



GUILDFORD
BOROUGH

Sue Sturgeon
Managing Director

www.guildford.gov.uk

Contact Officer:

Ciara Swan, Democratic Services
Assistant. Tel: 01483 444058

16 November 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 on **THURSDAY, 24 NOVEMBER 2016** at **7.00 pm**.

Yours faithfully

Sue Sturgeon
Managing Director

MEMBERS OF THE COMMITTEE

Chairman: The Deputy Mayor, Councillor Nigel Manning
Vice-Chairman: Councillor Jo Randall

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

Ms Geraldine Reffo^
Mr Charles Hope^
Mrs Maria Angel+
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),
Sandra Herbert (Legal Services Manager and Monitoring Officer),
Joan Poole (Head of Internal Audit) and
Claire Morris (Head of Financial Services and Deputy S151 Officer)

QUORUM 3



INVESTOR IN PEOPLE



Guildford Borough Council

Millmead House, Millmead, Guildford, Surrey GU2 4BB

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 22 September 2016 (attached).

4 ANNUAL AUDIT LETTER 2015-16 (Pages 5 - 22)

5 FUTURE OF EXTERNAL AUDIT (Pages 23 - 28)

6 SUMMARY OF INTERNAL AUDIT REPORTS: APRIL - SEPTEMBER 2016 (Pages 29 - 42)

7 FINANCIAL MONITORING 2016-17 (Pages 43 - 104)

8 FREEDOM OF INFORMATION COMPLIANCE UPDATE (Pages 105 - 110)

9 ARRANGEMENTS FOR INVESTIGATING ALLEGATIONS OF BREACHES OF THE COUNCILLORS' CODE OF CONDUCT (Pages 111 - 162)

10 PROPOSED AMENDMENTS TO THE CONSTITUTION (Pages 163 - 318)

11 WORK PROGRAMME (Pages 319 - 324)

Please contact us to request this document in an alternative format

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CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

- * 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

Councillors Matt Furniss (Lead Councillor for Infrastructure and Governance) and Michael Illman (Lead Councillor for Finance) were also in attendance.

CGS29 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillor Alexandra Chesterfield and Mr Charles Hope.

CGS30 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS

There were no disclosures of interest.

CGS31 MINUTES

The Committee confirmed the minutes of the meeting held on 28 July 2016. The Chairman signed the minutes.

CGS32 2015-16 AUDIT FINDINGS REPORT - YEAR ENDED 31 MARCH 2016

The report was introduced by the Head of Financial Services.

The report set out the External Auditor's opinion on the Council's Financial Statements, and gave a conclusion on the Council's arrangements for ensuring value for money in the use of resources.

In 2017-18 the accounts would need to be audited by 31 July. The accounts had been produced earlier for 2015-16 and a substantive amount of work had been completed by early August.

Comments from the Committee raised the following points and information:

- It was unclear whether the software provider SELIMA would bring a system fix to ensure that employer contributions for national insurance and pensions were correctly remitted. Until a fix was provided, a manual workaround had been implemented to ensure that any system calculation was overridden. The Committee suggested that if there was a system error that could not be fixed then the system provider should be changed.
- The amount of pension contributions and national insurance paid to the HMRC and Surrey County Council was correct as this came from the SELIMA system. The transfer of data between the SELIMA and finance systems and the classification of certain

aspects of the calculation had caused the issue; however, this did not have a material impact and would not lead to any financial loss for the Council. The auditor's high priority ranking reflected the fact that this issue had been reported the previous year. It was expected that the Council would continue to receive an audit recommendation on the remission of national insurance and pension contributions in future years.

- The auditors recommended that access within financially critical systems belonging to leavers should be revoked in a timely manner upon their departure from the Council. This recommendation had been given a medium priority, as there were compensating controls and there was no evidence of any transactions passed by people who had left the Council. The Council's Management team had proposed to commission a full review of the processes for starters, movers and leavers. This review would be completed in December 2016.
- In response to the auditor's recommendation, the Council would revalue larger categories of Other Land & Buildings more frequently when the market review suggested that the value of these categories had reduced or increased by more than an insignificant amount, in line with the revaluation policy. The Committee suggested the use of a percentage indicator to decide when assets should be revalued, however the auditors were happy with the management response, as the indicator may need to change yearly depending on the circumstances of the Council and the wider economy.

The Committee,

RESOLVED

- (1) That Grant Thornton's Audit Findings report attached as Appendix 1 to the 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 the report be approved on behalf of the Council and that the Chairman be authorised to sign the letter on the Council's behalf.

Reason for decision: To allow the external auditor to issue his opinion on the 2015-16 accounts.

CGS33 2015-16 AUDITED STATEMENT OF ACCOUNTS

The Committee considered the 2015-16 Audited Statement of Accounts.

The Lead Councillor for Finance, Councillor Michael Illman noted that although the Council was facing significant financial challenges, the 2015-16 Audited Statement of Accounts reflected good financial management.

Comments from the Committee raised the following points and information:

- The Council was going through budget/business planning processes and the Council's management team would consider proposals for savings in the following weeks. A joint EAB Budget Working Group had been established to examine the proposals made during the budget process on behalf of the Executive Advisory Boards.
- The original estimate for capital expenditure was £80.101 million; however the actual capital expenditure totalled £26.182 million. The Committee noted that it was difficult to profile expenditure across financial years, particularly for schemes such as the asset investment fund and large development schemes, which rely on purchases of particular high value. The Council was legally required to set an annual budget, however the capital programme was set on a five year medium term financial budget. Therefore the Council looked five years ahead at the overall quantum and profiled schemes across five years.

The Committee,

RESOLVED

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

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

CGS34 FINANCIAL MONITORING 2016-17 PERIOD 3 (APRIL TO JULY 2016)

The Committee considered a report summarising the projected outturn position for the Council's general fund revenue account, based on actual and accrued data for the period April – July 2016.

The Committee,

RESOLVED that the results of the Council's financial monitoring for the period April 2016 to July 2016 be noted.

Reason for decision: To allow the Committee to undertake its role in scrutinising the Council's finances.

CGS35 COUNCILLOR TRAINING AND DEVELOPMENT UPDATE

The Committee considered a report outlining the work undertaken by the Councillor Development 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 the Council's first full reassessment under the South East Employers Charter for Elected Member Development.

The Lead Councillor for Infrastructure and Governance, Councillor Matt Furniss, noted that the Council had a good record of Councillor Development and training, and congratulated the Councillors' Development Steering Group on their work.

The Committee noted that in order to gain re-accreditation under the Charter, the Council was required to show that it was responsive to Councillor needs. It was important that if a Councillor identified a particular training or development need, they informed the members of the Steering Group.

The Committee,

RESOLVED

- 1) That 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, be noted.
- 2) That the Council be recommended to adopt the revised draft Councillor Development Policy Statement, as set out in Appendix 1 to the report.

Reason for decision: To recognise the importance the Council attaches to councillors' training and development.

CGS36 ETHICAL STANDARDS - APPOINTMENT OF INDEPENDENT PERSON

The Committee considered a report asking that Roger Pett's appointment as one of the Council's Independent Persons be extended to May 2019.

The Committee,

RESOLVED that Council be recommended to extend Roger Pett's appointment as one of the Council's Independent Persons, under Section 28(7) of the Localism Act 2011, to May 2019.

Reason for decision: 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.

CGS37 WORK PROGRAMME

The Committee considered its work programme for 2016-17.

The Committee,

RESOLVED that the updated work programme for 2016-17 be approved.

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

The meeting finished at 7.48 pm

Signed

Chairman

Date

Corporate Governance and Standards Committee Report

Ward(s) affected: All

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: 24 November 2016

Annual Audit Letter 2015-16

Executive Summary

The external audit for 2015-16 is complete and the independent auditor has now issued their Annual Audit Letter. The letter is attached at Appendix 1. The Annual Audit Letter includes updated findings to recommendations that were raised in the Audit Findings Report, which was presented to Corporate Governance and Standards Committee on 22 September 2016.

Recommendation to Executive (29 November 2016):

That the Annual Audit Letter for 2015-16 be approved.

Reason for Recommendation:

To approve the Annual Audit Report

1. Purpose of Report

1.1 The report presents the Annual Audit Letter received from Grant Thornton, our external auditors.

2. Strategic Priorities

2.1 Good financial management underpins all that the Council does and helps to achieve the priorities set down in the Corporate Plan.

3. Background

3.1 The Annual Audit Letter from Grant Thornton is attached as **Appendix 1**. Within the letter, they refer to the Audit Findings Report that the Corporate Governance and Standards Committee considered on 22 September 2016.

- 3.2 The Annual Audit Letter summarises the key findings arising from:
- (a) auditing the 2015-16 accounts and Whole of Government Accounts return
 - (b) assessing the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources
 - (c) certification of grants claims and returns.
- 3.3 The Council received an unqualified opinion on the accounts and its arrangements for securing economy, efficiency and effectiveness and an assurance statement on the Whole of Government Accounts.
- 3.4 The auditors are still working on the housing benefit grant claim and will report the findings of the audit to the Corporate Governance and Standards Committee, in their annual certification letter later in the year.
- 3.5 Page 8 of the Annual Audit Letter includes updated responses and actions following recommendations raised within the Audit Findings Report, which were reported to the Corporate Governance and Standards Committee on 22 September 2016.

4 Consultations

- 4.1 No consultations are required for this report.

5 Equality and Diversity Implications

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

6. Financial Implications

- 6.1 There are no financial implications arising as a result of this report.

7. Legal Implications

- 7.1 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 with governance. In the Council's case, this is the Corporate Governance and Standards Committee.

8. Human Resource Implications

- 8.1 There are no human resource implications arising as a result of this report

9. Summary of Options

- 9.1 Consideration of alternative options is not applicable to this report.

10. Conclusion

- 10.1 The Council received an unqualified opinion on its accounts for 2015-16 and its arrangements for securing economy, efficiency and effectiveness. We also received an assurance statement on our Whole of Government Accounts submission.

11. Background Papers

None

12. Appendices

Appendix 1: Grant Thornton - Annual Audit Letter Year ended 31 March 2016

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The Annual Audit Letter for Guildford Borough Council

DRAFT

This version of the report is a draft. Its contents and subject matter remain under review and its contents may change and be expanded as part of the finalisation of the report.

Year ended 31 March 2016

October 2016

Christian Heeger

Director

T 01293 5541 45

E christian.heeger@uk.gt.com

Keith Hosea

Manager

T 020 7728 3231

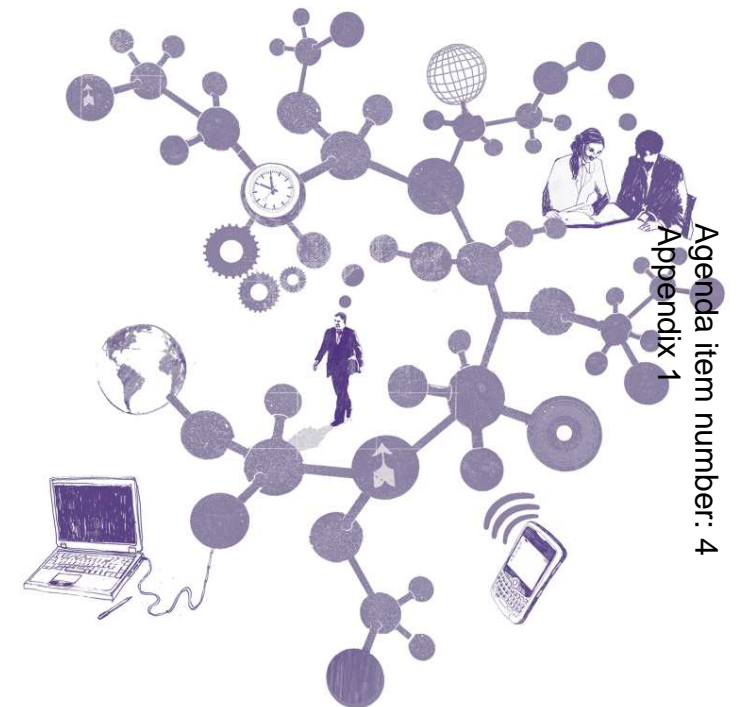
E [keith.j.hosea@uk.gt.com

Sebastian Evans

Executive

T 020 7728 3451

E sebastian.evans@uk.gt.com



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Appendix 1

Executive summary

Purpose of this letter

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at Guildford Borough Council (the Council) for the year ended 31 March 2016.

This Letter is intended to provide a commentary on the results of our work to the Council and its external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice (the Code) and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'.

We reported the detailed findings from our audit work to the Council's Corporate Governance and Standards Committee as those charged with governance in our Audit Findings Report on 22 September 2016.

Our responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council's financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council's financial statements, we comply with International Standards on Auditing (UK and Ireland) (ISAs) and other guidance issued by the NAO.

Our work

Financial statements opinion

We gave an unqualified opinion on the Council's financial statements on 23 September 2016.

Value for money conclusion

We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources during the year ended 31 March 2016. We reflected this in our audit opinion on 23 September 2016.

Certificate

We certified that we had completed the audit of the accounts of the Council in accordance with the requirements of the Code on 23 September 2016.

Certification of grants

We also carry out work to certify the Council's Housing Benefit subsidy claim on behalf of the Department for Work and Pensions. Our work on this claim is not yet complete and will be finalised by 30 November 2016. We will report the results of this work to the Corporate Governance and Standards Committee in our Annual Certification Letter.

Working with the Council

We have set out on page 11 how we have worked with you across a number of areas of the audit. We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff.

Grant Thornton UK LLP
October 2016

Audit of the accounts

Our audit approach

Materiality

In our audit of the Council's accounts, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for our audit of the Council's accounts to be £2,209,000, which is 2% of the Council's gross revenue expenditure. We used this benchmark, as in our view, users of the Council's accounts are most interested in how it has spent the income it has raised from taxation and grants during the year.

We also set a lower level of specific materiality for certain areas such as cash and senior officer remuneration to reflect their inherent nature and public interest.

We set a lower threshold of £110,000, above which we reported errors to the Corporate Governance and Standards Committee in our Audit Findings Report.

The scope of our audit

Our audit involves obtaining enough evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error.

This includes assessing whether:

- the Council's accounting policies are appropriate, have been consistently applied and adequately disclosed;
- significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the narrative report and annual governance statement to check they are consistent with our understanding of the Council and with the accounts on which we give our opinion.

We carry out our audit in line with ISAs (UK and Ireland) and the NAO Code of Audit Practice. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the Council's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the accounts

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk
<p>Valuation of property plant and equipment</p> <p>The Council's property, plant and equipment, including its housing stock, represents 71% of its total assets. Their value is estimated by property valuation experts. The Council revalues these assets on a rolling basis.</p> <p>Page 13</p>	<p>As part of our audit work we:</p> <ul style="list-style-type: none"> ▪ Reviewed whether the valuers used by the Council were sufficiently knowledgeable and independent for us to rely on their work • Reviewed the Council's instructions to its valuer and the information on the assets it gave to them • Reviewed the valuer's report to understand the valuation method used and any key assumptions. • Discussed with management the key assumptions they made about the basis of valuation, including asset lives, to ensure these were appropriate. • Checked that the valuation had been correctly reflected in the Council's asset register. • Reviewed the Council's assumptions about assets which were not revalued this year and how they satisfied themselves that these were not materially different from current value. <p>We were satisfied that the value of these assets was materially accurate in the balance sheet but asked the Council to explain the basis of their assumptions and to include in the letter of representation.</p>
<p>Valuation of surplus assets and investment property</p> <p>The Council changed the basis on which it valued surplus assets and investment property in 2015/16 because of the introduction of a new international financial reporting standard (IFRS 13). These assets represent 12% of the Council's total assets and their value is estimated by property valuation experts.</p> <p>The Council also needed to make changes to the disclosures for items valued at fair value under the new financial reporting standard.</p>	<p>As part of our audit work we:</p> <ul style="list-style-type: none"> ▪ Reviewed whether the experts used by the Council were sufficiently knowledgeable and independent for us to rely on their work ▪ Reviewed the Council's instructions to its valuer and the information on the assets it gave to them ▪ Reviewed the valuer's report to understand the valuation method used and the key assumptions. ▪ Tested revaluations made during the year to ensure they were input correctly into the Council's asset register ▪ Reviewed the disclosures made by the Council in its accounts to ensure they met the requirements of IFRS13 and of the CIPFA Code of Practice. <p>We did not identify any issues to report.</p>

Appendix 1
Agenda item number: 4

Audit of the accounts (continued)

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk
<p>Valuation of pension fund net liability</p> <p>The Council's pension fund asset and liability, as reflected in its balance sheet, represents a significant estimate in the accounts and comprises 22% of its total liabilities.</p> <p>The values of the pension fund net liability is estimated by specialist actuaries.</p>	<p>As part of our audit work we:</p> <ul style="list-style-type: none"> ▪ Reviewed whether the experts used by the Council were sufficiently knowledgeable and independent for us to rely on their work • Reviewed the Council's instructions to its actuary and tested the information on staff and pensioners it gave them to calculate the pension fund liability. • Reviewed the key assumptions made by the actuary using the work of an actuarial expert and tested whether any assumptions specific to the Council were appropriate. • Checked that the Council had correctly made entries in its accounts following the report from the actuary and that the disclosure requirements of the Code of Practice were met. <p>We did not identify any issues to report.</p>

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Appendix 1

Audit of the accounts

Audit opinion

We gave an unqualified opinion on the Council's accounts on 23 September 2016, in advance of the 30 September 2016 national deadline.

The Council made the accounts available for audit in line with the agreed timetable, and provided a good set of working papers to support them. The finance team responded promptly and efficiently to our queries during the course of the audit.

The Council were able to reduce the time taken to produce the statements and we were able to complete the majority of our work earlier this year. We have met with the finance team to discuss further improvements to meet the earlier deadline for producing and auditing the accounts in 2017/18.

Issues arising from the audit of the accounts

We reported the key issues from our audit of the Council's accounts to its Corporate Governance and Standards Committee on 22 September 2016. We did not identify any amendments needed to the primary statements, but agreed some changes to disclosure notes and the presentation of information.

We identified and reported on some control issues around the coding of NI and pension contributions and the Councils general controls around IT systems. We made recommendations around these points in our Audit Findings Report. Since that time officers have carried out further work and we have reflected this in the updated action plan overleaf.

Annual Governance Statement and Narrative Report

We are also required to review the Council's Annual Governance Statement and Narrative Report. It published them on its website with the draft accounts in line with the national deadlines.

Both documents were prepared in line with the relevant guidance and were consistent with the supporting evidence provided by the Council/Authority and with our knowledge of the Council/Authority.

Whole of Government Accounts (WGA)

As the Council is below the threshold set by the National Audit Office, we did not need to carry out any work on the Council's consolidation schedule for WGA.

Other statutory duties

We also have additional powers and duties under the Act, including powers to issue a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Council's accounts and to raise objections received in relation to the accounts.

We received no objections or questions on the accounts and had no cause to use our statutory duties.

Updated actions from accounts audit

Recommendation	Priority	Updated response	Implementation date & responsibility
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"> 1. The Council identified this was a configuration problem which it has addressed. 2. The Council has implemented a control as part of the starter checklist to address this. 	Payroll Manager March 2017
Review ICT policies at least annually or when significant changes occur. Publish and communicate updated policies to all employees and relevant third parties	Medium	The policies were updated but not communicated adequately to officers. The Council is taking action to address this.	ICT Manager March 2017
Password settings for Selima should be consistent with the Council's ICT security policy	Medium	<p>The number of failed attempts has been changed from 5 to 3 as recommended.</p> <p>The Council considers that it is acceptable that passwords expire every 100 days rather than 90 as the majority of staff view this system monthly.</p>	No further action proposed by Council

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice (the Code), following the guidance issued by the NAO in November 2015 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the key risks where we concentrated our work.

The key risks we identified and the work we performed are set out in table 2 overleaf.

As part of our Audit Findings report agreed with the Council in September 2016, we agreed recommendations to:

- establish a project management approach to identify savings and plans to achieve them, and to monitor how these are delivered in practice.
- improve the process for modelling and profiling the capital programme,

These were both agreed by the Council and progress on these is reflected on the next page.

Overall VfM conclusion

We are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2016.

Value for Money

Table 2: Value for money risks

Risk identified	Work carried out	Findings and conclusions
<p>Medium financial term planning</p> <p>The Council identified a cumulative gap of some £5.5 million between the resources it expects to have available and the amount it expects to spend over the four years to 2019/20.</p> <p>The Council recognises that it needs to change the way it delivers services to be able continue to deliver the same services with reduced resources.</p> <p style="text-align: right;">Page 18</p>	<p>We reviewed the framework established by the Council to manage its medium term financial planning process, including:</p> <ul style="list-style-type: none"> • identification and assessment of savings plans, • risk management of savings plans • arrangements for Members to scrutinise and agree the projects included in the medium term financial strategy. 	<ul style="list-style-type: none"> • The Council has assessed opportunities and threats to its existing financial position and started to identify actions to deal with these. • Officers have been tasked with finding savings plans against each of these opportunities and threats, including the effect of existing savings plans. • The Council has set aside underspends made in previous years to fund anticipated pressures in the future. The total of reserves set aside at £30 million is higher than the gap in the medium term financial strategy. • The Council recognises that it cannot rely on underspending against its budget, and that more work is required to identify savings plans to bridge the gap in its medium term financial strategy. <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 recommended that the Council formalise the project management of the medium term financial strategy and that all officers needed contribute to identifying and delivering savings. The Council has set up a new Lead Councillor/Officer Transformation Board to monitor the progress of projects and delivery of savings, which will also be monitored by the Corporate Management Team.</p> <p>We also recommended that the Council improve the accuracy of modelling and profiling of the capital programme. The Council has implemented a system called Verto and has set up a group to monitor this more closely.</p>

Agenda item number: 4
Appendix 1

Working with the Council

Our work with you in 2015/16

We are really pleased to have worked with you over the past year. We have established a positive and constructive relationship. Together we have delivered some great outcomes.

An efficient audit – we delivered the accounts audit 7 days before the deadline and in line with the timescale we agreed with you. Our audit team are knowledgeable and experienced in your financial accounts and systems. We have shared our insight from other clients about how to streamline your financial reporting processes to assist with faster closedown of your accounts.

Improved financial processes – during the year we reviewed your financial systems and processes including employee remuneration, non-pay expenditure and property plant and equipment. We have identified areas to improve the robustness of your IT controls.

Understanding your operational health – through the value for money conclusion we provided you with assurance on your operational effectiveness. We highlighted the need for a clearer focus on identifying and delivering savings plans over the next 4-5 years.

Working with you on certification – we introduced you to one of our national HB specialists to support you in completing work on the subsidy claim and help reduce the amount of additional work we needed to carry out this year.

Sharing our insight – we provided regular updates to the Corporate Governance & Standards Committee covering best practice. Areas we covered included *Reforging Local Government* – our summary of findings from financial health checks and governance reviews across local government. We have also shared with you our insights on advanced closure of local authority accounts, in our publication "Transforming the financial reporting of local authority accounts" and will continue to provide you with our insights as you bring forward your production of your year-end accounts.

Thought leadership – We have shared with you our publication on Building a successful joint venture and will continue to support you as you consider greater use of alternative delivery models for your services, including the provision of housing.

Providing training – we provided members of your finance team with training on financial accounts and annual reporting as part of our closedown workshops for 2015/16.

Providing information – We introduced you to colleagues from our Place Analytics and CFO Insights teams to demonstrate our online analysis tool providing you with access to insight on the financial performance, socio-economy context and service outcomes of councils across the country.

Appendix A: Reports issued and fees

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

Fees

	Planned £	Actual fees £	2014/15 fees £
Statutory audit of Council	57,533	57,533	76,710
Housing Benefit Grant Certification	13,925	Tbc*	33,330
Total fees (excluding VAT)	71,458	Tbc*	110,040

* Our work on Housing Benefit certification is not yet complete. We will confirm the fee for this work in our report to those charged with governance later this year.

Reports issued

Report	Date issued
Audit Plan	March 2016
Audit Findings Report	September 2016
Annual Audit Letter	October 2016

Fees for other services

Service	Fees £
Audit related services:	
• Housing capital receipts return	1,500
Non-audit services	n/a



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Corporate Governance and Standards Committee

Report of Managing Director

Author: Joan Poole

Tel: 01483 444854

Email: joan.poole@guildford.gov.uk

Lead Councillor responsible: Michael Illman

Tel: : 07742 731535

Email: michael.illman@guildford.gov.uk

Date: 24 November 2016

Future of External Audit

Executive Summary

This report provides councillors with an update on arrangements for local authorities to appoint their own external audit provision following the closure of the Audit Commission.

Recommendation to Council (6 December 2016):

That the Council approves Option 3, as described in this report, which is to opt-in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors from 2018-19.

Reason for Recommendation:

To enable the Council to comply with statutory obligations under Section 7 of the Local Audit and Accountability Act 2014.

1. Purpose of Report

1.1 This report sets out the proposals for the future of external audit and the options open to the Council. The Committee is asked to endorse the recommendation that the Council appoints PSAA Ltd as its external auditor.

2. Strategic Priorities

2.1 The 'Your Council' theme within the revised Corporate Plan 2015-20 includes the Council's key priorities of ensuring sound financial governance and improving value for money and efficiency in service delivery. The appointment of the external auditor contributes to the achievement of those priorities.

3. The future of External Audit in Local Government

- 3.1 Following enactment of the Local Audit and Accountability Act 2014 ('the Act'), the Audit Commission ceased to exist on 31 March 2015. Since then, external audit has been provided through a series of framework contracts for the audit of local bodies, which will run until 2018.
- 3.2 Responsibility for managing the audit contracts for local government bodies, along with the Commission's statutory functions for audit (e.g. setting the standards of performance, appointing auditors, setting and determining fees) and value for money work has transferred to an independent private company created by the Local Government Association (LGA).
- 3.3 Once the current audit contracts run out in 2018, local bodies will be able to appoint their own external and independent auditor and will need to do so by 31 December 2017. The length of appointment, which is yet to be finally determined, is expected to be between three and five years. The decision will need to be made by full Council and cannot be delegated. Local bodies have to establish, consult and take into account the advice of an independent auditor panel on the selection and appointment of a local auditor.

4. Options

Option1 – Stand Alone Appointment

- 4.1 In order to make a stand-alone appointment, the Council will need to set up an Auditor Panel. The panel must be made up of wholly or a majority of independent members as defined by the Act. Independent members for this purpose are independent appointees, this excludes current and former elected members (or officers) and their close families and friends. This means that elected members will not have a majority input to assessing bids and choosing which firm of accountants to award a contract for the Council's external audit. A new independent auditor panel established by the Council will be responsible for selecting the auditor.
- 4.2 Setting up an auditor panel allows the Council to take maximum advantage of the new local appointment regime and have local input to the decision. However, recruitment and servicing of the Auditor Panel, running the bidding exercise and negotiating the contract is estimated by the LGA to cost in the order of £15,000 plus ongoing expenses and allowances. The Council will not be able to take advantage of reduced fees that may be available through joint or national procurement contracts and the assessment of bids and the decision on awarding contracts will be taken by independent appointees and not solely by elected members.

Option 2 – Joint Auditor Panel

- 4.3 The Act enables the Council to join with other authorities to establish a joint auditor panel. Again this will need to be constituted of wholly or a majority of independent appointees (members). Legal advice will be required on the exact constitution of such a panel having regard to the obligations of each Council

under the Act and the Council would need to liaise with other local authorities to assess the appetite for such an arrangement.

- 4.4 The costs of setting up the panel, running the bidding exercise and negotiating the contract will be shared across a number of authorities and there is greater opportunity for negotiating some economies of scale by being able to offer a larger combined contract value to the firms.
- 4.5 However, the decision making body will be further removed from local input, with potentially no input from elected members where a wholly independent auditor panel is used or possibly only one elected member representing each council, depending on the constitution agreed with the other bodies involved. The choice of auditor could be complicated where individual councils have independence issues. An independence issue occurs where the auditor has recently or is currently carrying out work such as consultancy or advisory work for a council. Where this occurs, some auditors may be prevented from being appointed by the terms of their professional standards. There is a risk that if the joint auditor panel chooses a firm that is conflicted for this Council then the Council may still need to make a separate appointment with all the attendant costs and loss of economies possible through joint procurement.

Option 3 – Sector Led Body (PSAA)

- 4.6 In response to the consultation on the new arrangements, the government have appointed a national provider, Public Sector Audit Appointments Ltd (PSAA) to make auditor appointments to opted-in local government bodies. The (PSAA) will have the ability to negotiate contracts with the firms nationally, maximising the opportunities for the most economic and efficient approach to procurement of external audit on behalf of the whole sector. The costs of setting up the appointment arrangements and negotiating fees would be shared across all opt-in authorities and by offering large contract values, the firms would be able to offer better rates and lower fees than are likely to result from local negotiation. Any conflicts at individual authorities would be managed by the PSAA who would have a number of contracted firms to call upon. If we wish to be included, it is anticipated that the Council would have to opt in before December 2016. In addition to the economies of scale, which could be achieved under the national scheme, other benefits include:

- assured appointment of a qualified, registered, independent auditor
- appointment, if possible, of the same auditors to bodies involved in significant collaboration and joint working initiatives or combined authorities
- distribution of surpluses to participating authorities
- a scale of fees which reflects size, complexity and audit risk
- avoiding the necessity for individual authorities to establish an auditor panel and to undertake an auditor procurement
- enabling time and resources to be deployed on other pressing priorities

Option 3 is recommended as the Council's preferred option.

- 4.7 However, individual elected members will have less opportunity for direct involvement in the appointment and the final fee structure from the PSAA will require councils to indicate their intention to opt-in before final contract prices are known.

5. Consultations

- 5.1 None

6. Equality and Diversity Implications

- 6.1 There are no equality and diversity implications associated with the decision in respect of this matter.

7. Financial Implications

- 7.1 Opting-in to the PSAA provides maximum opportunity to limit the extent of any increases by entering in to a large scale collective procurement arrangement and would remove the costs of establishing an auditor panel.

8. Legal Implications

- 8.1 Section 7 of the Act requires a relevant authority to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year. Section 8 governs the procedure for appointment including that the authority must consult and take account of the advice of its auditor panel on the selection and appointment of a local auditor. Section 8 also provides that where a relevant authority is a local authority operating executive arrangements, the function of appointing a local auditor to audit its accounts is not the responsibility of an executive of the authority under those arrangements.

- 8.2 Section 12 makes provision for the failure to appoint a local auditor: the authority must immediately inform the Secretary of State, who may direct the authority to appoint the auditor named in the direction or appoint a local auditor on behalf of the authority.

- 8.3 Section 17 gives the Secretary of State the power to make regulations in relation to an 'appointing person' specified by the Secretary of State. This power has been exercised in the Local Audit (Appointing Person) Regulations 2015 (SI 2015 No. 192) and this gives the Secretary of State the ability to enable a Sector Led Body to become the appointing person.

9. Human Resource Implications

- 9.1 There are no human resource implications associated with the decision in respect of this matter.

10. Summary of Options

Option 1: To make a stand-alone appointment;

Option 2: To set up a joint Auditor Panel / local joint procurement arrangements; and

Option 3: To opt-in to a sector led body.

- 10.1 The Council needs to take a decision on the preferred option for the future of external audit at Guildford. There is no immediate risk to the Council; however, early consideration of the preferred option of the three available will enable detailed planning to take place to achieve successful transition to the new arrangement in a timely and efficient manner. Officers recommend Option 3 as the Council's preferred option.

11. Conclusion

- 11.1 The Council has until December 2017 to make an appointment. In practical terms, this means one of the three options outlined in this report will need to be in place by spring 2017 in order that the contract negotiation process can be carried out during 2017. There has been strong interest in the national scheme and we are one of the 58% of respondents who have expressed an interest in this option (Option 3). The LGA is supportive of the national approach, as it believes this offers best value to councils by reducing set-up costs and having the potential to negotiate lower audit fees. It is likely that a sector wide procurement conducted by PSAA will produce better outcomes for the Council than any procurement we undertook by ourselves or with a limited number of partners. Use of the PSAA will also be less resource intensive than establishing an auditor panel and conducting our own procurement. Officers recommend Option 3 as the Council's preferred option.
- 11.2 Regulation 19 of the Local Audit (Appointing Person) Regulations 2015 requires that a decision to opt in must be made by Full Council (authority meeting as a whole). To comply with this regulation, the Committee is asked to endorse the recommendation to Council.

12. Background Papers

None

13. Appendices

None

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Corporate Governance and Standards Committee Report

Report of Chief Internal Auditor

Author: Joan Poole

Tel: 01483 444854

Email: joan.poole@guildford.gov.uk

Lead Councillor responsible: Michael Illman

Tel: 07742 731535

Email: michael.illman@guildford.gov.uk

Date: 24 November 2016

Summary of Internal Audit Reports: April to September 2016

Recommendation

The Committee is requested to note the summary of audit reports and other associated work for the period April to September 2016 and progress against the audit plan. (Appendix 1)

Reason for Recommendation:

To ensure an adequate level of audit coverage.

1. Purpose of Report

- 1.1. To present a summary of audit work for the period 1 April 2016 to 30 September 2016.

2. Strategic Priorities

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

3. Background

- 3.1. We have to ensure that the level of audit coverage is sufficient to provide assurance on the overall standard of corporate governance. The section has undergone a fundamental service review over the last six months to identify the best service option for the Council's current needs but also looking at future developments within local government.

4. Summary of Audit Reports - April 2016 to September 2016

- 4.1. The summaries of the audit reports that we have carried out in the period April to September 2016 are set out below. Internal Audit uses a scale to categorise the findings and audit opinion under five classifications. These are:

- **No Opinion** – Results of one-off investigations or consultancy work ranging from investigations into potential fraud or misappropriation or other projects such as value for money reviews on which no audit opinion is given.
- **No Assurance** – Fundamental control weaknesses that need immediate action. The area reviewed has significant control weaknesses and/or significant problems were found in the course of the audit.
- **Limited Assurance** – Some assurance that the controls are suitably designed and effective but inconsistently applied and action needs to be taken to ensure risks are managed. The area reviewed has some control weaknesses and there is a risk of loss or problems identified in the course of the audit.
- **Reasonable Assurance** - Assurance that the controls are suitably designed consistently applied and effective but we have identified issues that if not addressed, increase the likelihood of risk materialising in this area. This rating reflects audits where the systems are sound and there are only low level risks.
- **Substantial Assurance** – Assurance that the controls are suitably designed consistently applied and effective. The area reviewed is well controlled and no material problems were found.

4.2. The classifications are included in the reports to managers and have been included here to provide the Committee with an overall conclusion on the findings of the audits. The reports are ranked in order of audit opinion.

5. NO OPINION

5.1. There have been two complaint investigations in the period. These were long running complaints with allegations of service failure and misconduct by officers. A full review was carried out and it was found that in both instances we had acted properly and there was no evidence of misconduct or inappropriate action by officers. In both cases the complainants then went to the Local Government Ombudsman who, after investigating the facts of each complaint, declined to investigate further.

5.2. During 2015-16 we started a major project to map all the income streams across the Council. This has involved tracking income of £33m over 600 cost centres. The review has identified anomalies and opportunities for rationalisation and efficiency savings and these are being dealt with as they arise.

6. NO ASSURANCE

6.1. There were no reports with a “No Assurance” opinion in this period.

7. LIMITED ASSURANCE

Anti-Money Laundering

7.1. One of the main areas in the audit plan this year was the focus on fraud. As part of this we are looking at areas where money laundering could be an issue. One of the areas of risk for the Council is Right to Buy and tenancy fraud. The cost of housing in the south east and the substantial discounts that are available to some Council tenants has increased the risk of fraudulent activity. This is particularly an issue within London authorities where an investigation by LocalGov last year found that at least 3% of Right to Buy applications in London are now thought to be fraudulent.

- 7.2. The Right to Buy is an area of concern for financial fraud and money laundering. The large discounts make it an attractive target for financial crime and money laundering activity.
- 7.3. Under the current rules, a tenant can apply to buy their council home if:
- It is their only or main home
 - It is self-contained
 - they are a secure tenant
 - they have had a public sector landlord (e.g. a council, housing association or NHS trust) for 3 years.
- 7.4. As part of the Right to Buy process, the Council must comply with the Money Laundering Regulations 2003 which requires us to put certain control measures in place to make sure we know our customers. In addition to the 2003 legislation, the Government made further changes to the legislation in 2007, giving the Council the right to ask customers how they will fund the purchase of a property.
- 7.5. As with all types of fraud, preventing it from happening in the first place is far more cost effective than taking action once it has happened. Although there are a number of controls already in place, right to buy fraud is a recognised risk across the public sector and by implementing extra checks at the application stage, the risk can be minimised or prevented, and will ensure that council houses remain available to people in genuine need.
- 7.6. Although there were some controls in place it was recommended that:
- 1) The Housing Estates Manager carries out identity checks for each applicant and obtains a copy of at least one of the following documents, to confirm the identity of the tenant. There should also be a check that the documents are genuine and have not been tampered with in any way:
 - Full UK or EU driving licence including photograph;
 - 10 year UK or EU passport with photograph;
 - EU identity cards;
 - UK identity cards for foreign nationals
 - Residence permit issued by the Home Office.
 - 2) The Housing Estates Manager should request a copy of at least two of the following documents to confirm the applicants' proof of residency:
 - P45, P60 or payslip;
 - a current benefit or pension claim letter, book or card;
 - a utility or council tax bill;
 - a bank or credit card statement;
 - a mobile phone bill.
- 7.7. The Council already has an Anti-Money Laundering Policy but because of the Council's potential exposure this has now been reviewed and revised to take into account the emerging risks.

Audit Opinion – Limited Assurance – Recommendations have been agreed and a new Anti-Money Laundering Policy has been drafted.

Tenancy Fraud

- 7.8. The pressure and cost of housing in the area has increased the risk of tenancy fraud within our social housing sector. We carried out a review to assess the controls that the Council has in place to prevent and deter tenancy fraud. The preliminary findings of the review found that staff do carry out some checks however, they are not consistently applied and could be more robust.
- 7.9. It was agreed that internal audit would work with Neighbourhood and Housing Management Services to improve the level of controls. Progress has been made and a Tenancy Fraud policy is currently being drafted. In addition, the Landlord Services Manager has identified a range of data that the Council already holds which could be indicators of possible fraud and which are not being used at the moment.
- 7.10. As part of these reviews internal audit met with the Local Partnership Manager from the Home Office. Central government are building links with local audit teams to help us to detect fraudulent documentation and activity. This is part of an on-going initiative under which they are willing to give the Council access to data and specialist training. The services that we have identified that would benefit from training are:
- Housing Advice
 - Housing Rents
 - Taxi Licensing
 - Recruitment (including agency staff)
 - Customer Service Centre staff.

Audit Opinion - Limited Assurance - Although both of these reviews have been given limited assurance improvements have already been made and we are working closely with the Landlord Services Manager to identify a range of fraud indicators and embed the controls within our systems.

8. REASONABLE ASSURANCE

Section 106 Review

- 8.1. Under Section 106 of the Town and Country Planning Act 1990, contributions can be sought from developers towards the costs of providing community and social infrastructure, the need for which has arisen as a result of a new development taking place. This funding is commonly known as 'Section 106' monies. S106 monies may only be spent on facilities where the new development has, at least in part, contributed to the need for the facilities. S106 funding is available for capital projects only. Revenue funding towards on-going running costs is not available.
- 8.2. The objective of the audit was to ensure that we have adequately controlled processes in place to support the effective and efficient operation of the Section 106 funding. The specific objectives of the review were to ensure that:
- Processes, procedures and systems currently in place for planning and determining Section 106 Agreements are adequate;
 - Contributions are properly collected and accounted for;
 - Spending is accounted for and is per agreement with the developer;
 - Section 106 Agreements are enforced and implemented.

- 8.3. Planning obligations also known as 'Section 106' agreements are entered into by the Council and the Developer/Contractor and form part of the planning process. Planning officers review and assess planning applications and will identify whether a Section 106 contribution is required. Any contribution is based on guidelines stated in the 'Supplementary Planning Document' (SPD). This information is then passed to Legal Services, who will draft the Section 106 agreement for the Developer/Contractor to agree and sign.
- 8.4. A Section 106 Agreement will stipulate the 'trigger points' as to when the contributions will need to be paid over to the Council. For example, on commencement of work or when dwellings have been occupied. The developer is responsible for informing the Council when the trigger points have been reached and to then pay the contribution over as agreed. The Section 106 Monitoring Officer is responsible for monitoring the trigger points and pursuing payment of the Section 106 contributions from the developer.
- 8.5. The review identified the following areas of good practice:
- The 'Planning Supplementary Document' (SPD) provides the Planning Officers with guidance on Planning Obligations along with thresholds, contributions required from developments and those from Surrey County Council and from the Council itself;
 - Planning Services has recently updated and refreshed its formal instruction sheets sent to Legal Services.;
 - Finance maintains a spreadsheet for 'Special Protected Areas' (SPAs) Section 106 contributions, to be spent on capital projects. The spreadsheet details contributions received to date and those still outstanding. In addition to this, the spreadsheet also provides information as to which projects the contributions have been allocated to.
 - The 'Spenders Meeting' will resume at the end of May 2016.
- 8.6. However there was weakness in control as the review found that monitoring information is not provided on a regular basis.

Audit Opinion – Reasonable Assurance – Recommendation update there are now regular monitoring meetings.

Asbestos Follow-Up

- 8.7. This was a follow-up review to assess the progress on the previous audit recommendations. The last review raised five recommendations where further work was needed. The following recommendations were raised:
- Raise staff awareness;
 - Hold all information in a central training record;
 - Produce regular updates;
 - Specific training for staff in relevant services;
 - Compliance testing

- 8.8. Of these five recommendations four have been fully implemented or are in the process of being implemented. One has not been implemented as it is a staffing decision.

Audit Opinion - Reasonable Assurance

Asset Management and Industrial Lettings

- 8.9. The overall objective of the audit was to ensure that adequate controls and sound governance arrangements are in place to support the effective and efficient operation of Industrial Lettings.
- 8.10. The specific objectives of the review were to ensure that:
- Review of the Corporate Asset Management Strategy with reference to investment properties (the Industrial Estates owned by the Council);
 - To ensure that there is an Asset Management Plan in place;
 - To ensure there are lease/ rental agreements in place;
 - Lease rental income is invoiced and received regularly;
 - Rent reviews are undertaken;
 - Tenants comply with the terms of the lease/ rental agreement; and
 - Voids are monitored.
- 8.11. The review found the following areas of good practice:
- A 'Property Review Group' (PRG) is in place which meets on a monthly basis and is minuted.
 - The PRG has a terms of reference in place which is reviewed annually. The PRG is responsible for reviewing areas such as, acquisitions, disposals, capital programme bids, rent reviews and lease renewals.
 - The Asset Development team has developed an in-house IT application called 'Property Asset Database' (PAD) for staff and Councillors to access. The PAD is accessible through The Loop (Council's intranet) which provides details on all commercial properties, such as address, tenure type, area size, whether it is leased out or not. Management advised that they are currently working with IT to resolve some elements of the PAD functionality.
 - The Asset Development team performs annual property asset reviews. The 2015/16 review was conducted during September to December 2015. The review identifies which properties should be retained or disposed of dependent on set criteria, such as, the Internal Rate of Return (IRR).
 - Rent reviews and the granting of leases are approved via the Delegated Authority process.
 - Rent arrears are handled and managed by the Council's Income team, who email the Asset Development Manager, on a monthly basis, a schedule of rent arrears.
 - A proposed list of Client Managers for property assets has been recently created which will enable the Council to have nominated staff to oversee the managing and handling of commercial properties.
- 8.12. However, there were some areas where controls could be improved:
- Both the Strategy and Framework ended on 31 March 2016, a date for refresh/ update has not as yet been set;
 - An annual review of the Strategy has not taken place or reported to Executive;

- An Asset Management Plan has not been developed or rolled out to service areas;
- The 'Asset Development Handbook' requires finalising; and
- Diary alerts are currently not working on the Asset Management Database system.

Management Response:

Asset Strategy and Asset Management Plan (AMP)

The revisions in the Corporate Plan have little impact on the Council's management of properties. As such, the Asset Strategy and AMP are still relevant and no major changes are required but we have prioritised a review of the Strategy and AMP in the next six months. We will also review and incorporate the corporate and operational risks associated with the Strategy and managing commercial/investment properties. However, we already set out the risks in all property decisions considered by the Executive. Following the audit we have also created a service level risk register for Asset Development that includes risks associated with managing commercial and investment properties. This was reported to the Corporate Management Team on 21 June.

Asset Strategy – Performance Against Objectives

This recommendation is agreed and there should have been a gathering of performance data to report to the Executive during 2016. However, due to other more pressing matters this has not been achieved. A piece of work will be carried out within the next six months to monitor the direction of travel in terms of the performance of property at strategic level.

Asset Management Plan

We are working closely with the services as they carry out individual service reviews. In many cases this exercise will equip them to not only use any template we produce but more importantly understand the thinking and logic behind the process. This will strengthen their development of their Service/Business Plans. Examples of this include the Car Park Strategy, Housing Strategy and Parks and Leisure's ongoing fundamental service review.

Asset Development Handbook

The handbook is a constantly evolving document that records information for surveyors on what is the current way of working. It was always intended to become a procedural document on working practices, but is currently in draft form. Planned staff changes from November will place us in a better position to finalise the document within the next 6 to 9 months.

Diary Alerts

This is now fixed and the diary alerts are working again.

Audit Opinion - Reasonable Assurance

Information Security

- 8.13. Responsibility for Information Security sits within every area of the Council, with the key roles being the Senior Information Risk Officer (SIRO), Information Rights Officer (IRO) and the Information Systems Manager within the ICT team. In addition, service areas have designated 'Information Asset Owners' who are

responsible for all aspects of information security - from communicating policy to identifying training requirements within their respective areas.

- 8.14. The Council operates within a suite of policies contained within the Information Security Policy Framework, which was created in March 2011. The framework covers areas ranging from Asset Management and Access Controls, to Incident Reporting and Management.
- 8.15. Information Security training is embedded into the induction programme for new starters and the recruitment process includes the appropriate background security checks, where staff are required to handle sensitive data.
- 8.16. The Council uses a protective marking scheme to classify its data using a Boldon James system called Office Classifier. In addition, the Council uses Egress Switch for emailing sensitive data securely. The review identified the following areas of good practice:
- A protective marking scheme is used by the Council, this is facilitated by the use of Office Classifier, a software application which can be used to apply markings to the entire suite of Microsoft products.
 - Testing highlighted that the Personal Information Risk Incidents Reporting Procedure is adhered to and incidents are managed and reported effectively.
 - We are compiling an information asset register.
- 8.17. However the review highlighted the following areas for improvement:
- The Information Security Policy Framework has not been reviewed since March 2011 and requires updating.
 - The policies and procedures which sit within the Framework have not been reviewed within the last financial year and require a review to ensure that they are still applicable.
 - The governance groups that have been established do not have Terms of Reference and do not meet as frequently as group reporting lines suggest.
 - Service areas are supposed to produce a Statement of Internal Control, specifically in relation to information security but the responses are not consistent.
- 8.18. Since the review was carried out the Council has appointed a new Information Rights Officer who will work within Legal Services and it is intended that there will be a Data Protection Officer within ICT. These two officers will review our current Information Framework and take the recommendations forward.

Audit Opinion - Reasonable Assurance

Network Security

- 8.19. Network Security is the responsibility of the Customer and Technical Support Team, which is part of the ICT function. The Council operates with approximately 600 PC's and around 400 of these are thin client devices (known as iGels). The strategy of moving towards more flexible ways of working is supported by thin client devices, so the number of thin client users continues to rise. There are also

provisions made for staff, members and contractors to access the network remotely, under specific controlled conditions.

8.20. Security of the network is a high priority area for the Council and the objectives of the audit were to ensure that:

- Risks relating to unauthorised access to networked resources have been formally assessed;
- Administrative privileges for Active Directory, key network equipment and remote access mechanisms are assigned in line with responsibilities;
- Access to networked resources for operational users is appropriately controlled at Active Directory level;
- Remote access to networked resources is controlled in line with a risk based approach; and
- Wi-fi access is appropriately controlled.

8.21. The review found many areas of good practice:

- Firewalls and other dynamic content filtering tools ensure that inbound and outbound traffic is monitored and rule sets are updated as required.
- The Council operates with up to date anti-virus software, updates are performed automatically and no user can connect to the network without the latest version of anti-virus software.
- Patching activity is regularly performed.
- Physical access to key network equipment is appropriately controlled.
- Access to the network by third parties/contractors is well controlled with access being blocked until it is required.
- Password and lockout periods are appropriate.
- Remote access controls use two-factor authentication and all devices are checked to ensure that the device meets corporate standards before connection is allowed.
- Wi-fi access is controlled via a login and password credential supplied by ICT. Accessing wi-fi does not provide the user with access to the corporate network.

8.22. However there were some areas where controls could be improved:

- There is no central ICT Risk Register to capture the key risks, their likelihood and impacts, risk scores and mitigation. **(Recommendation Update – to be completed by March 2017).**
- The ICT Strategy document requires updating, the strategy was last documented in 2014. **(Recommendation Update – the new strategy is now complete and awaiting agreement from Corporate Management Team).**
- The ICT Security Policy requires updating, it was last reviewed in March 2013. **(Recommendation Update – In progress).**
- The Firewall Management Policy requires updating, this was last reviewed in May 2014. **(Recommendation Update – In progress).**
- Evidence of remedial actions is required to prove that High Risk areas identified in the penetration testing have been addressed. **(Recommendation Update - Now complete)**
- There were instances where the starter and leaver process was not being correctly followed. This increases the risk that unauthorised access to the

network could occur. (**Recommendation Update - This has now been addressed and work is being carried out on an automated system to streamline this process**).

These items have been commented on by Grant Thornton in their annual audit letter.

Management Response – A full governance review is being undertaken as part of the creation of a new ICT strategy. This work includes reviewing and updating the strategy and the supporting policies and procedures.

Audit Opinion - Reasonable Assurance

Community Grants

- 8.23. The Council provides annual grants to voluntary organisations and individuals. In 2015/16 the budget for grants was £132,000. The budget is the same for 2016/17. The process for the administration of grants was changed following a review in 2013. The changes were agreed by the Executive. The new process was aimed at ensuring that grants achieved their intended objectives and these objectives are aligned with the Council's priorities as set out in its Corporate Plan.
- 8.24. As part of the revised grants process, grants should be assessed to ascertain how effective they have been. Applicants complete a form outlining what the grant has been used for (which will be in line with the reason for the application) and the outcomes that have been achieved. All applicants that have been given grants of more than £5,000 are visited and an on-site inspection is made.
- 8.25. The revised grants process provides a more effective way of aligning grants to the Council's priorities. This ensures that the Council maximises the impact of the resources that it employs. However, as a further improvement it was recommended that the application process is revised to ensure that the priorities set out in the new Corporate Plan are considered in the assessment of any grant application.
- 8.26. While the application process has been implemented, it has not been possible to undertake the post-grant assessment process because of staff shortages and the need to undertake a service review. However, a new post was agreed and the post has been filled for a number of months. It is important that the assessment process is reintroduced. While this has been given a reasonable assurance rating we will carry out a further testing in the next six months to ensure that the post-grant assessments are being carried out.

Audit Opinion - Reasonable Assurance

Procurement Cards

- 8.27. The Council introduced Procurement Cards several years ago and there are currently 20 active Procurement Cards held in a number of services. The Council uses an online system, that allows the cardholder and their approvers to view the specific transactions related to their Procurement Card. System administrators (namely the e-Payments team) can view all cardholders, their approvers and all their transactions on this system. Expenditure on all cards was £162,000 in 2015-16.
- 8.28. The testing found no anomalies with all card purchases being job related. There is a robust approval process and purchases were supported by receipts and supporting

documentation. All cards have pre-set limits which are agreed by the card supplier and transactions above that limit will be rejected at the point of sale. The e-Payments team provide guidance and advice on retention of receipts and invoices and this is detailed in a three monthly email to staff as well as training when staff first receive their Procurement Card.

Audit Opinion – Reasonable Assurance

9. SUBSTANTIAL ASSURANCE

Premises Licensing

9.1. Last year an audit review of premises licenses found a number of control problems. They were administrative, financial and managerial and the review was given a Limited opinion. The audit found that there were instances where:

- Income could not always be reconciled to an application
- There was a lack of financial control and monitoring
- There was no management control over the process to ensure that licence fees have been paid
- There is no assurance that all premises have paid their annual fees
- There is no assurance that we are suspending licences for non-payment as required under the Act.

9.2. Since that time the service has been working to implement all the audit recommendations. A follow-up review was carried out and found that the recommendations had been implemented with improved management control and record keeping. Income is now being collected, monitored and properly assigned. We will continue to monitor the system to ensure that progress is maintained.

Audit Opinion – Substantial Assurance

10. CORPORATE WORK AND PROJECTS

Ombudsman

10.1. There have been 12 Local Government Ombudsman (LGO) complaints in the first six months of 2016-17. A summary of the cases is set out below:

Decision Date	GBC File Ref. No.	Service	Outcome
07/03/16	AJ/15/0013	Corporate & Other Services	Premature
10/05/16	AJ/16/0002	Benefits & Tax	Premature
03/05/16	AJ/16/0001	Planning & Development	Closed after initial enquiries – out of jurisdiction
03/05/16	AJ/16/0003	Planning & Development	Closed after initial enquiries – no further action
17/05/16	AJ/16/0004	Housing	Premature
06/06/16	AJ/16/0005	Environmental Health & Planning	Premature
11/08/16	AJ/16/0006	Planning & Development	Closed after initial enquiries – no further action
24/08/16	AJ/16/0009	Planning & Development	Closed after initial enquiries – out of jurisdiction
02/09/16	AJ/16/0008	Housing	Premature

Decision Date	GBC File Ref. No.	Service	Outcome
06/09/16	AJ/16/0010	Environmental Services & Public Protection & Regulation	Closed after initial enquiries – out of jurisdiction
07/09/16	AJ/16/0007	Environmental Services & Public Protection & Regulation	Closed after initial enquiries – no further action
15/09/16	AJ/15/0001	Housing Ombudsman	No maladministration by the Council

10.2. It is difficult to gauge how long a Local Government Ombudsman complaint will take or how much audit will be involved. Some complaints are more complex than others and we work with the services and review the files prior to making a response to the LGO. While it may not be traditional audit work it is valuable in identifying areas of emerging risk which is then used to inform the audit plan.

11. GOVERNANCE PROJECTS

Transparency Code

11.1. We carried out an initial review of the Council's compliance with the requirements of the Transparency Code. Areas for improvement and further work have been highlighted and issues arising from this work will be reported to Committee as and when they arise.

Elections

11.2. There have been two major elections in the period plus the preparation work for the Mayoral Referendum on 13 October 2016. Elections by their very nature are subject to very stringent controls and legislation but in the main the highest risk area for local authorities has been the controls over postal votes. Internal audit has worked with electoral services to test the controls and identify administrative improvements. In addition, we intend to carry out a dummy election within the next three months which will include all the relevant officers. This will ensure that there are robust processes and management controls in place for the future and provide assurance that our democratic processes are sound.

12. SERVICE REVIEWS

12.1. Over the last year, Internal Audit has worked with managers on lean reviews, some as stand-alone projects and some as part of their fundamental reviews. Although this is not traditional audit work, many of the business process re-engineering disciplines involved are closely related to audit systems analysis. This has the benefit of helping managers make efficiency savings but it also increases our understanding of the services and the business risks.

Heritage Services

12.2. We have been working with Heritage Services (Museum, Guildford House and Guildhall) on a Lean Review. This looks at all the business processes, structures and synergies to deliver a more streamlined efficient and effective service. This is now complete and a report with recommendations for the future has been submitted and will inform any future re-structure.

13. FINANCIAL IMPLICATIONS

- 13.1. The financial implications of the new structure were the subject of a growth bid, which has been agreed.

14. LEGAL IMPLICATIONS

- 14.1. The Local Government Act 1972 (S151) requires that a local authority “shall make arrangements for the proper administration of their financial affairs”.
- 14.2. The 1972 Act is supported by the Accounts and Audit Regulations 2011 which state that “A relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control”.
- 14.3. The internal audit plan is necessary to satisfy these legal obligations.

15. HUMAN RESOURCES

- 15.1. The new structure will be in place in the latter half of 2016-17 and may lead to a change with the Plan and this will be reported to Committee.

16. CONCLUSION

- 16.1. The first half of the year has been challenging with a number of unplanned pieces of work and some staffing issues. In addition, the audit focus is changing as the Council is seeking to become more entrepreneurial. This will bring new opportunities and risks and will be factored into our audits.
- 16.2. The challenge for the team is to balance the requirement for robust governance and controls and helping to deliver the Council’s ambitious change agenda.

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Corporate Governance and Standards 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: 24 November 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 – September 2016.

At the end of September 2016, officers are projecting a reduction in net expenditure on the general fund revenue account of £1,787,198. This is the result of a combination of factors, which include a reduction in employee expenditure across all services, an increase in planning fees, 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 £11,838,440 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 £57.58 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 £49.09 million by 31st March 2017.

The Council held £129 million of investments and £235 million of external borrowing at 30 September 2016. 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, with the exception of the upper limit on variable interest rates. This is because we have more variable rate debt than investments due to using more fixed deposits than variable rate investments.

Recommendation to Corporate Governance and Standards Committee

That the committee notes the results of the Council's financial monitoring for the period April 2016 to September 2016 and makes any comments it feels appropriate

Reason(s) for Recommendation:

To allow the committee to undertake its role in relation to scrutinising the Council's finances.

1. Purpose of Report

- 1.1 Recommendation 8 of the 2015 Council Governance Review was: 'That the importance of the Corporate Governance and Standards Committee to the Council be recognised, 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'.
- 1.2 This Committee started its enhanced review of our financial management at its meeting on 24 September 2015. This report covers the period April to September 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 under takes 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 covers the period to September 2016 (period 6) and covers all Council services.
 - 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, and officer capital programme monitoring group. Councillors receive the key service area monitoring reports by

e-mail. Financial monitoring for all services is reported to the Council's Corporate Governance and Standards Committee on a regular basis.

- 3.3 This report sets out the financial monitoring and 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 September 2016. Officers have prepared the projected outturn on a combination of six months actual and accrued data.
- 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 £862,000 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 £1.72 million lower than the latest estimate.
- 4.4 Net external interest receivable is £393,992 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 experienced during 2015-16.
- 4.6 The overall projected position for net expenditure is £1.78 million lower than estimate.
- 4.7 The table below shows the supplementary estimates and virement approved to date.

Supplementary Estimates 2016-17

Service/Description	Approval Date	Committee	Value
Shooting Star Chase	27 th September 2016	Executive	£25,000
TOTAL			£25,000

Virement Record 2016-17

Service/Description	Approved by	Date of Approval	Value
Mayor's theme	Claire Morris	26 th May 2016	£20,000
Housing Benefit audit fee	Claire Morris	15 th June 2016	£11,000
Major Projects GOTCHA study (transport modelling)	Claire Morris	21 st July 2016	£28,000
Transfer of Info. Rights budget from Resources to Corporate Directorate	Claire Morris	28 th 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 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	590,576	17,555
Contn to Invest to Save Reserve	573,021	590,576	17,555
Contn to BRRS equalisation reserve	1,146,042	1,192,457	46,415
	30,585,669	30,667,194	81,525
BRRS – s31 grant	(445,826)	(527,351)	(81,525)
BRRS – retained income	(33,119,866)	(33,119,866)	0
BRRS – net position	(2,980,023)	(2,980,023)	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 spend 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		
EMI Services (loss of grant support)	75	
Community Meals and Transport (restructure savings/grant support)		(53)
Corporate Services		
Legal Services (external legal support and specialist advice)	185	
Development Directorate		
Industrial Estates/Investment Properties		(65)
Building Control (agency costs/income)	63	
Investment Property – target exceeded		(289)
Planning Policy (salaries and consultants, and grant support)		(169)
Environmental Directorate		
On-Off Street Parking (additional income, maintenance deferral)		(288)
Electric Theatre (vacancies pending outcome of review)		(44)
Guildford House/Guildhall (re-profiling of roofing work)		(80)
Parks and Countryside (staffing restructure, repair and maintenance, change in contract arrangements)		(176)
Resources Directorate		
ICT Business and Technical services (vacancies, staff restructure)		(210)
Paymaster service (pending restructure)	51	
Insurance Revenue Account (insurance premiums)		(41)
Managing Director		
Audit, Performance and Transformation services (vacant posts)		(152)

- 4.11 The table above shows that Legal Services have experienced an increase in expenditure of £185,000 due to using external solicitors to cover staffing vacancies and for specialist advice on asset investment and procurement initiatives. It is proposed that:
- a. a virement of £140,000 is made from the corporate inflation budget held within financial services budget and
 - b. a virement of £45,000 is made from the parks and countryside salaries budget (the saving in parks is due to vacant posts and a 2016-17 growth bid that has not been utilised due to a delay in implementing a service restructure. The restructure is now expected to be completed by April 2017) to cover the over spend.

The virement is to be approved under delegated authority by the Managing Director in consultation with appropriate lead councillor(s) and lead councillor with responsibility for finance in accordance with the council's financial procedure rules.

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 September 2016. The report shows that HRA gross service expenditure is projected to outturn at 97.6% of the budgeted level, whilst income is projected to be 100.0% of the budgeted level. The projected outturn would enable a transfer of around £11.83 million to the new build reserve and the reserve for future capital. The principal variations are:
- 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 £53,000 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 £262,000.
- 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 2.2%.
- 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 of 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 continues to focus on applicants and new tenants to help them manage their money more effectively, in addition to providing support for tenants moving to Universal Credit.

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 PWLB debt portfolio for the HRA totalling £193 million, 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), the Council as a whole is currently only borrowing short-term for cash flow purposes. 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 6.

Loan type	Balance 01 April 16 £000	New loans £000	Loans repaid £000	Balance 30 Sept 16 £000	Weighted average rate of
PWLB					3.16%
Variable	45,000	0	0	45,000	
Fixed					
Maturity	147,435	0	0	147,435	
EIP	1,150	0	(115)	1,035	
Local authorities	10,000	0	0	10,000	1.35%
Total long-term Loans	203,585	0	(115)	203,470	
Temporary Loans	34,500	47,300	(49,500)	32,300	0.48%
Total Loans	238,085	47,300	(49,615)	235,770	

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 £1.6 million. The gross cash balances representing the

Agenda item number: 7

Council's reserves and working balances at 30 September 2016 available for investment were £129 million and net of short-term borrowing £97 million.

- 6.6 The Council's budgeted external interest cost, which relates to short and long-term borrowing, for the year is £5.41 million and the outturn is projected to be £5.34 million.
- 6.7 Net interest receivable was budgeted at £929,000 and is projected to be £1.33 million because of higher than anticipated cash balances.
- 6.8 The UK bank rate has been 0.50% since March 2009. However, 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 September 2016 was 1.190% against an estimate of 1.453%.
- 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 September 2016.

Investment	Balance 01 April 16 £000	New investments £000	Investments matured £000	Change in capital value £000	Balance 30 Sept 16 £000	Weighted average rate of interest
<u>Investment Funds</u>						
Payden & Rygel	5,000	0	0	19	5,019	0.41%
CCLA	6,553	0	0	(334)	6,219	3.19%
Aberdeen (SWIP)	1,798	0	0	21	1,819	0.26%
M&G	2,026	0	0	325	2,351	2.04%
Schroders	824	0	0	31	855	4.07%
Funding Circle	653	300	0	22	975	3.68%
UBS	2,349	0	0	88	2,438	1.55%
City Financial	2,335	0	0	159	2,494	1.41%
<u>In- House Investments:</u>						
Call Accounts	3,053	22,050	(22,042)	0	3,061	0.50%
Money Market Funds	9,740	133,425	(140,711)	0	2,454	0.49%
Notice Accounts	22,000	0	(9,000)	0	13,000	0.67%
Temporary Fixed Deposits	47,000	21,000	(35,000)	0	33,000	0.84%
Certificates of Deposit	9,000	0	(4,000)	0	5,000	0.88%
Unsecured bonds	6,016	12,511	(10,370)	0	8,157	1.01%
Long Term Covered Bonds	16,936	10,350	(3,550)	(133)	23,736	0.93%
Long Term Fixed Deposits	9,500	7,000	0	0	16,500	1.48%
Revolving Credit Facility	0	2,500	0	0	2,500	2.50%
Total Investments	144,782	209,137	(224,673)	199	129,577	

- 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, with the exception of the upper limit on variable interest rates (explained below).

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 £248 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 target ?
Net debt			
Upper limit on fixed interest rates	198,650	128,808	yes
Upper limit on variable interest rates	(25,870)	(28,131)	no

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%	17%	-3%
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%	72%	-28%

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 £40 million of longer-term investments, of which £23.7 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 under spends 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 £44.75 million in 2016-17 representing a £26.88 million variance to the revised estimate of £71.64 million. 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 £28.69 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
- ED30 - Home Farm, provision of traveller pitches (£1 million) – work is progressing on this scheme
- ED25 – Guildford Park infrastructure works (£6.5 million) – this scheme is to be considered by Planning Committee in November 2016
- ED16 – Slyfield Area regeneration project (£1 million) – work is progressing on this scheme
- FS1 – capital contingency fund – there is £4.24 million remaining in the fund
- P5 – Walnut bridge £2.6 million – work is progressing on this scheme
- P9c – Bedford Wharf £14.1 million – money was transferred to the approved programme for the progression of this scheme which has not happened as quickly as anticipated, the scheme has been rolled forward into 2017-18
- P9c – Bedford Wharf £3.53 million – this money was transferred to the approved programme for the acquisition of the site known as ‘The Quadrant’, the Council’s bid for this property has been rejected, as part of the 2017-18 capital programme this budget will be removed

Provisional programme (Appendix 5)

7.4 Expenditure on the provisional programme is expected to be £4.22 million, against the revised estimate of £57.31 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:

- | | |
|--------------------------------------|--------------|
| • 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 |

A number of projects have been reprofiled into future years including North Street development £21 million, Clay lane link road £9.3 million, Guildford Riverside Route ph 2&3 £2.4 million and Transport schemes via Local Growth Fund £4 million.

S106 (Appendix 6)

- 7.5 Capital schemes funded from s106 developer contributions is expected to total £658,000 million.

Reserves (Appendix 7)

- 7.6 Capital schemes funded from the Council's specific reserves. The outturn is anticipated to be £4.31 million. The main projects are:

- expenditure on car parks £1.9 million
- ICT renewals £886,000

Capital resources (Appendix 8)

- 7.7 When the Council approved the budget, the estimated underlying need to borrow for 2016-17 was £89.01 million. The current estimated underlying need to borrow is £49.09 million. The reduction is due to slippage in the programme where schemes are being rolled forward into 2017-18.

General Fund housing programme (Appendix 9)

- 7.8 Expenditure for the year is projected to be £3.62 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 £14.11 million against an estimate of £13.76 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 the report.

11 Legal Implications

- 11.1 The Local Government Act 1972, Section 151 states that each local authority has a statutory 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 the Chartered Institute of Public Finance and Accountancy (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 September for the 2016-17 financial year.
- 13.2 At the end of September, officers were projecting a reduction in net expenditure of £1.78 million on the general fund revenue account. The main reasons for this are set out in the table in paragraph 4.10
- 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 Housing Revenue Account, due to lower staffing and repairs and maintenance costs will enable a transfer of £11.83 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 the 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 £57.58 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 £49.09 million by 31 March 2017. The Council has complied with Prudential Indicators during the period with the exception of the upper limit on variable interest rates.
- 13.7 At the end of September 2016, the Council had £129.5 million of current investment balances.

