together with any updates made.

18. Appendices

Appendix 1: Corporate Risk Register, Scoring Matrix & Criteria

Appendix 2: Risk heatmap

Appendix 3: Risk Updates and questions and comments from the CGS Committee held on 15 June 2023

Date risk added	Relation to Corporate Plan	Risk domain most impactful on rating	Risk ref	Risk description (there is a risk that...)	Consequence (which could/would result in)	Factors affecting likelihood	Gross likelihood of risk	Gross impact of risk	Gross score	Mitigation measures - reduce impact or likelihood	Target dates for mitigation	Action owner / Executive Head	Residual likelihood	Residual impact	Residual score	Comment
2022	Excellence and Customer Service	Health and Safety	CR1	There is a risk that a member of staff or a Council contractor is involved in an incident or accident at work	Which could result in serious injury, ill health or loss of life and could result in financial loss and reputational impact to the Council. This risk is most significant in Operational and Technical Services (depot, refuse collection)	The Council regularly undertakes work which can be dangerous without proper training and application e.g. refuse collection and the operation of large machinery	3	4	12	Risk assessments in place for all appropriate activities and appropriate measures put in place; New starters are required to attend corporate induction training which includes health and safety in the workplace. All staff complete appropriate training related to health and safety in the workplace. Corporate Health & Safety Policies in place, including Accident, Occupational Health, Near Miss, Dangerous Occurrence Reporting Procedure; Corporate Construction Design & Management Policy; Corporate Contractor Activity Control Procedure; Fire Safety; Legionella Control and Asbestos; Lone working & violence at work policy. Fire Drills. Corporate Health and Safety Group. Revised Guide for Managers published 25 September and link circulated to all staff. Managers' Health and Safety refresher course to be re-launched.	Ongoing (as part of Corporate Induction); Risk assessments are ongoing. Managers health and safety refresher courses to be re-launched in November	All Exec Heads Corporate Health and Safety Group Premises Managers	2	4	8	
2022	Excellence and Customer Service	Financial	CR10	There is a risk of bankruptcy of a supplier of a major contract	Which could result in service failure, increased demand in other service areas, bringing services back in-house which could lead to a significant escalation of costs or loss of income	Economic conditions	3	3	9	Full due diligence process when procuring Suitable legal clause in contracts. Critical contracts register in place where identified contractors are subject to Financial monitoring	Ongoing	Exec Head of Legal and Democratic Services - Susan Sale, Exec Head of Finance - Richard Bates, Procurement Lead Specialist - Adrian Swift, Finance Lead Specialist - Victoria Worsfold	2	3	6	
2022	Homes and Jobs	Financial	CR11	There is a risk that 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	Which could result in the inability to commence and/or complete certain projects of work and insufficient funding to deliver services	Government's Levelling-Up Agenda and priorities for investment. High national debt, national recession, Projects not meeting milestones in funding agreements	4	3	12	Regular relationship management meetings with funding bodies to promote GBC schemes. Consider alternative funding mechanisms where possible. Grant agreements in place with LEP and HE. Fair funding review / levelling up. Close project monitoring. Horizon scanning of funding changes.	Ongoing	Exec Head of Regeneration and Planning Policy - Abi Lewis Exec Head of Finance - Richard Bates	3	3	9	
2022	Excellence and Customer Service	Financial	CR12	There is a risk that the Council will be unable to make the savings required to close the budget gap	Which would result in being unable to achieve the Medium Term Financial Plan (MTFP) and the issuing of a s114 notice (leading to government intervention)	Political will	4	3	12	Robust budget forecast and discipline, savings strategy and effective decision-making. More thorough interrogation on assumptions when budgeting, monthly updates to Finance on forecasted spend for the year	Ongoing	Exec Head of Finance - Richard Bates, Lead Specialist - Finance - Victoria Worsfold	3	3	9	
2022	Excellence and Customer Service	Financial	CR13	There is a risk that the Council experiences loss of income from local income streams e.g. fees and charges / council tax / property rents etc	Which would result in the budget being insufficient or incorrect and could result in closure or cessation of discretionary services, a reduction in service delivery or redirection of budgets.	Economic conditions. Climate change and change of population behavioural changes and working patterns. Cost of living may impact on residents' ability to pay council tax, rent etc. Business changes e.g. downsizing and office space. Reduction in Govt funding. Reduction in demand; Income streams haven't fully recovered to pre-covid19 levels. Planning applications involving land where income is generated (ie car parks)	4	3	12	Sensitivity analysis. Financial monitoring. Reserves	Ongoing	Exec Head of Finance - Richard Bates, Lead Specialist - Finance - Victoria Worsfold	4	2	8	

Date risk added	Relation to Corporate Plan	Risk domain most impactful on rating	Risk ref	Risk description (there is a risk that...)	Consequence (which could/would result in)	Factors affecting likelihood	Gross likelihood of risk	Gross impact of risk	Gross score	Mitigation measures - reduce impact or likelihood	Target dates for mitigation	Action owner / Executive Head	Residual likelihood	Residual impact	Residual score	Comment
2022	Excellence and Customer Service	Financial	CR14	There is a risk that the Council experiences increased costs	Which would result in the budget being insufficient or incorrect	Economic conditions; Higher demand for some services Reduction in demand for discretionary services will increase costs for the Council Increased regulation and compliance Income streams may not fully recover to pre-covid levels Long-term behaviours in working patterns; Increase in price of fuel, salaries, energy, repairs etc Increase in construction costs if projects slip	6	4	24	Sensitivity analysis. Financial monitoring. Reserves Inter-authority agreement for Guildford/Waverley collaboration Review of service provision, financial prioritisation	Ongoing	Exec Head of Finance - Richard Bates, Lead Specialist - Finance - Victoria Worsfold	6	4	24	
2022	Excellence and Customer Service	Financial	CR15	There is a risk that financial fraud is committed by a resident, staff member, contractor or service user	Which could result in loss/misapplication of public money or property, potential investigation into the Council's operating procedures and a compromised democratic process	Internal control weakness	3	2	6	Anti-fraud and corruption policy Procurement process asks for declaration on grounds for mandatory exclusion to include bribery, corruption, conspiracy, terrorism, fraud and money laundering	Feb-23	Exec Head of Finance - Richard Bates, Lead Specialist - Finance - Victoria Worsfold	6	4	24	Risk Management Group to review mitigation measures for this risk.
2022	Excellence and Customer Service	Legal/regulatory	CR16	There is a risk that the Council experiences a major data breach	Which would result in multiple sensitive records of service users' personal data being leaked and could result in associated legal governance and potentially reputational (and/or financial) damage to the Council	Human error, failure to observe policy, failure to attend training, technical faults Lack of agreed data sharing process between the two councils Information Security Officer post is vacant	3	4	12	GDPR training included as part of the corporate induction programme Egress System - secure email; Information Risk Group and Action Plan; Data Protection Training Adequate technical measures	Ongoing	Exec Head of Legal and Democratic Services - Susan Sale	2	4	8	
2022	Excellence and Customer Service	Legal/regulatory	CR17	There is a risk that the Council experiences a minor data breach	Which would result in a very small amount of service users' or employees' data being shared with the wrong person and could result in financial payment	Council-wide restructure across two organisations requiring managers to access staff records within a different organisation. Human error, failure to observe policy, failure to attend training, technical faults Lack of agreed data sharing process between the two councils Information Security Officer post is vacant	5	1	5	GDPR training included as part of the corporate induction programme Egress System - secure email Close working between HR and ICT and development of structure in Business World. Being considered in discussion re staff sharing	Ongoing	Exec Head of Legal and Democratic Services - Susan Sale Exec Head of Organisational Development - Robin Taylor Executive Head of Communications and Customer Service - Nicola Haymes	4	1	4	Addition to Mitigation Measures
2022	Excellence and Customer Service	Legal/regulatory	CR18	There is a risk that FOIs are not responded to in the legal timeframe	Which could result in a failure to meet our statutory duties and/or legal challenge	Only one officer in the Council coordinates FOIs	4	1	4	Robust monitoring of performance to ensure compliance with target of 90% of responses within legal timeframe	Ongoing	Exec Head of Customer and Communications - Nicola Haymes Exec Head of Legal & Democratic Services - Susan Sale	3	1	3	Change of responsibility for FOIs
2022	Excellence and Customer Service	Legal/regulatory	CR19	There is a risk that councillors or staff breach their codes of conduct	Which could result in poor, or lack of, decision-making and/or acting unlawfully which may have an adverse impact on the Council's reputation	Lack of knowledge; Inexperienced councillors or staff	4	1	4	New Councillor Induction programme; Councillor training; Staff Induction programme; Training Programme; Councillors ICT Policy; Councillor Code of Conduct; Staff Code of Conduct; Monitoring Officer	Ongoing	Monitoring Officer - Susan Sale Exec Head of Organisational Development - Robin Taylor, Lead Specialist HR - Francesca Chapman	3	1	3	

Date risk added	Relation to Corporate Plan	Risk domain most impactful on rating	Risk ref	Risk description (there is a risk that...)	Consequence (which could/would result in)	Factors affecting likelihood	Gross likelihood of risk	Gross impact of risk	Gross score	Mitigation measures - reduce impact or likelihood	Target dates for mitigation	Action owner / Executive Head	Residual likelihood	Residual impact	Residual score	Comment
2022	Excellence and Customer Service	Health and Safety	CR2	There is a risk that 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	Which could result in injury, ill health or loss of life and could result in financial loss and reputational impact to the Council.	The Council regularly undertakes and contracts work and activities within its facilities which can be dangerous without proper management, training and application and monitoring e.g. refuse collection and the operation of large machinery, sports and leisure venues.	3	4	12	All teams providing services to the public must complete risk assessments where appropriate and report to the corporate Health and Safety Group. Corporate Health & Safety Policies in place, including Accident, Occupational Health, Near Miss, Dangerous Occurrence Reporting Procedure; Corporate Construction Design & Management Policy; Corporate Contractor Activity Control Procedure; Fire Safety; Legionella Control and Asbestos; Revised Guide for Managers published 25 September and link circulated to all staff. Managers' Health and Safety refresher course to be re-launched.	Risk assessments are ongoing.	All Exec Heads Corporate Health and Safety Group	2	4	8	Scoring to be reviewed by Risk Management Group in light of additional facilities included in Risk Description
2022	Excellence and Customer Service	Legal/regulatory	CR20	There is a risk that the Council fails to make lawful decisions and follow governance procedures	Which could result in legal challenge, reputational damage and costs to the Council		3	3	9	Regular review of constitution and training for decision-makers; Decision making processes in place / role of Monitoring Officer	Ongoing	Monitoring Officer - Susan Sale Exec Head of Organisational Development - Robin Taylor, Lead Specialist HR - Francesca Chapman	2	3	6	
2022	Environment	Reputational	CR21	There is a risk that the Council fails to meet its target of becoming net carbon zero by 2030 for the Council's own operations in Scope 1 & 2	Which would result in a missed opportunity to fully reduce the Council's impact on the environment and reputational damage	The delivery of this priority is impacted by competing objectives and important income generation streams (e.g. car parking revenue)	5	3	15	Action plan adopted to provide clear pathway to net zero carbon. A revised carbon reduction trajectory report has been commissioned and is expected later this year, allowing the Council to better forecast its success at reaching the target.	Q2 2022/23	All Exec Heads	5	3	15	Draft scoring, mitigations and Target Dates to be reviewed and agreed by RMG in consultation with the Climate Change Officer
Page 39	2022 Excellence and Customer Service	Health and Safety	CR22	There is a risk that a member of the public suffers injury or loss of life at a Council property or premises	Which could result in financial loss and reputational impact to the Council.		2	4	8	Corporate Health & Safety Policies in place, including Accident, Occupational Health, Near Miss, Dangerous Occurrence Reporting Procedure; risk assessments completed where/when appropriate Revised Guide for Managers published 25 September and link circulated to all staff. Managers' Health and Safety refresher course to be re-launched.	Managers health and safety refresher courses to be re-launched in November	All Exec Heads Corporate Health and Safety Group Premises Managers	2	4	8	
2022	Excellence and Customer Service	Service delivery	CR23	There is a risk that Council staff or contractual staff take industrial action	Which could result in disruption to service delivery, reputational damage and financial implications	Industrial action being taken across the country. Low level of union membership	2	2	4	Monitor likelihood and impact	Ongoing	Executive Head of Organisational Development - Robin Taylor and HR Lead Specialist - Francesca Chapman	2	2	4	
2022	Excellence and Customer Service	Financial	CR24	There is a risk that the Council does not achieve the most efficiency and value of key IT (service specific) systems for example Business World, Virgin, Salesforce modules	Which could result in less than optimal value for money	Not all modules from key systems are currently not being purchased or not utilised	6	2	12	Paper to CMB containing context and options for resolution Addition of this risk in relevant service risk registers	TBC	All Exec Heads	6	2	12	
2022	Homes and Jobs	Financial	CR25	There is a risk the management and governance processes in place are not fully utilised for all programmes and projects	Which could result in the Council being unable to mitigate costs related to time, quality and budget slippage on capital projects and programmes, resulting in overspend/underspend, lower quality results and delayed projects and programmes.	Scale, complexity and variety of projects and programmes being undertaken by the Council	6	4	24	Improved financial planning at project and programme level and continue to work with Executive Heads and programme/project managers to support them in following governance processes including Enterprise Portfolio Board and Major Projects Board.	Apr-23	Executive Head of Organisational Development - Robin Taylor S151 Officer	4	4	16	
2022	Excellence and Customer Service	Financial	CR26	There is a risk there is a lack of decision making in relation to service delivery in response to the current economic climate and financial challenges	Which could result in overspend, service failure or unsustainable services	Economic circumstances, financial challenges	6	4	24	Budget reviews, service challenge process, development of clear mandates. Select priorities through conversations with lead councillors. Review of service provision. Prioritisation of projects and programmes, committee decisions scheduled on biggest projects and programmes, escalation of projects and programme to EPB	Ongoing	Executive, JMT	4	4	16	

