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Contact Officer:

John Armstrong, Democratic Services Manager  
Tel: 01483 444102

22 March 2017

Dear Councillor

Your attendance is requested at a meeting of the **CORPORATE GOVERNANCE AND STANDARDS COMMITTEE** to be held in the Council Chamber, Millmead House, Millmead, Guildford, Surrey GU2 4BB on **THURSDAY, 30 MARCH 2017 at 7pm.**

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

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

\*Independent member

^ Parish member

**Authorised Substitute Members:**

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

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

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**QUORUM 3**



## THE COUNCIL'S STRATEGIC FRAMEWORK

### Vision – for the borough

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

### Five fundamental themes that support the achievement of our vision:

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

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

### Values for our residents

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

### Mission – for the Council

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

## AGENDA

### ITEM

- 1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**
- 2 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS**

In accordance with the 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 31 January 2017.
- 4 AUDIT REPORT ON THE CERTIFICATION OF FINANCIAL CLAIMS AND RETURNS 2015-16: HOUSING BENEFIT SUBSIDY AND POOLING HOUSING CAPITAL RECEIPTS (Pages 5 - 18)**
- 5 PLANNING COMMITTEE REVIEW GROUP (Pages 19 - 52)**
- 6 DISCUSSIONS WITH THOSE CHARGED WITH GOVERNANCE (Pages 53 - 64)**
- 7 EXTERNAL AUDIT PLAN 2016-17 (Pages 65 - 90)**
- 8 FINANCIAL MONITORING 2016-17 (Pages 91 - 158)**
- 9 LOCAL GOVERNMENT PENSION SCHEME TRIENNIAL VALUATION (Pages 159 - 186)**
- 10 COUNCILLOR APPOINTMENTS TO EXTERNAL ORGANISATIONS WORKING GROUP: INTERIM REPORT (Pages 187 - 224)**
- 11 CORPORATE GOVERNANCE AND STANDARDS COMMITTEE WORK PROGRAMME (Pages 225 - 234)**

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## **CORPORATE GOVERNANCE AND STANDARDS COMMITTEE**

31 January 2017

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

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

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

\*Present

The Lead Councillor for Finance, Councillor Michael Illman, was also in attendance.

### **CGS49 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

Apologies for absence were received from Councillors Alexandra Chesterfield and Mike Hurdle and from Ms Geraldine Reffo and Mr Ian Symes.

### **CGS50 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS**

There were no disclosures of interest.

### **CGS51 MINUTES**

The Committee confirmed the minutes of the meeting held on 24 November 2016. The Chairman signed the minutes.

### **CGS52 FINANCIAL MONITORING 2016-17 PERIOD 8 (APRIL TO NOVEMBER 2016)**

The Committee considered a report that set out the financial monitoring position for period 8 (April to November 2016).

The report summarised the projected outturn position for the Council's general fund revenue account, based on actual and accrued data for this period. At the end of November 2016, officers were projecting a reduction in net expenditure on the general fund revenue account of £2.23 million. This was the result of a combination of factors, which included 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 had 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 would enable a projected transfer of £11.84 million to the new build reserve and reserve for future capital at year-end.

Officers were making progress against significant capital projects on the approved programme as outlined in section 7 of the report. The Council was now expected to spend £54.91 million on its capital schemes by the end of the financial year.

The Council's underlying need to borrow to finance the capital programme was expected to be £44.69 million by 31 March 2017, against an estimated position of £88.98 million.

The Council held £131.3 million of investments and £231.2 million of external borrowing as at 30 November 2016, which included £194 million of Housing Revenue Account loans. Officers confirmed that the Council had 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 was due to having more variable rate debt than investments due to using more fixed deposits than variable rate investments.

Having considered the report, the Committee

RESOLVED: That the results of the Council's financial monitoring for the period April to November 2016, be noted.

Reason for Decision

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

**CGS53 FREEDOM OF INFORMATION COMPLIANCE UPDATE**

The Committee considered an update report on the monitoring of the Council's performance in dealing with Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests. The Committee also noted the updated statistical information on the Supplementary Information sheet to reflect figures for the whole of 2016 rather than the cut-off point of 19 December 2016 as stated in the report.

The Committee was informed that, for the calendar year 2016, the Council's performance rate for responding to FOI requests within the 20 working day deadline stood at 89%, which compared favourably with the figure of 81% recorded at the end of 2015. The Council therefore met the Information Commissioner's performance indicator of 85%, but fell slightly short of the 90% target agreed by the Corporate Management Team.

The Committee also noted the comparative statistical information on the Supplementary Information sheet for local authorities in Surrey for 2016.

Questions and comments from the Committee raised the following points and information:

- There would be additional training provided for those service managers whose performance in responding to FOI requests fell short of acceptable standards, and persistent poor performance should be dealt with under existing performance management arrangements
- In future, the Committee would receive a six monthly update report at its July meeting setting out statistical information for the period January to June and an annual report in January setting out performance information for the period January to December of the previous year. These reports would highlight the reasons for any poor performance in particular services and provide details of remedial measures put in place to improve performance.

The Committee,

RESOLVED: That the actions taken by officers be noted and that, in future, the Committee receives a six monthly update report at its July meeting setting out statistical information on FOI performance for the period January to June, and an annual report in January setting out performance information for the period January to December of the previous year, as described above.

Reasons for Decision:

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

**CGS54 ANNUAL REPORT OF THE MONITORING OFFICER REGARDING STANDARDS ALLEGATIONS**

The Committee received and noted the first annual report from the Monitoring Officer about decisions taken on standards allegations against borough and parish councillors for the 12-month period ending 31 December 2016.

There were no particular areas of concern upon which the Committee would like further information and/or further work carried out.

Accordingly, the Committee

RESOLVED: That the cases referred to in Appendix 1 to the report submitted to the Committee be noted.

Reasons for Decision:

- To ensure members of the Committee and others to whom the report is circulated are kept up to date
- To consider learning points for the future
- To seek to promote and maintain high standards of conduct amongst Members

**CGS55 WORK PROGRAMME**

The Committee considered its work programme for the remainder of the 2016-17 municipal year, and a draft work programme for the 2017-18 municipal year.

Having noted two suggested amendments to the work programme which were set out on the Supplementary Information sheet circulated at the meeting, together with a further suggestion from the Director of Resources, the Committee,

RESOLVED:

- (1) That the Committee's work programme for 2016-17, be amended by the inclusion of the Audit Report on the Certification of Financial Claims and Returns 2015-16 in respect of Housing Benefit Subsidy for the 30 March 2017 meeting.
- (2) That the Committee's work programme for 2017-18, as set out in Appendix 1 to the report submitted to the Committee, be amended by bringing forward:
  - (a) the FOI report scheduled for 21 September 2017 to the 27 July 2017 meeting thus achieving a 6 monthly cycle of such reports; and as referred to in Minute CGS53 above; and
  - (b) the Single Equality Scheme and Action Plan scheduled for 23 November 2017 to the 21 September 2017 meeting

Agenda item number: 3

Reason for decision:

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

The meeting finished at 7.33 pm

Signed .....

Chairman

Date .....

Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Director of Resources

Author: Steve White

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Email: steve.white@guildford.gov.uk

Lead Councillor responsible: Michael Illman

Tel: 07742 731535

Email: michael.illman@guildford.gov.uk

Date: 30 March 2017

## **Audit Report on the Certification of Financial Claims and Returns 2015-16: Housing Benefit Subsidy and Pooling Housing Capital Receipts**

### **Executive Summary**

The Council has received an audit report on the certification of financial claims and returns for 2015-16. The audit covers claims returns relating to expenditure of £39 million, spanning:

- Housing Benefit Subsidy worth £35.3m
- Pooling of Housing Capital Receipts worth £3.9m

Despite the auditor certifying an increase in the number of errors identified within the Housing Benefit Subsidy return, the net effect to the Council is an increase in DWP subsidy payable to us of £6,080. The additional checking undertaken by the auditor (Grant Thornton) has resulted in their request for additional fees of £12,500.

The auditor had no issues to report in respect of the total capital receipts subject to pooling, as officers have already corrected errors identified in the audit.

### **Recommendation to Corporate Governance and Standards Committee:**

The Committee is asked:

- (1) to note the position regarding the certification of claims and returns for 2015-16; and
- (2) to approve payment of the additional audit fee of £12,500 claimed by Grant Thornton.

### **Reason for Recommendation:**

To formally sign off our claims and returns for 2015-16.

## 1. Purpose of Report

- 1.1 The Council has recently received a report from its auditors Grant Thornton (GT) regarding their work to certify our financial claims and returns relating to the financial year 2015-16. GT's report is attached at **Appendix 1**.
- 1.2 The GT report relates to the qualification of our Housing Benefit Subsidy claim and the certification of the Pooling of Housing Capital Receipts.

## 2. Strategic Priorities

- 2.1 The audit of claims and returns support our values for our residents to deliver quality and value for money services.

## 3. Background

- 3.1 GT is required to certify certain claims and returns we make. The Local Audit and Accountability Act 2014 gave the Secretary of State power to transfer Audit Commission responsibilities to other bodies. Public Sector Audit Appointments Limited (PSAA) has taken on the transitional responsibilities for the certification of the Housing Benefit Subsidy claim.
- 3.2 GT certified one claim for the financial year 2015-16 under the PSAA regime. This was the Housing Benefit Subsidy claim relating to subsidy claimed of £35.3 million.
- 3.3 We also asked GT to carry out work on our Pooling of Housing Receipts return (£3.9m) in line with the Department for Communities and Local Government's Assurance Instruction. This work was formally certified under the Audit Commission Act, but is now a separate audit-related service.

## 4. Audit Findings

### *Pooling Housing Capital Receipts:*

- 4.1 GT have no issues to report in respect of the total capital receipts subject to pooling of just over £3.9million or the one-for-one expenditure of £2.5 million.
- 4.2 Officers highlighted an error to GT in the previous cumulative total of 1-4-1 expenditure, and GT identified a typographical error. Both of these were corrected allowing GT to certify the return on 29 November 2016.

### *Housing Benefit Subsidy:*

- 4.3 GT identified a number of matters from the certification work, the details of which are contained in *Appendix A* of their report attached at **Appendix 1**. These matters resulted in the Auditor qualifying our subsidy return.
- 4.4 For 2015-16, there was an increase in the number of errors identified, which resulted in an increase for work required to certify this year's subsidy return. GT

report that the extrapolated financial impact on the claim was relatively insignificant to the total subsidy receivable.

4.5 In their report, GT stated the following:

- The Council makes a number of manual adjustments in compiling the subsidy return. Due to the errors identified in this area last year, all adjustments were checked and as a result further amendments were made.
- We identified various errors in how payments of child or working tax credits were taken into account in calculating claimants' income and therefore their entitlement to benefit.
- We identified a number of cases where income was incorrectly taken into account in calculating benefit entitlement.
- We found that the Council had not applied a software fix on a timely basis with the result that a number of claims were recorded as modified scheme (war pension) claims. Officers reviewed the population and we agreed the amendment required.
- We reported in the 2013-14 and 2014-15 housing benefit subsidy claims that the Council had incorrectly processed Automated Transfers to Local Authority Systems (ATLAS) uploads requiring manual alignment. We did not identify any such errors this year.
- We identified a software bug last year that caused two applicable amounts to be applied to a claim. We found the bug had been fixed and had no impact this year. We also found no errors on the only non-HRA claim in receipt of tax credits, which is an improvement on 2014-15.

4.6 In summary, because of the qualification, the DWP will in fact owe the Council £6,080.

4.7 This is the fourth year running that we have had the subsidy claim qualified, and as per last year the qualification will nevertheless result in additional grant being paid to us. Whilst this is good news, the techniques of extrapolation used by GT following DWP guidance could easily count against us in the future, as it did in 2012-13 and 2013-14.

4.8 Housing Benefit is a complicated subject and the intricacies of the funding and subsidy system can lead to additional subsidy being paid to local authorities even though errors are identified. The additional subsidy paid to us this year is, in part, due to our excellent performance in other areas of the subsidy claim and our low audited figure of Housing Benefit overpayments that have arisen due to our error. This figure is substantially below the thresholds laid down by the DWP and has allowed us to gain the additional subsidy of £6,080.

**5. Advice**

- 5.1 The following paragraphs provide a broad commentary of the 2015-16 Housing Benefit Subsidy claim.
- 5.2 We do not have anything to pay over to the Department for Work and Pensions (DWP). The DWP will have to pay us additional subsidy of £6,080. Although a strange system, our performance in correctly raising overpayments has helped negate the effect of the errors identified during the audit process.
- 5.3 The extra work the DWP asked the Auditor to carry out resulted in additional fees of £12,500 being claimed by GT.
- 5.4 Because of a DWP claw back that arose a number of years ago, additional resources have been obtained from an independent audit company to check claims. This checking of claims provides information on errors found and allows us to analyse how and where any errors are occurring and to take the appropriate action. These additional resources have cost £15,000 in 2015-16 but are considered good value to provide confidence and assurance on a subsidy claim that recovers £35 million from central government.
- 5.5 Due to us making errors (no matter how unusual they are), GT will carry out additional testing on the 2016-17 claim, which potentially means they will find more errors: a virtuous circle until no errors are made at all over a period of three years.
- 5.6 The overall value of the subsidy claim is around £35million - the amount of benefit paid to claimants on behalf of the government. Putting the errors further into context shows that we only had a 0.09% financial error rate in our favour.
- 5.7 In addition, we must remember that the DWP does not have a financial tolerance level. Even 5p per week is expected to be extrapolated across an entire caseload should they need us to do so.
- 5.8 The qualification of the Housing Benefit Subsidy claim does not qualify the Council's financial accounts. Officers are aware that approximately 70% of councils have been qualified on their subsidy claim, but this does not mean the other 30% are perfect.
- 5.9 Finally, it is the nature of the volume and complexity of the work that creates errors, although in view of our workload the percentage of errors financially is minimal. In 2015-16 the Benefits Service processed nearly 3,000 new claims for Housing Benefit and Local Council Tax Support and completed over 30,000 changes in circumstances to claims.
- 5.10 We have taken plenty of steps to improve our competency, using various training methods and education for our Benefit Assessors, but as with any large and complex system, errors are bound to creep in. Overall, they do an excellent job with high accuracy rates, an excellent customer attitude and high levels of tolerance for all of the legislative, administrative and computer changes they



have to deal with. They are the same staff that had to administer the Local Council Tax Support Scheme (Council Tax Reduction) on top of the Housing Benefit work. The service has to cope with an extreme workload and officers are pleased to report that councillors have rarely been troubled with complaints.

- 5.11 Although there have been errors, albeit with additional subsidy payments to the Council, we need to address the errors to avoid qualification of the Housing Benefit subsidy claim in future years. This will be difficult because once the claim is qualified additional checking is carried out in future years, with the chance of further errors being identified.
- 5.12 In view of the errors identified on the self-employment calculations in 2015-16, we have been carrying out further checks on these claims in 2016-17 to help provide a higher level of assurance. This additional checking is in addition to the 100% check we undertake on all new claims processed. Coupled with this an initial 10% check of claims will be carried out on self-employment change of circumstance claims following calculation. Depending on the level of errors found, the 10% check will be reviewed to ensure it is appropriate.
- 5.13 Furthermore, although accuracy has featured on performance reviews for staff, this will be further enhanced to determine any errors made by individual members of staff are recorded and appropriate action taken where necessary. Finally, these measures will be kept under review, and consideration will be given to self-employment claims becoming a specialist area for calculation and the appropriate staff identified to deal with them, due to their complexity.
- 5.14 In relation to the errors identified for tax credits and ATLAS changes, we are now performing a 100% check on these cases. This 100% check will be reviewed monthly and will be dependent on the level of errors found. A lower percentage check will be applied should errors not be identified. This 100% check is resource hungry but is considered valued to try to remove the Housing Benefit claim from qualification.
- 5.15 The Revenues and Payments service will be undergoing a restructure shortly that will provide substantial annual savings over a 5 year period (due to budget pressures identified in the MTFP, we have decided not to replace Gordon Walker, Benefits Manager and Denise Day, Council Tax Manager). This will provide an opportunity to restructure roles with a greater emphasis placed on scrutiny of the Housing Benefit subsidy claim on a monthly basis. Civica, our software provider, have recently enhanced the subsidy reporting system which will allow a more flexible and proactive approach to Housing Benefit subsidy checking. This will provide a more stable and reliable approach to the process. GT also identified two areas where errors occurred in previous years that they no longer have concerns on, which represents good news.
- 5.16 The caseload of Housing Benefits claims has changed drastically in recent years and far more claims are received in relation to complex self-employment circumstances than previously. This has resulted in complex calculation of claims but a requirement still exists for good speed of processing for new claims and changes in circumstance to be retained. Although all these factors remain challenging we are committed to paying people their Housing Benefit quickly,

dealing with their changes in circumstances promptly and making sure the right level of benefit is paid on every claim processed.

- 5.17 The recommendations made by GT in their certification letter are comprehensive and achievable and will be built into the subsidy checking process. GT also reported that the software issue and manual ATLAS records reported as errors last year have been rectified and they have no concerns in these areas.
- 5.18 GT also reported on an error with the modified scheme figures arising from a failure to apply a fix in a timely manner. The above changes to introduce monthly checking will stop this occurring in future years.
- 5.19 The calculation errors identified were concerned around two main areas, self-employment claims and ATLAS tax credit calculations. In order to provide a greater level of assurance to these areas, all tax credit calculations, both manual and automated, are being checked fully and self-employment claims will form the basis for a greater level of checking on changes in circumstance.
- 5.20 At present, all new claims are checked before being put into payment.

## **6. Financial Implications**

- 6.1 The financial implications arising from this report are set out in the main text.
- 6.2 The indicator scale fee set by the Audit Commission regime for the Council for 2015-16 is £13,925. Due to the additional work required to address the issues identified by GT, we have agreed an additional fee of £12,500, subject to confirmation from PSAA. The additional audit fee can be managed within the budget of the Resources directorate.
- 6.3 We also asked GT to carry out work on our Pooling of Housing Receipts return in line with DCLG'S Assurance Instruction. This work was formerly certified under the Audit Commission Act, but is now a separate audit-related service. We agreed the fee for this work at £1,500.

## **7. Legal Implications**

- 7.1 There are no legal implications arising from this report.

## **8. Human Resources Implications**

- 8.1 There are no HR implications arising.

## **9. Conclusion**

- 9.1 The Housing Benefit subsidy claim has been qualified for 4 years and as a result, additional checking has been completed in 2016-17. It is regrettable that GT is still finding errors in the system. However, the errors are minimal when considering the considerable workload and on this occasion the DWP have to repay the Council money rather than the other way round. This could change in

future years should identified errors result in extrapolated figures meaning we owe the DWP money. We will implement the procedures shown to try to eradicate the errors and remove the HB subsidy claim from qualification in future years.

**10. Background Papers**

None

**11. Appendices**

Appendix 1: GT letter and report.

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**Grant Thornton**

An instinct for growth™

Agenda item number: 4  
Appendix 1

Sue Sturgeon  
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16 January 2017

Dear Sue

### **Certification work for Guildford Borough Council for year ended 31 March 2016**

We are required to certify the Housing Benefit subsidy claim submitted by Guildford Borough Council ('the Council'). This certification typically takes place six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

The Local Audit and Accountability Act 2014 gave the Secretary of State power to transfer Audit Commission responsibilities to other bodies. Public Sector Audit Appointments (PSAA) have taken on the transitional responsibilities for HB COUNT issued by the Audit Commission in February 2015

We have certified the Housing Benefit subsidy claim for the financial year 2015/16 relating to subsidy claimed of £35.3 million. Further details are set out in Appendix A.

We identified a number of issues from our certification work which we wish to highlight for your attention. There were a number of errors from the extended testing that we carried out on this year's subsidy return which recurred from 2014/15. There was also one new area where we identified an error and needed to perform further testing this year. There was one area where we found no further errors in the current year, and will not have to carry out specific testing in the coming year.

As a result of the errors identified, the claim was amended as set out in Appendix A. We also qualified the claim and reported our findings to the DWP, including extrapolating the potential impact of the errors we found on the claim as a whole. The extrapolated financial impact on the claim was relatively insignificant to the total subsidy receivable of £35.3m. We have set out further details in Appendix A.

The DWP may require the Council to undertake further work or provide assurances on the errors we have identified.

The indicative fee for 2015/16 for the Council was based on the final 2013/14 certification fees, reflecting the amount of work required by the auditor to certify the Housing Benefit subsidy claim that year. The indicative scale fee set by the Audit Commission for the Council for 2015/16 was £13,925. Due to the additional work required to address the issues we identified, we have agreed an additional fee of £12,500, subject to confirmation from PSAA. This is set out in more detail in Appendix B.

Yours sincerely

Grant Thornton UK LLP

**Appendix A - Details of claims and returns certified for 2015/16**

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing benefits subsidy claim	£35,354,782	Yes	(£31,504)	Yes	See below

**Findings from certification of housing benefits subsidy claim**

**Manual adjustments**

In preparing the subsidy claim, the Council makes a number of manual adjustments to correct errors identified by the Housing Benefit Manager as part of checking the return. Due to the errors we identified and reported on last year, we tested all these adjustments as part of our work. As a result of our work and further discussions with officers, we agreed further amendments. We are satisfied that the claim as amended could be certified without qualification in this respect.

We have agreed with officers that in future years any such adjustments will be processed through the HB system. This will increase the transparency of amounts recorded on the system and make it easier for officers to explain the reasons for changes to the audit team.

**Tax credits**

As in last year, we identified various errors in how payments of child or working tax credits were taken into account in calculating claimants' income and therefore their entitlement to benefit. We identified:

- 7 errors out of 41 cases in receipt of tax credits in respect of HRA rent rebates leading to an extrapolated overpayment of £23,375.
- 4 errors out of 47 cases in receipt of tax credits in respect of rent allowances, leading to an extrapolated overpayment of £6,156.
- no errors in respect of the only non-HRA rent rebates case in receipt of tax credits, an improvement compared to 2014/15.

**Claimant income**

As in previous years, we identified errors in the calculation of claimants' income which affected the calculation of benefit entitlement. We identified:

- 1 error out of 44 cases in receipt of earned income in respect of HRA rent rebates, leading to an extrapolated overpayment of £17.
- 12 errors out of 42 cases in receipt of income from self-employment in respect of rent allowances, leading to an extrapolated overpayment of £5,345
- 1 error out of 41 cases in receipt of occupational pension income. This resulted in an underpayment of benefit and therefore there was no extrapolated error on the claim.

**Software issue**

Last year, we identified a software bug which caused two applicable amounts to be applied to a claim. We found that the bug had been fixed and did not impact on this year's return.

**Manual ATLAS uploads**

In our report on the 2013/14 and 2014/15 housing benefit subsidy claims, we reported that the Council had incorrectly processed ATLAS uploads requiring manual alignment. We did not identify any such errors this year and therefore will not have to undertake testing on this area in next year's claim.

**Modified schemes**

We found that the Council had not applied a fix provided by Civica on a timely basis with the result that a number of claims were incorrectly recorded as modified schemes. Officers were able to review the whole of the population and we agreed the amendment required to the claim as a result.

**Recommended actions for officers**

<b>Rec No.</b>	<b>Recommendation</b>	<b>Priority</b>	<b>Response</b>	<b>Implementation date and responsibility</b>
1	Process manual adjustments through the Civica system rather than 'offline' so that the audit trail is maintained.	High	Agreed	
2	Continue a higher level of checking calculations of benefit entitlement to focus on the errors identified from our testing.	High	Agreed	
3	Ensure all relevant fixes notified by Civica are applied to the system to correct known errors before running reports to generate the subsidy claim.	Medium	Agreed	



**Appendix B: Fees for 2015/16 certification work**

<b>Claim or return</b>	<b>2014/15 fee (£)</b>	<b>2015/16 indicative fee (£)</b>	<b>2015/16 proposed fee (£)</b>	<b>Variance (£)</b>	<b>Explanation for variances</b>
Housing benefits subsidy claim (BEN01)	£33,330	£13,925	£26,425*	(£6,905)	<p>Increase compared to scale fee due to additional work as set out in Appendix A.</p> <p>Overall decrease reflects higher proportion of work being performed by officers in 2015/16 compared to 2014/15.</p>

\* Subject to approval by PSAA

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Corporate Governance and Standards Committee report

Ward(s) affected: All wards

Report of Planning Development Manager

Author: Tim Dawes

Tel: 01483 444650

Email: [tim.dawes@guildford.gov.uk](mailto:tim.dawes@guildford.gov.uk)

Lead Councillors responsible: Councillor Paul Spooner & Councillor Matt Furniss

Email: [paul.spooner@guildford.gov.uk](mailto:paul.spooner@guildford.gov.uk) & [matt.furniss@guildford.gov.uk](mailto:matt.furniss@guildford.gov.uk)

Date: 30 March 2017

## Findings of the Planning Committee Review Group

### Executive summary

A Councillor working group was established in November 2016 to review the size of the current Planning Committee, with the main remit to submit proposals for a smaller Committee. The group had recommended that there would be real benefit in reducing the size of the Planning Committee from 23 councillors to 12 councillors, with effect from the 2017-18 municipal year. It was also recommended that the maximum number of substitute members per political group be reduced from 7 to 5.

The group had considered options in respect of the size of the Planning Committee. Both officers and members on the group were aware that where other councils had considered the size of their respective planning committees, they had tended to come down to a lower number. Ultimately, the group considered that 12 was an appropriate number for Guildford.

The benefits of a smaller Committee would include:

- A skilled and professional Planning Committee with more focused expert debate;
- More focused and efficient execution of business;
- Ability for ward Councillors who are not Planning Committee members to address the Committee with greater freedom to speak openly and freely;

The group had also reviewed a number of processes and procedures associated with the business of the Planning Committee and had made a series of recommendations in that regard. These are summarised, for information, in paragraph 3.6 of this report. At its meeting on 8 March 2017, the Planning Committee considered a report on the group's findings and recommendations, including the proposed reduction in the size of the Committee.

In considering the proposed reduction in the size of the Committee, the Planning Committee felt that a reduction to 15, rather than 12, councillors would be appropriate and, accordingly, has recommended this to full Council when it determines the matter on 11 April 2017.

The Planning Committee also adopted the recommendations in respect of the proposed changes to its processes and procedures and these will be implemented with effect from the beginning of the 2017-18 municipal year.

The only issues for consideration by the Corporate Governance and Standards Committee, in view of its responsibility for considering and advising Council on constitutional matters, are the proposed reduction in size of the Planning Committee, and reduction in the maximum number of substitute members per political group on that Committee. It is also proposed to implement these changes, on a trial basis for 12 months, and thereafter set up a further task group to undertake a comprehensive process review to establish how the changes are working.

### **Recommendation to the Committee**

This Committee is asked to consider:

- (1) the proposed reduction in the size of the Planning Committee, taking into consideration the recommendation of the working group to reduce the number to 12 councillors and the recommendation of the Planning Committee to reduce the number to 15 councillors;
- (2) the proposed reduction in the maximum number of substitute members per political group on the Planning Committee from 7 to 5; and
- (3) the proposal to trial the reduction in the size of the Planning Committee, then after 12 months set up a task group to undertake a comprehensive process review to establish how the changes are working,

and to make recommendations in that regard to full Council on 11 April 2017.

### Reason for Recommendation:

To modernise the Planning Committee and to review and update all associated processes and procedures.

## **1. Introduction**

1.1 The Planning Committee Review Group was set up on 22 November 2016 by the Leader (and portfolio holder for Planning Services) and Deputy Leader of the Council (and Lead Councillor for Infrastructure and Governance) in order to review process, procedures and the size of the Planning Committee. The review group comprised: Councillors Paul Spooner, Matt Furniss, Marsha Moseley (Chairman), Tony Rooth (Vice Chairman), Philip Brooker, Caroline Reeves and Angela Gunning. The officers who regularly attended were Tim Dawes (Planning Development Manager), Dan Ledger (Applications team leader), Sarah White (Principal Solicitor) and Sophie Butcher (Senior Committee Officer).

1.2 The scope of the review group was as follows:

- To consider and to make recommendations to the Council on the size and scope of the Planning Committee.
- To receive reports from officers and to consider these and make recommendations to Council on relevant issues.
- To consider and make recommendations on additional matters, which are relevant to the Planning Committee and its procedures where councillors or officers bring these to its attention.
- To commission evidence (where necessary) to assist its deliberations, either from other local authorities or to make visits to those authorities in order to be aware of best practice.

- To complete its review in time for its recommendations to be considered by full Council by no later than 11 April 2017. It will ensure that it has consulted with, and taken account of the views of the Planning Committee (8 March 2017) and Corporate Governance and Standards Committee (30 March 2017).
- 1.3 The group considered it appropriate and necessary to take a short report with accompanying papers to the Planning Committee on 8 March 2017 so it is afforded the opportunity to consider and comment on the proposed substantive change to the size of the Committee; and to consider the adoption of a number of additional process changes to matters affecting the operation of the Committee.
- 1.4 Councillors will be aware that under the Council's Constitution, only full Council can alter the size of a Committee<sup>1</sup> or make changes to the number of substitute members to be appointed to a committee<sup>2</sup>.
- 1.5 The only issues for consideration by the Corporate Governance and Standards Committee, in view of its responsibility for considering and advising Council on constitutional matters, are the proposed reduction in size of the Planning Committee, and reduction in the maximum number of substitute members per political group on that Committee. These matters ultimately are for determination by full Council.
- 1.6 This is the third time in recent years that the Council has reviewed the size of the Planning Committee, with very few changes resulting from the previous reviews.
- 1.7 The accompanying background papers to this review, which are appended to this report, are as follows:
- Revised Site Visit protocol (**Appendix 1**)
  - Benchmarking table with other Surrey planning authorities (**Appendix 2**)
  - Updated Committee Services guide to speaking at Planning Committee (**Appendix 3**)
  - Updated notes on the procedure for determining planning and related applications (**Appendix 4**)
  - Diary dates for 4 week Planning Committee cycle starting in May 2017 (**Appendix 5**)
- 2. Strategic Framework**
- 2.1 The proposal to update various processes and redefine the size of the Planning Committee accords with the Council's strategic framework. The decision making of the Planning Committee affects all five themes that create the Council's vision.
- 2.2 A reduction in the size of the Planning Committee should allow for an efficient, modern operating Committee. This, in turn, should make for more effective, consistent decision-making and an improved and more innovative Committee.
- 3. Main considerations**
- 3.1 Historically, the Planning Committee has comprised 23 members with up to seven substitute members appointed from each political group. This number has allowed all 22 wards in the borough to be individually represented, with one ward (Onslow) currently being represented by two councillors.

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<sup>1</sup> Council Procedure Rule 23 (f) (ii)

<sup>2</sup> Council Procedure Rule 23 (i)

- 3.2 Concern has been expressed through previous reviews that the size of Guildford's Planning Committee is too large and that we would be better suited by a much smaller committee. The general feeling is that a reduction in the number of councillors would produce a more professional/expert Committee, allow for more focused debate, and the ability to conduct business with greater efficiency and effectiveness. A smaller Committee would ensure more consistent decisions in accordance with legislation and policies. There would also be added efficiencies in terms of reducing the cost associated with running the Planning Committee.
- 3.3 The Planning Committee Review Group concluded that there would be real benefit in reducing the size of the Planning Committee from 23 Councillors to 12 Councillors, in line with many other councils. It was also recommended that the maximum number of substitute members per political group be reduced from 7 to 5.
- 3.4 At its meeting on 8 March 2017, the Planning Committee considered the proposed changes to the size of the Planning Committee and the number of substitute members to be appointed to that Committee. The Planning Committee also considered the proposed changes to that Committee's processes and procedures.
- 3.5 In considering the Review Group's recommendation to reduce the size of the Committee, the Planning Committee felt that a reduction to 15, rather than 12, councillors would be appropriate and, accordingly, has recommended this to full Council when it determines the matter on 11 April 2017.
- 3.6 In addition, the Planning Committee Review Group carefully reviewed all processes and procedures associated with the current Planning Committee operation. The following 14 points are a summary of the proposals, which were considered and approved by the Planning Committee on 8 March 2017:
- 1) Seven-day notification system to stay the same with one nominated responder per ward, 22 in total. The nominated responders will consist of the 12 members<sup>3</sup> of the Committee and then the current nominated responder for the remainder of the wards. Should more than one ward Councillor from the same ward sit on the new Planning Committee then if the ward councillors are unable to agree, the Chairman will decide which ward councillor is the responder in conjunction with the group leader.
  - 2) For all householders and other applications, the trigger for Planning Committee will remain the same (10 letters contrary to officer recommendation); however, for all major and minor applications, the trigger will increase to 20 letters contrary to the officer recommendation.
  - 3) Councillors who are not on the newly constituted Planning Committee will be able to address the Committee for three minutes in respect of applications within their wards.
  - 4) Pre prepared written scripts/speeches will not be permitted, as this can present an appearance of bias or predetermination to members of the public and may open the Council up to challenge.
  - 5) Minor changes to the layout of officer Committee reports including an Executive Summary, more use of standard text (and at the discretion of officers) greater use of elevation plans.

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<sup>3</sup> Or such other number as may be determined by full Council on 11 April 2017

- 6) The format to move an initial motion will be changed in that the Chairman will automatically move the officer's recommendation following the debate on an item. Only if that motion fails will councillors be invited to table an alternative motion.
  - 7) The Planning Agenda to be updated. Appeal decisions to still be summarised, but any complete appeal decisions that have been lost shall not be included as they have already been circulated at the point of decision (when received from PINS) and circulated to all officers and all Councillors.
  - 8) Once the agenda has been published, any late information received by councillors or officers shall be sent immediately to the Committee Officer. New cut off for late information to be Tuesday at midday, the day before the Committee meeting.
  - 9) No changes to public speaking arrangements. This will remain as 2 speaking for and 2 speaking against with 3 minutes for each speaker.
  - 10) Planning Committee will continue to be held on Wednesdays at 7pm.
  - 11) With effect from the 2017-18 municipal year, the Committee will meet on a 4 week cycle.
  - 12) The quantity of printed agendas to be greatly reduced from the current print run of 125 copies. Officers will continue to explore the long-term potential of moving to electronic agendas.
  - 13) Site visits to be undertaken differently and a revised site visit protocol to be adopted. An up-front process that would require agreement from the Chairman of the Committee and the Planning Development Manager as to which sites are visited.
  - 14) Bite-sized training for Councillors to continue. Q&A sessions on major applications to continue, but the indicative threshold to be 100 dwellings or more. A new protocol for developers to address Councillors to be established.
- 3.7 It is considered that the reduction in the size of the current Planning Committee combined with these process changes (set out above) will improve the overall functioning and running of the Committee.
- 3.8 At the Planning Committee meeting on 8 March, councillors asked for benchmarking data with all other Surrey authorities on appeal success rates, and further guidance on bias and pre-determination issues. Once the benchmarking data has been collated, it will be circulated to all councillors prior to the Council meeting on 11 April. A copy of the guidance notes for councillors on bias and pre-determination is attached as **Appendix 6** to this report.

#### **4. Equality and Diversity Implications**

- 4.1 The proposed changes to the composition of the Planning Committee and its procedures are not considered to impact those with protected characteristics, as defined in the Equality Act 2010, any differently to those without protected characteristics. It is therefore considered that there are no specific equality and diversity implications stemming from this report.

## **5. Financial Implications**

- 5.1 There are no financial implications directly associated with the recommendations in this report. However, it is noted that the current printing of 125 planning agendas will be reduced significantly. This will provide some savings.
- 5.2 Further, there will be less catered food required before Planning Committee due to the reduction in the number of attendees and there will be fewer claims for mileage from Councillors attending committee meetings and site visits, once again due to the reduction in overall numbers.
- 5.3 Fewer committee meetings each year will also reduce the number of claims for evening attendance allowance by officers.

## **6. Legal Implications**

- 6.1 Under Article 4, paragraph 22, page 2-7 of the Council's Constitution, and Council Procedure Rule 23 (f) (ii) and (i), page 4-20, full Council is able to alter the size of a committee and the number of substitute members appointed to a committee.
- 6.2 Under Council Procedure Rule 22 (a), page 4-18 of the Council's Constitution, committees are able to regulate their own procedures.

## **7. Human Resource Implications**

- 7.1 There are no Human Resource implications

## **8. Summary of Options**

- 8.1 The Planning Committee Review Group has recommended that the size of the current Planning Committee be reduced from 23 councillors to 12 councillors and that the maximum number of substitute members from each political group be reduced from 7 to 5.
- 8.2 Other options available to the Council would be to reduce the size of the Planning Committee to a different number, for instance 15 Councillors instead of 12. This number has been rejected by the Review Group in favour of a smaller committee. However, the Planning Committee, at its meeting on 8 March 2017 has recommended that the number of councillors on that Committee should be reduced to 15.
- 8.3 A further option would be to leave the size of the Planning Committee unchanged. This has been rejected by both the Review Group and the Planning Committee, as both feel that the time is right to reduce the size of the Committee.

## **9. Conclusions**

- 9.1 The Corporate Governance and Standards Committee is asked to consider the proposed reduction in the size of the Planning Committee, taking into account the recommendation from the working group to reduce the number of councillors on the Committee to 12, and the Planning Committee's recommendation that the number be reduced to 15.
- 9.2 In the modern day it is considered unusual to have such a large Planning Committee and the Council would be better served by a smaller Committee



- 9.3 The benefits would be significant, including a better and more considered level of debate by virtue of a smaller committee size, much less pressure individually on the ward member, ability for councillors to address the new Planning Committee without being on the Committee and better ability to move business through the Committee.
- 9.4 A smaller Planning Committee would be easier to train in town planning and associated matters and would provide opportunity to increase the overall knowledge base of the Planning Committee to a higher degree than currently exists. There would also be an easier and closer working relationship with officers by virtue of a smaller Committee.
- 9.5 A range of changes to processes and procedures have been proposed and adopted by the Planning Committee that will improve the way the new Committee operates.
- 9.6 It is also recommended that the new Planning Committee is reviewed after 12 months, by the formation of a Councillor led Task Group.

**10. Background Papers and appendices**

Appendix 1: Revised Site Visit protocol

Appendix 2: Benchmarking table with other Surrey planning authorities

Appendix 3: Updated Committee Services guide to speaking at Planning Committee

Appendix 4: Updated notes on the procedure for determining planning and related applications

Appendix 5: Diary dates for 4-week Planning Committee cycle starting in May 2017

Appendix 6: Guidance notes for councillors on bias and pre-determination

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### **Review of Committee Site Visit Procedure**

There is currently no formal procedure by which Members of the Planning Committee can request a Members site visit for a planning application other than by seeking a resolution through the Committee when the item is presented. In exceptional circumstances Officers prepare reports seeking approval for an “up-front” site visit, however, there are no set thresholds for when this happens. There are generally 10-15 site visits undertaken per annum.

The current system creates a number of problems including:

- Deferral of items from Planning Committee for site visits adds delay to decision making
- Residents and applicants attend Committee meetings expecting a decision to be made, it is a wasted trip if the application is then deferred for a site visit
- In the cases for applications with public speaking, the view given from the public speakers is given before a deferral and then there is no opportunity to address the Committee when the application returns for a decision
- Some Members will be barred from voting on applications when they return from a site visit if they were not in attendance when the item was deferred
- Preparing up-front site visit reports cost officer time and results in some inconsistency in the type of applications that are recommended for a site visit
- In the case of up-front site visits, Members are asked to vote on a site visit before the officers report is available and the recommendation may not be finalised
- Generally there is low attendance on site visits

The Planning Committee Review Group as part of its work has agreed for a new procedure to be considered alongside the reduction in the size of the Committee and other process changes.

#### **Suggested alternative procedure**

Planning applications are determined by the Planning Committee through the following routes:

- Applications called to Planning Committee by a Councillor, either through the 7-day referral process or through request during the application process
- Applications referred to Planning Committee due to the number of representations received (contrary to the officer recommendation) triggering public speaking
- Applications referred to Planning Committee at the discretion of the Planning Development Manager, applications where the applicant is the Council or an officer of the Council, or developments with strategic implications

In order to meet the objectives identified above Officers propose the following site visit procedure.

#### **Applications referred to committee by a Councillor**

- When an application is referred to committee by a Councillor, either through the 7-day process or by request, the Councillor is currently required to give reasons as to why the application should be presented to the committee
- Therefore, at the time of calling the application to committee, the Councillor shall also state whether they consider a Members site visit should be undertaken

- When making a request for a site visit Members must explain why a site visit is required and state what features of the site or development require an on-site assessment, i.e. presence of protected trees, relationships to existing buildings, specific development character traits in the immediate vicinity
- The final decision as to whether to hold a site visit will be for the Planning Development Manager, in consultation with the Chairman of the Planning Committee. This will be discussed during Chairman's pre-committee briefing normally held on the Thursday before Planning Committee
- Provided the reasons for requesting a site visit are clear, and in the opinion of the Chairman of Planning Committee and the Planning Development Manager hold merit, requests for a site visit are likely to be supported
- Members will be advised of site visit items and arrangements on the Friday preceding a Planning Committee meeting.
- The site visit will then be held either on the Monday or Tuesday of the week of the Planning Committee (or the working day before Planning Committee should the committee schedule change) to which the application is to be presented
- Attendance at site visits will be recorded but will not be compulsory and failure to attend shall not prevent a Member voting on an application. The working group felt that at least one quarter of the new committee should attend such site visits. Ward members should be invited to attend as well.
- In the unlikely event that a request for a site visit is declined, this shall not prevent any Member presenting a motion to the committee for a site visit

Applications referred to committee due to volume of representations

- Planning Committee agendas are generally published early on the Tuesday of the week preceding the Planning Committee meeting\*
- Members will have until 12pm on the Thursday preceding the Planning Committee meeting to request a site visit for a specific item on that agenda
- Requests should be made to the Committee Manager of Democratic Services (copied to the Case Officer and Planning Development Manager) and should explain why a site visit is required and state what features of the site or development require an on-site assessment, i.e. presence of protected trees, relationships to existing buildings, specific development character traits in the immediate vicinity
- Before requesting a formal site visit Members should consider whether it would be possible to view the relevant part of the application site from public areas and whether this would negate the need for an organised site visit
- The final decision as to whether to hold a site visit will be for the Planning Development Manager, in consultation with the Chairman of the Planning Committee. This will be discussed during Chairman's pre-committee briefing normally held on the Thursday before Planning Committee
- Provided the reasons for requesting a site visit are clear, and in the opinion of the Chairman of Planning Committee and the Planning Development Manager hold merit, requests for a site visit are likely to be supported
- Members will be advised of site visit items and arrangements on the Friday preceding the committee
- The site visit will then be held either on the Monday or Tuesday of the week of the Planning Committee (or the working day before Planning Committee should the committee schedule change) to which the application is to be presented
- Attendance at site visits will be recorded but will not be compulsory and failure to attend shall not prevent a Member voting on an application. The working group felt that at least one quarter of the new committee should attend such visits. Ward members should be invited to attend as well.

- In the unlikely event that a request for a site visit is declined, this shall not prevent any Member proposing a motion to the committee for a site visit

*\* Alternative arrangements and timescale may be required to account for Bank Holidays, these will be determined on a case by case basis*

#### Applications referred to Planning Committee by the Planning Development Manager

- On referring any item to the planning committee for determination the Planning Development Manager may elect to hold a member site visit
- In the event that the Planning Development Manager does not elect to hold a site visit, any member may request a site visit through the process above
- The final decision as to whether to hold a site visit will be for the Planning Development Manager, in consultation with the Chairman of the Planning Committee. This will be discussed during Chairman's pre-committee briefing normally held on the Thursday before Planning Committee
- Members will be advised of site visit items and arrangements on the Friday preceding the Planning Committee
- The site visit will then be held either on the Monday or Tuesday of the week of the Planning Committee (or the working day before Planning Committee should the committee schedule change) to which the application is to be presented
- Attendance at site visits will be recorded but will not be compulsory and failure to attend shall not prevent a Member voting on an application. The working group felt that at least one quarter of the new committee should attend. Ward members should be invited to attend as well.

#### Failure to follow the prescribed procedure

All requests for site visits should be made through this procedure. Time limits must be adhered to by all parties to ensure site visits can be agreed and arranged. In exceptional circumstances an issue may arise during the debate of the item at planning committee that may necessitate the need for a site visit. Members may still propose a motion to the committee for a site visit, however, they will be expected to explain why it was not possible to have identified the need for a site visit at an earlier stage of the process. Member should not propose a motion for a site visit at planning committee if it could reasonably have been expected to be made in advance.

#### **Conclusions**

The new system would deliver the following benefits:

- The new process would remove a cause of delay to the determination of applications
- It would enable better decision making by giving Members an opportunity to visit the site before the presentation and public speaking
- Would provide an improved customer experience by minimising wasted trips to Planning Committee meetings
- Would save officer time and reduce costs by eliminating unnecessary reports for up-front site visits and re-sending application to a committee meeting following a deferral
- Would ensure that Members have equal opportunity to request site visits and would promote consistency in selecting items for a site visit
- Requiring Members to review the committee agenda at an earlier stage may allow other issues or clarifications to be identified at an earlier stage of the process.

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**Benchmarking with other Planning Authorities on size of Committee, frequency of meetings and triggers for Committee**

<b>Local Authority</b>	<b>Size of planning committee</b>	<b>Frequency of meetings</b>	<b>Trigger for item to get referred to Committee</b>
Waverley Borough Council	11-14 Councillors on sub committees	4 weeks	No representation trigger to Committee.
Elmbridge Borough Council	13 Councillors on three area sub Committees	3 weeks	5 or more representations if recommended to permit or promoted by ward Councillor
Woking Borough Council	One committee maximum 10 councillors	4 week cycle	No representation trigger for Committee. A lot of items need referring due to scheme of delegation
Reigate and Banstead Borough Council	One Committee with 19 Councillors	4 week cycle	No representation trigger to Committee. Councillors required to refer an item within the 21 day consultation period
Runnymede Borough Council	One Committee with 15 Councillors	3 weeks	Not known
Spelthorne Borough Council	One Committee with 15 Councillors	4 weeks	Not known
Tandridge District Council	One Committee with 9 Councillors	4 weeks	Not known
Surrey Heath Borough Council	One Committee with 16 Councillors	4 weeks	Not known
Epsom and Ewell Borough Council	One Committee with 13 Councillors	4 weeks	Not known
Mole Valley District Council	One Committee with 19 Councillors	4 weeks	Not known

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# GUILDFORD BOROUGH

## Guide to Planning Committee meetings



A guide for anyone who would like to:

- **know** how the committee process works;
- **attend** a Planning Committee meeting; or
- **speak** about an application at a Planning Committee meeting.