14 Background Papers

- 14.1 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

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	6,157,676	6,280,666
3,776,299	Corporate	3,626,980	3,799,230	4,212,262
(1,360,842)	Development	(26,360)	263,800	(151,136)
8,259,665	Environment	9,585,970	9,797,496	9,122,454
15,621	Managing Director	116,230	146,505	(5,836)
1,913,993	Resources	3,955,260	4,101,899	3,945,736
18,893,839	Total Directorate Level	23,267,130	24,266,606	23,404,146
(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	14,493,346	13,630,886
(1,437,185)	External interest receivable (net)	(928,710)	(928,710)	(1,322,702)
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	16,663,886	15,146,645
	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)	(75,000)	(129,500)
2,665,474	Business Rates Equalisation reserve	(1,325,242)	(1,325,242)	(1,278,827)
533,313	Car Park Maintenance reserve	(204,540)	(204,540)	(54,540)
(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	58,227
204,578	IT Renewals reserve	(267,870)	(267,870)	(267,870)
150,612	Invest to Save reserve	799,022	799,022	740,513
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)	(109,692)
(722,450)	Pensions Reserve (Statutory)	0	0	0
0	Recycling reserve	0	0	(333,285)
171,880	Spectrum reserve	(68,540)	(68,540)	(68,540)
1,190,077	Other reserves	(352,180)	(1,326,656)	(1,146,754)
17,809,162	Total after transfers to and from reserves	15,576,365	15,576,365	13,853,137
	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	590,576
	Non specific government grants			
(694,054)	s31 grant re BRR scheme	(445,827)	(445,827)	(527,351)
(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	41,532,916	39,745,718
1,406,405	Parish Council Precepts	1,469,802	1,469,802	1,469,802
44,900,026	TOTAL NET BUDGET	43,002,718	43,002,718	41,215,520
(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	10,178,189	8,390,991

Projected underspend

(1,787,198)

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COMMUNITY SERVICES

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
SERVICE SUMMARY			
Direct Expenditure	10,673,176	11,106,876	433,700
Income	(6,430,150)	(6,739,877)	(309,727)
Total Directly Controllable (Income)/Expenditure	4,243,026	4,366,999	123,973
Indirect Expenditure	1,914,650	1,913,667	(983)
Net (Income)/Expenditure	6,157,676	6,280,666	122,990

BUILDING MAINTENANCE

Direct Expenditure	2,799,550	3,159,460	359,910	Variation in the level of work undertaken, recharged to the Housing Revenue Account
Income	(2,877,720)	(3,229,921)	(352,201)	See above
Total Directly Controllable (Income)/Expenditure	(78,170)	(70,461)	7,709	
Indirect Expenditure	78,000	78,030	30	
Net (Income)/Expenditure	(170)	7,569	7,739	

GYPSY CARAVAN SITES

Direct Expenditure	166,650	140,094	(26,556)
Income	(182,120)	(160,299)	21,821
Total Directly Controllable (Income)/Expenditure	(15,470)	(20,205)	(4,735)
Indirect Expenditure	13,470	13,302	(168)
Net (Income)/Expenditure	(2,000)	(6,903)	(4,903)

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	63,118	19,528	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 which will result in a cost of £13,500, this will be funded from reserves.
Total Directly Controllable (Income)/Expenditure	43,590	63,118	19,528	
Indirect Expenditure	5,420	5,426	6	
Net (Income)/Expenditure	49,010	68,544	19,534	

COMMUNITY SERVICES

Direct Expenditure	180,000	210,007	30,007	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 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 the reserve.
Income	(180,000)	(113,000)	67,000	
Total Directly Controllable (Income)/Expenditure	0	97,007	97,007	
Indirect Expenditure	1,010	1,010	0	
Net (Income)/Expenditure	1,010	98,017	97,007	

COMMUNITY SERVICES

Revised Budget Projected Outturn Variance
2016-17 2016-17

Appendix 2

DAY SERVICES

Direct Expenditure	686,450	685,963	(487)
Income	(249,780)	(226,365)	23,415

The income estimate for 2016-17 included £10,500 of rental income from Crossways Surrey who have vacated Park Barn. The space is currently being used by the Community Warden service and a number of voluntary groups without a charge being levied.

Total Directly Controllable (Income)/Expenditure	436,670	459,598	22,928
Indirect Expenditure	161,320	162,135	815
Net (Income)/Expenditure	597,990	621,733	23,743

EMERGENCY COMMUNICATIONS SYSTEM

Direct Expenditure	246,510	250,472	3,962
Income	(369,200)	(420,064)	(50,864)

The additional expenditure relating to new and replacement equipment and repairs for the Careline service is covered by income received.

Income for Supporting People Community Alarms £45,690 received from Surrey County Council was not included in the 2016-17 budget process as receipt had not been confirmed.

Total Directly Controllable (Income)/Expenditure	(122,690)	(169,592)	(46,902)
Indirect Expenditure	56,610	56,628	18
Net (Income)/Expenditure	(66,080)	(112,964)	(46,884)

EMI SERVICES

Direct Expenditure	144,769	165,279	20,510
Income	(200,030)	(145,265)	54,765

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 has been corrected in the 2017-18 estimates.

A grant for the Meadows Community Centre of £24,500 and the EMI unit of £34,700 was included for 2016-17. The Council received notification in June that we would not receive this funding.

Total Directly Controllable (Income)/Expenditure	(55,261)	20,014	75,275
Indirect Expenditure	13,100	13,118	18
Net (Income)/Expenditure	(42,161)	33,132	75,293

ENVIRONMENTAL CONTROL

Direct Expenditure	403,390	414,942	11,552
Income	(25,610)	(42,475)	(16,865)

Service review has resulted in a saving of £16,000. Additional expenditure for Welfare Funerals £25,000, is offset by funds recovered from the deceased estate.

Income recovered from deceased estates to cover the cost of the Welfare Funeral.

Total Directly Controllable (Income)/Expenditure	377,780	372,467	(5,313)
Indirect Expenditure	61,660	61,704	44
Net (Income)/Expenditure	439,440	434,171	(5,269)

PROJECT ASPIRE

Direct Expenditure	0	35,746	35,746
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Expenditure relating to Project Aspire will be funded from reserve (as per report to Executive November 2015)

Total Directly Controllable (Income)/Expenditure	0	35,746	35,746
Net (Income)/Expenditure	0	35,746	35,746

COMMUNITY SERVICES

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
SURREY FAMILY SUPPORT PROGRAMME			
Direct Expenditure	304,400	313,489	9,089
Income	(204,780)	(237,593)	(32,813)
Total Directly Controllable (Income)/Expenditure	99,620	75,896	(23,724)
Indirect Expenditure	50,580	50,616	36
Net (Income)/Expenditure	150,200	126,512	(23,688)

FOOD AND SAFETY SERVICES

Direct Expenditure	299,450	299,707	257
Income	(130)	(64)	66
Total Directly Controllable (Income)/Expenditure	299,320	299,643	323
Indirect Expenditure	80,150	80,180	30
Net (Income)/Expenditure	379,470	379,823	353

HEALTH AND SAFETY

Direct Expenditure	126,730	128,654	1,924
Income	(117,700)	(117,724)	(24)
Total Directly Controllable (Income)/Expenditure	9,030	10,930	1,900
Indirect Expenditure	15,760	15,760	0
Net (Income)/Expenditure	24,790	26,690	1,900

HOUSING SURVEYING SERVICES

Direct Expenditure	612,750	599,133	(13,617)
Income	(740,720)	(740,720)	0
Total Directly Controllable (Income)/Expenditure	(127,970)	(141,587)	(13,617)
Indirect Expenditure	87,320	87,370	50
Net (Income)/Expenditure	(40,650)	(54,217)	(13,567)

GRANTS TO VOLUNTARY ORGANISATIONS - HOUSING AND COMMUNITY

Direct Expenditure	552,730	611,316	58,586	A carry forward of £32,000 was agreed as part of the 2015-16 underspend, reflecting outstanding grant applications to be processed. The grants will be allocated in 2016-17.
Income	(116,080)	(116,080)	0	
Total Directly Controllable (Income)/Expenditure	436,650	495,236	58,586	
Indirect Expenditure	3,690	3,708	18	
Net (Income)/Expenditure	440,340	498,944	58,604	

HOME FARM ESTATE, EFFINGHAM

Direct Expenditure	45,795	32,052	(13,743)
Income	(8,040)	(12,040)	(4,000)
Total Directly Controllable (Income)/Expenditure	37,755	20,012	(17,743)
Indirect Expenditure	23,180	20,958	(2,222)
Net (Income)/Expenditure	60,935	40,970	(19,965)

Appendix 2

COMMUNITY SERVICES

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
HOMELESSNESS AND EMERGENCY ACCOMMODATION			
Direct Expenditure	743,390	726,339	(17,051)
Income	(12,500)	(13,962)	(1,462)
Total Directly Controllable (Income)/Expenditure	730,890	712,377	(18,513)
Indirect Expenditure	72,500	72,536	36
Net (Income)/Expenditure	803,390	784,913	(18,477)

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	144,060	(24,090)	Saving resulting from vacant post. This post is being considered as part of a wider review of resources, which will consider implications of support to the newly established housing company.
Total Directly Controllable (Income)/Expenditure	168,150	144,060	(24,090)	
Indirect Expenditure	291,920	291,938	18	
Net (Income)/Expenditure	460,070	435,998	(24,072)	

LICENSING SERVICES

Direct Expenditure	163,300	168,604	5,304
Income	(163,260)	(162,046)	1,214
Total Directly Controllable (Income)/Expenditure	40	6,558	6,518
Indirect Expenditure	60,300	60,348	48
Net (Income)/Expenditure	60,340	66,906	6,566

COMMUNITY MEALS AND TRANSPORT

Direct Expenditure	799,442	770,215	(29,227)	Following a recent service review a number of posts have been disestablished resulting in a saving of £35,500, partly offset by the impact of job evaluation. These establishment changes have been built into the 2017-18 estimates.
Income	(300,810)	(324,951)	(24,141)	Additional grant support received from SCC after the budget was agreed.
Total Directly Controllable (Income)/Expenditure	498,632	445,264	(53,368)	
Indirect Expenditure	70,720	70,756	36	
Net (Income)/Expenditure	569,352	516,020	(53,332)	

HOUSING OUTSIDE THE HRA

Direct Expenditure	133,180	135,801	2,621
Income	(13,600)	(14,399)	(799)
Total Directly Controllable (Income)/Expenditure	119,580	121,402	1,822
Indirect Expenditure	25,680	25,692	12
Net (Income)/Expenditure	145,260	147,094	1,834

PEST CONTROL

Direct Expenditure	66,920	67,015	95
Income	(60,560)	(60,566)	(6)
Total Directly Controllable (Income)/Expenditure	6,360	6,449	89
Indirect Expenditure	13,580	13,604	24
Net (Income)/Expenditure	19,940	20,053	113

COMMUNITY SERVICES

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance	
PRIVATE SECTOR HOUSING				
Direct Expenditure	634,770	625,184	(9,586)	Vacant posts have been held vacant due to an on going service review and are currently covered by agency staff. This has resulted in an underspend on the service.
Income	(295,020)	(306,512)	(11,492)	Increase in Handy person work recharged to internal services of £10,000. The budget has been increased for 2017-18 to reflect this additional work.
Total Directly Controllable (Income)/Expenditure	339,750	318,672	(21,078)	
Indirect Expenditure	624,470	624,524	54	
Net (Income)/Expenditure	964,220	943,196	(21,024)	
PUBLIC HEALTH				
Direct Expenditure	75,810	76,322	512	
Total Directly Controllable (Income)/Expenditure	75,810	76,322	512	
Indirect Expenditure	5,840	5,858	18	
Net (Income)/Expenditure	81,650	82,180	530	
COMMUNITY SAFETY WARDENS				
Direct Expenditure	345,520	356,697	11,177	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)	(7,650)	6,880	Income from Surrey County Council over estimated in original budget.
Total Directly Controllable (Income)/Expenditure	330,990	349,047	18,057	
Indirect Expenditure	36,440	36,446	6	
Net (Income)/Expenditure	367,430	385,493	18,063	
TAXI LICENSING AND PRIVATE HIRE VEHICLES				
Direct Expenditure	284,770	278,620	(6,150)	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 resulted in a reduction of £9,000 in expenditure, but also in an equivalent reduction in income (see below).
Income	(204,100)	(193,028)	11,072	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 resulted in a reduction of £9,000 in expenditure, but also in an equivalent reduction in income. Other fee income is currently estimated to be under achieved by £2,000.
Total Directly Controllable (Income)/Expenditure	80,670	85,592	4,922	
Indirect Expenditure	42,080	42,152	72	
Net (Income)/Expenditure	122,750	127,744	4,994	
WOKING ROAD DEPOT STORES				
Direct Expenditure	76,010	79,170	3,160	
Income	(93,860)	(95,153)	(1,293)	
Total Directly Controllable (Income)/Expenditure	(17,850)	(15,983)	1,867	
Indirect Expenditure	19,350	19,368	18	
Net (Income)/Expenditure	1,500	3,385	1,885	

CORPORATE SERVICES

Revised Budget Projected Outturn Variance
2016-17 2016-17

SERVICE SUMMARY			
Direct Expenditure	4,826,470	5,289,977	463,507
Income	(2,382,220)	(2,431,652)	(49,432)
Total Directly Controllable (Income)/Expenditure	2,444,250	2,858,325	414,075
Indirect Expenditure	1,354,980	1,353,937	(1,043)
Net (Income)/Expenditure	3,799,230	4,212,262	413,032

ACCESS GROUP FOR GUILDFORD

Direct Expenditure	2,230	1,223	(1,007)
Total Directly Controllable (Income)/Expenditure	2,230	1,223	(1,007)
Indirect Expenditure	2,500	2,500	0
Net (Income)/Expenditure	4,730	3,723	(1,007)

CIVIC EXPENSES

Direct Expenditure	167,880	171,900	4,020
Total Directly Controllable (Income)/Expenditure	167,880	171,900	4,020
Indirect Expenditure	26,860	26,866	6
Net (Income)/Expenditure	194,740	198,766	4,026

COMMUNITY DEVELOPMENT

Direct Expenditure	253,860	264,811	10,951
Income	(15,000)	(29,671)	(14,671)
Total Directly Controllable (Income)/Expenditure	238,860	235,140	(3,720)
Indirect Expenditure	39,410	39,134	(276)
Net (Income)/Expenditure	278,270	274,274	(3,996)

Additional funding received from various sponsors for maintaining safety within the community - see income.

COUNCIL AND COMMITTEE SUPPORT

Direct Expenditure	239,830	260,577	20,747
Income	(41,810)	(41,720)	90
Total Directly Controllable (Income)/Expenditure	198,020	218,857	20,837
Indirect Expenditure	249,580	249,562	(18)
Net (Income)/Expenditure	447,600	468,419	20,819

Due to increased printing costs the account will be overspent by an estimated £16,000. Plus changes to salary allocations £6,000.

CORPORATE SERVICES

Direct Expenditure	697,170	753,880	56,710
Income	(129,790)	(128,555)	1,235
Total Directly Controllable (Income)/Expenditure	567,380	625,325	57,945
Indirect Expenditure	239,590	239,464	(126)
Net (Income)/Expenditure	806,970	864,789	57,819

Unbudgeted expenditure relating to specialist procurement advice £45,000 and Legal expenses £10,000. A budget is required for next financial year, this will be considered as part of the 2017-18 budget preparation process.

CORPORATE SERVICES**COMMITTEE SERVICES**

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance	
Direct Expenditure	198,640	161,013	(37,627)	A substantive vacancy is being covered short term by an intern appointment.
Income	(238,430)	(238,925)	(495)	
Total Directly Controllable (Income)/Expenditure	(39,790)	(77,912)	(38,122)	
Indirect Expenditure	40,270	40,294	24	
Net (Income)/Expenditure	480	(37,618)	(38,098)	

DEMOCRATIC REPRESENTATION AND MANAGEMENT

Direct Expenditure	719,010	723,177	4,167	Webcasting recording are estimated to cost an additional £4,000 above budget.
Income	(88,650)	(88,650)	0	
Total Directly Controllable (Income)/Expenditure	630,360	634,527	4,167	
Indirect Expenditure	379,590	379,674	84	
Net (Income)/Expenditure	1,009,950	1,014,201	4,251	

ELECTIONS

Direct Expenditure	81,960	211,762	129,802	The cost of the governance referendum will be funded by a transfer from reserves.
Total Directly Controllable (Income)/Expenditure	81,960	211,762	129,802	
Indirect Expenditure	15,050	15,068	18	
Net (Income)/Expenditure	97,010	226,830	129,820	

ELECTORAL REGISTRATION

Direct Expenditure	324,720	313,934	(10,786)	Vacant posts within the service has resulted in an underspend of £14,000. These posts have now been advertised and will be filled shortly.
Income	(3,740)	(39,152)	(35,412)	Additional grant funding received to cover additional Electoral Registration work due to changes in the deadline for the works to be completed. This was not expected therefore not included within the 16-17 budget process.
Total Directly Controllable (Income)/Expenditure	320,980	274,782	(46,198)	
Indirect Expenditure	39,070	39,088	18	
Net (Income)/Expenditure	360,050	313,870	(46,180)	

LEGAL SERVICES

Direct Expenditure	906,190	1,091,718	185,528	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. This overspend will be covered by a virement from the corporate inflation budget, and a virement from the parks and countryside salary budget.
Income	(1,022,740)	(1,022,751)	(11)	
Total Directly Controllable (Income)/Expenditure	(116,550)	68,967	185,517	
Indirect Expenditure	125,360	125,396	36	
Net (Income)/Expenditure	8,810	194,363	185,553	

CORPORATE SERVICES

HR SERVICES

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
Direct Expenditure	381,150	383,923	2,773
Income	(476,840)	(476,936)	(96)
Total Directly Controllable (Income)/Expenditure	(95,690)	(93,013)	2,677
Indirect Expenditure	96,540	96,606	66
Net (Income)/Expenditure	850	3,593	2,743

INFORMATION RIGHTS OFFICER

Direct Expenditure	62,750	68,065	5,315
Income	(73,860)	(73,872)	(12)
Total Directly Controllable (Income)/Expenditure	(11,110)	(5,807)	5,303
Indirect Expenditure	11,110	11,020	(90)
Net (Income)/Expenditure	0	5,213	5,213

OTHER EMPLOYEE COSTS

Direct Expenditure	243,530	327,050	83,520
Income	(284,360)	(284,420)	(60)
Total Directly Controllable (Income)/Expenditure	(40,830)	42,630	83,460
Indirect Expenditure	15,310	14,465	(845)
Net (Income)/Expenditure	(25,520)	57,095	82,615

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.

PARISH AND LOCAL LIAISON

Direct Expenditure	202,060	202,383	323
Total Directly Controllable (Income)/Expenditure	202,060	202,383	323
Indirect Expenditure	8,740	8,758	18
Net (Income)/Expenditure	210,800	211,141	341

PROCUREMENT

Direct Expenditure	45,430	54,798	9,368
Total Directly Controllable (Income)/Expenditure	45,430	54,798	9,368
Indirect Expenditure	7,450	7,456	6
Net (Income)/Expenditure	52,880	62,254	9,374

PUBLIC RELATIONS AND MARKETING

Direct Expenditure	292,770	292,747	(23)
Income	(7,000)	(7,000)	0
Total Directly Controllable (Income)/Expenditure	285,770	285,747	(23)
Indirect Expenditure	53,060	53,090	30
Net (Income)/Expenditure	338,830	338,837	7

GUILDFORD YOUTH COUNCIL

Direct Expenditure	7,290	7,016	(274)
Total Directly Controllable (Income)/Expenditure	7,290	7,016	(274)
Indirect Expenditure	5,490	5,496	6
Net (Income)/Expenditure	12,780	12,512	(268)

DEVELOPMENT

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
SERVICE SUMMARY			
Direct Expenditure	7,846,800	7,977,171	130,371
Income	(11,138,590)	(11,709,236)	(570,646)
Total Directly Controllable (Income)/Expenditure	(3,291,790)	(3,732,065)	(440,275)
Indirect Expenditure	3,555,590	3,580,929	25,339
Net (Income)/Expenditure	263,800	(151,136)	(414,936)

BUILDING CONTROL SUMMARY

Direct Expenditure	704,110	739,836	35,726	Additional agency costs are partially covered by substantive salary cost reductions, although there is a projected increase in costs of £33,500.
Income	(503,763)	(476,547)	27,216	A reduction in applications is projected to result in reduced Building Control fees.
Total Directly Controllable (Income)/Expenditure	200,347	263,289	62,942	
Indirect Expenditure	131,520	131,550	30	
Net (Income)/Expenditure	331,867	394,839	62,972	

BUSINESS FORUM

Direct Expenditure	76,210	76,715	505
Total Directly Controllable (Income)/Expenditure	76,210	76,715	505
Indirect Expenditure	1,120	1,126	6
Net (Income)/Expenditure	77,330	77,841	511

DEVELOPMENT CONTROL

Direct Expenditure	1,691,350	1,931,495	240,145	It is currently projected that employee costs will be £198,100 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. Planning appeal expenses are expected to be £29,250 over budget due to The Howard of Effingham appeal.
Income	(1,185,020)	(1,365,778)	(180,758)	Planning fees income is greater than budget and at present the additional income is projected at £183,500.
Total Directly Controllable (Income)/Expenditure	506,330	565,717	59,387	
Indirect Expenditure	445,050	446,936	1,886	
Net (Income)/Expenditure	951,380	1,012,653	61,273	

DEVELOPMENT

INDUSTRIAL ESTATES

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
Direct Expenditure	312,670	338,628	25,958 Expenditure on emergency lighting and fire alarms at Midleton Estate is £11,000 more than budgeted.
Income	(3,067,240)	(3,160,806)	(93,566) 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)	(2,822,178)	(67,608)
Indirect Expenditure	261,250	263,084	1,834
Net (Income)/Expenditure	(2,493,320)	(2,559,094)	(65,774)

INVESTMENT PROPERTY

Direct Expenditure	161,830	197,741	35,911 Valuers fees are expected to be £40,000 for 2016-17. An agreed virement will be actioned shortly to fund the expenditure.
Income	(4,939,130)	(5,264,555)	(325,425) 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)	(5,066,814)	(289,514)
Indirect Expenditure	228,560	228,383	(177)
Net (Income)/Expenditure	(4,548,740)	(4,838,431)	(289,691)

LOCAL LAND CHARGES

Direct Expenditure	237,690	241,864	4,174
Income	(273,370)	(269,537)	3,833
Total Directly Controllable (Income)/Expenditure	(35,680)	(27,673)	8,007
Indirect Expenditure	35,010	35,071	61
Net (Income)/Expenditure	(670)	7,398	8,068

MAJOR PROJECTS

Direct Expenditure	952,850	951,141	(1,709) There are salary and agency cost savings of £208,000, 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 are expected to be over budget by £161,000. 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	951,141	(1,709)
Indirect Expenditure	1,313,330	1,316,261	2,931
Net (Income)/Expenditure	2,266,180	2,267,402	1,222

DEVELOPMENT**OTHER PROPERTY**

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance	
Direct Expenditure	86,400	118,870	32,470	Security arrangements at Tyting Farm are anticipated to cost £27,940.
Income	(121,860)	(128,463)	(6,603)	
Total Directly Controllable (Income)/Expenditure	(35,460)	(9,593)	25,867	
Indirect Expenditure	100,270	101,417	1,147	
Net (Income)/Expenditure	64,810	91,824	27,014	

POLICY

Direct Expenditure	1,485,360	1,337,881	(147,479)	There are savings in salaries of £226,700 resulting from vacancies due in part to implementation of the FSR and difficulty in recruiting suitable candidates. Transport planning and design and conservation consultants costs, estimated at £135,000 (for which there is no budget) will be met from the saving. This includes £10,000 for consultancy on the Guildford Vision Group bridge proposal. 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. Savings in Local Plan legal fees will cover any overspend on consultants. The budget for Inspectors fees of £10,000 will not be required in this financial year.
Income	(4,817)	(26,801)	(21,984)	The increased income results from a expectation of Government Grant in respect of neighbourhood plans.
Total Directly Controllable (Income)/Expenditure	1,480,543	1,311,080	(169,463)	
Indirect Expenditure	177,340	177,429	89	
Net (Income)/Expenditure	1,657,883	1,488,509	(169,374)	

ASSET DEVELOPMENT

Direct Expenditure	1,059,320	1,036,950	(22,370)	There are salary savings of £28,850.
Income	(805,500)	(805,506)	(6)	
Total Directly Controllable (Income)/Expenditure	253,820	231,444	(22,376)	
Indirect Expenditure	260,510	277,572	17,062	
Net (Income)/Expenditure	514,330	509,016	(5,314)	

SLYFIELD AREA REGENERATION PROJECT (SARP)

Direct Expenditure	53,510	109,740	56,230	Expenditure on consultants totalling £57,000 is being funded from the Slyfield Area Regeneration Project revenue reserve.
Total Directly Controllable (Income)/Expenditure	53,510	109,740	56,230	
Indirect Expenditure	517,870	517,882	12	
Net (Income)/Expenditure	571,380	627,622	56,242	

TOURIST INFORMATION CENTRE

Direct Expenditure	257,620	242,540	(15,080)	
Income	(56,300)	(63,704)	(7,404)	
Total Directly Controllable (Income)/Expenditure	201,320	178,836	(22,484)	
Indirect Expenditure	27,540	28,045	505	
Net (Income)/Expenditure	228,860	206,881	(21,979)	

DEVELOPMENT	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	
BUSINESS AND TOURISM			
Direct Expenditure	638,030	526,470	(111,560) There are salary savings of £26,600 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. Guildford Destination Guide costs are expected to be overspent by £14,600.
Income	(150,360)	(121,479)	28,881 Guide income is expected to be £15,900 under budget and income generated from the provision of WiFi in the town centre will be under achieved by £15,000 as a result of delays in the process.
Total Directly Controllable (Income)/Expenditure	487,670	404,991	(82,679)
Indirect Expenditure	37,640	37,575	(65)
Net (Income)/Expenditure	525,310	442,566	(82,744)
TOWN CENTRE MANAGEMENT			
Direct Expenditure	129,850	127,300	(2,550)
Income	(31,230)	(26,060)	5,170
Total Directly Controllable (Income)/Expenditure	98,620	101,240	2,620
Indirect Expenditure	18,580	18,598	18
Net (Income)/Expenditure	117,200	119,838	2,638

ENVIRONMENT

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
SERVICE SUMMARY			
Direct Expenditure	27,697,686	27,393,374	(304,312)
Income	(26,669,930)	(27,053,918)	(383,988)
Total Directly Controllable (Income)/Expenditure	1,027,756	339,456	(688,300)
Indirect Expenditure	8,769,740	8,782,998	13,258
Net (Income)/Expenditure	9,797,496	9,122,454	(675,042)

ABANDONED VEHICLES

Direct Expenditure	34,500	35,466	966
Total Directly Controllable (Income)/Expenditure	34,500	35,466	966
Indirect Expenditure	8,100	8,106	6
Net (Income)/Expenditure	42,600	43,572	972

ARMED FORCES DAY

Direct Expenditure	0	505	505
Total Directly Controllable (Income)/Expenditure	0	505	505
Net (Income)/Expenditure	0	505	505

CCTV SYSTEMS

Direct Expenditure	80,400	80,396	(4)
Income	0	(7)	(7)
Total Directly Controllable (Income)/Expenditure	80,400	80,389	(11)
Indirect Expenditure	19,240	17,788	(1,452)
Net (Income)/Expenditure	99,640	98,177	(1,463)

CEMETERIES AND CLOSED CHURCHYARDS

Direct Expenditure	272,690	302,973	30,283	Repair works at Stoke Cemetery.
Income	(54,730)	(60,349)	(5,619)	
Total Directly Controllable (Income)/Expenditure	217,960	242,624	24,664	
Indirect Expenditure	24,910	32,055	7,145	
Net (Income)/Expenditure	242,870	274,679	31,809	

CLINICAL WASTE

Direct Expenditure	3,080	7,087	4,007
Total Directly Controllable (Income)/Expenditure	3,080	7,087	4,007
Indirect Expenditure	380	380	0
Net (Income)/Expenditure	3,460	7,467	4,007

CREMATORIUM

Direct Expenditure	673,450	601,350	(72,100)	Saving in Employee related expenditure of £66,000 is attributable to the pending restructure.
Income	(1,498,320)	(1,470,023)	28,297	Income from cremations is currently projected as £20,070 (1.5%) below the estimate.
Total Directly Controllable (Income)/Expenditure	(824,870)	(868,673)	(43,803)	
Indirect Expenditure	319,060	322,400	3,340	
Net (Income)/Expenditure	(505,810)	(546,273)	(40,463)	

ENVIRONMENT

DOG CONTROL AND ANIMAL WELFARE

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
Direct Expenditure	68,170	61,974	(6,196)
Income	(5,000)	(5,685)	(685)
Total Directly Controllable (Income)/Expenditure	63,170	56,289	(6,881)
Indirect Expenditure	10,570	10,576	6
Net (Income)/Expenditure	73,740	66,865	(6,875)

ELECTRIC THEATRE

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance	
Direct Expenditure	569,900	504,805	(65,095)	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)	(316,116)	21,474	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	188,689	(43,621)	
Indirect Expenditure	114,760	114,385	(375)	
Net (Income)/Expenditure	347,070	303,074	(43,996)	

FLEET MANAGEMENT SERVICE

Direct Expenditure	1,068,440	1,065,892	(2,548)
Income	(2,828,600)	(2,830,154)	(1,554)
Total Directly Controllable (Income)/Expenditure	(1,760,160)	(1,764,262)	(4,102)
Indirect Expenditure	1,780,050	1,780,314	264
Net (Income)/Expenditure	19,890	16,052	(3,838)

ENGINEERING AND TRANSPORT SERVICES

Direct Expenditure	354,460	345,603	(8,857)
Income	(421,660)	(415,813)	5,847
Total Directly Controllable (Income)/Expenditure	(67,200)	(70,210)	(3,010)
Indirect Expenditure	67,160	67,184	24
Net (Income)/Expenditure	(40)	(3,026)	(2,986)

GUILDFORD HOUSE

Direct Expenditure	397,460	353,150	(44,310)	Reprofiling of roof works planned at Guildford House will be carried out in 2017-18. The general R&M budget will be underspent by £5,500.
Income	(66,530)	(66,459)	71	
Total Directly Controllable (Income)/Expenditure	330,930	286,691	(44,239)	
Indirect Expenditure	88,860	85,404	(3,456)	
Net (Income)/Expenditure	419,790	372,095	(47,695)	

GUILDHALL

Direct Expenditure	215,836	189,120	(26,716)	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)	(29,209)	(1,409)	
Total Directly Controllable (Income)/Expenditure	188,036	159,911	(28,125)	
Indirect Expenditure	36,060	31,716	(4,344)	
Net (Income)/Expenditure	224,096	191,627	(32,469)	

ENVIRONMENT

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
LAND DRAINAGE			
Direct Expenditure	157,250	157,250	0
Income	0	(92)	(92)
Total Directly Controllable (Income)/Expenditure	157,250	157,158	(92)
Indirect Expenditure	328,830	303,936	(24,894)
Net (Income)/Expenditure	486,080	461,094	(24,986)

LEISURE ART DEVELOPMENT

Direct Expenditure	77,680	77,640	(40)
Income	(200)	(600)	(400)
Total Directly Controllable (Income)/Expenditure	77,480	77,040	(440)
Indirect Expenditure	14,050	14,068	18
Net (Income)/Expenditure	91,530	91,108	(422)

LEISURE COMMUNITY CENTRES

Direct Expenditure	98,010	118,822	20,812	Refurbishment works undertaken at Stoughton Community Centre. This work will be funded from the reserve established following the closure of Guildford Community Centre.
Income	0	(1,414)	(1,414)	
Total Directly Controllable (Income)/Expenditure	98,010	117,408	19,398	
Indirect Expenditure	72,510	74,280	1,770	
Net (Income)/Expenditure	170,520	191,688	21,168	

LEISURE G LIVE

Direct Expenditure	409,390	405,499	(3,891)	
Income	(24,210)	(42,201)	(17,991)	The projected out-turn includes management fee income of £34,600, £18,600 higher than estimated.
Total Directly Controllable (Income)/Expenditure	385,180	363,298	(21,882)	
Indirect Expenditure	888,740	890,208	1,468	
Net (Income)/Expenditure	1,273,920	1,253,506	(20,414)	

LEISURE GRANTS

Direct Expenditure	435,610	439,011	3,401
Total Directly Controllable (Income)/Expenditure	435,610	439,011	3,401
Indirect Expenditure	8,570	8,582	12
Net (Income)/Expenditure	444,180	447,593	3,413

LEISURE MANAGEMENT CONTRACT

Direct Expenditure	1,453,960	1,265,168	(188,792)	Projected surplus for premises related expenditure results from lower than budgeted utility costs. This also results in lower income recovered from the recharging of electricity and gas costs.
Income	(1,967,960)	(1,736,424)	231,536	See above
Total Directly Controllable (Income)/Expenditure	(514,000)	(471,256)	42,744	
Indirect Expenditure	1,572,740	1,573,830	1,090	
Net (Income)/Expenditure	1,058,740	1,102,574	43,834	

ENVIRONMENT

LEISURE PLAY DEVELOPMENT

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
Direct Expenditure	203,500	205,642	2,142
Income	(38,500)	(38,763)	(263)
Total Directly Controllable (Income)/Expenditure	165,000	166,879	1,879
Indirect Expenditure	16,220	16,238	18
Net (Income)/Expenditure	181,220	183,117	1,897

LEISURE RANGERS

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
Direct Expenditure	234,700	211,955	(22,745)
Income	(640)	0	640
Total Directly Controllable (Income)/Expenditure	234,060	211,955	(22,105)
Indirect Expenditure	8,100	8,118	18
Net (Income)/Expenditure	242,160	220,073	(22,087)

The saving relates to vacancies in the Parks Ranger Service.

LEISURE SPORT DEVELOPMENT

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
Direct Expenditure	78,800	80,068	1,268
Income	(5,150)	(2,200)	2,950
Total Directly Controllable (Income)/Expenditure	73,650	77,868	4,218
Indirect Expenditure	10,990	11,014	24
Net (Income)/Expenditure	84,640	88,882	4,242

MARKETS

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
Direct Expenditure	62,040	58,260	(3,780)
Income	(170,750)	(170,677)	73
Total Directly Controllable (Income)/Expenditure	(108,710)	(112,417)	(3,707)
Indirect Expenditure	8,180	8,186	6
Net (Income)/Expenditure	(100,530)	(104,231)	(3,701)

MOT BAY

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
Direct Expenditure	157,710	174,392	16,682
Income	(170,620)	(164,466)	6,154
Total Directly Controllable (Income)/Expenditure	(12,910)	9,926	22,836
Indirect Expenditure	12,870	12,888	18
Net (Income)/Expenditure	(40)	22,814	22,854

GUILDFORD MUSEUM

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
Direct Expenditure	522,180	539,580	17,400
Income	(54,310)	(53,798)	512
Total Directly Controllable (Income)/Expenditure	467,870	485,782	17,912
Indirect Expenditure	200,890	206,428	5,538
Net (Income)/Expenditure	668,760	692,210	23,450

Savings arising from vacancies totalling £11,000, offset by £23,500 expenditure on the Museum review. This will be funded from the Invest to Save reserve.

ENVIRONMENT

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
OFF STREET PARKING			
Direct Expenditure	3,624,590	3,443,325	(181,265) Decoration works at Leapale Multi-Storey Car Park have been rescheduled to be undertaken in 2017-18, the estimate for these works in 2016-17 was £136,000. The projected out-turn for general rates has been reduced by £15,900 to reflect the closure of Tunsgate Car Park during the redevelopment of the Tunsgate Centre.
Income	(9,946,220)	(10,078,900)	(132,680) Meter income from the Council's off street car parks is currently projected to be £8,081,000, which is £126,000 (1.6%) above this year's estimate and £41,000 (0.5%) above the total meter income for last year.
Total Directly Controllable (Income)/Expenditure	(6,321,630)	(6,635,575)	(313,945)
Indirect Expenditure	1,199,250	1,181,709	(17,541)
Net (Income)/Expenditure	(5,122,380)	(5,453,866)	(331,486)

ON STREET PARKING

Direct Expenditure	1,159,330	1,199,450	40,120 The projected outturn for signage costs is £43,000 above budget due to expenditure related to the review and implementation of on street parking schemes.
Income	(1,939,480)	(1,936,374)	3,106
Total Directly Controllable (Income)/Expenditure	(780,150)	(736,924)	43,226
Indirect Expenditure	79,680	79,692	12
Net (Income)/Expenditure	(700,470)	(657,232)	43,238

ORDNANCE SURVEY AND MAPPING SERVICES

Direct Expenditure	3,430	2,898	(532)
Total Directly Controllable (Income)/Expenditure	3,430	2,898	(532)
Indirect Expenditure	10,000	8,089	(1,911)
Net (Income)/Expenditure	13,430	10,987	(2,443)

PARKS AND COUNTRYSIDE

Direct Expenditure	4,251,390	4,066,446	(184,944) Lower than budgeted employee related expenditure totalling £191,000 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 £62,000 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)	(1,840,908)	(503,798) The income out-turn includes £487,000 SPA income, the majority of which (the balance of income above revenue expenditure) is transferred to reserve at year-end.
Total Directly Controllable (Income)/Expenditure	2,914,280	2,225,538	(688,742)
Indirect Expenditure	543,910	569,210	25,300
Net (Income)/Expenditure	3,458,190	2,794,748	(663,442)

ENVIRONMENT

PARK AND RIDE SERVICES

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
Direct Expenditure	721,950	808,258	86,308
			The supplies and services expenditure projection includes £32,600 in respect of welfare facilities at Onslow Park and Ride, a corresponding amount of income is included in the projected out-turn as the costs are recoverable from Surrey County Council. The projected out-turn for transportation costs reflects the net cost of the park and ride bus contracts, this now includes Onslow Park and Ride. Park and ride costs are met from the surplus generated from parking provision in the borough.
Income	(21,000)	(53,793)	(32,793)
Total Directly Controllable (Income)/Expenditure	700,950	754,465	53,515
Indirect Expenditure	95,600	86,027	(9,573)
Net (Income)/Expenditure	796,550	840,492	43,942

PUBLIC CONVENIENCES

Direct Expenditure	300,470	283,882	(16,588)
Income	(11,570)	(11,570)	0
Total Directly Controllable (Income)/Expenditure	288,900	272,312	(16,588)
Indirect Expenditure	73,120	70,668	(2,452)
Net (Income)/Expenditure	362,020	342,980	(19,040)

REFUSE AND RECYCLING

Direct Expenditure	6,309,230	6,610,123	300,893
			The projected cost of comingled recycling gate fees exceeds the budget by £314,000. An equalisation reserve was established to cover this additional cost.
Income	(3,816,070)	(3,812,907)	3,163
Total Directly Controllable (Income)/Expenditure	2,493,160	2,797,216	304,056
Indirect Expenditure	685,380	685,548	168
Net (Income)/Expenditure	3,178,540	3,482,764	304,224

RIVER CONTROL

Direct Expenditure	30,670	31,117	447
Total Directly Controllable (Income)/Expenditure	30,670	31,117	447
Indirect Expenditure	9,140	7,179	(1,961)
Net (Income)/Expenditure	39,810	38,296	(1,514)

ROADS AND FOOTPATHS MAINTENANCE

Direct Expenditure	36,640	40,923	4,283
Total Directly Controllable (Income)/Expenditure	36,640	40,923	4,283
Indirect Expenditure	49,540	75,713	26,173
Net (Income)/Expenditure	86,180	116,636	30,456

ENVIRONMENT**SNOW AND ICE PLAN HOLDING ACCOUNT**

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
Direct Expenditure	61,440	61,418	(22)
Income	(62,270)	(62,270)	0
Total Directly Controllable (Income)/Expenditure	(830)	(852)	(22)
Indirect Expenditure	1,040	548	(492)
Net (Income)/Expenditure	210	(304)	(514)

STREET CLEANSING

Direct Expenditure	2,050,230	2,033,767	(16,463)
Income	(134,750)	(141,563)	(6,813)
Total Directly Controllable (Income)/Expenditure	1,915,480	1,892,204	(23,276)
Indirect Expenditure	121,750	121,798	48
Net (Income)/Expenditure	2,037,230	2,014,002	(23,228)

Additional income from charging out cleansing services to external organisations

STREET FURNITURE

Direct Expenditure	55,650	59,830	4,180
Total Directly Controllable (Income)/Expenditure	55,650	59,830	4,180
Indirect Expenditure	9,080	12,026	2,946
Net (Income)/Expenditure	64,730	71,856	7,126

TRANSPORTATION

Direct Expenditure	12,630	12,352	(278)
Total Directly Controllable (Income)/Expenditure	12,630	12,352	(278)
Indirect Expenditure	5,640	11,574	5,934
Net (Income)/Expenditure	18,270	23,926	5,656

VEHICLE MAINTENANCE WORKSHOP

Direct Expenditure	823,210	805,824	(17,386)
Income	(869,020)	(851,928)	17,092
Total Directly Controllable (Income)/Expenditure	(45,810)	(46,104)	(294)
Indirect Expenditure	46,570	46,576	6
Net (Income)/Expenditure	760	472	(288)

WOKING ROAD DEPOT

Direct Expenditure	425,860	454,818	28,958
Income	(608,340)	(607,671)	669
Total Directly Controllable (Income)/Expenditure	(182,480)	(152,853)	29,627
Indirect Expenditure	179,840	180,185	345
Net (Income)/Expenditure	(2,640)	27,332	29,972

The increase in expenditure relates to the new Depot Labourer post.

RECYCLING, CLEANSING AND PARKING SERVICES OVERHEAD ACCOUNT

Direct Expenditure	201,750	197,335	(4,415)
Income	(251,530)	(251,584)	(54)
Total Directly Controllable (Income)/Expenditure	(49,780)	(54,249)	(4,469)
Indirect Expenditure	48,360	48,372	12
Net (Income)/Expenditure	(1,420)	(5,877)	(4,457)

MANAGING DIRECTOR

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
SERVICE SUMMARY			
Direct Expenditure	625,555	473,292	(152,263)
Income	(549,070)	(549,184)	(114)
Total Directly Controllable (Income)/Expenditure	76,485	(75,892)	(152,377)
Indirect Expenditure	70,020	70,056	36
Net (Income)/Expenditure	146,505	(5,836)	(152,341)

PERFORMANCE MANAGEMENT

Direct Expenditure	72,070	36,052	(36,018)	There is a salary saving resulting from a vacant post
Income	(72,070)	(72,088)	(18)	
Total Directly Controllable (Income)/Expenditure	0	(36,036)	(36,036)	
Net (Income)/Expenditure	0	(36,036)	(36,036)	

INTERNAL AUDIT

Direct Expenditure	313,245	250,307	(62,938)	The service review for Internal Audit has now been completed, and recruitment in underway to recruit to vacant posts.
Income	(276,320)	(276,380)	(60)	
Total Directly Controllable (Income)/Expenditure	36,925	(26,073)	(62,998)	
Indirect Expenditure	36,880	36,898	18	
Net (Income)/Expenditure	73,805	10,825	(62,980)	

PERFORMANCE AND TRANSFORMATION

Direct Expenditure	240,240	186,933	(53,307)	The service review for Performance and Transformation has now been completed, and recruitment in underway to recruit to vacant posts.
Income	(200,680)	(200,716)	(36)	
Total Directly Controllable (Income)/Expenditure	39,560	(13,783)	(53,343)	
Indirect Expenditure	33,140	33,158	18	
Net (Income)/Expenditure	72,700	19,375	(53,325)	

RESOURCES

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
SERVICE SUMMARY			
Direct Expenditure	47,354,269	45,306,971	(2,047,298)
Income	(45,564,260)	(43,679,862)	1,884,398
Total Directly Controllable (Income)/Expenditure	1,790,009	1,627,109	(162,900)
Indirect Expenditure	2,311,890	2,318,627	6,737
Net (Income)/Expenditure	4,101,899	3,945,736	(156,163)

ACCOUNTANCY

Direct Expenditure	782,620	765,478	(17,142)	Salary savings resulting from a service restructuring.
Income	(913,160)	(913,346)	(186)	
Total Directly Controllable (Income)/Expenditure	(130,540)	(147,868)	(17,328)	
Indirect Expenditure	129,420	129,468	48	
Net (Income)/Expenditure	(1,120)	(18,400)	(17,280)	

BUSINESS RATES

Direct Expenditure	189,350	196,127	6,777	The service is currently operating at full establishment. As a consequence the vacancy credit of £5,500 will not be met.
Income	(276,390)	(273,694)	2,696	
Total Directly Controllable (Income)/Expenditure	(87,040)	(77,567)	9,473	
Indirect Expenditure	43,060	43,078	18	
Net (Income)/Expenditure	(43,980)	(34,489)	9,491	

ICT BUSINESS SERVICES TEAM

Direct Expenditure	774,490	527,999	(246,491)	There are salary savings resulting from a number of vacant posts, pending a restructure of the service.
Income	(739,790)	(739,946)	(156)	
Total Directly Controllable (Income)/Expenditure	34,700	(211,947)	(246,647)	
Indirect Expenditure	96,570	96,654	84	
Net (Income)/Expenditure	131,270	(115,293)	(246,563)	

CLIMATE CHANGE

Direct Expenditure	418,840	387,172	(31,668)	There is a salary saving resulting from a vacant post. Following a restructure this post has been deleted from the 2017-18 estimates.
Income	(367,670)	(369,636)	(1,966)	
Total Directly Controllable (Income)/Expenditure	51,170	17,536	(33,634)	
Indirect Expenditure	61,190	61,256	66	
Net (Income)/Expenditure	112,360	78,792	(33,568)	

RESOURCES

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance
CORPORATE FINANCIAL			
Direct Expenditure	164,090	158,837	(5,253)
Income	(154,650)	(151,412)	3,238
Total Directly Controllable (Income)/Expenditure	9,440	7,425	(2,015)
Indirect Expenditure	275,770	275,854	84
Net (Income)/Expenditure	285,210	283,279	(1,931)

COUNCIL TAX

Direct Expenditure	624,364	585,352	(39,012)	Following the resignation of the Council Tax Manager, a temporary management structure is in place pending a full restructure.
Income	(343,750)	(325,000)	18,750	
Total Directly Controllable (Income)/Expenditure	280,614	260,352	(20,262)	
Indirect Expenditure	142,090	142,132	42	
Net (Income)/Expenditure	422,704	402,484	(20,220)	

ICT CUSTOMER TECHNICAL SUPPORT

Direct Expenditure	941,930	978,741	36,811	Network Links (BT Unicorn) will be over budget by £10,000, IT Security by £7,000 and Infrastructure Maintenance by £5,000.
Income	(920,390)	(920,054)	336	
Total Directly Controllable (Income)/Expenditure	21,540	58,687	37,147	
Indirect Expenditure	76,640	76,664	24	
Net (Income)/Expenditure	98,180	135,351	37,171	

E-PAYMENTS DEPARTMENT

Direct Expenditure	341,080	346,831	5,751
Income	(482,310)	(482,951)	(641)
Total Directly Controllable (Income)/Expenditure	(141,230)	(136,120)	5,110
Indirect Expenditure	98,210	98,240	30
Net (Income)/Expenditure	(43,020)	(37,880)	5,140

FEASIBILITY STUDIES

Direct Expenditure	20,000	20,449	449
Total Directly Controllable (Income)/Expenditure	20,000	20,449	449
Indirect Expenditure	140	140	0
Net (Income)/Expenditure	20,140	20,589	449

DEBTORS

Direct Expenditure	161,070	150,884	(10,186)	Salaries are £9,000 lower than estimated (net of vacancy allowance) as a result of a full time post being temporarily filled on a part time basis. A full time employee is now in post.
Income	(262,070)	(262,124)	(54)	
Total Directly Controllable (Income)/Expenditure	(101,000)	(111,240)	(10,240)	
Indirect Expenditure	100,970	100,988	18	
Net (Income)/Expenditure	(30)	(10,252)	(10,222)	

RESOURCES

	Revised Budget 2016-17	Projected Outturn 2016-17	Variance	
HOUSING BENEFITS				
Direct Expenditure	37,526,841	35,514,663	(2,012,178)	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)	(35,309,372)	2,008,138	
Total Directly Controllable (Income)/Expenditure	209,331	205,291	(4,040)	
Indirect Expenditure	228,420	228,468	48	
Net (Income)/Expenditure	437,751	433,759	(3,992)	
INFORMATION SYSTEMS TEAM				
Direct Expenditure	258,660	256,569	(2,091)	
Income	(294,430)	(294,359)	71	
Total Directly Controllable (Income)/Expenditure	(35,770)	(37,790)	(2,020)	
Indirect Expenditure	37,350	37,266	(84)	
Net (Income)/Expenditure	1,580	(524)	(2,104)	
INSURANCE REVENUE ACCOUNT				
Direct Expenditure	917,970	872,999	(44,971)	Insurance premium renewals are lower than the 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)	(935,142)	3,268	
Total Directly Controllable (Income)/Expenditure	(20,440)	(62,143)	(41,703)	
Indirect Expenditure	3,580	3,916	336	
Net (Income)/Expenditure	(16,860)	(58,227)	(41,367)	
IT RENEWALS REVENUE ACCOUNT				
Income	(582,920)	(582,920)	0	
Total Directly Controllable (Income)/Expenditure	(582,920)	(582,920)	0	
Indirect Expenditure	464,470	464,488	18	
Net (Income)/Expenditure	(118,450)	(118,432)	18	
MISCELLANEOUS ITEMS				
Direct Expenditure	120,864	357,243	236,379	Customer Service Centre saving not achieved.
Income	88,850	(13,672)	(102,522)	A £105,000 budget for the non-achievement of additional rental income will not be required, as we have achieved the target.
Total Directly Controllable (Income)/Expenditure	209,714	343,571	133,857	
Indirect Expenditure	460	460	0	
Net (Income)/Expenditure	210,174	344,031	133,857	
OFFICE SERVICES TEAM				
Direct Expenditure	1,434,050	1,468,470	34,420	Salary savings resulting from vacancies will be offset by internal decoration costs at Millmead Lodge, and higher than budgeted heating and plumbing maintenance in Millmead. The catering contract is expected to outturn £28,000 over budget.
Income	(1,849,460)	(1,895,992)	(46,532)	Surrey County Council rent will be £17,000 higher than budgeted. The reprographics support service recharge is projected to be overachieved by £33,000.
Total Directly Controllable (Income)/Expenditure	(415,410)	(427,522)	(12,112)	
Indirect Expenditure	478,180	484,137	5,957	
Net (Income)/Expenditure	62,770	56,615	(6,155)	

RESOURCES

	Revised Budget	Projected Outturn	Variance
	2016-17	2016-17	
PAYMASTER			
Direct Expenditure	127,250	178,378	51,128
			Salary savings built into the estimates will not be achieved in 2016-17, but the implications will be incorporated into a wider service restructuring which will deliver savings in 2017-18.
Income	(210,200)	(210,242)	(42)
Total Directly Controllable (Income)/Expenditure	(82,950)	(31,864)	51,086
Indirect Expenditure	40,940	40,964	24
Net (Income)/Expenditure	(42,010)	9,100	51,110
NON DISTRIBUTED COSTS			
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	312,379	(10,741)
Total Directly Controllable (Income)/Expenditure	323,120	312,379	(10,741)
Indirect Expenditure	34,270	34,294	24
Net (Income)/Expenditure	357,390	346,673	(10,717)

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	618,979
946,030	961,285	Tenants Services	934,070	848,979
128,403	94,149	Tenant Participation	145,290	67,816
69,481	71,964	Garage Management	69,680	66,787
62,502	63,133	Elderly Persons Dwellings	76,500	69,654
526,690	566,292	Flats Communal Services	447,100	468,944
461,658	414,610	Environmental Works to Estates	560,770	548,047
4,365,787	4,752,742	Responsive & Planned Maintenance	5,092,260	4,976,067
131,157	136,164	SOCH & Equity Share Administration	117,990	133,225
7,343,319	7,745,173		8,097,200	7,798,500
		Strategic Housing Services		
367,945	398,983	Advice, Registers & Tenant Selection	356,810	351,715
189,835	191,815	Void Property Management & Lettings	186,420	180,455
8,161	7,360	Homelessness Hostels	7,930	7,836
214,176	217,176	Supported Housing Management	204,870	186,995
363,535	430,396	Strategic Support to the HRA	471,550	432,793
1,143,652	1,245,728		1,227,580	1,159,794
		Community Services		
885,118	897,939	Sheltered Housing	883,050	872,158
		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	15,492,072
(32,275,406)	(32,592,728)	Income	(32,331,290)	(32,341,077)
(39,144,832)	(17,183,017)	Net Cost of Services(per inc & exp a/c)	(16,461,840)	(16,849,005)
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)	(16,607,265)
(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)	(11,913,440)
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	9,338,440
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)	(29,657,322)
(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)	(730,005)
(30,554,781)	(30,997,925)	Total Rent Income	(30,731,950)	(30,784,257)
(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)	(32,341,077)

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Ref	Directorate/Service and Capital Scheme name	2016-17										2017-18 Est for year (i) £000	2018-19 Est for year (ii) £000	2019-20 Est for year (iii) £000	2020-21 Est for year (iv) £000	2021-22 Est for year (v) £000	Future years est exp (g) £000	Projected expenditure total (b)+(g) = (h) £000	Grants / Contributions towards cost of scheme (j) £000	Net cost of scheme (h)-(j) = (i) £000
		Approved gross estimate (a) £000	Cumulative spend at 31-03-16 (b) £000	Estimate approved by Council in February (c) £000	Rolled over (d) (i) £000	Supplemen- tary Ests (d) (ii) £000	Virements (d) (ii) £000	Revised estimate (d) £000	Expenditure at 25-10-16 (e) £000	Projected exp est by project officer (f) £000										
APPROVED SCHEMES																				
P5	COMMUNITY Neighbourhood & housing management 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	
ED30	Home Farm, Effingham - provision of Gypsy and Traveller pitches	1,000	17	900	(17)	-	100	983	8	983	-	-	-	-	-	-	1,000	-	1,000	
	Housing Advice DFGs etc	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
COMMUNITY DIRECTORATE TOTAL		2,211	1,150	900	59	0	100	1,059	28	1,058	0	0	0	0	0	0	2,208	(441)	1,767	
CORPORATE no projects																				
ED3/15	DEVELOPMENT Economic development Disabled Access (DDA) Improvements: ph.2 & 3	405	313	75	17	-	-	92	28	50	42	-	-	-	-	42	405	-	405	
ED10	Tyting Farm Planning Permission	70	70	-	-	-	-	-	3	-	-	-	-	-	-	-	70	-	70	
ED14(e)	Void investment property refurbishment works	200	163	58	(21)	-	-	37	-	11	-	-	-	-	-	-	174	-	174	
ED14a	14-15 Midleton, Building 1 refurbishment	-	-	-	-	-	-	-	6	6	-	-	-	-	-	-	6	-	6	
ED14d	11 Midleton Refurb	-	-	-	-	-	-	-	8	8	-	-	-	-	-	-	8	-	8	
ED14x	17 Enterprise Unit - Ash Vale refurb	-	-	-	-	-	-	-	2	2	-	-	-	-	-	-	2	-	2	
ED14x	14 Enterprise Unit - Ash Vale refurb	-	-	-	-	-	-	-	1	1	-	-	-	-	-	-	1	-	1	
ED14x	Brinell buildings (Boag) - refurb works	-	-	-	-	-	-	-	-	9	-	-	-	-	-	-	9	-	9	
ED14x	5 High Street - refurb works	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ED18	Museum and castle development	267	-	340	(73)	-	-	267	-	250	17	-	-	-	-	17	267	-	267	
ED19	Asbestos surveys and removal in non-residential council premises	158	53	32	9	-	-	41	9	41	32	32	-	-	-	64	158	-	158	
ED21	Methane gas monitoring system	100	31	61	8	-	-	69	9	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	1	60	-	-	-	-	-	-	60	-	60	
ED24	Electric Theatre - replace neon sign	14	0	14	-	-	-	14	-	14	-	-	-	-	-	-	14	-	14	
ED26	Bridges - Walnut Bridge	117	50	-	67	-	-	67	1	26	-	-	-	-	-	-	77	-	77	
ED26a	Gunpowder Mills Bridges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ED26b	Peasmarsh Common Bridge	-	-	-	-	-	-	-	19	19	-	-	-	-	-	-	19	-	19	
ED26c	Bridges - Millmead Footbridge	-	-	-	-	-	-	-	2	2	-	-	-	-	-	-	2	-	2	
ED26d	Bridges - Shalford Water Meadow	-	-	-	-	-	-	-	14	14	-	-	-	-	-	-	14	-	14	
ED26e	Bridges - Ash Grn tread reps	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ED26f	Bridges-Compton Common	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
ED26g	Bridges-Effingham Common	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
ED26h	Bridges-Kingston Meadows	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
ED26i	Bridges-Hollybush Pk, Ash Vale	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
ED26j	Bridges-Fox Corner, Worpleston	-	-	-	-	-	-	-	4	4	-	-	-	-	-	-	4	-	4	
ED26k	Bridges-Great Goodwin Drive	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
ED26l	Bridges-Heathfield, Send	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
ED26m	Bridges-Inner Quadrant Ashvale	-	-	-	-	-	-	-	1	1	-	-	-	-	-	-	1	-	1	
ED26n	Bridges-Lakeside Nature Reserv	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
ED26o	Bridges-Land At Baird Drive	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
ED26p	Bridges-Merrow Common	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
ED26q	Bridges-Merrow Woods	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
ED26r	Bridges-Moore Close, Tongham	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
ED26s	Bridges-Tower Hill, Gomshall	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
ED26t	Bridges-Avondale Open Space	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
ED26u	Bridges-Rowan Field, Shawfield	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
ED26v	Bridges-Kingfisher Dr, Merrow	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
ED26v	Bridges-Parsonage Water Meadow	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
ED26w	Bridges-Greenark Biodiversity	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
ED29	Guildford House courtyard	7	-	-	7	-	-	7	-	7	-	-	-	-	-	-	7	-	7	

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate (a) £000	Cumulative spend at 31-03-16 (b) £000	2016-17							2017-18 Est for year (i) £000	2018-19 Est for year (ii) £000	2019-20 Est for year (iii) £000	2020-21 Est for year (iv) £000	2021-22 Est for year (v) £000	Future years est exp (g) £000	Projected expenditure total (b)+(g)=(h) £000	Grants / Contributions towards cost of scheme (j) £000	Net cost of scheme (h)-(j)=(i) £000
				Estimate approved by Council in February (c) £000	Rolled over (d) (i) £000	Supplementary Ests (d) (ii) £000	Virements (d) (ii) £000	Revised estimate (d) £000	Expenditure at 25-10-16 (e) £000	Projected exp est by project officer (f) £000									
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	35	35	-	-	-	-	-	35	-	35	
ED44	Broadwater cottage	74	-	74	-	-	-	74	-	74	-	-	-	-	-	74	-	74	
ED45	Gunpowder mills - scheduled ancient monument	50	-	50	-	-	-	50	-	50	-	-	-	-	-	50	-	50	
P1	PLANNING SERVICES 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	515	593	-	-	-	-	-	708	(708)	0	
DEVELOPMENT DIRECTORATE TOTAL		4,021	800	1,341	1,607	-	-	2,948	775	2,867	301	32	-	-	-	333	4,001	(728)	3,273
OP1	ENVIRONMENT Operational Services Safer Guildford: CCTV & Lighting Strategy - CCTV etc. phase 4	93	82	-	11	-	-	11	-	11	-	-	-	-	-	93	-	93	
OP2	Land Drainage: Ash Green - flood relief works	346	294	-	52	-	-	52	43	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	2,523	3,310	-	-	-	-	-	5,545	-	5,545	
OP10/11	Guildford High Street imps - Pay SCC	304	305	304	(304)	-	-	-	-	-	-	-	-	-	-	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	-	100	
OP22	Litter bins replacement	265	25	200	40	-	-	240	1	10	230	-	-	-	230	265	-	265	
OP23	Flats recycling - new bins	50	-	50	-	-	-	50	16	50	-	-	-	-	-	50	-	50	
OP24	WRD security barriers	15	-	15	-	-	-	15	-	15	-	-	-	-	-	15	-	15	
OP25	WRD roads and footpaths	150	-	100	-	-	-	100	1	50	100	-	-	-	100	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	
PL4	Parks and Leisure Crematorium - mercury abatement/new cremators	1,017	947	40	30	-	-	70	11	70	-	-	-	-	-	1,017	-	1,017	
PL5	Improvement of Security at Guildford Crematorium - COMPLETE	24	15	-	9	-	-	9	1	9	-	-	-	-	-	24	-	24	
PL11	Spectrum Roof replacement	4,000	30	2,769	(30)	-	-	2,739	6	150	3,420	-	-	-	3,420	3,600	-	3,600	
	Spectrum roof - steelwork ph2	-	-	-	-	-	-	-	13	400	-	-	-	-	-	400	-	400	
PL15	Infrastructure works: Guildford Commons	150	-	150	-	-	-	150	-	-	-	-	-	-	-	-	-	-	
PL15(a)	Infrastructure works: Guildford Commons: Merrow	-	-	-	-	-	-	-	9	13	10	-	-	-	10	23	-	23	
PL15(b)	Infrastructure works: Guildford Commons: Shalford	-	-	-	-	-	-	-	48	67	40	16	-	-	56	123	-	123	
PL15(c)	Infrastructure works: Guildford Commons: Compton	-	-	-	-	-	-	-	-	4	-	-	-	-	-	4	-	4	
PL20(a)	Onslow Rec play area	125	-	-	125	-	-	125	133	125	-	-	-	-	-	125	-	125	
PL21(a)	Council tennis courts refurbishment - Kingston meadows	117	93	42	(18)	-	-	24	-	24	-	-	-	-	-	117	-	117	
PL22	Stoke Park Paddling Pool (ph1&2)	423	252	-	107	-	64	171	113	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	36	160	-	-	-	-	-	160	-	160	
PL36	Stoke Park Composting facility	105	-	105	-	-	-	105	-	-	105	-	-	-	105	105	-	105	
PL37	Worplesdon rd allotments - new boundary fence	15	-	15	-	-	-	15	10	10	-	-	-	-	-	10	-	10	
PL38	Chantry wood campsite	216	-	216	-	-	-	216	0	16	200	-	-	-	200	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	
ENVIRONMENT TOTAL DIRECTORATE		13,821	4,450	7,086	785	26	164	8,061	3,006	5,116	4,205	16	-	-	-	4,221	13,787	(346)	13,441

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate (a) £000	Cumulative spend at 31-03-16 (b) £000	Estimate approved by Council in February (c) £000	Rolled over (d) (i) £000	Supplementary Ests (d) (ii) £000	2016-17				2017-18 Est for year (i) £000	2018-19 Est for year (ii) £000	2019-20 Est for year (iii) £000	2020-21 Est for year (iv) £000	2021-22 Est for year (v) £000	Future years est exp (g) £000	Projected expenditure total (b)+(g) = (h) £000	Grants / Contributions towards cost of scheme (j) £000	Net cost of scheme (h)-(j) = (i) £000
							Virements (d) (ii) £000	Revised estimate (d) £000	Expenditure at 25-10-16 (e) £000	Projected exp est by project officer (f) £000									
RESOURCES																			
BS1	Business Systems Investment in Millmead House campus	3,884	3,476	-	408	-	-	408	307	408	-	-	-	-	-	3,884	-	3,884	
FS1	Financial Services Capital contingency fund	4,146	-	5,000	-	-	(854)	4,146	-	4,146	-	-	-	-	-	4,146	-	4,146	
HC1	RESOURCES DIRECTORATE TOTAL	8,030	3,476	5,000	408	0	(854)	4,554	307	4,554	0	0	0	0	0	8,030	0	8,030	
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																			
ED25	Guildford Park - new MSCP and infrastructure works	6,500	-	6,500	-	-	-	6,500	264	2,000	4,500	-	-	-	4,500	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	-	15,700	23,832	24,231	-	-	-	-	-	24,231	-	24,231	
ED32(f)	1-3 Bridge Street (Armour buildings)	-	3,076	-	-	-	-	-	31	31	-	-	-	-	-	3,107	-	3,107	
	Brinnell Building (BOAG)	-	1,572	-	-	-	-	-	38	38	-	-	-	-	-	1,610	-	1,610	
ED40	Private let accommodation works	200	-	200	-	-	-	200	-	200	-	-	-	-	-	200	-	200	
ED32	Clay lane link road	700	528	-	172	-	-	172	80	172	-	-	-	-	-	700	-	700	
ED6	Slyfield Area Regeneration Project (SARP)	1,984	63	500	421	-	-	921	1	1,921	-	-	-	-	-	1,984	-	1,984	
ED27	North Street Development / Guild Town Centre regeneration	949	371	350	55	-	-	405	40	405	100	100	-	-	200	976	(50)	926	
ED27a	Pop up Village	329	-	-	-	-	553	553	95	553	-	-	-	-	-	553	-	553	
P5	Walnut Bridge	3,341	126	2,196	47	-	403	2,646	6	305	1,884	1,026	-	-	2,910	3,341	(491)	2,850	
P9c	TCMP Sites U: Bedford Rd Wharf	14,176	-	14,176	-	-	-	14,176	-	-	14,176	-	-	-	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	-	3,523	
PL9	Rebuild Crematorium	540	13	174	342	-	40	556	57	556	-	-	-	-	-	569	-	569	
PL25	Spectrum Combined Heat and Power (GF contr)	1,200	-	869	-	-	-	869	0	-	869	-	-	-	869	869	-	869	
PL29	Woodbridge Rd sportsground	1,900	-	-	-	-	550	200	131	750	1,150	-	-	-	1,150	1,900	(796)	1,104	
HC1	DEVELOPMENT/INCOME GENERATING/COST REDUCTION	61,922	23,730	28,488	9,637	15,700	1,546	55,021	24,575	31,162	26,202	1,126	0	0	27,328	82,220	(1,337)	80,883	
	APPROVED SCHEMES TOTAL	90,005	33,607	42,815	12,496	15,726	956	71,643	28,691	44,757	30,708	1,174	0	0	31,882	110,246	(2,853)	107,393	

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Ref	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive (a) £000	Cumulative spend at 31-03-16 (b) £000	Estimate approved by Council in February (c) £000	Rolled over (d) £000	2016-17					2017-18 Est for year (i) £000	2018-19 Est for year (ii) £000	2019-20 Est for year (iii) £000	2020-21 Est for year (iv) £000	2021-22 Est for year (v) £000	Future years estimated expenditure (h) £000	Projected expenditure total (b) to (g)=(i) £000	Grants or Contributions towards cost of scheme (j) £000	Net total cost of scheme to the Council (i) - (j) = (k) £000
						Supp Ests	Virements	Revised estimate (e) £000	Expenditure at 25-10-16 (f) £000	Projected exp est by project officer (g) £000									
						(d) (i) £000	(e) £000	(f) £000	(g) £000	(i) £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)	
COMMUNITY DIRECTORATE TOTAL		158	-	158	-	-	-	158	-	-	-	-	-	-	-	-	(20)	(20)	
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	1,997	-	173	-	-	-	173	-	-	1,880	117	-	-	-	1,997	1,997	-	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		7,009	-	3,895	70	-	-	3,965	-	1,392	5,070	447	100	-	-	5,617	7,009	(2,400)	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	-	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	-	700
PL16(P)	New burial grounds - acquisition & development	1,764	20	1,750	(6)	-	-	1,744	6	44	1,700	-	-	-	-	1,700	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	100	-	100	-	-	-	100	-	100	-	-	-	-	-	-	100	-	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 accomodation & storage buildings	730	-	605	-	-	-	605	-	105	625	-	-	-	-	625	730	-	730
ENVIRONMENT DIRECTORATE TOTAL		10,899	20	3,645	549	-	-	4,194	6	1,089	3,970	700	4,120	1,000	-	9,790	10,899	(30)	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	-	-	11,645	6,980	4,500	-	-	23,125	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)	103,680	-	58	-	-	-	58	-	58	34,816	48,258	20,549	-	-	103,623	103,681	-	103,681
ED38(P)	North Street development	21,134	-	21,134	-	-	-	21,134	-	500	20,634	-	-	-	-	20,634	21,134	-	21,134

Ref	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive (a) £000	Cumulative spend at 31-03-16 (b) £000	Estimate approved by Council in February (c) £000	Rolled over (d) £000	2016-17					2017-18 Est for year (i) £000	2018-19 Est for year (ii) £000	2019-20 Est for year (iii) £000	2020-21 Est for year (iv) £000	2021-22 Est for year (v) £000	Future years estimated expenditure (h) £000	Projected expenditure total (b) to (g)=(i) £000	Grants or Contributions towards cost of scheme (j) £000	Net total cost of scheme to the Council (i) - (j) = (k) £000
						Supp Ests	Virements	Revised estimate (e) £000	Expenditure at 25-10-16 (f) £000	Projected exp est by project officer (g) £000									
						(d) (i) £000	(e) £000	(f) £000	(g) £000										
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	-	217	
P9(P)	Major projects unit	69,793	-	8,177	-		-	8,177	-	-	23,543	31,250	5,000	5,000	5,000	69,793	69,793	-	69,793
P9a(P)	TCMP Sites A-F: 56 Church rd pre development design work	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 roundabout, 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	
OPMENT/INCOME GENERATING/COST REDUCTION PROJECTS TOTAL		242,978	-	49,213	-		(403)	48,810	-	1,558	98,365	96,347	36,709	5,000	5,000	241,421	242,979	(4,840)	238,139
PROVISIONAL SCHEMES - GRAND TOTALS		261,230	20	57,097	619		(403)	57,313	6	4,225	107,405	97,494	40,929	6,000	5,000	256,828	261,073	(7,290)	253,783

Ref	Service Units / Capital Schemes	Approved gross estimate	Cumulative spend at 31-03-16	2016-17					Projected expenditure at 25-10-16	Projected expenditure 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	Grants / Contributions towards cost of scheme	Net cost of scheme	Total net cost approved by Executive
				Estimate approved by Council in February	Rolled over	Virements	Revised estimate	Expenditure at 25-10-16												
		£000	£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
APPROVED SCHEMES (fully funded from S106 contributions)																				
ENVIRONMENT DIRECTORATE																				
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	10	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	5	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	14	23	-	-	-	-	-	-	23	(23)	-	-	
S-PL43	Extension to Village hall CP, West Clendon	16	-	-	16	-	16	16	16	-	-	-	-	-	-	16	(16)	-	-	
S-PL44	Ash Skate Park	55	-	-	-	55	55	54	55	-	-	-	-	-	-	55	(55)	-	-	
	Greenhouse demolition at Stoke Park nursery							0	0											
ENVIRONMENT DIRECTORATE TOTAL		686	302	25	234	55	314	126	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	-	-	-	-	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	30	30	180	-	-	-	-	180	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	30	344	412	-	-	-	-	412	1,251	(1,251)	-	-	
APPROVED S106 SCHEMES TOTAL		2,130	990	320	695	55	1,070	155	658	412	-	-	-	-	412	2,133	(2,133)	-	-	