Date risk added	Relation to Corporate Plan	Risk domain most impactful on rating	Risk ref	Risk description (there is a risk that...)	Consequence (which could/would result in)	Factors affecting likelihood	Gross likelihood of risk	Gross impact of risk	Gross score	Mitigation measures - reduce impact or likelihood	Target dates for mitigation	Action owner / Executive Head	Residual likelihood	Residual impact	Residual score	Comment
22.12.2022	Excellence and Customer Service	Financial	CR27	There is a risk that the operating case model isn't applied consistently and effectively across services	Which would result in confusion, inefficiency and inconsistency of outcomes	Current issue in Finance service risk register	4	2	8	Review and undertake outstanding actions with specific services implemented through FG to support case model.		JMT; Executive Head of Communications & Customer Services	3	2	6	
25.01.23	Homes and Jobs	Financial	CR28 (was CR29)	There is a risk that the Council does not spend sufficient RTB receipts	Which would result in having to repay money and reputational damage	Occurred in 2021 Resource/capacity challenges	3	4	12	Project monitoring and delivery of programme	Ongoing	Executive Head of Housing S151 Officer	3	4	12	
2022	Excellence and Customer Service	Health and Safety	CR3	There is a risk that vulnerable adults and children are not properly safeguarded	Which would result in harm to those vulnerable adults and children and the inability to meet statutory duties which could result in associated legal challenge and potentially reputational damage to the Council		3	4	12	Safeguarding policy and procedures are reviewed regularly and included in the corporate induction training. DBS checks carried out for all key roles	Ongoing (as part of Corporate Induction)	Exec Head of Community Services, Sam Hutchison	2	4	8	
02.02.23	Excellence and Customer Service	Service delivery	CR30	There is a risk that the current IT model and level of resource is not sufficient or viable for the level of change happening in the organisation	Which would result in impact on the collaboration and/or BAU for the IT team	Current model not sufficient. IT vital enabler to collaboration	6	3	18	Review of governance processes for establishing and approving business priorities taking place autumn/winter 2023 New resource was approved and is in the process of being implemented IT prioritisation workshop 23 March Growth bid submitted		Executive Head of Communications and Customer Service, Nicola Haymes	5	3	15	Mitigations reviewed and Residual Risks scored
06.02.23	Excellence and Customer Service	Financial	CR31	There is a risk that procurement processes are not being adhered to across the Council	Which would result in reduced value for money and lack of financial and legal control	WUV audit findings on lack of proper procurement processes. Projects moving ahead without consulting and fully involving Procurement Finance resources and linked to services	4	4	16	Implementation of Council's project and programme methodology (PPM framework) Financial alignment with PPM framework Enforcement of frameworks and processes		Executive Head of Finance, Richard Bates Executive Head of Regeneration & Planning Policy, Abi Lewis	3	4	12	
18.05.23	Environment	Service delivery	CR32	There is a risk of designation by the Secretary of State for failing to determine the required number of applications within the required timeframes	Reputational damage Retention of Staff Unable to determine our own planning applications Political decision taken away - loss of power/autonomy Council would only be required to issue decisions if made by Govt, and applicant would lose right of appeal Financial uncertainty in future years which would reduce the ability to plan for future years	Difficulty in recruiting permanent planning staff. Reliance on agency staff. Time taken to validate applications.	3	3	9	Quarterly performance monitoring reports to CMB, Executive Briefing and O&S Cttee. Maintaining staff levels. New Planning Development Improvement Board established in response to delegation threat.	Ongoing	Executive Head of Planning Development	2	3	6	Risk reviewed, updated and scored
2022	Excellence and Customer Service	Service delivery	CR4	There is a risk that the Council suffers a loss of premises, operational property, facilities and/or equipment across some or all of its properties	Which could result in the disruption of key services and activities for customers.		2	4	8	The Council completes an keeps up to date a corporate business continuity plan and all services complete and update their own service business continuity plans	01/04/2022 for completion with ongoing updates	Exec Head of Organisational Development, Robin Taylor	2	3	6	
2022	Excellence and Customer Service	Service delivery	CR5	There is a risk that the Council experiences a loss of IT systems or data, from example as a result of a cyber security incident	Which would result in the Council being unable to operate as normal and disruption to services	International political unrest and conflict (eg, Ukraine) - hostile state actors seeking to disrupt workings of western governments. Multiple databases contained within Salesforce as a single platform	3	4	12	The Council completes and keeps up to date a corporate business continuity plan and all services complete and update their own service business continuity plans. The Council conducts regular PEN tests and reduces reliance on older systems with less security	01/04/2022 for completion of BCPs with ongoing updates. Reduction in use of older IT systems	All Exec Heads Exec Head of Customer and Communications - Nicola Haymes, IT Lead Specialist James Beach Exec Head of Organisational Development - Robin Taylor	2	3	6	
2022	Excellence and Customer Service	Service delivery	CR6	There is a risk that the Council is unable to recruit and retain staff, including as a result of the Guildford/Waverley collaboration	Which could result in reduced capacity to deliver, compromise service delivery and quality, redirection of resources and increased spend on consultants and agency staff.	The Council is currently experiencing these issues. Various key vacant posts in Planning (Case Services). The Waverley/Guildford collaboration may make this more likely Some posts are especially difficult to fill - senior planning officers, surveyors and caseworkers	6	3	18	Agency recruitment through Comensura or procurement exemption Acting up of junior officers to fulfill these roles Considering 'grow your own' training programmes Consider fundamental review or recruitment and retention Annual pay negotiations Making use of potential collaboration opportunities	Ongoing	Exec Head of Organisational Development - Robin Taylor, Lead Specialist - HR - Francesca Chapman	6	2	12	

Date risk added	Relation to Corporate Plan	Risk domain most impactful on rating	Risk ref	Risk description (there is a risk that...)	Consequence (which could/would result in)	Factors affecting likelihood	Gross likelihood of risk	Gross impact of risk	Gross score	Mitigation measures - reduce impact or likelihood	Target dates for mitigation	Action owner / Executive Head	Residual likelihood	Residual impact	Residual score	Comment
2022	Excellence and Customer Service	Service delivery	CR7	There is a risk that external events cause major emergencies and incidents in the borough (such as flooding, fire, terrorism, climate change, pandemic/new variant of Covid-19)	Which would result in disruption to service delivery and redirection of resources/temporary reduction or loss of staff, loss of income/increased costs		3	4	12	Covid group meeting regularly* Business Continuity and Recovery Plans in place	Ongoing	Exec Head of Organisational Development - Robin Taylor Exec Head of Regulatory Services - Richard Homewood	3	3	9	
2022	Excellence and Customer Service	Financial	CR8	The a risk that the Guildford-Waverley collaboration does not meet its objectives.	Which could result in: increased/sustained financial difficulty to the Council and may cause resources to be redirected; the Council being unable to produce a balanced budget and reputational damage; disruption to service delivery	Need for robust business cases and strategic direction Some teams are already reporting being under-resourced, changes to staffing structure may result in a reduction in capacity.	4	3	12	Completed Inter-Authority Agreement Comprehensive risk register in place for collaboration Council's Constitution; Financial Procedure Rules; High-level financial feasibility study by local partners;	Ongoing	Joint Chief Executive - Tom Horwood	3	2	6	
2022	Excellence and Customer Service	Financial	CR9	There is a risk that capital programmes and projects experience issues that affect time, quality or budget	Which could result in the Council not achieving its priorities, reputational damage and financial difficulty through an increase in costs/major overspend (e.g in construction)	Verto (programme and project management system) being implemented for programmes and projects at present Loss of project managers Inadequate business cases Existing slippage on major projects and programmes Economic climate (inflation) Council's poor visibility within construction market	6	4	24	PPM Governance procedures in place Regular monitoring through Major Projects programme board and regular financial reporting to CMT Enterprise Portfolio Board Comprehensive oversight of forthcoming procurement of projects and programmes Consideration of best route to market to deliver value for money Build relationships with contractors	Ongoing	Exec Head of Regeneration and Planning Policy - Abi Lewis Exec Head of Finance - Richard Bates	5	4	20	RMG and Risk Owners will be reviewing the scoring definitions, to include major capital projects as their financial thresholds will be significantly higher than a BAU function/project.

Likelihood	Score	Impact			
		Small	Significant	Critical	Devastating
		1	2	3	4
Very high	6	6	12	18	24
High	5	5	10	15	20
Medium	4	4	8	12	16
Low	3	3	6	9	12
Very low	2	2	4	6	8
Almost impossible	1	1	2	3	4

Score	Likelihood	Indicators	Score	Impact	Indicators
1	Almost impossible	Less than 1% chance of occurring Has happened rarely/never before	1	Small	Loss <£100k Trivial breach or non-compliance
2	Very low	1-10% change of occurring Only likely to happen once in three or more years May have happened in the past			Insignificant injury (first aid) Negligible disruption/unnoticed by service users Insignificant damage
3	Low	10-20% chance of occurring Reasonable possibility it will happen in the next three years Has happened in the past	2	Signific	Loss from £100k - £250k Isolated legal action or regulatory breach Minor injury (medical attention)
4	Medium	20-50% chance of occurring Likely to happen at some point in the next one-two years Circumstances occasionally encountered	3	Critical	Loss >£250k - £500k Sustained legal action or (limited) regulatory fine Serious injury (not life threatening) Substantial, short-term disruption/inconvenience to service
5	High	50-80% chance of occurring Almost certain to happen within next 12 months Regular occurrences frequently encountered			Short-term, but wide reaching adverse publicity
6	Very high	Above 80% chance of occurring Inevitable it will happen within the next 6 months No influence/control over event occurring	4	Devast	Loss >£500k Major legal action or regulatory sanction Death(s) or multiple serious injuries Major, sustained disruption/serious inconvenience to service Major, long-term damage

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Risk Change Heatmap

This document shows how the residual scores of risks on the corporate risk register have changed since the document was seen by the Corporate Governance and Standards (CGS) Committee in June 2023.

Original

LIKELIHOOD	6		CR24	CR6, CR30	CR14
	5			CR21	CR9
	4	CR17	CR13, CR27		CR25, CR26, CR31
	3	CR18, CR19	CR8	CR7, CR11, CR12, CR32	CR28
	2	CR15	CR23	CR4, CR5, CR10, CR20	CR1, CR2, CR3, CR16, CR22
	1				
		1	2	3	4
		IMPACT			

Revised (as at 16.10.23):

LIKELIHOOD	6		CR6, CR24		CR14, CR15
	5			CR21, CR30	CR9
	4	CR17	CR13		CR25, CR26
	3	CR18, CR19	CR8, CR27	CR7, CR11, CR12	CR28, CR31
	2		CR23	CR4, CR5, CR10, CR20	CR1, CR2, CR3, CR16, CR22
	1				
		1	2	3	4
		IMPACT			

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Risk Updates / Questions and comments from Committee

	Update
<p>CR6 - There is a risk that the Council is unable to recruit and retain staff, including as a result of the Guildford/Waverley collaboration.</p> <p>Request for an update on strategy.</p>	<p>There are a number of reasons why staff leave, including development and opportunities arising. The collaboration will inevitably cause some people to think about their future employment, however there are struggles to recruit nationally, particular examples include Planners, Finance and Legal. Funding is expected to be agreed by both Executives for tackling the matter of terms and conditions in future collaboration arrangements, providing a foundation for merging teams and adding more certainty to future employment options.</p>
<p>Risk Scoring – there is a concern about the lack of downward movement in scoring, despite mitigations mentioned. Are the mitigations robust enough.</p>	<p>There has been a hiatus in the Guildford/Waverley collaboration work whilst work takes place to avoid the issue of an S114 notice for GBC.</p>
<p>CR21 - There is a risk that the Council fails to meet its target of becoming net carbon zero by 2030 for the Council's own operations in Scope 1 & 2</p> <p>An update was requested</p>	<p>This remains a significant risk whilst the Council continues to operate the Spectrum Leisure Centre in its current guise. The Centre contributes circa 49% of the Council's scope 1&2 emissions and unless the centre is closed or key leisure areas, such as the ice-skating rink, cease to operate the Council will not hit this target.</p> <p>Officers note that the Government has recently recognised the impracticability of hitting 2030 targets and therefore suggest that consideration should be given to exploring decarbonisation options and developing a programme to reduce carbon emissions.</p>
<p>CR32 - There is a risk of designation by the Secretary of State for failing to determine the required number of applications within the required timeframes</p> <p>An update was requested</p>	<p>The immediate risk has fallen away as we are not going to be designated on non-major applications due to improved performance for last 3 quarters at above the 70% threshold. However, we will need to maintain this improvement above the 70% threshold and maintain performance against other performance measures to avoid the risk of designation in the future.</p>

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Guildford Borough Council

Report to: Corporate Governance and Standards Committee

Wards affected: n/a

Report of the Director of Transformation and Governance

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Lead Councillor responsible: Julia McShane

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Date: 29 November 2023

Annual Governance Statement 2022-23

1. Executive Summary

1.1 The Accounts and Audit Regulations 2015 require the Council to prepare an Annual Governance Statement (AGS) detailing the governance framework and procedures that have operated at the Council during the year, a review of their effectiveness, significant governance issues that have occurred and a statement of assurance. This report outlines the background to the AGS; and sets out in Appendix 1, the AGS for 2022-23. The AGS is underpinned by:

- the Annual Opinion Report (April 2022 to March 2023) prepared by KPMG, who were the Council's outsourced internal audit managers, which was considered by the Corporate Governance & Standards Committee at its meeting held on 15 March 2023.
- a self-assessment of the Council's compliance with the CIPFA Financial Management Code will be updated in due course in line with the financial recovery plan

- 1.2 The draft AGS will be included in the Council's statement of accounts for 2022-23. The AGS acknowledges the ongoing significant challenges (both financial and organisational) placed on the Council due to the Covid 19 pandemic, and following the major organisational transformation (Future Guildford) which was completed in August 2021, as well as the Collaboration with Waverley Borough Council in which the first phase (Joint Management Team) was completed in October 2022. It recognises the need to return to the good governance practices and processes that the Council normally prides itself upon. The significant governance issues identified during the year, are reported in Appendix 1 section 6, under the headings of Contract management issues, financial recovery plan, compliance with the CIPFA Financial Management Code and the Guildford and Waverley collaboration.
- 1.3 Where we have identified areas for further improvement, we will take the necessary action to implement changes that will further develop our governance framework.

2. Recommendation to Committee:

- 2.1 That the Committee adopts the Council's Annual Governance Statement for 2022-23, as set out in Appendix 1 to this report, and publishes the Annual Governance Statement alongside the adopted statement of accounts for 2022-23.

3. Reason for Recommendation:

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

4. Exemption from publication

- 4.1. No.

5. Purpose of Report

- 5.1 This report explains the requirement for the Council to prepare an Annual Governance Statement (AGS), which the Committee is asked to

approve, and the Leader and Joint Chief Executive sign on behalf of the Council.

6. Strategic Framework

- 6.1 Our Core Values state that we will spend money carefully and deliver good value for money services and that we will ensure that our councillors and staff uphold the highest standards of conduct.

7. Background

- 7.1 The Council has a responsibility to ensure that it conducts its business in accordance with the law and proper standards, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.
- 7.2 In discharging these overall obligations, the Council is responsible for putting in place appropriate arrangements for the governance of its affairs and ensuring that there is a sound system of internal control that facilitates the effective exercise of its functions and includes arrangements for the management of risk. The overall system of controls across the Council contributes to the effective corporate governance of the organisation.
- 7.3 The Deputy CFO has drafted the statement in consultation with the Head of Paid Service, Interim S151 officer, Corporate Management Board, the Monitoring Officer, and the Democratic Services and Elections Manager.
- 7.4 Good governance is about getting things right first time by focusing on the things that matter most. It is about demonstrating leadership and respect for the democratic process and the purpose of public bodies making proper, timely, and transparent decisions:
- managing risk and allocating resources effectively
 - knowing your customers and stakeholders
 - being open, honest, and taking responsibility and accountability for your decisions
 - demonstrating high standards of integrity and behaviour both as

an individual and as a corporate body.

