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Contact Officer:

John Armstrong, Democratic Services Manager
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20 March 2019

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, on **THURSDAY 28 MARCH 2019 at 7.00 pm.**

Yours faithfully

James Whiteman
Managing Director

MEMBERS OF THE COMMITTEE

Chairman: Councillor Richard Billington
Vice-Chairman: Councillor Alexandra Chesterfield

Councillor Andrew Gomm	+Mrs Maria Angel MBE
Councillor Nigel Kears	^Mr Charles Hope
Councillor Marsha Moseley	^Ms Geraldine Reffo
Councillor Caroline Reeves	^Mr Ian Symes
Councillor Tony Rooth	

*Independent member

^ Parish member

Authorised Substitute Members:

Councillor Nils Christiansen	Councillor Christian Holliday
Councillor Colin Cross	Councillor Bob McShee
Councillor David Goodwin	Councillor Dennis Paul
Councillor Liz Hogger	Councillor David Quelch

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

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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.

Three fundamental themes and nine strategic priorities that support our vision:

- | | |
|---------------------|--|
| Place-making | Delivering the Guildford Borough Local Plan and providing the range of housing that people need, particularly affordable homes |
| | Making travel in Guildford and across the borough easier |
| | Regenerating and improving Guildford town centre and other urban areas |
| Community | Supporting older, more vulnerable and less advantaged people in our community |
| | Protecting our environment |
| | Enhancing sporting, cultural, community, and recreational facilities |
| Innovation | Encouraging sustainable and proportionate economic growth to help provide the prosperity and employment that people need |
| | Creating smart places infrastructure across Guildford |
| | Using innovation, technology and new ways of working to improve value for money and efficiency in Council 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.

AGENDA

ITEM

1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

2 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS

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

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

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

3 MINUTES (Pages 1 - 6)

To confirm the minutes of the meeting of the Corporate Governance and Standards Committee held on 17 January 2019.

4 ANNUAL GOVERNANCE STATEMENT 2018-19 (Pages 7 - 28)

5 DISCUSSIONS WITH THOSE CHARGED WITH GOVERNANCE (Pages 29 - 38)

6 AUDIT REPORT ON THE CERTIFICATION OF FINANCIAL CLAIMS AND RETURNS 2017-18: HOUSING BENEFIT SUBSIDY & POOLING HOUSING CAPITAL RECEIPTS (Pages 39 - 46)

7 EXTERNAL AUDIT PLAN AND AUDIT UPDATE 2018-19 (Pages 47 - 86)

8 FINANCIAL MONITORING 2018-19 PERIOD 10 (APRIL 2018 TO JANUARY 2019) (Pages 87 - 152)

9 DATA PROTECTION AND INFORMATION SECURITY UPDATE REPORT (Pages 153 - 160)

10 ANNUAL REPORT OF THE MONITORING OFFICER REGARDING MISCONDUCT ALLEGATIONS (Pages 161 - 182)

11 REVIEW OF PROBITY IN PLANNING - LOCAL CODE OF PRACTICE (Pages 183 - 224)

12 APPOINTMENT OF INDEPENDENT MEMBERS OF THE CORPORATE GOVERNANCE AND STANDARDS COMMITTEE (MAY 2019 - MAY 2023) (Pages 225 - 234)

- 13 APPOINTMENT OF INDEPENDENT PERSONS UNDER SECTION 28 LOCALISM ACT 2011 (MAY 2019 - MAY 2023) (Pages 235 - 264)**
- 14 WORK PROGRAMME (Pages 265 - 272)**

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

17 January 2019

* Councillor Richard Billington (Chairman)

*Councillor Alexandra Chesterfield (Vice-Chairman)

Councillor Nils Christiansen	* Mrs Maria Angel MBE
Councillor Andrew Gomm	* Mr Charles Hope
Councillor Nigel Kearse	Ms Gerry Reffo
* Councillor Caroline Reeves	* Mr Ian Symes
* Councillor Tony Rooth	

*Present

The Lead Councillor for Community Health, Wellbeing, and Project Aspire, Councillor Iseult Roche and the Lead Councillor for Finance and Asset Management, Councillor Nigel Manning, were also in attendance.

CGS44 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillors Nils Christiansen, Andrew Gomm, and Nigel Kearse.

CGS45 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS

There were no disclosures of interest.

CGS46 MINUTES

The Committee confirmed as a correct record the minutes of the meeting held on 29 November 2018. The Chairman signed the minutes.

CGS47 ANNUAL REVIEW OF THE EQUALITIES SCHEME ACTION PLAN

The Committee was reminded that following adoption of the Equality Scheme and associated action plan by the Executive in January 2018, it was agreed that this Committee should monitor annually the implementation of the actions in the action plan.

The Committee therefore considered the first of the annual reviews of the Equality Scheme action plan.

In response to a question as to how the Council monitored that the website was accessible to protected groups, the Committee noted that the webteam were actively looking at this, including undertaking training for staff.

Having considered the progress with implementation of the various actions, the Committee

RESOLVED: That the updated equality scheme action plan (linked to the Equality Scheme 2018 - 2021), be approved.

Reason:

To assist the Council to meet its obligations under the Equality Act 2010 and continue to provide a way to measure and evidence work undertaken in this area.

CGS48 GENDER PAY GAP REPORT 2019-20

The Committee was informed that the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 imposed obligations on employers with 250 or more employees to publish information annually relating to the gender pay gap in their organisation. In particular, employers were required to publish, amongst other information, the difference between the average hourly rate of pay paid to male and female employees; and the relative proportions of male and female employees in each quartile pay band of the workforce.

The Committee therefore considered Guildford's Gender Pay Gap Report for 2019, which would be published on the Council's website and on a publicly accessible Government website, and retained for a period of three years.

The figures in the Report, which were based on hourly rates of pay at 1 November 2018, showed that:

- the Council's female employees had an average hourly rate that was 9% higher than male employees' hourly rate; and
- at the mid-point within the range of hourly earnings that the Council paid its employees, female employees had an hourly rate that was 21% higher than male employees' hourly rate.

The main reason for this gender pay gap was an imbalance of male and female colleagues across the services as there was a much higher proportion of men working in the Waste Collection and Parks & Landscape Services. Many of the roles within those services fell within the lower pay bands.

Among the comments made at the meeting, the HR Manager indicated that she would discuss with the Managing Director whether the statement under "How we Compare to others" that the Council compares "favourably to others" ought to be re-worded and expressed in a less partial manner.

Having noted the minor correction to the Report referred to in the Supplementary information Sheet circulated at the meeting, the Committee

RESOLVED: That the Gender Pay Gap Report for the year 2019, attached at Appendix 1 to the report submitted to the Committee, be noted, subject to the substitution of the following in place of the first bullet point under "Our Gender Pay Gap by quartile":

- *"the lower quartile contains more males than females for the reasons set out above"*

Reason:

To comply with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

CGS49 FREEDOM OF INFORMATION COMPLIANCE - ANNUAL REPORT 2018

The Committee considered an the annual report for 2018 on the monitoring of the Council's performance in dealing with Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests.

The Committee was informed that, for the calendar year 2018, the Council's performance rate for responding to FOI requests within the 20 working day deadline stood at 93%, which compared favourably with the figure of 91.5% recorded at the end of 2017. The Council had, therefore, again exceeded both the Information Commissioner's performance indicator of 85%, and the 90% target agreed locally by the Corporate Management Team.

The Committee also noted the details of the requests received by service area for the year, noting in particular that 16 service areas had achieved a commendable 100% response rate, and also the types of person requesting the information.

Questions and comments from the Committee raised the following points:

- Plans were in place for publishing FoI and EIR responses on the Council's website, which may assist in dealing with the same or similar requests for information in future.
- The Council's overall response rate over the past five years had improved considerably from 75% to 93%.

The Committee,

RESOLVED: That the Freedom of Information Compliance Report for 2018 be noted and that the Committee continues to receive six monthly updates.

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

CGS50 FINANCIAL MONITORING 2018-19 (APRIL TO NOVEMBER 2018)

The Committee considered a report that set out the financial monitoring position for period April to November 2018.