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Item No.	Code	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-16	Estimate approved by Council in February	Rolled over	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
							Virements	Revised estimate	Expenditure at 25-10-16								
			(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) = (h) £000
		RESOURCES DIRECTORATE															
	P59...	<u>ENERGY PROJECTS per SALIX RESERVE:</u>			85				85	-						-	85
R-EN10	P59034	LED Lighting replacement	80	49	-	31		31	-	31	-	-	-	-	-	-	80
R-EN11		WRD energy reduction	70	-	-	70	-	70	-	70	-	-	-	-	-	-	70
		<u>ENERGY PROJECTS per GBC INVEST TO SAVE RESERVE:</u> <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	P59103	Millmead - replace lighting	100	100	100	-		-	-	-	-					-	100
R-EN12	P59102	PV/energy efficiency projects	100	2	-	98	-	98	-	98	-	-	-	-	-	-	100
		ENERGY RESERVES TOTAL	440	151	395	243	-	453	-	538	-	-	-	-	-	-	525
		BUDGET PRESSURES RESERVE															
R-BP1	P79999	Surreysave Credit Union - purchase of shares	100	50	50	-	-	50	-	50	-	-	-	-	-	-	100
R-BP2	P79998	Limnerslease - watts gallery loan	125	-	-	125	-	125	0	125	-	-	-	-	-	-	125
		BUDGET PRESSURES RESERVE TOTAL	225	50	50	125	-	175	0	175	-	-	-	-	-	-	225
		LABGI RESERVE															
R-B31	P79024	Bedford Rd Bus Station	250	59	191	-		191	-	-	-	191	-	-	-	191	250
		LABGI RESERVE TOTAL	250	59	191	-	-	191	-	-	-	191	-	-	-	191	250
		INFORMATION TECHNOLOGY - IT Renewals Reserve : approved annually															
		Hardware / software budget			850	41		891	-	753	350	350	350	350	-	1,400	2,153
R-IT1	P81002	Hardware	annual	annual	-	-		-	13	13	-	-	-	-	-	-	13
R-IT2	P81002	Software	annual	annual	-	-		-	115	115	-	-	-	-	-	-	115
	P81029	Replace Ocella (Tascomi)							10	10							
		IT RENEWALS RESERVE TOTAL	-	-	850	41	-	891	138	891	350	350	350	350	-	1,400	2,281
		ENVIRONMENT DIRECTORATE SPECTRUM RESERVE															
R-S10	P24028	Chiller Replacement & CHO absorption chiller	245	-	243	-		243	-	243	-	-	-	-	-	-	243
R-S13	P24056	Lift controls - replacement	310	-	-	310		310	-	310	-	-	-	-	-	-	310
		SPECTRUM RESERVE TOTAL	555	-	243	310	-	553	-	553	-	-	-	-	-	-	553
		CAR PARKS RESERVE															
R-CP1	P37503	Car parks - install/replace pay-on-foot equipment	570	236	-	334		334	5	334	-	-	-	-	-	-	570
R-CP2	P37507	Car parks - install/replace pay and display equipment	300	182	-	118		118	-	118	-	-	-	-	-	-	300
		<u>Car Parks - Lighting & Electrical improvements:</u>															
R-CP3	P37506	- Bedford Road Lighting & Electrical	348	315	-	42		42	-	42	-	-	-	-	-	-	357
R-CP4	P37508	- 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	P37510	- Farnham Road car park	550	501	-	49		49	-	49	-	-	-	-	-	-	550

Item No.	Code	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-16	Estimate approved by Council in February	Rolled over	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
							Virements	Revised estimate	Expenditure at 25-10-16								
			(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) = (h) £000
R-CP10		- Bedford Road	512	-	512	-		512	-	512	-	-	-	-	-	-	512
R-CP11	P37512	Dilapidation works to Onslow House and Bedford Rd M	77	1	-	75		75	0	75	-	-	-	-	-	-	76
R-CP12	P37511	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	8	1,936	187	512	187	187	-	1,073	3,893
SPA RESERVE :																	
	P20...	SPA schemes (various)	100	annual	100	65		165	-	165	100	-	-	-	-	100	265
R-SPA1	P201..	Chantry Woods							-	-						-	
R-SPA2	P202..	Effingham							-	-						-	
R-SPA3	P203..	Lakeside							1	-						-	
R-SPA4	P204..	Riverside							0	-						-	
R-SPA5	P205..	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	146	4,318	637	1,053	537	537	-	2,764	8,053

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, dependnding 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)

Balance as at 1 April
 Add estimated usable receipts in year
 Less applied re funding of capital schemes

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
3,971	0	0	0	0	0	0	0
112	330	459	4,330	9,530	36,205	6,330	330
(4,083)	(330)	(459)	(4,330)	(9,530)	(36,205)	(6,330)	(330)
0	0	0	0	0	0	0	0

Balance after funding capital expenditure as at 31 March

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

APPENDIX 8

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
Main programme - approved	16,279	42,815	44,757	30,708	1,174	0	0	0
Main programme - provisional	37	57,097	4,225	107,405	97,494	40,929	6,000	5,000
s106	268	320	658	412	0	0	0	0
Reserves	1,031	2,484	4,318	637	1,053	537	537	0
GF Housing	932	3,627	3,627	740	740	740	740	740
Total estimated capital expenditure	18,547	106,343	57,586	139,902	100,461	42,206	7,277	5,740
To be funded by:								
Capital receipts (<i>per 2.above</i>)	(4,729)	(330)	(459)	(4,330)	(9,530)	(36,205)	(6,330)	(330)
Contributions	(1,071)	(1,347)	(1,942)	(4,915)	(1,121)	0	0	0
<u>R.C.C.O. :</u>								
Other reserves	(1,047)	(4,269)	(4,093)	(537)	(1,053)	(537)	(537)	0
Capital Schemes Reserve (<i>para.4 below</i>)	0	0	0	0	0	0	0	0
	(6,847)	(5,946)	(6,494)	(9,782)	(11,704)	(36,742)	(6,867)	(330)
Balance of funding to be met from (i) the Capital Reserve, and (ii) borrowing	(11,700)	(100,397)	(51,091)	(130,120)	(88,757)	(5,464)	(410)	(5,410)
Total funding required	(18,547)	(106,343)	(57,586)	(139,902)	(100,461)	(42,206)	(7,277)	(5,740)

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4.0 General Fund Capital Schemes Reserve (U01030)

Balance as at 1 April

Add: General Fund Revenue Budget variations

Contribution from revenue

Less: Applied re funding of capital programme

Balance after funding capital expenditure etc.as at 31 March

	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	100,397	51,091	130,120	88,757	5,464	410	5,410
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Agenda item number: 7
Appendix 8

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

APPENDIX 8

5.0 Housing capital receipts (pre 2013-14) - estimated availability/usage for Housing, Affordable Housing and Regeneration projects - GBC policy	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 (T01008)	17,452	17,204	17,276	12,251	12,061	11,871	11,681	11,491
Add: Estimated receipts in year	238	0	0	0	0	0	0	0
Less: Applied re Housing (General Fund) capital programme	(414)	(190)	(168)	(190)	(190)	(190)	(190)	(190)
Less: Applied re Housing company	0	(2,857)	(2,857)	0	0	0	0	0
Less: Applied re Housing Improvement programme								
	17,276	14,157	14,251	12,061	11,871	11,681	11,491	11,301
Less: Applied on regeneration schemes	0	(11,385)	(2,000)	0	0	0	0	0
Housing receipts - estimated balance in hand at year end	17,276	2,772	12,251	12,061	11,871	11,681	11,491	11,301

5.1 Housing capital receipts (post 2013-14) - estimated availability/usage for Housing, Affordable Housing and Regeneration projects only (statutory (impact CFR))	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 (T01012)	4,228	3,423	3,451	294	24	(246)	(516)	(786)
Add: Estimated receipts in year	735	200	200	200	200	200	200	200
Less: Applied re Housing (General Fund) capital programme	(407)	(250)	(3,107)	(220)	(220)	(220)	(220)	(220)
Less: Applied re Housing Improvement programme	(1,105)	(250)	(250)	(250)	(250)	(250)	(250)	(250)
	3,451	3,123	294	24	(246)	(516)	(786)	(1,056)
Less: Applied on regeneration schemes	0	0	0	0	0	0	0	0
Housing receipts - estimated balance in hand	3,451	3,123	294	24	(246)	(516)	(786)	(1,056)

Total £'000s

6.1 Estimated annual borrowing requirement	9,768	89,012	49,091	130,120	88,757	5,464	410	5,410	279,252
Total estimated borrowing requirement if all bids on Appendix 1 approved		89,012	49,091	130,120	88,757	5,464	410	5,410	279,252

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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 @ xxxx £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	0	410	450	450	450	450	450	annual
Home Improvement Assistance	annual	annual	60	60	0	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	0	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	0	0	0	0	0	0	0	92
- 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	0	0	0	0	0	0	0	54
- Ladymead / Fire station	0	38	0	0	0	0	0	0	0	0	0	38
- Guildford Park Car Park	0	62	0	0	0	0	0	0	0	0	0	62
- Appletree pub	0	0	0	0	0	0	0	0	0	0	0	0
General	annual	0	150	150	0	150	120	120	120	120	120	750
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	0	3,007	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	0	3,627	740	740	740	740	740	4,977

Note 1: Funding for development of these sites is included in the HRA statement

GENERAL FUND HOUSING CAPITAL PROGRAMME

APPENDIX 9

FINANCING OF PROGRAMME

Specific Grants	
Housing Grant repayments	
Capital Receipts Reserve - pre 13-14	
Capital Receipts Reserve - post 13-14	
Total Financing (= Total Expenditure)	

2016-17 Original Estimate £000	2016-17 Revised Estimate £000	2016-17 Actual @ xxxx £000	2016-17 Projected Outturn £000
302	302	302	302
30	30	41	50
188	188	(343)	168
3,107	3,107	0	3,107
3,627	3,627	0	3,627

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
Estimated receipts - sale of dwellings	0
Applied re DFG's capital programme (above)	(210)
Applied re GF Hsg capital Programme	0
Repaid re General Fund capital programme	0
Balance c/f	17,724

2013-14 Actuals £000	2016-17 Original Estimate £000	2016-17 Revised Estimate £000	2016-17 Actual @ Outturn £000	2016-17 Projected Outturn £000
17,934	17,608	17,724	0	17,724
0	0	0	0	0
(210)	(188)	(188)	343	(168)
0	0	0	0	0
0	0	0	0	0
17,724	17,420	17,536	343	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
Estimated receipts - sale of dwellings	447
Repaid re General Fund capital programme	3,127
Applied re General Fund Housing capital programme (above)	0
Applied re HRA capital Programme	(446)
Balance c/f	3,128

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)	0	(3,107)
(446)	(250)	(250)	0	(250)
3,128	3,930	(29)	0	(29)

2017-18 Estimate £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000
(29)	(299)	(569)	(839)	(1,109)
200	200	200	200	200
0	0	0	0	0
(220)	(220)	(220)	(220)	(220)
(250)	(250)	(250)	(250)	(250)
(299)	(569)	(839)	(1,109)	(1,379)

Housing Grant Repayments

Balance b/f	0
Repayments in year	54
Used in Year	(54)
Balance c/f	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	19,349

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 Appendix 10

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

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: N/A

Report of Director of Resources

Author: Ciaran Ward

Tel: 01483 444072

Email: ciaran.ward@guildford.gov.uk

Lead Councillor responsible: Matt Furniss

Tel: 07891 022206

Email: matt.furniss@guildford.gov.uk

Date: 24 November 2016

Freedom of Information Compliance Update

Executive Summary

This is a regular report to monitor the Council's performance in dealing with Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests.

As of 8 November 2016, the Council's performance rate for delivery of FOIs stands at 84%, the same figure for this time last year. There is scope for improvement in order to meet the Key Performance Indicator (KPI) of 90%. However in mitigation, the position of Information Rights Officer was vacant for three months and the recording of FOIs was recently transferred to a new electronic system, so both factors may have had a disruptive effect on performance figures. Also, requests which require a Public Interest Test to be taken into consideration can be extended beyond the statutory 20 working day timescale, another factor which will have distorted the figures.

Recommendation to Committee

That the Corporate Governance and Standards Committee notes the officer actions and continues to receive updates.

Reason for recommendation

To ensure the Council meets its objective of 90% compliance.

1. Purpose of Report

- 1.1 The Corporate Governance and Standards Committee has requested this report to ensure the Council improves its response timescales for FOI and EIR requests.
- 1.2 Appendix 1 contains the performance figures for each service area and a total for the Council, including volume of FOI/EIR requests received and the percentage responded to on time.

2. Strategic Framework

- 2.1 Promoting openness and transparency in Council policy and decision-making is essential to promote public confidence within the Borough in order to improve prosperity and well-being as outlined in the Strategic Framework – i.e. the Council “will be open and accountable”.
- 2.2 Effective compliance with information governance, including the management of the Council’s FOI/EIR regime plays a key part in achieving these objectives.

3. Background

- 3.1 The Council is required to respond to FOI and EIR requests within 20 working days – subject to certain exceptions as long as the requester is kept informed – for example extra time can be taken to consider the Public Interest Test (PIT).
- 3.2 A new case management system (eCase) for the recording of FOI/EIR requests was implemented in June 2016. Whilst an improvement on the previous system, there are still certain issues around functionality which need addressing. The system is currently in use, but is under review.
- 3.3 The performance figures for 2016 (to date as of 8 November) are included in Appendix 1.

Update on progress in 2016

- 3.4 As at 8 November 2016, the Council had received a total of 625 FOI/EIR requests during the current calendar year. By comparison, a total of 672 requests was received during 2015. The Council’s performance time currently stands at 84% of requests being closed within the statutory time frame, compared with a figure of 81% at the end of 2015.
- 3.5 The percentage figure for 2014 was 69% of requests being complied with in time. However, a total of 848 requests was received in 2014, a considerably higher figure than that of 2015 – amounting to an increase of 26% in volume - and (to date) that of 2016.
- 3.6 Although the figures for both this year and last year mark a vast improvement since 2014, there is still room for progress. The current 84% figure is still below the standard KPI target of 90% and just slightly under the minimum performance target of 85%, which the Information Commissioner’s Office (ICO) uses to identify public authorities for monitoring.
- 3.7 Three directorates have experienced a drop in performance levels since last year. Corporate Services has fallen from 90% of requests on time in 2015 to a figure of 78% to date this year. Development’s performance rate has fallen from 90% to 79% during the same period. Resources has dropped by a narrow margin from 89% to 86%.

- 3.8 Two directorates, Community Services and Environment have improved their performance rates since last year having advanced from 72% to 90% and from 67% to 86% respectively.
- 3.9 It should be noted, however, that these figures are not necessarily an accurate reflection of the performance of individual service areas within their respective directorates, as a low figure for one service will bring down the average for the directorate as a whole - and conversely a high figure for one area will artificially inflate the average for the overall directorate.
- 3.10 It is unfortunately not possible at present to compare the performance figures for individual services with the most recent figures from last year, due to the corporate restructure which has taken place since then. However, this will be rectified in the next report.
- 3.11 Two other directorates Chief Internal Auditor and Management Team have not had requests logged against them to date this year, so are not included in the current figures.
- 3.12 It is, however, encouraging that three directorates - Community, Environment and Resources – are currently above the ICO's minimum performance target of 85%, with Community meeting the current KPI target of 90%.
- 3.13 There are still also some requests which remain overdue after a number of weeks.

4. Consultations

- 4.1 This is a regular report and no formal consultations were necessary.

5. Equality and Diversity Implications

- 5.1 No Equality and Diversity Implications apply to this report.

6. Financial Implications

- 6.1 There are no financial implications to this report

7. Legal Implications

- 7.1 Failure to respond to FOI/EIR requests within 20 working days is a breach of the respective legislation. Requesters whose FOIs/EIRs have not been answered within the statutory time limit have the right to request an internal review and/or to make a formal complaint to the Information Commissioner's Office (ICO). There are therefore direct legal implications associated with the risk of reputational damage to the council, adverse publicity and active monitoring by the ICO.

8. Human Resource Implications

- 8.1 There are no HR implications within this report.

9. Summary of Actions

- 9.1 Directors will ensure requests remaining overdue in their service areas are resolved as soon as possible.
- 9.2 The Information Rights Officer will continue to provide updates for the Corporate Governance and Standards Committee. The next report will be able to compare performance figures for individual service since the corporate restructure.
- 9.3 The current case management system will be reviewed for functionality issues so that requests can be dealt with as efficiently as possible.

10. Conclusion

- 10.1 While the Council's FOI/EIR performance figures are adequate given recent circumstances, a target of 90% compliance is achievable. This would necessitate a 6% improvement in performance over the coming months, which is not an unrealistic target, provided efficient procedures are implemented and enforced. Directors should ensure that overdue requests for their services in Appendix 1 are resolved as efficiently as possible. Corporate Management Team should continue to monitor progress to drive improvement.

11. Background Papers

- Report on Guildford Borough Council's compliance with Information Rights Legislation in 2015 (16 June 2016)
- Freedom of Information Compliance Update – September 2015

12. Appendices

Appendix 1: FOI/EIR requests performance data

Agenda item number: 8
Appendix 1

Freedom of Information/EIR Requests	CURRENT YEAR TO DATE AS AT 8 NOV 2016			
	Number of requests received 2016 (YTD)	Number of late responses 2016 (YTD)	Open requests which are overdue 2016 (YTD)	YTD % on time (KPI 90%)
Managing Director: Chief Internal Auditor	0	0	0	n/a
TOTAL MANAGING DIRECTOR	0	0	0	n/a
Corporate Services: Democratic Services	13	0	0	100
Corporate Services: Electoral Services	9	1	0	89
Corporate Services: HR & Business Improvement	23	0	0	100
Corporate Services: Legal Services	23	6	1	70
Corporate Services: Policy & Partnership	6	2	0	67
Corporate Services: PR and Marketing	6	3	1	33
Corporate Services: Web Programme	1	0	0	100
TOTAL CORPORATE SERVICES	81	12	2	78
Development: Strategic Comms	0	0	0	n/a
Development: Infrastructure	4	1	0	75
Development: Planning Services	100	14	2	84
TOTAL DEVELOPMENT	104	15	2	79
Community Services: Housing Advice	41	2	1	93
Community Services: Health & Community Care	101	3	0	97
Community Services: Neighbourhood & Housing management	22	4	0	82
TOTAL COMMUNITY SERVICES	164	9	1	90
Environment: Business Support	0	0	0	n/a
Environment: Cleansing & Recycling	10	0	0	n/a
Environment: Electric Theatre	0	0	0	n/a
Environment: Engineers	5	0	0	100
Environment: Fleet and Waste Services	17	5	0	71
Environment: Heritage and Culture	0	0	0	n/a
Environment: Leisure Services	0	0	0	n/a
Environment: Parking	26	3	0	88
Environment: Parks and Countryside	16	2	0	88
TOTAL ENVIRONMENT	74	10	0	86
Resources: Asset Development	7	2	0	71
Resources: Benefits	8	0	0	100
Resources: Business Rates & Systems	82	3	0	96
Resources: Council Tax	11	3	0	73
Resources: Customer Services	29	0	0	100
Resources: Energy Management & Sustainability	3	0	0	100
Resources: ePayment	8	1	0	88
Resources: Facilities	4	0	1	75
Resources: Financial Services	23	4	1	74
Resources: ICT Services	21	8	0	60
Resources: Payroll and Insurance	5	0	0	100
Resources: Web Programme	1	0	0	100
TOTAL RESOURCES	202	21	2	86
Management Team	0	0	0	n/a
TOTAL MANAGEMENT TEAM	0	0	0	n/a
OVERALL	625	67	7	84

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Corporate Governance & Standards Committee Report

Ward(s) affected: All

Report of the: Monitoring Officer

Author: Christine Nuttall: Interim Governance Solicitor

Tel: 01483 444120

Email: christine.nuttall@guildford.gov.uk

Lead Councillor responsible: Councillor Matt Furniss

Tel: 07891 022206

Email: matt.furniss@guildford.gov.uk

Date: 24 November 2016

Review of Arrangements for dealing with allegations that a councillor has breached the councillor Code of Conduct – Finalisation of work arising

Executive Summary

The Localism Act 2011 made fundamental changes to the system of regulation of standards of conduct for elected and co-opted councillors. The new provisions came into force on 1 July 2012. The Council adopted a new Code of Conduct and put in place Arrangements for dealing with Code of Conduct complaints regarding councillors.

After three years of operation the Council decided to review its processes in light of local experiences of handling cases in practice. In carrying out the review the Council commissioned Hoey Ainscroft Limited to carry out an independent review of the Council's Arrangements.

Following consideration by the Corporate Governance and Standards Committee and a Working Group established for the purpose on 12 April full Council approved the review and delegated to the Corporate Governance and Standards Committee (acting through the working Group) authority to finalise and implement the following work:

- 1) The redrafting of the Council's Arrangements for dealing with allegations of misconduct by councillors and co-opted member ;
- 2) Consideration as to whether such re-drafting might usefully include a separate version of the Arrangements containing only those elements relevant to allegations of misconduct by parish councillors;
- 3) Guidelines and policy for communications; together with guides for the complainant and councillor against whom a complaint is made;
- 4) A protocol with the Police where a complainant alleges criminal behaviour;
- 5) Revision of the Protocol for Independent Persons adopted by Full Council on 7

- October 2015 and an associated briefing document;
- 6) Assistance as regards any statements relating to standards and the private capacity of councillors;

Recommendations

That the Corporate Governance and Standards Committee agree:

- (1) the implementation of the redrafted Arrangements together with accompanying documents drafted as annexes to the Arrangements;
- (2) the promotion of the Briefing Note for Members on private capacity; and
- (3) adoption of the Police Protocol in line with the model attached with authority for the Monitoring Officer in consultation with the Chairman of the committee to agree any necessary revisions.

Reason(s) for Recommendation:

To comply with the request for a review; and

To ensure that the Council's Arrangements remain fit for purpose and in accordance with best practice.

1. Purpose of Report

- 1.1 The purpose of the report is to update the Committee as to the work of the Working Group and to seek approval from the Committee to the redrafted Arrangements and supporting documentation.

2. Strategic Priorities

- 2.1 Improving the Constitution (of which the Arrangements form part), learning from best practice and keeping it up to date is an important element of the Council's Governance.

3. Background

- 3.1 The Localism Act 2011 made fundamental changes to the system of regulation of standards of conduct for elected and co-opted councillors. The new provisions came into force on 1 July 2012. Following the full Council meeting on 5 July Council agreed:

- To establish a new committee called the Corporate Governance and Standards Committee with responsibility for a range of matters to include responsibility for promoting and maintaining high standards of conduct and its membership;
- The adoption of a new Code of Members' Conduct;

- The appointment of 3 Independent Persons;
 - The Arrangements and procedures for dealing with misconduct complaints in relation to both district and parish councillors;
 - Changes to the Register of Interests to reflect the new disclosable pecuniary interest created within the Localism Act and regulations made thereunder; and
 - All necessary changes to the Constitution.
- 3.2 After some three years of operation the Council decided to review its processes in light of local experiences of handling cases in practice. In carrying out the review the Council was keen to benchmark its Arrangements against emerging best practice to ensure that it was the best possible Arrangements achievable under the legislation.
- 3.3 Hoey Ainscroft Limited was commissioned to carry out the review as independent national experts. A report was prepared (the Hoey report). Their report is dated 13 November 2015.
- 3.4 At its meeting on 26 November 2015 the Corporate Governance and Standards Committee considered the outcome of the Hoey report. The committee established a Working Group to examine the detail of the recommendations contained in the Hoey report. The Working Group met on:
- 15 December 2015
 - 14 January 2016
 - 18 February 2016 and
 - 9 March 2016.
- 3.5 The outcome of the review was then considered by the Corporate Governance and Standards Committee on 31 March 2016. The recommendations of the Corporate Governance and Standards Committee were considered by full Council on 12 April 2016.
- 3.6 Full Council agreed that the Corporate Governance and Standards Committee (acting through the Working Group) would carry out, finalise and implement the remaining work namely:
- 1) The re-drafting of the Council's Arrangements for dealing with allegations of misconduct by councillors and co-opted members;
 - 2) Consideration as to whether such re-drafting might usefully include a separate version of the Arrangements containing only those elements relevant to allegations of misconduct by parish councillors;
 - 3) Guidelines and policy for communications; together with guides for the complainant and councillor against whom a complaint is made;
 - 4) A protocol with the Police where a complainant alleges criminal behaviour;

- 5) Revision of the Protocol for Independent Persons adopted by full Council on 7 October 2015 and an associated briefing document;
- 6) Assistance as regards any statements relating to standards and the private capacity of councillors.

On 9 November 2016 the working Group met to finalise their comments on the draft documentation.

- 3.7 The following documents have now been prepared for consideration by the Committee in response to the Council delegation:
- 1) Revised Arrangements setting out clear assessment criteria
 - 2) Communications Strategy including flow chart
 - 3) Procedure for local investigation of complaints
 - 4) Procedure for local determination of complaints
 - 5) Draft Police Protocol
 - 6) Briefing Note for Members and Co-opted Members acting in their private capacity

4. Arrangements for Dealing with Allegations of Misconduct by Councillors and Co-opted Members'

- 4.1 The redrafted document entitled 'Arrangements for Dealing with Allegations of Misconduct by Councillors and Co-opted Members' (the arrangements document) is attached as Appendix 1 to this report. The arrangements document is the broad over-arching document, amended by way of track changes shown in red, to reflect the amendments advocated by the Hoey Report and accepted by the Working Group.
- 4.2 The Arrangements have been redrafted to take account of slight differences in relation to allegations involving parish councillors. If there is a Parish Council complaint the views of the Parish Member of the Corporate Governance and Standards Committee will be sought. In addition, there is a need to keep the Parish Council clerk informed, in relation to the different stages of a complaint has been included.
- 4.3 The Working Group when considering the use of informal discussion and resolutions felt that wherever possible the Monitoring Officer should consider dealing with a matter informally. In the case of parish councillor allegation this would be dealt with by referring the complaint to the relevant Parish Council for action.
- 4.4 There are various Appendices to the Arrangements document that contain stand-alone documents that contribute to the changes advocated by the Hoey Report. These are set out separately in this report as follows:
- 4.4.1 Appendix 2 entitled "Communications strategy in relation to Member Complaints". The Hoey Report recommended that there should be clear guidelines as to what communications will be made during any ongoing case. These covers both public statements to the media and communications with the relevant parties (Subject Member and Complainant).

- 4.4.2 Appendix 3 entitled “Procedure for Local Investigation of Assessed Complaint”. This document sets out how an Investigating Officer will be appointed and the investigation process.
- 4.4.3 Appendix 4 entitled “Local Determination of Complaints about Members” provides a step by step procedure for the Conduct of the Hearings Sub-Committee when hearing a case following an investigation. It is similar to the Licensing Hearings Procedure in that cross-examination, is not permitted, although questions can be raised through the Chair.

5 Police Protocol

- 5.1 Appendix 5 of this report exhibits a draft Police Protocol to be agreed with the Police.
- 5.2 The Hoey Report recommended the drawing up of a protocol between the police and the Council, and the draft now produced is a first step towards agreeing such a Protocol.

6 Protocol for Independent Persons

- 6.1 A Protocol for Independent Persons was approved by the Council on the 7 October 2015, and was drawn up in conjunction with other Surrey district and borough councils, namely, Mole Valley District Council, Spelthorne Borough Council and Waverley Borough Council.
- 6.2 The Protocol appears to be working well with no complaints received from the other participating Councils.
- 6.3 The Hoey Report recommended that, as well as the statutory right for the Subject Member to seek views of an Independent Person, the Complainant should also have some access to the Independent Person. It is important to note that there is no provision for a Complainant to seek the views of an Independent Person under the Localism Act 2011.
- 6.4 Local government derives its power from statute, often referred to as, local government being ‘a creature of statute’, it is difficult to see how giving this enhanced right for the Complainant could be constitutionally sound.
- 6.5 The Hoey Report appears to justify this, lack of legal power, on the basis that “rather than being an absolute right, the Independent Person is usually allowed some discretion in these circumstances as to whether speaking with the Complainant would be of assistance to the Independent Person in carrying out their statutory role. Of course it is important that the complainant can also raise concerns if they believe the process may be lacking independence it is considered that any such concern could be raised with the Monitoring Officer. The Working Group raised concerns regarding this enhanced right and do not consider this additional right to be necessary or to make any revisions to the Independent Person Protocol.

7 Assistance in relation to Private Capacity

- 7.1 The Hoey Report brought attention to the importance of setting out the law on 'private capacity'. In addition, it was felt there was a need for a Council to have a clear process on how matters are to be dealt with and how the Council will act in response to matters that legally fall outside the Members' Code of Conduct but which may be perceived as damaging the reputation of their office or council. The Working Group considered how the Council should respond in such circumstances which is set out in the Working Group minutes and which is reflected in a Briefing Note exhibited at Appendix 6 to this report.

8. Equality and Diversity Implications

- 8.1 There are no significant implications. However, the equality and diversity attributes of the Complainant and the Subject Member should be taken into account in the membership of the Hearings Sub-Committee and or assistance provided to the Complainant or Subject Member.

9. Financial Implications

- 9.1 There are no financial implications

10. Legal Implications

- 10.1 None other than those implicit within the Report and its appendices

11. Human Resource Implications

- 11.1 None

12. Conclusion

The Committee is asked to receive the Report and to endorse the contents of the redrafted Arrangements.

13. Background Papers

The minutes of the Working Group
The report of Hoey Ainscough Associates Ltd.
Draft Kent Police Protocol
Horsham District Council Procedures on Member Misconduct
Sevenoaks District Council Procedures on Member Misconduct

Kent County Council Procedures on Member Misconduct

14. Appendices

Appendix 1: Redrafted “Arrangements for Dealing with Allegations of Misconduct by Councillors and Co-opted Members” with changes shown by way of Track Changes.

Appendix 2: Communications Strategy in relation to Member Complaints

Appendix 3: Procedure for Local Investigation of Assessed Complaints – A Guide for Members

Appendix 4: Local Determination of Complaints about Members

Appendix 5: Police Protocol

Appendix 6: Briefing Note for Members and Co-opted Members on Private Capacity

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PART 5 – ARRANGEMENTS FOR DEALING WITH ALLEGATIONS OF MISCONDUCT BY COUNCILLORS

Appendix A

GUILDFORD BOROUGH COUNCIL

ARRANGEMENTS FOR DEALING WITH ALLEGATIONS OF MISCONDUCT BY COUNCILLORS AND CO-OPTED MEMBERS

1 Context

1.1 It is expected that elected and co-opted members of Guildford Borough Council and the 23 Parish Councils within the Borough uphold the highest standards of public office. However, in the event that there is a complaint, it is important that this is handled effectively to ensure that public confidence is maintained.

1.2 These Arrangements set out:

- (a) how you may make a complaint that a councillor or co-opted member of Guildford Borough Council ("the Council") or of any parish council within the borough has failed to comply with the code of conduct adopted by the Council or relevant parish council, and
- (b) how the Council will deal with allegations of a failure to comply with the relevant code of conduct.

1.3 Under Section 28(6) and (7) of the Localism Act 2011, the Council must have in place arrangements under which allegations that a councillor or co-opted member of the Council or of any parish council within the borough has failed to comply with the relevant code of conduct (a) can be investigated and (b) decisions made on such allegations.

1.4 Such arrangements must provide for the Council to appoint at least one Independent Person(1), whose views (a) must be sought by the Council before it takes a decision on any allegation which it has decided shall be investigated, (b) and whose views may can be sought by the authority at any other stage, and (c) may be sought by a councillor or co-opted member against whom an allegation has been made.

2 Interpretation

2.1 'Complainant' means a person who has submitted a complaint in accordance with these Arrangements alleging that a Subject Member has breached the Code of Conduct.

2.2 'Subject Member' means an elected or co-opted member of the Council or any elected or co-opted member of any parish council within the borough against whom a complaint has been made alleging a breach of the Code of Conduct.

2.3 'Independent Person' means a person or persons appointed by the Council under section 28(7) of the Localism Act 2011 who has the functions set out in section 28(7) of the Localism Act 2011.

2.4 'Parish Member' means a co-opted member of any parish council within the borough who sits on the Corporate Governance and Standards Committee and in respect of parish matters the Assessment or Hearings Sub-Committee in an advisory capacity, but who is not entitled to vote at meetings.

2.5 'Independent Member' means a co-opted person who is not a Councillor or Officer of the Council who sits on the Corporate Governance and Standards Committee in an advisory capacity, but who is not entitled to vote.

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PART 5 – ARRANGEMENTS FOR DEALING WITH ALLEGATIONS OF MISCONDUCT BY COUNCILLORS

Appendix A

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2.6 'Investigating Officer' means the person appointed by the Monitoring Officer to undertake a formal investigation of a complaint alleging a breach of the Code of Conduct by a Subject Member. The Investigating Officer may be another senior officer of the Council, an officer of another authority or an external investigator.

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2.7 'Monitoring Officer' means a statutory officer appointed by the Council under the Local Government and Housing Act 1989 ss 5 and 5A who has a role in the assessment of complaints and the promotion and maintenance of high standards of conduct within local authorities and his or her deputy or representative.

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2.8 'the Corporate Governance and Standards Committee' refers to the Corporate Governance Committee or to a sub-committee to which it has delegated the assessment of complaints or the conduct of a hearing unless the context indicates that it refers only to the Corporate Governance and Standards Committee.

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23 The Code of Conduct

The Council has adopted a code of conduct for councillors and co-opted members, which is available for inspection on the Council's website and on request from the Monitoring Officer. The various codes of conduct adopted by the 23 parish councils within the borough are available for inspection by arrangement with the relevant parish clerk, whose contact details may be viewed by visiting the Council's website:

www.guildford.gov.uk/parishcouncils

Field Code Changed

34 Making a complaint

4.1 All complaints must be made in writing and shall be on the official complaint form. Completion of the official complaint form will enable the Council to process the complaint efficiently and transparently. The complaint form can be posted or e-mailed. If you wish to make a complaint, please write or email to the Council's Monitoring Officer, Sandra Herbert~~Mr Satish Mistry~~, whose contact details are:

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Guildford Borough Council
Millmead House
Millmead
GUILDFORD
Surrey GU2 4BB

Email: monitoringofficersandra.herbertsatish.mistry@guildford.gov.uk

Field Code Changed

4.2 Complainants who find difficulty in making their complaint in writing (e.g. because of a disability) will be offered assistance. A request for assistance should be made in the first instance by contacting the Monitoring Officer by letter or e-mail to the address set out in paragraph 4.1 above.

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~~The Monitoring Officer is a senior officer of the Council who has statutory responsibility for maintaining the Council's Register of Interests and the register of interests for each of the parish councils within the borough. The Monitoring Officer is also responsible for administering the system in respect of misconduct complaints.~~

~~Please do provide us with your name and a contact address or email address, so that we can acknowledge receipt of your complaint and keep you informed of its progress~~

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PART 5 – ARRANGEMENTS FOR DEALING WITH ALLEGATIONS OF MISCONDUCT BY COUNCILLORS

Appendix A

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5. Openness and notification of complaint to the Subject Member

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5.1 In the interests of fairness and in compliance with natural justice we believe the Subject Member who has been complained about has the right to know who has made the complaint and the substance of the allegation(s) made against him/her. Your name and a summary of your complaint may be sent to the Subject Member and the Clerk to the Parish Council where the Subject Member is a Parish Councillor.-

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5.2 If you wish your name and the details of the complaint to remain confidential please indicate this on the complaint form and your request will be considered by the Monitoring Officer in consultation with the Independent Person when they assess the complaint. The Council does not normally investigate anonymous complaints, unless there is a clear public interest in doing so. You would have to show exceptional circumstances in which to disclose would be contrary to the public interest or would prejudice a person's ability to investigate the allegation and may include where you believe:

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- (a) you may be victimised or harassed by the Member(s) against whom you are submitting a written complaint (or by a person associated with him or her); or
- (b) you may receive less favourable treatment from the Council because of the seniority of the Subject Member against whom you are submitting a written complaint in terms of any existing Council service provision or any tender/contract that you may have or are about to submit to the Council; or
- (c) you are an officer who works closely with the Member against whom the allegation is made and have a reasonable belief that you may be adversely affected in your employment if your identity is disclosed.

5.3 The Monitoring Officer, in consultation with the Independent Person, will balance whether the public interest in accepting the complaint outweighs the Complainant's wish to have their identity withheld from the Subject Member. If the Monitoring Officer decides to refuse the Complainant's request for confidentiality, he or she they will offer the Complainant the option to withdraw their complaint. The Complainant will be notified of the Monitoring Officer's decision with reasons given by the Monitoring Officer. There is no right of appeal against the Monitoring Officer's decision to refuse the Complainant's request for confidentiality.

5.4 If the Complainant's request for confidentiality is upheld, the Monitoring Officer will inform the Complainant that confidentiality may not be able to be maintained dependent upon how matters progress. If confidentiality cannot be maintained the complainant will be informed and will have the option to withdraw the complaint.

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~~If you want to keep your name and address confidential, please say and we will not disclose your name and address to the councillor or co-opted member against whom you make the complaint without your prior consent. The Council does not normally investigate anonymous complaints, unless there is a clear public interest in doing so.~~

6 The Handling of Complaints

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6.1 A valid member complaint must relate to the conduct of a named individual Member in office. A complaint must comprise a potential breach by the Subject Member of the relevant Code of Conduct. In addition, the Subject Member must have been acting in his or hertheir capacity as a Councillor and not in his or her capacity as a private individual when the alleged breach of the Code took place. The Monitoring Officer cannot deal with

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PART 5 – ARRANGEMENTS FOR DEALING WITH ALLEGATIONS OF MISCONDUCT BY COUNCILLORS

Appendix A

complaints about the Borough Council or Parish Councils, their staff or services in respect of which other means of complaint or redress are available or about an individual's conduct before he or she was elected, co-opted or appointed or after he/she ceased to be a Member or to a period before the adoption of the statutory Code of Conduct on 1 July 2012.

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6.2. The Monitoring Officer will normally acknowledge receipt of your complaint within five working days of receiving it, and will keep the Complainant you informed of the progress of your complaint. Communications throughout the process of dealing with a complaint against a Subject Member will be governed by the Council's Communications Strategy set out at Appendix 1 to these Arrangements

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The Monitoring Officer may reject your complaint if, following consultation with the Independent Person, it is considered by the Monitoring Officer to be vexatious, frivolous or politically motivated.

7.1. Notification of complaint to Subject Member

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7.1 As a matter of fairness and natural justice, the Subject Member will normally be told who the Complainant is and will also receive details of the complaint and will be given a right to reply to the complaint.

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The Monitoring Officer will normally notify the Subject Member that a complaint has been made.

7.8. How the Monitoring Officer will assess your Complaint

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7.8.1 The Monitoring Officer has responsibility for considering written complaints by way of allegations against a Subject Member for breach of the relevant Code of Conduct. This is known as assessment. The purpose of assessment is to determine whether or not on the basis of information supplied by the complainant, if the matter were proven, it could or would amount to a breach of the Code of Conduct. No investigation or hearings are conducted at this stage. The Monitoring Officer will put the complaint through a number of tests.

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7.8.2 The complaint will be assessed by the Monitoring Officer against an Initial Jurisdiction Test as follows:

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- (a) Did the alleged conduct occur before the adoption of the Code of Conduct?
- (b) Was the Subject Member a member of the Borough or Parish Council at the time of the alleged conduct?
- (c) Was the Subject Member ~~person complained of~~ acting in an official capacity as a councillor at the time of the alleged conduct? (.The case law and legislative position is that Code of Conduct matters can only now be dealt with when the allegation is about something that a Councillor did in their role as a Councillor when acting in an official capacity).
- (d) Did the alleged conduct occur when the Subject Member ~~person complained of~~ was acting as a member of another authority?
- (e) If the facts, could be established, as a matter of evidence, could or would the alleged conduct be capable of a breach of the Code of Conduct?

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PART 5 – ARRANGEMENTS FOR DEALING WITH ALLEGATIONS OF MISCONDUCT BY COUNCILLORS

Appendix A

(f) Is the complaint limited to about dissatisfaction with the Borough or Parish Council's decisions, policies and priorities, etc.

7.3 If the complaint fails one or more of the initial jurisdiction tests, no further action will be taken by the Monitoring Officer and the complaint will be rejected. The Complainant will be notified accordingly with reasons. There is no internal right of appeal against the Monitoring Officer's decision.

8.4 If the complaint satisfies the Jurisdiction Test, the Monitoring Officer will obtain the views of the Independent Person prior to applying the Assessment Test.

7.45 Before the Monitoring Officer undertakes the Assessment Test If the complaint satisfies the Jurisdiction Test the Monitoring Officer will notify the Subject Member and if applicable, the Parish Clerk of the complaint. The Monitoring Officer will invite the Subject Member to submit a right of reply to the Complaint and such information will be taken into account by the Monitoring Officer when deciding how to deal with the complaint.

7.5 Upon receipt of the Subject Member's response the Monitoring Officer will obtain the views of the Independent Person. If the complaint concerns a parish councillor the Monitoring Officer will also obtain the views of the Parish Member.

7.6 The Monitoring Officer will then proceed to assess the complaint. The Assessment Test aids the Monitoring Officer in reaching a decision on the complaint by enabling the Monitoring Officer to consider the following criteria, whilst taking into account the nature of the complaint and the need to adopt a proportionate response:

The Assessment Test:

General

- (i) Has the complainant submitted enough information as regards the allegation and alleged misconduct to sustain a potential breach of the Code of Conduct.
- (ii) Is an investigation likely to prove on the balance of probability whether or not that a breach took place
- (iii) Does the complaint appear to be too trivial to warrant further action
- (iv) Is the evidence sufficiently reliable i.e. is it first-hand evidence or hearsay evidence.
- (v) Is the evidence relevant to the alleged breach
- (vi) Could any further evidence be revealed by an investigation
- (vii) Would an investigation serve any useful purpose
- (viii) Is it serious enough to warrant further action

Mitigating factors (tending to make further action less likely)

- (ix) The substance of the complaint has already been the subject of an investigation or other action relating to the Code of Conduct
- (x) The allegation took place more than 28 days prior to receipt of the complaint and so far in the past that, in the opinion of the Monitoring Officer, there would be little benefit in taking action now

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PART 5 – ARRANGEMENTS FOR DEALING WITH ALLEGATIONS OF MISCONDUCT BY COUNCILLORS

Appendix A

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- (xi) The member took appropriate advice on the matter and followed that advice
- (xii) The complaint is such that it is unlikely that an investigation will be able to come to a firm conclusion on the matter, e.g. where there is no firm evidence on the matter
- (xiii) Is it likely that an investigation will prove only a technical or inadvertent breach
- (xiv) The complaint appears to be malicious, vexatious, politically motivated or tit-for-tat
- (xv) The Complainant has involved the local press in relation to the alleged complaint
- (xvi) The member has already provided (or tried to provide) a suitable remedy (such as apologising)
- (xvii) The breach occurred in all innocence i.e. without knowledge
- (xviii) There was unreasonable provocation
- (xix) The complaint involves a Subject Member who is seriously ill and it would not be in the public interest to pursue
- (xx) The complaint is about a deceased person
- (xxi) The complaint is about a person who is no longer a Borough or Parish Councillor

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Aggravating factors (tending to make further action more likely)

- (xxii) The complaint involves allegations of bullying or intimidation of a complainant
- (xxiii) The allegation if proven could have a serious effect upon the reputation of the Council, upon staff relations and upon public trust and confidence
- (xxiv) The member holds a position of seniority and/or a position of influence
- (xxv) There is a pattern of individual acts of minor misconduct which appear to be part of a continuing pattern of behaviour that is unreasonably disruptive to the business of the Council.
- (xxvi) The member took appropriate advice on the matter but did not follow that advice.
- (xxvii) The complaint involves an allegation that the behaviour may cause the authority to breach an equality enactment

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78.7 The criteria set out in the Assessment Test is not an exhaustive or prescriptive list and the Monitoring Officer can take into account other criteria dependent on the circumstance of the complaint. The Assessment Test provides a written record of the decision making process aiding robust and transparent decision making.

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78.8 The Monitoring Officer has a reserve power to refer a complaint to a Sub-Committee of the Corporate Governance and Standards Committee (Assessment Sub-Committee) for assessment. The referral power is at the absolute discretion of the Monitoring Officer. Examples of when a referral may take place are as follows:

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- It is an allegation where there is a perceived or actual conflict of interest
- It involves the Leadership of the Council or the Opposition
- It involves the Mayor or Deputy Mayor of the Council
- It involves a member of the Executive
- It involves a Chairman or Vice Chairman of a Council Committee or Sub-Committee
- The Complaints is are from a Statutory Officer of the Council, (the Head of Paid Service, Section 151 Officer, or the Monitoring Officer)
- There is a conflict of interest e.g. the Monitoring Officer has previously advised the Member on the matter

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PART 5 – ARRANGEMENTS FOR DEALING WITH ALLEGATIONS OF MISCONDUCT BY COUNCILLORS

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78.97 The existence of such criteria does not fetter the discretion of the Monitoring Officer and the criteria set out above is not exhaustive. The Assessment Sub-Committee will be set up in the same way as other Sub-Committees of the Corporate Governance and Standards Committee Council. The Assessment Sub-Committee has all the powers of the Monitoring Officer.

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78.9 Decisions of the Assessment Sub-Committee are usually made in private. Neither the complainant nor the Subject Member will usually be permitted to attend where such meetings contain confidential personal information. In such cases meetings will not be open to the press or public. The rules covering the exclusion of the press and public are set out in the Local Government Act 1972, as amended. If the press and public are to be excluded from a committee or sub-committee a formal resolution of the meeting is required. This must specify the legal grounds for exclusion.

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78.10 The members of any Assessment Sub-Committee will be selected by the Monitoring Officer after having consulted the Chairman of the Corporate Governance and Standards Committee.

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89 Will your complaint be investigated?

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89.1 The Monitoring Officer will ~~assess~~review every complaint received and, after consultation with the Independent Person, take a decision on the most appropriate action to be taken in relation to the complaint, as to whether it merits formal investigation. If the complaint is about a Parish Councillor, the Monitoring Officer will also consult a Parish Member. The Monitoring Officer may ask the Complainant you or the Subject Member for more information before making a decision. This decision will normally be taken within ~~20~~44 working days of receipt of the complaint. Matters will be progressed as promptly as circumstances allow. ~~Time will be of the essence~~ with realistic time limits being set for the receipt of information.

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89.2 The following decisions can be taken by the Monitoring Officer in consultation ~~in~~ with the Independent Person:

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- No further action
- Attempt informal resolution
- Recommend formal investigation
- Referral to the Police or other regulatory agency if the complaint identifies criminal conduct or breach of other regulation.

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89.3 When making a decision, the Monitoring Officer will take a proportionate approach and the decision will depend upon the extent and seriousness of the allegation. The Assessment Test is not exhaustive and does not restrict the discretion of the Monitoring Officer although any additional factors that are taken into account by the Monitoring Officer should be

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~~recorded when the assessment takes place to evidence a robust and transparent decision making process.~~

89.4 ~~If the Subject Member makes a reasonable offer of resolution the Monitoring Officer will take account of this in deciding whether the complaint merits formal investigation.~~

89.5 ~~Where the Monitoring Officer has taken a decision, the Complainant, the Subject Member and the relevant Parish Clerk, if the complaint relates to a parish councillor appropriate he/she will be informed you of the decision his/her decision and the reasons for that decision.~~

~~Where he/she requires additional information in order to come to a decision, he/she may come back to you for such information, and may request information from the councillor or co-opted member against whom your complaint is directed. Where your complaint relates to a parish councillor, the Monitoring Officer may also inform the relevant parish council of your complaint and seek the views of one of the co-opted parish members on the Corporate Governance and Standards Committee before deciding whether the complaint merits formal investigation.~~

910 **Informal Resolution**

910.1 ~~In appropriate cases, the Monitoring Officer may seek to resolve the complaint informally, without the need for a formal investigation. Such informal resolution may involve the councillor or co-opted member accepting that their conduct was unacceptable or unfortunate in the circumstances and offering an apology or other remedial action such as training or agreeing to mediation. Where a reasonable offer of local resolution is made, but you are not willing to accept that offer, the Monitoring Officer will take account of this in deciding whether the complaint merits formal investigation.~~

910.2 ~~A decision to attempt informal resolution precludes an investigation or other disciplinary action.~~

1044 **Referral to the Police**

1044.1 ~~If you a valid complaint or subsequent investigation identifies possible criminal conduct by the Subject Member, the Monitoring Officer may or may be obliged to refer the matter to the Police. identifies criminal conduct by the councillor or co-opted member, the Monitoring Officer will refer the matter to the Police.~~

112.6 **How is the investigation conducted?**

112.1 ~~If the Monitoring Officer decides that a complaint merits formal investigation, he/she will appoint an investigating officer, who may be another senior officer of the Council, an officer of another council or an external investigator. to undertake an investigation. Investigations are conducted in private. Separate guidance on how the investigator will be appointed and the investigation process is available at Appendix 2 entitled "Procedure for Local Investigations of Assessed Complaint" sets out the appointment of an Investigator and the investigation process.~~

~~The Investigating Officer will decide whether he/she needs to meet or speak to you to understand the nature of your complaint and so that you can explain your understanding of~~

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~~events and suggest what documents the Investigating Officer needs to see, and who the Investigating Officer needs to interview.~~

~~The Investigating Officer would normally write to the councillor or co-opted member against whom you have complained and provide them with a copy of your complaint, and ask them to provide their explanation of events, and to identify what documents he/she needs to see and who he/she needs to interview. In exceptional cases, where it is appropriate to keep your identity confidential or where disclosure of details of the complaint to the councillor or co-opted member might prejudice the investigation, the Monitoring Officer can delete your name and address from the papers given to the councillor/co-opted member, or delay notifying them until the investigation has progressed sufficiently.~~

~~At the end of his/her investigation, the Investigating Officer will produce a draft report and will send copies of that draft report, in confidence, to you and to the councillor/co-opted member concerned, to give you both an opportunity to identify any matter in that draft report with which you disagree or which you consider requires more consideration.~~

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~~Having received and taken account of any comments that you may make on the draft report, the Investigating Officer will send his/her final report to the Monitoring Officer.~~

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123 Local Hearing

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~~123.1 The outcome of an investigation may result in a disciplinary hearing before the Hearings Sub-Committee. Separate guidance on the conduct of such a hearing and the possible outcomes is available at Appendix 3 entitled "Local Determination of Complaints about Members – Guidance for Members".~~

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134 Decision to Take no further action

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~~134.1 The reasons for making a decision to take no further action will be identified via the Assessment Test with a written record being made to verify the decision. There is no review after the decision has been made by the Monitoring Officer or the Assessment Sub-Committee.~~

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~~he/she will appoint an Investigating Officer, who may be another senior officer of the Council, an officer of another council or an external investigator. The Investigating Officer will decide whether he/she needs to meet or speak to you to understand the nature of your complaint and so that you can explain your understanding of events and suggest what documents the Investigating Officer needs to see, and who the Investigating Officer needs to interview.~~

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~~The Investigating Officer would normally write to the councillor or co-opted member against whom you have complained and provide them with a copy of your complaint, and ask them to provide their explanation of events, and to identify what documents he/she needs to see and who he/she needs to interview. In exceptional cases, where it is appropriate to keep your identity confidential or where disclosure of details of the complaint to the councillor or co-opted member might prejudice the investigation, the Monitoring Officer can delete your name and address from the papers given to the councillor/co-opted member, or delay notifying them until the investigation has progressed sufficiently.~~

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~~At the end of his/her investigation, the Investigating Officer will produce a draft report and will send copies of that draft report, in confidence, to you and to the councillor/co-opted member concerned, to give you both an opportunity to identify any matter in that draft report with which you disagree or which you consider requires more consideration.~~

~~Having received and taken account of any comments that you may make on the draft report, the Investigating Officer will send his/her final report to the Monitoring Officer.~~

~~7. What happens if the Investigating Officer concludes that there is no evidence of a failure to comply with the Code of Conduct?~~

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~~The Monitoring Officer will review the Investigating Officer's report and, if he is satisfied that the Investigating Officer's report is sufficient, the Monitoring Officer will write to you and to the councillor/co-opted member concerned and to the relevant parish council, where your complaint relates to a parish councillor, notifying you that he/she is satisfied that no further action is required, and give you both a copy of the Investigating Officer's final report. If the Monitoring Officer is not satisfied that the investigation has been conducted properly, he/she may ask the Investigating Officer to reconsider his/her report.~~

~~8. What happens if the Investigating Officer concludes that there is evidence of a failure to comply with the Code of Conduct?~~

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~~The Monitoring Officer will review the Investigating Officer's report and will then either send the matter for local hearing before the Hearings Sub-Committee or, after consulting the Independent Person, seek local resolution.~~

~~8.1 Local Resolution~~

~~The Monitoring Officer may consider that the matter can reasonably be resolved without the need for a hearing. In such a case, he/she will consult with the Independent Person and with you as complainant and seek to agree what you consider to be a fair resolution which also helps to ensure higher standards of conduct for the future. Such resolution may include the councillor/co-opted member accepting that their conduct was unacceptable and offering an apology, and/or other remedial action by the authority. If the councillor/co-opted member complies with the suggested resolution, the Monitoring Officer will report the matter to the Corporate Governance and Standards Committee (and the relevant parish council where the complaint refers to a parish councillor) for information, but will take no further action.~~

~~Such resolution may include the councillor/co-opted member accepting that their conduct was unacceptable and offering an apology, and/or other remedial action by the authority. If the councillor/co-opted member complies with the suggested resolution, the Monitoring Officer will report the matter to the Corporate Governance and Standards Committee (and the relevant parish council where the complaint refers to a parish councillor) for information, but will take no further action.~~

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~~8.2 Local Hearing~~

~~If the Monitoring Officer considers that local resolution is not appropriate, or you are not satisfied by the proposed resolution, or the councillor/co-opted member concerned is not prepared to undertake any proposed remedial action, such as giving an apology, then the Monitoring Officer will report the Investigating Officer's~~

PART 5 – ARRANGEMENTS FOR DEALING WITH ALLEGATIONS OF MISCONDUCT BY COUNCILLORS

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~~report to the Hearings Sub-Committee which will conduct a local hearing before deciding whether the councillor/co-opted member has failed to comply with the code of conduct and, if so, whether to take any action in respect of the councillor/co-opted member.~~

~~Essentially, the Monitoring Officer will conduct a “pre-hearing process”, requiring the councillor/co-opted member to give their response to the Investigating Officer’s report, in order to identify what is likely to be agreed and what is likely to be in contention at the hearing. At the hearing, the Investigating Officer will present his/her report, call such witnesses as he/she considers necessary and make representations to substantiate his/her conclusion that the councillor/co-opted member has failed to comply with the code of conduct. For this purpose, the Investigating Officer may ask you as the complainant to attend and give evidence to the Hearings Sub-Committee. The councillor/co-opted member will then have an opportunity to give their evidence, to call witnesses and to make representations to the Sub-Committee as to why they consider that they did not fail to comply with the code of conduct.~~

~~The Hearings Sub-Committee, with the benefit of any advice from the Independent Person, may conclude that the councillor/co-opted member did not fail to comply with the code of conduct, and so dismiss the complaint. If, however, the Sub-Committee concludes that the councillor/co-opted member did fail to comply with the code of conduct, the councillor/co-opted member will be informed of this finding and the Sub-Committee will then consider what action, if any, should be taken as a result of the councillor/co-opted member’s failure to comply with the code of conduct. In doing this, the councillor/co-opted member will be given an opportunity to make representations to the Sub-Committee and will consult the Independent Person, but will then decide what action, if any, to take in respect of the matter.~~

~~9. What action can the Hearings Sub-Committee take where a councillor/co-opted member has failed to comply with the code of conduct?~~

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~~The Council has delegated to the Hearings Sub-Committee such of its powers to take action in respect of individual councillors/co-opted members as may be necessary to promote and maintain high standards of conduct. Accordingly the Hearings Sub-Committee may:~~

~~9.1 Publish and report its findings in respect of the councillor’s/co-opted member’s conduct to a meeting of the full Council (or to the relevant parish council) for information and recommending that the councillor makes a public apology at that meeting.~~

~~9.2 Recommend to the councillor’s political group leader (or in the case of un-grouped councillors or co-opted members, recommend to Council or to Committees) that they be removed from any or all Committees or Sub-Committees of the Council for a specified period.~~

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~~9.3 Recommend to the Leader of the Council, in the case of a lead councillor who is found to have failed to comply with the code of conduct, that the councillor be removed from the Executive, or removed from particular portfolio responsibilities.~~

~~9.4 Recommend appropriate training for the councillor/co-opted member.~~

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~~9.5 — Remove the councillor/co-opted member or recommend to the relevant parish council that the member be removed from all outside appointments to which they have been appointed or nominated by the Council or by the parish council for a specified period.~~

~~9.6 — Withdraw or recommend to the relevant parish council that it withdraws facilities provided to the councillor/co-opted member by the Council, such as a computer, website and/or email and internet access for a specified period.~~

~~9.7 — Exclude or recommend that the relevant parish council excludes the councillor/co-opted member from the Council's offices or other premises, with the exception of meeting rooms as necessary for attending Council, Committee and Sub-Committee meetings.~~

~~The Hearings Sub-Committee has no power to suspend or disqualify the member or to withdraw members' or special responsibility allowances.~~

~~10. — What happens at the end of the hearing?~~

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~~At the end of the hearing, the Chairman will state the decision of the Hearings Sub-Committee as to whether the councillor/co-opted member failed to comply with the Code of Conduct and as to any actions which the Sub-Committee resolves to take.~~

~~As soon as reasonably practicable thereafter, the Monitoring Officer shall prepare a formal decision notice in consultation with the Chairman of the Sub-Committee, and send a copy to you, to the councillor/co-opted member and (if applicable) to the relevant parish council. The Monitoring Officer will make that decision notice available for public inspection and report the decision to the next convenient meeting of the Corporate Governance and Standards Committee.~~

~~11. — Who are the Hearings Sub-Committee?~~

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~~The Hearings Sub-Committee is a sub-committee of the Council's Corporate Governance and Standards Committee. The Independent Person is invited to attend all meetings of the Hearings Sub-Committee and his/her views are sought and taken into consideration before the Sub-Committee takes any decision on whether the councillor's/co-opted member's conduct constitutes a failure to comply with the code of conduct and as to any action to be taken following a finding of failure to comply with the code of conduct.~~

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145 Who is the Independent Person?

The Independent Person is a person who has applied for the post following advertisement of a vacancy for the post, and is appointed by a positive vote from a majority of all the members of Council.

A person cannot be "independent" if he/she –

12.1 is, or has been within the past five years, a member, co-opted member or officer of the Council; or

12.2 is, or has been within the past five years, a member, co-opted member or officer of a parish council within the borough; or

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12.3 is a relative, or close friend, of a person within paragraph 11.1 or 11.2 above. For this purpose, “relative” means:

- 12.3.1 Spouse or civil partner;
- 12.3.2 Living with the other person as husband and wife or as if they were civil partners;
- 12.3.3 Grandparent of the other person;
- 12.3.4 A lineal descendent of a grandparent of the other person;
- 12.3.5 A parent, sibling or child of a person within sub-paragraphs 12.3.1 or 12.3.2;
- 12.3.6 A spouse or civil partner of a person within sub-paragraphs 12.3.3, 12.3.4 or 12.3.5; or
- 12.3.7 Living with a person within sub-paragraphs 12.3.3, 12.3.4 or 12.3.5 as husband and wife or as if they were civil partners.

The functions of the Independent Person are as defined in s. 28(7) of the Localism Act 2011 as follows:

- They must be consulted by the Council before it makes a decision on all allegation of misconduct by a councillor/co-opted member that it has decided to investigate or before it decides on action to be taken in respect of that councillor/co-opted member (this means on a decision to take no action where the investigation finds no evidence of breach or, where the investigation finds evidence that there has been a breach, on any local resolution of the complaint, or on any finding of breach and on any decision on action as a result of that finding);
- They may be consulted by the authority in respect of a standards complaint at any stage; and
- They may be consulted by a councillor or co-opted member of the Council or of a parish council against whom a complaint has been made.

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153. Revision of these arrangements

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The Council may by resolution agree to amend these arrangements, and has delegated to the Hearings Sub-Committee the right to depart from these arrangements where the Sub-Committee considers it expedient to do so in order to secure the effective and fair consideration of any matter.

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164. Appeals

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There is no internal right of appeal for you as either the Complainant or for the Subject Member-councillor/co-opted member against a decision of the Monitoring Officer or of the Hearings Sub-Committee.

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If you the Complainant feels that the authority has failed to deal with their your complaint properly, you they may make a complaint to the Local Government Ombudsman.

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Adopted by the Council on: 8 May 2012

Implemented on: 1 July 2012

Amended by the Council on: 9 December 2014

~~Amended further by the on the [] under delegated authority from Council to the Corporate Governance and Standards Committee (acting through the Working Group) on [] acting under delegated authority from the Council given on the 12th April 2016~~

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Communications Strategy in relation to Member Complaints

1. This Strategy aims to set out guidelines on what can be communicated during any ongoing complaint. This covers both public statements to the media and communications with the Subject Member and Complainant and if appropriate the Parish Council.

Statements to the Media

2. This part of the Strategy acts as a simple reference tool for any Councillors or staff who engage with the media. It also helps to manage expectations.
3. The aim of the Strategy is to ensure that the Council is seen to communicate in a professional and objective manner. In all cases, the Council's approach to the media should be:
 - Open and honest whilst respecting the human rights of those parties involved.
 - Responsive and timely.

4. All media communications will be made by the Council's PR and Marketing Manager in consultation with the Monitoring Officer and the Chairman of the Corporate Governance and Standards Committee.

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4.5. _____ At the first stage of the process when a complaint is being assessed it is not usual to make any public statement about a case. However, some matters may be in the public domain at an early stage. Where the Council is asked to comment on an allegation at this stage which has not been assessed, the Council should simply confirm or where appropriate deny the fact that an allegation has been received and is being assessed.

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5.6. _____ Where following assessment no action is to be taken on a case the Council should not proactively draw public attention to an allegation which is not being pursued. However, where a public statement is necessary, the Council should give the reasons why no further action is being pursued.

6.7. _____ Where following assessment some further action is being taken, either the matter is being investigated or some other resolution is being pursued or has occurred, a more pro-active stance may be necessary such as a short statement being made available to confirm the fact e.g. that an investigation is now underway, and that no further comments will be made until the conclusion of the case. Councillors and Officers should not make any comments one way or the other while an investigation is ongoing. All information gathered in the course of an investigation will be regarded as confidential. All parties that are interviewed will be requested to maintain confidentiality and Councillors will be reminded of their obligation under paragraph 3 of the Code of Conduct not to disclose information that they have

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received in confidence. Any draft report issued by an Investigating Officer will be marked "Confidential" to preserve the integrity of any further investigation, the Investigating Officer may need to carry out. Release of confidential information to the media may lead to an investigation being terminated.

7.8. _____ Where some other resolution has been reached, this could be made available with the consent of the Subject Member.

8. Once an investigation has been completed and gone to a hearing the Corporate Governance and Standards Committee will arrange for a summary of the decision and reasons for that decision to be published on the Council's website with the following detail:
 - 8.1 If the Hearings Sub-Committee finds that a Subject Member did not fail to follow the relevant authority's Code of Conduct, the public summary must say this, and give reasons for this finding.
 - 8.2 If the Hearings Sub-Committee finds that a Subject Member failed to follow the Code of Conduct, but that no action is needed, the public summary must say that the Subject Member failed to follow the Code of Conduct, outline what happened and give reasons for the Hearings Sub-Committee's decision not to take any action.
 - 8.4 If the Hearings Sub-Committee finds that a Subject Member failed to follow the Code of Conduct and it sets a sanction, the public summary must say that the Member failed to follow the Code of Conduct, outline what happened, explain what sanction has been set and give reasons for the decision made by the Hearings Sub-Committee.
9. The Corporate Governance and Standards Committee may also make available the minutes and reports of the Hearings Sub-Committee.

Step by Step Guide for the Complainant and Subject Member on the Complaint Process

1. Complaint Form received with supporting evidence in writing by the Monitoring Officer who acknowledges the complaint within 5 working days and may seek additional information/supporting evidence if required.
2. Initial Jurisdiction Test, is then undertaken, within a further 5 working days, once all requested additional information is received.
3. If the complaint does not pass the Initial Jurisdiction Test this is the end of the matter and the Complainant will be notified in writing within 5 working days of the Initial Jurisdiction Test being completed.
4. If the matter passes the Initial Jurisdiction Test the Subject Member is contacted regarding the Complaint and is given a right of reply to the Complaint. The Subject Member will be given 10 working days to respond or longer if in the opinion of the Monitoring Officer circumstances warrant it.

5. The Monitoring Officer will consult and obtain the views of the Independent Person and in consultation with the Independent Person will assess the Complaint using the Assessment Test criteria and make a decision in relation to the Complaint using the Decision Notice which will evidence how the Complaint was assessed. If a decision is made that there is no action to be taken in relation to the Complaint the reasons for this will be clearly set out on the Decision Notice and the parties will be informed accordingly. The decision taken by the Monitoring Officer can usually be achieved within 20 working days of receipt of the original complaint. This time limit will be exceeded if the Complaint needs to be referred for a decision to the Assessment Sub-Committee of the Corporate Governance & Standards Committee. The result of the assessment will be sent to the Complainant and Subject Member and if relevant the Parish Council.
6. The Monitoring Officer may attempt an informal resolution to the case such as mediation, apology, training or even referral to the Parish Council for a possible local resolution if the complaint is about a Parish Councillor.
7. If there is potentially criminal conduct or a breach of other regulations the complaint could be referred to the Police and no further action will be taken on the case until the Police have concluded their investigations and made a decision on whether matters will be pursued further.
8. Alternatively, the Monitoring Officer ~~may~~ decide that the case merits an investigation, necessitating the appointment of an Investigator. A realistic time frame will be set for the appointment of an investigator and how long the investigation will take, depending on the nature of the case.
9. The Investigator issues a draft report, which will need to be finalised taking account of comments received from the Complainant, Subject Member and Monitoring Officer who may wish to liaise with the Independent Person.
10. Once the Investigator's report achieves final report status the Monitoring Officer in consultation with the Independent Person has to decide whether there will be no further action on the Complaint, ~~to propose or agrees~~ informal resolution or ~~to refer~~ the matter for ~~determination~~ investigation via the Hearings Sub-Committee
11. The Hearings Sub-Committee will decide whether there has been a breach of the Code of Conduct and if so whether any sanctions should be applied. In the case of a Parish Council complaint, the Hearings Sub-Committee can only make a recommendation to the Parish Council on their findings and a recommendation on any sanctions they believe should be implemented. The decision of the Hearings Sub-Committee takes place in consultation with the Independent Person and if a Parish Council matter the co-opted Parish Member of the Corporate Governance & Standards Committee.
12. The decision of the Hearings Sub-Committee will be issued within 10 working days and published on the Council's web-site.

(Insert flow chart – code of conduct complaints)

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Procedure for Local Investigation of Assessed Complaint

Appointment of Investigating Officer

1. Following the decision of the Monitoring Officer to investigate the allegation or upon receipt of the referral to the Monitoring Officer from the Local Assessment Sub-Committee for an investigation, the Monitoring Officer will appoint an Investigating Officer in respect of the allegation and instruct him or her to conduct an investigation of the allegation and to report thereon to the Monitoring Officer. The Investigating Officer may be an officer of the Council authority, an officer of another local authority, or an external Investigating Officer.
2. There are two distinct roles: that of the Investigating Officer and that of legal advisor to any Hearing Sub-Committee. The Monitoring Officer may him or herself take on the role of Investigating Officer but where he or she does so the role of the legal advisor will need to be re-allocated.
3. The Monitoring Officer may appoint an external investigator (including an officer from another council) where for example:
 - (a) The complaint looks likely to raise particularly complex or sensitive issues;
 - (b) There is insufficient expertise within the Council to carry out the investigation;
 - (c) There is insufficient capacity within the Council to carry out the investigation;
 - ~~(e)~~(d) A conflict has or may be perceived to have arisen.
4. The decision whether to use an external investigator is at the discretion of the Monitoring Officer and will be made following consultation with the Independent Person and where appropriate, a Parish Member from the Corporate Governance and Standards Committee.
5. External Investigators will be appointed in accordance with the Council's procurement rules set out in its Constitution (insert link). The procurement process will include the establishment of an agreed investigation methodology, which will be fair and auditable.

Notification of Investigation to the Subject Member

6. The Monitoring Officer will notify in writing the Subject Member :
 - 6.1 that the allegation has been referred for local investigation and possible hearing;
 - 6.2 remind the Subject Member of the identity of the person making the allegation (unless identification of the complainant might prejudice the investigation or put the complainant at risk);
 - 6.3 remind the Subject Member of the conduct which is the subject of the allegation;

- 6.4 remind the Subject Member of the paragraph(s) of the Code of Conduct which appear to be relevant to the allegation(s);
- 6.5 of the procedure which will be followed in respect of the allegation;
- 6.6 of the identity of the Investigating Officer
- 6.7 of the identity of the Independent Person whose views may be sought by the Member; and
- 6.8 of the identity of the Parish Member whose views may be sought by the Subject Member if the Subject Member is a Parish Councillor.

7. The Monitoring Officer shall provide the Member with a copy of the complaint.

8. In very exceptional cases, where the Monitoring Officer has reason to believe that there is a serious risk of intimidation of witnesses or destruction of evidence, the Monitoring Officer may initiate an investigation before notifying the Subject Member.

Notification to the Complainant

9. At the same time as notifying the Subject Member, the Monitoring Officer will notify the Complainant in writing of the matters set out above.

Notification to the Corporate Governance and Standards Committee

10. At the same time as notifying the Subject Member, the Monitoring Officer will notify the Chairman of the Corporate Governance and Standards Committee in writing of the matters set out above.