[www.guildford.gov.uk](http://www.guildford.gov.uk)

## Introducing this guide

### Agenda item number: 5 Appendix 3

This guide explains what you need to know if you want to speak at or attend a Planning Committee meeting. You will find this guide useful if you:

- have applied for planning permission and your application is being considered by the committee;
- are the neighbour of someone whose planning application is being considered by the committee; or
- are interested in planning and how the Planning Committee makes decisions.

## Attending a Planning Committee meeting

### Where do Planning Committee meetings take place?

Our Planning Committee meetings are held in the Council Chamber, which is in the civic suite of Millmead House. The public entrance to the Council Chamber is signposted in the front car park at Millmead House.

### Accessibility at Planning Committee Meetings

Planning Committee meetings are held in the Council Chambers which are accessed from the main reception up one flight of stairs. The main reception can be accessed via a disability ramp. Council Chambers is accessible, a wheelchair accessible lift is in situ to provide assistance to people in wheelchairs or who are unable to manage the stairs fully.

A hearing loop is also installed in the Council Chamber for those who are hard of hearing and use hearing aids. Please note that your hearing aid should be set to 'T'.

### How often does the Planning Committee meet?

Planning Committee meetings normally take place every three weeks. Meetings are on Wednesday evenings and start at 7pm. Occasionally there are special meetings to discuss major applications.

For a list of meeting dates please view our website at the following address:

<http://www2.guildford.gov.uk/councilmeetings/mgCommitteeDetails.aspx?ID=130>

### Who can attend a Planning Committee meeting?

Any member of the public can attend our Planning Committee meetings and listen to the discussions about applications and other matters on the public part of the meeting agenda.

In certain situations, you can speak at a committee meeting about a planning application you're interested in. If you would like to speak, you will need to arrange this with us before the meeting.

More information about speaking at Planning Committee meetings is given from page 3.

There may be times when the Planning Committee needs to discuss matters that are not on the public part of the agenda. The Chairman may discuss this at the meeting and end the public part of the meeting.

The public seating area is at the back of the Council Chamber, next to the public entrance. If this seating area is full, public seating is also available in Committee Room 1. A layout plan of the Council Chamber is given on the back page of this guide showing the public seating area and where councillors and officers sit.

## **What does the Planning Committee do?**

Our Planning Committee makes decisions on about 10% of the planning applications we receive. All other applications are decided by the Director of Planning and Regeneration under delegated powers.

The Planning Committee will make a decision on applications:

- where we have received 10 or more letters or emails that disagree with the officer's recommendation for the application;
- large scale applications submitted by Guildford Borough Council, for example redevelopment of an existing site or provision of new housing. Small scale schemes will be dealt with under delegated powers;
- that a councillor or a council employee has made, or when the applicant is related to a councillor or council employee;
- that the Director of Planning and Regeneration asks the committee to decide; or
- that a councillor asks the committee to decide for planning reasons.

The agenda contains reports on each item referred compiled by officers which will include the recommendation along with any conditions or reasons for refusal. The reports are available for Members to review prior to the meeting along with the relevant plans and other information within the file.

Officers will carry out a brief presentation for each item which may include relevant plans of the development and photographs of the site.

Agendas are published five working days before each meeting. The agenda can be viewed on our website or copies are available at the committee meeting.

## **Who is on the committee?**

The Planning Committee is made up of 23 borough councillors. A further 11 councillors are named as substitute members of the committee.

Visit our website at [www.guildford.gov.uk](http://www.guildford.gov.uk) for the names, addresses, phone numbers and email addresses of the members of the Planning Committee.

## **Webcasting Arrangements**

### **Agenda item number: 5**

### **Appendix 3**

Planning Committee meetings are recorded live and/or subsequently broadcast on the Council's website. The whole of the meeting will be recorded, except where there are confidential or exempt items, and the footage will be on the website for six months.

If you make a representation to the meeting you will be deemed to have consented to being recorded. By entering the Council Chamber, you are also consenting to being recorded and to the possible use of those images and sound recordings for webcasting and/or training purposes.

If you have any queries regarding the webcasting of meetings, please contact Committee Services by email on: [committeeservices@guildford.gov.uk](mailto:committeeservices@guildford.gov.uk)

## **The Public's Responsibilities**

Members of the public must not be violent, abusive or threatening to councillors or officers and must not wilfully harm things owned by the Council, councillors or officers. The public are entitled to attend public meetings of the Planning Committee, but must comply with the ruling of the Chairman. They may not disrupt the meeting or cause undue disturbance or they may be removed from the meeting. The use of written signs or placards are not permitted in Council Chamber and are strictly prohibited.

## **Speaking at Planning Committee meetings**

The diagram on the following page explains the process for deciding whether public speaking will take place on a planning application being presented to the Planning Committee.

**Agenda item number: 5**  
**Appendix 3**

We receive, register and start to process a valid planning application.

We generally set a **21-day consultation period** during which anyone can send us written comments about the application.

We decide that the application will go to Planning Committee and it is put on the next available agenda (see page 2 for details of which applications go to committee).

**The agenda is published five working days before the date of the meeting.**

**Situation A**

**When the agenda is published, we have received 10 or more letters or emails about the application.**

**Situation B**

**When the agenda is published, we have received less than 10 letters or emails about the application.**

**There will be public speaking on the application at Planning Committee.**

A maximum of four speakers can speak on each application – two supporting it and two objecting to it. These four places are allocated on a first come first served basis.

**There will not be public speaking on the application at Planning Committee**

**Public speaking registration period**

**From the day the agenda is published until the deadline of 12 noon on the working day before the day of the meeting, anyone can register to speak about the application. We will write to everyone who has written to us about the application to ask if they would like to register to speak.**

**If you would like to speak, we must receive your letter or email asking to register by the deadline.**

**Petitions**

A petition submitted to us in relation to a particular planning application only counts as one written representation. We don't allow members of the public to speak on petitions presented at Planning Committee.

**Writing to us**

We always recommend that you phone us to check that we have received your letter or email about public speaking **before** the deadline. We cannot take responsibility for letters or emails that are sent but do not arrive in time.

**We will contact everyone who has written to register to speak to let them know if they will be one of the four public speakers at the committee.**

## Registering to speak

Agenda item number: 5

### Appendix 3

If you would like to register to speak on a public speaking item, you must write to us or email us by **12 noon on the working day before the day of the meeting**. You must send your letter or email to:

Sophie Butcher  
Committee Officer  
Guildford Borough Council  
Millmead House  
Guildford  
GU2 4BB

Email: [sophie.butcher@guildford.gov.uk](mailto:sophie.butcher@guildford.gov.uk)

Phone: 01483 444056

### Your letter or email must contain:

- Your name
- Your address
- Your daytime phone number
- The planning application number
- The name of the development
- Whether you want to speak to support or object to the application

### If I write to you about an application, do I have to speak at a meeting?

No, you don't. If we receive a letter or email from you within the 21-day consultation period for the application, we will include a summary of your comments in the Planning Officer's report.

If we receive your letter or email **after the agenda is published but before noon on the working day before the day of the meeting**, the Committee Officer will include a summary of your comments in a document known as the 'Late Sheet'. This is given to councillors and the public at the meeting.

If we receive your letter after noon on the working day before the day of the meeting, your comments will be put on a file for committee members to read.

### How many people can speak about each application?

Up to **four** people can speak about an application.

- Two speakers who **object** to the application.
- Two speakers who **support** the application.

As there can be no more than four speakers, we will only invite the first two people who write to us objecting to an application, and the first two people who write to us supporting an application to speak at the meeting.

A person can speak to the committee on behalf of others who support or object to an application. If we have written to tell you that you will be speaking at a meeting, we may pass your details to others who object to or support the application so that they can contact you. If you would prefer us not to pass your details on to others, please let us know.

### **How long can I speak for?**

Each speaker has three minutes to speak. The Chairman will let you know when your three minutes are almost finished. You must make sure you cover all of your points in those three minutes. You cannot ask councillors, officers or other speakers any questions.

You are not allowed to use any presentation equipment when you speak at the meeting. For example, you cannot give a computer presentation or use an overhead projector or a slide projector.

### **Can I hand out information at the meeting?**

No, you cannot hand out any documents (such as plans and photographs) at the meeting and you cannot display any models.

### **If I am speaking at a meeting, when should I arrive?**

You should arrive in the Council Chamber by 6.45pm. The Committee Officer will introduce herself and sign you in.

### **What will happen at the meeting?**

- Everyone who attends the meeting will be given a list of people who have registered to speak at the meeting.
- The committee will first consider the applications for which there is public speaking, in the order on the list of speakers.
- When the Chairman calls out the name and number of the application you are interested in a planning officer will give a presentation on it.
- The Chairman will call each of the speakers in turn to go to the public speaking desk at the front of the Council Chamber to have their say.
- When you have finished your speech, you will be asked to return to your seat in the public seating area.
- When all of the speakers have been heard, the committee will discuss the application. The public cannot take part in the discussion.

- Agenda item number: 5**
- The committee will make a decision on the application.

### **Appendix 3**

**If you have registered to speak and you arrive late or don't turn up to the meeting, the committee will still make a decision on the application.**

### **What happens if the committee put off making a decision on an application until a future committee meeting?**

The Planning Committee might sometimes decide to put off making a decision on an application. This is known as 'deferring an application'. They will do this if they run out of time to discuss it fully, if members feel additional information is required, or if they would like to make a formal committee site visit. In most situations, they will not defer an application until all speakers have spoken about it at a meeting.

If the committee defers an application, and there has already been public speaking on this item at a meeting, there will be **no further public speaking** on it when it is discussed again at committee.

### **What issues should I speak about?**

The Planning Committee's decision on an application can be based only on planning issues. These planning issues can include:

- local, regional and national policies and government guidance;
- the design, appearance and layout of a proposed development;
- road safety and traffic issues;
- the effect on the local area and local properties;
- loss of light and overlooking;
- nuisance caused by noise, disturbance and smell; and
- protecting buildings and trees.

When you speak at a meeting, you should talk about these issues and explain how the proposed development will affect you personally.

The Planning Committee cannot consider issues that are not planning issues. These include:

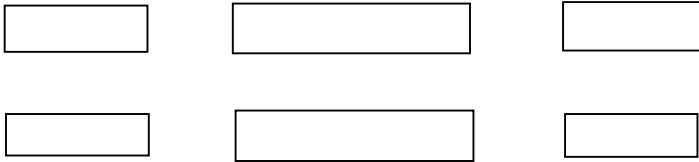
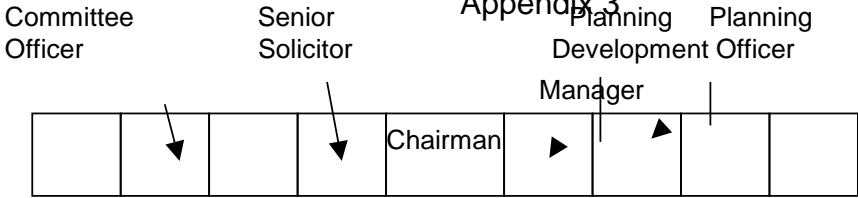
- any disagreements between you and your neighbours about boundary lines or access;
- the developer's morals or motives;
- your loss of view across a neighbour's land; and
- how the development may affect the value of your property.

If you would like more advice on what is a planning issue, please email [planningenquiries@guildford.gov.uk](mailto:planningenquiries@guildford.gov.uk) or phone planning enquiries on 01483 444609. For more information about committee meetings and speaking at a Planning Committee, contact Sophie Butcher, Committee Officer, by emailing [sophie.butcher@guildford.gov.uk](mailto:sophie.butcher@guildford.gov.uk) or phoning 01483 444056.



# The council chamber layout for a Planning Committee meeting

## Appendix 3



**Planning Committee members**

**Committee Room 1 public seating**

Any other councillors who attend the meeting will sit here.



Public entrance to the Council Chamber, accessed from the car park →

**Please contact us to request this document in an alternative format or language.**

Guildford Borough Council  
 Millmead House  
 Millmead  
 Guildford  
 Surrey  
 GU2 4BB

**Contact us**

01483 444609 for planning enquiries  
 email: [planningenquiries@guildford.gov.uk](mailto:planningenquiries@guildford.gov.uk)  
 01483 444056 for committee services  
 email: [sophie.butcher@guildford.gov.uk](mailto:sophie.butcher@guildford.gov.uk)  
 website: <http://www2.guildford.gov.uk/councilmeetings/ieListMeetings.aspx?CommitteeId=130>

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**NOTES:**

(i) Procedure for determining planning and related applications:

1. A Planning Officer will present the Officer's report.
2. Members of the public who have registered to speak may then address the meeting in accordance with the agreed procedure for public speaking (a maximum of two objectors followed by a maximum of two supporters).
3. The Chairman gives planning officer's the right to reply in response to comments that have been made during the public speaking session.
4. Any local ward councillor(s) who are not member(s) of the Planning Committee, but who wish to speak on an application in their ward will be then allowed to speak for no longer than three minutes each. It will be at the Chairman's discretion to permit local ward councillor(s) to speak for longer than three minutes. [Ward councillors should notify the Committee Officer, in writing, by no later than midday the day before the meeting of their intention to speak.]
5. The Chairman will then open up the application for debate.
  - (a) No speech shall be longer than three minutes for all Committee members;
  - (b) No councillor to speak more than once during the debate on the application;
  - (c) Members shall avoid repetition of points made earlier in the debate
  - (d) The Chairman gives planning officer's the right to reply in response to comments that have been made during the debate, and prior to the vote being taken.
  - (e) Once the debate has concluded, the Chairman will automatically move the officer's recommendation following the debate on that item. If it is seconded, the motion is put to the vote. A simple majority vote is different for the motion to be carried. If it is not seconded or the motion is not carried then the Chairman will ask for a second alternative motion to be put to the vote.

In any case where the motion is contrary to officer recommendation that is:

- Approval to refusal, or;
- Refusal to approval
- Or where the motion proposes additional reasons for refusal or additional conditions.
- In advance of the vote, provided that any such proposal has been properly moved and seconded, the Chairman shall adjourn the meeting to allow officers, the mover of the motion and the Chairman to discuss the reason(s),

conditions (where applicable) and policy(ies) put forward to ensure that they are sufficiently precise, state the harm (where applicable) and support the correct policies to justify the motion. Following any adjournment, upon reconvening the Chairman will put to the Committee the motion and the reason(s) for the decision before moving to the vote.

(f) A motion can also be proposed and seconded at any time to defer or adjourn consideration of an application (for example for further information/advice backed by supporting reasons).

- 5 Meetings of the Planning Committee shall end by 10.30 pm except:
- where it appears to the Chairman that the remainder of the Agenda can be completed expeditiously thereafter or where a debate on a specific matter has not been completed by 10.30 pm; or
  - where the Committee decides that specific matters should be considered at that meeting.

All outstanding items not completed by the end of the meeting shall be adjourned to the reconvened or next ordinary meeting of the Committee.

- 6 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/email the Democratic Services Manager detailing the rationale for the request (the proposer and seconder do not have to be planning committee members).

The 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.

### **GUIDANCE NOTE For Planning Committee Members**

#### **Reason for Refusal**

How a reason for refusal is constructed.

A reason for refusal should carefully describe the harm of the development, as well as detailing any conflicts with policies or proposals in the development plan which are relevant to the decision.

When formulating reasons for refusal Members will need to:

- (1) Describe those elements of the proposal that are harmful, e.g. bulk, massing, lack of something, loss of something.
- (2) State what the harm is e.g. character, openness of the green belt, retail function and;
- (3) The reason will need to make reference to policy to justify the refusal.

### Example

The proposed change of use would result in the loss of A1 retail frontage at Guildford Town Centre, which would be detrimental to the retail function of the town and contrary to policy SS9 in the Guildford Local Plan.

### **Reason for Approval**

How a reason for approval is constructed.

A reason for approval should carefully detail a summary of the reasons for the grant of planning permission and a summary of the policies and proposals in the development plan, which are relevant to the decision.

### Example:

The proposal has been found to comply with Green Belt policy as it relates to a replacement dwelling and would not result in any unacceptable harm to the openness or visual amenities of the Green Belt. As such the proposal is found to comply with saved policies RE2 and H6 of the Council's saved Local Plan and national Green Belt policy in the NPPF.

### **Reason for Deferral.**

Applications should only be deferred if the Committee feels that it requires further information or to enable further discussions with the applicant or in exceptional circumstances to enable a collective site visit to be undertaken.

Clear reasons for a deferral must be provided with a summary of the policies in the development plan which are relevant to the deferral.

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New Planning Committee Meeting Dates 2017 on a four-week cycle = 13 meetings in total compared to 17 meetings on a three-week cycle

Old dates to remove from three-week cycle	New dates on a four-week cycle
7 June 2017	*17 May 2017 (same date as currently proposed)
28 June 2017	<i>Tuesday</i> 20 June 2017 <sup>1</sup>
19 July 2017	12 July 2017
30 August 2017	*9 August 2017 (same date as currently proposed)
20 September 2017	6 September 2017
11 October 2017	4 October 2017
22 November 2017	*1 November 2017 (same date as currently proposed)
13 December 2017	*29 November 2017 (clash with Licensing Committee – could re-schedule Licensing to 22 November or 6 December 2017)
24 January 2018	*3 January 2018 (same date as currently proposed)
14 February 2018	31 January 2018
7 March 2018	28 February 2018
18 April 2018	*28 March 2018 (same date as currently proposed)
	25 April 2018

<sup>1</sup> This meeting was originally scheduled for 14 June but that clashes with a meeting of the Guildford Local Committee

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**Sandra Herbert Solicitor  
Monitoring Officer and Legal Services  
Manager**

[www.guildford.gov.uk](http://www.guildford.gov.uk)

To all Councillors

Contact: Sandra Herbert  
Phone: 01483 444135  
Fax: 01483 444996  
Email: [sandra.herbert@guildford.gov.uk](mailto:sandra.herbert@guildford.gov.uk)  
DX: 2472 Guildford 1

21 March 2017

Dear Councillor

***GUIDANCE ON BIAS AND PRE-DETERMINATION IN THE PLANNING PROCESS***

In the context of the planning process, I thought it might be helpful for me to write to all councillors in relation to the above.

You will be aware that the Localism Act 2011 has helped to clarify the position with regard to pre-determination and bias.

Section 25(2) of the Localism Act 2011 provides that “a decision maker is not to be taken to have had, or to have appeared to have had, a closed mind when making a decision **just because** –

- (a) the decision maker had previously done anything that directly or indirectly indicated what view the decision maker took, or would or might take in relation to a matter, **and**
- (b) the matter was relevant to the decision.”

The section makes it clear that if a councillor has given a view on an issue, this, considered in isolation, does not show that the councillor has a closed mind on that issue.

Having said this, the use of the words ‘*just because*’ in section 25 suggest that other factors when combined with statements made etc. can still give rise to accusations of predetermination. This has also been the approach that the courts have taken to this issue. When considering whether pre-determination has taken place they will consider all events leading to the decision, (and also, where appropriate, those following the decision) rather than looking at individual events in isolation.

The case law has also made it clear that the words used by particular members and the interpretation put on those words is of particular importance. So care still needs to be taken when making statements in advance of the determination of planning applications as there is a risk that they can be misinterpreted or taken out of context.



The Government Standard



INVESTOR IN PEOPLE



**Guildford Borough Council**

Millmead House, Millmead, Guildford, Surrey GU2 4BB

Agenda item number: 5  
With this in mind, it is always advisable to:-  
Appendix 6

- Adhere to the Council's adopted [Code of Conduct for Councillors](#);
- Be mindful of the applicability of the Council's [Probity in Planning - Local Code of Practice](#)
- Avoid giving the impression that you have made up your mind prior to the decision-making meeting and hearing the officer's presentation and any representations made on behalf of the applicant and any objectors.
- If you do comment on a development proposal in advance of the decision, consider using a form of words that makes it clear that you have yet to make up your mind and will only do so at the appropriate time and in the light of the advice and material put before you and having regard to the discussion and debate in the meeting.
- Particular care should be taken where there are chance encounters with partners to development proposals. These are situations where the risk of what you say being misrepresented or taken out of context is particularly high.

Therefore, as a councillor operating within a political environment you should not be afraid to express views on issues. However, in doing so it is important that you avoid giving the impression that you have already made up your mind and that your part in any subsequent decision is a foregone conclusion. Councillor conduct at subsequent decision-making meetings can expose the Council to challenge of the decision making process. As a serving councillor bound by the code of conduct, giving the wrong impression could give rise to a complaint of alleged breach of the code.

A breach of the code is a serious matter and although usually not amounting to a breach of the criminal law, may incur adverse reporting from the Local Government Ombudsman, open the Council's decision to challenge and/or a complaint under the Councillors Code of Conduct.

You may find it useful to read the attached letter from the Department for Communities and Local Government, which was generally made available in May 2013.

Yours sincerely

**MRS. S. A. HERBERT**  
**Monitoring Officer and Legal Services Manager**  
**Legal Services**

Enc



**Department for  
Communities and  
Local Government**

**Department for Communities and Local  
Government**  
Eland House  
Bressenden Place  
London SW1E 5DU

Councillor David Burbage  
Leader,  
Royal Borough of Windsor and Maidenhead  
Town Hall, St Ives Road  
Maidenhead  
SL6 1RF

Tel: 0303 444 3460  
Fax: 020 7828 4903  
E-Mail: brandon.lewis@communities.gsi.gov.uk

[www.communities.gov.uk](http://www.communities.gov.uk)

Our Ref: BL/MP/007638/13  
Your Ref: DB/JB00070103130007

01 May 2013

Dear David

### **PREDETERMINATION, BIAS AND ADVICE FROM MONITORING OFFICERS**

Thank you for your letter seeking my views on an advice notes from Monitoring Officers to councillors, and how this interacts with the Localism Act. Whilst Ministers cannot give formal legal advice (on advice), I am happy to provide my informal view.

Under the last Administration, the Standards Board regime undermined freedom of speech in local government. This was compounded by a further gold-plating of pre-determination rules, fuelled by misconceptions about the flawed regime, going far beyond what was reasonable or legally necessary.

The Localism Act 2011 has abolished the Standards Board regime, and has also clarified the position with regard to pre-determination and bias. Section 25 clarifies that a councillor is not to be regarded as being unable to act fairly or without bias if they participate in a decision on a matter simply because they have previously expressed a view or campaigned on it. The effect is that councillors may campaign and represent their constituents – and then speak and vote on those issues – without fear of breaking the rules on pre-determination.

In this context, I feel that blanket advice which states that councillors cannot participate in a meeting purely because there is merely a 'perception of bias' or 'risk of bias' is potentially wrong. It will, of course, depend on the individual circumstances, but the flexibilities and freedoms laid out in Section 25 may apply.

It is worth drawing a distinction between **pre-determination** and **pre-disposition**. Councillors should not have a closed mind when they make a decision, as decisions taken by those with pre-determined views are vulnerable to successful legal challenge.<sup>1</sup>

---

<sup>1</sup> Incidentally, where a councillor has a predetermined view because of having a disclosable pecuniary interest in an item of council business, our guide for councillors makes clear that they may not participate in any discussion or vote and that they should leave the room if their continued presence is incompatible with their council's code of conduct or the Seven Principles of Public Life.

Agenda item number: 5

Appendix 6

However, before the meeting, councillors may legitimately be publicly pre-disposed to take a particular stance. This can include, for example, previously stated political views or manifesto commitments.

At the decision-making meeting, councillors should carefully consider all the evidence that is put before them and must be prepared to modify or change their initial view in the light of the arguments and evidence presented. Then they must make their final decision at the meeting with an open mind based on all the evidence. Such a fair hearing is particularly important on quasi-judicial matters, like planning or licensing.

More broadly, monitoring officers can offer advice to councillors. But the final decision about whether it is right to participate in discussion or voting remains one for elected members. Councillors should take decisions with full consciousness of the consequences of their actions. I hope the Localism Act has injected some common sense whilst allowing for genuine debate, freedom of speech and democratic representation.

I hope this is of assistance. Further to your suggestion in your original letter, I am placing this letter on my department's website in case it may assist councillors in other local authorities.

**BRANDON LEWIS MP**

Corporate Governance and Standards Committee Report

Report of the Managing Director (Chief Finance Officer)

Author: Claire Morris, Head of Financial Services

Tel: 01483 444827

Email: [claire.morris@guildford.gov.uk](mailto:claire.morris@guildford.gov.uk)

Lead Councillor responsible: Matt Furniss

Tel: 07891 022206

Email: [matt.furniss@guildford.gov.uk](mailto:matt.furniss@guildford.gov.uk)

Date: 30 March 2017

## Discussions with those charged with Governance

### Executive Summary

In carrying out their annual audit of the Council, Grant Thornton comply with the International Standards on Auditing (ISAs) as adopted by the UK Financial Reporting Council (FRC).

ISAs require the auditor to make inquiries of Those Charged With Governance (TCWG) to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity. These inquiries are made in part to corroborate the responses to the inquiries of management.

Grant Thornton has sent the Council a questionnaire setting out their inquiries of TCWG. Officers have prepared a response to the questionnaire, on behalf of the Chairman of this Committee. The questionnaire and the Council's proposed responses are set out in **Appendix 1**.

### Recommendation to Corporate Governance and Standards Committee

That the Committee approves the responses to Grant Thornton provided in the Discussions with Those Charged With Governance document at **Appendix 1**.

#### Reason for Recommendation:

To enable the Council's external auditors, Grant Thornton, to carry out their duties under the Local Audit and Accountability Act 2014, we are required to provide the auditors with the necessary assurances required under International Standards on Auditing (ISA), particularly, ISA 260, Communication with Those Charged with Governance.

### 1. Purpose of Report

- 1.1 The purpose of the report is to provide the necessary assurances to the Council's external auditor, Grant Thornton, as required under International Standards on Auditing (ISA) 260. The standards require that the auditors ask those people

charged with governance certain questions around internal control and the risk of fraud and error.

## **2. Strategic Framework**

- 2.1 The Council's Corporate Plan 2015-2020 includes the key priority of ensuring long-term financial stability and sound financial governance under the Your Council fundamental theme.

## **3. Background**

- 3.1 In carrying out their annual audit of the Council, Grant Thornton comply with the International Standards on Auditing (ISAs) as adopted by the UK Financial Reporting Council (FRC). Auditing standards for audits of financial statements include objectives for the auditor, together with requirements and related application and other explanatory material.
- 3.2 ISA 260, Communication with Those Charged with Governance, defines the objectives of the auditor which are to:
- (a) communicate clearly with those charged with governance the responsibilities of the auditor in relation to the financial statement audit, and an overview of the planned scope and timing of the audit
  - (b) obtain from those charged with governance information relevant to the audit
  - (c) provide those charged with governance with timely observations arising from the audit that are significant and relevant to their responsibility to oversee the financial reporting process
  - (d) promote effective two-way communication between the auditor and those charged with governance.
- 3.3 Those Charged with Governance (TCWG) is a term used to describe the body or people of an organisation with responsibility for overseeing the strategic direction of the organisation and obligations related to the accountability of the organisation. At Guildford Borough Council, the Council has delegated responsibility to the Corporate Governance and Standards Committee for overseeing the Council's governance arrangements.
- 3.4 Many of the ISAs require the auditor to discuss items with, and seek assurances from, management and TCWG. ISA 260 requires certain discussions with TCWG, to be documented as part of the audit.
- 3.5 The standards set out that the auditor shall communicate with TCWG an overview of the planned scope and timing of the audit and significant findings from the audit. The auditor shall communicate with TCWG:
- (a) the auditor's views about significant qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures.

- (b) significant difficulties, if any, encountered during the audit;
- (c) unless all of TCWG are involved in managing the entity:
  - (i) significant matters, if any, arising from the audit that were discussed, or subject to correspondence with management; and
  - (ii) written representations the auditor is requesting; and
- (d) other matters, if any, arising from the audit that, in the auditor's professional judgment, are significant to the oversight of the financial reporting process.

3.6 Unless all of TCWG are involved in managing the entity, the auditor shall obtain an understanding of how TCWG exercise oversight of management's processes for identifying and responding to the risks of fraud in the entity and the internal control that management has established to mitigate these risks. The auditor shall make inquiries of TCWG to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity. These inquiries are made in part to corroborate the responses to the inquiries of management.

3.7 Grant Thornton has sent the Council a questionnaire setting out their inquiries of TCWG. Officers have prepared a response to the questionnaire, on behalf of the Chairman of this Committee. The questionnaire and the Council's proposed responses are set out in **Appendix 1**. The Committee is asked to approve the Council's response.

#### **4. Financial Implications**

4.1 There are no financial implications to this report

#### **5. Legal Implications**

5.1 The Local Audit and Accountability Act 2014 states that the accounts of a relevant authority for a financial year must be audited:

- (a) in accordance with the Act and provisions made under it, and
- (b) by an auditor (a "local auditor") appointed in accordance with the Act or provision made under it.

5.2 A local auditor must, in carrying out the auditor's functions in relation to the accounts of a relevant authority, comply with the code of audit practice applicable to the authority that is for the time being in force. The current code of practice for UK Local Government is the Code of Audit Practice issued by the Audit Commission in 2010. The code adopts the International Standards on Auditing (ISAs) as issued by the FRC.

#### **6. Human Resource Implications**

6.1 There are no human resource implications to the report

**7. Conclusion**

- 7.1 International Standards on Auditing, ISAs, require the auditor to make inquiries of those charged with governance to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity. These inquiries are made in part to corroborate the responses to the inquiries of management.
- 7.2 Grant Thornton has sent the Council a questionnaire setting out their inquiries of TCWG. Officers have prepared a response to the questionnaire, on behalf of the Chairman of this Committee. The questionnaire and the Council's proposed responses are set out in **Appendix 1**. The Committee is asked to approve the Council's response.

**8. Background Papers**

None

**9. Appendices**

Appendix 1: Discussions with Those Charged with Governance



## Discussions with Those Charged with Governance

### Date

**Venue** Guildford Borough Council

### Present

Item	Description	Comment
a	Have you assessed the risk of material misstatement in the financial statements due to fraud?	<p>Yes Fraud risks are identified as part of each internal audit and in the internal audit planning process. Appropriate controls and checks are in place to assess that they are working as expected. Where there are potential problems with controls such as a lack of separation of duties due to limited resources we would expect to see mitigating management controls in place and the problem would be highlighted in the audit report. The results of each audit are fed into the audit planning database and the risk profile of the service is amended according to audit findings. The results of internal audits are reported to Corporate Governance and Standards Committee bi-annually. We audit high risk areas annually although experience has shown that problems are more likely to occur in the smaller outstations where local working practices become the norm and controls are relaxed.</p> <p>Areas perceived to be highest risk are Housing benefit, Council Tax Income, Business Rates and supplier fraud.</p> <p>Management and budgetary controls are designed to limit risk.</p> <p>Also Surrey Chief Accountants group, and Surrey Treasurers share fraud experiences which would highlight any potential fraud.</p> <p>Appropriate officers receive NFAN bulletins on a regular basis which alerts them to potential threats</p>

Item	Description	Comment
b	What are the results of this process?	No significant fraud has been identified for 16-17.
c	What processes do you have in place to identify and respond to the risks of fraud?	<p>Each department with financial responsibility has systems of internal control in place. The council is required to provide an annual governance statement to the Corporate Governance and Standards Committee that requires senior management to attest to the internal controls in place. The annual internal audit programme is reviewed by the Corporate Governance and Standards Committee and reports are presented on a regular basis to the committee.</p> <p>In addition, the Council has an officer Corporate Governance group which meets quarterly. The Head of Internal Audit attends the group along with the statutory officers and deputies. Any fraud issues, weaknesses in Internal Control and actions required to address issues are discussed as part of the agenda.</p>
d	Have any specific fraud risks, or areas with a high risk of fraud, been identified, and what has been done to mitigate these risks?	<p>There is always the risk of fraud within an organisation of the size and diversity of Guildford Borough Council. Fraud is included in the audit planning risk process. The risk register is based on value, volume, past history, staff turnover, political sensitivity and the level of change within the service. Fraud risks are identified as part of each audit and we audit high risk areas annually. Audit testing gives assurance that the appropriate controls and checks are in place and working as intended. Experience shows that fraud is more likely to occur in the smaller outstations where local working practices become the norm and controls are relaxed or circumvented. The audit plan includes a rolling programme of reviews of financial controls at the outstations. The other major area of risk is in areas where there is significant change and high staff turnover and we work closely with these services to ensure that any new systems or processes have the necessary control framework. . There are no specific areas that have been drawn to the attention of the Corporate Management Team and the Corporate Governance and Standards Committee.</p> <p>Areas perceived to be highest risk are Housing benefit, Council Tax Income, Business Rates, Right to buy Housing sales and supplier fraud but there is an increasing risk of money laundering frauds in the South East given the pressures on housing and the substantial right to buy discounts that are no available. We are tightening our controls in these areas to minimise the risks. Tenancy Fraud also seems to be increasing. To mitigate the risk we are working with the government’s Immigration and Enforcement Team and have arranged a series of training sessions for staff in Housing, Licensing and Customer Services on identifying tenancy fraud and money laundering. The training will be rolled out to other services in 2017-18.</p>

Item	Description	Comment
		Creditors are audited annually.
e	Are internal controls, including segregation of duties, in place and operating effectively?	We believe so. The constitution was revised during 14-15 to update the controls in place. A summary of internal audit reports for the first 6 months of the year shows that there were no significant or material control issues and the controls were working as expected. Any issues identified in these audits are being followed up by internal audit. An officer Corporate Governance Group is in place and meets quarterly which includes Monitoring Officer & Deputy, Head of Paid Service, Head of IA, and the two Deputy CFO's.
f	If not, where are the risk areas and what mitigating actions have been taken?	There is an effective control framework in place but the current economic climate means that staffing levels are kept to a minimum and there are sites where separation of duties cannot be enforced because of limited resources. In such cases, mitigating management controls are put in place and this is fed into the audit risk profile of the service. In addition, there have been a number of structural changes and service reviews within the Council and this always increases the risk that internal controls will be overlooked or degrade. We are aware of this risk and Internal Audit will work with managers in the relevant areas to ensure that appropriate operational and management controls are incorporated into any new processes or structures.
g	Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example, because of undue pressure to achieve financial targets)?	Not that we are aware of
h	Are there any areas where there is a potential for misreporting?	Not that we are aware of
i	How do you exercise oversight over management's processes for identifying and responding to risks of fraud?	The Corporate Governance and Standards Committee received regular internal audit progress reports and financial monitoring reports. In addition, the chairman and vic-chairman of the committee are regularly briefed if there are issues. The Council has a system of internal control established through the financial procedure rules. These set out the roles and responsibilities of officers in relation to fraud and financial management.

Item	Description	Comment
j	What arrangements are in place to report fraud issues and risks to the Audit Committee?	<p>Any significant incidents of fraud or internal control failures would be drawn to the attention of the Corporate Governance and Standards Committee. The Committee receives a summary of all audit work twice a year including investigations. The Chair of the Committee and the Lead Member for Governance are notified of all material incidents at the point of discovery. The reporting mechanism for reporting any frauds and subsequent investigations includes notifying:</p> <ul style="list-style-type: none"> <li>• the Managing Director</li> <li>• the Monitoring Officer</li> <li>• the relevant Directors and Head of Service</li> <li>• the Chair of the Corporate Governance and Standards Committee</li> <li>• the Lead Member for Governance</li> </ul> <p>In addition, the Council has a system of internal control established within the Financial Procedure rules and Code of Conduct, which sets out the roles and responsibilities of officers in relation to fraud and financial management.</p> <p>There is an officer corporate governance group which meets quarterly and for which minutes are prepared.</p>
k	How do you communicate and encourage ethical behaviour of staff and contractors?	<p>There are policies and procedures in place that set out the expectations of staff with regard to their conduct. Codes of Conduct for both officers and Councillors is included in the Council’s Constitution and given to new staff as part of a starter pack. There is a register of interests for staff held within HR to record any conflicts.</p> <p>Councillors, the Corporate Management Team and senior leaders complete declarations of interest as part of the annual related party transaction return, which are checked by the Principal Accountant. Professional Staff also have codes of conduct and ethical codes relating to their professional institutes.</p> <p>The Councillors register of interest is held by the monitoring officer and published on our website. The monitoring officer now reports a quarterly ethical update to the corporate governance and standards committee.</p>
l	How do you encourage staff to report their concerns about fraud?	<p>The Council has a whistleblowing policy, Fraud and Corruption Policy and an Anti-Bribery Policy. There is a Code of Conduct for both staff and Councillors and managers are encouraged to come forward with concerns and report any inappropriate behaviour.</p>

Item	Description	Comment
m	Have any significant issues been reported? Are you aware of any related party relationships or transactions that could give rise to risks of fraud?	No issues have been reported that we are aware of. Not that we are aware of.
n	Are you aware of any instances of actual, suspected or alleged fraud, either within the Council as a whole or within specific departments since 1 April 2016?	No
o	What arrangements do you have in place to prevent and detect non-compliance with laws and regulations?	The council has an internal control and governance framework (the constitution) in place to ensure that it operates in accordance with its legal and regulatory obligations. It also has a Legal Department in place to provide professional assistance. The Legal Services team subscribes to daily on-line and periodic hard copy updates on all aspects of the law which they deal with from time to time and attend formal training sessions on significant or topical developments in law. They arrange appropriate briefings for the relevant client service as necessary.  We are not aware of any areas on non-compliance with the Law. The complaints process is the main way of picking up any issues along with the corporate governance group and internal audit review. The Council also has a newly formed corporate procurement advisory panel which meets quarterly to review procurement practice and look at exemptions and breaches if there are any.  We did receive a complaint in relation to a recent tender exercise for the capital project at Guildford Museum however, the complainant did not tender for the works and therefore this was investigated under the council's complaints procedures. As part of the complaint investigation, we reviewed the procurement process for the project and the evaluation and award of the tenders and did not find any material issues.
p	How does management gain assurance that all relevant laws and regulations have been complied with?	All decisions made by the Council and its Executive require a report which is reviewed by both the legal team for compliance with laws, and the finance team to assess the accounting and cash flow impact of the decision. The Council's legal team are staffed with appropriately qualified staff, including fully qualified solicitors and are accredited by Lexcel. Legal services circulate a monthly newsletter providing an update for officers on any changes in legislation affecting their service area and the outcome of any recent legal cases

Item	Description	Comment
		showing how case law would be applied.
		Appropriate training is provided to both Councillors and Officers as necessary.
q	How are you provided with assurance that all relevant laws and regulations have been complied with?	The Corporate Governance and Standards Committee receives an annual governance statement that evidence compliance. There are periodic inspections from external agencies such as the ICO as well as internal audits. The outcomes from these inspections are reported to the Corporate Governance and Standards Committee.
r	Have there been any instances of non-compliance or suspected non-compliance with laws and regulation since 1 April 2016?	<p>The Council reported in its 2015-16 Annual governance statement that we were not fully compliant with the Openness of Local Government Bodies Regulations 2014 and the Government Transparency Code 2015. We believe this continues to be the case. In the case of the Openness of Local Government Bodies Regulations 2014, the Council does not currently publicly report decisions that have been made by Officers under delegated authority although the decisions would be available on request. Some of these decisions may be exempt from publication however, it is not clear that all decisions are exempt.</p> <p>In relation to the transparency code, the council reports the majority rather than all of the data that is mandated to be reported. In particular it has problems publishing contract details and spend against contracts. This is being addressed through the introduction and roll out of a new INTend e-tendering system which is now in place but has not operated fully over the course of the last year. The Corporate Procurement Advisory Panel is monitoring the situation and addressing an action plan to ensure full compliance in due course.</p> <p>Otherwise we believe we are compliant with the law and regulations. We anticipate that any breaches would be picked up through internal reviews and our complaints system. In relation to previous year issues around procurement the Council has made significant progress including:-</p> <ul style="list-style-type: none"> <li>• Full review and overhaul of our procurement procedure rules</li> <li>• introducing a new corporate procurement advisory panel to spread good practice, monitor compliance and review exempts and breaches</li> <li>• introduction of the new INTend e-tendering system which is currently being rolled out to all departments</li> </ul>

Item	Description	Comment
		<ul style="list-style-type: none"> <li data-bbox="806 351 1957 414">introduced a new procurement toolkit to provide advice and guidance to procuring managers and to ensure compliance</li> </ul> <p data-bbox="761 446 1957 510">Appropriate training is provided for all changes in accounting regulations. CIPFA membership ensures that the most recent Codes of Practice are purchased each year together with practitioner notes.</p> <p data-bbox="761 542 1957 638">The Legal Services team subscribes to daily on-line and periodic hard copy updates on all aspects of the law which they deal with from time to time and attend formal training sessions on significant or topical developments in law. They arrange appropriate briefings for the relevant client service as necessary</p>
s	What arrangements do you have in place to identify, evaluate and account for litigation or claims?	<p data-bbox="761 718 1957 845">The Council has a professional legal services team who deal with all claims and litigation, we also have a full insurance policy under which external lawyers would act on behalf of the Council in respect of public liability claims. Any claims would be notified to either the Insurance Manager or the legal team (or in many cases, both).</p> <p data-bbox="761 877 1957 973">The Council has a professional legal services team who deal with all claims and litigation. The legal services is accredited with Lexcel by the Law Society demonstrating excellence in practice management and client care. Lexcel also ensures appropriate risk management procedures are in place.</p>
t	Are there any actual or potential litigation or claims that would affect the financial statements?	<p data-bbox="761 1021 1957 1181">There are no potential legal claims that would affect the financial statements for 2016-17. As part of the discussions with Management, the council's statutory officers have provided an update to the audit team in relation to ongoing legal disputes with the Guildford Hackney Carriage Association and our previous pay by phone contractor. These disputes are very unlikely to result in any liability for the Council and in fact should result in the recovery of money.</p> <p data-bbox="761 1212 1957 1377">There is an on-going civil claim from the families of the victims of the GLive incident in 2013, against a number of parties, one of which is the council. The matter is being handled by the Council's insurers, and we do not believe it will result in any significant liability for the Council that is uninsured and would therefore affect the Council's financial statements. Management have provided the auditors with an update on this case following the November 2016 prosecution of the company which manufactured the door.</p>

<b>Item</b>	<b>Description</b>	<b>Comment</b>
u	Have there been any reports from other regulatory bodies, such as HMRC, which indicate non-compliance?	None during 2016-17



Corporate Governance and Standards Committee Report

Report of the Managing Director (Chief Finance Officer)

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Date: 30 March 2017

## External Audit Plan 2016-17

### Executive Summary

The Council's external auditors, Grant Thornton, have prepared their annual audit plan for 2016-17. The plan, which is attached as **Appendix 1**, details the programme of work that Grant Thornton intend to carry out during 2016-17, the approach they will adopt and significant risks that they will review as part of the audit. Pages 15 and 16 set out the interim audit work undertaken so far and the auditor's conclusions in respect of that work. Page 17 of the audit plan details the parts of the audit and the dates by which the work will be carried out. Page 18 details the fee that Grant Thornton will charge in respect of the external audit of the Council. The overall fee for the core audit is the same as the fee charged in 2015-16 and is within budget as reported to the Committee at its meeting on 16 June 2016.

### Recommendation to Corporate Governance and Standards Committee

That the Committee approves the external audit plan submitted by Grant Thornton, including the audit fee set out on page 18 of Appendix 1, and makes any comments it feels relevant.

#### Reason for Recommendation:

To enable the Committee to consider and comment on the planned audit fee, work programme and update report

### 1. Purpose of Report

- 1.1 This report provides a summary of the proposed external audit fee and the work programme for the audit of the 2016-17 accounts, value for money opinion and the grant certification work as set out in the audit plan attached at **Appendix 1**. Officers recommend that the Committee notes the fee and makes any comment that it feels relevant.

## **2. Strategic Framework**

- 2.1 The Your Council theme within the Corporate Plan 2015-20, sets out the Council's key priorities of improving value for money and efficiency in service delivery ensuring long-term financial stability and sound financial governance. The annual audit by Grant Thornton contributes to the achievement of those priorities.

## **3. Background**

- 3.1 When the external audit function transferred to private firms in 2012, the Audit Commission proposed that the scale fee (which covers the core audit) would be reduced by 40% and remains the same until the audit for 2016-17. The fee for the 2016-17 core audit will be £57,533; this is the same as the core audit fee for 2015-16. The audit plan contains details of the scope of work covered by the core audit fee.
- 3.2 The external auditor charges a separate fee for Grant Certification work. The indicative fee for 2016-17 is £24,999, which is an increase of £11,074 since 2015-16. The actual fee charged may vary from the indicative fee, depending on the level of work necessary to complete the grant certification work. The certification work covers the audit of the Housing Benefit Subsidy Claim and the increase in the fee reflects the increase in the level of work required following the qualification of the 2014-15 and 2015-16 claims.
- 3.3 Overall, there is a 15% increase in audit fees from £71,458 in 2015-16 to £82,532 in 2016-17.

## **4. Financial Implications**

- 4.1 There is budget provision in the 2016-17 estimates for the audit fees and the fees for other services provided by Grant Thornton.

## **5. Legal Implications**

- 5.1 The Local Audit and Accountability Act 2014, Section 4 (1), states that the accounts of a relevant authority for a financial year must be audited:
- a) in accordance with the Act and provision made under it, and
  - b) by an auditor (a "local auditor") appointed in accordance with the Act or provision made under it.
- 5.2 A local auditor must, in carrying out the auditor's functions in relation to the accounts of a relevant authority, comply with the code of audit practice applicable to the authority that is for the time being in force, (Section 19 Local Audit and Accountability Act 2014). The current code of practice for UK Local Government is the Code of Audit Practice issued by the National Audit Office (NAO). The code adopts the International Standards of Auditing (ISAs) as issued by the FRC.