The report summarised the projected outturn position for the Council's general fund revenue account, based on actual and accrued data for this period. Officers were projecting a reduction in net expenditure on the general fund revenue account of £792,095. This was the result of a reduction in the statutory Minimum Revenue Provision (MRP) charge to the General Fund to make provision for the repayment of past capital debt. This lower than budgeted MRP charge reflected a re-profiling of capital schemes, which also had a positive impact on the level of cash balances and assumed external borrowing costs, which had combined to produce higher than budgeted net interest receipts. At service level, the projected outturn was £294,007 higher than the latest estimate once adjusted for items either funded from reserve or transferred to reserve.

A surplus on the Housing Revenue Account would enable a projected transfer of £7.03 million to the new build reserve and £2.5 million to the reserve for future capital at year-end. This had been £216,947 lower than budgeted and was a consequence of the application of a risk-free interest rate on HRA reserve balances reflecting the allocation of risk between the general fund and the HRA.

Officers were making progress against a number of major capital projects on the approved programme as outlined in section 7 of the report. The Council was expected to spend £56.2 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 £34.8 million by 31 March 2019, against an estimated position of £71.15 million, which was due to slippage on both the approved and provisional capital programme, as detailed in the report.

The Council held £117 million of investments and £224.6 million of external borrowing as at 30 November 2018, which included £193.1 million of HRA loans. Officers confirmed that the Council had complied with its Prudential indicators in the period, which had been set in February 2018 as part of the Council's Capital Strategy.

Questions and comments from the Committee raised the following points:

- Costs in relation to agency staff in refuse and recycling service was due mainly to long-term sickness absence, and in relation to building control was due to difficulties in recruiting building surveyors
- The Council was currently actively marketing The Billings, and was confident that it would be let within the next few months
- In relation to additional gate fee costs, the Committee noted that the waste market had changed in the past year with a significant increase in fees to dispose of recyclates. Monies had therefore been set aside in reserve to mitigate the impact and in the budget for future years to mitigate the ongoing impact
- The Committee noted the additional external legal expenses incurred as a result of work involved with the Local Plan and specialist advice in support of the development of major capital schemes
- The Council was currently reviewing its investment portfolio as part of the ongoing work on the investment strategy
- Following a question as to why HRA rental income was £119,460 lower than budgeted, the Director of Finance indicated that a response would be circulated to the Committee after the meeting.

Having considered the report, the Committee

RESOLVED: That the results of the Council's financial monitoring for the period April to November 2018 be noted.

Reason:

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

CGS51 CAPITAL AND INVESTMENT STRATEGY (2019-20 TO 2023-24)

The Committee considered a report on the Council's capital and investment strategy, including the capital programme new bids plus the requirements of the Prudential Code and the investment strategy covering treasury management investments, commercial investments plus the requirements of the Treasury Management Code and the Ministry of Housing, Communities and Local Government (MHCLG) Statutory Guidance.

The aim of the capital strategy was to demonstrate that the Council takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. The Council also needed to demonstrate that it sets out the long-term context in which capital expenditure and investment decisions were made and gave due consideration to both risk and reward and the impact on the achievement of priority outcomes.

The strategy was intended to give an overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of services along with an overview of how associated risk was managed and the implications for future financial sustainability.

On view of the ambitious Corporate Plan and in order to achieve the targets therein, the Council needed to invest in its assets, via capital expenditure. The Council had a current underlying need to borrow for the general fund capital programme of £333 million. Officers had put forward bids, with a net cost to the Council of £6.4 million, increasing the underlying need to borrow to £339 million should these proposals be approved for inclusion in the programme.

Although it was likely that some capital receipts or revenue streams could arise as a result of investment in particular schemes, it was too early to make assumptions. Some information had been included in the capital vision highlighting the potential income. It was likely there would be cash-flow implications of the development schemes, where income would come in after the five-year time horizon and the expenditure would be incurred earlier in the programme.

All projects would be funded by general fund capital receipts, grants and contributions, reserves and finally borrowing. It was not currently known how each scheme would be funded and, in the case of development projects, what the delivery model would be. In order to ensure that the Council demonstrated that its capital expenditure plans were affordable, sustainable and prudent, Prudential Indicators were set and monitored each year.

The capital programme included a number of significant regeneration schemes, which had been assumed would be financed from General Fund resources. However, subject to detailed design of the schemes, there could be scope to fund them from HRA rather than General Fund resources in due course. Detailed funding proposals for each scheme would be considered when the Outline Business Case for each scheme was presented to the Executive for approval.

The report contained a summary of the new bids submitted, together with the position and profiling of the current capital programme (2018-19 to 2022-23), and the capital vision schemes.

The Capital Programme Monitoring Group, Corporate Management Team, the Lead Councillor for Finance and Asset Management, the Joint Executive Advisory Board Budget Task Group (JEABBTG), and the Joint EAB had reviewed the bids presented in the report.

The report had also included the Council's Minimum Revenue Provision policy and the Prudential Indicators.

In relation to Treasury Management, the Committee noted that officers carried out this function within the parameters set by the Council each year, which was included at Appendix 1 to the report, and in accordance with the approved treasury management practices.

Security, liquidity and yield were considered when making treasury management decisions, across the portfolio as a whole. With an ambitious corporate plan and medium to long-term aspirations within the Borough, the Council was in a good financial position, and had a strong asset base and a good level of reserves.

The budget for investment income in 2019-20 was £1.503 million, based on an average investment portfolio of £52.8 million, at an average rate of 3%. The budget for debt interest paid is £5.755 million, of which £5.156 million related to the HRA.

The Committee noted that councils could invest to support public services by lending to or buying shares in other organisations (service investments) or to earn investment income (commercial investments where this was the main purpose). Both of these were termed non-financial investments.

The Council had £147.412 million of investment property on its balance sheet, generating a return of £8.9 million and a current yield of 6.59%.

The criteria for purchasing investment property, when originally approved were to achieve a minimum qualitative score and yield an internal rate of return (IRR) of at least 8%. It was now recommended that the IRR be changed to 5.5% due to the change in the market forces and recognition of the move to investing for strategic purposes, for example economic growth and housing and regeneration. The Council was not proposing to purchase outright investment property, but making purchases for strategic reasons. The Council was not looking to purchase property outside the borough.

The Council had invested £4.501 million in its housing company – North Downs Housing (NDH). This was via 40% equity to Guildford Holdings Limited (£1.803 million) and 60% loan direct to NDH (£2.698 million) at a rate of base plus 5% (currently 5.75%). The loan was a repayment loan in line with the NDH business plan – with loan repayment anticipated to start in 2021-22.

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The Council had the option of setting a policy where it could use new capital receipts to fund revenue expenditure that would generate ongoing savings, which could be used towards the Future Guildford project.

The report had also been considered by the Joint EAB at its meeting on 10 January 2019. The Joint EAB had commended the recommendations in the report to both the Executive and full Council.

Following clarification of a number of points of in respect of the Capital and Investment Strategy, the Committee

RESOLVED: That the recommendations to the Executive and Council in respect of the Capital and Investment Strategy, as set out in the report submitted to the Committee, be endorsed.

Reason:

To enable the Council at its budget meeting on 26 February 2019, to approve

- the capital and investment strategy for 2019-20 to 2023-24; and
- the funding required for the new capital investment proposals.

CGS52 WORK PROGRAMME

The Committee, having considered its updated work programme for the remainder of the 2018-19 municipal year, and the work programme for the 2019-20 municipal year

RESOLVED: That the updated work programme for the remainder of the 2018-19 municipal year, and the 2019-20 municipal year, as set out in Appendix 1 to the report submitted to the Committee, be approved.

Reason:

To allow the Committee to maintain and update its work programme.