- 7.5 Good governance is the responsibility of everyone within the organisation and impacts on all the activities of the Council and how we deliver our services.
- 7.6 The Chartered Institute of Public Finance and Accountancy (CIPFA)/Society of Local Authority Chief Executives (SOLACE) have defined a common governance framework and a set of principles for all public services, called *Delivering Good Governance in Local Government*. During 2016, they issued an update to the framework. The AGS attached at **Appendix 1** follows the 2016 updated framework and the key principles of good governance provided therein.
- 7.7 In 2020, CIPFA issued the Financial Management Code and its respective guidance notes which set out the principles by which authorities should be guided in managing their finances and the specific standards that they should, as a minimum, seek to achieve. The code is designed to be flexible to the nature, needs and circumstances of individual authorities. The code applied a principles-based approach to good financial management for an authority based on the size, responsibilities and circumstances of each authority. The principles are:
- Leadership
 - Accountability
 - Transparency
 - Adherence to professional standards
 - Sources of assurance
 - Long term sustainability of local services
- 7.8 In preparing the AGS and assessing the governance framework, the Council is required to demonstrate its compliance with the code. The self assessment for 2022/23 has not yet been undertaken but will be updated in due course taking into account the actions from the financial recovery plan.
- 7.9 As part of the AGS, we have identified a number of significant governance issues that the Council is working on resolving. These are outlined in

section 6 of Appendix 1. The key areas are Contract management issues, financial recovery plan, compliance with the CIPFA Financial management code and the Guildford and Waverley collaboration.

8 Financial Implications

8.1 There are no direct financial implications arising from this report.

9 Legal Implications

9.1 In order to comply with Regulation 6 (1) (b) of the Accounts and Audit Regulations 2015, the Council must prepare an AGS in respect of each financial year. A committee of the Council, or the Council itself, may approve the AGS.

9.2 At its extraordinary meeting on 6 July 2021, the Council agreed to amend the terms of reference of the Corporate Governance and Standards Committee to include the consideration and approval of the AGS in advance of the formal approval of the Council's Statement of Accounts.

9.3 Regulation 10 of the 2015 Regulations requires the Council to publish the AGS alongside the adopted statement of accounts each year.

10 Human Resource Implications

10.1 There are no human resource implications to this report. We will work with the Communications team on any communications issues that arise.

11 Conclusion

11.1 The Council has seen significant change since the pandemic and more recently the start of the collaboration with Waverley Borough Council.

11.2 The Council will strive to make significant improvements in its governance framework moving forward. Such improvements will be undertaken in coordination with Waverley Borough Council, where appropriate, as part of the collaboration programme.

12 Background Papers

Delivering Good Governance in Local Government (2016) (CIPFA/SOLACE)

Corporate Governance and Standards Committee 15 March 2023: Item 7 – Internal Audit Progress report (including the Head of Internal Audit Opinion 2022/23)

13 Appendices

Appendix 1: Annual Governance Statement 2022/23

Guildford Borough Council

Annual Governance Statement 2022/23

1. SCOPE OF RESPONSIBILITY

- 1.1. Guildford Borough Council is responsible for ensuring that it conducts its business in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.
- 1.2. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs to facilitate the effective exercise of its functions, including arrangements for the management of risk.
- 1.3. The Council has considered the principles of the CIPFA/SOLACE framework *Delivering Good Governance in Local Government* (2016), including compliance with the CIPFA publication on *The Role of the Chief Financial Officer in Local Government* (2016) in the preparation of this statement.
- 1.4. This statement explains how the Council has complied with the code and meets the requirements of regulation 4 of the Accounts and Audit Regulations 2015 in relation to internal control.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 The governance framework comprises the systems, processes, culture, and values by which the authority is directed and controlled and the activities through which it accounts to, engages with, and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and

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Appendix 1

can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and impact should those risks be realised and to manage those risks efficiently, effectively, and economically.

2.3 The governance framework has been in place for the year ended 31 March 2023 and up to the date of approval of the statement of accounts.

3. GOVERNANCE FRAMEWORK

3.1 The Council is a complex organisation with an appropriately comprehensive governance framework that works in a dynamic environment and keeps its processes under constant review. A description of how the Council puts the principles of good governance, set out in the CIPFA/SOLACE framework into practice is set out in the following table along with recent achievements, developments, and areas for improvement.

Principles of Good Governance

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Arrangements the Council has for delivering good governance

- Council's Constitution, includes:
 - Council procedure rules for conduct at meetings.
 - financial and procurement procedure rules.
 - codes of conduct for Officers and Councillors.
 - protocol on decision making by lead councillors.
 - Protocol on Councillor/Officer Relations.
 - arrangements for dealing with allegations of misconduct by councillors.
 - Probity in Planning Councillors' Handbook.
- Induction for new councillors and staff on standards of behaviour expected.
- Guidance on use of social media and email signatures issued to councillors.
- Staff performance framework includes behavioural framework & behaviour profiles are included within job descriptions.
- Declarations of interest made and recorded at meetings.
- Register of councillors' interests maintained.
- Register of gifts and hospitality maintained for Councillors and staff.
- Anti-Fraud and Corruption Strategy.
- Anti-Bribery Policy.
- Whistle blowing policy.

Recent *achievements, developments and areas for improvement*

The Corporate Governance and Standards task group has continued to meet during 2022/23 and reported on its progress to the Corporate Governance and Standards Committee during the year.

Principles of Good Governance

Arrangements the Council has for delivering good governance

Recent achievements, developments and areas for improvement

- Corporate Management Board (CMB) monitor compliance with laws and council policies, working with the Joint Management Team (JMT).
- The Statutory Officers, Strategic Director for Transformation and Governance and the Executive Head of Organisational Development meet at least monthly to discuss governance matters.
- Officer health and safety group in place to monitor health and safety compliance.
- Complaints policy in place.
- Customer services manager monitors and reports on complaints performance to corporate management team and Overview and Scrutiny Committee as part of the Corporate Performance Monitoring report.
- Corporate Governance & Standards Committee (CGSC) in place whose remit is set out within the Constitution.
- Overview and Scrutiny Committee (OSC) review of decision making.
- Procurement strategy adopted in June 2020, policy and toolkit in place, revised procurement procedure rules approved in May 2021.
- An officer Corporate Procurement Board (CPB) monitors compliance with the procurement strategy and policy.
- All committee reports to Executive and Council require review of legal and financial implications to be completed and signed off by Monitoring Officer (MO) and Chief Finance Officer (CFO).
- Executive Advisory Boards in place to advise Executive on matters of strategic importance to the Council.
- Monitoring Officer provisions in place.

Corporate Procurement Board has met fortnightly throughout 2022/23 to improve governance arrangements around procurement, particularly where exemptions have been applied.

Audit of scheduled for early 2023/24

Principles of Good Governance

Arrangements the Council has for delivering good governance

Recent *achievements, developments and areas for improvement*

B. Ensuring openness and comprehensive stakeholder engagement

- The Council's vision and priorities are set out in the corporate plan adopted 1 November 2021. Public consultation undertaken on priorities in 2020.
- Consultation policy and community engagement strategy in place which adheres to consultation standards.
- Freedom of Information Act performance monitored by CMB and CGSC. Log of Freedom of Information (FOI) responses is published on the website.
- Online council tax information published.
- Transparency information published on website.
- Records of decision making maintained and published on website.
- Forward programme of committee meeting dates and agenda items published on-line with reporting dates adhered to.
- Active programme of focus groups and surveys undertaken for specific service initiatives.
- Active use of social media and on-line tools to engage customers.
- Consultation responses published on the Council's website (e.g., Local Plan).
- Recognition of the importance of and active engagement in key strategic partnerships such as Guildford Surrey Board, Health and Wellbeing Board, Local Enterprise Partnership (EM3) and service specific partnerships.

Principles of Good Governance

Arrangements the Council has for delivering good governance

Recent achievements, developments and areas for improvement

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

- Corporate Plan 2021-2025 which sets out the Council’s vision, key themes and priorities.
- Performance Monitoring Reports against corporate plan priorities reported to CMB and OSC.
- Programme and project management system now embedded.
- Community engagement strategy.
- Monitoring of key performance indicators undertaken by CMB.
- Committee report template now includes Climate Change/Sustainability Implications.
- Business planning process and capital programme development aligned to the corporate plan through the new service planning and project and programme governance framework, bids for funding scored against achievement of corporate plan priorities.

Internal audit of performance monitoring reported to CGSC in July 2022 assessed as significant assurance with minor improvements which is an improvement from 2020-21 when it was assessed as partial assurance.

Principles of Good Governance

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

Arrangements the Council has for delivering good governance

- Medium term financial strategy and plan in place, reviewed annually and published as part of the Council's budget book.
- Business planning process in place to align financial resources with corporate plan priorities.
- Financial recovery plan has been prepared, and progress reported at every CMB, Executive Briefing, and CGSC meetings.
- Mandate and business case process (PPM Governance) introduced for new projects and policies.
- Business planning guidance for managers in place and reviewed annually.
- Scrutiny of the budget and business planning bids by Joint Executive Advisory Board.
- Forward Plan maintained on a rolling 12-month basis.
- Regular CMB and Executive briefing meetings held to discuss strategy and Council business and reports to committees.
- Directors and senior officers hold regular meetings with Lead Councillors.
- Joint Management Team (JMT) in place.
- Managers' group in place.
- Officer Enterprise Portfolio Board in place which monitors all the key Council workstreams.
- Strategic Programmes and Projects Board in place to monitor the delivery of major projects, with Housing; Capital, transport and Infrastructure; Weyside Urban Village and other sub-boards.

Recent achievements, developments and areas for improvement

New Joint Appointments Committee and Joint Governance Committee put in place to oversee key elements of the Guildford – Waverley collaboration project. Inter Authority Agreement agreed between the two councils.

Individual S113 agreements in place to cover staff cross working across the two authorities

Service challenge sessions with all service areas undertaken – phase one detailed review of budgets saved £1.6 million and phase 2 a look at potential future service changes, including joint working, and delivery options.

Officer Financial Control Panel set up to scrutinise council spending

Councillor working group set up to monitor progress against the workstreams in the financial recovery plan.

Principles of Good Governance

Arrangements the Council has for delivering good governance

Recent *achievements, developments and areas for improvement*

- Property Review Group in place to review all assets on a rolling programme and optimise property asset utilisation and performance.
- Capital Programme Monitoring Group in place to monitor progress of capital projects, which are not major projects and maintain an up to date forecast of the profile of capital expenditure.

E. Developing capacity, including the capability of leadership and the individuals within it

- Organisational development framework includes continuous performance and development reviews of staff through one-to-one meetings and clear job role profiles with behavioural profiles.
- The constitution sets out the role of statutory officers and the role of the Leader.
- The Council is compliant with CIPFA guidance on the Role of the CFO.
- Head of Paid Service (HoPS), CFO, and MO are part of the Corporate Management Board and attend Executive Briefings and full Executive meetings.
- Professionally trained staff in relevant fields in place and continuing professional development encouraged as part of performance and development framework.
- Regular staff development training programme in place.
- Active support for staff to obtain external qualifications.
- Scheme of delegation and financial procedure rules in place.

Principles of Good Governance

Arrangements the Council has for delivering good governance

Recent achievements, developments and areas for improvement

- Councillor development steering group in place which develops and implements an active programme of Councillor training, including a full induction programme to be implemented following the Borough Council elections in May 2023.
- Recognition of the importance of and active engagement in key strategic partnerships such as Guildford Surrey Board, Health and Wellbeing Board Local Enterprise Partnership (EM3) and service specific partnerships
- Work with partners through the Local Resilience Forum.

Financial Procedure Rules, and the wider constitution need to be reviewed in 2023/24

F. Managing Risks and performance through robust internal control and strong public financial management

- Corporate risk register and new risk management strategy agreed in April 2022.
- Risk management group in place.
- Financial risk register in place and used to inform the financial sustainability of the budget and adequacy of the level of reserves.
- Internal audit work programme informed by risks.
- Internal audit is outsourced, fully resourced and effective.
- Compliance with the CIPFA code on managing the risk of fraud and corruption.
- Role of the OSC is clearly set out in the constitution and its work programme is developed by the chairman, vice-chairman, and officers and agreed by the committee. Agendas and minutes are published online.
- Compliance with the CIPFA Financial Management code.

Risk management group to review corporate risks chaired by the Director of Transformation and Governance

Following partial assurance audit in 2020/21, the revised risk management strategy and framework has been adopted by CGSC in April 2022. In November 2022, KPMG reported significant assurance in respect of Corporate Risk Management.

Principles of Good Governance

Arrangements the Council has for delivering good governance

Recent achievements, developments and areas for improvement

- CMB oversees key governance, data protection and risk management information and receives reports from the health and safety group.
- Role of the CGSC is clearly set out in the constitution and has an active work programme informed by officers and agreed by the committee. Agendas and minutes are published online.
- A summary of internal and external audit reports is reported to CGSC on a regular basis along with annual internal audit opinion.
- Progress against audit plan and individual audit recommendations are monitored and reported to CGSC.
- The Council has comprehensive data protection policies and a designated data protection officer who monitors compliance with legislation.
- Information security risk group, led by the Senior Information Risk Owner in place which reviews the Council's information governance procedures and any necessary improvements.
- CGSC receives regular financial monitoring reports.
- All projects require a risk register and project board in line with the approved PPM governance framework.

Audit of the Council's compliance with the CIPFA Financial Management Code in 2021/22 found significant assurance with minor improvement opportunities

G. Implementing good practices in transparency, reporting and audit to deliver effective accountability

- The Council publishes significant information on its website.
- 'Style guide' in place to encourage officers to write reports in plain English, and new accessible report template to be introduced from May 2023. Annual financial statements include a narrative summary on the Council's performance during the year as well as reporting the financial position.

The Council does not currently produce a formal annual report; however, the CFO's Narrative Statement in the Council's Statement of Accounts reports the majority of information that an annual report would be expected to cover.