- 5.3 ISA 260, Communication of audit matters with those charged with governance, requires the auditor to outline the audit strategy and plan to deliver the audit. The External Audit Plan at **Appendix 1** meets that requirement.

**6. Human Resource Implications**

- 6.1 There are no human resource implications to the report

**7. Conclusion**

- 7.1 The report outlines Grant Thornton's external audit plan for 2016-17. The audit fee has increased by £11,074 since 2015-16.

**8. Background Papers**

None

**9. Appendices**

Appendix 1: Grant Thornton: The Audit Plan for Guildford Borough Council year ended 31 March 2017

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# The Audit Plan for Guildford Borough Council

Year ended 31 March 2017

30 March 2017

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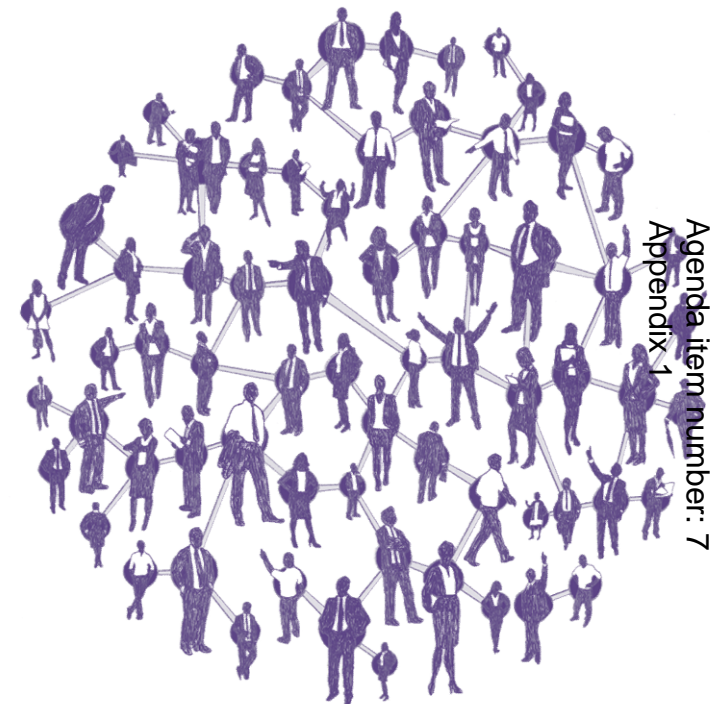
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Agenda item number: 7  
Appendix 1

30 March 2017

Dear Members of the Corporate Governance and Standards Committee

### **Audit Plan for Guildford Borough Council for the year ending 31 March 2017**

This Audit Plan sets out for the benefit of those charged with governance (in the case of Guildford Borough Council, the Corporate Governance and Standards Committee), an overview of the planned scope and timing of the audit, as required by International Standard on Auditing (UK & Ireland) 260. This document is to help you understand the consequences of our work, discuss issues of risk and the concept of materiality with us, and identify any areas where you may request us to undertake additional procedures. It also helps us gain a better understanding of the Council and your environment. The contents of the Plan have been discussed with management.

We are required to perform our audit in line with Local Audit and Accountability Act 2014 and in accordance with the Code of Practice issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General in April 2015. Our responsibilities under the Code are to:

- give an opinion on the Council's financial statements
- satisfy ourselves the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change. In particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We look forward to working with you during the course of the audit.

Yours sincerely

Elizabeth Jackson

Engagement Lead

#### **Chartered Accountants**

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# Understanding your business and key developments

## Developments

### Local developments

You are undertaking an extensive capital programme. This includes a number of regeneration and infrastructure projects that arise from both the Council's emerging town centre regeneration plan and the infrastructure investment list set out in the proposed submission local plan. Some of this expenditure involves acquiring land and buildings for the strategic purposes of regeneration, which once redeveloped may create investment and residential property.

In addition, you have recently set up a company, North Downs Housing Ltd (and a holding company Guildford Holdings Ltd) for the purpose of buying properties to let out on short term tenancies with the aim of increasing the amount and availability of quality housing that meets local needs at prices that are affordable to the target market.

You are continuing to explore devolution options in the local area, in particular within the framework of the 'Three Southern Counties' (3SC) proposal. While at this stage the precise formulation of any devolution agreement is unclear, this and other potential devolution options remain an area of ongoing focus for the Council.

## Key challenges

### Autumn Statement

The Chancellor detailed plans in the Autumn Statement to increase funding for Housing and Infrastructure, and further extend devolved powers to Local Authorities. No plans were announced to increase funding for adult social care. <https://grantthornton.jiveon.com/groups/autumn-statement-2014>

### Local challenges

There is a likely to be a further reduction in funding from central government and a knock-on impact from cuts to Surrey County Council's budget which in turn will affect Guildford Borough Council.

The Council has identified a cumulative gap of some £5.5m between projected resources and budgeted expenditure over the four years to 2019/20. There is the ongoing need to identify and deliver on savings required as part of your Medium Term Financial planning.

## Financial reporting changes

### CIPFA Code of Practice 2016/17 (the Code)

Changes to the Code in 2016/17 reflect aims of the 'Tell the Story' project, to streamline the financial statements to be more in line with internal organisational reporting and improve accessibility to the reader of the financial statements.

The changes affect the presentation of the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statements, segmental reporting disclosures and a new Expenditure and Funding Analysis note has been introduced. The Code also requires these amendments to be reflected in the 2015/16 comparatives by way of a prior period adjustment.

### Earlier closedown

The Accounts and Audit Regulations 2015 require councils to bring forward the approval and audit of financial statements to 31 July by the 2017/2018 financial year. We started to discuss this with officers in 2015/16 and will continue working with officers to ensure this deadline is met next year. We aim to have all fieldwork completed by the end of July 2017 with a draft report being issued to management shortly after.

## Our response

- We aim to complete all our substantive audit work of your financial statements by the end of July 2017.
- As part of our opinion on your financial statements, we will consider whether your financial statements accurately reflect the financial reporting changes in the 2016/17 Code.
- We will keep you informed of changes to the financial reporting requirements for 2016/17 through on-going discussions and invitations to our technical update workshops.



# Materiality

In performing our audit, we apply the concept of materiality, following the requirements of International Standard on Auditing (UK & Ireland) (ISA) 320: Materiality in planning and performing an audit. The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. An item does not necessarily have to be large to be considered to have a material effect on the financial statements. An item may be considered to be material by nature, for example, when greater precision is required (e.g. senior manager salaries and allowances).

We determine planning materiality (materiality for the financial statements as a whole determined at the planning stage of the audit) in order to estimate the tolerable level of misstatement in the financial statements, assist in establishing the scope of our audit engagement and audit tests, calculate sample sizes and assist in evaluating the effect of known and likely misstatements in the financial statements.

We have determined planning materiality based upon professional judgement in the context of our knowledge of the Council. In line with previous years, we have calculated financial statements materiality based on a proportion of the gross revenue expenditure of the Council. For purposes of planning the audit we have determined overall materiality to be £2,200k (being 2% of gross revenue expenditure). In the previous year, we determined materiality to be £2,209k (being 2% of gross revenue expenditure). Our assessment of materiality is kept under review throughout the audit process and we will advise you if we revise this during the audit.

Under ISA 450, auditors also set an amount below which misstatements would be clearly trivial and would not need to be accumulated or reported to those charged with governance because we would not expect that the accumulation of such amounts would have a material effect on the financial statements. "Trivial" matters are clearly inconsequential, whether taken individually or aggregate and whether judged by any criteria of size, nature or circumstances. We have defined the amount below which misstatements would be clearly trivial to be £110k.

ISA 320 also requires auditors to determine separate, lower, materiality levels where there are 'particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users'. We have not identified any items where separate materiality levels are appropriate.

Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK and Ireland) 320)

# Significant risks identified

An audit is focused on risks. Significant risks are defined by ISAs (UK and Ireland) as risks that, in the judgment of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Significant risk	Description	Audit procedures
<p><b>The revenue cycle includes fraudulent transactions</b></p>	<p>Under ISA (UK and Ireland) 240 there is a presumed risk that revenue streams may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Guildford Borough Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> <li>• there is little incentive to manipulate revenue recognition</li> <li>• opportunities to manipulate revenue recognition are very limited</li> <li>• the culture and ethical frameworks of local authorities, including Guildford Borough Council, mean that all forms of fraud are seen as unacceptable</li> </ul> <p>Therefore do not consider this to be a significant risk for Guildford Borough Council.</p>
<p><b>Management override of controls</b></p>	<p>Under ISA (UK and Ireland) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p>	<p><b>Work completed to date:</b></p> <ul style="list-style-type: none"> <li>• Review of journal entry process and selection of unusual journal entries (Months 1 to 7) for testing back to supporting documentation</li> <li>• Review of unusual significant transactions</li> </ul> <p><b>Further work planned:</b></p> <ul style="list-style-type: none"> <li>• Review of accounting estimates, judgments and decisions made by management</li> <li>• Review of journal entry process and selection of unusual journal entries for testing back to supporting documentation for Months 8 – 12</li> <li>• Review of unusual significant transactions</li> </ul>

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty." (ISA (UK and Ireland) 315) . In making the review of unusual significant transactions "the auditor shall treat identified significant related party transactions outside the entity's normal course of business as giving rise to significant risks." (ISA (UK and Ireland) 550)

# Other risks identified

Reasonably possible risks (RPRs) are, in the auditor's judgment, other risk areas which the auditor has identified as an area where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for an RPR or other risk is lower than that for a significant risk, and they are not considered to be areas that are highly judgmental, or unusual in relation to the day to day activities of the business.

Reasonably possible risks	Description of risk	Audit procedures
Operating expenses  Page 75	Year end creditors and accruals are understated or not recorded in the correct period.	<p><b>Work completed to date:</b></p> <ul style="list-style-type: none"> <li>• Identification of controls and walkthrough the operating system.</li> </ul> <p><b>Further work planned:</b></p> <ul style="list-style-type: none"> <li>• Search for unrecorded liabilities either side of the balance sheet date.</li> <li>• Test purchase orders system to identify accrued liabilities.</li> <li>• Gain understanding of the accruals process, review and test sample of accrued amounts.</li> </ul>
Employee remuneration	Employee remuneration accruals are understated	<p><b>Work completed to date:</b></p> <ul style="list-style-type: none"> <li>• Identification of controls and walkthrough the payroll system.</li> </ul> <p><b>Further work planned:</b></p> <ul style="list-style-type: none"> <li>• Reconcile payroll costs recognised on the system to the general ledger.</li> <li>• Perform trend analysis of movements in total employee costs and follow up unexpected movements.</li> <li>• Test a sample of changes to standing payroll information to ensure they are correctly reflected in the ledger.</li> <li>• Agree senior officers' remuneration and the components thereof to supporting evidence.</li> <li>• For pension fund liability, review basis of the scheme, evaluate the work of the actuary and test basis of recognition in the financial statements.</li> <li>• Review and test basis of liability recognised for termination benefits.</li> </ul>

"In respect of some risks, the auditor may judge that it is not possible or practicable to obtain sufficient appropriate audit evidence only from substantive procedures. Such risks may relate to the inaccurate or incomplete recording of routine and significant classes of transactions or account balances, the characteristics of which often permit highly automated processing with little or no manual intervention. In such cases, the entity's controls over such risks are relevant to the audit and the auditor shall obtain an understanding of them." (ISA (UK and Ireland) 315)

# Other risks identified (continued)

Other risks	Description of risk	Audit procedures
<p>Changes to the presentation of local authority financial statements</p>	<p>CIPFA has been working on the 'Telling the Story' project, for which the aim was to streamline the financial statements and improve accessibility to the user and this has resulted in changes to the 2016/17 Code of Practice.</p> <p>The changes affect the presentation of income and expenditure in the financial statements and associated disclosure notes. A prior period adjustment (PPA) to restate the 2015/16 comparative figures is also required.</p>	<p><b>Work completed to date:</b></p> <ul style="list-style-type: none"> <li>We have documented and evaluated the process for the recording the required financial reporting changes to the 2016/17 financial statements.</li> <li>We have reviewed the re-classification of the Comprehensive Income and Expenditure Statement (CIES) comparatives to ensure that they are in line with the Authority's internal reporting structure.</li> <li>We have reviewed the appropriateness of the revised grouping of entries within the Movement In Reserves Statement (MIRS).</li> </ul> <p><b>Further work planned:</b></p> <ul style="list-style-type: none"> <li>We will test the classification of income and expenditure for 2016/17 recorded within the Cost of Services section of the CIES.</li> <li>We will test the completeness of income and expenditure by reviewing the reconciliation of the CIES to the general ledger.</li> <li>We will test the classification of income and expenditure reported within the new Expenditure and Funding Analysis (EFA) note to the financial statements.</li> <li>We will review the new segmental reporting disclosures within the 2016/17 financial statements to ensure compliance with the CIPFA Code of Practice.</li> </ul>
<p>Valuation of surplus assets and investment property / revaluation measurements not correct</p>	<p>The CIPFA Code of Practice implemented IFRS 13 for the 2015/16 financial statements. 2015/16 was the first year in which the Council was required to include surplus assets within property, plant and equipment and investment property in its financial statements at fair value, as defined by IFRS 13.</p> <p>While no errors were identified in its application by the Council in 2015/16 (either in terms of valuation or disclosure requirements), the continued presence of highly material investment property balances (and surplus assets) and the extent of judgement involved in these valuations means this continues as an area of focus.</p> <p>In addition, while not all properties fall within the scope of IFRS 13, the Council revalue land and buildings and investment properties on an annual basis to ensure that carrying value is not materially different from fair value. This represents a significant estimate by management in the financial statements.</p>	<p><b>Work completed to date:</b></p> <ul style="list-style-type: none"> <li>We have identified the controls put in place by management to ensure that the revaluation process does not give rise to a material misstatement.</li> <li>We have considered the competence, expertise and objectivity of the valuation experts who will be carrying out your revaluation.</li> </ul> <p><b>Further work planned:</b></p> <ul style="list-style-type: none"> <li>Review of management's processes and assumptions for the calculation of the estimate.</li> <li>Review of the instructions issued to valuation experts and the scope of their work.</li> <li>Discussions with the valuer about the basis on which the valuation is carried out and challenge of the key assumptions.</li> <li>Review and challenge of the information used by the valuer to ensure it is robust and consistent with our understanding.</li> <li>Testing of revaluations made during the year to ensure they are input correctly into the Council's asset register.</li> <li>Review of the disclosures made by the Council in its financial statements to ensure they are in accordance with the requirements of the CIPFA Code of Practice and IFRS 13.</li> </ul>

## Other risks identified (continued)

Other risks	Description	Audit procedures
Valuation of pension fund net liability	The Council's pension fund asset and liability as reflected in its balance sheet represent a significant estimate in the financial statements.	<p><b>Work planned:</b></p> <ul style="list-style-type: none"> <li>• We will identify the controls put in place by management to ensure that the pension fund liability is not materially misstated. We will also assess whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement.</li> <li>• We will review the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. We will gain an understanding of the basis on which the valuation is carried out.</li> <li>• We will undertake procedures to confirm the reasonableness of the actuarial assumptions made.</li> <li>• We will review the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary.</li> <li>• We will seek to place reliance on work performed by the pension fund auditor on the inputs into the valuation.</li> </ul>

# Other risks identified (continued)

## Going concern

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK and Ireland) 570). We will review the management's assessment of the going concern assumption and the disclosures in the financial statements.

## Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in the previous sections but will include:

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- Welfare benefit expenditure
- Heritage assets
- Cash and cash equivalents
- Trade and other receivables
- Borrowings and other liabilities (long and short term)
- Provisions
- Useable and unusable reserves
- Movement in Reserves Statement and associated notes
- Statement of cash flows and associated notes
- Financing and investment income and expenditure
- Taxation and non-specific grants
- New note disclosures
- Officers' remuneration note
- Leases note
- Related party transactions note
- Capital expenditure and capital financing note
- Financial instruments note
- Housing Revenue Account and associated notes
- Collection Fund and associated notes

# Value for Money

## Background

The Code requires us to consider whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VfM) conclusion.

The National Audit Office (NAO) issued its guidance for auditors on value for money work for 2016/17 in November 2015. The guidance states that for local government bodies, auditors are required to give a conclusion on whether the Council has proper arrangements in place.

The guidance identifies one single 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.*

This is supported by three sub-criteria as set out opposite:

Sub-criteria	Detail
Informed decision making	<ul style="list-style-type: none"> <li>Acting in the public interest, through demonstrating and applying the principles and values of sound governance</li> <li>Understanding and using appropriate cost and performance information (including, where relevant, information from regulatory/monitoring bodies) to support informed decision making and performance management</li> <li>Reliable and timely financial reporting that supports the delivery of strategic priorities</li> <li>Managing risks effectively and maintaining a sound system of internal control</li> </ul>
Sustainable resource deployment	<ul style="list-style-type: none"> <li>Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions</li> <li>Managing and utilising assets effectively to support the delivery of strategic priorities</li> <li>Planning, organising and developing the workforce effectively to deliver strategic priorities.</li> </ul>
Working with partners and other third parties	<ul style="list-style-type: none"> <li>Working with third parties effectively to deliver strategic priorities</li> <li>Commissioning services effectively to support the delivery of strategic priorities</li> <li>Procuring supplies and services effectively to support the delivery of strategic priorities.</li> </ul>

# Value for Money (continued)

## **Risk assessment**

We have carried out an initial risk assessment based on the NAO's auditor's guidance note (AGN03). In our initial risk assessment, we considered:

- our cumulative knowledge of the Council, including work performed in previous years in respect of the VfM conclusion and the opinion on the financial statements
- the findings of other inspectorates and review agencies.
- any illustrative significant risks identified and communicated by the NAO in its Supporting Information.
- any other evidence which we consider necessary to conclude on your arrangements.

We have identified significant risks which we are required to communicate to you. These are set out overleaf.

## **Page 8 Reporting**

The results of our VfM audit work and the key messages arising will be reported in our Audit Findings Report and in the Annual Audit Letter.

We will include our conclusion in our auditor's report on your financial statements which we will give by 30 September 2017.



# Value for Money (continued)

We set out below the significant risks we have identified as a result of our initial risk assessment and the work we propose to address these risks.

Significant risk	Link to sub-criteria	Work proposed to address
<p><b>Medium term financial planning</b></p> <p>The Council has identified a cumulative gap of some £7.1m between projected resources and budgeted expenditure over the four years to 2020/21. In part this relies on continuing to deliver the budgeted level of savings from existing projects.</p> <p>The Council has identified a need for longer term transformation of service delivery to be able to deliver sustainable services in the period covered by the medium term financial strategy.</p>	<p>This links to the Council's arrangements for planning finances effectively to support the sustainable delivery of strategic priorities and using appropriate cost and performance information to support informed decision making.</p>	<p>We will review the project management and risk assurance frameworks established by the Council to establish how it is identifying, managing and monitoring these risks.</p>
<p><b>General Fund capital programme</b></p> <p>The Council has approved a General Fund Capital Programme for the five years to 2021/22. This is an area of considerable spend, with a net cost to the Council of £125 million, and involves decision making against a backdrop of many variables. The execution and timing of capital expenditure may also have revenue implications.</p> <p>In previous Value for Money reviews we have identified recurring capital underspends. While to some extent this can be attributed to inherent uncertainties and complexities in capital investment (such as the availability of appropriate investment properties, negotiations with multiple stakeholders) the Council needs to assure itself that its assumptions in setting capital programmes are realistic, and that the Council has sufficient staff capacity for monitoring this effectively based on accurate information and reasonable assumptions.</p>	<p>This links to the Council's arrangements for planning finances effectively to support the sustainable delivery of strategic priorities and using appropriate cost and performance information to support informed decision making.</p>	<p>We will review the Council's capital programme to establish the arrangements the Council has in place to realistically forecast and monitor capital expenditure and associated revenue implications.</p>

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# Other audit responsibilities

In addition to our responsibilities under the Code of Practice in relation to your financial statements and arrangements for economy, efficiency and effectiveness we have a number of other audit responsibilities, as follows:

- We will undertake work to satisfy ourselves that the disclosures made in your Annual Governance Statement are in line with CIPFA/SOLACE guidance and consistent with our knowledge of the Council.
- We will read your Narrative Statement and check that it is consistent with the financial statements on which we give an opinion and that the disclosures included in it are in line with the requirements of the CIPFA Code of Practice.
- We will carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO instructions to auditors, if required.
- We consider our other duties under the Act and the Code, as and when required, including giving electors the opportunity to raise questions about your financial statements and consider and decide upon any objections received in relation to the financial statements.
- We certify completion of our audit.

# Results of interim audit work

The findings of our interim audit work, and the impact of our findings on the accounts audit approach, are summarised in the table below:

	Work performed	Conclusion
<b>Internal audit</b>	<p>We have completed a high level review of internal audit's overall arrangements. Our work has not identified any issues which we wish to bring to your attention</p> <p>We have also reviewed internal audit's work on the Council's key financial systems to date. We have not identified any significant weaknesses impacting on our responsibilities.</p>	<p>Overall, we have concluded that the internal audit service provides an independent and satisfactory service to the Council and that internal audit work contributes to an effective internal control environment</p> <p>Our review of internal audit work has not identified any weaknesses which impact on our audit approach.</p>
<b>Entity level controls</b> Page 83	<p>We have obtained an understanding of the overall control environment relevant to the preparation of the financial statements including:</p> <ul style="list-style-type: none"> <li>• Communication and enforcement of integrity and ethical values</li> <li>• Commitment to competence</li> <li>• Participation by those charged with governance</li> <li>• Management's philosophy and operating style</li> <li>• Organisational structure</li> <li>• Assignment of authority and responsibility</li> <li>• Human resource policies and practices</li> </ul>	<p>Our work has identified no material weaknesses which are likely to adversely impact on the Council's financial statements</p>
<b>Review of information technology controls</b>	<p>We performed a high level review of the general IT control environment, as part of the overall review of the internal controls system.</p> <p>IT (information technology) controls were observed to have been implemented in accordance with our documented understanding.</p>	<p>Our work has identified no material weaknesses which are likely to adversely impact on the Council's financial statements</p> <p>It is noted that in our prior year Audit Findings Report, 4 control recommendations were made with respect to IT general controls. None of the control deficiencies identified in 15/16 were deemed to be material weaknesses. Therefore we will follow up on progress in implementing these recommendations as part of our year end audit and reported within the Audit Findings Report for 16/17.</p>

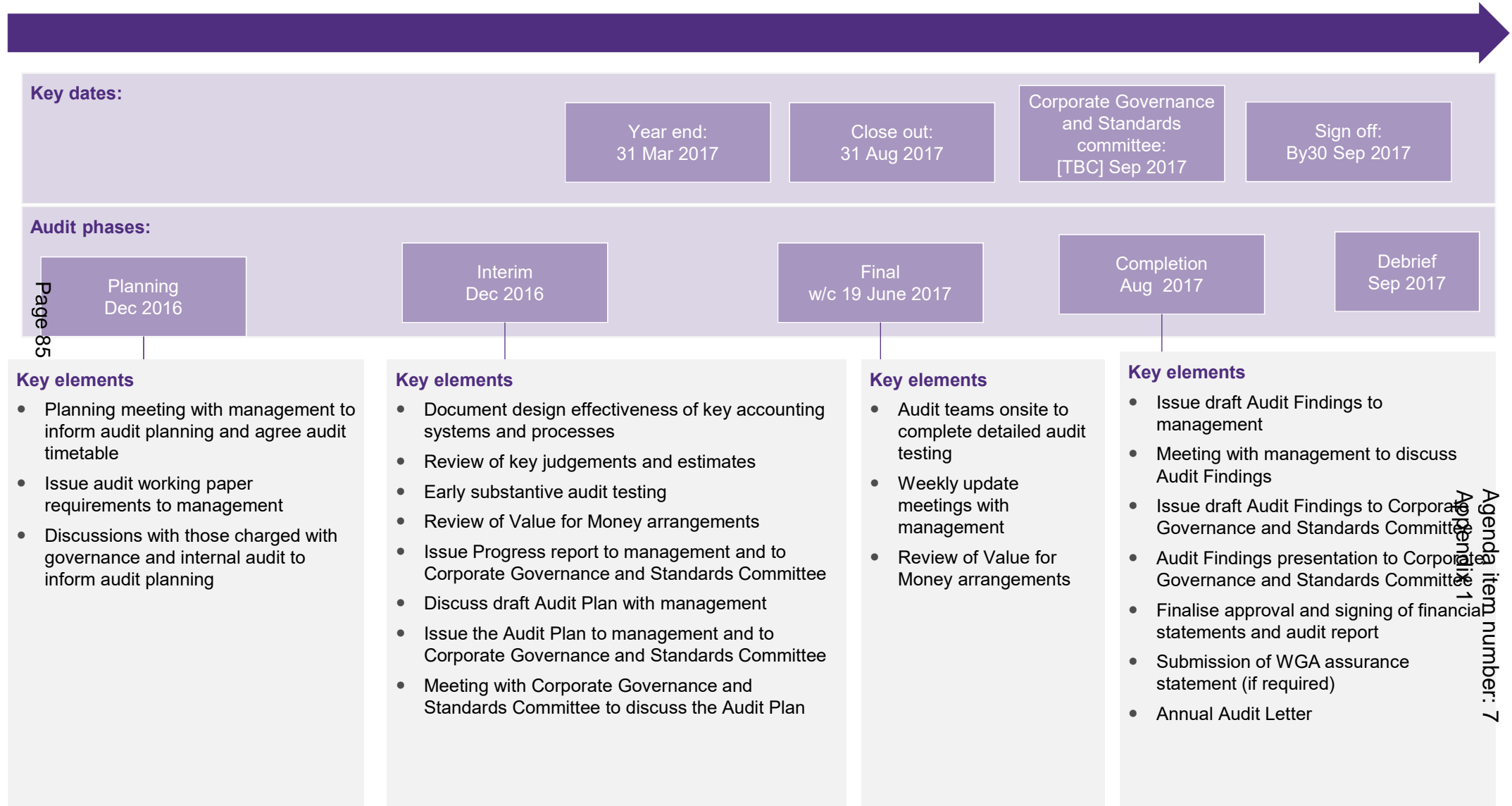
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# Results of interim audit work (continued)

	Work performed	Conclusion
<b>Walkthrough testing</b>	<p>We have completed walkthrough tests of the Council's controls operating in areas where we consider that there is a risk of material misstatement to the financial statements.</p> <p>Our work has not identified any issues which we wish to bring to your attention. Internal controls have been implemented by the Council in accordance with our documented understanding.</p>	Our work has not identified any weaknesses which impact on our audit approach.
<b>Journal entry controls</b>	<p>We have reviewed the Council's journal entry policies and procedures as part of determining our journal entry testing strategy and have not identified any material weaknesses which are likely to adversely impact on the Council's control environment or financial statements.</p> <p>To date we have undertaken detailed testing on journal transactions recorded for the first seven months of the financial year, by extracting 'unusual' entries for further review. No issues have been identified that we wish to highlight for your attention.</p>	No issues were identified from our testing. 'Large and unusual' journal testing for Months 8-12 will be performed as part of our final accounts visit.
<b>Early substantive testing</b>	<p>We have performed early substantive testing (Months 1-7) for the following transaction streams:</p> <ul style="list-style-type: none"> <li>• Operating expenses</li> <li>• Other Revenues</li> <li>• Payroll</li> </ul>	No issues were identified from our testing. Transaction testing for Months 8-12 will be performed as part of our final accounts visit.

# The audit cycle

## The audit timeline



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# Audit Fees

## Fees

	£
Council audit	57,533
Grant Certification	24,999
<b>Total audit fees (excluding VAT)</b>	<b>82,532</b>

## Our fee assumptions include:

- Supporting schedules to all figures in the accounts are supplied by the agreed dates and in accordance with the agreed upon information request list
- The scope of the audit, and the Council and its activities, have not changed significantly
- The Council will make available management and accounting staff to help us locate information and to provide explanations
- The accounts presented for audit are materially accurate, supporting working papers and evidence agree to the accounts, and all audit queries are resolved promptly.

## Grant certification

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

## Fees for other services

Fees for other services detailed on the following page, reflect those agreed at the time of issuing our Audit Plan. Any changes will be reported in our Audit Findings Report and Annual Audit Letter.

### What is included within our fees

- A reliable and risk-focused audit appropriate for your business
- Invitations to events hosted by Grant Thornton in your sector, as well as the wider finance community
- Ad-hoc telephone calls and queries
- Technical briefings and updates

# Independence and non-audit services

Ethical Standards and ISA (UK and Ireland) 260 require us to give you timely disclosure of matters relating to our independence. In this context, we disclose the following to you:

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

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

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to Client Name. The following audit related and non-audit services were identified for the Council for 2016/17:

## Fees for other services

Service	Fees £	Planned outputs
<b>Audit related</b>		
Grant Certification	1,500	Audit Report on the Certification of Financial Claims and Returns: Pooling Housing Receipts
<b>Non-audit related</b>	N/A	N/A

The amounts detailed are fees agreed to-date for audit related and non-audit services (to be) undertaken by Grant Thornton UK LLP (and Grant Thornton International Limited network member Firms) in the current financial year. Full details of all fees charged for audit and non-audit services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.

The above services are consistent with the Council's policy on the allotment of non-audit work to your auditors.

# Communication of audit matters with those charged with governance

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

This document, The Audit Plan, outlines our audit strategy and plan to deliver the audit, while The Audit Findings will be issued prior to approval of the financial statements and will present key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via a report to the Council.

## Respective responsibilities

As an auditor we are responsible for performing the audit in accordance with ISAs (UK and Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

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

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

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

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

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

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

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Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Director of Resources

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Date: 30 March 2017

## 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 – January 2017.

At the end of January 2017, officers are projecting a reduction in net expenditure on the general fund revenue account of £3.03 million (representing 1.98% of the Council's gross budget, or 7.29% of its original net budget). 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 £11.76 million to the new build reserve and reserve for future capital at year-end. The transfer is £263,000 higher than budgeted.

Officers are making progress against significant capital projects on the approved programme as outlined in section 7. The Council expects to spend £54.78 million on its capital schemes by the end of the financial year. The expenditure is higher than it has been for many years and demonstrates substantial progress in delivering the Council's capital programme.

The Council's underlying need to borrow to finance the capital programme is expected to be £40.79 million by 31 March 2017, against an estimated position of £80.81 million. The lower underlying need to borrow is a result of slippage on both the approved and provisional capital programme as detailed in paragraphs 7.3 to 7.6 of this report.

The Council held £146.3 million of investments and £232.4 million of external borrowing at 31 January 2017, which includes £194 million of Housing Revenue Account loans. 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 January 2017 and makes any comments it feels appropriate.

#### Reason 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 January 2017.

## **2. Strategic Priorities**

- 2.1 Councillors have reviewed and adopted an ambitious corporate plan for the period 2015-2020. The plan includes many significant projects and aspirations that will challenge us financially. Monitoring of our financial position during the course of the financial year is a critical part of our management of resources that will ultimately support delivery of the corporate plan.

## **3 Background**

- 3.1 The Council regularly undertakes financial monitoring in a number of ways:
  - (a) two types of general fund revenue budget monitoring report; a full monitor for periods 3, 6, 8 and 10 and a shorter monitor for the other periods (except April) covering key service areas (Industrial Estates, Investment Property, Development Control, Major Projects, Planning Policy, Off Street Parking, Refuse and Recycling, Parks and Countryside). This report covers the period to January 2017 (period 10) 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 Corporate Management Team (CMT), Chief Finance Officer and deputies, and officer capital programme monitoring

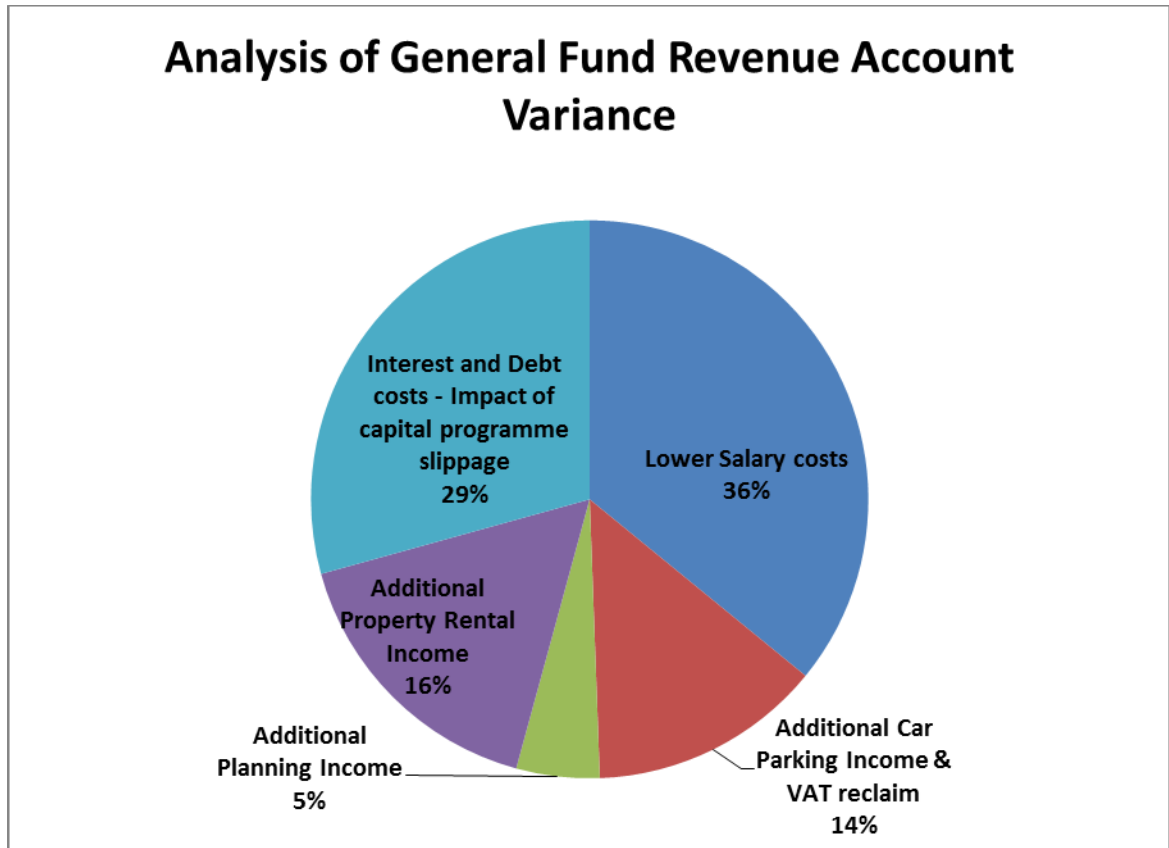
group. Councillors receive the key service area monitoring reports by e-mail. Financial monitoring for all services is reported to this Committee on a regular basis.

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 January 2017. Officers have prepared the projected outturn on a combination of ten months' actual and accrued data.
- 4.2 **Appendix 2** shows detailed information for each service split between direct expenditure and income and indirect costs. 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 £2.99 million lower than the latest estimate. There are items within the contributions to reserves that reverse figures within the service units. When these adjustments are taken into account, the projected outturn is £2.88 million lower than the latest estimate.
- 4.4 Net external interest receivable is £571,290 higher than estimate. The major reason for the additional projected interest is the level of balances being higher than anticipated (due to slippage on the capital programme) 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 £3.03 million lower than estimate. A chart showing the main reasons for the variance is shown below



4.7 The table below shows the supplementary estimates and virements approved to date.

#### Supplementary Estimates 2016-17

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

#### Virement Record 2016-17

Service/Description	Approved by	Date of Approval	Value
Mayor's theme	Claire Morris	26 May 2016	£20,000
Housing Benefit audit fee	Claire Morris	15 June 2016	£11,000
Major Projects GOTCHA study (transport modelling)	Claire Morris	21 July 2016	£28,000
Transfer of Info. Rights budget from Resources to Corporate Directorate	Claire Morris	28 July 2016	£56,150
Annual valuation fees	Claire Morris/Steve White	26 October 2016	£40,000

Legal Services	Managing Director in consultation with Lead Councillors	10 November 2016	£185,000
Taxi Services (wheelchair licence reduction in fee income)	Claire Morris	1 December 2016	£3,000
Wey Valley Bowls Club	Claire Morris	7 December 2016	£27,000
Corporate Services (consultancy costs)	Managing Director in consultation with Lead Councillors	22 December 2016	£50,000
Major Projects (consultancy)	Claire Morris/Tracey Colman	5 January 2017	£57,000
<b>TOTAL</b>			<b>£477,150</b>

- 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:

	<b>2016-17 Estimate (£)</b>	<b>2016-17 Projection (£)</b>	<b>Variance (£)</b>
BRRS – tariff	28,293,585	28,293,585	0
BRRS – payment to pool re levy	573,021	532,354	(40,667)
Contn to Invest to Save Reserve	573,021	532,354	(40,667)
Contn to BRRS equalisation reserve	1,146,042	1,325,914	179,872
	<b>30,585,669</b>	<b>30,684,207</b>	<b>98,538</b>
BRRS – s31 grant	(445,826)	(544,364)	(98,538)
BRRS – retained income	(33,119,866)	(33,119,866)	0
<b>BRRS – net position</b>	<b>(2,980,023)</b>	<b>(2,980,023)</b>	<b>0</b>

- 4.9 The table above shows a decrease in our payment to the pool and contribution to the Invest to Save Reserve, because we think that business rate income will be lower 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 increased 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)
<b>Community Services</b>		
Affordable Housing (vacant post pending restructure)		(27)
EMI Services (loss of grant support)	75	
Community Meals and Transport (restructure savings/grant support)		(58)
Private Sector Housing (vacant posts)		(71)
<b>Corporate Services</b>		
Corporate Services (bank charges, legal expenses, recruitment costs)	49	
Electoral Registration (grant support)		(36)
Committee Services (vacancies, restructuring)		(44)
<b>Development Directorate</b>		
Industrial Estates (acquisition and rent reviews)		(133)
Building Control (agency costs/income)	31	
Investment Property – target exceeded		(334)
Planning Policy (salaries and consultants, and grant support)		(227)
<b>Environmental Directorate</b>		
On-Off Street Parking (additional income, maintenance deferral, VAT refund)		(579)
Crematorium (employee related saving pending restructure)		(73)
Guildford House/Guildhall (re-profiling of roofing work, growth bid slippage)		(161)
Street Cleansing (vacancies net of agency costs, contractor costs)		(115)
Refuse and Recycling (grant support and commercial income)		(125)
Roads and Footpaths Maintenance (repairs and engineer charges)	49	
Parks and Countryside (staffing restructure, repair and maintenance, change in contract arrangements)		(57)



	Higher net cost (£000)	Lower net cost (£000)
<b>Resources Directorate</b>		
ICT (vacancies, staff restructure)		(184)
Insurance Revenue Account (lower than anticipated premiums)		(32)
Climate Change Team (vacant post and growth bid slippage)		(97)
<b>Managing Director</b>		
Audit, Performance and Transformation services (vacant posts)		(297)

## 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 January 2017. The report shows that HRA gross service expenditure is projected to outturn at 98.6% of the budgeted level, whilst income is projected to be 100.3% of the budgeted level. The projected outturn would enable a transfer of around £11.76 million to the new build reserve and the reserve for future capital. The principal variations are:

- 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 £128,000 higher than budgeted.
- It is projected that employee related expenditure; net of temporary staffing, vacancy credit and redundancy costs will result in a saving against budget of £252,000.
- Focus remains on carrying out planned rather than responsive maintenance, facilitated by the benefits accruing from past levels of expenditure on planned capital and revenue maintenance works. Historically a lower than budgeted level of repair and maintenance expenditure has resulted. We are currently projecting a saving of around 1.5%.
- 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 a review and an updated business plan will be submitted reflecting constraints placed on the HRA by changes in the Housing and Planning, and Welfare Reform and Work Acts.

5.2 Tenancy arrears remain stable and are consistent with the assumptions contained in the business plan. Particular attention is paid to introductory tenancies (of less than 12 months), as such tenants 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 £194 million, and a small amount (£10 million) for the General Fund. During the year so far, due to lower than anticipated 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 10.

Loan type		Balance 01 April 16 £000	New loans £000	Loans repaid £000	Balance 31 Jan 17 £000	Weighted average rate of
<b>PWLB</b>						3.09%
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%
<b>Total long-term Loans</b>		<b>203,585</b>	<b>0</b>	<b>(115)</b>	<b>203,470</b>	
Temporary Loans		34,500	64,300	(69,800)	29,000	0.46%
<b>Total Loans</b>		<b>238,085</b>	<b>64,300</b>	<b>(69,915)</b>	<b>232,470</b>	

### 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 £1.79 million. The gross cash balances representing the Council's reserves and working balances at 31 January 2017 available for investment were £146.3 million and net of short-term borrowing £117.3 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 £5.30 million.
- 6.7 Net interest receivable was budgeted at £929,000 and is projected to be £1.5 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 January 2017 was 1.225% 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 January 2017.

Investment	Balance 01 April 16 £000	New investments £000	Investments matured £000	Change in capital value £000	Balance 31 Jan 17 £000	Weighted average rate of interest
<u>Investment Funds</u>						
Payden & Rygel	5,000	0	0	19	5,019	0.58%
CCLA	6,553	0	0	(242)	6,311	6.10%
Aberdeen (SWIP)	1,798	0	0	46	1,844	0.59%
M&G	2,026	0	0	571	2,597	2.80%
Schroders	824	0	0	89	913	7.22%
Funding Circle	653	300	0	(2)	951	6.77%
UBS	2,349	0	0	20	2,369	2.82%
City Financial	2,335	0	0	126	2,461	2.73%
<u>In- House Investments:</u>						
Call Accounts	3,053	33,378	(33,367)	0	3,063	0.44%
Money Market Funds	9,740	222,124	(211,790)	0	20,074	0.42%
Notice Accounts	22,000	0	(9,000)	0	13,000	0.60%
Temporary Fixed Deposits	47,000	38,000	(56,000)	0	29,000	0.85%
Certificates of Deposit	9,000	2,000	(9,000)	0	2,000	0.80%
Unsecured bonds	6,016	20,537	(16,576)	0	9,977	0.91%
Long Term Covered Bonds	16,936	14,350	(3,550)	(0)	27,736	0.93%
Long Term Fixed Deposits	9,500	7,000	0	0	16,500	1.47%
Revolving Credit Facility	0	2,500	0	0	2,500	2.41%
<b>Total Investments</b>	<b>144,782</b>	<b>340,189</b>	<b>(339,283)</b>	<b>626</b>	<b>146,315</b>	

- 6.11 Some of our externally managed funds have seen a fall in their capital values since inception. The falls are indicative of wider financial market movements over the same period. 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 Finance 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.

	<b>2016-17 approved (£000)</b>	<b>2016-17 actual to date (£000)</b>
<b>Net debt</b>		
Upper limit on fixed interest rates	198,650	123,881
Upper limit on variable interest rates	(25,870)	(38,459)

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%	16%	-4%
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%	73%	-27%

- 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 £46.9 million of longer-term investments, of which £27.6 million was in covered bonds.

## 7 Capital Programmes

- 7.1 **Appendices 5 to 9** 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 £47.805 million in 2016-17 representing a £11.75 million variance to the revised estimate of £59.56 million. If a project is on the approved programme, it is an indicator that the project has started or is near to starting following the approval of a final business case by Executive. Whilst actual expenditure for the period of £31.6 million may seem low, a number of significant projects are in progress. These include:

- ED30 - Home Farm, provision of traveller pitches (£328,000) - work is progressing on this scheme which is now due to complete in 2017-18, as a consequence, £655,000 expenditure has been carried forward into 2017-18

- Investment in North Downs Housing Ltd (£2.8 million) – the company is on course to acquire six properties by year end
- PL11 - Spectrum roof replacement and steel works (£650,000) work is progressing on this scheme, which is scheduled for completion in 2017-18. £2.1 million expenditure originally due to be incurred in 2016-17 has been carried forward into 2017-18
- FS1 – capital contingency fund – there is £3.6 million remaining in the fund
- ED25 – Guildford Park infrastructure works (£2 million) - this scheme received planning consent in November 2016 and initial works are progressing however, £4.5million will be carried forward in to 2017-18. A significant amount of the cost of this project is still on the provisional capital programme awaiting final business case approval.
- ED16 – Slyfield area Regeneration Project (SaRP) (£1.9 million) - work is progressing on the detailed design, pre-planning and site investigation work for this scheme to inform the final business case which will be brought forward for approval in 2017-18. The budget for the full scheme is still on the provisional capital programme. Subject to business case approval, the scheme is scheduled for completion in 2026-27.
- P5 – Walnut bridge (£305,000) – work is progressing on this scheme which is scheduled to complete in 2018-19, £2.3million expenditure originally due to be incurred in 2016-17 will be carried forward into 2017-18
- PL9 – Crematorium rebuild (£527,000) – work is progressing on this scheme which is scheduled for completion in 2019-20
- Woodbridge road sportsground (£750,000) - – work is progressing on this scheme which is scheduled for completion in 2017-18

7.4 In addition to the schemes outlined above, the following significant amounts that were due to be spent on schemes or projects in 2016-17 will now be carried forward into 2017-18 or future years:

- P9(c) - Bedford Wharf site assembly (£17 million) – acquisitions required for the development site have not progressed as quickly as anticipated
- PL25 – Spectrum combined heat and power plant (£857,000) work has just started on this project which will now complete in 2017-18

#### Provisional programme (Appendix 5)

7.5 Expenditure on the provisional programme is expected to be £2.8 million, against the revised estimate of £49.1 million, representing a variance of £46 million. These projects are still at feasibility stage and will be subject to Executive approval of a business case before they are transferred to the approved capital programme. It is only once the business case is approved that the capital works can start. Monitoring progress of these projects is key to identifying project timescales. The significant projects are:

- ED32(p) - Clay Lane Link Road, £1.0 million is expected to be spent on phase 1 in 2016-17, the remaining £9.3 million cost of the scheme will be carried forward into 2018-19

7.6 A number of projects, that were anticipated to start in 2016-17 have been re-profiled into future years including:

- North Street development site assembly (£21 million), the Council has entered into an exclusivity agreement with M&G with a view to drawing up heads of terms and entering into a development agreement. It is anticipated that site assembly will not start until 2018-19.
- P6(p) - Guildford Riverside Route phase 2&3 (£2.4 million)
- Transport schemes via Local Growth Fund (£4 million)
- PL16(p) – new burial ground acquisition and development (£1.7 million), site acquisition has been delayed until 2017-18

#### S106 (Appendix 6)

- 7.7 Capital schemes funded from s106 developer contributions is expected to total £873,000.