The meeting finished at 8.22 pm

Signed

Chairman

Date

Corporate Governance and Standards Committee

Wards affected: n/a

Report of the Managing Director

Author: Claire Morris

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Date: 28 March 2019

Annual Governance Statement 2018-19

Executive Summary

The Accounts and Audit (England) Regulations 2015 require the Council to prepare an Annual Governance Statement (AGS) detailing the governance framework and procedures that have operated at the Council during the year, a review of their effectiveness, significant governance issues that have occurred and a statement of assurance. This report outlines the background to the AGS; and set out in Appendix 1, the AGS for 2018-19. The AGS is underpinned by the Audit and Performance Manager's (as Head of Internal Audit) Annual Opinion Report April 2018 to March 2019, which is set out in Appendix 2.

The draft AGS will be included in the Council's statement of accounts for 2018-19. The AGS concludes that we are a well-run Council with good governance processes in place; however, there have been a number of significant governance issues during the year, which are reported in Appendix 1 section 6.

Recommendation to Committee:

That the Committee considers the Council's Annual Governance Statement, as set out in Appendix 1 to this report, and refers any comments that it feels appropriate to the Executive at its meeting on 23 April 2019.

Reason for Recommendation:

To comply with Regulation 10 of the Accounts and Audit (England) Regulations 2015, the Executive must approve an Annual Governance Statement.

1. Purpose of Report

- 1.1 This report explains the requirement for the Council to prepare an Annual Governance Statement (AGS), which the Executive is asked to approve, and the Leader and Managing Director to sign on behalf of the Council.
- 1.2 The report invites this Committee to review the draft statement and refer comments to the Executive, as appropriate.

2. Strategic Framework

- 2.1 Ensuring long-term financial stability and sound financial governance is a key priority under the 'Your Council' theme within the Corporate Plan.

3. Background

- 3.1 The Council has a responsibility to ensure that it conducts its business in accordance with the law and proper standards, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.
- 3.2 In discharging these overall obligations, the Council is responsible for putting in place appropriate arrangements for the governance of its affairs and ensuring that there is a sound system of internal control that facilitates the effective exercise of its functions and includes arrangements for the management of risk. The overall system of controls across the Council contributes to the effective corporate governance of the organisation.
- 3.3 The Director of Finance (Chief Finance Officer) has drafted the statement. Officers of the Corporate Governance Group have reviewed the statement. The Managing Director has then reviewed the document and made amendments and additions. Internal Audit, through the Audit and Business Improvement Manager, has provided independent assurance over the system of internal control.
- 3.4 Good governance is about getting things right first time by focusing on the things that matter most. It is about:
 - demonstrating leadership and respect for the democratic process and the purpose of public bodies making proper, timely, and transparent decisions
 - managing risk and allocating resources effectively
 - knowing your customers and stakeholders
 - being open, honest, and taking responsibility and accountability for your decisions
 - demonstrating high standards of integrity and behaviour both as an individual and as a corporate body.
- 3.5 Good governance is the responsibility of everyone within the organisation and impacts on all the activities of the Council and how we deliver our services.
- 3.6 The Chartered Institute of Public Finance and Accountancy (CIPFA)/Society of Local Authority Chief Executives (SOLACE) have defined a common governance

framework and a set of principles for all public services, called *Delivering Good Governance in Local Government*. During 2016, they issued an update to the framework. The AGS attached at **Appendix 1** follows the 2016 updated framework and the key principles of good governance provided therein.

- 3.7 As part of the AGS, we have identified a number of significant governance issues that the Council is working on resolving. These are outlined in section 6 of Appendix 1.

4. Financial Implications

- 4.1 There are no financial implications related to this report

5. Legal Implications

- 5.1 In order to comply with Regulation 10 of the Accounts and Audit (England) Regulations 2015, the Council must approve an Annual Governance Statement.

6. Human Resource Implications

- 6.1 There are no human resource implications to this report.
- 6.2 We will work with the Communications and PR team on any communications issues that arise.

7. Conclusion

- 7.1 We are a well-run Council with good governance processes in place. However we must continue to improve in 2019-20.

8. Background Papers

Accounts and Audit (England) Regulations 2015
Delivering Good Governance in Local Government Framework 2016
(CIPFA/SOLACE)

9. Appendices

Appendix 1: Annual Governance Statement 2018-19
Appendix 2: Head of Internal Audit Annual Opinion - April 2018 to March 2019

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ANNUAL GOVERNANCE STATEMENT 2018-19

1. SCOPE OF RESPONSIBILITY

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

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 The governance framework comprises the systems, processes, culture and values by which the authority is directed and controlled and the activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and impact should those risks be realised and to manage those risks efficiently, effectively and economically.
- 2.3 The governance framework has been in place for the year ended 31 March 2019 and up to the date of approval of the statement of accounts.

3. GOVERNANCE FRAMEWORK

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

Principles of Good Governance	Arrangements the Council has for delivering good governance	Recent <i>achievements, developments</i> and areas for improvement
<p>A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</p>	<ul style="list-style-type: none"> • Council’s constitution, includes: <ul style="list-style-type: none"> ▪ codes of conduct for Councillors and Officers ▪ financial and procurement procedure rules ▪ protocol on decision making by lead councillors ▪ Council procedure rules for conduct at meetings ▪ Officer/Councillor protocol ▪ local code of practice for probity in planning ▪ arrangements for dealing with allegations of misconduct ▪ Briefing note for Councillors acting in private capacity • Induction for new members and staff on standard of behaviour expected • Staff performance framework includes behavioural framework & behaviour profiles are included within job descriptions • Regular staff performance review in place • Declarations of interest made at meetings • Register of interests maintained • Register of gifts and hospitality maintained for Councillors and staff • Police protocol for referral of complaints • Anti-Fraud and Corruption Strategy • Anti-Bribery Policy • Whistle blowing policy 	<p><i>Review of codes of conduct started in 2018-19 with a view to report to Council in July 2019</i></p> <p><i>Procurement arrangements have been reviewed during 2018-19 following the appointment of a new monitoring officer and procurement manager. The Corporate Procurement Board (which has replaced the former corporate procurement advisory panel) has been established.</i></p>

	<ul style="list-style-type: none"> • Officer corporate governance group to monitor compliance with laws and council policies • Officer health and safety group in place to monitor health and safety compliance • Complaints policy in place • Customer services manager monitors and regularly reports on complaints performance to corporate management team • Corporate Governance and Standards Committee (CG&SC) in place whose remit is set out within the constitution • Overview and Scrutiny Committee (O&SC) review of decision making • Procurement strategy, policy and toolkit in place • An officer Corporate Procurement Board (CPB) monitors compliance with the procurement strategy and policy • All committee reports to Executive and Council require review of legal and financial implications to be completed and signed off by Monitoring Officer (MO) or Chief Financial Officer (CFO) • Executive advisory boards in place to advise Executive on topics • Monitoring Officer provisions in place 	
<p>B. Ensuring openness and comprehensive stakeholder engagement</p>	<ul style="list-style-type: none"> • The Councils vision and priorities are set out in the corporate plan • Consultation policy and community engagement strategy in place which adheres to consultation standards • Freedom of Information Act performance monitored by corporate management team and CG&SC • Online council tax information published • Transparency information published on website • Records of decision making maintained 	<p>The Council does not currently publish all FOI responses on its website</p> <p><i>FOI performance continues to improve</i></p>

	<ul style="list-style-type: none"> • Protocol on decision making within the Council's constitution • Report templates include the requirement that all committee reports to Executive and Council require review legal and financial implications to be completed and signed off by the MO and CFO • Forward programme of committee meeting dates and agenda items published on-line with reporting dates adhered to • Citizens panel in place and regularly consulted with • Active programme of focus groups and surveys undertaken for specific service initiatives • Active use of social media and on-line tools to engage customers • Regular council newsletter About Guildford issued quarterly • Consultation responses published on the Council's website (e.g., local plan) • Recognition of the importance of and active engagement in key strategic partnerships such as Guildford Surrey Board, Health and Wellbeing Board, Local Enterprise Partnership (EM3) and service specific partnerships 	<p><i>During 2018, we adopted a new corporate plan.</i></p>
<p>C. Defining outcomes in terms of sustainable economic, social, and environmental benefits</p>	<ul style="list-style-type: none"> • Corporate Plan 2018-2023 which sets out the Council's vision, key themes and priorities • Monitoring reports against the corporate plan reported to corporate management team • Programme and project management system in place, captures project level risks and performance reporting • Community engagement strategy • Risk management policy and strategy in place • Corporate risk register in place and monitored by corporate management team 	<p><i>The Council launched a new transformation programme 'Future Guildford' during 2018-19, which was reported to and approved by Council in February 2019.</i></p>