Principles of Good Governance

Arrangements the Council has for delivering good governance

- Effective internal audit function in place which complies with public sector audit standards and the CIPFA statement on the Role of the Head of Internal Audit.
- Community engagement strategy in place
- The Council has reaffirmed, and adopted as best practice, the position that all committee reports are made public unless there are unequivocal legal or commercial reasons to the contrary and that where practicable, information within a report which is legally exempt from publication should be isolated from the body of the report as a restricted appendix, with the remainder of the report made available to the public.
- All restricted committee reports now clearly and precisely state at the point the agenda is published all of the following:
 - (a) Why the content is to be treated as exempt from the access to information publication rules.
 - (b) To whom within the Council the content is restricted
 - (c) When, following a period of exemption, the exempt information can be expected to be made public.
 - (d) Details of how the decision to maintain the exemption may be challenged.
- Working group reports and minutes made available to all councillors.

Recent achievements, developments and areas for improvement

The Council is compliant with the mandatory elements of the Local Government Transparency Code 2015 in respect of the publication of data.

4. REVIEW OF EFFECTIVENESS

- 4.1. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's (HoIA) annual report, and by comments made by the external auditors and other review agencies and inspectorates.
- 4.2. The HoIA is required to provide an annual opinion in accordance with Public Sector Internal Audit Standards (PSIAS), based upon and limited to the work performed on the overall adequacy and effectiveness of the Council's risk management, control and governance processes (i.e. the system of internal control). This is achieved through a risk-based programme of work agreed with Management and approved by the CGSC, which can provide assurance, subject to the inherent limitations.
- 4.3. The purpose of the HoIA opinion is to contribute to the assurances available to the Accountable Officer¹ and the Council which underpin the Council's own assessment of the effectiveness of the system of internal control. The opinion does not imply that the HoIA has covered all risks and assurances relating to the Council. The opinion is derived from the conduct of risk-based plans generated from a robust and Management-led Assurance Framework. As such it is one component that the Council takes into account in writing this Annual Governance Statement.
- 4.4. The HoIA Opinion for 2022/23 on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control was: **'Significant assurance with minor improvement opportunities'**. Whilst internal audit has noted robust aspects of and improvements in the Council's system of internal control, for example the number of audits with 'significant assurance with minor improvement opportunities' achieved in 2022/23 in respect of performance monitoring, risk management and core financial control and governance audits, there were four audits that received 'partial assurance with improvements required' which were budgetary controls, additional payroll discrepancy review, corporate programmes and customer services and complaints handling. They recognise improvements in core areas such as finance and governance,

¹ Chief Finance Officer

they are comfortable that the overall control environment is robust. The Internal Audit team raised six high priority actions in 2022/23:

- Customer services: complaints handling review - agreeing timescales for acknowledging and responding to customer complaints.
- Corporate programmes redevelopment projects review – ensuring procurement processes are strengthened on WUV, from procuring contracts through to contract management.
- Two relating to budgetary controls review:
 - Tighter controls on unbudgeted staff expenditure, including establishing a base establishment and more robust sign off by finance for non-established staff.
 - Robustness of budget monitoring – ensure reported regularly and service leads and directors have scrutinised the forecasts.
- Two relating to the additional review in the payroll budget discrepancy:
 - Finalising the Council’s establishment by way of agreeing a base then monitoring spend against the establishment closely as well as regular reconciliations.
 - Ensure there is a formalised, clear and consistent approach to finance oversight of corporate programmes.

5. INTERNAL AUDIT STATEMENT

5.1 The HoIA Opinion was presented to the Council’s CGSC on 15 March 2023 ([see HoIA Opinion²](#)). In 2022/23, there were 11 planned pieces of work which were completed. The results of the work carried out in the year to 31 March 2023 are shown in the table below:

Assurance Rating	Number of Audits	
Significant Assurance	0	0%
Significant Assurance with minor improvement opportunities	7	64%
Partial assurance with improvements required	4	36%
No Assurance	0	0%
No Opinion (one-off projects) Value for Money	0	0%
In progress (Inc. fundamental service reviews)	0	0%

² The Opinion forms part of Appendix 1 of Agenda Item 7

- 5.2 Internal audit reports provide management recommendations designed to address weaknesses in the system of internal control. The outcomes of these audits are reported regularly on a summary basis to the CGSC giving councillors an opportunity to understand the Council's compliance with key controls and to discuss any areas of concern with the auditors. We also update councillors on the progress with implementation of recommendations. In 2022/23, Internal Audit raised 6 high priority recommendations as detailed in 4.4 above.
- 5.3 A collaboration with Waverley Borough Council started during 2022/23. The first step was a joint Chief Executive followed shortly after with Joint Strategic Directors and then the Joint Management Team which consisted of Joint Executive Heads of Service with a Business Support team. There are no decisions yet as to any future collaboration, although both Councils are using S113 agreements to share staff. A Transformation and Collaboration board has been set up, along with a Joint Executive for consideration of collaboration matters.

6. SIGNIFICANT GOVERNANCE ISSUES AND ACTION PLAN

- 6.1. The Council continues to face on-going financial pressures. As a result of this challenging environment, it is recognised that although there has been improvement in the governance arrangements more work is required. Where we have identified areas for further improvement, we will take the necessary action to implement changes that will further develop our governance framework.

Progress on Governance Issues reported in the 2021/22 Annual Governance Statement:

- 6.2. The significant governance issues arising in 2021/22 and progress made against them are shown in table below:

Area	Actions Agreed	Progress Made
Impact of COVID-19 Pandemic	The continued recovery from the pandemic continues to pose a significant challenge in terms of budget setting and medium-term financial planning.	During 2022/23 service challenge meetings were held with services to review current budgets and also look to potential opportunities for the future in a bid to create efficiencies within the MTFP period. This work continues as part of the collaboration and transformation work.
Compliance with the CIPFA financial management code	<p>2021/22 was the first full year of implementation of the CIPFA FM Code. An updated assessment of the extent to which the authority complied with the Code was undertaken by the Director of Resources, and an internal audit found significant assurance with minor improvement opportunities. The authority is confident that it is generally compliant with the Code but has identified some key areas where improvements could be made:</p> <ul style="list-style-type: none"> • The self assessment should be reported to CMB and CGSC alongside with AGS. • The council could benefit from a formal external financial resilience assessment. • Financial benchmarking should be reported to councillors on an annual basis. 	<p>Financial management training was rolled out to Guildford budget managers in 2021/22 but has not been replicated with the new collaboration structure, and is something to look at during 2023/24 and 2024/25.</p> <p>The Council has implemented a financial recovery plan with the aim to avoiding a s114 notice during 2023/24 and 2024/25.</p>

	<ul style="list-style-type: none">• The Council’s asset framework, policy and guidance should be updated along with introducing a formal asset management plan.• The Council could consider additional reporting on value for money to members of the public.• The Council should consider using the IFAC/PAIB appraisal guidance set out in ‘Project and Investment Appraisal for Sustainable Value creation: Principles in project and Investment Appraisal (2023)’ in project and performance management framework.	
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Area	Actions Agreed	Progress Made
Core Financial Systems	<p>During 2020/21, an internal audit review of core financial systems found partial assurance with improvements required. Further audits in 2021/22 found that the audit recommendations had been implemented and there was significant assurance with minor improvement opportunities with the exception of the Income and Accounts receivable audit which had one high priority recommendation relating to lack of formal procedures and controls to ensure regular monitoring of outstanding debt and subsequent chasing of customers.</p> <p>An Internal audit of HRA RTB receipts during 2021/22 found partial assurance with improvements required.</p>	<p>The Accounts receivable team have now reallocated the workload so each team member has responsibility for council services. This creates accountability and ownership and means focus can be made where it is needed.</p> <p>During 2021/22 regular high-level reporting on debt levels was presented to CGSC as part of the budget monitoring reports. This has been continued and further enhanced during 2023/24.</p> <p>A RTB receipts table has been included in the budget monitoring reports highlighting progress against the government targets for spending the receipts without needing to repay to government.</p>

<p>Guildford and Waverley Collaboration</p>	<p>In July 2021, Guildford and Waverley Councils agreed to collaborate and explore partnership working across the two councils with a view to cutting costs and protecting local services. The Councils agreed to share a Joint Management Team comprising the Chief Executive, Directors and Heads of Service with a view to exploring further collaboration subject to business cases to do so. A Joint Appointments Committee of councillors was established to oversee senior recruitment and the Joint Chief Executive as appointed in November and commenced in office in December. An inter-authority working group of councillors met to develop the heads of terms for the Inter-Authority Agreement between the two councils, and their recommendations were agreed by Full Council meetings in April 2022. These recommendations included a new Joint Governance Committee, which will periodically review the Inter-Authority Agreement and the partnership's risk assessment. The Joint Management Team is currently under consultation and is likely to be appointed and in place by October 2022</p>	<p>The new Joint Management Team has been operation since October 2022 and has contributed savings to both Councils.</p> <p>Further opportunities for collaboration and partnership working have been implemented via a S113 agreement for staff sharing where this has been appropriate. Further collaboration opportunities will come forward on a case by case basis from services. There is a financial saving target in each of the next two financial years.</p>
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- 6.3 In addition, there were a number of follow-up reviews of audits which received partial assurance in 2021/22, which were revisited in 2022/23. The follow up audit revealed that of the recommendations made in the partial assurance audits in the previous year, 19 had been fully implemented, and 4 were not yet fully implemented. These will be subject to further follow up review during 2023/24.

New Governance Issues arising in 2022/23:

Contract management issues

- 6.4 The Monitoring Officer has identified that there are significant concerns around governance failures in the housing maintenance service. The issue was first raised in 2022/23 and an investigation commenced in July 2023.
- 6.5 There appears to have been a lack of robust governance in place around the Council's use of agency workers, management of officers, financial control and contract management, with at least one particular contractor.
- 6.6 An internal governance review is taking place in 2023/24 to ascertain how this situation arose and provide recommendations for the future in order that assurance may be given. Analysis is ongoing into any potential financial loss to the Council and any opportunities for recovery of funds.
- 6.7 There is a separate item on the matter before the Corporate Governance & Standards Committee on 29 November 2023 from the Monitoring Officer, and this issue will be more formally reported to that Committee when the review has been completed and is likely to feature in the 2023/24 Annual Governance Statement in due course.

Financial Recovery Plan

- 6.8 Whilst monitoring 2022/23 position, and preparing the budget for 2023/24, large budget gaps were being reported. During late 2022/23 and early 2023/24 the Council embarked on Service Challenge exercises where all services reviewed their budgets line by line to justify what they are spending on. This achieved £1.6 million of savings, but more work was to be done.
- 6.9 Phase two of the service challenge meetings consisted of a more strategic look at services, to be included as part of the next stage of the

collaboration – efficiencies and collaboration opportunities. These have yet to be taken forward.

- 6.10 The Council produced a revised budget in July 2023, still with a budget gap for 2023/24 whereby a financial recovery plan was put in place and will be continuing into the MTFP period.

Compliance with CIPFA Financial Management (FM) Code

- 6.11 The Council reported a budget gap for 2023/24 which was increasing for the MTFP period. The Financial Management Code needs to be updated in line with the Financial Recovery Plan that has been implemented at the Council and reported to Councillors regularly. Areas where improvements could be made are:

- (a) The self-assessment should be reported to Corporate Management Board, JMT and the Corporate Governance and Standards Committee alongside the Annual Governance Statement.

Guildford – Waverley Collaboration

- 6.12 The Joint Management Team between Guildford and Waverley has been in place since October 2022. Further opportunities for collaboration and partnership working have been implemented via a S113 agreement for staff sharing where this has been appropriate. Further collaboration opportunities will come forward on a case-by-case basis from services, following approval from both Executives in November 2023 to progress with the collaboration.
- 6.13 There is a financial saving target in each of the next two financial years.

7. ASSURANCE SUMMARY

- 7.1 Good governance is about running things properly. It is the means by which the Council shows it is taking decisions for the good of the people of our area in an equitable and open way. It recognises the standards of behaviour that support good decision-making: collective and individual integrity, openness and honesty. It is the foundation for the delivery of good quality services and fundamental to showing that public money is well spent.
- 7.2 During 2022/23, the Council embarked on the first stage of collaboration and also faced financial pressures with an increasing MTFP budget gap. It has been very challenging with more work to be done.

7.3 We confirm, to the best of our knowledge and belief, that this Statement provides an accurate and fair view.

Signed:

Leader of the Council on behalf of Guildford Borough Council

Signed:

Joint Chief Executive on behalf of Guildford Borough Council

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Guildford Borough Council

Report to: Corporate Governance & Standards Committee

Date: 29 November 2023

Ward(s) affected: All

Report of: Interim Joint Executive Head of Finance (section 151 officer)

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 6 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 Original Budget approved by the Council in February 2023 included a budget gap of £3.1 million. A revised budget was presented to Committee in July 2023 with a reduced budget gap of £1.6 million, following review of budgets with services. Further work has been undertaken, since July, jointly by the Corporate Management Board (CMB), the finance team and services to close this gap and savings have been made to reduce this ensuring the Revised Budget is balanced. Several areas were identified as a financial risk to the Council. Budgets have been increased to reflect this and are listed below. The month 6 forecast includes these budget changes.
- 1.3 The revised budget has been adjusted to reflect the changes above, officers are projecting an underspend within services on the General Fund revenue account of £0.545 million which includes specific

reserves transfers. Corporate adjustments, specifically external interest receivable, are forecast to underachieve by £0.359 million to give an overall forecast favourable position of £0.187 million. Any surpluses or deficits would impact reserves at year end.

- 1.4 Within the forecast of external interest is a forecast of £0.8 million which is expected to be received from North Downs Housing which has been highlighted as being a risk based on past performance. Further work is needed to confirm the position.
- 1.5 The CMB is implementing measures to address the budget gap in 2023/24 through a “Financial Recovery Plan” and the initial actions were set out in the budget report considered by council at its extraordinary meeting on 30 August 2023. Some of these measures will be one-off, in-year adjustments which will not help the budget in 2024/25 and future years. This will be prioritised in the mid-year review of the Medium-Term Financial Plan reported to committee in November 2023.
- 1.6 Officers are projecting an overspend on the HRA of £0.231 million. This report sets out the detail behind this variance.
- 1.7 Progress against the capital programme is underway. The Council expects to spend £119.6 million on its capital schemes by the end of the financial year against a budgeted expenditure of £177.7 million.

2. Recommendation to Committee

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

3. Reason(s) for Recommendation:

- 3.1. To ensure that councillors and officers fulfil their responsibilities for the overall financial management of the Council’s resources.

4. Exemption from publication

- 4.1. No.

5. Purpose of Report

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

6. Strategic Priorities

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

7. Background

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

8. Consultations

- 8.1. Finance specialists prepare the financial monitoring report in consultation with the relevant service managers, Joint Executive Heads of Service and Strategic 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. An interest payment of £0.8 million is budgeted from North Downs Housing which, based on past performance, may not be achieved.