#### Reserves (Appendix 7)

- 7.8 Capital schemes funded from the Council's specific reserves. The outturn is anticipated to be £3.3 million. The main projects are:
- expenditure on car parks £918,000
  - ICT renewals £891,000

#### Capital resources (Appendix 8)

- 7.9 When the Council approved the budget, the estimated underlying need to borrow for 2016-17 was £80.8 million. The current estimated underlying need to borrow is £40.79 million. The reduction is due to slippage in the programme where schemes are being rolled forward into 2017-18.

#### Housing Investment Programme capital (Appendix 9)

- 7.10 The HRA approved capital programme is expected to outturn at £11.59 million against an estimate of £13.86 million. The difference being the transfer of expenditure on garage sites to 2017-18.
- 7.11 The provisional programme's budget was £6 million with £nil 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 Finance 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 January for the 2016-17 financial year.

13.2 At the end of January, officers were projecting a reduction in net expenditure of £3.03 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 £11.76 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 £54.78 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 £40.79 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 January 2017, the Council had £146.3 million of current investment balances.

#### **14 Background Papers**

None

#### **15 Appendices**

- Appendix 1 - General fund revenue account summary
- Appendix 2 - General fund services - revenue detail
- Appendix 3 - Housing Revenue Account summary
- Appendix 4 - Approved capital programme
- Appendix 5 - Provisional capital programme
- Appendix 6 - Schemes funded from S106
- Appendix 7 - Capital reserves
- Appendix 8 - Capital resources
- Appendix 9 - Housing Revenue Account capital programme

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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	6,184,676	6,223,503
3,776,299	Corporate	3,626,980	3,984,236	4,008,608
(1,360,842)	Development	(26,360)	303,812	(493,960)
8,259,665	Environment	9,585,970	9,725,502	7,970,970
15,621	Managing Director	116,230	146,505	(151,031)
1,913,993	Resources	3,955,260	3,921,899	3,722,149
<b>18,893,839</b>	<b>Total Directorate Level</b>	<b>23,267,130</b>	<b>24,266,630</b>	<b>21,280,239</b>
(6,981,480)	Depreciation (contra to Service Unit Budgets)	(9,773,260)	(9,773,260)	(9,773,260)
<b>11,912,359</b>	<b>Directorate Level excluding depreciation</b>	<b>13,493,870</b>	<b>14,493,370</b>	<b>11,506,979</b>
(1,437,185)	External interest receivable (net)	(928,710)	(928,710)	(1,500,000)
294,546	Minimum Revenue Provision	615,250	615,250	354,461
(27,224)	Revenue income from sale of assets	0	0	
	<b>Revenue Contributions to Capital Outlay (RCCO)</b>			
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
<b>13,721,229</b>	<b>Total before transfers to and from reserves</b>	<b>15,664,410</b>	<b>16,663,910</b>	<b>12,845,440</b>
	<b>Transfers to and from reserves</b>			
	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)	(188,700)
2,665,474	Business Rates Equalisation reserve	(1,325,242)	(1,325,242)	(1,145,370)
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	390,000
(46,922)	Insurance reserve	16,860	16,860	49,257
204,578	IT Renewals reserve	(267,870)	(267,870)	(267,870)
150,612	Invest to Save reserve	799,022	799,022	745,529
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)	(109,004)
(722,450)	Pensions Reserve (Statutory)	0	0	0
0	Recycling reserve	0	0	(277,896)
171,880	Spectrum reserve	(68,540)	(68,540)	(68,540)
1,190,077	Other reserves	(352,180)	(1,326,680)	(141,525)
<b>17,809,162</b>	<b>Total after transfers to and from reserves</b>	<b>15,576,365</b>	<b>15,576,365</b>	<b>12,687,366</b>
	<b>Business Rates Retention Scheme payments</b>			
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	532,354
	<b>Non specific government grants</b>			
(694,054)	s31 grant re BRR scheme	(445,827)	(445,827)	(544,364)
(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)
<b>43,493,621</b>	<b>GUILDFORD BOROUGH COUNCIL NET BUDGET</b>	<b>41,532,916</b>	<b>41,532,916</b>	<b>38,504,712</b>
1,406,405	Parish Council Precepts	1,469,802	1,469,802	1,469,802
<b>44,900,026</b>	<b>TOTAL NET BUDGET</b>	<b>43,002,718</b>	<b>43,002,718</b>	<b>39,974,514</b>
(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)
<b>9,730,055</b>	<b>COUNCIL TAX REQUIREMENT</b>	<b>10,178,189</b>	<b>10,178,189</b>	<b>7,149,985</b>

Projected underspend

(3,028,204)

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## COMMUNITY SERVICES

Revised Budget      Projected Outturn      Variance  
2016-2017      2016-2017

### SERVICE SUMMARY

Direct Expenditure	10,700,176	11,304,816	604,640
Income	(6,430,150)	(6,996,136)	(565,986)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>4,270,026</b>	<b>4,308,680</b>	<b>38,654</b>
Indirect Expenditure	1,914,650	1,914,823	173
<b>Net (Income)/Expenditure</b>	<b>6,184,676</b>	<b>6,223,503</b>	<b>38,827</b>

### BUILDING MAINTENANCE

Direct Expenditure	2,799,550	3,385,294	585,744	Variation in the level of work undertaken, recharged to the Housing Revenue Account.
Income	(2,877,720)	(3,453,193)	(575,473)	See above
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(78,170)</b>	<b>(67,899)</b>	<b>10,271</b>	
Indirect Expenditure	78,000	78,050	50	
<b>Net (Income)/Expenditure</b>	<b>(170)</b>	<b>10,151</b>	<b>10,321</b>	

### GYPSY CARAVAN SITES

Direct Expenditure	166,650	99,317	(67,333)	There is a salary saving resulting from a vacancy post. Underspend on supplies and services of £29,500 as carry forward for legal expenses not required.
Income	(182,120)	(160,635)	21,485	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(15,470)</b>	<b>(61,318)</b>	<b>(45,848)</b>	
Indirect Expenditure	13,470	13,190	(280)	
<b>Net (Income)/Expenditure</b>	<b>(2,000)</b>	<b>(48,128)</b>	<b>(46,128)</b>	

### CITIZENS ADVICE BUREAU

Direct Expenditure	283,150	283,419	269
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>283,150</b>	<b>283,419</b>	<b>269</b>
Indirect Expenditure	500	500	0
<b>Net (Income)/Expenditure</b>	<b>283,650</b>	<b>283,919</b>	<b>269</b>

### CIVIL EMERGENCIES

Direct Expenditure	43,590	63,270	19,680	An increase in the number of employees on the rota undertaking 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.
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>43,590</b>	<b>63,270</b>	<b>19,680</b>	
Indirect Expenditure	5,420	5,430	10	
<b>Net (Income)/Expenditure</b>	<b>49,010</b>	<b>68,700</b>	<b>19,690</b>	

**Appendix 2**

**COMMUNITY SERVICES**

**Revised Budget      Projected Outturn      Variance**  
**2016-2017              2016-2017**

**COMMUNITY SERVICES**

Direct Expenditure	180,000	228,491	<b>48,491</b>	Surrey County Council has funded the Prevention Partnership fund since 2013. It was anticipated that 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 Prevention Partnership reserve.
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Income	(180,000)	(128,750)	<b>51,250</b>
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>0</b>	<b>99,741</b>	<b>99,741</b>
Indirect Expenditure	1,010	1,010	0
<b>Net (Income)/Expenditure</b>	<b>1,010</b>	<b>100,751</b>	<b>99,741</b>

**DAY SERVICES**

Direct Expenditure	686,450	732,180	<b>45,730</b>	Service changes and unmet vacancy credit, have resulted in an overspend of £34,100.
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Income	(249,780)	(218,562)	<b>31,218</b>	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.
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<b>Total Directly Controllable (Income)/Expenditure</b>	<b>436,670</b>	<b>513,618</b>	<b>76,948</b>
Indirect Expenditure	161,320	162,133	813
<b>Net (Income)/Expenditure</b>	<b>597,990</b>	<b>675,751</b>	<b>77,761</b>

**EMERGENCY COMMUNICATIONS SYSTEM**

Direct Expenditure	246,510	262,795	<b>16,285</b>	The additional expenditure relating to new and replacement equipment and repairs for the Careline service is covered by income received.
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Income	(369,200)	(388,923)	<b>(19,723)</b>
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(122,690)</b>	<b>(126,128)</b>	<b>(3,438)</b>
Indirect Expenditure	56,610	56,675	65
<b>Net (Income)/Expenditure</b>	<b>(66,080)</b>	<b>(69,453)</b>	<b>(3,373)</b>

**COMMUNITY SERVICES**

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance	
<b>EMI SERVICES</b>				
Direct Expenditure	144,769	173,410	28,641	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.
Income	(200,030)	(153,800)	46,230	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.
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(55,261)</b>	<b>19,610</b>	<b>74,871</b>	
Indirect Expenditure	13,100	13,130	30	
<b>Net (Income)/Expenditure</b>	<b>(42,161)</b>	<b>32,740</b>	<b>74,901</b>	
<b>ENVIRONMENTAL CONTROL</b>				
Direct Expenditure	403,390	402,985	(405)	Service review has resulted in a saving of £32,000. Additional expenditure for Welfare Funerals £21,000, is offset by funds recovered from the deceased estate.
Income	(25,610)	(42,237)	(16,627)	Income recovered from deceased estates to cover the cost of Welfare Funerals.
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>377,780</b>	<b>360,748</b>	<b>(17,032)</b>	
Indirect Expenditure	61,660	61,728	68	
<b>Net (Income)/Expenditure</b>	<b>439,440</b>	<b>422,476</b>	<b>(16,964)</b>	
<b>PROJECT ASPIRE</b>				
Direct Expenditure	0	46,419	46,419	Expenditure relating to Project Aspire will be funded from reserve (as per report to Executive Nov 2015)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>0</b>	<b>46,419</b>	<b>46,419</b>	
<b>Net (Income)/Expenditure</b>	<b>0</b>	<b>46,419</b>	<b>46,419</b>	
<b>SURREY FAMILY SUPPORT PROGRAMME</b>				
Direct Expenditure	304,400	358,193	53,793	The profile of grant support over the period of the programme is different to the assumptions contained in the budget, the balance of funding will be transferred to reserve at year-end.
Income	(204,780)	(287,676)	(82,896)	See above.
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>99,620</b>	<b>70,517</b>	<b>(29,103)</b>	
Indirect Expenditure	50,580	50,640	60	
<b>Net (Income)/Expenditure</b>	<b>150,200</b>	<b>121,157</b>	<b>(29,043)</b>	

**COMMUNITY SERVICES**

**FOOD AND SAFETY SERVICES**

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance
Direct Expenditure	299,450	293,219	(6,231)
Income	(130)	0	130
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>299,320</b>	<b>293,219</b>	<b>(6,101)</b>
Indirect Expenditure	80,150	80,200	50
<b>Net (Income)/Expenditure</b>	<b>379,470</b>	<b>373,419</b>	<b>(6,051)</b>

**HEALTH AND SAFETY**

Direct Expenditure	126,730	130,396	3,666
Income	(117,700)	(117,700)	0
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>9,030</b>	<b>12,696</b>	<b>3,666</b>
Indirect Expenditure	15,760	15,760	0
<b>Net (Income)/Expenditure</b>	<b>24,790</b>	<b>28,456</b>	<b>3,666</b>

**HOUSING SURVEYING SERVICES**

Direct Expenditure	612,750	613,853	1,103
Income	(740,720)	(740,720)	0
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(127,970)</b>	<b>(126,867)</b>	<b>1,103</b>
Indirect Expenditure	87,320	87,390	70
<b>Net (Income)/Expenditure</b>	<b>(40,650)</b>	<b>(39,477)</b>	<b>1,173</b>

**GRANTS TO VOLUNTARY ORGANISATIONS - HOUSING AND COMMUNITY**

Direct Expenditure	579,730	581,665	1,935
Income	(116,080)	(116,080)	0
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>463,650</b>	<b>465,585</b>	<b>1,935</b>
Indirect Expenditure	3,690	3,720	30
<b>Net (Income)/Expenditure</b>	<b>467,340</b>	<b>469,305</b>	<b>1,965</b>

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.

**HOME FARM ESTATE, EFFINGHAM**

Direct Expenditure	45,795	16,089	(29,706)
Income	(8,040)	(7,719)	321
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>37,755</b>	<b>8,370</b>	<b>(29,385)</b>
Indirect Expenditure	23,180	21,120	(2,060)
<b>Net (Income)/Expenditure</b>	<b>60,935</b>	<b>29,490</b>	<b>(31,445)</b>

A carry forward of £22,000 was agreed as part of the 2015-16 accounts to support site maintenance. Following a reassessment this has been revised to £10,000.



**COMMUNITY SERVICES**

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance	
<b>HOMELESSNESS AND EMERGENCY ACCOMMODATION</b>				
Direct Expenditure	743,390	711,671	(31,719)	Reflects lower than anticipated B&B expenditure.
Income	(12,500)	(17,962)	(5,462)	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>730,890</b>	<b>693,709</b>	<b>(37,181)</b>	
Indirect Expenditure	72,500	73,267	767	
<b>Net (Income)/Expenditure</b>	<b>803,390</b>	<b>766,976</b>	<b>(36,414)</b>	
<b>HOUSING ADVICE</b>				
Direct Expenditure	286,000	286,000	0	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>286,000</b>	<b>286,000</b>	<b>0</b>	
<b>Net (Income)/Expenditure</b>	<b>286,000</b>	<b>286,000</b>	<b>0</b>	
<b>AFFORDABLE HOUSING DEVELOPMENT</b>				
Direct Expenditure	168,150	140,972	(27,178)	Saving resulting from a 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.
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>168,150</b>	<b>140,972</b>	<b>(27,178)</b>	
Indirect Expenditure	291,920	291,950	30	
<b>Net (Income)/Expenditure</b>	<b>460,070</b>	<b>432,922</b>	<b>(27,148)</b>	
<b>LICENSING SERVICES</b>				
Direct Expenditure	163,300	185,944	22,644	An increase in the use of agency staff has resulted in an increased cost of £31,200.
Income	(163,260)	(160,664)	2,596	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>40</b>	<b>25,280</b>	<b>25,240</b>	
Indirect Expenditure	60,300	60,380	80	
<b>Net (Income)/Expenditure</b>	<b>60,340</b>	<b>85,660</b>	<b>25,320</b>	
<b>COMMUNITY MEALS AND TPT</b>				
Direct Expenditure	799,442	750,761	(48,681)	Following a recent service review a number of posts have been disestablished resulting in a saving of £28,600, partly offset by the impact of job evaluation. These establishment changes have been built into the 2017-18 estimates.
Income	(300,810)	(310,756)	(9,946)	Additional grant support received from SCC after the budget was agreed.
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>498,632</b>	<b>440,005</b>	<b>(58,627)</b>	
Indirect Expenditure	70,720	70,780	60	
<b>Net (Income)/Expenditure</b>	<b>569,352</b>	<b>510,785</b>	<b>(58,567)</b>	

**COMMUNITY SERVICES**

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance	
<b>HOUSING OUTSIDE THE HRA</b>				
Direct Expenditure	133,180	147,722	14,542	Supplies and Services over budget. £6,300 represents legal costs incurred for advise relating North Downs Housing Limited.
Income	(13,600)	(14,385)	(785)	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>119,580</b>	<b>133,337</b>	<b>13,757</b>	
Indirect Expenditure	25,680	25,690	10	
<b>Net (Income)/Expenditure</b>	<b>145,260</b>	<b>159,027</b>	<b>13,767</b>	
<b>PEST CONTROL</b>				
Direct Expenditure	66,920	55,886	(11,034)	
Income	(60,560)	(65,749)	(5,189)	Additional income from Pest Control services
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>6,360</b>	<b>(9,863)</b>	<b>(16,223)</b>	
Indirect Expenditure	13,580	13,620	40	
<b>Net (Income)/Expenditure</b>	<b>19,940</b>	<b>3,757</b>	<b>(16,183)</b>	
<b>PRIVATE SECTOR HOUSING</b>				
Direct Expenditure	634,770	585,069	(49,701)	Vacant posts have been held as a consequence of an on going service review and are currently being covered by agency staff.
Income	(295,020)	(316,564)	(21,544)	Increase in Handy person work recharged to internal services.
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>339,750</b>	<b>268,505</b>	<b>(71,245)</b>	
Indirect Expenditure	624,470	624,560	90	
<b>Net (Income)/Expenditure</b>	<b>964,220</b>	<b>893,065</b>	<b>(71,155)</b>	
<b>PUBLIC HEALTH</b>				
Direct Expenditure	75,810	68,526	(7,284)	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>75,810</b>	<b>68,526</b>	<b>(7,284)</b>	
Indirect Expenditure	5,840	5,870	30	
<b>Net (Income)/Expenditure</b>	<b>81,650</b>	<b>74,396</b>	<b>(7,254)</b>	
<b>COMMUNITY SAFETY WARDENS</b>				
Direct Expenditure	345,520	354,090	8,570	The service is currently operating at full establishment. As a consequence the vacancy credit of £11,500 will not be met.
Income	(14,530)	(454)	14,076	Income from Surrey County Council over estimated in original budget.
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>330,990</b>	<b>353,636</b>	<b>22,646</b>	
Indirect Expenditure	36,440	36,450	10	
<b>Net (Income)/Expenditure</b>	<b>367,430</b>	<b>390,086</b>	<b>22,656</b>	

**COMMUNITY SERVICES**

Revised Budget      Projected Outturn      Variance  
 2016-2017              2016-2017

**Appendix 2**

**TAXI LICENSING AND PRIVATE HIRE VEHICLES**

Direct Expenditure	284,770	271,166	(13,604)
Income	(204,100)	(199,713)	4,387

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. Reduction in the car test fee charges a drivers now pay direct to the MOT bay.

<b>Total Directly Controllable (Income)/Expenditure</b>	<b>80,670</b>	<b>71,453</b>	<b>(9,217)</b>
Indirect Expenditure	42,080	42,200	120
<b>Net (Income)/Expenditure</b>	<b>122,750</b>	<b>113,653</b>	<b>(9,097)</b>

**WOKING ROAD DEPOT STORES**

Direct Expenditure	76,010	76,014	4
Income	(93,860)	(93,894)	(34)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(17,850)</b>	<b>(17,880)</b>	<b>(30)</b>
Indirect Expenditure	19,350	19,380	30
<b>Net (Income)/Expenditure</b>	<b>1,500</b>	<b>1,500</b>	<b>0</b>

## CORPORATE SERVICES

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance
<b>SERVICE SUMMARY</b>			
Direct Expenditure	5,011,475	5,095,947	84,472
Income	(2,382,220)	(2,440,328)	(58,108)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>2,629,255</b>	<b>2,655,619</b>	<b>26,364</b>
Indirect Expenditure	1,354,980	1,352,989	(1,991)
<b>Net (Income)/Expenditure</b>	<b>3,984,235</b>	<b>4,008,608</b>	<b>24,373</b>

## ACCESS GROUP FOR GUILDFORD

Direct Expenditure	2,230	1,281	(949)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>2,230</b>	<b>1,281</b>	<b>(949)</b>
Indirect Expenditure	2,500	2,500	0
<b>Net (Income)/Expenditure</b>	<b>4,730</b>	<b>3,781</b>	<b>(949)</b>

## CIVIC EXPENSES

Direct Expenditure	167,880	183,283	15,403	Increase in salary costs due to changes in allocations and an unmet vacancy credit.
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>167,880</b>	<b>183,283</b>	<b>15,403</b>	
Indirect Expenditure	26,860	26,870	10	
<b>Net (Income)/Expenditure</b>	<b>194,740</b>	<b>210,153</b>	<b>15,413</b>	

## COMMUNITY DEVELOPMENT

Direct Expenditure	253,860	240,766	(13,094)	Increase in £7,500 in employee related expenditure resulting from a service review. Anticipated reduction in grant expenditure.
Income	(15,000)	(39,273)	(24,273)	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>238,860</b>	<b>201,493</b>	<b>(37,367)</b>	
Indirect Expenditure	39,410	38,840	(570)	
<b>Net (Income)/Expenditure</b>	<b>278,270</b>	<b>240,333</b>	<b>(37,937)</b>	

## COUNCIL AND COMMITTEE SUPPORT

Direct Expenditure	239,830	264,344	24,514	Higher than budgeted printing costs and changes to salary allocations reflecting workload.
Income	(41,810)	(41,810)	0	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>198,020</b>	<b>222,534</b>	<b>24,514</b>	
Indirect Expenditure	249,580	249,550	(30)	
<b>Net (Income)/Expenditure</b>	<b>447,600</b>	<b>472,084</b>	<b>24,484</b>	

## CORPORATE SERVICES

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance	
<b>CORPORATE SERVICES</b>				
Direct Expenditure	747,170	821,657	74,487	£50,000 has been vired from the legal services budget. This is to offset the unbudgeted expenditure relating to specialist procurement advice £65,400, legal expenses £13,400, bank and credit/debit card charges £16,000, combined with staff advertising costs of £19,400.
Income	(129,790)	(128,252)	1,538	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>617,380</b>	<b>693,405</b>	<b>76,025</b>	
Indirect Expenditure	239,590	239,310	(280)	
<b>Net (Income)/Expenditure</b>	<b>856,970</b>	<b>932,715</b>	<b>75,745</b>	
<b>COMMITTEE SERVICES</b>				
Direct Expenditure	198,640	154,987	(43,653)	A review of the service is currently ongoing which has resulting in an underspend of £44,000.
Income	(238,430)	(238,877)	(447)	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(39,790)</b>	<b>(83,890)</b>	<b>(44,100)</b>	
Indirect Expenditure	40,270	40,310	40	
<b>Net (Income)/Expenditure</b>	<b>480</b>	<b>(43,580)</b>	<b>(44,060)</b>	
<b>DEMOCRATIC REPRESENTATION AND MANAGEMENT</b>				
Direct Expenditure	719,010	706,582	(12,428)	Underspend on salaries due to vacant post £4,400. Webcasting costs are estimated to be £4,800 above budget, offset by a reduction in postage, printing and franking services £13,600.
Income	(88,650)	(88,971)	(321)	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>630,360</b>	<b>617,611</b>	<b>(12,749)</b>	
Indirect Expenditure	379,590	379,730	140	
<b>Net (Income)/Expenditure</b>	<b>1,009,950</b>	<b>997,341</b>	<b>(12,609)</b>	
<b>ELECTIONS</b>				
Direct Expenditure	81,960	258,242	176,282	The cost of the governance referendum will be funded from reserve.
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>81,960</b>	<b>258,242</b>	<b>176,282</b>	
Indirect Expenditure	15,050	15,080	30	
<b>Net (Income)/Expenditure</b>	<b>97,010</b>	<b>273,322</b>	<b>176,312</b>	

**Appendix 2**

**CORPORATE SERVICES**

**ELECTORAL REGISTRATION**

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance	
Direct Expenditure	324,720	243,063	(81,657)	An underspend of £10,400 resulting from vacant posts. These posts have now been advertised and will be filled shortly. The carry forward request of £80,900 will not be spent in 2016-17 but it is anticipated a carry forward request will be made for 2017-18.
Income	(3,740)	(40,233)	(36,493)	Increased grant funding to cover the costs of additional electoral registration requirements. This grant was not assumed in the preparation of the 2016-17 estimates.
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>320,980</b>	<b>202,830</b>	<b>(118,150)</b>	
Indirect Expenditure	39,070	39,100	30	
<b>Net (Income)/Expenditure</b>	<b>360,050</b>	<b>241,930</b>	<b>(118,120)</b>	

**LEGAL SERVICES**

Direct Expenditure	1,041,195	1,059,145	17,950	A virement of £185,000 reflecting budgetary pressures was agreed to the revised budget earlier in the year. Following a change in the management arrangements of the service, a review was undertaken which revisited the requirement for temporary staff and external legal support. Combined with changes in the assumptions around the appointment date for recruitment into substantive posts, it has concluded that an element of the revised budget will not be committed as envisaged. The report proposes that £50,000 is vired to Corporate Services to reflect cost pressures in this area. This has now been implemented.
Income	(1,022,740)	(1,022,882)	(142)	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>18,455</b>	<b>36,263</b>	<b>17,808</b>	
Indirect Expenditure	125,360	125,420	60	
<b>Net (Income)/Expenditure</b>	<b>143,815</b>	<b>161,683</b>	<b>17,868</b>	

**HR SERVICES**

Direct Expenditure	381,150	383,451	2,301	
Income	(476,840)	(476,840)	0	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(95,690)</b>	<b>(93,389)</b>	<b>2,301</b>	
Indirect Expenditure	96,540	96,650	110	
<b>Net (Income)/Expenditure</b>	<b>850</b>	<b>3,261</b>	<b>2,411</b>	

## CORPORATE SERVICES

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance
<b>INFORMATION RIGHTS OFFICER</b>			
Direct Expenditure	62,750	59,337	(3,413)
Income	(73,860)	(73,870)	(10)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(11,110)</b>	<b>(14,533)</b>	<b>(3,423)</b>
Indirect Expenditure	11,110	10,960	(150)
<b>Net (Income)/Expenditure</b>	<b>0</b>	<b>(3,573)</b>	<b>(3,573)</b>
<b>OTHER EMPLOYEE COSTS</b>			
Direct Expenditure	243,530	163,659	(79,871)
Income	(284,360)	(284,370)	(10)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(40,830)</b>	<b>(120,711)</b>	<b>(79,881)</b>
Indirect Expenditure	15,310	13,829	(1,481)
<b>Net (Income)/Expenditure</b>	<b>(25,520)</b>	<b>(106,882)</b>	<b>(81,362)</b>
<b>PARISH AND LOCAL LIAISON</b>			
Direct Expenditure	202,060	202,060	0
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>202,060</b>	<b>202,060</b>	<b>0</b>
Indirect Expenditure	8,740	8,770	30
<b>Net (Income)/Expenditure</b>	<b>210,800</b>	<b>210,830</b>	<b>30</b>
<b>PROCUREMENT</b>			
Direct Expenditure	45,430	53,504	8,074
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>45,430</b>	<b>53,504</b>	<b>8,074</b>
Indirect Expenditure	7,450	7,460	10
<b>Net (Income)/Expenditure</b>	<b>52,880</b>	<b>60,964</b>	<b>8,084</b>
<b>PUBLIC RELATIONS AND MARKETING</b>			
Direct Expenditure	292,770	297,421	4,651
Income	(7,000)	(4,950)	2,050
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>285,770</b>	<b>292,471</b>	<b>6,701</b>
Indirect Expenditure	53,060	53,110	50
<b>Net (Income)/Expenditure</b>	<b>338,830</b>	<b>345,581</b>	<b>6,751</b>
<b>GUILDFORD YOUTH COUNCIL</b>			
Direct Expenditure	7,290	3,165	(4,125)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>7,290</b>	<b>3,165</b>	<b>(4,125)</b>
Indirect Expenditure	5,490	5,500	10
<b>Net (Income)/Expenditure</b>	<b>12,780</b>	<b>8,665</b>	<b>(4,115)</b>

A carry forward in respect of 360 training and service leader development will not be spent. A £77,000 saving is included.

Vacancy credit will not be met.

**DEVELOPMENT**

	Revised Budget	Projected Outturn	Variance
	2016-2017	2016-2017	

**SERVICE SUMMARY**

Direct Expenditure	7,886,812	7,590,352	(296,460)
Income	(11,138,590)	(11,512,048)	(373,458)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(3,251,778)</b>	<b>(3,921,696)</b>	<b>(669,918)</b>
Indirect Expenditure	3,555,590	3,427,736	(127,854)
<b>Net (Income)/Expenditure</b>	<b>303,812</b>	<b>(493,960)</b>	<b>(797,772)</b>

**BUILDING CONTROL SUMMARY**

Direct Expenditure	704,110	680,472	(23,638)	Additional agency costs are covered by substantive salary savings which result in an overall saving of £29,000.
Income	(503,763)	(449,409)	54,354	A reduction in applications is projected to result in reduced Building Control fees.
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>200,347</b>	<b>231,063</b>	<b>30,716</b>	
Indirect Expenditure	131,520	131,570	50	
<b>Net (Income)/Expenditure</b>	<b>331,867</b>	<b>362,633</b>	<b>30,766</b>	

**BUSINESS FORUM**

Direct Expenditure	76,210	57,413	(18,797)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>76,210</b>	<b>57,413</b>	<b>(18,797)</b>
Indirect Expenditure	1,120	1,130	10
<b>Net (Income)/Expenditure</b>	<b>77,330</b>	<b>58,543</b>	<b>(18,787)</b>

**DEVELOPMENT CONTROL**

Direct Expenditure	1,691,350	1,910,448	219,098	It is currently projected that employee costs will be £136,500 higher than budget, in part the result of casual and agency staffing costs. The Budget Pressures Reserve will fund the £37,200 cost of a temporary enforcement officer included in the projection. Savings anticipated from the fundamental service review were not achieved following a further review of support staff requirements. Retention and recruitment of planning officers remains difficult. Planning appeal expenses are expected to be £58,000 higher than budget due to the Howard of Effingham appeal; this will be funded from reserve .
Income	(1,185,020)	(1,307,466)	(122,446)	Planning fee income is currently projected to be £137,000 higher than budget.
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>506,330</b>	<b>602,982</b>	<b>96,652</b>	
Indirect Expenditure	445,050	447,676	2,626	
<b>Net (Income)/Expenditure</b>	<b>951,380</b>	<b>1,050,658</b>	<b>99,278</b>	



## DEVELOPMENT

	Revised Budget	Projected Outturn	Variance
	2016-2017	2016-2017	

## INDUSTRIAL ESTATES

Direct Expenditure	312,670	270,766	(41,904)	Consultancy will be underspent by £54,700 and a carry forward request will be submitted in due course.
Income	(3,067,240)	(3,173,970)	(106,730)	Rental income is expected to be higher than budgeted as a consequence of the acquisition of 10 Middleton, 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**

	<b>(2,754,570)</b>	<b>(2,903,204)</b>	<b>(148,634)</b>	
Indirect Expenditure	261,250	276,582	15,332	
<b>Net (Income)/Expenditure</b>	<b>(2,493,320)</b>	<b>(2,626,622)</b>	<b>(133,302)</b>	

## INVESTMENT PROPERTY

Direct Expenditure	171,830	157,641	(14,189)	
Income	(4,939,130)	(5,241,054)	(301,924)	The Asset Investment Strategy targeted additional income of £696,000 in 2016-17. The purchases of the Armour Building and Wey House have contributed towards exceeding this target.

**Total Directly Controllable (Income)/Expenditure**

	<b>(4,767,300)</b>	<b>(5,083,413)</b>	<b>(316,113)</b>	
Indirect Expenditure	228,560	210,047	(18,513)	
<b>Net (Income)/Expenditure</b>	<b>(4,538,740)</b>	<b>(4,873,366)</b>	<b>(334,626)</b>	

## LOCAL LAND CHARGES

Direct Expenditure	237,690	217,919	(19,771)	
Income	(273,370)	(238,912)	34,458	Land charges income is expected to be under budget by £34,000.

**Total Directly Controllable (Income)/Expenditure**

	<b>(35,680)</b>	<b>(20,993)</b>	<b>14,687</b>	
Indirect Expenditure	35,010	35,213	203	
<b>Net (Income)/Expenditure</b>	<b>(670)</b>	<b>14,220</b>	<b>14,890</b>	

**Appendix 2**

**DEVELOPMENT**

**MAJOR PROJECTS**

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance
Direct Expenditure	952,862	1,159,260	206,398

There are salary and agency cost savings of £186,000, which assumes that an element of salary costs will be capitalised. Agency costs will now not be replaced by the equivalent substantive post costs until 2017-18. The procurement consultants costs will be capitalised. Consultancy costs and legal expenses, which include a budget of £392,000, are expected to be over budget by £125,500. Costs totalling £37,000 relating to the acquisition of a ransom strip at Blackwell Farm will be vired from a saving elsewhere in the general fund budget. The anticipated overspend which was going to be met from the Master Plan reserve will not materialise due to slippage in the programme. Castle Street anticipated expenditure of £145,000 will be met from the Budget Pressures reserve and £54,000 for Town Centre Parking Strategy will be funded from the Car Parks Maintenance reserve. The cost of North Street Pop Up Village is expected to be £39,500 in this financial year, with income estimated at £25,000 and costs at £64,500.

Income	0	(15,417)	(15,417)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>952,862</b>	<b>1,143,843</b>	<b>190,981</b>
Indirect Expenditure	1,313,330	1,315,656	2,326
<b>Net (Income)/Expenditure</b>	<b>2,266,192</b>	<b>2,459,499</b>	<b>193,307</b>

**OTHER PROPERTY**

Direct Expenditure	116,400	107,923	(8,477)
Income	(121,860)	(145,637)	(23,777)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(5,460)</b>	<b>(37,714)</b>	<b>(32,254)</b>
Indirect Expenditure	100,270	113,700	13,430
<b>Net (Income)/Expenditure</b>	<b>94,810</b>	<b>75,986</b>	<b>(18,824)</b>

Security arrangements at Tyting Farm are anticipated to cost £25,300. Weed treatment at Stonebridge landfill site will be under budget by £25,000.

The purchase of New House will result in increased rent in 2016-17 of £16,800.

## DEVELOPMENT

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance
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## POLICY

Direct Expenditure	1,485,360	1,200,606	(284,754)	There are savings in salaries of £287,500 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 £134,900 (for which there is a budget of £34,800) will be met from the saving. Only £15,000 of the carry forward of £74,000 for CIL consultant costs is now expected to be spent in this financial year. 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.
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Income	(4,817)	(6,144)	(1,327)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>1,480,543</b>	<b>1,194,462</b>	<b>(286,081)</b>
Indirect Expenditure	177,340	177,315	(25)
<b>Net (Income)/Expenditure</b>	<b>1,657,883</b>	<b>1,371,777</b>	<b>(286,106)</b>

## ASSET DEVELOPMENT

Direct Expenditure	1,059,320	839,533	(219,787)	The consultants budget will be under spent by £29,500. The savings are in the responsive repair and maintenance budget which the service retains with actual expenditure being allocated directly to property related cost centres. Asset Development also hold the associated building surveyor recharges which are allocated to property cost centres resulting in a reduction in the against the budget account.
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Income	(805,500)	(754,810)	50,690	Projected income is below the estimate by £48,500.
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<b>Total Directly Controllable (Income)/Expenditure</b>	<b>253,820</b>	<b>84,723</b>	<b>(169,097)</b>
Indirect Expenditure	260,510	117,220	(143,290)
<b>Net (Income)/Expenditure</b>	<b>514,330</b>	<b>201,943</b>	<b>(312,387)</b>

## SLYFIELD AREA REGENERATION PROJECT (SARP)

Direct Expenditure	53,510	87,537	34,027	Expenditure on consultants of £74,200 will be funded from reserves and the revenue budget of £40,000. Other expenditure on consultancy will be capitalised.
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<b>Total Directly Controllable (Income)/Expenditure</b>	<b>53,510</b>	<b>87,537</b>	<b>34,027</b>
Indirect Expenditure	517,870	517,890	20
<b>Net (Income)/Expenditure</b>	<b>571,380</b>	<b>605,427</b>	<b>34,047</b>

## DEVELOPMENT

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance
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## TOURIST INFORMATION CENTRE

Direct Expenditure	257,620	228,752	(28,868)	Salary savings arising from vacant TIC Officer.
Income	(56,300)	(51,993)	4,307	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>201,320</b>	<b>176,759</b>	<b>(24,561)</b>	
Indirect Expenditure	27,540	27,695	155	
<b>Net (Income)/Expenditure</b>	<b>228,860</b>	<b>204,454</b>	<b>(24,406)</b>	

## BUSINESS AND TOURISM

Direct Expenditure	638,030	546,358	(91,672)	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. General tourism marketing is expected to be over budget by £21,000 and the budget for guides will be overspent by £24,300.
Income	(150,360)	(105,417)	44,943	Guide income is expected to be £17,400 under budget and income generated from the provision of WiFi in the town centre of £30,000 will not be achieved as a result of delays in the process.
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>487,670</b>	<b>440,941</b>	<b>(46,729)</b>	
Indirect Expenditure	37,640	37,432	(208)	
<b>Net (Income)/Expenditure</b>	<b>525,310</b>	<b>478,373</b>	<b>(46,937)</b>	

## TOWN CENTRE MANAGEMENT

Direct Expenditure	129,850	125,724	(4,126)	
Income	(31,230)	(21,819)	9,411	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>98,620</b>	<b>103,905</b>	<b>5,285</b>	
Indirect Expenditure	18,580	18,610	30	
<b>Net (Income)/Expenditure</b>	<b>117,200</b>	<b>122,515</b>	<b>5,315</b>	

**ENVIRONMENT**

	Revised Budget	Projected Outturn	Variance
	2016-2017	2016-2017	

**SERVICE SUMMARY**

Direct Expenditure	27,652,692	27,020,385	(632,307)
Income	(26,696,930)	(27,888,489)	(1,191,559)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>955,762</b>	<b>(868,104)</b>	<b>(1,823,866)</b>
Indirect Expenditure	8,769,740	8,839,074	69,334
<b>Net (Income)/Expenditure</b>	<b>9,725,502</b>	<b>7,970,970</b>	<b>(1,754,532)</b>

**ABANDONED VEHICLES**

Direct Expenditure	34,500	36,727	2,227
Income	0	(175)	(175)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>34,500</b>	<b>36,552</b>	<b>2,052</b>
Indirect Expenditure	8,100	8,110	10
<b>Net (Income)/Expenditure</b>	<b>42,600</b>	<b>44,662</b>	<b>2,062</b>

**ARMED FORCES DAY**

Direct Expenditure	0	728	728
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>0</b>	<b>728</b>	<b>728</b>
<b>Net (Income)/Expenditure</b>	<b>0</b>	<b>728</b>	<b>728</b>

**CCTV SYSTEMS**

Direct Expenditure	80,400	80,216	(184)
Income	0	(7)	(7)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>80,400</b>	<b>80,209</b>	<b>(191)</b>
Indirect Expenditure	19,240	15,649	(3,591)
<b>Net (Income)/Expenditure</b>	<b>99,640</b>	<b>95,858</b>	<b>(3,782)</b>

**CEMETERIES AND CLOSED CHURCHYARDS**

Direct Expenditure	272,690	291,486	18,796
Income	(54,730)	(59,974)	(5,244)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>217,960</b>	<b>231,512</b>	<b>13,552</b>
Indirect Expenditure	24,910	36,055	11,145
<b>Net (Income)/Expenditure</b>	<b>242,870</b>	<b>267,567</b>	<b>24,697</b>

**CLINICAL WASTE**

Direct Expenditure	3,080	7,196	4,116
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>3,080</b>	<b>7,196</b>	<b>4,116</b>
Indirect Expenditure	380	380	0
<b>Net (Income)/Expenditure</b>	<b>3,460</b>	<b>7,576</b>	<b>4,116</b>

**ENVIRONMENT****CREMATORIUM**

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance	
Direct Expenditure	673,450	577,347	(96,103)	Lower than budget employee related expenditure of £89,000 is attributable to the pending restructure.
Income	(1,498,320)	(1,486,878)	11,442	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(824,870)</b>	<b>(909,531)</b>	<b>(84,661)</b>	
Indirect Expenditure	319,060	330,084	11,024	
<b>Net (Income)/Expenditure</b>	<b>(505,810)</b>	<b>(579,447)</b>	<b>(73,637)</b>	

**DOG CONTROL AND ANIMAL WELFARE**

Direct Expenditure	68,170	61,091	(7,079)	
Income	(5,000)	(8,056)	(3,056)	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>63,170</b>	<b>53,035</b>	<b>(10,135)</b>	
Indirect Expenditure	10,570	10,580	10	
<b>Net (Income)/Expenditure</b>	<b>73,740</b>	<b>63,615</b>	<b>(10,125)</b>	

**ELECTRIC THEATRE**

Direct Expenditure	569,900	509,639	(60,262)	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)	(278,136)	59,454	Income is expected to be £59,500 under budget.
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>232,310</b>	<b>231,503</b>	<b>(808)</b>	
Indirect Expenditure	114,760	115,658	898	
<b>Net (Income)/Expenditure</b>	<b>347,070</b>	<b>347,161</b>	<b>91</b>	

**FLEET MANAGEMENT SERVICE**

Direct Expenditure	1,068,440	1,056,088	(12,352)	
Income	(2,828,600)	(2,835,591)	(6,991)	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(1,760,160)</b>	<b>(1,779,503)</b>	<b>(19,343)</b>	
Indirect Expenditure	1,780,050	1,780,490	440	
<b>Net (Income)/Expenditure</b>	<b>19,890</b>	<b>987</b>	<b>(18,903)</b>	

**ENGINEERING AND TRANSPORT SERVICES**

Direct Expenditure	354,460	342,930	(11,530)	
Income	(421,660)	(406,141)	15,519	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(67,200)</b>	<b>(63,211)</b>	<b>3,989</b>	
Indirect Expenditure	67,160	67,200	40	
<b>Net (Income)/Expenditure</b>	<b>(40)</b>	<b>3,989</b>	<b>4,029</b>	

**ENVIRONMENT**

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance	
<b>GUILDFORD HOUSE</b>				
Direct Expenditure	397,460	324,138	(73,322)	Roof works planned at Guildford House will now be carried out in 2017-18. The general R&M budget will be underspent by £7,800. Growth bid PR000262, Improvements at Guildford House, will not be spent in this financial year and a carry forward will be requested in due course.
Income	(66,530)	(63,919)	2,611	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>330,930</b>	<b>260,219</b>	<b>(70,711)</b>	
Indirect Expenditure	88,860	85,746	(3,114)	
<b>Net (Income)/Expenditure</b>	<b>419,790</b>	<b>345,965</b>	<b>(73,825)</b>	
<b>GUILDHALL</b>				
Direct Expenditure	215,836	130,226	(85,610)	Planned repairs to the Guildhall roof to stop the ingress of water are no longer required and has been removed from the projection. The consultants' growth bid of £50,000 for the conservation management plan will not now be spent in this financial year and a request for carry forward will be made in due course.
Income	(27,800)	(29,179)	(1,379)	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>188,036</b>	<b>101,047</b>	<b>(86,989)</b>	
Indirect Expenditure	36,060	31,776	(4,284)	
<b>Net (Income)/Expenditure</b>	<b>224,096</b>	<b>132,823</b>	<b>(91,273)</b>	
<b>LAND DRAINAGE</b>				
Direct Expenditure	157,250	156,146	(1,104)	
Income	0	(92)	(92)	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>157,250</b>	<b>156,054</b>	<b>(1,196)</b>	
Indirect Expenditure	328,830	287,173	(41,657)	
<b>Net (Income)/Expenditure</b>	<b>486,080</b>	<b>443,227</b>	<b>(42,853)</b>	
<b>LEISURE ART DEVELOPMENT</b>				
Direct Expenditure	77,680	80,772	3,092	
Income	(200)	(4,458)	(4,258)	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>77,480</b>	<b>76,314</b>	<b>(1,166)</b>	
Indirect Expenditure	14,050	14,080	30	
<b>Net (Income)/Expenditure</b>	<b>91,530</b>	<b>90,394</b>	<b>(1,136)</b>	

**ENVIRONMENT****LEISURE COMMUNITY CENTRES**

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance	
Direct Expenditure	98,010	134,381	36,371	Budget deficit is predominantly due to refurbishment works undertaken at Stoughton Community Centre, which will be funded from the reserve established when Guildford Community Centre closed, and roof joists and door replacements at Bellfields Community Centre, which will be funded within the overall repairs and maintenance budget managed by Asset Development.

Income	0	(1,414)	(1,414)	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>98,010</b>	<b>132,967</b>	<b>34,957</b>	
Indirect Expenditure	72,510	88,721	16,211	
<b>Net (Income)/Expenditure</b>	<b>170,520</b>	<b>221,688</b>	<b>51,168</b>	

**LEISURE G LIVE**

Direct Expenditure	409,390	398,754	(10,636)	
Income	(24,210)	(52,201)	(27,991)	The projection includes management fee income of £34,600, £18,600 higher than estimated.