	<ul style="list-style-type: none"> • Financial risk register in place and used to inform the financial sustainability of the budget and adequacy of the level of reserves • Monitoring of key performance indicators undertaken by corporate management team • Business planning process and capital programme development aligned to the corporate plan, bids for funding scored against achievement of corporate plan priorities • Transformation Programme in place including fundamental service reviews, overseen by the transformation board 	
<p>D. Determining the interventions necessary to optimise the achievement of the intended outcomes</p>	<ul style="list-style-type: none"> • Medium term financial strategy and plan in place, reviewed annually and published as part of the Council's budget book • Business planning process in place to align financial resources with corporate plan priorities • Business planning guidance for managers in place and reviewed annually • Scrutiny of the budget and business planning bids by Executive Advisory Board and Councillor working group • Transformation programme in place including fundamental service reviews which include options appraisals for services • Forward programme for committee decisions • Regular corporate management team and Executive liaison meetings to discuss strategy held • Directors and senior officers hold regular 1:1 meetings with Lead Councillors • Corporate management team hold regular directorate level feedback sessions • Senior Leaders group in place • Transformation Board in place which monitors the transformation programme 	<p><i>Service planning process was refreshed during 2018-19, co-ordinated by the Business Improvement Team.</i></p> <p>Monitoring of service plan progress and KPIs at service level could still improve</p>

	<ul style="list-style-type: none"> • Major Projects Board in place to monitor the delivery of major projects • Property review group in place to review all assets on a rolling programme and optimise property asset utilisation and performance • Capital Programme Monitoring Group in place to monitor progress of capital projects which are not major projects • Risk management protocol in place 	
<p>E. Developing capacity, including the capability of leadership and the individuals within it</p>	<ul style="list-style-type: none"> • Organisational development framework includes continuous performance and development reviews of staff through one to one meetings and clear job descriptions with behavioural profiles. • Managing Director and Leader of the Council hold joint staff briefing sessions • The constitution sets out the role of statutory officers and the role of the Leader • The Council is compliant with CIPFA guidance on the Role of the Chief Financial Officer (CFO) • Head of Paid Service (HoPS) and CFO are part of the corporate management team and always attend Executive-Management team liaison and full Executive meetings • Professionally trained staff in relevant fields in place and continuing professional development encouraged as part of performance and development framework • Regular staff development training programme in place • Active support for staff to obtain external qualifications • Scheme of delegation and financial procedure rules reviewed annually • Councillor development steering group in place which develops and implements an active programme of Councillor training • Achievement of the South East Charter accreditation for Elected Member Development 	<p>Due to staff changes and senior management restructuring, the Monitoring Officer is not a member of corporate management team but does have regular 1:1 meetings with the Head of Paid Service and Chief Financial Officer and attends the Executive Liaison and Executive meetings.</p>

	<ul style="list-style-type: none"> • Recognition of the importance of and active engagement in key strategic partnerships such as Guildford Surrey Board, Health and Wellbeing Board, Local Enterprise Partnership (EM3) and service specific partnerships 	
<p>F. Managing Risks and performance through robust internal control and strong public financial management</p>	<ul style="list-style-type: none"> • Risk management strategy and protocol in place approved by Corporate Governance and Standards Committee (CGSC) • Internal audit work programme informed by risks • Internal audit is fully resourced and effective • Compliance the CIPFA code on managing the risk of fraud and corruption • Corporate risk register regularly monitored by corporate management team • The Council uses IDEA software to interrogate data systems for audit and risk management purposes • Role of the overview and scrutiny committee is clearly set out in the constitution and its work programme is developed by the chairperson and officers. Agendas and minutes are published on line. • Regular MO and CFO meetings in place to address statutory responsibilities • Officer corporate governance group oversees key governance, data protection and risk management information and receives reports from the health and safety group • Role of the Corporate Governance and Standards Committee (CG&SC) is clearly set out in the constitution and has an active work programme informed by the officer corporate governance group and agreed by the chairperson. Agendas and minutes are published on line. • A summary of internal and external audit reports are reported to CG&SC • Progress against audit plan and individual audit recommendations are monitored and reported to CG&SC • Council has comprehensive data protection policies and a designated data protection officer who monitors compliance with legislation 	<p><i>The Council made significant progress against the implementation of General Data Protection Regulations (GDPR) ahead of implementation. The progress against GDPR was monitored by the officer Corporate Governance Group and the Corporate Governance and Standards Committee.</i></p> <p>The Council has not recently reviewed the role and performance of the CG&SC against CIPFA best practice <i>although previous reviews in relation to the old Audit Committee found the committee were compliant with best practice</i></p> <p>Corporate Management Team does not regularly monitor corporate KPIs. However, the data is collected and monitored by Surrey Chief Executives Group quarterly.</p>

	<ul style="list-style-type: none"> • Information security risk group, led by the Senior Information Risk Owner in place which reviews the Council's information governance procedures and any necessary improvements • CG&SC receive regular financial monitoring reports 	
<p>G. Implementing good practices in transparency, reporting and audit to deliver effective accountability</p>	<ul style="list-style-type: none"> • The Council published significant information on its website • 'Style guide' in place to encourage officers to write reports in plain English • Annual financial statements includes a narrative summary on the Council's performance during the year as well as reporting the financial position • Effective internal audit function in place which complies with public sector audit standards and the CIPFA statement on the Role of the Head of Internal Audit • Community engagement strategy in place 	<p>The council does not currently produce a formal annual report however, the CFO's Narrative Statement in the Council's Statement of Accounts reports the majority of information that an annual report would be expected to cover</p> <p><i>In previous years we reported that an internal audit review of the Council's compliance with the requirements under the Local Government Transparency Code 2015 for the publication of data, which the code mandates 'must be published' had given limited assurance that the Council was compliant. As of December 2018, the Council believes is it now largely compliant with the transparency code 2015 and this was confirmed as part of the follow up audit</i></p>

		<i>undertaken in summer 2018</i>
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4. REVIEW OF EFFECTIVENESS

- 4.1. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and by comments made by the external auditors and other review agencies and inspectorates.
- 4.2. Internal Audit has conducted an ongoing review of the Council's Corporate Governance processes and carried out audits according to the annual Audit Plan, which was approved by the Corporate Management Team, and the Corporate Governance and Standards Committee (CG&SC). We base the Audit Plan on a risk assessment that provides guidance as to the frequency of audits. It covers four main themes (Financial Control, Asset Management, Management Control and ICT) specifically to address the main concerns of corporate governance.
- 4.3. Internal Audit has produced an annual report on Corporate Governance, which is an assessment of corporate governance against CIPFA guidelines. They also review standards of internal control including risk and performance management. The overall conclusion is that the Council's systems of governance, risk management and Internal Control for the period to 31 March 2019 were generally sound and operate consistently across departments.
- 4.4. We have used all of this activity to inform the Annual Governance Statement.

5. INTERNAL AUDIT STATEMENT

- 5.1 In 2018-19, there were 38 planned pieces of works, including service and lean reviews and some contingency work. Over the year, we have completed or are working on 36 audits, which represent 95 per cent of the audit plan. The work carried out so far shows that there is no indication of any material or significant issues arising from this work that affect this statement. The results of the work carried out in the year to 31 March 2019 are shown below:

Assurance Rating	Number of Audits	
Significant Assurance	0	0%
Significant Assurance with minor improvement opportunities	18	47%
Partial assurance with improvements required	8	22%
No Assurance	0	0%
No Opinion (one-off projects) Value for Money	10	26%
In progress(Inc. fundamental service reviews)	2	5%

- 5.2 Where appropriate the audit report provides management recommendations designed to address weaknesses in the system of internal control. We report the outcomes of these audits to the CG&SC every six months giving councillors an opportunity to understand the Council's compliance with key controls and to discuss any areas of concern with the auditors. We also update councillors on the progress

of recommendations. In 2018-19, there was evidence of sound controls and substantial assurance over our major financial systems. All of the main financial systems that feed into the Council’s financial statements have good controls in place and have been given satisfactory assurance following the audit reviews. There were no control weaknesses found in the audits, which represent a significant or material risk to the Council.

