



www.guildford.gov.uk

Contact Officer:

Ciara Swan, Democratic Services Assistant.
Tel: 01483 444058

14 September 2016

Dear Councillor

Your attendance is requested at a meeting of the **CORPORATE GOVERNANCE AND STANDARDS COMMITTEE** to be held in the Council Chamber, Millmead House, Millmead, Guildford, Surrey, GU2 4BB on **THURSDAY 22 SEPTEMBER 2016 at 7.00 pm.**

Yours faithfully

Satish Mistry
Director of Corporate Services

MEMBERS OF THE COMMITTEE

Councillor Nigel Manning: Chairman
Councillor Jo Randall: Vice-Chairman

Councillor Philip Brooker
Councillor Alexandra Chesterfield
Councillor Colin Cross
Councillor Geoff Davis
Councillor Mike Hurdle

*Mrs Maria Angel
^Mr Charles Hope
^Ms Geraldine Reffo
^Mr Ian Symes

+Independent member

^ Parish member

Authorised Substitute Members:

Councillor Richard Billington
Councillor David Goodwin
Councillor Liz Hogger
Councillor Nigel Kears

Councillor Nikki Nelson-Smith
Councillor Susan Parker
Councillor David Reeve
Councillor Caroline Reeves

OFFICER REPRESENTATION:

Sue Sturgeon (Manager Director: Head of Paid Service and S151 Officer),
Satish Mistry (Director of Corporate Services and Monitoring Officer),
Joan Poole (Head of Internal Audit)
Claire Morris (Head of Financial Services and Deputy S151 Officer)

QUORUM 3



THE COUNCIL'S STRATEGIC FRAMEWORK

Vision – for the borough

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

Five fundamental themes that support the achievement of our vision:

- **Our Borough** - ensuring that proportional and managed growth for future generations meets our community and economic needs
- **Our Economy** - improving prosperity for all by enabling a dynamic, productive and sustainable economy that provides jobs and homes for local people
- **Our Infrastructure** - working with partners to deliver the massive improvements needed in the next 20 years, including tackling congestion issues
- **Our Environment** - improving sustainability and protecting our countryside, balancing this with the needs of the rural and wider economy
- **Our Society** - believing that every person matters and concentrating on the needs of the less advantaged

Your Council – working to ensure a sustainable financial future to deliver improved and innovative services

Values for our residents

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

Mission – for the Council

A forward looking, efficiently run Council, working in partnership with others and providing first class services that give our society value for money, now and for the future.

AGENDA

ITEM

1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

2 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS

In accordance with the revised 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.

3 MINUTES (Pages 1 - 4)

To confirm the minutes of the meeting of the Corporate Governance and Standards Committee held on 28 July 2016.

4 2015-16 AUDIT FINDINGS REPORT - YEAR ENDED 31 MARCH 2016 (Pages 5 - 56)

5 2015-16 AUDITED STATEMENT OF ACCOUNTS (Pages 57 - 174)

6 FINANCIAL MONITORING 2016-17 PERIOD 3 (APRIL TO JUNE 2016) (Pages 175 - 242)

7 COUNCILLOR TRAINING AND DEVELOPMENT UPDATE (Pages 243 - 290)

8 ETHICAL STANDARDS - APPOINTMENT OF INDEPENDENT PERSON (Pages 291 - 294)

9 WORK PROGRAMME (Pages 295 - 300)

1

This page is intentionally left blank

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

28 July 2016

- * Councillor Nigel Manning (Chairman)
- * Councillor Jo Randall (Vice-Chairman)

- | | |
|-------------------------------------|-------------------|
| * Councillor Philip Brooker | * Mrs Maria Angel |
| * Councillor Alexandra Chesterfield | * Mr Charles Hope |
| * Councillor Colin Cross | * Ms Gerry Reffo |
| * Councillor Geoff Davis | * Mr Ian Symes |
| * Councillor Mike Hurdle | |

*Present

Councillor Marsha Moseley and Bernard Quoroll (Independent Person) were also in attendance.

CGS20 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

There were no apologies for absence.

CGS21 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS

There were no disclosures of interest.

CGS22 MINUTES

The Committee confirmed the minutes of the meeting held on 16 June 2016. The Chairman signed the minutes.

CGS23 DRAFT STATEMENT OF ACCOUNTS 2015-16

The Head of Financial Services gave a presentation summarising the background and purpose of the accounts, the role of the Committee in reviewing the accounts and some of the key balances and movements.

Comments from the Committee raised the following points and information:

- Typically, the Council received two requests to inspect the accounts from members of the public each year. However, the Council had not yet received any requests to view the Draft Statement of Accounts 2015-16.
- The Committee heard that the pension deficit was a risk, however tax-raising bodies such as the Council were considered lower risk. The total contributions paid into the pension scheme was based on the triennial valuation, not on the figures that appeared in the draft statement of accounts. The figures in the accounts were reached on a valuation basis, to allow for comparisons between different organisations.
- The Local Government pension scheme was still open to new members and an Act of Parliament would be required to close it down. The Surrey fund was cash positive, in that the contributions made by serving officers paid for the benefits paid out to pensioners. Although there would always be risks, the scheme was performing relatively well.
- In the past year, rental income from investment property had risen by about 8% and the direct operating expenses arising from investment property had risen at almost three times that rate. The Committee noted that the rental income for properties with multiple tenants was higher; however, there was often a corresponding increase in expenses.

Agenda item number: 3

- Financial risks were mitigated through regular monitoring and by ensuring that reserves and contingency plans were in place to deal with unforeseen circumstances.
- The Director of Corporate Services was employed under a consultancy contract in 2014-15 and was directly employed by the Council in 2015-16. An Interim Director of Development was in place from August 2015 until June 2016. The Council was currently recruiting a permanent Director of Development. The Committee was informed that at director level there was a six-month recruitment process.

The Committee,

RESOLVED: That the Draft Statement of Accounts 2015-16, as set out in Appendix 1 to the Officer's report, be noted.

Reason for Decision:

The Accounts and Audit Regulations 2015 require the approval of the statutory Statement of Accounts by 30 September.

CGS24 EXTERNAL AUDIT PROGRESS REPORT AND UPDATE

The Committee considered a progress report and update from the Council's external auditors, Grant Thornton on the audit of the Council's 2015-16 financial statements. The auditors had reported that, to date, they had found no significant issues to bring to the Committee's attention. One completed, the auditors would bring a comprehensive report with full findings to the Committee in September 2016.

In response to a question from the Committee regarding the impact on the Council of the referendum decision to leave the EU, the Head of Financial Services confirmed that the Council did not receive any funding from the EU so there had been no immediate tangible loss. The volatility of the markets had impacted upon the Council's investment income, but it was unclear whether this volatility was a short-term reaction to the shock of the referendum result.

The Committee were informed that most economists suggested that in the longer term there would be a recession. The Council had begun to consider mitigation measures including ensuring reserves are earmarked to cover fluctuations of volatile areas and creating strategies for continued economic growth.

The Committee,

RESOLVED: That the progress report and update be noted.

Reason for Decision:

To allow the Committee to comment on the External Auditor's progress report and update.

CGS25 UPDATE ON G LIVE ACCIDENT

The Committee considered a report which provided an update on ongoing civil and criminal proceedings following a fatal accident that had occurred at G Live in February 2013.

The Committee would receive a further update after the conclusion of the criminal trial.

The Committee,

RESOLVED: That the update be noted.

Reason for Decision:

To keep members of the Committee up to date.

CGS26 WORK PROGRAMME

The Committee considered its work programme for 2016-17.

The Committee,

RESOLVED to approve its updated work programme for 2016-17

Reason for Decision:

To allow the Committee to maintain and update its work programme for the 2016-17 municipal year.

CGS27 EXCLUSION OF THE PUBLIC

In view of the sensitivities around the subject matter of Item 7 on the agenda (Security Arrangements of Councillors), the Chairman proposed that consideration of the matter should be dealt with in private.

The Committee therefore,

RESOLVED that under Section 100A(4) of the Local Government Act 1972 (as amended), the public be excluded from the meeting for consideration of Item 7 on the grounds that it involves the likely disclosure of exempt information, as defined in paragraph 7 of Part 1 of Schedule 12A to the Act.

CGS28 SECURITY ARRANGEMENTS FOR COUNCILLORS

The Committee considered a report that provided an update on security arrangements for Councillors.

The report was introduced by the Council's Public Health Co-ordinator who informed the Committee that although the current national threat level was still severe, officers were not aware of any specific threat to councillors in Guildford.

Comments from the Committee raised the following points and information:

- Bradford City Council and Northampton Borough Council had introduced safety guidance for councillors, which provided sensible and practical advice. The Committee agreed that similar guidance should be circulated to all councillors and parish clerks.
- Parish clerks were lone workers. Although the Council did not employ the parish clerks, officers were happy to advise them. The report would be circulated to the parish clerks, as would any updates on safety measures the Council was taking.
- Councillors' home addresses were available on the Council website. Any councillor could request that their details were removed. Information contained in a councillor's register of interests could only be withheld if the Monitoring Officer was satisfied that there was a specific threat to the councillor.

The Committee,

RESOLVED: That the report noted.

Reason for Decision:

To keep members of the Committee up to date.

Agenda item number: 3

The meeting finished at 7.58 pm

Signed
Chairman

Date

Corporate Governance and Standards Committee Report

Report of Managing Director

Author: Claire Morris

Tel: 01483 444827

Email: claire.morris@guildford.gov.uk

Lead Councillor responsible: Michael Illman

Tel: 07742 731535

Email: michael.illman@guildford.gov.uk

Date: 22 September 2016

2015-16 Audit Findings Report: Year Ended 31 March 2016

Executive Summary

The audit of the 2015-16 accounts is nearly complete and the independent auditor intends to issue an unqualified opinion on the financial statements, which the CFO will re-certify in accordance with the Accounts and Audit Regulations 2015 on Friday 23 September 2016. The auditors have issued an Audit Findings report, which is included in Appendix 1, along with a management action plan (Audit Findings Report, Appendix A).

The auditors have not found any adjustments that affected our reported financial position but did identify some improvements to disclosure notes, which we amended for the final set of accounts. The auditors have made 8 recommendations relating to our internal controls and the approach to valuing other land and buildings included within the Council's balance sheet.

The auditors propose to give an unqualified Value for Money conclusion. Their recommendations relating to value for money are included in the action plan. The recommendations relate to actions necessary to address the Council's medium term budget gap.

Recommendation to Committee

- (1) That Grant Thornton's Audit Findings report attached as Appendix 1 to this report, and the management responses provided in the action plan (Appendix A to Appendix 1) be noted.
- (2) That the letter of representation, as set out in Appendix 2 to this report, on behalf of the Council be approved and that the Chairman be authorised to sign the letter on the Council's behalf.

Reason for Recommendation:

To allow the external auditor to issue his opinion on the 2015-16 accounts.

1. Purpose of Report

- 1.1 The report asks the Committee to consider the external auditor's Audit Findings report (AFR) for the 2015-16 financial year and the issues it raises.

2. Strategic Framework

- 2.1 Good financial management underpins the achievement of the Council's Corporate Plan.

3. Background

- 3.1 The Audit Commission carried out a tender exercise in 2011 for the provision of external audit to local authorities and appointed Grant Thornton as our auditors.
- 3.2 Grant Thornton prepares its AFR to meet the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office Code of Audit Practice by reporting on:
- (a) the Council's financial statements; and
 - (b) whether the Council has made proper arrangements for securing value for money in its use of resources
- 3.3 The International Standard on Auditing 260 requires "those charged with governance" to consider the report before the external auditor can sign off his opinion on the accounts. The statutory deadline for issuing the audit opinion is 30 September.
- 3.4 Appendix 1 is the final AFR for 2015-16. The auditors suggested a number of improvements to disclosures for which we amended the notes to the financial statements (page 25 of Appendix 1).
- 3.5 In relation to the statement of accounts, the auditors concluded that the Council produced a good set of financial statements and has reduced the time taken to produce its statements this year. The Auditors did not identify any adjustments which impact on the primary statements. However, they did identify some changes to disclosures in the accompanying notes and suggested improvements to the presentation of the statements. The auditors also concluded that the Annual Governance Statement and Narrative Report are consistent with the financial statements.
- 3.6 In relation to value for money, the auditors concluded that in all significant respects, the Council had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.
- 3.7 The auditor has made some recommendations relating to our internal controls, valuation of other land and buildings and value for money; the action plan at Appendix A to the AFR gives the management responses. The external auditor will attend the meeting to present the report and answer any questions.

- 3.8 This Committee has authority to approve the accounts on behalf of the Council. A separate report on this agenda considers the final statement of accounts, amended for the disclosure items raised in the AFR.

4. Financial Implications

- 4.1 There are no financial implications because of this report.

5. Legal Implications

- 5.1 The International Standard on Auditing (UK and Ireland) 260 requires the external auditor to report any issues arising from the audit of the Financial Statements to those charged within governance. In the Council's case, this is the Corporate Governance and Standards Committee.
- 5.2 The International Standard on Auditing (UK and Ireland) 580 requires the Chief Financial Officer to send a letter of representation to the external auditor. Appendix 2 is a draft of the 2015-16 letter of representation, which officers recommend that the Committee approves and that the chairman signs the letter of representation on the Council's behalf.

6. Human Resource Implications

- 6.1 There are no human resource implications because of this report.

7. Conclusion

- 7.1 The audit of the 2015-16 accounts is nearly complete and the independent auditor intends to issue an unqualified opinion on the financial statements, which the CFO will re-certify in accordance with the Accounts and Audit Regulations 2015. The auditors did not find any adjustments that affected our reported financial position but did identify some improvements to disclosure notes, which we amended for the final set of accounts, and made some recommendations on our internal controls.
- 7.2 The auditors propose to give an unqualified Value for Money conclusion. Their recommendations relating to value for money are included in the action plan.

8. Background Papers

2015-16 Statement of Accounts

9. Appendices

Appendix 1 – Draft Audit Findings report 2015-16
Appendix 2 – Letter of Representation

This page is intentionally left blank

The Audit Findings for Guildford Borough Council

Year ended 31 March 2016

13 September 2016

Christian Heeger

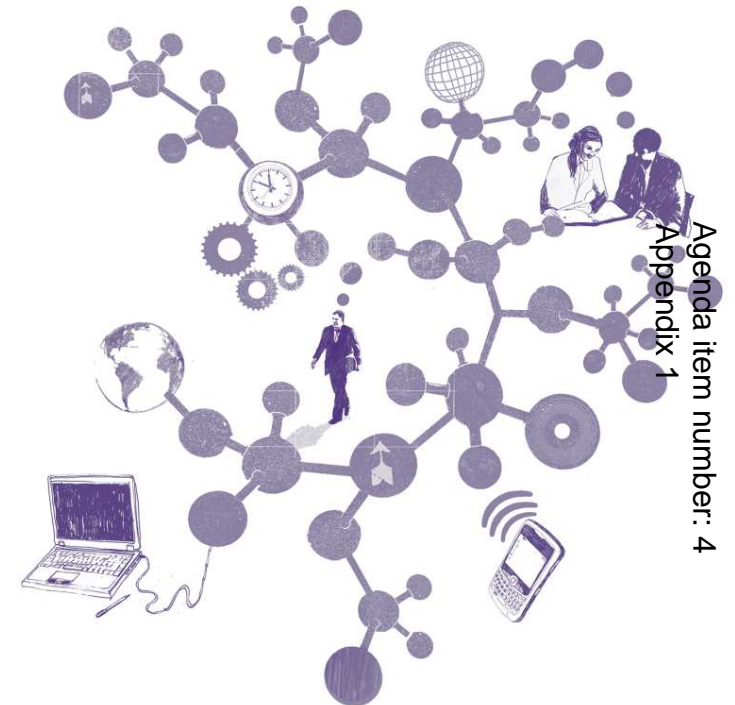
Director
T 01293 554 145
E christian.heeger@uk.gt.com

Keith Hosea

Manager
T 020 7728 3231
E keith.j.hosea@uk.gt.com

Sebastian Evans

Executive
T 020 7728 3451
E sebastian.evans@uk.gt.com



Agenda item number: 4
Appendix 1

Guildford Borough Council
Millmead House
Millmead
Guildford
Surrey GU2 4BB

Grant Thornton UK LLP
Fleming Way
Manor Royal
Crawley RH10 9GT
T +44 (0)1293 554 130
www.grant-thornton.co.uk

13 September 2016

Dear Members

Audit Findings for Guildford Borough Council for the year ending 31 March 2016

This Audit Findings report highlights the key findings arising from the audit for the benefit of those charged with governance (in the case of Guildford Borough Council Council, the Corporate Governance and Standards Committee), as required by International Standard on Auditing (UK & Ireland) 260, the Local Audit and Accountability Act 2014 and the National Audit Office Code of Audit Practice. Its contents have been discussed with officers.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK & Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements and giving a value for money conclusion. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Yours sincerely

Christian Heeger
Engagement Lead

Contents

Section	Page
1. Executive summary	4
2. Audit findings	8
3. Value for Money	26
4. Fees, non-audit services and independence	30
5. Communication of audit matters	32
Appendices	
A Action plan	35
B Audit opinion	41

Page 11

Section 1: Executive summary

01. Executive summary

02. Audit findings

03. Value for Money

04. Fees, non audit services and independence

05. Communication of audit matters

Page 12

Purpose of this report

This report highlights the key issues affecting the results of Guildford Borough Council ('the Council') and the preparation of the Council's financial statements for the year ended 31 March 2016. It is also used to report our audit findings to management and those charged with governance in accordance with the requirements of International Standard on Auditing (UK & Ireland) 260, and the Local Audit and Accountability Act 2014 ('the Act').

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion, the Council's financial statements give a true and fair view of the financial position of the Council and its income and expenditure for the year and whether they have been properly prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting. .

We are also required consider other information published together with the audited financial statements, whether it is consistent with the financial statements and in line with required guidance.

We are required to carry out sufficient work to satisfy ourselves on whether the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources ('the value for money (VFM) conclusion').

Auditor Guidance Note 7 (AGN07) clarifies our reporting requirements in the Code and the Act. We are required to provide a conclusion whether in all significant respects, the Council has put in place proper arrangements to secure value for money through economic, efficient and effective use of its resources for the relevant period.

- a public interest report if we identify any matter that comes to our attention in the course of the audit that in our opinion should be considered by the Council or brought to the public's attention (section 24 of the Act);
- written recommendations which should be considered by the Council and responded to publicly (section 24 of the Act);
- application to the court for a declaration that an item of account is contrary to law (section 28 of the Act);
- issue of an advisory notice (section 29 of the Act); and
- application for judicial review (section 31 of the Act)

We are also required to give electors the opportunity to raise questions about the accounts and consider and decide upon objections received in relation to the accounts under sections 26 and 27 of the Act.

Introduction

In the conduct of our audit we have not had to alter or change our audit approach, which we communicated to you in our Audit Plan dated 31 March 2016.

Our audit is substantially complete although we are finalising our procedures in the following areas:

- review of the final version of the financial statements
- obtaining and reviewing the management letter of representation
- review of the final version of the Narrative Report and Annual Governance Statement and
- updating our post balance sheet events review, to the date of signing the opinion.

Key audit and financial reporting issues

Financial statements opinion

We have identified no adjustments affecting the Council's reported financial position. There was no change to the net increase before transfer to earmarked reserves of £4.478 million on the general fund and £10.936 million on the Housing Revenue Account. We have however agreed a small number of changes to disclosures within notes to the primary statements and some improvements in the presentation of the financial statements.

The key messages arising from our audit of the Council's financial statements are:

- The Council produced a good set of financial statements supported by comprehensive working papers in line with the timescales agreed. Officers have responded promptly and helpfully to queries that we raised during the course of the audit.
- The Council has reduced the time taken to produce its statements this year. We have discussed with finance staff how the accounts production and audit processes can be further streamlined to meet the requirement in 2017/18 to produce accounts by 31 May and have them audited by 31 July.
- We have not identified any adjustments which impact on the primary statements. We have identified some changes to disclosures in the accompanying notes and suggested improvements to the presentation of the statements which officers have accepted.

Further details are set out in section two of this report.

We anticipate providing a unqualified audit opinion in respect of the financial statements (see Appendix B).

Other financial statement responsibilities

As well as an opinion on the financial statements, we are required to give an opinion on whether other information published together with the audited financial statements is consistent with the financial statements.

We are satisfied that the Annual Governance Statement and Narrative Report are consistent with the financial statements.

Controls

Roles and responsibilities

The Council's management is responsible for the identification, assessment, management and monitoring of risk, and for developing, operating and monitoring the system of internal control.

Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we report these to the Council.

Findings

We draw your attention in particular to control issues identified in relation to:

- software parameters for the calculation of NI and pension contributions in respect of childcare costs and for new starters joining part-way through a month. Officers are aware of these issues and are discussing with your payroll service provider. This is the second year we have reported this matter.
- Our IT specialist team have reviewed the general controls in place on IT systems at the Council, and made four recommendations for improving these controls.

Further details are provided within section two of this report.

Value for Money

Based on our review, we are satisfied that, in all significant respects, the Council had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources. We are therefore planning to provide an unqualified Value for Money conclusion.

Further detail of our work on Value for Money are set out in section three of this report.

Other statutory powers and duties

We have not identified any issues that have required us to apply our statutory powers and duties under the Act.

Grant certification

In addition to our responsibilities under the Code, we are required to certify the Council's Housing Benefit subsidy claim on behalf of the Department for Work and Pensions. At present our work on this claim is in progress and is not due to be finalised until 30 November 2016. We will report the outcome of this certification work through a separate report to the Corporate Governance and Standards Committee, which we anticipate will be in January 2017.

Our certification and opinion work completed to date has not identified any issues that we would like to bring to your attention.

The way forward

Matters arising from the financial statements audit and our review of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources have been discussed with the Head of Financial Services and Deputy Chief Financial Officer

We have made a number of recommendations, which are set out in the action plan at Appendix A. Recommendations have been discussed and agreed with the Deputy Chief Financial Officer and the finance team.

Acknowledgement

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff during our audit.

Grant Thornton UK LLP
September 2016

Section 2: Audit findings

01. Executive summary

02. Audit findings

03. Value for Money

04. Fees, non audit services and independence

05. Communication of audit matters

Materiality

In performing our audit, we apply the concept of materiality, following the requirements of International Standard on Auditing (UK & Ireland) (ISA) 320: Materiality in planning and performing an audit. The standard states that 'misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements'.

As we reported in our audit plan, we determined overall materiality to be £2,209k (being 2% of gross revenue expenditure). We have considered whether this level remained appropriate during the course of the audit and (have made no changes to our overall materiality.

We also set an amount below which misstatements would be clearly trivial and would not need to be accumulated or reported to those charged with governance because we would not expect that the accumulated effect of such amounts would have a material impact on the financial statements. We have defined the amount below which misstatements would be clearly trivial to be £110k. This remains the same as reported in our audit plan.

As we reported in our audit plan, we identified the following items where we decided that separate materiality levels were appropriate. [These remain the same as reported in our audit plan.

Balance/transaction/disclosure	Explanation	Materiality level
Cash and cash equivalents	The balance of cash and cash equivalents is material (and therefore would have been subject to audit procedures irrespective of whether or not a lower materiality had been communicated in our Audit Plan). A materiality level of £500k had been identified, as all transactions made by the Council affect the balance and it is therefore considered to be material by nature.	£500k
Disclosures of officers' remuneration, salary bandings and exit packages in notes to the statements	Due to public interest in these disclosures and the statutory requirement for them to be made.	£5k
Disclosure of auditors' remuneration in notes to the statements	Due to public interest in these disclosures and the statutory requirement for them to be made.	£5k

Agenda item number: 4
Appendix 1

Audit findings against significant risks

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, either due to size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty" (ISA (UK&I) 315).

In this section we detail our response to the significant risks of material misstatement which we identified in the Audit Plan. As we noted in our plan, there are two presumed significant risks which are applicable to all audits under auditing standards.

	Risks identified in our audit plan	Work completed	Assurance gained and issues arising
1. Page 18	<p>The revenue cycle includes fraudulent transactions</p> <p>Under ISA (UK&I) 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Guildford Borough Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited; and • the culture and ethical frameworks of local authorities, including Guildford Borough Council, mean that all forms of fraud are seen as unacceptable. 	<p>Our audit work has not identified any issues in respect of revenue recognition.</p>
2.	<p>Management over-ride of controls</p> <p>Under ISA (UK&I) 240 it is presumed that the risk of management over-ride of controls is present in all entities.</p>	<ul style="list-style-type: none"> • We reviewed and documented the Council's entity-level controls, including those around the processing and authorisation of journals. • We tested journal entries made by officers which met criteria identified from our understanding of the Council's controls. • We reviewed the key accounting estimates, judgements and decisions made by management. • We reviewed the financial statements for unusual significant transactions. We did not identify significant transactions that were unexpected for the Council. 	<p>Our audit work has not identified any evidence of management over-ride of controls. However, as in previous years.</p> <p>We set out later in this section of the report our work and findings on key accounting estimates and judgements.</p>

Audit findings against significant risks continued

	Risks identified in our audit plan	Work completed	Assurance gained and issues arising
Page 19	<p>3. Valuation of surplus assets and investment property and fair value disclosures under IFRS 13</p> <p>The CIPFA Code of Practice has implemented IFRS 13 for the 2015/16 financial statements. The Council is required to include surplus assets within property, plant and equipment in its financial statements at fair value, as defined by IFRS13.</p> <p>The basis on which fair value is defined for investment property is also different to that used in previous years.</p> <p>This represents a significant change in the basis for estimation of these balances in the financial statements.</p> <p>There are also extensive disclosure requirements relating to financial assets and liabilities under IFRS 13 which the Council needs to comply with.</p> <p>The balance of surplus assets in the Council's financial statements is immaterial for 2015/16 and therefore our work has only covered investment properties</p>	<ul style="list-style-type: none"> • We identified and documented the controls put in place by management to ensure that the revaluation process does not give rise to a material misstatement. • We reviewed management's processes and assumptions for the calculation of the estimate, including reviewing the competence, expertise and objectivity of management's valuation experts; and reviewing the instructions issued to the valuation experts and the scope of their work. • We discussed with the valuer the basis on which the valuation was carried out and challenged the reasonableness of the key assumptions and why other assumptions were not used. • We reviewed and tested the information provided by management to the valuer in calculating the estimate to ensure it was robust and consistent with our knowledge of the assets being valued. • We tested the revaluations made during the year to ensure they were input correctly into the Council's asset register, and appropriate accounting entries were made in the financial statements. • We reviewed the disclosures made by the Council in its financial statements to ensure they were in accordance with the requirements of the CIPFA Code of Practice and IFRS 13. 	<p>Our audit work has not identified any issues in respect of the valuation of investment properties.</p>

Audit findings against other risks

In this section we detail our response to the other risks of material misstatement which we identified in the Audit Plan. Recommendations, together with management responses are attached at appendix A.

Transaction cycle and risk	Work completed	Assurance gained & issues arising
<p>Valuation of property, plant and equipment The Council revalues its Council dwellings and Investment properties on an annual basis. In addition the Council revalues its other land and buildings on a rolling basis over a five year period. The Code requires that the Council ensures that the carrying value at the balance sheet date is not materially different from the current value. This represents a significant estimate by management in the financial statements.</p>	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • We identified and documented the controls put in place by management to ensure that the revaluation process does not give rise to a material misstatement. • We reviewed management's processes and assumptions for the calculation of the estimate, including reviewing the competence, expertise and objectivity of management's valuation experts; and reviewing the instructions issued to the valuation experts and the scope of their work. • We discussed with the valuer the basis on which the valuation was carried out and challenged the reasonableness of the key assumptions and why other assumptions were not used. • We reviewed and tested the information provided by management to the valuer in calculating the estimate to ensure it was robust and consistent with our knowledge of the assets being valued. • We tested the revaluations made during the year to ensure they were input correctly into the Council's asset register, and appropriate accounting entries were made in the financial statements. • We evaluated assumptions made by management for those assets not revalued during the year and how management satisfied themselves that these were not materially different from current value. 	<p>As identified as part of our risk assessment procedures, management's current programme of revaluations for other land and buildings is performed on a rolling basis. While such an approach is permitted by the Code there is a risk that, between revaluation dates, the current value of the non-revalued assets changes in such a way as to become materially different from their carrying value.</p> <p>The audit team's approach has been to review management's estimation process. The Council have commissioned some information from the District Valuation Service to enable them to form a view as to whether the current value of assets not subject to formal revaluation this year is materially different from carrying value. The results of management's assessment have been reviewed by the auditor. While the assumptions made by management appear reasonable, this is a significant assumption affecting the valuation of these assets in the balance sheet. We have asked management to include a representation in respect of this in the letter of representation and to enhance the disclosure in the accounting policy of their estimation basis.</p>

Audit findings against other risks continued

Transaction cycle and risk	Work completed	Assurance gained & issues arising
<p>Valuation of pension fund net liability The Council's pension fund asset and liability as reflected in its balance sheet represent significant estimates in the financial statements.</p>	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • We documented the key controls that were put in place by management to ensure that the pension fund liability and associated transactions were not materially misstated. • We walked through the key controls to assess whether they were implemented as expected to mitigate the risk of material misstatement in the financial statements. • We reviewed the competence, expertise and objectivity of the actuary who carried out the valuation of the Council's pension fund asset and liability, including using an auditor's expert to give comfort over the key assumptions used in the valuation. • We obtained assurance from the auditor of Surrey pension fund that controls around the inputs into the valuation were operating effectively to prevent material misstatement. • Gaining an understanding of the basis on which the IAS 19 valuation was carried out, undertaking procedures to confirm the reasonableness of the actuarial assumptions made. • We ensured that transactions and balances relating to the pension fund asset and liability and disclosures in notes to the financial statements were consistent with the valuation report from your actuary and properly processed in your financial statements. 	<p>Our audit work has not identified any issues in respect of the valuation of the pension fund net liability, or of transactions and disclosures relating to it in the financial statements.</p>
<p>Operating expenses Creditors understated or not recorded in the correct period (Operating expenses understated)</p>	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • We documented our understanding of processes and key controls over the transaction cycle • We walked through the key controls to assess whether those controls were operating in line with our documented understanding • Searched for unrecorded liabilities by reviewing payments either side of the balance sheet date. • Documented and performed substantive testing on accruals to ensure that all amounts relating to the year of account has been recorded in the correct year. • Performed trend analysis on operating expense codes and directed testing to periods of unexpectedly high or low expenditure. 	<p>Our audit work has not identified any significant issues in relation to the risk identified.</p>

Page 21

Agenda item number: 4
 Appendix 1

Audit findings against other risks continued


Transaction cycle and risk	Work completed	Assurance gained & issues arising
<p>Employee remuneration Employee remuneration accruals understated (Remuneration expenses not correct)</p>	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • We documented our understanding of processes and key controls over the transaction cycle, and walked through the controls to assess whether those controls were operating in line with our documented understanding. • We reconciled employee remuneration recorded in the general ledger to monthly and weekly pay runs in the payroll system to ensure that all expenditure from the payroll system was reflected in the financial statements • We performed trend analysis on payroll expenses during the year to ensure a full 12 months were included and directed testing to months where expenditure was outside expectations. • We tested from a sample of HR records to ensure that they were completely and accurately reflected on both the payroll system and general ledger. 	<p>Our testing of payments found that these were materially fairly stated but identified some internal control deficiencies in respect of payroll costs which we report further on page 21.</p> <p>No other issues were noted.</p>

Audit findings against other risks continued

Transaction cycle and risk	Work completed	Assurance gained & issues arising
<p>Welfare expenditure Welfare benefit expenditure improperly computed</p>	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • We documented our understanding of the processes and key controls over the transaction cycle, and walked through the key controls to assess whether those controls were operating in line with our documented understanding • We tested the Council's reconciliation of housing benefit paid by the ledger to the housing benefits system and to the HB subsidy claim. • We tested a sample of payments made to HB claimants to ensure they were properly calculated in line with regulations • We performed testing using the HB Count methodology to cover: <ul style="list-style-type: none"> • Checking system parameters (Module 2); • Analytical review of expenditure against expectations (Module 4); • Confirming claim is correctly generated from the system using the software provider's guidance notes (Module 5). 	<p>Our audit work has not identified any significant issues in relation to the risk identified.</p>


Accounting policies, estimates and judgements

In this section we report on our consideration of accounting policies, in particular revenue recognition policies, and key estimates and judgements made and included with the Council's financial statements.

Accounting area	Summary of policy	Comments	Assessment
<p>Revenue recognition</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 24</p>	<ul style="list-style-type: none"> Revenue from the sale of goods is recognised when the Council transfers the risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential of the transaction will flow to the Council. Revenue from the provision of services is recognised when the Council can reliably measure the percentage of completion of the transaction and it is probable that economic benefits or service potential of the transaction will flow to the Council. Revenue relating to non-contractual, non-exchange transactions such as council tax, business rates and housing rents are measured at the full amount receivable when it is probable that the economic benefits of the transaction will flow to the Council. 	<p>The Council's accounting policy for revenue recognition covers all major revenue streams and is appropriate under the CIPFA Code. There is limited judgement involved in revenue recognition other than around the impairment of receivables, which is disclosed in the note on assumptions and sources of estimation uncertainty.</p> <p>The disclosure of the accounting policy is sufficiently clear and reflects the enhanced disclosure agreed with the Council last year.</p>	<p style="text-align: center;">  Green </p>



Assessment

Accounting policies, estimates and judgements continued

Accounting area	Summary of policy	Comments	Assessment
<p>Estimates and judgements</p>	<p>Key estimates and judgements include:</p> <ul style="list-style-type: none"> The judgement as to whether individual assets are classified as property, plant and equipment, investment property or heritage assets. The basis of valuation of property, plant and equipment and investment property. The estimated useful lives of property, plant and equipment and consequent depreciation on these assets. The valuation of pension fund asset and liability. The valuation of provision for doubtful debts The valuation of provision for losses arising from appeals against business rating decisions. 	<p>We have reviewed the basis of the estimates and judgements and the disclosure of these in the Council's financial statements.</p> <ul style="list-style-type: none"> We are satisfied with the Council's judgement as to whether assets are property, plant and equipment, investment property or heritage assets and with the disclosure of this within Note 30. We have considered the independence, objectivity and capability of your valuers and determined we could place reliance on their work. We have reviewed the basis of the valuation and ensured that you had correctly reflected the results of their work in your financial statements. We concluded that property, plant and equipment and investment property were materially fairly valued in your financial statements, including those assets which were not revalued in the current year, (although we have requested a management representation with respect to the assumptions used) and that the disclosure of the valuation in your financial statements was satisfactory. We performed a substantive analytical review of depreciation against our expectations based on the value of assets and useful economic lives and concluded that depreciation on your assets was materially fairly stated. We reviewed the disclosure of depreciation methods and useful lives in your statements, including disclosure of estimation uncertainty, and found this to be satisfactory. We have considered the independence, objectivity and capability of your pension fund actuaries and determined we could place reliance on their work. We gained assurance over the inputs into the valuation of the pension fund asset and liability from the work of the auditors of the Surrey Pension Fund. We have reviewed the actuary's report and are satisfied that you have correctly reflected the results of their work in your financial statements, including the disclosures which are required by the Code. We are also satisfied with the disclosure of estimation uncertainty in respect of this estimate. We have reviewed the basis of your calculation of the provision for doubtful debts and of the provision for losses arising from appeals against business rating decisions and are satisfied that these are materially fairly stated in your financial statements and that disclosure of the estimation uncertainty in respect of both these estimates is sufficient. 	<p style="text-align: center;">  Green </p>

Assessment

Accounting policies, estimates and judgements continued

Accounting area	Summary of policy	Comments	Assessment
Going concern	Members and officers have a reasonable expectation that the services provided by the Council will continue for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.	We have reviewed the Council's assessment and are satisfied with your assessment that the going concern basis is appropriate for the 2015/16 financial statements.	 Green
Other accounting policies	We have reviewed the Council's policies against the requirements of the CIPFA Code and accounting standards.	Our review of accounting policies has not highlighted any issues which we wish to bring to your attention.	 Green

Assessment

Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

	Issue	Commentary
1.	Matters in relation to fraud	<ul style="list-style-type: none"> We have previously discussed the risk of fraud with management, internal audit and the Corporate Governance and Standards Committee, who did not bring any matters in relation to fraud to our attention. We have not been made aware of any other incidents in the period and we have not identified any other issues during the course of our audit to bring to your attention.
2.	Matters in relation to related parties	<ul style="list-style-type: none"> From our enquiries of management and our audit procedures, we have not identified any related party transactions which have not been disclosed in the financial statements.
3.	Matters in relation to laws and regulations	<ul style="list-style-type: none"> We are not aware of, and have not identified during the course of our audit, any significant incidences of non-compliance with relevant laws and regulations.
4.	Written representations	<ul style="list-style-type: none"> A letter of representation has been requested from the Council. In particular, we have requested that management provide representations in respect of the significant assumptions used in making accounting estimates for property, plant and equipment and investment property.
5.	Confirmation requests from third parties	<ul style="list-style-type: none"> We obtained direct confirmations from PWLB for the relevant loans the Council has with PWLB. We also requested from management permission to send confirmation requests to a number of counterparties to cash and cash equivalent balances. Management have co-ordinated the confirmation of investment and borrowings confirmation requests, although we have received such confirmation responses directly and have therefore maintained control of the process. As at 13 September 2016 we have not received confirmations in respect of 2 institutions representing balances of £10 million. We have therefore undertaken alternative procedures, including confirmation to certificates of deposit for these balances.
6.	Disclosures	<ul style="list-style-type: none"> Our review found no non-trivial omissions in the financial statements.

Page 27

Agenda item number: 4
Appendix 1

Other communication requirements continued

Agenda item number: 4
Appendix 1

	Issue	Commentary
7.	Matters on which we report by exception	<ul style="list-style-type: none"> • We are required to report on a number of matters by exception in a number of areas: We have not identified any issues we would be required to report by exception in the following areas • If the Annual Governance Statement does not meet the disclosure requirements set out in the CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit • The information in the Narrative Report is materially inconsistent with the information in the audited financial statements or our knowledge of the Group/Council acquired in the course of performing our audit, or otherwise misleading.
8.	Specified procedures for Whole of Government Accounts	We are not required to carry out any procedures in respect of the Council's whole of government accounts return as the Council is below the threshold where work is required.

Page 28

Internal controls

The purpose of an audit is to express an opinion on the financial statements.

Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. We considered and walked through the internal controls for Valuation of surplus assets and investment property and fair value disclosures under IFRS 13, Valuation of property, plant and equipment, Valuation of pension fund net liability, Employee Remuneration, Operating Expenses and Welfare Expenditure as set out on pages 11-15 above.

The matters that we identified during the course of our audit are set out in the table below. These and other recommendations, together with management responses, are included in the action plan attached at Appendix A. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.





	Assessment	Issue and risk	Recommendations
Issues reported in previous years and recurring this year			
1. Page 29	●	<ul style="list-style-type: none"> From our testing of employee remuneration we identified a software issue whereby the Council's payroll system incorrectly calculates employer national insurance contributions relating to childcare payments. This led to a classification issue within gross pay costs and did not affect expenditure in the financial statements. The Council is aware of this issue and is discussing with its software provider. The Council is satisfied that the issue relates only to classification between the salary and NI subjectives, and does not result in an error in NI contributions remitted to HMRC. 	<ul style="list-style-type: none"> Continue to discuss the issues identified as part of payroll testing with your software provider and implement a fix to ensure that employer NI contributions are correctly recorded in the ledger.
2.	●	<ul style="list-style-type: none"> We identified a further software issue whereby the pension contributions were incorrectly calculated for new starters commencing employment part-way through a month. From further work performed, we are satisfied that this will not result in a material misstatement to the Council's employee remuneration costs. The Council is aware of this issue and is discussing with its software provider. The risk is that amounts remitted to Surrey Pension Fund are incorrect. We have concluded however that the amounts involved are immaterial from an accounts perspective. 	<ul style="list-style-type: none"> Continue to discuss the issues identified as part of payroll testing with your software provider and implement a fix to ensure that employer pension contributions are correctly remitted.

Agenda item number: 4
Appendix 1



Assessment

- Significant deficiency – risk of significant misstatement
- Deficiency – risk of inconsequential misstatement


Internal controls (continued)

	Assessment	Issue and risk	Recommendations
Issues raised for the first time this year			
3.		<ul style="list-style-type: none"> The Council's Acceptable Use Policy and ICT Security Policy have not been reviewed or updated since 2008 and 2013 respectively. Without regular review, there is a risk that the policies and related procedures are no longer applicable to the needs and security of the business, which may compromise the company's IT computing environment. 	<ul style="list-style-type: none"> Review ICT policies at planned intervals (at least annually) or when significant changes occur to ensure their continuing suitability, adequacy, and effectiveness. Once reviewed and approved by management, the policy should be published and communicated to all employees and relevant third parties.
4.		<p>For Selima, we noted that:</p> <ul style="list-style-type: none"> The Selima HR system does not have a restriction on the number of times a user can validate their account using incorrect authentication details. Not having a limit on the number of incorrect password attempts will make it easier for a brute force password attack to be applied on the application, leading to unauthorised access to sensitive HR information Selima's passwords expire every 100 days, and this is not in line with the Council ICT Security Policy. Leaving a password unchanged for a longer period of time increases the risk of the password being compromised. 	<ul style="list-style-type: none"> Management should enforce password settings in line with the Council's ICT Security policy: The password policy for Selima should include a maximum of 3 invalid login attempts after which the account is locked until reset by the system administrator; and the system should enforce an automatic requirement to change the password every 90 days.
5.		<ul style="list-style-type: none"> Security administrators for ICT systems rely on the line managers and HR to notify them when users leave the Council. We noted that HR only sends reports of leavers on a quarterly basis. The eFinancials team performs a weekly access review by checking the users against windows Active Directory list to ensure users not on this have access rights disabled promptly. However, there is a risk that the windows user list may not be up to date because of delays in leavers being notified. There is a potential risk that accounts belonging to leavers remain enabled within these systems. These accounts could be subject to misuse by other employees. 	<ul style="list-style-type: none"> Provide system administrators with notification of staff leaving or due to leave the Council on a timely basis (at least monthly) so their user rights on key financial systems can be disabled on a timely basis to reduce the risk of misuse.
6.		<ul style="list-style-type: none"> Documented policies and procedures had not been formally established addressing change management processes and related control requirements within applications. Without documented and approved policies and procedures, there is a risk that changes made do not have a business justification and are applied without sufficient evaluation or testing. 	<ul style="list-style-type: none"> Establish, approve and communicate formal procedures for change management processes and related control requirements (such as change testing, approvals, and documentation requirements) for key ICT systems.



Page 30

Assessment
 Significant deficiency – risk of significant misstatement
 Deficiency – risk of inconsequential misstatement

Internal controls (continued)

	Assessment	Issue and risk	Recommendations
6.		<ul style="list-style-type: none"> Documented policies and procedures had not been formally established addressing change management processes and related control requirements within applications. Without documented and approved policies and procedures, there is a risk that changes made do not have a business justification and are applied without sufficient evaluation or testing. 	<ul style="list-style-type: none"> Establish, approve and communicate formal procedures for change management processes and related control requirements (such as change testing, approvals, and documentation requirements) for key ICT systems.

Assessment

-  Significant deficiency – risk of significant misstatement
-  Deficiency – risk of inconsequential misstatement

Internal controls – review of issues raised in prior year

Agenda item number: 4
Appendix 1

	Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
1.	X	<ul style="list-style-type: none"> Discuss the issues identified as part of payroll testing with your software provider and implement a fix to ensure that employer contributions for NI and pensions are correctly remitted. 	<ul style="list-style-type: none"> Management have communicated this issue to the software provider. However the software provider has yet to provide a solution to this. We have reported these matters on p.21 above.
2.	Partly	<ul style="list-style-type: none"> Senior officers should review and authorise all journals before they are posted 	<ul style="list-style-type: none"> Management are in the process of implementing a new process that requires: <ul style="list-style-type: none"> - all journals to be supported by working papers within the e-financials system by use of the 'paperclip' function to attach the working papers directly to the journal - all journals to require authorisation by a separate member of staff to the person who has prepared the journal As this new process was only trialled towards the end of the financial year (March 2016) we have not been able to evaluate the operating effectiveness of this control.

Page 32

Assessment
 ✓ Action completed
 X Not yet addressed

Misclassifications and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Adjustment type	Value £'000	Account balance	Impact on the financial statements
1 Disclosure	N/A	Note 10: Officers' Remuneration	One officer was incorrectly included within the £65,000-£69,999 remuneration band. The total number '4' should be reduced to '3'. This has now been corrected.
2 Disclosure	18	Note 11: External Audit Costs	The Council had omitted a £16k additional fee that was approved for 2014/15 certification work, and a £2k fee for non-audit services (Housing Capital Receipts certification). These should be included in the 2015/16 total reflecting the fact that these were approved after the 2014/15 accounts opinion, and an accompanying note included to explain this. These have now been disclosed separately in this note.
3 Disclosure	N/A	Note 28: Financial Instruments	Explanation of basis on which the fair value of PWLB loans has been calculated has been enhanced in this note.
4 Disclosure	N/A	Note 29: Financial Instruments (Fair Values of Assets and Liabilities section)	<ul style="list-style-type: none"> one loan of £5m had been incorrectly classified as aging category "Over 1 but not over 2 years" whereas the repayment date indicates this should be in the "Over 2 but not over 5 years" years category. loans totalling £45m had been incorrectly excluded from the table altogether; these should be in the "Over 5 but not over 10 years" aging category.
5 Disclosure	N/A	Collection Fund Note 2	Business rate multiplier: 2016/17 rates had been disclosed instead of 2015/16 rates. This has now been corrected.

Page 33

Agenda item number: 4
Appendix 1

Section 3: Value for Money

01 Executive summary

02 Audit findings

03. Value for Money

04. Fees, non-audit services and independence

05. Communication of audit matters

Value for money conclusion

Background

We are required by section 21 of the Local Audit and Accountability Act 2014 ('the Act') and the NAO Code of Audit Practice ('the Code') to satisfy ourselves that the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VFM) conclusion.

We are required to carry out sufficient work to satisfy ourselves that proper arrangements are in place at the Council. The Act and NAO guidance state that for local government bodies, auditors are required to give a conclusion on whether the Council has put proper arrangements in place.

In carrying out this work, we are required to follow the NAO's Auditor Guidance Note 3 (AGN 03) issued in November 2015. AGN 03 identifies one single criterion for auditors to evaluate:

In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

AGN03 provides examples of proper arrangements against three sub-criteria but specifically states that these are not separate criteria for assessment purposes and that auditors are not required to reach a distinct judgement against each of these.

Risk assessment

We carried out an initial risk assessment in March 2016 and identified the following significant risks, which we communicated to you in our Audit Plan dated 31 March 2016.

We have continued our review of relevant documents up to the date of giving our report, and have not identified any further significant risks where we need to perform further work.

We carried out further work only in respect of the significant risk we identified from our initial and ongoing risk assessment.

Significant qualitative aspects

AGN 03 requires us to disclose our views on significant qualitative aspects of the Council's arrangements for delivering economy, efficiency and effectiveness. We have focused our work on the significant risk that we identified in the Council's arrangements. In arriving at our conclusion, our main considerations were:

- The Council is developing its arrangements to address the identified gaps in its medium term financial strategy. It has identified project leads for different areas of savings and investments and agreed an overall approach with Society Executive Advisory Board.
- Work to firm up savings plans and transformations in service has progressed after the period under review. In considering the arrangements in place during the year we had regard to the Council's achievement of an underspend of £2.25 million against its budget for the year. The Council has prudently set aside earmarked reserves of just under £30 million of which £2.8 million is badged as being to offset 'budget pressures' and to provide funding for initiatives which are expected to make future savings. There is a further £4.7m to offset anticipated reductions in business rates income from planned developments in Guildford.
- These could be used to offset the reduction in the Council's available resources and need for further savings to balance its budget in the short to medium term. However, the Council recognises that this is not a sustainable solution in the longer term.
- The Council's arrangements for managing and monitoring performance against its budget continue to be robust. There is more transparent communication of these to Members and to the public including quarterly reporting of financial performance.
- As in previous years, the Council has significantly underspent against its capital programme. The reasons for this include delays in agreeing a development agreement for North Street, delays in other major projects, and the unavailability of suitable investment properties for purchase. The Council recognises the reasons for delay and has set these out in its reporting to Members.

Overall conclusion

We have set out more detail on the risks we identified, the results of the work we performed and the conclusions we drew from this work overleaf.

Based on the work we performed to address the significant risks and our consideration of the key aspects of arrangements summarised on the previous page, we concluded that the Council had proper arrangements in all significant respects to ensure it delivered value for money in its use of resources for the year ended 31 March 2016. The text of our report, which confirms this can be found at Appendix B.

Recommendations for improvement

We discussed findings arising from our work with management and have agreed recommendation for improvement as follows.

- The Council needs to put in place a detailed project management approach to identify areas for saving, the actions required to achieve them, and scenario modelling of the savings to be achieved. Officers across the Council need to contribute to this process both within and across services, to address the known gap in its medium term financial plan to 2021.
- The Council also needs to implement the same approach in modelling its capital programme so that it has a more realistic timetable for the completion of projects that it can build this into its overall financial modelling.

Management's response to these can be found in the Action Plan at Appendix A.

Significant difficulties in undertaking our work

We did not identify any significant difficulties in undertaking our work on your arrangements which we wish to draw to your attention.

Significant matters discussed with management

There were no matters where no other evidence was available or matters of such significance to our conclusion or that we required written representation from management or those charged with governance.

Any other matters

There were no other matters from our work which were significant to our consideration of your arrangements to secure value for money in your use of resources.

Key findings

We set out below our key findings against the significant risk we identified through our initial risk assessment. We did not identify any further risks through our ongoing review of documents and discussions with officers.

Significant risk	Work to address	Findings and conclusions
<p>Medium financial term planning</p> <p>The Council identified a cumulative gap of some £5.5 million between projected resources and budgeted expenditure over the four years to 2019/20. In part this relies on continuing to deliver the budgeted level of savings from existing projects. The Council has identified a need for longer term transformation of service delivery to be able to deliver sustainable services in the period covered by the medium term financial strategy.</p>	<p>We reviewed the framework established by the Council to manage the medium term financial planning process, including identification and assessment of savings plans, risk assessment and management and arrangements for Members to scrutinise and agree the projects included in the medium term financial strategy.</p>	<p>The Council has identified project managers to lead on particular areas of the already identified savings programme which is mapped across the 4 years of the medium term financial strategy.</p> <p>The Corporate Management Team have agreed a number of opportunities and threats to its financial position and has started to identify actions to take in response to these. Part of this has been a decision by Society EAB around the future shape of the Council.</p> <p>Officers have been tasked to identify savings plans to address these opportunities and threats. This process is in progress at the time of reporting and will require further work to complete and update to address the gap in the strategy going forward. Progress has been limited in identifying actual savings against the plans agreed although this has been offset by increased income from purchase of investment properties during 2016/17.</p> <p>Senior management recognise that more work is required and that the Council cannot continue to expect to underspend year on year. All services will need to identify clear and realistic savings plans which identify the impact on service delivery.</p> <p>Part of the Council's response to the constraints in public sector funding has been to set aside underspends in previous years to fund budget pressures, anticipated gaps in business rates income and to put aside monies to enable the Council to invest or make savings in future years. The total of earmarked reserves held by the Council at 31 March is just under £30 million which is considerably higher than the gap in the Council's medium term financial strategy.</p> <p>On that basis we concluded that the risk was sufficiently mitigated and the Council has proper arrangements in place for planning finances effectively to support the sustainable delivery of strategic priorities.</p> <p>We recommend that the Council put in place a disciplined project management approach to identify areas for saving, the actions required to achieve them, and scenario modelling of the savings to be achieved, to address the known gap in its medium term financial plan to 2021.</p>

Agenda item number: 4
Appendix 1

Section 4: Fees, non-audit services and independence

01. Executive summary

02. Audit findings

03. Value for Money

04. Fees, non audit services and independence

05. Communication of audit matters

Page 38

We confirm below our final fees charged for the audit and provision of non-audit services.

Fees

	Proposed fee £	Final fee £
Council audit	57,533	57,533
Grant certification	13,925	tbc
Total audit fees (excluding VAT)	71,458	tbc

Fees for other services

Service	Fees £
Audit related services:	
• Housing Capital Receipts	£1,500
Non-audit services	0

Page 88 The proposed audit fees for the year were in line with the scale fee set by Public Sector Audit Appointments Ltd (PSAA)

Grant certification

Our fees for grant certification cover only housing benefit subsidy certification, which falls under the remit of Public Sector Audit Appointments Limited. Fees in respect of other grant work, such as reasonable assurance reports, are shown under 'Fees for other services'.

Work on the housing benefit subsidy certification is not yet complete. However, as we are required to carry out more work this year as a result of errors identified in 2014/15, it is likely that the actual certification fee will be higher than the scale fee proposed. We will confirm this in our report to those charged with governance later this year.

Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

Section 5: Communication of audit matters

01. Executive summary

02. Audit findings

03. Value for Money

04. Fees, non audit services and independence

05. Communication of audit matters

Page 40

Communication to those charged with governance

International Standards on Auditing ISA (UK&I) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

The Audit Plan outlined our audit strategy and plan to deliver the audit, while this Audit Findings report presents the key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

Respective responsibilities

The Audit Findings Report has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by Public Sector Audit Appointments Limited (<http://www.psa.co.uk/appointing-auditors/terms-of-appointment/>)

We have been appointed as the Council's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England at the time of our appointment. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the NAO (<https://www.nao.org.uk/code-audit-practice/about-code/>). Our work considers the Council's key risks when reaching our conclusions under the Code.