<b>Total Directly Controllable (Income)/Expenditure</b>	<b>385,180</b>	<b>346,553</b>	<b>(38,627)</b>	
Indirect Expenditure	888,740	881,830	(6,910)	
<b>Net (Income)/Expenditure</b>	<b>1,273,920</b>	<b>1,228,383</b>	<b>(45,537)</b>	

**LEISURE GRANTS**

Direct Expenditure	435,610	439,100	3,490	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>435,610</b>	<b>439,100</b>	<b>3,490</b>	
Indirect Expenditure	8,570	8,590	20	
<b>Net (Income)/Expenditure</b>	<b>444,180</b>	<b>447,690</b>	<b>3,510</b>	

**LEISURE MANAGEMENT CONTRACT**

Direct Expenditure	1,453,960	1,257,186	(196,774)	Projected underspend attributable to lower utility costs and repair and maintenance expenditure.
Income	(1,967,960)	(1,762,742)	205,218	Expenditure recovered lower as a result of reduced expenditure (see above)

<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(514,000)</b>	<b>(505,556)</b>	<b>8,444</b>	
Indirect Expenditure	1,572,740	1,573,947	1,207	
<b>Net (Income)/Expenditure</b>	<b>1,058,740</b>	<b>1,068,391</b>	<b>9,651</b>	



**ENVIRONMENT****LEISURE PLAY DEVELOPMENT**

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance
Direct Expenditure	203,500	203,943	443
Income	(38,500)	(42,001)	(3,501)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>165,000</b>	<b>161,942</b>	<b>(3,058)</b>
Indirect Expenditure	16,220	16,250	30
<b>Net (Income)/Expenditure</b>	<b>181,220</b>	<b>178,192</b>	<b>(3,028)</b>

**LEISURE RANGERS**

Direct Expenditure	234,700	202,392	(32,308)	The lower than budgeted expenditure relates to vacancies in the Parks Ranger Service.
Income	(640)	(110)	530	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>234,060</b>	<b>202,282</b>	<b>(31,778)</b>	
Indirect Expenditure	8,100	8,130	30	
<b>Net (Income)/Expenditure</b>	<b>242,160</b>	<b>210,412</b>	<b>(31,748)</b>	

**LEISURE SPORT DEVELOPMENT**

Direct Expenditure	78,800	76,069	(2,731)
Income	(5,150)	(2,014)	3,136
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>73,650</b>	<b>74,055</b>	<b>405</b>
Indirect Expenditure	10,990	11,030	40
<b>Net (Income)/Expenditure</b>	<b>84,640</b>	<b>85,085</b>	<b>445</b>

**MARKETS**

Direct Expenditure	62,040	57,418	(4,622)
Income	(170,750)	(168,484)	2,266
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(108,710)</b>	<b>(111,066)</b>	<b>(2,356)</b>
Indirect Expenditure	8,180	8,190	10
<b>Net (Income)/Expenditure</b>	<b>(100,530)</b>	<b>(102,876)</b>	<b>(2,346)</b>

**MOT BAY**

Direct Expenditure	157,710	150,215	(7,495)
Income	(170,620)	(166,143)	4,477
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(12,910)</b>	<b>(15,928)</b>	<b>(3,018)</b>
Indirect Expenditure	12,870	12,900	30
<b>Net (Income)/Expenditure</b>	<b>(40)</b>	<b>(3,028)</b>	<b>(2,988)</b>

**Appendix 2**

**ENVIRONMENT**

**GUILDFORD MUSEUM**

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance	
Direct Expenditure	522,180	543,985	21,805	Expenditure on the Museum review totalling £11,000 will be funded from the Invest to Save reserve. The Your Story, Your Museum Arts Council grant of £33,820 will help to fund £38,000 of expenditure on the project. £75,000 of R & M, unspent to date, has been brought back to budget and will be capitalised at year end.
Income	(54,310)	(86,506)	(32,196)	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>467,870</b>	<b>457,479</b>	<b>(10,391)</b>	
Indirect Expenditure	200,890	209,273	8,383	
<b>Net (Income)/Expenditure</b>	<b>668,760</b>	<b>666,752</b>	<b>(2,008)</b>	

**OFF STREET PARKING**

Direct Expenditure	3,624,590	3,365,960	(258,630)	Decoration works at Leapale Multi-Storey Car Park have been rescheduled to 2017-18, the estimate for these works in 2016-17 was £136,000. Expenditure on mechanical and electrical repairs and maintenance is projected to be £83,300 below the estimate of £153,300.
Income	(9,946,220)	(10,330,520)	(384,300)	Meter income from off street car parks is currently projected to be £8,346,700 for 2016-17, which is £392,300 (4.9%) above this year's estimate. The additional income includes a VAT refund of £108,000.
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(6,321,630)</b>	<b>(6,964,560)</b>	<b>(642,930)</b>	
Indirect Expenditure	1,199,250	1,213,908	14,658	
<b>Net (Income)/Expenditure</b>	<b>(5,122,380)</b>	<b>(5,750,652)</b>	<b>(628,272)</b>	

**ON STREET PARKING**

Direct Expenditure	1,159,330	1,178,411	19,081	
Income	(1,939,480)	(1,909,332)	30,148	The projection for meter income, net of bay suspension fees, is £30,700 (3.2%) below the estimate of £945,000.
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(780,150)</b>	<b>(730,921)</b>	<b>49,229</b>	
Indirect Expenditure	79,680	79,700	20	
<b>Net (Income)/Expenditure</b>	<b>(700,470)</b>	<b>(651,221)</b>	<b>49,249</b>	

**ORDNANCE SURVEY AND MAPPING SERVICES**

Direct Expenditure	3,430	2,906	(524)	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>3,430</b>	<b>2,906</b>	<b>(524)</b>	
Indirect Expenditure	10,000	7,309	(2,691)	
<b>Net (Income)/Expenditure</b>	<b>13,430</b>	<b>10,215</b>	<b>(3,215)</b>	

## ENVIRONMENT

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance
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## PARKS AND COUNTRYSIDE

Direct Expenditure	4,206,396	4,090,323	(116,073) Lower than budgeted employee related expenditure totalling £215,400 resulting from vacant posts and the budget for a revised structure which will not be utilised in full. Repairs and maintenance expenditure, to be funded within the overall corporate allocation, is £129,600 above the budget allocated to the Parks Service.
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Income	(1,364,110)	(2,305,099)	(940,989) The income projection includes £1,000,000 of SPA income, the majority of which (the balance of income above revenue expenditure) is transferred to reserve at year-end.
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<b>Total Directly Controllable (Income)/Expenditure</b>	<b>2,842,286</b>	<b>1,785,224</b>	<b>(1,057,062)</b>
Indirect Expenditure	543,910	580,779	36,869
<b>Net (Income)/Expenditure</b>	<b>3,386,196</b>	<b>2,366,003</b>	<b>(1,020,193)</b>

## PARK AND RIDE SERVICES

Direct Expenditure	721,950	803,845	81,895 The supplies and services expenditure projection includes £30,000 in respect of welfare facilities at Onslow Park and Ride, a corresponding amount of income is included in the outturn as the costs are recoverable from Surrey County Council. Following a re-profiling of repair works at Artington Park & Ride the repairs budget will be £23,300 lower than budget. The projected bus contract cost is £79,000 above the estimate as a result of the inclusion of Onslow Park and Ride, this will be met from the surplus generated from on-street parking.
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Income	(21,000)	(53,278)	(32,278)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>700,950</b>	<b>750,567</b>	<b>49,617</b>
Indirect Expenditure	95,600	83,688	(11,912)
<b>Net (Income)/Expenditure</b>	<b>796,550</b>	<b>834,255</b>	<b>37,705</b>

## PUBLIC CONVENIENCES

Direct Expenditure	300,470	285,586	(14,884)
Income	(11,570)	(11,570)	0
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>288,900</b>	<b>274,016</b>	<b>(14,884)</b>
Indirect Expenditure	73,120	70,970	(2,150)
<b>Net (Income)/Expenditure</b>	<b>362,020</b>	<b>344,986</b>	<b>(17,034)</b>

**Appendix 2**

**ENVIRONMENT**

**REFUSE AND RECYCLING**

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance	
Direct Expenditure	6,309,230	6,569,626	260,396	The projected cost of co-mingled recycling gate fees is £277,900 higher than budget. An equalisation reserve was established to cover this additional cost.
Income	(3,816,070)	(3,924,590)	(108,520)	Commercial waste income is projected to be £72,000 above the estimate of £1,040,000, whilst income from grants and contributions is projected to be £60,000 above the estimate of £75,000.

<b>Total Directly Controllable (Income)/Expenditure</b>	<b>2,493,160</b>	<b>2,645,036</b>	<b>151,876</b>
Indirect Expenditure	685,380	685,660	280
<b>Net (Income)/Expenditure</b>	<b>3,178,540</b>	<b>3,330,696</b>	<b>152,156</b>

**RIVER CONTROL**

Direct Expenditure	30,670	19,232	(11,438)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>30,670</b>	<b>19,232</b>	<b>(11,438)</b>
Indirect Expenditure	9,140	5,231	(3,909)
<b>Net (Income)/Expenditure</b>	<b>39,810</b>	<b>24,463</b>	<b>(15,347)</b>

**ROADS AND FOOTPATHS MAINTENANCE**

Direct Expenditure	36,640	58,898	22,258	Projected expenditure on essential road and footpath repairs is £22,100 above the estimate, whilst the associated engineering and transportation recharge is £38,000 above the estimate.
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<b>Total Directly Controllable (Income)/Expenditure</b>	<b>36,640</b>	<b>58,898</b>	<b>22,258</b>	
Indirect Expenditure	49,540	88,317	38,777	See above
<b>Net (Income)/Expenditure</b>	<b>86,180</b>	<b>147,215</b>	<b>61,035</b>	

**SNOW AND ICE PLAN HOLDING ACCOUNT**

Direct Expenditure	61,440	55,238	(6,202)
Income	(62,270)	(62,270)	0
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(830)</b>	<b>(7,032)</b>	<b>(6,202)</b>
Indirect Expenditure	1,040	220	(820)
<b>Net (Income)/Expenditure</b>	<b>210</b>	<b>(6,812)</b>	<b>(7,022)</b>

**STREET CLEANSING**

Direct Expenditure	2,050,230	1,946,145	(104,085)	Combination of vacancies and reduction in contractor costs associated with cleaning of main roads (A3/A31)
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Income	(134,750)	(145,769)	(11,019)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>1,915,480</b>	<b>1,800,376</b>	<b>(115,104)</b>
Indirect Expenditure	121,750	121,830	80
<b>Net (Income)/Expenditure</b>	<b>2,037,230</b>	<b>1,922,206</b>	<b>(115,024)</b>

**ENVIRONMENT**

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance
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**STREET FURNITURE**

Direct Expenditure	55,650	62,734	7,084
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>55,650</b>	<b>62,734</b>	<b>7,084</b>
Indirect Expenditure	9,080	13,766	4,686
<b>Net (Income)/Expenditure</b>	<b>64,730</b>	<b>76,500</b>	<b>11,770</b>

**TRANSPORTATION**

Direct Expenditure	12,630	11,226	(1,404)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>12,630</b>	<b>11,226</b>	<b>(1,404)</b>
Indirect Expenditure	5,640	15,050	9,410
<b>Net (Income)/Expenditure</b>	<b>18,270</b>	<b>26,276</b>	<b>8,006</b>

**VEHICLE MAINTENANCE WORKSHOP**

Direct Expenditure	823,210	788,958	(34,252)
Income	(869,020)	(835,421)	33,599
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(45,810)</b>	<b>(46,463)</b>	<b>(653)</b>
Indirect Expenditure	46,570	46,580	10
<b>Net (Income)/Expenditure</b>	<b>760</b>	<b>117</b>	<b>(643)</b>

**WOKING ROAD DEPOT**

Direct Expenditure	425,860	462,715	36,855	The increase in expenditure relates to the new Depot Labourer post.
Income	(608,340)	(604,799)	3,541	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(182,480)</b>	<b>(142,084)</b>	<b>40,396</b>	
Indirect Expenditure	179,840	175,844	(3,996)	
<b>Net (Income)/Expenditure</b>	<b>(2,640)</b>	<b>33,760</b>	<b>36,400</b>	

**RECYCLING, CLEANSING AND PARKING SERVICES OVERHEAD ACCOUNT**

Direct Expenditure	201,750	200,410	(1,340)
Income	(251,530)	(251,620)	(90)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(49,780)</b>	<b>(51,210)</b>	<b>(1,430)</b>
Indirect Expenditure	48,360	48,380	20
<b>Net (Income)/Expenditure</b>	<b>(1,420)</b>	<b>(2,830)</b>	<b>(1,410)</b>

**MANAGING DIRECTOR**

Revised Budget      Projected Outturn      Variance  
 2016-2017      2016-2017

Appendix 2

<b>SERVICE SUMMARY</b>			
Direct Expenditure	625,555	327,959	(297,596)
Income	(549,070)	(549,070)	0
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>76,485</b>	<b>(221,111)</b>	<b>(297,596)</b>
Indirect Expenditure	70,020	70,080	60
<b>Net (Income)/Expenditure</b>	<b>146,505</b>	<b>(151,031)</b>	<b>(297,536)</b>

**PERFORMANCE MANAGEMENT**

Direct Expenditure	72,070	1	(72,069)	The salary saving results from vacant posts
Income	(72,070)	(72,070)	0	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>0</b>	<b>(72,069)</b>	<b>(72,069)</b>	
<b>Net (Income)/Expenditure</b>	<b>0</b>	<b>(72,069)</b>	<b>(72,069)</b>	

**INTERNAL AUDIT**

Direct Expenditure	313,245	183,192	(130,053)	The service review for Internal Audit has now been completed, and recruitment is underway to recruit to vacant posts. Invest to save agreement £15,000 for IDeA software will be funded from reserves. The carry forward request for consultants projects will not be spent in this financial year.
Income	(276,320)	(276,320)	0	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>36,925</b>	<b>(93,128)</b>	<b>(130,053)</b>	
Indirect Expenditure	36,880	36,910	30	
<b>Net (Income)/Expenditure</b>	<b>73,805</b>	<b>(56,218)</b>	<b>(130,023)</b>	

**BUSINESS IMPROVEMENT**

Direct Expenditure	240,240	144,766	(95,474)	The service review for Business Improvement has been completed, recruitment is underway.
Income	(200,680)	(200,680)	0	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>39,560</b>	<b>(55,914)</b>	<b>(95,474)</b>	
Indirect Expenditure	33,140	33,170	30	
<b>Net (Income)/Expenditure</b>	<b>72,700</b>	<b>(22,744)</b>	<b>(95,444)</b>	

**RESOURCES**

	Revised Budget	Projected Outturn	Variance
	2016-2017	2016-2017	

**SERVICE SUMMARY**

Direct Expenditure	47,174,269	44,568,025	(2,606,244)
Income	(45,564,260)	(43,155,636)	2,408,624
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>1,610,009</b>	<b>1,412,389</b>	<b>(197,620)</b>
Indirect Expenditure	2,311,890	2,309,760	(2,130)
<b>Net (Income)/Expenditure</b>	<b>3,921,899</b>	<b>3,722,149</b>	<b>(199,750)</b>

**ACCOUNTANCY**

Direct Expenditure	782,620	767,771	(14,849) Salary savings resulting from a service restructuring.
Income	(913,160)	(913,470)	(310)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(130,540)</b>	<b>(145,699)</b>	<b>(15,159)</b>
Indirect Expenditure	129,420	129,500	80
<b>Net (Income)/Expenditure</b>	<b>(1,120)</b>	<b>(16,199)</b>	<b>(15,079)</b>

**BUSINESS RATES**

Direct Expenditure	189,350	197,481	8,131 The service is currently operating at full establishment. As a consequence the vacancy credit of £5,500 will not be met.
Income	(276,390)	(277,930)	(1,540)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(87,040)</b>	<b>(80,449)</b>	<b>6,591</b>
Indirect Expenditure	43,060	43,090	30
<b>Net (Income)/Expenditure</b>	<b>(43,980)</b>	<b>(37,359)</b>	<b>6,621</b>

**ICT BUSINESS SERVICES TEAM**

Direct Expenditure	774,490	485,132	(289,358) There are salary savings resulting from a number of vacant posts, pending a restructure of the service.
Income	(739,790)	(740,050)	(260)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>34,700</b>	<b>(254,918)</b>	<b>(289,618)</b>
Indirect Expenditure	96,570	96,710	140
<b>Net (Income)/Expenditure</b>	<b>131,270</b>	<b>(158,208)</b>	<b>(289,478)</b>

**RESOURCES**

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance	
<b>CLIMATE CHANGE</b>				
Direct Expenditure	418,840	326,383	(92,457)	There is a salary saving resulting from vacant posts. Following a restructure, the post of team and project support assistant has been deleted from the 2017-18 estimates. The growth bid of £20,000 for the Community Energy Scheme will not be spent in this financial year.
Income	(367,670)	(372,502)	(4,832)	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>51,170</b>	<b>(46,119)</b>	<b>(97,289)</b>	
Indirect Expenditure	61,190	61,300	110	
<b>Net (Income)/Expenditure</b>	<b>112,360</b>	<b>15,181</b>	<b>(97,179)</b>	
<b>CORPORATE FINANCIAL</b>				
Direct Expenditure	164,090	146,552	(17,538)	
Income	(154,650)	(145,558)	9,092	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>9,440</b>	<b>994</b>	<b>(8,446)</b>	
Indirect Expenditure	275,770	275,910	140	
<b>Net (Income)/Expenditure</b>	<b>285,210</b>	<b>276,904</b>	<b>(8,306)</b>	
<b>COUNCIL TAX</b>				
Direct Expenditure	624,364	580,146	(44,218)	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	Income has decreased due to reduction in government grant for LCTS.
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>280,614</b>	<b>255,146</b>	<b>(25,468)</b>	
Indirect Expenditure	142,090	142,160	70	
<b>Net (Income)/Expenditure</b>	<b>422,704</b>	<b>397,306</b>	<b>(25,398)</b>	
<b>ICT CUSTOMER TECHNICAL SUPPORT</b>				
Direct Expenditure	941,930	1,040,117	98,187	Network Links (BT Unicorn) will be over budget by £10,000, IT Security by £6,200, Infrastructure Maintenance by £7,800, Disaster Recovery by £4,300 and materials and equipment by £7,600. The new EE mobile phone contract has resulted in additional costs of £41,000 which will be allocated to the relevant cost centres at year end.
Income	(920,390)	(919,830)	560	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>21,540</b>	<b>120,287</b>	<b>98,747</b>	
Indirect Expenditure	76,640	76,680	40	
<b>Net (Income)/Expenditure</b>	<b>98,180</b>	<b>196,967</b>	<b>98,787</b>	



**RESOURCES**

	Revised Budget	Projected Outturn	Variance
	2016-2017	2016-2017	

**FEASIBILITY STUDIES**

Direct Expenditure	20,000	19,999	(1)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>20,000</b>	<b>19,999</b>	<b>(1)</b>
Indirect Expenditure	140	140	0
<b>Net (Income)/Expenditure</b>	<b>20,140</b>	<b>20,139</b>	<b>(1)</b>

**DEBTORS**

Direct Expenditure	161,070	148,110	(12,960)	Debtors salaries are £11,400 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.
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Income	(262,070)	(262,160)	(90)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(101,000)</b>	<b>(114,050)</b>	<b>(13,050)</b>
Indirect Expenditure	100,970	101,000	30
<b>Net (Income)/Expenditure</b>	<b>(30)</b>	<b>(13,050)</b>	<b>(13,020)</b>

**HOUSING BENEFITS**

Direct Expenditure	37,526,841	34,963,649	(2,563,192)	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 (see income)
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Income	(37,317,510)	(34,762,467)	2,555,043
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>209,331</b>	<b>201,182</b>	<b>(8,149)</b>
Indirect Expenditure	228,420	228,500	80
<b>Net (Income)/Expenditure</b>	<b>437,751</b>	<b>429,682</b>	<b>(8,069)</b>

**INFORMATION SYSTEMS TEAM**

Direct Expenditure	258,660	264,699	6,039
Income	(294,430)	(293,955)	475
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(35,770)</b>	<b>(29,256)</b>	<b>6,514</b>
Indirect Expenditure	37,350	37,407	57
<b>Net (Income)/Expenditure</b>	<b>1,580</b>	<b>8,151</b>	<b>6,571</b>

**RESOURCES**

	Revised Budget 2016-2017	Projected Outturn 2016-2017	Variance	
<b>INSURANCE REVENUE ACCOUNT</b>				
Direct Expenditure	917,970	868,207	(49,763)	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)	(921,494)	16,916	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(20,440)</b>	<b>(53,287)</b>	<b>(32,847)</b>	
Indirect Expenditure	3,580	4,030	450	
<b>Net (Income)/Expenditure</b>	<b>(16,860)</b>	<b>(49,257)</b>	<b>(32,397)</b>	
<b>IT RENEWALS REVENUE ACCOUNT</b>				
Income	(582,920)	(582,920)	0	
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(582,920)</b>	<b>(582,920)</b>	<b>0</b>	
Indirect Expenditure	464,470	464,500	30	
<b>Net (Income)/Expenditure</b>	<b>(118,450)</b>	<b>(118,420)</b>	<b>30</b>	
<b>MISCELLANEOUS ITEMS</b>				
Direct Expenditure	(59,136)	325,671	384,807	Customer Service Centre saving not achieved. The centrally held budget for the non-achievement of service challenge savings and additional income has been removed as the savings are reflected in the relevant cost centres.
Income	88,850	(31,893)	(120,743)	A £105,000 budget for the non-achievement of additional rental income will not be required, as we have achieved the target
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>29,714</b>	<b>293,778</b>	<b>264,064</b>	
Indirect Expenditure	460	460	0	
<b>Net (Income)/Expenditure</b>	<b>30,174</b>	<b>294,238</b>	<b>264,064</b>	
<b>OFFICE SERVICES TEAM</b>				
Direct Expenditure	1,434,050	1,440,500	6,450	There are salary savings resulting from vacancies. There are unbudgeted internal decoration costs at Millmead Lodge, and higher than budgeted repairs and maintenance at Home Farm (Stoke Park), River View Lodge, St Mary's Terrace and Old Millmead. The electricity budget was reduced to reflect a previous growth bid which would have seen the data centre move off site, the result of which is an overspend of £20,000. The furniture budget is expected to outturn £17,000 over budget.

**RESOURCES**

	Revised Budget	Projected Outturn	Variance
	2016-2017	2016-2017	
Income	(1,849,460)	(1,911,633)	(62,173) Surrey County Council rent will be £17,000 higher than budgeted and we have received £9,100 from central government for the PCC elections and the EU referendum. The reprographics support service recharge is projected to be overachieved by £40,000.

<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(415,410)</b>	<b>(471,133)</b>	<b>(55,723)</b>
Indirect Expenditure	478,180	474,663	(3,517)
<b>Net (Income)/Expenditure</b>	<b>62,770</b>	<b>3,530</b>	<b>(59,240)</b>

**EPAYMENTS AND PAYROLL**

Direct Expenditure	468,330	511,879	43,549 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.
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Income	(692,510)	(694,774)	(2,264)
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>(224,180)</b>	<b>(182,895)</b>	<b>41,285</b>
Indirect Expenditure	139,150	139,240	90
<b>Net (Income)/Expenditure</b>	<b>(85,030)</b>	<b>(43,655)</b>	<b>41,375</b>

**NON DISTRIBUTED COSTS**

Direct Expenditure	2,227,680	2,227,680	0
<b>Total Directly Controllable (Income)/Expenditure</b>	<b>2,227,680</b>	<b>2,227,680</b>	<b>0</b>
Indirect Expenditure	160	160	0
<b>Net (Income)/Expenditure</b>	<b>2,227,840</b>	<b>2,227,840</b>	<b>0</b>

**WEBSITE**

Direct Expenditure	323,120	254,049	(69,071) There are savings in website maintenance, development, hosting and licence costs.
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<b>Total Directly Controllable (Income)/Expenditure</b>	<b>323,120</b>	<b>254,049</b>	<b>(69,071)</b>
Indirect Expenditure	34,270	34,310	40
<b>Net (Income)/Expenditure</b>	<b>357,390</b>	<b>288,359</b>	<b>(69,031)</b>

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HOUSING REVENUE ACCOUNT SUMMARY - BUDGET MONITOR (APRIL 2016 - JANUARY 2017)

2014-15 Actual £	2015-16 Draft Actual £	Analysis	2016-17 Estimate £	2016-17 Projection £
		<b>Borough Housing Services</b>		
651,611	684,835	Income Collection	653,540	619,942
946,030	961,285	Tenants Services	934,070	916,264
128,403	94,149	Tenant Participation	145,290	71,722
69,481	71,964	Garage Management	69,680	67,017
62,502	63,133	Elderly Persons Dwellings	76,500	74,238
526,690	566,292	Flats Communal Services	447,100	450,126
461,658	414,610	Environmental Works to Estates	560,770	563,735
4,365,787	4,752,742	Responsive & Planned Maintenance	5,092,260	5,014,287
131,157	136,164	SOCH & Equity Share Administration	117,990	136,223
<b>7,343,319</b>	<b>7,745,173</b>		<b>8,097,200</b>	<b>7,913,554</b>
		<b>Strategic Housing Services</b>		
367,945	398,983	Advice, Registers & Tenant Selection	356,810	370,813
189,835	191,815	Void Property Management & Lettings	186,420	191,140
8,161	7,360	Homelessness Hostels	7,930	7,836
214,176	217,176	Supported Housing Management	204,870	193,287
363,535	430,396	Strategic Support to the HRA	471,550	439,184
<b>1,143,652</b>	<b>1,245,728</b>		<b>1,227,580</b>	<b>1,202,260</b>
		<b>Community Services</b>		
885,118	897,939	Sheltered Housing	883,050	873,914
		<b>Other Items</b>		
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
<b>(6,869,426)</b>	<b>15,409,712</b>	<b>Total Expenditure</b>	<b>15,869,450</b>	<b>15,651,347</b>
(32,275,406)	(32,592,728)	Income	(32,331,290)	(32,420,820)
<b>(39,144,832)</b>	<b>(17,183,017)</b>	<b>Net Cost of Services(per inc &amp; exp a/c)</b>	<b>(16,461,840)</b>	<b>(16,769,473)</b>
<b>232,550</b>	<b>241,767</b>	HRA share of CDC	<b>241,740</b>	<b>241,740</b>
<b>(38,912,282)</b>	<b>(16,941,250)</b>	<b>Net Cost of HRA Services</b>	<b>(16,220,100)</b>	<b>(16,527,733)</b>
(178,802)	(332,979)	Investment Income	(481,030)	(386,175)
5,077,365	5,173,010	Interest Payable	5,130,890	5,080,000
<b>(34,013,719)</b>	<b>(12,101,219)</b>	<b>Deficit for Year on HRA Services</b>	<b>(11,570,240)</b>	<b>(11,833,908)</b>
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	9,258,908
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
<b>0</b>	<b>0</b>	<b>HRA Balance</b>	<b>0</b>	<b>0</b>
(2,500,000)	(2,500,000)	Balance Brought Forward	(2,500,000)	(2,500,000)
<b>(2,500,000)</b>	<b>(2,500,000)</b>	<b>Balance Carried Forward</b>	<b>(2,500,000)</b>	<b>(2,500,000)</b>

2014-15 Actual £	2015-16 Draft Actual £	Analysis	2016-17 Estimate £	2016-17 Projection £
		<b>Income</b>		
(29,507,308)	(29,937,928)	Rent Income - Dwellings	(29,604,000)	(29,732,554)
(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)	(734,516)
<b>(30,554,781)</b>	<b>(30,997,925)</b>	<b>Total Rent Income</b>	<b>(30,731,950)</b>	<b>(30,864,000)</b>
(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)
<b>(32,275,406)</b>	<b>(32,592,728)</b>	<b>Total Income</b>	<b>(32,331,290)</b>	<b>(32,420,820)</b>

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GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2016-17 to 2021-22

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				Projected exp est by project officer (f) £000	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) (iii) £000	Revised estimate (d) £000	Expenditure at 14-02-17 (e) £000											
<b>APPROVED SCHEMES</b>																				
<b>COMMUNITY</b>																				
<b>Neighbourhood &amp; housing management</b>																				
P5	Gypsy & Traveller (Ash bridge)	921	902	-	19	-	-	19	20	20	-	-	-	-	-	-	922	(432)	490	
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	24	328	655	-	-	-	-	655	1,000	-	1,000	
<b>General Fund Housing</b>																				
	Disabled Facilities Grants			410	-	-	-	410		410	450					450	860	-	860	
	Home Improvement Assistance			60	-	-	-	60		60	40					40	100	-	100	
	Solar Energy Loans			30	-	-	-	30		30	30					30	60	-	60	
	SHIP			20	-	-	-	20		20	-					-	20	-	20	
	Investment in North Downs Housing			2,857	-	-	-	2,857		2,857	5,500	17,400	10,200	19,900	-	53,000	55,857	-	55,857	
	General feasibility, site preparation costs for affordable housing			150	-	-	-	150		150	120	120	120	120	120	600	750	-	750	
	General Grants to HAs			100	-	-	-	100		100	100	100	100	100	100	500	600	-	600	
<b>COMMUNITY DIRECTORATE TOTAL</b>		<b>2,211</b>	<b>1,150</b>	<b>4,527</b>	<b>59</b>	<b>0</b>	<b>100</b>	<b>4,686</b>	<b>45</b>	<b>4,032</b>	<b>6,895</b>	<b>17,620</b>	<b>10,420</b>	<b>20,120</b>	<b>220</b>	<b>55,275</b>	<b>60,458</b>	<b>(441)</b>	<b>60,017</b>	
<b>CORPORATE</b>																				
no projects																				
<b>DEVELOPMENT</b>																				
<b>Economic development</b>																				
ED3/15	Disabled Access (DDA) Improvements: ph.2 & 3	405	313	75	17	-	-	92	30	50	42	-	-	-	-	42	405	-	405	
	Tyting Farm Planning Permission								3	3							3	-	3	
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	-	-	-	-	-	-	-	8	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 & removal non-residential council premises	158	53	32	9	-	-	41	27	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	45	4	-	21	-	20	41	4	41	-	-	-	-	-	-	45	-	45	
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	2	2	-	-	-	-	-	-	52	-	52	
ED26a	Gunpowder Mills Bridges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ED26b	Peasmarsh Common Bridge	-	-	-	-	-	-	-	19	19	-	-	-	-	-	-	19	-	19	
ED26c	Bridges - Millmead Footbridge	-	-	-	-	-	-	-	12	12	-	-	-	-	-	-	12	-	12	
ED26d	Bridges - Shalford Water Meadow	-	-	-	-	-	-	-	18	18	-	-	-	-	-	-	18	-	18	
ED26e	Bridges - Ash Grn tread reps	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ED26f	Bridges-Compton Common	-	-	-	-	-	-	-	4	4	-	-	-	-	-	-	4	-	4	
ED26g	Bridges-Effingham Common	-	-	-	-	-	-	-	0	0	-	-	-	-	-	-	0	-	0	
ED26h	Bridges-Kingston Meadows	-	-	-	-	-	-	-	0	0	-	-	-	-	-	-	0	-	0	
ED26i	Bridges-Hollybush Pk, Ash Vale	-	-	-	-	-	-	-	0	0	-	-	-	-	-	-	0	-	0	
ED26j	Bridges-Fox Corner, Worpleston	-	-	-	-	-	-	-	4	4	-	-	-	-	-	-	4	-	4	
ED26k	Bridges-Great Goodwin Drive	-	-	-	-	-	-	-	0	0	-	-	-	-	-	-	0	-	0	
ED26l	Bridges-Heathfield, Send	-	-	-	-	-	-	-	0	0	-	-	-	-	-	-	0	-	0	
ED26m	Bridges-Inner Quadrant Ashvale	-	-	-	-	-	-	-	1	1	-	-	-	-	-	-	1	-	1	
ED26n	Bridges-Lakeside Nature Reserv	-	-	-	-	-	-	-	0	0	-	-	-	-	-	-	0	-	0	
ED26o	Bridges-Land At Baird Drive	-	-	-	-	-	-	-	0	0	-	-	-	-	-	-	0	-	0	
ED26p	Bridges-Merrow Common	-	-	-	-	-	-	-	0	0	-	-	-	-	-	-	0	-	0	
ED26q	Bridges-Merrow Woods	-	-	-	-	-	-	-	0	0	-	-	-	-	-	-	0	-	0	
ED26r	Bridges-Moore Close, Tongham	-	-	-	-	-	-	-	0	0	-	-	-	-	-	-	0	-	0	
ED26s	Bridges-Tower Hill, Gomshall	-	-	-	-	-	-	-	0	0	-	-	-	-	-	-	0	-	0	
ED26t	Bridges-Avondale Open Space	-	-	-	-	-	-	-	0	0	-	-	-	-	-	-	0	-	0	

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-16	Estimate approved by Council in February	Rolled over	Supplementary Ests	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	Grants / Contributions towards cost of scheme	Net cost of scheme
		(a) £000	(b) £000	(c) £000	(d) (i) £000	(d) (ii) £000	(d) (iii) £000	(d) £000	(e) £000	(f) £000	(i) £000	(ii) £000	(iii) £000	(iv) £000	(v) £000	(g) £000	(b)+(g) = (h) £000	(j) £000	(h)-(j) = (i) £000
ED26u	Bridges-Rowan Field, Shawfield	-	-	-	-	-	-	0	0	-	-	-	-	-	-	0	-	0	
ED26v	Bridges-Kingfisher Dr, Merrow	-	-	-	-	-	-	0	0	-	-	-	-	-	-	0	-	0	
ED26w	Bridges-Parsonage Water Meadow	-	-	-	-	-	-	3	3	-	-	-	-	-	-	3	-	3	
ED26x	Bridges-Greenark Biodiversity	-	-	-	-	-	-	0	0	-	-	-	-	-	-	0	-	0	
ED26y	Bridges - School Meadow ParkBarn	-	-	-	-	-	-	3	3	-	-	-	-	-	-	3	-	3	
ED26z	Bridges-Pirbright Common	-	-	-	-	-	-	9	9	-	-	-	-	-	-	9	-	9	
ED29	Bridges - Shalford Common	-	-	-	-	-	-	15	15	-	-	-	-	-	-	15	-	15	
ED31	Guildford House courtyard	7	-	-	7	-	-	7	7	-	-	-	-	-	-	7	-	7	
ED35	Acquisition of New House	1,200	-	-	1,200	-	-	1,200	1,096	1,200	-	-	-	-	-	1,200	-	1,200	
ED39	Electric Theatre - new boilers	120	-	120	-	-	-	120	-	-	120	-	-	-	120	120	-	120	
ED41	Gfd business incubation project	110	-	-	110	-	-	110	-	110	-	-	-	-	-	110	-	110	
ED42	The Billings roof	200	-	50	-	-	-	50	13	50	150	-	-	-	150	200	-	200	
ED43	Guildford house damproofing	20	-	20	-	-	-	20	-	20	-	-	-	-	-	20	-	20	
ED44	Racks close	56	-	56	-	-	-	56	35	35	-	-	-	-	-	35	-	35	
ED45	Broadwater cottage	74	-	74	-	-	-	74	-	74	-	-	-	-	-	74	-	74	
P1	Gunpowder mills - scheduled ancient monument	50	-	50	-	-	-	50	-	50	-	-	-	-	-	50	-	50	
<b>PLANNING SERVICES</b>																			
P4	Environmental Improvements: High Street / Chertsey St., Gfd	60	-	-	-	-	-	-	-	60	-	-	-	-	60	60	(20)	40	
P4	Guildford Riverside Route Ph 1 (part SPA)	708	115	391	202	-	-	593	520	593	-	-	-	-	-	708	(708)	0	
<b>DEVELOPMENT DIRECTORATE TOTAL</b>		<b>3,971</b>	<b>730</b>	<b>1,341</b>	<b>1,607</b>	<b>-</b>	<b>20</b>	<b>2,968</b>	<b>1,857</b>	<b>2,798</b>	<b>421</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>453</b>	<b>3,981</b>	<b>(728)</b>	<b>3,253</b>
<b>ENVIRONMENT</b>																			
<b>Operational Services</b>																			
OP1	Safer Guildford: CCTV & Lighting Strategy - CCTV etc. phase	93	82	-	11	-	-	11	-	11	-	-	-	-	-	93	-	93	
OP2	Land Drainage: Ash Green - flood relief works	346	294	-	52	-	-	52	45	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	6	22	-	-	-	-	-	71	(50)	21	
OP6	Vehicles, Plant & Equipment Replacement Programme	5,545	2,235	2,600	710	-	-	3,310	2,616	3,310	-	-	-	-	-	5,545	-	5,545	
OP10/1	Guildford High Street imps - Pay SCC	304	305	304	(304)	-	-	-	-	-	-	-	-	-	-	305	-	305	
OP19	Ash Surface Water (grant funded)	22	22	-	-	-	-	-	-	-	-	-	-	-	-	22	(22)	0	
OP19	William Road Flood (grant funded)	15	15	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	0	
OP19	Flexford Flood (EA grant)	50	24	-	-	26	-	26	36	36	-	-	-	-	-	59	(3)	56	
OPxx	Ashenden rd (EA grant)	3	3	-	-	-	-	-	-	-	-	-	-	-	-	3	(3)	0	
OP20	Flood resilience measures (use in conjunction with grant)	100	-	100	-	-	-	100	-	-	100	-	-	-	100	100	-	100	
OP22	Litter bins replacement	265	25	200	40	-	-	240	2	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	51	51	99	-	-	-	99	150	-	150	
OP26	Merrow lane grille & headwall construction	60	-	60	-	-	-	60	3	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	
<b>Parks and Leisure</b>																			
PL4	Crematorium - mercury abatement/new cremators	1,017	947	40	30	-	-	70	40	70	-	-	-	-	-	1,017	-	1,017	
PL5	Improvement of Security at Guildford Crematorium -	24	15	-	9	-	-	9	1	9	-	-	-	-	-	24	-	24	
PL11	Spectrum Roof replacement	4,000	30	2,769	(30)	-	-	2,739	115	150	3,420	-	-	-	3,420	3,600	-	3,600	
	Spectrum roof - steelwork ph2	-	-	-	-	-	-	-	262	400	-	-	-	-	-	400	-	400	
PL15	Infrastructure works: Guildford Commons	150	-	150	-	-	-	150	-	-	-	-	-	-	-	-	-	-	
PL15(a)	Infrastructure works: Guildford Commons: Merrow	-	-	-	-	-	-	-	10	13	10	-	-	-	10	23	-	23	
PL15(b)	Infrastructure works: Guildford Commons: Shalford	-	-	-	-	-	-	-	59	67	40	16	-	-	56	123	-	123	
PL15(c)	Infrastructure works: Guildford Commons: Compton	-	-	-	-	-	-	-	-	4	-	-	-	-	-	4	-	4	
PL20(a)	Onslow Rec play area	174	-	-	150	-	24	174	156	174	-	-	-	-	-	174	-	174	
PL21(a)	Council tennis courts refurbishment - Kingston meadows	93	93	42	(18)	-	(24)	-	-	-	-	-	-	-	-	93	-	93	
PL22	Stoke Park Paddling Pool (ph1&2)	423	252	-	107	-	64	171	113	171	-	-	-	-	-	423	-	423	
PL26	Replacement roundabout planters	50	-	-	20	-	-	20	1	20	-	-	-	-	-	20	-	20	
PL34	Stoke cemetery re-tarmac	47	-	47	-	-	-	47	-	47	-	-	-	-	-	47	-	47	
PL35	Woodbridge rd sportsground replace fencing	160	-	160	-	-	-	160	38	160	-	-	-	-	-	160	-	160	
PL36	Stoke Park Composting facility	105	-	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	2	16	200	-	-	-	200	216	(116)	100	
PL40	Replace hanging basket posts	88	-	88	-	-	-	88	3	88	-	-	-	-	-	88	(44)	44	
PL42	Pre-sang costs	100	-	-	-	-	100	100	-	100	-	-	-	-	-	100	-	100	
PL43	Stoke Cemetery Chapel - phase 2	75	-	-	-	-	-	-	-	-	3	72	-	-	-	75	-	75	
<b>ENVIRONMENT TOTAL DIRECTORATE</b>		<b>13,921</b>	<b>4,450</b>	<b>7,086</b>	<b>810</b>	<b>26</b>	<b>164</b>	<b>8,086</b>	<b>3,585</b>	<b>5,152</b>	<b>4,207</b>	<b>88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,295</b>	<b>13,897</b>	<b>(313)</b>	<b>13,583</b>

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Appendix 4



Ref	Directorate/Service and Capital Scheme name	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	Grants / Contributions towards cost of scheme	Net cost of scheme		
						Supplementary Ests	Virements	Revised estimate	Expenditure at 14-02-17											(a) £000	(b) £000
<b>RESOURCES</b>																					
<b>Business Systems</b>																					
BS1	Investment in Millmead House campus	3,884	3,476	-	408	-	-	408	307	408	-	-	-	-	-	-	3,884	-	3,884		
<b>Financial Services</b>																					
FS1	Capital contingency fund	annual	-	5,000	-	-	(1,400)	3,600	-	3,600	5,000	5,000	5,000	5,000	5,000	25,000	28,600	-	28,600		
<b>RESOURCES DIRECTORATE TOTAL</b>		<b>3,884</b>	<b>3,476</b>	<b>5,000</b>	<b>408</b>	<b>0</b>	<b>(1,400)</b>	<b>4,008</b>	<b>307</b>	<b>4,008</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>25,000</b>	<b>32,484</b>	<b>0</b>	<b>32,484</b>		
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS</b>																					
ED25	Guildford Park - new MSCP and infrastructure works	6,500	-	6,500	-	-	-	6,500	312	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	-	23,833	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		
	9 Middleton	-	-	-	-	-	526	526	-	526	-	-	-	-	-	-	526	-	526		
ED40	Private let accommodation works	200	-	200	-	-	-	200	-	200	-	-	-	-	-	-	200	-	200		
ED32	Clay lane link road	700	528	-	172	-	-	172	169	172	-	-	-	-	-	-	700	-	700		
ED6	Slyfield Area Regeneration Project (SARP)	1,984	63	500	421	-	-	921	75	1,921	-	-	-	-	-	-	1,984	-	1,984		
ED27	North Street Development / Guild Town Centre regeneration	949	371	350	55	-	-	405	89	405	100	100	-	-	-	200	976	(50)	926		
ED27a	Pop up Village	329	-	-	-	-	-	553	553	698	-	-	-	-	-	-	698	-	698		
P5	Land adj Walnut Bridge	3,341	126	2,196	47	-	403	2,646	14	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		
P9c	TCMP Sites U: Bedford Rd Wharf	3,523	-	3,523	-	-	-	3,523	-	-	3,523	-	-	-	-	-	3,523	-	3,523		
PL9	Rebuild Crematorium	10,040	13	174	313	-	40	527	137	527	3,410	6,020	70	-	-	9,500	10,040	-	10,040		
PL25	Spectrum Combined Heat and Power (GF contr)	1,200	-	869	-	-	-	869	12	12	857	-	-	-	-	857	869	-	869		
PL29	Woodbridge Rd sportsground	1,900	-	-	-	-	550	200	398	750	1,150	-	-	-	-	1,150	1,900	(796)	1,104		
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION</b>		<b>71,422</b>	<b>23,730</b>	<b>28,488</b>	<b>9,608</b>	<b>15,700</b>	<b>2,072</b>	<b>39,818</b>	<b>25,806</b>	<b>31,816</b>	<b>29,600</b>	<b>7,146</b>	<b>70</b>	<b>0</b>	<b>0</b>	<b>36,816</b>	<b>92,362</b>	<b>(1,337)</b>	<b>91,024</b>		
<b>APPROVED SCHEMES TOTAL</b>		<b>95,409</b>	<b>33,536</b>	<b>46,442</b>	<b>12,492</b>	<b>15,726</b>	<b>956</b>	<b>59,566</b>	<b>31,600</b>	<b>47,805</b>	<b>46,123</b>	<b>29,886</b>	<b>15,490</b>	<b>25,120</b>	<b>5,220</b>	<b>121,839</b>	<b>203,181</b>	<b>(2,820)</b>	<b>200,361</b>		

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GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2016-17 to 2021-22