10. Financial Implications

General Fund Revenue Account

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

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 2023-24	Revised Budget 2023-24	Projected Outturn 2023-24	Variance to latest 2023-24
	£	£	£	£
Community Wellbeing Place	18,037,833	18,000,176	18,850,893	850,717
Transformation and Governance	(2,044,480)	(2,094,118)	(2,955,168)	(861,050)
Total Directorate Level	10,041,822	9,032,153	8,497,132	(535,021)
Less capital charges	26,035,175	24,938,211	24,392,857	(545,354)
Net service cost	(8,772,936)	(8,772,936)	(8,772,936)	0
Corporate Items	17,262,239	16,165,275	15,619,921	(545,354)
External interest receivable (net)	(2,794,690)	(3,394,690)	(2,967,313)	427,377
Interest payable to HRA	1,375,960	1,375,960	1,307,779	(68,181)
Minimum Revenue Provision	1,786,674	1,618,674	1,617,981	(693)
Other reserve movements	9,940	9,940	10,000	60
Business Rates GF impact	(3,152,126)	(3,152,126)	(3,152,126)	0
Other Govt Grants	(227,765)	(227,765)	(227,765)	0
New Homes Bonus	(1,282,629)	(1,282,629)	(1,282,629)	0
Council Tax Collection Fund	140,061	140,061	140,061	0
Net General Fund Cost	13,117,664	11,252,700	11,865,909	(186,791)
Council Tax requirement	11,252,700	11,252,700	11,252,700	0
Shortfall / (surplus)	1,864,964	0	613,209	(186,791)

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	18.000	18.851	0.851
Place	(2.094)	(2.955)	(0.861)
Transformation & Governance	9.032	8.497	(0.535)
Totals	24.938	24.392	(0.545)

Housing Revenue Account

- 10.2 The HRA is forecast to have an adverse variance for the year by £0.231 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	38.247	38.979	0.732
Income	(38.427)	(38.748)	(0.500)
(surplus)/deficit for the year	0.000	0.231	0.231

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

Capital Programme

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

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	147,240	177,913	119,605	(58,308)
- Provisional schemes	48,428	49,119	3,181	(45,938)
- Schemes funded by reserves	1,031	1,564	1,469	(95)
- S106 Projects	122	293	293	0
Total Expenditure	196,821	228,888	124,548	(104,340)
Housing Revenue Account Capital Expenditure				
Approved programme	47,866	60,955	34,537	(26,419)
Provisional programme	15,928	16,928	0	(16,928)
Total Expenditure	63,794	77,883	34,537	(43,347)

Approved (main) Programme

10.4 Expenditure is expected to be £119.6 million representing a £58.3 million variance to the revised estimate of £177.7 million. If a project is on the approved programme, it is an indicator that the project has started or is near to start following the approval of a final business case by the Executive. Whilst actual expenditure for the period of £24.3 million may seem low, several significant projects are in progress and delivery of the corporate projects and programmes is progressing. See **Appendix 3** for details of the movements.

Provisional Programme

10.5 Expenditure on the provisional programme is expected to be £3.1 million, against the revised estimate of £49.1 million, representing a variance of £45.9 million. These projects are still at feasibility stage and will be subject to Executive approval of a business case before they are transferred to the approved capital programme. It is only once the business case is approved that the capital works can begin. Monitoring the progress of these projects is key to identifying project timescales. The re-profiling of schemes has resulted in a lower level of expenditure than planned in 2023/24.

S106 programme

10.6 Capital schemes funded from s106 developer contributions are expected to total £293,000. Developer contributions are time limited and if they are not used within the timescales to fund a capital

project then they will need to be repaid to the developer. As a result, it is important that the Council closely monitors the S106 funds it has and puts plans in place to spend the contributions within the required timescales.

Reserves

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

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

Capital Resources

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

Housing Investment Programme Approved Capital

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

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

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

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

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	2,703
HIP Expenditure required to avoid RTB repayments	0	0	0	0	6,759
Forecast HIP Expenditure from the Approved Capital program	5,162	15,839	6,019	0	0
Cumulative Expenditure forecast	6,251	22,089	28,108	28,108	28,108
Forecast additional receipts that will be used (c x 40%)	2,065	6,335	2,407	0	0
Cumulative additional receipts that will be used ((cumulative e	2,065	8,400	10,808	10,808	8,104
Revised value of receipts that might need to be surrendered			0	0	0

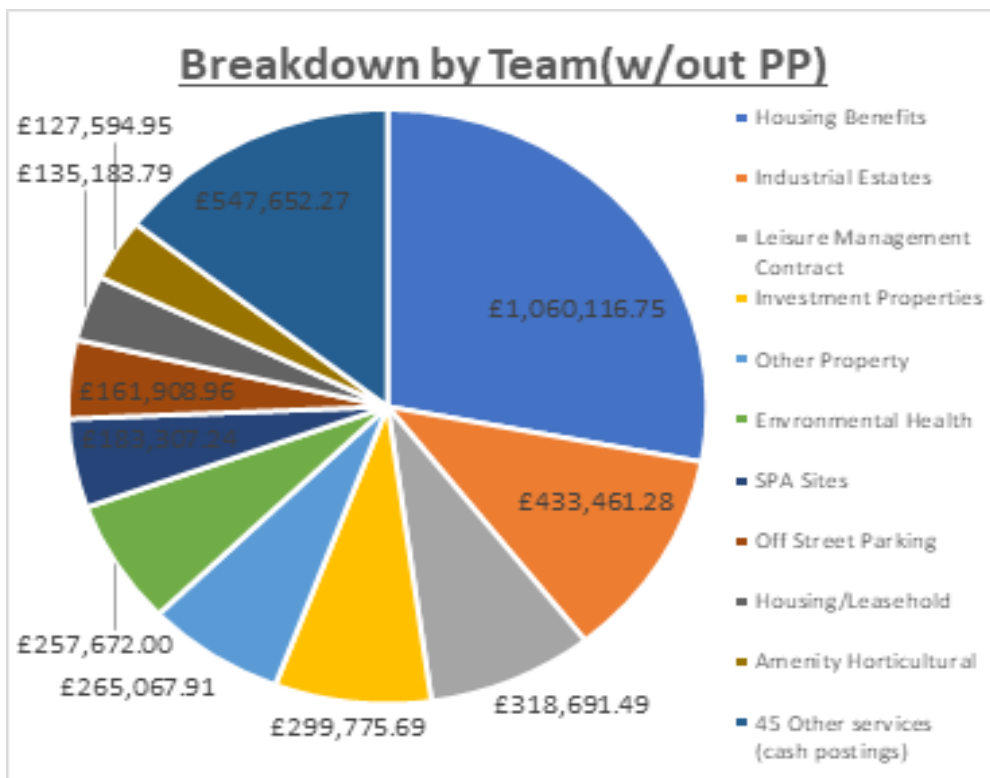
11. Sundry Debt

11.1. As at 30 September 2023, the current sundry debt (including Housing Benefit overpayments) position is £5.645 million of which £1.640 million is less than 30 days and within payment terms and a further £1.854 million is supported by payment plans. This leaves £3.790 million which is the debt due to the Council.

Period	Total Overdue Debt	Total Payment Plan	Remaining Overdue Debt	Payment Plan %
202206	£ 5,482,912.03	£ 2,542,697.92	£ 2,940,214.11	46%
202207	£ 5,395,445.99	£ 2,159,454.02	£ 3,235,991.97	40%
202208	£ 5,592,452.61	£ 2,010,598.34	£ 3,581,854.27	36%
202209	£ 5,620,812.91	£ 2,365,288.44	£ 3,255,524.47	42%
202210	£ 5,336,596.73	£ 2,305,930.36	£ 3,030,666.37	43%
202211	£ 8,077,774.74	£ 2,317,955.82	£ 5,759,818.92	29%
202212	£12,180,649.67	£ 2,644,307.89	£ 9,536,341.78	22%
202301	£ 9,354,272.01	£ 2,607,303.05	£ 6,746,968.96	28%
202302	£ 7,053,358.32	£ 2,578,619.12	£ 4,474,739.20	37%
202303	£ 5,682,074.83	£ 2,346,931.83	£ 3,335,143.00	41%
202304	£ 5,364,338.08	£ 2,209,650.54	£ 3,154,687.54	41%
202305	£ 4,534,405.53	£ 1,951,096.70	£ 2,583,308.83	43%
202306	£ 5,644,518.75	£ 1,854,086.42	£ 3,790,432.33	33%

Payment Plans

- 11.2 Payment plans are the first step in recovering from individuals and businesses owing the Council money. Values under £1,000 which can be repaid within 12 months will be agreed by the case team with approval of the finance specialist.
- 11.3 For any payment plans outside of the above, the services are consulted, and a proposed agreement is taken to the deputy S151 or S151 Officer or Directors for approval according to the Scheme of Delegation.
- 11.4 Debt without payment plans are a higher risk to the Council than those with payment plans and services are supported in the recovery of these debts.



Age of Debt

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

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

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

12. Legal Implications

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

13. Human Resource Implications

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

14. Equality and Diversity Implications

14.1 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. Each Executive Head of Service will consider these issues when providing their services and monitoring their budgets.

15. Climate Change/Sustainability Implications

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

16. Summary of Options

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

17. Conclusion

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

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

18. Background Papers

None.

19. Appendices

Appendix 1: Summary Directorate Variances

Appendix 2: HRA Summary Variances

Appendix 3: Approved Capital Programme Movements

Appendix 4: Capital Programme

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Summary Directorate Variances

Community Wellbeing

The Community Wellbeing Directorate is currently forecast to be underspent by £1.056 million.

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

The key variances are detailed below.

Service Area	Forecast Variance £ million	Explanation
Communications & Customer Services	(0.455)	Savings due to vacant posts and uncommitted consultancy budgets.
Community Services	(0.369)	Underspend is due to additional income from the help on hands service from previous periods and saving on salaries
Environmental Services	0.829	The overspend is due to a number of issues over the services in addition to the requirement to align asset spend with budget during period 7. The cremator experienced unexpected damage which required unbudgeted additional costs and additional staffing costs in refuse and recycling, fleet management, garden waste. The service also experienced additional operating costs in fleet management.
Housing Services	0.846	The housing service has significant increased costs due to the rising costs of materials,

		labour and staffing costs in Building Management. Homelessness Support is forecasting increased costs due to adverse weather and Woking Road Depot stores are forecasting an overspend due to use of casuals and reduced income. This is offset by an underspend on staff in housing surveying in addition to increased recharges to capital and projects.
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Place Directorate

The Place Directorate is currently forecast to be underspent by £0.761 million

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

The key variances are detailed below.

Service Area	Forecast Variance £ million	Explanation
Assets and Property	(0.599)	A favourable forecast due to budgets for assets being held within this service but costs being held elsewhere within the directorates. Work is ongoing to align these.
Planning & Development	0.135	There are considerable additional costs forecast within the service due to appeals and the need for experts and consultants. There will be a transfer

		from reserve once all costs are known of approx. £0.9 million.
Regeneration & Planning Policy	(0.231)	A favourable forecast due to underspends on major projects and planned savings to support current financial situation
Regulatory services	(0.166)	Unbudgeted additional income due to the HMO 4 year renewal in addition to increased grant income from air quality grant. Savings on salaries due to recruitment freeze offset additional costs due to risk management funding and health and safety training.

Transformation & Governance Directorate

The Transformation & Governance Directorate is currently forecasting to be overspent by £0.341 million.

Transformation & Governance	2023/24 Revised Budget £ million	2023/24 Year-end Forecast £ million	2023/24 Variance £ million
Commercial Services	1.432	0.687	(0.745)
Finance	6.551	6.566	0.015
Legal & Democratic Services	0.776	1.101	0.326
North Downs Housing	(0.021)	0.040	(0.020)
Organisational Development	0.294	0.184	(0.110)
Total Transformation & Governance	9.032	8.497	(0.535)

Agenda item number: 7
Appendix 1

The key variances are detailed below.

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

Housing Revenue Account Forecast Outturn Position for 2023/24

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

	2023/24 Revised Budget £ million	2023/24 Year-end Forecast £ million	2023/24 Variance £ million
Expenditure			
Strategic and Community Housing Service	13.029	14.118	1.090
Sheltered Housing	0.852	1.133	0.280
Depreciation	5.865	5.865	0
Other	2.016	1.377	(0.639)
Interest Payable	4.751	4.751	0
Transfer to Reserves	11.735	11.735	0
Total Expenditure	38.247	38.979	0.732
Income			
Council House Rents	(34.426)	(35.016)	(0.589)
Interest Received	(1.593)	(1.593)	0
Fees, Charges and Misc. Income	(2.228)	(2.139)	0.089
Total Income	(38.427)	(38.748)	(0.500)
(SURPLUS)/DEFICIT	0.000	0.231	0.231

Agenda item number: 7
Appendix 2

The key variances are detailed below.

Service Area	Forecast Variance Month 46 £M	Explanation
Strategic & Community Housing Services	1.090	Forecast overspend is due to vacant post being covered by interim staff and the forecast maintenance of assets being over budget.
Sheltered Housing	0.280	This is due to an unbudgeted increased cost of utilities; the council is currently reviewing all contracts in an effort to reduce this.
Other	(0.639)	Reduced costs of debt management plus savings due to vacant posts
Council House Rents	(0.589)	Increased costs of rents which had not been uplifted in budget assumptions

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

Background to movements in the capital programme

General Fund Approved Programme

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

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

been resolved (TW agreement and payment to UKPN) but the next critical one is the commencement of procurement for the housing delivery in October.

Planning risk has been mitigated and the project team are actively working through the outstanding planning conditions.

- FS1 – Capital Contingency Fund – (£1.9 million)
- ED49 – Midleton Industrial Estate redevelopment (£1.9 million) – Phase 4 construction is underway, and project scheduled for completion this financial year.