It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence.	✓	✓
Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged		
Details of safeguards applied to threats to independence		
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Non compliance with laws and regulations		
Expected modifications to auditor's report		
Uncorrected misstatements		
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern		✓

Agenda item number: 4
Appendix 1

Appendices

Page 42

Appendix A: Action plan

Priority

High - Significant effect on control system

Medium - Effect on control system

Low - Best practice

Rec No.	Recommendation	Priority	Management response	Implementation date & responsibility
1. Page 43	Continue to discuss the issues identified as part of payroll testing with your software provider and implement a fix to ensure that employer contributions for NI and pensions are correctly remitted.	High	<ol style="list-style-type: none"> In relation to childcare vouchers; the issue identified relates solely to our internal costing process within the General Ledger, which applies the employer NI saving from childcare vouchers (salary sacrifice) against the salary subjective (A***1) rather than as a saving against the NI subjective (A***2) . There is no risk that the amounts remitted to HMRC and Surrey Pensions is incorrect, the other half of the double entry within the Selima system correctly records NI and it is the Selima system that is used to pay HMRC and Surrey Pension Fund. The Payroll software supplier is aware of this issue, but hasn't offered a fix. In relation to Pension Contributions; we accept this is a problem, and it could result in the incorrect calculation of pension contributions. To counter this we have added an item to the new starter check list and any system calculation will be manually overridden, until the payroll supplier provides a system fix. However, it is not clear from Selima that there will be a system fix. 	Payroll Manager March 2017

Agenda item number: 4
Appendix 1

Appendix A: Action plan (continued)

Rec No.	Recommendation	Priority	Management response	Implementation date & responsibility
2.	Review IT policies at least annually or when significant changes occur to ensure their continuing suitability, adequacy, and effectiveness. Once reviewed and approved by management, the policy should be published and communicated to all employees and relevant third parties.	Medium	ICT is currently undergoing a structure review under the leadership of a new ICT Manager. ICT policies will be looked at and regular maintenance schedules will be reviewed as part of this restructure.	ICT Manager March 2017
3.	Management should enforce password settings for all systems in line with its ICT Security policy. The password policy for Selima should include a limit on the number of incorrect password attempts in line with password settings on other applications, i.e. users should be allowed a maximum of 3 invalid login attempts, after which their account should be locked until it is reset by a system administrator. Additionally, the system should enforce an automatic requirement to change a password at a routine, risk-based frequency (e.g., every 90 days).	Medium	<ol style="list-style-type: none"> 1. We have already changed the system so that it now locks the user out after 4 failed log-on attempts. 2. Since July 2008 the users have been required to re-set their password after 100 days (the audit recommendation is 90 days). The majority of users use the system to view payslips. Setting the change parameter at 90 days would potentially time the user out between 2nd and 3rd month. At 100 days it would enable 3rd month's payslip to be viewed, but the user will be prompted to change the password (which will expire before the following month's payslip is generated) . We feel this is sufficient control and do not propose at present to change it and will update the ICT security policy to reflect this. 	HR Systems Administrator & ICT Manager December 2016

Page 44

Agenda item number: 4
Appendix 1

Appendix A: Action plan continued

Rec No.	Recommendation	Priority	Management response	Implementation date & responsibility
4.	<p>All logical access within financially critical systems belonging to leavers should be revoked in a timely manner upon their departure from Council. Security/System administrators should be provided with (a) timely, proactive notifications from HR of leaver activity for anticipated terminations and (b) timely, per-occurrence notifications for unanticipated terminations (e.g. monthly rather than quarterly). Security/system administrators should then use these notifications to either (a) end-date user accounts associated with anticipated leaver's date or (b) immediately disable user accounts associated with unanticipated leavers.</p>	Medium	<p>The majority of new pc users at Guildford Borough Council are not paid through the Selima system. A large number of staff who are paid through Selima do not have access to a pc and have no contact with ICT. HR are not usually informed when agency or casual staff leave (the managers simply stop paying their timesheets/invoices) and HR have no involvement with consultants, who are paid directly by Financial Services.</p> <p>Guildford Borough Council is unusual in that we use an exceptionally high number of agency, casual and consultants. HR did set up an automated email function in April 2013, which emails nominated users when leavers are put through the HR system. ICT do not receive these emails because the majority of the affected staff do not have system access. This is therefore an extremely inefficient way to manage users with a significantly increased risk of genuine leaver records being lost in the high volume of causal staff notifications.</p> <p>HR and IT have continually reviewed the situation and are aware of the residual risks. It is therefore proposed to commission a full review of the processes for starters, movers and leavers. This review will need to involve key stakeholders including hiring managers, HR, Payroll, ICT and Financial Services.</p> <p>The outcome of this HR lead review will be to deliver a single policy and supporting processes for GBC to reduce the identified risks and support accurate reporting of all employees including permanent staff, casuals, agency workers and consultants for consideration by CMT.</p>	<p>ICT Manager & HR Systems Administrator December 2016</p>

Page 45

Agenda item number: 4
Appendix 1

Appendix A: Action plan continued

Rec No.	Recommendation	Priority	Management response	Implementation date & responsibility
6.	Establish a disciplined project management approach to identify areas for saving, the actions required to achieve them, and scenario modelling of the savings to be achieved. Officers across the Council need to contribute to this process both within and across services, to address the known gap in its medium term financial plan to 2021.	Medium	<p>Savings and efficiency projects identified through the Council's business planning process are managed through the Council Project Management System Verto which requires regular highlight reporting.</p> <p>Management team and EAB recently considered a list of further projects that should help address the medium term budget gap. It is proposed that responsible officers are identified for this list of projects and that a newly established Lead Councillor / Officer Transformation Board to monitor the progress of the projects and the identification of savings. This will also be monitored through bi-weekly reporting to CMT.</p>	Director of Resources February 2017
7.	Improve the process for modelling and profiling the capital programme so more timescales for completion of the projects can be built into overall financial monitoring.	Medium	<p>Since the implementation of Verto for project management and capital bid completion the profiling has improved slightly particularly as Verto encourages users to think about the profiling across months and financial years. Capital projects and their profiling are monitored through the capital programme monitoring group chaired by the Principal Accountant for Capital, Assets and Treasury and further training to service managers will be provided as part of the groups work. Part of the problem has been trying to predict the timing of some large property acquisitions , particularly those associated with redevelopment projects. The profile of redevelopment projects will continue to be difficult to predict.</p>	Head of Financial Services February 2017

Page 47

Agenda item number: 4
Appendix 1

Appendix A: Action plan continued

Rec No.	Recommendation	Priority	Management response	Implementation date & responsibility
8.	Larger categories of Other Land & Buildings, currently subject to a rolling programme of revaluation, should be revalued on a more frequent basis.	High	<p>We will revalue larger categories of Other Land & Buildings more frequently when our market review suggests that the value of these categories has reduced or increased by more than a significant amount, in line with our revaluation policy.</p> <p>Increasing the frequency of valuation when this is not the case would incur additional expenditure, with no benefit to users of the accounts.</p>	Head of Financial Services April 2017

Appendix B: Draft Audit opinion

We anticipate we will provide the Council with an unmodified audit report

DRAFT INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUILDFORD BOROUGH COUNCIL

We have audited the financial statements of Guildford Borough Council (the "Authority") for the year ended 31 March 2016 under the Local Audit and Accountability Act 2014 (the "Act"). The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, the Collection Fund and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Act and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Chief Financial Officer and auditor

As explained more fully in the Statement of the Chief Financial Officer's Responsibilities, the Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16, which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Financial Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chief Financial Officer's Narrative Report and the Annual Governance Statement to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:
 present a true and fair view of the financial position of the Authority as at 31 March 2016 and of its expenditure and income for the year then ended; and
 have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and applicable law.

Opinion on other matters

In our opinion, the other information published together with the audited financial statements in the Chief Financial Officer's Narrative Report and the Annual Governance Statement is consistent with the audited financial statements.

Matters on which we are required to report by exception

We are required to report to you if:
 in our opinion the Annual Governance Statement does not comply with the guidance included in 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007; or
 we issue a report in the public interest under section 24 of the Act; or
 we make a written recommendation to the Authority under section 24 of the Act; or
 we exercise any other special powers of the auditor under the Act.

We have nothing to report in these respects.

Agenda item number: 4
Appendix 1

Conclusion on the Authority’s arrangements to secure value for money through economic, efficient and effective use of its resources

Respective responsibilities of the Authority and auditor

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 20(1)(c) of the Act to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of the Authority's arrangements to secure value for money through economic, efficient and effective use of its resources

We have undertaken our review in accordance with the Code of Audit Practice prepared by the Comptroller and Auditor General as required by the Act (the "Code"), having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2015, as to whether the Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code in satisfying ourselves whether the Authority put in place proper arrangements to secure value for money through the economic, efficient and effective use of its resources for the year ended 31 March 2016.

We planned our work in accordance with the Code. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether in all significant respects the Authority has put in place proper arrangements to secure value for money through economic, efficient and effective use of its resources.

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2015, we are satisfied that in all significant respects the Authority has put in place proper arrangements to secure value for money through economic, efficient and effective use of its resources for the year ended 31 March 2016.

Certificate

We certify that we have completed the audit of the accounts of the Authority in accordance with the requirements of the Act and the Code.

[Signature]

Christian Heeger
for and on behalf of Grant Thornton UK LLP, Appointed Auditor
Fleming Way
Manor Royal
Crawley
RH10 9GT

[Date] 2016



© 2016 Grant Thornton UK LLP. All rights served.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires.

Grant Thornton UK LLP is a member firm of Grant Thornton International LTD (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL, and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

grant-thornton.co.uk

This page is intentionally left blank

*****Prepare on client letterhead*****

Grant Thornton UK LLP
Fleming Way
Manor Royal
Crawley
RH10 9GT

23 September 2016

Dear Sirs

Guildford Borough Council
Financial Statements for the year ended 31 March 2016

This representation letter is provided in connection with the audit of the financial statements of Guildford Borough Council for the year ended 31 March 2016 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i We have fulfilled our responsibilities for the preparation of the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 ("the Code"); which give a true and fair view in accordance therewith.
- ii We have complied with the requirements of all statutory directions affecting the Council and these matters have been appropriately reflected and disclosed in the financial statements.
- iii The Council has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

- vi We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. There are no other material judgements that need to be disclosed.
- vii Except as disclosed in the financial statements:
 - a there are no unrecorded liabilities, actual or contingent
 - b none of the assets of the Council has been assigned, pledged or mortgaged
 - c there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- ix Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the Code.
- x All events subsequent to the date of the financial statements and for which the Code requires adjustment or disclosure have been adjusted or disclosed.
- xi Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of the Code.
- xii We have considered the adjusted misclassification and disclosure changes schedules included in your Audit Findings Report. The financial statements have been amended for these misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xiii We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiv We believe that the Council's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Council's needs. We believe that no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements.
- xv We confirm that we are satisfied that the carrying value of those property, plant and equipment assets not subject to revaluation during 2015/16 is not materially different to their current value as at 31 March 2016.
- xvi We confirm that we are satisfied that the impact of unlogged appeals against Non-Domestic rating assessments is not material to the financial statements and that we are satisfied that the provision for non-domestic rates appeals at 31 March 2016 is materially fairly stated.

Information Provided

- xvii We have provided you with:
 - a access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - b additional information that you have requested from us for the purpose of your audit; and
 - c unrestricted access to persons within the Council from whom you determined it necessary to obtain audit evidence.

- xviii We have communicated to you all deficiencies in internal control of which management is aware.

- xix All transactions have been recorded in the accounting records and are reflected in the financial statements.

- xx We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- xxi We have disclosed to you all our knowledge of fraud or suspected fraud affecting the Council involving:
 - a management;
 - b employees who have significant roles in internal control; or
 - c others where the fraud could have a material effect on the financial statements.

- xxii We have disclosed to you all our knowledge of any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, regulators or others.

- xxiii We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

- xxiv We have disclosed to you the identity of all the Council's related parties and all the related party relationships and transactions of which we are aware.

- xxv We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xxvi We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

- xxvii The disclosures within the Narrative Report fairly reflect our understanding of the Council's financial and operating performance over the period covered by the financial statements.

Approval

The approval of this letter of representation was minuted by the Council's Corporate Governance and Standards Committee at its meeting on 22 September 2016.

Yours faithfully

Name.....

Position.....

Date.....

Name.....

Position.....

Date.....

Signed on behalf of the Council

Corporate Governance and Standards Committee Report

Report of the Managing Director

Author: Claire Morris, Head of Financial Services

Tel: 01483 444827

Email: Claire.morris@guildford.gov.uk

Lead Councillor responsible: Michael Illman

Tel: 07742 731535

Email: michael.illman@guildford.gov.uk

Date: 22 September 2016

2015-16 Audited Statement of Accounts

Executive Summary

The terms of reference of the Corporate Governance and Standards Committee include approval of the statutory Statement of Accounts on behalf of the Council. The audited Statement of Accounts are attached at Appendix 1. The Audit Findings report, presented elsewhere on this agenda, covers the changes made to the accounts between the draft accounts, issued on 30 June 2016 and presented to Corporate Governance and Standards Committee on 28 July 2016, and the audited accounts. The changes made, relate to disclosure notes within the accounts. The main financial statements have not changed.

Recommendation to Committee

- (1) That the Committee approves the Statement of Accounts 2015-16, as set out in Appendix 1.
- (2) That the Chairman of the Committee signs the official copy of the accounts to state they are approved.

Reason for Recommendation:

To comply with the Accounts and Audit Regulations 2015 to approve the statutory Statement of Accounts by 30 September.

1. Purpose of Report

- 1.1 This report presents the audited statutory Statement of Accounts 2015-16 for approval by the Committee.

2. Strategic Framework

- 2.1 Good financial management underpins the achievement of the Council's Corporate Plan.

3. Background

- 3.1 The terms of reference of the Corporate Governance and Standards Committee include approval of the statutory Statement of Accounts on behalf of the Council.
 - 3.2 The Committee received the draft statement of accounts for 2015-16 and a presentation outlining the key messages within the accounts at its meeting on 28 July 2016.
 - 3.3 The external auditor, Grant Thornton UK LLP, has completed the audit and the CFO has re-certified the Statement of Accounts.
 - 3.4 No changes have been made to the primary financial statements during the audit however, some items were found that required changes to notes to the primary financial statements. Of the changes required, the majority were minor and presentational in nature. The most significant were as follows:
 - 3.4.1 Note 28: Financial Instruments – an adjustment has been made to the fair values of financial assets and the maturity analysis of the principal sums borrowed in line with the auditor's recommendations
 - 3.4.2 Note 30: Critical Judgements in applying accounting policies, now includes the following judgements:
 - We have judged that it is appropriate to calculate the fair value of PWLB loans by reference to rates from the local authority bonds market as adjusted for interest rate swap rates available from Bloomberg.
 - The value of property, plant and equipment (PPE) on the balance sheet includes the value of certain land and buildings that were not formally revalued during the year under the Council's rolling programme of revaluations. The Council has determined that the value of other land and buildings (OLB) within PPE on the balance sheet would have to be understated by more than a significant amount or overstated by more than a significant amount to mislead a user of the accounts and therefore to require these assets to be formally revalued.
 - 3.5 The Audit Findings report, which is presented elsewhere on this agenda, covers the changes in the section on misclassifications and disclosure changes. The accounts attached at Appendix 1 include the changes.
 - 3.6 The external auditor intends to issue an unqualified opinion on the financial statements.
- ### **4. Financial Implications**
- 4.1 There are no financial implications arising from this report.

5. Legal Implications

- 5.1 The Accounts and Audit Regulations 2015 require that the Council or a committee must consider and approve the statement of accounts no later than 30 September. The Council has delegated this responsibility to the Corporate Governance and Standards Committee.
- 5.2 The Accounts and Audit regulations also require the person presiding at the meeting to sign and date the statements that we must then publish, accompanied by the auditor's report, no later than 30 September.

6. Human Resource Implications

- 6.1 There are no human resource implications arising from of this report.

7. Conclusion

- 7.1 The audit of the 2015-16 accounts is complete and the independent auditor intends to issue an unqualified opinion on the financial statements, which the CFO has re-certified in accordance with the Accounts and Audit Regulations 2015.

8. Background Papers

None

9. Appendices

Appendix 1 – Statement of Accounts

This page is intentionally left blank

Guildford Borough Council Statement of Accounts 2015-16

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

Contents

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUILDFORD BOROUGH COUNCIL	3
CHIEF FINANCIAL OFFICER'S NARRATIVE REPORT	5
MOVEMENT IN RESERVES STATEMENT (MIRS)	21
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)	23
BALANCE SHEET	24
CASH FLOW STATEMENT	25
NOTES TO THE ACCOUNTS	26
1. EVENTS AFTER THE BALANCE SHEET DATE	26
2. MATERIAL ITEMS OF INCOME AND EXPENSE	26
3. RECONCILIATION WITH AMOUNTS REPORTED INTERNALLY	26
4. OTHER OPERATING EXPENDITURE	29
5. FINANCING AND INVESTMENT INCOME AND EXPENDITURE	29
6. TAXATION AND NON SPECIFIC GRANT INCOME	30
7. TRADING OPERATIONS	30
8. RELATED PARTIES	30
9. COUNCILLORS' ALLOWANCES	31
10. OFFICERS' REMUNERATION	32
11. EXTERNAL AUDIT COSTS	34
12. GRANT INCOME	35
13. TRANSFERS TO/FROM EARMARKED RESERVES	36
14. PROPERTY, PLANT AND EQUIPMENT	37
15. HERITAGE ASSETS	40
16. INVESTMENT PROPERTY	41
17. SHORT TERM DEBTORS	42
18. CASH AND CASH EQUIVALENTS	42
19. SHORT TERM CREDITORS	42
20. PROVISIONS	42
21. CASH FLOW STATEMENT – OPERATING ACTIVITIES	44
TECHNICAL NOTES TO THE ACCOUNTS	45
22. ADJUSTMENTS BETWEEN ACCOUNTING AND FUNDING BASIS UNDER REGULATIONS	45
23. UNUSABLE RESERVES	51
24. CAPITAL EXPENDITURE AND CAPITAL FINANCING	54
25. LEASES	54
26. DEFINED BENEFIT PENSION SCHEME	55
27. CONTINGENT LIABILITIES	61
28. FINANCIAL INSTRUMENTS	61
29. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS	67
30. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES	71
31. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY	72
32. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET ADOPTED	74

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

ACCOUNTING POLICIES	75
HOUSING REVENUE ACCOUNT (HRA) INCOME AND EXPENDITURE STATEMENT	89
MOVEMENT ON THE HOUSING REVENUE ACCOUNT STATEMENT	90
NOTES TO THE HOUSING REVENUE ACCOUNT	90
1. Gross Rent Income	90
2. Rent Arrears	90
3. Housing Stock	91
4. Stock Valuation – Balance Sheet Basis	91
5. Stock Valuation – Vacant Possession Value	92
6. Major Repairs Reserve (MRR)	92
7. Capital Expenditure and Financing	92
8. Depreciation	93
9. Revaluation gain	93
10. Contributions to/from the Pensions Reserve	93
COLLECTION FUND	94
NOTES TO THE COLLECTION FUND	94
1. General	94
2. Income from Business Rates	95
3. Income from Council Tax	95
4. Collection Fund Provisions	95
GLOSSARY	97
ANNUAL GOVERNANCE STATEMENT 2015-16	101

Agenda item number: 5

Appendix 1

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUILDFORD BOROUGH COUNCIL

This is set out as Appendix B to the 2015-16 Audit Findings Report (see agenda item 4)

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

STATEMENT OF RESPONSIBILITIES

The Council's Responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Chief Financial Officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Chief Financial Officer has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the local authority Code.

The Chief Financial Officer has also:

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Statement of Accounts presents a true and fair view of the financial position of Guildford Borough Council at 31 March 2016 and of its income and expenditure for the year ended 31 March 2016.

Sue Sturgeon, CPFA
Chief Financial Officer
23 September 2016

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

CHIEF FINANCIAL OFFICER'S NARRATIVE REPORT

Financial Performance during the year – General Fund Revenue

I have pleasure in presenting the Council's Statement of Accounts for the financial year 2015-16.

The overall financial climate continues to be difficult and is likely to remain so for a number of years. Local Government will continue to play its part in helping to address the national funding deficit, and each Council will be required to contribute accordingly by continuing to deliver services with fewer resources. Guildford Borough Council has continued to maintain its focus on robust planning and monitoring of the budget and identification of efficiency savings for the future.

The reduction in the Council's settlement funding assessment for 2015-16 from Central Government was 15% (£832,000). This followed grant reductions of 15.2% in 2011-12, 12.6% in 2012-13, 6.6% in 2013-14 and 13% in 2014-15.

The budget for 2015-16 included investment in services of £977,850 to support the delivery of the Corporate Plan.

Given the cuts in central government funding, we identified £932,460 savings through our business planning process in order to finance the service improvements and £1,010,450 of additional service income to achieve a balanced budget.

The additional income was generated from acquisitions of investment property as part of our asset investment strategy. The acquisitions resulted in additional rent income to the general fund. The Council also increased its planning fee income due to an increase in applications.

The net budget requirement for the year 2015-16 was set in February 2015 at £43,493,621, an increase of £1.6 million from the Council's 2014-15 net budget requirement of £41,827,035. The net budget requirement is the amount the Council expects to spend after allowing for income from sources such as direct grants, fees, charges and rents but excludes income from revenue support grant, business rates and adjustments relating to the collection fund balance.

The net budget figure above excludes the precept requirements of the Parish Councils, which was £1,406,405 (2014-15 precept requirements were £1,260,607, an increase of 11.6%).

The Borough Council's band D council tax was set at £151.82, an increase of 1.5% from 2014-15. The report to Council on 11 February 2015, ([Item 14](#)) available on the Council's website provides further details about the Council's budget for 2015-16.

We monitored performance against the budget closely through the year with particular attention paid to our key services (Development Control, Planning Policy, Industrial Estates, Investment Property, Leisure Management, Off Street Parking, Parks and Countryside and Refuse and Recycling), control of salaries and achievement of the efficiency savings included in the budget. Because of this strong financial management net expenditure at service unit level was £1.517million lower than originally budgeted, after allowing for accounting adjustments and other items that do not impact on the level of council tax. This is around 1.59% of the total relevant gross expenditure budgets.

The Final Accounts report to the Executive on 28 June 2016 ([Item 5](#)) available on the Council's website, gives a detailed analysis of the variances in service expenditure.

The Council receives investment income from our cash backed reserves. As at 31 March 2016, we had around £144 million invested. Overall, net interest returns in the year were approximately £506,000 more than anticipated at £1,098,000. The Treasury Management Annual Report reported to Executive on 28

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

June 2016 ([Item 7](#)), available on the Council's website provides further information about the Council's investment and borrowing activity during the year and our performance against our prudential indicators.

In setting the 2015-16 budget, a minimum revenue provision of £506,000 was assumed, based on the expected General Fund Capital Financing Requirement (CFR) at 31 March 2015 of £31.6 million. The actual General Fund CFR at March 2015 was £30.3 million, generating a minimum revenue provision of £294,546, which is approximately £212,000 less than budgeted.

Overall the net expenditure on the General Fund was lower than the original estimate to the value of £2.249 million. This has been utilised by the following contributions to reserve:

Item	Description	£000
1.	Project Aspire. At its meeting on 24 November 2015 the Executive decided that a contribution of £100,000 to the Project Aspire reserve should be made from the 2015-16 balance on the General Fund, subject to the final position on the accounts.	100
2.	Capital movements reserve. Some of our investments produce an excellent return in interest terms, but their capital value is volatile. This movement in capital value is held on the balance sheet until the investment is sold. Whilst we would not normally choose to sell an investment that is showing a capital loss there may be times when this is necessary and so we have a reserve to allow the revenue account to be compensated. Officers recommend a contribution of £191,000 based on the current levels of capital value.	191
3.	IT renewals reserve. As part of the transformation of our services, it will be necessary to invest heavily in new technology. A contribution to the IT renewals reserve of £500,000 is recommended to allow this investment.	500
4.	Invest to save reserve. This reserve has proved invaluable in allowing the council to transform and change its services. The reserve is used to provide initial up front funding required for projects that will generate savings and additional income. In future budgets, this will become even more important and officers recommend a contribution of £300,000, to take the uncommitted balance on the reserve to approximately £1.5 million.	300
5.	Capital programme reserve. The Council has an ambitious capital programme and a significant borrowing requirement in future years. The suggested contribution of £458,000 will reduce the need for external borrowing and delay the point at which we will need to take on borrowing. This in turn will reduce the minimum revenue provision payment from the general fund revenue account.	458

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

Item	Description	£000
6.	Council Governance Reserve. The Council has received a valid petition to change its governance structure to an elected mayor. We will hold the required referendum on 13 October 2016. Officers propose setting up a new reserve to set aside monies for the estimated cost of a referendum (£130,000) and a possible election in May 2017 should the referendum result require one.	200
7.	Budget pressure reserve. This was a new reserve set up as part of closing the 2014-15 account and it has proved invaluable in managing the budget through the year. A contribution of £500,000 is recommended.	500
		2,249

During the year we closed two reserves, relating to armed forces day and the revenues automation project.

Financial Performance during the year - Capital Expenditure

Capital expenditure in the year totalled £26.182 million. The major areas of capital spend are shown in the table below:

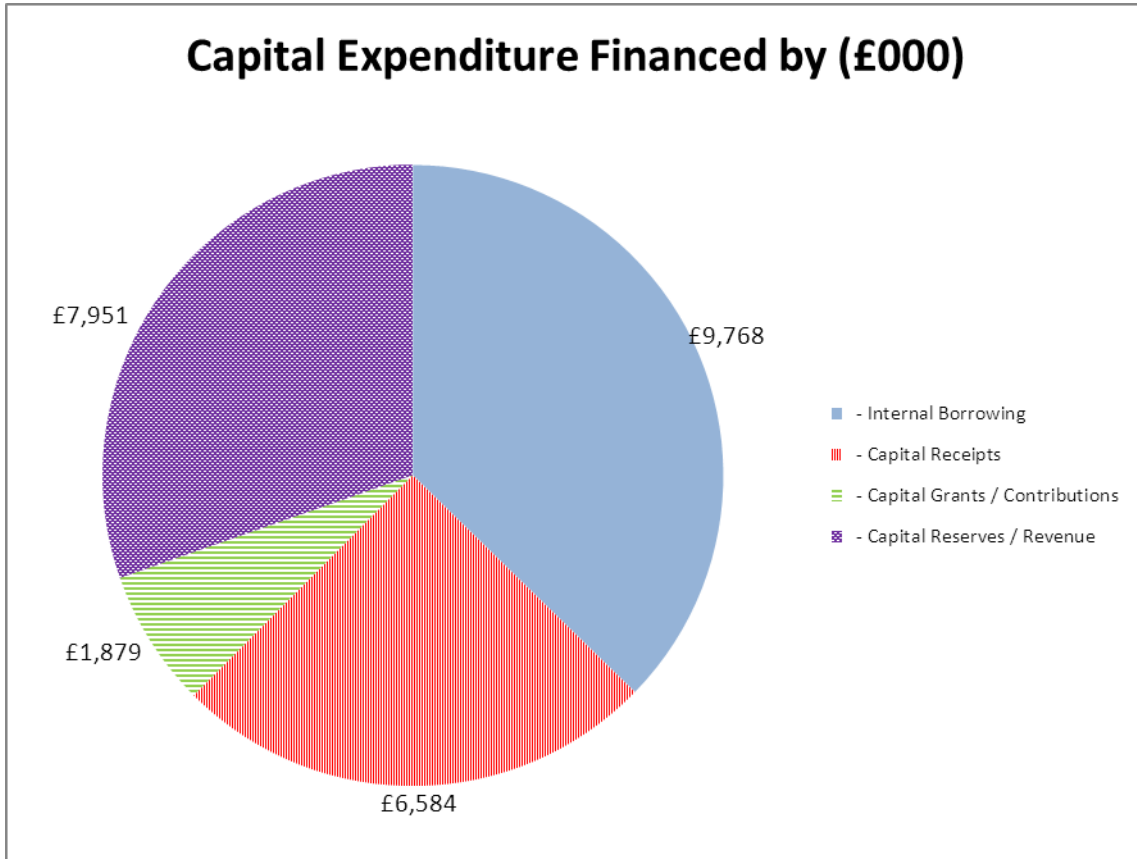
Projects	Original Estimate (£'000)	Actual (£'000)	Variance (£'000)
<u>Housing Revenue Account</u>			
HRA Capital Programme	15,972	7,635	(8,337)
Total Housing	15,972	7,635	(8,337)
<u>General Fund</u>			
Affordable Housing	1,355	932	(423)
Investment in Millmead improvements	1,971	3,244	1,273
SARP	112	1	(111)
Asset investment fund	18,000	9,692	(8,308)
North Street development	331	0	(331)
Vehicle replacement	630	1,136	506
Spectrum Roof & CHP	3,638	30	(3,608)
Riverside Route Ph1	708	115	(593)
Provisional schemes	33,043	37	(33,006)
Energy schemes	304	151	(153)
IT renewals	515	743	228
Schemes at Spectrum	243	0	(243)
Other General Fund Projects	3,279	2,466	(813)
Total General Fund	64,129	18,547	(45,582)
Total Capital Programme	80,101	26,182	(53,919)

A projected General Fund capital spend of £27.4 million, HRA capital spend of £10.1 million, and reasons for the underspend compared to original estimate were reported to Corporate Governance and Standards on 31 March 2016 ([Item 7](#)).

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

During the year we acquired the freehold of an investment property for £3.0 million and bought back the long leases on three other investment properties for £6.5 million. The acquisitions were purchased from the Asset Investment Fund.

The capital expenditure was financed by utilising the following resources:



We only financed £16.4 million of our capital expenditure from existing resources, resulting in an increase to our Capital Financing Requirement, funded by internal borrowing, of £9.8 million.

Internal sources of funds available at 31 March 2016 to meet future capital expenditure are:

- General Fund capital programme reserve £0.6 million
- HRA usable capital receipts £27.2 million
- HRA capital programme reserve £25.8 million
- HRA new build reserve £29.4 million
- HRA Major Repairs Reserve £3.5 million

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16**Financial Performance during the year - Treasury Management**

Our treasury management annual report was presented to Executive on 28 June 2016 ([Item 7](#)), and is available on our website. The principal value of Investments at 31 March 2016 totalled £144.78 million made up as follows:

Investment details	Book cost of Investments at 31-03-16 £m
Internally Managed Investments	
Fixed Investments < 1 year to cover cash flow	47.00
Corporate bonds	7.57
Certificates of deposit	9.00
Notice Accounts	22.00
Call Accounts	3.05
Money Market Funds	9.74
Long term investments > 1 year	24.89
Externally Managed Funds	
Payden & Rygel	5.00
Funding circle	0.65
CCLA	6.55
SWIP	1.80
M&G	2.03
Schroders	0.82
UBS	2.35
City Financials	2.34
TOTAL	144.78

The book cost of investments is the amount of cash receivable if the investments were to be sold on 31st March 2016. The book cost is different to the amounts shown in note 29 of the financial statements where the investments are shown in accordance with IFRS 13 Fair Value Measurement. Gross interest received in the year from investments was £1.79 million against a budget of £1.3 million.

We took out external loans totalling £24.5 million during the course of the year, of which £5 million was to finance capital expenditure and £19.5 million was for cash-flow purposes. The principal balance outstanding on our external loans at 31 March 2016 was £238.085 million.

The investment markets remained extremely challenging; the Bank of England held the base rate at 0.50% and the Council continued its focus on preserving capital whilst optimising interest earnings.

Explanation of Key Information contained in the Financial Statements

Local Authorities are required to prepare their accounts in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code). International Financial Reporting Standards (IFRS) form the basis for the Code, which has been developed by the Local Authority Accounting Code Board comprising members from the Chartered Institute of Public Finance and Accountancy (CIPFA) and Local Authority of Scotland Accounts Advisory Committee (LASAAC), under the oversight of the Financial Reporting Advisory Board (FRAB). The Code constitutes a proper accounting practice under the terms of section 21(2) of the Local Government Act 2003.

The Code has adopted IFRS13 Fair Value Measurement prospectively from 2015-16. Non-operational property, plant and equipment classified as surplus assets must now be measured at fair value, estimated

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

at highest and best use from a market participant's perspective, rather than at current value determined as the amount that would be paid for the asset in its existing use. The surplus assets owned by the council have been revalued accordingly (see note 14).

The complete set of financial statements is set out on the following pages. The Code prescribes the order of presentation of the financial statements and the Statement of Accounting Policies supports the accounts by explaining the policies used in their preparation. In summary, the financial statements comprise the:

- Movement in Reserves statement (MIRS): showing the movement in the year on the different reserves held by the Council, analysed into usable reserves (i.e. those that we can use to finance expenditure or reduce local taxation) and other reserves. This statement starts with the surplus or deficit on provision of services calculated in accordance with generally accepted accounting practice and shows the adjustments to the accounts made under statutory regulations and also the transfers we choose to make to or from earmarked reserves
- Comprehensive Income and Expenditure Statement (CIES): showing the accounting cost in the year of providing services in accordance with generally accepted accounting practices. This statement provides the detail behind the surplus or deficit on provision of services figure included in the Movement in Reserves statement. The statement shows the total expenditure and income in the year for all services
- Balance Sheet: showing the value of the Council's assets and liabilities at 31 March 2016. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council
- Cash Flow Statement: showing the changes in the amount of cash and cash equivalents during the financial year. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities
- notes to the above statements: giving a summary of significant accounting policies and other explanatory information. We have split these notes into normal and accounting technical notes to aid the readability of the financial statements for users
- Housing Revenue Account Income and Expenditure statement: covering income and expenditure relating to the provision of council housing in accordance with Part 6 of the Local Government and Housing Act 1989. The Housing Revenue Account is ringfenced from the rest of the General Fund. Its primary purpose is to ensure that the expenditure on managing tenancies and maintaining dwellings is balanced by rents charged to tenants so that rents cannot be subsidised from council tax, or vice versa
- notes to the Housing Revenue Account: giving explanatory information to the HRA Income and Expenditure statement
- Collection Fund revenue account: showing the transactions of the Council as a billing authority in relation to non-domestic rates and council tax. The Fund shows the way in which these have been distributed to local authorities and the Government on whose behalf Guildford Borough Council collects the amounts due
- notes to the Collection Fund: giving explanatory information to the Collection Fund revenue account

Comprehensive Income and Expenditure Statement (CIES)

The surplus on provision of services was £10 million. This was the net total of a surplus on the HRA of £14.8 million, and a deficit on the General Fund of £4.8 million.

Total comprehensive income and expenditure was £67 million, compared to £75 million in 2014-15. The reduction was primarily due to smaller gains from the increase in value of the Council's property portfolio,

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

partly offset by a gain from the re-measurement of the pension liability replacing a loss in 2014-15.

Movement in Reserves Statement

The MIRS shows that the deficit of £4.8 million and surplus of £14.8 million are added to the General Fund and HRA balances respectively, but that £9.3 million is added to the General Fund and £3.9 million is reversed back out of the HRA and transferred to useable and unusable reserves as a result of adjustments made under statutory regulations.

£4.5 million is then transferred to General Fund earmarked reserves, and £10.9 million to HRA earmarked reserves, to leave the General Fund and HRA revenue balances at £3.7 and £2.5 million respectively.

Balance Sheet

The Balance Sheet shows that our long term assets have increased in value during the year by 8.5% from £751 million to £815 million. This is due to a £29 million increase in value of the Council's property portfolio (primarily council dwellings) on revaluation during the year, £11.4 million additions to the Council's operational property, £2.4 million additions to assets under construction, £9.8 million acquisitions and £1.3 million revaluation of investment property, and an increase in long-term investments of £16.9 million. Current assets have increased by 14% from £112 million to £128 million, mainly due to an increase in investments (including those classified as cash equivalents) from £106 million to £121 million. After our liabilities are taken into account, our net assets have increased by 13% from £530 million to £597 million. This is matched by an increase in our unusable reserves of £53 million, and an increase in our usable earmarked reserves of £14 million.

Pension liability

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. The Council participates in the Local Government Pension Scheme administered by Surrey County Council – this is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

During 2013-14 the pension fund actuaries, Hymans Robertson LLP, completed a triennial review of the fund at 31 March 2013. 2015-16 was the second year of implementation. The valuation results maintained the use of a stabilisation model which enabled the Council to maintain its employer's contribution rate at 14.6% over the three year period 2014-15 to 2016-17. The actuaries are currently conducting the triennial valuation of the fund as at 31st March 2016, we anticipate reporting the results of the valuation to the Corporate Governance and Standards Committee in January 2017.

The Council accounts for pension costs, in its financial statements, based on International Accounting Standard (IAS) 19; Employee Benefits. This standard requires that the cost of retirement benefits are reported when they are earned by employees rather than when the benefits are paid as pension. Legislation prevents this cost affecting council tax and housing rent levels, which are based on the cash payable in the year. The accounts include an adjustment for the difference in the form of a transfer to or from a statutory pensions reserve.

The accounts, based on IAS 19, show a total pension fund liability of £76.4 million (£95.1 million in 2014-15) which has a substantial impact on the net worth of the authority as recorded in the balance sheet. The position, as valued by IAS 19 differs to that reported as part of the triennial valuation principally because the accounting standard requires that the discount rate is set with reference to the yields on high quality corporate bonds irrespective of the actual investment strategy of the Fund. As such the IAS 19 valuation of the Fund is unlikely to reflect the eventual cost of providing the benefits and does not affect the level of contributions to the fund from either the employees or the Council. Statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy; the deficit will be made good by

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

contributions over the remaining working life of employees as assessed by the scheme actuary. It is important to remember that pensions are long term assets and liabilities and the IAS 19 figures disclose the position at a point in time based on the actuaries' financial assumptions.

Reserves, Balances and Provisions

We are not required to include a full list of reserves and balances in the Statement of Accounts, however we included one in the Final Accounts report to the Executive on 28 June 2016 ([Item 5](#)). Transfers to and from the reserves have been made during the year as appropriate and can be seen at Note 13 to the accounts. We have set up new reserves during the year as detailed above.

We increased the provision in respect of the estimated reduction in business rates collectable due to rating appeals by £6.3 million, £0.8 million of appeals were charged to the provision in year (see below).

We maintain a bad debt provision at a suitable level including sufficient provision to meet all likely non-collectable local taxation.

Collection Fund

We maintained a high level of collection performance for both Council Tax and Business Rates in the year. The council tax collectable debit for 2015-16 was approximately £90 million and 99.32% had been collected by 31 March 2016. At the same time, 99.48% of the collectable debit for non domestic rates (£81.8 million) had been collected. These are the highest collection rates in the Council's history.

We had anticipated a reduction in collection rates following the introduction of the Local Council Tax Support Scheme (LCTSS) however, this has not happened and collection rates have remained high.

Business Rates Retention Scheme

The Business Rates Retention Scheme (BRRS) allows the Council to benefit financially from any above inflation growth achieved in the level of business rates in our area, but the Government also transferred the risk of a fall in business rates to us and the rate in the pound levied is still controlled by the Government. The BRRS starts with the Government's assumption of the level of Business Rates nationally and sets an amount known as the NDR Baseline. For Guildford the NDR Baseline was set at £30.7million. The Government assessed our baseline funding level at £2.657 million, the difference (£28.06 million) was paid to the Government as a tariff. If Guildford's actual business rate income is higher than the NDR Baseline then the Council pays a levy of 50% of the additional income to central Government.

When we set our 2015-16 budget, we projected the business rate income we would receive and provided this estimate to the government in our NNDR 1 return. At the end of the year, we update the data based on actual income and inform the government in our NNDR 3 return.

The amount we recognise in the Income and Expenditure Statement for business rate income for 2015-16 is the amount we projected on the NNDR1 return, ie, our budgeted amount; however, the amount we actually received (and reported on our NNDR3 return) is recognised in the Collection Fund. The government has legislated that local authorities reverse the impact on the general fund of any difference in business rate income through the surplus/deficit on the Collection Fund and an adjustment to the Collection Fund Adjustment Account on the Movement in Reserves Statement. The difference between what we estimated and received therefore forms part of the surplus or deficit on the Collection Fund and will be taken into account in setting the budget for 2017-18.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

The table below shows the difference between the actual and estimated income from business rates and the resulting impact on the levy payment:

	2015-16	2015-16	2015-16
	Estimate	Actual	Variance
	£000	£000	£000
BRRS - tariff	28,060	28,060	0
BRRS - levy	879	112	(767)
BRRS - s31 grant	(643)	(694)	(51)
Business Rates equalisation reserve	1,847	2,665	818
	30,143	30,143	0
BRRS - retained income	(32,067)	(32,067)	0
BRRS - net position	(1,924)	(1,924)	0

We have accrued for the levy payment in our Comprehensive Income and Expenditure Statement for 2015-16. The Council's current policy is to transfer its share of the levy to the business rates equalisation reserve to help smooth the volatility in income from business rates under the BRRS and to help us manage the fluctuations in our business rate income that will occur as we carry out our development plans for the town centre. The reduction in the levy payment for 2015-16 comes about because of an increase in the provision for appeals made against business rates. This results in a deficit on the Collection Fund that, if all the appeals are successful, will fall as a cost to the General Fund revenue account in 2017-18. By increasing the contribution to the business rates reserve this year, we will be able to mitigate any cost in 2017-18.

The provision for appeals is an allowance for reductions in business rates payable because of appeals made by the rate payer to the Valuation Office (VO) in 2015-16. We have no control over these appeals or the timescale within which they are heard. The Council has calculated a total provision of £13.7 million for appeals is required as at 31 March 2016, of which the Council's share is £5.482 million (40%). This is a total increase of £6.3million (Council's 40% share, £2.5million) from the amount recognised at 31 March 2015. The increase is due to appeals made during 2015-16, on-going provision made in previous years for appeals that have yet to be resolved, and appeals made by modern GP surgeries following a successful tribunal appeal during 2014-15. The inclusion of the appeals provision in our Collection Fund has resulted in a deficit on the Collection Fund in relation to Business Rates of £10.1 million.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16**Housing Revenue Account (HRA)**

The Statement of Accounts contains details of the HRA income and expenditure, which is ring-fenced from the General Fund. We reported the HRA outturn to the Executive on 28 June 2016 and the report is available on the Council's web site, www.guildford.gov.uk at [\(Item 6\)](#).

The table below shows the main variances between the budgeted and actual operating surplus for 2015-16 under the key headings.

Housing Revenue Account	2015-16 Budget	2015-16 Actual	Variance
	£000	£000	£000
Rental Income	(31,059)	(30,998)	61
Other Income	(1,577)	(1,595)	(18)
Total income	(32,636)	(32,593)	43
Expenditure on Housing Services	10,227	9,889	(338)
Depreciation	5,678	6,438	760
Revaluation	0	(1,165)	(1,165)
Other expenditure	785	490	(295)
Interest payable and receivable	4,991	4,840	(151)
Surplus for the year	(10,955)	(12,101)	(1,146)
HRA balance brought forward	(2,500)	(2,500)	0
Surplus for the year	(10,955)	(12,101)	(1,146)
Transfers to other reserves	10,955	12,101	1,146
HRA balance carried forward	(2,500)	(2,500)	0

Note: the Surplus for the year shown above differs from that per the HRA Income and Expenditure Statement as it doesn't include the gain on sale of fixed assets or capital grants and contributions as we do not budget for these items within the HRA.

At year-end we transferred £2.5 million to the reserve for future capital programmes and £8.43 million to the new build reserve. The surplus on revaluation was transferred to the capital adjustment account in line with the CIPFA code of practice. The HRA working balance at year-end remains at £2.5 million.

The income budget was prepared using the Government's guidance on rent increases of CPI plus 1% and introduced a local rent convergence policy. This resulted in an average rent increase of 2.78% and an average actual rent of £112.51 per week.

Rental income was £61,000 (0.2%) lower than estimated. This is the result of a higher than anticipated number of right to buy completions and the profiling of new build units coming on stream. Expenditure on employees and utilities was lower than estimated contributing to the overall reduced expenditure on Housing Services.

Lower than budgeted interest rates have resulted in a £77,000 reduced interest payable charge on the variable rate element of the loan portfolio financing the HRA. In addition, increased investment income of £73,000 arose from higher than profiled reserves.

The Council has clearly stated its ambition to increase the number of affordable homes in the borough and work is underway to bring forward a number of development opportunities. In 2015-16 the Council used a combination of useable capital one-for-one receipts and Homes & Communities Agency (HCA) grants to

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

finance capital expenditure on our new build programme at Lakeside Close (Ash), New Road (Gomshall), and the former Appletree Pub (Park Barn).

Other Performance during the year

Performance management is a key part of delivering successful services and performance indicators help the Council define and measure progress towards our strategic priorities. Individual service and project managers collect and monitor key performance information. In addition, 18 key corporate performance indicators are collected by the authority each year and benchmarked across the Surrey District Councils. The benchmarking reports are presented to the Surrey Chief Executives group each year. Guildford's performance against the 18 key performance indicators is as follows:-

Indicator	2014-15	2015-16
1. Council Tax Collected	99.13%	99.32%
2. NNDR Collected	99.27%	99.48%
3. Invoices paid on time	93.14%	97.90%
4. Benefit Overpayments recovered	£1,852,624	£1,991,080
5. Processing of 'major' planning applications within 13 weeks	87.5%	86.67%
6. Processing of 'minor' planning applications within 8 weeks	68.98%	69.44%
7. Processing of 'other' applications within 8 weeks	79.96%	74.48%
8. Appeals dismissed against the Council's refusal of planning permission	74.00%	69.29%
9. Number of Households living in temporary accommodation	34	46
10. Housing Advice – homelessness prevented (cases resolved)	504	407
11. Days taken to process Housing Benefit / Council Tax support claims	24.51 for new claims 9.08 for changes	24.89 for new claims 7.68 for changes
12. Number of affordable homes completed	68	125
13. Food businesses with 'scores on the door' of 3 or over	94.5%	95.0%
14. % Household waste recycled and composted	56.8%	58.0%
15. Staff sickness absence	9.2 days	10.17days
16. Staff turnover	8.17%	9.24%
17. Calls answered by customer services within 20 seconds	89.5%	84.6%
18. Households that are eligible registered on the electoral register	N/A	56,629

The Council approved a Corporate Plan for the period 2013-2016. This is an essential part of our strategic framework and sets out the vision for the borough for the three years. During 2015-16, the Council updated its corporate plan and published the Corporate Plan 2015-2020, available on our website, <http://www.guildford.gov.uk/corporateplan>. The 2013-16 Corporate Plan covered the Council's operation up to September 2015, however, since October 2015 performance has been measured against the 2015-2020 Corporate Plan. The Corporate Plan informs the more detailed service and project plans. The priorities set out in the plan are the basis and drivers for our performance indicators.

The five themes provide a focus for Council activities and there is a clear link between service delivery and the Council's corporate objectives. We monitor progress against the objectives in the service plans through regular performance monitoring meetings and reports.

Page 11 of the Corporate Plan 2015-2020 reports the progress made against the 2013-2016 Corporate Plan.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

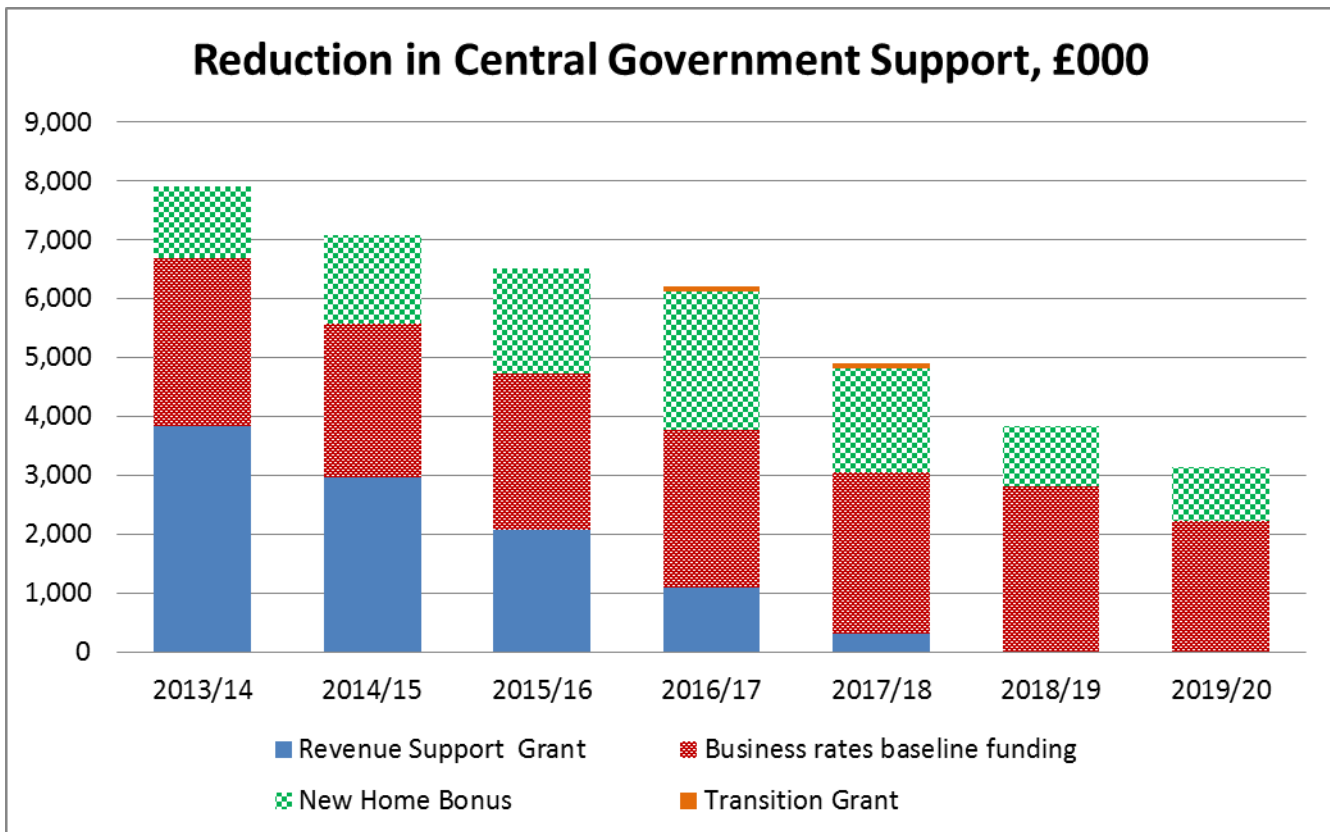
Over recent years, the Council has undertaken a programme of service challenges and senior management restructures. This has reduced our staffing levels as shown in the table below.

	Full time equivalent (FTE) number of staff			
	2012	2013	2014	2015
Office Based Staff	502.7	480.4	530.7	490.2
Manual Staff	232.2	240.0	182.6	214.8
Total	735.0	720.4	713.4	705.0

Issues affecting the Council’s Future

My Chief Finance Officer’s report on the 2016-17 Budget, presented to Council on 10 February 2016, is on our website (www.guildford.gov.uk), ([Item 16 Appendix 1](#)). This report contains an overview of local government funding, the economic outlook and their impact on Guildford Borough Council.

The economic situation continues to pose a significant risk. The level of Central Government support to Guildford Borough Council has been reducing as the Government addresses the national deficit. The chart below shows the change in Central Government funding since 2013-14 projected through to 2019-20.



As the government’s austerity measures impact on residents, then our income streams could be affected. Interest earnings, whilst no longer form a significant source of income, are still estimated to be approximately £0.4 million (net) during 2016-17 and the preservation of our capital whilst maximising our income is of paramount importance.

As part of the Local Government Finance Settlement (LGFS) issued on 8 February 2016, the government released indicative settlement figures for the 4 year period 2016-17 to 2019-20. It requires local authorities to make efficiency savings but in return offers new levers to generate growth for their areas. The proposals set out in the LGFS is that by the end of the Parliament, local government will retain 100% of business rate

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

revenues, however, the system of top-up and tariffs, which re-distributes revenues between local authorities nationally, will be retained. As part of the reforms, the government will phase out Revenue Support Grant (RSG) and devolve additional responsibilities to local government such as responsibility for funding public health and housing benefit to pensioners.

The LGFS shows that the Council's core spending power¹ is expected to reduce by 8.5% over the period. The majority of the reduction falls on the RSG which will be nil for the Council by 2018-19. To enable the government to still have a mechanism for redistributing some of our locally raised income, it has introduced an adjustment to the tariff the Council pays to central government under the business rates retention scheme for 2019-20. This could be considered a 'negative revenue support grant', or an additional tax on local government, it has the impact of further reducing resources in 2019-20. This has the impact of reducing the Council's income below the amount determined by Government as Guildford Borough Council's 'baseline need to spend'. However, as part of the move to 100% business rates retention the Government have announced that the baseline need to spend for each Council will be re-assessed. Taken together the reduction in RSG and adjustment to the tariff payment over the period represents a reduction in grant of 132% or £2.75 million in cash terms.

Many of the priorities within the corporate plan involve significant investment in services, infrastructure and housing to deliver the outcomes.

A 10-year capital strategy or 'vision' has been developed with the aims of realising the Council's Corporate Plan, raising the quality of life for residents and improving the long term financial planning process. The first five years of the capital strategy are the capital programme. The capital programme is significant and includes potential investment in key projects to support our corporate plan such as:-

- Redevelopment of North Street
- Investment in affordable houses
- Investment in new social housing (HRA)
- A new link road at Clay Lane, Slyfield
- Redevelopment of the Slyfield area for housing
- Redevelopment of areas within the town centre owned by the Council
- Investment in transport infrastructure within Guildford Town Centre
- Pedestrian and cycling routes around the town
- Replacement of the roof at the Spectrum
- Upgrading of Woodbridge Road sports ground
- Acquisition of new burial ground
- Investment in property under the asset investment strategy
- Increasing the car parking provision in the town
- Rebuilding the crematorium
- Renewal of the Council's vehicle fleet (eg, bin lorries etc)
- Redevelopment of Guildford Park car park for housing and a multi-storey car park
- Redevelopment of the Council's offices at Stoke Park nursery
- Repair of Chilworth Gunpowder mills
- Creation of camping facilities at Chantry Wood campsite

¹ Core spending power for Guildford comprises: RSG, business rates retention income, Council Tax income and new homes bonus

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

To finance the capital strategy, a variety of funding sources, such as capital receipts, capital reserves, revenue contributions, S106 contributions and borrowing will be required. Unless the Council is able to generate capital receipts it will need to borrow from its own internal resources, or the market. Any borrowing will have a direct impact on the revenue budget, as there is a requirement to charge a minimum revenue provision (MRP) for the use of borrowing as well as interest payments. Whilst the 5-year capital programme is ambitious, the 10-year capital strategy assumes that there will be some capital receipts or revenue income arising, particularly from the redevelopment schemes, that will offset some of the expenditure in the long-term.

Growth included within the revenue budget for 2016-17 supports the delivery of the Corporate Plan. The growth arising from investment in services to meet the Corporate Plan for 2017-18 to 2019-20 has been included in the medium term financial plan. The main areas of investment to support our corporate plan include:

- Investment to support improvement in our customer services
- Investment in staffing and feasibility work to support the redevelopment of Council owned land and property in the town centre (to support the aspirations for the town centre set out within the town centre masterplan)
- Investment in the Council's website to make it transactional
- Extension of the Council's apprenticeship scheme
- Investment in our parks
- Review of Councillors' allowances
- Introduction of the 'Hybrid' system of Council governance
- Introduction of grants to small / medium start-up businesses

The financial projections to 2019-20 show that at summary level there is a gap between projected income and expenditure over the period 2016-17 to 2019-20. We estimate that the funding gap totals approximately £5.5 million over the plan period (to 2019-20).

Bearing in mind our ambitious corporate plan, plans to regenerate the Slyfield Area, the results of the Allies and Morrison Town Centre Masterplan report and our stated desire to redevelop the North Street area and other parts of the town centre, in the medium term we expect that our income from business rates will fall as these schemes are implemented.

The medium term budget gap already assumes that £1.4 million savings and additional income proposals (put forward as part of the 2016-17 business planning process) identified for 2017-18 to 2019-20 can be achieved. There is a risk that if the savings and income proposals are not achieved then the budget gap will be higher.

The Council is continuing to pursue a programme of transformation to address the budget gap and ensure a financially sustainable future. The transformation programme has three strands:

- Commercial / traded services
- Asset investment
- Fundamental service reviews.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

Financial Risks

The Council faces many financial risks, which are identified in the financial risk register published as part of the council's budget book for 2016-17 on our website ([budget book](#)), the major ones are explained below.

1. The national economic situation continues to affect the Council, in particular,
 - Loss of interest from investments arising from bank base rates remaining at a low level for longer than expected, particularly if there is a vote to leave the EU
 - Increase in housing benefit claimants and bad debts
 - Potential increase in homelessness
 - Loss of income from Fees and Charges
 - Loss of rental income on investment properties
 - Higher than expected cuts in central government support if the government change the indicative 4-year settlement due to unforeseen circumstances
2. The Council has embarked on a transformation programme to deliver savings and income generation; there is a risk that the programme will not be delivered on target.
3. Universal credit is still to come into effect. Key staff may decide to look for other jobs and leave whilst the Council is managing the run down to 2017 (when housing welfare costs are earmarked for removal from Council business). It is possible that new burdens grant funding will not cover all of the Council's run-down expenses (for example communications strategy and redundancy costs). The welfare changes will also affect the Council through their effects on vulnerable people where there is likely to be an increase in demand for services such as homelessness and housing advice.
4. Businesses and Council Tax payers now have the right to request payment of their bill by 12 instalments instead of 10. If large numbers of payers take this option it will adversely affect cash flow and therefore interest receipts.
5. There continues to be volatility in our business rate income due to voids, appeals, revaluations and bad debts. This uncertainty makes it difficult to budget accurately for business rate income and close monitoring through the year is crucial to identify any shortfalls at an early stage. If a large business chose to close or relocate away from Guildford, it would adversely affect our income. This will be particularly relevant once local government moves to 100% business rates retention in 2020.
6. Business rates will undergo a national revaluation exercise in 2017, this will have an impact upon the future levels of income the Council receives. In setting the business rate multiplier for 2017-18, the Government will need to take into account the estimated value of appeals it anticipates following the revaluation exercise. History shows that government have consistently underestimated the level of appeals following a revaluation exercise. If appeals are higher than government estimates this will result in a loss of business rate income for the Council. The risk of volatility in income due to appeals will fall solely on the Council post 2020 under the proposal for local government to keep 100% of business rates.
7. As part of the implementation of 100% business rates retention, the government will review the baseline need to spend for each local authority which will impact the tariff that the Council pays under the BRRS to redistribute business rates between local authorities. This could have the impact of further reducing resources available to the Council.
8. The Council is likely to embark on three major regeneration schemes during the medium term budget period; North Street, Slyfield and parts of the town centre along the river corridor. Taking these schemes forward will have significant financial risks for the Council. Officers are currently looking at alternative legal structures to help us manage those risks.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

9. The Council and its partners are currently working towards the '3SC devolution deal' which will see powers and responsibilities for functions and services devolved from central government to a new combined authority for the 3SC (Three Southern Counties) area. The arrangements of the deal and the financial implications are work in progress.