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	2022-23 Est for year (v) £000	2023-24 Est for year (v) £000	2024-25 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	
						Estimate approved by Council in February (c) £000	Virements (d) (i) £000	Revised estimate (e) £000	Expenditure at 14-02-17 (f) £000													Projected exp est by project officer (g) £000
<b>PROVISIONAL SCHEMES (schemes approved in principle; further report to the Executive required)</b>																						
<b>COMMUNITY DIRECTORATE</b>																						
N&HM1(P)	Provision of a single gypsy pitch at Wyke Avenue	158	-	158	-	-	158	-	-	-	-	-	-	-	-	-	-	-	-	(20)	(20)	
<b>COMMUNITY DIRECTORATE TOTAL</b>		<b>158</b>	<b>-</b>	<b>158</b>	<b>-</b>	<b>-</b>	<b>158</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20)</b>	<b>(20)</b>	
<b>CORPORATE DIRECTORATE</b>																						
no projects																						
<b>CORPORATE DIRECTORATE TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>DEVELOPMENT DIRECTORATE</b>																						
ED14(P)	Void investment property refurbishment works	500	-	200	-	-	200	-	200	100	100	100	-	-	-	-	300	500	-	500		
ED18(P)	Guildford Museum	4,750	-	173	-	-	173	-	2,000	2,750	-	-	-	-	-	-	4,750	4,750	-	4,750		
ED21(P)	Methane gas monitoring system	150	-	150	-	-	150	-	150	-	-	-	-	-	-	-	-	150	-	150		
ED22(P)	Energy efficiency compliance - Council owned properties	1,150	-	230	-	-	230	-	920	230	-	-	-	-	-	-	1,150	1,150	-	1,150		
ED26(P)	Bridges	570	-	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		
ED47(p)	Cladding of Ash Vale units	145	-	-	-	-	-	-	145	-	-	-	-	-	-	-	145	145	-	145		
ED48(p)	Westfield/Moorfield rd resurfacing	3,152	-	-	-	-	-	-	3,152	-	-	-	-	-	-	-	3,152	3,152	-	3,152		
ED50(p)	Burpham Court Farm	365	-	-	-	-	-	-	365	-	-	-	-	-	-	-	365	365	-	365		
ED51(p)	Exhibition lighting at Guildford House	50	-	-	-	-	-	-	50	-	-	-	-	-	-	-	50	50	-	50		
ED52(p)	Chapel Street	2,000	-	-	-	-	-	-	2,000	-	-	-	-	-	-	-	2,000	2,000	-	2,000		
<b>DEVELOPMENT DIRECTORATE TOTAL</b>		<b>15,474</b>	<b>-</b>	<b>3,895</b>	<b>70</b>	<b>-</b>	<b>3,965</b>	<b>-</b>	<b>592</b>	<b>11,702</b>	<b>3,080</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,882</b>	<b>15,474</b>	<b>(2,400)</b>	<b>13,074</b>		
<b>ENVIRONMENT DIRECTORATE</b>																						
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		
OP22(P)	WRD - cleansing office heating system	11	-	-	-	-	-	-	11	-	-	-	-	-	-	-	11	11	-	11		
PL12(P)	Spectrum schemes to be agreed with Freedom Leisure	700	-	700	-	-	700	-	700	-	-	-	-	-	-	-	700	700	-	700		
PL16(P)	New burial grounds - acquisition & development	7,834	20	1,750	(6)	-	1,744	6	44	2,490	-	5,300	-	-	-	-	7,790	7,854	-	7,854		
PL18(P)	Refurbishment / rebuild Sutherland Memorial Park Pavilion	150	-	50	-	-	50	-	150	-	-	-	-	-	-	-	150	150	-	150		
PL20(P)	Council owned playground refurbishment	420	-	100	-	-	100	-	100	125	100	120	-	-	-	-	345	445	-	445		
PL21(P)	Council tennis courts refurbishment	295	-	80	-	-	80	-	80	215	-	-	-	-	-	-	215	295	(10)	285		
PL24(P)	Kings college astro turf	120	-	100	-	-	100	-	120	-	-	-	-	-	-	-	120	120	-	120		
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		
PL44(p)	Sutherland memorial park all weather courts	25	-	-	-	-	-	-	25	-	-	-	-	-	-	-	25	25	-	25		
PL45(p)	Stoke Pk gardens water feature refurb	81	-	-	-	-	-	-	81	-	-	-	-	-	-	-	81	81	(39)	42		
PL46(p)	Replace stoke pk gardens attendant hut	70	-	-	-	-	-	-	70	-	-	-	-	-	-	-	70	70	-	70		
PL47(p)	Wall repairs for parks, cemeteries & recreation facilities	195	-	-	-	-	-	-	15	180	-	-	-	-	-	-	195	195	-	195		
PL48(p)	Bellfields YCC	60	-	-	-	-	-	-	60	-	-	-	-	-	-	-	60	60	-	60		
PL49(p)	Resurface Lido Rd CP	100	-	-	-	-	-	-	100	-	-	-	-	-	-	-	100	100	-	100		
PL50(p)	Countryside fence replacement	97	-	-	-	-	-	-	50	47	-	-	-	-	-	-	97	97	-	97		
PL52(p)	SMP LED lighting	35	-	-	-	-	-	-	35	-	-	-	-	-	-	-	35	35	-	35		
PL53(p)	PBCC LED lighting upgrade	22	-	-	-	-	-	-	22	-	-	-	-	-	-	-	22	22	-	22		
<b>ENVIRONMENT DIRECTORATE TOTAL</b>		<b>17,635</b>	<b>20</b>	<b>3,620</b>	<b>549</b>	<b>-</b>	<b>4,169</b>	<b>6</b>	<b>964</b>	<b>5,349</b>	<b>927</b>	<b>9,420</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,696</b>	<b>17,680</b>	<b>(69)</b>	<b>17,611</b>	
<b>RESOURCES DIRECTORATE</b>																						
BS2(P)	Millmead House Toilet refurb	121	-	121	-	-	121	8	121	-	-	-	-	-	-	-	-	121	-	121		
CD3(P)	Renewables	65	-	65	-	-	65	-	65	-	-	-	-	-	-	-	-	65	-	65		
<b>RESOURCES DIRECTORATE TOTAL</b>		<b>186</b>	<b>-</b>	<b>186</b>	<b>-</b>	<b>-</b>	<b>186</b>	<b>8</b>	<b>186</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>186</b>	<b>-</b>	<b>186</b>		
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS</b>																						
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)	130,430	-	58	-	-	58	-	58	15,000	15,000	15,000	16,000	15,000	15,000	24,195	15,177	130,372	130,430	-	130,430	
ED38(P)	North Street development	21,134	-	21,134	-	-	21,134	-	-	1,000	28,590	-	-	-	-	-	29,590	29,590	-	29,590		
ED49(p)	Redevelop Midleton industrial estate	14,907	-	-	-	-	-	-	1,837	-	-	13,070	-	-	-	-	14,907	14,907	-	14,907		
HC4(p)	Bright Hill Development	13,500	-	-	-	-	-	-	500	1,250	6,250	5,500	-	-	-	-	13,500	13,500	-	13,500		
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		
P10(p)	Sustainable Movement Corridor	9,895	-	-	-	-	-	-	-	850	2,975	2,075	4,000	-	-	-	9,900	9,900	-	9,900		

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Appendix 5

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	2016-17			Expenditure at 14-02-17 (f) £000	Projected exp est by project officer (g) £000	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	2022-23 Est for year (v) £000	2023-24 Est for year (v) £000	2024-25 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
					Rolled over (d)	Virements (d) (i)	Revised estimate (e) £000														
P11(p)	Guildford west (PB) station	5,000	-	-	-	-	-	-	500	500	1,000	3,000	-	-	-	-	5,000	5,000	(3,750)	1,250	
P12(p)	Strategic property acquisitions	34,120	-	-	-	-	-	-	-	7,020	13,300	13,800	-	-	-	-	34,120	34,120	-	34,120	
P13(p)	Bedford Wharf	40,700	-	-	-	-	-	-	-	23,000	-	-	-	-	-	-	23,000	23,000	-	23,000	
P13(p)	Guildford Gyratory & approaches	12,000	-	-	-	-	-	-	-	2,000	3,000	3,500	3,500	-	-	-	12,000	12,000	(5,000)	7,000	
PL51(p)	Stoke Park - Home Farm Redevelopment	4,000	-	-	-	-	-	-	-	400	-	3,600	-	-	-	-	4,000	4,000	-	4,000	
	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	
<b>EXPENDITURE/INCOME GENERATING/COST REDUCTION PROJECTS TOTAL</b>		<b>330,057</b>	<b>-</b>	<b>41,036</b>	<b>-</b>	<b>(403)</b>	<b>40,633</b>	<b>-</b>	<b>1,058</b>	<b>34,799</b>	<b>94,929</b>	<b>52,615</b>	<b>60,545</b>	<b>22,500</b>	<b>15,000</b>	<b>24,195</b>	<b>15,177</b>	<b>319,760</b>	<b>320,818</b>	<b>(13,590)</b>	<b>307,228</b>
<b>PROVISIONAL SCHEMES - GRAND TOTALS</b>		<b>363,510</b>	<b>20</b>	<b>48,895</b>	<b>619</b>	<b>(403)</b>	<b>49,111</b>	<b>14</b>	<b>2,800</b>	<b>51,850</b>	<b>98,936</b>	<b>62,135</b>	<b>61,545</b>	<b>22,500</b>	<b>15,000</b>	<b>24,195</b>	<b>15,177</b>	<b>351,338</b>	<b>354,158</b>	<b>(16,079)</b>	<b>338,079</b>

GENERAL FUND CAPITAL PROGRAMME - S106 ESTIMATED EXPENDITURE 2016-17 to 2020-21

Ref	Service Units / Capital Schemes	Approved gross estimate	Cumulative spend at 31-03-16	Estimate approved by Council in February	2016-17				Projected exp est by project officer	2017-18 Est for year	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Net cost of scheme	Total net cost approved by Executive
					Rolled over	Virements	Revised estimate	Expenditure at 14-02-17							
		(a) £000	(b) £000	(c) £000	(d) (i) £000	(d) (ii)	(d)	(e) £000	(f) £000	(i) £000	(g) £000	(b)+(g) = (h) £000	(i) £000	(h)-(i) = (j) £000	(k) £000
<b>APPROVED SCHEMES (fully funded from S106 contributions)</b>															
<b>ENVIRONMENT DIRECTORATE</b>															
S-PL1	Woodbridge Meadow Artwork	104	58	-	46	-	46	45	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 imp	16	6	-	10	-	10	5	10	-	-	16	(16)	-	-
S-PL37	Ripley PC bowls club	9	-	-	9	-	9	51	51	-	-	51	(51)	-	-
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 Clandon	16	-	-	16	-	16	16	16	-	-	16	(16)	-	-
S-PL44	Ash Skate Park	55	-	-	-	55	55	54	55	-	-	55	(55)	-	-
S-PL45	Sutherland memorial park MUGA	16	-	-	-	16	16	16	16	-	-	16	(16)	-	-
S-PL46	Shalford Park Pavilion Improvements	23	-	-	-	23	23	-	23	-	-	23	(23)	-	-
S-PL47	Fir Tree Garden	28	-	-	-	28	28	-	-	28	28	28	(28)	-	-
<b>ENVIRONMENT DIRECTORATE TOTAL</b>		<b>753</b>	<b>302</b>	<b>25</b>	<b>234</b>	<b>122</b>	<b>381</b>	<b>211</b>	<b>395</b>	<b>28</b>	<b>28</b>	<b>795</b>	<b>(795)</b>	<b>-</b>	<b>-</b>
<b>APPROVED SCHEMES continued (fully funded from S106 contributions)</b>															
<b>DEVELOPMENT DIRECTORATE</b>															
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	164	164	46	46	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)	-	-
<b>DEVELOPMENT DIRECTORATE TOTOAL</b>		<b>1,249</b>	<b>495</b>	<b>295</b>	<b>461</b>	<b>-</b>	<b>756</b>	<b>164</b>	<b>478</b>	<b>278</b>	<b>278</b>	<b>1,251</b>	<b>(1,251)</b>	<b>-</b>	<b>-</b>
<b>APPROVED S106 SCHEMES TOTAL</b>		<b>2,197</b>	<b>990</b>	<b>320</b>	<b>695</b>	<b>122</b>	<b>1,137</b>	<b>375</b>	<b>873</b>	<b>306</b>	<b>306</b>	<b>2,242</b>	<b>(2,242)</b>	<b>-</b>	<b>-</b>

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GENERAL FUND CAPITAL SCHEMES - PROJECTS FUNDED VIA RESERVES: ESTIMATED EXPENDITURE 2016-17 to 2020-21

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-16	2016-17						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
				Estimate approved by Council in February	Rolled over	Virements	Revised estimate	Expenditure at 14-02-17	Projected exp est by project officer							
		(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
<b>RESOURCES DIRECTORATE</b>																
<b>ENERGY PROJECTS per SALIX RESERVE:</b>																
R-EN10	LED Lighting replacement	80	49	85	31			31	31	-	-	-	-	-	-	85
R-EN11	WRD energy reduction	70	-	-	70	-		70	70	-	-	-	-	-	-	80
<b>ENERGY PROJECTS per GBC INVEST TO SAVE RESERVE:</b>																
<i>GBC 'Invest to Save' energy projects (to be repaid in line with savings)</i>																
R-EN3	Spectrum - Absorption chiller	90	-	120	44			90	164	-	-	-	-	-	-	90
R-EN4	Millmead - replace lighting	100	100	100	-			-	-	-	-	-	-	-	-	100
R-EN12	PV/energy efficiency projects	100	2	-	98	-		98	98	-	-	-	-	-	-	100
<b>ENERGY RESERVES TOTAL</b>		<b>440</b>	<b>151</b>	<b>395</b>	<b>243</b>	<b>-</b>	<b>453</b>	<b>-</b>	<b>538</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>525</b>
<b>BUDGET PRESSURES RESERVE</b>																
R-BP1	Surreysave Credit Union - purchase of shares	100	50	50	-	-		50	50	-	-	-	-	-	-	100
R-BP2	Limnerslease - watts gallery loan	125	-	-	125	-		125	125	-	-	-	-	-	-	125
<b>BUDGET PRESSURES RESERVE TOTAL</b>		<b>225</b>	<b>50</b>	<b>50</b>	<b>125</b>	<b>-</b>	<b>175</b>	<b>125</b>	<b>175</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>225</b>
<b>LABGI RESERVE</b>																
P&R-LB1	Bedford Rd Bus Station	250	59	191	-	-		191	-	-	191	-	-	-	191	250
<b>LABGI RESERVE TOTAL</b>		<b>250</b>	<b>59</b>	<b>191</b>	<b>-</b>	<b>-</b>	<b>191</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>191</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>191</b>	<b>250</b>
<b>INFORMATION TECHNOLOGY - IT Renewals Reserve : approved annually</b>																
Hardware / software budget		-	-	850	41			891	554	350	350	350	350	-	1,400	1,954
R-IT1	Hardware	annual	annual	-	-			43	43	-	-	-	-	-	-	43
R-IT2	Software	annual	annual	-	-			275	275	-	-	-	-	-	-	275
Efin upgrade and eproc implement								9	9							
Replace Ocella (Tascom)								10	10							
<b>IT RENEWALS RESERVE TOTAL</b>		<b>-</b>	<b>-</b>	<b>850</b>	<b>41</b>	<b>-</b>	<b>891</b>	<b>337</b>	<b>891</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>-</b>	<b>1,400</b>	<b>2,272</b>
<b>ENVIRONMENT DIRECTORATE</b>																
<b>SPECTRUM RESERVE</b>																
R-S10	Chiller Replacement & CHO absorption chiller	245	-	243	-			243	243	-	-	-	-	-	-	243
R-S13	Lift controls - replacement	310	-	-	310			310	5	310	-	-	-	-	-	310
<b>SPECTRUM RESERVE TOTAL</b>		<b>555</b>	<b>-</b>	<b>243</b>	<b>310</b>	<b>-</b>	<b>553</b>	<b>5</b>	<b>553</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>553</b>
<b>CAR PARKS RESERVE</b>																
R-CP1	Car parks - install/replace pay-on-foot equipment	570	236	-	334			334	5	329	-	-	-	-	329	570
R-CP2	Car parks - install/replace pay and display equipment	300	182	-	118			118	-	-	-	-	-	-	-	182
<b>Car Parks - Lighting &amp; Electrical improvements:</b>																
R-CP3	- Bedford Road Lighting & Electrical	348	315	-	42			42	-	-	-	-	-	-	-	315
R-CP4	- Leapale Road Lighting & Electrical	102	54	-	48			48	-	-	-	-	-	-	-	54
R-CP13	- Castle, Farnham & York Rd Lighting	300	-	-	300	-		300	78	-	-	-	-	-	-	300
<b>Car parks - Deck surfacing:</b>																
R-CP8	- Castle car park	325	-	-	-			-	-	-	325	-	-	-	325	325
R-CP9	- Farnham Road car park	550	501	-	49			49	-	-	-	-	-	-	-	501
R-CP10	- Bedford Road	512	-	512	-			512	-	512	-	-	-	-	512	512
R-CP11	Dilapidation works to Onslow House and Bedford Rd M	77	1	-	75			75	0	-	-	-	-	-	-	76
R-CP12	Replacement of collapsed retaining wall Bright Hill	321	8	-	315			315	8	-	-	-	-	-	-	323
R-CP14	Lift replacement	429	-	93	-			93	-	187	187	187	187	-	748	841
R-CP15	Merrow P&R CCTV	50	-	50	-			50	-	-	-	-	-	-	-	50
R-CP16	Bright Hill Barrier essential works	80	-	-	-			80	-	-	-	-	-	-	-	80
R-CP17	Leapale rd MSCP drainage	90	-	-	-			-	-	90	-	-	-	-	90	90

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-16	Estimate approved by Council in February	2016-17				Projected expenditure at 14-02-17	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
					Rolled over	Virements	Revised estimate	Expenditure at 14-02-17									
	<b>CAR PARKS RESERVE TOTAL</b>	<b>4,054</b>	<b>1,296</b>	<b>655</b>	<b>1,281</b>	<b>80</b>	<b>2,016</b>	<b>90</b>	<b>918</b>	<b>1,118</b>	<b>512</b>	<b>187</b>	<b>187</b>	<b>-</b>	<b>2,004</b>	<b>4,218</b>	
	<b>SPA RESERVE :</b>																
R-SPA1	SPA schemes (various)	100	annual	100	65		165	1	165	100	-	-	-	-	100	265	
R-SPA2	Chantry Woods							-	-						-		
R-SPA2	Effingham							-	-						-		
R-SPA3	Lakeside							1	-						-		
R-SPA4	Riverside							0	-						-		
R-SPA5	Parsonage							3	-						-		
R-SPA7	Access tracks at Chantry Wood	60	-	-	60		60	-	60	-	-	-	-	-	-	60	
	<b>SPA RESERVE TOTAL</b>	<b>160</b>	<b>-</b>	<b>100</b>	<b>125</b>	<b>-</b>	<b>225</b>	<b>4</b>	<b>225</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>325</b>	
	<b>GRAND TOTALS</b>	<b>5,684</b>	<b>1,556</b>	<b>2,484</b>	<b>2,125</b>	<b>80</b>	<b>4,504</b>	<b>562</b>	<b>3,300</b>	<b>1,568</b>	<b>1,053</b>	<b>537</b>	<b>537</b>	<b>-</b>	<b>3,695</b>	<b>8,368</b>	



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

### 1.0 AVAILABILITY OF RESOURCES - NOTES :

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

1.2 The actuals for 2015-16 have not been audited.

### 1.3 Funding assumptions:

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

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

### 2.0 Capital receipts - Balances (T01001)

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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
Balance as at 1 April	3,971	0	0	0	0	0	0	0
Add estimated usable receipts in year	112	330	459	330	4,000	9,200	9,075	16,000
Less applied re funding of capital schemes	(4,083)	(330)	(459)	(330)	(4,000)	(9,200)	(9,075)	(16,000)
<b>Balance after funding capital expenditure as at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

APPENDIX 8

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

## 3.0 Capital expenditure and funding - summary

### Estimated capital expenditure

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

### Total estimated capital expenditure

### To be funded by:

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

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

### Total funding required

	2015-16 Actuals £000	2016-17 Budget £000	2016-17 Est Outturn £000	2017-18 Estimate £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000
	16,279	46,442	47,805	46,123	29,886	15,490	25,120	5,220
	37	48,895	2,800	51,850	98,936	62,135	61,545	22,500
	268	320	873	306	0	0	0	0
	1,031	2,484	3,300	1,568	1,053	537	537	0
	932	0	0	0	0	0	0	0
<b>Total estimated capital expenditure</b>	<b>18,547</b>	<b>98,141</b>	<b>54,779</b>	<b>99,847</b>	<b>129,875</b>	<b>78,162</b>	<b>87,202</b>	<b>27,720</b>
<b>To be funded by:</b>								
Capital receipts ( <i>per 2.above</i> )	(4,729)	(330)	(459)	(330)	(4,000)	(9,200)	(9,075)	(16,000)
Contributions	(1,071)	(1,347)	(6,952)	(3,848)	(1,121)	(2,250)	(4,750)	(1,750)
R.C.C.O. :								
Other reserves	(1,047)	(4,269)	(5,932)	(7,968)	(10,553)	(537)	(537)	0
	(6,847)	(5,946)	(13,343)	(12,146)	(15,674)	(11,987)	(14,362)	(17,750)
Balance of funding to be met from (i) the Capital Reserve, and (ii) borrowing	(11,700)	(92,195)	(41,435)	(87,701)	(114,201)	(66,175)	(72,840)	(9,970)
<b>Total funding required</b>	<b>(18,547)</b>	<b>(98,141)</b>	<b>(54,779)</b>	<b>(99,847)</b>	<b>(129,875)</b>	<b>(78,162)</b>	<b>(87,202)</b>	<b>(27,720)</b>

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## 4.0 General Fund Capital Schemes Reserve (U01030)

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

Less: Applied re funding of capital programme

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

	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	639	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	639	0	0	0	0	0
Less: Applied re funding of capital programme	(1,932)	0	(639)	0	0	0	0	0
<b>Balance after funding capital expenditure etc.as at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated shortfall at year-end to be funded from borrowing

	9,768	92,195	40,796	87,701	114,201	66,175	72,840	9,970
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Agenda item number: 8  
Appendix 8



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**GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2016-17 to 2021-22: HRA APPROVED PROGRAMME**

	<b>Project Budget</b>	<b>2015-16 Actual</b>	<b>Project Spend at 31-03-16</b>	<b>2016-17 Estimate</b>	<b>2016-17 Projected Outturn</b>	<b>2017-18 Estimate</b>	<b>2018-19 Estimate</b>	<b>2019-20 Estimate</b>	<b>2020-21 Estimate</b>	<b>2021-22 Estimate</b>	<b>Total Project Exp</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Acquisition of Land &amp; Buildings</b>	3,302	0	0	3,500	3,302	0					3,302
<b>New Build</b>											
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
Guildford Park	75	0	0	75	75	0	0	0	0	0	75
Slyfield Green (Corporation Club)	2,448	0	0	1,850	2,098	350	0	0	0	0	2,448
Willow Way	1,000	0	0	800	0	975	25	0	0	0	1,000
Garage sites	2,500	0	0	1,350	350	2,000	150	0	0	0	2,500
The Homstead	500	0	0	485	0	500	0	0	0	0	500
Appletree pub site	3,200	43	43	100	57	2,400	700	0	0	0	3,200
Fire Station/Ladymead	2,000	0	0	0	0	1,200	800	0	0	0	2,000
Bright Hill	500	0	0	0	0	500	0	0	0	0	500
Various small sites & feasibility/Site preparation	1,000	0	0	0	0	0	0	0	0	0	0
<b>Schemes to promote Home-Ownership</b>											
Equity Share Re-purchases	annual	312	annual	400	400	400					annual
<b>Major Repairs &amp; Improvements</b>											
Retentions & minor carry forwards	annual	0	annual	5,000	5,000	4,500					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
<b>Grants</b>											
Cash Incentive Scheme	annual	0	annual	75	75	75					annual
<b>TOTAL APPROVED SCHEMES</b>	<b>0</b>	<b>7,635</b>	<b>8,765</b>	<b>13,869</b>	<b>11,591</b>	<b>12,900</b>	<b>1,675</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24,484</b>

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Corporate Governance and Standards Committee Report

Report of Head of Financial Services

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Date: 30 March 2017

## Local Government Pension Scheme Triennial Valuation

### Executive Summary

Guildford Borough Council is a member of the Surrey Pension Fund. The actuaries for the fund have carried out a valuation as at 31 March 2016. We have received the draft results of the valuation, which are outlined in this report. The actuarial report is attached as **Appendix 1**.

The draft valuation results show that investment performance of the fund has been good over the three-year period since the last valuation and outperformed the actuary's assumptions at the previous valuation. As a result, the deficit on the pension fund for the Council has decreased from £51.2 million in 2013 to £37.3 million in 2016, and the funding level has increased from 71% to 80%. The three main reasons for the decrease in the deficit are as follows:

- Investment performance has exceeded the expectations at the last valuation
- The rate of pension increases for scheme members has reduced due to the Consumer Price Index (CPI) being lower than anticipated at the last valuation
- Salary growth for scheme members has been lower than expected at the last valuation, this is due to continued public sector pay restraint and the impact of changes to the scheme for members

The decrease in the deficit will mean that the Council's back funding payment into the scheme can slightly reduce from £2.424 million to £2.326 million per annum between 1 April 2017 and 31 March 2020, a saving of £98,000. The draft valuation results propose an employer's contribution rate of 15.1% of payroll per year, an increase of 0.5% from the 2016-17 contribution of 14.6% of payroll. The increase in contribution rate will cost approximately £118,000. Therefore, the overall impact of the valuation is an increase in cost of £20,000 from 2016-17. The increase has been included within the 2017-18 budget.

The back funding payment is split between the General Fund (approx. 90%) and the Housing Revenue Account (approx. 10%). Therefore, the back funding payment in 2017-18 for the General Fund is £2.121 million and the HRA share is £205,000.

## **Recommendation to Corporate Governance and Standards Committee**

That the Committee notes this report.

### Reason for Recommendation:

Officers have presented the report at the Committee's request, to inform it of the background and position of the Local Government Pension Scheme.

## **1. Purpose of Report**

1.1 Under the Council's Constitution, the Corporate Governance and Standards Committee is responsible for matters relating to the accounts of the Council. The Council is a member of the Local Government Pension Scheme (LGPS), through the Surrey Pension Fund, and carries a deficit on its balance sheet in relation to the pension fund. The amount of the deficit included within the balance sheet is calculated under International Accounting Standard (IAS) 19 each year and does not affect the employer's contribution rate that the Council pays. The triennial valuation of the fund determines the contribution rates. This report provides the Committee with the draft results of the 2016 valuation, the deficit, the funding level of the fund and the contribution rate the Council is required to pay into the fund for the next three financial years.

## **2. Strategic Framework**

2.1 This update supports our value of being open and accountable to our residents as set out in the Corporate Plan.

## **3. Background**

3.1 The LGPS is a national pension scheme for people working in local government and some other public sector organisations. Some employers join as an admitted body. These organisations choose to join in order to provide access to the scheme for some or all of their employees. Admitted bodies usually provide a public service. The company managing our leisure management contract, Freedom Leisure, is an admitted body and it is likely that the Academy of Contemporary Music (ACM) will apply to become an admitted body when it takes control of the lease of the Electric Theatre.

3.2 Our administration body is Surrey County Council (SCC), one of 99 local pension funds that administer the LGPS. We do not have a choice over which fund to join. The Surrey fund has 91,427 members of whom 34,072 are active members, 23,197 are pensioners and the remaining 34,158 are deferred members. As at 30 November 2016, the fund was valued at £3.6 billion.

3.3 The LGPS is a funded pension scheme, which means that employees' and employers' contributions are vested in separate trustees (either individuals or corporate bodies), and this is distinct from the employers' normal business activities. Investment of the contributions generates interest income but also means that the value of the fund can vary. The fund meets the payment of benefits accrued by pensioners.



- 3.4 The contribution rate paid by employees is set nationally and depends on their whole time pay. The rates from April 2017 are:

Whole time pay rate	Contribution rate %
Up to £13,700	5.5
£13,701 to £21,400	5.8
£21,401 to £34,700	6.5
£34,701 to £43,900	6.8
£43,901 to £61,300	8.5
£61,301 to £86,800	9.9
£86,801 to £102,200	10.5
£102,201 to £153,300	11.4
£153,301 or more	12.5

- 3.5 Since the last valuation, there have been a number of changes to the LGPS as outlined in the paragraphs below.

Auto Enrolment

- 3.6 A change in legislation aimed at increasing the number of people with an occupational pension, meant that the Council had to enrol all employees that were not already in the fund on 1 October 2013. Any employees that did not want to remain as a member could then decide to leave. This has led to an increase in membership of around 30 to 40 employees. We have to repeat this process every three years. Any increase in the number of people in the scheme increases our direct costs through the employers' contribution, but also makes the scheme more sustainable and may reduce the contribution rate in the longer term.

Career Average Revalued Earnings (CARE) Scheme

- 3.7 On 1 April 2014, the new LGPS came into effect, replacing the final salary scheme with a career average revalued earnings (CARE) scheme for future benefit accrual. The new scheme:
- (a) has a normal pension age equal to the state pension age (minimum 65)
  - (b) gives a pension for each year at a rate of 1/49<sup>th</sup> of pensionable pay received in that year
  - (c) provides increased flexibility for members wishing to retire early
  - (d) allows members to pay reduced contributions as an alternative to opting out (though benefits build up at a slower rate)
  - (e) provides for previous years' CARE benefits to be inflation proofed in line with the Consumer Prices Index (CPI) while the member is still paying in
  - (f) requires members to have at least 2 years membership to qualify for pensionable benefits
- 3.8 The implementation of the CARE scheme means that salary growth assumptions will have a lower impact on the valuation of scheme liabilities than under the final salary scheme.

#### 4. Surrey fund investment performance

- 4.1 There are only two ways to fund a pension; contributions from scheme members and employers, and investing the money to generate more money (investment return). The investment strategy and performance of the fund is important; current contribution rates require the fund to generate investment returns well above inflation, which the managers cannot achieve by investing only in safe assets. The fund has to invest in a diverse portfolio to achieve above inflation returns.
- 4.2 The fund had eleven fund managers during 2015-16. The fund investment performance over the past ten years is given below:

Financial Year	SCC (%)	Surrey benchmark (%)
1 year	-0.5	-0.9
3 year average	6.7	5.7
5 year average	7.2	6.3
10 year average	5.5	5.0

- 4.3 The investment performance of the fund in 2015-16 was above benchmark as well as the outperformance target over the 3 and 5-year period. The outperformance above the benchmark is partly a result of strong investment returns generated by actively managed portfolios.
- 4.4 The Surrey fund is cash flow positive; that is, the income from contributions exceeds that paid to pensioners. This means that a long-term investment stance is possible.

#### 5. 2016 actuarial valuation

- 5.1 The scheme generates a fund to pay out future benefits; however, the trustees do not know the cost of those benefits. The cost of benefits is valued during an actuarial valuation every three years. This looks at the value of the fund on 31 March, make-up of the members (age, gender, length of service) and current funding level. The actuary makes assumptions about investment returns over the next three years and factors such as life expectancy. The actuaries for the Surrey pension fund are Hymans Robertson and they have carried out a valuation of the fund as at 31 March 2016.
- 5.2 We have received the initial results of the 2016 valuation and the final valuation is due before the end of March 2017. The key results of the initial valuation for the whole fund are:
- the overall funding level has increased from 72.3% in 2013 to 82.6% in 2016
  - the value of the deficit has reduced from £980 million to £680 million,
  - contribution rates will increase slightly but the back funding contribution will decrease;
  - overall investment returns over the three year period since the last valuation have been 6.7% which is higher than the assumed outperformance target of 5.7%, this has had a positive impact on the funding level of the scheme;

- inflation, pension increases, salary increases and ill health retirements have been lower than expected which have also had a positive impact on the funding level.
- an increase in the retirement age has also had a positive impact on the funding level

However,

- there have been fewer pensioner deaths than expected which has had a negative impact on the funding level; and
- there has been a reduction in the discount rate used to value the future pensions cost (liabilities) of the scheme (from 4.6% to 4.2%) which has had a negative impact on the funding level.

5.3 The reduction in the discount rate from 4.6% per cent in 2013 to 4.2% per cent in 2016 is due to the Surrey Pensions Committee (i.e., the pension fund trustees) changing the way the discount rate is calculated. At the 2013 valuation, the largest element of the discount rate related to the expected return on government bonds (gilts). However, for the 2016 valuation the committee decided to base the discount rate on CPI. The change in methodology means that the Surrey pension fund is now consistent with the Government Actuarial department in the valuation of pension liabilities. The move to CPI is likely to have had a positive impact on the valuation, as gilt yields for the past 3 years have been artificially low at around a return of 1.2%. There was concern that the use of gilts would have artificially depressed the liabilities.

5.4 The three largest factors affecting the decrease in the deficit across the whole fund, are as follows:

- (a) Investment performance has exceeded the expectations at the last valuation by £140million
- (b) The rate of pension increases for scheme members has reduced due to the Consumer Price Index (CPI) being lower than anticipated at the last valuation
- (c) Salary growth for scheme members has been lower than expected at the last valuation, this is due to continued public sector pay restraint and changing the scheme from final salary to a CARE scheme with effect from a April 2014

The combined impact of (b) and (c) is £125million.

5.5 The funding level and contribution rates set out in the valuation of the whole fund will vary between employers within the scheme due to the membership profile of the particular employer. The assets of the scheme and a number of the financial assumptions are the same across all employers.

5.6 The initial results for Guildford Borough Council show a positive impact on funding level due to the reasons outlined for the whole fund. The deficit for the Council as at 31 March 2016 was £37.3 million, a decrease of £13.9 million from the deficit at 31 March 2013 of £51.2 million. The results mean that the funding level for the Council has increased from 71% to 80%. Section 3 of Appendix 1 shows the detailed actuarial results for the Council.

## **6. Employer's contribution and back funding**

- 6.1 Following the valuation, the actuary recommends the level of employers' contributions required for the next three years. This rate varies between employers.
- 6.2 The Council's current rate is 14.6%, until 31 March 2017. This equates to around £3.4 million per year.
- 6.3 Back funding is the term used to describe additional contributions paid into the fund to return the fund to 100% solvency. Our amount is £2.424 million per year until March 2017.
- 6.4 The actuarial results, based on the assumptions made, indicate that our ongoing service rate should increase from 14.6% to 15.1%. The actuaries use a stabilisation process, which the regulations allow, in order to set a stable rate from one valuation to the next. This means that we do not experience big increases in rate in difficult conditions, but neither will we get big reductions in rate should the valuation situation improve.
- 6.5 In the initial valuation results, the actuaries have proposed making, as a minimum, deficit repayments of £2.326million per annum for the next three financial years, a reduction of £98,000 from 2016-17.
- 6.6 These payments are split between the General Fund (approximately 90%) and the Housing Revenue Account (approximately 10%). Therefore, the back funding payment in 2017-18 for the General Fund is £2.121 million and the HRA share is approximately £220,000. These amounts have been included within the budget for 2017-18. The increase in contribution rate will cost approximately £118,000. Therefore, the overall impact of the valuation is an increase in cost of £20,000 from 2016-17 approved by Council on 8 February 2017.

## **7. Financial Implications**

- 7.1 There are no additional financial implications to the ones considered throughout the report.

## **8. Legal Implications**

- 8.1 The LGPS is a statutory funded pension scheme and is a secure pension arrangement with rules set out in legislation made under the Superannuation Act 1972.
- 8.2 It is a registered public service scheme under Chapter 2 of Part 4 of the Finance Act 2004. It has automatic registration by virtue of Part 1 of Schedule 36 of that Act. It is contracted out of the State Second Pension (S2P) because it provides benefits that are as good as most members would receive if they were in the S2P.
- 8.3 Schedule 4 of the LGPS Administration Regulations 2008 specifies that the appropriate fund for an employer is the fund maintained by the administering

body within whose area all or most of the employer's area lies. Therefore, Guildford must be a member of the Surrey fund.

- 8.4 The Local Government Pension Scheme Regulations 2013 introduced a new scheme on 1 April 2014.
- 8.5 The 2013 regulations state that Guildford must obtain a valuation. This is to ensure the fund can meet its liabilities to members and pensioners; the valuation also determines contribution rates for employers.
- 8.6 There are no further direct legal implications because of this report.

## **9. Human Resource Implications**

- 9.1 All eligible employees can be a member of the fund. We will carry out an auto-enrolment process every three years.

## **10. Conclusion**

- 10.1 This report provides information about the LGPS in general and the Surrey fund in particular. Guildford must be a member of the Surrey fund. The Council's pension fund deficit as at 31 March 2016 has decreased and as a result, the funding level has increased from 71% to 80%. The overall impact on the Council's 2017-18 budget relating to pension contributions is an increase of £20,000 arising from an increase in employer contribution rates offset by a reduction in back funding contribution.

## **11. Background Papers**

None

## **12. Appendices**

Appendix 1: Guildford Borough Council 31 March 2016 Formal Valuation - Draft Results

Appendix 2: Surrey Pension Fund Employer Results Report: Valuation as at 31 March 2016

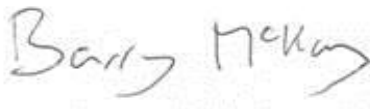
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## 31 March 2016 Formal Valuation - Draft Results

### ATTENTION

The results in this Schedule should be read in conjunction with the draft Funding Strategy Statement, the Employer Results Report, the Formal Valuation Report (to be issued in March 2017), and any related correspondence. The method, assumptions, reliances and limitations are described in those documents. The restrictions set out in those reports on the disclosure to any third party apply equally to this Results Schedule. It should be noted that this Schedule is intended for the use of the Administering Authority only but may be shared with the Employer named within this Schedule for the purposes of agreeing a contribution plan.

Fund	Surrey Pension Fund
Administering Authority	Surrey County Council
Employer	Guildford Borough Council
Pool	Individual
Employer code/Pool name	379
Open/Closed	Open
Employer Type	Scheduled



Barry McKay  
For and on behalf of Hymans Robertson LLP

1 February 2017

## Section 1 - Employer Data

### Employer membership statistics

	Number		Average Age		Duration
	31 Mar 2013	31 Mar 2016	31 Mar 2013	31 Mar 2016	31 Mar 2016
Active Members	701	724	51.4	52.3	22.8
Deferred Pensioners	1,005	1,137	49.7	50.5	23.4
Pensioners	756	849	67.8	68.3	11.3

Average age is weighted by liability

The average duration of liabilities based on the valuation assumption is 16.6 years.

	Actual Pay / Pension p.a. (£000)		Average Pay / Pension (£)		CARE Pot (£000)
	31 Mar 2013	31 Mar 2016	31 Mar 2013	31 Mar 2016	31 Mar 2016
Active Members	17,840	19,518	25,450	26,959	724.2
Deferred Pensioners	1,782	2,285	1,773	2,010	-
Pensioners	4,456	5,483	5,895	6,458	-

The CARE pot for deferred and pensioner members is included in the pension figures.

	FTE Pay (£000)	Average Service (Yrs)		Average Service (Yrs)	
	31 Mar 2016	80ths 31 Mar 2013	60ths 31 Mar 2013	80ths 31 Mar 2016	60ths 31 Mar 2016
Active Males	8,766	13.1	4.5	11.6	5.2
Active Females	7,624	10.5	3.9	9.4	4.6
Total	16,390	11.9	4.2	10.6	4.9

Average service is weighted by salary. The FTE pay figures relate to those members who joined prior to the CARE scheme date.

### Employer membership movements since last valuation

Lives	Actual	Expected	Difference
Early Leavers	246	238	3%
Ill Health Retirements	8	10	(17%)
Early Retirements	11	0	100%
£000s	Actual	Expected	Difference
Amounts of Pension Ceasing	106	383	(72%)

### Cashflow data

	Employer contributions £000s	Employee contributions	Benefits paid	Net cashflow
1 April 2013 - 31 March 2014	4,164	1,227	5,627	(236)
1 April 2014 - 31 March 2015	5,176	1,329	5,890	615
1 April 2015 - 31 March 2016	5,219	1,373	6,110	482

### Investment returns

	Actual	Expected
From 1 April 2013 to 31 March 2016	20.9%	14.4%



## Section 2 - Assumptions

### Financial assumptions

	31 Mar 2013 % p.a.	31 Mar 2016 % p.a.
Pre-retirement Discount rate	4.6%	4.2%
Post-retirement Discount rate	4.6%	4.2%
Salary increases	3.8%	2.4%
Pension increases / CARE revaluation	2.5%	2.1%

### Demographic assumptions

As the fund is a member of Club Vita, the baseline mortality assumptions are a bespoke set of Vita Curves that are tailored to fit the membership profile of the fund.

We have also allowed for future improvements in mortality based on the CMI 2013 model assuming improvements have peaked, long term improvements of 1.25% p.a., with declining mortality for over 90s.

Future retirements are assumed to commute pension into tax-free cash up to 25% of HMRC limits for service to 31 March 2008 and 63% for service thereafter.

We have assumed that there is a 1% probability that members will opt to join the 50:50 scheme.

Full details of the assumptions used are detailed in the Employer Results Report.

## Section 3 - Employer Valuation Results

### Employer valuation results

	31 Mar 2013 £(000)	31 Mar 2016 £(000)
<b>Past service liabilities</b>		
Active members (Final salary)	72,109	53,916
Active members (CARE)	-	9,373
Deferred pensioners	33,540	40,344
Pensioners	68,390	83,226
<b>Total</b>	<b>174,038</b>	<b>186,860</b>
<b>Asset share</b>	<b>122,813</b>	<b>149,552</b>
<b>Surplus / (deficit)</b>	<b>(51,224)</b>	<b>(37,308)</b>
<b>Funding level</b>	<b>71%</b>	<b>80%</b>

### Reconciliation of surplus / (deficit)

		£(000)	£(000)
<b>Surplus / (deficit) at last valuation</b>			<b>(51,224)</b>
Interest on deficit		(7,367)	
Expected investment returns	14.4%		
Actual investment returns	20.9%		
Investment returns greater than expected		7,974	
Contributions greater than cost of accrual		2,818	
Expected Salary increases p.a.	4.5%		
Actual Salary increases p.a.	2.8%		
Salary increases less than expected		3,840	
Expected Pension increases (p.a.)	2.5%		
Actual Pension increases (p.a.)	1.3%		
Pension increases less than expected		4,281	
Ill-health retirement strain		(187)	
Ill-health contributions paid		169	
Retirement experience worse than expected		(438)	
Early retirement contributions paid / payable		257	
Early leavers more than expected		652	
Pensioner deaths fewer than expected		(2,318)	
Commutation lower than expected		(317)	
Change in demographic assumptions		1,002	
Change in mortality assumptions		2,191	
Change in financial assumptions		3,508	
Impact of Bulk transfers		-	
Impact of 50:50 take-up		(873)	
Other experience items		(1,276)	
<b>Surplus / (deficit) at this valuation</b>			<b>(37,308)</b>

## Section 4 - Employer Contribution Rates

### Valuation contribution rate results

	Primary Rate Cost of New Benefits Accruing % of payroll		Secondary Rate Deficit(Surplus) Repayment £(000) p.a.
<b>Total Valuation Rate as at 31 March 2016</b>	<b>15.1%</b>	plus	<b>2,326</b>

The cost of providing LGPS pension benefits is dependent on many uncertain factors including the investment performance of the Fund's assets. To reflect the uncertainty, employer contribution rates have been set by modelling the contributions required to fund the benefits under 5000 different economic scenarios. The likelihood that the 2016 Valuation Contribution Rate above will pay for both benefits accruing and return the employer to a fully funded position over a period of 20 years is at least 66%.

Further details of how contribution rates have been calculated are included in the Employer Results Report and the Funding Strategy Statement.

The Primary Rate includes an allowance of 0.3% for administration expenses.

Contribution rates exclude employee contributions. The average employee contribution rate is 6.8%.

### Contributions in payment

	% of payroll		£(000) p.a.
Contributions in payment 2016/2017	14.6%	plus	2,424

### Proposed contribution rates for the next three years

	Primary Rate % of payroll		Secondary Rate £(000) p.a.
<b>Proposed certified rates for the year ending</b>			
31 March 2018	15.1%	plus	2,326
31 March 2019	15.1%	plus	2,326
31 March 2020	15.1%	plus	2,326

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# Surrey Pension Fund

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Employer Results Report:  
Valuation as at 31 March 2016



Barry McKay

Fellow of the Institute and Faculty of Actuaries

For and on behalf of Hymans Robertson LLP

HYMANS ROBERTSON LLP

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## Employer Results Report

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# 1 Introduction

The Fund Actuary is currently conducting the 31 March 2016 formal valuation of the Surrey Pension Fund of which you are a participating employer. The Fund is one part of the Local Government Pension Scheme (LGPS). This report is intended to accompany the Results Schedule which sets out your own draft formal valuation results.

This is a component report of the final aggregate valuation report.

The following Technical Actuarial Standards<sup>1</sup> are applicable in relation to this report and have been complied with where material:

- TAS R – Reporting;
- TAS D – Data;
- TAS M – Modelling; and
- Pensions TAS.

A glossary is contained as Appendix A: please refer to this if you are unfamiliar with any of the terms used in this covering report or the Results Schedule.

### What is a formal valuation?

A formal valuation has two main purposes:

- To calculate your funding position within the Fund
- To determine the contributions you will pay to the Fund from 1 April 2017 to 31 March 2020.

This report is intended to help you, as an employer within the Fund, to understand what your funding position means, how it can change and how this will impact on the contributions you pay to the Fund.

<sup>1</sup> Technical Actuarial Standards (TASs) are issued by the Financial Reporting Council (FRC) and set standards for certain items of actuarial work, including the information and advice contained in this report.

HYMANS ROBERTSON LLP

## 2 Your funding position

### What is my funding position?

The 'Employer valuation results' table in Section 3 of the Results Schedule sets out your draft funding position as at 31 March 2016. Your funding position as at 31 March 2013 has also been included for comparative purposes.

- Past service liabilities: this is the value that has been placed on the benefits **built up to date** for your employees and ex-employees.

Asset share: this is the market value of the share of the Fund's assets that have been allocated to you. The Fund Actuary calculates this from the Fund's investment returns since the last valuation along with the cashflows paid to and from the Fund in relation to your current and former employees. This is similar to how a bank account works with the investment return being a proxy for the interest you receive from the bank.

- Surplus/deficit: this is the difference between the assets you have and the past service liabilities you are responsible for. If you have more assets than liabilities you have a surplus. If you have fewer assets than past service liabilities then you have a deficit. You are responsible for repaying any deficit to the Fund over an agreed period ("the deficit recovery period").
- Funding level: this is the ratio of your share of the Fund's assets to your past service liabilities.

### What will affect my funding position?

#### Data

A summary of the membership data as supplied to the Fund Actuary is summarised in Section 1 of the Results Schedule. It is the responsibility of the employer to ensure the Fund holds correct data in respect of your current and ex-employees. Incorrect data may impact on your formal valuation results and subsequently the contributions you pay to the Fund.

### Actuarial assumptions

The assumptions are agreed between the Fund Actuary and the Administering Authority and are set out in the Fund's Funding Strategy Statement ("FSS").

The main assumptions are set out in Section 2 of the Results Schedule.

Further detail on the assumptions is set out in Appendix B.

### Experience since the last formal valuation

Your funding position will be affected by the experience of the Fund and your membership over the last 3 years (or date of joining if more recent). This is set out in Section 3 of the Results Schedule in the table titled 'Reconciliation of surplus/deficit'. This is explained in Appendix C.

### What can I do in the future to improve my funding position?

There are some elements of membership experience that employers can control. These are:

- The contributions you pay to the Fund: any contributions you make to the Fund (in addition to the cost of the benefits that are being earned by your employees) will decrease any deficit you have. You will also receive investment returns on any contributions you make.
- Salary increases: the pensionable salary increases awarded to your employees affect the pension received by them in retirement. If you intend to award higher salary increases than have been allowed for in the 2016 valuation assumptions, you may wish to ask the Administering Authority to investigate the impact of this.

You will find it helpful to speak with the Administering Authority regularly if you are concerned about your funding position or future pension costs. It may be possible to provide an indication of your funding position between formal valuation dates to allow you to monitor how your pension's obligations are changing.