Notification to the Parish Council Clerk

11. Where the allegation relates to the conduct of a Subject Member of a Parish Council in his or her capacity as such, at the same time as notifying the Subject Member, the Monitoring Officer will notify the Clerk of the Parish Council concerned in writing of the matters set out above.

Investigation Process

12. The agreed process may be the standard procedure used by the external investigator. As a minimum, the Investigating Officer will interview the Complainant, the Subject Member and, where possible, any witnesses to the event or events that are the substance of the complaint. The Investigating Officer will produce notes of these meetings that will be signed by the interviewees as fair records of what was said in the interviews. If the complaint is complex or serious, the Investigating Officer will produce formal, signed statements.

13. Interviews may be recorded where appropriate.

14. The Monitoring Officer will agree with the Investigating Officer the scope and parameters of the investigation before an investigation starts. However, these may change during the course of an investigation depending on the findings of that investigation. Any changes will be agreed with the Monitoring Officer by the Investigating Officer and this agreement will be documented.

Initial Response of the Subject Member

15. The Monitoring Officer should request the Subject Member to respond to the Investigating Officer in writing within 14 days of notification as follows:
- (a) advising the Investigating Officer whether the Member admits or denies the breach of the Code of Conduct which is the subject of the allegation;
 - (b) listing any documents which the Subject Member would wish the Investigating Officer to take into account in any investigation of the allegation, where possible providing copies of these documents and informing the Investigating Officer of where the original documents may be inspected;
 - (c) providing the Investigating Officer with the name, address and telephone number (or other appropriate contact details) of any person or organisation whom the Subject Member would wish the Investigating Officer to interview in the course of any investigation of the allegation; and
 - (d) providing the Investigating Officer with any information which the Subject Member would wish the Investigating Officer to seek from any person or organisation.

Supporting information from the Complainant

16. In notifying the complainant as above, the Monitoring Officer will request the Complainant to respond to the Investigating Officer within 14 days of notification as follows:
- (a) listing any document which the Complainant would wish the Investigating Officer to take into account in any investigation of the allegation, where possible providing copies of these documents, and informing the Investigating Officer of where the original documents may be inspected;
 - (b) providing the Investigating Officer with the name, address and telephone number (or other appropriate contact details) of any person or organisation whom the Complainant would wish the Investigating Officer to interview in the course of any investigation; and
 - (c) providing the Investigating Officer with any information which the Complainant would wish the Investigating Officer to seek from any person or organisation.
17. The Subject Member has a duty to cooperate with any investigation and to respond promptly and to comply with any reasonable requests from the Investigating Officer for such things as interviews, comments on draft meeting notes or the provision of information necessary for the conduct of an investigation.

Confidentiality

18. It is important that confidentiality is maintained throughout the investigation and that details of the complaint are not disclosed to any third party, unless disclosure is to a representative, witness, immediate family members, or otherwise as may be required by law or regulation. However, the fact that an investigation is being conducted does not need to remain confidential.

Termination of an Investigation

19. In exceptional circumstances, the Monitoring Officer may stop an investigation before it is finished, for example where confidential information has been released to the media, if the Subject Member dies, has a long term or serious illness, loses his or her seat or stands down and it is deemed no longer in the public interest to pursue the matter further. If the Monitoring Officer stops the Investigation early, he/she will give their reasons to the Subject Member and the Complainant.
20. The Investigating Officer may terminate their investigation at any point, where they are satisfied that they have sufficient information to enable them to report to the Monitoring Officer or Hearings Sub-Committee.

Reference to Police or other regulatory agencies

21. At any point in the course of the investigation, if the Investigating Officer is of the opinion the complaint identifies criminal conduct or breach of other regulation by any person he or she should may, after consulting the Monitoring Officer, suspend his or her investigation, and the Monitoring Officer shall then request the police or other regulatory agency to investigate the matter.
22. Where the police or other agency does investigate the matter, the Monitoring Officer shall ensure that the Subject Member, the Complainant, the members of the Corporate Governance and Standards Committee and if appropriate the Parish Council are informed at the appropriate time. Where the police or other regulatory agency declines to undertake the investigation, the Monitoring Officer shall instruct the Investigating Officer to resume his or her investigation.

The Draft Report

23. When the Investigating Officer is satisfied that he or she has sufficient information or has obtained as much information as is likely to be reasonably capable of being obtained, he or she shall prepare a draft report setting out:
 - 23.1 the details of the allegation;
 - 23.2 the relevant provisions of the Code of Conduct;
 - 23.3 the Subject Member's initial response to the allegation(s) (if any);
 - 23.4 the relevant information, advice and explanations which he or she has obtained in the course of the investigation;
 - 23.5 a list of any documents relevant to the matter;
 - 23.6 a list of those persons whom he or she has interviewed and those organisations from whom he or she has sought information;
 - 23.7 a note of any person or organisation who has failed to co-operate with the investigation and the manner in which they have failed to co-operate;
 - 23.8 a statement of his or her draft findings of fact;
 - 23.9 his or her conclusion as to whether the Subject Member has or has not failed to comply with the Code of Conduct;
 - 23.10 any recommendations which the Investigating Officer is minded to make to the Hearings Sub-Committee. Where the allegation relates to a Parish Councillor, such recommendations would be recommendations which the

Investigating Officer would recommend the Hearings Sub-Committee make to the Parish Council.

24. The draft report should also state that the report does not necessarily represent the Investigating Officer's final finding and that the Investigating Officer will be in a position to present a final report to the Hearings Sub-Committee once he or she has considered any comments received on the draft report.
25. The Investigating Officer shall then send a copy of his or her draft report to the Subject Member and the Complainant and request that they send any comments thereon to him or her within 14 days. The draft report will be clearly labelled 'DRAFT' and 'CONFIDENTIAL'.

The Final Report

26. After the expiry of that period (or such extended period as the Investigating Officer may allow), the Investigating Officer shall reconsider and amend his or her draft report in the light of any comments received and produce and send to the Monitoring Officer his or her final report. The report will be clearly labelled 'FINAL'.

What happens if the Investigating Officer concludes that there is no evidence of a failure to comply with the Code of Conduct?

27. The Monitoring Officer will review the Investigating Officer's report and, if he or she is satisfied that the Investigating Officer's report is sufficient, the Monitoring Officer will write to the Complainant and the Subject Member and to the relevant Parish ~~Clerk~~council, where the complaint relates to a Parish Councillor. The Monitoring Officer will notify them that he or she is satisfied that no further action is required. The Monitoring Office will give both the Complainant and the Subject Member a copy of the Investigating Officer's final report. If the Monitoring Officer is not satisfied that the investigation has been conducted properly, he or she may ask the Investigating Officer to reconsider his or her report.

What happens if the Investigating Officer concludes that there is evidence of a failure to comply with the Code of Conduct?

28. The Monitoring Officer will review the Investigating Officer's report and will then either send the matter for local hearing before the Hearings Sub-Committee or, after consulting the Independent Person, seek local resolution.

28.1 Local Resolution

The Monitoring Officer may consider that the matter can reasonably be resolved without the need for a hearing. In such a case, he or she will consult with the Independent Person and with the Complainant and seek to agree a fair resolution that also helps to ensure higher standards of conduct for the future.

If the Complainant will not agree with the Monitoring Officer's proposed resolution and the Monitoring Officer considers that the failure to agree is unreasonable, he or she may impose the resolution if he or she believes that it is not in the public interest to pursue the matter further (assuming that it is accepted by the Subject Member).

Such resolution may include the Subject Member accepting that their conduct was unacceptable and offering an apology, and/or other remedial action ~~by the authority~~. If the Subject Member complies with the suggested resolution, the Monitoring Officer will report the matter to the Corporate Governance and Standards Committee (and the relevant Parish Council where the complaint refers to a Parish Councillor) for information, but will take no further action. If the Complainant did not agree with the informal resolution, the Monitoring Officer will record that disagreement in his report to the Corporate Governance and Standards Committee along with his or her reasons for imposing the resolution.

28.2 Local Hearing

If the Monitoring Officer considers that a local resolution is not appropriate, or the Subject Member concerned is not prepared to undertake any proposed remedial action, then the Monitoring Officer will take the Investigating Officer's report to the Hearings Sub-Committee. The Hearings Sub-Committee will conduct a local hearing before deciding whether the Subject Member has failed to comply with the Code of Conduct and, if so, whether to take any action in respect of the Subject Member.

The Monitoring Officer is able to continue to attempt local resolution up to the time the Hearings Sub-Committee takes place after consulting with the Independent Person.

Notification of the Hearing

29. The Monitoring Officer shall ensure that, when the agenda for the Hearings Sub-Committee is sent out to members of the Hearings Sub-Committee, including the final report, the agenda and the report are also sent at the same time to:

29.1 the Subject Member

29.2 the Complainant; and

29.3 the Clerk to the Parish Council if the subject Member is a parish councillor.

30. The Hearings Sub-Committee will be convened to determine the outcome of the Complaint in accordance with the document entitled "Local Determination of Complaints About Members – Guidance for Members".

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LOCAL DETERMINATION OF COMPLAINTS ABOUT MEMBERS

Guidance for Members

The Corporate Governance and Standards Committee's responsibilities

The need for a hearing

1. The Corporate Governance and Standards Committee will seek to hold a hearing in relation to an allegation within three months of receiving the Investigation Report. The hearing will be conducted by a Sub-Committee of the Corporate Governance and Standards Committee known as the Hearings Sub-Committee.

Before the hearing

The pre-hearing process

2. The Corporate Governance and Standards Committee will use a written pre-hearing process in order to allow the hearing to proceed fairly and efficiently.
3. The Subject Member will be asked to provide the following information to the Monitoring Officer:
 - 3.1 to identify those paragraphs in the Investigating Officer's Report which the Subject Member agrees with and those paragraphs in the Report that the Subject Member disagrees with and the reasons for such disagreement;
 - 3.2 to identify any further documentary evidence which the Subject Member would like to rely upon at the hearing;
 - 3.3 to ascertain if they are going to attend the hearing and if they are going to represent themselves or whether they are going to employ someone to represent them in which case they should provide the details of their representative prior to the hearing;
 - 3.4 to give reasons whether the whole or any part of the hearing should be held in private and whether any of the documentation supplied to the Hearings Sub-Committee should be withheld from the public.
4. The Investigating Officer will also be asked to comment on the [Subject](#) Member's response within a set time to say whether or not he or she :
 - 4.1 will be represented at the hearing
 - 4.2 wants to call witnesses to give evidence to the sub-co90mmittee
 - 4.3 wants any part of the hearing conducted in private [and why](#)
 - 4.4 wants any part of the Investigating Officer's report or other relevant documents to be withheld from the public [and why](#).

5. The Monitoring Officer will endeavour to accommodate the availability of the parties attending the hearing before notifying the parties of the date, time and place for the hearing.

The Hearing

Preliminary

6. The members of the sub-committee will be selected by the Monitoring Officer after having consulted the Chairman of the Corporate Governance and Standards Committee.

The Order of Business

7. The order of business will be as follows, subject to the Chairman exercising discretion and amending the order of business, where they consider that it is expedient to do so in order to secure the effective and fair consideration of any matter:
 - 7.1 Appointment of a Chairman.
 - 7.2 Apologies for absence.
 - 7.3 Declarations of interests.
 - 7.4 The Chairman shall confirm that the Hearings Sub-Committee is quorate.
 - 7.5 In the absence of the Subject Member, consideration as to whether to adjourn or to proceed with the hearing.
 - 7.6 Introduction by the Chairman, of Members of the Hearings Sub-Committee, the Independent Person, [the Parish Member \(if the complaint involves a parish councillor\)](#), the Monitoring Officer or Legal Advisor to the Sub-Committee, Investigating Officer, Complainant(s) and the Subject Member and their representative (if appointed).
 - 7.7 To receive representations from the Monitoring Officer, [the Investigating Officer](#) and ~~or~~ Subject Member as to whether any part of the hearing should be held in private and/or whether any documents (or parts thereof) should be withheld from the public/press (subject to Schedule 12A Local Government Act 1972 (as amended)).
 - 7.8 To determine whether the public/press are to be excluded from any part of the meeting and/or whether any documents (or parts thereof) should be withheld from the public/press.
- 4.8 The Hearings Sub-Committee may adjourn the hearing at any time.

Presentation of the Complaint

8. The Investigating Officer presents their report including any documentary evidence or other material and calls any complainant witnesses.
9. The Hearings Sub-Committee will give the Subject Member the opportunity to ask any questions regarding the evidence presented through the Chair.
10. The Hearings Sub-Committee may question the Investigating Officer upon the content of his or her report and any complainant witnesses.

Presentation of the Subject Member's case

11. The Subject Member or their representative presents their case and calls their witnesses.
12. The Hearings Sub-Committee will give the Investigating Officer the opportunity to ask any questions regarding the evidence presented through the Chair.

13. The Hearings sub-committee may question the Subject Member upon the contents of their case and any subject Member witnesses.

Summing up

14. The Investigating Officer sums up the complaint.

15. The Subject Member or their representative sums up their case.

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Views/Submissions of the Independent Person/Parish Member Representative

16. The Chairman will invite the Independent Person, and the Parish Member Representative if the Subject Member is a Parish Councillor, to express their view on whether they consider that on the facts presented to the Hearings Sub-Committee, there has been a breach of the Code of Conduct or no breach as the case may be. The Independent Person, and the Parish Member Representative may comment at this stage whether any sanctions may be appropriate.

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Deliberations of the Standards Hearings Sub Committee

17. The Hearings Sub-Committee will adjourn the hearing and deliberate in private (assisted on matters of law by a legal advisor) to consider whether on the facts found, the Subject Member has failed to comply with the Code of Conduct. Where the legal adviser assists on matters of law an explanation of this will be provided when the Hearings Sub-committee reconvenes in public.

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18. The Hearings Sub-Committee will consider the views expressed by the Independent Person and the Parish Representative (as appropriate) prior to reaching a decision(s) including any views of the Independent Person and the Parish Representative (if appropriate) on sanction(s) to be applied and/or recommendations to the The Hearings Sub-Committee may, at any time, come out of private session and reconvene the hearing in public, in order to seek additional evidence from the Investigating Officer, the Subject Member or the witnesses. If further information to

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assist the Hearings- Sub Committee cannot be presented, then the Hearings Sub-Committee may adjourn the hearing and issue directions as to the additional evidence required and by whom.

Borough or Parish Council or Monitoring Officer.

19. The Hearing Sub -Committee will make its decision on the balance of probability based on the evidence before it during the hearing.

16.

17-20. Where the complaint has a number of aspects, the Hearings Sub -Committee may reach a finding, apply a sanction and /or make a recommendation on each aspect separately.

~~18-19. The Hearing Sub -Committee will make its decision on the balance of probability, based on the evidence before it during the hearing.~~

~~19. The Hearings Sub -Committee may, at any time, come out of private session and reconvene the hearing in public, in order to seek additional evidence from the Investigating Officer, the Subject Member or the witnesses. If further information to assist the Hearings Sub Committee cannot be presented, then the Hearings Sub -Committee may adjourn the hearing and issue directions as to the additional evidence required and by whom.~~

20-21. Having deliberated on its decision and/or recommendations(s) and the application of any sanction(s), the Hearings Sub-Committee will reconvene the hearing in public and the Chairman will announce that, on the facts presented, the Hearings Sub- Committee considers that there has been a breach of the Code of Conduct, or no breach, as the case may be.

24-22. If the Hearing Sub- Committee considers that there has been **no breach of the Code of Conduct** the Hearings Sub- Committee will set out the principal reasons for the decision. In reaching its decision the Hearings Sub- Committee may make any recommendations to the authority it considers may facilitate and enhance ethical standards within the authority. The Chairman will also announce that the Sub Committee's full decision and reasons will be issued by the Monitoring Officer, in writing within approximately 10 working days following the close of the hearing.

22-23. If the Hearings Sub- Committee decides that there has been **a breach of the Code of Conduct** , the Chairman will announce the principal reasons for the decision and the sanction(s) the Sub- Committee is minded to apply and/or any recommendation(s) to the Borough or Parish Council and/or the Monitoring Officer.

23-24. The Chairman will invite the Independent Person, the Parish Member (if the complaint involves a parish councillor) , the Investigating Officer and the Subject

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Member, ~~the Monitoring Officer and the Investigating Officer~~ to make their representations as to whether any sanction(s) should be applied and what form any sanction(s) should take. The Independent Person and the Parish ~~Member representative~~ (if appropriate) will be invited to express their view on any recommendation(s) to the Borough or Parish Council or Monitoring Officer.

Having heard the representation/views, the Hearings Sub- Committee will adjourn and deliberate in private.

~~24.25.~~ Having deliberated on the suggested sanctions and/or recommendations(s) and the application of any sanctions(s), and having taken into account the Independent Person's views, the Hearings Sub- Committee will reconvene the hearing in public and the Chairman will announce:

- whether any sanctions are to be applied (sanctions can only be recommended if a Parish Council matter).
- Whether any recommendations will be made to the Borough or Parish Council.
- That the Sub- Committee's full decision and reasons will be issued by the Monitoring Officer, in writing within approximately 10 working days following the close of the hearing.
- That the decision will be published on the Borough Council's website; and
- That there is no right of appeal against the Hearings Sub- Committee decision(s) and/or recommendations(s).

Range of Possible Sanctions

~~264~~ The Corporate Governance and Standards Committee has delegated to the Hearings Sub-Committee such of its powers to take action in respect of the Subject Member as may be necessary to promote and maintain high standards of conduct. Accordingly, the Hearings Sub-Committee may:

~~264.1~~ Publish and report its findings in respect of the Subject Member's conduct to a meeting of the full Council (or to the relevant Parish Council) for information and recommending that the Subject Member makes a public apology at that meeting.

~~264.2~~ Recommend to the Subject Member's political group leader (or in the case of an un-grouped Subject Member, recommend to Council or to Committees) that they be removed from any or all Committees or Sub-Committees of the Council for a specified period.

~~264.3~~ Recommend to the Leader of the Council, in the case of an ~~Executive lead~~ Subject Member, who is found to have failed to comply with the Code of Conduct, that the Subject Member be removed from the Executive, or removed from particular portfolio responsibilities

~~264.4~~ Recommend to Council or to the relevant Parish Council, appropriate training or participation in conciliation or mediation for the Subject Member.

~~264.5~~ Recommendation to Council or the relevant Parish Council that the Subject Member be removed from all outside appointments to which they have been

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appointed or nominated by the Council or by the Parish Council for a specified period.

264.6 Withdraw or recommend to the relevant Parish Council that it withdraws facilities provided to the Subject Member by the Council, such as a computer, website and/or e-mail and internet access for a specified period.

264.7 Exclude or recommend that the relevant Parish Council excludes the Subject Member from the Council's offices or other premises, with the exception of meeting rooms as necessary for attending Council, Committee and Sub-Committee meetings.

264.8 ~~The i~~ssuing of a formal letter.

264.9 Issue a formal reprimand of the Subject Member.

264.10

The Hearings Sub-Committee cannot suspend a Subject Member, withdraw a Subject Member's allowance, impose financial penalties, award compensation or make an award of costs.

Matters to Consider when Applying a Sanction

272. When deciding whether to apply one or more sanctions referred to above the Hearings Sub-Committee will ensure that the application of any sanction is reasonable and proportionate to the Subject Member's behaviour and that any sanction does not unduly restrict the Subject Member's ability to perform the functions of a councillor. The Hearings-Sub Committee will consider the following questions along with any other relevant circumstances raised at the hearing:

- (a) What was the Subject Member's intention and did they know that they were failing to follow the Borough or Parish Council's Code of Conduct?
- (b) Did the Subject Member receive relevant advice from officers before the incident and was that advice acted on in good faith?
- (c) Has there been a relevant breach of trust?
- (d) Has there been financial impropriety, e.g. improper expense claims or procedural irregularities?
- (e) What was the result/impact of failing to follow the Borough or Parish Council's Code of Conduct?
- (f) How serious was the incident?
- (g) Does the Subject Member accept that they were at fault?
- (h) Did the Subject Member apologise to the relevant persons?
- (i) Has the Subject Member previously been warned or reprimanded for similar misconduct?
- (j) Has there been a relevant previous breach by the Subject Member of the Borough or Parish Council's Code of Conduct?
- (k) Is there likely to be a repetition of the incident?

- (l) Was it a deliberate breach of the code or was it inadvertent (i.e. the Member thought that he/she was acting in a private capacity)? If capacity is an issue the Hearings Sub-Committee will need to give reasons for its decision that the Subject Member was or was not acting publicly.

23. The Chairman will announce the Hearings Sub-Committee's decision.

The written decision

24. The Hearings Sub-Committee will announce its decision on the day and provide a short written decision on that day. It will also issue a full written decision approximately 14 days after the end of the hearing to:

24.1 The Subject Member;

24.2 The Complainant;

24.3 The clerk to aAny Parish Council concerned.

Making the findings public

25. The Corporate Governance and Standards Committee will also arrange for a summary of the decision and reasons for that decision to be published on the Council's website.

26. If the Hearings Sub-Committee finds that a Subject Member did not fail to follow the relevant authority's Code of Conduct, the public summary must say this, and give reasons for this finding.

27. If the Hearings Sub-Committee finds that a Subject Member failed to follow the Code of Conduct, but that no action is needed, the public summary must say that the Subject Member failed to follow the Code of Conduct, outline what happened and give reasons for the Hearings Sub-Committee's decision not to take any action.

28. If the Hearings Sub-Committee finds that a Subject Member failed to follow the Code of Conduct and it sets a sanction, the public summary must say that the Member failed to follow the Code of Conduct, outline what happened, explain what sanction has been set and give reasons for the decision made by the Hearings Sub-Committee.

Costs

29. Subject Members are responsible for meeting the cost of any representation at a Hearings Sub-Committee meeting. The Hearings Sub-Committee cannot make orders as to costs. Neither the Borough Council nor a Parish Council can contribute to the Subject Member's costs or the Complainant's costs or indemnify a Subject Member against costs which he or she may incur.

Appeals

30. There is no internal right of appeal for a Member against a finding by the Hearings Sub-Committee following a hearing.

Variation

31. The Monitoring Officer or the Hearings Sub-Committee may vary this procedure in any particular instance where he ~~or~~ she or they is/are of the opinion that such a variation is desirable and does not conflict with statutory requirements.

Note: Human Rights

The Human Rights Act 1998 incorporates the European Convention on Human Rights and makes it unlawful for a local authority to act in a way which is incompatible with a convention right. The Hearings Sub-Committee will have regard to the Human Rights Act when exercising its hearing functions, with particular reference to the following provisions:

- Article 6 –in the determination of civil rights and obligations, everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law
- Article 8 – everyone has the right to respect for his/her home and private and family life
- Article 1 – of the first protocol – every person is entitled to the peaceful enjoyment of his/her possessions

Police Protocol

Application

1. This policy applies to Guildford Borough Council and to the Police in the handling and investigation of alleged criminal offences created by Section 34 of the Localism Act 2011 and specifically related to Disclosable Pecuniary Interests (DPIs). However, there may be other wider or more substantial criminal activity identified in any complaint as referred to in paragraphs 16 17 and 18 of this Protocol which the Police may need to investigate and as a result the principles of this Protocol will also be mirrored in any such investigation regarding wider or more substantial criminal activity.
2. DPI offences apply to elected members (Councillors) and voting co-opted members of Guildford Borough Council and Parish Councils within the Borough and also encompasses those interests of their spouses or partners living at the same address.

Purpose

3. The purpose of this policy is to:
 - (a) Provide guidance and clarify the role of the Monitoring Officer and the Police in the handling of complaints relating to DPIs;
 - (b) Provide guidance on the initial investigation and handling by the Police, of alleged criminal offences relating to DPIs;
 - (c) Assist Police officers and staff in identifying and correctly categorising alleged DPI offences;
 - (d) Avoid prejudicing any prosecution and/or continuing investigation into alleged DPI offences.

Localism Act 2011 Offences – definition and description

4. Section 34 of the Localism Act creates DPI offences that are as follows:

If, without reasonable excuse, a Member:

- (a) **Sections 30(1)** – Fails to notify the Monitoring Officer before the end of 28 days beginning with the day on which he/she becomes and elected member or voting co-opted member, of any DPI which he/she has at the time when the notification is given.
- (b) **Section 31(2)** – Fails to disclose the DPI at Council meetings where the interest is not entered in the Council's register of Members' Interests.
- (c) **Section 31(3)** – Fails to notify the Monitoring Officer of a DPI before the end of 28 days beginning with the date of disclosure at a Council meeting, if the interest is not entered in the Council's register of Members' Interests and is not the subject of a pending notification.
- (d) **Section 31(4)** – Takes part in the discussion or votes, or further discussions or votes, at a Council meeting on matters which are being considered at the meeting in which he/she has a DPI.
- (e) **Section 31(7)** – Fails to notify the Monitoring Officer of a disclosable pecuniary interest before the end of 28 days beginning with the date when he/she becomes

aware that he/she has such an interest in a matter to be dealt with, or being dealt with, by him/her acting alone in the course of discharging a Council function.

False or misleading information – it is also a criminal offence to knowingly or recklessly provide false or misleading information in any of the disclosures or notifications under Sections 30(1), 31(2), 31(3) or 31(7).

5. All the offences are summary only (brought within a period of 12 months beginning with the date on which evidence sufficient in the opinion of the prosecutor to warrant the proceedings came to the prosecutor's knowledge and if proven, could result in the disqualification of the person concerned as well as the imposition of a fine.
6. Investigators should note that whilst these are summary only offences, they require the consent of the Director Public Prosecutions to proceed. There is therefore a level of seriousness attached to these offences but, conversely, they do not allow a specific power of search.
7. As DPI offences apply to and can only be committed by members (Councillors and voting co-opted members of Guildford Borough Council and Parish Councils within the Borough, police officers should be mindful of the need for impartiality to political parties and the potential for media impact on the issues surrounding such offences. An example would be a Council's planning committee dealing with a planning application where there is intense local interest in the outcome.
8. Officers should also be mindful of both local and national elections being held around the dates of the DPI complaints. Although the complaint may be recorded and investigated in the normal manner care should be exercised when approaching any witnesses or suspect about the matter as this could be interpreted as favouring one party or candidate over another.

Classes of persons reporting to the Police

9. It is expected that alleged DPI offences may be reported to the Police from on the following classes of persons, though this list is not exhaustive:
 - (a) Political rival or associate of the named suspect;
 - (b) Council ex-employee;
 - (c) Council's Monitoring Officer;
 - (d) Member of the public;
 - (e) Members of the press;
 - (f) Persons who feel aggrieved at a recent decision of the Council or Subject Member.

Such reports may present as verbal reports, via e-mail or letter, telephone call, local authority complaint form. They may also be made by persons approaching officers on patrol or by way of attendance at the front counter. They may also be made anonymously via any of these routes.

Legal Jurisdiction Criteria Test

10. If the complaint has been made directly to the Council, the Monitoring officer will ensure that legal jurisdiction has been evaluated prior to referring the complaint to the Police.

11. If the complaint has been made directly to the Police, the Police will request that the Monitoring Officer assures them that the following applies prior to further Police involvement:
 - (a) The alleged conduct took place after the commencement of section 34 of the Localism Act 2011.
 - (b) The Subject Member was a member of the Council at the time of the alleged conduct.
 - (c) The Subject Member was acting in an official capacity as a councillor at the time of the alleged conduct.
 - (d) The Subject Member was not acting as a member of another authority at the time of the alleged conduct.
 - (e) If the facts are capable of establishment as a matter of evidence, the alleged conduct could be capable of a breach of the Code of Conduct.
 - (f) That the complaint is not about dissatisfaction with the Council's decisions, policies and priorities.

In the event that the Police receives the assurances set out above then a criminal investigation will be commenced by the Police in line with this protocol and established police procedures. The Subject Member will be put on notice when invited by the Investigating Office to interview under PACE.

In the case that the alleged conduct was committed before the commencement of the Localism Act 2011 or is an expression of dissatisfaction with the Council's decisions or the matter is in relation to a different authority then the complainant should be informed and the matter referred either to the Council's Monitoring Officer or to the other authority.

Allocation to and appointment of Investigating Officer

12. On recording a DPI complaint as an alleged crime, it should be assessed in accordance with Police Policy and allocated to a person of the rank of, no less than, Detective Sergeant, preferably based in a different Division to the area where the alleged offence was committed. This is to minimise the risk of the Investigating Officer and the Subject Member being known to each other in a personal or professional capacity. If the Subject Member is a Police Officer or member of Police staff, the investigation will be referred to the Force Professional Standards Department.
13. Prior to acceptance of the criminal investigation by the Police, the Police will make contact with the Council's Monitoring Officer in order to obtain confirmation that there is legal jurisdiction before the allegation is recorded as a crime and for a Police Investigating Officer to be appointed.

Initial Investigation Review by the Investigating Officer

14. The Investigating Officer must make early contact with the Council Monitoring Officer outlining the nature of the allegation and this should be done as soon as practicable as there are time limits on the prosecution of these offences. The Council's Monitoring Officer will provide assistance with regard to evidential capture. The Monitoring Officer will also determine who within the Council to notify.
15. In liaising with the Monitoring Officer, the Investigating Officer should:

- (a) Request the Subject Member's register of interests be checked and minutes of relevant Council meetings be made available or be sign posted to their whereabouts;
- (b) Inquire whether the Subject Member has been the subject of similar complaints in the past;
- (c) Inquire whether the complainant has made similar complaints in the past;
- (d) Ask for any other relevant material or intelligence on the alleged offence, those persons and witnesses involved or the circumstances surrounding the alleged offence;
- (e) Ask for any other information relating to the DPI complaint that is held by the Council;
- (f) Ascertain whether it is possible through the circumstances complained of, that the Subject Member or another party has benefited by the failure to disclose the DPI;

N.B The Localism Act 2011 requires Monitoring Officer to establish and maintain a register of interests of elected members and voting co-opted members. Sensitive interests (whether or not DPIs) are separately recorded by Monitoring Officers. These are interests where the nature of the interest is such that the member or co-opted member and the Monitoring Officer, consider that disclosure of the details of the interest could lead to the member or co-opted member, or a person connected with the member or co-opted member, being subject to violence or intimidation. As a result the register made available for inspection and any published version of the register must not include details of the interest and the member or co-opted member does not have to disclose the interest but merely the fact that the member or co-opted member has a DPI in the matter concerned.

Circumstances may indicate wider or more substantial criminal activity

- 16. The circumstances of the complaint may also be indicative of a wider, more substantive criminal act.
- 17. The circumstances of the allegation may constitute a substantial crime of:-
 - (a) Bribery as defined by the Bribery Act 2010;
 - (b) Misconduct in public office at common law;
 - (c) Fraud by abuse of position of trust contrary to the Fraud Act 2006; or
 - (e)(d) Other Serious Crime.
- 18. Referral of a complaint as a Serious Crime should only be made where there are substantial grounds for doing so. The essence of the Localism Act is to ensure greater transparency and public accountability and these principles should be mirrored in any Police Investigation.

Conflict of Interest

- 19. Any Officer or member of Police staff who investigates DPI allegations should be mindful of the conflict of interest principles and apply them to their own personal circumstances in relation to the alleged offence being investigated.
- 20. There are real and substantial risks of adverse publicity if the Investigating Officer, statement taker or reviewing officer does not themselves declare any interest

associated with the investigation of the alleged offence. Any Officer or member of Police staff who considers that they or another may have a conflict of interest in relation to such an allegation or investigation must seek advice on this matter from the Police Professional Standards Department or Legal Department.

Crime Recording

21. Offences under s.34 Localism Act 2011 are not notifiable, that is a crime report is not required for Home Office National Crime Recording Standards purposes.
22. However, where an investigating officer identifies a more serious notifiable offence a crime report will be created, for example, fraud offences.

Powers to obtain evidence and proportionality

23. It should be noted that DPI offences under the Localism Act 2011 are summary only offences and therefore, the power to obtain warrants under Section 8 of Police and Criminal Evidence Act is not available to Police Officers.
24. The Investigating Officer should also be mindful of proportionality in the investigation and the need to resolve these alleged DPI offences expeditiously.

Suspect Interviews

25. These should be conducted with a view to the circumstances of the investigation and fully comply with current codes of practice.
26. The Investigating Officer should bear in mind that a lot of investigative work can be avoided by an early account from the suspect of these alleged offences and in early liaison with the Council's Monitoring Officer, that the relevant circumstance that gave rise to the complaint, are actually correctly reported.

Disposal

27. The Police will liaise regularly with the Monitoring Office in confidence to discuss progress of any investigation whether this relates to an alleged DPI offence or other wider or substantial criminal activity arising from a code of conduct complaint and seek to resolve any conflicts.

~~27.~~28. Where the investigation reveals prima facie evidence of a DPI offence having been committed, then this should be pursued and investigated, and the case file submitted to the Crown Prosecution Service for consideration under the Code for Crown Prosecutors (realistic possibility of conviction in the public interest to prosecute).

~~28.~~29. If the matter proceeds to prosecution, the Monitoring Officer and the complainant will be notified accordingly. No further action will be taken by the Monitoring Officer. The results of the prosecution will be notified to the Monitoring Officer and the complainant.

~~29.~~30. If the matter does not proceed to prosecution, the Monitoring Officer and complainant will be notified accordingly. The Monitoring Officer may, on the basis of the Investigating Officer's report, consider what, if any action, to take under the Council's Code of Conduct and arrangements.

~~30-31.~~ It must be borne in mind by supervisors that the disposal of a DPI complaint may attract adverse publicity and potentially call into question the reputation of the Police Force, were a more substantive crime to be overlooked.

~~31-32.~~ Closure of the investigation should be reviewed by an officer of at least the rank of Inspector.

Freedom of Information Requests

~~32-33.~~ The Freedom of Information Act (FOI) imposes a duty on public bodies to 'confirm or deny' whether information is held and to communicate the information if it is held. Where information falls within one of the exemptions, public bodies are not obliged to comply with that duty, however, they may choose to do so in the interests of transparency.

~~33-34.~~ Information held by a public authority for the purpose of investigations is exempt under s.30. Such information held at any time for such purposes is exempt although the public interest in maintaining the exemption must outweigh that in disclosure.

~~34-35.~~ Information which is not exempt under s.30 but relates to law enforcement is covered by the exemption at s.31. Section 31 is prejudice based which means to be engaged, the prejudice to the specified purpose(s) by disclosure must be demonstrated. Again, there is a requirement to conduct a public interest test.

~~35-36.~~ Any information relating to an investigation under this policy need not be disclosed, however, the Reviewing Officer should consider appropriate releases of information and conduct a public interest review with regard to all the circumstances of each case.

~~36-37.~~ No data should be released that would prejudice any persons right to a fair trial at court.

Briefing Note For Members and Co-opted Members on Private Capacity

1. Following the case of *Livingston v Adjudication Panel for England (2006)* the Courts and the law held that the Code of Conduct could only apply to a Member when they are carrying out their role as a Councillor or purporting to be a Councillor. The Localism Act narrowed this definition still further by dropping the reference to 'purporting'. So Code of Conduct matters can only now be dealt with when the allegation is about something a Councillor did in their role as a Councillor, and the Localism Act similarly applies the 'Nolan Principles' only to a Councillor when acting in official capacity.
2. However, there are clearly times when a Councillor does something in their private life which may be perceived as damaging the reputation of the office or council. Examples, are a councillor convicted of benefit fraud or racially-aggravated assault. Although these are extreme examples they illustrate how the office or council can be affected by such actions.

How the Council will Respond to such Matters

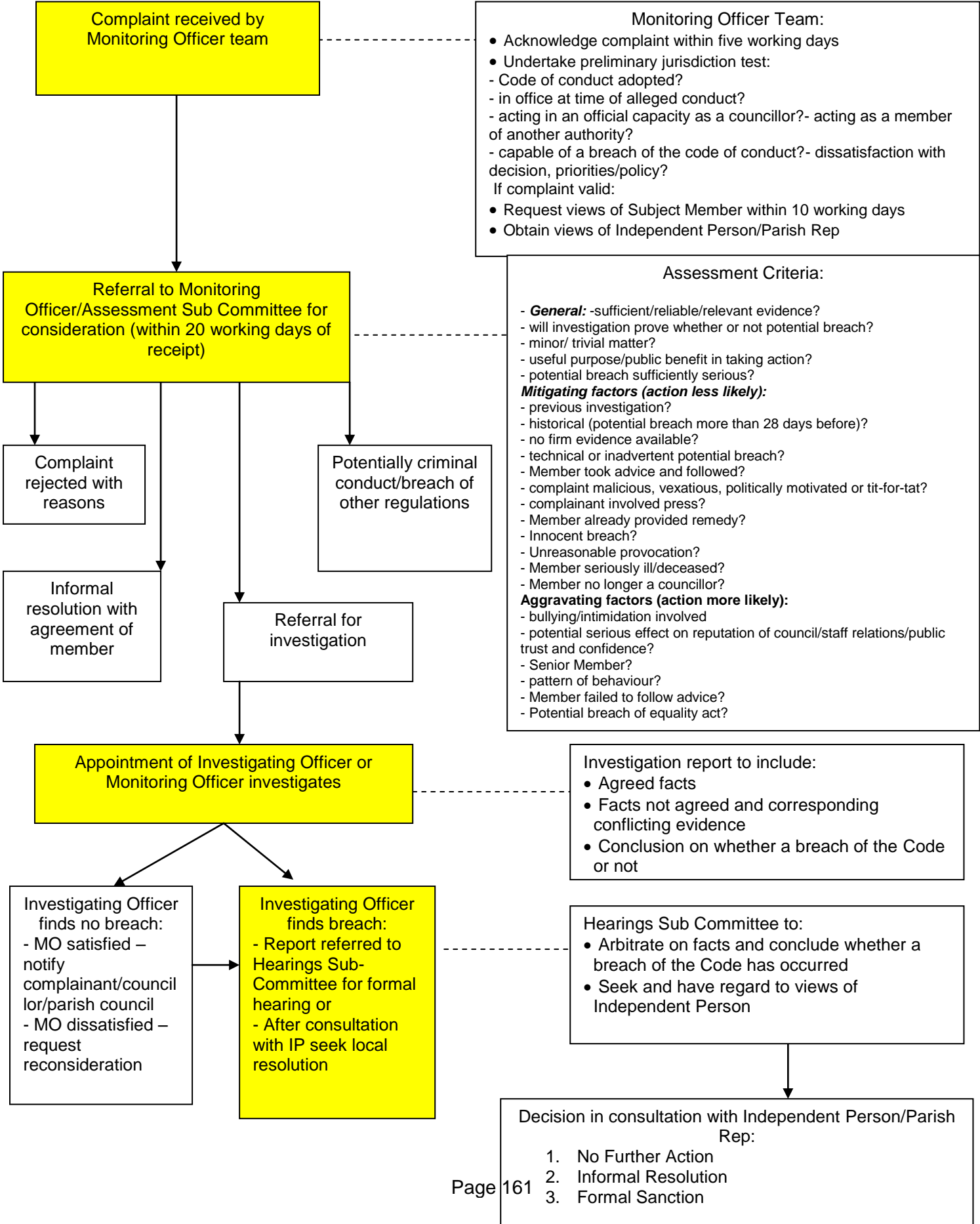
3. Whilst it is accepted that matters arising in a private capacity can cause reputational damage to the Council, it has no jurisdiction to take any formal action in relation to them. Such matters may be dealt with in political groups using group disciplinary procedures, as such groups are not prevented from responding to public disquiet about such matters.
4. Accordingly Group Leaders may wish to take action in whatever forum they think best, if they consider it appropriate, including for example:
 - (a) Recognition that actions in a private capacity can fall below the standards the public expect from its elected officials; adversely affect the Council and its reputation; and bring into question the judgement of a member and/or his/her suitability to hold posts of special responsibility.
 - (b) That members should strive to meet the seven principles referred to in the Localism Act 2011 in their private capacity as well as in their public one:-
 - selflessness;
 - integrity;
 - objectivity;
 - accountability;
 - openness;
 - honesty;
 - leadership
 - (c) In the event that actions in a private capacity breach the above principles and adversely affect the Council and its reputation, Group Disciplinary Procedures may be implemented.

- (d) This action in such circumstance might include removal of the whip, removal from committees; and/or removal from posts of special responsibility

However, every case should be judged on its own merits, including any mitigating circumstances that may be relevant.

Please note that the elements described above do not easily map over to Parish Councils, as many Parishes do not have political groupings. In such circumstances, it is recommended that factors similar to paragraph 3 above are used to inform decision-making by Parish Councils as and when questions of Chairmanships and similar matters are considered.

**CODE OF CONDUCT COMPLAINTS
FLOWCHART**



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Corporate Governance and Standards Committee Report

Wards affected: All

Report of Director of Resources

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: 24 November 2016

Proposed amendments to the Constitution

Executive Summary

This Committee's terms of reference include, under corporate governance activity, the monitoring and review of the operation of the Council's Constitution. In 2014-15, the Council undertook a fundamental review of the Constitution, in order to bring the document up to date and fit for purpose.

This report sets out a number of proposed amendments to the Constitution which are, in summary, as follows:

- (1) In the introductory provisions to the schedule of Proper Officers (Annex I to the scheme of delegation to officers), to clarify that where any proper officer is, for any reason, unable to act or where the relevant post is vacant, the Managing Director or in his/her absence the Deputy Managing Director, shall be authorised in consultation with the Leader of the Council either to undertake that proper officer role themselves or nominate in writing another officer to undertake that role.
- (2) In Council Procedure Rule (CPR) 1.1 (b), to change the start time for the Annual Meeting at the Guildhall from 7pm to 12 noon but with a provision to change the start time if requested by the Mayor elect.
- (3) In CPR 2.2, to change the order of business at Selection Council Meeting so that the election of Leader (at the post-election Selection Council meeting) immediately follows Mayor's Communications and precedes consideration of any written questions, statements or petitions from the public and any written questions from councillors. It is also proposed to allow communications or announcements from the Leader to be made immediately after the election of Leader at the post-election annual meeting.
- (4) In CPR 13 and Public Speaking Procedure Rule 2, to amend the deadline for delivery of written questions from councillors and the public at Council meetings from 12 noon on the fifth working day before the meeting to 12 noon on the third working day before the meeting.

- (5) In CPR 23 (i), to include, for the purposes of clarity and avoidance of doubt, information on the appointment, terms of reference, composition and duration of working groups (appointed by the Leader, a lead councillor or the Executive) and task groups (appointed by Council, a committee or EAB), including the appointment of working/task group chairmen and substitutes.
- (6) In CPR 28 and 29, to make provision for full Council (at its annual Selection meeting) to elect committee and sub-committee chairmen and vice-chairmen, as appropriate, for the ensuing municipal year; and for the committee concerned to elect a chairman or vice-chairman if the office of chairman or vice-chairman becomes vacant during a municipal year.
- (7) To amend the terms of reference of the Executive Advisory Boards to indicate that:
 - (a) full Council, rather than the boards themselves, shall appoint the respective vice-chairmen each year; and
 - (b) the boards may set up '*task groups*' rather than working groups.
- (8) To amend Public Speaking Procedure Rule 2 (b) and (c) so that any question or statement from the public at a full Council meeting must be relevant "*to the functions, powers or duties of the Council*" rather than being "*relevant to the general work or procedure of the Council*".
- (9) In the Petition Scheme:
 - (a) to clarify in the first bullet point of paragraph 2.1 that petitions submitted to the Council must be relevant to the functions, powers or duties of the Council, and that any action sought by the petitioners must also be within the power of the authority,
 - (b) to clarify in paragraph 2.3 that if a petition does not follow the guidelines the Managing Director, in consultation with the relevant Lead Councillor, is authorised to decide not to do anything further with it,
 - (c) to clarify in paragraphs 3.1 and 8.4 that the decision to take no action on a petition considered to be "vexatious, abusive or otherwise inappropriate", or a decision as to the suitability of an e-petition prior to its publication online will be made by the Managing Director, in consultation with the relevant Lead Councillor, and
 - (d) to delete paragraphs 5.9 and 5.10.
- (10) To amend Financial Procedure Rules and officer delegations to the Head of Financial Services to tighten up on rules where delegated authority exists, provide clarification around existing rules, and to reflect updated practices.
- (11) To amend Procurement Procedure Rules so that:
 - (a) in cases, where an exception to the tendering or quotation process is sought, the Director or Head of Service for the service concerned must obtain the consent of the Director of Resources and the Legal Services Manager, in consultation with the Procurement Officer and the Lead Councillor with responsibility for governance; and
 - (b) the requirement for the grant of an Exception for the purpose of accessing a Framework Agreement is removed.

Recommendation to Council (6 December 2016):

That the proposed amendments to the Constitution, as described in paragraphs 3.2, 4.2, 4.4, 4.6, 4.9, 4.10, 4.12, 4.17, 5.2, 5.3, 5.4, 5.5, 5.8, 6.2, 6.3, 6.4, 6.6, 6.7, 7.2, 7.3 and 7.4 and shown with tracked changes in Appendices 1, 2, 3, and 4 of this report, be adopted.

Reason for recommendation:

To clarify inconsistencies and anomalies in council procedures.

1. Purpose of Report

- 1.1 To present proposed changes to the Council's Constitution and to invite the Committee to comment on those changes and make recommendations to Council as appropriate.

2. Strategic Priorities

- 2.1 Delivery of all strategic priorities within the Council's Corporate Plan is dependent on sound decision-making processes as set out in the Constitution.

3. Proposed Amendments to Schedule of Proper Officers (Part 3 of the Constitution)

- 3.1 The term "proper officer" is peculiar to local government. It is a phrase used to identify a person designated as being responsible for a particular function or range of functions. In the schedule of proper officers in Annex I to the scheme of delegation to officers, there are three paragraphs of 'introductory provisions' which set the context for the designation of specified officers as proper officers.
- 3.2 In order to provide clarity as to which officers may act as proper officer in circumstances when the specified officer is incapacitated or otherwise unavailable or the post is vacant, the following amendment is proposed to the 'introductory provisions':

Substitute the following in place of paragraph 2:

~~"2. The Managing Director or proper officer listed is authorised to nominate in writing another officer to undertake these functions during his or her temporary absence. In the event of any officer mentioned below being, for any reason, unable to act or in the event of the relevant post being vacant, the Managing Director or in his/her absence the Deputy Managing Director, shall be authorised in consultation with the Leader of the Council either to undertake that proper officer role themselves or nominate in writing another officer to undertake that role."~~

4. Proposed Amendments to Council Procedure Rules (Part 4 of the Constitution)

Start time for the Annual Meeting

- 4.1 Council Procedure Rule (CPR) 1.1 (b) - Time and Place of the Annual Meeting on page 4-1 of the Constitution currently states that the Annual Meeting of the Council shall be held at the Guildhall commencing at 7pm. Para 1 (4) of Part 1 of Schedule 12 to the Local Government Act 1972 states: "An annual meeting of a principal council shall be held at such hour as the council may fix, or if no hour is so fixed at twelve noon."
- 4.2 It is proposed that the start time for the Annual Meeting should revert back to 12 noon to accord with the default position referred to in the 1972 Act, but with a provision to change

the start time if requested by the Mayor elect. This would require the following amendment to CPR 1.1 (b):

Substitute the following in place of the wording immediately after subparagraph (ii) of CPR 1.1 (b):

“and the meeting shall, unless the Council or the Managing Director, in consultation with the Mayor elect and political group leaders, otherwise direct, be held at the Guildhall, High Street, Guildford commencing at ~~7pm~~ 12 noon.”

Order of business at the post-election Selection Council meeting

4.3 In CPR 2.2 - Business to be transacted at the Selection Meeting (page 4-2 of the Constitution), the election of the Leader of the Council for a four year term of office at the post-election Selection Meeting - item (ix) - currently follows items on questions, statements and petitions from the public and questions from councillors. The effect of this is that any questions, statements or petitions received could not be responded to formally as the Council would not, at that stage, have elected the Leader, and the Leader would not have announced the names of those councillors that he/she had appointed as Deputy Leader or Lead Councillors.

4.4 In order to correct this anomaly, the following amendment is proposed to CPR 2.2:

Move “To elect a Leader for a four year term of office (at the post-election Selection Council meeting)” to immediately after “To receive any communications or announcements from the Mayor” and re-number items accordingly.

4.5 Currently, there is no provision for the Leader of the Council to deliver any communications or announcements to the post-election Selection Council meeting. If the proposed amendment in paragraph 4.4 above is adopted, it follows that once the Leader is elected at the post-election Selection Meeting, he/she should be permitted to deliver any communications or announcements to the meeting as they see fit.

4.6 Accordingly, the following amendment is proposed to what is currently listed in CPR 2.2, as item (vi):

Delete “(except at the post-election Selection Council Meeting)”

Questions from councillors and the public at Council meetings

4.7 CPR 13 provides that councillors wishing to ask a question at full Council meetings must give written notice specifying the question by no later than 12 noon on the fifth working day before the date of the meeting of the Council at which the question is intended to be asked.

4.8 A similar notice period is required in Public Speaking Procedure Rule 2 in respect of members of the public wishing to ask a question at Council meetings.

4.9 Councillors have requested that the above deadlines be relaxed to the third working day before a Council meeting. It is therefore proposed to amend paragraph (b) (i) of CPR 13 as follows:

“(b) A councillor may:

- (i) ask the Mayor, Leader, a lead councillor or the chairman of any committee any question on a matter in relation to which the Council has powers or duties or which affects the Borough provided that written notice, specifying the question, is delivered to the Director of Corporate Services by no later than 12 noon on the ~~fifth~~ **third** working day before the date of the meeting of the Council at which the question is intended to be asked. For the avoidance of doubt, this means that if the meeting is held on a Tuesday, written notice of the question would need to be delivered by 12 noon on the ~~Tuesday~~ **Thursday** of the previous week.”

4.10 It is also proposed to amend paragraph (b) (ii) of Public Speaking Procedure Rule 2 as follows:

- “(ii) In relation to each meeting at which a member of the public wishes to ask a question, notice specifying the question must be given in writing by the questioner and received by the Director of Corporate Services not later than 12 noon on the ~~fifth~~ **third** working day before the day of the meeting. *For the avoidance of doubt, this means that if the meeting is held on a Tuesday, written notice of the question would need to be delivered by 12 noon on the Thursday of the previous week.*”

Working Groups

4.11 The Constitution currently refers to the provision for committees and the Leader/Executive to appoint working groups for such purposes as they shall specify within their terms of reference, and a requirement for the body appointing them to review at least annually whether the working groups should continue. It is suggested that, for the purposes of clarity and avoidance of doubt, the Constitution should:

- (a) distinguish between *working groups*, which may only be appointed by the Leader, a Lead Councillor, or the Executive and *task groups* which are appointed by the Council or any committee or EAB. A ‘*Task and Finish Group*’ may only be established by the Overview and Scrutiny Committee for the purposes described in Overview and Scrutiny Procedure Rules; and
- (b) include information on the appointment, terms of reference, composition and duration of working groups and task groups, including the appointment of their chairmen and the position regarding the use of substitutes.

4.12 Accordingly, the following amendments are proposed:

(a) In CPR 23, delete paragraph (i) Appointment of Working Groups

(b) Insert new CPR 24 as follows and re-number subsequent CPRs accordingly:

“24. APPOINTMENT OF WORKING GROUPS AND TASK GROUPS

Working groups appointed by the Leader, a Lead Councillor, or the Executive

Appointment, terms of reference, composition and duration

- The Leader, a lead councillor, or the Executive (“the appointing body”) may appoint working groups for such purpose(s) as they shall specify, provided that no such working group shall exercise decision-making powers.
- The appointing body shall determine:
 - (i) the terms of reference of a working group,
 - (ii) the number of councillors on a working group,
 - (iii) whether such working group should be cross-party (i.e. include councillors from more than two political groups), and
 - (iv) the time for which the working group is expected to operate
- The appointing body may appoint individual councillors to a working group, or ask political group leaders to nominate councillors for membership of a working group in accordance with the number of seats each political group has been allocated to that working group.
- Membership of a working group will normally comprise councillors but the appointing body may, if they consider it appropriate, appoint officers of the Council or persons from outside the authority to a working group, but only in an advisory capacity.

Appointment of Chairman

- The appointing body shall have absolute discretion over the appointment of chairman of a working group.

Substitutes

- Unless otherwise decided by the appointing body, substitutes are permitted to serve as members of working groups at any meeting at which another member of the same political group is absent for the entire meeting.

Who may attend meetings of working groups

- A councillor shall not be entitled to attend meetings of working groups unless appointed as a member or substitute or with the agreement of the Chairman of the working group.
- The public may not attend meetings of working groups.

Proceedings to remain Confidential

- The proceedings of meetings of working groups, including any written material circulated to or considered by a working group, will remain confidential until they have been made public with the authority of the appointing body.

Reporting back to the appointing body

- A working group shall, periodically, report back the results of their work, including recommendations where appropriate, to the appointing body.

Annual review

- Continuation of working groups to be reviewed annually by the appointing body”.

Task groups appointed by the Council, a committee or Executive Advisory Board

Appointment, terms of reference, composition and duration

- The Council or any committee, or Executive Advisory Board (“the appointing body”) may appoint task groups for such purpose(s) as they shall specify, provided that no task group shall exercise decision-making powers.
- The appointing body shall determine:
 - (i) the terms of reference of a task group,
 - (ii) the number of councillors on a task group,
 - (iii) whether such task group should be cross-party (i.e. include councillors from more than two political groups), and
 - (iv) the time for which the task group is expected to operate
- The appointing body may appoint individual councillors to a task group, or ask political group leaders to nominate councillors for membership of a task group in accordance with the number of seats each political group has been allocated to that task group.
- Membership of a task group will normally comprise councillors, but the appointing body may, if it considers it appropriate, appoint officers of the Council or persons from outside the authority to a task group, but only in an advisory capacity.

Appointment of Chairman

- Each task group shall elect its own chairman in such manner as they may determine.

Substitutes

- Unless otherwise decided by the appointing body, substitutes are permitted to serve as members of task groups at any meeting at which

another member of the same political group is absent for the entire meeting.

Who may attend meetings of task groups

- A councillor shall not be entitled to attend meetings of task groups unless appointed as a member or substitute or with the agreement of the Chairman of the task group.
- The public may not attend meetings of task groups.

Proceedings to remain Confidential

- The proceedings of meetings of task groups, including any written material circulated to or considered by a task group, will remain confidential until they have been made public with the authority of the appointing body.

Reporting back to the appointing body

- A task group shall, periodically, report back the results of their work, including recommendations where appropriate, to the appointing body.

Annual review

- Continuation of task groups to be reviewed annually by the appointing body”.

Election of chairmen and vice-chairmen of committees and sub-committees

- 4.13 The Council has, to date, adopted the practice of convening short meetings of each committee immediately following the annual Selection Council meeting for the purpose of electing a chairman and vice-chairman from among the respective members appointed to each committee at the Selection meeting.
- 4.14 The Mayor takes the chair at the start of each meeting and presides over the process for the election of each chairman, following which the newly elected chairmen take the chair to preside over the election of each committee’s vice-chairman. In relation to the Licensing Committee, the chairman also presides over the appointment of the seven designated Licensing Sub-Committee chairmen.
- 4.15 This practice has been somewhat cumbersome and time consuming in the past and, for new councillors and the public, it has caused considerable confusion. However, it is a matter for the Council to decide whether committee chairmen and vice-chairmen (and Sub-Committee chairmen and vice-chairmen) are elected by the committee itself or by full Council.
- 4.16 Following the governance review in 2015, the Council agreed that the chairmen of the two Executive Advisory Boards (EABs) be appointed by full Council, rather than by the respective EABs themselves.
- 4.17 In order to provide clarity, consistency and efficiency in the election of chairmen and vice-chairmen of committees (including the EABs) and sub-committees, the following amendments are proposed:

- (1) In CPR 28, substitute the following in place of paragraph (a), Election of Chairmen and Vice-Chairmen of Committees (page 4-23 of the Constitution):

“Election of Chairmen and Vice-Chairmen of Committees and Sub-Committees

- (a) At the Selection Meeting each year, and following the appointment of committees, the Council shall elect the chairmen and vice-chairmen of all committees, including the executive advisory boards, and any sub-committees of those committees for the ensuing municipal year. Nominations for election of committee and sub-committee chairmen and vice-chairmen shall be submitted to the Democratic Services Manager in advance of the Selection Meeting at the same time as nominations are submitted for appointments to committees. If two candidates are nominated, the election shall be determined in accordance with paragraph (c) of Council Procedure Rule 19. If there are more than two candidates nominated, the election shall be determined in accordance with paragraph (f) of Council Procedure Rule 19, subject to the election being decided by the drawing of lots in the event of a tied vote of the two remaining candidates.

If, during the course of a municipal year, a councillor

- (i) resigns from the office of chairman or vice-chairman of a committee or sub-committee, or
- (ii) is no longer appointed as a member of the committee or sub-committee to which he or she was elected chairman or vice-chairman, or
- (iii) resigns as a councillor, or
- (iv) becomes disqualified,

the election of his or her successor for the remainder of that municipal year shall be conducted by the Committee at its next meeting.”

- (2) In CPR 29, No Confidence in the Chairman, substitute “full Council at that meeting” in place of “that committee or sub-committee” in paragraph (b).
- (3) In the terms of reference of the Executive Advisory Boards on pages 3-9 and 3-10 of the Constitution,

- (i) substitute the following in place of paragraph (c) under Membership:

“(c) ~~Each Executive Advisory Board~~ *The Council shall appoint from among themselves a vice-chairman for each Executive Advisory Board.*”

- (ii) Substitute the following in place of paragraph (d) under Powers:

“(d) To set up panels, ~~working~~ *task* groups or breakout groups.....”.

5. Proposed Amendments to the Petition Scheme – Appendix to Public Speaking Procedure Rules (Part 4 of the Constitution)

- 5.1 The first bullet point of paragraph 2.1 of the Council’s Petition Scheme (page 4-31 of the Constitution) requires any petition submitted to the Council to include a clear and concise statement covering the subject of the petition and indicating what action the petitioners wish the Council to take.

- 5.2 As the Petition Scheme does not actually specify the topic areas on which petitioners may submit petitions, officers recommend for the avoidance of doubt that these should be *“relevant to the functions, powers or duties of the Council”*. Officers also recommend that the Petition Scheme should clarify that any action sought by the petitioners must be within the power of the authority. It is also recommended that the phrase *“relevant to the functions, powers, or duties of the Council”* should replace the phrase *“relevant to the general work or procedure of the Council”* which is currently used in Public Speaking Procedure Rule 2 (b) and (c) as the parameter within which the public may ask questions or make statements at Council meetings. If this is agreed, it is suggested that the Council should delete as superfluous the text in Public Speaking Procedure Rule 2 (b) (iii): *“Only questions which the Director of Corporate Services considers appropriate and relevant to some matter on which the Council has powers or duties or which specifically affects the Borough will be accepted.”*
- 5.3 It is suggested, for the purposes of clarity, that the Council should only accept as valid such petitions (or e-petitions) that are *“relevant to the functions, powers or duties of the Council”*. Therefore, it is recommended that the first bullet point of paragraph 2.1 of the Petition Scheme should read:
- *“a clear and concise statement covering the subject of the petition which must be relevant to the functions, powers or duties of the Council. It should also state what action within the power of the authority the petitioners wish the Council to take.”*
- 5.4 Currently, paragraph 2.3 of the Petition Scheme (page 4-32 of the Constitution) states that if a petition does not follow the guidelines in the Petition Scheme, the Council may decide not to do anything further with it. Officers recommend that the Managing Director, in consultation with the lead councillor with responsibility for governance, should be authorised to make this decision rather than it being, technically, a decision that only full Council can take.
- 5.5 The Petition Scheme also provides that the Council will:
- (a) take no action on a petition which is considered to be *“vexatious, abusive, or otherwise inappropriate”* (see paragraph 3.1 of the Petition Scheme – page 4-32 of the Constitution), or
 - (b) not publish an e-petition on the Council’s website by reason of its suitability (see paragraph 8.4 of the Petition Scheme – page 4-35 of the Constitution).

However, the Scheme does not specify who makes such decisions. In order to clarify the position, officers recommend that the decisions required in (a) and (b) above should also be taken by the Managing Director, in consultation with the lead councillor with responsibility for governance.

- 5.6 However, paragraph 5.9 of the Petition Scheme (page 4-33 of the Constitution) currently refers to possible action that the Council might consider taking in respect of petitions on matters *“over which the Council has no direct control (for example local railway services or hospitals)”*. In these circumstances, it is stated that *“we will consider making representations on behalf of the community to the relevant body. The Council works with a large number of local partners and agencies and where possible will work with these partners/agencies to respond to the petition. If we are not able to do this for any reason (for example if what the petition calls for conflicts with Council policy), then we will set out the reasons for this to the petition organiser.”*

5.7 Similarly, paragraph 5.10 of the Petition Scheme refers to giving consideration to how best to respond to petitions about matters for which another local authority is responsible.

5.8 On the basis that it is proposed that the Council should only accept as valid petitions (or e-petitions) that are “relevant to the functions, powers or duties of the Council”, it is recommended that paragraphs 5.9 and 5.10 of the Petition Scheme be deleted.

6. Proposed Amendments to Financial Procedure Rules and related officer delegations

6.1 The Head of Financial Services has proposed a number of amendments to Financial Procedure Rules and these are set out in Appendix 3 to this report. The Financial Procedure Rules were significantly reviewed in December 2014. The majority of changes now proposed are to:

- incorporate new delegations recently approved through committee reports,
- make minor amendments to tighten up on rules where delegated authority exists,
- provide clarification around existing rules, and
- to reflect updated practices, committee names and officer structure.

6.2 There are, however, two significant changes as detailed below:-

(a) Officers suggest that the supplementary estimate limits under which the Executive have delegated authority, are increased to £500,000 for revenue and £1million for capital. Supplementary estimates are increases in the overall bottom line budget of the Council. All supplementary estimates require a public report to either Executive or Council because there is no Officer level delegation. Revenue supplementary estimates are not frequently used as Officers are normally able to manage any additional spending pressures through virement procedures or by drawing on reserves. However, it is more common that Officers request capital supplementary estimates because, with the exception of the capital contingency fund, the scope for managing additional capital budget pressures are limited. The nature of capital projects are that levels of expenditure are generally high and therefore the current rules of delegation mean that the majority of capital supplementary estimates require Council approval, and that Executive delegated authority is rather limited. This means additional delays to projects as Council meets less frequently than Executive. Officers feel that capital supplementary estimates below £1million could be dealt with by Executive, whilst still retaining Council control over significant decisions. As an example, if the new proposed financial procedure rules were in place, major decisions such as the purchase of New House and Wey House and the supplementary estimates that were approved for the purchases would still require Council approval; however, the supplementary estimate for under £600,000 necessary to purchase the investment property due to be considered by Executive in November 2016 would not require Council approval.

(b) Officers suggest that the capital virement limits under which the Executive have delegated authority are also increased to reflect the proposed capital supplementary estimate limits detailed in (a) above. This change will mean that both Officers and the Executive are able to effectively manage the Capital Programme within the overall boundary of the budget and the capital contingency fund, whilst retaining Council control over major decisions.

- 6.3 The Head of Financial Services has also requested an amendment to paragraph D.3.5, which sets out key controls for ordering and paying for goods and services, by the addition of the following additional controls:
- (i) goods and services can only be ordered from suppliers on the Council's approved suppliers list
 - (ii) new suppliers to the Council are reviewed by the payments team to ensure appropriate legislation is adhered to, prior to the supplier being engaged
- 6.4 Similarly, in paragraph D.3.7, the following additional responsibilities of directors, heads of service and service leaders, should be included:
- (i) to ensure that goods and services are only ordered from suppliers on the Council's approved suppliers list
 - (ii) to make official requests for new suppliers to be added to the Council's approved suppliers list in the format set out by the e-payments manager
 - (iii) to consult with the e-payments manager before engaging with any self-employed contractors to ensure that appropriate legislation is adhered to
- 6.5 The reason for this is to ensure that we implement revised procedures in relation to checking whether people are self-employed for employment purposes following recent legislation tightening.
- 6.6 The Head of Financial Services has also requested amendments to existing delegations as follows:

"16. To ~~apply~~ authorise all expressions of interest and applications for external funding and grants, and to certify grant claims and make payments where these are of a statutory nature or within approved budgetary provision."

The purpose of this proposed change is to ensure that the Head of Financial Services is aware of other officers' expressions of interest in, and applications for, funding from external sources. This is also reflected in the proposed amended wording of paras E.3.1 and E.3.2 in the revised Financial Procedure Rules.

"30. To authorise moving up to £200,000 from capital projects ~~from~~ on the provisional capital programme to the approved capital programme where ~~the gross budget is under £200,000 and~~ a business case has been submitted by responsible officers."

The reason for this proposed change is that, under the existing delegation, the Head of Financial Services only has authority to move projects if the gross budget of the project is under £200,000. The proposed change would authorise the Head of Financial Services to move up to £200,000 from *any* capital project to the approved programme (ie, not just those where the gross budget is under £200,000). This should eliminate the need for reports to be submitted to the Executive asking for small amounts of money for feasibility studies etc. to be moved from the provisional to the approved capital programme and therefore allow the Executive to focus on approval of business cases for proceeding with projects once feasibility studies are complete and more information about a project and its costs are known. This change makes better use of Executive time.

- 6.7 The following additional delegations to the Head of Financial Services are also proposed:
- "38. In consultation with the Lead Councillor for finance to approve expenditure from the Council's Budget Pressures, Business Rates Equalisation and LABGI reserves."*

39. To authorise expenditure from the Council's capital contingency fund for existing approved capital projects up to a maximum of 20% of the gross project cost or £200,000 whichever is the lower amount in accordance with the Council's financial procedure rules for capital virements."

7. Proposed Amendments to Procurement Procedure Rules

- 7.1 The Legal Services Manager has proposed a number of revisions to the Procurement Procedure Rules (PPRs). A tracked changed version of the PPRs is set out in Appendix 4 to this report.
- 7.2 The Corporate Procurement Advisory Board (CPAB) is an officer group set up to identify areas of strength and weakness in the procurement process and seek out solutions and better methods of working, encouraging consistency and efficiency to achieve best value for the Council through the procurement process. It is proposed to revise its title to that of the Corporate Procurement Advisory 'Panel' (CPAP) as this is an officer group. The rules currently make reference to "*when the CPAB is established ...*" The Panel has been established for some time and meets every other month. This is to be updated. In addition, the rules set out a process for securing an Exception to compliance with the PPRs for procurements under the EU threshold. The Rules have been drafted on the basis that this is a decision for the CPAP. An example of a ground for granting an Exception may be that of genuine urgency. The Panel do not meet frequently enough for this to be an efficient process. It is therefore proposed that in all cases, where an exception to the tendering or quotation process is sought, the Director or Head of Service for the service concerned shall obtain the consent of the Director of Resources and the Legal Services Manager, in consultation with the Procurement Officer and the lead councillor with responsibility for governance (see paragraph 2.3.1 of the PPRs).
- 7.3 The PPRs currently require the grant of an Exception to authorise access to a Framework Agreement. It is proposed to update the PPRs to remove the requirement for the grant of an Exception in order to access a Framework Agreement (see proposed deletion of paragraph 2.3.2.1). As councillors will be aware, a Framework Agreement is a contract that has been officially tendered for by another local authority, public sector organisation, Purchasing Consortium or central government. Acquiring goods, works or services under a Framework Agreement is an efficient method of procuring the Council's requirements. The agreement has provision for other named public sector bodies to access the contract without having to undertake their own tender process. Framework Agreements can be used at any of the threshold levels and provide a good option for the Council ensuring both best value and a compliant procurement process. Procuring through a Framework Agreement is a compliant activity and it is not considered appropriate for this to be subject to an Exception. Sufficient protection is provided by requiring consultation with the Legal Services Manager before accessing a Framework Agreement to establish the terms of legal access to the Framework Agreement (see revisions to paragraph 8.1 of the PPRs). In addition, the use of Framework Agreements is to be reported into the CPAP (see paragraph 8.3 of the PPRs).
- 7.4 Following the recent departure from the Council of Satish Mistry, references to *Director of Corporate Services* have been updated throughout the four sets of procedure rules referred to in this report. The Council, at its extraordinary meeting on 26 October 2016, authorised the Monitoring Officer, in consultation with the Lead Councillor for Infrastructure and Governance, to make all necessary constitutional changes to reflect the interim arrangements to be implemented as a consequence of Mr Mistry's departure. In those references where the delegation is in relation to a legal matter, these have been

designated to the Legal Services Manager. In other cases, the delegations have been designated to the Managing Director or Democratic Services Manager, as appropriate.

8. Financial Implications

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

9. Legal Implications

9.1 The Council is legally required to keep its Constitution up to date (Section 9P of the Local Government Act 2000).

10. Human Resource Implications

10.1 There are no direct human resource implications arising from the proposals in this report.

11. Conclusion

11.1 The Committee is asked to consider the amendments to the Constitution proposed in this report and make recommendations, as appropriate, to full Council.

12. Background Papers

[Guildford Borough Council Constitution](#)

13. Appendices

Appendix 1: Proposed amendments to Council Procedure Rules (with tracked changes)
Appendix 2: Proposed amendments to Public Speaking Procedure Rules (with tracked changes)
Appendix 3: Proposed amendments to Financial Procedure Rules (with tracked changes)
Appendix 4: Proposed amendments to Procurement Procedure Rules (with tracked changes)

PART 4 – COUNCIL PROCEDURE RULES
GUILDFORD BOROUGH COUNCIL
COUNCIL PROCEDURE RULES

Part A – Council Meetings

1. ANNUAL MEETING OF THE COUNCIL

1.1 Time and place

- (a) The Council shall in every year hold an annual meeting.
- (b) The annual meeting of the Council shall be held:
 - (i) in a year of ordinary elections of councillors to the Council, on the eighth day after the day of retirement of councillors or such other day within 21 days following the day of retirement as the Council may fix; and
 - (ii) in any other year, on such day in the month of March, April or May as the Council may fix

and the meeting shall, unless the Council or the Managing Director, in consultation with the Mayor elect and political group leaders, otherwise directs, be held at the Guildhall, High Street, Guildford commencing at ~~7pm~~12 noon.