Auditors remuneration

Details relating to the remuneration of Auditors of the Council are shown in note 11 to the Statement of Accounts. The auditors did not undertake any other work outside of their core audit for the Council.

Conclusion

The Council has been able to maintain a high level of performance in the delivery of its services during 2015-16, and at the same time maintain its reserves and provisions to a level adequate to meet all known liabilities and invest in transformational change.

There are significant challenges for us in the future. The Government continues to reduce local authority funding as part of its austerity programme and we are starting to prepare for the implementation of 100% business rates retention and devolution. The broader welfare reform agenda is also likely to put pressure on Council services, particularly in the area of housing and homelessness. At the same time the Council has exciting but challenging plans for the regeneration of the town and borough.

The Council is well placed to meet these challenges and has a programme of transformational changes and fundamental service reviews in place to deliver savings for future years.

Sue Sturgeon, CPFA
Chief Financial Officer
23 September 2016

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

MOVEMENT IN RESERVES STATEMENT (MIRS)

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (that is those that can be applied to finance expenditure or reduce local taxation) and other reserves. The surplus / (deficit) on the provision of services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes. The net increase /(decrease) before transfers to earmarked reserves line shows the statutory General Fund balance and Housing Revenue Account balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

2014 - 15

	General Fund Balance £000	Earmarked General Fund Reserves £000	Housing Revenue Account £000	Earmarked HRA Reserves £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Contributions Unapplied £000	Total Useable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2014 carried forward	3,748	21,422	2,500	36,422	29,554	1,607	95	95,348	360,811	456,159
Movement in Reserves during 2014-15										
Surplus/(deficit) on the provision of services	(1,790)	-	38,412	-	-	-	-	36,622	-	36,622
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	38,438	38,438
Total Comprehensive Income and Expenditure	(1,790)	-	38,412	-	-	-	-	36,622	38,438	75,060
Adjustments between accounting basis & funding basis under regulations (Note 22)	8,557	-	(30,552)	-	445	463	(32)	(21,119)	21,119	-
Net increase/(decrease) before transfers to earmarked reserves	6,767	-	7,860	-	445	463	(32)	15,503	59,557	75,060
Transfers to/from earmarked reserves (Note 13)	(6,767)	6,767	(7,860)	7,860	-	-	-	-	-	-
Increase /(decrease) in 2014-15	-	6,767	-	7,860	445	463	(32)	15,503	59,557	75,060
Balance at 31 March 2015 carried forward	3,748	28,189	2,500	44,282	29,999	2,070	63	110,851	420,368	531,219

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

2015 - 16

	General Fund Balance £000	Earmarked General Fund Reserves £000	Housing Revenue Account £000	Earmarked HRA Reserves £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Contributions Unapplied £000	Total Useable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2015 carried forward	3,748	27,045	2,500	44,282	29,999	2,070	63	109,707	420,368	530,075
Movement in Reserves during 2015-16										
Surplus/(deficit) on the provision of services	(4,844)	-	14,837	-	-	-	-	9,993	-	9,993
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	57,187	57,187
Total Comprehensive Income and Expenditure	(4,844)	-	14,837	-	-	-	-	9,993	57,187	67,180
Adjustments between accounting basis & funding basis under regulations (Note 22)	9,322	-	(3,901)	-	(2,765)	1,466	347	4,469	(4,469)	-
Net increase/(decrease) before transfers to earmarked reserves	4,478	-	10,936	-	(2,765)	1,466	347	14,462	52,718	67,180
Transfers to/from earmarked reserves (Note 13)	(4,478)	4,478	(8,436)	8,436	-	-	-	-	-	-
Increase /(decrease) in 2015-16	-	4,478	2,500	8,436	(2,765)	1,466	347	14,462	52,718	67,180
Balance at 31 March 2016 carried forward	3,748	31,523	5,000	52,718	27,234	3,536	410	124,169	473,086	597,255

The usable reserves can be classified into the following categories:

- earmarked reserves – providing financing for future expenditure plans, commitments and possible liabilities (see note 13)
- general balances (General Fund Balance and Housing Revenue Account) – available balances to cushion the impact of uneven cash flow and a contingency for unexpected events
- capital receipts and contributions – the balance of proceeds from the sale of assets and contributions received that have not been used to fund new capital expenditure but are set aside to fund future capital expenditure
- major repairs reserve – the balance of depreciation charged to the HRA that has yet to be used to fund expenditure on HRA assets

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16**BALANCE SHEET**

The Balance Sheet shows the value as at 31 March of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) match the reserves held by the Council. Reserves are reported in two categories:

- usable reserves - which the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt), and
- unusable reserves - which the Council is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement in the line called *Adjustments between accounting basis and funding basis under regulations*.

31 March 2015		Notes	31 March 2016
£000			£000
632,446	Property, Plant & Equipment	14	667,504
3,420	Heritage Assets	15	3,456
106,181	Investment Property	16	117,284
870	Intangible Assets		921
8,150	Long-term Investments	28	25,050
468	Long-term Debtors	28	955
751,535	Long Term Assets		815,170
97,000	Short-term Investments	28	107,758
355	Inventories		362
5,742	Short Term Debtors	17	7,834
9,036	Cash and Cash Equivalents	18	12,223
112,133	Current Assets		128,177
(15,335)	Short Term Borrowing	28	(34,991)
(20,713)	Short Term Creditors	19	(25,486)
(3,821)	Provisions	20	(5,910)
(39,869)	Current Liabilities		(66,387)
(198,585)	Long Term Borrowing	28	(203,355)
(95,139)	Other Long Term Liabilities	26	(76,350)
(293,724)	Long Term Liabilities		(279,705)
530,075	Net Assets		597,255
109,707	Usable Reserves	MIRS	124,169
420,368	Unusable Reserves	23	473,086
530,075	Total Reserves		597,255

Sue Sturgeon, CPFA, Chief Financial Officer, 23 September 2016

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16**CASH FLOW STATEMENT**

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources that are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (that is borrowing) to the Council.

2014-15		2015-16
£000		£000
	OPERATING ACTIVITIES	
36,622	Net surplus on the provision of services	9,993
(8,753)	Adjustments for non-cash movements (Note 21)	20,171
(9,080)	Adjustments for items included in the net surplus that are investing and financing activities (Note 21)	(6,748)
18,789	Net cash flows from Operating Activities	23,416
	INVESTING ACTIVITIES	
(20,811)	Payments for additions to long term assets	(23,465)
(168,107)	Payments for purchase of investments	(221,996)
(407)	Other payments for investing activities	(38)
7,198	Proceeds from the disposal of long term assets	4,522
130,972	Proceeds from disposal of investments	194,211
-	Other receipts from investing activities	2,862
(51,155)	Net cash flows from Investing Activities	(43,904)
	FINANCING ACTIVITIES	
54,000	Cash receipts of short and long-term borrowing	110,500
2,342	Other receipts from financing activities	(595)
(34,234)	Repayments of short and long-term borrowing	(86,230)
22,108	Net cash flows from financing activities	23,675
(10,258)	Net decrease in cash and cash equivalents	3,187
19,294	Cash and cash equivalents at the beginning of the reporting period	9,036
9,036	Cash and cash equivalents at the end of the reporting period (Note 18)	12,223

The other receipts from financing activities relate to council tax and business rates adjustments for billing authorities.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16**NOTES TO THE ACCOUNTS****1. EVENTS AFTER THE BALANCE SHEET DATE**

The Statement of Accounts was authorised for issue by the Chief Financial Officer on 22 September 2016. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2016, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

On 23 June 2016 the UK voted to leave the European Union. Whilst this may prove to have an impact on the financial position of the Council, that impact is as yet unknown.

2. MATERIAL ITEMS OF INCOME AND EXPENSE

The Council's asset revaluation programme gave rise to an increase of £36 million in the valuation of property, plant and equipment in 2015-16 (£82 million in 2014-15), of which £1 million relating to council dwellings (£22 million in 2014-15) was included in the surplus on provision of services in the CIES to reverse losses charged to it in previous years. See HRA note 9. The remaining £35 million was included in Other Comprehensive Income and Expenditure in the CIES, and recognised in the Revaluation Reserve.

Also included in Other Comprehensive Income and Expenditure was a credit of £22.5 million (charge of £22 million in 2014-15) relating to remeasurements of the net defined benefit liability, recognised in the Pensions Reserve.

Both of these items are reversed out of the Movement in Reserves Statement as adjustments between accounting basis and funding basis under regulations and therefore have no impact on the General Fund and HRA balances.

3. RECONCILIATION WITH AMOUNTS REPORTED INTERNALLY

The analysis of income and expenditure by service on the face of the CIES is that specified by the Service Reporting Code of Practice. However, decisions about resource allocation are taken by the Council's Executive on the basis of budget reports analysed across directorates.

These reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- no charges are made for revaluation and impairment losses in excess of the balance on the Revaluation Reserve, which are charged to services in the CIES
- the cost of retirement benefits (payment of employer's pensions contributions) is based on cash flows rather than current service cost of benefits accrued in the year
- gross expenditure and income (including recharge income) on support services are reported within the appropriate directorate. Support services charges are also included within the relevant service costs.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

The income and expenditure of the Council's directorates recorded in the budget reports for the year is as follows:

2015-16	Community Services	Corporate	Development	Environment	Managing Director	Resources	Housing Revenue Account	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Fees, charges and other service income	(6,725)	(2,259)	(10,067)	(27,281)	(498)	(8,870)	(32,593)	(88,293)
Government grants and contributions	(31)	(59)	(30)	-	-	(36,001)	-	(36,121)
Total Income	(6,756)	(2,318)	(10,097)	(27,281)	(498)	(44,871)	(32,593)	(129,414)
Employee expenses	5,055	2,653	4,361	9,681	362	6,993	2,700	32,805
Other service expenses	5,197	1,710	2,582	16,670	40	39,221	5,992	71,412
Support service recharges	1,065	1,328	1,653	2,774	76	1,589	1,735	10,220
Depreciation and amortisation	124	16	150	5,168	-	640	6,446	12,544
Total Expenditure	11,441	5,707	8,746	34,293	478	48,443	16,873	125,981
Net Expenditure	4,685	3,389	(1,351)	7,012	(20)	3,572	(15,720)	1,567

Page 88

2014-15	Community Services	Corporate	Development	Environment	Managing Director	Resources	Housing Revenue Account	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Fees, charges and other service income	(6,599)	(2,090)	(9,739)	(28,902)	(437)	(8,508)	(32,275)	(88,550)
Government grants and contributions	(92)	(85)	(20)	-	-	(36,973)	-	(37,170)
Total Income	(6,691)	(2,175)	(9,759)	(28,902)	(437)	(45,481)	(32,275)	(125,720)
Employee expenses	4,993	2,795	4,023	10,124	304	7,031	2,716	31,986
Other service expenses	5,319	1,517	2,579	15,848	58	40,236	5,845	71,402
Support service recharges	1,003	1,282	1,418	2,551	70	1,441	1,508	9,273
Depreciation and amortisation	90	23	155	5,008	-	585	5,956	11,817
Total Expenditure	11,405	5,617	8,175	33,531	432	49,293	16,025	124,478
Net Expenditure	4,714	3,442	(1,584)	4,629	(5)	3,812	(16,250)	(1,242)

Note: The basis of segmental reporting has changed from Service Unites to Directorates in 2015-16. The prior year comparative figures have been restated accordingly.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16**Reconciliation of directorate income and expenditure to Cost of Services in the Comprehensive Income and Expenditure Statement**

This reconciliation shows how the figures in the analysis of directorate income and expenditure relate to the amounts included in the CIES.

2014-15		2015-16
£000		£000
(1,242)	Net expenditure in the Service Unit Analysis	1,567
(21,359)	Amounts in the Comprehensive Income and Expenditure Statement not reported to management in the analysis, mainly comprising, revaluation gains and losses, revenue funded from capital under statute (REFCUS) and IAS19 adjustment.	385
8,561	Amounts included in the Analysis not included in the Comprehensive Income and Expenditure Statement	7,195
(14,040)	Net Cost of Services in Comprehensive Income and Expenditure Statement	9,147

Reconciliation to Subjective Analysis

This reconciliation shows how the figures in the analysis of directorate income and expenditure relate to a subjective analysis of the surplus on the provision of services included in the CIES.

	Directorate Analysis	Services and Support Services not in Analysis	Amounts not reported to management for decision making	Amounts not included in CIES	Allocation of Recharges	Cost of Services	Corporate Amounts	Total
2015-16	£000	£000	£000	£000	£000	£000	£000	£000
Fees, charges and other service income	(88,293)	-	-	13,312	11,435	(63,546)	-	(63,546)
Surplus or deficit on associates and joint ventures	-	-	-	-	-	-	-	-
Interest and investment income	-	-	-	-	-	-	(8,934)	(8,934)
Income from council tax	-	-	-	-	-	-	(9,824)	(9,824)
Business Rates Retention Scheme (net)	-	-	-	-	-	-	(2,226)	(2,226)
Government grants and contributions	(36,121)	-	-	-	-	(36,121)	(6,793)	(42,914)
Total Income	(124,414)	-	-	13,312	11,435	(99,667)	(27,777)	(127,444)
Employee expenses	31,805	-	666	(1,552)	(275)	30,644	-	30,644
Other service expenses	71,412	-	-	(4,168)	(1,884)	65,360	-	65,360
Support service recharges	10,220	-	-	(944)	(9,276)	-	-	-
Depreciation, amortisation, valuation gains and losses and REFUS	12,544	-	(281)	547	-	12,810	-	12,810
HRA reform debt settlement	-	-	-	-	-	-	-	-
Interest payments	-	-	-	-	-	-	8,529	8,529
Precepts and levies	-	-	-	-	-	-	1,406	1,406
Payments to housing Capital Receipts Pool	-	-	-	-	-	-	704	704
Gain on disposal of fixed assets	-	-	-	-	-	-	(2,002)	(2,002)
Total expenditure	125,981	-	385	(6,117)	(11,435)	108,814	8,637	117,451
(Surplus) or deficit on the provision of services	1,567	-	385	7,195	-	9,147	(19,140)	(9,993)

Agenda item number: 5
GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

	Directorate Analysis	Services and Support Services not in Analysis	Amounts not reported to management for decision making	Amounts not included in CIES	Allocation of Recharges	Cost of Services	Corporate Amounts	Total
2014-15	£000	£000	£000	£000	£000	£000	£000	£000
Fees, charges and other service income	(88,550)	-	-	13,036	10,633	(64,881)	-	(64,881)
Surplus or deficit on associates and joint ventures	-	-	-	-	-	-	-	-
Interest and investment income	-	-	-	-	-	-	(9,731)	(9,731)
Income from council tax	-	-	-	-	-	-	(9,505)	(9,505)
Business Rates Retention Scheme (net)	-	-	-	-	-	-	(2,326)	(2,326)
Government grants and contributions	(37,170)	-	-	-	-	(37,170)	(7,036)	(44,206)
Total Income	(125,720)	-	-	13,036	10,633	(102,051)	(28,598)	(130,649)
Employee expenses	31,986	-	(851)	(1,468)	(268)	29,399	-	29,399
Other service expenses	71,402	-	-	(3,946)	(1,940)	65,516	-	65,516
Support service recharges	9,273	-	-	(848)	(8,425)	-	-	-
Depreciation, amortisation, valuation gains and losses and REFCUS	11,817	-	(20,508)	1,787	-	(6,904)	-	(6,904)
HRA reform debt settlement	-	-	-	-	-	-	-	-
Interest payments	-	-	-	-	-	-	8,166	8,166
Precepts and levies	-	-	-	-	-	-	1,261	1,261
Payments to housing Capital Receipts Pool	-	-	-	-	-	-	615	615
Gain on disposal of fixed assets	-	-	-	-	-	-	(4,026)	(4,026)
Total expenditure	124,478	-	(21,359)	(4,475)	(10,633)	88,011	6,016	94,027
(Surplus) or deficit on the provision of services	(1,242)	-	(21,359)	8,561	-	(14,040)	(22,582)	(36,622)

4. OTHER OPERATING EXPENDITURE

2014-15	2015-16
£000	£000
1,261 Parish council precepts	1,406
615 Payments to the government Housing Capital Receipts Pool	704
(4,026) Gains on the disposal of non-current assets	(2,002)
(2,150)	108

The gains on disposal relate primarily to the sale of council dwellings under the right to buy and equity share schemes. In 2014-15 it also included the sale of land at White Hart Court for the provision of social housing.

5. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2014-15	2015-16
£000	£000
5,149 Interest payable and similar charges	5,473
3,017 Net interest on the net defined benefit liability (Note 26)	3,056
(1,404) Interest receivable and similar income	(1,541)
Income and expenditure in relation to investment properties and changes in their fair value	(7,392)
(1,565)	(404)

More detail in relation to investment property is provided in note 16.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16**6. TAXATION AND NON SPECIFIC GRANT INCOME**

2014-15	2015-16
£000	£000
(9,505) Council tax income	(9,824)
(2,326) Non domestic rates income and expenditure	(2,227)
(5,154) Non-ringfenced government grants	(4,567)
(1,882) Capital grants and contributions	(2,226)
(18,867)	(18,844)

The non-domestic rates income and expenditure line above includes the following:

2014-15	2015-16
£000	£000
27,533 Tariff	28,060
2 Levy	112
(29,861) Retained income	(30,399)
(2,326)	(2,227)

7. TRADING OPERATIONS

The Council has established four trading units where the service manager is required to operate in a commercial environment and balance their budget by generating income from other parts of the Council or other organisations. Details of these units are as follows:

	2015-16			2014-15		
	Turnover	Expenditure	Surplus/(Deficit)	Turnover	Expenditure	Surplus/(Deficit)
	£000	£000	£000	£000	£000	£000
Building maintenance	3,202	3,338	(136)	3,025	3,085	(60)
Fleet Management	2,132	2,154	(22)	2,470	2,126	344
Stores	98	102	(4)	133	136	(3)
Vehicle Maintenance	744	778	(34)	787	833	(46)

The net surplus on trading operations is included in the Financing and Investment Income and Expenditure line of the CIES.

8. RELATED PARTIES

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

UK Central Government

UK Central Government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (for example council tax bills, housing benefits). Grants received from Government departments are set out in note 12.

Councillors and Officers

Councillors have direct control over the Council's financial and operating policies. The total of councillors' allowances paid in 2015-16 is shown in Note 9. The Council paid grants totalling £71,249 to voluntary organisations in which a number of elected councillors had an interest. In addition, the Council paid grants totalling £510,095 to voluntary organisations in which a number of councillors were acting as a Borough Council nominee. The Council gave support totalling £284,012 to the Citizens Advice Bureaux in which two councillors had an interest and four councillors were acting as Borough Council nominees. In all instances, the grants were made with proper consideration of declarations of interest and the relevant councillors, although able to take part in any discussion relating to these grants, were excluded from voting. The Council paid a grant of £22,840 to a voluntary organisation in which one senior officer disclosed an interest, and had no part in the decision to award the grant.

9. COUNCILLORS' ALLOWANCES

2014-15		2015-16
<u>£</u>		<u>£</u>
230,802	Basic Allowance	230,192
63,603	Special Responsibility Allowance	67,132
3,954	Mileage and Subsistence	5,307
<u>298,359</u>		<u>302,631</u>

The amount paid to each councillor is published annually on the Council's website, at <http://www.guildford.gov.uk/article/5128/Councillors---allowances>

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16**10. OFFICERS' REMUNERATION**

The following table sets out the Senior Officers' emoluments for 2015-16, where the salary is between £50,000 and £150,000 per year.

Postholder	Note		Salaries, fees and Allowances	Other non salary payments	Lump sum in respect of car mileage, telephone etc.	Termination Payments	Pension Contribution	Car lease/ other benefits	Total
Managing Director		2015-16	127,951		1,701		18,213	6,077	153,942
		2014-15	124,010	-	1,684	-	17,944	5,610	149,248
Director of Corporate Services (formerly Executive Head of Governance)	1	2015-16	100,142	10,780	3,690	-	16,125	551	131,288
	2	2014-15	-	-	-	-	-	-	-
Director of Development (formerly Executive Head of Development)	3	2015-16	36,629		205		5,222	2,637	44,693
		2014-15	86,085	-	485	-	12,505	5,505	104,580
Director of Environment (formerly Executive Head of Environment)		2015-16	88,255		1,362	-	12,781	6,522	108,920
		2014-15	83,671	-	677	-	12,186	5,035	101,569
Director of Community Services (formerly Executive Head of Housing and Health)		2015-16	86,700	-	1,298	-	12,658	5,894	106,550
		2014-15	87,160	-	485	-	12,726	5,412	105,783
Director of Resources (formerly Executive Head of Financial Services)		2015-16	87,069	-	1,298	-	12,635	3,095	104,097
		2014-15	88,334	-	485	-	12,863	2,608	104,290
Executive Head of Organisational Development	4	2015-16	52,460		287	95,626	99,568	5,794	253,735
		2014-15	87,660	-	485	-	12,724	6,974	107,843
Audit and Performance Manager		2015-16	57,302	-	-	-	8,290	8,257	73,849
		2014-15	56,075	-	-	-	8,187	5,954	70,216

1. The other non-salary payment in 2015-16 relates to a payment made in respect of the Borough and General Elections held in May 2015. The amount in respect of the General Election was reimbursed by the Treasury.
2. The post of Director of Corporate Services was covered under a consultancy contract with Venture Legal Consulting Ltd during 2014-15. The total fees, paid in respect of performing the duties of this post in 2014-15 were £155,161. This included a payment of £3,450 in respect of the European Elections held in 2014, which was reimbursed by the Treasury.
3. This figure relates to the former Executive Head of Development, who left the council in August 2015. Since August 2015, the post of Director of Development has been covered under a consultancy contract with Gatenbysanderson Limited. The total fees, paid to the agency in respect of performing the duties of this post were £105,600.
4. This post was deleted at the end of October 2015, as part of a senior management restructure.

Agenda item number: 5
GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

The following table sets out those employees who were included in the 2014-15 Senior Officer note:

Postholder	Note		Salaries, fees and Allowances	Other non salary payments	Lump sum in respect of car mileage, telephone etc.	Termination Payments	Pension Contribution	Car lease/ other benefits	Total
Strategic Director	1	2014-15	7,878	-	139	97,732	1,150	384	107,283
Head of Financial Services	2	2014-15	53,021	-	1,865	-	7,954	480	63,320
Head of Planning Services	1	2014-15	22,828	-	206	75,500	3,333	1,476	103,343
Head of Business Systems	1	2014-15	69,501	-	2,174	-	65,971	-	137,646
Head of Health and Community Care Services	2	2014-15	69,501	-	485	-	10,147	6,830	86,963
Head of Housing Advice	2	2014-15	61,643	-	1,385	-	9,000	2,789	74,817
Head of Parks and Leisure Services	1	2014-15	60,218	-	737	-	8,792	6,998	76,745

1. These posts have now been deleted as part of a management restructure
2. These posts do not report to the Head of Paid Service and have therefore been removed from this note to be consistent with the CIPFA Code.

The Council's other employees receiving more than £50,000 remuneration for the year, which includes termination payments but excludes employer's pension contributions, were paid the following amounts:

Remuneration Band	2015-16	2014-15
	Number of Employees	Number of Employees
£50,000 - £54,999	17	16
£55,000 - £59,999	6	8
£60,000 - £64,999	4	4
£65,000 - £69,999	3	2
£70,000 - £74,999	2	-
£80,000 - £84,999	1	-
£85,000 - £89,999	-	2
£105,000 - £109,999	-	1

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the following table:

Exit Package cost band (inc. special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
							£	£
£0 - £20,000	3	1	0	2	3	3	41,380	30,966
£20,001 - £40,000	2	3	2	2	4	5	127,934	121,726
£40,001 - £60,000	0	1	0	2	0	3	-	164,455
£60,001 - £80,000	0	1	0	1	0	2	-	149,633
£80,001 - £100,000	0	1	0	1	0	2	-	189,401
£180,001 - £200,000	1	0	0	0	1	0	187,726	-
	6	7	2	8	8	15	357,040	656,181
Less: amounts included above provided for in previous year							(61,281)	(110,296)
Add: Amounts provided for in CIES not included in bandings							-	61,281
Total cost included in CIES							295,759	607,166

Payments shown in respect of redundancies include both redundancy payments and additional amounts paid to the Pension Fund, where applicable.

Payments made in respect of other departures agreed include voluntary redundancies, contractual obligations and discretionary payments, relating to people who have left the Council's employment in the interests of efficiency of the service.

11. EXTERNAL AUDIT COSTS

The Council has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Council's external auditors:

2014-15 £'000	2015-16 £'000
76 Fees payable to Grant Thornton UK LLP with regard to external audit services carried out by the appointed auditor for the year	58
20 Fees payable to Grant Thornton UK LLP in respect of certification of grant claims and returns	30
(8) Rebate re 2013-14	-
4 Fees payable to Grant Thornton UK LLP for other services	2
92 Total	90

Of the £30K fees payable in respect of the certification of grant claims and returns, £16K relates to 2014-15 certification work (an additional fee approved after the completion of the 2014-15 opinion work). Similarly, the £2K in respect of payment for other services relates to 2014-15 certification work.

12. GRANT INCOME

The Council credited the following grants, contributions and donations to the CIES.

2014-15		2015-16
£'000		£'000
	Credited to Taxation and Non Specific Grant Income	
2,326	Non domestic rates	2,227
	<u>Non-ringfenced government grants</u>	
2,963	Revenue Support Grant	2,079
1,511	New Homes Bonus	1,780
680	s31 grant - Business Rates Retention Scheme & Council Tax	708
1,882	Capital grants and contributions	2,226
9,362	Total	9,020
	Credited to Services	
21,258	Housing Benefit Rent Allowance subsidy	20,437
14,569	Housing Benefit Rent Rebate subsidy	14,592
668	Housing Benefit Administration	582
544	Supporting People Grant	528
399	Day care and other social services	544
251	Business Rate Collection	235
198	Contributions to grants to voluntary organisations	112
180	Social Care prevention partnership fund	180
102	Recycling	141
607	Other	403
38,776	Total	37,754

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16**13. TRANSFERS TO/FROM EARMARKED RESERVES**

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure.

	Balance at 31 March 2014 £000	Transfers In 2014-15 £000	Transfers Out 2014-15 £000	Balance at 31 March 2015 £000	Transfers In 2015-16 £000	Transfers Out 2015-16 £000	Balance at 31 March 2016 £000
General fund:							
Budget Pressures	-	1,220	-	1,220	500	272	1,448
Business Rates Equalisation	543	1,467	2	2,008	2,732	67	4,673
Car Parks Maintenance	3,400	706	809	3,297	591	58	3,830
Carried forward items	1,152	775	756	1,171	621	756	1,036
Invest to Save	1,756	650	1,069	1,337	550	514	1,373
IT Renewals	939	345	482	802	953	749	1,006
New Homes Bonus	1,617	511	-	2,128	779	-	2,907
Park and Ride	1,650	-	-	1,650	-	-	1,650
Special Protection Area (SPA) Sites	-	2,761	99	2,662	1,045	38	3,669
Spectrum	1,251	169	29	1,391	172	-	1,563
Other earmarked reserves	7,970	2,701	1,292	9,379	2,735	3,746	8,368
Total	20,278	11,305	4,538	27,045	10,678	6,200	31,523
HRA:							
Capital Programme	20,829	2,500	-	23,329	2,500	-	25,829
New Build	15,593	5,360	-	20,953	8,436	-	29,389
Total	36,422	7,860	-	44,282	10,936	-	55,218

Budget Pressures: set up to allow us to manage the budget reduction required over the next five years

Business Rates Equalisation: To be used as appropriate to smooth out the effects of the Business Rates Retention Scheme, including those related to regeneration projects

Capital Programme (HRA): available to fund capital expenditure in future years

Car Parks Maintenance: used to fund repairs, maintenance and improvements in the Council's off street car parks

Carried forward items: this reserve allows the budget for items that we have not completed in the year to be carried forward so they can be finalised in later years without affecting that year's budget

Invest to Save: this reserve funds investment opportunities that will allow us to achieve ongoing savings, and short term increases in revenue costs during periods of transition

IT Renewals: receives repayments from services to fund expenditure as set out in the Council's Information and Communication Technology (ICT) strategy

New Build (HRA): to fund the building and acquisition of new Council homes

New Homes Bonus: New Homes Bonus is a general grant that we receive from the UK government. It is not ring-fenced for any specific purpose

Park and Ride: this reserve will be used to fund future park and ride sites

Special Protection Area (SPA) Sites: set up to hold s106 income received in relation to various SPA sites

Spectrum: this reserve is available to finance structural repairs and improvements to Spectrum Leisure Centre

Other: consists of 40 reserves with balances of less than £1 million, which have been earmarked for a range of different purposes e.g. insurance, pensions, protection from interest rate movements, legal actions, and energy management schemes.

14. PROPERTY, PLANT AND EQUIPMENT

Movement in 2015-16:

	Council dwellings £000	Other land and buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus assets £000	Assets under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation								
At 1 April 2015	435,577	180,675	22,195	5,720	4,428	550	6,814	655,959
Additions	5,258	3,805	1,770	470	90	-	2,351	13,744
Disposals	(2,449)	-	(477)	-	-	-	-	(2,926)
Accumulated depreciation written off to cost or valuation	(6,425)	(465)	-	-	-	-	-	(6,890)
Revaluations recognised in the revaluation reserve	32,626	1,523	-	-	-	800	-	34,949
Revaluations recognised in the surplus on provision of services	1,105	121	-	-	-	-	-	1,226
Transfers	9,122	-	-	-	-	-	(9,122)	-
At 31 March 2016	474,814	185,659	23,488	6,190	4,518	1,350	43	696,062
Accumulated Depreciation								
At 1 April 2015	1,136	4,992	13,344	4,041	-	-	-	23,513
Charge for 2015-16	6,376	4,307	1,443	164	-	-	-	12,290
Disposals	(6)	-	(349)	-	-	-	-	(355)
Revaluations	(6,425)	(465)	-	-	-	-	-	(6,890)
Transfers	-	-	-	-	-	-	-	0
At 31 March 2016	1,081	8,834	14,438	4,205	-	-	-	28,558
Net book Value								
As at 31 March 2016	473,733	176,825	9,050	1,985	4,518	1,350	43	667,504
as at 31 March 2015	434,441	175,683	8,851	1,679	4,428	550	6,814	632,446

The transfer of £9.1 million from assets under construction to council dwellings represents housing schemes at Lakeside Close, Ash Vale and New Road, Gomshall that were completed during the year.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

Comparative movement in 2014-15:

	Council dwellings £000	Other land and buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus assets £000	Assets under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation								
At 1 April 2014	374,676	175,714	22,052	5,570	4,359	550	1,623	584,544
Additions	5,916	684	879	150	69	-	5,730	13,428
Disposals	(2,690)	-	(736)	-	-	-	-	(3,426)
Accumulated depreciation written off to cost or valuation	(10,065)	(10,766)	-	-	-	-	-	(20,831)
Revaluations recognised in the revaluation reserve	44,733	15,365	-	-	-	-	-	60,098
Revaluations recognised in the surplus on provision of services	22,468	(322)	-	-	-	-	-	22,146
Transfers	539	-	-	-	-	-	(539)	-
At 31 March 2015	435,577	180,675	22,195	5,720	4,428	550	6,814	655,959
Accumulated Depreciation								
At 1 April 2014	5,334	11,659	12,627	3,871	-	-	-	33,491
Charge for 2014-15	5,872	4,099	1,435	170	-	-	-	11,576
Disposals	(5)	-	(718)	-	-	-	-	(723)
Revaluations	(10,065)	(10,766)	-	-	-	-	-	(20,831)
At 31 March 2015	1,136	4,992	13,344	4,041	-	-	-	23,513
Net book Value								
As at 31 March 2015	434,441	175,683	8,851	1,679	4,428	550	6,814	632,446
as at 31 March 2014	369,342	164,055	9,425	1,699	4,359	550	1,623	551,053

Depreciation

Depreciation is charged on a straight-line basis over the useful life of the asset. The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Council Dwellings – 60 years
- Other Land and Buildings – 5 to 60 years
- Vehicles, Plant, Furniture and Equipment – 3 to 30 years
- Infrastructure – 10 years

Capital Commitments

At 31 March 2016, the Council has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2016-17 and future years budgeted to cost £3.388 million. Similar commitments at 31 March 2015 were £3.044 million.

The major commitments are:

New housing at Lakeside Close, Ash £336,000; Former Corporation Club, Slyfield £2.188 million; and restoration of tow path and riverbank £436,000.

Revaluations

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value is revalued at least every five years. All of our council dwellings and a proportion of our other operational properties were revalued by the Valuation Office Agency and Wilks Head & Eve LLP, chartered surveyors, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Council dwellings were revalued as at January 2016 and other property as at November 2015. The assets were inspected between April 2015 and March 2016 and the valuer assumed, where relevant, that the properties valued will continue to be in the occupation of the Council for the foreseeable future having regard to the prospect and viability of the continuance of that occupation.

Properties regarded by the Council as operational were valued on the basis of open market value for the existing use or, where this could not be assessed because there was no market for the subject asset, the depreciated replacement cost.

The property regarded by the Council as surplus and therefore non-operational was valued at fair value, based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the property being categorised at Level 2 in the fair value hierarchy.

All assets of the same type, e.g. car parks, are generally revalued together in one year. We check that there are no material trends in the revaluations that should be applied to any of our other assets.

The sources of information and assumptions made in producing the various valuations are set out in a valuation certificate and report, which also provides assurance that the valuer has reviewed the balance sheet values of the remainder of the Council's property portfolio to give assurance that no class of assets is materially misstated.

The valuation figures incorporated in the accounts are the aggregate of separate valuations of parts of the portfolio, not an apportioned valuation of the portfolio valued as a whole.

The following statement shows the progress of the Council's rolling programme for the revaluation of PPE assets:

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Surplus Assets	Total
	£000	£000	£000	£000	£000
Carried at historical cost	-	-	23,488	-	23,488
Valued at current value as at:					
31-Mar-16	474,814	13,366	-	1,350	489,530
31-Mar-15	-	123,075	-	-	123,075
31-Mar-14	-	35,198	-	-	35,198
31-Mar-13	-	9,376	-	-	9,376
31-Mar-12	-	4,644	-	-	4,644
Total Cost or Valuation	474,814	185,659	23,488	1,350	685,311

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16**15. HERITAGE ASSETS****Reconciliation of the carrying value of Heritage Assets held by the Council**

	Monuments £000	Civic Regalia etc £000	Art Collection £000	Total Assets £000
Cost or Valuation				
At 1 April 2014	892	1,759	711	3,362
Additions	46	-	12	58
At 31 March 2015	938	1,759	723	3,420
Cost or Valuation				
At 1 April 2015	938	1,759	723	3,420
Additions	6	-	30	36
At 31 March 2016	944	1,759	753	3,456

Civic Regalia

The Council's collection of civic regalia is held at the Guildhall, and includes such items as the mayor's badge, small and large mace and the civic plate.

Art Collection

The collection comprises more than 550 pieces and small collections. Many objects consist of multiple parts so the number of works comes close to 800. They span more than 250 years and include a plethora of media - oil paintings, watercolours, pastels, etchings, engravings, prints, textiles, ceramics, sculpture and glass.

The Heritage Services Collections Development Policy is available from the Council's Heritage Manager.

The civic regalia and art collection were valued as at March 2012 by Bonhams 1793 Limited, international auctioneers and valuers. The basis of the valuation was for insurance purposes and was based on estimated price of the items if purchased on retail premises.

Museum Collections

Guildford Museum works with local people and other partners to collect, record and care for the Borough's heritage and to promote understanding, enjoyment, and engagement with that heritage through access and learning for all. Its collections contain material of local, regional, national and international importance and form a unique cultural asset and resource for Guildford Borough, its people and its visitors.

The Council does not consider that reliable cost or valuation information can be obtained for the museum collection because of the diverse nature of the assets held and lack of comparable market values.

The heritage asset acquisitions and disposals policies are set out in the published Heritage Service's collections development policy, which the Council reviews every five years. This is a requirement of the national standards scheme for museums, which is managed by Arts Council England. A copy is lodged with other appropriate museums and regional organisations in Surrey and the South East. It is also available on the Council's website.

16. INVESTMENT PROPERTY

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the CIES:

2014-15		2015-16
£000		£000
6,525	Rental income from investment property	7,021
(717)	Direct operating expenses arising from investment property	(905)
<u>5,808</u>	Net gain	<u>6,116</u>

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancement.

The fair value of the Council's investment property has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy. The inputs used took the form of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date.

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use.

There have been no change in the valuation techniques used during the year for investment properties.

The following table summarises the movement in the fair value of investment properties over the year:

2014-15		2015-16
£000		£000
96,187	Balance at start of the year	106,181
7,476	Additions	9,794
2,518	Net gains/(losses) from fair value adjustments	1,309
<u>106,181</u>	Balance at end of the year	<u>117,284</u>

In 2015-16 we repurchased the long leasehold interest of The Brinell Building, Lysons Avenue Industrial Estate, and a unit at Middleton Industrial Estate, from the Council's tenants. The Council is the freeholder of these properties. We also purchased a new investment property, the Armour Building, Bridge Street, Guildford. The acquisitions were part of the Council's Asset Investment Strategy to increase rental income.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16**17. SHORT TERM DEBTORS**

31 March 2015	31 March 2016
£000	£000
403	940
537	2,496
4,802	4,398
5,742 Total	7,834

18. CASH AND CASH EQUIVALENTS

Cash comprises cash in hand and demand deposits. Cash will also include bank overdrafts that are repayable on demand and that are integral to the Council's cash management.

Balances classified as 'Cash Equivalents' fit the definition of being short term, highly liquid (that is callable) investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

The net balance of Cash and Cash Equivalents consists of the following elements:

31 March 2015	31 March 2016
£000	£000
5	7
(51)	(581)
9,082	12,797
9,036 Total Cash and Cash Equivalents	12,223

19. SHORT TERM CREDITORS

30 March 2015	30 March 2016
£000	£000
4,665	4,996
5,772	8,608
10,276	11,882
20,713 Total	25,486

20. PROVISIONS

	Outstanding Legal Cases £000	NDR Appeals £000	Other Provisions £000	Total £000
Balance at 31 March 2014	191	1,560	321	2,072
Additional provisions made	-	2,227	304	2,531
Amounts used	(3)	(496)	(263)	(762)
Unused amounts reversed	-	-	(20)	(20)
Balance at 31 March 2015	188	3,291	342	3,821
Additional provisions made	-	2,528	70	2,598
Amounts used	(111)	(337)	(61)	(509)
Balance at 31 March 2016	77	5,482	351	5,910

The Council's provisions consist of six items totalling £5,909,849 (£3,821,458 in 2014-15).

Outstanding Legal Cases

This relates to search fees, which, subject to legal action, may have to be repaid.

NDR Appeals

The NDR appeals provision was set up to cover the Council's share of the estimated reduction in business rates collectable due to rating appeals. It was calculated using information provided by the Valuation Office Agency about outstanding appeals, and our historical knowledge of the likely success rate of these appeals. A contribution of £6.32 million was made from the Collection Fund, and £0.842 million of revaluation list amendments were charged against the provision, but only the Council's 40% share is shown here. The remainder is shared between central government (50%) and Surrey County Council (10%) and is reflected in the balance sheet in the Council's net creditors with them.

Other provisions

All other provisions are individually insignificant.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16**21. CASH FLOW STATEMENT – OPERATING ACTIVITIES**

The cash flows for operating activities include the following items:

2014-15		2015-16
£000		£000
991	Interest received	1,570
(5,129)	Interest paid	(5,316)

The surplus on the provision of services has been adjusted for the following non-cash movements:

2014-15		2015-16
£000		£000
11,576	Depreciation	12,290
(22,146)	Revaluation gains on Property, Plant & Equipment	(1,226)
241	Amortisation of intangible assets	253
(2,943)	Increase / (decrease) in creditors	4,503
(829)	(Increase) / decrease in debtors	(2,261)
2	(Increase) / decrease in inventories	(7)
2,180	Movement in pension liability	3,747
3,223	Carrying amount of non-current assets sold	2,571
(57)	Other adjustments	301
(8,753)		20,171

The surplus on the provision of services has been adjusted for the following items that are investing and financing activities:

2014-15		2015-16
£000		£000
(1,882)	Capital grants and contributions credited to surplus on the provision of services	(2,226)
(7,198)	Proceeds from the sale of non-current assets	(4,522)
(9,080)		(6,748)

TECHNICAL NOTES TO THE ACCOUNTS

The following notes are more technical in nature and provide additional accounting detail supporting the primary statements and notes.

22. ADJUSTMENTS BETWEEN ACCOUNTING AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

2015-16	Usable Reserves					
	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts reserve £000	Major Repairs Reserve £000	Capital Contributions Unapplied £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES):						
Charge for depreciation of non-current assets	5,852	6,438	-	-	-	(12,290)
Revaluation (gains)/losses on Property Plant and Equipment	(116)	(1,111)	-	-	-	1,226
Movements in the market value of Investment Properties	(1,254)	(55)	-	-	-	1,309
Amortisation of intangible assets	244	9	-	-	-	(253)
Revenue expenditure funded from capital under statute	2,254	-	-	-	-	(2,254)
Amounts of non-current assets written off on disposal or sale as part of the gain on disposal to the CIES	127	2,444	-	-	-	(2,571)
Insertion of items not debited or credited to the CIES:						
Statutory provision for the financing of capital investment	(295)	-	-	-	-	295
Capital expenditure charged against the General Fund and HRA balances	(2,979)	-	-	-	-	2,979

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

2015-16	Usable Reserves					
	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts reserve £000	Major Repairs Reserve £000	Capital Contributions Unapplied £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Capital Contributions Unapplied Account:						
Capital grants and contributions unapplied credited to the CIES	(1,417)	(809)	-	-	2,226	-
Application of grants and contributions to capital financing transferred to the Capital Adjustment Account	-	-	-	-	(1,879)	1,879
Adjustments primarily involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain on disposal to the CIES	(174)	(4,348)	4,522	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	(6,584)	-	-	6,584
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	704	-	(704)	-	-	-
Adjustments primarily involving the Major Repairs Reserve:						
Transfer of HRA depreciation from the HRA	-	(6,438)	-	6,438	-	-
Use of the Major Repairs Reserve to finance new capital expenditure	-	-	-	(4,972)	-	4,972

Agenda item number: 5
GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

2015-16	Usable Reserves					
	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts reserve £000	Major Repairs Reserve £000	Capital Contributions Unapplied £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the CIES (see note 26)	8,606	600	-	-	-	(9,206)
Employer's pensions contributions and direct payments to pensioners payable in the year	(4,828)	(631)	-	-	-	5,459
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which council tax and NDR income credited to the CIES is different from council tax and NDR income calculated for the year in accordance with statutory requirements	2,598	-	-	-	-	(2,598)
Total adjustments	9,322	(3,901)	(2,765)	1,466	347	(4,469)

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

Appendix 2

2014-15 Comparative figures	Usable Reserves					
	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts reserve £000	Major Repairs Reserve £000	Capital Contributions Unapplied £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES):						
Charge for depreciation of non-current assets	5,624	5,952	-	-	-	(11,576)
Revaluation (gains)/losses on Property Plant and Equipment	322	(22,468)	-	-	-	22,146
Movements in the market value of Investment Properties	(2,518)	-	-	-	-	2,518
Amortisation of intangible assets	236	5	-	-	-	(241)
Revenue expenditure funded from capital under statute	4,157	-	-	-	-	(4,157)
Amounts of non-current assets written off on disposal or sale as part of the gain on disposal to the CIES	19	3,204	-	-	-	(3,223)
Insertion of items not debited or credited to the CIES:						
Statutory provision for the financing of capital investment	(434)	(210)	-	-	-	644
Capital expenditure charged against the General Fund and HRA balances	(1,093)	(3,313)	-	-	-	4,406

Agenda item number: 5
GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

2014-15 Comparative figures	Usable Reserves					
	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts reserve £000	Major Repairs Reserve £000	Capital Contributions Unapplied £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Capital Contributions Unapplied Account:						
Capital grants and contributions unapplied credited to the CIES	(1,282)	(600)	-	-	1,882	-
Application of grants and contributions to capital financing transferred to the Capital Adjustment Account	-	-	-	-	(1,914)	1,914
Adjustments primarily involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain on disposal to the CIES	(208)	(6,990)	7,198	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	(6,138)	-	-	6,138
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	615	-	(615)	-	-	-
Adjustments primarily involving the Major Repairs Reserve:						
Transfer of HRA depreciation from the HRA	-	(5,952)	-	5,952	-	-
Use of the Major Repairs Reserve to finance new capital expenditure	-	-	-	(5,489)	-	5,489

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

Appendix 2

2014-15 Comparative figures	Usable Reserves					
	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts reserve £000	Major Repairs Reserve £000	Capital Contributions Unapplied £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the CIES (see note 26)	7,144	435	-	-	-	(7,579)
Employer's pensions contributions and direct payments to pensioners payable in the year	(4,784)	(615)	-	-	-	5,399
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which council tax and NDR income credited to the CIES is different from council tax and NDR income calculated for the year in accordance with statutory requirements	759	-	-	-	-	(759)
Total adjustments	8,557	(30,552)	445	463	(32)	21,119

23. UNUSABLE RESERVES

31 March 2015	31 March 2016
<u>£000</u>	<u>£000</u>
127,905 Revaluation Reserve	159,839
1,157 Available for Sale Financial Instruments Reserve	859
388,045 Capital Adjustment Account	392,936
(95,139) Pensions Reserve	(76,350)
(1,361) Collection Fund Adjustment Account	(3,959)
(239) Accumulated Absences Account	(239)
420,368	473,086

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2014-15	2015-16
<u>£000</u>	<u>£000</u>
70,012 Balance at 1 April	127,905
63,644 Upward revaluation of assets	36,803
(3,546) Downward revaluation of assets not charged to the Surplus on Provision of Services	(1,854)
60,098 Surplus on revaluation of non-current assets not posted to the Surplus on Provision of Services	34,949
(1,583) Difference between fair value depreciation and historical cost depreciation	(2,354)
(622) Accumulated gains on assets sold or scrapped	(661)
(2,205) Amounts written off to the Capital Adjustment Account	(3,015)
127,905 Balance at 31 March	159,839

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

The account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the Council.

The account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

2014-15		2015-16
£000		£000
361,782	Balance at 1 April	388,045
	Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:	
(11,576)	Charge for depreciation of non-current assets	(12,290)
22,146	Revaluation gains on Property Plant and Equipment	1,226
(241)	Amortisation of intangible assets	(253)
(4,157)	Revenue expenditure funded from capital under statute	(2,254)
(3,223)	Amounts of non-current assets written off on disposal or sale as part of the gain on disposal to the CIES	(2,571)
2,949		(16,142)
2,205	Adjusting amounts written out of the Revaluation Reserve	3,015
5,154	Net written out amount of the cost of non-current assets consumed in the year	(13,127)
	Capital financing applied in the year:	
6,138	Use of the Capital Receipts Reserve to finance new capital expenditure	6,584
5,489	Use of the Major Repairs Reserve to finance new capital expenditure	4,972
1,914	Use of capital grants and contributions to finance new capital expenditure	1,879
644	Provision for the financing of capital investment charged against the General Fund and HRA balances	295
4,406	Capital expenditure charged against the General Fund and HRA balances	2,979
18,591		16,709
2,518	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	1,309
388,045	Balance at 31 March	392,936

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been

set aside by the time the benefits come to be paid.

2014-15		2015-16
£000		£000
(70,583)	Balance at 1 April	(95,139)
(22,376)	Remeasurements of the net defined benefit liability	22,536
(7,579)	Reversal of items relating to retirement benefits debited or credited to the Deficit on the Provision of Services in the CIES	(9,206)
5,399	Employer's pensions contributions and direct payments to pensioners payable in the year	5,459
(95,139)	Balance at 31 March	(76,350)

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2014-15		2015-16
£000		£000
(602)	Balance at 1 April	(1,361)
(759)	Amount by which council tax and non-domestic rates income credited to the CIES is different from income calculated for the year in accordance with statutory requirements	(2,598)
(1,361)	Balance at 31 March	(3,959)

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16**24. CAPITAL EXPENDITURE AND CAPITAL FINANCING**

The table below shows the total amount of capital expenditure incurred in the year together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

2014-15		2015-16
£'000		£'000
<u>220,159</u>	<i>Opening Capital Financing Requirement</i>	<u>226,976</u>
	<i>Capital Investment</i>	
13,486	Operational assets	13,780
7,476	Non-operational assets	9,794
289	Intangible assets	304
0	Long Term Investments	50
4,157	Revenue Expenditure Funded from Capital under Statute	2,254
	<i>Sources of finance</i>	
(252)	Specific Capital Grants	(808)
(6,138)	Capital Receipts	(6,584)
(1,662)	Contributions	(1,071)
(5,050)	Direct Revenue Financing and MRP / VRP	(3,274)
(5,489)	HRA Major Repairs Reserve	(4,972)
<u>226,976</u>	<i>Closing Capital Financing Requirement</i>	<u>236,449</u>
6,817	<i>Movement during the year</i>	9,473
	Increase in underlying need to borrow (unsupported by government financial assistance)	

25. LEASES**Council as Lessee***Finance leases*

The Council has acquired a number of assets under finance leases. They are included on the Balance Sheet at the following net amounts:

2014-15		2015-16
£'000		£'000
<u>2,303</u>	Council Dwellings	<u>2,491</u>
10,209	Other Land & Buildings	10,049
<u>12,512</u>		<u>12,540</u>

The Council paid premiums at the start of the property leases and there are no more payments due.

Council as Lessor

Finance leases

The Council has leased out a number of investment properties on finance leases with remaining lease terms of 60 years or more. In each case a premium was paid to the Council by the lessee in order to enter into the lease and there are no future minimum lease payments due.

Operating leases

The Council leases out operational property under operating leases primarily for the provision of social housing and community services such as sports facilities. It also leases out investment property under operating leases.

The future lease payments receivable under non-cancellable leases in future years are:

2014-15		2015-16
£'000		£'000
7,131	Not later than one year	7,402
28,605	Later than one year and not later than five years	26,940
297,483	Later than five years	290,239
333,219		324,581

The lease payments receivable in 2015-16 were £7,850,369 (£7,359,112 in 2014-15).

26. DEFINED BENEFIT PENSION SCHEME

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme administered by Surrey County Council – this is a funded defined benefit scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets in the long term.

The scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pension Board of Surrey County Council. Policy is determined in accordance with the Pension Fund Regulations. The investment managers of the Fund are appointed by the Board and consist of eleven investment fund managers plus private equity fund managers.

The principal risks to the Council of the scheme are the longevity of members, statutory changes to the scheme, structural changes to the scheme (i.e. large scale withdrawals from the scheme), changes to inflation, bond yields and the performance of equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

The scheme is a multi-employer plan. Employers are required by regulation to meet the minimum contributions as set out in the Rate and Adjustments Certificate for the relevant actuarial valuation. For 2015-16 this would be the valuation carried out as at March 2013.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

If another entity was to be unable to meet required funding commitments to the Fund and no suitable guarantee was available, either in the form of a bond or a charge on assets or a parent organisation, then any deficit would be spread across existing fund employers.

If the Council were to withdraw from the scheme, the fund actuary would carry out a cessation valuation to calculate its plan liabilities and assets. Any deficit on this valuation would need to be recovered through a final contribution to the fund. Any surplus would not be recoverable.

Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

2014-15		2015-16
£000		£000
	Comprehensive Income & Expenditure Statement	
	Service Cost	
4,507	Current service cost	5,994
55	Past service cost (including curtailments)	156
4,562	Total Service Cost	6,150
	Financing and Investment Income and Expenditure:	
(5,673)	Interest income on plan assets	(4,812)
8,690	Interest cost on defined benefit obligation	7,868
3,017	Total Net Interest	3,056
7,579	Total Post Employment Benefits charged to the Surplus or Deficit on the Provision of Services	9,206
	Remeasurement of the Net Defined Liability comprising	
(12,269)	Return on plan assets excluding amounts included in net interest	3,216
36,419	Actuarial (gains)/losses arising from changes in financial assumptions	(22,735)
(1,774)	Other experience	(3,017)
22,376	Total remeasurements recognised in Other Comprehensive Income (OCI)	(22,536)
29,955	Total Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement	(13,330)
	Movement in Reserves Statement	
(7,579)	Reversal of net charges made to the Surplus or Deficit on the provision of services for post employment benefits in accordance with the code	(9,206)
	Actual amount charged against the General Fund Balance for pensions in the year:	
5,399	Employers' contributions payable to scheme	5,459

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16**Pension Assets and Liabilities Recognised in the Balance Sheet**

The amount included in the Balance Sheet arising from the authority's obligation in respect of its defined benefit plan is as follows:

2014-15		2015-16
£000		£000
149,992	Fair value of employer assets	152,372
(241,339)	Present value of funded liabilities	(225,305)
(3,792)	Present value of unfunded liabilities	(3,417)
(95,139)	Net Liability arising from Defined Benefit Obligation	(76,350)

Reconciliation of the Movements in the Fair Value of the Scheme Assets:

2014-15		2015-16
£000		£000
131,804	Opening fair value of the scheme assets	149,992
5,673	Interest income	4,812
	Remeasurement gain	
	Return on plan assets excluding amounts included in net	
12,269	interest	(3,216)
5,399	Contributions from employer	5,459
1,326	Contributions from employees into the scheme	1,371
(6,479)	Benefits paid	(6,046)
149,992	Closing Fair Value of Scheme Assets	152,372

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

2014-15		2015-16
£000		£000
202,387	Opening fair value of the scheme liabilities	245,131
4,507	Current service cost	5,994
8,690	Interest cost	7,868
1,326	Contributions from scheme participants	1,371
	Remeasurement gain	
	Actuarial (gains)/losses arising from changes in financial	
36,419	assumptions	(22,735)
(1,774)	Other	(3,017)
55	Past Service Cost	156
(6,479)	Benefits paid	(6,046)
245,131	Closing Fair Value of Scheme Liabilities	228,722

Agenda item number: 5
GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

.Pension Scheme Assets Comprised:

Asset Category	31-Mar-16				31-Mar-15			
	Quoted Prices in Active Markets £(000s)	Prices not quoted in Active markets £(000s)	Totals £(000s)	%	Quoted Prices in Active Markets £(000s)	Prices not quoted in Active markets £(000s)	Totals £(000s)	%
Equity Securities:								
Consumer	12,240	-	12,240	8%	11,235	-	11,235	8%
Manufacturing	9,315	-	9,315	6%	8,123	-	8,123	5%
Energy and utilities	4,281	-	4,281	3%	4,914	-	4,914	3%
Financial Institutions	10,890	-	10,890	7%	9,609	-	9,609	6%
Health and Care	5,370	-	5,370	4%	5,276	-	5,276	4%
Information Technology	8,252	-	8,252	6%	7,164	-	7,164	5%
Other	224	-	224	0%	-	-	-	0%
Debt Securities								
Corporate Bonds (investment grade)	6,518	-	6,518	4%	5,459	-	5,459	4%
Corporate Bonds (non-investment grade)	405	-	405	0%	603	-	603	0%
UK Government	-	-	-	0%	3,377	-	3,377	2%
Other	203	-	203	0%	1,395	-	1,395	1%
Private Equity								
All	-	6,061	6,061	4%	-	5,628	5,628	4%
Real Estate								
UK Property	3,990	5,205	9,195	6%	4,222	5,244	9,466	6%
Overseas Property	-	1,195	1,195	1%	-	72	72	0%
Investment Funds and Unit Trusts								
Equities	39,664	-	39,664	26%	43,689	-	43,689	29%
Bonds	16,350	-	16,350	11%	14,020	-	14,020	9%
Hedge funds	-	-	-	0%	-	-	-	0%
Commodities	-	-	-	0%	-	-	-	0%
Infrastructure	-	-	-	0%	-	-	-	0%
Other	18,873	-	18,873	12%	17,298	-	17,298	12%
Derivatives								
Inflation	-	-	-	0%	-	-	-	0%
Interest Rate	1	-	1	0%	(21)	-	(21)	0%
Foreign Exchange	(919)	-	(919)	(1%)	(118)	-	(118)	0%
Other	-	-	-	0%	-	-	-	0%
Cash and Cash Equivalents								
All	4,254	-	4,254	3%	2,802	-	2,802	2%
Totals	139,911	12,461	152,372	100%	139,047	10,944	149,991	100%

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumption about mortality rates, salary levels etc. The County Council fund liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries. The Actuary has prepared the figures by applying a 'roll-forward' approach to the last formal valuation, which was as at 31 March 2013.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

Appendix 2

The main financial assumptions used in their calculation have been:

2014-15	2015-16
Mortality assumptions:	
Longevity at 65 for current pensioners:	
22.5 years Men	22.5 years
24.6 years Women	24.6 years
Longevity at 65 for future pensioners:	
24.5 years Men	24.5 years
26.9 years Women	26.9 years
2.4% Rate of Inflation (CPI)	2.2%
3.8% Rate of increase in salaries*	3.7%
2.4% Rate of increase in pensions	2.2%
3.2% Rate for discounting scheme liabilities	3.5%

* Salary increases are assumed to be 1.5% until March 2017, reverting to the long term assumption shown thereafter.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in 2014-15.