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### 3 The contributions you pay to the Fund

#### How are my valuation contributions calculated?

Employer contributions are normally made up of two elements:

- a) the estimated cost of future benefits being built up from year to year, referred to as the “*primary rate*”; plus
- b) a market adjustment which allows for the difference between the value of assets and the value of past service benefits, projected over an appropriate time horizon taking account of a range of possible expectations in future market conditions. This is referred to as the “*secondary rate*” and these contributions aim to achieve a fully funded position for the employer at the end of the appropriate time horizon.

The primary rate will depend on the profile of your membership. For example, the rate is higher for older members as there is less time to earn investment returns before the member’s pension comes into payment.

The methodology for calculating the primary rate will also depend on whether you are open or closed to new entrants. A closed employer will have a higher rate as we must allow for the consequent gradual ageing of the workforce.

There is no guarantee that the amount you pay for the primary rate will be sufficient to meet the cost of the benefits that accrue. Similarly, there is no guarantee that the secondary rate will return you to being fully funded at the end of your time horizon. The likelihood of meeting the target and being fully fund has been assessed and is displayed in your Results Schedule.

The contributions you are being asked to pay are set out in Section 4 of the Results Schedule. These may be different from the valuation contributions described as above. The reasons for any differences are discussed below.

#### What contributions do I have to pay?

As discussed above, there is no guarantee that the valuation contributions (either the primary or secondary components) will be sufficient. This is because the cost of benefits to be paid to members now and in the future is uncertain and will not be known until the last payment is made to the last members or dependent. The Fund actuary makes assumptions about the future in order to assess an appropriate contribution rate but these assumptions are unlikely to be borne out in practice each and every year in the future.

The valuation contribution rate results and the contributions you are being asked to pay are set out in Section 4 of the Results Schedule.

The approach used to set contributions for you will depend on what type of organisation you are and nature of your participation in the Fund. Details of how employers are categorised and set funding targets are set out in the Fund’s Funding Strategy Statement. One of the methods set out below will apply to you.

1. **Stabilisation:** this is a mechanism that allows contribution rate changes to be limited and may apply to some employers in the Fund. Please refer to the Funding Strategy Statement for further details on the employers that the Administering Authority have permitted to adopt a “stabilised” contribution strategy
2. **Risk based contributions:** for employers who are not permitted to stabilise, the rate payable will depend on:
  - the employer’s funding target (usually the Fund’s ongoing or cessation basis);
  - how long the employer has to reach the funding target; and
  - an appropriate likelihood of meeting the target (or ‘likelihood of success’) e.g. 2/3rds, 75%.

Further details are provided in Appendix D



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Please refer to the Funding Strategy Statement for your Fund's policies for setting contributions.

The contributions you are asked for and as set out in the Fund's Rates and Adjustment Certificate are a minimum. Any additional contributions you pay to the Fund will have a positive impact on your funding position. The Rates and Adjustments Certificate must be published by 31 March 2017 and applies until 31 March 2020.

**How long do I have to pay off the deficit?**

This is set out in the Fund's Funding Strategy Statement and varies depending on your circumstances.

The "Valuation contribution rate results" shown in Section 4 of the Results Schedule will show the time horizon that applies to you.

**What if I am part of a pool?**

If you participate within a pool, all employers in the pool will be asked to pay the same contributions. These contributions may be more or less than you would have paid if you were an individual employer in the Fund.

**What if I am planning to leave the Fund?**

If you leave the Fund, a "cessation valuation" will be carried out. It will determine whether you have a surplus or deficit, where any deficit will have to be repaid to the Fund. The cessation payment is almost always significant and we strongly recommend that you contact the Fund if you believe your participation in the Fund may end in future for any reason. Where we have forward notice of a planned exit, we are able to target the repayment of the cessation deficit over time and minimise the risk of the Fund requiring a single large payment. Please refer to your Fund's Funding Strategy Statement for details on how a cessation valuation would be carried out.

If you are planning to leave the Fund soon, you may wish to ask the Fund for an indication of any cessation payment you will be asked to make.

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## Appendix A – Glossary

<b>Actuarial assumptions/basis</b>	<p>The combined set of assumptions made by the actuary, regarding the future, to calculate the value of <b>liabilities</b>. The main assumptions will relate to the <b>financial assumptions</b> such as <b>discount rate</b>, salary growth, pension increases and <b>demographic assumptions</b> such as longevity. More prudent assumptions will give a higher liability value, whereas more optimistic assumptions will give a lower value.</p>	<b>Employer</b>	<p>An individual participating body in the Fund, which employs (or used to employ) <b>members</b> of the Fund. Normally the assets and <b>liabilities</b> values for each employer are individually tracked, together with its <b>primary rate</b> at each <b>valuation</b>.</p>
<b>Administering Authority</b>	<p>The council with statutory responsibility for running the Fund, in effect the Fund’s “trustees”.</p>	<b>Financial assumptions</b>	<p>The main financial assumptions are the discount rate (assumed investment return), the salary increase assumption and the pension increase assumption.</p>
<b>Deficit</b>	<p>The shortfall between the assets value and the <b>liabilities</b> value. This relates to assets and liabilities built up to date, and ignores the future build-up of pension (which in effect is assumed to be met by future contributions).</p>	<b>Funding level/position</b>	<p>The ratio of assets value to <b>liabilities</b> value. The ideal position is 100%. If it is less than 100% then you have a deficit; if it is more than 100% then you have a surplus.</p>
<b>Demographic assumptions</b>	<p>These assumptions determine when a benefit is paid. The main demographic assumption is the mortality assumption, which determines how long benefits are paid for. Other examples of demographic assumptions are the number of employees that leave the Fund and the number of employees that retire with ill-health benefits</p>	<b>Liabilities</b>	<p>The actuarially calculated present value of all pension entitlements of all <b>members</b> of the Fund, built up to date. This is compared with the present market value of Fund assets to derive the <b>deficit</b>. It is calculated on a chosen set of <b>actuarial assumptions</b>.</p>
<b>Discount rate</b>	<p>The annual rate at which future assumed cashflows (in and out of the Fund) are discounted to the present day. This is necessary to provide a <b>liabilities</b> value which is consistent with the present day value of the assets, to calculate the <b>deficit</b>. A lower discount rate gives a higher liabilities value, and vice versa. It is similarly used in the calculation of the <b>primary rate</b> and the <b>common contribution rate</b>.</p>	<b>LGPS</b>	<p>The Local Government Pension Scheme, a public sector pension arrangement put in place via Government Regulations, for workers in local government. These Regulations also dictate eligibility (particularly for Scheduled Bodies), members’ contribution rates, benefit calculations and certain governance requirements. The LGPS is divided into 101 Funds which map the UK. Each LGPS Fund is autonomous to the extent not dictated by Regulations, e.g. regarding investment strategy, employer contributions and choice of advisers.</p>

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<b>Members</b>	The individuals who have built up (and may still be building up) entitlement in the Fund. They are divided into actives (current employee members), deferreds (ex-employees who have not yet retired) and pensioners (ex-employees who have now retired, and dependants of deceased ex-employees).	<b>Stabilisation</b>	Any method used to smooth out changes in employer contributions from one year to the next. This is very broadly required by the LGPS Regulations, but in practice is particularly employed for large stable employers in the Fund. Different methods may involve: risk-based modelling of future market movements; longer deficit recovery periods; higher discount rates; phasing of changes in rates or some combination of these.
<b>Pooling</b>	Employers may be grouped together for the purpose of calculating contribution rates, so that their combined membership and asset shares are used to calculate a single contribution rate applicable to all employers in the pool. A pool may still require each individual employer to ultimately pay for its own share of <b>deficit</b> , or (if formally agreed) it may allow <b>deficits</b> to be passed from one employer to another.	<b>2016 valuation rate</b>	The employer's contribution rate, including both <b>primary rate</b> and <b>secondary rate</b> .
<b>Primary rate</b>	The actuarially calculated cost of each year's build-up of pension by the current active <b>members</b> , excluding members' contributions but including Fund administrative expenses. This is calculated using <b>actuarial assumptions</b> .	<b>Valuation</b>	An actuarial investigation to calculate the <b>liabilities</b> , <b>primary rate</b> and common contribution rate for a Fund, and usually individual employers too. This is normally carried out in full every three years (last done as at 31 March 2016), but can be approximately updated at other times. The assets value is based on market values at the valuation date, and the liabilities value and contribution rates are based on long term bond market yields at that date also.
<b>Profile</b>	The profile of an employer's membership or liability reflects various measurements of that employer's <b>members</b> , i.e. current and former employees. This includes: the proportions which are active, deferred or pensioner; the average ages of each category; the varying salary or pension levels; the lengths of service of active members vs. their salary levels, etc. A membership (or liability) profile might be measured for its <b>maturity</b> also.		
<b>Secondary rate</b>	The part of the employer's annual contribution which relates to achieving a fully funded position in relation to past service over an appropriate time horizon.		

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# Appendix B – Demographic assumptions

## Males

Age	Salary Scale	Incidence per 1000 active members per annum						
		Death Before Retirement	Withdrawals		Ill Health Tier 1		Ill Health Tier 2	
			FT & PT	FT	PT	FT	PT	FT
20	105	0.21	219.73	439.47	0.00	0.00	0.00	0.00
25	117	0.21	145.14	290.28	0.00	0.00	0.00	0.00
30	131	0.26	102.98	205.93	0.00	0.00	0.00	0.00
35	144	0.30	80.46	160.88	0.12	0.09	0.10	0.07
40	150	0.51	64.78	129.48	0.20	0.15	0.16	0.12
45	157	0.85	60.85	121.60	0.44	0.33	0.35	0.27
50	162	1.36	50.16	100.12	1.13	0.85	1.14	0.85
55	162	2.13	39.50	78.88	4.42	3.32	2.56	1.92
60	162	3.83	35.20	70.28	7.78	5.84	2.20	1.65
65	162	6.38	0.00	0.00	14.78	11.09	0.00	0.00

Please note that the withdrawal figures include tier 3 ill health.

## Females

Age	Salary Scale	Incidence per 1000 active members per annum						
		Death Before Retirement	Withdrawals		Ill Health Tier 1		Ill Health Tier 2	
			FT & PT	FT	PT	FT	PT	FT
20	105	0.12	151.58	252.63	0.00	0.00	0.00	0.00
25	117	0.12	101.99	169.97	0.12	0.09	0.10	0.07
30	131	0.18	85.50	142.46	0.16	0.12	0.13	0.10
35	144	0.30	73.79	122.91	0.32	0.24	0.26	0.19
40	150	0.48	61.42	102.26	0.48	0.36	0.39	0.29
45	157	0.77	57.31	95.41	0.65	0.48	0.51	0.39
50	162	1.13	48.32	80.35	1.21	0.91	1.22	0.92
55	162	1.49	36.05	60.02	4.48	3.36	2.60	1.95
60	162	1.90	29.06	48.31	9.51	7.14	2.69	2.01
65	162	2.44	0.00	0.00	17.09	12.82	0.00	0.00

Please note that the withdrawal figures include tier 3 ill health.

## Longevity

	Male	Female
Current pensioners	21.5 years	24.1 years
Future pensioners	23.7 years	26.2 years

Future pensioners are assumed to be aged 45 as at 31 March 2016

## Commutation assumptions and take – up of the 50:50 scheme

These assumptions are set out in the Results Schedule.

## Retirement age pattern

We have adopted the retirement age pattern assumption as specified by the Scheme Advisory Board for preparing Key Performance Indicators. Further details about this assumption are available on request.

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## Appendix C – Reconciliation of Surplus/Deficit

Interest on the surplus/deficit	A surplus or deficit in the Fund will grow in line with the Fund Actuary's expectation of future investment performance (the discount rate).
Investment returns greater/less than expected	The Fund Actuary makes an assumption about the Fund's investment return each year (the discount rate). Where the Fund's actual returns have been greater than this, this will have a positive effect on the funding position. If the Fund's actual return each year is less than the discount rate, this will have a negative effect.
Contributions greater/less than the cost of accrual	Any contributions you pay to the Fund in excess of the assessed cost of the benefits that have been earned by your employees will have a positive effect on the funding position.
Salary increases more/less than expected	The Fund Actuary makes an assumption about the level of future salary increases. If you have awarded salary increases that are higher over the last three years, this will have a negative effect on your funding position. If you have awarded lower salary increases, this will have a positive effect on your funding position.  <b>You should be aware of the level of salary increases that the Fund Actuary has assumed in their calculations and consider the pension costs if you intend to award higher salary increases to your employees.</b>

Pension increases more/less than expected	The Fund Actuary makes an assumption for the expected levels of the Consumer Price Index. This is the expected level of future pension increases for deferred and pensioner members. Over the period from 2013 to 2016, actual pension increases have been slightly lower than assumed. This has a small positive impact on the funding position.
Ill-health retirement strain/contribution s paid	The Fund Actuary makes an allowance for people to retire early with ill-health benefits. Ill-health early retirements cost more than normal retirements. If fewer members than expected have retired on ill-health grounds, this will have a positive impact on your funding position. If more members than expected have retired on ill-health then this will have a negative impact on your valuation results.
Redundancy/ efficiency early retirement strain/ contributions paid/ payable	The Fund Actuary is supplied with data for all other early retirements. The cost of each early retirement is calculated and will have a negative impact on the funding position. However, any early retirement contributions you have made to the Fund will have a positive effect on your funding position.  Due to differences in the way these calculations are carried out, the payment you have made to the Fund may be more or less than the actuarially assessed strain cost.
Early leavers more/fewer than expected	At the 2013 valuation, an assumption was made about the number of members who would withdraw from the Fund. Early leavers' benefits usually cost less than normal retirements. The Fund Actuary compares the actual number of leavers to the expected number of

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	leavers for the last three years. Where this is more than expected, this will have a positive impact on the funding position. Where this is less than expected, this will have a negative impact on the funding position.
Pensioner deaths more/less than expected	At the 2013 valuation, an assumption was made about how long members would live for. Where pensioners have lived for longer than expected, this will have a negative impact on your funding position. Where more pensioners have died than expected, this would have a positive impact on your funding position.
Commutation higher/lower than expected	An assumption was made at the 2013 valuation for the amount of pension that a retiring member would choose to commute to receive an additional lump sum. Usually a lump sum costs less than the valuation assessment of the pension commuted. Where members commute a higher amount of pension than expected, this will have a positive impact on the funding position, and vice versa.
Change in demographic assumptions	At each valuation the Fund Actuary performs an experience analysis to compare all demographic assumptions with those assumed at the previous valuation. The demographic assumptions are then altered for the following valuation to more closely reflect what has happened. The impact of the change in these assumptions will depend on the profile of your own membership data.
Change in mortality assumptions	Similarly to the demographic assumptions, the mortality (i.e. life expectancy) assumption is altered at each valuation to reflect more up to date experience. The impact of the change in these assumptions will depend

	on the profile of your own membership data, and the assumption adopted at the last formal valuation.
Change in financial assumptions	Financial assumptions are derived with reference to current market conditions at each valuation date. The net discount rate (the difference between the discount rate and the salary or pension increase assumption) has an impact on the value placed on the benefits earned to date (“the liabilities”). A smaller net discount rate leads to a higher liability value.
Impact of bulk transfers	If you have been involved in any bulk transfers, there may be a profit or a loss if the value of assets you received (or paid) is different from the value of liabilities you assumed (or transferred).  This applies to both transfers between Funds and transfers to/from employers within the Fund.  Any transfers that occur on a “fully funded” basis have no impact on the funding position of an employer.
LGPS 2014 50/50 take up experience	At the 2013 valuation the Fund Actuary made an assumption on the number of members they expected to take up the 50/50 option in the LGPS 2014 scheme. Where more members than expected have joined the 50/50 scheme, this will have a positive impact on the funding position, and vice versa.
Other experience items	Based on the data available to the Fund Actuary, it is not possible to analyse the impact of all experience. Any unanalysed experience is allocated here.

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Appendix 2

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## Appendix D – Technical appendix for contribution rate modelling

In order to assess the likelihood of the employer's section of the Fund achieving full funding we have carried out stochastic asset liability modelling (ALM) that takes into account the main characteristics and features of the employer's share of the Fund's assets and liabilities. For some employers a full ALM, known as comPASS has been used. For other employers a simplified ALM, known as TARGET has been used.

The Results Schedule sets out the total valuation contribution rate that is sufficient to pay for the benefit that is accrued over the time horizon and return the employer's section of the Fund to a fully funded position for a given probability of success. The probability has been agreed with the Administering Authority and is dependent on each employer's own circumstances.

**As with all modelling, the results are dependent on the model itself, the calibration of the model and the various approximations and estimations used. These processes involve an element of subjectivity. No inferences should be drawn from the modelling results other than those confirmed by us in writing.**

The following sections provide more detail on the background to the modelling.

### Cash flows

In projecting forward the evolution of each employer's section of the Fund, we have used anticipated future cash flows. These cash flows have been generated using the membership data provided for the formal valuation as at 31 March 2016, the demographic and financial assumptions used for the valuation and make an allowance for future new joiners to the Fund.

For comPASS we have estimated future service benefit cash flows and projected salary roll for new entrants after the valuation date such that payroll remains constant in real terms (i.e. full replacement) unless otherwise stated. There is a distribution of new entrants introduced at ages between 25

and 65, and the average age of the new entrants is assumed to be 40 years. All new entrants are assumed to join and then leave service at SPA, which is a much simplified set of assumptions compared with the modelling of existing members. The base mortality table used for the new entrants is an average of mortality across the LGPS and is not client specific, which is another simplification compared to the modelling of existing members. TARGET uses a similar, but simplified, approach to generating new entrants. Nonetheless, we believe that these assumptions are reasonable for the purposes of the modelling given the highly significant uncertainty associated with the level of new entrants.

We do not allow for any variation in actual experience away from the demographic assumptions underlying the cash flows. Variations in demographic assumptions (and experience relative to those assumptions) can result in significant changes to the funding level and contribution rates. We allow for variations in inflation (RPI or CPI as appropriate), inflation expectations (RPI or CPI as appropriate), interest rates, yield curves and asset class returns. Cash flows into and out of the Scheme are projected forward in annual increments and are assumed to occur in the middle of each Scheme year. Investment strategies are assumed to be rebalanced annually.

### Asset liability model (comPASS)

These cash flows, and the employer's assets, are projected forward using stochastic projections of asset returns and economic factors such as inflation and bond yields. These projections are provided by the Economic Scenario Service (ESS), our (proprietary) stochastic asset model, which is discussed in more detail below.

In the modelling we have assumed that the Fund will undergo valuations every three years and a contribution rate will be set that will come into force one year after the simulated valuation date. For 'stabilised' contributions, the rate at which the contribution changes is capped and floored. There is no guarantee that such capping or flooring will be appropriate in future; this assumption has been made so as to illustrate the likely impact of practical steps that may be taken to limit changes in contribution rates over time. We have assumed that the Actuary to the Fund will make his or her calculations using broadly the



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same methodology as that currently used, but note that this is a source of uncertainty that we have not attempted to measure in the model other than where noted specifically.

Unless stated otherwise, we have assumed that all contributions are made and not varied throughout the period of projection irrespective of the funding position. In practice the contributions are likely to vary especially if the funding level changes significantly.

Investment strategy is also likely to change with significant changes in funding level, but unless stated otherwise we have not considered the impact of this in order to focus on the high level investment strategy decision.

In allowing for the simulated economic scenarios, we have used suitable approximations for updating the projected cash flows. The nature of the approximations is such that the major financial and investment risks can be broadly quantified. However, a more detailed analysis would be required to understand fully the implications and appropriate implementation of a very low risk or 'cash flow matched' strategy.

We would emphasise that the returns that could be achieved by investing in any of the asset classes will depend on the exact timing of any investment/disinvestment. In addition, there will be costs associated with buying or selling these assets. The model implicitly assumes that all returns are net of costs and that investment/disinvestment and rebalancing are achieved without market impact and without any attempt to 'time' entry or exit.

**Asset liability model (TARGET)**

TARGET uses a similar, but simplified, modelling approach to that used for comPASS.

Contribution rates are inputs to the model and are assumed not to vary throughout the period of projection, with no valuation every three years or setting of 'stabilised' contribution rates.

In allowing for the simulated economic scenarios, we have used more approximate methods for updating the projected cash flows. The nature of the

approximations is such that the major financial and investment risks can be broadly quantified.

When projecting forward the assets, we have modelled a proxy for the Fund's investment strategy by simplifying their current benchmark into growth (UK equity) and non-growth (index-linked gilts) allocations, and then adjusting the volatility of the resultant portfolio results to approximately reflect the diversification benefit of the Fund's investment strategy.

**Economic Scenario Service**

The distributions of outcomes depend significantly on the Economic Scenario Service (ESS), our (proprietary) stochastic asset model. This type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased), the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns. The market for CPI linked instruments is not well developed and our model for expected CPI in particular may be subject to additional model uncertainty as a consequence. The output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

Our expectation (i.e. the average outcome) is that long term real interest rates will gradually rise from their current low levels. Higher long-term yields in the future will mean a lower value placed on liabilities and therefore our median projection will show, all other things being equal, an improvement in the current funding position (because of the mismatch between assets and liabilities). The mean reversion in yields also affects expected bond returns.



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While the model allows for the possibility of scenarios that would be extreme by historical standards, including very significant downturns in equity markets, large systemic and structural dislocations are not captured by the model. Such events are unknowable in effect, magnitude and nature, meaning that the most extreme possibilities are not necessarily captured within the distributions of results.

Given the context of this modelling, we have not undertaken any sensitivity analysis to assess how different the results might be with alternative calibrations of the economic scenario generator.

We would be happy to provide fuller information about the scenario generator, and the sensitivities of the results to some of the parameters, on request.

**Expected Rate of Returns and Volatilities**

The following figures have been calculated using 5,000 simulations of the Economic Scenario Service, calibrated using market data as at 31 March 2016. All returns are shown net of fees. Percentiles refer to percentiles of the 5,000 simulations and are the annualised total returns over 5, 10 and 20 years, except for the yields which refer to the (simulated) yields in force at that time horizon. Only a subset of the asset classes are shown below. Similar information for additional classes is available on request.

	Annualised total returns									Inflation	17 year real yield	17 year yield
	Cash	Index Linked Gilts (medium dated)	Fixed Interest Gilts (medium dated)	Corporate Bonds (medium dated)	UK Equity	Overseas Equity	Property	Diversified Growth Fund				
<b>5 years</b>	16th %ile	-0.3%	-2.2%	-2.5%	-2.7%	-3.7%	-5.6%	-3.8%	-1.9%	1.2%	-1.6%	1.7%
	50th %ile	0.8%	0.6%	0.5%	1.2%	4.5%	4.1%	2.0%	3.5%	2.6%	-0.7%	3.0%
	84th %ile	2.0%	3.5%	3.4%	5.2%	12.7%	14.3%	8.3%	9.2%	4.2%	0.2%	4.5%
<b>10 years</b>	16th %ile	0.2%	-1.0%	-0.4%	-0.5%	-1.1%	-2.6%	-1.8%	-0.1%	1.4%	-1.5%	1.9%
	50th %ile	1.7%	0.8%	1.0%	1.8%	5.0%	4.6%	2.8%	3.8%	2.8%	-0.3%	3.5%
	84th %ile	3.3%	2.7%	2.4%	4.1%	11.1%	12.1%	7.5%	8.1%	4.5%	0.9%	5.5%
<b>20 years</b>	16th %ile	1.1%	-0.2%	1.1%	1.1%	1.3%	0.2%	0.1%	1.8%	1.7%	-0.7%	2.3%
	50th %ile	2.8%	1.2%	2.0%	2.7%	5.9%	5.6%	3.7%	4.7%	3.0%	0.8%	4.0%
	84th %ile	4.8%	2.9%	2.9%	4.4%	10.7%	11.2%	7.6%	7.8%	4.4%	2.3%	6.3%
	<b>Dispersion (1 yr)</b>	1%	7%	9%	11%	16%	19%	14%	12%	1%		

The current calibration of the model indicates that a period of outward yield movement is expected. For example, over the next 20 years our model expects the 17 year maturity annualised real (nominal) interest rate to rise from -1.0% (2.2%) to 0.8% (4.0%).

Corporate Governance & Standards Committee Report

Ward(s) affected: All

Report of the Director of Resources

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Date: 30 March 2017

## **Councillor Appointments to External Organisations Working Group: Interim Report**

### **Executive Summary**

The Council appoints councillors to a number of local external organisations for which they undertake a range of governance or advisory roles. The Council's constitutional protocol<sup>1</sup> provides guidance to councillors undertaking such appointments. Terms of office vary by organisation and, consequently, there is currently a need to report to Council annually to reappoint or fill vacancies.

On 10 May 2016, full Council resolved to establish a Working Group with the following terms of reference:

- (a) to engage with those external organisations to which the Council appoints representatives to discover what they look for from such appointments;
- (b) to review the process for making appointments and, in relation to each organisation, whether the Council should continue to make such appointments; and
- (c) to submit a report on their findings to the Corporate Governance and Standards Committee, for final recommendation to Council.

In November 2016, a Working Group was convened and a review of the process and engagement with external organisations commenced. This interim report sets out the progress of this review so far along with a number of initial recommendations for this Committee to consider and make recommendations to Council on 11 April 2017.

### **Recommendation to the Corporate Governance and Standards Committee**

To review and comment on the initial recommendations of the Appointment to External Organisations Working Group as set out in **Appendix 2** and to make recommendations

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<sup>1</sup> Guildford Borough Council Constitution, Part 5, pages 30-36, Protocol on appointments to external organisations, October 2016.

as appropriate to Council on 11 April 2017.

Reason for Recommendation:

To ensure that the Council maintains and develops relationships with key local organisations and partners in the most mutually productive ways and in the best interests of local people.

**1. Purpose of Report**

- 1.1 On 10 May 2016, full Council resolved to establish a Working Group with the following terms of reference:
- (a) to engage with those external organisations to which the Council appoints representatives to discover what they look for from such appointments;
  - (b) to review the process for making appointments and, in relation to each organisation, whether the Council should continue to make such appointments; and
  - (c) to submit a report on their findings to the Corporate Governance and Standards Committee, for final recommendation to Council
- 1.2 In October 2016, all Group Leaders were asked to nominate councillors to sit on the Appointment to External Organisations Working Group. Three councillors were nominated as follows:
- Councillor Matt Furniss (Conservative Group)
  - Councillor Angela Gunning (Labour Group)
  - Councillor Julia McShane (Liberal Democrat Group)
- 1.3 The Group, chaired by Councillor Furniss, has so far convened on four occasions. A briefing note prepared for the Working Group is available as a background paper to this report. This interim report sets out the methodology applied to the review, the outcomes from consultation and a number of initial recommendations.
- 1.4 This interim report sets out in detail the work undertaken by the Working Group to date, together with some initial recommendations for consideration. Once the Working Group has completed its work, a further report will be submitted to the Committee at its June meeting and to full Council in July.

**2. Strategic Priorities**

- 2.1 There are no direct policy implications within this report. However, the Working Group has approached the review in consideration of the ways in which councillor appointments on external organisations can be supportive and relevant to specific policy objectives, delivery of services and to the corporate priorities of the Council.

**3. Background**

- 3.1 It is the practice for local authorities to appoint elected members to external organisations. Sometimes a councillor is required as the appointment is statutory, or the Council may be a funding partner, in which case there could be a

- requirement for a management and accountability presence. Commonly, appointments are made to create, facilitate or develop mutually beneficial and co-operative relationships between the Council and its local partners.
- 3.2 The responsibility for making appointments currently lies with the full Council, although constitutionally this is a 'local choice' function. That is to say, a function that may be exercised by either full Council or the Executive.
- 3.3 The current list of organisations is recorded publicly on the Council's website and in the Council Yearbook. The current list can be found at **Appendix 1** to this report.
- 3.4 There can be a range of roles and responsibilities required of the appointees from simply acting as a link with the Council to undertaking the duties of a trustee or director. Time commitments required from the appointee can also vary considerably.
- 3.5 Organisations with a councillor appointment in Guildford borough include:
- Statutory bodies
  - Companies (limited by guarantee or limited by shares)
  - Schools
  - Residents associations
  - Unincorporated societies, trusts and associations
  - Friendly societies
- 3.6 Elected members make up the majority of the Council's external appointees. Previously, appointees have included past councillors and Honorary Aldermen. There is one officer appointment made by the Council in the case of the Yvonne Arnaud Theatre Management Ltd and Yvonne Arnaud Theatre Trust where the Head of Financial Services is an appointee as the Council provides significant funding.
- 3.7 Every year the Council sends a questionnaire to organisations that receive appointments. This establishes whether there is still a need for an appointment and to ensure the Council's files are up to date with the requirements of the role. The most recent copy of that questionnaire for 2016 is at **Appendix 3**.
- 3.8 On receipt of the organisations' completed questionnaires, the Council's current process of nomination is through the political groups. The Group Leaders receive a list of vacancies and information provided by the questionnaires. It is then for the political groups to submit nominations for consideration by the Council at the Selection meeting in May, or at the first ordinary meeting thereafter in an election year.
- 3.9 Terms of office vary between organisations. This is because each organisation has different governance arrangements. This has resulted in increased administration for the Council. It also means that not all appointments are looked at together and it becomes necessary for the Council to make appointments annually.

- 3.10 There is currently no mechanism in place for the appointees to external organisations to report to Council on the activities of those organisations.

### **The Working Group Review**

- 3.11 Other councils have undertaken similar reviews of this nature and the Working Group was provided with reports from five other councils. These reports provided helpful information and are available as background papers to this report.
- 3.12 The Working Group devised and applied a framework (see **Appendix 4**) in consideration of each existing appointment in order to assess appointments in terms of the following criteria:

The extent to which the external organisation,

- Supports our Corporate priorities, and/or
- Assists in delivery of our services, and/or
- Is using council facilities

- 3.13 The Working Group consulted with external organisations by issuing a questionnaire in November 2016. Just under half of the organisations responded. A copy of the questionnaire with comments from the organisations is attached as **Appendix 5**. It was clear that there was a mixed experience from the organisations. Some had found the appointment process to be supportive and helpful. For others, virtually no relationship with the appointee had been built.
- 3.14 The Working Group consulted with Borough Councillors by issuing a similar questionnaire in November 2016. A copy of the questionnaire with comments from the councillors is at **Appendix 6**. It was clear, once again, that there was a mixed experience from members. Significantly, there were comments received about the process of nomination in terms of skills, experience, an understanding of the role and knowledge of whom to contact in the external organisation.
- 3.15 The Working Group also wrote to senior managers and the Corporate Management Team in November 2016 to request comment on the relevance to Council services of the existing list of appointments. The consultation comments are set out as **Appendix 7**.
- 3.16 In response to the questionnaire results, the Working Group found there had been a mismatch or a number of unproductive appointments in the past. The Working Group considered that the reason for this was a shortfall in communications between the needs of the organisations, the Council and the members. The Working Group has recommended that a 'person profile' be completed by each external organisation to ensure that the requirements of each role can be highlighted and clarified. A councillor would not be appointed unless there was full understanding and agreement between both parties of the requirements and commitments of the role. A copy of a draft 'person profile', as recommended by the Working Group, is set out in **Appendix 8**. It is proposed that this document would replace the existing questionnaire (**Appendix 3**).
- 3.17 The Working Group considered that more productive relationships were formed where the terms of office were longest. Consequently, it considered that if the appointments could be better matched initially by improved role 'profiles', then it

- was recommended that future appointments be made for four years aligned with a councillor's term of office. This would also enable a better investment in induction and on-going training by the organisation and reduce administration for the Council.
- 3.18 The Working Group considered that it might be unnecessary to appoint more than one member to each external organisation. In most cases, it should be possible to appoint one councillor to an external organisation and one deputy to cover any absences.
- 3.19 The Working Group considered that when there is a 'person profile' match between a nominee and an appointment with a vacancy and this appointment is uncontested, it would be appropriate to authorise the Democratic Services Manager to make the appointment. As a delegated officer decision, this would be recorded and all councillors informed.
- 3.20 The Working Group also considered that where there was a vacancy that was contested between two or more councillors each with appropriate 'person profiles', then those councillors should be able to make an address or personal statement in support of their application to the body making the appointment.
- 3.21 In the past, the Council has appointed former councillors or Honorary Aldermen to vacancies. The Working Group has recommended that all appointments should be reserved for serving elected members to maintain a relevant relationship with current council policies and service delivery.
- 3.22 It should be noted that the Council's indemnity insurance does not extend to councillors' involvement with external organisations. However, some organisations will provide their own indemnity insurance that covers all members of the governing body, including the councillor appointee. The Working Group recommend that where a councillor undertakes a decision-making role that would have personal liability implications and they are not covered by the organisation's indemnity, or there is no indemnity, they may choose not to take up the role.
- 3.23 The Working Group recommends that appointments to external organisations, including explanations of potential liabilities and responsibilities, should be included in the new councillor induction process following the Borough elections.
- 3.24 The Working Group has recommended a formal report be completed by the councillor appointee and submitted annually in order to assess the ongoing value of appointments, ensure the appointments process is running smoothly and that successes and challenges can be shared. A draft reporting template is at **Appendix 9**

#### Constitutional Revisions

- 3.25 The Working Group has recommended that if the findings of the Working Group are agreed by Council then the Monitoring officer, in consultation with the Lead Councillor for Infrastructure and Governance, be authorised to review and amend the relevant sections of the Council's Constitution as required.

#### **4. Consultations**

##### 4.1 The Working Group consulted with:

- External organisations to which the Council currently makes an appointment
- All councillors
- Senior officers

#### **5. Equality and Diversity Implications**

##### 5.1 When making decisions and setting policies the Public Sector Equality Duty (Equality Act 2010) requires us:

- to have due regard for the need to eliminate or remove unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- to advance equality of opportunity between people who share a protected characteristic and those who do not;
- to foster good relations between people who share a protected characteristic and those who do not.

##### 5.2 We are considering whether an Equality Impact Assessment (EIA) is relevant to this review (Screening).

#### **6. Financial Implications**

##### 6.1 There are no direct financial implications arising from this report.

##### 6.2 Indirectly, improved working relationships and communications with local organisations may lead to improved services for local people, efficiencies and cost savings.

##### 6.3 Administrative costs and Council time will reduce if all appointments are for a four-year term of office.

#### **7. Legal Implications**

##### 7.1 During the latter stages of this review, a number of legal issues have arisen which require further investigation with various external organisations to which the Council currently appoints councillors in the role of director or trustee, or those to which the Council may make appointments in the future. Each of these roles carry distinct legal obligations and potential liabilities on the individual councillors appointed as directors or trustees. In certain circumstances, these obligations and liabilities may also apply to the Council itself. We need to ensure that these are fully understood before any further appointments are made.

#### **8. Human Resource Implications**

##### 8.1 There are no Human Resource implications in this report



## **9. Summary of Options**

- 9.1 The Working Group has proposed a number of recommendations in seeking to improve the process and success of appointments to external organisations. The Committee is invited to consider each of these in turn and make recommendations to the Council accordingly.

## **10. Conclusion**

- 10.1 There has not previously been a review of the process of councillor appointments to external organisations.

- 10.2 The Working Group has made an interim report concerning the application of a methodology to assess the relevance of appointments and conducted consultations to understand how the process of appointments is working.

- 10.3 With the endorsement of full Council of the proposed new process, the Working Group will next proceed to evaluate existing and potential appointments in order to report back to this Committee at its 15 June meeting and full Council on 25 July with recommendations relating to specific organisations.

- 10.3 The recommendations of the Working Group seek:

- to improve and streamline the process of making appointments;
- to make appointments more productive by matching the appointee and the role more effectively;
- to strengthen the relationships built by the appointments process by extending the term of office of all appointments to four years with effect from 2019;
- to improve safeguarding the interests of the Council and the appointee by better understanding liabilities and indemnities; and
- to revise the external organisations list so that it better reflects the current priorities of the Council.

## **11. Background Papers**

1. Salisbury District Council, Scrutiny Report on Outside Bodies, January 2001
2. City of Stoke on Trent, reviewing councillor involvement with organisations & partnerships. An in -depth study conducted by the Regeneration Overview Commission, March 2005
3. Bath and North East Somerset, Overview and Scrutiny Review of Member Engagement with Outside Bodies A Review by the Corporate Issues and Partnerships Panel, November 2006
4. Report of the Strategic Leadership Overview and Scrutiny Committee Review of Partnerships, 2007
5. Stockton on Tees Borough Council, Executive Scrutiny Committee – Task and Finish Group, Review of Outside Bodies, October 2010
6. Guildford Borough Council, Committee Services Working Group Briefing Note, November 2016
7. Guildford Borough Constitution, Part 5, pages 30-36, Protocol on appointments to external organisations, October 2016

## **12. Appendices**

Appendix 1: Current list of councillor appointments to external organisations

Appendix 2: Interim recommendations of the Working Group

Appendix 3: The existing questionnaire sent to external organisations in 2016

Appendix 4: The Working Group framework

Appendix 5: Working Group questionnaire for external organisations (with comments)

Appendix 6: Working Group questionnaire for councillors (with comments)

Appendix 7: Senior officer comments to the Working Group

Appendix 8: Draft 'person profile' for appointees template

Appendix 9: Draft councillor report form template

### Current list of councillor appointments to external organisations

Item no.	External Organisation	Current appointee(s)	No. of Reps and (Term of office)	Legal Status	Reason for and nature of appt (Inc. roles and responsibilities)	Frequency of meetings, time day and venue
1	Abbot's Hospital (Trinity Hospital Governors)	Honorary Alderman K Childs Councillor Dennis Paul	Two for 4 years (expiring May 2019)	Company	Charitable organisation to provide and maintain almshouse accommodation for elderly people. Strong business, financial or legal experience required.	5 meetings of the main board: 9.30am on a weekday (further sub-group meetings by arrangement) at Abbot's Hospital.
2	Access Group Guildford	Councillor Angela Goodwin Councillor Liz Hooper Councillor Mike Hurdle	Three for 1 year (expiring May 2017)	Interest group supported by the council. The aim is to help people with disabilities lead the style of life they choose. Wide range of disabilities represented.	As a representative of the borough to highlight access issues to take forward within the Council.	5 per year at 2pm Council Offices, Millmead
3	Archbishop Abbot's Exhibition Foundation	Cllr Iseult Roche <u>Sub:</u> Cllr Nikki Nelson-Smith	One for 3 years (expiring May 2019)	Unincorporated trust. Educational charity providing grants to young people (between 14 and 28) to assist with their training and education	Nominee will be expected to know the current view and direction on educational funding in the borough, and will advise and vote on all awards of grant.	3 per year from 4pm to 6pm, The Education Centre, Guildford Cathedral
4	Ash CAB	Councillor Marsha Moseley Councillor Nigel Manning	Two for 3 years (expiring 2018)	Company formed under the Companies Act	They will be required to operate with the full responsibilities of a trustee of a charity e.g. sharing in the decision making and running of the organisation with full voting rights.	Quarterly in the Ash CAB office
5	Ash Manor School – Dual Use of Sports Facilities	Councillor Paul Spooner	One for 1 year (expiring May 2017)	Joint use contract between school and Council	Committee involved in operation of joint use facilities providing community sports facilities. Appointee will have full voting rights.	3 times per year, 4pm to 5.30pm, Ash Manor School
6	Basingstoke Canal Joint Management Committee	Councillor Nigel Kears Substitute: Councillor Paul Spooner	One and 1 deputy for 4 years (expiring May 2019)	Joint Committee	Committee member helping with the management of the canal.	3 times per year in Mytchett starting at 10am

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7	Blackwater Valley Advisory Committee for Public Transport	Councillor Matt Furniss Substitute: Councillor Paul Spooner	One for 2 years (expiring May 2017)	Joint local authority liaison meeting	Representative role to act as a point of contact for the authority. Consideration of proposals by operators in the area which will affect 2 or more districts and recommends improvement of services.	Quarterly, Chair and hosting role rotated between councils
8	Blackwater Valley Countryside Partnership	Councillor Nigel Kearse Councillor Jo Randall	2 for 2 years (expiring May 2017)	Local authority partnership (funding partner)	Management Committee member responsible for overseeing the work of the partnership. The work of the partnership involves improving and maintaining the green infrastructure along the Blackwater Valley	Annually in the afternoon. Venues vary across local authorities
9	Countryside Partnerships Board	Councillor Gordon Jackson Substitute: Councillor Richard Billington	One and a sub for 3 years (expiring May 2018)	Joint Steering Group of core funding partners	To steer the 3 countryside partnerships hosted by Surrey County Council, including the Surrey Heathlands Partnership and maintain contact between local ward members and other key stakeholders.	Three meetings per year at various surrey wide locations.
10	Disability Challengers	Councillor Liz Hooper	One for 2 years (expiring May 2017)	Company	Appointee will attend executive meetings to give advice and support. The organisation maintains communications and enhances understanding of needs of disabled children and young people.	Exec Cttee quarterly, 7.00pm Sub Cttees quarterly, times vary at Stoke Park, Guildford
11	Fairlands, Liddington Hall and Gravetts Lane Community Association	Councillor David Elms Councillor Bob McShee				
12	Friends of the Hurtwood	Councillor David Wright	One for 2 years (expiring May 2017)	Charity	Representative status with voting rights; the organisation is responsible for proving and preserving public access to land under its control for the recreational benefit of the public	2 per year to be held in Peaslake or Gomshall in the evening

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13	Guildford Action for Community Care	Councillor Iseult Roche	One for two years (expiring May 2017)	Company	Serve and support disadvantaged people on a low income in Guildford, including families, children and adults. Appointee will have full voting rights.	Meetings at Charity Offices in Slyfield, Guildford every 4 months at 6pm
14	Guildford Arts	Cllr Nikki Nelson-Smith Cllr Tony Phillips Cllr Tony Rooth	Three for 1 year (expiring May 2017)	Unincorporated society	Membership of the management committee with trustee status to provide liaison between the organisation and the Council. The organisation aims to advance the education of the public in the arts.	Quarterly meetings at 5:30 or 6:00pm at various venues
15	Guildford CAB	Councillor Nil Christiansen Councillor Philip Brooker	2 for 3 years (expiring May 2018)	Company	Trustee sharing responsibility for the running of the organisation. Full trustee rights.	Bi-Monthly at 7pm. Various venues & Millmead House
16	Guildford Borough Tenants' Action Group	Councillor Julia McShane Councillor Mike Parsons Councillor Dennis Paul One vacancy	4 for 2 years (expiring May 2017)	Interest group supported by the Council	To encourage a good working relationship with tenants and to further tenant participation. Act as link between the Council and Action Group.	Monthly, 2 <sup>nd</sup> Thurs, am. Council Offices
17	Guildford Environmental Forum	Councillor Matt Furniss Councillor Mike Piper Councillor Matthew Sarti	3 for 4 years (expiring May 2019)	Unincorporated Association/Society	Appointed as members of the Forum's executive committee providing liaison between the forum and the authority. The forum's mission is to improve the environment in and around Guildford. Appointee has voting rights.	3 Executive Committee meetings per year at Council Offices, Millmead
18	Guildford/Freiburg Association	Cllr David Goodwin Cllr Nikki Nelson-Smith Cllr Mike Piper The Mayor (ex officio)	Three (plus the Mayor) for 1 year (expiring May 2017)	Unincorporated association	Appointee will attend executive committee meetings to contribute to policy and future activities of the association, which aims to promote the twinning link between Guildford and Freiburg.	Bi-monthly, 7.30pm At the Borough Council Offices
19	Guildford Mukono Link	Councillor Caroline Reeves	One for 3 years (expiring May 2018)	Charity	Trustee	Meetings approximately every two months

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20	Guildford Poyle Charities	Councillor Geoff Davis	One for 4 years (expiring May 2019)	Unincorporated club	Gives grants to individuals in need and organisations helping those in need and who reside in the central area of Guildford. Appointee will be a director and trustee.	Quarterly board, AGM and sub-committees. Daytime in Guildford.
21	Guildford Sunset Homes	Councillor Jennifer Jordan Councillor Mike Parsons	2 for 3 years (expiring May 2018)	Friendly Society	Board member, with full responsibilities, providing a link between the Housing Association and the Council	6 times annually at Merrow House on Tuesdays at 4:00pm
22	Guildford Waterside Centre	Councillor Angela Gunning	One for 1 year (expiring May 2017)	Company	Appointee will serve on management committee of the organisation which provides a community venue and sporting activities (canoes and kayaks). Appointee will be able to speak and advise at meetings.	Bi-Monthly on first Monday at Guildford Waterside Centre
23	Hilliers Charity	Councillor David Goodwin	One for 4 years (expiring May 2019)	Unincorporated trust	Trustee of the Organisation which provides sheltered accommodation to women aged 50 and over.	3 times per year on weekday afternoons at 2pm at Hillier House
24	Holy Trinity (Guildford) Housing Association	Councillor Nils Christiansen Councillor Dennis Paul	2 for 3 years (expiring May 2018)	Friendly Society	Trustee and Member of the Management Committee. Liaison between the Housing Association and the Council. Full voting rights.	Quarterly Management Meetings at 8:00pm, Addison Court, Guildford
25	Home Start (Ash and Guildford) Management Committee	Councillor Jo Randall	One for 4 years (expiring May 2019)	Unincorporated trust	The provision of help and support to families with children under 5yrs who are facing various difficulties. Appointee will serve on management committee of the organisation	8 meetings per year. Weekday, held at Astolat, Coniers way, Burpham
26	Hospital of William Parsons (Stoke Hospital)	Councillor Alex Chesterfield Councillor Nigel Kears	2 for 4 years (expiring May 2019)	Charitable Trust	To oversee the running of this charity which provides convenient, secure and comfortable accommodation for women over 50 who have a connection with Surrey and who have limited resources.	Quarterly meetings at Stoke Hospital, weekdays.