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

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

General Fund Provisional Programme

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

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

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

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

Housing Investment Programme

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

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

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

Ref	Bid ref	Code	Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-23	2023-24	Rolled over	Supplementary Ests	Virements	Revised estimate	Expenditure at 05.10.23	Projected exp est by project officer	2024-25 Est for year	2025-26 Est for year	2026-27 Est for year	2027-28 Est for year	2028-29 Est for year	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Funded from Reserves	Net cost of scheme										
						Estimate approved by Council in February																	(b) - (a)	(c) - (b)	(d) - (c)	(e) - (d)	(f) - (e)	(g) - (f)	(h) - (g)	(i) - (h)	(j) - (i)	(k) - (j)
						£000																	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
APPROVED SCHEMES																																
COMMUNITY DIRECTORATE																																
General Fund Housing																																
PR381	N51008	Disabled Facilities Grants		annual	605	-	-	-	-	605	194	605	605	-	-	-	-	605	1,210	(1,210)	-	-										
	N51019	Better Care Fund		annual	-	-	-	-	-	209	-	-	-	-	-	-	-	-	-	-	-	-										
PR381	N51020	Home Improvement Assistance		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
PR381	N51021	Solar Energy Loans		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
	N51023	BCF TESH Project		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
	N51024	BCF Prevention grant		annual	-	-	-	-	-	5	-	-	-	-	-	-	-	-	-	-	-	-										
	N51030/32	SHIP		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
		General Grants to HAs		annual	100	-	-	-	-	100	-	100	100	-	-	-	-	100	200	-	-	200										
		Asset Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
ED21 &	P72022	Methane gas monitoring system		100	48	52	(0)	-	-	52	-	52	-	-	-	-	-	-	100	-	-	100										
ED22 &	P74058	Energy efficiency compliance - Council owned properties		245	102	133	10	-	-	143	-	143	-	-	-	-	-	-	245	-	-	245										
ED26	P51053	Bridges - Inspections and remedial works		317	256	-	61	-	-	61	15	61	-	-	-	-	-	-	317	-	-	317										
ED53	BID97	P74072 Tying Farm Land-removal of barns and concrete hardstanding		200	143	57	-	-	-	57	6	57	-	-	-	-	-	-	200	-	-	200										
COMMUNITY DIRECTORATE TOTAL					862	549	947	71	0	0	1,018	429	1,018	705	0	0	0	0	705	2,272	-1,210	1,062										
ENVIRONMENT DIRECTORATE																																
Operational Services																																
OP1/OP	P66*	Flood resilience measures (use in conjunction with grant funded)		445	324	-	121	-	-	121	-	121	-	-	-	-	-	-	445	-	-	445										
OP6	PR304	P58012 Vehicles, Plant & Equipment Replacement Programme		12,815	10,529	149	(13)	-	-	136	30	136	2,150	-	-	-	-	2,150	12,815	(26)	-	12,789										
OP26	PR264	P35022 Merrow lane grille & headwall construction		60	3	-	57	-	-	57	-	57	-	-	-	-	-	-	60	-	-	60										
OP28	PR284	Crown court CCTV		10	-	-	10	-	-	10	-	10	10	-	-	-	-	10	10	-	-	10										
OP22	5-1920	Town Centre CCTV upgrade		250	-	125	125	-	-	250	-	250	250	-	-	-	-	250	250	-	-	250										
Parks and Leisure																																
PL20(c)	P18224	Redevelopment of Westborough and Park Barn play area		376	-	320	-	56	-	376	-	376	-	-	-	-	-	-	376	(56)	-	320										
PL34	PR186	P04009 Stoke cemetery re-tarmac		122	77	-	45	-	-	45	-	45	-	-	-	-	-	-	122	-	-	122										
PL57 &	BID211	P18215 Parks and Countryside - repairs and renewal of paths, roads		355	337	-	18	-	-	18	18	18	-	-	-	-	-	-	355	-	-	355										
PL58	1-1920	P18220 Shalford Common - regularising car parking/reduction of		121	36	92	(7)	-	-	85	1	10	75	-	-	-	-	75	121	-	-	121										
PL60	7-1920	P18226 Traveller encampments		53	26	27	-	-	-	53	3	25	28	-	-	-	-	28	53	-	-	53										
PL60	7-1920	Traveller transit site provision		127	-	127	-	-	-	127	-	127	-	-	-	-	-	-	127	-	-	127										
PL61	Bid 2	P18238 Stoke Park Paddling Pool		170	168	2	-	-	-	2	-	2	-	-	-	-	-	-	170	-	-	170										
PL62		P22067 Lido - Drainage Works		2,100	1,168	200	679	-	-	879	640	879	53	-	-	-	-	53	2,100	(1,500)	-	600										
PL68	BID 6	P18418 SMP astro turf surface		10	8	8	-	-	-	8	3	3	3	4	-	-	-	7	10	-	-	10										
ENVIRONMENT TOTAL DIRECTORATE					17,014	12,642	920	1,191	56	-	2,168	695	1,800	2,569	4	-	-	-	2,573	17,015	(82)	(1,500)	15,433									
FINANCE DIRECTORATE																																
Financial Services																																
FS1	PR303	Capital contingency fund		annual	-	2,000	-	-	(75)	1,925	-	1,925	2,000	2,000	2,000	2,000	-	8,000	9,925	-	-	9,925										
RESOURCES DIRECTORATE TOTAL					0	0	2,000	0	0	-75	1,925	0	1,925	2,000	2,000	2,000	2,000	0	8,000	9,925	0	9,925										
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																																
Development / Infrastructure																																
ED54	BID129	P74069/P740 Rodboro Buildings - electric theatre through road and parking		416	39	379	(2)	-	-	377	0	377	-	-	-	-	-	-	416	-	-	416										
P5	PR354	P79027/P790 Walnut Bridge replacement		5,098	5,642	-	-	-	-	-	39	39	-	-	-	-	-	-	5,681	(2,456)	(950)	2,275										
	P79032	SMC(West) Phase 1 (complete)		1,967	1,928	-	39	-	-	39	11	12	-	-	-	-	-	1,940	(914)	-	-	1,026										
P21		P79037/P790 Ash Road Bridge		44,000	9,189	22,491	7,982	-	-	30,473	2,911	22,531	11,864	416	-	-	-	12,280	44,000	(35,400)	-	8,600										
	P79038	Ash Road Footbridge		500	183	36	281	-	-	317	0	317	-	-	-	-	-	-	500	-	-	500										
	P79995	Broadband for Surrey Hills (B4SH)		60	46	-	14	-	-	14	1	14	-	-	-	-	-	-	60	-	-	60										
P11	PR364 &	P79997 Guildford West (PB) station		500	-	250	250	-	-	500	-	500	250	250	-	-	-	500	500	-	-	500										
Development Financial																																
	PR130	P79996 Investment in North Downs Housing (60%)		15,180	15,180	-	-	-	-	-	-	-	-	-	-	-	-	-	15,180	-	-	15,180										
	PR130	P79997 Equity shares in Guildford Holdings Ltd (40%)		10,120	10,120	-	-	-	-	-	-	-	-	-	-	-	-	-	10,120	-	-	10,120										
ED49	PR395	P72037 Middleton Ind Est Redevelopment		14,907	12,860	300	1,672	-	-	1,972	1,670	1,972	75	-	-	-	-	75	14,907	-	-	14,907										
P12	PR371 &	P72045 Property acquisitions		33,520	9,675	23,953	(108)	-	-	23,845	1,629	2,022	7,869	13,954	-	-	-	21,823	33,520	-	-	33,520										
PL9	PR136	P05009 Rebuild Crematorium (complete)		11,111	10,934	-	177	-	75	252	177	252	-	-	-	-	-	-	11,186	-	-	11,186										
ED27		P79023/P790 North Street Development / Guild Town Centre regeneration		1,727	1,586	100	41	-	-	141	38	141	-	-	-	-	-	-	1,727	(250)	-	1,477										
P22	BID 21-	P79039 Shaping Guildford Future (SGF)		4,170	-	2,640	1,530	-	-	4,170	-	4,170	4,170	-	-	-	-	4,170	4,170	-	-	4,170										
ED32	PR028	P79026 Internal Estate Road - CLLR Phase 1		11,139	10,946	-	193	-	-	193	36	193	-	-	-	-	-	-	11,139	(5,107)	-	6,032										
ED6	PR350	P74039 / WUV (Weyside Urban Village)		170,506	29,004	93,223	17,229	-	-	110,452	4,338	86,935	23,517	-	-	-	-	23,517	170,706	(56,787)	-	113,918										
ED6	PR350	P79100/P182 WUV - Allotment relocation		200	3,442	-	-	-	-	-	149	-	-	-	-	-	-	-	-	-	-	-										
ED6	PR350	P79101 WUV - Int roads, Site clearance		-	1	-	-	-	-	-	551	-	-	-	-	-	-	-	-	-	-	-										
ED6	PR350	P79102 WUV - New GBC Depot		2,480	2,424	-	56	-	-	56	335	56	-	-	-	-	-	2,480	-	-	-	2,480										
ED6	PR350	P79103 WUV - Off Site Highways		-	1	-	-	-	-	-	38	-	-	-	-	-	-	-	-	-	-	-										
ED6	PR350	P79104 WUV - Thames Water relocation		-	26,717	-	-	-	-	-	11,066	-	-	-	-	-	-	-	-	-	-	-										
ED6	PR350	P79105 WUV - Utilities & Plot services		-	-	-	-	-	-	16	-	-	-	-	-	-	-	-	-	-	-	-										
ED6	PR350	P79106 WUV - Land Purchase		-	1,091	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
ED6	PR350	P79110 WUV - SANG		-	-	-	-	-	-	156	-	-	-	-	-	-	-	-	-	-	-	-										
ED6	PR350	P79111 WUV - Common Land		-	-	-	-	-	-	106	-	-	-	-	-	-	-	-	-	-	-	-										
DEVELOPMENT/INCOME GENERATING/COST REDUCTION					327,601	151,005	143,373	29,355	0	75	172,802	23,266	114,862	47,745	14,620	0	0	0	62,365	328,232	-100,914	-950	226,367									
APPROVED SCHEMES TOTAL					345,477	164,196	147,240	30,617	56	0	177,913	24,390	119,605	53,019	16,624	2,000	2,000	0	73,643	357,444	-102,207	-2,450	252,787									
Summary																																
APPROVED SCHEMES - TOTAL					345,477	164,196	147,240	30,617	56																							

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

Ref	Verio ref	Code	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive	Cumulative spend at 31-03-23	2023-24 Estimate approved by Council in February	Rollled over	Supp Ests	Virements	Revised estimate	Expenditure at 05.10.23	Projected exp est by project officer	2024-25 Est for year	2025-26 Est for year	2026-27 Est for year	2027-28 Est for year	2028-29 Est for year	2029-30 Est for year	2030-31 Est for year	2030-31 est for yr and SARP to 3233	Future years estimated expenditure	Projected expenditure total	Grants or Contributions towards cost of scheme	Net total cost of scheme to the Council		
				(a)	(b)	(c)	(d)		(e)	(f)	(g)	(h)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(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	£000	£000		
PROVISIONAL SCHEMES (schemes approved in principle; further report to the Executive required)																										
COMMUNITY DIRECTORATE																										
Asset Management																										
ED21(P)			Wastewater monitoring system	150	-	150	-	-	150	-	-	150	-	-	-	-	-	-	-	-	150	150	-	150		
ED22(P)			Energy efficiency compliance - Council owned properties &	3,218	-	2,718	-	-	2,718	-	-	2,718	500	-	-	-	-	-	-	-	3,218	3,218	-	3,218		
ED26(P)			Bridges	370	-	-	370	-	370	-	370	-	-	-	-	-	-	-	-	-	-	370	-	370		
ED48(P)	PR380		Westfield/Moorfield rd resurfacing	3,152	-	-	-	-	-	-	-	-	3,152	-	-	-	-	-	-	-	-	3,152	-	3,152		
ED57(P)	BID 7 2324		Investment Property void pot	500	-	100	-	-	100	-	-	100	100	100	100	100	-	-	-	-	400	500	-	500		
Office Services																										
BS3(p)	BID201		Millmead House - MSE plant renewal	33	-	-	33	-	33	-	33	-	-	-	-	-	-	-	-	-	-	33	-	33		
COMMUNITY DIRECTORATE TOTAL																										
				7,423	-	2,968	403	-	3,371	-	503	2,968	3,752	100	100	-	-	-	-	-	6,920	7,423	-	7,423		
ENVIRONMENT DIRECTORATE																										
Operational Services																										
OP6(P)	Bid 5 2223		Vehicles, Plant & Equipment Replacement Programme	21,850	-	2,900	-	-	2,900	-	-	1,010	3,990	2,470	6,450	5,330	2,000	600	-	-	21,850	21,850	-	21,850		
OP21(P)	PR281		Surface water management plan	200	-	200	-	-	200	-	200	-	-	-	-	-	-	-	-	-	-	200	-	200		
OP23(p)	Bid 7 2223		Millmead House Lifts	200	-	-	200	-	200	-	200	-	-	-	-	-	-	-	-	-	-	200	-	200		
OP24(p)	BID 4 2324		GBC Depot - operational	2,430	-	200	-	-	200	-	200	2,200	30	-	-	-	-	-	-	-	2,230	2,430	-	2,430		
Parks and Leisure																										
PL18(P)			Rejuvenation / refurbishment of (rebuild) Sutherland Memorial Park Pavilion	150	-	-	-	-	-	-	-	150	-	-	-	-	-	-	-	-	-	150	-	150		
PL45(p)	PR388		Stoke Pk gardens water feature refurb	40	-	40	-	-	40	-	40	-	-	-	-	-	-	-	-	-	-	40	(29)	11		
PL57(p)	BID211	P18215	Parks and Countryside - repairs and renewal of paths,roads and	1,382	-	250	-	-	250	-	250	250	250	250	382	-	-	-	-	-	1,132	1,382	-	1,382		
PL59(p)	BID229		Millmead fish cases	60	-	60	-	-	60	-	60	-	-	-	-	-	-	-	-	-	-	60	-	60		
PL62(p)	Bid 4 2223		Chilworth Gunpowder Mills	180	-	165	10	-	175	-	20	160	-	-	-	-	-	-	-	-	160	180	-	180		
PL63(p)	Bid 9 2223		Memorial Wall	100	-	-	-	-	-	-	-	100	-	-	-	-	-	-	-	-	100	100	-	100		
PL34(p)	Bid 10 2223		Stoke cemetery re-tarmac	18	-	18	-	-	18	-	18	-	-	-	-	-	-	-	-	-	-	18	-	18		
PL64(p)	BID 1 2324		Lido Road Allotment Security Fencing	70	-	70	-	-	70	-	70	-	-	-	-	-	-	-	-	-	-	70	-	70		
PL65(p)	BID 2 2324		2015 Play strategy action plan	200	-	200	-	-	200	-	200	-	-	-	-	-	-	-	-	-	-	200	-	200		
PL66(p)	BID 3 2324		Spectrum upgrades	7,100	-	1,250	-	-	1,250	-	1,250	1,750	2,300	1,150	650	-	-	-	-	-	5,850	7,100	-	7,100		
PL67(p)	BID 5 2324		Derby Road playground conversion	120	-	120	-	-	120	-	120	-	-	-	-	-	-	-	-	-	-	120	-	120		
ENVIRONMENT DIRECTORATE TOTAL				34,100	-	5,395	288	-	5,683	-	2,628	5,520	6,670	3,870	7,482	5,330	2,000	600	-	-	31,472	34,100	(29)	34,071		
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																										
Development / Infrastructure																										
PR130	P79996		Investment in North Downs Housing	30,100	-	5,518	-	-	5,518	-	-	-	-	-	18,057	-	-	-	-	-	18,057	18,057	-	18,057		
PR130	P79997		Equity shares in Guildford Holdings Ltd	-	-	3,683	-	-	3,683	-	-	-	-	-	12,043	-	-	-	-	-	12,043	12,043	-	12,043		
P10(p)	PR316		Sustainable Movement Corridor	150	-	-	-	-	-	-	-	150	-	-	-	-	-	-	-	-	150	150	-	150		
P11(p)	PR384 &		Guildford West (WB) station	1,000	-	1,000	-	-	1,000	-	-	-	1,000	-	-	-	-	-	-	-	1,000	1,000	-	1,000		
Development Financial																										
ED16(P)	PR350		WUV (Weyside Urban Village)	150,622	-	1,522	-	-	1,522	-	-	84,104	39,368	21,080	-	-	-	-	-	-	144,532	144,532	-	144,532		
ED36(P)	PR041		North Street development	1,250	-	50	-	-	50	-	50	50	50	50	50	50	950	-	-	-	1,200	1,250	-	1,250		
P12(p)	PR371 & 4-		Property acquisitions	38,292	-	28,292	-	-	28,292	-	-	13,000	13,000	12,292	-	-	-	-	-	-	38,292	38,292	-	38,292		
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS TOTAL				221,414	-	40,065	-	-	40,065	-	50	84,304	53,418	34,110	42,442	50	950	-	-	-	-	215,274	215,324	-	215,324	
PROVISIONAL SCHEMES - GRAND TOTALS				262,937	-	48,428	691	-	49,119	-	3,181	92,792	63,840	38,080	50,024	5,380	2,950	600	-	-	-	253,666	256,847	(29)	256,818	
non development projects																										
development/infrastructure - non-financial benefit																										
development-financial benefit																										
TOTAL																										
				41,523	-	8,363	691	-	9,054	-	3,131	8,488	10,422	3,970	7,582	5,330	2,000	600	-	-	38,392	41,523	(29)	41,494		
				31,250	0	10,201	0	0	10,201	0	0	150	1,000	0	30,100	0	0	0	0	0	0	31,250	31,250	0	31,250	
				190,164	0	29,864	0	0	29,864	0	50	84,154	52,418	34,110	12,342	50	950	0	0	0	0	184,024	184,074	0	184,074	
TOTAL				262,937	0	48,428	691	0	49,119	0	3,181	92,792	63,840	38,080	50,024	5,380	2,950	600	0	0	0	253,666	256,847	-29	256,818	