Change in Assumptions at 31 March 2016	Approximate % increase to Employer	Approximate monetary amount (£000)
0.5% decrease in Real Discount rate	11%	24,149
1 year increase in member life expectancy	3%	6,862
0.5% increase in the Salary Increase Rate	3%	7,147
0.5% increase in the Pension Increase Rate	7%	16,645

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31 March 2016.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service pension schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations

to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits.

The Council anticipates paying £5,293,000 contributions to the scheme in 2016-17.

The weighted average duration of the defined benefit obligation for scheme members is 18.9 years.

The liabilities show the underlying commitments that the Council has in the long run to pay retirement benefits. The total liability of £76.4 million has a substantial impact on the net worth of the Council as recorded in the balance sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy; the deficit will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.

27. CONTINGENT LIABILITIES

Municipal Mutual Insurance Limited may claim an amount of up to £517,000 in relation to the company's liability for asbestos induced mesothelioma claims arising on the Council's liability account. During 2012-13 the directors of Municipal Mutual Insurance Limited triggered the scheme of arrangement, with an initial levy rate of 15%. A further levy of 10% was raised in 2015-16. The Council has paid both of them. There may be further levies at some time in the future, but there is no indication of when or how much.

A firm of commercial property agents has made an application for 80% mandatory charitable relief from business rates on behalf of two local NHS trusts. The application demands a discount for the 2016-17 financial year and also a rebate covering the previous six years which, if approved would amount to a cost of approximately £6.1 million, of which the Council's share is 40%. In the past NHS trusts have been considered as public sector-funded organisations rather than charities, partly because they have boards of directors rather than trustees and on these grounds the application has been rejected. Over 100 Councils have received similar letters and the Local Government Association has taken legal advice over the issue and believes the Councils have grounds to reject the applications. It may be that a test case through the courts may be required before this issue is fully resolved.

28. FINANCIAL INSTRUMENTS

A financial instrument (asset or liability) is a contract that gives rise to a financial asset of one entity and a financial liability or equity investment of another entity. They are held in the balance sheet date at their carrying value.

For each class of financial assets and financial liabilities, the Council is required to disclose the fair value of that class of assets and liabilities compared with the carrying amount (amortised cost).

Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The fair value of a financial asset is the price that would be received if it were sold.

The fair value of a financial liability is the price that would be paid to transfer it to another participant of equal credit standing.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

Fair values are detailed below, split by their level in the fair value hierarchy:

- level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, for example, bond prices. Listed investments are shown at bid prices. The bid value is based on the market quotation of the relevant stock exchange.
- level 2 – where market prices are not available, for example where an instrument is traded in a market that is not considered to be active or where valuation techniques are used to determine fair value, the fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, for example, interest rates or yields for similar instruments
- level 3 – fair value is determined using unobservable inputs, for example, non-market data such as cash flow forecasts or estimated creditworthiness

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council. It can be represented by a contractual obligation to deliver cash, financial assets or an obligation to exchange financial assets and liabilities with another entity that are potentially unfavourable to the Council.

Financial liabilities held at the balance sheet date consist of long-term loans with the Public Works Loan Board (PWLB), loans from other local authorities, bank overdraft and trade payables for goods and services received.

The financial liabilities disclosed in the balance sheet are analysed across the following categories:

FINANCIAL LIABILITIES	Long-term		Short-term	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Borrowing				
<u>Loans at amortised cost</u>				
- Principal sum borrowed	203,355	198,585	34,730	15,230
- Accrued interest	-	-	234	74
- Internal charities	-	-	27	31
Total Borrowing	203,355	198,585	34,991	15,335
<u>Loans at amortised cost</u>				
- Bank overdraft	-	-	581	51
Total Cash Overdrawn	-	-	581	51
Trade payables (Creditors)	-	-	2,974	3,051
TOTAL FINANCIAL LIABILITIES	203,355	198,585	38,546	18,437

The total short-term borrowing includes £230,000 (£230,000 in 2014-15) representing the short-term portion of long-term borrowing (repayable within 1 year).

The short-term creditors line on the balance sheet include £22.512 million (£17.662 million in 2014-15) short-term creditors that do not meet the definition of a financial liability.

All non-derivative financial liabilities are carried in the balance sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual

Agenda item number: 5
GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

cash flows at 31 March 2016, using the following methods and assumptions:

- loans borrowed by the council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans
- the fair values of other long-term loans have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31 March 2016
- no early repayment or impairment is recognised for any financial instrument
- the fair value of short-term instruments, including trade payables, is assumed to approximate to the carrying amount.

Financial Liabilities	Fair value level	Balance sheet 31 March 2015 £'000	Fair value 31 March 2015 £'000	Balance sheet 31 March 2016 £'000	Fair value 31 March 2016 £'000
<i>Financial liabilities held at amortised cost:</i>					
Long-term loans from PWLB	2	193,585	201,305	193,355	204,825
Other long-term loans	2	5,000	5,000	10,000	9,838
TOTAL		198,585	206,305	203,355	214,663
Liabilities for which fair value is not disclosed		113,525		114,315	
TOTAL FINANCIAL LIABILITIES		312,110		317,670	
<i>Recorded on balance sheet as:</i>					
Long-term borrowing		198,585		203,355	
Other long-term liabilities		95,139		76,350	
Short-term creditors		3,051		2,974	
Short-term borrowing		15,335		34,991	
TOTAL FINANCIAL LIABILITIES		312,110		317,670	

The liabilities for which fair value is not disclosed comprise of short-term financial liabilities that are assumed to be approximate to the carrying amount, including both short-term borrowing and trade payables. Other long-term liabilities relates to the pension scheme liability.

We have judged that it is appropriate to calculate the fair value of PWLB loans by reference to rates from the local authority bonds market as adjusted for interest rate swap rates available from Bloomberg.

The fair value of long-term PWLB loans held at amortised cost is higher than their balance sheet carrying amount because the Council's portfolio of loans includes a number of loans where the interest rate payable is higher than the current rates available for similar loans at the balance sheet date. The reverse is true of other long-terms loans payable.

Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash or other instruments or a contractual right to receive cash or another financial asset.

There are four classifications for financial assets under the Code of Practice

- loans and receivables
- available for sale
- fair value through profit and loss
- unquoted equity investments held at cost because it is impracticable to determine fair value.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16Loans and Receivables (fixed or determinable payments and are not quoted in an active market)

These comprise:

- cash in hand
- bank current and deposit accounts with HSBC Bank PLC
- fixed term deposits with banks and building societies
- loans to other local authorities
- trade receivables for goods and services delivered.

The Council's portfolio of investments, at the balance sheet date, consist of fixed term deposits, call accounts and notice accounts and are measured at amortised cost. This form of measurement does not change the amount of cash received under the terms of the investment.

Available for sale financial assets (those that are quoted in an active market)

These comprise:

- money market funds and other collective investment schemes
- certificates of deposit and covered bonds issued by banks and building societies
- treasury bills and gilts issued by the UK Government
- bonds issued by multilateral development banks and UK companies
- pooled funds

The Council's investments, at the balance sheet date, consisted of money market funds, corporate bonds, covered bonds, certificates of deposit, and pooled funds, including:

- Payden & Rygel Global Limited Sterling Reserve Fund
- CCLA Investment Management Limited Property Fund
- M&G international Investments Limited
- Aberdeen Asset Investments Limited (formerly Scottish Widows Investment Partnership Limited)
- Schroders PLC
- City Financials Limited
- UBS Limited
- Funding Circle Limited.

Balances in money market funds and call accounts at the end of the year are shown under 'cash and cash equivalents' in the balance sheet, as they represent highly liquid investments that are readily convertible to known amounts of cash, with an insignificant risk of a change in value.

The Council did not have any investments required to be measured at 'fair value through profit or loss', or any unquoted equity investments.

The financial assets disclosed in the balance sheet are analysed across the following categories:

FINANCIAL ASSETS	Long-term		Short-term	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Investments				
<u>Loans and Receivables</u>				
- Principal sum at amortised cost	9,500	-	69,670	69,027
- Accrued interest	-	-	311	176
<u>Available-for-sale investments</u>				
- Principal sum	15,512	8,139	37,645	27,670
- Accrued interest	38	11	132	127
- Fair value adjustments	-	-	-	-
Total Investments	25,050	8,150	107,758	97,000
Cash and Cash Equivalents				
<u>Loans and Receivables</u>				
- Cash	-	-	7	5
- Cash equivalents at amortised cost	-	-	3,052	3,033
- Accrued interest	-	-	-	-
<u>Available-for-sale investments</u>				
- Cash equivalents at fair value	-	-	9,741	6,049
- Accrued interest	-	-	4	-
Total Cash and Cash Equivalents	-	-	12,804	9,087
Trade receivables (Debtors)	955	468	5,116	5,738
TOTAL FINANCIAL ASSETS	26,005	8,618	125,678	111,825

The short-term debtors line in the balance sheet includes £2.096 million (£4 million in 2014-15) short-term debtors that do not meet the definition of a financial asset.

Financial assets classified as available for sale are carried in the balance sheet at Fair Value. For most assets, including bonds, treasury bills, and shares in money market funds and other pooled funds, the fair value is taken from the market price (level 2 in the table below). The fair values of other instruments have been estimated using the net present value of the remaining contractual cash flows as at 31 March 2016, using the following methods and assumptions:

- certificates of deposit and forward loan contracts have been discounted at market interest rates for instruments of similar credit quality and remaining term to maturity
- shares in Surrey Save credit union have been valued from the company's balance sheet net assets and adding expected future profits, discounted at a suitable market rate for similar equity investments (level 3 in the table below)

Financial assets classified as loans and receivables are carried in the balance sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2016, using the following methods and assumptions:

- the fair values of other long-term investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31 March 2016
- no early repayment or impairment is recognised for any financial instrument
- the fair value of short-term instruments, including trade receivables, is assumed to approximate to the carrying amount.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

Financial assets	Fair value level	Balance sheet 31 March 2015 £'000	Fair value 31 March 2015 £'000	Balance sheet 31 March 2016 £'000	Fair value 31 March 2016 £'000
<i>Financial assets held at fair value:</i>					
Money market funds	1	6,048	6,048	9,745	9,745
Bond, equity and property funds	1	14,397	14,321	19,167	18,908
Corporate, covered and government bonds	2	11,652	11,663	23,331	23,237
Shares in unlisted companies	3	-	-	50	50
Forward contracts in the Council's favour	2	-	-	-	-
<i>Financial assets held at amortised cost:</i>					
Long-term bank deposits	2	-	-	-	-
Long-term loans to local authorities	2	-	-	9,500	8,985
Long-term loans to companies	3	-	-	-	-
Lease receivables	3	-	-	-	-
TOTAL		32,097	32,032	61,793	60,925
Assets for which fair value is not disclosed		88,295		89,309	
TOTAL FINANCIAL ASSETS		120,392		151,102	
<i>Recorded on balance sheet as:</i>					
Long-term debtors		468		955	
Long-term investments		8,150		25,050	
Short-term debtors		5,738		5,116	
Short-term investments		97,000		107,758	
Cash and Cash Equivalents		9,036		12,223	
TOTAL FINANCIAL ASSETS		120,392		151,102	

The fair value of short-term financial assets including trade receivables (debtors), and short-term investments as loans and receivables, is assumed to approximate to the carrying amount.

The fair value of financial assets held at amortised costs is higher than their balance sheet carrying amount because the interest rate on similar investments is now lower than that obtained when the investment was originally made.

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are set off against each other where the Council has a legally enforceable right to sell off and it intends to either settle on a net basis or to realise the asset and settle the liability simultaneously. The only item offset on the balance sheet is the bank overdraft, which is shown within cash and cash equivalents. The Council had no other financial assets or liabilities subject to an enforceable master netting arrangement or similar agreement.

Gains and Losses

The gains and losses recognised in the CIES in relation to financial instruments consist of the following items:

2014-15					2015-16				
Financial Liabilities (at amortised cost) £000	Financial Assets: Loans and receivables £000	Financial Assets: Available for sale £000	Total £000		Financial Liabilities (at amortised cost) £000	Financial Assets: Loans and receivables £000	Financial Assets: Available for sale £000	Total £000	
5,149	-	-	5,149	Interest expense	5,473	-	-	5,473	
5,149	-	-	5,149	Total expense in Surplus on the Provision of Services	5,473	-	-	5,473	
-	(459)	(710)	(1,169)	Interest income	-	(633)	(1,106)	(1,739)	
-	(459)	(710)	(1,169)	Total income in Surplus on the Provision of Services	-	(633)	(1,106)	(1,739)	
-	-	(716)	(716)	(Gains)/losses on revaluation	-	-	298	298	
-	-	(716)	(716)	(Surplus)/loss arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	-	-	298	298	
5,149	(459)	(1,426)	3,264	Net (gain)/loss for the year	5,473	(633)	(808)	4,032	

Transaction Costs

Measurement at amortised cost permits transaction costs relating to financial instruments to be attached to the loan or investment and charged to the CIES over the life of the instrument. Where these costs are considered to be immaterial, they can be charged in full to the CIES in the financial year in which they are incurred. The Council adopted this latter approach in 2015-16.

29. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Council has adopted CIPFA's Code of Practice on Treasury Management (and subsequent amendments) and complies with the Prudential Code for Capital Finance in Local Authorities (both revised in November 2011).

As part of the adoption of the Treasury Management Code, the council approves a treasury management strategy (TMSS) before the commencement of each financial year. The strategy sets out the parameters for the management of risks associated with financial instruments. The Council also produces treasury management practices specifying the practical arrangements to follow to manage these risks.

The TMSS includes an Annual Investment Strategy in compliance with the CLG Guidance on Local Government Investments. This Guidance emphasises that priority is given to security and liquidity, rather than yield. The council's TMSS, together with its treasury management practices are based on seeking the highest rate of return consistent with the proper levels of security and liquidity.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

The council's activities expose it to a variety of financial risks:

- credit risk – the possibility that other parties might fail to pay amounts due to the council
- liquidity risk – the possibility that the council might not have cash available to contracted payments on time
- market risk – the possibility that an unplanned financial loss might arise as a result of changes in market variables such as interest rates or equity prices.

Credit risk: Investments

The Council manages credit risk by ensuring that investments are placed with organisations of high credit quality and in line with the approved TMSS (the definition of high credit quality is set in the TMSS). These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings, or with a credit rating of below A-, where the Council has received independent investment advice. We have set our high credit quality criteria as A-, however we do have allowance in our TMSS to invest in counterparties below this.

Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swaps and equity prices when selecting commercial entities for investment.

The TMSS also imposes a maximum sum the Council can invest with a financial institution or group other than the UK government. This is £10 million maximum, of which only £6 million may be on unsecured investments. The Council sets limits on investments in certain sectors. A maximum sum for long-term investments (greater than 364 days) is also set.

All investments in 2015-16 were in line with the Council's approved TMSS.

The Council's maximum exposure to credit risk in relation to its investments in banks and building societies cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of non-recovery applies to all of the Council's deposits, but there was no evidence at the balance sheet date that this was likely to materialise.

The credit quality of £15.279 million of the council's investments is enhanced by collateral held. This is entirely in the form of covered bonds collateralised by residential mortgages. This collateral significantly reduces the likelihood of the council suffering a loss on these investments.

The table below summarises the credit risk exposures of the council's investment portfolio by credit rating:

Investment type	Credit rating	Long term		Short term	
		31 Mar 16 £000	31 Mar 15 £000	31 Mar 16 £000	31 Mar 15 £000
Investments	AAA	15,500	7,000	1,617	-
	AA+	9,660	1,107	3,006	2,040
	AA	-	-	2,009	15,500
	AA-	-	-	27,109	20,000
	A+	-	-	5,009	6,000
	A	-	-	35,084	22,000
	A-	-	-	5,791	8,085
	BBB+	-	-	2,322	2,489
Unrated building societies	n/a	-	-	4,013	4,000
Money Market Funds	AAA	-	-	9,745	6,042
Call Accounts	AA-	-	-	3,053	3,034
Investment Funds	n/a	-	-	21,635	16,588
Total Investments		25,160	8,107	120,393	105,778

Trade Receivables

The Council does not generally allow credit for customers. Of the total debt outstanding, £2.8 million relating to services that the Council has invoiced for is past its due date for payment. The past due amount can be analysed by age as follows:

31 March 2015		31 March 2016	
£000		£000	
1,795	Less than six months	856	
201	Six months to one year	128	
810	More than one year	818	
<u>2,806</u>		<u>1,802</u>	

The Council's credit risk on lease receivables is mitigated by its legal ownership of the assets leased, which can be repossessed if the debtor defaults on the lease contract.

Liquidity risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. The Council has access to borrowing facilities via the Public Works Loans Board (PWLB) and other local authorities and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments.

The Council is exposed to the risk that it will need to refinance a significant proportion of its borrowing at the time of unfavourable interest rates. The Council's strategy is to plan carefully when new loans are taken out and making early repayments where financially advantageous. The risk is also managed by maintaining a spread of fixed rate loans ensuring loans mature at different times.

The Council would only borrow in advance of need where there is a clear business case for doing so.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

The maturity analysis of the principal sums borrowed is as follows:

<u>31 March 2015</u> £'000		<u>31 March 2016</u> £'000
	Short Term Borrowing	
15,230	Less than one year	34,730
	Long Term Borrowing	
230	Over 1 but not over 2 years	5,230
5,690	Over 2 but not over 5 years	5,690
65,230	Over 5 but not over 10 years	75,000
45,000	Over 10 but not over 15 years	35,000
25,000	Over 15 but not over 20 years	25,000
57,435	Over 20 but not over 30 years	57,435
<u>213,815</u>	Total Borrowings	<u>238,085</u>

All trade and other payables are due to be paid in less than one year.

Market risk: Interest rate risk

The Council is exposed to risks arising from movements in interest rates on its borrowing and investments. Movement in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense will rise
- borrowings at fixed rates – the fair value of the borrowings will fall
- investments at variable rates – the interest income credited will rise
- investments at fixed rates – the fair value of the investments will fall.

Investments classed as “loans and receivables” and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the CIES.

Changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services. Movements in fair value of fixed rate investments classed as “available for sale” are reflected in Other Comprehensive Income and Expenditure.

The Treasury Management Strategy aims to mitigate these risks by setting upper limits for fixed and variable interest rate exposures.

If interest rates had been 1% higher (all other variables being constant) the financial effect across the whole portfolio would be an increase in interest received of approximately £1.57 million, and an increase in interest payable on loans of approximately £2.5 million.

Market Risks: Price Risk

The market prices of the Council’s fixed bond investments and its units in pooled bond funds are governed by prevailing interest rates and the market risk associated with these instruments is managed alongside interest rate risk.

The Council’s investment in a pooled property fund is subject to the risk of falling commercial property prices. We limit our exposure to pooled property funds to help mitigate this risk. If commercial property prices fall, it would not impact on the General Fund until the investment was sold.

The Council's investment in a pooled equity fund is subject to the risk of falling share prices. If share prices fall, there would be no impact on the General Fund until the investment was sold.

30. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events.

Although there is a degree of uncertainty about future levels of funding for local government the Council has determined that this uncertainty does not indicate that the assets of the Council might be impaired. The factors taken into account in concluding that the Council continues to be a going concern include our level of reserves, level of committed funding, budget and cash for the coming years, and the lack of proposed local government reorganisation.

The value of property, plant and equipment (PPE) on the balance sheet includes the value of certain land and buildings that were not formally revalued during the year under the Council's rolling programme of revaluations. The Council uses critical judgement to determine by how much the value of other land and buildings (OLB) within PPE on the balance sheet would have to be understated or overstated to mislead a user of the accounts and therefore to require these assets to be formally revalued.

Critical judgement has been used in identifying how assets are classified on the balance sheet. In particular, some assets that we hold to earn rental income are also held for economic development and regeneration purposes. However, as they are not used in the direct delivery of services they have been classified as investment property.

Also, some assets that are held for their historical interest are classified as property, plant and equipment rather than heritage assets because they are also used to provide a particular service.

Critical judgement is also used in classifying our leases as either operating or finance leases.

The Council has determined that a materiality level of £1 million is appropriate for inclusion of accounting policies and disclosure notes in the Statement of Accounts.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

31. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Council's Balance Sheet at 31 March 2016 for which there is a risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Business Rates	<p>Since the introduction of the Business Rates Retention Scheme effective from 1 April 2013, local authorities are liable for successful appeals against business rates charged to businesses in 2015-16 and earlier years, in their proportionate share.</p> <p>A provision of £13.7 million, of which the Council's share is £5.5 million, has been recognised for the best estimate of the amount that businesses have been overcharged up to 31 March 2016. The provision has been calculated using the Valuation Office ratings list of appeals and the analysis of successful appeals to date.</p>	<p>If the level of successful appeals varies by 1%, it would increase or decrease the appeals provision by £282,000, which in turn would increase or decrease the deficit on the Collection Fund by £282,000. The Council's share of the increase or decrease would be £112,800, which would increase or decrease the surplus on provision of services in the CIES.</p>
Property, Plant and Equipment (PPE) and Investment property	<p>PPE and investment property are included in the balance sheet at fair value of £668 million and £117 million respectively. Chartered surveyors are engaged to provide expert advice in the assumptions to be applied when carrying out the valuations.</p> <p>Individual items of PPE are depreciated over estimated useful lives that are partly dependent upon assumptions about the level of repairs and maintenance that will take place.</p>	<p>If the valuations were changed by 1%, it would increase or decrease the value of net assets on the balance sheet by £7.7 million.</p> <p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.</p> <p>Depreciation costs do not affect the Council's overall financial</p>

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	<p>If the Council were not able to sustain its level of spending on the repair and maintenance of its assets in the long term the estimated useful life assigned to individual assets would need to be reduced.</p>	<p>position as they form part of the adjustment between accounting basis and funding basis under regulations.</p>
Pensions Liability	<p>Estimation of the net liability to pay pensions of £76 million depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £24.149 million. A one-year increase in member life expectancy would result in an increase in the pension liability of £6.862 million. A 0.5% increase in the salary increase rate would result in an increase in the pension liability of £7.147 million and a 0.5% increase in the Pensions increase rate would result in an increase in the pension liability of £16.645 million.</p> <p>During 2015-16, the Council's actuaries advised that the net pension's liability had decreased by £18.789 million. This is as a result of an increase in the net discount rate over this period, the positive impact of which has outweighed the likely lower than expected asset returns.</p>
Debtors	<p>At 31 March 2016, the Council was owed approximately £12 million. A review of significant balances suggested that an allowance for doubtful debts of £4.3 million was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.</p>	<p>If collection rates were to deteriorate, a doubling of the amount of doubtful debts would require an additional £1.2 million to set aside as an allowance.</p>

32. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET ADOPTED

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2016-17 Code:

IAS 1 Presentation of Financial Statements. This standard provides guidance on the form of the financial statements. The 'Telling the Story' review of the presentation of the Local Authority financial statements as well as the December 2014 changes to IAS 1 under the International Accounting Standards Board (IASB) Disclosure Initiative will result in changes to the format of the accounts in 2016-17. The format of the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement will change and introduce a new Expenditure and Funding Analysis.

Other minor changes due to Annual Improvement to IFRSs cycles, IFRS11 Joint arrangements, IAS 16 Property Plant, Equipment and IAS 38 Intangible Assets and IAS 19 Employee Benefits are minor and are not expected to have a material effect on the Council's Statement of Accounts.

The Code requires implementation from 1 April 2016 and there is therefore no impact on the 2015-16 Statement of Accounts.

ACCOUNTING POLICIES

1. General Principles

The Statement of Accounts summarises the Council's transactions for the 2015-16 financial year and its position at the year-end of 31 March 2016. The Accounts and Audit (England) Regulations 2011 require the Council to prepare its annual Statement of Accounts in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2015-16 and the Service Reporting Code of Practice 2015-16, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

2. Accruals of Income and Expenditure (debtors and creditors)

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council
- revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council
- revenue from rents on HRA properties, and GF operational and investment property, is recognised as it becomes due under the rental agreement with the tenant
- supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet
- expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made
- interest payable on borrowings and receivable on investments is accounted for respectively as expenditure and income to the CIES on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract
- where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

3. Accounting practice for Council Tax and Business Rates

Revenue relating to council tax and business rates is measured at the full amount receivable (net of any impairment losses) as they are non-contractual, non-exchange transactions. Revenue is recognised when it is probable that the economic benefits of the transaction will flow to the Council and the amount of revenue can be measured reliably.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

The council tax and business rate income included in the CIES is the accrued income for the year, which consists of :

- The Council's council tax precept and business rate share from the Collection Fund i.e. the amount billed for the year; and
- The Council's share of the actual council tax and business rate surplus or deficit on the Collection Fund at the end of the current year, adjusted for the Council's share of the surplus or deficit on the fund at the preceding year end that has not been distributed or recovered in the current year.

The latter is not required by regulation to be credited to the General Fund and so is taken to the Collection Fund Adjustment Account and included as a reconciling item in the MIRS on the General Fund balance.

The Council as billing authority recognises a creditor in its balance sheet for cash collected from taxpayers and businesses on behalf of major preceptors but not yet paid to them, or a debtor for cash paid to major preceptors in advance of receiving the cash from council tax payers and business rate payers.

4. Cash and Cash Equivalents

Cash represents cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours; for example call accounts. Cash equivalents are highly liquid investments that are convertible to known amounts of cash within 24 hours and with insignificant risk of change in value, and include money market funds.

The Cash Flow Statement shows cash and cash equivalents net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

5. Material Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement (CIES) or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

6. Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are charged with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible assets attributable to the service.

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated by the Council on a prudent basis and determined in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance (Minimum Revenue Provision) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

7. Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (for example cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. They are charged on an accruals basis to the appropriate service in the CIES at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-employment Benefits

Most of the Council's employees are members of the Local Government Pension Scheme administered by Surrey County Council. The scheme provides defined benefits earned as Council employees (retirement lump sums and pensions) to members and is accounted for as a defined benefits scheme where:

- the liabilities of the pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – that is an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees
- liabilities are discounted to their value at current prices, using a discount rate of 3.5% (based on the indicative rate of return on high quality corporate bond over a range of periods)
- the assets of the pension fund attributable to the Council are included in the Balance Sheet at their fair value using the following bases:
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unitised securities – current bid price
 - property – market value

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

The change in the net pensions liability is analysed into the following components:

- Service cost comprising:
 - current service cost - the increase in liabilities as result of years of service earned this year – allocated in the CIES to the services for which the employees worked
 - past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non Distributed Costs
 - net interest on the net defined benefit liability, i.e. net interest expense for the Council – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line in the CIES – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments
- Re-measurements comprising:
 - the return on plan assets (excluding amounts included in the net interest on the net defined benefit liability) – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return – credited to Other Comprehensive Income and Expenditure
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- Contributions paid to the Surrey County Council Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise because of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

8. Events after the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

9. Financial Instruments

A Financial Instrument (assets or liabilities) is a contract that gives rise to a financial asset of one entity and a financial liability of another entity.

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council. It can be a contractual obligation to deliver cash or financial assets to another entity and are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions.

They are initially measured at fair value and are carried at their amortised cost.

Annual charges to the Financing and Investment Income and Expenditure line in the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For the Council's loans, the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash or other instruments or a contractual right to receive cash or another financial asset.

The Council uses two types of financial asset:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market
- available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments.

The valuation applied to fixed term cash deposits is their carrying value, as these assets cannot be sold and hence there is no market valuation.

Loans and Receivables

Loans and receivables are recognised on the Balance Sheet when the Council enters a contractual provision of a financial instrument. They are initially measured at fair value, and subsequently measured at their amortised cost.

Annual credits to the Financing and Investment Income and Expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

The Council's investments are presented in the Balance Sheet as the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the investment agreement.

Where assets are identified as impaired because of a likelihood that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the de-recognition of an asset are taken to the Financing and Investment Income and Expenditure line in the CIES.

Available-for-Sale Assets

Available-for-sale assets are recognised on the Balance Sheet when the Council enters a contractual provision of a financial instrument and are initially measured and carried at fair value.

Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the CIES for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (for example dividends) is credited to the CIES when it becomes receivable by the Council.

Assets are shown on the Balance Sheet at fair value. Values are based on the following principles:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis
- equity shares with no quoted market prices – independent appraisal of company valuations.

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain or loss is recognised in the Surplus or Deficit on revaluation of Available-for-Sale Financial Assets. The exception is where we have incurred impairment losses – these are charged to the Financing and Investment Income and Expenditure line in the CIES, along with any net gain or loss accumulated in the Available-for-Sale Reserve.

Where assets are identified as impaired because of a likelihood that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment line of the CIES.

If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Any gains and losses that arise on the de-recognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES, along with any accumulated gains or losses previously recognised in the Available-for-Sale Reserve.

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

10. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when it is reasonable to conclude that:

- the Council will comply with the conditions attached to the payments, and
- the grants or contributions will be received

Amounts recognised as due to the Council are not credited to the CIES until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, attributable revenue grants and contributions are credited to the relevant service line and non-ring-fenced revenue grants and all capital grants are credited to Taxation and Non-Specific Grant Income in the CIES.

Where capital grants or contributions are credited to the CIES, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where a contribution has yet to be used to finance capital expenditure, it is posted to the Capital Contributions Unapplied reserve. Where a grant or contribution has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Contributions Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Where it is uncertain whether a grant or contribution will be used for capital or revenue purposes, the grant will be credited to an earmarked reserve.

11. Heritage Assets

The Council holds various heritage assets, which are held and maintained principally for their contribution to knowledge and culture. Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets. The Council's heritage assets are accounted for as follows:

- Monuments, including Guildford Castle and Chilworth Gunpowder Mills

These assets are ruins for which it is not possible to obtain a current valuation. They are held on the balance sheet at historical cost, i.e. the cost of capitalised works carried out to preserve the buildings, and are not subject to depreciation as they have indefinite lives.

- the art collection held at Guildford House Gallery, and civic regalia held at the Guildhall

Insurance values have been used as a proxy for fair value. The assets are not depreciated because they have indeterminable lives.

- various sculptures and pieces of artwork around the Borough

These assets are held on the balance sheet at historical cost and are not subject to depreciation as they have indeterminable lives.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

- the museum collection held at Guildford Museum

The Council does not consider that reliable cost or valuation information can be obtained for the museum collection because of the diverse nature of the assets held and lack of comparable market values. Consequently, the Council does not recognise these assets on the balance sheet.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, for example when an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment – see note 16 in this summary of significant accounting policies.

12. Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

The value of an investment property is initially measured at cost. Thereafter, it is measured at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Investment properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the CIES as are any gains or losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. Accordingly, any gains or losses are reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account (revaluations and value of assets disposed of) and the Capital Receipts Reserve (proceeds of disposals greater than £10,000).

13. Jointly Controlled Operations and Jointly Controlled Assets

Jointly controlled operations are activities undertaken by the Council in conjunction with other venturers that involve the use of the assets and resources of the venturers rather than the establishment of a separate entity. The Council recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the CIES with the expenditure it incurs and the share of income it earns from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Council and other venturers, with the assets used to obtain benefits for the venturers. The joint venture does not involve the establishment of a separate entity. The Council accounts for its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

14. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee

Finance Leases

Property, Plant and Equipment (PPE) held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception. There are no further liabilities on any of the leased assets because premia were paid at the inception of the leases.

PPE recognised under a finance lease is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual provision is made from revenue towards the deemed capital investment in accordance with statutory requirements. Depreciation and impairment losses are therefore replaced by revenue provision in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the CIES as an expense to the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease; even if this does not match the pattern of payments (for example there is a rent-free period at the commencement of the lease).

The Council as Lessor

Finance Leases

Where the Council grants a finance lease for an item of PPE, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether PPE or Assets Held for Sale) is written off to the CIES, and any premium received is credited to the CIES, as part of the gain or loss on disposal.

The accounting treatment is the same as for PPE disposals described in policy 16: Property, Plant and Equipment: Disposals and Non-current Assets Held for Sale.

Operating Leases

Where the Council grants an operating lease for an item of PPE or an investment property, the asset is retained in the Balance Sheet. Rental income is credited to the CIES on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (for example, there is a premium paid at the commencement of the lease).

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16**15. Overheads and Support Services**

The costs of overheads and support services are allocated in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2015-16 (SeRCOP). The total absorption costing principle is used where the full cost of overheads and support services are allocated, with the exception of:

- Corporate and Democratic Core – costs relating to the Council's status as a multi-functional, democratic organisation
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and any depreciation and impairment losses chargeable on non-operational properties.

These two cost categories are defined in SeRCOP and accounted for as separate headings in the CIES, as part of Net Expenditure on Continuing Services.

16. Property, Plant and Equipment (PPE)

Assets that have physical substance and are held for use in the production or supply of goods or services or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment (PPE).

Recognition

Expenditure (including any amounts owed to third parties) on the acquisition, creation or enhancement of PPE is capitalised if it is probable that the item of PPE will generate future economic benefits and/or service potential and the cost of the item can be measured reliably. Expenditure that does not enhance an asset such as repairs and maintenance expenditure is not capitalised and is charged to the CIES as an expense when it is incurred.

Measurement

PPE assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of any future decommissioning costs that will be necessary such as dismantling an item or restoring a site upon which the asset it is located.

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure, community assets and assets under construction - historical cost (depreciated as appropriate)
- dwellings - current value, determined using the basis of existing use value for social housing
- surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use.

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a

minimum every five years. Increases in valuations are credited to the Revaluation Reserve unless there has been a previous reduction in valuation that has been charged to the CIES in which case it is credited to the CIES.

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains and losses that arose prior to 1 April 2007 have been transferred to the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell, and is no longer subject to depreciation. Gains in fair value are recognised only up to the amount of any previously recognised losses. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of:

- their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale, and
- their recoverable amount at the date of the decision not to sell.

When an asset is disposed of (or decommissioned), the carrying amount of the asset in the Balance Sheet (whether PPE or Assets Held for Sale) is written off to the Comprehensive Income

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the CIES also as part of the gain or loss on disposal (that is netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Disposal proceeds in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals, net of statutory deductions and allowances, is payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Depreciation

Depreciation is provided for on PPE assets that are available for use by the systematic allocation of their depreciable amounts over their useful lives. However, assets that do not have a determinable finite useful life such as freehold land are not depreciated. In addition, assets that are in the course of construction and therefore not yet available for use are also not depreciated.

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property, as estimated by the valuer
- vehicles, plant and equipment – straight-line allocation over the useful life of the asset, as advised by a suitably qualified officer
- infrastructure – straight-line allocation over 10 years.

Where an item of PPE has major components where the cost is significant in relation to the total cost of the item, and where it is necessary to ensure materially correct depreciation charges, the components are depreciated separately. The Council's policy is to consider for componentisation all assets (excluding land) with a value greater than £1 million and where the component(s) comprise more than 20 % of the value of the asset.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

17. Provisions, Contingent Liabilities and Contingent Assets**Provisions**

Provisions are created when the Council has an obligation such as a legal claim against it that has arisen from a past event and it is probable that the Council will need to settle that obligation. In addition, it is necessary that the obligation can be reliably estimated.

Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Council becomes aware of the obligation. They are estimated at the balance sheet date, taking into account relevant risks and uncertainties. When payments are made to clear the obligation, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year and where necessary revised. If there is a need to

increase the provision, the additional amount is charged to the relevant service in the CIES. If, however, the obligation is estimated or ultimately proves to be less than the value of the provision, the excess amount is credited to the relevant service in the CIES.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (for example from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed as a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed as a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

18. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year in the CIES. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

19. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the CIES in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

20. VAT

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue & Customs and all VAT paid is recoverable from it.

21. Fair Value Measurement

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The council uses valuation techniques that are appropriate to the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability.

HOUSING REVENUE ACCOUNT (HRA) INCOME AND EXPENDITURE STATEMENT

2014-15	NOTE	2015-16
£000		£000
Income		
	1	
29,711		30,142
844		856
1,361		1,295
359		300
32,275		32,593
Expenditure		
4,366		4,753
5,006		5,140
150		150
5,952	8	6,438
105		85
13		9
15,592		16,575
(16,683)		(16,018)
Net Income of HRA Services per Comprehensive Income & Expenditure Statement		
(22,462)	9	(1,165)
233		242
(38,912)		(16,941)
Net Income of HRA Services		
(3,798)		(1,928)
(179)		(333)
5,077		5,173
(600)		(808)
(38,412)		(14,837)
(Surplus) for year on HRA services		

The HRA income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. The Council charges rent to cover expenditure in accordance with the legislative framework; this is different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the HRA Statement.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

MOVEMENT ON THE HOUSING REVENUE ACCOUNT STATEMENT

2014-15		2015-16
<u>£000</u>		<u>£000</u>
2,500	Balance on the HRA at the end of the previous year	2,500
38,412	Surplus for the year on the HRA Income and Expenditure Account	14,837
(30,552)	Adjustments between accounting basis and funding basis under statute (see note 22 to the Accounts)	(3,901)
	Net increase before transfers to reserves	<u>10,936</u>
(7,860)	Transfers to reserves (see note 13 to the Accounts)	(10,936)
-	Increase in year on the HRA	<u>-</u>
<u>2,500</u>	Balance on the HRA at the end of the current year	<u>2,500</u>

NOTES TO THE HOUSING REVENUE ACCOUNT

1. Gross Rent Income

This is the total rent income due for the year after allowance is made for voids etc. During the year, voids amounted to £602,374 or 2.01% of gross rent income from dwellings (£533,044 or 1.81 per cent for 2014-15). Average rents were £112.51 per week in 2015-16, an increase of £3.04 over the previous year.

2. Rent Arrears

At 31 March 2016, rent arrears were £1,189,776 (including £419,520 former tenant arrears) or 3.98% of gross rent income. The comparable figures for 2014-15 were £944,060 (including £335,216 former tenant arrears) or 3.2% of gross rent income.

The provision for bad debts at 31 March 2016 was £693,114. The comparable figure for 2014-15 was £570,165.

Amounts written off in the year amounted to £27,051 (£53,439 in 2014-15).

3. Housing Stock

The Council was responsible for managing on average 5,222 dwellings in 2015-16, analysed below:

2014-15 Average	2015-16
2,612 Houses	2,623
2,285 Flats	2,281
316 Bungalows	318
5,213	5,222

2014-15	2015-16
5,229 Stock at 1 April	5,199
(26) Less Sales	(23)
(4) Other Adjustments	69
5,199 Stock at 31 March	5,245

4. Stock Valuation – Balance Sheet Basis

The basis for the balance sheet valuation of the Council's housing stock is Existing Use Value – Social Housing (EUV – SH) as defined by the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual. The EUV – SH is broadly based on the vacant possession value of the properties, adjusted to reflect the occupation by a secure tenant. The valuation was carried out by Wilks Head & Eve LLP, Chartered Surveyors. The date of the valuation was January 2016.

The balance sheet value increases where new dwellings and properties are built or acquired and when capital works that improve or significantly enhance the value of the assets are carried out. The balance sheet value reduces when assets are sold and are written out of the accounts. Depreciation is charged on assets and this also reduced the balance sheet valuation.

Valuations for HRA assets are:

31 March 2015	31 March 2016
£000	£000
434,441 Dwellings (valued at EUV - SH)	473,733
3,769 Other Operational Land and Buildings	3,352
6 Vehicles, plant, furniture and equipment	5
83 Infrastructure	76
148 Community Assets (historic cost)	148
6,813 Assets under construction	43
445,260 Total HRA Assets	477,357

Other operational land and buildings are valued at open market value in existing use.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16**5. Stock Valuation – Vacant Possession Value**

Valuation of dwelling stock at Vacant Possession Value within the HRA at January 2016 was £1,307 million. The vacant possession value and the balance sheet value of dwellings within the HRA show the economic cost to Government of providing council housing at less than open market rent.

6. Major Repairs Reserve (MRR)

The MRR is a reserve established by the Government as part of the resources accounting system in the HRA. Movements in the MRR during the year were:

2014-15		2015-16
£000		£000
<u>1,607</u>	Opening Balance at 1 April	<u>2,070</u>
5,952	Depreciation transferred from the HRA	6,438
(5,489)	Capital Expenditure on HRA assets financed from the Major Repairs Reserve	(4,972)
<u>2,070</u>	Closing Balance at 31 March	<u>3,536</u>

7. Capital Expenditure and Financing

The table below shows the total amount of capital expenditure incurred in the year together with the resources that have been used to finance it. Where capital expenditure has not been financed in the year, it results in an increase in the Capital Financing Requirement.

2014-15		2015-16
£'000		£'000
<u>196,664</u>	<i>Opening Capital Financing Requirement</i>	<u>196,664</u>
	<i>Capital Investment</i>	
5,916	Council dwellings	5,258
5,730	Assets under construction	2,351
19	Intangible assets	26
	<i>Sources of finance</i>	
(600)	Specific Capital Grants	(808)
(2,263)	Capital Receipts	(1,855)
(5,489)	Major Repairs Reserve	(4,972)
(3,313)	New Build Reserve	-
(210)	Voluntary revenue provision	-
	<i>Appropriations</i>	
210	Land	-
<u>196,664</u>	Closing Capital Financing Requirement	<u>196,664</u>

Total capital receipts from disposals of land, houses and other property within the HRA during the financial year amounted to £4.348 million.

8. Depreciation

The charges for depreciation for the houses and other property within the HRA for the year are as follows:

2014-15	2015-16
£000	£000
5,872 Dwellings	6,376
72 Other Operational Land and Buildings	54
1 Vehicles, plant, furniture and equipment	1
7 Infrastructure	7
5,952 Total HRA Assets	6,438

The depreciation amount has been calculated by the straight-line method and has not been charged on investment properties or on non-operational housing assets.

9. Revaluation gain

The value of council dwellings increased by £34 million in 2015-16, due to rising house prices. Most of this increase was recognised in the Revaluation Reserve, but £1 million has been credited to the HRA to reverse the remaining revaluation loss recognised in 2010-11 when the vacant possession adjustment factor used in the valuation of council dwellings was reduced from 45% to 32% in accordance with guidance published by the Government in January 2011. Most of this loss was reversed in 2014-15, when £22 million of that year's revaluation gain of £67 million was credited to the HRA.

10. Contributions to/from the Pensions Reserve

The HRA share of the contributions to the Pensions reserve is as follows:

2014-15	2015-16
£000	£000
Reversal of items relating to retirement benefits 435 debited to the HRA	600
Employer's pensions contributions and direct (615) payments to pensioners payable in the year	(631)
(180) Contribution to the Pensions Reserve	(31)

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16**COLLECTION FUND**

2014-15		2014-15		2015-16		2015-16	
£000		£000		£000		£000	
Council Tax	Business Rates			Council Tax	Business Rates		
Income							
	81,246	Income from Business Ratepayers - Note 2				82,685	
87,222		Council Taxes		89,790			
		Distribution of prior year estimated deficit:					
	271	Central Government					
	54	Surrey County Council					
	217	Guildford Borough Council					
87,222	81,788	Total Income		89,790		82,685	
Expenditure							
Precepts							
63,604		Surrey County Council		66,870			
11,259		Surrey Police and Crime Commissioner		11,836			
9,216		Guildford Borough Council		9,730			
Payment of Business Rates shares:							
	38,722	Central Government				40,084	
	7,744	Surrey County Council				8,017	
	30,977	Guildford Borough Council				32,067	
	636	Transitional Protection payments				(17)	
	238	Charge to General Fund for collecting NDR				235	
500		Provision for council tax bad debts		500			
	149	Provision for business rates bad debts				150	
	5,569	Provision for business rates appeals				6,320	
Distribution of prior year estimated surplus:							
		Central Government				959	
1,027		Surrey County Council		1,773		192	
182		Surrey Police and Crime Commissioner		314			
148		Guildford Borough Council		257		767	
85,936	84,035	Total Expenditure		91,280		88,774	
Collection Fund Balance							
1,281	(1,859)	Balance at the beginning of the year		2,567		(4,106)	
1,286	(2,247)	Surplus/(deficit) for the year		(1,490)		(6,089)	
2,567	(4,106)	Balance at the end of the year		1,077		(10,195)	

NOTES TO THE COLLECTION FUND**1. General**

These accounts represent the transactions of the Collection Fund, which is a statutory fund separate from the main accounts of the Council. The accounts are prepared on an accruals basis, and they are consolidated with the other accounts of the Council on an agency basis.

The overall balance on Fund as at 31 March 2016 was a deficit of £9.118 million, made up of a Council Tax surplus of £1.077 million and a deficit in relation to business rates of £10.195 million.

The year-end Collection Fund surplus in relation to council tax is distributed between billing (the Council) and precepting (Surrey County Council and Surrey Police and Crime Commissioner) authorities on the basis of estimates of the year-end balance made on 15 January.

The year-end Collection Fund deficit in relation to business rates is distributed between billing and precepting (central government and Surrey County Council) authorities on the basis of year-end estimates made on 31 January.

2. Income from Business Rates

The Council collects non-domestic rates for its area. These rates are based on local rateable values (£197,075,174 as at 31 March 2016) multiplied by a uniform rate (49.3p standard and 48.0p small business rate in 2015-16). Local authorities retain a proportion of the total collectable rates due. For Guildford this share is 40%. The remainder is distributed to central government (50%) and Surrey County Council (10%).

3. Income from Council Tax

The Council's tax base, that is the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts apply) converted to an equivalent number of band D dwellings, was calculated as follows:

Band	Estimated number of taxable properties after effect of discounts	Ratio	Band D equivalent dwellings
Dis A	2.25	5/9	1.25
A	615.95	6/9	410.63
B	1,781.40	7/9	1,385.53
C	8,004.30	8/9	7,114.93
D	12,675.50	9/9	12,675.50
E	8,653.15	11/9	10,576.07
F	5,944.70	13/9	8,586.79
G	6,823.35	15/9	11,372.25
H	1,550.25	18/9	3,100.50
	46,050.85		55,223.46

Plus adjustment for MoD properties and collection rates offset by anticipated changes during the year for successful appeals against valuation banding, new properties, demolitions, disabled person's relief, exempt properties and the Local Council Tax Scheme

(397.70)

54,825.76

4. Collection Fund Provisions

The movement of the council tax bad debt provision during the year was as follows:

2014-15 £'000	2015-16 £'000
232 Balance at 1 April	805
500 Transfer from revenue	500
73 (Write offs)/write backs	(569)
805 Balance at 31 March	736

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

The movement on the business rates bad debt provision was as follows:

2014-15		2015-16
£'000		£'000
717	Balance at 1 April	866
149	Transfer from revenue	150
-	Write offs	(292)
866	Balance at 31 March	724

The movement on the business rates appeals provision was as follows:

2014-15		2015-16
£'000		£'000
3,900	Balance at 1 April	8,228
5,569	Transfer from revenue	6,320
(1,241)	RV list amendments	(842)
8,228	Balance at 31 March	13,706

Chairman of the Corporate Governance and Standards Committee approving the accounts

23 September 2016

GLOSSARY

Accrual – the recording of income and expenditure when it becomes due rather than when the cash is paid or received.

Accruals basis – accounting for income or expenditure when it becomes due rather than when the cash is paid out or received.

Appropriations – amounts transferred to or from revenue or capital reserves.

Balance Sheet – a statement which shows the value of the Council's assets and liabilities on a specific day. The final accounts show the value of the assets and liabilities as at 31 March.

Business Rates Retention Scheme – introduced by the Government in April 2013, the scheme means that each council retains some of the business rates generated in its area. The Government still controls the rateable value of the properties and the rate in the pound to be paid.

Capital commitment – a commitment to make a capital payment under a contract.

Capital expenditure – expenditure to purchase or construct a fixed asset, or expenditure adding to the value of an existing fixed asset. Expenditure that does not enhance an asset, such as repairs and maintenance expenditure, is not capital expenditure.

Capital Financing Requirement (CFR) - the monies required to finance capital expenditure.

Capital Receipt – relates to the money from the sale of a fixed asset. Capital receipts can only be used to pay for new capital expenditure or to repay outstanding loans. Capital receipts cannot be used to finance revenue expenditure.

Cash Equivalents – these are short term, highly liquid investments that are readily convertible into cash. They are subject to an insignificant risk of a change in value.

Cash Flow Statement – this shows the movement in cash and cash equivalents in the year.

Chartered Institute of Public Finance and Accountancy (CIPFA) – this is the professional organisation for accountants working in the public sector.

Code (The) – the Code of Practice on Local Authority Accounting in the United Kingdom. This is the code produced by CIPFA/LASAAC that sets out how Councils should show transactions in their accounts and the format of the accounts.

Collection Fund Revenue Account – this shows the transactions relating to national non-domestic rates (NNDR) and council tax. This fund shows on whose behalf Guildford Borough Council collects the amounts due and how these monies are distributed.

Comprehensive Income and Expenditure Statement (CIES) – this shows all the income and expenditure in the year.

Contingency – an amount of money set aside for unforeseen items of expenditure.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

Depreciation – a reduction in the balance sheet value of a fixed asset due to either wearing out, consumption, or other reduction in its useful economic life, whether arising from use, passage of time or obsolescence, through technological or other changes.

Earmarked Reserve – money set aside for future use on a specific area of expenditure.

Financial Asset – a right to future economic benefits controlled by the Council.

Financial Liability – an obligation to transfer economic benefits controlled by the Council.

Financial Instrument – a contract that gives rise to a financial asset of one entity and a financial liability or equity investment of another entity.

Financial Year – the year that the accounts relate to. The financial year starts on 1 April and ends on 31 March the following year.

General Fund (GF) – the Council's main revenue fund credited with charges, grants etc. and to which the costs of services are charged. However, separate accounts are maintained for other aspects of Council activities, particularly the Collection Fund.

Heritage Assets – assets which are held and maintained principally for their contribution to knowledge and culture. These include monuments such as Guildford Castle, civic regalia at the Guildhall, the art collection at Guildford House Gallery, sculptures and artwork around the Borough and the museum collection at Guildford Museum.

Housing Revenue Account (HRA) – an account used to record the income and expenditure related to council housing. The Housing Revenue Account is ring-fenced from the rest of the General Fund. This is to ensure that the expenditure on managing tenancies and maintaining council houses is funded by rents charged to council tenants.

Housing Revenue Account Income and Expenditure Statement – this shows the income and expenditure relating to the provision of council housing.

Impairment – a reduction in the balance sheet value of a fixed asset.

International Accounting Standard (IAS) – these are the international accounting standards which state how balances, transactions and other events must be calculated and shown in the accounts.

International Financial Reporting Standards (IFRS) - these are the international financial reporting standards which state how balances, transactions and other events must be calculated and shown in the accounts.

Internal Borrowing – Internal borrowing occurs when rather than raising external borrowing to pay for capital expenditure, the Council uses cash, which would otherwise be externally invested.

Investment – a long-term investment is an investment held for use on a continuing basis in the activities of the Council for 365 days or more. A short-term investment relates to the investment of surplus funds for 364 days or fewer.

Investment Property – a property that is used to earn rental income.

LASAAC – Local Authority (Scotland) Accounts Advisory Committee.

Lease – a lease is a contract for the hire of a specified asset. The lessor owns the asset but transfers the right to use the asset to the lessee for an agreed period in return for the payment of specified rentals. A **finance lease** transfers all the risks and rewards of ownership, such as the cost of repairs and maintenance, to the lessee. All other leases are classified as **operating leases**.

Lessee – an organisation to whom a lease is granted.

Lessor – the owner of an asset who leases it to a third party

Local Council Tax Support Scheme (LCTSS) - introduced by the Government in April 2013. Under the LCTSS, council tax payers who previously received a benefit payment, now receive a discounted council tax bill instead.

Long term – a term of 365 days or more.

Minimum Revenue Provision (MRP) – the minimum amount which must be charged each year to the Council's General Fund revenue account and set aside as provision for credit liabilities. There is no MRP requirement for the Housing Revenue Account (HRA).

Movement In Reserves Statement (MIRS) – this shows the movement in the year on the different reserves held by the Council.

Out-turn – actual income and expenditure.

PPE – Property, Plant and Equipment i.e. tangible assets that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and expected to be used for at least part of the succeeding financial year.

Precept – a charge levied by a council. Precepts are levied by Guildford Borough Council, Surrey County Council, Parish Councils and the Surrey Police and Crime Commissioner.

Provision – an amount, set aside in the accounts, for likely liabilities incurred but where the amounts or dates on which they will arise are uncertain.

Prudential Code – a code produced by CIPFA that Councils are required to follow when deciding upon their programme for capital expenditure.

Revenue expenditure – the day-to-day costs incurred by the Council. This is distinct from capital expenditure.

Right to Buy – the right of council tenants to buy their council houses at a discount.

S106 income – money received from planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended).

Short term – a term of 364 days or fewer.

Straight line basis – depreciation that is charged on a straight line basis is charged in equal amounts for each year of the useful economic life of the fixed asset.

Trade payables – amounts owed to third parties when goods or services have been received but not yet paid for

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

Trade receivables – amounts due from third parties where goods or services have been supplied

Unapplied capital receipts – capital receipts which have not been used.

Usable reserves – those that the Council can use to finance expenditure or reduce local taxation.

Unusable reserves – these cannot be used to finance expenditure or reduce local taxation. These include reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts only become available if the assets are sold; and reserves that hold timing differences.

Vacant Possession Adjustment Factor - a vacant possession adjustment factor of 32% means that the Council values its council houses at 32% of their open market value in the Balance Sheet. The percentages used are set by central government. The vacant possession adjustment factor is used to reflect that a council owned property has a lower open market value when it is occupied by a tenant.

ANNUAL GOVERNANCE STATEMENT 2015-16

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 approved and adopted, alongside the Council's Constitution, a local code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE framework Delivering Good Governance in Local Government, including compliance with the CIPFA Statement on the role of the Chief Financial Officer in Local Government (2010) . A copy of the code is on the website at www.guildford.gov.uk or can be obtained from Corporate Services, Millmead House, Millmead, Guildford, Surrey, GU2 4BB (tel. 01483 444854).
- 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 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 2016 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.

Strategic Framework and Performance Management

- 3.2 The Governance arrangements start with the Strategic Framework, which sets out the Vision and Mission and establishes the Council's key priorities. In October 2015, the Council approved a Corporate Plan for the period 2015-2020, which can be found on the Council's website <http://www.guildford.gov.uk/corporateplan>. The

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

Corporate Plan is an essential part of our strategic framework and sets out the vision for the borough for the next five years.

- 3.3 The Corporate Plan has five themes, which have informed the more detailed service plans. The five themes provide a focus for Council activities and there is a clear link between service delivery and the Council's corporate objectives. We monitor progress against the objectives through regular performance monitoring reports to the Corporate Management Team. The five themes are:
- Our Borough
 - Our Economy
 - Our Infrastructure
 - Our Environment
 - Our Society
- 3.4 In February 2015 the Council implemented a new programme and project management system. All projects, whether in the corporate plan or service level projects, are now captured within the system which allows risks and performance to be captured at an individual project level and reported either by project or at summary level.
- 3.5 We have embedded risk management within the organisation. It is an integral part of project management on each project. The format of the risk register conforms to the latest guidance from ALARM, the public sector risk management association.
- 3.6 We record risks at all levels from the basic, but essential, health and safety risks such as slips, trips and falls to high level-risks such as the impact of the financial situation and climate change. We publish a financial risk register to risk assess the Council's budget as part of our annual budget book and medium term financial plan. The financial risk register informs the level of general fund unallocated reserves that the Council holds.
- 3.7 Risk Management is an integral part of project management and we use risk management effectively in all of our significant projects. However, we do not currently apply risk management consistently in all of our smaller projects. This will be the subject of a review in the first part of 2016-17.
- 3.9 We recognised this was an issue and we have reviewed our project management framework. We had already identified a framework that tailors the project management process to the scale of the project but we needed a formal programme management framework to monitor the wide range of projects and activities which are needed to deliver the targets in the Corporate Plan. This was introduced in April 2015 and training has been rolled out to all project management staff during 2015-16.
- 3.10 The Council has always scored well under the External Auditor's annual assessment of Value for Money. In 2015-16, we continued with our Lean Management Programme and Fundamental Service Reviews (FSRs) to improve services and reduce costs. Over the coming years every service will be subject to a FSR and its associated scrutiny and improvement. The FSR reviews will actively look at alternative methods of service delivery through the Lean programme, shared services and partnerships with the public, voluntary or commercial sectors.
- 3.11 We have already started to transfer some administrative tasks into the Customer Service Centre as the first point of contact and resolution. This has released resources in the front line services to concentrate on technical and professional activities.