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27	Jacobs Well Residents Association	Councillor Bob McShee				
28	Oakleaf Enterprise	Councillor Matt Furniss	One for 1 year (expiring May 2017)	Company limited by guarantee whose purpose is to support and train people with mental health problems to remain living in the community and/or access mainstream employment	Trustee director with involvement in fund raising, information and advice and guidance on interaction with statutory providers.	Monthly at 6pm at the Oakleaf Enterprise
29	Royal Grammar School	Councillor Jennifer Jordan	One for 3 years (expiring May 2019)	Company formed under the Companies Act Charitable status.	Full governor status with voting rights	1 board meeting per term, plus sub-ctte meetings once or twice a term. 5pm at RGS and Lanesborough
30	Royal Surrey County Hospital NHS Foundation Trust – Council of Governors	Councillor Paul Spooner	One for 3 years (expiring May 2018)	Public Benefit Corporation providing goods and services for the purposes of the health service in England	Stakeholder representative with the right to attend the Council of Governors meetings and to vote	Quarterly at 6pm at the hospital
31	South East Employers	Cllr Murray Grubb Jnr.  <u>Substitute:</u> Cllr Tony Phillips	One for 1 year plus substitute (expiring May 2017)	Representative organisation for local authority employers within South East England	Appointee will have voting rights.	5 per year. 10.30am - 3.00pm; London or Winchester
32	South West Surrey CRUSE Bereavement Care	Councillor Matt Furniss				
33	Sport Guildford	Cllr Richard Billington Cllr Iseult Roche  <u>Substitutes:</u> Cllr Nils Christiansen Cllr Michael Illman Cllr Pauline Searle	Two for 1 year (expiring May 2017)	Unincorporated association	Sport Guildford is a pro-active sports and leisure forum providing opportunities for sports development and raising the profile of sport. The representative will act as liaison between the organisation and the Authority. Executive member. Appointee will have voting rights.	8 meetings per year, Millmead

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34	Surrey County Playing Fields Association	Councillor Richard Billington	One for 1 year (expiring May 2017)	Unincorporated association	Liaison between organisation and authority with voting rights. The organisation aims to encourage provision of high quality recreational facilities in appropriate locations.	Bi-monthly in Leatherhead plus AGM in Oct at Reigate and Banstead Town Hall. From 6:30pm
35	Surrey Hills AONB Board	Councillor David Wright	One for 1 year (expiring May 2017)	Joint committee	To represent the Council's interests on the Board and to represent the interests of the Surrey Hills AONB Board within Guildford BC.	Four per annum – January, April, July and October at the AONB office
36	Surrey Hills AONB Partnership	Councillor Richard Billington Councillor David Wright	Two for 1 year (expiring May 2017)	Joint advisory forum	To represent the Council's interests on the Partnership and to represent the interests of the Surrey Hills AONB Partnership within Guildford BC	Two per annum – June and November. Venue varies but usually AONB office
37	Surrey Museums Consultative Committee	Cllr Nikki Nelson-Smith <u>Substitute:</u> Cllr Bob McShee	One for 1 year (expiring May 2017)	Unincorporated association advising and supporting SCC and borough/district councils to help museums in Surrey realise their fullest educational, cultural and leisure potential for the benefit of both residents and visitors.	To contribute to the annual work plan, representing the interests of the Council. Full voting rights.	3 x per year (approx. Feb, June, Oct), 7pm–8.30pm at various venues across Surrey
38	Tourism South East	Councillor Geoff Davis	One for 4 years (expiring May 2019)	Company	The company aims to promote and develop tourism	Usually one per year in Sept or Oct.
39	Wanborough Barns Management Committee	Cllr David Bilbé Cllr Adrian Chandler	Two for 1 year to May 2017	Facility provided by the Borough Council, committee operates within the terms of the agreement for the management of the Great Barn and Granary	Management Committee Member with same rights as all other Committee members in relation to papers, attendance, speaking and voting. No day-to-day involvement is required.	4 times per annum, usually at 7pm in Wanborough



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40	Westborough and Park Barn Community Centre	Councillor Liz Hooper Councillor Sheila Kirkland  <u>Substitute:</u> Councillor Julia McShane	Two for 2 years and one sub (expiring May 2017)	Management Committee	Shared responsibility for daily running of the Hall. Liaison between the centre (council owned) and the authority. Appointee will have voting rights. Meetings every other month from September 2015	Meetings at the Community Centre
41	Wey Valley Bowls Association Ltd	Councillor Marsha Moseley	One for 4 years (expiring May 2019)	Company	Provide link with the council and comment on public wellbeing. Appointee can speak at meetings and voting rights are subject dependant.	
42	Yvonne Arnaud Theatre Management Ltd and Yvonne Arnaud Theatre Trust	Councillor Matt Furniss Councillor Tony Phillips Councillor Paul Spooner	Three for 4 years (expiring May 2019)	Company and Unincorporated Trust	Council representative(s) is a Director(s) of (1) YAT Management Ltd and (2) a Trustee of YAT Trust	Quarterly at 7.30pm at the Council Offices, Millmead

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**Councillor Appointments to External Organisations Working Group:  
Interim Recommendations**

- (1) That councillors will normally be appointed to such external organisations that:
  - (i) Support the Council's Corporate priorities, and/or
  - (ii) Assist in delivery of Council services, and/or
  - (iii) Are using Council facilities
- (2) That all appointees to external organisations shall be current borough councillors.
- (3) That, in principle, when an appointment is made there shall be just one councillor appointee and a deputy appointed to each external organisation.
- (4) That the Council shall appoint to external organisations for a four-year term of office following Borough Council elections, and that, should a vacancy arise during a term of office, the deputy appointee (where applicable) will normally assume the role of the appointee for the term of office remaining, and group leaders will be asked to submit nominations for the appointment of a new deputy appointee in accordance with the provisions of these recommendations.
- (5) That term of office in respect of appointments to external organisations expiring in May 2017 be extended to July 2017.
- (6) That a 'person profile', as set out in Appendix 8, shall be completed by each external organisation to ensure that the appointment is a suitable match to the requirements of the organisation and the capacity of the individual councillor in terms of skills, experience and time commitment.
- (7) That councillors shall not accept an appointment to an external organisation unless there is a full understanding of the commitments and requirements for the role between all parties.
- (8) That political group leaders shall liaise between themselves to ensure that individual councillors' interest in specific nominations are shared between them before the meeting at which any contested appointments are to be determined.
- (9) That, in relation to contested appointments, each nominee shall have the opportunity to make either a written or an oral personal statement to the meeting in support of their nomination before the vote is taken, with any oral statement taking no longer than three minutes.
- (10) That the Democratic Services Manager be authorised to determine uncontested appointments to external organisations.
- (11) That it will be the expectation of the Council that an induction and suitable training shall be provided for the councillor appointee by the external organisation which shall include any legal responsibilities, budget and financial issues, information sharing with the council or other bodies and accountability.
- (12) That the process of appointments to external organisations shall be covered in the Council's new councillor induction programme.
- (13) That all councillors appointed to an external organisation shall each year provide written feedback on the work of those organisations over the previous twelve months using the report template at Appendix 9 of the report.
- (14) That the Monitoring Officer, in consultation with the Lead Councillor for Infrastructure and Governance, be authorised to make such amendments to the Council's Constitution as may be necessary to implement these adopted recommendations.
- (15) That these arrangements be reviewed in three years' time.

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**APPOINTMENT OF REPRESENTATIVES TO SERVE ON  
OUTSIDE ORGANISATIONS**

**QUESTIONNAIRE - 2016**

1. Name and registered address of Organisation  
(Please state the correct, full title for your organisation including registered number(s) if any):

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2. Details of the person to contact about appointment:

Name: \_\_\_\_\_

Address:  
(if different from above) \_\_\_\_\_

\_\_\_\_\_

Tel: \_\_\_\_\_

E-Mail: \_\_\_\_\_

3. Brief description of aims/purpose of organisation:

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4. Current number of Guildford Borough Council representatives on the body:

5. Is the current number of representatives appropriate?

Yes  No

If not, what do you feel is the appropriate number?

How long is the term of appointment of the Council representative?

6. Does your constitution/rules require the representative to be an elected Councillor?

Yes

No

7. Is the organisation charitable? If yes, please give the official registration number with the Charity Commissioners:

Yes

No

8. How often, and at what time, are meetings of your organisation held?

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Venue for meetings:

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9. Is the organisation (**Please tick ONE Option only**):

a) A company formed under the Companies Act?

b) An Industrial and Provident or a Friendly Society?

c) A body created by statute?

d) An unincorporated Trust?

e) An unincorporated Club, Society or Association?

f) Other (Please specify)?

10. Please provide by email to the address at the end of this questionnaire an up to date copy of the organisation's governing documents - e.g. Articles and Memorandum of Association for a Company, Trust Deed for a Trust, Constitution for an Unincorporated Association.

11. If your Managing Committee has Terms of Reference in a separate document, please also supply a copy of that document.

12. What will be the role of the Council nominee(s) e.g. director, management committee member, trustee etc and what, if any, responsibilities will they have? Please state in particular whether they are to share responsibility for running the organisation or whether you want them only to act as a point of communication with the Council, i.e. as pure representative or observer.

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13. If the Council appointee is intended to have only observer or representative status, what will be his or her rights of attendance at meetings and to receive papers? Will he or she be entitled to speak and, where necessary, vote?

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14. Apart from formal responsibilities, what do you see as the main benefits to your organisation of having a Local Authority Appointee?

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**Please answer questions 15 and 16 if the Council nominee will have any responsibility for decision making or will have a vote on any of your organisation's decision making meetings or committees.**

15. Does your organisation hold insurance covering its members and, in particular, the Managing Committee, for any personal liability they may incur in managing the organisation?

Yes                       No

If so, what is the limit of cover:

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16. If the answer to the above is 'Yes', please confirm that the insurance will cover the Council's appointee (N.B. the appointee may need to make more specific enquiries in their own interests).

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17. Do you offer induction or other training on the governance arrangements of your organisation

Yes                       No

If so, please provide details:

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Please ensure that any changes to the information provided above, particularly any which affect the Constitution of your organisation or the role of the Local Authority appointee, are notified to the Democratic Services Manager, Guildford Borough Council, Millmead House, Millmead, Guildford, Surrey, GU2 4BB.

**PLEASE EMAIL THE COMPLETED QUESTIONNAIRE BY FRIDAY 29 APRIL 2016 TO:**  
[john.armstrong@guildford.gov.uk](mailto:john.armstrong@guildford.gov.uk)

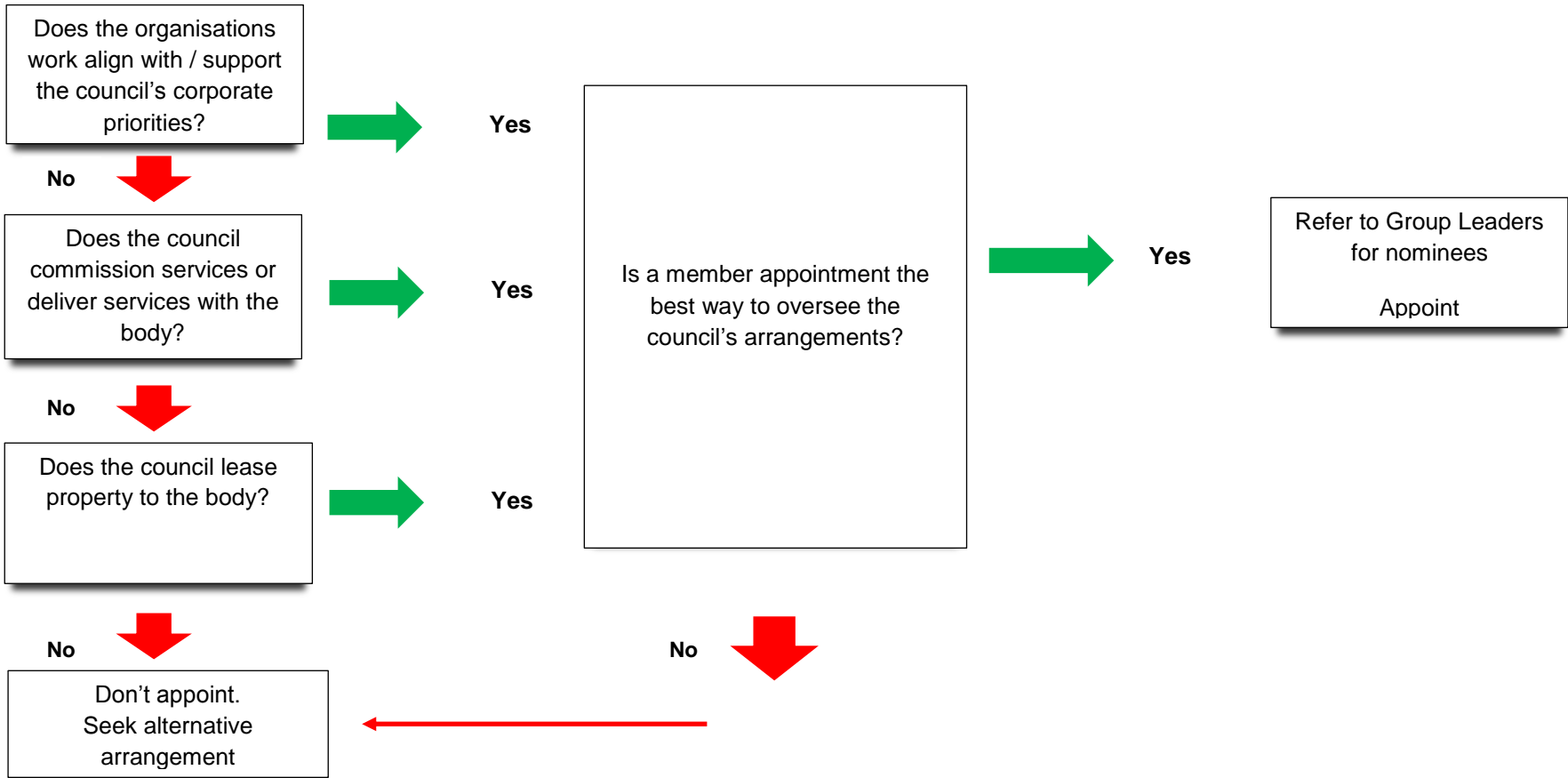
Or by post to:  
John Armstrong  
Democratic Services Manager  
Guildford Borough Council  
Millmead House

Agenda item number: 10

Appendix 3

Millmead  
GUILDFORD  
Surrey GU2 4BB





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Organisation Name:	Click here to enter text.		
Contact Name:	Click here to enter text.		
Contact Phone:	Click here to enter text.	Email:	Click here to enter text.

Is the organisation (**Please tick ONE Option only**):

- a) A charity
- b) A company formed under the Companies Act?
- c) An Industrial and Provident or a Friendly Society?
- d) A body created by statute?
- e) An unincorporated Trust?
- f) An unincorporated Club, Society or Association?
- g) Other (Please specify)  Click here to enter text.

1. Is it a statutory requirement to have a borough councillor representative? Choose an item.

2. Is it a requirement of your governance rules to have a borough councillor representative? Choose an item.  
If yes, why? Click here to enter text.

3. In a few words, please explain the organisation’s reason for accepting a nominated councillor. Click here to enter text.

4. Is your organisation in receipt of funding from Guildford Borough Council? Choose an item.

5. Do you understand the Council’s process for appointing councillor representatives? Choose an item.

6. Is there anything we could do differently to improve the process? Choose an item.  
If so, how? Click here to enter text.

7. Are specific skills required for the councillor’s role in your organisation? Choose an item.

8. Is the councillor usually already prepared for the role they will undertake? Choose an item.  
If no, how could this be improved? Click here to enter text.

9. Do you undertake training with the appointee to prepare for the role? Choose an item.  
If so, in what ways? Click here to enter text.

10. Does the councillor attend the meetings to which they are invited? Choose an item.

11. Are conflicts of interests declared by the councillor? Choose an item.

12. Please rate the value and benefit of the councillor appointment process. (1 is low and 10 is highly valuable) \*see note below before answering Choose an item.

13. Do you think there could be better ways of working and communicating with us rather than the process of nominated councillor representative? Choose an item.  
If yes, please comment. Click here to enter text.

14. Is it the wish of your organisation to continue to receive a representative? Choose an item.

*\*Please note that we are not asking you to evaluate a particular councillor, but rather your view of the practice of nominating a representative in general terms.*

Question Number	Question	How many said Yes	How many said No	Comments
1	Is it a statutory requirement to have a borough councillor representative?	1	16	
2	Is it a requirement of your governance rules to have a borough councillor representative? If Yes, Why?	10	6	<p>Stipulated in the Memorandum of Agreement 2014 of the Basingstoke Canal Joint Management Committee (JMC) that GBC as a contributing authority is granted one Member representative on the Committee</p> <p>When the Club was formed in 1972 it was agreed as we were on Council land to have representatives of the Borough on our Board</p> <p>Long term arrangement – we don't know now</p> <p>We provide an amenity to Guildford Borough residents</p> <p>To provide Council input into our Committee meetings</p> <p>Originally we had a social housing loan from GBC (now repaid); we continue to value the link with GBC in the field of social housing</p> <p>Constitutional requirement to reflect that the area is within the hospital's main catchment</p> <p>To share employment and democratic services advice and knowledge with Councils and to gain Council's views on various topics</p> <p>All AONB authorities are represented at Member level</p> <p>As per constitution provided by GBC</p>
3	In a few words, please explain the organisation's reason for accepting a nominated councillor.			<p>All the core funding partners have a representative on the Board</p> <p>We believe that Guildford Arts is making a significant contribution to the arts scene in Guildford and it is important that a member of the council is on the Committee to advise and brief on the background in arts on the Council.</p> <p>To assist with any decision making that affects the local authority</p> <p>Keep in close contact with GBC, get bigger picture of Guildford, benefit from their experience</p> <p>The nominated councillor represents the interests of the local authority on the AONB Board, and the interests of the Surrey Hills AONB Board within Guildford BC</p> <p>We have a trustee who is a councillor: Caroline Reeves, we were very pleased to have her on the Board as she is the councillor for the ward where our charity is situated, had a good prior knowledge and genuine interest in our work and was willing to give the necessary time to the role. We would like her to continue as she makes a positive contribution to the work of the board. The two previous nominees made no contact with us at all, so while our current experience is good, overall the system hasn't worked very well for us.</p> <p>To cement relations between the Association and the Council and keep us posted on Council policies towards the twinning with Freiburg</p> <p>Our governing document specifically allows the possibility of having a nominative trustee appointed by GBC and as far as I am aware we have always had one (although it is not an absolute requirement). In the past, the GBC representative's knowledge of the local community and the problems some Guildford residents face has been very useful to us when making decisions on grant applications from both individuals and especially organisations and also when setting our grants guidelines</p> <p>The Basingstoke Canal Authority (BCA) is in receipt of funding from GBC and it is within the rights of the GBC to have oversight on the business undertaken by the BCA at its JMC</p> <p>The Great Barn &amp; Granary are owned by GBC and although managed by the WBMC, GBC therefore have an interest in them</p> <p>Originally we had a social housing loan from GBC (now repaid); we continue to value the link with GBC in the field of social housing</p> <p>To share employment and democratic services advice and knowledge with Councils and to gain Council's views on various topics</p> <p>Constitutional requirement to reflect that the area is within the hospital's main catchment</p> <p>Long term arrangement – we don't know now</p> <p>We provide an amenity to Guildford Borough residents</p> <p>To assist with cooperation with GBC</p> <p>To direct work and agree budgets</p>
4	Is your organisation in receipt of funding from Guildford Borough Council?	8	9	
5	Do you understand the Council's process for appointing councillor representatives?	10	7	
6	Is there anything we could do differently to improve the process? If so, how?	4	9	<p>Ideally the representative should have a role in the relevant GBC committee ie the one that covers countryside issues</p> <p>Ensure we are consulted as to any possible nominees, ensure that they are interested in our work and understand the responsibilities that come with being on a Board.</p> <p>Yes. Consider more the feedback role</p> <p>It would assist us if a Councillor was appointed who had direct knowledge of our client group, for instance by representing one of the Wards where the majority of our clients come from (Westborough, Stoughton, Stoke or Merrow) or by having some other specialist knowledge relevant to our charity, such as benefits or housing. We also feel that someone who had enough time available to devote to the charity would be helpful.</p>
7	Are specific skills required for the councillor's role in your organisation?	5	11	To advise and brief our Committee
8	Is the councillor usually already prepared for the role they will undertake? If no, how could this be improved?	8	8	<p>No. Attendance of inductions offered by BCA</p> <p>Yes. We are happy to discuss the role with new representatives and send information that may be useful e.g. strategy documents. Links to social media updates etc.</p>

Question Number	Question	How many said Yes	How many said No	Comments
				No. It is useful if they have some knowledge of countryside management issues and are prepared to promote the Partnerships activities within their own local authority
				Yes. This has been a long term cllr – Pauline Searle. We did interview another cllr but she was not suitable for the role
				No. Our past experience is that councillors don't always understand the role of trustee, cannot spare the time, do not ascribe to the aims and objectives of the charity. And as mentioned above our previous experience is that people nominated have showed no interest in taking up the role.
				No. As above, it would be useful if the appointee already had some insight into the work we do.
				No. In the past reps have not had a good understanding of our organisation
				No. Improved provision of information by the Trust
9	Do you undertake training with the appointee to prepare for the role? Choose an item. If so, in what ways?	8	6	Yes. We offer a tour of sites to illustrate the type of work undertaken by the Partnership
				Yes. Yes there is ongoing annual training
				Yes. We carry out induction with all new Board members
				Yes. Documentation, visits to bureau, Citizens Advice training
				Yes. A full induction is provided
				Yes. I meet with the councillor before the first meeting to explain how we work and answer questions
10	Does the councillor attend the meetings to which they are invited?	10 Sometimes	2 Never	
11	Are conflicts of interests declared by the councillor	2 Sometimes 6 Always	5 Never	
12	Please rate the value and benefit of the councillor appointment process. (1 is low and 10 is highly valuable)	Average Score 7		
13	Do you think there could be better ways of working and communicating with us rather than the process of nominated councillor representative? If yes, please comment.	3	12	Yes. Engagement beforehand – appointments need to be in partnership
				Yes. Perhaps through receiving minutes of Board meetings combined with quarterly catch up meetings with a funding officer
				Yes. Presentations to and questions from council committees
				No. We still feel that the appointed representative can work well and has done so in the past but other means of communication with GBC would also be welcomed. I have only rated the process above as 5 because our current representative has had to miss most of our meetings recently.
				Yes. In addition to the appointment it is useful to have dialogue at officer level due to the key role of the hospital in the local community
				No. No, being at the meetings and hearing what is discussed helps enormously
14	Is it the wish of your organisation to continue to receive a representative?	14	1	

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Councillor Name:	Click here to enter text.		
Outside Body:	Click here to enter text.		
Date From:	Click here to enter text.	To:	Click here to enter text.

Is the organisation on which you are a representative **(Please tick ONE Option only)**:

- a) A company formed under the Companies Act?
- b) An Industrial and Provident or a Friendly Society?
- c) A body created by statute?
- d) An unincorporated Trust?
- e) An unincorporated Club, Society or Association?
- f) Other (Please specify) [Click here to enter text.](#)
- g) Don't know

1. Do you think the Council's current appointment process works well? Choose an item.  
If no, why? [Click here to enter text.](#)
2. Were any specific skills or knowledge required for your appointment? Choose an item.
3. Were you aware of these requirements prior to being appointed? Choose an item.
4. Were you happy with the information you received about the organisation and the role prior to taking up the appointment? Choose an item.  
If no, why? [Click here to enter text.](#)
5. Did the external organisation provide training for you? Choose an item.  
If yes, what? [Click here to enter text.](#)
6. Were any personal liabilities arising from the appointment explained to you? Choose an item.
7. Did you attend the meetings to which you were invited? Choose an item.
8. Did you experience any conflicts of interests? Choose an item.
9. Did you feedback or liaise with Lead Members or Senior council officers? Choose an item.  
If yes, please provide details [Click here to enter text.](#)
10. Please rate the value and benefit to the council of the councillor appointment process. (1 is low and 10 is highly valuable and beneficial) Choose an item.
11. Should there be a standard term of office e.g. 2 or 4 years? Choose an item.
12. Do you think there could be better ways of working and communicating with organisations rather than the process of nominated councillor representative? Choose an item.  
If yes, please comment. [Click here to enter text.](#)

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Question Number	Question	How many said Yes	How many said No		Comments
1	Do you think the Council's current appointment process works well? If no, why? Click here to enter text.	12	5	In truth, my answer should be 'somewhat'. I'm not convinced that all Cllrs attend the meetings they are invited to and actually add value. From a personal perspective, I do not think the Access Group needs 3 Cllrs in attendance – seems like overkill. We also need to encourage Cllrs who are interested / committed to attend and not because they are told to do so	Not to date but this may be down to a lack of communication between GBC and BVCP I think. I received an invitation to, and attended, the Partnership's AGM a week or so ago. This was the first contact I had had from the organisation. The administrator who issued the invitation just happens to be a close neighbour (I wasn't aware she was actually employed there until the meeting) and she got my name from the GBC website. There was nothing on their records to indicate specific GB Councillors had been appointed. I was greeted like Dr Livingstone by a fellow Ash Parish Councillor when I arrived as I was the first GBC Councillor he had known to have attended an AGM.
2	Were any specific skills or knowledge required for your appointment?	3	13	If there were I wasn't made aware of them. However the organisation does contribute some of its invaluable services and know-how to the Ash area where I am a Councillor so I have a particular interest in its work	I had to agree to be a Trustee. I had already been a formal Trustee of two outside bodies and so was aware of the implications of this. I had already had personal involvement with organisations in India, Uganda and South Africa doing similar work
				I was just given it. Would be better to map initial interests/experience to the roles	Yes. Yes - a knowledge and experience of life in the Countryside
3	Were you aware of these requirements prior to being appointed?	4	4	To a degree	If there were I was not made privy to them in advance of the appointment
4	Were you happy with the information you received about the organisation and the role prior to taking up the appointment? If no, why?	10	8	No. Very limited information was given to me. An information pack would be useful and an explanation of what is expected of you in your role as a Cllr	Asked the forum for information. None provided
				I received great information from the organisation itself	Yes, because I had already been involved with the Mukono Link.
5	Did the external organisation provide training for you? If yes, what?	1	17	No but that may not be necessary in any event as it would all depend on the extent of any future involvement.	Yes. Trustee responsibilities
				No, I had Trustee training through a previous outside body position	Never heard or attended a meeting from them
6	Were any personal liabilities arising from the appointment explained to you?	5	10		
7	Did you attend the meetings to which you were invited?	9 Always 5 Sometimes	3 Never		
8	8. Did you experience any conflicts of interests?	1 Sometimes	16 Never		
9	9. Did you feedback or liaise with Lead Members or Senior council officers? If yes, please provide details	8	7	No but my actual involvement is of such recent vintage that there hasn't been any time to warrant feedback/liaison	Yes. Members of the Executive as appropriate.....Until recently there were no Officers taking a specific interest in the work of the AONB. Now we have Chris Stanton
				Yes, some issues have been discussed with the current mayor	I have contacted other members on a couple of occasions relating to financing issues but nothing on a regular basis.



10	<p>Please rate the value and benefit to the council of the councillor appointment process. (1 is low and 10 is highly valuable and beneficial)</p>	<p>From what I learnt at the AGM I think the value to the Council is very high. The amount of work done by the Partnership weighed against the amount of the contributions made by the various Council members seems to me extraordinarily good value for money. More GBC Councillor involvement may be a very good move for the future as I was in the majority of one for Guildford whereas there was a very good turnout from other Councils although their particular areas of concern did seem to me to be somewhat larger than ours.</p>	<p>Currently, 5/6 that is on the basis that the Council maintains an interest in its work (the Local MP is a patron and 2 Councillors are trustees) and there is a specified Councillor appointed to it. I have been impressed by the good attendance from GBC councillors etc to AGMs. This is well received by the management team and volunteers who value the continuing, albeit fairly sedentary, involvement of the Council. The value and benefit to the Council of the work done by the organisation far exceeds the Council input which no longer having any current financial commitment. Maintenance of contact between Home Start Guildford and GBC is a good long term investment. Unfortunately the Council has not provided any financial support for a couple of years but HSG appears to be keen to retain an active link to GBC and I think that this is to be encouraged. I wish I had something more positive to offer apart from my presence at management meetings.</p>	<p>10 if they actually do anything.</p>	
		Average 7			
11	<p>Should there be a standard term of office e.g. 2 or 4 years?</p>	<p>I'm not really in a position to judge this at the moment owing to the circumstances already explained but an active GBC representation would be an advantage</p>	<p>Long term continuity is important with an important role like this</p>	<p>For continuity's sake I would say a standard term of 4 years may be best but should a situation arise where the appointment of another Councillor may be considered more mutually beneficial (eg involvement in a specific project where there is a particular skill available) a shorter term should be instigated. I consider maintenance of good links between the 2 organisations is paramount.</p>	
		10	3		
12	<p>Do you think there could be better ways of working and communicating with organisations rather than the process of nominated councillor representative? Choose an item. If yes, please comment.</p>	<p>No. I think having a Cllr on an Outside Body is a good idea as long as both parties benefit. However, I think there should be a wider element of choice especially if Cllrs have a particular interest / area of expertise / skill set to offer. Places should be open to everyone and not the majority party taking the 'cream roles'. The organisations should also be encouraged to feedback on the value of having a Cllr; if the nominated Cllr doesn't attend or provide value, then he / she should be removed from the post. I would recommend that all current Outside Bodies are asked to confirm if they still require the services for a local Cllr and, if so, provide an explanation of what a Cllr can bring to the table. Also, I think we need to review and refresh our list of Outside Bodies – remove some and add new ones</p>	<p>Having a nominated Councillor gives the organisation a point of contact should the need arise. There may be organisations where it is not necessary for the Councillor to be particularly hands on but to have a name does provide a certain amount of reassurance to the body concerned. Each case should in my view be considered on its own merits and in consultation with the organisation concerned. What does it want/expect from its involvement with GBC?</p>	<p>Yes. Firstly we should confirm that council input actually provides value or benefit to the council and our constituents. It should not just be to please the group requesting. Once we decide that the group should be supported we should then decide what type of support we provide.</p>	
		8	7		
		<p>Yes but this really depends on the organisation. Although this may already be planned I would suggest actually asking the organisations GBC are currently involved with: I must confess I feel somewhat at a loss as to what GBC representation is meant to achieve apart from supplying a ready contact between the 2 organisations. However this may be down partly to my own ignorance and partly down to the lack of any sort of direction being given by the Council as to what the outcome of involvement may be apart from a PR job. Some sort of basic awareness training here may be useful.</p>	<p>I think that there should be closer discussion with the organisation to discover their needs as outlined in question 1 to establish if they actually would benefit from having a nominated representative. If they do and the needs are established, it can work well. In some cases it may be better to have a councillor who just ensures that their community is aware of the existence of the outside body through talking about it within the ward and bringing them to people's attention where appropriate.</p>		

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Organisation	No. of cllr reps	Deputy Rep.	Mayoral (ex officio)	Type	Role	Senior Officer Comment
Abbot's Hospital (Trinity Hospital Governors)	2	No	No	Company	Director / Governor	Small Sheltered Housing Development we have limited contact operationally.
Access Group, Guildford	3	No	No	Group	Representative of the council	The Access Group currently has three councillors that attend x5 meetings a year. Councillor representation is essential on the Group. Councillors assist in following up on issues, provide updates and act as a necessary link between the Group and the Council.
Archbishop Abbot's Exhibition Foundation	1	No	No	Unincorporated trust	Trustee	Constitution requires one councillor
Ash Citizens' Advice Bureau	2	No	No	Company	Trustee	Key service and the Council is a major funder therefore very important to be represented. £283,000 (with Guildford CAB)
Ash Manor School - Joint Committee	1	No	No	School	Not known	Possibly should be supported by local councillors rather than a formal appointment.
Basingstoke Canal Joint Management Committee	1	1	No	Joint Committee	Committee member	Important to remain as part of this joint committee which cuts across both Surrey and Hampshire and we pay a significant grant to. Contribution £40k. Purpose to manage risk from Basingstoke Canal.
Blackwater Valley Advisory Committee for Public Transport	1	1	No	Advisory committee	Represent the council	GBC Joint Partnership
Blackwater Valley Countryside Partnership	2	No	No	Joint Committee	Committee member	Probably 1 Councillor needed but again important to be involved this strategic partnership. Contribution £10.7k. Partnership work that supports the GBC Countryside Team in Blackwater Valley Area. Considered Beneficial
Countryside Partnership Board	1	1	No	Partnership	Committee member	Yes important as a strategic partnership for land management in Surrey as this cover the Surrey Heathlands Project to which we make an annual grant. Surrey Heathland Partnership Contribution £17.1k. Partnership work that supports the GBC Countryside Team in Blackwater Valley Area. Considered Beneficial. Cllr Jackson is supportive to have an additional local meeting for Heathland Project
Disability Challengers	1	No	No	Company	Attend Executive meetings	Housed in council owned building. We fund through the voluntary grants panel.
Friends of the Hurtwood	1	No	No	Charity	Point of reference	Grant paid annually from the Countryside Budget c.£6,000
Guildford Action for Community Care	1	No	No	Company	Not known	The council is a major funder through the voluntary grants panel - but this could become more difficult as their funding will be cut as overall vol grant funding reduces due to SCC cuts. Housed in council owned building
Guildford Arts	3	No	No	Charity	Point of reference	Not funded by GBC aside from community grant applications, but is a valuable partner in terms of delivery and consultation. Guildford Arts constitution requires a borough councillor onboard.
Guildford Borough Tenants' Action Group	4	No	No	Voluntary residents group	No responsibilities	No constitutional requirement. Informal.
Guildford Citizens Advice Bureau	2	No	No	Company	Trustee	Key service and the Council is a major funder therefore very important to be represented. Housed in council owned building. £283,000 (with Ash CAB)
Guildford Environmental Forum	3	No	No	Unincorporated society	Executive committee member	Constitution requires one councillor
Guildford Poyle Charities	1	No	No	Company	Director and Trustee	Very valuable service with effective links
Guildford Sunset Homes	2	No	No	Friendly society	Trustee	Sheltered Housing Development we have limited contact operationally.
Guildford Waterside Centre	1	No	No	Company	Councillor	Housed in council owned building
Guildford/Freiburg Association	3	No	Yes	Unincorporated society	Attend Executive meetings	There is a suggestion that management of the twinning relationship might be more effectively undertaken in-house. Funding is £420.
Hilliers Charity	1	No	No	Charity	Trustee	Small Sheltered Housing Development we have limited contact operationally.
Holy Trinity (Guildford) Housing Association	2	No	No	Friendly society	Corporate Board member	Small Sheltered Housing Development we have limited contact operationally.
Home Start (Ash and Guildford) Management Committee	1	No	No	Charity	Advisor	No constitutional requirement
Hospital of William Parson (Stoke Hospital Almshouse)	2	No	No	Charity	Trustee	Small Sheltered Housing Development we have limited contact operationally.
Mukono Link	1	No	No	Charity	Trustee	We provide some funding, so should retain a representative. Funding is £420.
Oakleaf Enterprise	1	No	No	Company limited by guarantee	Director	Social Enterprise -part of GLADE. We fund through the voluntary grants panel process
Royal Grammar School	1	No	Yes	Company	School governor	Constitution requires one councillor
Royal Surrey County Hospital NHS Foundation Trust	1	No	No	Created by statute	Governor	Constitution requires one councillor
South East Employers	1	No	No	LGO	Councillor	Constitution requires one councillor
South West Surrey CRUSE Bereavement Care	1	No	No	Charity	Point of reference	No grants paid, has benefit in supporting the bereavement service
Sport Guildford	2	No	No	Unincorporated association	Executive committee member	Not funded by GBC aside from community grant applications, but is a valuable partner in terms of delivery and consultation. Sport Guildford's constitution requires a borough councillor onboard.
Surrey County Playing Fields Association	1	No	No	Unincorporated association	Advisor	Some use from a strategic perspective
Surrey Hills AONB Board	1	No	No	Joint Committee	Member	Yes important for land management and planning reasons
Surrey Hills AONB Partnership	2	No	No	Joint Advisory Forum	Member	GBC funded £5,580
Surrey Museums Consultative Committee	1	No	No	Partnership	Member	GBC funded £3,000
Tourism South East	1	No	No	Company	Member	GBC funded £3,350
Wanborough Barns Management Committee	2	No	No	Management Committee	Member	Housed in council owned building
Westborough and Park Barn Community Centre	2	No	No	Management Committee	Councillor	Housed in council owned building

# Agenda item number: 10

## APPENDIX 7

Appointment to External Organisations Working Group (AEOGW) March – April 2017

### Appendix 7

Wey Valley Bowls Association Ltd	1	No	No	Company	Councillor	Is this just a throwback to the link with John Woodhatch? Housed in council owned building. I think a view is needed on whether a councillor is appointed to a group or tenant of the Councils which provides a community service. Wey Valley Bowls is one of many such groups, others include Sutherland Memorial Park Amenities Club, Old Guildfordians Association
Yvonne Arnaud Theatre Management Ltd and Yvonne Arnaud Theatre Trust	3	No	No	Company	Director/Trustee	Housed in council owned building. GBC funded c.£300,000

ORGANISATION NAME: \_\_\_\_\_

CONTACT NAME: \_\_\_\_\_ ORGANISATION TYPE: \_\_\_\_\_

EMAIL: \_\_\_\_\_ TEL: \_\_\_\_\_

Appointee Role Title:	
Responsible to:	
Where (Location):	
Time commitment (frequency of meetings, time of day etc.):	
Role description (eg, trustee, director, advisor etc):	
Main tasks and responsibilities (including any budget and financial matters)	•
Required skills, abilities, qualities and experience	•
Induction, training and support available	•
Any other requirements of the organisation from the appointee	•
Any restrictions on information sharing between the organisation and the council	
Any personal liabilities, accountabilities or legal responsibilities involved in the role	
Is the councillor insured/indemnified by the organisation? If yes, please forward a copy of the insurance documentation.	

**TO BE COMPLETED BY THE COUNCILLOR**

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NAME: \_\_\_\_\_ ORGANISATION: \_\_\_\_\_

Please set out below the relevant experience, skills and qualities that you would bring to this appointment taking into account the requirements of the organisation

Skills	
Experience	
Qualities	
Other comments	

<b>External Organisation:</b>	
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<b>Councillor Appointee:</b>	
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<b>Deputy Councillor Appointee:</b>	
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<b>Date Completed:</b>	
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<b>Meetings Attended:</b>	
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<b>Description of Outside Body:</b>	
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<b>12 Month Update:</b>	
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<b>Activities planned:</b>	
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<b>Summary of the benefits of the appointment:</b>	
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Councillors should include details of the extent to which the organisation has contributed to the Council's corporate and our priorities; the councillor appointee's contribution to the work of that organisation and whether the council should continue to make appointments to that organisation.

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Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Director of Resources

Author: John Armstrong

Tel: 01483 444102

Email: john.armstrong@guildford.gov.uk

Date: 30 March 2017

## Corporate Governance and Standards Committee Work Programme

### Recommendation

That the Committee considers and approves its updated work programme for 2017-18, as detailed in Appendix 1 to this report.

#### Reason for recommendations:

To allow the Committee to maintain and update its work programme.

### 1. Purpose of report

1.1 To enable the Committee to keep its work programme updated.

### 2. Updated work programme

2.1 The Committee's work programme for the 2017-18 municipal year is set out in Appendix 1 to this report. The timing of the reports contained in the work programme is subject to change, in consultation with the chairman. The items to be considered include decisions to be made by the Executive and/or full Council, with consideration of any comments or recommendations made by this Committee.

2.2 Previous work programmes had proposed a quarterly Statutory Officers' Report to the Committee. It was envisaged that this report would provide the Committee with an update on current issues being dealt with by each of the three statutory officers: the Head of Paid Service, the Monitoring Officer and the S.151 (Chief Finance) Officer. Given the limited statutory scope<sup>1</sup> of the Head of Paid Service role, and that the S.151 officer regularly reports to this Committee on various budget and audit related matters, it is suggested that the Committee should

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<sup>1</sup> Reporting to Council on the following matters:

- (a) the manner in which the discharge by the authority of their different functions is co-ordinated;
- (b) the number and grades of staff required by the authority for the discharge of their functions;
- (c) the organisation of the authority's staff; and
- (d) the appointment and proper management of the authority's staff.

receive a quarterly ethical update on the issues dealt with by the Monitoring Officer and the statutory officer Corporate Governance Group.

- 2.3 It is further suggested that there should a separate annual report on complaints referred to the Local Government Ombudsman. This report had previously been included within the Summary of Internal Audit Reports.
- 2.4 These suggested changes are reflected in the updated Work Programme set out in Appendix 1 to this report.

### **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 updated work programme for 2017-18

## CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

15 June 2017

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Draft Statement of Accounts for 2016-17	To note the draft statement of accounts signed by the Chief Finance Officer for 2016-17	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Monitoring Officer's Report	To receive a quarterly ethical update on the issues dealt with by the Monitoring Officer and the statutory officer Corporate Governance Group.	Corporate Governance and Standards Committee	Sandra Herbert 01483 444135
Annual Governance Statement 2016-17	To adopt the Council's Annual Governance Statement 2016-17	Executive 27 June 2017	Claire Morris 01483 444827
Treasury Management Annual Report 2016-17	To consider the Treasury Management Annual Report 2016-17	Council 25 July 2017	Victoria Worsfold 01483 444834
External Audit 2017-18 Fee Letter	To consider the planned audit fee	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Internal Audit Plan 2017-18	To consider the internal audit plan for 2017-18	Corporate Governance and Standards Committee	Joan Poole 01483 444854
Head of Internal Audit Opinion	To consider the Head of Internal Audit's annual Opinion for 2016-17	Corporate Governance and Standards Committee	Joan Poole 01483 444854
Review of the Council's process for making appointments to external organisations	To consider the final report and initial recommendations of the working group	Council (25 July 2017) on the recommendation of this Committee	John Armstrong 01483 444102

## CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

27 July 2017

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
External Audit Update	To consider the update report from the Council's External Auditors	Corporate Governance and Standards Committee	Claire Morris 01483 444827
2015-16 Audit Findings Report	To note the external auditor's findings and management's response in the Action Plan	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Summary of Internal Audit Reports October 2016 – March 2017	To consider the summary of internal audit reports,	Corporate Governance and Standards Committee	Joan Poole 01483 444854
Local Government Ombudsman and customer complaints	Annual Report on complaints to the Local Government Ombudsman and customer complaints	Corporate Governance and Standards Committee	Joan Poole 01483 444854
Corporate Risk Strategy	Report on the Council's corporate risk strategy and risk management arrangements	Corporate Governance and Standards Committee	Joan Poole 01483 444854
Freedom of Information Compliance update	To consider the update report on the Council's performance in dealing with Freedom of Information requests (January to June 2017)	Corporate Governance and Standards Committee	Ciaran Ward 01483 444072
Data Quality Management Strategy	To review the Data Quality Management Strategy	Corporate Governance and Standards Committee	Joan Poole 01483 444854

## CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

21 September 2017

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Monitoring Officer's Report	To receive a quarterly ethical update on the issues dealt with by the Monitoring Officer and the statutory officer Corporate Governance Group.	Corporate Governance and Standards Committee	Sandra Herbert 01483 444135
Financial Monitoring 2016-17 Period 3 (April to June 2016)	To note the results of the Council's financial monitoring	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
Single Equality Scheme and Action Plan	To review the Single Equality Scheme and Action Plan for 2012-15	Corporate Governance and Standards Committee	Lucy Richards 01483 444013
Councillor Training Programme	To consider a report from the Councillors' Development Steering Group relating to councillor training and development	Corporate Governance and Standards Committee	Sophie Butcher 01483 444056

## CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

23 November 2017

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Annual Audit Letter	To consider the Annual Audit Letter and Annual Governance Report for 2016-17	Executive	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
Financial Monitoring 2017-18 – Period 6 (April to September 2017)	To note the results of the Council’s financial monitoring for the period April to September 2017	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Treasury Management Activity Half-Year Monitoring Report 2017-18	To consider the report monitoring treasury management from April to September 2017	Executive Council	Victoria Worsfold 01483 444834
Summary of internal audit reports April 2017 to September 2017	To consider the summary of internal audit reports and progress on the internal audit plan for April to September 2017	Corporate Governance and Standards Committee	Joan Poole 01483 444854
Internal Audit Plan: Progress Report			

## CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

18 January 2018

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 2017-18 Period 8 (April to November 2017)	To note the results of the Council's financial monitoring for the period April to November 2017	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Monitoring Officer's Report	To receive a quarterly ethical update on the issues dealt with by the Monitoring Officer and the statutory officer Corporate Governance Group.	Corporate Governance and Standards Committee	Sandra Herbert 01483 444135
Annual report of the Monitoring Officer regarding misconduct allegations	(1) To note the cases dealt with; and  (2) To advise the Monitoring Officer of any areas of concern upon which they would like further information and/or further work carried out.	Corporate Governance and Standards Committee	Sandra Herbert 01483 444135
Freedom of Information Compliance - Annual Report 2017	To consider the annual report on the Council's performance in dealing with Freedom of Information requests in 2017.	Corporate Governance and Standards Committee	Ciaran Ward 01483 444072

## CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

29 March 2018

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Monitoring Officer's Report	To receive a quarterly ethical update on the issues dealt with by the Monitoring Officer and the statutory officer Corporate Governance Group.	Corporate Governance and Standards Committee	Sandra Herbert 01483 444135
Enquiries of those charged with governance	To agree the Committee's response to the external auditor's audit plan for 2017-18	Corporate Governance and Standards Committee	Claire Morris 01483 444827
External Audit Plan and Audit Update 2017-18	To approve the external audit plan for 2017-18, and to note the content of the External Auditor's update report and make any appropriate comments.	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



## CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

### Unscheduled items

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Effectiveness of the audit responsibilities of the Corporate Governance and Standards Committee	To review the effectiveness of the Corporate Governance and Standards Committee	Corporate Governance and Standards Committee (and full Council if necessary)	Joan Poole 01483 444854

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