1.2 Business to be transacted at the Annual Meeting

- (i) To choose a person to preside if the Mayor and Deputy Mayor* are absent
- (ii) To elect the Mayor
- (iii) To appoint the Deputy Mayor
- (iv) To receive any apologies for absence
- (v) To approve the minutes of the last ordinary meeting
- (vi) To receive any communications or announcements from the Mayor
- (vii) To consider any other business set out in the summons

Other than items (i) to (iii) above, the order of business may be varied by the Mayor or by Council resolution.

* If, at the start of the Annual Meeting, the Mayor is absent and the Deputy Mayor (who is also the Mayor elect) is present, he or she may not preside over the election of Mayor and must absent himself or herself from the meeting until after the Council has dealt with that election. In these circumstances, the ~~Director of Corporate Services~~Managing Director, or another officer representing him or her, shall preside at the meeting for the election of Mayor only.

2. SELECTION COUNCIL MEETING

2.1 Time and place

- (a) The Council shall in every year hold a Selection meeting, which shall normally be held on the first Tuesday following the date of the Annual Meeting, commencing at 7pm.
- (b) Unless the Council shall otherwise direct, the Selection meeting shall be held at Millmead House, Millmead, Guildford.

2.2 Business to be transacted at the Selection Meeting

- (i) To choose a person to preside if the Mayor and Deputy Mayor are absent
- (ii) To receive any apologies for absence
- (iii) To receive and note any disclosable pecuniary interests from councillors
- (iv) To approve the minutes of the annual meeting
- (v) To receive any communications or announcements from the Mayor
- (vi) To elect a Leader for a four year term of office (at the post-election Selection Council meeting)
- (vii) To receive any communications or announcements from the Leader of the Council ~~(except at the post-election Selection Council meeting)~~
- (viii) To receive any questions, statements or petitions from the public in accordance with Public Speaking Procedure Rules
- ~~(ixviii)~~ To receive any questions from councillors in accordance with Council Procedure Rule 13
- ~~(ix) To elect a Leader for a four year term of office (at the post-election Selection Council meeting)~~
- (x) To decide which committees to establish for the municipal year;
- (xi) To decide the size and terms of reference of those committees;
- (xii) To decide the numerical allocation of seats to political groups on committees in accordance with the political balance rules
- (xiii) To make appointments to committees.
- (xiv) To make appointments to outside organisations, except where appointment to those bodies has been delegated by the Council or is exercisable only by the Executive. In an election year, such appointments may be deferred to the first ordinary meeting of the Council in the municipal year
- (xv) To consider any other business set out in the summons
- (xvi) To consider any motions in accordance with Council Procedure Rule 11

- (xvii) To authorise the sealing or signing of documents to give effect to any decisions taken

Notes:

- (1) Other than items (i) to (iv) above, the order of business may be varied by the Mayor or by Council resolution.
- (2) In relation to (vii) above, the Leader shall inform all councillors in advance of the meeting of any matters upon which he/she makes an announcement and councillors shall be given the opportunity of asking questions of the Leader in respect of any such announcement. Any such question or any response to such question shall not exceed three minutes.

3. ORDINARY COUNCIL MEETINGS

3.1 Time and place

- (a) Ordinary meetings shall be held on such days as the Council may determine and shall normally commence at 7.00 pm.
- (b) Unless the Council shall otherwise direct, ordinary meetings shall be held at Millmead House, Millmead, Guildford.

3.2 Business to be transacted at ordinary meetings

- (i) To choose a person to preside if the Mayor and Deputy Mayor are absent
- (ii) To receive any apologies for absence
- (iii) To receive and note any disclosable pecuniary interests from councillors
- (iv) To approve the minutes of the last meeting
- (v) To receive any communications or announcements from the Mayor
- (vi) To receive any communications or announcements from the Leader of the Council
- (vii) To receive any questions, statements or petitions from the public in accordance with Public Speaking Procedure Rules
- (viii) To receive any questions from councillors in accordance with Council Procedure Rule 13
- (ix) To consider any other business set out in the summons
- (x) To consider any motions in accordance with Council Procedure Rule 11
- (xi) To authorise the sealing or signing of documents to give effect to any decisions taken

Notes:

- (1) Other than items (i) to (iv) above, the order of business may be varied by the Mayor or by Council resolution.

Appendix 1

- (2) In relation to (vi) above, the Leader shall inform all councillors in advance of the meeting of any matters upon which he/she makes an announcement and councillors shall be given the opportunity of asking questions of the Leader in respect of any such announcement. Any such question or any response to such question shall not exceed three minutes.

4. EXTRAORDINARY COUNCIL MEETINGS

4.1 Calling extraordinary meetings

An extraordinary meeting of the Council may be called at any time by:

- (i) the Council by resolution;
- (ii) the Mayor;
- (iii) the Monitoring Officer; or
- (iv) any five councillors by written requisition presented to the Mayor and he or she has refused to call a meeting or has failed to call a meeting within seven days of the presentation of the requisition.

4.2 Time and place

- (a) Extraordinary meetings shall be held on such days as may be determined by the Council or the ~~Director of Corporate Services~~Managing Director, in consultation with the Mayor and political group leaders, and shall normally commence at 7.00 pm.
- (b) Unless the Council or the ~~Director of Corporate Services~~Managing Director shall otherwise direct, extraordinary meetings shall be held at Millmead House, Millmead, Guildford.

4.3 Business to be transacted at extraordinary meetings

- (i) To choose a person to preside if the Mayor and Deputy Mayor are absent
- (ii) To receive any apologies for absence
- (iii) To receive and note any disclosable pecuniary interests from councillors
- (iv) To receive any communications or announcements from the Mayor
- (v) To receive any communications or announcements from the Leader of the Council
- (vi) To receive only in relation to the business for which the extraordinary meeting has been called any questions, statements or petitions from the public in accordance with Public Speaking Procedure Rules
- (vii) To receive only in relation to the business for which the extraordinary meeting has been called any questions from councillors in accordance with Council Procedure Rule 13
- (viii) To consider the business for which the extraordinary meeting has been called. The Mayor may at his or her absolute discretion permit other items of business to be conducted for the efficient discharge of the Council's business.

- (ix) To authorise the sealing or signing of documents to give effect to any decisions taken

Notes:

- (1) Other than items (i) to (iii) above, the order of business may be varied by the Mayor or by Council resolution.
- (2) In relation to (v) above, the Leader shall inform all councillors in advance of the meeting of any matters upon which he/she makes an announcement and councillors shall be given the opportunity of asking questions of the Leader in respect of any such announcement. Any such question or any response to such question shall not exceed three minutes.

5. NOTICE OF AND SUMMONS TO ATTEND COUNCIL MEETINGS AND ATTENDANCE BY THE PUBLIC

- (a) The ~~Director of Corporate Services~~ Managing Director will give notice to the public of the time and place of any Council meeting in accordance with the Access to Information Procedure Rules in Part 4 of this Constitution. Where the meeting has been called by councillors, the notice shall specify the business to be transacted.
- (b) At least five clear working days before a meeting, the ~~Director of Corporate Services~~ Managing Director will send a summons signed by him or her to every councillor or leave it at their usual place of residence. The summons will give the date, time and place of the meeting and specify the business to be transacted and will be accompanied by such reports as are available.
- (c) If a councillor gives notice in writing to the ~~Director of Corporate Services~~ Democratic Services Manager that he or she desires summonses to attend meetings of the Council to be sent to some address other than his or her place of residence, any summons left at or sent by post to that address shall be deemed sufficient service of the summons.
- (d) Except in the case of business required by legislation and other business brought before a meeting as a matter of urgency, no business shall be transacted at a meeting of the Council other than that specified in the summons relating thereto.
- (e) The public shall be admitted to all meetings of the Council in accordance with the Access to Information Procedure Rules.

6. ALTERATION OR CANCELLATION OF A COUNCIL MEETING

Following consultation with the Mayor and political group leaders, the ~~Director of Corporate Services~~ Managing Director may:

- (i) alter the place, date or time previously fixed for a meeting provided that (except where such alteration arises from a matter outside the control of the Council when notice is to be given as soon as practicable) notice of such alteration is given at least five clear working days before the date of the meeting as originally fixed, or
- (ii) cancel a meeting in circumstances where there is insufficient business to be transacted.

7. MAYOR

- (a) The Council shall elect a councillor to be Mayor on an annual basis.
- (b) The election of the Mayor shall be the first business transacted at the annual meeting of the Council
- (c) The Mayor shall, unless he or she resigns or becomes disqualified, continue in office until his or her successor becomes entitled to act as Mayor.
- (d) During his or her term of office, the Mayor shall continue to be a councillor notwithstanding the provisions of the Local Government Act 1972 relating to the retirement of councillors.
- (e) If, apart from paragraph (d) of this Rule, the person presiding at the commencement of the annual meeting would have ceased to be a councillor, he or she shall not be entitled to vote in the election of the Mayor except to give a casting vote in the case of an equality of votes.
- (f) In the case of an equality of votes, the person presiding at the meeting shall give a casting vote in addition to any other vote he or she may have.
- (g) The Mayor may attend any meeting of the Executive, a committee or sub-committee of the Council and speak on any item under consideration, but he or she may not vote unless appointed as an ordinary member of a committee (other than the Executive) or sub-committee.

8. DEPUTY MAYOR

- (a) The Council shall appoint a councillor to be Deputy Mayor of the Council on an annual basis.
- (b) Unless he or she resigns or becomes disqualified, the Deputy Mayor shall hold office until the election of a Mayor at the next annual meeting of the Council and, during that time, shall continue to be a councillor notwithstanding the provisions of the Local Government Act 1972 relating to the retirement of councillors.
- (c) In the absence of the Mayor, the Deputy Mayor may exercise any power or duty of the Mayor.

9. CHAIRMAN OF MEETING

- (a) At a meeting of the Council, the Mayor, if present, shall preside.
- (b) If the Mayor is absent from a meeting of the Council, the Deputy Mayor, if present, shall preside.
- (c) If both the Mayor and Deputy Mayor are absent from a meeting of the Council, then the ~~Director of Corporate Services~~ Managing Director or another officer representing him or her shall initially preside and the first business of the meeting shall be to elect a councillor to take the chair and to preside over the rest of the meeting. The Chairman for the meeting shall not be the Leader of the Council or a member of the Executive.

- (d) Any power or duty of the Mayor in relation to the conduct of a meeting may be exercised by the person presiding at the meeting.

10. QUORUM

- (a) Subject to paragraph (b) below, no business shall be transacted at a meeting of the Council unless at least one-quarter (namely 12) of the whole number of councillors are present.
- (b) Where more than one-third of councillors become disqualified at the same time, then until the number of councillors in office is increased to not less than two-thirds of the whole number of councillors, the quorum of the Council shall be determined by reference to the number of councillors remaining qualified instead of by reference to the whole number of councillors.
- (c) If a quorum is not present after the expiration of thirty minutes from the appointed start time of the Council meeting, the Mayor shall declare that no meeting shall take place and shall direct that the meeting of the Council shall take place at such date and time as he or she may fix. If he or she does not fix a date and time, the business will be considered at the next ordinary meeting of the Council.
- (d) During any meeting, if the Mayor counts the number of councillors present and declares there is not a quorum present, the meeting will adjourn immediately and the remaining business will be considered at a time and date fixed by the Mayor or, if he or she does not fix a time and date at the next ordinary meeting of the Council.

11. NOTICE OF MOTIONS

Motions to be set out in the Council Agenda

- (a) Except for motions which can be moved without notice under Procedure Rule 12, written notice of every motion shall be delivered to the ~~Director of Corporate Services~~ Democratic Services Manager not later than 12 noon on the seventh working day before the date of the meeting at which the motion is intended to be moved. .
- (b) Every motion shall be relevant to some matter in relation to which the Council has powers or duties or which affects the Borough.
- (c) The ~~Director of Corporate Services~~ Democratic Services Manager will, subject to (e) below, date and number the motion in the order in which it is received.
- (d) The ~~Director of Corporate Services~~ Democratic Services Manager shall include the motion on the agenda in the order in which notice was received, unless the councillor giving such notice states in writing that he or she proposes to move it at some later meeting or withdraws it.
- (e) If the ~~Director of Corporate Services~~ Managing Director has doubt as to the propriety of inserting the motion on the agenda, he or she will submit the motion to the Mayor and, if the Mayor considers that the motion is improper, out of order or not relevant to any question relating to the Council's powers or duties

or to any matter affecting the Borough, the Mayor may direct the ~~Director of Corporate Services~~Managing Director to return the motion to the councillor who sent it stating that it will not be inserted on the agenda except upon the written request of five councillors.

Motions not Moved

- (f) If a motion set out on the agenda is not moved either by a councillor who gave the notice or by some other councillor on his or her behalf, it shall be treated as withdrawn and shall not be moved without fresh notice unless postponed by consent of the Council.

Dealing with Motions at Council Meetings

- (g) Unless a motion under Council Procedure Rule 12 (iv) is carried which has the effect of referring a motion of which notice has been given for consideration by the Leader/Executive or a committee, all such motions shall be dealt with by the Council at the meeting at which they are brought forward.

Attendance of Mover and Seconder at Executive/Committee Meetings

- (h) If a motion is referred by the Council to a meeting of the Executive or other committee, the mover and seconder of the motion shall have the right to attend the relevant meeting and to explain the motion.

Number of Motions on the Agenda

- (i) No councillor shall have more than two motions on the same agenda.

12. MOTIONS WITHOUT NOTICE

The following motions may be moved and seconded without notice:

- (i) to elect a chairman of the meeting at which the motion is moved;
- (ii) in relation to the accuracy of the minutes;
- (iii) to change the order of business in the agenda;
- (iv) to refer any matter for consideration by the Leader/Executive or a committee;
- (v) to appoint a committee and its membership or representatives where this arises from an item on the agenda for the meeting;
- (vi) to adopt any resolutions in relation to any business specified in the summons;
- (vii) to withdraw a motion;
- (viii) to extend the time limit for speeches;
- (ix) to amend a motion;
- (x) to postpone consideration of a motion;
- (xi) to proceed to next business;
- (xii) to take an immediate vote on a motion;
- (xiii) to adjourn a debate;

- (xiv) to adjourn a meeting;
- (xv) to authorise the sealing of documents;
- (xvi) to suspend a particular Procedure Rule;
- (xvii) to exclude the public in accordance with the Access to Information Procedure Rules;
- (xviii) to not hear further from a councillor named under Procedure Rule 16 (c) or to exclude them from the meeting;
- (xix) to invite a councillor to withdraw in accordance with the Councillors' Code of Conduct;
- (xx) to give the consent of the Council where its consent is required by this Constitution;
- (xxi) to carry out a statutory duty of the Council which, by reason of special circumstances, the Mayor is of the opinion should be considered at the meeting as a matter of urgency; and
- (xxii) to give guidance to the Leader/Executive or a committee in relation to a matter determined under delegated powers.

13. QUESTIONS BY COUNCILLORS

Spontaneous questions

- (a) A councillor may ask the Leader, a lead councillor or a chairman of a committee, as appropriate, any question upon any item of business on the agenda for the meeting when that item is under consideration by the Council.

Questions on notice

- (b) A councillor may:
 - (i) ask the Mayor, Leader, a lead councillor or the chairman of any committee any question on a matter in relation to which the Council has powers or duties or which affects the Borough provided that written notice, specifying the question, is delivered to the ~~Director of Corporate Services~~ Democratic Services Manager by no later than 12 noon on the ~~fifth~~third working day before the date of the meeting of the Council at which the question is intended to be asked. For the avoidance of doubt, this means that if the meeting is held on a Tuesday, written notice of the question would need to be delivered by 12 noon on the ~~Tuesday~~ Thursday of the previous week.
 - (ii) with the permission of the Mayor, put to him or her, the Leader, a lead councillor or chairman of any committee any question relating to urgent business of which notice has not been given. A copy of any such question shall be delivered to the ~~Director of Corporate Services~~ Democratic Services Manager not later than twelve noon on the day of the meeting.
- (c) The person to whom a question has been put may decline to answer.
- (d) In response to a question under paragraph (b) above, the person to whom the question has been put will normally provide and circulate to all councillors at the

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meeting a written answer which, together with the question, shall also be recorded in the minutes.

- (e) A councillor asking a question under paragraph (b) above may without notice ask one supplementary question if such a question arises directly from the answer given.
- (f) Any councillor may without notice ask a question arising from the response(s) given on any matter raised under this Procedure Rule.
- (g) At the end of the debate on any matter raised under this Procedure Rule, the person to whom the question was put shall be given the opportunity to respond to any supplementary questions raised during the debate.
- (h) Any question or response under paragraph (b) of this Procedure Rule shall not exceed three minutes in length.
- (i) No councillor shall ask more than two questions under paragraph (b) above at the same meeting.

14. MINUTES OF COUNCIL MEETINGS

- (a) The minutes of every meeting of the Council shall be submitted to and signed at the next meeting of the Council (other than an extraordinary meeting).
- (b) The Mayor shall put the question that the minutes of the previous meeting of the Council be approved as a correct record.
- (c) No discussion shall take place upon the minutes, except upon their accuracy, and any questions of their accuracy shall be raised by motion. If no such question is raised or if it is raised, then as soon as it has been disposed of, the Mayor shall sign the minutes.
- (d) Where, in relation to any meeting of the Council, the next meeting for the purpose of signing the minutes is an extraordinary meeting, then the next ordinary meeting will be treated as a suitable meeting for the purposes of paragraph 41(1) and (2) of Schedule 12 to the Local Government Act 1972 relating to signing of minutes.
- (e) The minutes will contain all motions and amendments in the form and order in which the Mayor put them.

15. RULES OF DEBATE

Motions and Amendments

- (a) No speeches may be made until a motion or amendment has been proposed and seconded.
- (b) Unless notice of the motion has already been given, the Mayor may require it to be written down and handed to him or her before it is discussed.

Secunder's Speech

- (c) When seconding a motion or amendment, a councillor may reserve his or her speech until later in the debate.

Content and Length of Speeches

- (d) Speeches must be directed to the question under discussion or to a personal explanation or point of order.
- (e) Except as otherwise provided for in these Procedure Rules and subject to paragraphs (f and g) below, no speech shall exceed:
 - (i) ten minutes in respect of a mover of a motion
 - (ii) five minutes in respect of any other councillor speaking in the debate on a motion or amendment
 - (iii) ten minutes in the case of the mover of a motion exercising his or her right of reply at the end of the debate on the motion.
- (f) There shall be no time limit for:
 - (i) either the Leader of the Council or the lead councillors with responsibility for General Fund or Housing Revenue Account budgets in moving motions to approve those budgets and council tax; or
 - (ii), one spokesperson from each opposition group in commenting on the motions referred to in (i) above or moving an alternative budget.
- (g) The time limits specified in paragraph (e) above may be extended with the consent of the Council, which shall be given or refused without debate.

When a Councillor May Speak Again

- (h) A councillor who has spoken on any motion shall not speak again whilst it is the subject of debate, except:
 - (i) to speak once on an amendment moved by another councillor;
 - (ii) to move a further amendment if the motion has been amended since he or she last spoke;
 - (iii) in exercise of a right of reply;
 - (iv) on a point of order; or
 - (v) by way of personal explanation.

Amendments to Motions

- (i) No amendment shall be debated until after the debate on the original motion.
- (j) An amendment shall be relevant to the motion and will either be:

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- (i) to refer the matter to the Leader/Executive, an appropriate committee or other body for consideration or reconsideration;
- (ii) to leave out words;
- (iii) to leave out words and insert or add others; or
- (iv) to insert or add words;

as long as the effect of (ii) to (iv) above is not to negate the motion.

If he or she deems it necessary, the Mayor shall read out the amended motion before the amendment is put.

- (k) Only one amendment may be moved and discussed at any one time and no further amendment shall be moved until the amendment under discussion has been disposed of, provided that the Mayor may permit multiple amendments to be discussed together if he/she thinks that this will facilitate the proper conduct of business, subject to separate votes being taken in respect of each amendment .
- (l) If an amendment is lost, other amendments to the original motion may be moved.
- (m) If an amendment is lost, no other amendment having a similar effect may be moved at the same meeting of the Council.
- (n) If an amendment is carried, the motion as amended shall take the place of the original motion and shall become the substantive motion to which any further amendments may be moved.

Alteration of Motions and Amendments

- (o) With the consent of his or her seconder and of the meeting, which shall be signified without discussion, a councillor may alter:
 - (i) a motion of which he or she has given notice; or
 - (ii) a motion or an amendment which he or she has moved;

if the alteration is one which could be made as an amendment to the motion.

Withdrawal of Motions and Amendments

- (p) A councillor may withdraw a motion or amendment with the consent of his or her seconder and of the meeting, which shall be signified without discussion. No councillor may speak on the motion after the mover has asked permission for its withdrawal unless permission is refused.

Rights of Reply

- (q) The mover of a motion has a right of reply at the end of the debate on the motion immediately before it is put to the vote.

- (r) If an amendment is moved, the mover of the original motion has the right of reply at the close of the debate on the amendment, but may not otherwise speak on it.
- (s) The mover of the amendment shall have a right of reply immediately after the reply on the amendment by the mover of the original motion.
- (t) A councillor exercising a right of reply shall confine him or herself to answering previous speakers and shall not introduce new matters or material. The Mayor's ruling on this shall be final and not open to discussion.

Motions which may be moved during debate

- (u) When a motion is under debate, no other motion shall be moved except for the following procedural motions:
 - (i) to amend the motion;
 - (ii) to postpone consideration of the motion;
 - (iii) to adjourn the meeting;
 - (iv) to adjourn the debate;
 - (v) to proceed to the next business;
 - (vi) to take an immediate vote on the motion;
 - (vii) to not hear from a councillor named under Council Procedure Rule 16 (c) or to exclude them from the meeting under Council Procedure Rule 16(d); and
 - (viii) to exclude the public in accordance with the Access to Information Procedure Rules.

Closure Motions

- (v) A councillor may move, without comment, the following motions at the end of a speech of another councillor:
 - (i) to proceed to the next business;
 - (ii) to take an immediate vote on a motion;
 - (iii) to adjourn a debate;
 - (iv) to adjourn the meeting;
 - (v) to exclude the public from the meeting; or
 - (vi) that a councillor be not further heard.
- (w) On the seconding of a motion referred to in (v) above, the Mayor shall proceed as follows:

To Proceed to Next Business

- (i) On a motion to proceed to the next business, if the Mayor thinks that the matter before the meeting has been sufficiently discussed, he/she will give the mover of the original motion a right of reply and then put the procedural motion to the vote.

To Take an Immediate Vote on a Motion

- (ii) On a motion to take an immediate vote on a motion, if the Mayor thinks that the matter before the meeting has been sufficiently discussed, he/she shall first put the procedural motion to the vote. If the motion is passed, the Mayor will give the mover of the original motion a right of reply before putting the matter to the vote.

To Adjourn the Debate or Meeting

- (iii) On a motion to adjourn the debate or the meeting, if in his or her opinion the matter before the meeting has not been sufficiently discussed and cannot reasonably be so discussed on that occasion, the Mayor shall put the adjournment motion to the vote without giving the mover of the original motion his or her right of reply.

On resuming an adjourned debate, the councillor who moved the adjournment is entitled to speak first.

A second motion to adjourn the meeting shall not be made within a period of thirty minutes from the first motion unless moved by the Mayor.

A councillor moving the adjournment of the debate or the meeting must confine his or her observations to that question and no amendment can be proposed to that motion unless it relates to the time of adjournment.

To Exclude the Public

- (iv) On a motion to exclude the public, unless the motion appears on the agenda, the Mayor shall ascertain the grounds for the motion and seek the advice of the ~~Director of Corporate Services~~ Legal Services Manager as to whether members of the public may lawfully be excluded. If so, the Mayor will allow the mover of the original motion a right to reply on the proposal to exclude the public and then put the motion to the vote. If it is passed, the Mayor may, at his or her discretion, either immediately require the public to leave the room in which the debate is being held or adjourn the debate until some convenient time later in the meeting when the public shall have been excluded.

That a Councillor be Not Further Heard

- (v) On a motion that a named councillor be not further heard, the Mayor shall put the motion to the vote without discussion from any councillor. If it is passed, the named councillor shall not be permitted to speak again during the meeting on any motion or amendment relating to the same matter.

Point of Order/Personal Explanation

- (x) A point of order is a request from a councillor to the Mayor to rule on an alleged irregularity in the procedure of the meeting. A councillor may raise a point of order at any time and the Mayor shall hear it immediately.

A point of order shall relate only to an alleged breach of these Council Procedure Rules or the law. The councillor must indicate the Rule or law and the way in which he or she considers it has been broken.

A councillor may also make a personal explanation at any time and the Mayor shall hear it immediately. A personal explanation shall be confined to some material part of an earlier speech by the councillor, which may appear to have been misunderstood in the present debate.

The ruling of the Mayor on a point of order or the admissibility of a personal explanation is final and is not open to discussion.

Venue of Adjourned Meetings

- (y) Any motion to adjourn a debate or a meeting of the Council may specify the place, date and time at which the adjourned debate or meeting shall take place. If such specification is not given, the venue, date and time of the adjourned debate or meeting shall be determined by the Mayor or ~~Director of Corporate Services~~ Managing Director.

Closure of Meeting

- (z) Unless otherwise decided by a majority of councillors present and voting at the meeting, all meetings shall finish by no later than 10.30pm. Any outstanding items not completed by the end of the meeting shall be adjourned to a reconvened meeting or the next ordinary meeting of the Council.

16. COUNCILLORS' CONDUCT

Addressing the Mayor

- (a) All councillors must address the Mayor when speaking during a Council meeting. If more than one councillor indicates a wish to speak, the Mayor will ask one to speak and determine the order in which the others may speak. Other councillors must remain silent whilst the Mayor or other councillor is speaking unless they wish to make a point of order or a point of personal explanation.

Mayor Standing

- (b) When the Mayor stands during a debate, any councillor speaking at the time must stop. The meeting must be silent.

Councillor Not to be Heard Further

- (c) If a councillor persistently disregards the ruling of the Mayor by continued irrelevance or tedious repetitions or by behaving improperly or offensively or by wilfully obstructing the business of the Council, the Mayor may direct the councillor to stop speaking or request him or her to leave for the remainder of the meeting or for any lesser period.

Councillor to Leave the Meeting

- (d) If following a request to leave the meeting, the offending councillor does not retire, the Mayor may move “that the councillor named leave the meeting”. The motion shall be put and determined without seconding or discussion. If carried, the Mayor shall give directions for the removal of the councillor and such other directions as are necessary for restoring order to the proceedings.

General Disturbance

- (e) If there is general disturbance making orderly business impossible, the Mayor may adjourn the meeting for as long as he or she thinks necessary.

Requirement for councillors with disclosable pecuniary interests to withdraw from meeting

- (f) Any councillor present at a meeting who is aware that they have a disclosable pecuniary interest in any matter that will be, or is being, considered at that meeting, and who has not received a dispensation in respect of that interest must:
 - (i) disclose the nature of the interest to the meeting (or, if it is a sensitive interest as described in the code of conduct, disclose merely the fact that it is a disclosable pecuniary interest);
 - (ii) not participate in any discussion or vote regarding that matter; and
 - (iii) withdraw immediately from the room or chamber (including the public gallery) where the meeting considering that matter is being held.

17. CONDUCT OF THE PUBLIC

- (a) If a member of the public interrupts proceedings, the Mayor shall warn the person concerned. If they continue to interrupt, the Mayor will order their removal from the meeting room. If there is a general disturbance in any part of the meeting room open to the public, the Mayor may call for that part to be cleared.
- (b) Where any meeting of the Council, is open to the public, any person shall, subject to paragraph (a) above, be permitted to attend for the purpose of reporting on the meeting and may use any communication method, including the internet, to publish, post or otherwise share the results of the person’s reporting activities during the meeting. “Reporting” includes photographing or making a video or audio recording of proceedings at a meeting and providing commentary on proceedings using social media.
- (c) Paragraph (b) above does not require the Council to permit oral reporting or oral commentary on a meeting as it takes place if the person reporting or providing the commentary is present at the meeting.
- (d) Where the public have been excluded from a meeting in accordance with the Access to Information Procedure Rules, no person shall be permitted to report on the meeting using methods which can be used without that person’s presence at the meeting, and which enable persons not present at the meeting to see or hear the proceedings at the meeting as it takes place or later.

18. PREVIOUS DECISIONS AND MOTIONS

No motion or amendment to rescind a decision made at a meeting of the Council within the past six months and no motion or amendment in similar terms to one which has been rejected at a meeting of the Council in the past six months can be moved unless the notice of motion is supported in writing by at least ten councillors. When any such motion or amendment has been dealt with by the Council, it shall not be open to any councillor to propose a similar motion or amendment within a further period of six months. This Procedure Rule shall not apply to motions

- (a) moved in pursuance of a recommendation of the Leader/Executive or a committee;
- (b) to carry out any statutory duty of the Council which, in the opinion of the Mayor, is of an urgent nature.

19. VOTING

Majority

- (a) Unless this Constitution provides otherwise, any matter will be decided by a simple majority of those councillors present and voting at the time the question was put.

Casting Vote

- (b) If there are equal numbers of votes for and against, the Mayor or person presiding at the meeting shall have a second or casting vote. There will be no restriction on how the Mayor or person presiding chooses to exercise a casting vote. Where the Mayor or person presiding chooses not to use his/her second or casting vote to produce a majority in favour of or against the proposition, then in such case the proposition shall be deemed to be lost for want of a majority.

Show of Hands

- (c) Unless a recorded vote is demanded under paragraph (d) below, the Mayor will take the vote by show of hands or by the use of such electronic voting system as the Council shall determine or, if there is no dissent, by the affirmation of the meeting.

Recorded Vote

- (d) On the request of any councillor made before the vote is taken and upon four other councillors signifying their support at the meeting, the voting on any question shall be by roll-call and shall be recorded in the minutes of the meeting to show how each councillor present and voting cast their vote. The name of any councillor present and not voting will also be recorded. A recorded vote shall be taken at a meeting of the Council in respect of any motion or amendment to approve the budget or set council tax.

Recording of Individual Vote

- (e) Immediately after a vote is taken at a meeting of the Council, Executive or any committee or sub-committee, any councillor may require that the minutes show whether they voted for or against the motion or whether they abstained from voting.

Voting on Appointments

- (f) If there are more than two people nominated for any position to be filled and there is not a clear majority in favour of one person, then the name of the person with the least number of votes will be taken off the list and a new vote taken. The process will continue until there is a majority of votes for one person.

Result of Votes

- (g) The Mayor shall ascertain the numbers voting for or against any matter and his or her declaration as to the result shall be conclusive.

20. RECORD OF ATTENDANCE

The names of all councillors and co-opted members present during the whole or part of a meeting shall be recorded. Every councillor and co-opted member attending a meeting of the Council or Executive or a committee or sub-committee of which he or she is a member shall sign his or her name on the attendance sheet provided for that purpose.

Part B – Election of Leader and appointment of Deputy Leader and lead councillors

21. ELECTION OF LEADER OF THE COUNCIL AND APPOINTMENT OF DEPUTY LEADER AND LEAD COUNCILLORS

Election of the Leader of the Council

- (a) The Leader of the Council shall be elected by councillors at the Selection Council meeting after the post-election annual meeting. The Leader's term of office shall, subject to Article 6 of this Constitution, be four years ending on the day of the next post-election annual meeting.
- (b) A councillor proposing to nominate another councillor as Leader must notify the ~~Director of Corporate Services~~Democratic Services Manager of their nomination before the meeting at which the election is to be held. The ~~Director of Corporate Services~~Democratic Services Manager will report any nominations received at the meeting.
- (c) If more than one councillor is nominated, the election of the Leader shall be by show of hands.

Appointment of the Deputy Leader and lead councillors

- (d) As soon as practicable following the election of the Leader, the Leader of the Council shall appoint a Deputy Leader and such lead councillors as the Leader shall from time to time determine and determine their respective areas of responsibility.
- (e) The Leader may at any time alter the areas of responsibility of any lead councillor or discontinue their appointment and appoint a replacement.

- (f) The Leader shall report to the next appropriate meeting of the full Council on all such appointments and changes to areas of responsibility.

Part C – Committee Meetings

22. THE EXECUTIVE, COMMITTEES AND SUB-COMMITTEES TO REGULATE THEIR OWN PROCEDURES

- (a) The Executive and each committee and sub-committee shall, subject to any limitation imposed by these Council Procedure Rules or by resolution of the Council, regulate its own procedure, provided always that:
 - (i) Procedure Rule 15 (Rules of Debate)
 - (ii) Procedure Rule 19 (Voting) (except paragraph (d))shall apply at the chairman's discretion to the conduct of debate and proceedings at meetings.
- (b) Procedure Rules 16 and 17 relating to the conduct of councillors and behaviour of persons admitted to meetings shall apply to all meetings of the Executive, committees and sub-committees.

23. APPOINTMENT OF COMMITTEES

- (a) At the Selection Council meeting each year, the Council shall appoint such committees as it shall determine and shall agree their respective size and terms of reference.

Allocation of Seats on Committees

- (b) Except in relation to the Licensing Committee and its sub-committees where the Council shall have absolute discretion as to whether they are politically balanced, the membership of each of the Council's committees and sub-committees shall be in accordance with statutory requirements for political balance. As far as possible, the number of seats allocated to a political group on committees and sub-committees will reflect the size of that group in proportion to the total Council membership.
- (c) The Council shall review the allocation of seats on committees to political groups at its Selection meeting and as soon as reasonably practicable following any change in the political constitution of the Council or as otherwise required by statute.
- (d) Wherever such a review is required, the ~~Director of Corporate Services~~ **Democratic Services Manager** will submit a report to the Council showing what allocation of seats would best meet the requirements for political balance.

Appointments to Committees

- (e) Whenever an appointment of a member or substitute member of a committee or sub-committee falls to be made in accordance with the wishes of a political group to whom the seat has been allocated or whenever such an appointment

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falls to be terminated in accordance with such wishes, the ~~Director of Corporate Services~~Managing Director shall make or terminate such appointments in accordance with the wishes of that political group.

The wishes of a political group are taken to be those expressed to the ~~Director of Corporate Services~~Managing Director in writing by (a) the leader of the political group or (b) in a statement to the ~~Director of Corporate Services~~Managing Director supported in writing by a majority of the members of that group. In the event that different wishes of a political group are notified in accordance with (a) and (b) above, the wishes notified in accordance with (b) shall prevail.

No member of a committee shall be appointed so as to hold office later than the next annual meeting of the Council.

Appointment, Dissolution and Alteration of Membership of Committees

- (f) The Council may, at any time:
 - (i) appoint such committees as it considers necessary to carry out its non-executive functions; and
 - (ii) dissolve a committee or alter its size.
- (g) The following committees shall be constituted in the manner specified:
 - (i) Borough, Economy and Infrastructure Executive Advisory Board (12 non-Executive councillors)
 - (ii) Corporate Governance and Standards Committee (7 councillors and 3 co-opted independent members and 3 co-opted parish members in accordance with Article 10 of this Constitution)

(The Hearings Sub-Committee shall comprise five members drawn on a “panel” basis from the voting membership of the Corporate Governance and Standards Committee in accordance with Article 10 of this Constitution.
 - (iii) Employment Committee (3 councillors – including at least one member of the Executive)
 - (iv) Licensing Committee (15 councillors)

(The Licensing Committee has established two sub-committee: Licensing Sub-Committee and Licensing Regulatory Sub-Committee, each of which shall comprise three councillors drawn on a “panel” basis from the membership of the Licensing Committee)
 - (v) Overview and Scrutiny Committee (12 non Executive councillors)
 - (vi) Planning Committee (23 councillors)
 - (vii) Society, Environment and Council Development Executive Advisory Board (12 non Executive councillors)

Appointment of Sub-Committees

- (h) A committee may, at any time:
 - (i) appoint such sub-committees as it considers necessary, including the membership thereof, to carry out the work of the committee; and
 - (ii) dissolve a sub-committee or alter its size.

Appointment of Working Groups

~~(i) Committees and the Leader/Executive may appoint working groups for such purposes as they shall specify within their terms of reference. The continuation of working groups shall be reviewed at least annually by the body appointing them. The above provision shall only apply to formally appointed working groups and not to informal meetings of councillors.~~

Substitute Members

- (i) In respect of each committee specified in the table below, the Council may appoint such substitute members for each political or other group on the Council as may be indicated in the second column thereof in accordance with the wishes of the political group (and in respect of individual councillors not belonging to any political group, such other single substitute member as the individual councillor may nominate)

Committee	Maximum number of substitute members for each political or other group on the Council to be appointed
Borough, Economy, and Infrastructure Executive Advisory Board	Seven
Corporate Governance and Standards Committee	Three
Employment Committee	Four
Overview and Scrutiny Committee	No limit
Planning Committee	Seven
Society, Environment, and Council Development Executive Advisory Board	Seven

No substitute members shall be appointed in respect of the Executive or Licensing Committee.

Such substitute may take the place with the right to speak and vote of any member of that political or other group who is a member of the particular committee or sub-committee for the meeting (or part of the meeting) when such councillor is absent, subject to:

- (i) the substitution being notified to the ~~Director of Corporate Services~~ Democratic Services Manager or his or her nominee:

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- when the first item is called on the agenda;
 - at the commencement of a reconvened meeting; or
 - immediately upon the substitute member arriving at the meeting; and
- (ii) in the event of the member arriving after the substitution has been made, he or she shall resume membership of the committee or sub-committee at the commencement of the next item of business and the substitute member shall forthwith cease to be a member of the committee or sub-committee.

Such substitution shall not be used in relation to a specific item, but only to cover the absence of a councillor from the whole or part of a meeting.

24. APPOINTMENT OF WORKING GROUPS AND TASK GROUPS

Working groups appointed by the Leader, a Lead Councillor, or the Executive

Appointment, terms of reference, composition and duration

- (a) The Leader, a lead councillor, or the Executive (“the appointing body”) may appoint working groups for such purpose(s) as they shall specify, provided that no such working group shall exercise decision-making powers.
- (b) The appointing body shall determine:
- (i) the terms of reference of a working group,
 - (ii) the number of councillors on a working group,
 - (iii) whether such working group should be cross-party (i.e. include councillors from more than two political groups), and
 - (iv) the time for which the working group is expected to operate
- (c) The appointing body may appoint individual councillors to a working group, or ask political group leaders to nominate councillors for membership of a working group in accordance with the number of seats each political group has been allocated to that working group.
- (d) Membership of a working group will normally comprise councillors but the appointing body may, if they consider it appropriate, appoint officers of the Council or persons from outside the authority to a working group, but only in an advisory capacity.

Appointment of Chairman

- (e) The appointing body shall have absolute discretion over the appointment of chairman of a working group.

Substitutes

- (f) Unless otherwise decided by the appointing body, substitutes are permitted to serve as members of working groups at any meeting at which another member of the same political group is absent for the entire meeting.

Who may attend meetings of working groups

- (g) A councillor shall not be entitled to attend meetings of working groups unless appointed as a member or substitute or with the agreement of the Chairman of the working group.
- (h) The public may not attend meetings of working groups.

Proceedings to remain Confidential

- (i) The proceedings of meetings of working groups, including any written material circulated to or considered by a working group, will remain confidential until they have been made public with the authority of the appointing body.

Reporting back to the appointing body

- (j) A working group shall, periodically, report back the results of their work, including recommendations where appropriate, to the appointing body.

Annual review

- (k) Continuation of working groups to be reviewed annually by the appointing body.

Working-Task groups appointed by the Council, a committee or Executive Advisory Board

Appointment, terms of reference, composition and duration

- (l) The Council or any committee, or Executive Advisory Board ("the appointing body") may appoint working-task groups for such purpose(s) as they shall specify, provided that no workingtask group shall exercise decision-making powers.
- (m) The appointing body shall determine:
- (i) the terms of reference of a working-task group,
 - (ii) the number of councillors on a working-task group,
 - (iii) whether such workingtask group should be cross-party (i.e. include councillors from more than two political groups), and
 - (iv) the time for which the workingtask group is expected to operate
- (n) The appointing body may appoint individual councillors to a workingtask group, or ask political group leaders to nominate councillors for membership of a workingtask group in accordance with the number of seats each political group has been allocated to that workingtask group.
- (o) Membership of a workingtask group will normally comprise councillors, but the appointing body may, if it considers it appropriate, appoint officers of the Council or persons from outside the authority to a workingtask group, but only in an advisory capacity.

Appointment of Chairman

- (p) Each workingtask group shall elect its own chairman in such manner as they may determine.

Substitutes

(g) Unless otherwise decided by the appointing body, substitutes are permitted to serve as members of workingtask groups at any meeting at which another member of the same political group is absent for the entire meeting.

Who may attend meetings of workingtask groups

(r) A councillor shall not be entitled to attend meetings of workingtask groups unless appointed as a member or substitute or with the agreement of the Chairman of the workingtask group.

(s) The public may not attend meetings of workingtask groups.

Proceedings to remain Confidential

(t) The proceedings of meetings of workingtask groups, including any written material circulated to or considered by a workingtask group, will remain confidential until they have been made public with the authority of the appointing body.

Reporting back to the appointing body

(u) A workingtask group shall, periodically, report back the results of their work, including recommendations where appropriate, to the appointing body.

Annual review

(v) Continuation of workingtask groups to be reviewed annually by the appointing body".

2425. EXERCISE OF POWERS AND FUNCTIONS

No individual councillor, officer or group of councillors or officers (or both) shall be entitled to exercise any power or function of the Council save as already or hereafter delegated to them by the Council, Leader/Executive or a committee exercising a power or fulfilling a function on behalf of the Council or as detailed in this Constitution.

2526. DELEGATION TO COMMITTEES AND SUB-COMMITTEES

- (a) There shall be delegated to committees and sub-committees for determination such matters as the Council or legislation may from time to time prescribe.
- (b) In relation to any matter determined by a committee or sub-committee acting under delegated powers, it shall not be open to the Council or parent committee of a sub-committee to negate or amend any resolution passed, but the Council or parent committee may give guidance as to the manner in which the same or a similar matter shall be dealt with in future providing that such guidance shall not have the effect of causing the Council to breach the rules of natural justice or of prejudicing the determination by the committee or sub-committee of any matter required to be judged on its individual merits or of fettering the discretion of the committee or sub-committee in respect of any such matter .

- (c) In order for a planning application to be referred to the full Council for determination in its capacity as the Local Planning Authority, a councillor must first with a seconder, write to or email the ~~Director of Corporate Services~~ Democratic Services Manager detailing the rationale for the request (the proposer and seconder do not have to be members of the Planning Committee).

The ~~Director of Corporate Services~~ Democratic Services Manager shall inform all councillors by email of the request to determine an application by full Council, including the rationale provided for that request. The matter would then be placed as an agenda item for consideration at the next Planning Committee meeting. The proposer and seconder would each be given three minutes to state their case. The decision to refer a planning application to the full Council will be decided by a majority vote of the Planning Committee.

2627. QUORUM OF THE EXECUTIVE, COMMITTEES AND SUB-COMMITTEES

- (a) Except where authorised by statute or ordered by the Council, the number of voting members who shall form a quorum of the Executive or a committee or sub-committee shall be fixed in accordance with the following table:

Number of Voting Members on Committee or Sub-Committee	Number of Voting Members forming quorum
15 or more	5
11-14	4
10 or fewer	3

- (b) If during any meeting of the Executive or a committee or sub-committee, the chairman declares that there is not a quorum present, the meeting shall stand adjourned to a place, date and time fixed by the chairman at the time the meeting is adjourned or if he or she does not fix a place, date and time, to the next ordinary meeting of the Executive, committee or sub-committee.

2728. ATTENDANCE OF NON-MEMBERS AT THE EXECUTIVE, COMMITTEES AND SUB-COMMITTEES AND ADMISSION OF PUBLIC

Attendance by Mover of Motion

- (a) A councillor who has moved a motion which has been referred to the Leader/ Executive or a committee shall be given notice by the ~~Director of Corporate Services~~ Democratic Services Manager of the meeting at which it is proposed to consider the motion. He or she shall have the right to attend the meeting and explain the motion.

Attendance of Councillors at Meetings

- (b) A councillor shall have a right to attend meetings of the Executive or a committee or sub-committee on which he or she has not been appointed to serve.
- (c) A councillor shall not be permitted to speak at meetings of the Executive or a committee or sub-committee on which he or she has not been appointed to

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serve except with the permission of the chairman or as allowed by paragraph (a) of this Procedure Rule and such councillor shall not be entitled to vote on any item under consideration.

Leader of the Council

- (d) The Leader of the Council may attend any meeting of a committee or sub-committee and speak on any item under consideration as of right, but he or she may not vote unless appointed as an ordinary member of that committee or sub-committee.

Admission of Public

- (e) The public shall be admitted to all meetings of the Executive, committees and sub-committees in accordance with the Access to Information Procedure Rules in Part 4 of this Constitution.

2829. ELECTION OF CHAIRMEN AND VICE-CHAIRMEN OF COMMITTEES

Election of Chairman and Vice-Chairmen of Committees and Sub-Committees

~~(a) Every committee shall at its first meeting of a new municipal year, before proceeding to any other business, elect a chairman for that year and may at any time elect a vice-chairman. The election of the chairman will be chaired by the Mayor or, in his or her absence, the Deputy Mayor. If more than one councillor is proposed, election shall be by secret ballot. In the event of a tie, the election will be decided by the drawing of lots.~~

~~The chairman and vice-chairman of any committee or sub-committee may, when elected, determine how they wish to be addressed on agendas and at meetings.~~

(a) At the Selection Meeting each year, and following the appointment of committees, the Council shall elect the chairmen and vice-chairmen of all committees, including the executive advisory boards, and any sub-committees of those committees for the ensuing municipal year. Nominations for election of committee and sub-committee chairmen and vice-chairmen shall be submitted to the Democratic Services Manager in advance of the Selection Meeting at the same time as nominations are submitted for appointments to committees. If two candidates are nominated, the election shall be determined in accordance with paragraph (c) of Council Procedure Rule 19. If there are more than two candidates nominated, the election shall be determined in accordance with paragraph (f) of Council Procedure Rule 19, subject to the election being decided by the drawing of lots in the event of a tied vote of the two remaining candidates.

(b) If, during the course of a municipal year, a councillor

- (i) resigns from the office of chairman or vice-chairman of a committee or sub-committee, or
- (ii) is no longer appointed as a member of the committee or sub-committee to which he or she was elected chairman or vice-chairman, or
- (iii) resigns as a councillor, or
- (iv) becomes disqualified,

the election of his or her successor for the remainder of that municipal year shall be conducted by the Committee at its next meeting.

Absence of Chairman and Vice-Chairman

- (bc) At a meeting of a committee, the chairman, if present, shall preside.
- (ed) If the chairman is absent from a meeting, the vice-chairman, if present, shall preside.
- (de) In the absence from a meeting of the chairman and vice-chairman, a chairman for that meeting shall be elected from among the voting members of the committee.
- (ef) Any power or duty of the chairman in relation to the conduct of a meeting may be exercised by the person presiding at the meeting.

2930. NO CONFIDENCE IN THE CHAIRMAN

- (a) At any meeting of a committee or sub-committee, a councillor who is a member of that committee or sub-committee may propose that “the meeting has no confidence in the chairman”. The question shall after debate be put and, if carried by a majority of at least two thirds of the voting councillors present, the chairman shall stand down and the remainder of the meeting shall be chaired by the vice-chairman or, in his or her absence (or if he or she was the chairman subject to the vote) by a councillor elected for that purpose by the meeting.
- (b) Following an affirmative vote of no confidence in the chairman, he or she shall not officiate at any subsequent meeting of the committee or sub-committee prior to the next meeting of the Council. At that meeting, the Council shall consider whether to confirm the vote of no confidence. If by a simple majority they shall decide to confirm the vote, the office of chairman of the relevant committee or sub-committee shall be declared vacant and a new chairman shall be elected by full Council at that meeting~~that committee or sub-committee.~~

3031. MEETINGS OF THE EXECUTIVE, COMMITTEES AND SUB-COMMITTEES

Date and Time of Meetings

- (a) Ordinary meetings of the Executive, committees and sub-committees shall be held on such days and at such times as the Council or the Executive, committee or sub-committee concerned may fix.

Length of Meetings

- (b) Unless otherwise decided by a majority of councillors present and voting at the meeting, all meetings shall finish by no later than 10.30pm.

Any outstanding items not completed by the end of the meeting shall be adjourned to a reconvened meeting or the next ordinary meeting of the Executive, committee or sub-committee.

Calling Special Meetings

- (c) The chairman of the Executive or a committee or sub-committee may call a special meeting at any time. A special meeting shall also be called on the

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requisition of not less than 5 members of the Executive or committee (or in the case of a sub-committee by 3 members of the sub-committee) delivered in writing to the ~~Director of Corporate Services~~ Democratic Services Manager. The time and place of special meetings shall be agreed by the chairman after consultation with appropriate group leaders and/or spokesmen.

Venue of Meetings

- (d) Subject to paragraph (i) below, meetings of the Executive, committees and sub-committees shall be held at Millmead House, Guildford, or at such other place as the Executive, committee or sub-committee concerned shall determine.

Notice of and Summons to Attend Meetings

- (e) The ~~Director of Corporate Services~~ Managing Director will give notice to the public of the time and place of any Executive, committee or sub-committee meeting in accordance with the Access to Information Procedure Rules in Part 4 of this Constitution. Where a special meeting has been called by councillors, the notice shall specify the business to be transacted.
- (f) At least five clear working days before a meeting, the ~~Director of Corporate Services~~ Managing Director shall send a summons to attend meetings of the Executive, committees and sub-committees to each member (and, where applicable, substitute member) of the Executive, committee or sub-committee (as the case may be) so that it is received at the usual place of residence of such councillor, or at such other place as may be requested by that councillor. The summons will give the date, time and place of the meeting and specify the business to be transacted and will be accompanied by such reports as are available.
- (g) No item of business shall be considered at a meeting of the Executive or a committee or sub-committee unless the provisions of the Local Government Acts 1972 and 2000 have been complied with in relation thereto.
- (h) No business other than that set out in the summons shall be considered at a special meeting of the Executive or a committee or sub-committee.

Alteration or Cancellation of Meeting

- (i) Following consultation with the chairman and, where applicable, group spokesmen of the Executive, committee or sub-committee concerned or group leaders, the ~~Director of Corporate Services~~ Managing Director may:
 - (i) alter the place, date or time previously fixed for a meeting provided that (except where such alteration arises from a matter outside the control of the Council when notice is to be given as soon as practicable) notice of such alteration is given at least five clear working days before the date of the meeting as originally fixed, or
 - (ii) cancel a meeting in circumstances where there is insufficient business to be transacted.

| **3132. PROCEEDINGS OF THE EXECUTIVE, COMMITTEES AND SUB-COMMITTEES TO BE CONFIDENTIAL**

All summonses (including items of business mentioned therein), reports and other documents and all proceedings of the Executive, committees and sub-committees shall be treated as confidential unless and until they become public in the ordinary course of the Council's business.

Part D – Suspension, Amendment and Interpretation of Council Procedure Rules

| **3233. SUSPENSION AND AMENDMENT OF COUNCIL PROCEDURE RULES**

- (a) Any motion to amend or revoke (but not to suspend) these Council Procedure Rules shall when proposed and seconded be referred without discussion to the next meeting of the Council for consideration.
- (b) Any of these Council Procedure Rules, other than those governed by statutory provisions, may be suspended as regards any business at the meeting where its suspension is moved.

| **3334. INTERPRETATION OF PROCEDURE RULES**

- (a) The ruling of the Mayor in relation to the Council and the ruling of the chairman in relation to the Executive and all committee and sub-committee meetings as to the construction or application of any of these Procedure Rules, or as to any proceedings of the Council, Executive, committees or sub-committees shall not be challenged at any meeting.
- (b) The ruling of the ~~Director of Corporate Services~~ Legal Services Manager as to the interpretation of these Procedure Rules and terms of reference in respect of the allocation of business to the Council, Executive, committees and sub-committees shall be final.

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PART 4 – PUBLIC SPEAKING PROCEDURE RULES
GUILDFORD BOROUGH COUNCIL

PUBLIC SPEAKING PROCEDURE RULES

1. CONDUCT EXPECTED OF PUBLIC SPEAKERS AT ANY COUNCIL, EXECUTIVE OR COMMITTEE MEETING

Public speakers will be expected to conduct themselves in an orderly manner and, in making their speeches, they should be mindful of the need to avoid making public statements that could be construed to be defamatory, frivolous or offensive and should refrain from making allegations regarding the conduct of individual councillors or officers.

2. PUBLIC PARTICIPATION AT COUNCIL MEETINGS

(a) Public participation at Council meetings shall be limited to 30 minutes.

Questions

(b) Members of the public may ask the Mayor, the Leader, a lead councillor or a chairman of a committee questions relevant to the general work or procedure functions, powers, or duties of the Council at ordinary meetings of the Council, subject to the following conditions:

- (i) A member of the public may ask only one question at a meeting.
- (ii) In relation to each meeting at which a member of the public wishes to ask a question, notice specifying the question must be given in writing by the questioner and received by the Director of Corporate Services Democratic Services Manager not later than twelve noon on the fifththird working day before the day of the meeting. For the avoidance of doubt, this means that if the meeting is held on a Tuesday, written notice of the question would need to be delivered by 12 noon on the Thursday of the previous week.
- (iii) In cases where there is any doubt as to whether a question is relevant to the functions, powers or duties of the Council~~Only questions which, the Director of Corporate Services Legal Services Manager shall determine whether they are considers appropriate and relevant to some matter on which the Council has powers or duties or which specifically affect the Borough will be~~ accepted. The Director of Corporate Services Democratic Services Manager, in consultation with the Mayor, Leader, appropriate lead councillor or chairman and questioner, may re-word any question to bring it into proper form and to secure brevity.
- (iv) In response to a question, the councillor to whom the question has been put will normally provide and circulate to the questioner and all councillors at the meeting a written answer which, together with the question, shall also be recorded in the minutes.
- (v) The questioner may, without notice, ask one supplementary question if such a question arises from the answer given.
- (vi) Questions, including any supplementary questions, will be asked and answered without discussion.

- (vii) The Mayor, Leader, lead councillor or chairman may decline to answer a question, or nominate another councillor to answer it on their behalf.
- (viii) Any question or response under this Procedure Rule shall not exceed three minutes in length.

Statements

- (c) As an alternative to asking a question, a member of the public may address the Council for a period not exceeding three minutes on matters relevant to the ~~general work or procedure functions, powers, or duties~~ of the Council, subject to the following conditions:
 - (i) In relation to each meeting at which a member of the public wishes to speak and following publication of the agenda, notice, including a summary of the subject matter, must be given in writing by the person to the ~~Director of Corporate Services~~Democratic Services Manager not later than twelve noon one working day before the day of the meeting.
 - (ii) That speakers wishing to use visual aids during their speeches shall submit them to the ~~Director of Corporate Services~~Democratic Services Manager no later than 12 noon one working day before the meeting
 - (iii) The person addressing the meeting shall be advised to declare any current or prospective financial or personal interest they may have in the subject.
 - (iv) The Leader, relevant lead councillor or chairman shall be entitled to respond to the statement and this shall not exceed three minutes in length.

Presentation of Petitions

- (d) See Petition Scheme in the Appendix to the Public Speaking Procedure Rules.

3. PUBLIC PARTICIPATION AT EXECUTIVE AND COMMITTEES

Speaking at Meetings

- (a) Subject to (b) below, members of the public may address or question the Leader/Executive or any committees on any items on the public agenda, subject to the following conditions and on the basis that this provision shall not apply to sub-committees:
 - (i) that, following publication of the agenda for the relevant meeting, notice must be given in writing by the person concerned to the ~~Director of Corporate Services~~Democratic Services Manager by twelve noon one working day before a meeting stating on which item(s) they wish to speak;
 - (ii) that speakers shall be advised to declare any current or prospective financial or personal interest they may have in the subject;
 - (iii) that speakers wishing to use visual aids during their speeches shall submit them to the ~~Director of Corporate Services~~Democratic Services Manager no later than 12 noon one working day before the meeting

- (iv) that speeches can be up to three minutes duration or longer at the chairman's discretion and councillors be afforded the opportunity to ask questions of the public speakers;
- (v) that speakers do not engage in further debate once their speeches have been made;
- (vi) that there is a maximum of six speakers on any one agenda item, with the exception of the Planning Committee where there is a maximum of two speakers on any agenda item other than planning and related applications;
- (vii) that speakers be taken in the order in which they have registered; and
- (viii) that speeches precede the formal debate on each item by the Executive or committee concerned.

Speaking at Planning Committee Meetings on Planning and Related Applications

- (b) Any person wishing to address the Planning Committee on any item on the public agenda on a planning or related application may do so, provided that the qualifying number of representations have been received and subject to the following conditions:
 - (i) that, following publication of the agenda for the relevant meeting, notice must be given in writing by the person concerned to the ~~Director of Corporate Services~~Democratic Services Manager by twelve noon one working day before a meeting stating on which item(s) they wish to speak;
 - (ii) that speakers be advised to declare any current or prospective financial or personal interest they may have in the subject;
 - (iii) that a maximum of four persons (two speaking in opposition to and two speaking in support of an application) be permitted with each speaker being entitled to speak, for up to three minutes duration, on any one item;
 - (iv) that speeches precede the Committee's formal debate of each item;
 - (v) that there shall be no public speaking on an application previously deferred by the Committee (e.g. for a site visit) when that application is resubmitted for consideration;
 - (vi) that speakers shall not use visual aids during their presentations and shall not circulate material to councillors at the meeting.
 - (vii) that speakers have, in the opinion of the ~~Director of Corporate Services~~Democratic Services Manager, complied in all respects with such detailed scheme as may be approved by the Council from time to time.

Any person wishing to address the Planning Committee on any item on the public agenda relating to tree preservation orders or enforcement matters may do so, subject to conditions (i) to (vii) above.

Presentation of Petitions to Leader/Executive and other committees

- (c) See Petition Scheme in the Appendix to the Public Speaking Procedure Rules.

Presentation of Petitions on Planning and Related Applications

- (d) Any petition submitted to the Council in respect of a planning or related application shall count as a single representation for the purpose of calculating

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the qualifying number of representations to facilitate public speaking at Planning Committee meetings referred to in paragraph (b) of this Procedure Rule.

- (e) A petition in respect of a planning or related application may be presented to the Planning Committee but no public speaking will be triggered by the presentation of the petition.

Invitation to Address Meetings

- (f) In addition to the provisions outlined above, the Leader/Executive or any committee may invite people other than officers and councillors to address them, discuss issues of local concern and/or answer questions. It may, for example, wish to hear from residents, stakeholders and councillors and officers in other parts of the public sector and may invite such people to attend.

4. SUSPENSION AND AMENDMENT OF PUBLIC SPEAKING PROCEDURE RULES

- (a) Any motion to amend or revoke (but not to suspend) these Public Speaking Procedure Rules shall when proposed and seconded be referred without discussion to the next meeting of the Council for consideration.
- (b) Any of these Public Speaking Procedure Rules may be suspended as regards any business at the meeting where its suspension is moved.

PART 4 – PUBLIC SPEAKING PROCEDURE RULES (APPENDIX – PETITION SCHEME)

Guildford Borough Council Petition Scheme

Background

Subject to section 3 below, this scheme applies to all petitions submitted to the Council. Any petition that contains fewer than 50 signatures, or does not meet the guidelines within the scheme, will be deemed to be standard correspondence and receive a response within ten working days from the relevant director/service leader setting out what action the director/service leader intends to take in relation to the petition.

1. Petitions

- 1.1 The Council welcomes petitions and recognises that petitions are one way in which people can let us know their concerns. Anyone who lives, works or studies in the Borough may sign or organise a petition and trigger a response. This includes anyone under the age of 18.
- 1.2 All petitions submitted to the Council will receive a written acknowledgement from the Council within ten working days of receipt. This acknowledgement will set out what we plan to do with the petition.
- 1.3 E-petitions must be created, signed and submitted online through the Council's e-petitions facility: <http://petitions.guildford.gov.uk/>. The Council will not accept e-petitions hosted by third parties (for example, Change.org), or accept as paper petitions information about e-signatories downloaded from third party e-petition hosts.
- 1.4 Alternatively, paper petitions can be sent to:

~~Director of Corporate Services~~ Democratic Services Manager
Guildford Borough Council
Millmead House
Millmead
GUILDFORD
Surrey GU2 4BB

2. What are the guidelines for submitting a petition?

- 2.1 Petitions submitted to the Council under this scheme must include:
 - a clear and concise statement covering the subject of the petition which must relate to the functions, powers, or duties of the Council. It should also state what lawful action the petitioners wish the Council to take;
 - the name and address (in a legible format) and signature of any person supporting the petition; and
 - contact details, including name, address, telephone number (and where possible, an email address) of the petition organiser.
- 2.2 The petition organiser is the person the Council will contact to explain how we will respond to the petition. The contact details of the petition organiser will not be placed on the Council's website.

- 2.3 If a petition does not follow the guidelines set out above, the Council-Managing Director, in consultation with the lead councillor with responsibility for governance, may decide not to do anything further with it. In that case, we will write to the petition organiser to explain the reasons.

3. What types of petitions are excluded?

- 3.1 We will not take action on any petition which we the Managing Director, in consultation with the lead councillor with responsibility for governance, consider to be vexatious, abusive or otherwise inappropriate and will explain the reasons for this in our acknowledgement of the petition.

- 3.2 This petition scheme does not apply to:

- any petition relating to a planning or licensing application, or
- a statutory petition (for example requesting a referendum on having a directly elected mayor), or
- a petition relating to a matter where there is already an existing recourse to a review or right of appeal, such as council tax banding and non-domestic rates, where other procedures apply.

- 3.3 In addition, the scheme specifically excludes any petition on the same or similar topic as one that the Council has received and dealt with in the previous six months. The Council will acknowledge receipt of such a petition within 10 working days and include details of its response to the previous petition on the topic. Where the Council is still considering a petition on the same or similar topic, the new petition will be amalgamated with the first received petition.

- 3.4 Details of petitions affecting particular wards that have been excluded will be sent to the relevant councillors representing those wards.

4. What will the Council do when it receives my petition?

- 4.1 An acknowledgement will be sent to the petition organiser within ten working days of receiving the petition. It will let them know what we plan to do with the petition and when they can expect to hear from us again. It will also be published on our website, except in cases where this would be inappropriate. Where the subject matter of the petition affects particular wards, the councillors representing those wards will be notified of the receipt of the petition.

- 4.2 We will write to the petition organiser at each stage of the petition's consideration. If the petition needs further investigation, we will tell you the steps we plan to take. Whenever possible we will also publish all correspondence relating to the petition (all personal details will be removed).

5. How will the Council respond to my petition?

- 5.1 Our response to a petition will depend on what a petition asks for and how many people have signed it, but may include one or more of the following:

- taking the action requested in the petition
- considering the petition at a meeting of the Council or Executive
- holding an inquiry into the matter
- holding a public meeting
- holding a meeting with petitioners or the petition organiser

- undertaking research into the matter
- writing to the petition organiser setting out the Council's views about the request in the petition
- referring the petition to the Overview and Scrutiny Committee for consideration

5.2 The type of response the Council provides may be dependent on the number of signatories to the petition. The table below summarises the Council's approach:

Number of signatories	Response
fewer than 50	Response from relevant director/service leader (treated as standard correspondence).
50 - 299	Response from relevant lead councillor.
At least 300	Referred to the Leader/ Executive for response.
At least 500	Referred for debate at a meeting of the full Council (see section 6).
At least 500	Senior officer(s) called to provide evidence at a meeting of the Overview and Scrutiny Committee (see section 7), where such action is requested in the petition.

5.3 If we can do what a petition asks for, the acknowledgement to the organiser may confirm that we have taken the action requested and the petition will be closed. If the petition has enough signatures to be referred to the Leader/Executive or to trigger a debate at a meeting of the full Council, or for a senior officer to give evidence at a meeting of the Overview and Scrutiny Committee, then the acknowledgment will confirm this and inform the organiser when and where the relevant meeting will take place.

5.4 Where the petition is referred to the relevant lead councillor for a response, the petition organiser will be invited to make a written statement in support of the petition.

5.5 Where the petition is referred to the Leader/Executive, the full Council or to the Overview and Scrutiny Committee, the petition organiser (or any person authorised by him/her) will, if they so wish, be given a period not exceeding five minutes to present the petition at the meeting and the petition will then be discussed by councillors. Councillors will also be afforded the opportunity to ask questions of the petition organiser. The petition organiser (or any person authorised by the petition organiser) will be granted a right of reply for a further period not exceeding five minutes at the end of the debate and before a final decision or vote is taken.

5.6 In presenting their petition, the petition organiser (or any person authorised by him/her) shall be permitted to use visual aids, subject to submission of such visual aids to the ~~Director of Corporate Services~~ Democratic Services Manager by no later than 12 noon one working day before the meeting at which the petition is presented.

5.7 We will contact the petition organiser before the meeting to establish whether they wish to formally present the petition at the meeting in the manner described above.

5.8 In addition to these steps, the Council will consider all the specific actions it can potentially take on the issues highlighted in a petition.

~~5.9 If the petition is about something over which the council has no direct control (for example local railway services or hospital) we will consider making representations on behalf of the community to the relevant body. The Council works with a large number of local partners and agencies and where possible will work with these partners/agencies to respond to the petition. If we are not able to do this for any reason (for example if~~

~~what the petition calls for conflicts with Council policy), then we will set out the reasons for this to the petition organiser. Information on the services for which the Council is responsible may be found by browsing our website: www.guildford.gov.uk.~~

~~5.10 If the petition is about something that a different council is responsible for, we will give consideration to what the best method is for responding to it. This might consist of simply forwarding the petition to the other council, but could involve other steps. In any event we will always notify the petition organiser of the action we have taken.~~

6. Full Council debates

- 6.1 If a petition contains 500 signatures or more, it will automatically be referred to the full Council for debate unless it is a petition asking for a senior council officer to give evidence at a meeting of the Council's Overview and Scrutiny Committee (see section 7 below).
- 6.2 The Council will endeavour to consider the petition at its next meeting, although on some occasions this may not be possible and consideration will then take place at the following meeting.
- 6.3 The Council will decide how to respond to the petition at the meeting. They may decide to support the action the petition requests, or not. A motion suggesting a formal response to the petition shall be proposed and seconded at the meeting and dealt with under the normal rules of debate, provided that any such motion must respond explicitly to the request in the petition i.e. that part of the petition which asks the Council to take some form of action. Alternatively, the Council may refer the matter to the Leader/ Executive or the Overview and Scrutiny Committee for further consideration. The petition organiser will receive written confirmation of this decision.

7. Petitions asking senior officers to provide evidence

- 7.1 A petition may ask for a senior council officer to give evidence at a meeting of the Council's Overview and Scrutiny Committee about something for which the officer is responsible as part of their job, for example, it may ask a senior council officer to explain progress on an issue, or to explain the advice given to councillors to enable them to make a particular decision.
- 7.2 If the petition requests such action and contains at least 500 signatures, the relevant senior officer will give evidence at a public meeting of the Overview and Scrutiny Committee.
- 7.3 For the purpose of this scheme, *senior officer* is defined as one of the following:
- the Managing Director,
 - any director, or
 - any service leader
- 7.4 Details of the names of these officers are set out in Part 7 of this Constitution. Petition organisers should be aware that the Overview and Scrutiny Committee may decide that it would be more appropriate for another officer to give evidence instead of any officer named in the petition – for instance if the named officer has changed jobs. The committee may also decide to call the relevant lead councillor to attend the meeting.
- 7.5 Committee members will ask the questions at this meeting, but petition organisers will be able to suggest questions to the chairman of the committee by contacting the ~~Director of~~

Corporate ServicesDemocratic Services Manager up to seven working days before the meeting although the chairman will have discretion to accept any such questions received after this deadline.

8. E-petitions

- 8.1 The Council welcomes e-petitions which are created and submitted through our website <http://petitions.guildford.gov.uk/>. E-petitions will follow the same guidelines as paper petitions set out above.
- 8.2 E-petition organisers will need to provide us with their name, postal address and email address. They will also need to decide how long they would like their petition to be open for signatures, up to a maximum of 12 months.
- 8.3 When an e-petition is created, it may take five working days before it is published online. This is because we have to check that the content of the e-petition is suitable before it is made available for signature.
- 8.4 If the Managing Director, in consultation with the lead councillor with responsibility for governance we feels we cannot publish the e-petition for some reason, we will contact the e-petition organiser within this time to explain. The e-petition organiser will be able to change and resubmit their e-petition if they wish. If they do not do this within ten working days, a summary of the petition and the reason why it has not been accepted will be published under the 'rejected petitions' section of the website.
- 8.5 When an e-petition has closed for signature, it will automatically be submitted to the Committee Services team. In the same way as a paper petition, the e-petition organiser will receive an acknowledgement within ten working days.
- 8.6 A petition acknowledgement and response will be emailed to everyone who has signed the e-petition and elected to receive this information. The acknowledgment and response will also be published on our website.