- 3.12 Our achievements against the 2013-2016 Corporate Plan are stated on page 11 of the 2015-2020 Corporate Plan, overall the Council completed or is on track to complete 89% of the targets its set out to achieve in the Corporate Plan between 2013 and 2016. In addition, the Council has maintained its strong financial performance, including its Aa1 credit rating with Moody's. Our performance over the period 2013 to 2016 demonstrates the Council's sound governance arrangements.

The Constitution

- 3.13 The Council has a comprehensive Constitution that covers, amongst other things, the roles and responsibilities of Councillors and officers. We constantly review the Constitution with amendments agreed and issued throughout the year to ensure that it remains relevant to the objectives contained in the Strategic Framework.
- 3.14 We completed a major review of the Constitution in 2014-15. In November 2015, the Corporate Governance and Standards Committee approved changes to the disciplinary procedures for senior officers (following a change in legislation) and other minor amendments to the Constitution. The Executive approved a new corporate procurement strategy in April 2015 and approved the establishment of a Corporate Procurement Advisory Panel to enhance the governance arrangements and consistency of procurement processes across the Council. We have also undertaken a series of training sessions on procurement for service managers. The procurement panel has met several times during 2015-16.
- 3.15 In November 2014, following a motion to Council, the Joint Scrutiny Committee set up an overview and scrutiny task and finish group which reviewed the Council's governance arrangements. Council approved the findings from the review in July 2015 and re-established a task and finish group to establish the detailed changes required. The task and finish group's proposals were adopted by Council in October 2015 and the Council implemented the new governance arrangements in January 2016. The key changes were that, from January 2016 the Council:
- operates with an Executive which receives advice from two politically balanced Executive Advisory Boards (EABs)
 - dissolved the existing scrutiny committees and replaced them with one overview and scrutiny committee. Whilst this Committee has the powers and role prescribed for it by the Local Government Act 2000 (as amended), it will focus on post-decision review of Executive decisions and wider external scrutiny
 - recognised the importance of the Corporate Governance and Standards Committee and expanded its role to include treasury management and budget monitoring
 - improves communication with ward Councillors
 - improves public awareness of the decision-making processes at the Council and its governance arrangements.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

- 3.16 In July 2015, the then Leader of the Council asked the Monitoring Officer to conduct a review of the Council's Procedures for dealing with allegations of misconduct by Councillors and Co-opted Members (Constitution Part 5). Hoey Ainscough Associates Ltd were instructed to undertake an independent review of the Council's procedures. The review found that the high-level process is broadly in line with processes seen elsewhere, however, a number of recommendations were raised relating to guidance on implementation and communication of the process. The Corporate Governance and Standards Committee considered the findings of the review at their meeting in November 2015 and established a working group to review and implement the recommendations. The working group reported back to the Corporate Governance and Standards Committee at its meeting in March 2016 and also to Council in April 2016.
- 3.17 The main recommendations of the working group (which will continue to meet to finalise and implement the recommendations) were:-
- The protocol for Independent persons be revised
 - guidelines and a policy for communications be established; together with guides for the complainant and councillor against whom a complaint is made;
 - assistance to political groups/group leaders as regards any statements relating to standards and the private capacity of councillors;
 - a protocol with the Police where a complainant alleges criminal behaviour;
 - the redrafting of the Council's Arrangements for dealing with allegations of misconduct by councillors and co-opted member to incorporate the Report and the work described in the preceding paragraphs; and that such redrafting might usefully include a separate version of the Arrangements containing only those elements relevant to allegations of misconduct by parish councillors

Forward Plan and Committee Decisions

- 3.18 We use the Forward Plan to manage the work programme and decisions of the Executive and full Council. The work programme for the two EAB's and overview and scrutiny committee are discussed at agenda setting meetings held every two months with the Chairs and Vice-Chairs of the board or committee.

Overview and Scrutiny Committee

- 3.19 The Committee was established in January 2016 and (subject always to its formal powers and role prescribed by the LGA 2000) has the power to scrutinise decisions or actions in relation to both the Executive and Non-Executive functions of the Council, including decisions taken by officers under delegation. . The Committee can also undertake reviews and in-depth investigations in order to provide advice and recommendations. In general, the Overview and Scrutiny Committee undertakes the following activities:
- Scrutinising the decisions of the Executive and non-Executive functions throughout the decision-making process.

- Contributing to policy development by examining performance and policy outcomes against local service need and provision.
- Reviewing council services to ensure they are achieving customer satisfaction, value for money delivering performance and meeting standards.
- Reviewing how effectively the council delivers services with external agencies.
- Appointing sub-committees to fulfil overview and scrutiny functions;
- Undertaking investigations into such matters relating to the Council's functions and powers as:
 - (i) may be referred by the Council/Leader/Executive; or
 - (ii) Has been referred to the committee because of the councillor "call-in" procedure set out in the Overview and Scrutiny Procedure Rules in Part 4 of the Constitution

Corporate Governance and Standards Committee

3.20 Following enactment of the Localism Act 2011, the Standards Committee and Audit Committee were disbanded and a new committee known as the Audit and Corporate Governance Committee was established. In May 2014, the Committees were further re-organised and the committee with responsibility for audit and accounts, corporate governance and ethical standards is now known as the Corporate Governance and Standards Committee. The role and functions of the committee include:

Audit and Accounts activity

- monitoring internal audit activity and receiving bi-annual reports from the Executive Head of Organisational Development
- receiving reports from the external auditor, including his annual letter
- review and approve the annual statement of accounts
- review and recommend to Executive / Council the treasury management strategy
- receive treasury management monitoring reports
- receive budget monitoring reports

Corporate Governance activity

- monitoring and reviewing the Council's constitution
- corporate governance, risk management, statement on internal control and any issues referred to it
- compliance with the Council's own and published standards
- receiving an annual report regarding complaints about the Council referred to the Local Government Ombudsman
- monitoring the effectiveness of various Council policies

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

Ethical Standards activity

- implementing, monitoring and reviewing the operation of codes of conduct for Councillors and Officers
- promoting and maintaining high standards of conduct by Councillors and co-opted members
- investigating and determining allegations of misconduct where determination by the Monitoring Officer is considered inappropriate

The full role and responsibilities are available on our website, at Part 2 (Article 11) of the Constitution.

- 3.21 We advise the committee, through a regular reporting process, of progress against agreed internal audit recommendations and other governance issues such as equalities, risk management, sickness, health and safety, business recovery and data quality.

Compliance with Laws and Regulations

- 3.22 The Council employs appropriate professional staff in relevant fields to provide guidance and advice as required. Part of their role is to ensure that the actions of the Council and individual councillors and officers comply with relevant laws and regulations, as well as the Council's own policies and procedures.
- 3.23 The Managing Director undertakes both the statutory roles of Head of Paid Service and Chief Finance Officer. The arrangement of one officer performing both roles is unusual but not unique. The Managing Director is supported by two Deputy Chief Finance Officers so that where a conflict of interest could exist, the Managing Director assumes the role of Head of Paid Service, and one of the Deputy Chief Finance Officers assumes the role of the Chief Finance Officer. In this arrangement, the Council ensures separation of duties exists where necessary and the governance framework is maintained.
- 3.24 The Corporate Management Team, led by the Managing Director (Head of Paid Service and Chief Finance Officer), reviews all reports to the Executive. The Director of Corporate Services is the Council's Monitoring Officer and Deputy Head of Paid Service. The director is part of the Corporate Management Team and is supported by two Deputy Monitoring Officers so that in the event that the Director is asked to assume the role of Head of Paid Service, one of the two Deputy Monitoring Officers will assume the role of Monitoring Officer to prevent any conflict of interest. In addition, the Council has comprehensive Financial Procedure Rules and Procurement Procedure Rules as part of the Constitution that provide guidance on spending decisions to ensure that expenditure is lawful and properly controlled.
- 3.25 During 2015-16 there were 13 complaints to the Local Government Ombudsman of which 4, all relating to planning, were upheld, the ombudsman deemed that there had been no injustice in 3 of these upheld cases. The remaining cases were either not upheld, closed after initial enquiries or judged to be either premature or out of the jurisdiction.

Whistleblowing and Complaints

- 3.26 The Council has a Whistleblowing policy as part of its Constitution.
- 3.27 In 2014-15, the Council introduced a new corporate complaints process. This has shortened and simplified the process for the customer and improved the timeliness and quality of complaint handling. We have created a new post of Complaints and Improvement Officer to monitor complaints, identify trends and work with managers to drive service improvements.

Development of Councillors and Senior Officers

- 3.28 Our Corporate Plan 2015 - 2020 includes a priority of developing our people (councillors and officers) to prepare for the future. All officers (including senior officers) have two performance reviews (appraisals) a year. Officers also have a series of one to one meetings with their line manager to discuss individual performance against agreed targets. This is also an opportunity to identify development needs and training requirements against the Council's objectives.
- 3.29 Each post has a set of linked behavioural competencies against which staff performance is assessed during the annual performance review.
- 3.30 The Council also recognises the importance of ensuring that its councillors receive all necessary training and development in order to carry out their various roles. In September 2013, the Council received accreditation under the South East Employers Charter for Elected Member Development by demonstrating that we had a strategic approach to councillor development, which linked to the Council's corporate objectives and priorities. The Councillor Development Steering Group has put in place a comprehensive member development programme that meets councillors' ongoing training and development needs. The processes and procedures put in place give us a robust framework for responding to future challenges and legislative changes. The Council continues to meet the standard of the Charter as demonstrated recently in our 18-month interim assessment carried out by South East Employers in March 2015.
- 3.31 We offer training for Councillors on a wide range of topic areas such as Ethical Standards, Planning, Licensing, Overview and Scrutiny, local government finance, media skills, chairing skills and time management.
- 3.32 During 2015-16 the steering group undertook a comprehensive induction programme for new councillors following the Borough elections in May 2015.
- 3.33 The Council has adopted a Corporate Plan which clearly set out its aims and objectives over the 2015-2020 period, but they need to be underpinned by a clear set of values that are understood and adhered to by staff at all levels. The work that we have carried out on values and performance and development provides staff with an understanding how they contribute to the achievement of our corporate priorities.
- 3.34 We successfully retained our IIP Bronze status. We also retained our Customer Service Excellence Standard. The assessor found a deep understanding and commitment to customer service excellence from senior management through to front line staff.

Communication, Consultation and Accountability

- 3.35 The Council has well-established processes to manage and provide effective communication with residents, businesses, visitors and stakeholders. As part of this, we produce and deliver four editions a year of our Council newspaper, About Guildford, to all households in the borough to update local people about the Council's activities, services and performance. We also use online and social media tools to reach as many people as possible with the latest news and information. The Council provides a comprehensive media service for proactive releases and reactive requests for local, regional and national press, as many residents use online, broadcast and other news sources.
- 3.36 In addition, we have a corporate procedure for producing individual services' publications for residents and customers to provide information and education (for

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

- example, to encourage behaviour changes in recycling and litter). Also to support individual services in their own social media and other communications.
- 3.37 The Council has a corporate identity, which is used to brand communications and services. This helps customers and taxpayers to understand and recognise which services we provide or are responsible for.
- 3.38 We are continuing to look at ways to improve customer service and access through our website. We have reviewed the way that our residents are using the website and have started moving towards a self-service model for our report/pay/apply section. We are also continuing to expand our use of social media to improve our customer engagement.
- 3.39 The Council realises the importance of consultation with our residents and community. We already consult widely in line with our Community engagement strategy and consultation standards using publications, surveys, focus groups and our Citizens' Panel. We recognise the need for greater engagement and involvement with residents and stakeholders in our strategic decision-making and service delivery and are working on an action plan to improve our consultation processes still further.
- 3.40 Many of our services actively consult with the community as an integral part of their service delivery, for example our widespread consultation on the draft new Local Plan. However, our community is changing and we need to be responsive to their developing needs. We have identified consultation as part of the overall process of transparency and engagement with our residents and customers.
- 3.41 As part of our commitment to openness and transparency, we have increased the amount of information available on our website. This should reduce the demand from Freedom of Information (FOI) requests.
- 3.42 During 2015 (our current system reports on calendar rather than financial years) the number of FOI requests received was 672. This was down from the previous year (848).
- 3.43 We are required to respond to FOI requests within 20 working days. The Information Commissioner sets an informal Minimum Compliance threshold for this target of 85%. In 2014, we achieved 69% due to a significant increase in the number of FOI's received. As a result, we introduced regular reports on performance to the Corporate Management Team and are introducing a new system to manage the process. This has resulted in performance of 81% for 2015 and continued improvement into 2016. During 2015-16, 5 referrals were made to the ICO regarding the Council's responses to FOI requests, of these two cases were closed by the ICO without further investigation, 2 cases were found in the Council's favour and in the remaining case the Council was requested to release previously withheld information.

Partnerships

- 3.44 Our mission statement emphasises the importance of partnership working in providing first class services. At the strategic level, we established a new Guildford-Surrey Board in September 2013 to replace the former Guildford Local Strategic Partnership. The Board, which comprises senior Councillors and officers from the Borough Council and Surrey County Council, together with representatives of the University of Surrey, Royal Surrey County Hospital. Guildford College and Enterprise M3, focuses on the overseeing the delivery of the following shared priorities:

- a. infrastructure improvements, including roads (trunk roads and town centre), rail and future transport innovations
 - b. economic development, including sustainable business and jobs growth and access to learning and skills
 - c. promoting sustainable development, including housing
 - d. delivering public health improvements
 - e. supporting families and our less advantaged communities, including in the light of welfare and benefit reforms
 - f. maximising the use of our assets and estates to drive income and community benefit
 - g. maximising the value extracted from waste.
- 3.45 At the same time, we established the Guildford Health and Wellbeing Board comprising representatives of the Council and other major public and voluntary sector organisations, such as Guildford and Waverley Clinical Commissioning Group, Royal Surrey County Hospital and Surrey County Council. The Board supports and promotes the public health agenda in its widest sense. This incorporates health improvement (including people's lifestyles, inequalities in health and the wider social influences of health), health protection and health services. The Board is responsible for developing and implementing the Guildford Health and Wellbeing Strategy.
- 3.46 We have also forged a strong relationship with the Enterprise M3 Local Enterprise Partnership (LEP). The Leader of the Council joined the Board in 2014, and the Council enjoys regular representation at all levels of the LEP through strategic working groups. The Council provided significant input into the formation of the LEP's Strategic Economic Plan and subsequent Local Growth Deal submission and European Funding Investment Strategy. This included formulating a broad and comprehensive growth package for consideration by government covering infrastructure, housing, skills and enterprise.
- 3.47 Through Enterprise M3, we are able to access capital funding and borrowing at preferential rates for key strategic projects. We have recently:
- been successful in obtaining financial support for the Clay Lane Link road,
 - received funding to deliver Walnut Bridge, a key gateway to the town from the station and part of the sustainable movement corridor
 - received funding to implement an improved cycle path along the riverside in Guildford
 - continue to work with Surrey County Council (as the local transport body) to bid for funding under the Local Growth Fund for schemes set out in our Guildford Transport Strategy
- 3.48 We are also involved in a large number of service specific partnerships. Examples of best practice include Surrey Strategic Waste Partnership, Safer Guildford Partnership and the Choice-Based Lettings housing scheme.
- 3.49 The Council worked with Surrey Lifelong Partnership, Oakleaf Enterprise and Guildford YMCA to establish GLADE (Guildford Learning and Development

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

Enterprise) This is social enterprise was developed to provide training, skills, qualifications and employment opportunities for young unemployed people in Westborough and Stoke. The Council contracts with Glade to provide gardening services on behalf of the Council at day centres, sheltered housing schemes, elderly tenant's homes and street cleansing services in Westborough.

- 3.50 We also support the Guildford Bike Project, another Social Enterprise, which has a shop in Westborough and a workshop at Woking Road Depot. The bike project provides employment opportunities for jobseekers and is accredited by City and Guilds Centre for training.
- 3.51 We are looking to build on the success of these two schemes, by continuing to develop new social enterprise partnerships. Most recently, we have supported the establishment of a PC refurbishment business based on the bike project model.
- 3.52 In response to the Government's current devolution agenda, the Council has actively engaged with other councils across Surrey, East Sussex and West Sussex to explore the opportunities that this presents. We will continue this engagement to ensure that any devolution deal maximises the benefits for our residents.

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 annual report, and by comments made by the external auditors and other review agencies and inspectorates.
- 4.2. Internal Audit has conducted an ongoing review of the Council's Corporate Governance processes and carried out audits according to the annual Audit Plan, which was approved by the Corporate Management Team, and the Corporate Governance and Standards Committee. We base the Audit Plan on a risk assessment that provides guidance as to the frequency of audits. It covers four main themes (Financial Control, Asset Management, Management Control and ICT) specifically to address the main concerns of corporate governance.
- 4.3. Internal Audit has produced an annual report on Corporate Governance, which is an assessment of corporate governance against CIPFA guidelines. They also review standards of internal control including risk and performance management. The overall conclusion is that the system of Internal Control at Guildford Borough Council for the period to 31 March 2016 was sound.
- 4.4. We have used all of this activity to inform the Annual Governance Statement.
- 4.5. We have a Corporate Governance Group that meets quarterly to discuss any governance issues or concerns. The group comprises the Managing Director (as Head of Paid Service), either the Head of Financial Services or Principal Accountant for financial management and projects (as deputy Chief Financial/S151 Officers), the Director of Corporate Services (as Monitoring Officer), the Audit and Performance Manager and the Democratic Services Manager. From June 2016, this group will report, through Statutory Officer reports, to the Corporate Governance and Standards Committee on current issues.
- 4.6. We also have an Information Security Risk Group to review the Council's information governance and have appointed a senior manager as the Senior

Information Risk Owner who is working with a group of officers to improve information security.

- 4.7. The Corporate Governance and Standards Committee receive reports on progress against the audit plan, activities and findings of Internal Audit, risk management, health and safety, equalities, treasury management, ethical standards, Ombudsman complaints and progress against audit recommendations. It also receives interim and annual reports from Grant Thornton UK LLP, the Council's external auditors, and is responsible for approving the Council's Statement of Accounts.

5. INTERNAL AUDIT STATEMENT

During 2015-16, internal auditors completed 87 per cent of the audit plan. The shortfall was the result of a number of unplanned audits, which were requested by managers. There were six audits in progress at the end of the year on which we have not yet given an opinion but there are no indications so far of any material or significant issues arising from this work, which would affect this statement. The table below shows assurance levels of the work carried out in the year to 31 March 2016:

Assurance Rating	Number of Audits	
Substantial	16	18%
Reasonable	41	47%
Limited	3	3%
No Assurance	0	0%
No Opinion (one-off projects)	9	10%
Ongoing (Inc. fundamental service reviews)	14	16%
Carried over to 2016-17	4	4%

- 5.2 Where appropriate the audit report provides management recommendations designed to address weaknesses in the system of internal control. We report the outcomes of these audits to the Corporate Governance and Standards Committee every six months 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 of recommendations.
- 5.3 The Council has very high levels of assurance in respect of all its main financial systems and its governance arrangements. The main financial systems, tested in 2015-16 and which feed into the production of the Council's financial statements, achieved substantial or reasonable assurance levels following internal audit reviews.
- 5.4 Each year the Head of Internal Audit, provides an opinion on the Council's assurance and control framework in her Annual Opinion Report April 2015 to March 2016.

6. SIGNIFICANT GOVERNANCE ISSUES

- 6.1. This year has been a period of change and there have been ongoing financial pressures. Despite this challenging environment, there have been significant achievements and continuing improvement in the Council's overall governance arrangements. Where we have identified areas for further improvement we will take the necessary action to implement changes that will further develop our governance framework.

GUILDFORD BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2015-16

- 6.2. During 2015-16, we carried out a review of taxi-licensing fees following a history of previous challenges to the accounts and the fees. The review included the data and calculations on which the fees are based. The data quality review found that there were some errors in the methodology and a formula error which changed the fees. Where the need for improvement have been identified they will be actioned by the Licensing team.
- 6.3. Following a problem with premises licensing in 2014-15 we started a review of the controls and reconciliation processes on all income streams across the Council. The initial review found that not all fees and charges had been agreed and authorised by Council and some were not included fees register. There was another issue with a lease where we found that for a number of years we had not recovered the utility costs from the leaseholder. This is now being rectified. This is an on-going review and forms part of a larger project to identify all income, fees and charges and the true cost of the services. The objective is to create an income map which will not only strengthen our financial governance but which can be used to inform future business decisions.
- 6.4. In 2015-16 there was one fraud investigation which is currently under police investigation. Although it was disappointing that it occurred the problem was quickly identified through our monitoring and reconciliation controls.
- 6.5. The Council is not fully compliant with the requirements under the Local Government Transparency Code 2015 for the publication of data, which the code mandates 'must be published'. The Council publishes a majority, rather than all, of the data and is currently unable to meet the requirements for publication of procurement and contract information. The Council recognises the need to improve its transparency by publishing the remaining data and improving the accessibility of the data on its website. The Monitoring Officer has commissioned an internal audit review of the Council's compliance with the Transparency Code and to develop an action plan for full compliance which will be implemented by the corporate procurement advisory panel. Internal Audit will report their findings during 2016-17.
- 6.6. Due to measures introduced last year, the Council's performance in dealing with FOI requests has continued to improve steadily. The overall performance for 2015 was 81% (up from 69% in 2014) which is below the target performance level set by the ICO of 85%. The Council is in the process of implementing a new FOI case management system which is expected to support continued improvements. Further information is set out in the Council's annual report on Compliance with Information Rights.
- 6.7. The Openness of Local Government Bodies Regulations, adopted in August 2014, and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 place a requirement on Councils to publish on its website and make available to the public for inspection, reports on decisions taken under authority delegated to Officers or Councillors, where the effect of the decision is to:
- (a) grant a permission or license;
 - (b) affect the rights of an individual;
 - (c) award a contract or incur expenditure, which in either case, materially affects the Council's financial position.

The Council's process for recording decisions taken under delegated authority is not consistently applied across all services, there is no central library of such decisions and the decisions themselves are not currently reported to a committee of the Council. Where decisions have been properly documented, they are available for public inspection on request; however, the Council does not currently publish delegated decisions on its website. The Corporate Governance Group are reviewing the process for documenting decisions made under delegated authority and will consider how to provide this information on our website and report it to a relevant Committee in future.

- 6.8. As outlined in paragraph 3.19, the Corporate Governance and Standards Committee is the responsible committee for ensuring ethical standards at the Council, however, its work programme on ethical standards has traditionally been reactive. Officers consider that there is scope to provide the committee with a proactive work programme and that decisions relating to ethical standards, made by the Monitoring Officer under delegated authority within the Council's constitution should be reported to the Committee in line with paragraph 6.8. This will be included in the proposed new statutory officer reports to the corporate governance and standards committee to be introduced in 2016-17.
- 6.9. The Council has received a petition from a former Councillor requesting that the Council holds a referendum on changing its governance arrangements to have an elected mayor. If the petition is successful, the Council will be required to draw up proposals for the form of governance proposed in the petition so that such a system can be implemented in the event that it is approved in the referendum. If the referendum is successful the change to an elected mayor will mean a significant change in the Council's governance arrangements.

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. From the review, assessment and monitoring work undertaken and the ongoing work of internal audit we have reached the opinion that overall key systems are operating soundly and that there are no fundamental control weaknesses.
- 7.3. We confirm, to the best of our knowledge and belief, that this statement provides an accurate and fair view.

Leader of the Council
23 September 2016

Managing Director
23 September 2016

Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Director of Resources

Author: Claire Morris

Tel: 01483 444827

Email: claire.morris@guildford.gov.uk

Lead Councillor responsible: Michael Illman

Tel: 07742 731535

Email: michael.illman@guildford.gov.uk

Date: 22 September 2016

Financial Monitoring 2016-17

Executive Summary

The report summarises the projected outturn position for the Council's general fund revenue account, based on actual and accrued data for the period April - July 2016.

At the end of July 2016, officers are projecting a reduction in net expenditure on the general fund revenue account of £1,545,110. This is the result of a combination of factors, which include a reduction in employee expenditure across all services, an increase in planning fees and higher than budgeted income from parking activities and additional rental income arising from the asset investment strategy. The Council has also received higher than budgeted interest receipts from its investments.

A surplus on the Housing Revenue Account, due to lower staffing and repairs and maintenance costs will enable a projected transfer of £12,060,619 to the new build reserve and reserve for future capital at year-end.

Officers are making progress against significant capital projects on the approved programme as outlined in section 7. The Council expects to spend £70.4 million on its capital schemes by the end of the financial year.

The Council's underlying need to borrow to finance the capital programme is expected to be £84.52 million by 31 March 2017.

Recommendation to Committee:

The Committee is asked to note the results of the Council's financial monitoring for the period April 2016 to July 2016 and to make any comments it feels appropriate.

Reason for Recommendation:

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

1. Purpose of Report

- 1.1 At its meeting on 7 October 2015, the Council approved the commencement of the governance arrangement changes, detailed within the September 2015 report of the former Joint Scrutiny Committee's Review of Governance Arrangements task and finish group, with effect from 1 January 2016.
- 1.2 The Council also recognised the importance of the Corporate Governance and Standards Committee, particularly in the way in which it supports the overview and scrutiny function through ongoing scrutiny of financial matters, including its proposed expanded remit on the treasury management function and budget monitoring.
- 1.3 This Committee started its enhanced review of our financial management at its meeting on 24 September 2015. This report covers the period April to July 2016.

2. Strategic Priorities

- 2.1 Councillors have reviewed and adopted an ambitious corporate plan for the period 2015-2020. The plan includes many significant projects and aspirations that will challenge us financially. Monitoring of our financial position during the course of the financial year is a critical part of our management of resources that will ultimately support delivery of the corporate plan.

3 Background

- 3.1 The Council regularly undertakes financial monitoring in a number of ways:
 - (a) two types of general fund revenue budget monitoring report; a full monitor for periods 3, 6, 8 and 10 and a shorter monitor for the other periods (except April) covering key service areas (Industrial Estates, Investment Property, Development Control, Major Projects, Planning Policy, Off Street Parking, Refuse and Recycling, Parks and Countryside. This report combines key service area monitoring for the period to July 2016 (period 4), with the projection for the remaining areas based on the full monitor at period 3
 - (b) quarterly monitoring of the capital programme
 - (c) monthly and quarterly monitoring of its treasury management activity
 - (d) monitoring at periods 3,6,8 and 10 of the Housing Revenue Account
- 3.2 The reports are presented to the Council's officer Corporate Management Team (CMT), Chief Finance Officer and deputies, officer capital programme monitoring group and Treasury Management Panel. Councillors receive the key service area monitoring reports by e-mail. Financial monitoring for all services is reported to this Committee on a regular basis.
- 3.3 This report covers:
 - (a) general fund revenue monitoring (section 4)
 - (b) housing revenue account monitoring (section 5)
 - (c) treasury management (section 6)
 - (d) capital programmes (section 7)

4 General Fund Revenue Account monitoring

- 4.1 **Appendix 1** shows the summary monitoring report for the general fund revenue account based on the period April to July 2016. Officers have prepared the projected outturn on a combination of three months actual and accrued data, and four months actual and accrued data for the Council’s major service areas.
- 4.2 **Appendix 2** shows detailed information for each service split between direct expenditure and income and indirect costs. Variances to the revised budget have been colour coded with notes provided for any variance, which is red, and over £20,000. We monitor the projected outturn against the revised (or latest) budget as this takes into account any virements or supplementary estimates approved since the original budget was set in February 2016.
- 4.3 At total service unit level, the projected outturn is £1.07 million lower than the latest estimate. There are items within the contributions to reserves that reverse figures within the service units. When these adjustments are taken into account, the projected outturn is £1.57 million lower than the latest estimate.
- 4.4 Net external interest receivable is £290,115 higher than estimate. The major reason for the additional projected interest is the level of balances being higher than anticipated plus better returns than estimated on external funds.
- 4.5 The Minimum Revenue Provision (MRP), based on the Capital Financing Requirement (CFR) at 31 March 2016 is £354,461. This is £260,789 lower than estimated. The reduction is due to slippage in the capital programme.
- 4.6 The overall projected position for net expenditure is £1.54 million lower than estimate.
- 4.7 The table below shows the supplementary estimates and virements approved to date.

Supplementary Estimates 2016-17

Service/Description	Approval Date	Committee	Value
None			
TOTAL			£0

Virement Record 2016-17

Service/Description	Approved by	Date of Approval	Value
Mayor’s theme	Claire Morris	26 May 2016	£20,000
Housing Benefit audit fee	Claire Morris	15 June 2016	£11,000
Major Projects GOTCHA study (transport modelling)	Claire Morris	21 July 2016	£28,000
Transfer of Info. Rights budget from Resources to Corporate Directorate	Claire Morris	28 July 2016	£56,150
TOTAL			£115,150

- 4.8 Unlike the old formula grant system, not all of the income and payments relating to the Business Rates Retention Scheme (BRRS) are fixed. The tariff and retained income figures do not change from the budgeted amount, but the levy and s31 grant income do. In 2016-17, we are in a Business Rates Pool for the first time. We pay 50% of the levy that we would otherwise have had to pay to the government (50% of the estimated retained income above our baseline funding level) to the Pool. Within the budget, we have assumed that we will transfer the other 50% of the levy, which we have saved by being in the Pool, to the Invest to Save Reserve, and that we will transfer the remaining 50% of the estimated income from business rates above our government set baseline funding level to the Business Rates equalisation reserve. In order to maintain the net effect of the BRRS on the General Fund we have adjusted this contribution as set out below:

	2016-17 Estimate (£)	2016-17 Projection (£)	Variance (£)
BRRS – tariff	28,293,585	28,293,585	0
BRRS – payment to pool re levy	573,021	631,027	58,006
Contn to Invest to Save Reserve	573,021	631,027	58,006
Contn to BRRS equalisation reserve	1,146,042	1,060,946	(85,096)
	<hr/> 30,585,669	<hr/> 30,616,585	<hr/> 30,916
BRRS – s31 grant	(445,826)	(476,742)	(30,916)
BRRS – retained income	(33,119,866)	(33,119,866)	0
BRRS – net position	<hr/> (2,980,023)	<hr/> (2,980,023)	<hr/> 0

- 4.9 The table above shows an increase in our payment to the pool and contribution to the Invest to Save Reserve, because we think that business rate income will be higher than originally estimated, and an increase in s31 grant income, which is related to certain rate reliefs that we have granted. In order to maintain the overall impact on the general fund, we have reduced the contribution to the business rates equalisation reserve.

Major Service Variances

- 4.10 **Appendix 2** gives reasons for variances at a service level that are above £20,000. There are some services with projected larger variances in total net expenditure and these are summarised in the table below. The table below includes only items that have an impact on the bottom line and excludes additional expenditure financed from a reserve, an approved carry forward or items financed by savings elsewhere in the budget.

	Higher net cost (£000)	Lower net cost (£000)
Community Services		
Community Transport Income	28	
Corporate Services		
Legal Services (external legal support and specialist advice)	205	
Development Directorate		
Industrial Estates/Investment Properties		(87)
Building Control (agency costs/income)	60	
Investment Property – target exceeded		(245)
Planning Policy (salaries and consultants, and grant support)		(171)
Planning fees (net of increased casual and agency staffing)		(150)
Major Projects (salaries, agency and consultancy savings)		(57)
Environmental Directorate		
On-Off Street Parking (additional income, maintenance deferral)		(288)
Electric Theatre (vacancies pending outcome of review)		(77)
Refuse and Recycling (trade waste disposal costs)		(51)
Parks and Countryside (staffing restructure, repair and maintenance, change in contract arrangements)		(134)
Resources Directorate		
ICT Business Services (vacancies)		(87)
ICT Technical Support (network costs)	34	
Office Services (office space let)		(31)
Insurance Revenue Account (insurance premiums)		(40)
Managing Director		
Audit and Performance Management (pending restructure vacant post)		(43)

5 Housing Revenue Account

- 5.1 **Appendix 3** shows the budget monitoring report for the Housing Revenue Account (HRA) for the period April 2016 to June 2016. The report shows that HRA gross service expenditure is projected to outturn at 97.4% of the budgeted level, whilst income is projected to be 100.6% of the budgeted level. The projected outturn would enable a transfer of around £12.06 million to the new build reserve and the reserve for future capital.
- 5.2 The rental income estimate for 2016-17 reflected a cautious view around Right to Buy (RTB) sales and re-commissioning of units. However, it is currently projected that rental income will be £253,212 higher than budgeted.
- 5.3 It is projected that employee related expenditure; net of temporary staffing, vacancy credit and redundancy costs will result in a saving against budget of £225,000.

- 5.4 Focus remains on carrying out planned rather than responsive maintenance, facilitated by the benefits accruing from past levels of expenditure on planned capital and revenue maintenance works. Historically, a lower than budgeted level of repair and maintenance expenditure has resulted. We are currently projecting a saving of around 1.4%.
- 5.5 In accordance with the last published business plan, with the exception of receipts from RTB sales, the estimates for the year do not provide for any repayment of HRA debt principal or for setting aside any amounts towards the repayment of debt. The priority in the early years of the business plan was the provision of additional housing. However, this will be subject to review and the submission of an updated business plan will reflect constraints placed on the HRA by changes in the Housing and Planning, and Welfare Reform and Work Acts.
- 5.6 Tenancy arrears remain stable and are consistent with the assumptions contained in the business plan. Particular attention is paid to introductory tenancies (tenants of less than 12 months), as they often have no previous experience of managing a household budget or of renting a property. The Money Advisor is focusing on applicants and new tenants to help them manage their money more effectively.

6 Treasury Management

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

Debt management

- 6.2 We have a substantial long-term debt portfolio for the HRA, and a small amount for the General Fund. During the year so far, due to limited expenditure on the capital programme (as outlined in section 7 below), we have only borrowed short-term for cash flow purposes from other local authorities. There is no cost of carry on our short-term borrowing.
- 6.3 The following table summarises the current borrowing position of the Council and the activity to period 3.

Loan type		Balance 01 April 16 £000	New loans £000	Loans repaid £000	Balance 30 June 16 £000	Weighted average rate of
PWLB						3.15%
Variable		45,000	0	0	45,000	
Fixed	Maturity	147,435	0	0	147,435	
	EIP	1,150	0	0	1,150	
Local authorities		10,000	0	0	10,000	1.35%
Total long-term Loans		203,585	0	0	203,585	
Temporary Loans		34,500	17,800	(26,500)	25,800	0.50%
Total Loans		238,085	17,800	(26,500)	229,385	

Investment activity

- 6.4 During the period, we have continued with the diversification of our in-house investment portfolio into more secure instruments such as bonds and secure bank deposits (not subject to bail-in) in line with our Treasury Management Strategy.
- 6.5 The Council's budgeted investment income for 2016-17 was £1.23 million, the projected outturn is £1.5 million. The gross cash balances representing the Council's reserves and working balances at 30 June 2016 available for investment were £139 million and net of short-term borrowing £113 million.
- 6.6 The Council's budgeted external interest cost, which relates to short and long-term borrowing, for the year is £5.51 million and the outturn is projected to be £5.39 million.
- 6.7 Net interest receivable was budgeted at £929,000 and is projected to be £1.21 million because of higher than anticipated cash balances.
- 6.8 The UK bank rate has been 0.50% since March 2009. The Bank of England reduced the bank rate in August to 0.25%. This reduction has been built into the projections, but there is still some uncertainty in the markets. The Council's annualised weighted return on investments for the period to June 2016 was 0.917% against an estimate of 1.453%. It is expected that any new investment will be at a lower rate and consequently will reduce the annual weighted average return.
- 6.9 Investment income is projected to be higher, despite the cut in the base rate, because of higher cash balances, and due to locking into some investments before the base rate cut.
- 6.10 The table below summarises the Council's investment activity for April to June 2016.

Investment	Balance 01 April 16 £000	New investments £000	Investments matured £000	Change in capital value £000	Balance 30 June 16 £000	Weighted average rate of interest
<u>Investment Funds</u>						
Payden & Rygel	5,000	0	0	7	5,007	0.21%
CCLA	6,553	0	0	(305)	6,248	1.64%
Aberdeen (SWIP)	1,798	0	0	5	1,802	0.26%
M&G	2,026	0	0	94	2,120	1.31%
Schroders	824	0	0	(18)	806	1.79%
Funding Circle	653	0	0	10	663	1.63%
UBS	2,349	0	0	29	2,378	0.74%
City Financial	2,335	0	0	5	2,340	1.41%
<u>In- House Investments:</u>						
Call Accounts	3,053	12,402	(12,397)	0	3,057	0.58%
Money Market Funds	9,740	74,601	(76,281)	0	8,060	0.52%
Notice Accounts	22,000	0	(9,000)	0	13,000	0.69%
Temporary Fixed Deposits	47,000	14,000	(20,000)	0	41,000	0.81%
Certificates of Deposit	9,000	0	(4,000)	0	5,000	0.86%
Unsecured bonds	6,016	6,651	(1,000)	0	11,667	1.18%
Long Term Covered Bonds	16,936	0	0	0	16,936	0.93%
Long Term Fixed Deposits	9,500	7,000	0	0	16,500	1.49%
Revolving Credit Facility	0	2,500	0	0	2,500	2.50%
Total Investments	144,782	117,154	(122,678)	(173)	139,085	

6.11 Some of our externally managed funds have seen a fall in their capital values in the year. The falls are indicative of wider financial market movements. The Council's external investments are held for long-term purposes and are invested to generate an income for the Council over the longer term. Any loss in investment value will not be realised unless the investment is sold and the Council has an earmarked reserve available to utilise in the event of a loss, thus minimising the impact on the general fund. Officers would not normally sell external investments at a loss unless there were very exceptional circumstances. It is anticipated that the value of the external investments will increase in line with the market in the medium term and will generate a positive return for the Council when eventually sold.

6.12 The reduction in the capital value of the CCLA property fund is a direct consequence of the result of the EU Referendum. The fund applied a percentage reduction to allow for any potential reduction in the next valuation.

Prudential Indicators

6.13 Officers confirm that the Council has complied with its Prudential indicators in the period, which were set in February 2016 as part of the Council's Treasury Management Strategy Statement.

Authorised limit and Operational Boundary for External Debt

6.14 The Local Government Act 2003 requires the Council to set an Affordable Borrowing Limit, irrespective of their indebted status. This is a statutory limit, which we should not breach.

- 6.15 The Council's authorised borrowing limit was set at £406 million for 2016-17.
- 6.16 The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst case scenario without the additional headroom included in the Authorised Limit.
- 6.17 The operational boundary was set at £372 million for 2016-17.
- 6.18 The Chief Financial Officer confirms that there have been no breaches to the authorised limit and operational boundary during the year. Borrowing, at its peak, was £236 million.

Upper limits for fixed interest rate exposure and variable interest rate exposure

- 6.19 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates for both borrowing and investments. They are targets rather than absolute limits.
- 6.20 The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.
- 6.21 The limit allows for 100% of total debt and total investments to be at a fixed rate, and a smaller percentage to be at a variable rate to minimise the potential volatility of interest rate risk.

	2016-17 approved (£000)	2016-17 actual to date (£000)	Within limit?
Net debt			
Upper limit on fixed interest rates	198,650	105,233	yes
Upper limit on variable interest rates	(25,870)	(22,388)	yes

- 6.22 We have more variable rate debt than investments because we have been using more fixed deposits than variable rate investments.

Maturity structure of fixed rate borrowing

- 6.23 This indicator is designed to limit large concentrations of fixed rate debt maturing at times of uncertainty over interest rates.

Time period	Limit	Actual	Variance
Under 12 months	20%	14%	-6%
1 to 2 years	20%	0%	-20%
3 to 5 years	25%	6%	-19%
6-10 years	50%	5%	-45%
11 years and above	100%	75%	-25%

- 6.24 The table shows the split of the principal repayments of the fixed rate loans of the Council.

Total principal sums invested for periods longer than 364 days

- 6.25 This indicator allows the Council to manage risk inherent in investments longer than 364 days. The 2016-17 limit was set at £50 million and we had £33.3 million of longer-term investments, of which £26 million was in covered bonds.

7 Capital Programmes

- 7.1 **Appendices 5 to 10** of this report set out the following for each scheme on the Council's capital programme

- the gross estimate for the scheme approved by the Executive
- the cumulative expenditure to 31 March 2016 for each scheme
- the estimate for 2016-17 as approved by Council in February 2016
- the 2016-17 revised estimate which takes into account the approved estimate, any project underspends up to 31 March 2016, and any virements or supplementary estimates
- 2016-17 current expenditure
- 2016-17 projected expenditure estimated by the project officer

- 7.2 Officers have provided details of changes to the programme below.

Approved programme (Appendix 4)

- 7.3 Expenditure is expected to be £70.46 million in 2016-17 representing a £24.1 million variance to the revised estimate. If a project is on the approved programme, it is an indicator that the project has started or is near to starting. Whilst actual expenditure for the period of £25.8 million against a revised budget of £46.3 million may seem low, a number of significant projects are in progress. These include:

- ED31 – property acquisition (£1.2 million). Deposit has been paid, awaiting completion later in the year
- OP6 Vehicle, Plant and Equipment replacement programme (£3.3 million) – purchases are in progress
- PL11 Spectrum Roof Replacement (£2.7 million) – work is progressing on this scheme
- FS1 – capital contingency fund – there is £4.246 million remaining in the fund
- P5 – Walnut bridge £2.6 million – work is progressing on this scheme
- P9c – Bedford Wharf £17.6 million – money was transferred to the approved programme for the progression of this scheme which has not happened as quickly as anticipated

Provisional programme (Appendix 5)

- 7.4 Expenditure on the provisional programme is expected to be £25.488 million, against the revised estimate of £63.866 million. These projects will need to be transferred to the approved capital programme before the capital works can start

and therefore monitoring progress of these projects is key to identify project timescales. The significant projects are:

- P6(p) - Guildford Riverside Route Phase 2&3 £2.4 million
- PL16 (p) - Burial Grounds £1.7 million
- ED32(p) - Clay Lane Link Road £1.0 million
- ED25 (p) - Guildford Park Car Park £4.8 million
- P9 (p) - Major Projects £11.7 million

S106 (Appendix 6)

- 7.5 Capital schemes funded from s106 developer contributions is expected to total £1.070 million.

Reserves (Appendix 7)

- 7.6 Capital schemes funded from the Council's specific reserves. The outturn is anticipated to be £4.5 million. The main projects are:

- expenditure on car parks: £1.9 million
- ICT renewals: £891,000

Capital resources (Appendix 8)

- 7.7 When the Council approved the budget, the estimated underlying need to borrow for 2016-17 was £80.506 million. The current estimated underlying need to borrow is £84.527 million. The increase is due to slippage in the programme from 2015-16, where schemes were carried forward into 2016-17.

General Fund housing programme (Appendix 9)

- 7.8 Expenditure for the year is projected to be £3.778 million, which is higher as budgeted due to higher expenditure on the Corporation Club than anticipated.

Housing Investment Programme capital (Appendix 10)

- 7.9 The HRA approved capital programme is expected to be £14.119 million against an estimate of £13.769 million. The difference being an increase to the estimated costs of the Corporation Club.
- 7.10 The provisional programme's budget was £9.695 million with no expected spend in the year.

8 Consultations

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

9 Equality and Diversity Implications

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

10 Financial Implications

- 10.1 The financial implications are contained throughout this report.

11 Legal Implications

- 11.1 The Local Government Act 1972, Section 151 states that each local authority has a duty to make arrangements for the proper administration of their financial affairs. In addition, the Accounts and Audit Regulations 2015 impose an explicit duty on the Council to ensure that financial management is adequate and effective and that they have a sound system of internal control, including arrangements for the management of risk.
- 11.2 Proper administration is not statutorily defined; however, there is guidance, issued by CIPFA on the responsibilities of the Chief Financial Officer (CFO). This states that local authorities have a corporate responsibility to operate within available resources and the CFO should support the effective governance of the authority through development of corporate governance arrangements, risk management and reporting framework. Regular monitoring of the Council's actual expenditure to budget and forecasting of the expenditure for the full year is part of the proper administration and governance of the Council.
- 11.3 There are no further direct legal implications because of this report.

12 Human Resource Implications

- 12.1 There are no human resource implications because of this report.

13 Summary of Options

- 13.1 This report explains the position after ten months of the financial year. There are no specific recommendations and therefore no options to consider.

13 Conclusion

- 13.1 The report summarises the financial monitoring position for the period April to July for the 2016-17 financial year.
- 13.2 At the end of July, officers were projecting a reduction in net expenditure of £1.54 million on the general fund revenue account. The main reasons for this are set out in the table in paragraph 4.10 above.
- 13.3 The Executive will decide the treatment of any balance when it considers a report on the 2016-17 final accounts in June 2017.

- 13.4 A surplus on the HRA, due to lower staffing and repairs and maintenance costs will enable a transfer of £12.06 million to the new build reserve/reserve for future capital at year-end.
- 13.5 Actual expenditure incurred on our general fund capital programme for the period has been comparatively low against the programme envisaged at 1 April 2016. Officers are making progress against significant capital projects on the approved programme as outlined in section 7. The Council expects to spend £70.46 million on its capital schemes by the end of the financial year.
- 13.6 It is anticipated that the Council's underlying need to borrow to finance the capital programme will be £84.52 million by 31 March 2017. The Council has complied with Prudential Indicators during the period.
- 13.7 At the end of June 2016, the Council had £139 million of current investment balances.

14 Background Papers

None

15 Appendices

Appendix 1 - General fund revenue account summary
Appendix 2 - General fund services - revenue detail
Appendix 3 - Housing Revenue Account summary
Appendix 4 - Approved capital programme
Appendix 5 - Provisional capital programme
Appendix 6 - Schemes funded from S106
Appendix 7 - Capital reserves
Appendix 8 - Capital resources
Appendix 9 - General Fund housing programme
Appendix 10 - Housing Revenue Account capital programme

This page is intentionally left blank

Appendix 1

Actual 2015-16 £	GENERAL FUND SUMMARY	Original Estimate 2016-17 £	Latest Estimate 2016-17 £	Projection 2016-17 £
	Directorates - Net Expenditure			
6,289,103	Community Services	6,009,050	6,132,676	6,377,292
3,776,299	Corporate	3,626,980	3,799,230	4,116,975
(1,360,842)	Development	(26,360)	263,800	(490,871)
8,259,665	Environment	9,585,970	9,797,496	9,000,863
15,621	Managing Director	116,230	146,505	103,578
1,913,993	Resources	3,955,260	4,101,899	4,065,485
18,893,839	Total Directorate Level	23,267,130	24,241,606	23,173,322
(6,981,480)	Depreciation (contra to Service Unit Budgets)	(9,773,260)	(9,773,260)	(9,773,260)
11,912,359	Directorate Level excluding depreciation	13,493,870	14,468,346	13,400,062
(1,437,185)	External interest receivable (net)	(928,710)	(928,710)	(1,218,825)
294,546	Minimum Revenue Provision	615,250	615,250	354,461
(27,224)	Revenue income from sale of assets	0	0	0
	Revenue Contributions to Capital Outlay (RCCO)			
1,915,242	Met from: Capital Schemes reserve	0	0	0
950,063	Other reserves	2,484,000	2,484,000	2,484,000
113,428	General Fund	0	0	0
13,721,229	Total before transfers to and from reserves	15,664,410	16,638,886	15,019,698
	Transfers to and from reserves			
	Capital Schemes reserve			
(1,915,242)	Funding of Revenue Contribution to Capital Outlay	0	0	0
457,715	Contribution in year	0	0	0
428,000	Budget Pressures reserve	(50,000)	(50,000)	(99,500)
2,665,474	Business Rates Equalisation reserve	(1,325,242)	(1,325,242)	(1,410,338)
533,313	Car Park Maintenance reserve	(204,540)	(204,540)	(204,540)
(102,963)	Election Costs reserve	32,500	32,500	32,500
(84,097)	Energy Management Schemes reserve	(292,420)	(292,420)	(292,420)
332,979	Housing Revenue Account	476,100	476,100	386,175
(46,922)	Insurance reserve	16,860	16,860	60,934
204,578	IT Renewals reserve	(267,870)	(267,870)	(267,870)
150,612	Invest to Save reserve	799,022	799,022	968,441
0	Local Authority Business Growth Incentive reserve	(191,000)	(191,000)	(191,000)
778,815	New Homes Bonus reserve	1,361,505	1,361,505	1,361,505
46,164	Civil Parking Enforcement	(22,240)	(22,240)	29,288
(722,450)	Pensions Reserve (Statutory)	0	0	0
0	Recycling reserve	0	0	(366,730)
171,880	Spectrum reserve	(68,540)	(68,540)	(68,540)
1,190,077	Other reserves	(352,180)	(1,326,666)	(953,438)
17,809,162	Total after transfers to and from reserves	15,576,365	15,576,355	14,004,165
	Business Rates Retention Scheme payments			
28,059,754	Business Rates tariff payment	28,293,585	28,293,585	28,293,585
112,337	Business Rates levy payment	0	0	0
0	Business Rates - payment to pool re levy	573,022	573,022	631,027
	Non specific government grants			
(694,054)	s31 grant re BRR scheme	(445,827)	(445,827)	(476,742)
(14,213)	s31 grant re council tax	0	0	0
0	Transition grant	(102,174)	(102,174)	(102,174)
(1,779,365)	New Homes Bonus grant	(2,362,055)	(2,362,055)	(2,362,055)
43,493,621	GUILDFORD BOROUGH COUNCIL NET BUDGET	41,532,916	41,532,906	39,987,806
1,406,405	Parish Council Precepts	1,469,802	1,469,802	1,469,802
44,900,026	TOTAL NET BUDGET	43,002,718	43,002,708	41,457,608
(32,066,981)	Business Rates - retained income	(33,119,866)	(33,119,866)	(33,119,866)
(2,079,187)	Revenue support grant	(1,096,749)	(1,096,749)	(1,096,749)
(766,888)	Collection Fund Deficit - Business Rates	1,512,784	1,512,784	1,512,784
(256,915)	Collection Fund Surplus - Council Tax	(120,698)	(120,698)	(120,698)
9,730,055	COUNCIL TAX REQUIREMENT	10,178,189	10,178,179	8,633,079

Projected underspend

(1,545,110)

This page is intentionally left blank

COMMUNITY SERVICES	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	
SERVICE SUMMARY			
Direct Expenditure	10,648,176	10,757,355	109,179
Income	(6,430,150)	(6,295,159)	134,991
Total Directly Controllable (Income)/Expenditure	4,218,026	4,462,196	244,170
Indirect Expenditure	1,914,650	1,915,096	446
Net (Income)/Expenditure	6,132,676	6,377,292	244,616
BUILDING MAINTENANCE			
Direct Expenditure	2,799,550	2,814,201	14,651
Income	(2,877,720)	(2,877,711)	9
Total Directly Controllable (Income)/Expenditure	(78,170)	(63,510)	14,660
Indirect Expenditure	78,000	78,015	15
Net (Income)/Expenditure	(170)	14,505	14,675
GYPSY CARAVAN SITES			
Direct Expenditure	166,650	161,753	(4,897)
Income	(182,120)	(182,120)	0
Total Directly Controllable (Income)/Expenditure	(15,470)	(20,367)	(4,897)
Indirect Expenditure	13,470	13,386	(84)
Net (Income)/Expenditure	(2,000)	(6,981)	(4,981)
CITIZENS ADVICE BUREAU			
Direct Expenditure	283,150	283,417	267
Total Directly Controllable (Income)/Expenditure	283,150	283,417	267
Indirect Expenditure	500	500	0
Net (Income)/Expenditure	283,650	283,917	267
CIVIL EMERGENCIES			
Direct Expenditure	43,590	63,442	19,852
			An increase in the number of employees rota'd to undertake Emergency Planning Duties will result in an additional cost of £6,000. The projection includes additional expenditure relating to the Applied Resilience programme will result in a cost of £13,500, this will be funded from reserves.
Total Directly Controllable (Income)/Expenditure	43,590	63,442	19,852
Indirect Expenditure	5,420	5,423	3
Net (Income)/Expenditure	49,010	68,865	19,855

COMMUNITY SERVICES

Revised Budget Projected Outturn Variance
2016-17 2016-17

Appendix 2

COMMUNITY SERVICES

Direct Expenditure	180,000	205,058	25,058
Income	(180,000)	(113,000)	67,000

Surrey County Council has funded the Prevention Partnership fund since 2013. It was anticipated that the funding would be received for 2016-17 as no indication was given that the funding would be reduced. However, notification was received after the budget was set that the funding would be reduced by £67,000 in 2016-17 and would be withdrawn from 2017-18. The overspend arising from the reduced funding will be met from reserve.

Total Directly Controllable (Income)/Expenditure	0	92,058	92,058
Indirect Expenditure	1,010	1,010	0
Net (Income)/Expenditure	1,010	93,068	92,058

DAY SERVICES

Direct Expenditure	686,450	690,415	3,965
Income	(249,780)	(229,660)	20,120

The income estimate for 2016-17 included £10,500 of rental income from Crossways Surrey who have vacated Park Barn. This situation will be kept under review and unless another tenant is found the estimate will be removed from 2017-18.

Total Directly Controllable (Income)/Expenditure	436,670	460,755	24,085
Indirect Expenditure	161,320	161,335	15
Net (Income)/Expenditure	597,990	622,090	24,100

EMERGENCY COMMUNICATIONS SYSTEM

Direct Expenditure	246,510	248,997	2,487
Income	(369,200)	(369,183)	17

Total Directly Controllable (Income)/Expenditure	(122,690)	(120,186)	2,504
Indirect Expenditure	56,610	56,619	9
Net (Income)/Expenditure	(66,080)	(63,567)	2,513

EMI SERVICES

Direct Expenditure	144,769	165,643	20,874
--------------------	---------	---------	--------

A Care Officer funded from grant, has been recruited. Whilst the grant was included in the income estimate, the costs associated with the post were omitted. This will be corrected for the 2017-18 estimates.

Income	(200,030)	(189,600)	10,430
--------	-----------	-----------	--------

In anticipation of an additional grant for the Meadows Community Centre an increased budget of £10,430 was included for 2016-17. The Council received notification in June that we wouldn't receive this funding.