5.3 There are no material governance, or internal control issues of which Internal Audit have been made aware during the year, which cause any qualification of the above opinion. The main issue and priority from an audit perspective, as recognised by management, is that the Council sustains and completes the programme of transformational change and embeds improvement across the Council whilst maintaining service delivery and the effective operation of key controls. The work over the year identified some governance areas where there were a number of medium risks and the resulting recommendations will be subject follow-up reviews in 2019-20.

6. SIGNIFICANT GOVERNANCE ISSUES AND ACTION PLAN

6.1. This year has been a period of change and there have been ongoing financial pressures. Despite this challenging environment, there have been significant achievements and continuing improvement in the Council’s overall governance arrangements as described in section 3. Where we have identified areas for further improvement we will take the necessary action to implement changes that will further develop our governance framework.

6.2. The Openness of Local Government Bodies Regulations, adopted in August 2014, and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 place a requirement on Councils to publish on its website and make available to the public for inspection, reports on certain decisions taken under authority delegated to Officers or Councillors. Since 2017-18, the Council introduced reporting such decisions on its website through Modern.gov.

Progress on Governance Issues reported in the 2017-18 Annual Governance Statement:

6.3. The significant governance issues arising in 2017-18 and progress made against them are shown in table below:

CYBER SECURITY		
RECOMMENDATIONS	ACTIONS AGREED	PROGRESS MADE
The Council must migrate all IT devices onto operating systems that are supported by the developer. Where this is not possible, the devices running unsupported operating systems must be isolated from the Council's IT network.	The on-going remediation work includes the retirement of a number of legacy systems. The residual risk will be managed via the use of hardware based security measures to isolate any unsupported systems that cannot be decommissioned prior to the full refresh programme.	We have removed all but one XP PAC and six windows 2003 servers. Plans are in place to remove all remaining systems as part of the ICT refresh programme by the end of April 2019.
There should be a defined ICT patch management procedure in place.	Work was already underway prior to the audit to address this in a proportionate manner and whilst this is not fully automated significant improvements have been made in assessing and applying patches. The ICT refresh programme fully addresses patch management.	Patching policy is in place. Weekly patching ongoing using NESSUS / WSUS for vulnerability scanning. Awarded cyber security essentials accreditation by Crest in February 2019.

FIRE RISK ASSESSMENTS (FRA)		
RECOMMENDATIONS	ACTIONS AGREED	PROGRESS MADE
<p>A procedure should be established to review the FRAs annually, in line with the requirements of the Corporate Fire Safety Policy.</p> <p>All residential properties should be identified and managed. The list should include the date of the latest FRA and the next assessment due date for each property. The listing should be kept up to date to reflect the status of the FRA for each property.</p>	<p>The new Fire Safety Group has been tasked with ensuring the Council has up to date fire risk assessments, which will be reviewed annually in accordance with the recommendations in the Council's Corporate Fire Safety Policy.</p>	<p>A new system has been implemented and tested that prompts staff to review their FRAs in line with our policy.</p> <p>Staff have received fire risk workplace assessment test on line training.</p>
<p>Following the completion of a FRA, management should develop an action plan to ensure that all recommendations raised are RAG-rated and prioritised..</p> <p>The action plan should be kept up to date to reflect the status of recommendations.</p>	<p>An action plan is being developed to ensure the Council can clearly identify and sign off what actions need to be undertaken in accordance with the latest fire risk assessments. Outstanding actions will be reviewed by the Fire Safety Group.</p>	<p>Surveyors are now reviewing all action plans to verify that the actions have been implemented.</p>
ASBESTOS AND LEGIONELLA		
RECOMMENDATIONS	ACTIONS AGREED	PROGRESS MADE
<p>The Council should ensure there is an up-to-date register, which clearly details all properties owned by the Council where asbestos containing materials (ACM) are present</p>	<p>An up-to-date asbestos register is being developed which will identify all properties where asbestos containing materials have been detected. This will provide a clear record identifying what actions need to be undertaken in accordance with the latest asbestos management surveys and will allow re-inspections to be dated and signed.</p>	<p>This work is ongoing and we have revised the target date for completion. A contract for a specialist consultant to complete the review has been let.</p>
<p>The Council should ensure that accountability for asbestos management and appropriate responsibilities are assigned to a named individual within the Council.</p> <p>The Council should establish a Corporate Asbestos Management Group – with individual working groups feeding into it, whereby responsibility of asbestos is clearly assigned.</p>	<p>A new Asbestos Management Group is being established with representatives from service areas. The Group will agree Terms of Reference as well as reviewing and updating the Corporate Asbestos Policy. In addition, they will ensure that corporate processes, procedures and training are put in place to provide full and safe management of asbestos. There is a designated responsible officer who together with the Group will review outstanding actions on the asbestos registers. Performance will be monitored by the Corporate Management Team.</p>	<p>All recommendations have been implemented and there are now sufficient governance processes in place. KPIS have been established to monitor contract performance. A training needs analysis has been carried out for Building Responsible Persons and this is reviewed by the Health and Safety Officer.</p>
BUSINESS CONTINUITY		
RECOMMENDATIONS	ACTIONS AGREED	IMPLEMENTATION DATE
<p>CMT considers the findings of the audit report and decides how it wants to approach Business Continuity.</p> <p>If the decision is that the Council should have a robust and resilient Business Continuity Plan, it is recommended that a</p>	<p>There is now a corporate review to update all business continuity plans and revise the current processes and carry out the recommendations of the report</p>	<p>All service leaders completed and updated business continuity plans for their areas during 2018-19. A corporate business continuity plan has been developed and</p>

<p>new BCP be developed. Appropriate resources should be identified and allocated to drawing up and maintaining a new BCP based on the findings of the audit report.</p>		<p>is awaiting management team approval.</p>
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New Governance Issues arising in 2018-19:

6.4 During 2018-19, we identified two areas where the governance arrangements are not consistent. These are project management and procurement.

(a) **Project Management** - There is robust governance arrangements on our major projects but we need to ensure that there are consistent processes with measurable outcomes for all projects. During 2018-19, we reviewed all of our projects and are in the process of improving the governance particularly relating to monitoring, reporting and benefits realisation.

(b) **Procurement** - We are a complex authority and we recognise that the procurement processes may need to be flexible especially in specialist and technical areas. We control certain areas of spend very tightly and centrally but there are areas where it is more efficient and effective to devolve procurement decisions more widely. We are currently considering what the Council’s procurement team really needs and wants to control to ensure that we focus on what is important which will include working with specialist teams to obtain the best outcome both financially and operationally. This is an on-going piece of work, which will be considered as part of the Future Guildford project.

7. ASSURANCE SUMMARY

- 7.1. Good governance is about running things properly. It is the means by which the Council shows it is taking decisions for the good of the people of our area in an equitable and open way. It recognises the standards of behaviour that support good decision-making: collective and individual integrity, openness and honesty. It is the foundation for the delivery of good quality services and fundamental to showing that public money is well spent.
- 7.2. From the review, assessment and monitoring work undertaken and the ongoing work of internal audit we have reached the opinion that overall key systems are operating soundly and that there are no fundamental control weaknesses.
- 7.3. We confirm, to the best of our knowledge and belief, that this statement provides an accurate and fair view.