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

Item No.	Project Officer	Code	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-23	2022-23 Estimate approved by Council in February	Rolled over	Virements	Revised estimate	Expenditure at 05.10.23	Projected exp est by project officer	2024-25 Est for year	2025-26 Est for year	2026-27 Est for year	2027-28 Est for year	2028-29 Est for year	Future years est exp	Projected expenditure total
				(a)	(b)	(c)	(d) (i)		(e)	(f)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(f)+(g) = (h)
				£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
COMMUNITY DIRECTORATE																		
		P59...	ENERGY PROJECTS per SALIX RESERVE:(PR220)			-												
R-EN12	7-2021		LED lighting	44			44		44		44							44
			ENERGY PROJECTS per GBC INVEST TO SAVE RESERVE: GBC 'Invest to Save' energy projects (to be repaid in line with savings)			-	-		-		-							
R-EN14	BID207	P59108	SMP - air source heat pump	28	1		27		27		27							28
ENERGY RESERVES TOTAL				72	1	-	71	-	71	-	71	-	-	-	-	-	-	72
FINANCE DIRECTORATE																		
INFORMATION TECHNOLOGY - IT Renewals Reserve (PR265) : approved annually																		
			Hardware / software budget	500		440	-		440		440							440
R-IT1	SW-M	P81002	Hardware	annual	annual	-	-		-	63	-							-
R-IT2	SW-M	P81002	Software	annual	annual	-	-		-	-	-							-
			12,710			60			60	3	60							60
		P81037	Salesforce	1,200	196				85		85							
R-IT3	09-1920		IDOX Acclaid to Uniform	275		275			275		275							275
R-IT4	09-1920		LCTS alternative	56		56	0		56		56							56
IT RENEWALS RESERVE TOTAL				2,031	196	831	0	-	831	151	917	-	-	-	-	-	-	831
ENVIRONMENT DIRECTORATE																		
SPECTRUM RESERVE																		
			Spectrum schemes (to be agreed with Freedom Leisure)	431	168													168
SPECTRUM RESERVE TOTAL				431	168	-	-	-	-	-	-	-	-	-	-	-	-	168
CAR PARKS RESERVE																		
R-CP1	KMc	P37503	Car parks - install/replace pay-on-foot equipment	1,170	240							930						930
			Car Parks - Lighting & Electrical improvements:															
R-CP14	KMc/RH	P37514	Lift replacement (PR000293)	841	716		125		125		125							841
R-CP19	BID194	P37523	Structural works to MSCP	300	50		100		100		100							150
R-CP21	08-2021	P37526	Additional barriers Farnham Rd	15			15		15		15							15
R-CP22	08-2021	P37527	Deck surface replacement (stair cores)Farnham Rd	70			70		70	5	70							70
R-CP25	1 & BID 11	P37530	Structural repairs roof turret timbers Castle St	210		200			200		20	190					190	210
CAR PARKS RESERVE TOTAL				2,606	1,006	200	310	-	510	5	330	1,120	-	-	-	-	1,120	2,456
SPA RESERVE :																		
		P20...	SPA schemes (various)	100	annual		151		151		151							151
R-SPA1		P201..	Chantry Woods															
R-SPA2		P202..	Effingham															
R-SPA3		P203..	Lakeside															
R-SPA4		P204..	Riverside															
R-SPA5		P205..	Parsonage															
SPA RESERVE TOTAL				100	-	-	151	-	151	-	151	-	-	-	-	-	-	151
GRAND TOTALS				5,240	1,370	1,031	533	-	1,564	156	1,469	1,120	-	-	-	-	1,120	3,678

FUNDING SUMMARY	
Reserves (various)	1,031
Grants & contributions	-
TOTALS	1,031

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

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

Ref	Project Officer	Code	Service Units / Capital Schemes	Approved gross estimate	Cumulative spend at 31-03-23	2022-23		Revised estimate	Expenditure at 05.10.23	Projected exp est by project officer	2024-25 Est for year	2025-26 Est for year	2026-27 Est for year	2027-28 Est for year	2028-29 Est for year	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Net cost of scheme	Total net cost approved by Executive	
						Estimate approved by Council in February	Rolled over														Virements
				(a)	(b)	(c)	(d) (i)	(d) (ii)	(d)	(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(f)+(g) = (h)	(i)	(h)-(i)	(i)
				£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
APPROVED SCHEMES (fully funded from S106 contributions)																					
ENVIRONMENT DIRECTORATE																					
Operational Services																					
Parks and Leisure																					
S-PL36	HJ	P18177	Gunpowder mills - signage, access and woodland imps	36	22	14	0	-	14	1	14	-	-	-	-	-	-	36	(36)	-	-
S-PL38	HJ	P18192	Chantry Wood Campsite	36		36	-	-	36	-	36	-	-	-	-	-	-	36	(36)	-	-
S-PL51	SA	P18225	Foxenden Quarry	101	54	59	(12)	-	47	12	47	-	-	-	-	-	-	101	(101)	-	-
S-PL48	HJ	P18230	Boardwalk Heathfield Nature Reserve	13		13	-	-	13	-	13	-	-	-	-	-	-	13	(13)	-	-
S-PL54	SA	P18241	Shalford park Trim Trail	12			12	-	12	-	12	-	-	-	-	-	-	12	(12)	-	-
S-PL55		P18242	GLIVE Landscaping	1					1	1	1							1	(1)		
S-PL56		P18243	The Briars Playarea	169					169		169							169	(169)		
ENVIRONMENT DIRECTORATE TOTAL				368	76	122	0	-	293	14	293	-	-	-	-	-	-	368	(368)	-	-
APPROVED S106 SCHEMES TOTAL				368	76	122	0	-	293	14	293	-	-	-	-	-	-	368	(368)	-	-

SUMMARY	
APPROVED S106 SCHEMES - TOTAL	76
GRAND TOTAL	76

76	122	0	-	293	14	293	-	-	-	-	-	-	-	-	-	-	368	(368)	-	-
76	122	0	-	293	14	293	-	-	-	-	-	-	-	-	-	-	368	(368)	-	-

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

1.0 AVAILABILITY OF RESOURCES - NOTES :

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

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

1.3 Funding assumptions:

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

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

2.0 Capital receipts - Balances (T01001)

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Balance after funding capital expenditure as at 31 March

	2022-23 Actuals £000	2023-24 Budget £000	2023-24 Est Outturn £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000	2028-29 Estimate £000
Balance as at 1 April	127	0	136	0	0	0	0	0
Add estimated usable receipts in year	169	0	45	0	39,109	23,905	15,551	56,227
Less applied re funding of capital schemes	(159)	0	(181)	0	(39,109)	(23,905)	(15,551)	(56,227)
	136	0	0	0	0	0	0	0

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Appendix 4

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

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

3.0 Capital expenditure and funding - summary

Estimated capital expenditure

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

Total estimated capital expenditure

To be funded by:

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

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

Total funding required

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

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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	50,847
Balance after funding capital expenditure etc.as at 31 March	0	0	0	0	0	0	0	50,847

Estimated shortfall at year-end to be funded from borrowing

	26,035	149,354	71,393	127,445	40,335	15,425	36,473	0
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Appendix 4

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

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

Balance as at 1 April (T01008)	0	0	0	0	0	0	0	0
Add: Estimated receipts in year	0	0	0	0	0	0	0	0
Less: Applied re Housing (General Fund) capital programme	0	0	0	0	0	0	0	0
Less: Applied re Housing company	0	0	0	0	0	0	0	0
Less: Applied on regeneration schemes	0	0	0	0	0	0	0	0
Housing receipts - estimated balance in hand at year end	0	0	0	0	0	0	0	0

	2022-23 Actuals £000	2023-24 Budget £000	2023-24 Est Outturn £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000	2028-29 Estimate £000
Balance as at 1 April (T01008)	0	0	0	0	0	0	0	0
Add: Estimated receipts in year	0	0	0	0	0	0	0	0
Less: Applied re Housing (General Fund) capital programme	0	0	0	0	0	0	0	0
Less: Applied re Housing company	0	0	0	0	0	0	0	0
Less: Applied on regeneration schemes	0	0	0	0	0	0	0	0
Housing receipts - estimated balance in hand at year end	0	0	0	0	0	0	0	0

5.1 Housing capital receipts (post 2013-14) - estimated availability/usage for Housing, Affordable Housing and Regeneration projects only (statutory (impact CFR))

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

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

Total £'000s

6.1 Estimated annual borrowing requirement Bids for funding (net)

Total estimated borrowing requirement if all bids on Appendix 1 approved

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

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

	Project Budget £000	2022-23 Actual £000	Project Spend at 31-03-23 £000	2023-24 Estimate £000	Carry Forward	2023-24 Revised Estimate £000	Expenditure as at 06.10.23 0	2023-24 Projected Outturn £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000	2028-29 Estimate £000	Total Project Exp £000
Acquisition of Land & Buildings	22,900	4,165	18,382	4,000	518	4,518	852	4,518	0	0	0	0	0	22,900
New Build														
N30011 Guildford Park	75	0	75	0	0	0	0	0	0	0	0	0	0	75
Guildford Park (from GF)	6,500	1,766	5,291	1,084	125	1,209	192	745	464	0	0	0	0	6,500
N30023 Bright Hill	500	50	67	423	10	433	0	0	433	0	0	0	0	500
N30029 Foxburrows Redevelopment	10,657	0	0	9,591	0	9,591	0	0	9,591	1,066	0	0	0	10,657
N30020 Shawfield Redevelopment	300		4	296	0	296	0	0	296	0	0	0	0	300
Various small sites & feasibility/Site preparation	1,000		0	0	0	0	0	0	1,000	0	0	0	0	1,000
Pipeline projects:	9,425		7	3,422	5,700	9,122	0	0	0	0	0	0	0	9,122
N30022 Manor House Flats		20	95			0	13	74	59	1,271	1,688	292		
N30026 Banders Rise		5	28			0	2	2	0	0				
N30027 Station Road East		4	27			0	3	60	355	314	62			
N30028 Dunmore Garden Land		5	39			0	5	73	445	61	51			
N30030 Clover Road Garages		11	57			0	5	101	1,071	1,588	272			
N30031 Rapleys Field		11	29			0	5	90	729	1,184	198			
N30032 Georgelands 108		4	5			0	6	72	359	46	36			
N30033 27 Broomfield		5	9			0	3	59	325	45	36			
N30034 17 Wharf Lane		4	8			0	3	57	312	44	34			
Development Projects	7,100			7,100		7,100		0				4,748		7,100
Schemes to promote Home-Ownership														
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				6,993	0						annual
Doors and Windows	annual	908	annual				1,322	0						annual
Structural/Roof	annual	1,056	annual				648	0						annual
Energy efficiency: Central heating/Lighting	annual	1,948	annual				710	0						annual
General	annual	9,794	annual				5,332	0						annual
ICT - Housing Management System	1,900			950		950		950	950	0				1,900
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	16,094	34,537	16,789	6,019	2,377	5,040	0	60,054

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	16,000	0	1,225	0	0	0	0	0	0	0	2,111	12,664	16,000
Guildford Park (from GF)	23,125	0	0	1,173	0	1,173	0	3,869	8,472	6,887	3,896	0	23,125
Bright Hill	3,000	0	0	3,000	0	3,000	0	3,000	0	0	0	0	3,000
Bright Hill Development (from GF)	13,500	0	0	5,680	0	5,680	0	5,680	7,000	820	0	0	13,500
Slyfield (25/26 £5m; 26/27 £44m)	50,000	0	0	0	1,000	1,000	0	0	5,000	44,000	0	0	49,000
Shawfield Redevelopment	3,000	0	0	500	0	500	0	0	0	0	0	0	0
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	18,124	26,047	57,282	11,582	18,239	104,625

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	34,537	16,789	6,019	2,377	5,040	0
Provisional programme	0	15,928	0	18,124	26,047	57,282	11,582	18,239
Total Expenditure	26,355	63,794	34,537	34,913	32,066	59,659	16,623	18,239
FINANCING OF PROGRAMME								
Capital Receipts	695	400	400	400	400	0	0	0
1-4-1 receipts	2,372	8,094	2,340	11,195	10,436	21,633	4,302	5,066
Contribution from Housing Revenue a/c (re cash incentives)	0	75	0	75	75	75	75	75
Future Capital Programme reserve	10,719	27,014	16,334	950	0	0	0	0
Major Repairs Reserve	9,588	6,450	11,952	5,500	5,500	5,500	5,500	5,500
New Build Reserve	2,981	21,761	3,510	16,793	15,655	32,450	6,453	7,598
Grants and Contributions	0	0	0	0	0	0	0	0
Total Financing (= Total Expenditure)	26,355	63,794	34,537	34,913	32,066	59,659	16,330	18,239
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	69,632	61,222	54,118	30,389	32,832
Contribution in year	5,261	8,383	7,074	8,383	8,551	8,722	8,896	9,074
Used in Year	-2,981	-21,761	-3,510	-16,793	-15,655	-32,450	-6,453	-7,598
Balance c/f	66,068	52,882	69,632	61,222	54,118	30,389	32,832	34,308

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

Balance b/f	5,226	5,630	6,183	7,638	-775	-8,317	-26,967	-28,195
Contribution in year	3,936	2,876	3,796	2,782	2,894	2,983	3,075	3,168
Repayment in year	0	0	0	0	0	0	0	0
Used in Year	-2,980	-8,094	-2,340	-11,195	-10,436	-21,633	-4,302	-5,066
Balance c/f	6,183	413	7,638	-775	-8,317	-26,967	-28,195	-30,092

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 & Standards Committee

Date: 29 November 2023

Ward(s) affected: All

Report of: Monitoring Officer

Author: Susan Sale, Executive Head of Legal & Democratic Services and Monitoring Officer

Email: susan.sale@guildford.gov.uk

Executive Portfolio Holder/ Lead Councillor responsible: Julia McShane

Email: Julia.mcshane@guildford.gov.uk

Report Status: Open

Governance Framework: Guildford Borough Council Housing Services

1. Executive Summary

1.1 It has come to light that there have been some non-compliance issues within the Council's Housing Service, which have led to a lack of governance around contract management, people management and financial controls.