Total Directly Controllable (Income)/Expenditure	(55,261)	(23,957)	31,304
Indirect Expenditure	13,100	13,109	9
Net (Income)/Expenditure	(42,161)	(10,848)	31,313

COMMUNITY SERVICES

	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	

ENVIRONMENTAL CONTROL

Direct Expenditure	403,390	417,206	13,816
Income	(25,610)	(37,095)	(11,485)
Total Directly Controllable (Income)/Expenditure	377,780	380,111	2,331
Indirect Expenditure	61,660	61,678	18
Net (Income)/Expenditure	439,440	441,789	2,349

The additional expenditure relates to an increase in the number of Welfare Funerals, this is offset by government funding to recover the costs (see income)

PROJECT ASPIRE

Direct Expenditure	0	428	428
Total Directly Controllable (Income)/Expenditure	0	428	428
Net (Income)/Expenditure	0	428	428

SURREY FAMILY SUPPORT PROGRAMME

Direct Expenditure	304,400	312,645	8,245
Income	(204,780)	(206,536)	(1,756)
Total Directly Controllable (Income)/Expenditure	99,620	106,109	6,489
Indirect Expenditure	50,580	50,598	18
Net (Income)/Expenditure	150,200	156,707	6,507

FOOD AND SAFETY SERVICES

Direct Expenditure	299,450	302,692	3,242
Income	(130)	0	130
Total Directly Controllable (Income)/Expenditure	299,320	302,692	3,372
Indirect Expenditure	80,150	80,165	15
Net (Income)/Expenditure	379,470	382,857	3,387

HEALTH AND SAFETY

Direct Expenditure	126,730	126,163	(567)
Income	(117,700)	(117,830)	(130)
Total Directly Controllable (Income)/Expenditure	9,030	8,333	(697)
Indirect Expenditure	15,760	15,760	0
Net (Income)/Expenditure	24,790	24,093	(697)

HOUSING SURVEYING SERVICES

Direct Expenditure	612,750	624,237	11,487
Income	(740,720)	(740,720)	0
Total Directly Controllable (Income)/Expenditure	(127,970)	(116,483)	11,487
Indirect Expenditure	87,320	87,335	15
Net (Income)/Expenditure	(40,650)	(29,148)	11,502

COMMUNITY SERVICES	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	
GRANTS TO VOLUNTARY ORGANISATIONS - HOUSING AND COMMUNITY			
Direct Expenditure	527,730	525,898	(1,832)
Income	(116,080)	(116,080)	0
Total Directly Controllable (Income)/Expenditure	411,650	409,818	(1,832)
Indirect Expenditure	3,690	3,699	9
Net (Income)/Expenditure	415,340	413,517	(1,823)
HOME FARM ESTATE, EFFINGHAM			
Direct Expenditure	45,795	43,303	(2,492)
Income	(8,040)	(7,528)	512
Total Directly Controllable (Income)/Expenditure	37,755	35,775	(1,980)
Indirect Expenditure	23,180	23,413	233
Net (Income)/Expenditure	60,935	59,188	(1,747)
HOMELESSNESS AND EMERGENCY ACCOMMODATION			
Direct Expenditure	743,390	758,832	15,442
Income	(12,500)	(17,962)	(5,462)
Total Directly Controllable (Income)/Expenditure	730,890	740,870	9,980
Indirect Expenditure	72,500	72,518	18
Net (Income)/Expenditure	803,390	813,388	9,998
HOUSING ADVICE			
Direct Expenditure	286,000	286,000	0
Total Directly Controllable (Income)/Expenditure	286,000	286,000	0
Net (Income)/Expenditure	286,000	286,000	0
AFFORDABLE HOUSING DEVELOPMENT			
Direct Expenditure	168,150	159,558	(8,592)
Total Directly Controllable (Income)/Expenditure	168,150	159,558	(8,592)
Indirect Expenditure	291,920	291,929	9
Net (Income)/Expenditure	460,070	451,487	(8,583)
LICENSING SERVICES			
Direct Expenditure	163,300	163,463	163
Income	(163,260)	(162,025)	1,235
Total Directly Controllable (Income)/Expenditure	40	1,438	1,398
Indirect Expenditure	60,300	60,324	24
Net (Income)/Expenditure	60,340	61,762	1,422

COMMUNITY SERVICES

	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	

COMMUNITY MEALS AND TRANSPORT

Direct Expenditure	799,442	798,737	(705)
Income	(300,810)	(272,157)	28,653

A reduction in Community Transport income resulting from three vacant drivers posts, which have now been filled combined with a reduction in refreshment sales of £2,500.

Total Directly Controllable (Income)/Expenditure	498,632	526,580	27,948
Indirect Expenditure	70,720	70,738	18
Net (Income)/Expenditure	569,352	597,318	27,966

HOUSING OUTSIDE THE HRA

Direct Expenditure	133,180	134,514	1,334
Income	(13,600)	(13,534)	66

Total Directly Controllable (Income)/Expenditure	119,580	120,980	1,400
Indirect Expenditure	25,680	25,686	6
Net (Income)/Expenditure	145,260	146,666	1,406

PEST CONTROL

Direct Expenditure	66,920	67,137	217
Income	(60,560)	(60,539)	21

Total Directly Controllable (Income)/Expenditure	6,360	6,598	238
Indirect Expenditure	13,580	13,592	12
Net (Income)/Expenditure	19,940	20,190	250

PRIVATE SECTOR HOUSING

Direct Expenditure	634,770	612,412	(22,358)
Income	(295,020)	(284,255)	10,765

Following a service review a post has been disestablished resulting in an underspend. This post will be removed from the 2017-18 budget process.

Total Directly Controllable (Income)/Expenditure	339,750	328,157	(11,593)
Indirect Expenditure	624,470	624,497	27
Net (Income)/Expenditure	964,220	952,654	(11,566)

PUBLIC HEALTH

Direct Expenditure	75,810	75,393	(417)
Total Directly Controllable (Income)/Expenditure	75,810	75,393	(417)

Indirect Expenditure	5,840	5,849	9
Net (Income)/Expenditure	81,650	81,242	(408)

COMMUNITY SERVICES

Revised Budget Projected Outturn Variance
2016-17 2016-17

Appendix 2

COMMUNITY SAFETY WARDENS

Direct Expenditure	345,520	357,430	11,910	The service is currently operating at full establishment. As a consequence it is assumed that the vacancy credit of £11,500 will not be met.
Income	(14,530)	(10,900)	3,630	
Total Directly Controllable (Income)/Expenditure	330,990	346,530	15,540	
Indirect Expenditure	36,440	36,443	3	
Net (Income)/Expenditure	367,430	382,973	15,543	

TAXI LICENSING AND PRIVATE HIRE VEHICLES

Direct Expenditure	284,770	277,306	(7,464)	The cost of the Disclosure and Barring Service (DBS) check is now borne by the Taxi Driver/Operators outside of the licensing fee, but continues to form a fundamental part of the licensing process. This has resulting in a reduction of £9,000 in expenditure, but also in an equivalent reduction in income (see below)
Income	(204,100)	(189,610)	14,490	Fee income is currently estimated to be under achieved by £7,000.
Total Directly Controllable (Income)/Expenditure	80,670	87,696	7,026	
Indirect Expenditure	42,080	42,116	36	
Net (Income)/Expenditure	122,750	129,812	7,062	

WOKING ROAD DEPOT STORES

Direct Expenditure	76,010	81,075	5,065	
Income	(93,860)	(97,114)	(3,254)	
Total Directly Controllable (Income)/Expenditure	(17,850)	(16,039)	1,811	
Indirect Expenditure	19,350	19,359	9	
Net (Income)/Expenditure	1,500	3,320	1,820	

CORPORATE SERVICES

Revised Budget Projected Outturn Variance
 2016-17 2016-17

SERVICE SUMMARY			
Direct Expenditure	4,826,470	5,145,605	319,135
Income	(2,382,220)	(2,383,143)	(923)
Total Directly Controllable (Income)/Expenditure	2,444,250	2,762,462	318,212
Indirect Expenditure	1,354,980	1,354,513	(467)
Net (Income)/Expenditure	3,799,230	4,116,975	317,745

ACCESS GROUP FOR GUILDFORD

Direct Expenditure	2,230	1,759	(471)
Total Directly Controllable (Income)/Expenditure	2,230	1,759	(471)
Indirect Expenditure	2,500	2,500	0
Net (Income)/Expenditure	4,730	4,259	(471)

CIVIC EXPENSES

Direct Expenditure	167,880	169,317	1,437
Total Directly Controllable (Income)/Expenditure	167,880	169,317	1,437
Indirect Expenditure	26,860	26,863	3
Net (Income)/Expenditure	194,740	196,180	1,440

COMMUNITY DEVELOPMENT

Direct Expenditure	253,860	254,824	964
Income	(15,000)	(16,284)	(1,284)
Total Directly Controllable (Income)/Expenditure	238,860	238,540	(320)
Indirect Expenditure	39,410	39,272	(138)
Net (Income)/Expenditure	278,270	277,812	(458)

COUNCIL AND COMMITTEE SUPPORT

Direct Expenditure	239,830	247,809	7,979
Income	(41,810)	(41,810)	0
Total Directly Controllable (Income)/Expenditure	198,020	205,999	7,979
Indirect Expenditure	249,580	249,571	(9)
Net (Income)/Expenditure	447,600	455,570	7,970

CORPORATE SERVICES

	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	

CORPORATE SERVICES

Direct Expenditure	697,170	715,262	18,092	Unbudgeted expenditure relating to Consultants advice totalling £20,000. A budget is required for next financial year, this will be considered as part of the 2017-18 budget preparation process.
--------------------	---------	---------	--------	---

Income	(129,790)	(129,790)	0
Total Directly Controllable (Income)/Expenditure	567,380	585,472	18,092
Indirect Expenditure	239,590	239,527	(63)
Net (Income)/Expenditure	806,970	824,999	18,029

COMMITTEE SERVICES

Direct Expenditure	198,640	186,739	(11,901)	A vacant post in Committee services has resulted in an underspend on the service.
--------------------	---------	---------	----------	---

Income	(238,430)	(238,877)	(447)
Total Directly Controllable (Income)/Expenditure	(39,790)	(52,138)	(12,348)
Indirect Expenditure	40,270	40,282	12
Net (Income)/Expenditure	480	(11,856)	(12,336)

DEMOCRATIC REPRESENTATION AND MANAGEMENT

Direct Expenditure	719,010	722,844	3,834
Income	(88,650)	(88,650)	0
Total Directly Controllable (Income)/Expenditure	630,360	634,194	3,834
Indirect Expenditure	379,590	379,632	42
Net (Income)/Expenditure	1,009,950	1,013,826	3,876

ELECTIONS

Direct Expenditure	81,960	86,513	4,553
Total Directly Controllable (Income)/Expenditure	81,960	86,513	4,553
Indirect Expenditure	15,050	15,059	9
Net (Income)/Expenditure	97,010	101,572	4,562

ELECTORAL REGISTRATION

Direct Expenditure	324,720	323,431	(1,289)
Income	(3,740)	(2,845)	895
Total Directly Controllable (Income)/Expenditure	320,980	320,586	(394)
Indirect Expenditure	39,070	39,079	9
Net (Income)/Expenditure	360,050	359,665	(385)

CORPORATE SERVICES

Revised Budget Projected Outturn Variance
2016-17 2016-17

LEGAL SERVICES

Direct Expenditure	906,190	1,111,713	205,523	Requirement for external legal support to cover substantive vacancies, combined with a requirement for specialist advice to support the asset investment strategy and various procurement initiatives.
Income	(1,022,740)	(1,022,770)	(30)	
Total Directly Controllable (Income)/Expenditure	(116,550)	88,943	205,493	
Indirect Expenditure	125,360	125,378	18	
Net (Income)/Expenditure	8,810	214,321	205,511	

HR SERVICES

Direct Expenditure	381,150	387,160	6,010
Income	(476,840)	(476,888)	(48)
Total Directly Controllable (Income)/Expenditure	(95,690)	(89,728)	5,962
Indirect Expenditure	96,540	96,573	33
Net (Income)/Expenditure	850	6,845	5,995

INFORMATION RIGHTS OFFICER

Direct Expenditure	62,750	62,829	79
Income	(73,860)	(73,866)	(6)
Total Directly Controllable (Income)/Expenditure	(11,110)	(11,037)	73
Indirect Expenditure	11,110	11,065	(45)
Net (Income)/Expenditure	0	28	28

OTHER EMPLOYEE COSTS

Direct Expenditure	243,530	328,369	84,839	The budgeted saving for salary sacrifice and staff car parking arrangements is held on Other Employee Costs, but the actual saving is allocated to services.
Income	(284,360)	(284,363)	(3)	
Total Directly Controllable (Income)/Expenditure	(40,830)	44,006	84,836	
Indirect Expenditure	15,310	14,942	(368)	
Net (Income)/Expenditure	(25,520)	58,948	84,468	

PARISH AND LOCAL LIAISON

Direct Expenditure	202,060	202,087	27
Total Directly Controllable (Income)/Expenditure	202,060	202,087	27
Indirect Expenditure	8,740	8,749	9
Net (Income)/Expenditure	210,800	210,836	36

CORPORATE SERVICES

	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	

PROCUREMENT

Direct Expenditure	45,430	45,539	109
Total Directly Controllable (Income)/Expenditure	45,430	45,539	109
Indirect Expenditure	7,450	7,453	3
Net (Income)/Expenditure	52,880	52,992	112

PUBLIC RELATIONS AND MARKETING

Direct Expenditure	292,770	292,168	(602)
Income	(7,000)	(7,000)	0
Total Directly Controllable (Income)/Expenditure	285,770	285,168	(602)
Indirect Expenditure	53,060	53,075	15
Net (Income)/Expenditure	338,830	338,243	(587)

GUILDFORD YOUTH COUNCIL

Direct Expenditure	7,290	7,242	(48)
Total Directly Controllable (Income)/Expenditure	7,290	7,242	(48)
Indirect Expenditure	5,490	5,493	3
Net (Income)/Expenditure	12,780	12,735	(45)

DEVELOPMENT	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	
SERVICE SUMMARY			
Direct Expenditure	7,846,800	7,675,670	(171,130)
Income	(11,138,590)	(11,749,750)	(611,160)
Total Directly Controllable (Income)/Expenditure	(3,291,790)	(4,074,080)	(782,290)
Indirect Expenditure	3,555,590	3,583,209	27,619
Net (Income)/Expenditure	263,800	(490,871)	(754,671)

BUILDING CONTROL SUMMARY

Direct Expenditure	704,110	744,058	39,948	Additional agency costs are partially covered by substantive salary cost reductions, although there is a projected increase in costs of £40,000.
Income	(506,260)	(485,626)	20,634	A reduction in applications is projected to result in reduced Building Control fees.
Total Directly Controllable (Income)/Expenditure	197,850	258,432	60,582	
Indirect Expenditure	131,520	131,535	15	
Net (Income)/Expenditure	329,370	389,967	60,597	

BUSINESS FORUM

Direct Expenditure	76,210	76,164	(46)
Total Directly Controllable (Income)/Expenditure	76,210	76,164	(46)
Indirect Expenditure	1,120	1,123	3
Net (Income)/Expenditure	77,330	77,287	(43)

DEVELOPMENT CONTROL

Direct Expenditure	1,691,350	1,797,351	106,001	It is currently projected that employee costs will be £74,000 higher than budget, in part the result of casual and agency staffing costs. The Budget Pressures Reserve will fund the £36,000 cost of a temporary enforcement officer included in the projection. Savings anticipated from the FSR were not achieved following a subsequent review of support staff. Retention and recruitment of planning officers remains difficult in the current employment market.
Income	(1,185,020)	(1,406,523)	(221,503)	Planning fees income is greater than budget and at present the additional income is projected at £230,000.
Total Directly Controllable (Income)/Expenditure	506,330	390,828	(115,502)	
Indirect Expenditure	445,050	446,418	1,368	
Net (Income)/Expenditure	951,380	837,246	(114,134)	

DEVELOPMENT

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
--	---------------------------	------------------------------	----------

INDUSTRIAL ESTATES

Direct Expenditure	312,670	324,736	12,066	
Income	(3,067,240)	(3,167,991)	(100,751)	Rental income is expected to be higher than budgeted as a consequence of the acquisition of 10 Midleton, although this is partially offset by vacant units. Rent reviews at Lysons Avenue and Slyfield have resulted in improvements in the budgeted position.
Total Directly Controllable (Income)/Expenditure	(2,754,570)	(2,843,255)	(88,685)	
Indirect Expenditure	261,250	262,214	964	
Net (Income)/Expenditure	(2,493,320)	(2,581,041)	(87,721)	

INVESTMENT PROPERTY

Direct Expenditure	161,830	191,852	30,022	Valuers fees are expected to be £40,000 for 2016-17. An agreed virement will be actioned in month 4 to fund the expenditure.
Income	(4,939,130)	(5,215,307)	(276,177)	The Asset Investment Strategy targeted additional income of £696,000 in 2016-17. The profiling of property acquisitions remains key to the delivery of this targeted figure. The recent purchase of the Armour Buildings, Bridge Street and Wey House will contribute towards exceeding this target.
Total Directly Controllable (Income)/Expenditure	(4,777,300)	(5,023,455)	(246,155)	
Indirect Expenditure	228,560	229,118	558	
Net (Income)/Expenditure	(4,548,740)	(4,794,337)	(245,597)	

LOCAL LAND CHARGES

Direct Expenditure	237,690	233,513	(4,177)	
Income	(273,370)	(274,004)	(634)	
Total Directly Controllable (Income)/Expenditure	(35,680)	(40,491)	(4,811)	
Indirect Expenditure	35,010	35,036	26	
Net (Income)/Expenditure	(670)	(5,455)	(4,785)	

DEVELOPMENT

	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	

MAJOR PROJECTS

Direct Expenditure	952,850	893,476	(59,374)	There are salary and agency cost savings of £73,000, which assumes that an element of salary costs will be capitalised. Consultancy costs, which include a budget of £72,000 for Town Centre Development and £320,000 for Major Projects is expected to be under budget by £14,000. Business rates for 2016-17 of £20,000 have been paid for 25 Swan Lane and there will be a refund once a new tenant is in place.
--------------------	---------	---------	----------	---

Total Directly Controllable (Income)/Expenditure	952,850	893,476	(59,374)
Indirect Expenditure	1,313,330	1,315,164	1,834
Net (Income)/Expenditure	2,266,180	2,208,640	(57,540)

OTHER PROPERTY

Direct Expenditure	86,400	114,667	28,267	Security arrangements at Tyting Farm are anticipated to cost £18,000.
--------------------	--------	---------	--------	---

Income	(121,860)	(119,197)	2,663
Total Directly Controllable (Income)/Expenditure	(35,460)	(4,530)	30,930
Indirect Expenditure	100,270	101,594	1,324
Net (Income)/Expenditure	64,810	97,064	32,254

POLICY

Direct Expenditure	1,485,360	1,314,128	(171,232)	There are savings in salaries resulting from vacancies of £155,000, although transport planning and design and conservation consultants costs, estimated at £88,000 (for which there is no budget) will be met from the saving. CIL consultant costs are estimated to total £40,000 and will be met from the carry forward of £74,000. Changes to the Local Plan timetable will mean that the balance will be needed in future years. The budget for Inspectors fees of £10,000 will not be required in this financial year.
--------------------	-----------	-----------	-----------	--

Income	(2,320)	(43,052)	(40,732)	The increased income results from a expectation of Government Grant in respect of neighbourhood plans.
Total Directly Controllable (Income)/Expenditure	1,483,040	1,271,076	(211,964)	
Indirect Expenditure	177,340	177,551	211	
Net (Income)/Expenditure	1,660,380	1,448,627	(211,753)	

DEVELOPMENT

	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	

ASSET DEVELOPMENT

Direct Expenditure	1,059,320	996,459	(62,861)	Responsive repair and maintenance budget are managed and retained by the Asset Development service. Actual expenditure is allocated directly to services with property assets.
--------------------	-----------	---------	----------	--

Income	(805,500)	(805,503)	(3)
Total Directly Controllable (Income)/Expenditure	253,820	190,956	(62,864)
Indirect Expenditure	260,510	281,237	20,727
Net (Income)/Expenditure	514,330	472,193	(42,137)

SLYFIELD AREA REGENERATION PROJECT (SARP)

Direct Expenditure	53,510	112,264	58,754	Expenditure on consultants totalling £57,000 is being funded from the Slyfield Area Regeneration Project revenue reserve.
--------------------	--------	---------	--------	---

Total Directly Controllable (Income)/Expenditure	53,510	112,264	58,754
Indirect Expenditure	517,870	517,876	6
Net (Income)/Expenditure	571,380	630,140	58,760

TOURIST INFORMATION CENTRE

Direct Expenditure	257,620	238,398	(19,222)
Income	(56,300)	(53,590)	2,710
Total Directly Controllable (Income)/Expenditure	201,320	184,808	(16,512)
Indirect Expenditure	27,540	27,590	50
Net (Income)/Expenditure	228,860	212,398	(16,462)

BUSINESS AND TOURISM

Direct Expenditure	638,030	507,650	(130,380)	There are salary savings of £28,500 resulting from vacancies. The service retains the apprenticeship budget of £119,000 with actual salary costs allocated directly to individual services. The budget will therefore remain as a saving against the service.
--------------------	---------	---------	-----------	---

Income	(150,360)	(150,359)	1
Total Directly Controllable (Income)/Expenditure	487,670	357,291	(130,379)
Indirect Expenditure	37,640	38,164	524
Net (Income)/Expenditure	525,310	395,455	(129,855)

DEVELOPMENT	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	
TOWN CENTRE MANAGEMENT			
Direct Expenditure	129,850	130,954	1,104
Income	(31,230)	(28,598)	2,632
Total Directly Controllable (Income)/Expenditure	98,620	102,356	3,736
Indirect Expenditure	18,580	18,589	9
Net (Income)/Expenditure	117,200	120,945	3,745

ENVIRONMENT	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	
SERVICE SUMMARY			
Direct Expenditure	27,697,686	27,337,613	(360,073)
Income	(26,669,930)	(27,113,628)	(443,698)
Total Directly Controllable (Income)/Expenditure	1,027,756	223,985	(803,771)
Indirect Expenditure	8,769,740	8,776,878	7,138
Net (Income)/Expenditure	9,797,496	9,000,863	(796,633)

ABANDONED VEHICLES

Direct Expenditure	34,500	34,614	114
Total Directly Controllable (Income)/Expenditure	34,500	34,614	114
Indirect Expenditure	8,100	8,103	3
Net (Income)/Expenditure	42,600	42,717	117

ARMED FORCES DAY

Direct Expenditure	0	16	16
Total Directly Controllable (Income)/Expenditure	0	16	16
Net (Income)/Expenditure	0	16	16

CCTV SYSTEMS

Direct Expenditure	80,400	80,462	62
Income	0	(7)	(7)
Total Directly Controllable (Income)/Expenditure	80,400	80,455	55
Indirect Expenditure	19,240	19,384	144
Net (Income)/Expenditure	99,640	99,839	199

CEMETERIES AND CLOSED CHURCHYARDS

Direct Expenditure	272,690	293,243	20,553	Repair works at Stoke and Holy Trinity Cemeteries totalling £20,500 are included in the projected outturn. The expenditure will be funded from the overall Asset Development repairs budget.
Income	(54,730)	(56,500)	(1,770)	
Total Directly Controllable (Income)/Expenditure	217,960	236,743	18,783	
Indirect Expenditure	24,910	29,376	4,466	
Net (Income)/Expenditure	242,870	266,119	23,249	

ENVIRONMENT

	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	

CLINICAL WASTE

Direct Expenditure	3,080	4,007	927
Total Directly Controllable (Income)/Expenditure	3,080	4,007	927
Indirect Expenditure	380	380	0
Net (Income)/Expenditure	3,460	4,387	927

CREMATORIUM

Direct Expenditure	673,450	637,557	(35,893) Employee related saving of £43,000 as a consequence of a pending service restructuring, offset by an increase in repair and maintenance expenditure of £8,300 to be funded within the overall Asset Development budget
Income	(1,498,320)	(1,485,193)	13,127
Total Directly Controllable (Income)/Expenditure	(824,870)	(847,636)	(22,766)
Indirect Expenditure	319,060	321,728	2,668
Net (Income)/Expenditure	(505,810)	(525,908)	(20,098)

DOG CONTROL AND ANIMAL WELFARE

Direct Expenditure	68,170	66,025	(2,145)
Income	(5,000)	(4,966)	34
Total Directly Controllable (Income)/Expenditure	63,170	61,059	(2,111)
Indirect Expenditure	10,570	10,573	3
Net (Income)/Expenditure	73,740	71,632	(2,108)

ELECTRIC THEATRE

Direct Expenditure	569,900	484,923	(84,977) The Cafe Bar and Front of House Manager and Marketing and Box Office Manager posts are currently vacant. These roles are being covered by the combination of casual staff and reconfiguring existing resources.
Income	(337,590)	(330,023)	7,567 It is assumed that the current programme of events will generate income broadly in line with the budget. Uncertainty surrounding the future of the venue may impact revenue and this will be kept under review.
Total Directly Controllable (Income)/Expenditure	232,310	154,900	(77,410)
Indirect Expenditure	114,760	114,509	(251)
Net (Income)/Expenditure	347,070	269,409	(77,661)

Appendix 2

ENVIRONMENT

	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	

FLEET MANAGEMENT SERVICE

Direct Expenditure	1,068,440	1,053,890	(14,550)
Income	(2,828,600)	(2,828,850)	(250)
Total Directly Controllable (Income)/Expenditure	(1,760,160)	(1,774,960)	(14,800)
Indirect Expenditure	1,780,050	1,780,182	132
Net (Income)/Expenditure	19,890	5,222	(14,668)

ENGINEERING AND TRANSPORT SERVICES

Direct Expenditure	354,460	348,575	(5,885)
Income	(421,660)	(417,969)	3,691
Total Directly Controllable (Income)/Expenditure	(67,200)	(69,394)	(2,194)
Indirect Expenditure	67,160	67,172	12
Net (Income)/Expenditure	(40)	(2,222)	(2,182)

GUILDFORD HOUSE

Direct Expenditure	397,460	368,457	(29,003)	Salary savings arising from vacancies in the service.
Income	(66,530)	(69,938)	(3,408)	
Total Directly Controllable (Income)/Expenditure	330,930	298,519	(32,411)	
Indirect Expenditure	88,860	99,545	10,685	
Net (Income)/Expenditure	419,790	398,064	(21,726)	

GUILDHALL

Direct Expenditure	215,836	188,919	(26,917)	Planned repairs to the Guildhall roof to stop the ingress of water are no longer required and has been removed from the projection. Works to the guttering may be required.
Income	(27,800)	(27,070)	730	
Total Directly Controllable (Income)/Expenditure	188,036	161,849	(26,187)	
Indirect Expenditure	36,060	30,796	(5,264)	
Net (Income)/Expenditure	224,096	192,645	(31,451)	

LAND DRAINAGE

Direct Expenditure	157,250	157,010	(240)
Total Directly Controllable (Income)/Expenditure	157,250	157,010	(240)
Indirect Expenditure	328,830	318,560	(10,270)
Net (Income)/Expenditure	486,080	475,570	(10,510)

ENVIRONMENT

	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	
LEISURE ART DEVELOPMENT			
Direct Expenditure	77,680	78,283	603
Income	(200)	(200)	0
Total Directly Controllable (Income)/Expenditure	77,480	78,083	603
Indirect Expenditure	14,050	14,059	9
Net (Income)/Expenditure	91,530	92,142	612

LEISURE COMMUNITY CENTRES

Direct Expenditure	98,010	113,408	15,398
Income	0	(900)	(900)
Total Directly Controllable (Income)/Expenditure	98,010	112,508	14,498
Indirect Expenditure	72,510	74,006	1,496
Net (Income)/Expenditure	170,520	186,514	15,994

LEISURE G LIVE

Direct Expenditure	409,390	407,987	(1,403)
Income	(24,210)	(42,201)	(17,991)
Total Directly Controllable (Income)/Expenditure	385,180	365,786	(19,394)
Indirect Expenditure	888,740	890,390	1,650
Net (Income)/Expenditure	1,273,920	1,256,176	(17,744)

LEISURE GRANTS

Direct Expenditure	435,610	439,729	4,119
Total Directly Controllable (Income)/Expenditure	435,610	439,729	4,119
Indirect Expenditure	8,570	8,576	6
Net (Income)/Expenditure	444,180	448,305	4,125

LEISURE MANAGEMENT CONTRACT

Direct Expenditure	1,453,960	1,296,702	(157,258)	Lower than projected utility costs, which will result in a lower charge to Freedom Leisure (see income)
Income	(1,967,960)	(1,823,950)	144,010	
Total Directly Controllable (Income)/Expenditure	(514,000)	(527,248)	(13,248)	
Indirect Expenditure	1,572,740	1,572,737	(3)	
Net (Income)/Expenditure	1,058,740	1,045,489	(13,251)	

ENVIRONMENT	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	
LEISURE PLAY DEVELOPMENT			
Direct Expenditure	203,500	203,656	156
Income	(38,500)	(38,812)	(312)
Total Directly Controllable (Income)/Expenditure	165,000	164,844	(156)
Indirect Expenditure	16,220	16,229	9
Net (Income)/Expenditure	181,220	181,073	(147)
LEISURE RANGERS			
Direct Expenditure	234,700	221,321	(13,379)
Income	(640)	0	640
Total Directly Controllable (Income)/Expenditure	234,060	221,321	(12,739)
Indirect Expenditure	8,100	8,109	9
Net (Income)/Expenditure	242,160	229,430	(12,730)
LEISURE SPORT DEVELOPMENT			
Direct Expenditure	78,800	79,815	1,015
Income	(5,150)	(5,114)	36
Total Directly Controllable (Income)/Expenditure	73,650	74,701	1,051
Indirect Expenditure	10,990	11,002	12
Net (Income)/Expenditure	84,640	85,703	1,063
MARKETS			
Direct Expenditure	62,040	61,297	(743)
Income	(170,750)	(172,777)	(2,027)
Total Directly Controllable (Income)/Expenditure	(108,710)	(111,480)	(2,770)
Indirect Expenditure	8,180	8,183	3
Net (Income)/Expenditure	(100,530)	(103,297)	(2,767)
MOT BAY			
Direct Expenditure	157,710	161,457	3,747
Income	(170,620)	(171,305)	(685)
Total Directly Controllable (Income)/Expenditure	(12,910)	(9,848)	3,062
Indirect Expenditure	12,870	12,879	9
Net (Income)/Expenditure	(40)	3,031	3,071

ENVIRONMENT

	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	

GUILDFORD MUSEUM

Direct Expenditure	522,180	523,600	1,420	Savings arising from vacancies totalling £19,000, offset by £23,500 expenditure on the Museum review. This will be funded from the Invest to Save reserve.
Income	(54,310)	(51,990)	2,320	
Total Directly Controllable (Income)/Expenditure	467,870	471,610	3,740	
Indirect Expenditure	200,890	193,166	(7,724)	
Net (Income)/Expenditure	668,760	664,776	(3,984)	

OFF STREET PARKING

Direct Expenditure	3,624,590	3,450,664	(173,926)	Decoration works at Leapale Road budgeted to cost £136,000 have been put on hold until next financial year so works at other sites can be progressed first. Following the implementation of a new IT system, the projection includes a £16,000 saving on ICT. Insurance costs are projected to be £14,000 below the budget.
Income	(9,946,220)	(10,028,249)	(82,029)	Meter income projection is £95,000 (1.2%) above the annual estimate, which is consistent with 2015-16 income levels. Income from garage rental is projected to be £14,000 (11.7%) below the budget due to garages held vacant pending the development of Guildford Park Car Park.

Total Directly Controllable (Income)/Expenditure	(6,321,630)	(6,577,585)	(255,955)
Indirect Expenditure	1,199,250	1,183,847	(15,403)
Net (Income)/Expenditure	(5,122,380)	(5,393,738)	(271,358)

ON STREET PARKING

Direct Expenditure	1,159,330	1,160,899	1,569
Income	(1,939,480)	(1,958,670)	(19,190)
Total Directly Controllable (Income)/Expenditure	(780,150)	(797,771)	(17,621)
Indirect Expenditure	79,680	79,686	6
Net (Income)/Expenditure	(700,470)	(718,085)	(17,615)

ORDNANCE SURVEY AND MAPPING SERVICES

Direct Expenditure	3,430	3,561	131
Total Directly Controllable (Income)/Expenditure	3,430	3,561	131
Indirect Expenditure	10,000	8,870	(1,130)
Net (Income)/Expenditure	13,430	12,431	(999)

Appendix 2

ENVIRONMENT

Revised Budget	Projected Outturn	Variance
2016-17	2016-17	

PARKS AND COUNTRYSIDE

Direct Expenditure	4,251,390	4,112,231	(139,159)	Lower than budgeted employee related expenditure totalling £148,000 resulting from vacant posts and the budget for a revised structure which will not be utilised in full. Repairs and maintenance, to be funded within the overall corporate allocation £98,000 above the estimate. Savings of £95,000 on the Payment to Contractors budget resulting from the decision to bring verge maintenance operations in-house, which has been absorbed into operating costs.
Income	(1,337,110)	(1,783,459)	(446,349)	Special Protection Area (SPA) income currently £434,000 above estimate. Unused SPA income will be transferred to reserve at year-end.
Total Directly Controllable (Income)/Expenditure	2,914,280	2,328,772	(585,508)	
Indirect Expenditure	543,910	561,635	17,725	
Net (Income)/Expenditure	3,458,190	2,890,407	(567,783)	

PARK AND RIDE SERVICES

Direct Expenditure	721,950	728,460	6,510	Savings in repair and maintenance expenditure headings, offset by anticipated expenditure at Onslow Park and Ride.
Income	(21,000)	(54,088)	(33,088)	Recovery of costs anticipated at Onslow Park and Ride from Surrey County Council, which is reflected in the direct expenditure costs.
Total Directly Controllable (Income)/Expenditure	700,950	674,372	(26,578)	
Indirect Expenditure	95,600	88,434	(7,166)	
Net (Income)/Expenditure	796,550	762,806	(33,744)	

PUBLIC CONVENIENCES

Direct Expenditure	300,470	280,154	(20,316)	
Income	(11,570)	(11,570)	0	
Total Directly Controllable (Income)/Expenditure	288,900	268,584	(20,316)	
Indirect Expenditure	73,120	75,233	2,113	
Net (Income)/Expenditure	362,020	343,817	(18,203)	

ENVIRONMENT

	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	

REFUSE AND RECYCLING

Direct Expenditure	6,309,230	6,626,127	316,897
Income	(3,816,070)	(3,836,027)	(19,957)
Total Directly Controllable (Income)/Expenditure	2,493,160	2,790,100	296,940
Indirect Expenditure	685,380	685,492	112
Net (Income)/Expenditure	3,178,540	3,475,592	297,052

Recycling gate fees continue at levels similar to those in 2015-16, resulting in a projected domestic recycling gate fee which exceeds the budget by £367,000. An equalisation reserve was established to cover this additional cost. Trade refuse disposal charges are projected to be £51,000 below the estimate of £470,000.

RIVER CONTROL

Direct Expenditure	30,670	30,693	23
Total Directly Controllable (Income)/Expenditure	30,670	30,693	23
Indirect Expenditure	9,140	8,148	(992)
Net (Income)/Expenditure	39,810	38,841	(969)

ROADS AND FOOTPATHS MAINTENANCE

Direct Expenditure	36,640	34,661	(1,979)
Total Directly Controllable (Income)/Expenditure	36,640	34,661	(1,979)
Indirect Expenditure	49,540	60,241	10,701
Net (Income)/Expenditure	86,180	94,902	8,722

SNOW AND ICE PLAN HOLDING ACCOUNT

Direct Expenditure	61,440	61,446	6
Income	(62,270)	(62,270)	0
Total Directly Controllable (Income)/Expenditure	(830)	(824)	6
Indirect Expenditure	1,040	1,040	0
Net (Income)/Expenditure	210	216	6

STREET CLEANSING

Direct Expenditure	2,050,230	2,033,116	(17,114)
Income	(134,750)	(136,671)	(1,921)
Total Directly Controllable (Income)/Expenditure	1,915,480	1,896,445	(19,035)
Indirect Expenditure	121,750	121,774	24
Net (Income)/Expenditure	2,037,230	2,018,219	(19,011)

ENVIRONMENT	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	
STREET FURNITURE			
Direct Expenditure	55,650	58,230	2,580
Total Directly Controllable (Income)/Expenditure	55,650	58,230	2,580
Indirect Expenditure	9,080	10,214	1,134
Net (Income)/Expenditure	64,730	68,444	3,714
TRANSPORTATION			
Direct Expenditure	12,630	12,600	(30)
Total Directly Controllable (Income)/Expenditure	12,630	12,600	(30)
Indirect Expenditure	5,640	8,816	3,176
Net (Income)/Expenditure	18,270	21,416	3,146
VEHICLE MAINTENANCE WORKSHOP			
Direct Expenditure	823,210	809,443	(13,767)
Income	(869,020)	(854,478)	14,542
Total Directly Controllable (Income)/Expenditure	(45,810)	(45,035)	775
Indirect Expenditure	46,570	46,573	3
Net (Income)/Expenditure	760	1,538	778
WOKING ROAD DEPOT			
Direct Expenditure	425,860	434,402	8,542
Income	(608,340)	(608,824)	(484)
Total Directly Controllable (Income)/Expenditure	(182,480)	(174,422)	8,058
Indirect Expenditure	179,840	178,865	(975)
Net (Income)/Expenditure	(2,640)	4,443	7,083
RECYCLING, CLEANSING AND PARKING SERVICES OVERHEAD ACCOUNT			
Direct Expenditure	201,750	195,973	(5,777)
Income	(251,530)	(251,557)	(27)
Total Directly Controllable (Income)/Expenditure	(49,780)	(55,584)	(5,804)
Indirect Expenditure	48,360	48,366	6
Net (Income)/Expenditure	(1,420)	(7,218)	(5,798)

MANAGING DIRECTOR

Revised Budget Projected Outturn Variance
 2016-17 2016-17

SERVICE SUMMARY			
Direct Expenditure	625,555	582,619	(42,936)
Income	(549,070)	(549,079)	(9)
Total Directly Controllable (Income)/Expenditure	76,485	33,540	(42,945)
Indirect Expenditure	70,020	70,038	18
Net (Income)/Expenditure	146,505	103,578	(42,927)

PERFORMANCE MANAGEMENT

Direct Expenditure	72,070	54,151	(17,919)	Vacant posts pending the restructure of internal audit and performance management service.
Income	(72,070)	(72,079)	(9)	
Total Directly Controllable (Income)/Expenditure	0	(17,928)	(17,928)	
Net (Income)/Expenditure	0	(17,928)	(17,928)	

INTERNAL AUDIT

Direct Expenditure	313,245	288,185	(25,060)	Vacant posts pending the restructure of internal audit and performance management service.
Income	(276,320)	(276,320)	0	
Total Directly Controllable (Income)/Expenditure	36,925	11,865	(25,060)	
Indirect Expenditure	36,880	36,889	9	
Net (Income)/Expenditure	73,805	48,754	(25,051)	

PERFORMANCE AND TRANSFORMATION

Direct Expenditure	240,240	240,283	43
Income	(200,680)	(200,680)	0
Total Directly Controllable (Income)/Expenditure	39,560	39,603	43
Indirect Expenditure	33,140	33,149	9
Net (Income)/Expenditure	72,700	72,752	52

RESOURCES **Revised Budget** **Projected Outturn** **Variance**
2016-17 **2016-17**

SERVICE SUMMARY			
Direct Expenditure	47,354,269	47,494,185	139,916
Income	(45,564,260)	(45,742,350)	(178,090)
Total Directly Controllable (Income)/Expenditure	1,790,009	1,751,835	(38,174)
Indirect Expenditure	2,311,890	2,313,650	1,760
Net (Income)/Expenditure	4,101,899	4,065,485	(36,414)

ACCOUNTANCY

Direct Expenditure	782,620	791,190	8,570
Income	(913,160)	(913,253)	(93)
Total Directly Controllable (Income)/Expenditure	(130,540)	(122,063)	8,477
Indirect Expenditure	129,420	129,444	24
Net (Income)/Expenditure	(1,120)	7,381	8,501

BUSINESS RATES

Direct Expenditure	189,350	194,758	5,408
Income	(276,390)	(276,563)	(173)
Total Directly Controllable (Income)/Expenditure	(87,040)	(81,805)	5,235
Indirect Expenditure	43,060	43,069	9
Net (Income)/Expenditure	(43,980)	(38,736)	5,244

ICT BUSINESS SERVICES TEAM

Direct Expenditure	774,490	686,553	(87,937)	Vacant posts pending service restructuring.
Income	(739,790)	(739,868)	(78)	
Total Directly Controllable (Income)/Expenditure	34,700	(53,315)	(88,015)	
Indirect Expenditure	96,570	96,612	42	
Net (Income)/Expenditure	131,270	43,297	(87,973)	

CLIMATE CHANGE

Direct Expenditure	418,840	399,645	(19,195)
Income	(367,670)	(367,700)	(30)
Total Directly Controllable (Income)/Expenditure	51,170	31,945	(19,225)
Indirect Expenditure	61,190	61,223	33
Net (Income)/Expenditure	112,360	93,168	(19,192)

RESOURCES

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
CORPORATE FINANCIAL			
Direct Expenditure	164,090	164,371	281
Income	(154,650)	(154,768)	(118)
Total Directly Controllable (Income)/Expenditure	9,440	9,603	163
Indirect Expenditure	275,770	275,812	42
Net (Income)/Expenditure	285,210	285,415	205

COUNCIL TAX

Direct Expenditure	624,364	646,819	22,455	Council Tax salaries are over budget £13,900 (net of vacancy credit £15,800). The implications of the Revenue & Benefits restructure have yet to be included, which are anticipated to generate a saving. Postage costs are higher than budget as a result of changes to the mail recording process after the budget was set.
Income	(343,750)	(343,750)	0	
Total Directly Controllable (Income)/Expenditure	280,614	303,069	22,455	
Indirect Expenditure	142,090	142,111	21	
Net (Income)/Expenditure	422,704	445,180	22,476	

ICT CUSTOMER TECHNICAL SUPPORT

Direct Expenditure	941,930	975,472	33,542	Network Links (BT Unicorn) will be over budget by £13,150 and Infrastructure Maintenance by £5,600.
Income	(920,390)	(920,222)	168	
Total Directly Controllable (Income)/Expenditure	21,540	55,250	33,710	
Indirect Expenditure	76,640	76,652	12	
Net (Income)/Expenditure	98,180	131,902	33,722	

E-PAYMENTS DEPARTMENT

Direct Expenditure	341,080	350,508	9,428
Income	(482,310)	(482,361)	(51)
Total Directly Controllable (Income)/Expenditure	(141,230)	(131,853)	9,377
Indirect Expenditure	98,210	98,225	15
Net (Income)/Expenditure	(43,020)	(33,628)	9,392

FEASIBILITY STUDIES

Direct Expenditure	20,000	20,000	0
Total Directly Controllable (Income)/Expenditure	20,000	20,000	0
Indirect Expenditure	140	140	0
Net (Income)/Expenditure	20,140	20,140	0

RESOURCES

Revised Budget Projected Outturn Variance

2016-17 2016-17

DEBTORS

Direct Expenditure	161,070	153,987	(7,083)	Salaries costs are £6,300 lower than estimate as a result of a temporary arrangement to fill a full time post on a part time basis.
--------------------	---------	---------	---------	---

Income	(262,070)	(262,097)	(27)	
Total Directly Controllable (Income)/Expenditure	(101,000)	(108,110)	(7,110)	
Indirect Expenditure	100,970	100,979	9	
Net (Income)/Expenditure	(30)	(7,131)	(7,101)	

HOUSING BENEFITS

Direct Expenditure	37,526,841	37,659,060	132,219	Housing Benefit salaries and agency staffing costs are £31,000 over budget. The implications of the Revenue & Benefits restructure have yet to be included, which are anticipated to generate a saving. Postage costs are higher than budget as a result of changes to the mail recording process after the budget was set. The Department of Work and Pensions reimburse the cost of housing benefit payment. The amount of housing benefit paid is higher than budgeted, as a consequence the amount reimbursed has increased by an equivalent amount.
--------------------	------------	------------	---------	--

Income	(37,317,510)	(37,422,092)	(104,582)	
Total Directly Controllable (Income)/Expenditure	209,331	236,968	27,637	
Indirect Expenditure	228,420	228,444	24	
Net (Income)/Expenditure	437,751	465,412	27,661	

INFORMATION SYSTEMS TEAM

Direct Expenditure	258,660	258,894	234	
Income	(294,430)	(294,062)	368	
Total Directly Controllable (Income)/Expenditure	(35,770)	(35,168)	602	
Indirect Expenditure	37,350	37,299	(51)	
Net (Income)/Expenditure	1,580	2,131	551	

RESOURCES

	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	

INSURANCE REVENUE ACCOUNT

Direct Expenditure	917,970	877,069	(40,901)	Actual insurance premiums are lower than budgeted assumptions. Savings have also been achieved in the risk management budget as our insurer is offering risk management support and training as part of the policy.
Income	(938,410)	(941,888)	(3,478)	
Total Directly Controllable (Income)/Expenditure	(20,440)	(64,819)	(44,379)	
Indirect Expenditure	3,580	3,885	305	
Net (Income)/Expenditure	(16,860)	(60,934)	(44,074)	

IT RENEWALS REVENUE ACCOUNT

Income	(582,920)	(582,920)	0
Total Directly Controllable (Income)/Expenditure	(582,920)	(582,920)	0
Indirect Expenditure	464,470	464,479	9
Net (Income)/Expenditure	(118,450)	(118,441)	9

MISCELLANEOUS ITEMS

Direct Expenditure	120,864	192,039	71,175
Income	88,850	88,850	0
Total Directly Controllable (Income)/Expenditure	209,714	280,889	71,175
Indirect Expenditure	460	460	0
Net (Income)/Expenditure	210,174	281,349	71,175

OFFICE SERVICES TEAM

Direct Expenditure	1,434,050	1,433,612	(438)	
Income	(1,849,460)	(1,919,435)	(69,975)	Surrey County Council rent will be £30,800 higher than budgeted. The reprographics support service recharge is anticipated to be overachieved by £41,800.
Total Directly Controllable (Income)/Expenditure	(415,410)	(485,823)	(70,413)	
Indirect Expenditure	478,180	479,422	1,242	
Net (Income)/Expenditure	62,770	(6,401)	(69,171)	

PAYMASTER

Direct Expenditure	127,250	131,654	4,404
Income	(210,200)	(210,221)	(21)
Total Directly Controllable (Income)/Expenditure	(82,950)	(78,567)	4,383
Indirect Expenditure	40,940	40,952	12
Net (Income)/Expenditure	(42,010)	(37,615)	4,395

RESOURCES

NON DISTRIBUTED COSTS

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
Direct Expenditure	2,227,680	2,227,680	0
Total Directly Controllable (Income)/Expenditure	2,227,680	2,227,680	0
Indirect Expenditure	160	160	0
Net (Income)/Expenditure	2,227,840	2,227,840	0

WEBSITE

Direct Expenditure	323,120	330,874	7,754
Total Directly Controllable (Income)/Expenditure	323,120	330,874	7,754
Indirect Expenditure	34,270	34,282	12
Net (Income)/Expenditure	357,390	365,156	7,766

2014-15 Actual £	2015-16 Draft Actual £	Analysis	2016-17 Estimate £	2016-17 Projection £
		Borough Housing Services		
651,611	684,835	Income Collection	653,540	607,386
946,030	961,285	Tenants Services	934,070	836,817
128,403	94,149	Tenant Participation	145,290	64,046
69,481	71,964	Garage Management	69,680	66,436
62,502	63,133	Elderly Persons Dwellings	76,500	68,621
526,690	566,292	Flats Communal Services	447,100	443,088
461,658	414,610	Environmental Works to Estates	560,770	541,996
4,365,787	4,752,742	Responsive & Planned Maintenance	5,092,260	5,017,939
131,157	136,164	SOCH & Equity Share Administration	117,990	134,010
7,343,319	7,745,173		8,097,200	7,780,338
		Strategic Housing Services		
367,945	398,983	Advice, Registers & Tenant Selection	356,810	339,617
189,835	191,815	Void Property Management & Lettings	186,420	177,938
8,161	7,360	Homelessness Hostels	7,930	7,830
214,176	217,176	Supported Housing Management	204,870	177,765
363,535	430,396	Strategic Support to the HRA	471,550	442,630
1,143,652	1,245,728		1,227,580	1,145,780
		Community Services		
885,118	897,939	Sheltered Housing	883,050	879,356
		Other Items		
5,952,153	6,437,625	Depreciation	5,000,000	5,000,000
(22,462,367)	(1,156,635)	Impairment	0	0
104,786	85,409	Debt Management	154,650	154,650
0	0	Rent Rebates	0	0
163,913	154,473	Other Items	506,970	506,970
(6,869,426)	15,409,712	Total Expenditure	15,869,450	15,467,095
(32,275,406)	(32,592,728)	Income	(32,331,290)	(32,538,279)
(39,144,832)	(17,183,017)	Net Cost of Services(per inc & exp a/c)	(16,461,840)	(17,071,184)
232,550	241,767	HRA share of CDC	241,740	241,740
(38,912,282)	(16,941,250)	Net Cost of HRA Services	(16,220,100)	(16,829,444)
(178,802)	(332,979)	Investment Income	(481,030)	(386,175)
5,077,365	5,173,010	Interest Payable	5,130,890	5,080,000
(34,013,719)	(12,101,219)	Deficit for Year on HRA Services	(11,570,240)	(12,135,619)
0	0	Amortised Premiums & Discounts	0	0
0	0	REFCUS - Revenue expenditure funded from capital	75,000	75,000
210,000	0	VRP-Voluntary Revenue Provision (corporation club)	0	0
2,500,000	2,500,000	Contrib to/(Use of) RFFC	2,500,000	2,500,000
5,359,879	8,435,425	Contrib to/(Use of) New Build Reserve	8,995,240	9,560,619
3,313,022	0	CERA - Capital Expenditure from Revenue	0	0
180,302	31,451	Tfr (fr) to Pensions Reserve	0	0
22,462,367	1,156,635	Tfr (from)/to CAA re: Impairment/Revaluation	0	0
(11,850)	(22,292)	Tfr (from)/to CAA re: rev. inc. from sale of asset	0	0
0	0	HRA Balance	0	(0)
(2,500,000)	(2,500,000)	Balance Brought Forward	(2,500,000)	(2,500,000)
(2,500,000)	(2,500,000)	Balance Carried Forward	(2,500,000)	(2,500,000)

2014-15 Actual £	2015-16 Draft Actual £	Analysis	2016-17 Estimate £	2016-17 Projection £
		Income		
(29,507,308)	(29,937,928)	Rent Income - Dwellings	(29,604,000)	(29,857,312)
(203,864)	(203,864)	Rent Income - Rosebery Hsg Assoc	(234,840)	(228,000)
(181,109)	(194,792)	Rents - Shops, Buildings etc	(181,110)	(168,930)
(662,500)	(661,341)	Rents - Garages	(712,000)	(727,217)
(30,554,781)	(30,997,925)	Total Rent Income	(30,731,950)	(30,981,459)
(359,506)	(300,297)	Supporting People Grant	(280,000)	(280,000)
(896,176)	(970,273)	Service Charges	(967,920)	(967,690)
(78,871)	(27,549)	Legal Fees Recovered	(25,000)	(14,000)
(1,211)	0	Council Tax Recovered	(1,250)	(1,250)
(50,488)	(39,590)	Service Charges Recovered	(53,990)	(57,050)
(334,373)	(257,094)	Miscellaneous Income	(271,180)	(236,830)
(32,275,406)	(32,592,728)	Total Income	(32,331,290)	(32,538,279)

This page is intentionally left blank

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate £000	Cumulative spend at 31-03-16 £000	2016-17							2017-18 Est for year £000	2018-19 Est for year £000	2019-20 Est for year £000	2020-21 Est for year £000	2021-22 Est for year £000	Future years est exp £000	Projected expenditure total £000	Grants Contributions towards cost of scheme £000	Net cost of scheme £000
				Estimate approved by Council in February £000	Rolled over £000	Supp Ests £000	Virements £000	Revised estimate £000	Expenditure at 22-08-16 £000	Projected exp est by project officer £000									
APPROVED SCHEMES																			
COMMUNITY																			
Neighbourhood & housing management																			
P5	Gypsy & Traveller (Ash bridge)	921	902	-	19	-	-	19	19	18	-	-	-	-	-	920	(432)	488	
P2	Safer Guildford: CCTV & Lighting Strategy - Lighting Strategy phase 3	116	105	-	11	-	-	11	-	11	-	-	-	-	-	116	-	116	
P2(a)	Lighting: Cabell Rd	8	5	-	3	-	-	3	-	3	-	-	-	-	-	8	(3)	5	
P3	Safer Guildford: CCTV & Lighting Strategy - Lighting Strategy phase 4	136	123	-	13	-	-	13	-	13	-	-	-	-	-	136	(6)	130	
HC3	Furniture link guildford	30	-	-	30	-	-	30	-	30	-	-	-	-	-	30	-	30	
COMMUNITY DIRECTORATE TOTAL		1,211	1,134	0	76	0	0	76	19	75	0	0	0	0	0	1,209	(441)	768	
CORPORATE																			
no projects																			
DEVELOPMENT																			
Economic development																			
ED3/	Disabled Access (DDA) Improvements: ph.2 & 3	405	313	75	17	-	-	92	28	92	-	-	-	-	-	405	-	405	
ED9	Heritage Lottery Fund Development Grant - Guildford Museum and Castle	100	-	100	-	-	-	100	-	100	-	-	-	-	-	100	(73)	27	
ED14	Void investment property refurbishment works	200	163	58	(21)	-	-	37	-	17	-	-	-	-	-	180	-	180	
ED14	11 Midleton Refurb	-	-	-	-	-	-	-	8	8	-	-	-	-	-	8	-	8	
ED14	17 Enterprise Unit - Ash Vale refurb	-	-	-	-	-	-	-	2	2	-	-	-	-	-	2	-	2	
ED14	14 Enterprise Unit - Ash Vale refurb	-	-	-	-	-	-	-	1	1	-	-	-	-	-	1	-	1	
ED14	Brinell buildings (Boag) - refurb works	-	-	-	-	-	-	-	-	9	-	-	-	-	-	9	-	9	
ED14	5 High Street - refurb works	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ED18	Museum and castle development	240	-	240	-	-	-	240	-	240	-	-	-	-	-	240	-	240	
ED19	Asbestos surveys and removal in non-residential council premises	158	53	32	9	-	-	41	3	41	32	32	-	-	64	158	-	158	
ED21	Methane gas monitoring system	100	31	61	8	-	-	69	-	69	-	-	-	-	-	100	-	100	
ED22	Energy efficiency compliance - Council owned properties	25	4	-	21	-	-	21	3	21	-	-	-	-	-	25	-	25	
ED23	Rebuild retaining wall on Shalford Park boundary with the Old Vicarage	60	-	-	60	-	-	60	0	60	-	-	-	-	-	60	-	60	
ED24	Electric Theatre - replace neon sign	14	0	14	-	-	-	14	-	14	-	-	-	-	-	14	-	14	
ED26	Bridges	117	50	-	67	-	-	67	-	39	-	-	-	-	-	90	-	90	
ED26	Gunpowder Mills Bridges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ED26	Peasmarsh Common Bridge	-	-	-	-	-	-	-	19	19	-	-	-	-	-	19	-	19	
ED26	Bridges - Millmead Footbridge	-	-	-	-	-	-	-	2	2	-	-	-	-	-	2	-	2	
ED26	Bridges - Shalford Water Meadow	-	-	-	-	-	-	-	2	2	-	-	-	-	-	2	-	2	
ED26	Bridges - Ash Grn tread reps	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ED26	Bridges-Compton Common	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	
ED26	Bridges-Effingham Common	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	
ED26	Bridges-Kingston Meadows	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	
ED26	Bridges-Hollybush Pk, Ash Vale	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	
ED26	Bridges-Fox Corner, Worplesdon	-	-	-	-	-	-	-	4	4	-	-	-	-	-	4	-	4	
ED26	Bridges-Great Goodwin Drive	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	
ED26	Bridges-Heathfield, Send	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	
ED26	Bridges-Inner Quadrant Ashvale	-	-	-	-	-	-	-	1	1	-	-	-	-	-	1	-	1	
ED26	Bridges-Lakeside Nature Reserv	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	
ED26	Bridges-Land At Baird Drive	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	
ED26	Bridges-Merrow Common	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	
ED26	Bridges-Merrow Woods	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	
ED26	Bridges-Moore Close, Tongham	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	
ED26	Bridges-Tower Hill, Gomshall	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	
ED26	Bridges-Avondale Open Space	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	
ED26	Bridges-Rowan Field, Shawfield	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	
ED26	Bridges-Kingfisher Dr, Merrow	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	
ED26	Bridges-Parsonage Water Meadow	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate £000	Cumulative spend at 31-03-16 £000	2016-17							2017-18 Est for year £000	2018-19 Est for year £000	2019-20 Est for year £000	2020-21 Est for year £000	2021-22 Est for year £000	Future years est exp £000	Projected expenditure total £000	Grants Contributions towards cost of scheme £000	Net cost of scheme £000
				Estimate approved by Council in February £000	Rolled over £000	Supp Ests £000	Virements £000	Revised estimate £000	Expenditure at 22-08-16 £000	Projected exp est by project officer £000									
ED26	Bridges-Greenark Biodiversity	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	
ED29	Guildford House courtyard	7	-	-	7	-	-	7	-	7	-	-	-	-	-	7	-	7	
ED31	Acquisition of New House	1,200	-	-	1,200	-	-	1,200	106	1,200	-	-	-	-	-	1,200	-	1,200	
ED35	Electric Theatre - new boilers	120	-	120	-	-	-	120	-	120	-	-	-	-	-	120	-	120	
ED39	Gfd business incubation project	110	-	-	110	-	-	110	-	110	-	-	-	-	-	110	-	110	
ED41	The Billings roof	200	-	50	-	-	-	50	5	50	150	-	-	-	150	200	-	200	
ED42	Guildford house damproofing	20	-	20	-	-	-	20	-	20	-	-	-	-	-	20	-	20	
ED43	Racks close	56	-	56	-	-	-	56	34	56	-	-	-	-	-	56	-	56	
ED44	Broadwater cottage	74	-	74	-	-	-	74	-	74	-	-	-	-	-	74	-	74	
ED45	Gunpowder mills - scheduled ancient monument	50	-	50	-	-	-	50	-	50	-	-	-	-	-	50	-	50	
	PLANNING SERVICES																		
P1	Environmental Improvements: High Street / Chertsey St., Guildford	60	-	-	-	-	-	-	-	-	60	-	-	-	-	60	60	(20)	40
P4	Guildford Riverside Route Ph 1 (part SPA)	708	115	391	202	-	-	593	207	593	-	-	-	-	-	708	(708)	0	
	DEVELOPMENT DIRECTORATE TOTAL	4,024	730	1,341	1,680	-	-	3,021	430	3,021	242	32	-	-	-	274	4,025	(801)	3,224
	ENVIRONMENT																		
	Operational Services																		
OP1	Safer Guildford: CCTV & Lighting Strategy - CCTV etc. phase 4 - VIREMENT TO Paddling pool (EXCEPT £11k, ie £81k)	93	82	-	11	-	-	11	-	11	-	-	-	-	-	93	-	93	
OP2	Land Drainage: Ash Green - flood relief works	346	294	-	52	-	-	52	33	52	-	-	-	-	-	346	(60)	286	
OP3	Sluice Gates Motorisation at Town Mill Toll House	70	59	-	11	-	-	11	-	11	-	-	-	-	-	70	-	70	
OP5	Mill Lane (Pirbright) Flood Protection Scheme	71	49	-	22	-	-	22	2	22	-	-	-	-	-	71	(50)	21	
OP6	Vehicles, Plant & Equipment Replacement Programme	5,545	2,235	2,600	710	-	-	3,310	784	3,310	-	-	-	-	-	5,545	-	5,545	
OP9	Replace town centre litter bins with dual litter and recycling bins	65	-	-	65	-	-	65	-	65	-	-	-	-	-	65	-	65	
OP10	Guildford High Street imps - Pay SCC	304	305	304	(304)	-	-	-	(76)	-	-	-	-	-	-	305	-	305	
	Ash Surface Water (grant funded)	22	22	-	-	-	-	-	-	-	-	-	-	-	-	22	(22)	0	
	William Road Flood (grant funded)	15	15	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	0	
OP19	Flexford Flood (EA grant)	50	24	-	-	26	-	26	39	26	-	-	-	-	-	50	(3)	47	
Opxx	Ashenden rd (EA grant)	3	3	-	-	-	-	-	-	-	-	-	-	-	-	3	(3)	0	
OP20	Flood resilience measures (use in conjunction with grant funded schemes)	100	-	100	-	-	-	100	-	100	-	-	-	-	-	100	-	100	
OP22	Litter bins	200	25	200	(25)	-	-	175	1	175	-	-	-	-	-	200	-	200	
OP23	Flats recycling - new bins	50	-	50	-	-	-	50	-	50	-	-	-	-	-	50	-	50	
OP24	WRD security barriers	15	-	15	-	-	-	15	-	15	-	-	-	-	-	15	-	15	
OP25	WRD roads and footpaths	150	-	100	-	-	-	100	-	30	120	-	-	-	120	150	-	150	
OP26	Merrow lane grille & headwall construction	60	-	60	-	-	-	60	-	60	-	-	-	-	-	60	-	60	
OP27	Merrow & Burpham surface water study	15	-	15	-	-	-	15	-	15	-	-	-	-	-	15	-	15	
OP28	Crown court CCTV	10	-	10	-	-	-	10	-	10	-	-	-	-	-	10	-	10	
	Parks and Leisure																		
PL4	Crematorium - mercury abatement/new cremators	1,017	947	40	30	-	-	70	11	70	-	-	-	-	-	1,017	-	1,017	
PL5	Improvement of Security at Guildford Crematorium -	24	15	-	9	-	-	9	1	9	-	-	-	-	-	24	-	24	
PL11	Spectrum Roof replacement	4,000	30	2,769	(30)	-	-	2,739	1	2,734	1,231	-	-	-	1,231	3,995	-	3,995	
	Spectrum roof - steelwork ph2	-	-	-	-	-	-	-	5	5	-	-	-	-	-	5	-	5	
PL15	Infrastructure works: Guildford Commons	150	-	150	-	-	-	150	-	136	-	-	-	-	-	136	-	136	
PL15(	Infrastructure works: Guildford Commons: Merrow	-	-	-	-	-	-	-	9	9	-	-	-	-	-	9	-	9
PL15(	Infrastructure works: Guildford Commons: Shalford	-	-	-	-	-	-	-	5	5	-	-	-	-	-	5	-	5
PL20(	Onslow Rec play area	125	-	-	125	-	-	125	-	125	-	-	-	-	-	125	-	125
PL21(	Council tennis courts refurbishment - Kingston meadows	140	93	42	5	-	-	47	-	47	-	-	-	-	-	140	-	140
PL22	Stoke Park Paddling Pool (ph1&2)	423	252	-	107	-	64	171	112	171	-	-	-	-	-	423	(33)	390	
PL26	Replacement roundabout planters	50	-	-	20	-	-	20	-	20	-	-	-	-	-	20	-	20	
PL34	Stoke cemetery re-tarmac	47	-	47	-	-	-	47	-	47	-	-	-	-	-	47	-	47	
PL35	Woodbridge rd sportsground replace fencing	160	-	160	-	-	-	160	3	160	-	-	-	-	-	160	-	160	
PL36	Stoke Park Composting facility	105	-	105	-	-	-	105	-	105	-	-	-	-	-	105	-	105	
PL37	Worplesdon rd allotments - new boundary fence	15	-	15	-	-	-	15	-	15	-	-	-	-	-	15	-	15	
PL38	Chantry wood campsite	216	-	216	-	-	-	216	-	216	-	-	-	-	-	216	(116)	100	
PL40	Replace hanging basket posts	88	-	88	-	-	-	88	-	88	-	-	-	-	-	88	(44)	44	
PL42	Pre-sang costs	100	-	-	-	-	100	100	-	100	-	-	-	-	-	100	-	100	