9. How do I 'sign' an e-petition?

- 9.1 All the e-petitions currently available for signature may be viewed on the Council's website <http://petitions.guildford.gov.uk/>.
- 9.2 Anyone who signs an e-petition will be asked to provide their name, postcode and a valid email address. When this information has been submitted an email will be sent to the email address provided. This email will include a link which the signatory must click on in order to confirm that the email address is valid. Once this step is complete the signatory's 'signature' will be added to the e-petition. People visiting the e-petition will be able to see the signatory's name in the list of those who have signed it but their contact details will not be visible.

10. What can I do if I feel my petition has not been dealt with properly?

- 10.1 If a petition organiser feels that we have not dealt with their petition properly, they have the right to request that the steps that the Council has taken in response to the petition is reviewed by the Council's Overview and Scrutiny Committee. It is helpful to everyone, and can improve the prospects for a review if the petition organiser gives a short explanation of the reasons why the Council's response is not considered to be adequate.

10.2 The Council will endeavour to consider the review at the next available meeting of the Overview and Scrutiny Committee although, on some occasions, this may not be possible and the review will then take place at the following meeting or at a special meeting. The petition organiser shall be invited to attend that meeting. The procedure for conducting the review at the meeting shall be as follows:

- (a) The petition organiser (or any person authorised by them) shall be invited to address the Committee for no more than five minutes in respect of their request for review.
- (b) Councillors to ask the petition organiser any questions relevant to the review arising from their statement to the Committee.
- (c) The Committee to review the steps taken by the Council in responding to the petition and to consider whether the Council has dealt with the petition adequately. Dependent on whether the formal response to the petition was given by:
 - a director or service leader,
 - a lead councillor, or
 - full Council

this may include asking the relevant director/service leader or relevant lead councillor to attend and answer questions from the Committee.

- (d) Prior to making a decision on the review, the petition organiser (or any person authorised by them) shall have a right of reply on the debate, for which they will be given five minutes.
- (e) The Committee to formally determine the review – deciding either that the Council has dealt with the petition adequately or that it has not. If the latter, the Committee must then decide one of the following options:
 - (i) to investigate the matter further;
 - (ii) to make recommendations to the Leader/Executive; or
 - (iii) to arrange for the matter to be considered at a meeting of full Council.

10.3 The question as to whether implementation of any decisions pertinent to a petition under review by overview and scrutiny should be deferred pending completion of the review process shall be dealt with by the ~~Director of Corporate Services~~ Managing Director on a case-by-case basis including, where necessary, convening special meetings of the Overview and Scrutiny Committee and/or full Council for this purpose.

10.4 Once the Committee has completed its review the petition organiser will be informed of the results within five working days. The results of the review will also be published on our website.

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PART 4 – FINANCIAL PROCEDURE RULES
GUILDFORD BOROUGH COUNCIL
FINANCIAL PROCEDURE RULES

1 INTRODUCTION

- 1.1 Financial Procedure Rules provide the framework for managing the Council's financial affairs. They apply to every councillor and officer of the Council and anyone acting on its behalf.
- 1.2 Financial procedure rules shall not override any statutory provisions that apply.
- 1.3 These procedure rules outline the system of financial administration approved by the Council to secure the proper administration of its financial affairs, as required by Section 151 of the Local Government Act 1972, and should be read in conjunction with the Council's Procurement Procedure Rules, Corporate Procurement Manual and Guidance on the Control of Capital Projects.
- 1.4 The procedure rules identify the financial responsibilities of the Council, Executive, Managing Director (MD), Monitoring Officer(MO), Chief Finance Officer (CFO), Directors, Heads of Service, Service [Leaders Managers](#) and Budget Managers.
- 1.5 All councillors and officers have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value.
- 1.6 The CFO is responsible for maintaining a continuous review of these procedure rules and submitting any additions or changes necessary to Council for approval. The CFO is also responsible for reporting, where appropriate, breaches of the Rules to Council and/or the Executive.
- 1.7 Directors are responsible for ensuring that all staff in their respective service portfolios are aware of the existence and content of these Procedure Rules and other internal regulatory documents and that they comply with them. They must also ensure that an adequate number of copies are available for reference within their service portfolio or that staff are aware of the existence of the procedure rules on the Intranet.
- 1.8 The CFO is responsible for issuing advice and guidance to underpin the Procedure Rules that councillors, officers and others acting on behalf of the Council are required to follow.
- 1.9 The CFO has statutory duties in relation to the financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. The statutory duties arise from:
- (i) Section 151 of the Local Government Act 1972
 - (ii) Local Government Finance Act 1988 and 1992
 - (iii) Local Government and Housing Act 1989
 - (iv) Accounts and Audit Regulations, as current legislation
 - (v) Local Government Act 2003
 - (vi) Localism Act 2011

- (vii) The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended)

1.10 The CFO is responsible for:

- (i) the proper administration of the Council's financial affairs
- (ii) ensuring that the accounts of the Council are prepared in accordance with the Accounting Code of Practice
- (iii) setting and monitoring compliance with financial management standards
- (iv) advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
- (v) providing financial information
- (vi) preparing the revenue budget and capital programme
- (vii) treasury management

1.11 Section 114 of the Local Government Finance Act 1988 requires the CFO to report to Council, the Executive and external auditor if the Council or one of its officers:

- (i) has made, or is about to make, a decision which involves incurring unlawful expenditure
- (ii) has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the Council
- (iii) is about to make an unlawful entry in the Council's accounts.

Section 114 of the 1988 Act also requires:

- (i) the CFO to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under Section 114 personally
- (ii) the Council to provide the CFO with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under Section 114

1.12 Directors and Heads of Service are responsible for:

- (i) ensuring that councillors are advised of the financial implications of all proposals and that the financial implications have been agreed by the Head of Financial Services;
- (ii) signing contracts on behalf of the Council in accordance with Appendix 1 of the Procurement Procedure Rules
- (iii) ensuring all staff in their service units are made aware of and fully understand the requirements and implications of these procedure rules as far as they relate to their particular duties and responsibilities.

1.13 Service [Managers Leaders](#) are responsible for:

- (i) ensuring that councillors are advised of the financial implications of all proposals and that the financial implications have been agreed by the Head of Financial Services;
- (ii) signing contracts on behalf of the Council in accordance with Appendix 1 of the Procurement Procedure Rules
- (iii) ensuring all staff in their service are made aware of and fully understand the requirements and implications of these procedure rules as far as they relate to their particular duties and responsibilities.

FINANCIAL PROCEDURE NOTE A: FINANCIAL PLANNING

A.1 INTRODUCTION

A.1.1 Council is responsible for agreeing the Council's budget and policy framework, which will be proposed by the lead councillor with responsibility for finance. In terms of financial planning, the key document is the Budget Book and Medium Term Financial Plan, which will include:

- (i) the annual budget
- (ii) three year financial plan
- (iii) capital programmes

A.2 FORMAT OF THE BUDGET

A.2.1 The format of the budget determines the level of detail to which financial control and management will be exercised. The format shapes how the rules around virement operate, the operation of cash limits and sets the level at which funds may be reallocated within budgets.

A.2.2 The general format of the budget will be approved by Council and proposed by the lead councillor with responsibility for finance on the advice of the Head of Financial Services. The draft budget should include allocation to different services and projects, proposed taxation levels and contingency funds.

A.2.3 Guidelines on budget preparation are issued to Councillors, Directors and Heads of Service by the Executive following agreement with the Head of Financial Services. The guidelines will take account of:

- (i) legal requirements
- (ii) medium-term planning prospects
- (iii) available resources
- (iv) spending pressures
- (v) relevant government guidelines
- (vi) internal policy documents
- (vii) crosscutting issues (where relevant).

A.2.4 **Key Controls**

The key controls for the budget format are:

- (i) the format complies with all legal requirements
- (ii) the format complies with CIPFA'S Service Reporting Code of Practice (SeRCOP)
- (iii) the format reflects the accountabilities of service delivery.

A.2.5 **Responsibilities of the Head of Financial Services**

- (i) to determine the format of the budget in line with the general directions of the Executive.

A.2.6 **Responsibilities of Directors, ~~and~~ Heads of Service and Service Leaders**

- (i) to comply with accounting guidance provided by the Head of Financial Services.

A.3 REVENUE BUDGET PREPARATION

- A.3.1 The Head of Financial Services is responsible for ensuring that a revenue budget is prepared on an annual basis and a general revenue plan on a three-yearly basis for consideration by the Executive, before submission to Council. Council will consider the budget in accordance with the Budget and Policy Framework Procedure Rules in Part 4 of the Constitution.
- A.3.2 The detailed form of the budget shall be determined by the Head of Financial Services, consistent with the general direction of the Executive.

A.4 BUDGETS AND MEDIUM TERM PLANNING

- A.4.1 The Council is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with carefully weighed priorities. The budget is the financial expression of the Council's plans and policies.
- A.4.2 A report on new proposals should explain the full financial implications, following consultation with the Head of Financial Services. Unless Council or the Executive has agreed otherwise, Directors ~~and Heads of Service~~ must plan to contain the financial implications of such proposals within their budget.
- A.4.3 Medium-term planning (or a three to five year planning system) involves a planning cycle in which managers develop their own plans. As each year passes, another future year will be added to the medium-term plan. This ensures that the Council is always preparing for events in advance.
- A.4.4 **Key Controls**
The key controls for budgets and medium-term planning are:
- (i) specific budget approval for all expenditure
 - (ii) budget managers are consulted in the preparation of the budgets for which they will be held responsible and accept accountability
 - (iii) a monitoring process is in place to review regularly the effectiveness and operation of budget preparation and to ensure that any corrective action is taken.
- A.4.5 **Responsibilities of the Chief Finance Officer**
- (i) in accordance with their responsibilities under Section 151 of the Local Government Act 1972, to report annually to Council on the revenue and capital programmes, including any resource constraints which may be set by the Government, taking account of medium term planning, the implications of spending decisions and adequacy of the level of revenue and capital reserves. The budget report will include an opinion on the robustness of the estimates presented, adequacy of reserves and any finance or service risks.
- A.4.6 **Responsibilities of the Head of Financial Services**
- (i) to prepare and submit a budget report on financial plans for Council, including resource constraints set by the government. Reports should take account of medium-term prospects, where appropriate

- (ii) to prepare and submit a budget report to Council on the aggregate spending plans of service portfolios and on the resources available to fund them, identifying, where appropriate, the implications for the level of council tax to be levied
- (iii) to advise on the medium-term implications of spending decisions
- (iv) to encourage the best use of resources and value for money by working with Directors, ~~and~~ Heads of Service and Service Leaders to identify opportunities to improve economy, efficiency and effectiveness and by encouraging good practice in conducting financial appraisals of development or savings options and in developing financial aspects of service planning
- (v) to carry out a Budget Risk Assessment, as part of the budget report each year to identify financial and service risks and the extent of the risk, in order to ascertain potential unbudgeted liabilities and provide information to Council in setting the level of reserves.

A.4.7 Responsibilities of Directors and Heads of Service

- (i) to prepare estimates of income and expenditure for the next and following three financial years, in consultation with the Head of Financial Services, to be submitted to the Executive
- (ii) to prepare budget estimates that are consistent with the Council's annual budget cycle. The format should be prescribed by the Head of Financial Services in accordance with the Council's constitution
- (iii) to integrate financial and budget plans into business planning, so that business plans can be supported by financial and non-financial performance measures
- (iv) in consultation with the Head of Financial Services to prepare detailed draft revenue and capital budgets for consideration by Council in accordance with the guidance and timetable issued by the Head of Financial Services
- (v) when drawing up draft budget requirements, to have regard to:
 - spending patterns and pressures revealed through the budget monitoring process
 - legal requirements
 - policy requirements as defined by the Council in the approved policy framework; and
 - Initiatives already under way.
- (vi) to work with the Head of Financial Services in identifying opportunities to improve value for money, encourage good practice in conducting financial appraisals, and in developing financial aspects of service planning
- (vii) in consultation with the Head of Financial Services, to carry out a Budget Risk Assessment each year to identify financial and service risks and the extent of the risk, in order to ascertain potential unbudgeted liabilities and provide information in setting the level of reserves.

A.4.8 Responsibilities of Budget Managers

- (i) in consultation with the Head of Financial Services to prepare detailed draft revenue and capital budgets for consideration by Council in accordance with the guidance and timetable issued by the Head of Financial Services
- (ii) when drawing up draft budget requirements, to have regard to:
 - spending patterns and pressures revealed through the budget monitoring process
 - legal requirements
 - policy requirements as defined by the Council in the approved policy framework

- initiatives already under way
- (iii) to work with the Head of Financial Services in identifying opportunities to improve value for money, encourage good practice in conducting financial appraisals, and in developing financial aspects of service planning.

A.5 **RESOURCE ALLOCATION**

A.5.1 A mismatch often exists between available resources and required resources. A common scenario is that available resources are not adequate to fulfil need/desire. It is, therefore, imperative that needs/desires are carefully prioritised and that resources are fairly allocated in order to fulfil all legal responsibilities. Resources may include staff, money, equipment, goods and materials.

A.5.2 **Key Controls**

The key controls for resource allocation are:

- (i) a policy decision by the Executive or Council
- (ii) resources are acquired in accordance with the law using an approved authorisation process
- (iii) resources are used only for the purpose intended, to achieve the approved policies and objectives and are properly accounted for
- (iv) resources are securely held for use when required
- (v) resources are used with the minimum level of waste, inefficiency or loss for other reasons.

A.5.3 **Responsibilities of the Head of Financial Services**

- (i) to develop and maintain a resource allocation process that ensures due consideration of the Council's policy framework
- (ii) to advise on methods available for the funding of resources, such as grants from central government and borrowing requirements
- (iii) to assist in the allocation of resources to budget managers.

A.5.4 **Responsibilities of Directors, ~~and~~ Heads of Service and Service Leaders**

- (i) to work within budget limits and to utilise resources allocated and further allocate resources in the most efficient, effective and economic way
- (ii) to identify opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery.

A.6 **CAPITAL PROGRAMMES**

A.6.1 Capital expenditure is expenditure mainly for buying, constructing or improving physical assets. In order to count as capital expenditure, new assets or improvements to existing assets must have a life of more than one year and it must enhance the life, use or value of an asset, as defined by the CIPFA Practitioners' Guide to Capital Finance in Local Government.

A.6.2 Capital expenditure may be included as one of two programmes - Housing Improvement Programme (HRA) and General Fund.

A.6.3 Capital projects are placed on the provisional capital programme in the first instance, unless otherwise approved by Council. The inclusion of items in the approved capital programmes will generally constitute authority to incur such

expenditure subject to compliance with any conditions, which the Executive shall have placed, on any item or items.

A.6.4 Key Controls

The key controls for capital programmes are:

- (i) approval by Council for the capital programme, including a business case for each new scheme, and an update for existing schemes
- (ii) the relevant [service-Service Leader](#) is required to prepare a capital bid for a new scheme, together with estimated costs, including construction costs, internal and external fees, fitting out [and staffing resources necessary to deliver the project](#) etc. All costs must be included and estimates should be as accurate as possible and include any ongoing revenue costs
- (iii) a named manager has responsibility for each scheme in the capital programmes
- (iv) bids submitted as part of the annual budget / business-planning process will be evaluated and assessed against criteria agreed at the start of the process. They will then be submitted to the Executive who will make recommendations as to the inclusion of the schemes in the programme to Council
- (v) the Asset Development Manager has overall responsibility for the Council's non-housing stock land and building assets. All proposed capital works to or impacting on non-housing land and buildings must be approved by the Asset Development Manager
- (vi) projects will, unless otherwise agreed, be placed on the provisional capital programme, subject to further approval as outlined in (viii) and (ix)
- (vii) all borrowing, capital receipts, disposals or use of capital reserves to finance the Capital Programme must be approved by Council when setting the Capital Programme at Budget Council, or by the Head of Financial Services thereafter
- (viii) [for project expenditure of over £200,000 on for capital -projects with a gross budget of over £200,000](#), responsible officers will need to submit an updated business case, including costs, project plan, timescales and associated revenue expenditure for approval by the Executive before the [project the project budget](#) is moved to the approved capital programme, from the provisional capital programme
- (ix) for project [expenditure s with a gross budget](#) under £200,000, responsible officers will need to submit [an updated business casea business case](#), as detailed in (viii) above to the Head of Financial Services
- (x) once [the a project budget](#) is on the approved capital programme, the responsible officer will assume responsibility for its progression, control and completion, including invitations to tender and selection of contractors and / or consultants
- (xi) the responsible officer will have control over the scope and budget of the project, subject to the detail approved by the Executive or Head of Financial Services. The responsible officer does not have authority to change the project brief or cost without approval of the Executive or Head of Financial Services
- (xii) the responsible officer will liaise with the [Senior-Principal Accountant \(Treasury Management and Capital\)for Capital, Assets and Treasury](#), who has responsibility for monitoring the capital programme as a whole, on progress of the project and details of costs so detailed project monitoring can be undertaken and the effect on the Council's resources can be monitored
- (xiii) the responsible officer will organise, and chair, a project team
- (xiv) the Capital Monitoring Group will meet throughout the year and has responsibility for monitoring the capital programme as a whole. Monitoring reports, on property related capital projects, will be submitted to the property

review group, quarterly monitoring on the whole programme will be submitted to Corporate Management Team (CMT)

- (xv) any variances to the project brief or the cost of the project, and the correcting action, must be reported in line with the finance procedure rules.

A.6.5 Responsibilities of the Chief Finance Officer

- (i) To authorise expenditure from the Council's capital contingency fund for new capital projects up to a maximum gross project cost of £100,000

A.6.56 Responsibilities of the Head of Financial Services

- (i) to prepare capital estimates and updated projections of current schemes, with CMT, ~~and~~ Heads of Service and Service Leader, and to report them to the Executive for approval, for both General Fund and Housing programmes. The Executive will make recommendations on the capital estimates and on any associated financing requirements to Council
- (ii) to prepare and submit monitoring reports to CMT and the Corporate Governance and Standards Committee on the projected income, expenditure and resources used to finance the programmes compared with the approved estimates
- (iii) to issue guidance concerning capital schemes and controls, for example, on project appraisal techniques. The definition of 'capital' will be determined by the Head of Financial Services having regard to government regulations and accounting requirements
- (iv) in consultation with the Directors, ~~or~~ Heads of Service and Service Leaders, to obtain authorisation for individual schemes where the estimated expenditure exceeds the capital programme provision in accordance with the limits set in the Council's virement or supplementary estimate section of these Financial Procedure Rules
- (v) to approve the re-phasing of capital schemes within the capital programme between financial years, subject to the availability of resources, to make the most effective use of those resources
- (vi) to add expenditure to the approved capital programme where it is fully financed by grant, s106, SPA and CIL receipts and the project has been approved by the appropriate lead councillor and the relevant Directors or Heads of Service
- (vii) To authorise moving up to £200,000 from capital projects on the provisional capital programme to the approved capital programme where a business case has been submitted by the responsible officersto authorise moving capital projects from the provisional capital programme to the approved capital programme where the gross
- ~~(vii)~~(viii) To authorise expenditure from the Council's capital contingency fund for existing approved capital projects up to a maximum of 20% of the gross project cost or £200,000 whichever is the lower amount in accordance with the Council's financial procedure rules for capital virements budget is under £200,000 and a supporting business case has been submitted by responsible officers.

A.6.76 Responsibilities of Directors, ~~and~~ Heads of Service and Service Leaders

- (i) to comply with guidance concerning capital schemes and controls issued by the Head of Financial Services
- (ii) to ensure that all capital proposals have undergone a project appraisal in accordance with the business plan guidance issued by the Head of Financial Services

- (iii) to prepare a business case to move a project from the provisional to the approved capital programme in accordance with the key controls paragraph A.6.4
- (iv) to prepare regular reports reviewing the capital programme for their services. They should also prepare a quarterly return of estimated final costs of schemes in the capital programme for submission to the Head of Financial Services
- (v) to ensure that adequate records are maintained for all capital contracts
- (vi) to proceed with projects only when there is adequate provision in the approved capital programme
- (vii) to ensure that credit arrangements, such as leasing agreements, are not entered into without the prior approval of the Head of Financial Services and, if applicable, approval of the scheme through the capital programme in accordance with section C.8.10 of the finance procedure rules
- (viii) to consult with the Head of Financial Services and CMT before any service submits a bid for external funding, and to seek the approval of the Head of Financial Services (under delegated authority) to add expenditure that is not currently included in the capital programme.

A.7 STAFFING

A.7.1 In order to provide the highest level of service, it is crucial that the Council recruits and retains high calibre, knowledgeable staff, qualified to an appropriate level.

A.7.2 Key Controls

The key controls for staffing are:

- (i) an appropriate staffing strategy and policy exists, in which staffing requirements and budget allocation are matched
- (ii) procedures are in place for forecasting staffing requirements and cost.
- (iii) controls are implemented that ensure staff time is used efficiently and to the benefit of the Council
- (iv) checks are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced and trustworthy.

A.7.3 Responsibilities of the Director of Resources and Head of Financial Services

- (i) to ensure that budget provision exists for all existing and new employees, based on information supplied by Human Resources and Heads of Service
- (ii) to act as an adviser to Directors and Heads of Service on areas such as national insurance and pension contributions, as appropriate.

A.7.4 Responsibilities of Directors, ~~and Heads of Service~~ and Service Leaders

- (i) to agree an annual staffing budget for all services, on the basis of information provided by the Head of Financial Services
- (ii) to ensure that the staffing budget is an accurate forecast of staffing levels and is equated to an appropriate revenue budget provision (including on-costs and overheads)
- (iii) to monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff
- (iv) to ensure that the staffing budget is not exceeded without due authority and that it is managed to enable the agreed level of service to be provided
- (v) to ensure that the Director of ~~Corporate Services~~ Resources and Head of Financial Services are immediately informed if the staffing budget is likely to be materially over or underspent.

A.8 FEES AND CHARGES

The Council is required to set its fees and charges annually as part of the budget setting process.

Key Controls

- (i) Directors and Heads of Service shall set the established fees and charges annually for approval by Council
- (ii) Fees and Charges shall be increased in accordance with the Corporate Charging Policy and the rate of inflation as confirmed by the Executive
- (iii) in-year increases above or below inflation can be approved by the Head of Financial Services in consultation with the appropriate lead councillor and lead councillor with responsibility for finance subject to no adverse on-going budgetary implications
- (iv) in exceptional circumstances and subject to the foregoing requirement, charges may be increased, reduced or waived for a specified (temporary) period to promote a service or facility by the Director in consultation with the Head of Financial Services subject to there being no ongoing budgetary implications. This may include introducing a casual charge for the purpose of defraying costs of a special event. Any such change must be fully documented.

A.8.1 Responsibilities of the Head of Financial Services

- (i) To submit the list of the Council's fees and charges to Council for approval as part of the budget report
- (ii) To prepare and submit a corporate charging policy for approval by Executive
- (iii) To approve in year variations to fees and charges in consultation with the relevant Directors or Heads of Service subject to there being no ongoing budgetary implications

A.8.2 Responsibilities of Directors, and Heads of Service and Service Leaders

- (i) To inform the Head of Financial Services of their proposed fees and charges for inclusion in the budget report for approval by Council
- (ii) To set fees and charges in line with the Corporate Charging Policy
- (iii) To approve in year variations to fees and charges in consultation with the Head of Financial Services subject to there being no ongoing budgetary implications

FINANCIAL PROCEDURE NOTE B: FINANCIAL MANAGEMENT AND CONTROL

B.1 INTRODUCTION

- B.1.1 Financial management and control covers all financial accountabilities in relation to the financial running of the Council and control of the approved budget
- B.1.2 The role of Council, the Executive and other committees and those of the Council's statutory officers in relation to these matters are set out in the Council's Constitution. Full details of the responsibilities of the CFO are set out in the overall introduction to these Financial Procedure Rules.
- B.1.3 It is the responsibility of Directors and Heads of Service to consult the Head of Financial Services and seek approval on any matter liable to affect the Council's finances before any additional budgetary commitments are committed.

B.2 FINANCIAL MANAGEMENT STANDARDS

- B.2.1 All staff and councillors have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring that everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.
- B.2.2 **Key Controls**
The key controls and control objectives for financial management standards are:
- (i) their promotion throughout the Council
 - (ii) a monitoring system to review compliance with financial standards and regular comparisons of performance indicators and benchmark standards that are reported to the Executive and/or Council
- B.2.3 **Responsibilities of the Chief Finance Officer**
- (i) to ensure the proper administration of the financial affairs of the Council
 - (ii) to set the financial management standards and to monitor compliance with them
 - (iii) to ensure that officers adhere to proper professional practices and to act as head of profession in relation to the standards, performance and development of finance staff throughout the Council
 - (iv) to ensure key strategic controls necessary to secure sound financial management are in place.
- B.2.4 **Responsibilities of the Head of Financial Services**
- (i) To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.

B.2.5 Responsibilities of Directors

- (i) to promote the financial management standards set by the CFO in their service portfolio and to monitor adherence to the standards and practices, liaising as necessary with the CFO
- (ii) to promote sound financial practices in relation to the standards, performance and development of staff in their service portfolio
- (iii) to prepare, in consultation with the CFO, any necessary financial instructions detailing the action to be taken within their service to ensure compliance with the Constitution and Financial Procedure Rules. Copies of these instructions and any future amendments should be held within the service section on the Council's intranet

B.3 ACCOUNTING POLICIES

B.3.1 The Head of Financial Services is responsible for the preparation of the Council's and any subsidiary's 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 and the Service Reporting Code of Practice, (CIPFA/LASAAC), supported by International Financial Reporting Standards.

B.3.2 Key Controls

The key controls for accounting policies are:

- (i) systems of internal control are in place that ensure financial transactions are lawful
- (ii) suitable accounting policies are selected and applied consistently
- (iii) proper accounting records are maintained
- (iv) financial statements are prepared which present a true and fair view of the financial position of the Council and of its expenditure and income.

B.3.3 Responsibilities of the Head of Financial Services

- (i) to select suitable accounting policies and to ensure that they are applied consistently
- (ii) to exercise supervision over financial and accounting records and systems with a view to ensuring their uniformity, co-ordination and compatibility. The accounting policies are set out in the statement of accounts
- (iii) To prepare and publish reports the statement of accounts

B.3.4 Responsibilities of Directors, ~~and Heads of Service~~ and Service Leaders

- (i) to adhere to the accounting policies and guidelines approved by the Head of Financial Services
- (ii) to obtain the approval of the ~~Head of Financial Services and Managing Director~~ Chief Finance Officer before introducing any books, forms or procedures or other records relating to cash, stores or other accounts of the Council which may affect the Council's finances
- (iii) to submit to the Head of Financial Services any information as the latter considers necessary for accounting and costing purposes and allow the Head of Financial Services access at all reasonable times to all accounting records and documents, which may affect the Council's finances
- (iv) to consult the Head of Financial Services when publishing any financial information

B.4 ACCOUNT RECORDS AND RETURNS

- B.4.1 The form of accounts, procedures, and supporting financial records of the Council and its officers and the Council's subsidiary organisations shall be determined by the Council's Head of Financial Services. No new accounting systems shall be introduced at the Council and its subsidiaries, or changes to existing financial systems without the approval of the Head of Financial Services.
- B.4.2 The Council maintains and audits unofficial funds, which for this purpose shall be defined as any funds, associated with Council business, supervised or managed by Council staff, but which are not part of Council funds or trust funds of the Council.
- B.4.3 Any employee holding unofficial funds must deliver up a true account in writing of all money and property committed to their charge and of receipts and payments with vouchers and other documents and records supporting the entries therein, and a list of persons from whom or to whom money is due, showing the amount due from or to each.
- B.4.4 Employees acting as honorary treasurers of unofficial funds shall notify the appropriate Director and CFO.

B.4.5 Key Controls

The key controls for accounting records and returns are:

- (i) all officers, finance staff and budget managers operate within the required accounting standards and timetables
- (ii) all the Council's transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis
- (iii) procedures are in place to enable accounting records to be reconstituted in the event of systems failure
- (iv) reconciliation procedures are carried out to ensure transactions are correctly recorded
- (v) prime documents are retained in accordance with legislative and other requirements.

B.4.6 Responsibilities of the Chief Finance Officer

- (i) To determine the accounting procedures and records for the Council and any subsidiaries of the Council.

B.4.7 Responsibilities of the Head of Financial Services

- (i) to arrange for the compilation of all accounts and accounting records under their direction. The ~~Managing Director and Director of Corporate Services~~ Chief Finance Officer, Monitoring Officer and Audit and Business Improvement Manager ~~Chief Internal Auditor~~ shall be consulted before any records, books, forms or procedures which might affect the financial integrity of the financial systems, are introduced
- (ii) to comply with the following principles when allocating accounting duties:
 - separating the duties of providing information about sums due to or from the Council and calculating, checking and recording these sums from the duty of collecting or disbursing them; and
 - employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.

- (iii) to make proper arrangements for the audit of the Council's and any Subsidiary's accounts in accordance with the latest Accounts and Audit Regulations
- (iv) to ensure that all claims for funds, including grants are made by the due date.
- (v) to prepare and publish the accounts of the Council for each financial year in accordance with the statutory timetable
- (vi) to administer the Council's arrangements for under and overspendings for each financial year
- (vii) to ensure the proper retention of financial documents in accordance with the requirements set out in the Council's document retention schedule.

B.4.8 Responsibilities of Directors, ~~and Heads of Service~~ and Service Leaders

- (i) to consult and obtain the approval of the Head of Financial Services before making any changes to accounting records and procedures
- (ii) to comply with the principles outlined in paragraph B.3.4 when allocating accounting duties and report to the Head of Financial Services and ~~Managing Director~~ Chief Internal Audit and Business Improvement Manager if it is not possible to comply with these principles
- (iii) to maintain adequate records to provide a management trail leading from the source of income/expenditure through to the accounting statements
- (iv) to supply information required to enable the statement of accounts to be completed in accordance with guidelines issued by the Head of Financial Services
- (v) to ensure the proper retention of financial documents under his or her control in accordance with the requirements of the Council's document retention schedule and the security and privacy of information in accordance with the Data Protection Act 1988.

B.5 REVENUE BUDGET MONITORING AND CONTROL

- B.5.1 Budget monitoring ensures that once the budget has been approved by Council, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.
- B.5.2 By continuously identifying and explaining variances against budgetary targets, the Council can identify changes in trends and resource requirements at the earliest opportunity. The Council itself operates within an annual budget, approved when setting the overall budget. To ensure that the Council as a whole does not overspend, each service is required to manage its own expenditure within the budget allocated to it.
- B.5.3 For the purposes of budgetary control by managers, a budget will normally be the planned income and expenditure for a service area or cost centre. However, budgetary control may take place at a more detailed level if this is required by individual Directors or Heads of Service
- B.5.4 For this purpose:
- o a service unit includes relevant service areas, headed by a Director or a Head of Service as defined in the Council's budget book
 - o a defined service is as stated in the service unit summary in the budget book

- an account category is that stated on the subjective summary in the budget book
- an expenditure account, with an approved budget, is a line in the general ledger
- a service [manager/leader](#), is [a person who reports to a Director, is](#) the manager of a service which is stated in the service unit summary in the budget book and is stated as the responsible officer on the service budget page in the budget book
- a budget manager is an officer with authority to spend an approved budget within a defined service area

Key Controls

B.5.5 The key controls for managing and controlling the revenue budget are:

- (i) budget managers should be responsible only for income and expenditure that they can influence
- (ii) there is a nominated budget manager for each cost centre. This will be the service manager identified as the responsible officer in the Council's budget book for the service unless delegated to another manager
- (iii) budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities
- (iv) budget managers follow an approved certification process for all expenditure
- (v) income and expenditure are properly recorded and accounted for
- (vi) performance levels/levels of service are monitored in conjunction with the budget and necessary action is taken to align service outputs and budget.

B.5.6 Responsibilities of the Head of Financial Services

- (i) to establish an appropriate framework of budget monitoring and control that ensures that:
 - budget management is exercised within annual budgets unless the Council agrees otherwise by virement or supplementary estimate.
 - each Director and Head of Service has available timely information on receipts and payments on each budget, which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities.
 - expenditure is committed only against an approved [budget head/expenditure account](#).
 - all officers responsible for committing expenditure comply with relevant guidance and the Financial Procedure Rules.
 - each service has a single named budget manager in the Council's budget book, determined by the relevant Director or Head of Service. The budget manager is responsible for expenditure against the approved budget and as a general principle, the expenditure should align as closely as possible to the objectives of the service.
 - significant variances from approved budgets are investigated and reported by budget managers regularly
- (ii) to be responsible for providing appropriate financial information to enable budgets to be monitored effectively. They must monitor and control expenditure against budget allocations
- (iii) to administer the Council's scheme of virement
- (iv) to provide Directors and Heads of Service with a budgetary information service in a format devised by the Head of Financial Services in consultation with Directors
- (v) to submit reports to the Executive and Council, in consultation with the

- (vi) relevant Directors or Heads of Service, where a Director or Head of Service is unable to balance expenditure and resources within existing approved budgets and virement procedures under his or her control
- (vii) to prepare and submit reports on the Council's projected income and expenditure compared with the budget to Directors and budget managers on a regular basis.

B.5.7 Responsibilities of Directors and Heads of Service

- (i) to ensure that budget estimates reflecting agreed business plans are submitted to the Executive and that these estimates are prepared in line with guidance issued by the Executive
- (ii) to control income and expenditure within their areas and to monitor performance, taking account of financial information provided by the Head of Financial Services. They should also take any action necessary to avoid exceeding their budget allocation and alert the Head of Financial Services to any problems
- (iii) to maintain budgetary control within their services, in adherence to the principles in B.4.7, and to ensure that all income and expenditure is properly recorded and accounted for
- (iv) to ensure that an accountable budget manager is identified for each item of income and expenditure under their control. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure
- (v) to ensure that spending remains within the service's overall budget and that individual account categories are not overspent by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast
- (vi) to inform the Head of Financial Services whenever there is a likelihood that expenditure on any item/project will exceed the approved revenue or capital estimate for it, or that income will be less than the amount included in the estimates, unless a virement or supplementary estimate has been approved so that action in accordance with these Procedure Rules may be taken as necessary
- (vii) to ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and is operating effectively
- (viii) to ensure prior approval by Council or the Executive (as appropriate) for new proposals, of whatever amount, that:
 - create financial commitments in future years
 - change existing policies, initiate new policies or cease existing policies
 - materially extend or reduce the Council's services
- (ix) to report to the Executive on new proposals explaining the full financial implications, following consultation with the Head of Financial Services. Unless Council or Executive has agreed otherwise, Directors and Heads of Service must plan to contain the financial implications of such proposals within their budget
- (x) to ensure compliance with the scheme of virement
- (xi) to agree with the relevant Directors or Heads of Service where it appears that a budget proposal, including a virement proposal, may impact materially on another service area or Director's or Head of Service's level of service activity
- (xii) to report to Executive for approval of any commitment, which may be contained in the current year's budget, but incurs additional expenditure or additional income in future years before any commitment is made. This is particularly relevant to Grant Funded expenditure.

B.5.8 Responsibilities of **Service Managers****Service Leaders** and Budget Managers

- (i) to ensure that budget estimates are submitted to the Directors or Heads of Service and Head of Financial Services so that they can submit them to Executive for approval
- (ii) to control income and expenditure within their areas and to monitor performance, taking account of financial information provided by the Head of Financial Services. They should also take any action necessary to avoid exceeding their budget allocation and alert the Head of Financial Services to any problems
- (iii) to report to Directors or Heads of Service and Head of Financial Services any commitment, which may be contained in the current year's budget, but incurs additional expenditure or additional income in future years before any commitment is made so that approval may be sought from Executive. This is particularly relevant to Grant Funded expenditure
- (iv) to inform the Directors or Heads of Service and Head of Financial Services whenever there is a likelihood that expenditure on any item/project will exceed the approved revenue or capital estimate for it or that income will be less than the amount included in the estimates, so that action in accordance with the Financial Procedure Rules may be taken as necessary
- (v) to ensure prior approval by Council or the Executive (as appropriate) for new proposals, of whatever amount, that:
 - create financial commitments in future years
 - change existing policies, initiate new policies or cease existing policies; and
 - materially extend or reduce the Council's services.

B6 MANAGING EXPENDITURE: REVENUE VIREMENTS

B6.1 Detailed guidance on the control of revenue virements is given in the following paragraphs and in section B.7 for supplementary estimates. In summary the limits are:

Service areas	Value limit	Agreement
Virement		
Cost centres relating to the same service, specific account categories	£100,000	Head of Financial Services and relevant Service Manager/Leader
Cost centres relating to different services but within the same service unit, specific account categories	£100,000	Head of Financial Services and relevant Director
From any budget head within the employees category	£100,000	Managing Director; a report to CMT requesting approval is required
Cost Centres relating to different service units, specific account categories	£100,000	Managing Director; a report to CMT requesting approval is required
Between any service and any account categories	£100,001 - £200,000	Managing Director in consultation with appropriate lead councillor(s) and lead councillor with responsibility for finance, a report to CMT requesting approval is required
Between any service and any account categories	£200,001 - £500,000	Executive
Between any service and any account categories	Over £500,000	Council

Service areas	Value limit	Agreement
Supplementary Estimate		
Any - subject to no on-going implication for future years over £100,000 and up to a total limit of £750,000 in any year	Up to £ 250 500,000 up	Executive
Any	Over £ 250 500,000	Council

B.6.1. A virement is the switching of resources between approved service estimates or account categories of expenditure, without creating additional budget liability. For the purposes of this scheme, a service is considered to be a service as listed in the service unit summary pages in the Council's budget book or, as a minimum, at an equivalent level to the standard service sub-division as defined by CIPFA's Service Expenditure Analysis. An account category is considered a line in the budget book. Council is responsible for agreeing the financial procedures for virement of expenditure.

B.6.2 The scheme of virement is intended to enable the Executive, Managing Director, Directors/Heads of Service, ~~Service Managers~~ [Service Leaders](#) and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by Council and, therefore, to optimise the use of resources.

B.6.3 Key Controls

Key controls for the scheme of virement are:

- (i) it is administered by the Head of Financial Services within the Constitution set by the Council. Any variation from this scheme requires the approval of the Council
- (ii) the overall budget is approved annually by Council. Directors, Heads of Service, ~~Service Managers~~ [Service Leaders](#) and budget managers are therefore, authorised to incur expenditure in accordance with the estimates that make up the budget

The procedure rules below cover virement, that is, the switching of an approved budget or part of an approved budget between different expenditure accounts, either in the same service area or between different service areas or between different service units.

- (iii) Directors, Heads of Service, [Service Leaders](#) and budget managers are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they should not support recurring expenditure from one-off sources of savings or additional income, or create future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Directors and Heads of Service must plan to fund such commitments from within their own budgets.
- (iv) revenue virements may be made within the following criteria:
 - a. Between expenditure accounts within the categories of premises, transport and supplies and services and within cost centres relating to the same service: to a maximum of £100,000, subject to the agreement of the Head of Financial Services and relevant ~~Service Manager~~ [Service Leader](#)
 - b. Between expenditure accounts within the categories of premises, transport and supplies and services, but between cost centres relating to different services within a service unit: to a maximum of £100,000, subject to the agreement of the Head of Financial Services and relevant Director

- c. Between expenditure accounts within the categories of premises, transport and supplies and services, but between cost centres relating to different service units: to a maximum of £100,000, subject to the agreement of the of the Managing Director through a report to CMT
 - d. From any expenditure accounts within the employee category: to a maximum of £100,000, subject to the agreement of the Managing Director through a report to CMT
 - e. Managing Director, in consultation with the appropriate lead councillor(s) and lead councillor with responsibility for finance can approve virements between the value of £100,000 and £200,000, [subject to a report to CMT](#)
 - f. Any virement with a value greater than £200,000 must be approved by the Executive to a limit of £500,000 and by Council for any greater amount
- (v) limitations to virement. Virement is not allowed:
- a. into expenditure accounts in the employee category, except when being vired within the employee category
 - b. when one or both of the expenditure accounts concerned is an internal recharge
 - c. when the opportunity to vire has been caused by the abandonment or reduction in the level of a service/item following a change in Council or national policy
- (vi) the following conditions must also be met for all virement:
- a. the proposal must conform to Council policy
 - b. there must be no net increase in total revenue expenditure in the initial or any subsequent year as a result of the virement
 - c. the virement must be made prior to the end of February of the relevant financial year
- (vii) where an approved budget is a lump-sum budget or contingency intended for allocation during the year, its allocation will not be treated as a virement, provided that the amount is used in accordance with the purposes for which it has been established.

B.6.4 Responsibilities of the Managing Director

- (i) to approve, as the chair of CMT, virements between services and non-employee account categories up to £100,000
- (ii) to approve, as chair of CMT, virements from any budget head in the employees account category up to £100,000
- (iii) to approve, as the chair of CMT, virements between £100,001 and £200,000 [in consultation with appropriate lead councillor\(s\) and lead councillor with responsibility for finance](#)

B 6.5 Responsibilities of the Head of Financial Services

- (i) to approve, in consultation with the relevant [Service Leader, Head of Service or Director](#) ~~or Head of Service~~, virements up to £100,000 for cost centres relating to the same service and non-employee account categories
- (ii) to report [to Corporate Governance and Standards Committee](#), as part of the budget monitoring process, virements that have been approved under delegated authority
- (iii) to prepare with the Director, ~~or~~ Head of Service [or Service Leader](#), and where appropriate in consultation with the appropriate lead councillor and the lead councillor with responsibility for finance, a report to CMT seeking Managing Director approval for virements between service [units](#) under £100,000, virements from employee account categories under £100,000 or virements between £100,001 and £200,000

- (iv) to prepare with the Director, ~~or~~ Head of Service or Service Leader a report to the Executive seeking approval for virements between £200,001 and £500,000.
- (v) to prepare with the Director, ~~or~~ Head of Service or Service Leader a report to Council seeking approval for virements in excess of £500,000
- (vi) maintain a record of all revenue virements approved.

B.6.6 Responsibilities of Budget Managers

- (i) to submit requests for virements within the categories of premises, transport and supplies and services and within cost centres relating to the same service up to a maximum of £100,000 in writing, on a delegated authority form for approval by the appropriate Service Manager/Leader to the Head of Financial Services
- (ii) to submit requests for virements within the categories of premises, transport and supplies and services and within cost centres relating to different services up to a maximum of £100,000 in writing, on a delegated authority form for approval by the appropriate Director to the Head of Financial Services
- (iii) to write and submit reports to CMT, in consultation with the Head of Financial Services, as outlined in B.6.3 to seek approval for virements between service units or between any account code in the employee category
- (iv) to write and submit reports, in consultation with the Head of Financial Services, to CMT, lead councillors, Executive or Council as outlined in B.6.3 to obtain approval for all virements exceeding £100,001

B.7 REVENUE SUPPLEMENTARY ESTIMATES

B.7.1 A supplementary estimate is one that gives approval for increased expenditure or reduced income that was not included in the original budget and therefore increases the Council's overall net budget for the year.

B.7.1 Key Controls

The key controls for revenue supplementary estimates are:

- (i) subject to (ii) below, any request for a revenue supplementary estimate shall first be submitted by the budget manager to the relevant Director in consultation with the Head of Financial Services. The Executive may approve revenue supplementary estimates up to £~~500~~250,000 subject to there being no on-going implication over £100,000 for future years, up to a maximum supplementary limit of £750,000 in any one year
- (ii) any supplementary estimate in excess of £~~250~~250,000, or where there is an on-going implication for future years in excess of £100,000, shall require the approval of Council
- (iii) once the Executive have approved supplementary estimates totalling £750,000 for any one year, Council must approve any further requests
- (iv) in cases of urgency and with the agreement of the chairman of the Overview and Scrutiny Committee that the matter is urgent, the Leader of the Council and CFO shall be authorised to approve revenue supplementary estimates in excess of the limits specified in (i) to (iii) above where it is not practical to convene a quorate meeting of the Council.

B.7.2 Responsibilities of the Head of Financial Services

- (i) to prepare with the Director, ~~or~~ Head of Service or Service Leader a report to the Executive on requests for revenue supplementary estimates
- (ii) to maintain a record of all revenue supplementary estimates approved

- (iii) where external funding or specific grant funding is received after setting the revenue budget to amend the budget as set out in the Council’s scheme of delegation

B.7.3 Responsibilities of Directors, ~~and~~ Heads of Service and Service Leaders

- (i) all requests for revenue supplementary estimates shall be submitted in writing by the appropriate Director or Head of Service to the Head of Financial Services.

B.8 CAPITAL SUPPLEMENTARY ESTIMATES AND VIREMENTS

B.8.1 Detailed guidance on the control of capital virements and supplementary estimates is given in the following paragraphs. In summary the limits are:

Capital scheme	Value limit	Agreement
<u>Supplementary</u>		
Any	£ 500,000 <u>1 million</u>	Executive
Any	Over £1 million <u>500,000</u>	Council
<u>Virement</u>		
Schemes on approved programme	£100,000	Head of Financial Services in consultation with the appropriate lead councillor(s) and the lead councillor with responsibility for finance
Schemes on approved programme	£100,001 to £200,000	Managing Director, via a report to CMT in consultation with the appropriate lead councillor(s) and the lead councillor with responsibility for finance
Schemes on approved programme	£200,001 - £ 500,000 <u>1 million</u>	Executive
Schemes on approved programme	Over £ 500,000 <u>1 million</u>	Council

B.8.2 The rules on capital supplementary estimates and virements are intended to enable the Executive, CFO, Directors, Heads of Service and their staff to manage capital budgets with a degree of flexibility within the overall programmes determined by Council and, therefore, to optimise the use of resources.

B.8.3 A supplementary estimate is an extra sum of money added to the scheme budget and therefore creates an additional budget liability.

B.8.4 A virement is a transfer of budget between schemes, and does not create additional budget liability.

B.8.5 The rules below cover supplementary estimates and virements between approved capital projects.

B.8.6 Key Controls

Key controls for the rules relating to capital supplementary estimates and virements are:

- (i) they are administered by the Head of Financial Services within the constitution set by Council. Any variation from these rules requires the approval of Council
- (ii) overall capital programmes are agreed by the Executive and approved by Council. Directors, Heads of Service, ~~and budget managers~~ Service Leaders and Budget Managers are authorised to incur expenditure in accordance with the approved estimates that make up the programmes

Supplementary estimates

- (iii) subject to (iv) below, any request for a capital supplementary estimate shall first be submitted to the Executive by the Director, ~~or~~ Head of Service or Service Leader concerned, in consultation with the Head of Financial Services. The Executive may approve capital supplementary estimates up to £500,000 1 million. Any supplementary estimate in excess of this amount shall require the approval of Council
- (iv) in cases of urgency, and with the agreement of the chairman of the Overview and Scrutiny Committee that the matter is urgent, the Leader of the Council and CFO shall be authorised to approve capital supplementary estimates in excess of the limits specified in (iii) above where it is not practical to convene a quorate meeting of Council

Virement

- (v) Directors, ~~and~~ Heads of Service and Service Leaders are expected to exercise their discretion in managing capital projects responsibly and prudently. For example, they should aim to avoid creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Directors and Heads of Service must plan to fund such commitments from within their own budgets.
- (vi) The following conditions must be met for all capital virements:
 - a. The proposal must conform to Council policy.
 - b. There must be no net increase in total expenditure in the initial or any subsequent year as a result of the virement.
- (vii) Virement that is likely to impact on the level of service activity of another Director or Head of Service should be implemented only after agreement with the relevant Director or Head of Service.
- (viii) Where an approved budget is a lump-sum budget or contingency intended for allocation during the year, its allocation will not be treated as a virement, provided that:
 - a. the amount is used in accordance with the purposes for which it has been established; and
 - b. the Executive or Council has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits should be reported to the Executive or Council (as appropriate).

B.8.7 Responsibilities of the Head of Financial Services

- (i) To maintain a record of all capital supplementary estimates and virements approved

Supplementary estimate

- (ii) To prepare with the Director, ~~or~~ Head of Service and Service Leader a report to the Executive on requests for capital supplementary estimates. The Executive may approve capital supplementary estimates up to £1

[million500,000](#). Any supplementary estimate in excess of this amount shall require the approval of Council

Virement

- (iii) In consultation with the appropriate lead councillor(s) and the lead councillor with responsibility for finance, to approve virements between capital projects on the approved capital programme up to a maximum of £100,000.
- (iv) To prepare, with the Director, ~~or~~ Head of Service, [or Service Leader](#) a report to CMT and appropriate lead councillors seeking Managing Director approval for virement between capital projects on the approved capital programme between £100,001 and £200,000
- (v) To prepare, with the Director, ~~or~~ Head of Service, [or Service Leader](#) a report to the Executive seeking approval for virement between capital projects on the approved capital programme between £200,001 and [£500,0001 million](#). Any capital virement in excess of this amount shall require the approval of Council
- (vi) Where external funding or specific grant funding is received after setting the capital budget, to amend the budget as set out in the Council's scheme of delegation, in association with the appropriate lead councillor.

B.8.[88](#) **Responsibilities of Directors, ~~and~~ Heads of Service [and Service Leaders](#)**

- (i) All requests for capital supplementary estimates and virement between capital projects shall be submitted in writing, by the appropriate Director, ~~or~~ Head of Service [or Service Leader](#), to the Head of Financial Services, in a format determined by the Head of Financial Services.

B.9 **TREATMENT OF YEAR-END BALANCES**

B.9.1 The Rules below cover arrangements for the transfer of resources between accounting years (a carry-forward). For the purposes of this scheme, a budget heading is a line in the estimates report. A service is considered to be a service as listed in the service unit summary pages in the Council's budget book or, as a minimum, at an equivalent level to the standard service subdivision as defined by CIPFA in its Service Expenditure Analysis.

Specific grants will automatically be carried forward (as per B.9.2)

B.9.2 **Key Controls**

- (i) Appropriate accounting procedures are in operation to ensure that carried-forward totals are correct.
- (ii) Statutory ring fenced budgets such as Building Control and Land Charges will be automatically carried forward by transferring any balances to reserves.
- (iii) Budgets for Capital Schemes, which are unspent, will be carried forward automatically.
- (iv) All other carry forward requests shall be considered by the CFO for approval after the end of the financial year.

[B.9.3 Responsibilities of the Chief Finance Officer](#)

- (i) [In consultation with the Leader of the Council and Lead Councillor for Finance, to agree the treatment of any year-end balance on the General Fund and Housing Revenue Accounts](#)

B.9.[43](#) **Responsibilities of the Head of Financial Services**

- (i) To administer the scheme of carry-forward within the guidelines in B.9.3 above

B.9.54 Responsibilities of Directors, ~~and~~ Heads of Service and Service Leaders

- (i) Any overspending on service estimates in total on budgets under the control of a Director or Head of Service must be explained to the Head of Financial Services. The Head of Financial Services will report the extent of **major** over and under-spending to the ~~Executive~~ Corporate Governance and Standards Committee

B.10 MAINTENANCE OF RESERVES AND BALANCES

B.10.1 The Council must decide the level of general reserves it wishes to maintain before it can decide the level of council tax. Reserves and balances are maintained as a matter of prudence. They enable the Council to provide for unexpected events and thereby protect it from overspending, should such events occur. Reserves for specific purposes may also be maintained, such as the purchase or renewal of capital items.

B.10.2 Key Controls

The key controls for maintenance of reserves and balances are:

- (i) To maintain reserves in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC) and agreed accounting policies.
- (ii) For each reserve established, the purpose, usage and basis of transactions should be clearly identified.
- (iii) Authorisation and expenditure from reserves by the appropriate Director or Head of Service, in consultation with the Head of Financial Services.

B.10.3 Responsibilities of the Chief Finance Officer

- (i) To advise the Executive and/or Council on prudent levels of reserves for the Council on a risk basis and to take account of the advice of the external auditor in this matter.

Responsibilities of the Head of Financial Services

- (i) To set up earmarked reserves for specific purposes subject to budget availability
- (ii) To approve the expenditure of earmarked reserves and provisions for defined uses in accordance with the council's agreed policy
- (iii) In consultation with the Lead Councillor **with responsibility** for finance to approve expenditure from the Council's Budget Pressures, Business Rates Equalisation, Investments' Capital Value and LABGI reserves
- ~~(i)~~(iv) In consultation with the Lead Councillor with responsibility for finance, to approve the amount of any transfer to the Investment Property Rent Reserve as a result of rent review income above that included in the relevant years' estimates

B.10.4 Responsibilities of Directors, ~~and~~ Heads of Service and Service Leaders

- (i) To ensure that resources are used only for the purposes for which they were intended.

B.11 THE ANNUAL STATEMENT OF ACCOUNTS

B.11.1 The Council has a statutory duty to prepare an annual statement of accounts. This duty falls to the CFO, who is required to ensure that the accounting procedures of the Council are sufficient to assure that any statements of accounts are complete, and that proper control systems exist to enable transactions to be timely and accurately recorded. The Corporate Governance and Standards Committee is responsible for approving the statutory annual statement of accounts.

B.11.2 Key Controls

The key controls for the annual statement of accounts are:

- (i) 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 these affairs. In this Council, that officer is the CFO.
- (ii) The Council's statement of accounts must be prepared 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).

B.11.3 Responsibilities of the Chief Finance Officer

- (i) To sign and date the annual statement of accounts, stating that it presents a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31 March. To ensure that an Annual Governance Statement, prepared by the Head of Financial Services, is approved by the Corporate Governance and Standards Committee by the statutory deadline

B.11.4 Responsibilities of the Head of Financial Services

- (i) Ensure that the annual statement of accounts is prepared in accordance with the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. The Corporate Governance and Standards Committee is responsible for approving the annual statement of accounts by 30 September following the accounting date.
- (ii) To make judgements and estimates that are reasonable and prudent.
- (iii) To comply with the CIPFA Code.
- (iv) To draw up the timetable for final accounts preparation and to advise staff and external auditors accordingly.
- (v) To report any unadjusted misstatements contained in the Accounts and other audit findings to the Corporate Governance and Standards Committee in consultation with the External Auditors.
- (vi) ensure that the audited accounts of the Council are prepared and published in accordance with the statutory timetable.

B.11.5 Responsibilities of Directors, and Heads of Service and Service Leaders

- (i) To comply with accounting guidance provided by the Head of Financial Services and to supply the Head of Financial Services with information within the deadlines set.

B.12 TRANSPARENCY REPORTING

B.12.1 Government transparency aims to increase openness by sharing more government information with citizens. As such, the Council is increasingly encouraged to publish the information it has on how money is spent by the Council and its agencies, which

companies have contracts with the Council, and how the Council performs. The Council must comply with the prevailing Transparency Code and subsequent regulations.

B.12.2 Citizens have the right to inspect the Council's detailed financial accounts and all books, deeds, contracts, bills, vouchers and receipts relating to them for a period of 20 working days prior to the appointed audit date, as set annually by the External Auditor. The Council will publish notice of when the 20-day period starts and ends on its website and in the local press 14 days before the start of the period in line with the latest Accounts and Audit Regulations. These rights allow the public to check any spending under the £500 threshold without having to submit a Freedom of Information Act request.

B.12.3 Responsibilities of the Head of Financial Services

- (i) to make available (on request) all the books, deeds, contracts, bills, vouchers and receipts relating to all expenditure within the councils accounts to any member of the public for a period of 20 working days each year in accordance with statutory regulations
- (ii) to publish job titles of officers who hold senior positions (as defined by the transparency code) in the council, their job descriptions and total remuneration (e.g., salaries, bonus' payments, pension payments and expenses) for the previous year.

B.12.4 Responsibilities of the Director of Resources

- (i) to publish details on council payments and contracts for goods and services worth more than £500 (including procurement card transactions and procurement information) on the Council's website to show residents how the Council spends its budget
- (ii) to publish details of councillors' allowances and expenses on the Council's website on an annual basis as part of the transparency reporting.

B.12.4 Responsibilities of the Directors, ~~and~~ Heads of Service and Service Leaders

- (i) to ensure that adequate records of books, deeds, contracts, bills, vouchers and receipts relating to all expenditure within their service area are readily available and can be produced to the Head of Financial Services when responding to a request from a member of the public during either the statutory period or as part of a Freedom of Information Act request
- (ii) to ensure that the mandatory elements of the relevant Transparency Code are published, which include: expenditure exceeding £500; government procurement card transactions; procurement information; local authority land; grants to voluntary, community and social enterprise organisations; organisation chart; trade union facility time; parking revenues; controlled parking spaces; senior salaries; constitution; pay multiple and fraud.

FINANCIAL PROCEDURE NOTE C: CONTROL OF RESOURCES

C.1 INTRODUCTION

C.1.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating resources required. The use of resources must be properly controlled.

C.2 INTERNAL CONTROLS

C.2.1 Internal control refers to the systems of control devised by management to help ensure the Council's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Council's assets and interests are safeguarded.

C.2.2 The activities of the Council must be controlled. The system of internal controls is established in order to provide measurable achievement of:

- (i) efficient and effective operations
- (ii) reliable financial information and reporting
- (iii) compliance with laws and regulations
- (iv) risk management

C.2.3 Key Controls

The key controls for internal control systems are:

- (i) key controls should be reviewed on a regular basis and the Council should make a formal statement annually to the effect that it is satisfied that the systems of internal control are operating effectively
- (ii) managerial control systems. These include defining policies, planning and setting objectives, monitoring financial and other performance data and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities
- (iii) financial and operational control systems. These include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems
- (iv) an effective internal audit function that is properly resourced. The audit function must operate in accordance with the principles contained in the Public Sector Internal Audit Standards, the Auditing Practices Board's auditing guidelines Guidance for Internal Auditors, CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom and with any other statutory obligations and regulations.

C.2.4 Responsibilities of the ~~Audit and Performance Manager~~ Audit and Business Improvement Manager (AaPM Audit and Business Improvement Manager), as Head of Internal Audit

- (i) to advise on effective systems of internal control
- (ii) to assist the Council to put in place an appropriate control environment and effective internal controls, which provide reasonable assurance of effective

and efficient operations, financial stewardship, probity and compliance with laws and regulations

C.2.5 Responsibilities of Directors and Heads of Service

It is the responsibility of Directors and Heads of Service to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

- (i) to manage processes to check that established controls are being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risks
- (ii) to review existing controls in the light of changes affecting the Council and to establish and implement new ones in line with guidance from the ~~Audit and Performance Manager~~Audit and Business Improvement Manager (AaPM). Directors and Heads of Service will also be responsible for removing controls that are unnecessary or not cost or risk effective – for example, because of duplication
- (iii) to ensure staff have a clear understanding of the consequences of lack of control.

C.3 AUDIT REQUIREMENTS

C.3.1 The latest Accounts and Audit Regulations require every local authority to maintain an adequate and effective internal audit.

C.3.2 External auditors are appointed by statute to each local authority. The basic duties of the external auditor are governed by Section 15 of the Local Government Finance Act 1982, as amended by Section 5 of the Audit Commission Act 1998.

C.3.3 The Council may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, which have statutory rights of access.

Internal Audit

C.3.4 The requirement for an internal audit function for local authorities is implied by Section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Regulation 6 of the latest Accounts and Audit Regulations, more specifically requires that a “relevant body shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper internal audit practices ...”.

C.3.5 Internal Audit is an independent and objective appraisal function established by the Council for reviewing the system of internal control. It examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

C.3.6 Key Controls

The key controls for internal audit are:

- (i) that it is independent in its planning and operation
- (ii) the ~~Audit and Performance Manager~~Audit and Business Improvement Manager (AaPM) has direct access to the Managing Director, all levels of management and directly to councillors

- (iii) the internal auditors comply with the Auditing Practices Board's guideline Guidance for Internal Auditors, as interpreted by CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom and the Public Sector Internal Audit Standards

C.3.7 Responsibilities of the ~~Audit and Performance Manager~~Audit and Business Improvement Manager, as Head of Internal Audit

To ensure that internal auditors have the authority to:

- (i) access Council premises at reasonable times
- (ii) access all assets, records, documents, correspondence and control systems
- (iii) receive any information and explanation considered necessary concerning any matter under consideration
- (iv) require any employee of the Council to account for cash, stores or any other asset under his or her control
- (v) access records belonging to third parties, such as contractors, when required
- (vi) directly access the Managing Director and the Executive.

C.3.8 Responsibilities of Directors and Heads of Service

- (i) to ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work
- (ii) to ensure that auditors are provided with any information and explanations that they seek in the course of their work
- (iii) to consider and respond promptly to recommendations in audit reports.
- (iv) to ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion
- (v) to notify the CFO immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Council's property or resources. Pending investigation and reporting, the Director or Head of Service should take all necessary steps in consultation with the ~~AaPMA~~Audit and Business Improvement Manager to prevent further loss and to secure records and documentation against removal or alteration
- (vi) to ensure that new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by the ~~AaPMA~~Audit and Business Improvement Manager prior to implementation.

External Audit

C.3.9 Key Controls

External auditors are currently appointed by the Audit Commission for a prescribed period of years. On closure of the Audit Commission on 31 March 2015, new arrangements as prescribed by the Local Audit and Accountability Act 2014 came into force.

C.3.10 Responsibilities of the Chief Finance Officer and ~~Audit and Performance Manager~~Audit and Business Improvement Manager

- (i) to ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets that the external auditors consider necessary for the purposes of their work
- (ii) to ensure there is effective liaison between external and internal audit
- (iii) to work with the external auditor and advise Council, Executive, Directors and Heads of Service on their responsibilities in relation to external audit.

C.3.11 Responsibilities of Directors and Heads of Service

- (i) to ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets, which the external auditors consider necessary for the purposes of their work
- (ii) to ensure that all records and systems are up-to-date and available for inspection

C.4 PREVENTING FRAUD AND CORRUPTION

C.4.1 The Council will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Council.

C.4.2 The Council's expectation of propriety and accountability is that councillors and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

C.4.3 The Council also expects that individuals and organisations (for example suppliers, contractors, service providers) with whom it comes into contact will act towards the Council with integrity and without thought or actions involving fraud and corruption.

C.4.4 Key Controls

The key controls regarding the prevention of financial irregularities are that:

- (i) all councillors and staff act with integrity and lead by example
- (ii) senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the Council or who are corrupt
- (iii) high standards of conduct are promoted amongst councillors and officers by the Corporate Governance and Standards Committee
- (iv) the Council should maintain appropriate registers of interests and of gifts and hospitality for both councillors and officers, in accordance with the provisions of the Codes of Conduct in Part 5 of the Council's Constitution
- (v) whistle-blowing procedures are in place and operate effectively
- (vi) legislation including the Public Interest Disclosure Act 1998 is adhered to.
- (vii) maintain a written anti-money laundering policy

C.4.5 Responsibilities of the Chief Finance Officer

- (i) to maintain adequate and effective internal control arrangements
- (ii) to ensure that all suspected irregularities are reported to the [AaPMAudit and Business Improvement Manager](#), Monitoring Officer (MO) and Executive.

C.4.6 Responsibilities of the Directors and Heads of Service

- (i) to ensure that all suspected irregularities are reported to the [AaPMAudit and Business Improvement Manager](#)
- (ii) to instigate the Council's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour
- (iii) to ensure that where financial impropriety is discovered, the CFO and [AaPMAudit and Business Improvement Manager](#) are informed and, where evidence exists to believe that a criminal offence may have been committed, to determine in consultation with the CFO and [AaPMAudit and Business Improvement Manager](#) whether the Police should be called in to investigate
- (iv) to maintain a register of gifts and hospitality received by officers from his or her service portfolio.

C.5 ASSET SECURITY

C.5.1 The Council holds assets in the form of property, vehicles, equipment, furniture and other items worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery and that there are arrangements for the security of both assets and information required for service operations. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.

C.5.2 Key Controls

Key controls for General Fund land and buildings are that:

- (i) no proposed transactions, including the leasing, disposal or acquisition of land and buildings, or property related agreements of any kind with third parties shall be entered into without first consulting the ~~Director of Development~~Director of Community Services and Head of Financial Services. This consultation must take place prior to any discussion or correspondence with third parties that commits or could be construed as implying commitment by the Council to a course of action or to any specific terms and conditions. All proposed transactions should have regard to Section C6, Asset Disposal, in seeking approval for leasing out land and buildings or entering into property related agreements
- (ii) no lessees or other prospective occupiers of Council land or buildings are allowed to take possession or enter the land or building until a lease or agreement in a form approved by the ~~Director of Development~~Director of Community Services in consultation with the Head of Financial Services, ~~Director of Corporate Services~~Legal Services Manager and lead councillor with responsibility for finance, has been established as appropriate and accounting arrangements have been properly determined
- (iii) no leases in of land or buildings to the Council shall be entered into until a lease agreement in a form approved by the ~~Director of Development~~Director of Community Services in consultation with the Head of Financial Services, ~~Director of Corporate Services~~Legal Services Manager and lead councillor with responsibility for finance, has been established as appropriate, a business case has been evaluated and accounting arrangements have been properly determined. Before submitting proposals to lease in land or a building services should first check with the Asset Development Manager that there is no existing suitable council owned accommodation available
- (iv) any use of property by a service other than for direct service delivery must be supported by documentation identifying terms, responsibilities and duration of use. The ~~Director of Development~~Director of Community Services will be responsible for all negotiations in respect of land and buildings, subject to consultation with the relevant Directors or Heads of Service, ~~Director of Corporate Services~~Legal Services Manager, Head of Financial Services and lead councillor with responsibility for finance
- (v) Subject to the over-riding requirement of public procurement legislation, the Council's Procurement Procedure Rules shall not apply to the acquisition of land and buildings unless the ~~Director of Development~~Director of Community Services and ~~Director of Corporate Services~~Legal Services Manager consider that tenders or quotations would be appropriate.
- (vi) land and building assets are only disposed of in consultation with the ~~Director of Development~~Director of Community Services, Head of Financial Services, ~~Director of Corporate Services~~Legal Services Manager and the lead councillor with responsibility for finance

- (vii) subject to appropriate budget availability having been approved, additions of land and buildings are subject to the following approvals:
- asset purchases of up to £1 million to be approved by the ~~Director of Development~~Director of Community Services, ~~Director of Corporate Services~~Legal Services Manager and Head of Financial Services in consultation with the lead councillor with responsibility for finance
 - asset purchases between £1 million and £12 million to be approved by the CFO in consultation with the Leader of the Council and the lead councillor with responsibility for finance
 - the Executive to approve asset purchases above £12 million
 - purchases of investment land and buildings must meet all the scoring and financial criteria outlined in the Council's asset investment strategy. Purchases of investment land and buildings where the criteria set out in the Council's asset investment strategy are not met require the approval of the Executive
 - purchases of non-investment land and buildings must be in line with the business case approved for the capital programme. Purchases not meeting the business case approved for the capital programme require the approval of the Executive.
- (viii) any purchase of land and buildings where no budget is available must be authorised by the Executive and a supplementary estimate obtained
- (ix) the ~~Director of Corporate Services~~Legal Services Manager shall be responsible for the custody of all title deeds on behalf of the Council

Key controls for land and buildings held within the Housing Revenue Account (HRA) are that:

- (i) no disposals or acquisitions of land and buildings shall be entered into without first consulting the Director of Community Services and Head of Financial Services. This consultation must take place prior to any discussion or correspondence with third parties that commits or could be construed as implying commitment by the Council to a course of action or to any specific terms and conditions. All proposed transactions should have regard to Section C6, Asset Disposal
- (ii) no leases in of HRA land or buildings to the Council shall be entered into until a lease agreement in a form approved by the Director of Community Services in consultation with the Head of Financial Services, ~~Director of Corporate Services~~Legal Services Manager and lead councillor with responsibility for housing, has been established as appropriate, a business case has been evaluated and accounting arrangements have been properly determined
- (iii) any use of HRA property by a service other than the HRA must be supported by documentation identifying terms, responsibilities and duration of use.
- (iv) land and building assets are only disposed of in consultation with the Director of Community Services, Head of Financial Services, ~~Director of Corporate Services~~Legal Services Manager and the lead councillor with responsibility for housing
- (v) subject to the over-riding requirement of public procurement legislation, the Council's Procurement Procedure Rules shall not apply to the acquisition of HRA land and buildings unless the Director of Community Services and ~~Director of Corporate Services~~Legal Services Manager consider that tenders or quotations would be appropriate.
- (vi) subject to appropriate budget availability having been approved, additions of land and buildings to the HRA are subject to the following approvals:
- purchases up to £12 million are approved by the CFO in consultation with the Director of Community Services, Leader of the Council, lead

- councillor with responsibility for housing and lead councillor with responsibility for finance
 - purchases of HRA land and buildings above £12 million require the approval of the Executive
- (vii) the ~~Director of Corporate Services~~Legal Services Manager shall be responsible for the custody of all title deeds on behalf of the Council

Key Controls – Plant, Vehicles and Equipment

The key control for the security of resources such as fixed plant machinery, equipment, software and information are:

- (i) resources are used only for the purposes of the Council and are properly accounted for
- (ii) resources are available for use when required
- (iii) resources no longer required are disposed of in accordance with the law and the asset disposal section of the financial procedure rules so as to maximise benefits to the Council
- (iv) an asset register is maintained for the Council. Assets are recorded when they are acquired and this record is modified as changes occur with respect to the location and condition of the asset with the whole register fully updated at year end
- (v) all staff are aware of their responsibilities with regard to safeguarding the Council's assets and information, including the requirements of the Data Protection Act and software copyright legislation
- (vi) all staff are aware of their responsibilities with regard to safeguarding the security of the Council's computer systems, including maintaining restricted access to the information held on them and compliance with the Council's computer and internet security policies

C.5.3 Responsibilities of the Chief Finance Officer

- (i) to approve purchases of land and buildings between £1 million and £12 million, in consultation with the Leader of the Council and the lead councillor with responsibility for finance where budget provision exists on the approved capital programme
- (ii) to approve purchases of land and buildings for the HRA up to £12 million, in consultation with the Director of Community Services, Leader of the Council, the lead councillor with responsibility for housing and the lead councillor with responsibility for finance where budget provision exists on the approved housing capital programme

C.5.4 Responsibilities of the Head of Financial Services

- (i) to receive the information required for accounting, costing and financial records from each Director and Head of Service
- (ii) to ensure that assets are valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC)
- (iii) to advise, where appropriate, that a Director or Head of Service should arrange for a suitable programme of continuous stock-checking to be undertaken throughout each financial year
- (iv) to advise on the financial evaluation and accounting treatment of leases
- (v) to advise on the tax and accounting treatment of leases, asset acquisitions and disposals
- (vi) to authorise in consultation with the ~~Director of Development~~Director of Community Services, ~~Director of Corporate Services~~Legal Services Manager

- and with the lead councillor with responsibility for finance purchases of land and buildings up to £1 million.
- (vii) to ensure that an asset register is maintained in accordance with good practice for all fixed assets with a value in excess of £15,000 (in the case of land and buildings £20,000).
 - (viii) to ensure the function of the asset register is to provide the Council with information about fixed assets so that they are:
 - a. safeguarded
 - b. used efficiently and effectively
 - c. adequately maintained

C.5.5 Responsibilities of the ~~Director of Development~~Director of Community Services

- (i) subject to consultation with the relevant Director or Head of Service, ~~Director of Corporate Services~~Legal Services Manager, Head of Financial Services and lead councillor with responsibility for finance, to accept terms for the granting, renewing, reviewing and varying of leases.
- (ii) To authorise in consultation with the ~~Director of Corporate Services~~Legal Services Manager, Head of Financial Services and with the lead councillor with responsibility for finance purchases of land and buildings up to £1 million.
- (iii) To maintain a database in accordance with good practice for all non-housing land and building assets currently owned or used by the Council.
- (iv) To authorise in consultation with the CFO, Leader of the Council, lead councillor with responsibility for housing and lead councillor with responsibility for finance, purchases of land and buildings up to £1 million.
- (v) To maintain a database in accordance with good practice for all HRA property assets currently owned or used by the Council.