SIGNED:
 Leader of the Council on behalf of Guildford Borough Council

SIGNED:
 Managing Director on behalf of Guildford Borough Council

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Guildford Borough Council
Head of Internal Audit Annual Opinion
1 April 2018 to 31 March 2019

1. Introduction

- 1.1 It is the duty of the Head of Internal Audit to give an opinion, at least annually, on the adequacy and effectiveness of the system of internal control. This is based on the standard of control observed from internal audits, which have been carried out in accordance with the annual Audit Plan and other advice work on control systems. The results of our investigation work and the work of other internal and external reviews also informs my opinion.
- 1.2 My opinion on the adequacy and effectiveness of internal control informs and should be read alongside the Annual Governance Statement, which is incorporated into the Council's Statement of Accounts.
- 1.3 Internal Audit is an assurance function that primarily provides an independent and objective opinion to the organisation on the control environment comprising risk management, internal control and governance by evaluating its effectiveness in achieving the organisation's objectives.
- 1.4 An effective internal audit service is critical in delivering the Council's strategic objectives by:
1. Championing best practice in governance,
 2. Objectively assessing the adequacy of governance and management of existing risks,
 3. Commenting on responses to emerging risks and proposed developments; and
 4. Giving an objective and evidence based opinion on all aspects of governance, risk management and internal control.
- 1.5 It objectively examines, evaluates and reports on the adequacy of the governance and control environment as a contribution to the proper, economic and effective use of resources. The control environment comprises the organisation's policies, procedures and operations in place to:
1. Establish, and monitor the achievement of, the organisation's objectives.
 2. Identify, assess and manage the risks to achieving the organisation's objectives.
 3. Facilitate policy and decision making.
 4. Ensure the economical, effective and efficient use of resources.
 5. Ensure compliance with established policies, procedures, laws and regulations.
 6. Safeguard the organisation's assets and interests from losses of all kind, including those arising from fraud, irregularity or corruption.
- 1.6 One of the main aims of the internal audit team is to provide assurance on the Council's overall system of internal control. This is achieved in part through the delivery of the annual audit plan which is designed to:
1. Satisfy the requirements of the Corporate Governance and Standards Committee
 2. Ensure the delivery of a programme of audits on a risk based needs assessment.

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3. Support the Director of Finance and Managing Director as the Responsible Financial Officer and S151 Officer in discharging their statutory duties.

2. Assurance on Internal Control

- 2.1 To quantify my opinion on the adequacy of internal control, I have collated the assurance ratings based on for the outcome of each review undertaken in 2018-19. The results are shown in the table below.

Levels of Audit Assurance:

	Assurance Rating	Assurance Criteria
1	Significant assurance	Assurance that the controls are suitably designed consistently applied and effective
2	Significant Assurance with minor improvement opportunities	Assurance that the controls are suitably designed consistently applied and effective but we have identified issues that if not addressed, increase the likelihood of risk materialising in this area
3	Partial assurance with improvements required	Some assurance that the controls are suitably designed and effective but inconsistently applied and action needs to be taken to ensure risks in this are managed
4	No Assurance	Fundamental control weaknesses that need immediate action
5	No Opinion	Results of one-off investigations or consultancy work

- 2.2 In 2018-19 there were 38 planned audits, including service and lean reviews and some contingency work. Over the year we have completed or are currently working on 36 audits which represents 95 per cent of the audit plan. The work carried out so far shows that there is no indication of any material or significant issues arising from this work that affect this statement. The results of the work carried out in the year to 31 March 2019 are shown below:

Assurance Rating	Number of Audits	
Significant Assurance	0	0%
Significant Assurance with minor improvement opportunities	18	47%
Partial assurance with improvements required	8	22%
No Assurance	0	0%
No Opinion (one-off projects) Value for Money	10	26%
In progress(Inc. fundamental service reviews)	2	5%

- 2.3 The Internal Audit work programme is based on a risk assessment, which is updated after each audit.
- 2.4 The Council has very high levels of assurance in respect of all the main financial systems. All of the main financial systems that feed into the Council's financial statements have good controls in place and have been given assurance following both internal and external audit reviews.
- 2.5 There were no financial control weaknesses found in the audits which represent a

significant or material risk to the Council.

- 2.6 There are no material governance, risk management and internal control issues of which Internal Audit have been made aware during the year, which cause any qualification of the above opinion. The main issue and priority from an audit perspective, as recognised by management, is that the Council promotes and sustains good governance processes and completes the programme of transformational change to embed improvement across the Council whilst maintaining service delivery and the effective operation of key controls.
- 2.7 We have received 20 Ombudsman complaints within the year two of which were upheld and the remedial action was an apology to the complainants.
- 2.8 The key governance, risk management and internal control areas where I consider good progress has been made and which are integral to continued improvement are:
1. Improved performance management of our progress against the Corporate Plan with a reporting schedule to Corporate Management Team, Scrutiny and Executive,
 2. the development of a the corporate risk register which recognises the emerging priorities and risks for the Council including on-going financial pressures,
 3. a continued focus on tenancy fraud which has resulted in increased awareness and training for front line staff,
 4. increased customer focus through more efficient and outward facing service delivery,
 5. a transformation programme Future Guildford and a programme of fundamental service reviews,
 6. a review of the potential impact of Brexit on our services
 7. channel shift by transferring front line administrative work and queries into the Customer Service Centre therefore releasing resources within the service to concentrate on professional and technical activities,
- 2.9 The work over the year focused on some of our corporate and governance risks in a number of areas. The audits identified a number of areas which were given a limited opinion. These were:
- Business continuity and emergency planning
 - Fire Risk Assessments
 - Cyber Security
 - Legionella and Asbestos
- 2.10 The recommendations arising from these reviews were agreed and action plans put in place. Follow-up reviews were carried out during the year and the recommendations have been implemented and reported to Committee. The areas where work is continuing are:
- Contract Management
 - Programme and project management,
 - Procurement
- 2.11 There have been continuing changes over the last year with the focus on the introduction of

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the Future Guildford Project. This will transform and re-organise services across the Council and we recognise that risk always increases in times of change. The project was agreed by Council in February 2019 and implementation will take place over the 24 months. The risk levels will be taken into account in the audit plan for 2019-20 but there is no evidence that where changes have already taken place or are planned there are any control issues.

- 2.12 In a Council of Guildford's size and complexity, with its significant change agenda and the on-going financial pressures, there is a greater risk of breakdown of control particularly where roles and systems are changing. We have worked actively with management to identify and examine these areas of potential risk. Where audit work has highlighted areas for improvement recommendations have been made to address any control implications. Overall, internal audit considers that appropriate actions are being taken to address recommendations but will continue to monitor and report progress.
- 2.13 There were a number of service requests for work which were not on the audit plan and this is covered in our contingency budget so there was limited impact on the work undertaken during the period which was focussed on governance and high risk compliance areas in order to provide assurance on the Council's overall system of internal control.
- 2.14 I can therefore provide substantial assurance that the Council's systems of governance, risk management and internal control in operation until 31 March 2019 were generally sound and operate consistently across departments.

Joan Poole

Chief Internal Auditor

Corporate Governance and Standards Committee Report

Ward(s) affected: n/a

Report of the Director of Finance

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Date: 28 March 2019

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 the Corporate Governance and Standards Committee. The questionnaire and the Council's proposed responses are set out in **Appendix 1**. The Corporate Governance and Standards Committee is asked to approve the Council's response.

Recommendation to Committee

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

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 2018-2023 includes the key priority of using innovation, technology and new ways of working to improve value for money and efficiency in Council Services under the Innovation fundamental theme. The external auditors of the Council have a statutory duty to provide an opinion on the value for money the Council provides.

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 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. 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 Financial Reporting Council.

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 28 February 2019

Venue Guildford Borough Council

Completed by Claire Morris, Director of Finance
Joan Poole, Audit and Business Improvement Manager

Item	Description	Comment
1	Have you assessed the risk of material misstatement in the financial statements due to fraud and what are the results of this process?	<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. Also Surrey Chief Accountants group, and Surrey Treasurers share fraud experiences which would highlight any potential fraud. Appropriate officers receive National Fraud Awareness Network (NFAN) bulletins on a regular basis which alerts them to potential threats and take part in the annual NFAN exercises. During 2018 we also took part in the Surrey Counter Fraud Initiative to assess the level of tenancy fraud.</p> <p>Areas perceived to be highest risk affecting the financial statements are Housing benefit, Council Tax Income, Business Rates, right to buy housing sales, cash collections and supplier fraud. Whilst we acknowledge that fraud exists in these areas, no significant fraud has been identified for 2018-29 and we do not assess that the impact of fraud is material to the financial statements.</p>

Item Description

2 What processes do you have in place to identify and respond to the risks of fraud?

Comment

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.