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate £000	Cumulative spend at 31-03-16 £000	2016-17							2017-18 Est for year £000	2018-19 Est for year £000	2019-20 Est for year £000	2020-21 Est for year £000	2021-22 Est for year £000	Future years est exp £000	Projected expenditure total £000	Grants Contributions towards cost of scheme £000	Net cost of scheme £000
				Estimate approved by Council in February £000	Rolled over £000	Supp Ests £000	Virements £000	Revised estimate £000	Expenditure at 22-08-16 £000	Projected exp est by project officer £000									
ENVIRONMENT TOTAL DIRECTORATE		14,069	4,674	7,086	808	26	164	8,084	932	8,014	1,351	-	-	-	-	1,351	14,039	(346)	13,693
RESOURCES																			
Business Systems																			
BS1	Investment in Millmead House campus	3,884	3,476	-	408	-	-	408	303	408	-	-	-	-	-	-	3,884	-	3,884
Financial Services																			
FS1	Capital contingency fund	4,246	-	5,000	-	-	(754)	4,246	-	4,246	-	-	-	-	-	-	4,246	-	4,246
HC1	RESOURCES DIRECTORATE TOTAL	8,130	3,476	5,000	408	0	(754)	4,654	303	4,654	0	0	0	0	0	0	8,130	0	8,130
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																			
ED25	Guildford Park - new MSCP and infrastructure works	6,500	-	6,500	-	-	-	6,500	174	6,500	-	-	-	-	-	-	6,500	-	6,500
ED31	Asset Investment Fund	26,580	17,980	-	8,600	-	-	8,600	-	-	-	-	-	-	-	-	17,980	-	17,980
ED31	Wey House	-	-	-	-	15,700	-	-	23,775	24,233	-	-	-	-	-	-	24,233	-	24,233
ED32	1-3 Bridge Street (Armour buildings)	-	3,076	-	-	-	-	-	30	30	-	-	-	-	-	-	3,106	-	3,106
	Brinnell Building (BOAG)	-	1,572	-	-	-	-	-	37	37	-	-	-	-	-	-	1,609	-	1,609
ED40	Private let accommodation works	200	-	200	-	-	-	200	-	200	-	-	-	-	-	-	200	-	200
ED32	Clay lane link road	700	528	-	172	-	-	172	21	172	-	-	-	-	-	-	700	-	700
ED6	Slyfield Area Regeneration Project (SARP) GBC own costs &	984	63	500	421	-	-	921	-	921	-	-	-	-	-	-	984	(600)	384
ED27	North Street Development	949	371	350	55	-	-	405	-	405	100	100	-	-	-	200	976	(50)	926
ED27	Pop up Village	329	-	-	-	-	553	553	8	553	-	-	-	-	-	-	553	-	553
P5	Walnut Bridge	3,341	126	2,196	47	-	403	2,646	0	2,646	569	-	-	-	-	569	3,341	(1,771)	1,570
P9c	TCMP Sites U: Bedford Rd Wharf	14,176	-	5,320	-	-	-	5,320	-	14,176	-	-	-	-	-	-	14,176	-	14,176
P9c	TCMP Sites U: Bedford Rd Wharf	3,523	-	3,523	-	-	-	3,523	-	3,523	-	-	-	-	-	-	3,523	-	3,523
PL9	Rebuild Crematorium	540	13	174	342	-	40	556	35	556	-	-	-	-	-	-	569	-	569
PL25	Spectrum Combined Heat and Power (GF contr)	1,200	-	869	-	-	-	869	0	-	869	-	-	-	-	869	869	-	869
PL29	Woodbridge Rd	1,900	-	-	-	-	550	200	53	750	1,150	-	-	-	-	1,150	1,900	(796)	1,104
HC1	DEVELOPMENT/INCOME GENERATING/COST REDUCTION	60,922	23,730	19,632	9,637	15,700	1,546	30,465	24,133	54,702	2,688	100	0	0	0	2,788	81,220	(3,217)	78,003
APPROVED SCHEMES TOTAL		88,356	33,744	33,059	12,609	15,726	956	46,300	25,817	70,466	4,281	132	0	0	0	4,413	108,623	(4,806)	103,817
non-development projects total		27,434	10,014	13,427	2,972	26	(590)	15,835	1,684	15,764	1,593	32	0	0	0	1,625	27,403	(1,588)	25,815

Page 225

SUMMARY																			
APPROVED SCHEMES - TOTAL		88,356	33,744	33,059	12,609	15,726	956	46,300	25,817	70,466	4,281	132	-	-	-	4,413	108,623	(4,806)	103,817
GRAND TOTAL		88,356	33,744	33,059	12,609	15,726	956	46,300	25,817	70,466	4,281	132	-	-	-	4,413	108,623	(4,806)	103,817

FINANCED as follows :	
CONTRIBUTIONS	531
CAPITAL RECEIPTS	-
R.C.C.O. :	
SPECIFIC	-
GF CAPITAL SCHEMES RESERVE	-
OTHER RESERVES	177
FUNDING REQUIREMENT: HOUSING RECEIPTS	-
FUNDING REQUIREMENT: BORROWING	32,351
TOTAL	33,059

Estimate approved by Council in February £000	Revised estimate £000	Expenditure at 22-08-16 £000	Projected exp est by project officer £000	2017-18 Est for year £000	2018-19 Est for year £000	2019-20 Est for year £000	2020-21 Est for year £000	2021-22 Est for year £000	Future years est exp £000
531			3,289	1,016	0	0	0	0	1,016
-			330	0	0	0	0	0	0
-			0	0	0	0	0	0	0
-			0	0	0	0	0	0	0
177			0	0	0	0	0	0	0
-			0	0	0	0	0	0	0
32,351			66,847	3,265	132	0	0	0	3,397
33,059			70,466	4,281	132	0	0	0	4,413

This page is intentionally left blank

Ref	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive £000	Cumulative spend at 31-03-16 £000	Estimate approved by Council in February £000	Rolled over £000	Supp Ests	2016-17				2017-18 Est for year £000	2018-19 Est for year £000	2019-20 Est for year £000	2020-21 Est for year £000	2021-22 Est for year £000	Future years estimated expenditure £000	Projected expenditure total £000	Grants or Contributions towards cost of scheme £000	Net total cost of scheme to the Council £000
							Virements £000	Revised estimate £000	Expenditure at 22-08-16 £000	Projected exp est by project officer £000									
PROVISIONAL SCHEMES (schemes approved in principle; further report to the Executive required)																			
COMMUNITY DIRECTORATE																			
N&HM1(P)	Provision of a single gypsy pitch at Wyke Avenue	158	-	158	-	-	-	158	-	-	-	-	-	-	-	-	-	(20)	(20)
ED30(P)	Home Farm, Effingham - provision of Gypsy and Traveller pitches	900	17	900	(17)	-	-	883	3	883	-	-	-	-	-	900	-	900	
COMMUNITY DIRECTORATE TOTAL		1,058	17	1,058	(17)			1,041	3	883						900	(20)	880	
CORPORATE DIRECTORATE no projects																			
CORPORATE DIRECTORATE TOTAL		-	-	-	-			-	-	-						-	-	-	
DEVELOPMENT DIRECTORATE																			
ED14(P)	Void investment property refurbishment works	500	-	200	-	-	-	200	-	200	100	100	100	-	-	300	500	-	500
ED18(P)	Museum and castle development	4,992	-	173	-	-	-	173	-	173	1,707	1,997	1,115	-	-	4,819	4,992	(2,995)	1,997
ED21(P)	Methane gas monitoring system	150	-	150	-	-	-	150	-	150	-	-	-	-	-	150	-	150	
ED22(P)	Energy efficiency compliance - Council owned properties	1,150	-	230	-	-	-	230	-	230	690	230	-	-	-	920	1,150	-	1,150
ED26(P)	Bridges	570	-	570	-	-	-	570	-	570	-	-	-	-	-	570	-	570	
ED45(P)	Gunpowder mills - scheduled ancient monument	172	-	172	-	-	-	172	-	172	-	-	-	-	-	172	-	172	
P6(P)	Guildford Riverside Route PH 2&3	2,400	-	2,400	-	-	-	2,400	-	-	2,400	-	-	-	2,400	2,400	(2,400)	-	
ED46(P)	New House - short term works following acquisition	70	-	-	70	-	-	70	-	70	-	-	-	-	-	70	-	70	
DEVELOPMENT DIRECTORATE TOTAL		10,004	-	3,895	70			3,965	-	1,565	4,897	2,327	1,215	-	-	8,439	10,004	(5,395)	4,609
ENVIRONMENT DIRECTORATE																			
OP5(P)	Mill Lane (Pirbright) Flood Protection Scheme	200	-	-	200	-	-	200	-	200	-	-	-	-	-	200	(20)	180	
OP15(P)	Vehicles, Plant & Equipment Replacement Programme	5,900	-	-	-	-	-	-	-	-	300	600	4,000	1,000	-	5,900	5,900	-	5,900
OP17(P)	New vehicle washing system	155	-	-	155	-	-	155	-	155	-	-	-	-	-	155	-	155	
OP21(P)	Surface water management plan	200	-	-	200	-	-	200	-	200	-	-	-	-	-	200	-	200	
PL12(P)	Spectrum schemes to be agreed with Freedom Leisure	700	-	700	-	-	-	700	-	700	-	-	-	-	-	700	-	700	
PL16(P)	New burial grounds - acquisition & development	1,764	20	1,750	(6)	-	-	1,744	6	1,744	-	-	-	-	-	1,764	-	1,764	
PL18(P)	Refurbishment / rebuild Sutherland Memorial Park Pavilion	150	-	50	-	-	-	50	-	-	150	-	-	-	150	150	-	150	
PL20(P)	Council owned playground refurbishment	470	-	125	-	-	-	125	-	125	125	100	120	-	345	470	-	470	
PL21(P)	Council tennis courts refurbishment	295	-	80	-	-	-	80	-	80	215	-	-	-	215	295	(10)	285	
PL24(P)	Kings college astro turf	450	-	450	-	-	-	450	-	450	-	-	-	-	-	450	(350)	100	
PL32(P)	Stoke Park Bowls Club	35	-	35	-	-	-	35	-	35	-	-	-	-	-	35	-	35	
PL39(P)	Aldershot rd allotment expansion & improvement	200	-	200	-	-	-	200	-	200	-	-	-	-	-	200	-	200	
PL41(P)	Stoke pk office accommodation & storage buildings	730	-	605	-	-	-	605	-	605	125	-	-	-	125	730	-	730	
ENVIRONMENT DIRECTORATE TOTAL		11,249	20	3,995	549			4,544	6	4,494	915	700	4,120	1,000	-	6,735	11,249	(380)	10,869
RESOURCES DIRECTORATE																			
BS2(P)	Millmead House Toilet refurb	121	-	121	-	-	-	121	-	121	-	-	-	-	-	121	-	121	
CD3(P)	Renewables	65	-	65	-	-	-	65	-	65	-	-	-	-	-	65	-	65	
RESOURCES DIRECTORATE TOTAL		186	-	186	-			186	-	186	-	-	-	-	-	186	-	186	
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																			
ED25(P)	Guildford Park new MSCP and infrastructure works	23,125	-	4,885	-	-	-	4,885	-	4,885	6,760	6,980	4,500	-	-	18,240	23,125	-	23,125
ED32(P)	Clay lane link road	10,439	-	10,339	-	-	-	10,339	-	1,000	100	9,339	-	-	-	9,439	10,439	(1,340)	9,099
ED16(P)	Slyfield Area Regeneration Project (SARP) (GBC share)	104,680	-	58	-	-	-	58	-	58	35,816	48,258	20,549	-	-	104,623	104,681	-	104,681
ED38(P)	North Street development	21,134	-	21,134	-	-	-	21,134	-	500	20,634	-	-	-	-	20,634	21,134	-	21,134
P7(P)	Transport schemes for future Local Growth Fund and other funding opportunities	4,000	-	4,000	-	-	-	4,000	-	-	4,000	-	-	-	-	4,000	4,000	(3,500)	500
P8(P)	Town centre transport infrastructure package	217	-	620	-	(403)	-	217	-	217	-	-	-	-	-	217	-	217	
P9(P)	Major projects unit	64,793	-	13,497	-	-	-	13,497	-	11,700	15,366	31,250	5,000	5,000	5,000	61,616	73,316	-	73,316

Ref	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive £000	Cumulative spend at 31-03-16 £000	Estimate approved by Council in February £000	Rolled over £000	Supp Ests	2016-17			Projected exp est by project officer £000	2017-18 Est for year £000	2018-19 Est for year £000	2019-20 Est for year £000	2020-21 Est for year £000	2021-22 Est for year £000	Future years estimated expenditure £000	Projected expenditure total £000	Grants or Contributions towards cost of scheme £000	Net total cost of scheme to the Council £000
							Virements £000	Revised estimate £000	Expenditure at 22-08-16 £000										
P9a(P)	TCMP Sites A-F: 56 Church rd pre development design	350	-	350	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
P9b(P)	TCMP Sites V1: Portsmouth rd CP conversion to Riverside park	700	-	700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
P9c(P)	TCMP Sites U: Bedford Rd Wharf	2474	-	1797	-	-	-	-	-	2474	-	-	-	-	-	-	-	-	-
P9d(P)	TCMP non-council owned and other TC opportunity development sites - land acquisition	30000	-	10000	-	-	-	-	-	5000	5000	5000	5000	5000	-	-	-	-	-
P9e(P)	Beechcroft rd	1350	-	100	-	-	-	-	-	-	1250	-	-	-	-	-	-	-	-
P9f(P)	Major & minor road improvement schemes predevelopment work to be funded by LEP/SCC & CIL	550	-	550	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
P9g(P)	TCMP site AF: 56 Church Rd - development costs	4369	-	-	-	-	-	-	-	4369	-	-	-	-	-	-	-	-	-
P9h(P)	Ash bridge, tesco roudabout, gyratory and other major road schemes	25000	-	-	-	-	-	-	-	-	25000	-	-	-	-	-	-	-	-
	Additional Parking Space Mary Rd & Millbrook Car Parks; Option 1: Mary Road decking (Option 3 being the more expensive option has been included in the figures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OP13(P)	Option 2: Millbrook decking	1,025	-	-	-	-	-	-	-	-	-	1,025	-	-	1,025	1,025	-	-	1,025
OP14(P)	Option 3: Mary Road Multi Storey (this more expensive option has been included in the figures)	5,565	-	-	-	-	-	-	-	-	-	5,565	-	-	5,565	5,565	-	-	5,565
PL9(P)	Rebuild/refurb new crematorium	4,000	-	-	-	-	-	-	-	3,410	520	70	-	-	4,000	4,000	-	-	4,000
ENT/INCOME GENERATING/COST REDUCTION PROJECTS TOTAL		238,978	-	54,533	-	-	(403)	54,130	-	18,360	86,086	96,347	36,709	5,000	5,000	229,142	247,502	(4,840)	242,662
PROVISIONAL SCHEMES - GRAND TOTALS		261,475	37	63,667	602	-	(403)	63,866	8	25,488	91,898	99,374	42,044	6,000	5,000	244,316	269,841	(10,635)	259,206
non development projects		22,497	37	9,134	602	-	-	9,736	8	7,128	5,812	3,027	5,335	1,000	-	15,174	22,339	(5,795)	16,544

SUMMARY																			
PROVISIONAL SCHEMES - TOTAL		261,475	37	63,667	602		(403)	63,866	8	25,488	91,898	99,374	42,044	6,000	5,000	244,316	269,841	(10,635)	259,206
GRAND TOTAL		261,475	37	63,667	602		(403)	63,866	8	25,488	91,898	99,374	42,044	6,000	5,000	244,316	269,841	(10,635)	259,206

FINANCED as follows :	
CONTRIBUTIONS	211
CAPITAL RECEIPTS	-
CAPITAL RECEIPTS	-
R.C.C.O. :	
GF CAPITAL SCHEMES RESERVE	-
OTHER RESERVES	1,885
FUNDING REQUIREMENT: HOUSING RECEIPTS	10,885
FUNDING REQUIREMENT: BORROWING	50,686
TOTAL	63,667

Estimate approved by Council in February £000	Rolled over £000	Virements £000	Revised estimate £000
211			
-			
-			
-			
1,885			
10,885			
50,686			
63,667	-	-	-

Projected exp est by project officer £000	2017-18 Est for year £000	2018-19 Est for year £000	2019-20 Est for year £000	2020-21 Est for year £000	2021-22 Est for year £000	Future years estimated expenditure £000
211	1,707	1,121	0	0	0	2,828
0	4,000	9,200	9,075	6,000	0	28,275
0	0	0	26,800	0	0	26,800
0	0	0	0	0	0	0
0	0	0	0	0	0	0
4,885	0	0	0	0	0	0
20,392	86,191	89,053	6,169	0	5,000	186,413
25,488	91,898	99,374	42,044	6,000	5,000	244,316

gfd pk
MPU

Ref	Service Units / Capital Schemes	Approved gross estimate £000	Cumulative spend at 31-03-16 £000	Estimate approved by Council in February £000	Rolled over £000	2016-17				2017-18 Est for year £000	2018-19 Est for year £000	2019-20 Est for year £000	2020-21 Est for year £000	2021-22 Est for year £000	Future years est exp £000	Projected expenditure total £000	Grants / Contributions towards cost of scheme £000	Net cost of scheme £000	Total net cost approved by Executive £000
						Virements	Revised estimate	Expenditure at 22-08-16 £000	Projected exp est by project officer £000										
APPROVED SCHEMES (fully funded from S106 contributions)																			
ENVIRONMENT DIRECTORATE																			
S-PL1	Woodbridge Meadow Artwork	104	58	-	46	-	46	22	46	-	-	-	-	-	-	104	(104)	-	-
S-PL2	G Live Artwork	34	32	-	2	-	2	-	2	-	-	-	-	-	-	34	(34)	-	-
S-PL3	Art Print Hse Sq (Sculpture Martyr Rd)	36	25	-	11	-	11	-	11	-	-	-	-	-	-	36	(36)	-	-
S-PL7	Tilehouse Open Space - Playground Refurbishment & Fitness Equipment	132	102	-	30	-	30	-	30	-	-	-	-	-	-	132	(132)	-	-
S-PL8	Briars Playground Refurb	10	-	-	10	-	10	-	10	-	-	-	-	-	-	10	(10)	-	-
S-PL13	Stoke Recreation Ground play area	41	37	-	4	-	4	-	4	-	-	-	-	-	-	41	(41)	-	-
S-PL17	Bushy Hill Facilities	27	16	-	11	-	11	-	11	-	-	-	-	-	-	27	(27)	-	-
S-PL23	75-78 Woodbridge Rd	15	4	-	11	-	11	-	11	-	-	-	-	-	-	15	(15)	-	-
S-PL24	Woodbridge Meadow Public Art	70	-	-	-	-	-	-	-	-	-	-	-	-	-	70	(70)	-	-
S-PL29	Greening the approaches - roundabouts	40	-	-	40	-	40	7	40	-	-	-	-	-	-	40	(40)	-	-
S-PL33	Installation of trampoline play equipment	11	-	-	11	-	11	-	11	-	-	-	-	-	-	11	(11)	-	-
S-PL36	Gunpowder mills - signage, access and woodland imps	16	6	-	10	-	10	2	10	-	-	-	-	-	-	16	(16)	-	-
S-PL37	Ripley PC bowls club	9	-	-	9	-	9	5	9	-	-	-	-	-	-	9	(9)	-	-
S-PL40	Ripley PC skate ramp	47	22	25	-	-	25	-	25	-	-	-	-	-	-	47	(47)	-	-
S-PL42	Sutherland memorial park public art project	23	-	-	23	-	23	-	23	-	-	-	-	-	-	23	(23)	-	-
S-PL43	Extension to Village hall CP, West Clandon	16	-	-	16	-	16	16	16	-	-	-	-	-	-	16	(16)	-	-
S-PL44	Ash Skate Park	55	-	-	-	55	55	-	55	-	-	-	-	-	-	55	(55)	-	-
ENVIRONMENT DIRECTORATE TOTAL		686	302	25	234	55	314	52	314	-	-	-	-	-	-	686	(686)	-	-
APPROVED SCHEMES continued (fully funded from S106 contributions)																			
DEVELOPMENT DIRECTORATE																			
S-P1	Haydon Place / Martyr Road	67	64	-	3	-	3	-	3	-	-	-	-	-	-	67	(67)	-	-
S-P3	North Street Rejuvenation Project	489	257	232	-	-	232	-	232	-	-	-	-	-	-	489	(489)	-	-
S-P5	Falcon Rd Guildford	6	-	-	6	-	6	-	6	-	-	-	-	-	-	6	(6)	-	-
S-P7	Woodbridge meadows	243	24	-	220	-	220	-	220	-	-	-	-	-	-	244	(244)	-	-
S-P8	Woodbridge Hill environmental improvements	226	17	-	210	-	210	10	210	-	-	-	-	-	-	227	(227)	-	-
S-P10	G Live Lighting and Signage York Road	32	23	-	9	-	9	-	9	-	-	-	-	-	-	32	(32)	-	-
S-P11	G Live Bus stop/drop off point	11	4	-	7	-	7	-	7	-	-	-	-	-	-	11	(11)	-	-
S-P12	Espom Rd/Boxgrove Road	150	87	63	-	-	63	-	63	-	-	-	-	-	-	150	(150)	-	-
S-P13	Kingpost Parade car park	20	19	-	2	-	2	-	2	-	-	-	-	-	-	21	(21)	-	-
S-P14	Bridge Street Waymarking	5	1	-	4	-	4	-	4	-	-	-	-	-	-	5	(5)	-	-
DEVELOPMENT DIRECTORATE TOTOAL		1,249	495	295	461	-	756	10	756	-	-	-	-	-	-	1,251	(1,251)	-	-
APPROVED S106 SCHEMES TOTAL		2,130	990	320	695	55	1,070	62	1,070	-	-	-	-	-	-	2,133	(2,133)	-	-

Appendix 6
Agenda item number: 6

SUMMARY
APPROVED S106 SCHEMES - TOTAL
GRAND TOTAL

990	320	695	55	1,070	62	1,070	-	-	-	-	-	-	-	-	2,133	(2,133)	-	-
990	320	695	55	1,070	62	1,070	-	-	-	-	-	-	-	-	2,133	(2,133)	-	-

FINANCED BY - S106 CONTRIBUTIONS

(990)	(320)	(695)	(55)	(1,070)	(62)	(1,070)	-	-	-	-	-	-	-	-	(2,133)	2,133	-	-
-------	-------	-------	------	---------	------	---------	---	---	---	---	---	---	---	---	---------	-------	---	---

This page is intentionally left blank

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-16	Estimate approved by Council in February	2016-17			Expenditure at 22-08-16	Projected exp est by project officer	2017-18 Est for year	2018-19 Est for year	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	Future years est exp	Projected expenditure total
					Rolled over	Virements	Revised estimate									
		(a) £000	(b) £000	(c) £000	(d) (i) £000			(e) £000	(f) £000	(i) £000	(ii) £000	(iii) £000	(iv) £000	(v) £000	(g) £000	(b)+(g) = (h) £000
	RESOURCES DIRECTORATE															
	ENERGY PROJECTS per SALIX RESERVE:			85					85	-					-	85
R-EN10	LED Lighting replacement	80	49	-	31		31	-	31	-	-	-	-	-	-	80
R-EN11	WRD energy reduction	70	-	-	70		70	-	70	-	-	-	-	-	-	70
	ENERGY PROJECTS per GBC INVEST TO SAVE RESERVE:															
	<i>GBC 'Invest to Save' energy projects (to be repaid in line with savings)</i>			120	44		164		164	-					-	
R-EN3	Spectrum - Absorption chiller	90	-	90	-		90	-	90	-					-	90
R-EN4	Millmead - replace lighting	100	100	100	-		-	-	-	-					-	100
R-EN12	PV/energy efficiency projects	100	2	-	98		98	-	98	-	-	-	-	-	-	100
	ENERGY RESERVES TOTAL	440	151	395	243	-	453	-	538	-	-	-	-	-	-	525
	BUDGET PRESSURES RESERVE															
R-BB1	Surreysave Credit Union - purchase of shares	100	50	50	-	-	50	-	50	-	-	-	-	-	-	100
R-BB2	Limmerslease - watts gallery loan	125	-	-	125	-	125	0	125	-	-	-	-	-	-	125
	BUDGET PRESSURES RESERVE TOTAL	225	50	50	125	-	175	0	175	-	-	-	-	-	-	225
	LABGI RESERVE															
R-LB1	Bedford Rd Bus Station	250	59	191	-		191	-	191	-	-	-	-	-	-	250
	LABGI RESERVE TOTAL	250	59	191	-	-	191	-	191	-	-	-	-	-	-	250
	INFORMATION TECHNOLOGY - IT Renewals Reserve : approved annually															
	Hardware / software budget		-	850	41		891	-	787	350	350	350	350	-	1,400	2,187
R-IT1	Hardware	annual	annual	-	-		-	10	10	-	-	-	-	-	-	10
R-IT2	Software	annual	annual	-	-		-	94	94	-	-	-	-	-	-	94
	IT RENEWALS RESERVE TOTAL	-	-	850	41	-	891	104	891	350	350	350	350	-	1,400	2,251
	ENVIRONMENT DIRECTORATE															
	SPECTRUM RESERVE															
R-S10	Chiller Replacement & CHO absorption chiller	245	-	243	-		243	-	243	-	-	-	-	-	-	243
R-S13	Lift controls - replacement	310	-	-	310		310	-	310	-	-	-	-	-	-	310
	SPECTRUM RESERVE TOTAL	555	-	243	310	-	553	-	553	-	-	-	-	-	-	553
	CAR PARKS RESERVE															
R-CP1	Car parks - install/replace pay-on-foot equipment	570	236	-	334		334	-	334	-	-	-	-	-	-	570
R-CP2	Car parks - install/replace pay and display equipment	300	182	-	118		118	-	118	-	-	-	-	-	-	300
	Car Parks - Lighting & Electrical improvements:															
R-CP3	- Bedford Road Lighting & Electrical	348	315	-	42		42	-	42	-	-	-	-	-	-	357

Page 3 of 11

Appendix 7
Agenda item number: 6

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-16	Estimate approved by Council in February	2016-17					Projected exp est by project officer	2017-18 Est for year	2018-19 Est for year	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	Future years est exp	Projected expenditure total
					Rolled over	Virements	Revised estimate	Expenditure at 22-08-16	(b)+(g) £000								
		(a) £000	(b) £000	(c) £000	(d) (i) £000	£000	£000	(e) £000	(f) £000	(i) £000	(ii) £000	(iii) £000	(iv) £000	(v) £000	(g) £000	(b)+(g) £000	
R-CP4	- Leapale Road Lighting & Electrical	102	54	-	48		48	-	48	-	-	-	-	-	-	102	
R-CP13	- Castle, Farnham & York Rd Lighting	300	-	-	300	-	300	-	300	-	-	-	-	-	-	300	
	<u>Car parks - Deck surfacing:</u>																
R-CP8	- Castle car park	325	-	-	-		-	-	-	-	325	-	-	-	325	325	
R-CP9	- Farnham Road car park	550	501	-	49		49	-	49	-	-	-	-	-	-	550	
R-CP10	- Bedford Road	512	-	512	-		512	-	512	-	-	-	-	-	-	512	
R-CP11	Dilapidation works to Onslow House and Bedford Rd M	77	1	-	75		75	0	75	-	-	-	-	-	-	76	
R-CP12	Replacement of collapsed retaining wall Bright Hill	321	8	-	315		315	3	315	-	-	-	-	-	-	323	
R-CP14	Lift replacement	429	-	93	-		93	-	93	187	187	187	187	-	748	429	
R-CP15	Merrow P&R CCTV	50	-	50	-		50	-	50	-	-	-	-	-	-	50	
	CAR PARKS RESERVE TOTAL	3,884	1,296	655	1,281	-	1,936	3	1,936	187	512	187	187	-	1,073	3,893	
	SPA RESERVE :																
	SPA schemes (various)	100	annual	100	65		165	-	165	100	-	-	-	-	100	265	
R-SPA1	Chantry Woods																
R-SPA2	Effingham																
R-SPA3	Lakeside							1	-								
R-SPA4	Riverside							0	-								
R-SPA5	Parsonage								-								
R-SPA7	Access tracks at Chantry Wood	60	-	-	60		60	-	60	-	-	-	-	-	-	60	
	SPA RESERVE TOTAL	160	-	100	125	-	225	1	225	100	-	-	-	-	100	325	
	GRAND TOTALS	5,514	1,556	2,484	2,125	-	4,424	107	4,509	637	862	537	537	-	2,573	8,063	

Agenda item number: 6
Appendix 7

Page 20 of 20

FUNDING SUMMARY	
Reserves (various)	2,384
Grants & contributions	100
TOTALS	2,484

Estimate approved by Council in February	Rolled over	Virements	Revised estimate	Expenditure at 22-08-16	Projected exp est by project officer	2017-18 Est for year	2018-19 Est for year	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
2,384	2,000	-	4,199	106	4,284	537	862	537	537	-
100	125	-	225	1	275	100	-	-	-	-
2,484	2,125	-	4,424	107	4,559	637	862	537	537	-

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 2015-16 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, dependding 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)

Page 23

Balance after funding capital expenditure as at 31 March

	2015-16 Actuals £000	2016-17 Budget £000	2016-17 Est Outturn £000	2017-18 Estimate £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000
Balance as at 1 April	3,971	0	0	0	0	0	0	0
Add estimated usable receipts in year	112	330	330	4,330	9,530	36,205	6,330	330
Less applied re funding of capital schemes	(4,083)	(330)	(330)	(4,330)	(9,530)	(36,205)	(6,330)	(330)
Balance after funding capital expenditure as at 31 March	0	0	0	0	0	0	0	0

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

APPENDIX 8

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

Capital Schemes Reserve (*para.4 below*)

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

Total funding required

	2015-16 Actuals £000	2016-17 Budget £000	2016-17 Est Outturn £000	2017-18 Estimate £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000
	16,279	33,059	70,466	4,281	132	0	0	0
	37	63,667	25,488	91,898	99,374	42,044	6,000	5,000
	268	320	1,070	0	0	0	0	0
	1,031	2,484	4,509	637	862	537	537	0
	932	3,627	3,778	740	740	740	740	740
Total estimated capital expenditure	18,547	103,157	105,312	97,556	101,108	43,321	7,277	5,740
To be funded by:								
Capital receipts (<i>per 2.above</i>)	(4,729)	(330)	(330)	(4,330)	(9,530)	(36,205)	(6,330)	(330)
Contributions	(1,071)	(1,347)	(4,634)	(2,823)	(1,121)	0	0	0
R.C.C.O.:								
Other reserves	(1,047)	(4,269)	(4,284)	(537)	(862)	(537)	(537)	0
Capital Schemes Reserve (<i>para.4 below</i>)	0	0	0	0	0	0	0	0
	(6,847)	(5,946)	(9,248)	(7,690)	(11,513)	(36,742)	(6,867)	(330)
Balance of funding to be met from (i) the Capital Reserve, and (ii) borrowing	(11,700)	(97,211)	(96,063)	(89,866)	(89,595)	(6,579)	(410)	(5,410)
Total funding required	(18,547)	(103,157)	(105,312)	(97,556)	(101,108)	(43,321)	(7,277)	(5,740)

Page 234

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

	2015-16 Actuals £000	2016-17 Budget £000	2016-17 Est Outturn £000	2017-18 Estimate £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000
Balance as at 1 April	1,932	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
	1,932	0	0	0	0	0	0	0
Less: Applied re funding of capital programme	(1,932)	0	0	0	0	0	0	0
Balance after funding capital expenditure etc.as at 31 March	0	0	0	0	0	0	0	0

Estimated shortfall at year-end to be funded from borrowing

	9,768	97,211	96,063	89,866	89,595	6,579	410	5,410
--	--------------	---------------	---------------	---------------	---------------	--------------	------------	--------------

Agenda item number: 6
Appendix 8

This page is intentionally left blank

GENERAL FUND HOUSING CAPITAL PROGRAMME

APPENDIX 9

	Approved Project Budget £000	Cumulative Spend at 31-03-15 £000	2016-17 Original Estimate £000	2016-17 Revised Estimate £000	2016-17 Actual £000	2016-17 Projected Outturn £000	2017-18 Estimate £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	Total scheme cost £000
EXPENDITURE - APPROVED PROGRAMME												
Grants												
Disabled Facilities Grants - mandatory	annual	annual	410	410	131	410	450	450	450	450	450	annual
Home Improvement Assistance	annual	annual	60	60	38	60	40	40	40	40	40	annual
Solar energy loans	annual	annual	30	30	0	30	30	30	30	30	30	annual
SHIP Scheme	annual	annual	20	20	0	20	0	0	0	0	0	annual
Total Disabled Facilities Grants			520	520	169	520	520	520	520	520	520	
Affordable Housing												
Acquisition of Land & Buildings			0	0	0	0	0	0	0	0	0	0
<u>Feasibility/Site Preparation (incl. decommission costs and home loss & disturbance payments):</u>												
- Garage Sites	0	92	0	0	8	8	0	0	0	0	0	100
- Lakeside Close, Ash	0	308	0	0	0	0	0	0	0	0	0	308
- New Road Gomshall	0	217	0	0	0	0	0	0	0	0	0	217
- Guildford Corporation Club	0	54	0	0	343	343	0	0	0	0	0	397
- Badymead / Fire station	0	38	0	0	0	0	0	0	0	0	0	38
- Guildford Park Car Park	0	62	0	0	(66)	(66)	0	0	0	0	0	(4)
- Appletree pub		0	0	0	14	14	0	0	0	0	0	14
General	annual	0	150	150	2	2	120	120	120	120	120	602
Housing delivery options (equity)	2,857	0	2,857	2,857	0	2,857	0	0	0	0	0	2,857
Total In-house affordable housing expenditure			3,007	3,007	301	3,158	120	120	120	120	120	
Affordable Housing - Grants:												
General Grants	annual	0	100	100	0	100	100	100	100	100	100	600
Total housing association affordable housing expenditure			100	100	0	100	100	100	100	100	100	
Total Expenditure to be financed			3,627	3,627	470	3,778	740	740	740	740	740	5,128

Note 1: Funding for development of these sites is included in the HRA statement

GENERAL FUND HOUSING CAPITAL PROGRAMME

FINANCING OF PROGRAMME

Specific Grants	302	302	302	302
Housing Grant repayments	30	30	41	50
Capital Receipts Reserve - pre 13-14	188	188	(174)	168
Capital Receipts Reserve - post 13-14	3,107	3,107	301	3,258
Total Financing (= Total Expenditure)	3,627	3,627	470	3,778

2016-17 Original Estimate £000	2016-17 Revised Estimate £000	2016-17 Actual £000	2016-17 Projected Outturn £000
302	302	302	302
30	30	41	50
188	188	(174)	168
3,107	3,107	301	3,258
3,627	3,627	470	3,778

2017-18 Estimate £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000
300	300	300	300	300
30	30	30	30	30
190	190	190	190	190
220	220	220	220	220
740	740	740	740	740

BALANCES

Usable Capital Receipts (T01008) pre 13-14

Balance b/f	17,934	17,608	17,724	0	17,724
Estimated receipts - sale of dwellings	0	0	0	0	0
Applied re DFG's capital programme (above)	(210)	(188)	(188)	174	(168)
Applied re GF Hsg capital Programme	0	0	0	0	0
Repaid re General Fund capital programme	0	0	0	0	0
Balance c/f	17,724	17,420	17,536	174	17,556

2013-14 Actuals £000	2016-17 Original Estimate £000	2016-17 Revised Estimate £000	2016-17 Actual £000	2016-17 Projected Outturn £000
17,934	17,608	17,724	0	17,724
0	0	0	0	0
(210)	(188)	(188)	174	(168)
0	0	0	0	0
0	0	0	0	0
17,724	17,420	17,536	174	17,556

2017-18 Estimate £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000
17,556	17,366	17,176	16,986	16,796
0	0	0	0	0
(190)	(190)	(190)	(190)	(190)
0	0	0	0	0
0	0	0	0	0
17,366	17,176	16,986	16,796	16,606

BALANCES

Usable Capital Receipts (T01012) post 13-14 (can be used for: HRA, affordable housing & regeneration)

Balance b/f	0	5,561	3,128	0	3,128
Estimated receipts - sale of dwellings	447	200	200	0	200
Repaid re General Fund capital programme	3,127	0	0	0	0
Applied re General Fund Housing capital programme (above)	0	(1,581)	(3,107)	(301)	(3,258)
Applied re HRA capital Programme	(446)	(250)	(250)	0	(250)
Balance c/f	3,128	3,930	(29)	(301)	(180)

2013-14 Actuals £000	2016-17 Original Estimate £000	2016-17 Revised Estimate £000	2016-17 Actual Outturn £000	2016-17 Projected Outturn £000
0	5,561	3,128	0	3,128
447	200	200	0	200
3,127	0	0	0	0
0	(1,581)	(3,107)	(301)	(3,258)
(446)	(250)	(250)	0	(250)
3,128	3,930	(29)	(301)	(180)

2017-18 Estimate £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000
(180)	(450)	(720)	(990)	(1,260)
200	200	200	200	200
0	0	0	0	0
(220)	(220)	(220)	(220)	(220)
(250)	(250)	(250)	(250)	(250)
(450)	(720)	(990)	(1,260)	(1,530)

Housing Grant Repayments

Balance b/f	0	0	0	0
Repayments in year	54	30	30	30
Used in Year	(54)	(30)	(30)	(30)
Balance c/f	0	0	0	0

2013-14 Actuals £000	2016-17 Original Estimate £000	2016-17 Revised Estimate £000	2016-17 Actual Outturn £000	2016-17 Projected Outturn £000
0	0	0	0	0
54	30	30	0	30
(54)	(30)	(30)	0	(30)
0	0	0	0	0

2017-18 Estimate £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000
0	0	0	0	0
30	30	30	30	30
(30)	(30)	(30)	(30)	(30)
0	0	0	0	0

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2016-17 to 2020-21: HRA APPROVED PROGRAMME

APPENDIX 10

	Project Budget £000	2015-16 Actual £000	Project Spend at 31-03-16 £000	2016-17 Estimate £000	2016-17 Projected Outturn £000	2017-18 Estimate £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	Total Project Exp £000
Acquisition of Land & Buildings	3,302	0	0	3,500	3,302	0					3,302
New Build											
Lakeside Close, Ash	5,100	1,256	4,655	128	128	0	0	0	0	0	4,783
New Road, Gomshall	4,250	1,051	4,066	106	106	0	0	0	0	0	4,172
Wyke Avenue	505	0	516	0	0	0	0	0	0	0	516
Guildford Park	75	0	0	75	75	0	0	0	0	0	75
Slyfield Green (Corporation Club)	2,448	0	0	1,850	2,398	50	0	0	0	0	2,448
Willow Way	1,000	0	0	800	800	175	25	0	0	0	1,000
Garage sites	2,500	0	0	1,350	1,350	1,000	150	0	0	0	2,500
The Homstead	500	0	0	485	485	15	0	0	0	0	500
Appletree pub site		43	43	0	0	0	0	0	0	0	43
Various small sites & feasibility/Site preparation	1,000	0	0	0	0	0	0	0	0	0	0
Schemes to promote Home-Ownership											
Equity Share Re-purchases	annual	312	annual	400	400						annual
Major Repairs & Improvements											
Retentions & minor carry forwards	annual	0	annual	5,000	5,000						annual
Kitchens & Bathrooms	annual	1,308	annual	0							annual
Doors and Windows	annual	138	annual	0							annual
Structural	annual	1,059	annual	0							annual
Energy efficiency: Central heating	annual	1,501	annual	0							annual
General	annual	967	annual	0							annual
Grants											
Cash Incentive Scheme	annual	0	annual	75	75						annual
TOTAL APPROVED SCHEMES	0	7,635	9,281	13,769	14,119	1,240	175	0	0	0	19,344

Page 29

Appendix 10
number: 6

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2016-17 to 2020-21: HRA PROVISIONAL PROGRAMME

APPENDIX 10

	Project Budget £000	2015-16 Actual £000	Project Spend at 31-03-16 £000	2016-17 Estimate £000	2016-17 Budget Changes	2016-17 Projected Outturn £000	2017-18 Estimate £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	Total Project Exp £000
Acquisition of Land & Buildings	6,000	0	0	6,000	0	0	0	0	0	0	0	0
New Build												
Fire Station/Ladymead	1,195	0	0	1,195		0	0	0	0	0	0	0
Guildford Park	12,150	0	0	0		0	1,320	3,510	11,170	0	0	16,000
Appletree pub	3,200	0	0	2,500		0	800	0	0	0	0	3,300
Schemes to promote Home-Ownership												
Equity Share Re-purchases	annual		annual				400	400	400	400	400	annual
Major Repairs & Improvements												
Major Repairs & Improvements	annual		annual				5,000	5,000	5,000	5,000	5,000	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	75	75	75	annual
Total Expenditure to be financed	22,545	0	0	9,695	0	0	7,595	8,985	16,645	5,475	5,475	19,300

Agenda item number: 6
Appendix 10

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2016-17 to 2020-21: HRA RESOURCES AND FUNDING STATEMENT

APPENDIX 10

	2015-16 Actual £000	2016-17 Estimate £000	2016-17 Projected Outturn £000	2017-18 Estimate £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000
EXPENDITURE								
Approved programme	7,635	13,769	14,119	1,240	175	0	0	0
Provisional programme	0	9,695	0	7,595	8,985	16,645	5,475	5,475
Total Expenditure	7,635	23,464	14,119	8,835	9,160	16,645	5,475	5,475
FINANCING OF PROGRAMME								
Capital Receipts	1,105	250	400	400	400	400	400	400
Contribution from Housing Revenue a/c (re cash incentives)	0	75	75	75	75	75	75	75
Future Capital Programme reserve	0	0	0	0	0	0	0	0
Major Repairs Reserve	4,972	5,000	5,000	5,000	5,000	5,000	5,000	5,000
New Build Reserve	0	12,592	6,051	2,352	2,580	7,819	0	0
1-4-1 receipts	749	5,397	2,593	1,008	1,106	3,351	0	0
Grants and Contributions	808	0	0	0	0	0	0	0
Total Financing (= Total Expenditure)	7,634	23,314	14,119	8,835	9,160	16,645	5,475	5,475
RESERVES - BALANCES								
Reserve for Future Capital Programme (U01035)								
Balance b/f	23,328	23,329	25,828	28,328	30,828	33,328	35,828	38,328
Contribution in year	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Used in year	0	0	0	0	0	0	0	0
Balance c/f	25,828	25,829	28,328	30,828	33,328	35,828	38,328	40,828
Major Repairs Reserve (U01036)								
Balance b/f	2,070	1,285	3,536	4,488	4,488	4,488	4,488	4,488
Contribution in year	6,438	5,678	5,952	5,000	5,000	5,000	5,000	5,000
Used in Year	(4,972)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Balance c/f	3,536	1,963	4,488	4,488	4,488	4,488	4,488	4,488
New Build Reserve (U01069)								
Balance b/f	20,953	20,629	29,390	31,718	38,361	38,782	33,963	36,963
Contribution in year	8,437	8,683	8,379	8,995	3,000	3,000	3,000	3,000
Used in Year	0	(12,592)	(6,051)	(2,352)	(2,580)	(7,819)	0	0
Balance c/f	29,390	16,720	31,718	38,361	38,782	33,963	36,963	39,963

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

Balance b/f	2,368	2,004	3,887	1,977	1,812	1,565	(904)	4
Contribution in year	2,268	908	683	843	859	882	908	934
Used in Year	(749)	(5,397)	(2,593)	(1,008)	(1,106)	(3,351)	0	0
Balance c/f	3,887	(2,485)	1,977	1,812	1,565	(904)	4	938

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	1,979	716	2,623	2,841	3,310	3,787	4,271	4,764
Contribution in year	644	100	218	469	477	484	493	501
Used in Year	0	0	0	0	0	0	0	0
Balance c/f	2,623	816	2,841	3,310	3,787	4,271	4,764	5,265

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	17,452	17,408	17,276	17,028	2,596	2,406	2,216	2,026
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)	0	0	0	(14,242)	0	0	0	0
Used in Year (GF Housing - DFG)	(176)	(330)	(248)	(190)	(190)	(190)	(190)	(190)
Balance c/f	17,276	17,078	17,028	2,596	2,406	2,216	2,026	1,836

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	3,127	1,235	4,715	4,190	3,665	3,140	2,615	2,090
Contribution in year	3,101	200	200	200	200	200	200	200
Used in Year (HRA = above)	(1,105)	(325)	(475)	(475)	(475)	(475)	(475)	(475)
Used in Year (GF Housing)	(408)	(250)	(250)	(250)	(250)	(250)	(250)	(250)
Balance c/f	4,715	860	4,190	3,665	3,140	2,615	2,090	1,565

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

Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of the Director of Corporate Services

Author: John Armstrong / Sophie Butcher

Tel: 01483 444102 / 01483 444056

Email: john.armstrong@guildford.gov.uk / sophie.butcher@guildford.gov.uk

Relevant Lead Councillor: Matt Furniss

Tel: 07891 022206

Email: matt.furniss@guildford.gov.uk

Date: 22 September 2016

Councillor Training and Development Update

Executive Summary

At its meeting on 4 June 2015, and as part of the consideration of the Work Programme, the Committee discussed elements of the councillor induction programme following the May 2015 borough elections and requested the Councillor Development Steering Group to submit a report to consider matters relating to the ongoing councillor training and development programme.

This report outlines the work undertaken by the Steering Group to date, including the feedback from councillors in respect of the new councillors' induction programme, the ongoing training and development programme and the work being carried out in preparation for our first full reassessment under the South East Employers Charter for Elected Member Development, which is due to take place on 8 November 2016.

Recommendation to the Committee:

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

Recommendation to Council (4 October 2016):

The Committee is also asked to recommend to Council:

That the revised draft Councillor Development Policy Statement, as set out in Appendix 1 to this report, be adopted.

Reason for Recommendation:

To recognise the importance the Council attaches to councillors' training and development.

1. Purpose of report

- 1.1 The purpose of this report is to ask the Committee to consider matters relating to the ongoing councillor training and development programme and to recommend to Council the adoption of a revised Councillor Development Policy Statement.

2. Strategic Priorities

- 2.1 The training and development of councillors to equip them with the knowledge and skills to enable them to effectively carry out the various roles that they are expected to perform is consistent with the principles of good corporate governance and is referenced in the Annual Governance Statement as part of the Council's governance framework. The processes and procedures put in place for councillors' training and development provide a robust framework for responding to future challenges and legislative changes which, in turn, help the Council to deliver on all of its strategic priorities.

3. Background

- 3.1 Any council that is serious about meeting the needs of its community through its corporate plan priorities must be committed to the ongoing training and development of its councillors. Most councils have some form of support programme in place. However, the approach and levels of commitment and effectiveness vary.

Councillor Development Policy Statement

- 3.2 In 2010, the Council adopted a Councillor Development Policy Statement in which we made a formal statement of commitment to training, development and learning for all councillors. This commitment was amplified by the Council's status as an Investor in People and its desire to achieve accreditation under the South East Employers' Charter for Elected Member Development.
- 3.3 In June 2016, the Councillors' Development Steering Group considered a draft revised Policy Statement, a copy of which is attached as Appendix 1 to this report, and have recommended its adoption by full Council. One key change proposed in the revised policy (see paragraph 4 (b)) is that the Councillors' Development Steering Group should report directly to this Committee, rather than to the Executive. The reason for this is a recognition that councillor training and development is an essential component of sound corporate governance.
- 3.4 The Committee will also recall that one of the recommendations arising from the Hoey Ainscough review of the Council's ethical standards arrangements, which was adopted by the Council, was that the Committee should have an input into member training programmes to ensure that the importance of the Principles of Public Life (the 'Nolan' principles) is at the heart of the Council's work¹.

Councillors' Development Steering Group

- 3.5 It is essential that member development is member-led and, to that end, a small cross party steering group, currently comprising five councillors², supported by Committee Services officers, is responsible for overall co-ordination of member development at Guildford.
- 3.6 The Steering Group's current terms of reference are:

¹ Paragraph 46 of the report by Hoey Ainscough Associates Ltd

² Councillor Mike Hurdle (chairman), Councillor Matt Furniss, Councillor Angela Gunning, Councillor Nigel Manning and Councillor Caroline Reeves

‘To continue to develop a clear structured Action Plan for councillor development that responds to the fundamental themes that support the vision of the Corporate Plan; Our Borough, Our Economy, Our Infrastructure, Our Environment and Our Society.

To continue to support councillors in their ongoing development and training needs particularly with the introduction of new governance arrangements taking effect as of 1 January 2016.’

3.7 The Steering Group meets on a quarterly basis and the standing items on each agenda include:

- Feedback from Councillor Training Events from the previous quarter
- The ongoing Councillors’ Training and Development Programme
- Monitoring of expenditure against the Councillors’ Training and Development Budget

New councillors’ Induction Programme

3.8 Prior to the 2015 local elections, the then Steering Group put together the comprehensive new councillors’ induction programme which took place from May to July 2015, see Appendix 2 to this report.

3.9 In September 2015, the Steering Group received feedback from councillors on the efficacy and organisation of the induction programme, details of which are set out in Appendix 3.