1.2 The Council is carrying out a governance review in the service area to ascertain how such failures have arisen, to make recommendations to provide a more robust governance framework and an action plan to provide assurance of compliance going forward.

1.3 This report provides information to the Corporate Governance & Standards Committee about the proposed governance review.

2. Recommendation to Committee

The Committee is recommended to resolve:

2.1 To note the contents of the report.

- 2.2 To receive a report from the Strategic Project Board in approximately six months.

3. Reasons for the Recommendation

- 3.1 The Corporate Governance & Standards Committee is recommended to note the report in order that they have oversight of this matter as the Committee is a key component of the authority's corporate governance regime. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards. The Committee has within its terms of reference, the role of considering the Council's arrangements for corporate governance and recommending to the Council any action necessary to ensure compliance with best practice.

4. Exemption from Publication

- 4.1 This report does not contain exempt information as provided for by schedule 12A Local Government Act 1972 and the report is therefore deemed to be open and available to the public.

5. Purpose of the Report

- 5.1 The report aims to provide the Corporate Governance & Standards Committee with information as to the scope and structure of the review into governance arrangements within the Council's Housing Service.

6. Strategic Priorities

- 6.1 The proposals in this report are consistent with our values in the Corporate Plan of:
- spending money carefully and delivering good value for money services, and
 - ensuring that our staff uphold the highest standards of conduct.

7. Background

Summary

- 7.1 The Committee will be aware that there has been a governance failure in the Council's Housing Service. There is evidence of overspend on contracts and a lack of contract management in terms of spend, compliance, and delivery.

- 7.2 Allegations have also arisen of potentially fraudulent activity, which may have caused financial loss to the Council. An external investigation is ongoing into such allegations.
- 7.3 Various contractual works are being reviewed; some works have been paused whilst further enquiries are made, some are ongoing, and the Council has served notice to terminate some contractual arrangements.
- 7.4 The priority in recent weeks has been to stop the continuation of any potential wrongdoing, whilst supporting the delivery of the service to the Council's tenants.
- 7.5 Whilst continuing with reviewing our contractual arrangements and financial position, as well as engaging with tenants and delivering a service, the Council must progress an internal governance review of how it has arrived at this position, what remedial steps need to be taken to ensure more robust governance arrangements and how assurance can be given going forward.
- 7.6 Whilst the matter is complex and highly sensitive, it is imperative that the Council has in place the appropriate resources and sound governance arrangements to support this very challenging situation.

External Investigation

- 7.7 In July 2023, an external investigation team was instructed to consider the allegations that there may have been some wrongdoing within the Council in respect of the Council's relationship with one or more contractors. An accredited anti-fraud investigation unit is working alongside the Police in respect of this matter.
- 7.8 The governance arrangements supporting the investigation are that the Council's Chief Financial Officer, Monitoring Officer, and Strategic Director for Community Wellbeing are updated on at least a monthly basis. In turn, the Chief Executive, the Leader of the Council, and the Chair of the Corporate Governance & Standards Committee are also being updated on at least a monthly basis.
- 7.9 It is now proposed, however, that a more structured approach is taken and that a Strategic Project Board (Housing) is established as per paragraph 7.18 et seq. below, to include the Leader, Chair of

Corporate Governance & Standards Committee, three statutory officers and relevant Director, for the external investigation team to report to, on at least a monthly basis.

Strategic Project Group (Housing)

7.10 There are numerous different workstreams that have arisen from this complex situation and so in early October, a Strategic Project Group (Housing) (SPGH) was established to monitor and co-ordinate the work of the various workstreams. The Project Group has been meeting on a weekly basis and is co-chaired by the Monitoring Officer and Strategic Director, Community Wellbeing.

7.11 The membership of the (SPGH) is as follows:

- Strategic Director, Community Wellbeing
- Chief Financial Officer & s151 Officer
- Monitoring Officer
- Lead Legal Specialist & Deputy Monitoring Officer
- Finance Manager and Deputy s151 Officer
- Executive Head of Housing Services
- Interim Housing Project Manager
- Executive Head of Regulatory Services
- Executive Head of Community Services
- HR Manager
- ICT Manager
- Communications Manager
- Communications Officer
- Note Taker

7.12 The workstreams and lead officers that report into the (SPGH) are as follows:

Workstream	Lead Officers
Operational Housing Delivery	Strategic Director, Community Wellbeing Executive Head of Housing Services Interim Housing Project Manager
Contracts, Invoices & Financial Management	Lead Legal Specialist Finance Manager

Workstream	Lead Officers
	Executive Head of Housing Services Interim Project Manager
Stakeholder Engagement & Communications	Executive Head of Community Services Executive Head of Housing Services Communications Manager Monitoring Officer
Liaison with External Audit	Chief Financial Officer Monitoring Officer
Employment & Human Resources Matters	Strategic Director, Community Wellbeing Human Resources Manager Lead Legal Specialist Monitoring Officer Executive Head of Regulatory Services
ICT Matters	ICT Manager
General legal issues	Monitoring Officer Lead Legal Specialist External lawyers
Safety & Compliance issues	Strategic Director, Community Wellbeing Executive Head of Housing Interim Housing Project Manager

7.13 It is now proposed that to complement the governance of the SPGH, a more structured reporting mechanism be established to provide for the Group to report into the proposed Strategic Project Board (Housing) on at least a monthly basis (see para 7.18 et seq. below).

Internal Governance Review Team

7.14 Whilst the focus over the last 3-month period has been to carry out initial enquiries into contract failures, to stop any potential wrongdoing and overspending, and to stabilise the service, it is imperative that the Council now addresses the governance failures that led us to this point. It is necessary to:

- review and understand if there were governance and financial management failures and how they occurred;

- make recommendations for change and develop and implement an action plan to ensure more robust governance arrangements;
- obtain assurance that the governance failures do not exist elsewhere within the service area; and
- to ensure such a situation could not arise again in the future.

7.15 This will be a significant piece of work and will involve a review of management failures relating to the recruitment, management and control of staff and agency workers, the failure of financial controls in respect of contractual spend and governance failures surrounding lack of compliance with procurement procedure rules, decision making and financial procedure rules. For this reason, this workstream is highly relevant to all three of the Council's statutory officers: the Head of Paid Service, the Chief Financial Officer/ s151 Officer and the Monitoring Officer.

7.16 There is insufficient capacity internally to progress this work in a timely manner and it is considered there is benefit from some independent scrutiny from external advisors in this matter. Officers therefore intend to seek an additional support from at least one senior external executive to conduct this review.

7.17 To ensure robust governance around the work of the Internal Governance Review Team, it is intended that they too will report, on at least a monthly basis, to the Strategic Project Board (Housing), (see para 7.18 et seq. below).

Strategic Project Board (Housing) (SPBH)

7.18 To ensure a robust and transparent governance framework around this issue, it is imperative that there is full transparency and oversight at the most senior level of the Organisation.

7.19 It is therefore proposed that a Strategic Project Board (Housing) is established with the following membership:

- Chief Executive and Head of Paid Service
- Monitoring Officer
- Chief Financial Officer & s151 Officer
- Strategic Director, Community Wellbeing
- Leader of the Council
- Chair of the Corporate Governance & Standards Committee

7.20 The purpose of the Board should be to:

- Receive information and recommendations from the Strategic Project Group (Housing);
- Receive information and recommendations from the External Investigation Team; and
- Receive information and recommendations from the Internal Governance Review Team.

7.21 In turn the Strategic Project Board (Housing) would be responsible for periodically reporting to the Corporate Governance & Standards Committee.

7.22 The proposed governance structure set out in this report can be found at **Appendix 1** attached.

8. Consultations

8.1 Consultation on the content of this report has taken place with the Leader of the Council, the Chair of the Corporate Governance & Standards Committee, the Chief Executive/Head of Paid Service, the Chief Financial Officer/s151 Officer, the Monitoring Officer and the Strategic Director, Community Wellbeing.

9. Key Risks

9.1 There are risks to the integrity of the Council, the Council's financial position, and the service delivery to the community and Council's tenants if the proposals in this report are not adopted.

10. Financial Implications

10.1 There will be a number of costs associated with investigation, part of which may be chargeable to the Housing Revenue Account, for example the interim and agency staff covering vacant posts. The remaining costs will need to be met from the General Fund and this has been reflected in the Period 7 budget monitoring for the Council.

10.2 To date, additional costs are limited to the external investigation team from Reigate & Banstead, forensic analysis costs, legal advice from Counsel and external solicitors. The final costs of this which will be dependent upon the volume of legal advice sought.

Estimate £50-£100k.

- 10.3 The other main costs will be for the Internal Governance Review, provided through external experts, and of the dedicated admin support for this work.

Estimate £200-£250k

- 10.4 Overall total costs chargeable to the General Fund are therefore estimated to be between £250k and £350k.

11. Human Resource Implications

- 11.1 There are no direct human resource implications arising from this report.

12. Equality and Diversity Implications

- 12.1 There are no direct equality and diversity implications arising from this report.

13. Conclusions

- 13.1 The Council is facing a complex and challenging situation in its Housing service, and it is important to ensure there is a robust governance framework in place to govern their approach to dealing with the matter.

- 13.2 This report advises members of the Corporate Governance & Standards Committee of that governance framework, which comprises:

- A Strategic Project Group (Housing)
- An external investigation team
- An internal governance review team

Reporting into:

- A Strategic Project Board (Housing)

Reporting to:

- The Corporate Governance & Standards Committee

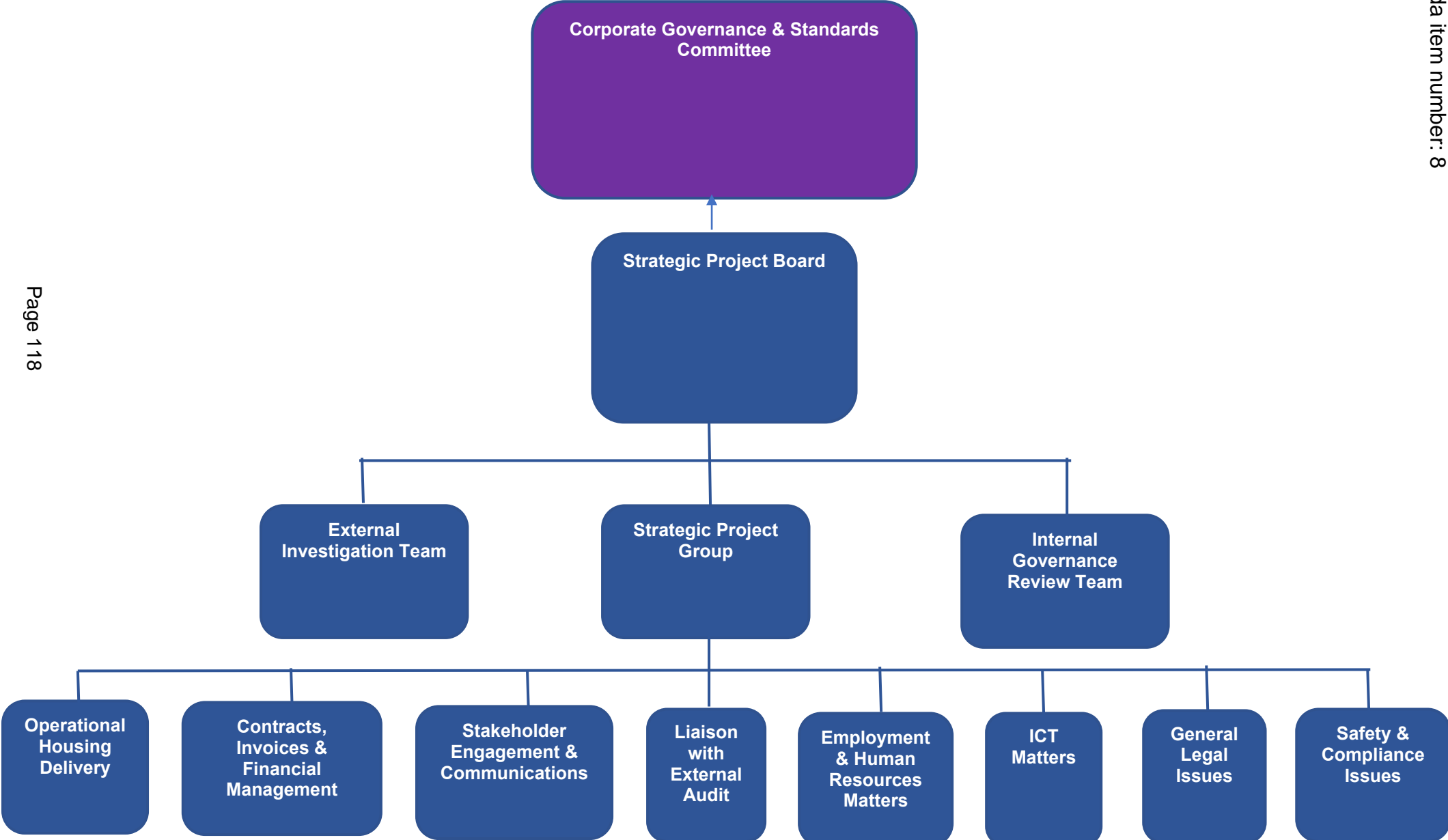
14. Background Papers

None

15. Appendices

Appendix 1: Proposed governance structure

Governance Framework: Guildford Borough Council Housing Services



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