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.

We take part in annual NFAN data matching exercises and assess the results. During 2018 we also became members of the Surrey Counter Fraud Initiative and will take part in various exercises to identify council tax, housing tenancy and business rates fraud.

3 Have any specific fraud risks, or areas with a high risk of fraud, been identified, and what has been done to mitigate these risks?

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.

Areas perceived to be highest risk are Housing benefit, Council Tax Income, Business Rates, Right to buy Housing sales, tenancy fraud 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 now available. We are tightening our controls in these areas to minimise the risks. To mitigate the risk of tenancy fraud we are working with the government’s Immigration and Enforcement

Item	Description	Comment
		Team and have undertaken a series of training sessions for staff in Housing, Licensing and Customer Services on identifying tenancy fraud and money laundering.
4	Do you have any knowledge of any actual, suspected or alleged fraud affecting the entity?	We have no knowledge of any actual or suspected or alleged fraud during 2018-19.
5	Are internal controls, including segregation of duties, in place and operating effectively?	We believe so. The constitution was fully revised during 2014-15 to update the controls in place and is being maintained through regular reviews as key staff change. 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, Chief Information Officer, Data Protection Officer and the Deputy CFO.
6	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.
7	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
8	Are there any areas where there is a potential for misreporting?	Not that we are aware of
9	How do you exercise oversight over management's processes for identifying and	The Corporate Governance and Standards Committee received regular internal audit progress reports and financial monitoring reports. In addition, the chairman and vice-chairman of the committee are regularly

Item	Description	Comment
	responding to risks of fraud?	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.
10	What arrangements are in place to report fraud issues and risks to the Corporate Governance and Standards 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"> • the Managing Director • the Monitoring Officer • the relevant Directors and Head of Service • the Chair of the Corporate Governance and Standards Committee • the Lead Member for Governance <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>
11	How do you communicate and encourage ethical behaviour of staff and contractors?	<p>There is an officer corporate governance group which meets quarterly and for which minutes are prepared.</p> <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 Senior Accountant. Professional Staff also have codes of conduct and ethical codes relating to their professional institutes.</p>
12	How do you encourage staff to report their concerns about fraud and have any significant issues been reported?	<p>The Councillors register of interest is held by the monitoring officer and published on our website. The monitoring officer reports a quarterly ethical update to the corporate governance and standards committee.</p> <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. No issues have been reported</p>

Item	Description	Comment
13	Are you aware of any related party relationships or transactions that could give rise to risks of fraud?	Not that we are aware of
14	What arrangements do you have in place to prevent and detect non-compliance with laws and regulations?	<p>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.</p> <p>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 has a corporate procurement board which meets monthly to review procurement practice and look at exemptions and breaches if there are any.</p>
15	How does management gain assurance that all relevant laws and regulations have been complied with?	<p>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. 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 showing how case law would be applied.</p> <p>Appropriate training is provided to both Councillors and Officers as necessary.</p>
16	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.
17	Have there been any instances of non-compliance or suspected non-compliance with laws and regulation since 1 April 2018?	No - the Council is made good progress in implementing the requirements and changes necessary to comply with the General Data Protection Regulations and we believe we are now fully compliant. We anticipate that any breaches would be picked up through internal reviews and our complaints system.

Item	Description	Comment
18	What arrangements do you have in place to identify, evaluate and account for litigation or claims?	<p>Any potential litigation sent to the Council is forwarded to the legal department who evaluate it. Material litigation would be discussed at the Corporate Governance Group and in CFO meetings. The Council seeks the use of external advice and solicitors where necessary to defend litigation claims.</p> <p>The accounting treatment is assessed by the finance team at year end. The Senior financial reporting accountant speak to the legal team at year end for composition of contingent liabilities note.</p>
19	Are there any actual or potential litigation or claims that would affect the financial statements?	Not that we are aware of.
20	Have there been any reports from other regulatory bodies, such as HMRC, which indicate non-compliance?	None during 2018-19

Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Director of Finance

Author: Belinda Hayden

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Lead Councillor responsible: Nigel Manning

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Date: 28 March 2019

Audit Report on the Certification of Financial Claims and Returns 2017-18: 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 2017-18. The audit covers claims returns relating to expenditure of £36.39 million, spanning:

- Housing Benefit Subsidy worth £32.6 million
- Pooling of Housing Capital Receipts worth £3.79 million

Although it has been necessary to qualify the Subsidy claim, the auditor found a minimal number of errors. The auditor's report is very favourable towards the performance of the Benefits service, highlighting the improvements made compared to last year – with no new error types identified, and a decrease in the volume and value of errors found, and their extrapolation. They covered all the testing within the set scale fee, so there is no additional audit fee to approve.

At the time of writing, the DWP has not processed our audited claim. Based on the reduction in errors we are assuming there will be no change to our subsidy. If this changes by the time of the meeting, we will provide a verbal update. If necessary, we will also assure the DWP that we are continuing with our checking regime and looking for ways to reduce errors further.

The auditor had no issues to report that affected the total capital receipts return.

Recommendation to Committee

The committee is asked to note the position regarding the certification of claims and returns for 2017-18.

Reason for Recommendation:

To formally sign off our claims and returns for 2017-18.

1. Purpose of Report

- 1.1 The Council receives reports from its auditors Grant Thornton (GT) regarding their work to certify our financial claims and returns relating to the financial year 2017-18.
- 1.2 The GT reports relate to the qualification of our Housing Benefit Subsidy claim (Appendix 1) 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.
- 3.2 GT certified the Housing Benefit Subsidy claim relating to our claim of £32.6 million.
- 3.3 We also asked GT to carry out work on our Pooling of Housing Receipts return (£3.79m) in line with the Ministry of Housing, Communities and Local Government's (MHCLG) Reporting Accountants Guidance.

4. Audit Findings

Pooling Housing Capital Receipts:

- 4.1 GT identified one error, but this does not affect the claim of total capital receipts subject to pooling of just under £692,000 or the one-for-one expenditure of £2.278 million.
- 4.2 There is a new requirement to review the 'quarter' in which expenditure is occurred. During their sample testing GT identified one item which had been allocated against Quarter 2 although the invoice date was in Quarter 1. There is no specific requirement to re-open prior periods with respect to errors of this nature, and the total return is not affected. GT have found no further errors and expect to have completed their work by the end of March 2019.

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, but this qualification does not mean that the Council's accounts have to be re-opened having previously been signed off.
- 4.4 For 2017-18, it is pleasing to report that GT identified no new error types. In addition, they found fewer errors extrapolating to a smaller sum: four totalling £252 compared to fifteen totalling £1,800 for 2016-17.

- 4.5 In summary, because the auditors found errors, as set out in their report in Appendix 1, the Subsidy claim is qualified. At the time of writing, the DWP has not processed our audited claim. Based on the reduction in errors, we are assuming there will be no change to our subsidy. However, this decision lies with the DWP and not with GT, or ourselves. If this changes by the time of the meeting, we will provide a verbal update.
- 4.6 This is the sixth year running that we have had the subsidy claim qualified. Whilst it is good news that our claim has not changed as a result, 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.
- 4.7 In terms of managing the risks associated with financial claw backs available to the DWP, 2017-18 witnessed severe staffing shortages. These were a result of retirements of key experienced staff, a promotion to trainee accountant, maternity leave, plus the loss of a reliable agency assessor.
- 4.8 We have experienced many difficulties with the quality of work of traditional temporary staff. We did not want to repeat these problems and chose to contract the *On Demand Assessment Service* from our software supplier Civica, due to the increased quality that they promised. The resources they use must have at least five years' experience and be personally recommended to Civica. Our account manager has been attentive to our need for quality and attention to detail, selecting resources accordingly. Senior members of the benefits team have also checked the work done.
- 4.9 In addition, we use Haines Watts to check claims throughout the year. They focus their checking on the high-risk error types identified in previous audits. This provides the opportunity for us to correct any errors within the subsidy year, identify any trends and provide additional training for assessors where necessary.
- 4.10 We recruited three new assessors during 2018-19, one of which subsequently left. Another returned from maternity leave on reduced hours. We have yet to complete the planned restructure, which aimed to provide greater resilience moving forward. As a result, the service is still not fully staffed, and we continue to use the *On Demand Service* and long-term agency staff.