Ongoing training and development programme

3.10 As stated in paragraph 3.7 above, the Steering Group considers the ongoing training and development programme for councillors at each of its meetings. Since July 2015, the following training and development events for councillors have been held:

DATE	TITLE OF TRAINING
21 Sept 2015	Treasury Management Training
23 Sept 2015	Planning Committee Training: Looking at reasons for refusal and issues surrounding covering: <ul style="list-style-type: none"> • Contact with officers in advance of Committee and contact just before committee • A revised way for Councillors to move overturns on officer recommendations. In short the chairman will adjourn the meeting before a vote is taken to allow the mover of the motion, officers and chairman to get together to ensure appropriate polices and the correct issues are identified • Appeals and costs – appeal statements • Judicial review and webcasting
4 Nov 2015	Planning Committee Training: Seven Day Notification Workshop
16 Nov 2015	Vocal Coaching
19 Nov 2015	Overview and Scrutiny Training & Skills: The National and local context of Overview and Scrutiny

DATE	TITLE OF TRAINING
3 Dec 2015	Overview and Scrutiny Training & Skills: Effective Work Programming and Scoping a Review
12 Jan 2016	Overview and Scrutiny Work Programme Session
27 Jan 2016	Planning Committee Training: <ul style="list-style-type: none"> • The future role and purpose of the Design and Conservation team • Number of listed buildings and conservation areas in the borough – work of conservation character appraisals • When is listed building consent required • Touching on significance, setting, substantial and less than substantial harm • Heritage assets • The context of the above 2 bullet points with the NPPF
9 Feb 2016	Overview and Scrutiny Training & Skills: Questioning Exercise
17 Feb 2016	Planning Committee Training: <ul style="list-style-type: none"> • Recent revisions in planning policy towards Gypsy and Traveller sites • Very special circumstances and what these mean – how weight is attributed • Factors to consider in assessing these types of cases • Permanent and temporary consents – merits and issues for consideration
3 Mar 2016	Safeguarding Training
12 May 2016	Good Urban Design
17 May 2016	Executive Overview and Scrutiny Refresh
15 Jun 2016	Speed Reading

3.11 The current programme is attached as Appendix 4 to this report.

The Charter for Elected Member Development

3.12 The Charter provides a robust, structured framework designed to help councils enhance and hone member development. The Charter is available for councils, police and fire authorities across the south-east region. To date, 18 councils in the South East (outside London) have achieved accreditation.

3.13 Guildford achieved full accreditation under the Charter in September 2013, undertook an interim assessment successfully in March 2015 and is due for a full reassessment on 8 November 2016.

3.14 In order to gain re-accreditation under the Charter, the Council must demonstrate that it continues to satisfy the following four essential criteria:

- That there is a clear commitment to councillor development;
- That the Council has a strategic approach to councillor development.

- That learning and development is effective in building capacity.
- That the Council's processes support councillors in their role as leaders of their local communities.

Charter Reassessment Day – 8 November 2016

3.15 This will involve an assessment day with the South East Employers Assessment Team, councillors and key officers. Typically, the day involves interviews with:

- The Leader of the Council
- Councillors' Development Steering Group representatives
- Leaders of the minority groups on the Council
- A minimum of seven non-executive members, including at least one recently elected. This will be in workshop format
- The Managing Director
- Officer responsible for Member Development

4. Financial Implications

4.1 The Councillors' Training and Development budget is £12,000 per annum and the Steering Group oversees and monitors how this is spent throughout the year.

4.2 The fee paid to South East Employers to cover the cost of the assessment in 2013, interim assessment in March 2015, the re-assessment in November, ongoing support and expenses was £2,500. A further fee of £2,500 will become payable in 2017-18 to cover the costs of the Charter over the next three years.

5. Legal Implications

5.1 There are no legal implications arising from this report.

6. Human Resource Implications

6.1 There are no HR implications arising from this report. All officer support for councillors' development is met through existing staffing resources.

7. Background papers

None

8. Appendices

Appendix 1: Draft Revised Councillor Development Policy Statement
Appendix 2: New councillors' Induction Programme
Appendix 3: Feedback on the Induction Programme
Appendix 4: Current councillors' training and development programme

This page is intentionally left blank

GUILDFORD BOROUGH COUNCIL

MEMBER COUNCILLOR DEVELOPMENT POLICY STATEMENT

Guildford is committed to training, development and learning for all of its Councillors. This is demonstrated by the Council's status as an Investor in People and its desire to achieve/retain the South East Employers' Charter for Elected Member Development.

1. Commitment

The Council:-

- (a) recognises that councillors have a key part to play in achieving the Council's aspirations set out in its strategic framework (see Appendix);
- (b) recognises that the participation by councillors in learning and personal development will help them reach their full potential and equip them to contribute fully to the delivery of the Council's strategic objectives;
- (c) fully accepts its responsibility to make resources available to provide training, development and lifelong learning opportunities and acknowledges that the enterprise, initiative and creativity of councillors is crucial to the future development and success of Guildford's services;
- (d) recognises that continued investment and commitment to training, development and lifelong learning are vital to Guildford if quality services are to be provided, maintained and continually improved and for the retention of high calibre councillors;
- (e) requires its responsibility to provide equal access for all councillors to training and development in accordance with equal opportunities legislation and existing policies.

2. Objectives

- (a) Councillors' training and development requirements are those necessary to:-
 - enable individual councillors to carry out their role efficiently and effectively and to gain satisfaction from their work as a councillor;
 - keep councillors up-to-date on new legislation and changing policies;
 - undertake specific duties and responsibilities;
 - assist with the implementation of corporate and service strategies;
 - ensure progression in their role as a councillor;
 - prepare for further roles and responsibilities; and
 - identify and deliver appropriate learning and development opportunities.

- (b) The identification of the training, development and learning needs of individual and groups of Memberscouncillors is vital to the success of any Learning and Development Plan evolving from this Policy.
- (c) All training, development and learning activities provided for Memberscouncillors will be consistent with and support the Human Resources Strategy. The implications for training, development and learning will be recognised in and by future strategic plans and policies.

3. Implementing the Policy: Identifying Priorities

The Council recognises that employee and councillor training and development needs must have equal importance if the Council is to continue to be successful in achieving its business objectives. Nevertheless, certain needs should be prioritised to form part of a Learning and Development Plan. The following are identified as the 'first steps' for councillors:-

- (a) induction training that ensures new councillors are provided with the necessary information and awareness of Guildford's required standards and internal and external workings and relationships;
- (b) training, development and lifelong learning related to continual improvement in the quality and delivery of services and the achievement of identified business objectives;
- (c) skills training in areas that:-
 - enable councillors to carry out their roles and responsibilities more effectively;
 - ~~the Council has identified within its Key Delivery Targets;~~
 - the Council has statutory obligations;
 - are essential to the maintenance and improvement of service standards;
 - are necessary to maintain/increase income;
 - prevent inefficiency or waste;
 - meet changes in legislation;
- (d) communication skills and training to ensure Guildford communicates effectively both internally and with the community and businesses it serves;
- (e) customer care skills and training to ensure Guildford treats customers (internal and external) in a courteous and equitable way;
- (f) training and education in the current and future use of new technology;
- (g) appropriate health and safety training; and
- (h) equalities and diversity training to ensure social inclusion.

4. Resources

- (a) The Council will provide a budget for councillors' training, development and learning that enables it to achieve its business objectives, subject to finances and resources being available. In particular, the Council will take into account the following factors:-
- (i) the training, development and learning needs identified by councillors themselves;
 - (ii) training, development and learning needs that are essential to improve and progress the agreed policies and strategies of the Council that will help deliver its strategic objectives; and
 - (iii) the costs of training, development and learning from such areas as course fees, hire of external training providers, hire of facilities, training materials and travelling and subsistence.
- (b) A cross-party Councillors' Development Steering Group has been set up to:

~~“Conduct a self-assessment exercise against the South East Employers’ Elected Member Development Charter criteria, developing an action plan for achieving Charter status and overseeing implementation of the action plan and monitoring and advising on the Council’s ongoing arrangements for councillor development.”~~

~~“To continue to develop a clear structured Action Plan for councillor development that responds to the fundamental themes that support the vision of the Corporate Plan; Our Borough, Our Economy, Our Infrastructure, Our Environment and Our Society.~~

~~“To continue to support councillors in their ongoing development and training needs particularly with the introduction of new governance arrangements taking effect as of 1 January 2016.”~~

The Steering Group reports directly to the ~~Executive Corporate Governance and Standards Committee.~~

- (c) The development, co-ordination and responsibility for the monitoring and provision of appropriate ~~Member councillor~~ training and development activities will be carried out by the ~~Head of Legal and Democratic Services Director of Corporate Services and the Head of Human Resources,~~ in consultation with the ~~Members’~~ Steering Group.

Notes:

- (1) Learning is defined as the continuous development of an individual's potential.
- (2) Underpinning this Policy is Guildford's commitment to:-
 - (a) the principles of the Investors in People Standard by:-
 - making a public commitment to develop all employees and ~~Members~~councillors to achieve its business objectives;

Agenda item number: 7

Appendix 1

- reviewing regularly the training and development needs of all employees and councillors;
 - taking action to train and develop employees on recruitment and throughout their employment or, in the case of councillors, upon being elected and throughout their lifeterm of office as a Councillor at Guildford; and
 - evaluating the investment in training, development and learning to assess achievement and improve future effectiveness.
- (b) the four essential criteria to achieving the South East Employers Charter for Elected Member Development:-
- There is a clear commitment to councillor development;
 - The Council has a strategic approach to councillor development.
 - Learning and development is effective in building capacity.
 - The Council's processes support councillors in their role as leaders of their local communities.

By signing up to the Policy Statement, we the undersigned demonstrate our clear and continuing commitment to improve and sustain the standards of MemberCouncillor development at Guildford.

Signed: _____
Leader of the Council and
Leader of the Conservative Group

Dated: _____

Signed: _____
Leader of Liberal Democrat Group

Dated: _____

Signed: _____
Leader of the Guildford Greenbelt Group

Dated: _____

Signed: _____
Leader of the Labour Group

Dated: _____

Signed: _____
Managing Director

Dated: _____

THE COUNCIL'S STRATEGIC FRAMEWORK

Vision – for the Borough

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

Five fundamental themes that support the achievement of our vision:

- **Our Borough** – ensuring that proportional and managed growth for future generations meets our community and economic needs
- **Our Economy** – improving prosperity for all by enabling a dynamic, productive and sustainable economy that provides jobs and homes for local people
- **Our Infrastructure** – working with partners to deliver the massive improvements needed in the next 20 years, including tackling congestion issues
- **Our Environment** – improving sustainability and protecting our countryside, balancing this with the needs of rural and wider economy
- **Our Society** – believing that every person matters and concentrating on the needs of the less advantaged

Your Council – working to ensure a sustainable financial future to deliver improved and innovative services

Values for our residents

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

Mission – for the Council

A forward looking, efficiently run Council, working in partnership with others and providing first class services that gives our society value for money, now and for the future.

This page is intentionally left blank

Induction Programme for new councillors (May to July 2015)

Timetable of events

May

DATE, TIME	VENUE	EVENT	OFFICERS
7/8 May 2015	Venue for Count - Spectrum	Election day and count	
*Saturday 9 May: 10 am to 12 Noon – Robe fitting for new councillors with Charles Robinson and Simon Nelson at the Guildhall.			
Tuesday 12 May 2015 6.30 pm	Council Chamber, Committee Room 1 and Committee Room 2	<p>Reception for newly elected councillors</p> <p>To include: (7:15pm – 7:45pm)</p> <p>Council Chambers</p> <ul style="list-style-type: none"> • Councillors meet and greet with key officers • Overview of the role of Guildford Borough Council and how it operates • Overview of the role of Committee Services • Overview of how iPads work in tandem with Modern.Gov <p>(8pm – 9pm)</p> <p>Committee Room 1 ICT and Modern.Gov to answer queries relating to ipads and modern.gov</p>	<ul style="list-style-type: none"> • Managing Director • Executive Head of Governance • Committee Services • Modern.gov (Ricky Clarke) • ICT representatives (Peter Barnes and Ben Barnes) • Photographer (Paul Stead) • Senior Planning Solicitor (Carolyn Forster) • Legal Services Manager (Sandra Herbert)

DATE, TIME	VENUE	EVENT	OFFICERS
		<p>Committee Room 2 Photographs with Paul Stead</p> <p>Members' Room Committee Services administration of the following pieces of paperwork:</p> <ul style="list-style-type: none"> ○ Emergency contact details form ○ Bank details form ○ Starter checklist ○ Copy of councillors' passports ○ Register of Interests queries ○ Any declarations of acceptance of office <p>[Councillors' Development Steering Group and Group Leaders to attend if re-elected]</p>	
<p>Wednesday 13 May 2015 7pm</p>	<p>Guildhall, High Street, Guildford</p>	<p>*(additional opportunity for robe fitting from 6pm)</p> <p>Annual Council Meeting</p>	<ul style="list-style-type: none"> • Managing Director • Executive Head of Governance • Committee Services
<p>Thursday 14 May 2015 7 pm</p>	<p>Council Chamber Committee Room 1</p>	<ul style="list-style-type: none"> • Planning Basics Training 	<ul style="list-style-type: none"> • Head of Planning Services (Barry Fagg) • Development Control Manager (Tim Dawes) • Principal Conservation Officer (Mariana Beadsworth) • Principal Planner West Team (Zac Ellwood) • Principal Planner East Team (Dan Ledger)

DATE, TIME	VENUE	EVENT	OFFICERS
			<ul style="list-style-type: none"> • Principal Enforcement Officer (Jo Searle) • Paul Sherman Principal Planner (Majors) • Senior Planning Solicitor (Carolyn Forster) • Committee Manager (Sophie Butcher)
Monday 18 May 2015 7pm	Council Chamber	Licensing Committee Training – Introduction <ul style="list-style-type: none"> • Premises licensing under the Licensing Act 2003 	<ul style="list-style-type: none"> • Head of Health and Community Care (John Martin) • Environmental Health Manager (Justine Fuller) • Senior Solicitor (Bridget Peplow) • Trainer (James Button, Licensing Solicitor) • Committee Services
Tuesday 19 May 2015 7pm	Council Chamber/ Committee Room 1	<ul style="list-style-type: none"> • Council Meeting (Selection) 	<ul style="list-style-type: none"> • Managing Director • Executive Head of Governance • Committee Services
Wednesday 20 May 2015 7pm	Council Chamber Committee Room 1	Planning Committee	

DATE, TIME	VENUE	EVENT	OFFICERS
Thursday 21 May 2015 7 pm	Council Chamber Committee Room 1	Licensing Committee	

June

DATE, TIME	VENUE	EVENT	OFFICERS
Monday 1 June 2015 7pm	Council Chamber Committee Room 1	Planning Basics Training (repeater session of 14 May 2015)	<ul style="list-style-type: none"> • Head of Planning Services (Barry Fagg) • Development Control Manager (Tim Dawes) • Principal Conservation Officer (Mariana Beadsworth) • Principal Planner West Team (Zac Ellwood) • Principal Planner East Team (Dan Ledger) • Principal Enforcement Officer (Jo Searle) • Principal Planner - Majors (Paul Sherman) • Senior Planning Solicitor (Carolyn Forster) • Committee Manager (Sophie Butcher)
Tuesday 2 June 2015 7 pm	Council Chamber Committee Room 1	Effective Overview and Scrutiny	<ul style="list-style-type: none"> • Policy and Partnerships Officer • Relevant Executive member - portfolio holder for governance Committee Services • Trainer (Stephen Quigley)

DATE, TIME	VENUE	EVENT	OFFICERS
Wednesday 3 June 2015 7 pm	Council Chamber Committee Room 1	Chairing Meetings	<ul style="list-style-type: none"> • Trainer (Sue Keogh South East Employers) • Committee Services
Thursday 4 June 2015 7 pm	Committee Room 1	<p>7pm – 8:30pm <u>Overview of Role of Committee</u></p> <ul style="list-style-type: none"> • Terms of Reference of Committee • Role of the Corporate Governance and Standards Committee • Internal and External Audit Processes <p>8:30pm <u>Meeting:</u> Corporate Governance and Standards Committee</p>	<ul style="list-style-type: none"> • Audit and Performance Manager (Joan Poole) • Head of Financial Services (Claire Morris) • Legal Services Manager (Sandra Herbert)
Monday 8 June 2015 7pm	Council Chamber Committee Room 1	<ul style="list-style-type: none"> • Ethical Standards Training <p>(opportunity for councillors to complete their register of interests)</p>	<ul style="list-style-type: none"> • Executive Head of Governance (Satish Mistry) • Legal Services Manager (Sandra Herbert) • Senior Planning Solicitor (Carolyn Forster) • Committee Services • John Armstrong (Democratic Services Manager) • Independent Persons • Parish Councillors and or Clerks

DATE, TIME	VENUE	EVENT	OFFICERS
Tuesday 9 June 2015 7 pm	Council Chamber	Customer and Community Scrutiny Committee	
Wednesday 10 June 2015 7pm	Council Chamber Committee Room 1	Planning Committee	
Thursday 11 June 2015 7pm	Council Chamber Committee Room 1	Executive	
Monday 15 June 2015 7pm	Council Chamber Committee Room 1	Local Plan Session	<ul style="list-style-type: none"> • Planning Policy Manager (Stuart Harrison)
Tuesday 16 June 2015 7pm	Council Chamber	Joint Scrutiny Committee	
Wednesday 17 June 2015 7pm	Council Chamber	Licensing Committee Training – Introduction <ul style="list-style-type: none"> • Hackney carriage and private hire driver/vehicle/operator licensing 	<ul style="list-style-type: none"> • Head of Health and Community Care (John Martin) • Environmental Health Manager (Justine Fuller) • Senior Solicitor (Bridget Peplow) • Trainer (James Button, Licensing Solicitor) • Committee Services

DATE, TIME	VENUE	EVENT	OFFICERS
Thursday 18 June 2015 7pm	Council Chamber Committee Room 1	Introduction to Local Government Finance	<ul style="list-style-type: none"> • Head of Financial Services (Claire Morris) • Committee Services
Tuesday 23 June 2015 7pm	Council Chamber	Freedom of Information and Data Protection	<ul style="list-style-type: none"> • Information Rights Officer (Vincenzo Ardilio) • Legal Services Manager (Sandra Herbert) • Executive Head of Governance (Satish Mistry) • Committee Services
Thursday 25 June 2015 7pm	Council Chamber	Corporate Improvement Scrutiny Committee	
Tuesday 30 June 2015 7pm	Council Chamber Committee Room 1	Licensing Committee Training – Introduction (repeat of session held on 18 May 2015)	<ul style="list-style-type: none"> • Information Rights Officer • Executive Head of Governance • Committee Services

July

DATE, TIME	VENUE	EVENT	OFFICERS
Wednesday 1 July 2015 7pm	Council Chamber Committee Room 1	Planning Committee	
Thursday 2 July 2015 7pm	Council Chamber Committee Room 1	*Mentoring Training for Councillors/ Buddy System	<ul style="list-style-type: none"> • Committee Services • Trainer (Mark Palmer South East Employers)
Tuesday 7 July 2015 6:30pm	Council Chamber Committee Room 1	Health and Safety briefing prior to meeting (6:30pm) Council Meeting (7pm)	<ul style="list-style-type: none"> • Occupational Health and Safety Officer (Paul Osborn) • Managing Director (Sue Sturgeon) • Executive Head of Governance (Satish Mistry)
Wednesday 8 July 2015 7pm	Council Chamber Committee Room 1	Effective Meetings	<ul style="list-style-type: none"> • Sue Keogh (SEE)
Thursday 9 July 2015 7pm	Council Chamber Committee Room 1	Equalities and Diversity Training	<ul style="list-style-type: none"> • Trainer (Kevin O'Keefe Excelsa Interim) • Committee Services
Monday 13 July 2015 7pm	Council Chamber Committee Room 1	Licensing Committee Training – Introduction (repeat of session held on 17 June 2015) <ul style="list-style-type: none"> • Hackney carriage and private hire 	<ul style="list-style-type: none"> • Head of Health and Community Care (John Martin) • Environmental Health

DATE, TIME	VENUE	EVENT	OFFICERS
		driver/vehicle/operator licensing	Manager (Justine Fuller) <ul style="list-style-type: none"> • Senior Solicitor (Bridget Peplow) • Trainer (James Button, Licensing Solicitor) • Committee Services
Tuesday 14 July 2015 7pm	Council Chamber	Customer and Community Scrutiny Committee	
Wednesday 15 July 2015 7pm	Council Chamber Committee Room 1	Licensing Committee	
Tuesday 21 July 2015 7pm	Council Chamber	Executive	
Wednesday 22 July 2015 7pm	Council Chamber Committee Room 1	Planning Committee	
Thursday 23 July 2015 7pm	Committee Room 1	Corporate Governance and Standards Committee	
Tuesday 28 July 2015 7pm	Council Chamber Committee	Extraordinary Meeting of Council	

DATE, TIME	VENUE	EVENT	OFFICERS
	Room 1		
Thursday 30 July 2015 7pm	Council Chamber	Corporate Improvement Scrutiny Committee	

This page is intentionally left blank

RECEPTION FOR NEWLY ELECTED COUNCILLORS – 12 MAY 2015 Attended by 32 councillors (12 of whom returned the feedback forms) Training provided in-house					
		Agree Strongly	Agree	Disagree	Disagree Strongly
1.	The time of the event was convenient.	6	6		
	Comments <ul style="list-style-type: none"> The traffic was bad but realise it may be just as bad later 				
2.	I was able to hear the officers	8	4		
	Comments				
3.	The Introduction and Welcome from the Executive Head of Governance was useful	6	6		
	Comments				
4.	The overview of the Council from the Managing Director was useful	8	4		
	Comments				
5.	The overview of Committee Services was useful	8	4		
	Comments				
6.	The session provided on how to gain access to Councillors ICT systems and Modern.gov was useful	7	5		
	Comments <ul style="list-style-type: none"> More time may be needed for councillors who are not used to ipads. Separate training session? May require more help with this! 				
7.	The handouts were informative and easy to understand.	7	5		
	Comments				
8.	There was a good standard of visual media (e.g. Powerpoint presentation).	6	6		
	Comments				
9.	The informal session provided to sort photographs, paperwork queries and ICT issues was helpful	7	3		
	Comments <ul style="list-style-type: none"> It was good/practical to split people into groups. 				
10.	The induction evening met my expectations	8	4		
	Comments <ul style="list-style-type: none"> Thank you for doing this after such a demanding election week! 				
Overall Comments: <ul style="list-style-type: none"> Thank you! In an ideal world it would be useful to hear councillors introduce themselves, talk about their background, interests/aspirations as a councillor. The amount of information and level of presentation was just the right mix enough to whet the appetite but not enough to overwhelm. I would have preferred a little longer to familiarise myself with the ICT but I understand that further training will be available later. 					

PLANNING BASICS TRAINING – 14 MAY 2015 Attended by 20 councillors (14 of whom returned the feedback forms) Training provided in-house					
		Agree Strongly	Agree	Disagree	Disagree Strongly
1.	The time of the event was convenient.	8	6		
	Comments <ul style="list-style-type: none"> Traffic problems, but probably always will be. 				
2.	The event and content were relevant to my role as a Councillor.	12	2		
	Comments				
3.	I was able to hear the facilitator clearly.	11	3		
	Comments				
4.	The facilitator was helpful in response to questions.	9	5		
	Comments				
5.	There was adequate opportunity to discuss topics.	7	7		
	Comments				
6.	The discussions were interesting.	7	7		
	Comments				
7.	The handouts were informative and easy to understand.	9	4	1	
	Comments <ul style="list-style-type: none"> Could do with better signposting to information rather than simply a print out of slides. Very useful 				
8.	There was a good standard of visual media (e.g. Powerpoint presentation).	9	5		
	Comments				
9.	I feel that time allocated at the event was used effectively.	9	5		
	Comments				
10.	Overall I found the event useful	11	3		
	Comments				
11.	I would attend other sessions of this type	12	2		
	Comments <ul style="list-style-type: none"> A lot to take on at one time, I would have liked a further session perhaps less hurried. 				
Overall Comments: <ul style="list-style-type: none"> Planning is complex. Councillors – especially those newly elected would benefit from ongoing bite-sized training sessions using “real planning applications”. The short quiz was thought provoking and showed up one’s weaknesses in knowledge, very good. Would like to see further session, this could perhaps be a practice role play committee using a dummy planning application and use webcast to play back for constructive criticism. Signposting to material would be most useful – note not a large handout pack. 					

LICENSING ACT 2003 TRAINING – 18 MAY 2015 Attended by 8 councillors (all of whom returned the feedback forms) Training provided in-house					
		Agree Strongly	Agree	Disagree	Disagree Strongly
1.	The time of the event was convenient.	5	3		
	Comments				
2.	The event and content were relevant to my role as a Councillor.	4	4		
	Comments • Very good!				
3.	I was able to hear the facilitator clearly.	4	4		
	Comments				
4.	The facilitator was helpful in response to questions.	4	4		
	Comments				
5.	There was adequate opportunity to discuss topics.	4	4		
	Comments • Didn't think of any questions at this stage, absorbing everything.				
6.	The discussions were interesting.	4	4		
	Comments • Outstanding session				
7.	The handouts were informative and easy to understand.	4	4		
	Comments				
8.	There was a good standard of visual media (e.g. Powerpoint presentation).	4	4		
	Comments • But last few slides were missing.				
9.	I feel that time allocated at the event was used effectively.	4	4		
	Comments				
10.	Overall I found the event useful	4	4		
	Comments • Very! • But a lot to absorb in a short time period.				
11.	I would attend other sessions of this type	4	4		
	Comments				
Overall Comments: <ul style="list-style-type: none"> • Over use of abbreviations for the uninitiated. • More please! • Acronyms should be spelt out on the slides. • A lot to take on board! Very interesting. • Very good, but too much to take in. 					

PLANNING BASICS TRAINING (REPEAT) – 1 JUNE 2015 Attended by 9 councillors (8 of whom returned the feedback forms) Training provided in-house					
		Agree Strongly	Agree	Disagree	Disagree Strongly
1.	The time of the event was convenient.	3	5		
	Comments				
2.	The event and content were relevant to my role as a Councillor.	3	4		
	Comments				
3.	I was able to hear the facilitator clearly.	4	3	1	
	Comments <ul style="list-style-type: none"> The quiz discussion was drowned out on our side of the room by the high volume of the discussion on the other side. 				
4.	The facilitator was helpful in response to questions.	3	5		
	Comments				
5.	There was adequate opportunity to discuss topics.	3	5		
	Comments <ul style="list-style-type: none"> Could be more time! 				
6.	The discussions were interesting.	2	6		
	Comments <ul style="list-style-type: none"> The quiz was the most useful part 				
7.	The handouts were informative and easy to understand.	2	6		
	Comments <ul style="list-style-type: none"> Some jargon Could be more glossary style documents 				
8.	There was a good standard of visual media (e.g. Powerpoint presentation).	3	5		
	Comments				
9.	I feel that time allocated at the event was used effectively.	3	5		
	Comments				
10.	Overall I found the event useful	4	4		
	Comments				
11.	I would attend other sessions of this type	3	5		
	Comments				
Overall Comments: <ul style="list-style-type: none"> Quiz very useful – interactive and opportunity to ask questions. Thank you! First half of course was difficult to follow. Could have been better structured. Second half better. Well structured training session. 					

EFFECTIVE OVERVIEW AND SCRUTINY TRAINING – 2 JUNE 2015 Attended by 19 councillors (all of whom returned the feedback forms) Training provided Stephen Quigley (external consultant)					
		Agree Strongly	Agree	Disagree	Disagree Strongly
1.	The time of the event was convenient.	7	12		
	Comments • I thought the 15/20 min tea break was a waste of time and disruptive.				
2.	The event and content were relevant to my role as a Councillor.	8	11		
	Comments				
3.	I was able to hear the facilitator clearly.	9	10		
	Comments				
4.	The facilitator was helpful in response to questions.	8	11		
	Comments • Very helpful				
5.	There was adequate opportunity to discuss topics.	7	10	2	
	Comments • Although there were clearly many enthusiastic new councillors keen to ask questions. May be a more flexible time for this? • Just!				
6.	The discussions were interesting.	5	12	1	
	Comments				
7.	The handouts were informative and easy to understand.	5	11	3	
	Comments • Needs more meat on the bones. • These could be more informative.				
8.	There was a good standard of visual media (e.g. Powerpoint presentation).	5	13	1	
	Comments • Too many – run through actual examples on screen? • Felt these could be more supportive of words. • Somewhat limited.				
9.	I feel that time allocated at the event was used effectively.	4	12	3	
	Comments • Too much content to fit into time. • Speaker was slightly pushed for time • Insufficient time to cover the topic fully. • No need for a mid-session break.				
10.	Overall I found the event useful	8	11		
	Comments				
11.	I would attend other sessions of this type	8	11		
	Comments				
	Overall Comments: • This subject could be spread over 4 hours, 1-2 sessions, huge amount to cover. • Very good, very informative. • Easy to ask questions and get clear answers. • Very good presentation, probing techniques would be useful.				

CHAIRING SKILLS TRAINING – 3 JUNE 2015					
Attended by 8 councillors (all of whom returned the feedback forms)					
Training provided Sue Keogh (South East Employers)					
		Agree Strongly	Agree	Disagree	Disagree Strongly
1.	The time of the event was convenient.	5	3		
	Comments				
2.	The event and content were relevant to my role as a Councillor.	7	1		
	Comments				
3.	I was able to hear the facilitator clearly.	7	1		
	Comments <ul style="list-style-type: none"> Excellent presentation. Sue was very clear and easy to hear. 				
4.	The facilitator was helpful in response to questions.	8			
	Comments <ul style="list-style-type: none"> Very helpful 				
5.	There was adequate opportunity to discuss topics.	7	1		
	Comments <ul style="list-style-type: none"> Would like to see an extra hour to round the session off Yes 				
6.	The discussions were interesting.	8			
	Comments <ul style="list-style-type: none"> Sue made it very interesting 				
7.	The handouts were informative and easy to understand.	8			
	Comments				
8.	There was a good standard of visual media (e.g. Powerpoint presentation).	6	2		
	Comments				
9.	I feel that time allocated at the event was used effectively.	8			
	Comments <ul style="list-style-type: none"> Time flew! Very effectively 				
10.	Overall I found the event useful	8			
	Comments <ul style="list-style-type: none"> Excellent Very 				
11.	I would attend other sessions of this type	8			
	Comments				
Overall Comments: <ul style="list-style-type: none"> Would like to see a 3 hour session. As last year, very helpful and entertaining, which helps me to remember the points! 					

ETHICAL STANDARDS TRAINING – 8 JUNE 2015 Attended by 18 councillors (17 of whom returned the feedback forms) Session also attended by the chairmen and clerks of four parish councils Training provided in-house					
		Agree Strongly	Agree	Disagree	Disagree Strongly
1.	The time of the event was convenient.	6	11		
	Comments				
2.	The event and content were relevant to my role as a Councillor.	11	6		
	Comments				
3.	I was able to hear the facilitator clearly.	10	3	3	
	Comments <ul style="list-style-type: none"> • But some wi-fi audio problems. • Microphone not always working. • System came and went. • New microphone please. • Microphone needs attention. • Most of the time. 				
4.	The facilitator was helpful in response to questions.	11	5		
	Comments				
5.	There was adequate opportunity to discuss topics.	9	7	1	
	Comments				
6.	The discussions were interesting.	11	5	1	
	Comments				
7.	The handouts were informative and easy to understand.	7	10		
	Comments				
8.	There was a good standard of visual media (e.g. Powerpoint presentation).	7	10		
	Comments <ul style="list-style-type: none"> • Text on principles of public life was too small 				
9.	I feel that time allocated at the event was used effectively.	7	7	3	
	Comments <ul style="list-style-type: none"> • Too much time taken to discuss a specific topic. • Would have preferred more time on scenarios • Why is a previous councillor's conduct always questioned during training sessions?. 				
10.	Overall I found the event useful	10	7		
	Comments				
11.	I would attend other sessions of this type	9	8		
	Comments <ul style="list-style-type: none"> • Very well presented 				
	Overall Comments: <ul style="list-style-type: none"> • an autopsy of a previous case was not actually teaching me anything. • Thank you! 				

ETHICAL STANDARDS TRAINING – 8 JUNE 2015					
Feedback from parish chairmen and parish clerks (6 of whom returned the feedback forms)					
		Agree Strongly	Agree	Disagree	Disagree Strongly
1.	The time of the event was convenient.	1	5		
	Comments <ul style="list-style-type: none"> We had notice of this meeting prior to the elections. At that point and didn't know if one would be in office. Not aware of another invitation or reminder. 				
2.	The event and content were relevant to my role as a Councillor.	1	5		
	Comments <ul style="list-style-type: none"> Role and functions of councillors/officers less relevant to longstanding councillors than to new members. N/A clerk, nonetheless it was helpful to attend to be able to pass information on to councillors. 				
3.	I was able to hear the facilitator clearly.	1	3	2	
	Comments <ul style="list-style-type: none"> Sandra Herbert did not speak into the microphone's "sweet spot" – hence poor amplification, later also applied to other speakers. 				
4.	The facilitator was helpful in response to questions.	1	4	2	
	Comments <ul style="list-style-type: none"> Monologue on the situation developing over councillor currently involved in High Court although informative was of low interest to new borough councillors. 				
5.	There was adequate opportunity to discuss topics.	6			
	Comments				
6.	The discussions were interesting.	1	5		
	Comments				
7.	The handouts were informative and easy to understand.	1	5		
	Comments				
8.	There was a good standard of visual media (e.g. Powerpoint presentation).	1	5		
	Comments				
9.	I feel that time allocated at the event was used effectively.	1	5		
	Comments				
10.	Overall I found the event useful	1	5		
	Comments				
11.	I would attend other sessions of this type	1	5		
	Comments				
	Overall Comments: <ul style="list-style-type: none"> It would be useful to have this training for my parish councillors as I now have to train them myself. Do we have access to the webcast? [parish clerks were sent the link to the webcast post event]. 				

LOCAL PLAN AND POLICY TRAINING – 15 JUNE 2015 Attended by 23 councillors (18 of whom returned the feedback forms) Training provided in-house					
		Agree Strongly	Agree	Disagree	Disagree Strongly
1.	The time of the event was convenient.	7	10	1	
	Comments <ul style="list-style-type: none"> Maybe 6pm would be more so? 				
2.	The event and content were relevant to my role as a Councillor.	15	3		
	Comments				
3.	I was able to hear the facilitator clearly.	11	7		
	Comments				
4.	The facilitator was helpful in response to questions.	10	8		
	Comments				
5.	There was adequate opportunity to discuss topics.	8	10		
	Comments				
6.	The discussions were interesting.	7	11		
	Comments				
7.	The handouts were informative and easy to understand.	7	10		
	Comments				
8.	There was a good standard of visual media (e.g. Powerpoint presentation).	10	7		
	Comments				
9.	I feel that time allocated at the event was used effectively.	9	9		
	Comments				
10.	Overall I found the event useful	9	8		
	Comments				
11.	I would attend other sessions of this type	9	9		
	Comments				
	Overall Comments: <ul style="list-style-type: none"> A lot of information to digest! Very interesting and informative. Thank you. A hugely complex area for those like me, without a professional background in this area, but I am better informed. Very helpful – clear and concise presentations. 				

TAXI LICENSING TRAINING – 17 JUNE 2015					
Attended by 8 councillors (7 of whom returned the feedback forms)					
Training provided by James Button					
		Agree Strongly	Agree	Disagree	Disagree Strongly
1.	The time of the event was convenient.	2	5		
	Comments				
2.	The event and content were relevant to my role as a Councillor.	4	3		
	Comments				
3.	I was able to hear the facilitator clearly.	5	2		
	Comments				
4.	The facilitator was helpful in response to questions.	5	2		
	Comments				
5.	There was adequate opportunity to discuss topics.	5	2		
	Comments				
6.	The discussions were interesting.	5	2		
	Comments				
7.	The handouts were informative and easy to understand.	3	3		
	Comments				
8.	There was a good standard of visual media (e.g. Powerpoint presentation).	4	2		
	Comments				
9.	I feel that time allocated at the event was used effectively.	4	2		
	Comments				
10.	Overall I found the event useful	5	1		
	Comments				
11.	I would attend other sessions of this type	4	2		
	Comments				
Overall Comments:					

AN INTRODUCTION TO LOCAL GOVERNMENT FINANCE TRAINING – 18 JUNE 2015 Attended by 15 councillors (13 of whom returned the feedback forms) Training provided in-house					
		Agree Strongly	Agree	Disagree	Disagree Strongly
1.	The time of the event was convenient.	6	7		
	Comments				
2.	The event and content were relevant to my role as a Councillor.	8	5		
	Comments				
3.	I was able to hear the facilitator clearly.	8	5		
	Comments				
4.	The facilitator was helpful in response to questions.	10	3		
	Comments • Good engagement with councillors				
5.	There was adequate opportunity to discuss topics.	8	4		
	Comments				
6.	The discussions were interesting.	5	7		
	Comments • Very hard to do with finance • Very thorough				
7.	The handouts were informative and easy to understand.	8	4	1	
	Comments				
8.	There was a good standard of visual media (e.g. Powerpoint presentation).	9	4		
	Comments				
9.	I feel that time allocated at the event was used effectively.	8	5		
	Comments				
10.	Overall I found the event useful	10	3		
	Comments				
11.	I would attend other sessions of this type	7	5		
	Comments				
	Overall Comments: <ul style="list-style-type: none"> • Valuable introduction to our finances. • Presenter very knowledgeable, easy to listen to. • Finance is not within my skills set, so this is hard for me. The presentation gave a useful overview, and the material will be a good reference if I should need it. • Claire is very good at explaining debt in a manageable way. 				

FREEDOM OF INFORMATION AND DATA PROTECTION TRAINING – 23 JUNE 2015
Attended by 14 councillors (8 of whom returned the feedback forms)
Training provided in-house

(please note that the trainer provided their own evaluation forms and therefore a different question format has been used).

1. Before the course

(a) How helpful did you find the course description?

Very helpful	Clear
5	2

(b) Were the aims and objectives clear?

Very helpful
7

(c) How was the pre-course administration?

Very helpful	Clear
6	1

2. At the course

2.1 Course Content

(a) What were the best bits and why?

- FOI
- The quiz parts were very helpful
- Format and notes both very good
- Understanding difference between DPA and FOI

(b) What were the worst bits and why?

- Data Registration ignorance was bliss
- I wouldn't say there were any "worst bits"
- Huge amount to take in

(c) If you could change any part of the course what would it be?

- As always more time perhaps plus 30 minutes or so.

(d) Did the course meet its objectives?

Yes
8

2.2 The Trainer

(a) How would you rate the trainer?

Excellent	Good
6	2

(b) Would you be happy to have this trainer again?

Yes
7

(c) Any other comments on the trainer’s style or method of delivery?

- First Class

3. After the course

(a) Will the course change the way you do your job?

Yes
7

(b) Will the course lead to other training and development needs?

Yes	No
2	5

Please specify, if possible:

- Relating to ward level work – I’ll ask!

(c) How would you rate the Venue? Excellent - Awful

5 (excellent)	4	3	2	1 (awful)
4	3	1	0	0

(d) Can you say why?

- It was ideal
- Horseshoe layout helps discussion.
- Meets all the needs of presenting.

Please add any other comments that may help to improve the effectiveness of the Council’s in-house training:

- Thank you!

LICENSING ACT 2003 TRAINING (REPEAT) – 30 JUNE 2015					
Attended by 8 councillors (all of whom returned the feedback forms)					
Training provided in-house					
		Agree Strongly	Agree	Disagree	Disagree Strongly
1.	The time of the event was convenient.	4	4		
	Comments				
2.	The event and content were relevant to my role as a Councillor.	4	4		
	Comments				
	<ul style="list-style-type: none"> No formal committee need but very useful background 				
3.	I was able to hear the facilitator clearly.	5	3		
	Comments				
4.	The facilitator was helpful in response to questions.	5	3		
	Comments				
5.	There was adequate opportunity to discuss topics.	5	2	1	
	Comments				
	<ul style="list-style-type: none"> Could do with a Q & A session after each section as it's a lot to take in 				
6.	The discussions were interesting.	5	3		
	Comments				
7.	The handouts were informative and easy to understand.	5	3		
	Comments				
8.	There was a good standard of visual media (e.g. Powerpoint presentation).	5	3		
	Comments				
9.	I feel that time allocated at the event was used effectively.	5	3		
	Comments				
10.	Overall I found the event useful	5	3		
	Comments				
11.	I would attend other sessions of this type	4	4		
	Comments				
	<ul style="list-style-type: none"> Excellent as always If notified this was required 				
Overall Comments:					
<ul style="list-style-type: none"> Thank you. Style of presentation made it easy to stay engaged. Another great session that I found to be really interesting. Very good. 					

MENTORING TRAINING – 2 JULY 2015					
Attended by 6 councillors (all of whom returned the feedback forms)					
Training provided by Jacqueline Mansell from the Local Government Information Unit					
		Agree Strongly	Agree	Disagree	Disagree Strongly
1.	The time of the event was convenient.	5	1		
	Comments				
2.	The event and content were relevant to my role as a Councillor.	4	2		
	Comments				
	<ul style="list-style-type: none"> • Provided the individual used the knowledge and training 				
3.	I was able to hear the facilitator clearly.	6			
	Comments				
4.	The facilitator was helpful in response to questions.	5	1		
	Comments				
	<ul style="list-style-type: none"> • Excellent presenter • Very engaging, excellent communicator 				
5.	There was adequate opportunity to discuss topics.	4	2		
	Comments				
	<ul style="list-style-type: none"> • A broad subject. Could benefit from a second workshop to discuss how we are going to develop mentoring within GBC. • For those who had no prior experience of the subject could require longer session. 				
6.	The discussions were interesting.	6			
	Comments				
7.	The handouts were informative and easy to understand.	4	2		
	Comments				
8.	There was a good standard of visual media (e.g. Powerpoint presentation).	3	3		
	Comments				
9.	I feel that time allocated at the event was used effectively.	5	1		
	Comments				
	<ul style="list-style-type: none"> • Could have done with more time 				
10.	Overall I found the event useful	5	1		
	Comments				
	<ul style="list-style-type: none"> • One of the best sessions we've had 				
11.	I would attend other sessions of this type	6			
	Comments				
Overall Comments:					
<ul style="list-style-type: none"> • a mentoring/mentee facility would be beneficial to our councillors. • Cross-party mentoring should be considered if it was made non-political ie based on skills/knowledge/expertise and not by politics. • Great! 					

TAXI LICENSING TRAINING (REPEAT) – 13 JULY 2015 Attended by 7 councillors (5 of whom returned the feedback forms) Training provided by James Button					
		Agree Strongly	Agree	Disagree	Disagree Strongly
1.	The time of the event was convenient.	1	4		
	Comments				
2.	The event and content were relevant to my role as a Councillor.	1	4		
	Comments				
3.	I was able to hear the facilitator clearly.	3	2		
	Comments				
4.	The facilitator was helpful in response to questions.	3	2		
	Comments				
5.	There was adequate opportunity to discuss topics.	3	2		
	Comments				
6.	The discussions were interesting.	3	2		
	Comments				
7.	The handouts were informative and easy to understand.	3	2		
	Comments				
8.	There was a good standard of visual media (e.g. Powerpoint presentation).	3	2		
	Comments				
9.	I feel that time allocated at the event was used effectively.	3	2		
	Comments				
10.	Overall I found the event useful	3	2		
	Comments				
11.	I would attend other sessions of this type	4	1		
	Comments				
Overall Comments: <ul style="list-style-type: none"> • Outstanding as always • Very interesting. A “must” for all councillors on the licensing committee. • Engaging presenter. Knows his subject! 					

PLANNING FOR GYPSY AND TRAVELLER TRAINING – 13 JULY 2015 Attended by 9 councillors (8 of whom returned the feedback forms) Training provided by Catriona Riddell of the Planning Officers Society					
		Agree Strongly	Agree	Disagree	Disagree Strongly
1.	The time of the event was convenient.	5	3		
	Comments				
2.	The event and content were relevant to my role as a Councillor.	5	3		
	Comments				
3.	I was able to hear the facilitator clearly.	6	2		
	Comments				
4.	The facilitator was helpful in response to questions.	4	4		
	Comments				
5.	There was adequate opportunity to discuss topics.	3	5		
	Comments				
6.	The discussions were interesting.	4	4		
	Comments				
7.	The handouts were informative and easy to understand.	4	4		
	Comments				
8.	There was a good standard of visual media (e.g. Powerpoint presentation).	4	4		
	Comments				
9.	I feel that time allocated at the event was used effectively.	5	3		
	Comments				
10.	Overall I found the event useful	5	3		
	Comments				
11.	I would attend other sessions of this type	5	3		
	Comments				
Overall Comments: <ul style="list-style-type: none"> • Very interesting, if not daunting! 					

This page is intentionally left blank

The Council’s Strategic Framework is set out below. Within the draft programme the link between this framework and each of the planned training events is identified in the column with the appropriate reference.

*Reference	Strategic Framework
V1.	<p>Vision – for the borough For Guildford to be a town and rural borough that is the most desirable place to live, work and visit in South East England. A centre for education, healthcare, innovative cutting-edge businesses, high quality retail and wellbeing. A county town set in a vibrant rural environment, which balances the needs of urban and rural communities alike. Known for our outstanding urban planning and design, and with infrastructure that will properly cope with our needs.</p>
<p><u>Five fundamental themes that support the achievement of our vision:</u></p>	
VI1.	<p>Our Borough – ensuring that proportional and managed growth for future generations meets our community and economic needs.</p>
VI2.	<p>Our Economy – improving prosperity for all by enabling a dynamic, productive and sustainable economy that provides jobs and homes for local people.</p>
VI3.	<p>Our Infrastructure – working with partners to deliver the massive improvements needed in the next 20 years, including tackling congestion issues.</p>
VI4.	<p>Our Environment – improving sustainability and protecting our countryside, balancing this with the needs of the rural and wider economy.</p>
VI5.	<p>Our Society – believing that every person matters and concentrating on the needs of the less advantaged.</p>
<p>Your Council – working to ensure a sustainable financial future to deliver improved and innovative services.</p>	
<p><u>Values for our residents</u></p>	
VA1.	<p>We will strive to be the best Council.</p>
VA2.	<p>We will deliver quality and value for money services.</p>
VA3.	<p>We will help the vulnerable members of our community.</p>
VA4.	<p>We will be open and accountable.</p>
VA5.	<p>We will deliver improvements and enable change across the borough.</p>
<p><u>Mission – for the Council</u></p>	
M1	<p>A forward looking, efficiently run Council, working in partnership with others and providing first class services that give the community value for money, now and in the future.</p>

Priority Scale:
High Priority 1-3
Low Priority 4-6

This plan should

- address development priorities
- set out how, when, where and who is responsible
- take account of access to development opportunities

External Internal

Page 286	Training	Method	Approx Duration	Who	Priority	Potential Date	Lead Officer	Vision/ Mission/ Core Value or Strategic Priority*	Cost
Scrutiny & Challenge									
1.	Overview and Scrutiny Process	A number of training sessions have been held to date with John Cade in relation to the Overview and Scrutiny process. Future training sessions will be organised according to identified need.							
Political Understanding									
2.	Local Government Association (LGA) The LGA offers a wide range of	Online learning resources: • Councillor workbooks covering distance learning material, particularly useful to new councillors	As defined by Councillors own time commitments		3			M1 VA1 VA4	Online Resource No financial Cost

	Training	Method	Approx Duration	Who	Priority	Potential Date	Lead Officer	Vision/ Mission/ Core Value or Strategic Priority*	Cost
	activities and initiatives to support councillors as leaders of their communities								
Regulating and Monitoring									
3.	Planning							M1 VA5 V13	
Communication									
4.	Effective Media Skills	External Provider Chris Kelly	2 hours	All Councillors	2	Date: 19 October 2016 (TBC)	Committee Services	V1 VA4 M1	Costs TBC
Local Leadership									
5.	Time Management and Coping Strategies	External Provider LGiU	2 hours	All Councillors	1	Date: 30 November 2016 (TBC)	Committee Services	V1 VA4 M1	£625.00 plus VAT and travel costs

	Training	Method	Approx Duration	Who	Priority	Potential Date	Lead Officer	Vision/ Mission/ Core Value or Strategic Priority*	Cost
6.	Being an effective Councillor: Dealing with difficult people and challenging situations	External Provider LGiU	2 hours	All Councillors	1	Date: December 2016 (DATE TBC)	Committee Services	V1 VA4 M1	£625.00 plus VAT and travel costs
7.	Understanding the demands of the role of councillor	Within Political Group Mentoring within Political Groups	As necessary	All Councillors	1	As and when required by Councillors	Councillors on the Councillors Development Steering Group	D1 M1	Internal Resource No financial cost
8.	Dealing with ward issues	Within Political Group Mentoring within Political Groups	As necessary	All Councillors	2	As and when required by Councillors	Councillors on the Councillors Development Steering Group	D1 M1	Internal Resource No financial cost
Knowledge of the Council									
9.	Equality Diversity and Respect	External Provider: Kevin O'Keefe	2 hours	All Councillors	1	Date: 29 September 2016	Committee Services		Paid for previously (session was supposed to be held in July but owing to a family bereavement was cancelled).

Training to be scheduled for the rest of 2016-17:

- Follow-up on Chairing Meetings 1:1 training
- IT training in relation to I-Pads (pre-meeting IT drop-in sessions) potentially prior to full Council meetings
- Speech writing and debating techniques
- Briefings with Service Managers
- Constitution/Meeting Procedures

This page is intentionally left blank

Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Director of Corporate Services

Author: John Armstrong

Tel: 01483 444102

Email: john.armstrong@guildford.gov.uk

Lead Councillor responsible: Matt Furniss

Tel: 07891 022206

Email: matt.furniss@guildford.gov.uk

Date: 22 September 2016

Ethical Standards – Appointment of Independent Person

Executive Summary:

Following public advertisement, the Council, at its meeting on 7 October 2015, adopted the recommendation of this Committee, to re-appoint Vivienne Cameron and Bernard Quoroll as Independent Persons for a term of office expiring in May 2019.

At that time, one of the applicants, Roger Pett (who had been an Independent Person for the Council since July 2012) had stated his intention to withdraw from the process as he was anticipating moving away from the area within the next 12-18 months. However, given that only three candidates had been shortlisted and in order to retain sufficient capacity, Mr Pett was asked to re-consider his withdrawal. Mr Pett kindly agreed and indicated that he would be happy to continue in the role for 12 months, subject to the Council's approval.

The Council duly re-appointed Mr Pett for a 12-month period expiring 7 October 2016.

Following further discussions with Mr Pett and reassurances that his moving away from the area (to Sussex) would not necessarily be an impediment to his continued appointment as an Independent Person, he has stated that, once again with the Council's approval, he would be happy to continue as one of the Council's Independent Persons until May 2019.

Recommendation:

The Committee is therefore asked to recommend to Council (4 October 2016):

That Roger Pett's appointment as one of the Council's Independent Persons, under Section 28(7) of the Localism Act 2011, be extended to May 2019.

Reason for Recommendation:

To comply with the Council's obligations under the Localism Act 2011 in respect of ethical standards and the Arrangements adopted thereunder by the Authority for dealing with complaints regarding councillor conduct.

1. Purpose of Report

To ask the Council to agree to re-appoint Roger Pett as an Independent Persons as required by the Localism Act 2011 (“the Act”) in respect of ethical standards and by regulations in respect of the dismissal of statutory officers.

2. Background

2.1 The Act introduced a new ethical standards regime for local government in 2012 which, amongst other things, requires the Council to seek the views of an Independent Person before it takes a decision on an allegation of misconduct by a councillor which it has decided to investigate. At Guildford, the Monitoring Officer also decides, after consultation with the Independent Person, whether a complaint merits a formal investigation. The Independent Person’s views may also be sought by the Council at any other stage in a misconduct complaint, or by a councillor against whom an allegation has been made.

2.2 Following public advertisement, the Council, at its meeting on 7 October 2015, adopted the recommendation of this Committee, to re-appoint Vivienne Cameron and Bernard Quoroll as Independent Persons for a term of office expiring in May 2019.

2.3 At that time, one of the applicants, Roger Pett (who had been an Independent Person for the Council since July 2012) had stated his intention to withdraw from the process as he was anticipating moving away from the area within the next 12-18 months. However, given that only three candidates had been shortlisted and in order to retain sufficient capacity, Mr Pett was asked to re-consider his withdrawal. Mr Pett kindly agreed and indicated that he would be happy to continue in the role for 12 months, subject to the Council’s approval.

2.4 The Council duly re-appointed Mr Pett for a 12-month period expiring 7 October 2016.

2.5 Following further discussions with Mr Pett and reassurances that his moving away from the area (to Sussex) would not necessarily be an impediment to his continued appointment as an Independent Person, he has stated that, once again with the Council’s approval, he would be happy to continue as one of the Council’s Independent Persons until May 2019.

3. Financial Implications

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

4. Legal Implications

4.1 In order to satisfy the very prescriptive requirements of the Act, the appointment of an Independent Person must be *approved by a majority of the members of the authority*. This means that any appointment must be approved by at least 25 councillors, not merely a simple majority of councillors present and voting.

5. Human Resource Implications

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

6. Background Papers

None

7. Appendices

None

This page is intentionally left blank

Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Director of Corporate Services

Author: Ciara Swan

Tel: 01483 444058

Email: ciara.swan@guildford.gov.uk

Date: 22 September 2016

Corporate Governance and Standards Committee Work Programme

Recommendation

That the Committee considers and approves its updated work programme for 2016-17, as detailed in Appendix 1 to this report.

Reason for recommendations:

To allow the Committee to maintain and update its work programme for the 2016-17 municipal year.

1. Purpose of report

- 1.1 The draft work programme sets out the items to be considered by this Committee for the 2016-17 municipal year.

2. Draft work programme

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

3. Financial Implications

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

4. Legal Implications

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

5. Human Resource Implications

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

6. Background Papers

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

7. Appendices

Appendix 1 – Corporate Governance and Standards Committee draft work programme 2016-17

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

24 November 2016

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Annual Audit Letter	To consider the Annual Audit Letter and Annual Governance Report for 2015-16 and note the update report from the external auditor	Executive	Claire Morris 01483 444827
External Audit Update		Corporate Governance and Standards Committee	
Financial Monitoring 2016-17 – Period 6 (April to September 2015)	To note the results of the Council’s financial monitoring for the period April to September 2016	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Treasury Management Activity Half-Year Monitoring Report 2016-17	To consider the report monitoring treasury management from April to September 2016	Executive Council	Victoria Worsfold 01483 444834
Statutory Officers’ Report	To receive an update from the Council’s statutory officers	Corporate Governance and Standards Committee	Sue Sturgeon 01483 444800 Satish Mistry 01483 444042
Review of the Constitution	To consider proposed amendments to the Constitution	Corporate Governance and Standards Committee Council	John Armstrong 01483 444102
Freedom of Information Compliance Update	To consider the update report on the Council’s performance in dealing with Freedom of Information requests.	Corporate Governance and Standards Committee	Sandra Herbert 01483 444135
Summary of internal audit reports April 2016 to September 2016	To consider the summary of internal audit reports and progress on the internal audit plan for April to September 2016	Corporate Governance and Standards Committee	Joan Poole 01483 444854
Internal Audit Plan: Progress Report			
Finalising arrangements for investigating allegations of breaches of the Councillors’ Code of Conduct	To receive a report on further work carried out	Corporate Governance and Standards Committee	Satish Mistry 01483 444042

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

12 January 2017

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Treasury Management Strategy 2017-2018	To recommend to Council the adoption of the revised Treasury Management Strategy and prudential indicators	Executive Council	Victoria Worsfold 01483 444834
Financial Monitoring 2016-17 Period 8 (April to November 2016)	To note the results of the Council's financial monitoring for the period April to November 2016	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Statutory Officers' Report	To receive a update from the Council's statutory officers	Corporate Governance and Standards Committee	Sue Sturgeon 01483 444800 Satish Mistry 01483 444042
Freedom of Information Compliance Update	To consider the update report on the Council's performance in dealing with Freedom of Information requests.	Corporate Governance and Standards Committee	Sandra Herbert 01483 444135

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

30 March 2017

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Enquiries of those charged with governance	To agree the Committee's response to the external auditor's audit plan for 2016-17	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Audit Plan	To note the external auditor's audit plan for 2016-17	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Budget Monitoring	To receive a revenue budgetary monitoring report for Month 10 and capital monitoring report for Quarter 3	Corporate Governance and Standards Committee	Claire Morris 01483 444827
External Audit Update	To note the update report from the external auditor	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Annual Report of the Monitoring Officer on Standards Allegations	To note decisions taken on ethical standards allegations against borough and parish councillors	Corporate Governance and Standards Committee	Satish Mistry 01483 444042

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

Unscheduled items

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Single Equality Scheme and Action Plan	To review the Single Equality Scheme and Action Plan for 2012-15 (Year 1 and 2)	Corporate Governance and Standards Committee	Satish Mistry 01483 444042
Corporate Risk Strategy	Report on the Council's corporate risk strategy and risk management arrangements	Corporate Governance and Standards Committee	Satish Mistry 01483 444042
Data Quality Management Strategy	To review the Data Quality Management Strategy	Corporate Governance and Standards Committee	Joan Poole 01483 444854
Review of the effectiveness of the Corporate Governance and Standards Committee	To review the effectiveness of the Corporate Governance and Standards Committee	Corporate Governance and Standards Committee	Satish Mistry 01483 444042