C.5.6 Responsibilities of the ~~Director of Corporate Services~~Legal Services Manager

- (i) To authorise in consultation with the ~~Director of Development~~Director of Community Services, Head of Financial Services and with the lead councillor with responsibility for finance, purchases of land and buildings up to £1 million.

~~C.5.7 Responsibilities of the Director of Community Services~~

- ~~(i) To authorise in consultation with the CFO, Leader of the Council, lead councillor with responsibility for housing and lead councillor with responsibility for finance, purchases of land and buildings up to £1 million.~~
- ~~(ii) To maintain a database in accordance with good practice for all HRA property assets currently owned or used by the Council.~~

C.5.87 Responsibilities of the Director of Resources

- (i) To maintain a separate inventory of all computer hardware, software and telephony equipment. All computer hardware, software and telephony equipment should be returned to the Business Systems department for disposal or re-use.
- (ii) To maintain a software library to control all of the Council's software assets and ensure compliance with contracts and licence agreements.
- (iii) To approve all software before it is used on Council computer systems.

C.5.9 Responsibilities of Directors and Heads of Service

Plant, Vehicles and Equipment

- (i) to maintain a database in a form approved by the Head of Financial Services, of, plant and machinery and moveable assets currently owned or used by services for which they are responsible
- (ii) to ensure that no Council asset is subject to personal use by an employee without proper authority
- (iii) to ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the Council
- (iv) To ensure that the services for which they are responsible maintain a register of moveable assets in accordance with arrangements defined by the Head of Financial Services
- (v) to ensure that assets are identified, their location recorded and that they are appropriately marked and insured
- (vi) to consult the Managing Director in any case where security is thought to be defective or where it is considered that special security arrangements may be needed
- (vii) to ensure cash holdings on premises are kept to a minimum
- (viii) to ensure contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place
- (ix) to ensure that keys to safes and similar receptacles are carried on the person of those responsible at all times; loss of any such keys must be reported to the Managing Director as soon as possible.
- (x) to record all disposal or part exchange of assets that should normally be by competitive tender or public auction, unless following consultation with the Head of Financial Services, the Executive agrees otherwise.
- (xi) to arrange for the valuation of assets for accounting purposes to meet requirements specified by the Head of Financial Services.
- (xii) to ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged or may possess some intrinsic value and its disclosure or loss could result in a cost to the Council in some way.

Land and building assets:

- (i) to ensure they consult with the ~~Director of Development~~Director of Community Services and Head of Financial Services on any proposed transactions, including the leasing, disposal or acquisition of land and buildings, or property related agreements of any kind with third parties. This consultation must take place prior to any discussion or correspondence with third parties that commits or could be construed as implying commitment by the Council to a course of action or to any specific terms and conditions. Directors and Heads of Service should have regard to Section C6, Asset Disposal, in seeking approval for leasing out land and buildings or entering into property related agreements.
- (ii) to ensure that lessees and other prospective occupiers of Council land or buildings are not allowed to take possession or enter the land or buildings until a lease or agreement, in a form approved by the ~~Director of Development~~Director of Community Services in consultation with the Head of Financial Services, Director of Corporate Services and lead councillor with responsibility for finance, has been established as appropriate and accounting arrangements have been properly determined.
- (iii) to ensure that the Council does not enter into any leases to lease in land or buildings to the Council until a lease agreement in a form approved by the

- ~~Director of Development~~Director of Community Services in consultation with the Head of Financial Services, ~~Director of Corporate Services~~Legal Services Manager and lead councillor with responsibility for finance, has been established as appropriate, a business case has been evaluated and accounting arrangements have been properly determined. Directors and Heads of Service should check with the Asset Development Manager that there is no existing suitable council owned accommodation available before submitting proposals to lease in a property
- (iv) to ensure that any use of property by a service other than for direct service delivery is supported by documentation identifying terms, responsibilities and duration of use and that the Asset Development Manager shall negotiate in respect of all land and building transactions on behalf of the Director or Head of Service, and agree terms on behalf of the Council
 - (v) to ensure the proper security of all buildings and other assets under their control
 - (vi) to ensure that where land or buildings are surplus to services' requirements, a recommendation for sale is the subject of a joint report by the Director or Head of Service and ~~Director of Development~~Director of Community Services, in consultation with the ~~Director of Corporate Services~~Legal Services Manager and Head of Financial Services.
 - (vii) to ensure that all title deeds are passed to the ~~Director of Corporate Services~~Legal Services Manager, who is responsible for custody of all title deeds.

Inventories

- (i) to maintain inventories in accordance with policies recommended by the Managing Director and approved by the Executive with a replacement value in excess of £500, including all electrical and photographic equipment regardless of its cost. An annual check of the foregoing shall be undertaken by the service concerned and action shall be taken in respect of any surpluses or deficiencies not noted on the inventory. All surpluses and deficiencies above the value of £500 shall be notified to the Head of Financial Services
- (ii) to carry out an annual check, at year-end, of all items on the inventory in order to verify location, review condition, and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as computers, cameras and video recorders should be identified with security markings as belonging to the Council
- (iii) to make sure that assets are only used in the course of the Council's business, unless the Director or Head of Service concerned has given permission otherwise.

Stocks and Stores

- (i) to make arrangements for the care and custody of stocks and stores within the services for which they are responsible
- (ii) to ensure stocks are maintained at reasonable levels and are subject to a regular independent physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion
- (iii) to investigate and remove from the Council's records (i.e. write-off) discrepancies, as necessary, or to obtain Executive approval if they are in excess of 3% of the value of stores held as at the start of that financial year
- (iv) to authorise the disposal or write-off of redundant stocks and equipment. Procedures for disposal of such stocks and equipment should be by competitive quotations or auction (including internet auction) unless, following

consultation with the Managing Director, the Executive decides otherwise in a particular case

- (v) to seek Executive approval to the write-off of redundant stocks and equipment in excess of 3% of the value of items held at the start of that financial year
- (vi) each Director and Head of Service responsible for stocks and stores shall produce to the Head of Financial Services a signed certificate showing the value thereof as at 31 March each year.

C.6 ASSET DISPOSAL

C.6.1 It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and rules of the Council.

C.6.2 Key Controls – Plant, Vehicles and Equipment

- (i) assets for disposal are identified and are disposed of at the most appropriate time and only when it is in the best interests of the Council, and the best price is obtained, bearing in mind other factors, such as environmental issues. For items of significant value (other than land or buildings), disposal should be by competitive tender, public auction or through internet auction sites
- (ii) procedures protect staff involved in the disposal from accusations of personal gain.

Key controls - land and buildings:

- (i) the disposal of land and building assets must be undertaken in accordance with the provisions set out in the Local Government Act 1972 including the obligation to receive the best consideration reasonably obtainable in accordance with s123 LGA 1972.
- (ii) all disposals shall be at market value unless otherwise agreed by the CFO in consultation with the Leader or appropriate lead councillor. Except where a general consent exists, specific consent shall be obtained from the Secretary of State prior to an interest in land or property being disposed of for a price less than the market value (i.e. at under-value). Such disposals must follow the procedure outlined in (c) below, including a statement of estimated market value and that the under-value price still achieves best consideration reasonably obtainable
- (iii) where land or buildings are surplus to services' requirements, a recommendation for sale will be the subject of a joint report by the Director or Head of Service and ~~Director of Development (for General Fund Assets) or~~ Director of Community Services ~~(for HRA assets)~~ in consultation with the ~~Director of Corporate Services~~ Legal Services Manager and Head of Financial Services or the Executive (as appropriate). The report shall set out the relevant information, such as the planning position, potential use, legal issues, current and proposed development restrictions, estimated market value and confirmation that best consideration is achievable
- ~~(iv) the delegated powers of the Director of Development, in consultation with the relevant Director or Head of Service, Director of Corporate Services, Head of Financial Services, appropriate ward councillor(s) and lead councillor with responsibility for finance includes authority to sell land and buildings up to 0.2 hectares in area, as set out in Part 3 of this Constitution.~~
- ~~(v)~~ (iv) the delegated powers of the Director of Community Services, in consultation with the ~~Director of Corporate Services~~ Legal Services Manager, appropriate ward councillor(s) and appropriate lead councillor includes authority to sell the

land and buildings up to 0.2 hectares in area, as set out in Part 3 of this Constitution.

- (vi)(v) the delegated powers of the Director of Community Services, in consultation with the ~~Director of Corporate Services~~Legal Services Manager and Head of Financial Services include authority to sell small pieces of land adjoining former Council-owned properties to the owners, as set out in Part 3 of this Constitution.
- (vii)(vii) Any disposal not delegated to the ~~Director of Development or the~~ Director of Community Services must be authorised by the Executive.
- (viii)(vii) approval for leasing out land and buildings or entering into property related agreements that constitutes a disposal of land and buildings under proper accounting requirements will be considered an asset disposal and the key controls and responsibilities provided under Section C6 will apply
- (ix)(viii) for all disposals, a Chartered Surveyor must provide a valuation. If the likely value exceeds £100,000, this must be supplemented by a second valuation by an external Chartered Surveyor.
- (x)(ix) subject to the over-riding requirement of public procurement legislation, the Council's Procurement Procedure Rules shall not apply to the disposal of land and buildings unless the ~~Director of Development~~Director of Community Services and ~~Director of Corporate Services~~Legal Services Manager consider that tenders or quotations would be appropriate. Where quotations or tenders are not required, this will be subject to the agreement of the Managing Director and consultation with the Leader or appropriate lead councillor in relation to tenders.

In the event of disposal by formal tender, the tender process must be conducted in a fair, open and transparent manner following the principles set out in the Procurement Procedure Rules. The contract for the disposal must comply with relevant statutory provisions and be approved by the ~~Director of Development~~Director of Community Services and ~~Director of Corporate Services~~Legal Services Manager.

C.6.3 Responsibilities of the Director of Resources

- (i) to issue guidelines representing best practice for disposal of assets.

C.6.4 Responsibilities of the Head of Financial Services

- (i) To ensure appropriate accounting entries are made to remove the value of disposed assets from the Council's financial records and to include the sale proceeds if appropriate
- (ii) to update the asset register with the accounting impact of the disposal of assets
- (iii) to authorise in consultation with the Director or Head of Service, ~~Director of Corporate Services~~Legal Services Manager, and lead councillor with responsibility for finance, the disposal of land and buildings up to 0.2 hectares in area subject to the purchaser paying all the Council's costs in relation to the disposal.

C.6.5 Responsibilities of Directors and Heads of Service

- (i) to seek advice from purchasing advisors on the disposal of surplus or obsolete materials, stores or equipment or to use public auctions (including internet auction sites) to obtain the best consideration possible for the asset
- (ii) to ensure that income received for the disposal of an asset is properly banked and coded correctly to capital if greater than £10,000, or otherwise to revenue.

- (iii) to inform Head of Financial Services of disposals, so that the asset register can be updated.

C.7 INSURANCE

C.7.1 Key Controls

- C.7.2 No employee shall verbally admit liability, take any action or enter into any correspondence admitting liability on behalf of the Council.
- C.7.3 No payments may be made in lieu of or in advance to third parties for damage to third party property where an insurance claim could be made, except as agreed with the Director of Resources and the Council's insurer.
- C.7.4 The key controls for insurance are:
 - (i) procedures are in place to ensure that the Council has adequate insurance cover
 - (ii) to keep appropriate records containing particulars of all insurances effected by the Council and to give Directors and Heads of Service all necessary information as required
 - (iii) no payments may be made in lieu of or in advance to third parties for damage to third party property where an insurance claim could be made, except as agreed with the Director of Resources and the Council's insurer.

C.7.5 Responsibilities of the Director of Resources

- (i) to effect all insurance cover and negotiate all claims in consultation with the Council's insurers and appointed brokers, where necessary
- (ii) to review the Council's insurance arrangements at least every five years, and its level of risk cover no less frequently than annually
- (iii) to review all insurances and policy excess levels in consultation with Directors and Heads of Service, as appropriate, and at such periods as he may consider necessary
- (iv) to keep appropriate records containing particulars of all insurances effected by the Council and to give other Directors and Heads of Service all necessary information as required
- (v) to make payment on behalf of the Council's insurers up to £2,000, or to any limit as agreed with insurers in respect of any single claim under the small claims procedure, and to make ex-gratia payments up to the sum of £250 for any single claim
- (vi) to ensure employees of the Council shall be included in a suitable fidelity guarantee policy
- (vii) to periodically inspect insurance documents to ensure that adequate insurance cover is in place in respect of all properties in mortgage to the Council, including those where the mortgagor has exercised the option to provide such cover with a company other than the Council's own insurers
- (viii) to periodically inspect insurance documents to ensure that adequate insurance cover is in place and maintained in respect of vehicles, which are the subject of car loan agreements.

C.7.6 Responsibilities of Directors and Heads of Service

- (i) to ensure that the activities of their staff are covered by such professional indemnity insurance as the Director or Head of Service considers appropriate.

- Any such insurances shall be arranged in consultation with the Director of Resources
- (ii) to keep records of all plant, vehicles, furniture and equipment under their control and such records shall be available for inspection by the Director of Resources.
 - (iii) to give prompt notification to the Director of Resources of all new risks, properties, vehicles or mechanical plant which require to be insured, of any alterations affecting existing insurances and of any special risks with regard to contracts, for example. pile driving
 - (iv) to promptly notify and provide a written report to the Director of Resources in respect of any loss, liability, damage, motor accident or compensation request or any event likely to lead to a claim
 - (v) to ensure that any formal letters of claim received in accordance with the Civil Justice procedures shall, upon receipt, be immediately forwarded to the Director of Resources unanswered. Directors and Heads of Service shall ensure that any such incident is fully investigated and that the service for which they are responsible co-operates fully with the insurance officer and with the Council's insurers in meeting court deadlines
 - (vi) any incident, which could potentially lead to a claim, should be investigated at the time of the incident occurring, rather than following receipt of an insurance claim, in order to comply with Ministry of Justice rules.
 - (vii) to be responsible in conjunction with the Director of Resources, for implementing any insurance company risk management requirement where the failure to implement would lead to insurers reducing or withdrawing insurance cover
 - (viii) to consult the Director of Resources and ~~Director of Corporate Services~~Legal Services Manager in respect of the terms of any indemnity that the Council is requested to give
 - (ix) to provide to the Director of Resources, on request, details of insurance cover effected by organisations who own or lease buildings on Council held land or enter into contracts to use Council property or facilities
 - (x) to examine the insurance cover in the case of any contract for which the Director or Head of Service is responsible, where the cover is to be furnished by the contractor in respect of any act or default, and to be satisfied as to the insurance company, extent, and nature of coverage before approving it.

C.8 TREASURY MANAGEMENT

C.8.1 The Council has adopted CIPFA's Code of Practice for Treasury Management in Local Authorities.

C.8.2 Council is responsible for approving the Treasury Management Policy Statement setting out the matters detailed in paragraph 15 of CIPFA's Code of Practice for Treasury Management in Local Authorities. The policy statement is proposed to Council by the lead councillor with responsibility for finance as part of the annual strategy report. The Head of Financial Services has delegated responsibility for implementing and monitoring the statement.

C.8.3 All money in the hands of the Council is controlled by the officer designated for the purposes of Section 151 of the Local Government Act 1972, referred to in these Rules as the CFO.

C.8.4 Key Controls

That the Council's borrowings and investments comply with the CIPFA Code of Practice on Treasury Management, CIPFA's the Prudential Code for capital finance,

and with the Council's Treasury Management Policy Statement. As recommended to all public services by CIPFA, the Council has adopted the following four clauses:

- (i) Clause 1 – Accordingly, we will create and maintain, as the cornerstones for effective treasury management:
 - a Treasury Management Policy Statement stating the policies, objectives and approach to risk management of our treasury management activities.
 - suitable treasury management practices (TMPs), setting out the manner in which we will seek to achieve those policies and objectives, and prescribing how we will manage and control those activities.
 - the content of the policy statement and TMPs will follow the recommendations contained in sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments will not result in the Council materially deviating from the Code's key principles
- (ii) Clause 2 - Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in the TMPs
- (iii) Clause 3 - Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the [Treasury Management Panel/Corporate Governance and Standards Committee](#), and for the execution and administration of treasury management decisions to the Head of Financial Services, who will act in accordance with the organisation's policy statement and TMPs, and if they are a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management."
- (iv) Clause 4 – Council nominates the Corporate Governance and Standards Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

This Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice ("the Code"):

- (i) we have in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of our treasury management activities
- (ii) our policies and practices make clear that the effective management of risk, having regard to return, is a prime objective of the treasury management activities
- (iii) we acknowledge that the pursuit of best value in treasury management, and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, our treasury management policies and practices should reflect this
- (iv) in order to achieve the above:
 - we adopt the four clauses of the Code;
 - we adopt a Treasury Management Policy Statement as recommended; and
 - we follow the recommendations concerning the creation of Treasury Management Practices (TMPs).

C.9 **TREASURY MANAGEMENT, BANKING, INVESTMENTS AND BORROWING**

C.9.1 Many millions of pounds pass through the Council's books each year. This has led to the establishment of codes of practice. These aim to provide assurances that the

Council's money is properly managed in a way that balances risk with return, but with the over-riding consideration being given to the security of the Council's principal sum invested.

C.9.2 Key Controls

- (i) that the Council's borrowings and investments comply with the CIPFA Code of Practice on Treasury Management and with the Council's Treasury Policy Statement
- (ii) that the Council develops and maintains TMPs in accordance with the CIPFA code and undertakes its treasury management activity in accordance with the TMPs
- (iii) no interests shall be acquired in any Company, Joint Venture or other enterprise without the approval of the Executive, following consultation with the CFO in accordance with Section F of the Finance Procedure rules
- (iv) all the Council's Banking arrangements shall be made by or under arrangements approved by the Director of Resources or Head of Financial Services, who shall operate such banking accounts, including National Giro Accounts, as they may consider necessary, and in accordance with the relevant bank mandates. No other accounts shall be opened without the agreement of CFO
- (v) the TMPs set out which officers of the Council are authorised to sign cheques, BACS & CHAPS payment requests on behalf of the Council.

C.9.3 Responsibilities of the Head of Financial Services

- (i) to report to the Corporate Governance and Standards Committee and the Executive a proposed Treasury Management Strategy and Prudential Indicators for the coming financial year before the start of each financial year, who will recommend the proposed strategy to Council
- (ii) all decisions on borrowing, investment or financing shall be delegated to the Head of Financial Services, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities
- (iii) to report to a mid-year report on the Council's treasury management activities to the Corporate Governance and Standards Committee
- (iv) to report an annual report on the Council's treasury management activities to the Executive, who will recommend the annual report to Council
- (v) to operate bank accounts as are considered necessary – opening or closing any bank account, giro account or credit card account shall require the approval of the Director of Resources or Head of Financial Services
- (vi) to open and operate investment accounts as are considered necessary
- (vii) to ensure that all investments of money are made in the name of the Council or in the name of nominees approved by the Council
- (viii) to effect all borrowings in the name of the Council
- (ix) to act as the Council's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the Council
- (x) manage CHAPS transfer arrangements on behalf of the Council.

C.9.4 Responsibilities of the Director of Resources

- (i) ensure that all cheque stationery drawn on the Council's main bank account shall be ordered only on the authority of the Director of Resources, who shall ensure that proper arrangements are in place for its safekeeping
- (ii) ensure that cheques drawn on the Council's main banking accounts shall bear the facsimile signature of the CFO, or be signed personally by them, or one of their authorised Officers.

- (iii) ensure that where the value of a cheque, drawn on the Council's main bank account, exceeds £50,000, it shall be countersigned by one of the authorised Officers
- (iv) manage BACS funds transfer arrangements on behalf of the Council.

C.9.5 Responsibilities of Directors ~~and~~ Heads of Service and Service Leaders

- (i) to ensure that all securities that are the property of the Council or its nominees and the title deeds of all property in the Council's ownership are held in the custody of the ~~Director of Corporate Services~~ Legal Services Manager.
- (ii) to follow the instructions on banking issued by the Director of Resources and Managing Director.
- (iii) ensure that at least two signatories shall sign cheques drawn on any account, other than the Council's main account. Each Director or Head of Service shall provide the Head of Financial Services with the names of all signatories to the account, together with specimen signatures and details of the limits of their authorisation and position within the organisation, along with details of the account.

C10. Loans, Leases and Guarantees

No lending or leasing arrangements, including hire purchase or similar agreements, or provision of loan or other financial guarantees shall be entered into without first consulting the Head of Financial Services, and in addition, in relation to land and buildings, the Asset Development Manager. Where arrangements or guarantees exceed an estimated whole life value of ~~£500,000~~ £1 million, the approval of the Executive should be sought.

Leasing arrangements are defined as:

- (i) agreements that have the formal status of a lease, whereby a lessor conveys the right to use an asset for an agreed period of time under a lease contract to a lessee in return for a payment or a series of payments
- (ii) agreements that do not have the legal form of lease but convey the right to use an asset in return for payments (embedded lease) or example an IT or outsourcing contract

Loans to other organisations by the Council shall be charged at Market Rates unless otherwise directed by the Head of Financial Services in consultation with the relevant Director or Head of Service. If loans are provided at below market rates, the difference in interest income will be paid by the service.

C.10.1 Responsibilities of the Head of Financial Services:

Where leasing arrangements are provided to determine whether or not:

- (i) any leasing arrangement is deemed to be an operating or financing lease for accounting purposes and therefore whether it should be treated as revenue or capital expenditure
- (ii) the transaction will count against the Council's borrowing limit and prudential indicators
- (iii) there are any implications for VAT or other taxes.

To aid evaluation of the arrangement, the contract agreement should split the payment between those elements applicable for the asset and those elements applicable for the service and in the case of leases of land and buildings, the elements relating to the land and the element relating to the buildings.

C.10.2 Responsibilities of the Directors, and Heads of Service and Service Leaders:

- (i) to provide information to the Head of Financial Services for inclusion in the Lease register and the Council's Statement of Accounts;
- (ii) advise the Head of Financial Services of any transactions or proposed actions that may impact on the Council's investment policy or funds management
- (iii) to ensure that loan arrangements are properly constituted by formal agreement in consultation with the Head of Financial Services and ~~Director of Corporate Services~~ Legal Services Manager.

C.11 Service Concession Arrangements

Where a contract is proposed which includes the use of a specific asset or conveys the right to use a specific asset as part of the arrangement, the contract shall be treated as an embedded lease as outlined in paragraph C.8.10. Contracts that convey to the operator the right to provide services that give the public access to major economic and social facilities and include the use of particular assets under which the Council controls the services provided and any residual interest in the asset should be treated as a Service Concession Arrangement.

Such contracts are typically but not exclusively related to Private Finance Initiative or Public Private Partnership (PFI or PPP) arrangements, however some contracts that were not planned as PFI or PPP schemes could also be classified as Service Concession Arrangements (for example certain asset transfers where the Council retains a legal charge over the infrastructure). Directors and Heads of Service should inform and consult the Head of Financial Services and ~~Director of Corporate Services~~ Legal Services Manager where any such arrangements are proposed to enable a proper evaluation of the accounting treatment and legal implications of the arrangement before a contract is entered into.

C.12. TRUST FUNDS AND FUNDS HELD FOR THIRD PARTIES

C12.1 Responsibilities of the Head of Financial Services

- (i) to arrange for all trust funds to be held, wherever possible, in the name of the Council. All officers acting as trustees, by virtue of their official position, shall deposit securities etc. relating to the trust with the Head of Financial Services, unless the deed otherwise provides
- (ii) to arrange, where funds are held on behalf of third parties, for their secure administration, approval by the Head of Financial Services, and to maintain written records of all transactions
- (iii) to ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust
- (v) to prepare accounts and returns for the trust as required by the Charities Commission

C12.2 Responsibilities of Officers acting as Trustees

- (i) to seek approval from both the ~~Director of Corporate Services~~ Legal Services Manager and the Head of Financial Services prior to the setting up or formal involvement in negotiations to set up or enter into a trust fund
- (ii) to ensure all agreements and arrangements are properly documented
- (iii) to ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust
- (iv) to ensure that governance arrangements are in place including arrangements for exit if necessary
- (v) to ensure that risk management processes are in place to identify and assess all known risks

- (vi) to ensure that the trust fund has appropriate financial systems and procedures in place to properly record and account for the income and expenditure, assets and liabilities of the trust fund as advised by the Head of Financial Services
- (vii) to ensure adequate supporting records of the income, expenditure, assets and liabilities of the trust fund are held
- (viii) to ensure that the trust fund operates a financial year 1 April to 31 March and prepares its financial statements in accordance with the timetable set by the Head of Financial Services

C.13 PETTY CASH, IMPREST ACCOUNTS, PROCUREMENT AND CREDIT CARDS

A petty cash account is where a service is given a petty cash allowance and manages small (petty) expenditure within the petty cash allowance. Examples of areas where this may occur is in community and/or day centres.

Imprest accounts are where a service is given a separate bank account to operate for small (petty) expenditure and income. The imprest bank account is linked to the Council's main bank account.

Credit cards are not normally issued to individual officers. The Council uses Government approved procurement cards rather than credit cards, which enables appropriate controls and electronic invoicing arrangements as well as provide automatic discounts on some purchases.

C13.1 Key Controls:

- (i) requests for new imprest accounts and petty cash accounts, or any changes to existing accounts must be agreed with the relevant Director and Head of Service, before being forwarded to the Head of Financial Services who shall provide these as considered appropriate, unless other statutory arrangements apply. The Director or Head of Service shall ensure that there are three signatories to each imprest account and that any cheques shall be signed by any two of those signatories. The signatories shall be selected by the Director to ensure there is adequate control of the account without affecting the day-to-day operation of the service
- (ii) reimbursement of payments from imprest or petty cash accounts shall be made on receipt of a properly completed imprest or petty cash return, in a form approved by Head of Financial Services. The return shall show the cost centres to be charged and the amounts relating to each cost centre. Payment will be limited to such items of expenditure as may be approved by the Head of Financial Services. Vouchers supporting claims must be retained for audit purposes. No income received on behalf of the Council, may be paid into an imprest account without the approval of the Head of Financial Services, subject to appropriate accounting procedures being in place. In all other cases, income must be banked or paid into one of the Council's bank accounts used for Income Collection (for example, the general or revenues receipts accounts). Where a Service receives income into an imprest account it shall issue a VAT receipt showing the rate and amount of VAT included in the receipt and shall record the income in full (net of VAT) before any expenses are met from it
- (iii) in some circumstances, the Director of Resources will issue a Procurement Card to ~~service managers~~ [Service Leaders](#). The Procurement Card operates in a similar way to a Credit Card to allow purchases to be made quickly over the phone, in person or via the internet. Requests for new Procurement Cards or any changes to existing cards must be supported by a business case agreed with the relevant Director or Head of Service, before being forwarded to the Director of Resources.

C.13.2 Responsibilities of the Head of Financial Services

- (i) to provide employees of the Council with cash or bank imprest accounts to meet minor expenditure on behalf of the Council and to prescribe rules for operating these accounts. Minor items of expenditure should not exceed the maximum limits as determined for each account
- (ii) to determine the petty cash limit and to maintain a record of all transactions and petty cash advances made, and periodically to review the arrangements for the safe custody and control of these advances.

C.13.3 Responsibilities of the Director of Resources

- (i) To reimburse imprest and petty cash account holders as often as necessary to restore the imprest and petty cash, but normally not more than monthly.
- (ii) to issue procurement cards to employees of the Council to ensure minor purchases can be made quickly over the phone or internet, to maintain a record of all transactions made and to periodically review the usage, arrangements and provision of procurement cards to officers

C.13.4 Responsibilities of Directors, ~~and~~ Heads of Service and Service Leaders:

To ensure that employees operating an imprest, petty cash account or procurement card:

- (i) follow any policies or procedures established by the Managing Director for the control of imprest accounts and the Director of Resources for control of procurement cards
- (ii) obtain and retain vouchers to support each payment from the imprest account, petty cash account or procurement card. Where appropriate, an official receipted VAT invoice must be obtained
- (iii) make adequate arrangements for the safe custody of the imprest account, petty cash box or procurement card and that chequebooks relating to Imprest Accounts are kept secure
- (iv) produce upon demand by the Managing Director cash and all vouchers to the total value of the imprest or petty cash amount.
- (v) record transactions promptly
- (vi) reconcile and balance the imprest or petty cash account at least monthly; reconciliation sheets to be signed and retained by the imprest or petty cash holder
- (vii) provide the Head of Financial Services with a certificate of the value of the account held at 31 March each year
- (viii) ensure that the imprest account, petty cash float or procurement card is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made
- (ix) ensure that the imprest account, petty cash float or procurement card is never used for mileage allowances for travelling, lump sum payments or other taxable benefit which should be paid through Payroll
- (x) ensure that the imprest account, petty cash float or procurement card is never used for cash advances or loans to employees
- (xi) petty cash accounts are not used for payments exceeding £100.00, and imprest accounts and procurement cards are not used for payments exceeding £500.00. Procurement cards have their own individual limit, a schedule of which is maintained by the Director of Resources. Payments in

excess of this to be requested by cheque or BACS from the council's payments system

- (xii) on leaving the Council's employment or otherwise ceasing to be entitled to hold an imprest account, petty cash account or procurement card, an employee shall account to the Director of Resources and Managing Director for the amount advanced to them.

In specific relation to procurement cards:-

The Director or Head of Service shall ensure that:-

- (i) nominated cardholders sign confirmation of receipt of the procurement card and acceptance of their conditions of usage
- (ii) the card is kept securely and only nominated cardholders use it
- (iii) any loss or misuse of the card is reported immediately to the Council's bank account provider and to the Director of Resources at Millmead House
- (iv) card limits are not exceeded
- (v) the Card must not be used to circumvent Guildford Borough Council's Procurement procedure rules
- (vi) no loyalty rewards (e.g., Air Miles etc.) or other personal benefits are collected by the Card Holder
- (vii) the Cardholder is mindful of their duty in public office and under the Council's Code of Conduct and does not incur any expenditure on the card that could embarrass the Council or lead to any accusation of abuse
- (viii) breaches of the Conditions of Use and the Finance and Procurement procedure rules will result in the card being withdrawn and disciplinary action being taken against officers
- (ix) expenditure made by procurement card is correctly coded within the General Ledger

FINANCIAL PROCEDURE NOTE D: SYSTEMS AND PROCEDURES

D.1 INTRODUCTION

D.1.1 Sound systems and procedures are essential to an effective framework of accountability and control.

D.1.2 Services have many systems and procedures relating to the control of the Council's assets, including purchasing, costing and management systems. Services are increasingly reliant on computers for their financial management information. The information must, therefore, be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.

D.1.3 The Head of Financial Services has a professional responsibility to ensure that all the Council's financial systems are sound and should, therefore, be notified of any new developments or changes.

D.1.4 Key Controls

The key controls for systems and procedures are:

- (i) basic data exists to enable the Council's objectives, targets, budgets and plans to be formulated
- (ii) performance is communicated to the appropriate managers on an accurate, complete and timely basis
- (iii) early warning is provided of deviations from targets, plans and budgets that require management attention
- (iv) operating systems and procedures are secure.

D.1.5 Responsibilities of the Head of Financial Services

- (i) responsibility for the operation of the Council's accounting systems, the form of accounts and the supporting financial records. Any changes made by Directors or Heads of Service to the existing financial systems or the establishment of new systems must be approved by the Head of Financial Services. However, Directors and Heads of Service are responsible for the proper operation of financial processes in their own service areas.
- (ii) to arrange for the proper administration of the Council's financial affairs, including to:
 - issue advice, guidance and procedures for officers and others acting on the Council's behalf
 - determine the accounting systems, form of accounts and supporting financial records
 - establish arrangements for audit of the Council's financial affairs
 - approve any new financial systems to be introduced
 - approve any changes to be made to existing financial systems.

D.1.6 Responsibilities of Directors and Heads of Service

- (i) any changes to agreed procedures by Directors and Heads of Service to meet their own specific service needs should be agreed with the Head of Financial Services
- (ii) to ensure that their staff receive relevant financial training that has been approved by the Head of Financial Services
- (iii) to ensure that accounting records are properly maintained and held securely.

- (iv) to ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the Head of Financial Services
- (v) to notify the Head of Financial Services promptly of all money due to the Council and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by the Council. The Head of Financial Services shall have the right to inspect any documents or other evidence in this respect, as may be required
- (vi) to ensure that all staff under their control who receive money on behalf of the Council are accountable for that money and that all records maintained in connection with that money are approved by the Head of Financial Services, including an accurate and chronological account of all receipts and deposits either with the Head of Financial Services or the Council's bankers
- (vii) to ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained
- (viii) to incorporate appropriate controls to ensure that, where relevant:
 - all input is genuine, complete, accurate, timely and not previously processed
 - all processing is carried out in an accurate, complete and timely manner
 - output from the system is complete, accurate and timely
- (ix) to ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice
- (x) to ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption
- (xi) to ensure that systems are documented and staff trained in operations
- (xii) to consult with the Head of Financial Services before changing any existing system or introducing new systems
- (xiii) to establish a scheme of delegation identifying officers authorised to act upon the Director or Head of Service's behalf in respect of payments, income collection and placing orders, including variations, and showing the limits of their authority
- (xiv) to supply lists of authorised officers, with specimen signatures and delegated limits, to the Head of Financial Services and Director of Resources, together with any subsequent variations
- (xv) to ensure that effective contingency arrangements, including back-up procedures, exist for computer systems. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off-site or at an alternative location within the building
- (xvi) to ensure that, where appropriate, computer systems are registered in accordance with data protection legislation and that staff are aware of their responsibilities under the legislation
- (xvii) to ensure that relevant standards and guidelines for computer systems issued by the Director of Resources are observed
- (xviii) to ensure that computer equipment, software and telephony equipment are protected from loss or damage and that any loss or damage is reported immediately to the Business Systems department.
- (xix) to comply with the copyright, designs and patents legislation and, in particular, to ensure that:
 - only software legally acquired and installed by the Council is used on its computers
 - staff are aware of legislative provisions
 - ensure that, where appropriate, computer and other systems are registered in accordance with data protection legislation. Directors and

Hheads of Service must ensure that staff are aware of their responsibilities under freedom of information legislation

D.2 INCOME

D.2.1 INTRODUCTION

D.2.2 Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly. It is preferable to obtain income in advance of supplying goods or services as this improves the Council's cash flow and also avoids the time and cost of administering debts.

D.2.3 Key Controls

The key controls for income are:

- (i) all income due to the Council is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed.
- (ii) all income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery
- (iii) all money received by an employee or agent acting on behalf of the Council, is paid without delay to the Council's bank account and is properly recorded. The responsibility for cash collection should be separated from those officers that:
 - for identifying the amount due
 - for reconciling the amount due to the amount received
 - if not possible, then report to the CFO and Managing Director
- (iv) effective action is taken to pursue non-payment within defined timescales
- (v) formal approval for debt write-off is obtained
- (vi) appropriate write-off action is taken within defined timescales
- (vii) appropriate accounting adjustments are made following write-off action
- (viii) all appropriate income documents are retained and stored for the defined period in accordance with the document retention schedule
- (ix) money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process
- (x) set up and operation of a PayPal or World Pay account for the collection of income from specific website transactions within services shall require the approval of the Director of Resources, who shall establish appropriate procedures for their operation. Where applicable, a Director or Head of Service should nominate a separate PayPal administrator and certifying officer whose responsibility will entail reconciling the income received via the PayPal account to the Council's financial system.

D.2.4 Responsibilities of the Director of Resources, Director of Community Services and Health and Head of Financial Services

- (i) to agree arrangements for the collection of all income due to the Council and to approve the procedures, systems and documentation for its collection.
- (ii) to satisfy themselves regarding the arrangements for the control of all receipt forms, books or tickets and other similar items
- ~~(iii) with the exception of outstanding rates, community charge, council tax, business rates debts and benefits overpayments, for which the Director of Resources is empowered to take appropriate action under the Local Government Finance Act 1988, and borough housing rent debts which shall be pursued through approved procedures, all debts exceeding £250 which have not been recovered shall be referred to the Director of Corporate Services who shall take all reasonable steps to recover them~~

- (iii) to ensure that any debts written-off are dealt with in accordance with established procedures and within approved authorisation limits. The limits for any individual debt are:
 - Head of Financial Services or Director of Resources or Director of Community Services (as appropriate to the debt type) up to £5,000, any such action to be fully recorded
 - Head of Financial Services or Director of Resources or Director of Community Services (as appropriate to the debt type) with the CFO jointly up to £10,000 any such action to be fully recorded
 - The lead councillor with responsibility for finance with the CFO and Director of Resources or Head of Financial Services or Director of Community Services as appropriate to debt type up to £50,000
 - The Executive in excess of £50,000
- (iv) the Head of Financial Services, Director of Resources and Director of Community Services shall be empowered to enter into arrangements with debtors to allow payments to be made in instalments, where this is considered the most appropriate action, to secure payment of the debt
- (v) where action to recover debts leads to action in the courts, the Head of Financial Services shall have the authority to allow costs to the value included in the schedule of fees and charges for the year in question to be waived where this will encourage the payment of the full debt
- (vi) where recovery of debts leads to action in the courts, the ~~Director of Corporate Services~~, Director of Community Services, Head of Financial Services and Director of Resources shall have the authority to agree to the payment of a reduced amount in settlement where circumstances dictate. ~~The Director of Corporate Services shall report all such proposals for agreement to the Head of Financial Services and, where necessary, to the Executive~~
- (vii) to ensure that appropriate accounting adjustments are made following write-off action
- (viii) in relation to business rates and council tax discretionary rate relief and council tax discount may be authorised by Director of Resources, in accordance with government guidance or Council policy. Business rates discretionary relief appeals shall be considered by the CFO. Council tax discretionary relief appeals shall be considered by the CFO, except in the case of flooding grants, which will be considered by the lead councillor with responsibility for finance.
- (ix) to set up and operate a PayPal account for the collection of income from specific website transactions within services as stated in key controls above

D.2.5 Responsibilities of Directors, ~~and~~ Heads of Service and Service Leaders:

- (i) to establish a charging policy for the supply of goods or services, including the appropriate charging of VAT, and to review it regularly in line with corporate policies. All new charges and changes to existing charges are to be approved by the Council on an annual basis. Changes to charges and introduction of new charges in year can be made by Directors and Heads of Service in line with the scheme of delegation as long as they are within budget and in consultation with the Head of Financial Services and appropriate lead councillor
- (ii) to separate the responsibility for identifying amounts due and the responsibility for collection as far as is practicable
- (iii) to establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly where the administration of debts is under his or her control
- (iv) to issue official receipts or to maintain other documentation for income collection

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- (v) to ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded
- (vi) to hold securely receipts, tickets and other records of income for the appropriate period
- (vii) to lock away all income to safeguard against loss or theft and to ensure the security of cash handling
- (viii) to ensure that income is paid fully and promptly into the appropriate Council bank account. Advice is to be sought from the Director of Resources for the most appropriate banking method if necessary
- (ix) to ensure income is not used to cash personal cheque or other payments
- (x) to supply the Head of Financial Services with details relating to work done, goods supplied, services rendered or other amounts due, to enable the Head of Financial Services to record correctly the sums due to the Council and to ensure accounts are sent out promptly. To do this, Directors and Heads of Service should use established performance management systems to monitor recovery of income, and flag up areas of concern to the CFO. Directors and Heads of Service have a responsibility to assist the Head of Financial Services and Director of Resources in collecting debts that they have originated by providing any further information requested by the debtor and in pursuing the matter on the Council's behalf. Cash can only be held on premises where their value falls within limits set by the Council's insurers
- (xi) to keep a record of every transfer of money between employees of the Council. The receiving officer must sign for the transfer and the transferor must retain a copy
- (xii) to ensure that any discrepancy revealed between the amount deposited and the amount shown as received by the collector is recorded and investigated. Adequate records should be maintained to enable the performance of individual staff responsible for collecting income to be monitored
- (xiii) to recommend to the Head of Financial Services or Director of Resources (as appropriate) all debts to be written-off and to keep a record of all sums written off up to the approved limit. Once raised, no bona fide debt may be cancelled except by full payment or by its formal writing off. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt
- (xiv) to obtain the approval of the CFO when writing-off debts in excess of the approved limit, and the approval of the Executive where required.
- (xv) to notify the CFO and Head of Financial Services of outstanding income relating to the previous financial year as soon as possible after 31 March in accordance with the timetable issued by the Head of Financial Services
- (xvi) to request the Director of Resources to set up a PayPal account for their service if required and to nominate a PayPal administrator
- (xvii) to maximise the Council's cash flow by collecting all income due as soon as possible. This should include taking payment in advance of providing a service where possible. Otherwise invoices to be raised as soon as possible after the provision of a service, and not later than 8 weeks afterwards, in accordance with VAT rules

D.3 ORDERING AND PAYING FOR WORK, GOODS AND SERVICES

- D.3.1 Every officer and councillor has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council in accordance with appropriate codes of conduct.

- D.3.2 Official orders must be in a form approved by the Director of Resources. Official orders must be issued for all work, goods or services to be supplied to the Council except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases, procurement card purchases, where other statutory arrangements apply or other exceptions specified by the Director of Resources. At the appropriate time, as decided by Director of Resources, to use electronic ordering system to generate official order numbers.
- D.3.3 Apart from petty cash, imprest accounts and procurement cards, the normal method of payment from the Council shall be by BACS and every effort should be made to obtain bank details and avoid cheque payments. The use of direct debit shall require the prior agreement of the Head of Financial Services.
- D.3.4 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of Council contracts.

D.3.5 Key Controls

The key controls for ordering and paying for work, goods and services are:

- (i) all goods and services are ordered only by appropriate persons and are correctly recorded
- (ii) all goods and services shall be ordered in accordance with the Council's Procurement Procedure Rules unless they are purchased from sources within the Council
- (iii) goods and services received are checked to ensure they are in accordance with the order. Goods should not be received by the person who placed the order
- (iv) payments are not made unless goods have been received by the Council to the correct price, quantity and quality standards
- (v) all payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method
- (vi) all appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the document retention schedule
- (vii) all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected
- (viii) in addition, the effect of e-business/e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically
- (ix) where a service is already provided by an in-house unit (for example, Legal, HR, Finance), orders must be placed with this unit and shall not be placed externally without consultation with the Director or Head of Service providing the service. Where a Council wide contract is in existence, all orders for goods and services available under these contracts must use these contracts, unless an alternative has been agreed with the Director of Resources
- (x) any requirements for vehicles must be referred to the Fleet Management Service who shall place orders for purchase or leasing, contracting or redistribution of existing vehicles as appropriate, to satisfy the requirement and ensure the Council's vehicles strategy operates in the most efficient manner

D.3.6 Responsibilities of the Head of Financial Services and Director of Resources (as appropriate)

- (i) to ensure that all the Council's financial systems and procedures are sound and properly administered

- (ii) to approve any changes to existing financial systems and to approve any new systems before they are introduced
- (iii) to approve the form of official orders and associated terms and conditions.
- (iv) to make payments from the Council's funds on the Director or Head of Service's authorisation and that the expenditure has been duly incurred in accordance with these Financial Procedure Rules
- (v) to make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order
- (vi) to make payments to contractors on the certification of the appropriate Director or Head of Service, which must include details of the value of work, retention money, amounts previously certified and amounts now certified
- (vii) to provide advice on making payments by the safest and most economical means

D.3.7 Responsibilities of Directors, ~~and~~ Heads of Service and Service Leaders:

- (i) to ensure that unique, pre-numbered official orders are used for all goods and services, other than the exceptions specified in D.3.2
- (ii) to ensure that orders are only used for goods and services provided to the services for which they are responsible. Individuals must not use official orders to obtain goods or services for their private use
- (iii) to ensure that only those staff authorised by them sign orders and to maintain an up-to-date list of such authorised staff, including specimen signatures identifying in each case the limits of their authority on the Council's intranet. The authoriser should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. If the supplier is not a limited company they must be satisfied that checks have been made with the payments team regarding self-employed status and any additional assurances required before the order can proceed. Best value principles should underpin the Council's approach to procurement. Value for money should always be achieved
- (iv) to ensure that goods and services are checked on receipt to verify that they are in accordance with the order. This check should, where possible, be carried out by a different officer from the person who authorised the order. Appropriate entries should then be made in inventories or stores records
- (v) to ensure that payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment confirming:
 - receipt of goods or services;
 - that the invoice has not previously been paid;
 - that expenditure has been properly incurred and is within budget provision;
 - that prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices;
 - correct accounting treatment of tax;
 - that the invoice is correctly coded;
 - that discounts have been taken where available;
 - that appropriate entries will be made in accounting records
- (vi) to ensure that two authorised members of staff are involved in the ordering, receiving and payment process. If possible, a different officer from the person who signed the order, and in every case, a different officer from the person checking a written invoice, should authorise the invoice
- (vii) to ensure that the service for which they are responsible maintains and reviews periodically a list of staff approved to authorise invoices. Names of authorising officers, together with specimen signatures and details of the limits

- of their authority, shall be forwarded to the Director of Resources. The Director of Resources will be informed of all amendments to the list as soon as possible after they are agreed
- (viii) to ensure that payments are not made on a photocopied or faxed invoice, statement or other document other than the formal invoice. Any instances of these being rendered should be reported to the Managing Director
 - (ix) to encourage suppliers of goods and services to receive payment by the most economical means for the Council. It is essential, however, that payments made by direct debit have the prior approval of the Director of Resources, with invoices being forwarded to the Head of Financial Services for coding and checking of VAT
 - (x) to ensure that the service obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality, with regard to the best practice guidelines issued by the Director of Resources, which are in line with best value principles and contained in the Council's Procurement Procedure Rules
 - (xi) to utilise the central purchasing procedures established by the Director of Resources in putting purchases, where appropriate, out to competitive quotation or tender. These will comply with the Council's Procurement Procedure Rules
 - (xii) to ensure that employees are aware of the code of conduct for staff included in the Council's Constitution
 - (xiii) to ensure that loans, leasing or rental arrangements are not entered into without prior agreement from the Head of Financial Services, see section C.10
 - (xiv) to notify the Head of Financial Services of outstanding expenditure relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Head of Financial Services and, in any case, no later than the date determined by the Head of Financial Services
 - (xv) with regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the Head of Financial Services, Director of Resources and Managing Director the systems and procedures to be adopted in relation to financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of sub-contractors' tax status
 - (xvi) to notify the Head of Financial Services immediately of any expenditure to be incurred because of statute/court order where there is no budgetary provision
 - (xvii) to ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the document retention schedule.
 - (xviii) to ensure that any payments for compensation of loss, damages or injury shall be made in consultation with the ~~Director of Corporate Services~~ Legal Services Manager

D.4 PAYMENTS TO EMPLOYEES AND COUNCILLORS

D.4.1 INTRODUCTION

Staff costs are the largest item of expenditure for most Council services. It is, therefore, important that payments are accurate, timely, made only where they are due for services to the Council and that payments accord with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for and that councillors' allowances are authorised in accordance with the scheme adopted by the Council.

D.4.2 Key Controls

The key controls for payments to employees and councillors are:

- (i) proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to:
 - starters
 - leavers
 - variations
 - enhancementsin addition, that payments are made on the basis of timesheets or claims.
- (ii) monthly reconciliation of payroll expenditure against approved budget and bank account
- (iii) all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule
- (iv) that HM Revenue and Customs regulations are complied with

D.4.3 Responsibilities of the Director of Resources

- (i) to arrange and control secure and reliable payment of salaries, wages, compensation, overtime or other emoluments to existing and former employees ~~in consultation with the Director of Corporate Services~~ on the due date and payment of allowances to councillors in accordance with procedures prescribed by them
- (ii) to record and make arrangements for the accurate and timely payment of tax, superannuation and other deductions
- (iii) to make arrangements for payment of all travel and subsistence claims or financial loss and other allowances
- (iv) to make arrangements for paying councillors' travel or other allowances upon receiving the prescribed form, duly completed and authorised
- (v) to provide advice and encouragement to secure payment of salaries and wages by the most economical means
- (vi) to ensure that there are adequate arrangements for administering superannuation matters on a day-to-day basis

D.4.4 Responsibilities of Directors, ~~and~~ Heads of Service and Service Leaders:

- (i) to ensure appointments are made in accordance with the Officer Employment Procedure Rules and approved establishments, grades and scale of pay, and that adequate budget provision is available
- (ii) to ensure that adequate and effective systems and procedures are operated so that:
 - payments are only authorised to bona fide employees
 - payments are only made where there is a valid entitlement
 - conditions and contracts of employment are correctly applied
- (iii) to send an up-to-date list of the names of officers authorised to sign records to the Director of Resources, together with specimen signatures
- (iv) to ensure that payroll transactions are processed only through the payroll system. Directors and Heads of Service should seek advice to the employment status of individuals employed on a self-employed, consultant, sub-contract or one-off appointment basis from Director of Resources. HM Revenue and Customs applies a tight definition of employee status and, in cases of doubt, advice should be sought from the Director of Resources
- (v) to certify travel and subsistence claims and other allowances. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred and that allowances are properly payable by the Council, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications and that the Director of Resources is informed where appropriate

- (vi) all payments will be made in accordance with policies and procedures established by the Director of Resources
- (vii) to ensure that the Director of Resources is notified of the details of any employee benefits in kind to enable full and complete reporting within the income tax self-assessment system
- (viii) to ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule

~~D.4.5 — Responsibilities of the Director of Corporate Services~~

- ~~(i) to notify the Director of Resources of all appointments, terminations or variations which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Director of Resources~~
- ~~(ii) to notify the Director of Resources of all absence from duty in respect of sickness, maternity, paternity, compassionate or unpaid leave~~
- ~~(iii) to provide the Director of Resources with all information necessary to maintain records of service for superannuation, income tax, national insurance and similar matters~~

D.4.56 **Responsibilities of Councillors**

To submit claims for councillors' travel and subsistence allowances on a six monthly basis and, in any event, by 12 April at the end of any financial year.

D.5 **TAXATION**

D.5.1 **INTRODUCTION**

D.5.2 Like all organisations, the Council is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is, therefore, very important for all officers to be aware of their role.

D.5.3 **Key Controls**

The key controls for taxation are:

- (i) budget managers are provided with relevant information and kept up-to-date on tax issues
- (ii) budget managers are instructed on required record keeping
- (iii) all taxable transactions are identified, properly carried out and accounted for within stipulated timescales
- (iv) records are maintained in accordance with instructions
- (v) returns are made to the appropriate authorities within the stipulated timescale

D.5.4 **Responsibilities of the Director of Resources and Head of Financial Services (as appropriate)**

- (i) To advise Directors and Heads of Service, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Council
- (ii) to complete all HM Revenue and Customs returns regarding PAYE.
- (iii) to complete a monthly return of VAT inputs and outputs to HM Revenue and Customs
- (iv) to provide details to the HM Revenue and Customs regarding the construction industry tax deduction scheme

- (v) to maintain all records, accounts and claims as directed by the relevant VAT legislation
- (vi) to provide guidance to staff and monitor compliance with tax regulations on behalf of the Council

| D.5.5 **Responsibilities of Directors, ~~and~~ Heads of Service and Service Leaders:**

- (i) to ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HM Revenue and Customs regulations
- (ii) to ensure that where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements
- (iii) to ensure that all persons employed by the Council are added to its payroll and tax deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency
- (iv) to record and notify Director of Resources of any taxable benefit or payment giving rise to the potential of a taxable benefit (e.g. award vouchers)
- (v) to follow the guidance on taxation issued by the Director of Resources and Head of Financial Services
- (vi) to ensure that the correct Stamp Duty Land Tax (SDLT) implication of any disposal or acquisition of property transactions are identified and discussed with the Head of Financial Services

FINANCIAL PROCEDURE NOTE E: EXTERNAL ARRANGEMENTS

E.1 INTRODUCTION

E.1.1 The Council provides a distinctive leadership role for the community and brings together the contributions of the various stakeholders. It must also act to achieve the promotion or improvement of the economic, social or environmental well-being of its area. Partnership arrangements are an increasingly significant feature of public service delivery. They are a response to the complex and multifaceted problems that face society, and which cannot be tackled effectively by any individual body working alone. They can provide flexibility, innovation and additional financial and human capital resources to enhance service delivery to the community. These are powerful incentives for organisations to work with others and now all local public bodies work in partnerships to different degrees. However, partnerships also bring risks. Working across organisational boundaries brings complexity and ambiguity that can generate confusion and weaken accountability. The public needs assurance that public money is spent wisely in partnerships and it should be confident that its quality of life would improve because of this form of working.

E.1.2 The term partnership can encompass a wide range of collaborative arrangements. The Council defines a Partnership as “a group of stakeholders brought together from a range of organisations, to be responsible for tackling mainly long term challenges and opportunities in which they have a shared interest”. Examples of these types of arrangements include the Council’s involvement with social enterprise and other community or charitable organisations in which the Council doesn’t directly own a share of the organisation, or have voting rights within the organisation, but works in partnership with the organisation and may provide grant funding to it.

E.2 PARTNERSHIPS

E.2.1 Key Controls

Partnership activities should be carried out in accordance with the Council’s Partnership Strategy unless otherwise approved by the ~~Director of Corporate Services~~Managing Director. The creation of any new partnership must be supported by a Business Case. The anticipated level of Council resources to be directed at the partnership, the complexities of the partnership and its outcome, will determine the extent to which the approval checklist is completed.

A partnership arrangement can be a “Shared Service”. Prior to commencing discussions around a shared service, the Head of Financial Services and ~~Director of Corporate Services~~Legal Services Manager shall be consulted.

E.2.2 Responsibilities of the Head of Financial Services

- (i) the Head of Financial Services must ensure that the accounting arrangements to be adopted relating to partnerships are satisfactory. They must also consider the overall corporate governance arrangements and, in consultation with the ~~Director of Corporate Services~~Legal Services Manager, legal issues when arranging contracts with external bodies. They must ensure that the risks have been fully appraised before agreements are entered into with external bodies
- (ii) to advise on effective controls that will ensure that resources are not wasted
- (iii) to advise on the key elements of funding a project. They include:
 - a scheme appraisal for financial viability in both the current and future years

- risk appraisal and management
- resourcing, including taxation issues
- audit, security and control requirements
- carry-forward arrangements
- accounting arrangements and impact on the requirement of the Council to produce group accounts

E.2.3 Responsibilities of Directors and Heads of Service

- (i) to maintain a register of all contracts entered into with external bodies in accordance with procedures specified by the Head of Financial Services
- (ii) to ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared for the Head of Financial Services
- (iii) to ensure that such agreements and arrangements do not impact adversely upon the services provided by the Council
- (iv) to ensure that all agreements and arrangements are properly documented by way of a partnership agreement
- (v) to provide appropriate information to the Head of Financial Services to enable a note to be entered into the Council's statement of accounts concerning material items

E.3 EXTERNAL FUNDING

With increasing pressures on Council expenditure, external funding is potentially a very important source of income. However, terms and conditions attached to funding need to be carefully considered to ensure they are adhered to and compatible with the aims and objectives of the Council. Funds from external agencies such as the Big Lottery Fund, and Enterprise M3 (our local enterprise partner), as well as project funding from Central Government Departments, sponsorship and other Corporate Social Responsibility contributions from private companies and other donors, provide additional resources which can enable the Council to augment services it delivers to the local community.

Any proposal to spend monies received from any external funding source must be in accordance with approved Revenue or Capital budgets and the Corporate Plan. Prior to bidding, the Head of Financial Services and Corporate Management Team (CMT) must first be consulted to ensure alignment with the Council's corporate plan and that any implications across Services are fully considered.

E.3.1 Responsibilities of the Head of Financial Services

- (i) to ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts
- (ii) to ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements
- (iii) to ensure that audit requirements are met
- (iv) to maintain an external funding and grant register of all funds received, their terms and conditions and reporting requirements
- (v) to ensure that all claims for funds are met by the due date
- (v) to authorise or sign any applications for external funding on behalf of the Council

E.3.2 **Responsibilities of Directors, ~~and Heads of Service~~ and Service Leaders**

- (i) ~~(i)~~ —to ensure that all applications for external funding on behalf of the Council are agreed with and authorised by the Head of Financial Services
- ~~(i)~~(ii) to ensure that all claims for funds are made in consultation with the Head of Financial Services
- (ii) to ensure that the project progresses in accordance with the agreed timescale and that all expenditure is properly incurred and recorded

E.4 **WORK FOR THIRD PARTIES**

E.4.1 Current legislation enables the Council to provide a range of services to external organisations such as other local government and public bodies. Such work may enable a service unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work is minimised and that such work is intra vires.

E.4.2 **Key Controls**

The key controls for working with third parties are:

- (i) to ensure that proposals are costed properly in accordance with guidance provided by the Head of Financial Services
- (ii) to ensure that contracts are drawn up using guidance provided by the Head of Financial Services and that the formal approvals process is adhered to
- (iii) to issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register

E.4.3 **Responsibilities of the Director of Resources**

- (i) to issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contracts register

E.4.4 **Responsibilities of the Head of Financial Services**

- (i) to ensure that appropriate trading accounts are established and maintained for the arrangement

E.4.5 **Responsibilities of Directors and Heads of Service**

- (i) to maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Director of Resources
- (ii) to ensure that appropriate insurance arrangements are made
- (iii) to ensure that the Council is not put at risk from any bad debts
- (iv) to ensure that no contract is subsidised by the Council
- (v) to ensure that, wherever possible, payment is received in advance of the delivery of the service
- (vi) to ensure that the services for which they are responsible have the appropriate expertise to undertake the contract
- (vii) to ensure that such contracts do not impact adversely upon the services provided for the Council
- (viii) to ensure that all contracts are properly documented
- (ix) to provide appropriate information to the Head of Financial Services to enable a note to be entered into the statement of accounts

FINANCIAL PROCEDURE NOTE F: LOCAL AUTHORITY COMPANIES AND CO-OPERATIVE SOCIETIES

F.1 Introduction

F.1.1 The Localism Act 2011 has given authorities a new general power of competence that includes the power to provide services for a commercial purpose or otherwise for a charge. To carry out the power for commercial purposes, it must be done through a local authority company or co-operative society.

F.1.2 The Council is developing a council wide policy on Income Generation and Trading, which seeks to explore the greater use of its trading powers and opportunities. The establishment of a company and adopting business models can facilitate this process in introducing innovative, efficient and sustainable forms of delivery with value for money for council taxpayers. In essence, the establishment of a company or co-operative society will enable the flexibility and freedom to take advantage of entrepreneurial opportunities, not normally associated with a multi-statutorily regulated public body such as a Council.

F.2 Key Controls:

The key controls for setting up or working with a local authority company or co-operative society are-

- (i) that a Business Case and Business Plan are prepared and approved by Executive before trading by the Company commences
- (ii) that the Executive is advised by the [Director of Corporate Services](#) [Legal Services Manager](#) and the CFO on the following key elements:
 - scheme appraisal and financial viability of the company and business plan
 - risk appraisal
 - governance arrangements
 - resourcing, including taxation issues
 - audit requirements
- (iii) that the Company's or Co-operative Society's Memorandum and Articles of Association include clauses to safeguard the Council's position;
- (iv) that the Company or Co-operative Society follows the accounting policies and procedures adopted and followed by the Council where the Council is the majority shareholder in the company or society;
- (v) that where the Council is the majority shareholder, at least one Officer of the Council is nominated on to the board of the Company or Co-operative Society to represent the Council's interest

F.3 Responsibilities of the Head of Financial Services

- (i) to review and report on the financial viability of the Company and its business plan
- (ii) to advise on the appropriate company structure and governance arrangements in consultation with the [Director of Corporate Services](#) [Legal Services Manager](#)
- (iii) to ensure that arrangements are made for the audit of the company's accounts in accordance with the requirements set out in the Company's Act 2006 and the Accounts and Audit (England) Regulations 2013
- (iv) to ensure that the accounting policies adopted and followed by the Council are adopted and followed by the company where the Council is the majority shareholder in the company

- (v) to ensure that the company has appropriate financial systems and procedures in place to properly record and account for the income and expenditure, assets and liabilities of the company
- (vi) to ensure that adequate supporting records of the income, expenditure, assets and liabilities of the company are held
- (vii) to ensure that the company operates a financial year 1 April to 31 March and prepares its financial statements in accordance with the Council's statutory timetable
- (viii) to ensure that the Council as group parent has an adequate process in place to consolidate information from subsidiary company accounts with its own financial information and prepare Group Accounts in accordance with CIPFA guidance

F.4 Responsibilities of the ~~Director of Corporate Services~~Legal Services Manager:

- (i) to advise on the appropriate company structure and governance arrangements in consultation with the Head of Financial Services
- (ii) to include any clauses, within the Company's Memorandum and Articles of Association to safeguard the Council's position
- (iii) to ensure all agreements and arrangements are properly documented;
- (iv) to ensure that governance arrangements are in place including arrangements for exit if necessary
- (v) to ensure that any Council Officers who are to be directors are aware of their responsibilities under Companies legislation and the Company's articles and that appropriate indemnities and insurances are in place for the Council and the Company

F.5 Responsibilities of the Directors and Heads of Service

- (i) to seek approval from both the ~~Director of Corporate Services~~Legal Services Manager and the CFO prior to the setting up or formal involvement in negotiations to set up or enter into a company. This will involve consideration of whether the trading should be carried out by an existing council-owned company, a subsidiary of an existing Company or a new company or co-operative society
- (ii) to obtain Executive approval before any negotiations to set up a company or co-operative society are concluded
- (iii) to ensure all agreements and arrangements are properly documented
- (iv) to ensure that governance arrangements are in place including arrangements for exit if necessary
- (v) to ensure that risk management processes are in place to identify and assess all known risks
- (vi) to ensure that a satisfactory Business Case and Business Plan are prepared before trading by the Company commences in conjunction with the Head of Financial Services
- (vii) to ensure that where the Council is not the majority shareholder in the company that the Council's procurement procedure rules are followed when contracting services between the Council and the Company

F.6 Responsibilities of Officers who become Company Directors:

- (i) to include any clauses, within the Company's Memorandum and Articles of Association to safeguard the Council's position, as required by the Council's ~~Director of Corporate Services~~Legal Services Manager and the CFO
- (ii) to ensure that risk management processes are in place to identify and assess all known risks

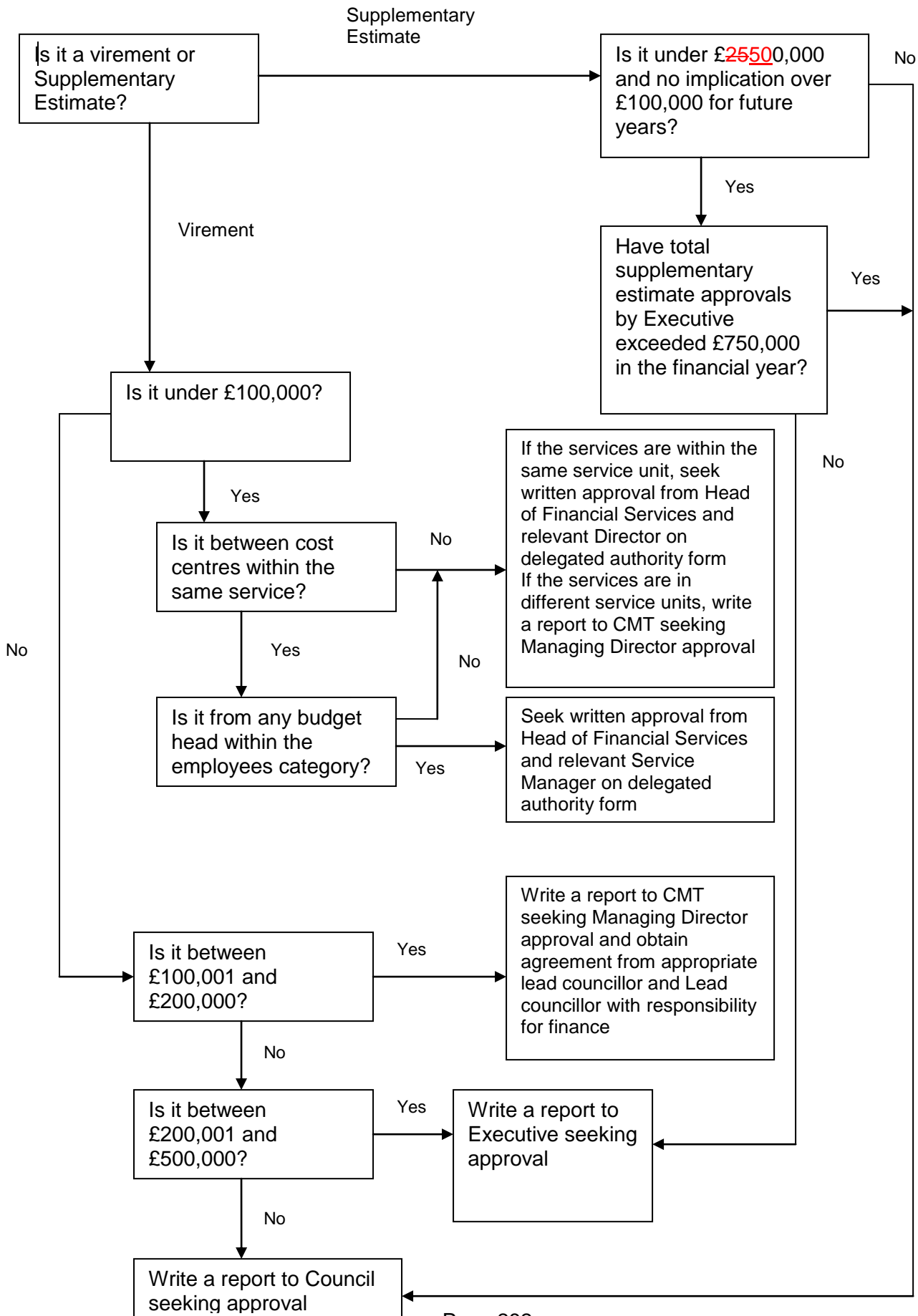
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- (iii) to ensure that the company has appropriate financial systems and procedures in place to properly record and account for the income and expenditure, assets and liabilities of the company as advised by the Head of Financial Services
- (iv) to ensure adequate supporting records of the income, expenditure, assets and liabilities of the company are held
- (v) To ensure that the company operates a financial year 1 April to 31 March and prepares its financial statements in accordance with the timetable set by the Head of Financial Services
- (vi) to ensure that adequate information is provided to the Council in accordance with the timetable set out by the Head of Financial Services of the Council to enable the consolidation of the company's accounts with the accounts of the Council for group reporting purposes
- (vii) to ensure that where the Council the majority shareholder in the company that the Council's procurement procedure rules are followed when contracting out services
- (viii) to safeguard the Council's right of audit access to the company

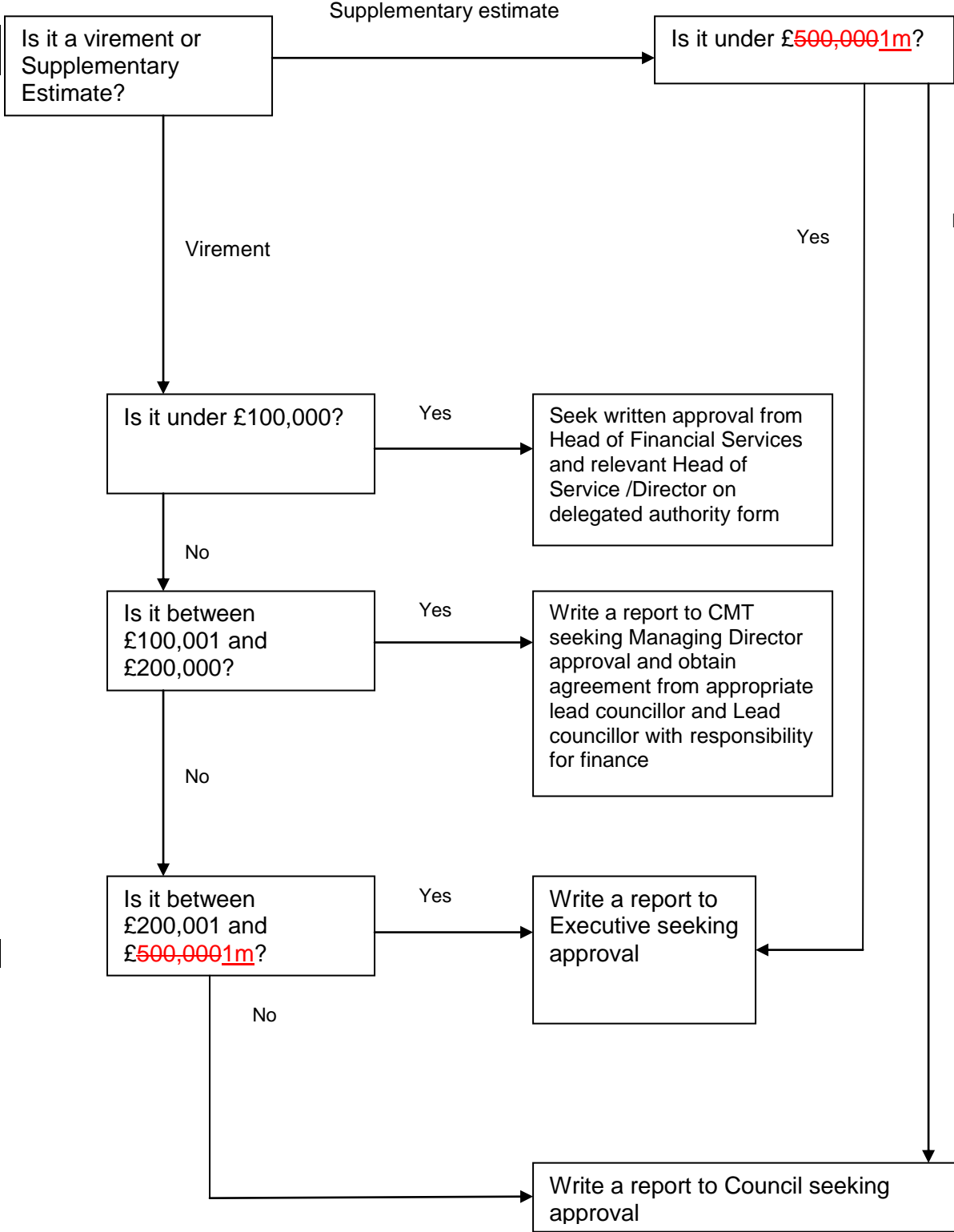
GLOSSARY

MD	Managing Director as per Part 2 Article 13
MO	Monitoring Officer as per Part 2 Article 13
CFO	Chief Finance Officer as per Part 2 Article 13
LGA	Local Government Act
CIPFA	Chartered Institute of Public Finance and Accountancy
SeRCOP	Service Reporting Code of Practice
TMP	Treasury Management Practice
HRA	Housing Revenue Account
Capital	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.
Revenue	expenditure on the day-to-day running of the council
GF	General Fund – 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.
Virement	switching of resources between approved service estimates or account categories of expenditure, without creating additional budget liability
Supplementary Estimate	A supplementary estimate is approval for increased expenditure or reduced income that was not included in the original budget and therefore increases the Council’s overall net budget for the year

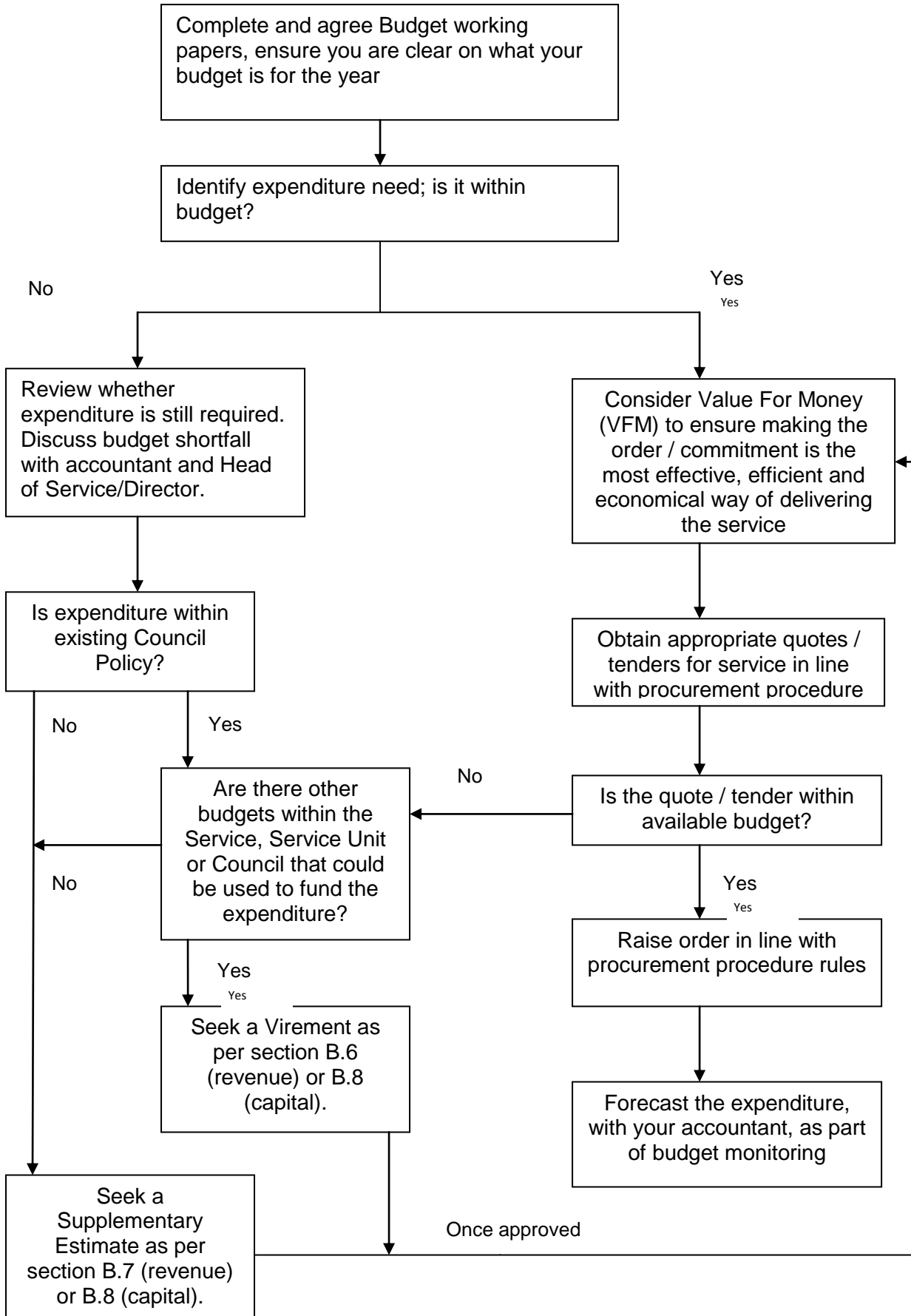
Revenue Virement and Supplementary Estimate Processes



Capital Virement and Supplementary Estimate Processes



Budget Management Essential Practice for Budget Managers



PART 4 – PROCUREMENT PROCEDURE RULES

GUILDFORD BOROUGH COUNCIL

PROCUREMENT PROCEDURE RULES

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Part 1

1 INTRODUCTION

- 1.1 These Procurement Procedure Rules apply to all purchases of works, goods and services by the Council. They provide a framework within which all the procurement activity of the Council is undertaken. The object of these Rules is to ensure that all the Council's procurement activity regardless of value is fair, open, transparent, non-discriminatory and lawful. Their observance is mandatory. The Rules are to protect the interests of the Council and also councillors and officers from the risk of challenge, undue criticism or allegations of wrongdoing.
- 1.2 These Procedure Rules should be seen as setting minimum requirements. Where better value for the Council might be achieved by seeking more tenders or quotations this should be done.
- 1.3 A Corporate Procurement Advisory ~~PanelBoard~~ (CPA~~PB~~), is to take an active role in the management of the procurement process. The CPA~~PB~~ will ensure that the processes and reporting requirements are followed and will enable the identification of areas of strength and weakness within the procurement function. It will seek out solutions and better methods of working, encouraging consistency and efficiency to achieve best value through the procurement process across the Council. ~~Until the CPAB is set up and functioning any reference in these rules to actions to be done by or with respect to CPAB shall be taken to be references to the Director of Corporate Services and the Director of Resources acting together~~
- 1.4 If there is any relevant change to English or European Law, which affects these rules then that change must be observed until these rules can be revised. Where there is a difference between these Rules and the current legislation, the legislation will prevail.

Part 2

2 APPLICATION

- 2.1 These rules apply to:
 - 2.1.1 All contracts for the supply of works, goods or services (including consultancy) to the Council, regardless of value.
 - 2.1.2 Partnership and collaborative arrangements with other bodies.
 - 2.1.3 Concession Contracts
- 2.2 These rules do not apply to:
 - 2.2.1 Contracts for the purchase or sale of any interest in land including leasehold interests and licences for which reference should be made to the Financial Procedure Rules.
 - 2.2.2 Contracts of employment for the appointment of individual members of staff.
 - 2.2.3 Grant agreements, where the Council is giving an unconditional grant.

- 2.2.4 Sponsorship agreements regulated by the Sponsorship Rules.
- 2.2.5 Supply of works, goods and services by the Council. [The ~~Legal Director of Corporate Services~~ Manager must be consulted where the Council is contemplating this route.]
- 2.2.6 Contracts procured in collaboration with other local authorities where the Council is not the lead authority (subject to the necessary approvals having been obtained from the appropriate decision maker at the Council). The Procurement/Contract Procedure Rules of the lead authority shall apply. Assurance is to be sought that the lead authority is acting in compliance with its own contract procedure rules.

2.3. Exceptions to these rules

- 2.3.1 In all cases, where an exception to the tendering or quotation process is sought the Director or Head of Service for the service concerned shall ~~consult with the CPAB. If the CPAB agree the Director or Head of Service shall~~ obtain the consent of the ~~Director of Resources Managing Director and the Legal Services Manager or Monitoring Officer and Lead Councillor for the service concerned in consultation with the Procurement Officer and the lead councillor with responsibility for governance.~~ The Procurement Officer ~~CPAB~~ will document the request, all reasons for the request and record the decision. Additionally the Director or Head of Service will ensure that a record of the decision of the ~~Managing Director of Resources and the Legal Services Manager and Lead Councillor~~ are recorded on the procurement file.

- 2.3.2 The following circumstances represent the permitted exceptions from all or part of these Rules. Tenders or quotations need not be sought in the following circumstances:

~~2.3.2.1 The work to be executed or the goods or materials or services to be supplied are procured via an approved and valid framework agreement. The CPAB is to be notified of the intention to access such an agreement the use of which must be approved by the Director of Corporate Services;~~

2.3.2.12 Goods or materials are proprietary items or are sold only at a fixed price and no satisfactory alternative is available;

2.3.2.23 The price of the goods or materials is wholly controlled by trade organisations, government order or statutory undertakers where they have monopoly status and no satisfactory alternative is available;

2.3.2.34 The work to be executed or the goods or materials to be supplied consist of repairs to or the supply of parts for existing proprietary machinery or plant or the execution of work or supply of goods or services or materials necessary for maintenance or repairs to existing machinery or plant;

2.3.2.45 Where the work to be executed or goods to be supplied are required urgently and would not, therefore, permit the invitation of quotations or tenders;

Appendix 4

2.3.2.~~56~~ The execution of works or the supply of services is of such a specialised nature that in the opinion of the Director or Head of Service the number of prospective contractors is less than required by these rules. In this case, tenders or quotations shall be obtained from the sole or all available suppliers who possess the relevant knowledge or expertise;

2.3.2.~~67~~ The work to be executed or the goods or materials supplied constitute an extension or variation permitted under the terms of an existing contract provided the extension or variation is compliant with English or European law.

2.3.2.~~78~~ Legal services falling within Regulation 10(i)(d) of the Public Contracts Regulations 2015.

2.3.3 The Procurement Officer will report on exceptions to the CPAP.

2.3.4 No exemptions are permitted if the value requires compliance with EU Procurement Directives.

3 COMPLIANCE

3.1 Every Contract entered into on behalf of the Council shall comply with

- these Procurement Procedure Rules;
- the Council's Financial Procedure Rules, and
- all relevant English and European legislation.

3.2 All members of staff and consultants engaged in any capacity to manage or supervise the procurement of any works, goods or services for the Council must comply with these Procurement Procedure Rules and with the Council's Manual of Procurement Practice. The attention of Officers is drawn to the Council's Code of Conduct for Staff at Part 5 of the Constitution. Non-compliance with these Rules may constitute grounds for disciplinary action.

3.3 Generally, work must not begin under a contract until both parties have signed the contract document (or, if the only contract document is a purchase order, until the purchase order has been issued), except in the cases of urgency when the approval of the Legal Services Manager~~Director of Corporate Services~~ is to be obtained. Letters of intent may only be provided with the approval of the Legal~~Director of Corporate Services~~ Manager who must agree the terms of any such letter.

3.4 If there is any doubt about the application of the rules the issues should be referred to ~~CPAB and to~~ the Legal~~Director of Corporate Services~~ Manager.

4 CONFLICTS OF INTEREST

4.1 Members of staff must avoid any conflict between their own interests and the interests of the Council. This is a requirement of the Council's Code of Conduct for Staff and includes:

4.1.1 not accepting gifts or hospitality from organisations or suppliers that the Council has dealings with;

4.1.2 not working for organisations or suppliers that the Council has dealings with;

- 4.1.3 notifying the Director or Head of Service in writing if an officer has links with an organisation or supplier who is tendering or quoting for a contract with the Council or already has a contract with the Council (for example, a family member or close friend works for the organisation).
- 4.2 All consultants engaged to act on behalf of the Council must declare that they will avoid any conflict between their own interests or those of any of their other clients and the interests of the Council.
- 4.3 If a councillor or a member of staff has an interest, financial, otherwise, in a contract, or proposed contract, he/she must declare it in writing to the Monitoring Officer ~~Director of Corporate Services~~ as soon as he/she becomes aware of the interest. A councillor or member of staff who has an interest in a contract must not take part in the procurement or management of that contract.

5 PREVENTION OF BRIBERY AND CORRUPTION

- 5.1 A contract may be terminated immediately, and any losses to the Council arising from the termination recovered from the supplier, if the supplier, or anyone acting on his behalf (with or without the supplier's knowledge), offers or promises or gives a financial or other advantage to a councillor any member of staff or any consultant in connection with the contract.
- 5.2 Any councillor, member of staff or consultant who becomes aware or has reason to believe that a supplier or potential supplier has committed one of the corrupt acts referred to in Rule 4.1, must report it to the Monitoring Officer.
- 5.3 The Monitoring Officer must maintain a record of all declarations of interest notified by Councillors and Officers.

6 RESPONSIBILITIES OF DIRECTORS AND HEADS OF SERVICE

- 6.1 Procurement activity in the Council is devolved to individual service units, which are supported in their purchasing activities by Legal Services Governance & Law, Financial Services and by the CPAPB, from whom advice must be sought as necessary. Procuring officers must observe the Council's Financial Procedure Rules at all times.
- 6.2 It is the responsibility of each Director and Head of Service:
- 6.2.1 To compile and provide a list of all forecast contract opportunities to the CPAPB at the beginning of each business planning year containing projections for the upcoming three years. (This is also part of the business planning process.) This list is to be updated as necessary throughout the year.
- 6.2.1 To ensure that all procurements and contracts within his/her department comply with Procurement Procedure Rules, Financial Procedure Rules and all applicable public procurement legislation.
- 6.2.2 To ensure those officers to whom they delegate their functions have received relevant training and have the necessary skills. The CPAPB will from time to time in conjunction with the Training Officer organise training for staff engaged in procurement.

- 6.2.3 To plan the procurement of and manage Contracts within his/her department to ensure that contracts deliver best value, are operated effectively, efficiently and economically and are operated in accordance with the contract provisions.
 - 6.2.4 To keep adequate records to show compliance with the Procurement Procedure Rules, Financial Procedure Rules and all relevant legislation. In particular, it is incumbent on the Director and Head of Service to ensure each contract valued at £500 or more is listed on completion in the Contracts Register.
- 6.3 At the outset of each procurement, the Director or Head of Service must:
- 6.3.1 assess the business needs,
 - 6.3.2 ensure the procurement complies with corporate policies and priorities
 - 6.3.3 review ethical, social and sustainability issues
 - 6.3.4 consider potential contractual relationships
 - 6.3.5 undertake a risk management exercise at the start of any procurement exercise, which is commensurate with the value and complexity of the procurement
 - 6.3.6 undertake when appropriate a pre-market testing exercise
 - 6.3.7 ensure that they have the necessary authority to undertake the procurement.
 - 6.3.8 (a) Prepare or obtain an estimate in writing of the probable cost of the procurement and any ongoing revenue costs arising from the procurement; and
 - (b) Ensure that adequate provision has been made within the Council's capital or revenue estimates and that proper technical and financial appraisals of the procurement have been carried out in accordance with the Council's Financial Procedure Rules.

7 ESTIMATE OF CONTRACT VALUE

- 7.1 The value of a contract is the total amount that the Council expects to pay for the contract, including any contract extension period and any options within the contract. This may be a lump sum (e.g. £50,000) or a periodic payment (e.g. £10,000 per year for a 5 year contract = £50,000). If the contract is for an uncertain term (e.g. a "rolling" Contract), the value is the amount the Council expects to pay over four years.
- 7.2 Contracts must **not** be packaged or divided into smaller units for the purpose of creating lower value contracts to avoid any provision of these Rules or EU procurement legislation. When tendering consideration must be given to the extent to which it is appropriate to divide the contract into lots to facilitate opportunities for small and medium sized enterprises and voluntary organisations.

8 USE OF FRAMEWORK AGREEMENTS

- 8.1 The use of framework agreements is permitted for any value of contract. The ~~Legal Director of Corporate~~ Services Manager must be consulted and confirmation given that the Council may lawfully access the framework before a purchase. The CPAPB must be informed of the use of a framework agreement.
- 8.2 In order to select a supplier for a call-off contract under a multi-supplier framework agreement or to conduct a mini competition, the procuring officer must follow the procedure set out in that Framework Agreement.

8.3 The Legal Services Manager will keep a record of framework use and provide regular reports to the CPAP.

9 SPECIFICATION

- 9.1 Each procurement must be appropriately specified and selection and award criteria must be formulated in advance of inviting expressions of interest to ensure the Council obtains value for money and the procurement process is transparent.
- 9.2 All works, goods and services must be specified by reference to European standards, or national standards if no European standards are set. The specification must be a clear and comprehensive description of the Council's requirements and should incorporate measurable and, so far as is possible, objective quality and performance criteria to enable a proper assessment to be made of the supplier's ability to meet the Council's requirements.

10 INSURANCE

- 10.1 It is the responsibility of the procuring officer, in consultation with the Director of Resources ~~and Director of Corporate Services~~ to set, where appropriate, adequate levels of insurance for every procurement in respect of employers' liability, product liability, professional indemnity, third party and fire and material damage. As a guide the level of insurance required shall not, unless exceptional circumstances prevail, be less than £10 million for employer's liability insurance, £5 million for public liability insurance and £2 million for professional indemnity insurance.
- 10.2 The procuring officer must ensure that any insurance required by the Council is held by the provider with a reputable insurance company(ies) and that the policy(ies) are renewed as necessary during the contract period.

11 TUPE

- 11.1 Where relevant, the procuring officer must consider the implications of the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended and consult with the ~~Legal Services Manager~~Director of Corporate Services as to their application.

12 DISPUTE RESOLUTION

- 12.1 The procuring officer must consider the procedure for resolving disputes arising in relation to the procurement and, where appropriate, contracts shall contain provisions for alternative dispute resolution.

13 PURCHASING SERVICE (ePAYMENTS)

- 13.1 Procuring officers must make enquiries of the Financial/Revenue and Payments Services where the procurement is of consumables. These services will advise of any existing corporate contracts or mechanisms through which the purchase is to be made.

14 ELECTRONIC PROCUREMENT

- 14.1 Systems to enable the Council to procure works, goods and services are to begin introduction in the course of the financial year 2015–2016 and details of the system will be incorporated in an appendix to these Rules.

15 ELECTRONIC TENDERING

- 15.1 Electronic tendering systems will be introduced in the course of the financial year 2016-17, details of which are set out in Appendix ~~23~~ to these Rules.
- 15.2 Use of the electronic tendering system will become mandatory after an introductory period, during which training will be provided.

16 FORM OF CONTRACT

- 16.1 Each procurement must be in writing or confirmed in writing whether by way of formal contract or by exchange of correspondence. Contracts valued at £10,000 or more must be in a form approved by the ~~Legal Director of Corporate~~ Services Manager.

17 CONTRACTS REGISTER

- 17.1 All contracts having a value or estimated value of £500 (five hundred pounds) or more must be entered in the central Contracts Register, which will be monitored by the CPAPB. The register will specify the information that is to be held, but will include:

- contract value or estimated value
- description of contract
- name of contractor/supplier
- name of contract administrator
- start and completion dates
- payment details

18 PERFORMANCE BOND/PARENT COMPANY GUARANTEE

- 18.1 A performance bond or, in an appropriate case, a deposited sum must be obtained for any construction contract with a contract sum in excess of £100,000.00 unless the procuring officer, in consultation with the Head of Financial Services, deems it to be unnecessary having undertaken an appropriate risk assessment.
- 18.2 For any other contract for works, goods or services having a value of £100,000 or more, the procuring officer must consider in consultation with the Head of Financial Services whether it is appropriate to take security in the form of a Performance Bond or Parent Company Guarantee. In each case, the procuring officer must record his decision with reasons.

19 DEEDS, SEALING AND SIGNING OF CONTRACTS

- 19.1 Any contract valued at £100,000 or more must, unless the ~~Legal Director of Corporate~~ Services Manager determines otherwise, be sealed with the common seal of the Council. In exceptional cases where the ~~Legal Director of Corporate~~ Services Manager decides that a contract which amounts to or exceeds £100,000 in value does not require the common seal, it must be signed, subject to compliance with the Council's Financial Procedure Rules, by the Managing Director and one other Director or by two Directors.

19.2 Contracts less than £100,000 in value must be signed by the relevant Director or Head of Service (or, subject to compliance with the Council's Financial Procedure Rules, his or her nominee) or may be sealed with the common seal of the Council in cases where the ~~Legal Director of Corporate Services~~ Manager considers it to be appropriate.

19.3 Before a Contract can be sealed by the Council, the Officer must provide the relevant authority to award in writing from the appropriate decision maker.

20 CONTRACT DOCUMENTS

20.1 Wherever practicable, work under a contract must not start until the contract documents and all other procedures have been completed to the satisfaction of the Head of Service or, in the case of a procurement valued at £100,000 or more, the Head of Service and the ~~Legal Services Manager~~~~Director of Corporate Services~~. A letter of intent must not be issued unless approved by the ~~Legal Director of Corporate Services~~ Manager.

21 DELAY IN COMPLETING THE CONTRACT

21.1 If a written contract is not signed or sealed, as the case may be, within a period of six months from the date of the decision to enter into it, it shall be the duty of the procuring officer to report the details to the lead councillor for the procurement activity.

22 NOMINATING SUB-CONTRACTORS AND SUPPLIERS

22.1 Where it is decided to be in the Council's interest, that a sub-contractor or supplier should be nominated to a main contractor, at least three tenders for the nomination must be invited in accordance with one of the methods described in Table 1 below.

22.2 The invitation to tender as sub-contractors or suppliers must require an undertaking from any tenderer to enter into a contract with the main contractor, including an obligation to indemnify the main contractor in respect of matters included in the sub contract.

23 CONFIDENTIALITY OF TENDERS AND QUOTATIONS

23.1 All matters concerned with quotations and tenders must be treated as confidential, including the correction of errors, and any information, discussion or correspondence entered into should be confined to those officers of the Council who are directly concerned and any consultant retained by the Council irrespective of the procurement process in question.

23.2 The amount or value of any tender or quotation which is to be considered by the Council or Executive shall not be made public before the meeting and shall be omitted from any written report on the subject which may be circulated before the meeting unless the report is marked as confidential.

24 AMENDMENTS TO PROCUREMENT PROCEDURE RULES

24.1 The ~~Legal Director of Corporate Services~~ Manager shall be empowered to review the Procurement Procedure Rules from time to time and as often as may be necessary in consultation with the lead councillor and, following formal approval by full Council, shall publish details of any amendments.

Part 3

25 THE PROCUREMENT PROCESS

- 25.1 The process to be adopted is determined by the value of the contract (see paragraph 6 above). The procedure must be both appropriate and proportionate to the value of the contract. It must ensure that the Council achieves best value which is to be assessed by an evaluation of both the -price and quality of competitive bids so as to determine the most economically advantageous over the life of the contract.
- 25.2 Procuring officers must as a minimum obtain quotations and tenders as follows:

	Goods, services and works	Goods, services and works	All goods and services other than Schedule 3 services		Services covered by Schedule 3 ² and those not covered by the regulations	Services covered by Schedule 3 ² and those not covered by the regulations	Works	
Value of contract aggregated over 4 years (excluding VAT)	UNDER £10,000	£10,001 - £100,000	£100,001 to the EU threshold for standard goods and services (£164,176) ³	The EU threshold for standard goods and services (£164,176) ³ and over	£100,000 to the relevant EU threshold for Schedule 3 services (£589,148 as at January 2016) ³	Over the relevant EU threshold for Schedule 3 services (£589,148 as at January 2016) ³	£100,001 up to relevant EU threshold for works (£4,104,394) ³	The relevant EU threshold for works (£4,104,394) ³ and over
Minimum requirements	1 written quotation demonstrating value for money	3 written quotations ¹	3 formal tenders ¹	Full EU tender process in accordance with the Public Contracts Regulations,	3 formal tenders ¹	Light-touch tender regime under regulations 74 to 77	3 formal tenders ¹	Full EU tender process in accordance with the Public Contracts Regulations

Table 1

- ¹ For sub-threshold procurements of over £25,000 which are covered by the Public Contracts Regulations 2015, the procedures set out in regulations 109 to 112 inclusive will need to be followed in obtaining those quotations or tenders. This will equally apply to Schedule 3 contracts under their higher threshold.
- ² The social and other specific services mentioned in Schedule 3 to the 2015 Regulations have a higher threshold of Euro 750,000, and for those services there is a light-touch procurement regime (referred to in Regulation 74) even over that threshold.
- ³ The EU threshold for goods and other services (i.e. non-Schedule 3) is Euro 207,000, and for works it is Euro 5,186,000.

The GBP sums shown in brackets are meant to represent the official GBP equivalents of these Euro sums. For each of the EU thresholds a new official GBP equivalent is expected to take effect as at 1st January 2016 and every two years thereafter, and will replace the stated GBP figures. These official equivalents must be used – the respective market values of the Euro and the GBP from time to time cannot be used.

- 25.3 A summary of these processes and requirements is at **Appendix 1**.
- 25.4 Procuring officers will be issued with the Council's Manual of Procurement Practice providing detailed information and highlighting issues which may arise in respect of which further advice must be sought. The Manual must be followed. Advice must be sought as appropriate from the Legal Services Manager~~Governance and Law~~ or the CPAPB. The following is a summary of the key steps to be taken when engaging in a procurement exercise.
- 25.5 Preparation of Business case:
- 25.5.1 A business case proportionate to the complexity, risk and value of any proposed procurement must be prepared setting out the issues in sufficient detail to enable an informed decision to be taken.
- 25.6 Pre-Tender market research and consultation, with a view to preparing the procurement and informing economic operators in the market place of plans and requirements:
- 25.6.1 Advice may be sought from independent experts, authorities or from market participants and may be used in the planning and conduct of the procurement process provided that the consultation does not have the effect of distorting competition and does not breach requirements for non-discrimination and transparency. It is recommended advice be sought from the Legal Director of Corporate Services Manager as appropriate.
- 25.7 Advertising.
- 25.7.1 If a Contract (**regardless of value**) may be of interest to both local suppliers and more widely including suppliers in EU member states (cross border interest), a sufficiently accessible advertisement must be published. Generally, the greater the likely interest, the wider the advertising coverage should be. At a minimum advertisements should appear on the Council's web site (mandatory for all contracts above £10,000) and may be placed on regional and national portals in addition to local papers and national specialist journals as appropriate.
- In respect of sub-threshold contracts, regulation 109 of the 2015 regulations may require tenders to be advertised on the Cabinet Office's Contracts Finder.
- OJEU notices are mandatory for procurements exceeding the threshold values specified by the current European Directive. Procuring officers are required to keep a record of their consideration of and decision in respect of the potential for cross border interest.
- 25.8 Route to market
- 25.8.1 The appropriate route to market must be selected. This may be an Open procedure through an Invitation to Quote (ITQ) or an Invitation to Tender (ITT) or a Restricted Procedure when candidates are invited to submit initial information and a number are selected to receive an ITT on the basis of the information provided. Additional procedures including Competitive Dialogue, the Competitive Dialogue with Negotiation, the Negotiated Procedure and Innovation Partnership may be available but must be

selected only after consultation with the ~~Legal Director of Corporate Services~~ Manager and the CPAPB.

25.9 Evaluation criteria and scoring mechanism:

25.9.1 Each procurement must be properly specified and the evaluation criteria and the scoring mechanism clearly explained in the Invitation to Tender or Invitation to Quote.

25.9.2 Award Criteria must be designed to assess the suitability of the offer being made and must be appropriate to the purchase so as to assess which proposal is the most economically advantageous over the life of the contract.

25.10 Return of Quotations and Tenders:

25.10.1 Quotations must be returned to the respective Director or Head of Service by whom they will be held securely and unopened until after the closing time and date for receipt of responses. All responses must be opened at one time in the presence of two persons.

25.10.2 Tenders must be returned to the ~~Democratic Director of Corporate Services~~ Manager. They will be retained securely unopened until after the date and time for receipt of responses. All tenders must be opened at one time and in the presence of a councillor, the ~~Democratic Director of Corporate Services~~ Manager or his or her nominee and the Head of Service for the procurement activity or his/her nominee.

25.10.3 Any tender received after the date and time indicated for receipt will be retained unopened by ~~the Democratic Director of Corporate Services~~ Manager until all other valid tenders have been opened and recorded. It will then be opened and returned to the sender. Exceptionally, the ~~Legal Director of Corporate Services~~ Manager may, on being satisfied that there is evidence of posting in time for delivery by the due date authorise acceptance of the tender provided other tenders have not already been opened.

25.10.4 A record shall be kept for both quotations and tenders of:

- (i) the nature of the works, goods or service to be supplied;
- (ii) the authority for entering into the contract;
- (iii) the name of each person by or on whose behalf a quotation or tender was submitted;
- (iv) the amount of each quotation or tender ;
- (v) the date and time of opening of the quotation or tenders
- (vi) the names of those present at the opening of the quotation or tender.

25.10.5 A tender or quotation that does not comply with the instructions to tenders or is conditional must be treated as non-compliant and rejected. Non-compliant tenders or quotations will not be evaluated. The Council's decision in this respect is final.

25.11 Evaluation Panels:

- 25.11.1 The evaluation panel must consist as a minimum of the procurement officer (when appointed), Head of Service or their delegate, and the Head of Financial Services or their delegate. The evaluation panel may include service users and external consultants. The panel may further include those with specific expertise in the subject matter.
- 25.11.2 Negotiations with applicants who have tendered for a contract through an Open or Restricted procedure are not permitted. Clarification of a submission may be sought by the evaluation panel but must not result in any substantive changes to the Tender. Clarification questions and responses must be carefully documented.
- 25.11.3 A tenderer may be permitted to amend his tender sum where there is an obvious arithmetic or similar error in the priced bill of quantities or schedule of rates in which case the tender sum shall be corrected accordingly and the contractor/supplier notified in order to facilitate withdrawal of the submitted tender if the contractor/supplier so determines.

25.12 Standstill period:

- 25.12.1 For procurements subject to the OJEU procedure observation of a standstill period and the issue of standstill letters prior to the award of contract are mandatory and for other procurements are strongly recommended. If it is not proposed to provide feedback the CPAPB must be informed and the reasons provided.

25.12.2 Award decision notification letters are mandatory for all procurements.

Part 4

26 CONTRACT TERMS

- 26.1 Every contract entered into by the Council for the provision of works, goods or services which exceeds £500 in value (and in any other case where the Director or Head of Service shall require) shall:
 - 26.1.1 Specify the works to be executed and goods or services to be supplied;
 - 26.1.2 State the price to be paid detailing the frequency and method of calculation together with a statement as to the amount of any discounts or other deductions and requiring payment within 30 days of receipt of a valid invoice;
 - 26.1.3 State the period or times within which the contract is to be performed;
 - 26.1.4 Prohibit any assignment or sub-letting of the contract without the express agreement in writing of the Council;
 - 26.1.5 State that the Council may cancel the contract and recover any resulting losses if the contractor, his employees or anyone acting on his behalf, with or without his knowledge, does anything improper to influence the Council or commits an offence under Bribery Act 2010;

- 26.1.6 Require the supplier to comply with the requirements of the Health and Safety at Work etc. Act 1974, and any other relevant Acts, Regulations or Orders pertaining to health and safety;
- 26.1.7 Require the contractor to comply with the Equality Act 2010 including where relevant the Public Sector Equality Duty;
- 26.1.8 State that if the Contractor enters into liquidation or administration, the Council is entitled to cancel the contract and recover any resulting losses
- 26.2 For contracts with a value in excess of £100,000, if appropriate, make provision for the payment of liquidated damages by the contractor where he fails to complete the contract within the time specified. The level of liquidated damages must be determined by the Director or Head of Service;
- 26.3 For every contract with a value of £100,000 or more, require and take sufficient security for the due performance of the contract, unless the Head of Financial Services, ~~in consultation with the Director of Corporate Services,~~ deems this inappropriate;
- 26.4 For contracts which permit sub-contracting, the contractor is to be required to impose on his sub-contractors equivalent contractual requirements in terms of equality, health and safety, bribery and corruption and payment provisions;
- 26.5 The terms of appointment of a consultant must include the following provisions requiring the consultant to:
- 26.5.1 Comply in all respects with the Council's Procurement Procedure Rules and Financial Procedure Rules;
- 26.5.2 Consult the Council's ~~Legal Director of Corporate~~ Services Manager in respect of all tender documents and obtain written approval for such documents prior to tendering;
- 26.5.3 Maintain adequate records relating to the contract and produce them to the procuring officer whenever requested during the contract; and
- 26.5.4 Pass all relevant records to the procuring officer on completion of the contract.
- 26.6 Every contract entered into by the Council shall (where considered appropriate by the ~~Legal Director of Corporate~~ Services Manager) contain suitable provisions to ensure that
- (a) the Council can terminate the contract in the situations specified in Regulation 73 of the 2015 Regulations, and in any other case where the contract has been entered into in breach of the Council's Procurement Procedure Rules and
- (b) the Council complies with Regulations 113 (payment of invoices within 30 days by the Council and its contractors and subcontractors)
- in each case the wording of such provision to be such as the ~~Legal Director of Corporate~~ Services Manager specifies from time to time.

Appendix 1

QUICK GUIDE TO PROCUREMENT: Minimum requirements

	Goods, services and works	Goods, services and works	All goods and services other than Schedule 3 services		Services covered by Schedule 3 and services not covered by the regulations	Services covered by Schedule 3 and services not covered by the regulations	Works		Accessing Framework agreements
Value of contract aggregated over 4 years (excluding VAT)	UNDER £10,000	£10,001 - £100,000	£100,001 to the EU threshold for standard goods and services (£164,176)	The EU threshold for standard goods and services (£164,176) and over	£100,000 to the relevant EU threshold for Schedule 3 services (£589,148 as at Jan 2016)	Over the relevant EU threshold for Schedule 3 services (£589,148 as at Jan 2016)	£100,001 – up to relevant EU threshold for works (£4,104,394)	The relevant EU threshold for works (£4,104,394) and over	Not relevant
Minimum tendering requirement	1 written quote evidencing value for money.	3 written quotes.	3 formal tenders	Full EU tender process (Public Contracts Regulations) ¹	3 formal tenders	Light-touch tender regime under regulations 74 to 77	3 formal tenders	Full EU tender process (Public Contracts Regulations) ²	Confirmation Framework accessible to authority. Comply with framework conditions re call off. Confirm with legal services
Who authorises process?	Director/HoS ³ Budget holder	Director/HoS/ Budget holder	Director/HoS + CPAPB ⁴	Director/HoS + CPAPB & briefing note to CMT	Director/HoS + CPAPB & briefing note to CMT	Director/HoS + CPAPB & briefing note to CMT	Director/HoS + CPAPB & briefing note to CMT	Director/HoS + CPAPB & briefing note to CMT	Director/HoS + CPAPB. Briefing note to CMT on values in excess of £100,000

¹ Different procedures can apply:.. Legal Services will approve most appropriate route.

² Different procedures can apply: Legal Services will approve most appropriate route.

³ HoS – Head of Service

⁴ CPAPB – Corporate Procurement Advisory Panel Board

	Goods, services and works	Goods, services and works	All goods and services other than Schedule 3 services		Services covered by Schedule 3 and services not covered by the regulations	Services covered by Schedule 3 and services not covered by the regulations	Works		Accessing Framework agreements
Value of contract aggregated over 4 years (excluding VAT)	UNDER £10,000	£10,001 - £100,000	£100,001 to the EU threshold for standard goods and services (£164,176)	The EU threshold for standard goods and services (£164,176) and over	£100,000 to the relevant EU threshold for Schedule 3 services (£589,148 as at Jan 2016)	Over the relevant EU threshold for Schedule 3 services (£589,148 as at Jan 2016)	£100,001 – up to relevant EU threshold for works (£4,104,394)	The relevant EU threshold for works (£4,104,394) and over	Not relevant
Where should advert be placed?	No advert required ⁵	Consider use of website, portals suitable media ⁶ Use of Contract Finder required over £25K	Appropriate medium - web site, portals, professional journals etc. Use of Contract Finder required	Advert in OJEU website., and other media	Appropriate medium - web site, portals, professional journals etc. Use of Contract	Advert in OJEU website., and other media	Advert on website and other media Use of Contract Finder	Advert in OJEU Also website and other media	No advert required
Who receives quotes/tenders?	Director/HoS	Director/HoS	Democratic Director of Corporate Services Manager Recorded opening with Councillor present	Democratic Director of Corporate Services Manager Recorded opening with Councillor present	Democratic Director of Corporate Services Manager Recorded opening with Councillor present	Democratic Director of Corporate Services Manager Recorded opening with Councillor present	Democratic Director of Corporate Services Manager Recorded opening with Councillor present	Democratic Director of Corporate Services Manager Recorded opening with Councillor present	Director

⁵ Use eTendering portal from 1 April 2015.

⁶ Use eTendering portal from 1 April 2015

	Goods, services and works	Goods, services and works	All goods and services other than Schedule 3 services		Services covered by Schedule 3 and services not covered by the regulations	Services covered by Schedule 3 and services not covered by the regulations	Works		Accessing Framework agreements
Value of contract aggregated over 4 years (excluding VAT)	UNDER £10,000	£10,001 - £100,000	£100,001 to the EU threshold for standard goods and services (£164,176)	The EU threshold for standard goods and services (£164,176) and over	£100,000 to the relevant EU threshold for Schedule 3 services (£589,148 as at Jan 2016)	Over the relevant EU threshold for Schedule 3 services (£589,148 as at Jan 2016)	£100,001 – up to relevant EU threshold for works (£4,104,394)	The relevant EU threshold for works (£4,104,394) and over	Not relevant
Is a contract required?	Yes, we have to publish all contracts over £500. May be evidenced by order form with GBC appropriate terms and conditions attached.	Yes. Advice from Legal Service.	Yes. Agreed by Legal Service and under seal.	Yes. Agreed by Legal Service and under seal.	Yes. Agreed by Legal Service and under seal.	Yes. Agreed by Legal Service and under seal.	Yes. Agreed by Legal Service and under seal.	Yes. Agreed by Legal Service and under seal.	Yes. Agreed by Legal Service. May be under seal .
Evaluation	Budget Holder	Evaluation panel	Evaluation panel	Evaluation panel	Evaluation panel	Evaluation panel	Evaluation panel	Evaluation panel	Evaluation panel for mini-competition

	Goods, services and works	Goods, services and works	All goods and services other than Schedule 3 services		Services covered by Schedule 3 and services not covered by the regulations	Services covered by Schedule 3 and services not covered by the regulations	Works		Accessing Framework agreements
Value of contract aggregated over 4 years (excluding VAT)	UNDER £10,000	£10,001 - £100,000	£100,001 to the EU threshold for standard goods and services (£164,176)	The EU threshold for standard goods and services (£164,176) and over	£100,000 to the relevant EU threshold for Schedule 3 services (£589,148 as at Jan 2016)	Over the relevant EU threshold for Schedule 3 services (£589,148 as at Jan 2016)	£100,001 – up to relevant EU threshold for works (£4,104,394)	The relevant EU threshold for works (£4,104,394) and over	Not relevant
Who approves exemption from rules?	Director/HoS	<u>Managing Director of Resources/ Legal Services Manager in consultation with the Monitoring Officer Procurement Officer & Lead Councillor</u>	<u>Managing Director of Resources/ Legal Services Manager in consultation with the Monitoring Officer Procurement Officer & Lead Councillor</u>	No exemption	<u>Managing Director of Resources/ Legal Services Manager in consultation with the Monitoring Officer Procurement Officer & Lead Councillor</u>	No exemption	<u>Managing Director of Resources/ Legal Services Manager in consultation with the Procurement Officer & Lead Councillor Monitoring Officer</u>	No exemption	N/A

PROCUREMENT PROCEDURE RULES – STEPS TO BE TAKEN TO PROCURE

These notes complement the *Quick Guide to Procurement*. These steps are part of the formal rules for undertaking procurement and bound by the formalities of the Council's Constitution. Procuring officers will be expected to keep a full trail of documents relating to each procurement undertaken.

<p>STEP 1</p> <p>IDENTIFY NEED</p>	<ul style="list-style-type: none"> • You must prepare for a procurement process in good time, having identified in your service/business plan that procurement for goods and/or services and/or works will be required during the lifespan of the plan. This will allow for a legitimate fairer procurement cycle and enable the proper legal guidance necessary to carry out the procurement. The process for urgent procurement is set out in separate guidance. • Document what you want to do with your procurement and keep it on a file. • You must record on the file that you have your manager's authority to perform the procurement before you take any steps.
<p>STEP 2</p> <p>DEVELOP BUSINESS CASE</p>	<ul style="list-style-type: none"> • Before you start the process, prepare and document an estimated value of the contract you wish to procure. • You must ensure that you have adequate budget provision for the procurement you wish to undertake or have commenced the process for obtaining funds (e.g. CMT approval; Executive approval) in accordance with the financial procedure rules. • You must determine the appropriate form of tender or quotation process to follow. You can use the Quick Guide to Procurement that forms part of these procedure rules (and the Council's Constitution) in conjunction with the Council's Manual of Procurement Practice. In either case, you must consult with Legal Services before progressing further. The form of tender might be to use a framework agreement. Use the Manual to determine whether a framework agreement will meet your objectives. • The guidance suggests the minimum in terms of procedures. You must remember that we are aiming for the best value for Guildford residents, which we may achieve by obtaining a greater number of quotes or tenders than specified.
<p>STEP 3</p>	<ul style="list-style-type: none"> • You may enter into pre-market consultation with potential suppliers to establish that the market can meet your requirement for good, works or services. Dialogue with the market pre-procurement is encouraged not

**IDENTIFY
STAKEHOLDERS**

only to bring the opportunity to the attention of the market but also to assist in a greater understanding of the market place for specific products or services.

- We purchase such a wide range of goods and services that it is impossible, particularly in a smallish authority like Guildford, to understand the vagaries and needs of all markets. Pre-engagement will assist in the understanding of the feasibility of the requirement, market capacity and the acceptable level of risk in an individual market.
- You must take care however, to ensure pre-market engagement does not distort competition or violate the transparency and non-discrimination principles. This exercise may also shape your thinking about what alternatives might exist or how suppliers might deliver your requirements and the extent to which there is cross border interest.

**STEP 4
DEVELOP TENDER
DOCUMENTATION**

- A specification and selection criteria must be prepared in advance of your request for tenders or quotations. You must keep these on the procurement file ready to use for evaluating the tenders or quotations you receive.
- You are seeking the best value for the Council and selection criteria must reflect our ability to secure best value by balancing cost and quality to produce the most economically advantageous solution over the lifetime of the contract.

**STEP 5
UNDERTAKE
PROCUREMENT
PROCESS**

- Determine the most appropriate procurement process
- Advertise
- Issue documentation
- Evaluate tenders/quotations returned
- Feedback

**STEP 6 AWARD AND
IMPLEMENTATION
OF CONTRACT**

- Work under contract must not start until you have completed the contract documents and all other procedures to the satisfaction of the Director/Head of Service.
- A letter of intent must not be issued unless approved by the Legal Director of Corporate Services Manager

STEP 7

- All contracts will have a contract manager nominated by the Director or Head of Service.

CONTRACT MANGEMENT

- The contract manager will be responsible to the Director/Head of Service for entering contracts over £500 onto the contracts register, including appropriate markers for when the contract is due for renewal or termination. The contract manager must enter the contract on the register immediately following the contract being agreed with the supplier.
- The role of the contract manager is to manage the contract throughout its duration, as well as enforce duties owed to the Council and to take responsibility for those duties owed to the contractor.
- The contract manager will –
 - monitor performance of the contractor against the agreed level of service,
 - monitor the continuing level of operational and financial risk to which the Council is exposed and to institute controls as appropriate,
 - ensure the contractors' due diligence with all appropriate health and safety obligations,
 - facilitate the resolutions of issues between the contractor and users of the service,
 - ensure prompt payment of invoices and compliance with all financial regulations and contract standing orders during the lifetime of the contract,
 - ensure that appropriate arrangements are made for the termination or re-letting of the contract at the appropriate time.

STEP 8

LESSONS LEARNED

- All contract managers will use their knowledge and experience gained from each procurement exercise to inform and advise other contract managers. This knowledge sharing will be facilitated by the CPAP~~B~~ in order that mistakes are not repeated and good practice appropriately disseminated.

Appendix 2

Regulations 73, 74 to 77, 109 to 112, and 113 of the 2015 regulations

73. Termination of contracts

~~73.—(1) Contracting authorities shall ensure that every public contract which they award contains provisions enabling the contracting authority to terminate the contract where—~~

~~(a) the contract has been subject to a substantial modification which would have required a new procurement procedure in accordance with regulation 72(9);~~

~~(b) the contractor has, at the time of contract award, been in one of the situations referred to in regulation 57(1), including as a result of the application of regulation 57(2), and should therefore have been excluded from the procurement procedure; or~~

~~(c) the contract should not have been awarded to the contractor in view of a serious infringement of the obligations under the Treaties and the Public Contracts Directive that has been declared by the Court of Justice of the European Union in a procedure under Article 258 of TFEU.~~

~~(2) Those provisions may address the basis on which the power is to be exercisable in those circumstances, for example by providing for notice of termination to be given and by addressing consequential matters that will or might arise from the termination.~~

~~(3) To the extent that a public contract does not contain provisions enabling the contracting authority to terminate the contract on any of the grounds mentioned in paragraph (1), a power for the contracting authority to do so on giving reasonable notice to the contractor shall be an implied term of that contract.~~

Social and Other Specific Services

74. Award of contracts for social and other specific services

~~74. Public contracts for social and other specific services listed in Schedule 3 shall be awarded in accordance with this Section.~~

75. Publication of notices

~~75.—(1) Contracting authorities intending to award a public contract for the services referred to in regulation 74 shall make known their intention by any of the following means:—~~

~~(a) by means of a contract notice, which shall contain the information referred to in part H of Annex V to the Public Contracts Directive; or~~

~~(b) by means of a prior information notice, which shall—~~

~~(i) be published continuously,~~

~~(ii) contain the information set out in part I of Annex V to the Public Contracts Directive,~~

~~(iii) refer specifically to the types of services that will be the subject-matter of the contracts to be awarded, and~~

~~(iv) indicate that the contracts will be awarded without further publication and invite interested economic operators to express their interest in writing.~~

~~(2) Paragraph (1) shall not apply where a negotiated procedure without prior publication could have been used, in accordance with regulation 32, for the award of a public service contract.~~

~~(3) Contracting authorities that have awarded a public contract for the services referred to in regulation 74 shall make known the results of the procurement procedure by means of a contract award notice, which shall contain the information referred to in part J of Annex V to the Public Contracts Directive.~~

~~(4) Contracting authorities may group contract award notices on a quarterly basis, in which case they shall comply with paragraph (5) by sending the grouped notices within 30 days of the end of each quarter.~~

~~(5) Contracting authorities shall send the notices referred to in this regulation for publication in accordance with regulation 51.~~

76. Principles of awarding contracts

~~76.—(1) Contracting authorities shall determine the procedures that are to be applied in connection with the award of contracts subject to this Section, and may take into account the specificities of the services in question.~~

~~(2) Those procedures shall be at least sufficient to ensure compliance with the principles of transparency and equal treatment of economic operators.~~

~~(3) In particular, where, in accordance with regulation 75, a contract notice or prior information notice has been published in relation to a given procurement, the contracting authority shall, except in the circumstances mentioned in paragraph (4), conduct the procurement, and award any resulting contract, in conformity with the information contained in the notice about—~~

~~(a) conditions for participation,~~

~~(b) time limits for contacting the contracting authority, and~~

~~(c) the award procedure to be applied.~~

~~(4) The contracting authority may, however, conduct the procurement, and award any resulting contract, in a way which is not in conformity with that information, but only if all the following conditions are met:—~~

~~(a) the failure to conform does not, in the particular circumstances, amount to a breach of the principles of transparency and equal treatment of economic operators;~~

~~(b) the contracting authority has, before proceeding in reliance on sub-paragraph (a)—~~

~~(i) given due consideration to the matter,~~

~~(ii) concluded that sub-paragraph (a) is applicable,~~

~~(iii) documented that conclusion and the reasons for it in accordance with regulation 84(7) and (8), and~~

~~(iv) informed the participants of the respects in which the contracting authority intends to proceed in a way which is not in conformity with the information contained in the notice.~~

~~(5) In paragraph (4)(b)(iv), “participants” means any economic operators which have responded to the notice and have not been informed by the contracting authority that they are no longer under consideration for the award of a contract within the scope of the procurement concerned.~~

~~(6) All time limits imposed on economic operators for the purposes of this regulation, whether for responding to a contract notice or taking any other steps in the relevant procedure, shall be reasonable and proportionate.~~

~~(7) Without prejudice to the generality of paragraph (1), and subject to the other requirements of this Chapter, contracting authorities may apply procedures for the purposes of this regulation which correspond (with or without variations) to procedures, techniques or other features provided for in Chapter 2, as well as procedures which do not.~~

~~(8) In relation to the award of contracts subject to this Section, contracting authorities may take into account any relevant considerations, including —~~

~~(a) the need to ensure quality, continuity, accessibility, affordability, availability and comprehensiveness of the services;~~

~~(b) the specific needs of different categories of users, including disadvantaged and vulnerable groups;~~

~~(c) the involvement and empowerment of users; and~~

~~(d) innovation.~~

77. Reserved contracts for certain services

~~77.—(1) Contracting authorities may reserve to qualifying organisations the right to participate in procedures for the award of reservable public contracts.~~

~~(2) For that purpose, a contract is a reservable public contract only if it is exclusively for one or more of the services which are covered by CPV codes 75121000-0, 75122000-7, 75123000-4, 79622000-0, 79624000-4, 79625000-1, 80110000-8, 80300000-7, 80420000-4, 80430000-7, 80511000-9, 80520000-5, 80590000-6, from 85000000-9 to 85323000-9, 92500000-6, 92600000-7, 98133000-4, and 98133110-8.~~

~~(3) In this regulation, “qualifying organisation” means an organisation which fulfils all of the following conditions:—~~

~~(a) its objective is the pursuit of a public service mission linked to the delivery of services referred to in paragraph (2);~~

~~(b) profits are reinvested with a view to achieving the organisation’s objective, and any distribution of profits is based on participatory considerations;~~

~~(c) the structures of management or ownership of the organisation are (or will be, if and when it performs the contract) —~~

~~(i) based on employee ownership or participatory principles, or~~

~~(ii) require the active participation of employees, users or stakeholders; and~~

~~(d) the organisation has not been awarded, pursuant to this regulation, a contract for the services concerned by the contracting authority concerned within the past 3 years.~~

~~(4) The maximum duration of a contract awarded under this regulation shall not be longer than 3 years.~~

~~(5) Where a contracting authority exercises the power of reservation conferred by paragraph (1), the call for competition shall make reference to Article 77 of the Public Contracts Directive.~~

~~(6) This regulation does not apply in relation to the procurement of health care services for the purposes of the NHS within the meaning and scope of the National Health Service (Procurement, Patient Choice and Competition) (No. 2) Regulations 2013(a).~~

CHAPTER 8

BELOW-THRESHOLD PROCUREMENTS

109. Scope of Chapter 8

~~109.—(1) Subject to paragraphs (2) and (5), this Chapter applies to procurements by contracting authorities with respect to public contracts where Part 2 does not apply because the estimated value of the procurement is less than the relevant threshold mentioned in regulation 5.~~

~~(2) This Chapter does not apply in any of the following cases:—~~

~~(a) where Part 2 would not have applied even if the estimated value of the procurement had been equal to or greater than the relevant threshold mentioned in regulation 5;~~

~~(b) where the contracting authority is a central government authority and the procurement has a value net of VAT estimated to be less than £10,000;~~

~~(c) where the contracting authority is—~~

~~(i) a sub-central contracting authority or an NHS Trust, and~~

~~(ii) the procurement has a value net of VAT estimated to be less than £25,000;~~

~~(d) the procurement of health care services for the purposes of the NHS within the meaning and scope of the National Health Service (Procurement, Patient Choice and Competition) (No. 2) Regulations 2013~~

~~(3) For the purposes of paragraph (2)(b) and (c) and regulation 111(2), the estimated value of the procurement shall be calculated on the basis set out in regulation 6(1) to (5), (7) to (10) and (16) to (19), but as if the reference to a call for competition in regulation 6(7) were a reference to the publication of information on Contracts Finder in accordance with regulation 110.~~

~~(4) A procurement shall not be subdivided with the effect of preventing it from falling within the scope of this Chapter, unless justified by objective reasons.~~

~~(5) Regulations 110 and 112 do not apply where the contracting authority is a maintained school or an Academy.~~

110. Publication of contract opportunities on Contracts Finder

~~110.—(1) Paragraph (2) applies where a contracting authority advertises a contract award opportunity.~~

~~(2) In those circumstances, the contracting authority shall publish information about the opportunity on Contracts Finder, regardless of what other means it uses to advertise the opportunity.~~

~~(3) Where a contracting authority is required by paragraph (2) to publish information on Contracts Finder, it shall do so within 24 hours of the time when it first advertises the contract award opportunity in any other way.~~

~~(4) A contracting authority may publish on Contracts Finder information about a contract award opportunity even if the contracting authority does not advertise the opportunity in any other way.~~

~~(5) For the purposes of this regulation—~~

~~(a) a contracting authority advertises an opportunity if it does anything to put the opportunity in the public domain or bring the opportunity to the attention of economic operators generally or to any class or description of economic operators which is potentially open ended, with a view to receiving responses from economic operators who wish to be considered for the award of the contract; and~~

~~(b) accordingly, a contracting authority does not advertise an opportunity where it makes the opportunity available only to a number of particular economic operators who have been selected for that purpose (whether ad hoc or by virtue of their membership of some closed category such as a framework agreement), regardless of how it draws the opportunity to the attention of those economic operators.~~

~~(6) In this regulation, “contract award opportunity” means the opportunity to be awarded a public contract by a contracting authority, regardless of how specific the opportunity is.~~

~~(7) For example, advertising by means of techniques similar to prior information notices used to call for competition under Part 2 amounts to the advertising of contract award opportunities even though the specific contracts that may in due course be awarded within the scope of such procurements are not identified individually in the advertising.~~

~~(8) The information to be published on Contracts Finder shall include at least the following:—~~

~~(a) the time by which any interested economic operator must respond if it wishes to be considered;~~

~~(b) how and to whom such an economic operator is to respond; and~~

~~(c) any other requirements for participating in the procurement.~~

~~(9) For the purposes of paragraph (8)(a), the time shall be such as to allow the economic operators a sufficient but not disproportionate period of time within which to respond.~~

~~(10) The contracting authority shall ensure that the information remains published on Contracts Finder until the time mentioned in paragraph (8)(a).~~

~~(11) Paragraph (10) does not apply where the procedure is, for any reason, abandoned before that time.~~

~~(12) Where a contracting authority publishes information on Contracts Finder under this regulation, the contracting authority shall—~~

~~(a) by means of the internet, offer unrestricted and full direct access free of charge to any relevant contract documents; and~~

~~(b) specify in the information published on Contracts Finder the internet address at which those documents are accessible.~~

~~(13) But paragraph (12)(a) does not require a contracting authority to provide such access where the access cannot be offered for a relevant reason.~~

~~(14) In paragraph (13), “relevant reason” means any reason which, in accordance with regulation 53(3) and (4), would have applied if the procurement had been covered by Part 2 and the relevant contract documents had been procurement documents.~~

~~(15) For the purposes of this regulation, a document is a relevant contract document if—~~

~~(a) it contains information about the opportunity which goes beyond the information published on Contracts Finder, and~~

~~(b) that information is intended by the contracting authority to be taken into account by those responding to the advertisement.~~

~~(16) In complying with this regulation, contracting authorities shall have regard to any guidance issued by the Minister for the Cabinet Office in relation to—~~

~~(a) the form and manner in which information is to be published on Contracts Finder;~~

~~(b) what is a sufficient but not disproportionate period of time for the purposes of paragraph (9).~~

~~111. Assessing suitability etc.~~

~~111.—(1) A contracting authority shall not include a pre-qualification stage in a procurement.~~

~~(2) Where the relevant threshold for the purposes of regulation 109(1) is that mentioned in regulation (5)(1)(a) or (d), paragraph (1) of this regulation applies only if the estimated value of the procurement is less than the lower threshold mentioned in paragraph (3).~~

~~(3) The lower threshold is the threshold mentioned in—~~

~~(a) regulation 5(1)(b) where the contracting authority is a central government authority;~~

~~(b) regulation 5(1)(c) where the contracting authority is a sub-central contracting authority.~~

~~(4) In paragraph (1), “pre-qualification stage” means a stage in the procurement process during which the contracting authority assesses the suitability of candidates to perform a public contract for the purpose of reducing the number of candidates to a smaller number who are to proceed to a later stage of the process.~~

~~(5) In any event, contracting authorities may ask candidates to answer suitability assessment questions only if each such question is—~~

~~(a) relevant to the subject-matter of the procurement; and~~

~~(b) proportionate.~~

~~(6) In paragraph (5), “suitability assessment question” means a question which relates to information or evidence which the contracting authority requires for the purpose of assessing whether candidates meet requirements or minimum standards of suitability, capability, legal status or financial standing.~~

~~(7) In complying with this regulation, contracting authorities shall have regard to any guidance issued by the Minister for the Cabinet Office, which may include guidance on how to establish and assess, without infringing paragraph (5), whether candidates meet requirements or minimum standards relating to suitability, capability, legal status and financial standing.~~

~~(8) Where a contracting authority conducts a procurement in a way which represents a reportable deviation from the guidance issued under paragraph (7), the contracting authority shall send to the Cabinet Office a report explaining the deviation.~~

~~(9) For that purpose, something is a reportable deviation only if it falls within criteria laid down for that purpose in guidance issued under paragraph (7).~~

~~(10) In this regulation, “candidate” means an economic operator that wishes to be considered for the award of a public contract.~~

~~112. Publication of information on Contracts Finder about contracts awarded~~

~~112.—(1) Where a public contract is awarded, the contracting authority shall, within a reasonable time, publish on Contracts Finder at least the following information:—~~

~~(a) the name of the contractor;~~

~~(b) the date on which the contract was entered into;~~

~~(c) the value of the contract;~~

~~(d) whether the contractor is a SME or VCSE.~~

~~(2) But the contracting authority may withhold information from publication where its release—~~

~~(a) would impede law enforcement or would otherwise be contrary to the public interest,~~

~~(b) would prejudice the legitimate commercial interests of a particular economic operator, whether public or private, or~~

~~(c) might prejudice fair competition between economic operators.~~

~~(3) In complying with this regulation, contracting authorities shall have regard to any guidance issued by the Minister for the Cabinet Office in relation to—~~

~~(a) the form and manner in which the information is to be published on Contracts Finder; and~~

~~(b) what is a reasonable time for the purposes of paragraph (1).~~

~~(4) In paragraph (1)(d)—~~

~~“SME” means an enterprise falling within the category of micro, small and medium-sized enterprises defined by the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises(a); and~~

~~“VCSE” means a non-governmental organisation that is value-driven and which principally reinvests its surpluses to further social, environmental or cultural objectives.~~

~~113.— Payment of undisputed invoices within 30 days by contracting authorities, contractors and subcontractors~~

~~113.—(1) This regulation applies to all public contracts except the following:—~~

~~(a) contracts for the procurement of health care services for the purposes of the NHS within the meaning and scope of the National Health Service (Procurement, Patient Choice and Competition) (No. 2) Regulations 2013(b);~~

~~(b) contracts awarded by a contracting authority which is a maintained school or an Academy.~~

~~(2) Contracting authorities shall ensure that every public contract which they award contains suitable provisions to require the following:—~~

~~(a) that any payment due from the contracting authority to the contractor under the contract is to be made no later than the end of a period of 30 days from the date on which the relevant invoice is regarded as valid and undisputed;~~

~~(b) that any invoices for payment submitted by the contractor are considered and verified by the contracting authority in a timely fashion and that undue delay in doing so is not to be sufficient justification for failing to regard an invoice as valid and undisputed; and~~

~~(c) that any subcontract awarded by the contractor contains suitable provisions to impose, as between the parties to the subcontract—~~

~~(i) requirements to the same effect as those which sub-paragraphs (a) and (b) require to be imposed as between the parties to the public contract; and~~

~~(ii) a requirement for the subcontractor to include in any subcontract which it in turn awards suitable provisions to impose, as between the parties to that subcontract, requirements to the same effect as those required by this sub-paragraph (c).~~

~~(3) Paragraph (2) is without prejudice to any contractual or statutory provision under which any payment is to be made earlier than the time required by that paragraph.~~

~~(4) In complying with paragraph (2), contracting authorities shall have regard to any guidance issued by the Minister for the Cabinet Office.~~

~~(5) Such guidance may, in particular, recommend model provisions, including provisions defining the circumstances in which an invoice is to be regarded as being, or as having become, valid and undisputed including, for example—~~

~~(a) provisions deeming an invoice to have become valid and undisputed if not considered and verified in a timely manner; and~~

~~(b) addressing what is to be considered, for that purpose, to be a timely manner in various circumstances.~~

~~(6) To the extent that a public contract does not contain express provisions dealing with any of the matters which, in accordance with paragraph (2), should have been contained in that contract or subcontract, it shall be an implied term of the contract that—~~

~~(a) any payment due under it from the contracting authority to the contractor is to be made no later than the end of a period of 30 days from the date on which the contracting authority completes any process of verification that the invoice is valid and undisputed;~~

~~(b) the contracting authority is to consider and verify any invoice submitted by the contractor in a timely manner with a view to ascertaining whether the invoice is valid and undisputed; and~~

~~(c) the contractor will include in any subcontract which it awards provisions—~~

~~(i) imposing, as between the parties to that subcontract, requirements to the same effect as those which sub-paragraphs (a) and (b) refer to as between the parties to the public contract, and~~

~~(ii) requiring the subcontractor party to that subcontract to include in any subcontract which it in turn awards provisions imposing, as between the parties to that subcontract, requirements to the same effect as those referred to in paragraphs (i) and (ii) of this sub-paragraph.~~

~~(7) Every financial year, each contracting authority shall publish on the internet statistics showing, for the preceding financial year, how far the contracting authority has actually complied with its obligations under this regulation to make payments within 30 days, including—~~

~~(a) the proportion of invoices that were paid in accordance with those obligations, expressed as a percentage of the total number of invoices that were, or should have been, paid in accordance with those obligations;~~

~~(b) the total amount of any liability (whether statutory or otherwise) to pay interest which accrued by virtue of circumstances amounting to a breach of those obligations; and~~

~~(c) the total amount of interest actually paid in discharge of any such liability (including any which had accrued before the beginning of the period to which the statistics relate).~~

~~(8) In paragraph (7), “publish on the internet” means—~~

~~(a) make freely available on the internet; and~~

~~(b) maintain such availability, subject to temporary interruptions for technical reasons, until the publication under paragraph (7) of the statistics for the following financial year.~~

~~(9) In complying with paragraph (7), contracting authorities shall have regard to any guidance issued by the Minister for the Cabinet Office.~~

~~(10) Such guidance may, in particular, recommend model templates for presenting the statistics.~~

~~(11) In this regulation—~~

~~“financial year” means the period in respect of which the accounts of the contracting authority are prepared;~~

~~“subcontract” means a contract between two or more suppliers (at any stage of remoteness from the contracting authority in a subcontracting chain) made wholly or substantially for the purpose of performing (or contributing to the performance of) the whole or any part of a public contract; and~~

~~“supplier” means a party to a contract or subcontract under which that party is to execute any works, supply any products or provide any services.~~

Appendix 23: E-Tendering

1. Introduction
 - 1.1 These rules apply to all procurement activity undertaken using the Council's e-tendering portal.
 - 1.2 The use of e-tendering is optional during the introductory period. Following the introductory period, the use of e-tendering will become mandatory for all procurements.
 - 1.3 The use of e-tendering is being introduced following the introduction of the Public Contracts Regulations 2015. The use of electronic means to publish tender opportunities and make the documents available electronically is required by Regulation 22.
 - 1.4 All procuring officers will be required to attend training before being given access to the e-tendering portal.
2. Thresholds
 - 2.1 The use of e-tendering is not based on monetary thresholds, it is suitable for all quotes, tenders and framework mini-competitions.
3. Guidance and Mandatory Settings
 - 3.1 When setting up a new procurement on the e-tendering portal the procuring officer must refer to the separate E-Tendering Guidance document and, in particular, the mandatory settings.
 - 3.2 The E-Tendering Guidance document is available on the intranet in the Procurement Toolkit.
4. Communication
 - 4.1 All communication during the tender process must be conducted via the e-tendering portal, in accordance with the instructions to tenderers.
 - 4.2 Any clarification questions must be submitted by tenderers using the correspondence function of the e-tendering portal.
 - 4.3 In the event the procuring officer is contacted via email, telephone or in person regarding the procurement, they must direct the individual to the e-tendering portal. The procurement must not be discussed directly with individual bidders.
 - 4.4 Clarifications and responses to clarification questions will be issued to all bidders via the e-tendering portal.
5. Return of Quotations and Tenders
 - 5.1 All quotations and tenders must be returned via the e-tendering portal and will remain unopened and anonymous until the closing time and date for the receipt of responses.

- 5.1.1 The only exception to 5.1 is where bidders are having problems with the e-tendering portal and are unable to upload their return. The Procurement Officer must have been made aware of the problem prior to the return deadline.
- 5.1.2 Where a return has been returned by other means, following agreement by the Procurement Officer that this is acceptable, the return must be manually added at the start of the opening ceremony before the electronic submissions are opened.
- 5.2 Any pending, or late, tender returns will be rejected by the e-tendering portal once the opening ceremony has been started.
- 5.3 The opening ceremony will be carried out by the procuring officer and relevant Director, or his nominee.
- 5.4 An electronic record shall be kept for both quotations and tenders of:
- The contract title;
 - The contract reference;
 - The return date and time;
 - The number of expressions of interest;
 - The number of returns;
 - The name of the person/company submitting the quotation or tender;
 - The value of each quotation or tender;
 - The date and time the opening ceremony is started;
 - The name of the procuring officer carrying out the opening ceremony.
- 5.5 Following the opening ceremony, a confirmation email shall be sent to the appropriate procurement stakeholders which, dependent on contract value, may include the Lead Councillor, ~~Legal Director of Corporate Services~~ Manager and the Head of Service, and should include the information listed in paragraph 5.4 above.
6. Notification of Award Decision
- 6.1 Notification of the award decision and feedback for the unsuccessful bidders must be issued using the e-tendering portal.

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Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Director of Resources

Author: Ciara Swan

Tel: 01483 444058

Email: ciara.swan@guildford.gov.uk

Date: 24 November 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

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
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	Ciaran Ward 01483 444072
Surrey Pension Fund Triennial Revaluation results	To consider the Surrey Fund Triennial Revaluation results	Corporate Governance and Standards Committee	Claire Morris 01483 444827

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	Sandra Herbert 01483 444135

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	
Corporate Risk Strategy	Report on the Council's corporate risk strategy and risk management arrangements	Corporate Governance and Standards Committee	
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

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