5. Advice

- 5.1 Members of the Committee are advised of the following as a broad commentary of the 2017-18 Housing Benefit Subsidy claim.
- 5.2 We anticipate no adjustments to our Subsidy claim this year, despite being qualified. However, the DWP has yet to process our audited claim.
- 5.3 We continue to use an independent audit company to check claims to allow us to take action on any errors found, and thereby minimise the likelihood of auditors finding subsidy errors in future. However, qualification of Subsidy means that the auditors carry out additional testing in subsequent years. This potentially means they will find more errors, creating a virtuous circle. For the second year running, no errors were found in the initial 20 case testing, but were identified in the additional sample.

- 5.4 The overall value of the subsidy claim is £32.6 million - the amount of benefit paid to claimants on behalf of the government. From the additional sample, GT identified errors on four claims resulting in overpayments totalling £252. As there was variation in the errors found, GT could not conclude that the rest of the subsidy was correctly stated and therefore qualified it.
- 5.5 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.
- 5.6 The qualification of the Housing Benefit Subsidy claim does not qualify the Council's financial accounts. Officers are aware that around 70% of councils have been qualified on their subsidy claim, but this does not mean the other 30% are perfect.
- 5.7 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 2017-18, the Benefits Service processed nearly 2,300 new claims for Housing Benefit and Local Council Tax Support and completed over 24,000 changes in circumstances to claims.
- 5.8 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 with which they have to deal.
- 5.9 We need to address the errors we make no matter how minor, 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.
- 5.10 The caseload of Housing Benefits claims has changed drastically in recent years, becoming more complex with more in work claims, and an increasing number of DWP initiatives to incorporate into the daily workload:
- During 2018-19, the team received over 1,900 Right Time Information notices, the introduction of daily Verify Earnings and Pensions alerts, plus a self-employed review – all driven by the DWP with the aim of improving accuracy and reducing error.
 - In addition, from 24 October 2018 new working age claims for help with housing rent moved to Universal Credit (UC). Whilst this reduces our caseload, our workload has increased due to the volume of notices now received regarding Universal Credit to which we must respond, plus the exceptions made by DWP to smooth the introduction of UC.
- 5.11 Whilst the calculation of claims has become more complex due to all the issues to consider, a requirement still exists for good speed of processing for new claims and changes in circumstance. Although all these factors remain challenging we remain 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. As previously

advised, staffing changes did make this extremely challenging and it has taken a year to recover our position.

- 5.12 If necessary, we will provide assurance to the DWP that we are continuing with our checking regime and looking for ways to reduce errors further.

6. Equality and Diversity Implications

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

7. Financial Implications

- 7.1 The financial implications arising from this report are set out in the main text.
- 7.2 The indicative fee set by Public Sector Audit Appointments Ltd 2017-18 for the Subsidy Audit is £19,993.
- 7.3 We also asked GT to carry out work on our Pooling of Housing Receipts return in line with MHCLG'S Reporting Accountants Guidance. We agreed the fee for this work at £1,500.

8. Legal Implications

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

9. Human Resource Implications

- 9.1 There are no HR implications arising from this report.

10. Conclusion

- 10.1 The Housing Benefit subsidy claim has been qualified for 6 years and, as a result, Grant Thornton completed additional checking in 2017-18. However, errors made are minimal when considering the considerable workload. Although at the time of writing the DWP has yet to process our claim, it is likely that, on this occasion, the errors will make no difference to the Subsidy grant that the DWP pays us. This could change in future years should identified errors result in extrapolated figures meaning we owe the DWP money. We will continue to try to eradicate the errors and remove the HB subsidy claim from qualification in future years.

11. Background Papers

None

12. Appendices

Appendix 1: GT letter and report.

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Grant Thornton

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Agenda item number: 6
Appendix 1

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28 February 2019

Dear James,

Certification work for Guildford Borough Council for year ended 31 March 2018

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) took 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 2017/18 relating to subsidy claimed of £32.6 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. Firstly, no new error types were identified in 2017/18 (only the reoccurrence of issues identified in previous years). Second, the issues identified from our work related to both of the two areas where we identified issues in the previous year. Full details of these areas and the issues identified can be seen in Appendix A. While the issues identified were in the same area, the overall volume and value of errors has decreased, as well as any estimated extrapolations of these errors. However, irrespective of this reduction in errors, issues identified will require additional testing in 2018/19 to determine whether the issues have been sufficiently resolved. The extrapolated financial impact on the claim was again relatively insignificant to the total subsidy receivable and has been reported to the DWP. As a result of the errors identified, the claim was qualified, and we reported our findings to the DWP. The DWP may require the Council to undertake further work or provide assurances on the errors we have identified.

The indicative fee for 2017/18 for the Council was based on the final 2015/16 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 PSAA for the Council for 2017/18 was £19,993, and we can confirm we are not proposing any additional fees in respect of the 2017/18 work.

Yours sincerely

Grant Thornton UK LLP

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing Benefits Subsidy Claim	£32,564,600	No	N/A	Yes	See below for detailed comments on the issues identified in this year's Claim Form.

Findings from certification of housing benefits subsidy claim

Tax Credits

As in previous years, 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:

- 2 errors out of 40 cases in receipt of tax credits in respect of HRA rent rebates, leading to an overpayment of £18
- 1 error out of 40 cases in receipt of tax credits in respect of HRA rent rebates, leading to an underpayment of benefit which does not have any impact on subsidy
- 1 error out of 40 cases in receipt of tax credits in respect of HRA rent rebates and 1 error out of 40 cases in receipt of tax credits in respect of rent allowances, which does not have any impact on subsidy.

Incorrect claimant income

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

- 1 error out of 40 cases in receipt of earned income in respect of HRA rent rebates, leading to an overpayment of £169
- 1 error out of 40 cases in receipt of self-employed earnings in respect of rent allowances, leading to an overpayment of £65
- 1 error out of 40 cases in receipt of self-employed earnings in respect of rent allowances, which does not have any impact on subsidy
- 1 error out of 40 cases in receipt of occupational pension income in respect of HRA rent rebates, which does not have any impact on subsidy

Recommended actions for officers

We recommend that the Council as part of its internal quality assurance process, should increase its focus or level of testing in respect of the areas where we identified errors from our testing.

Appendix B: Fees for 2017/18 certification work

Claim or return	2015/16 fee (£)	2017/18 indicative fee (£)	2017/18 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	£19,993	£19,993	£19,993	£0	N/A – no variance to scale fee identified.

Corporate Governance and Standards Committee Report

Ward(s) affected: n/a

Report of the Director of Finance

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Date: 28 March 2019

External Audit Plan 2018-19

Executive Summary

The Council's external auditors, Grant Thornton, have prepared their annual audit plan for 2018-19. The plan, which is attached as Appendix 1, details the programme of work that Grant Thornton intend to carry out during 2018-19, the approach they will adopt and significant risks that they will review as part of the audit. Page 12 of the audit plan details the parts of the audit, the dates the work will be carried out, and details the fee that Grant Thornton will charge in respect of the external audit of the Council. The overall fee for the core audit has reduced from the fee charged in 2017-18 as reported to this Committee on 14 June 2018.

As part of the audit plan, the Council requested that Grant Thornton undertake additional value for money work for 2018-19. This work informed the Council's consideration of the Future Guildford Transformation programme at its meeting on 26 February 2019. Appendix 2 contains the Supplementary VfM Findings report for information, due to the short timescales involved in the review it was not possible to report this work to the Committee at its meeting on 17 January 2019.

For audits of the accounts from 2018-19 Public Sector Audit Appointments (PSAA) were responsible for appointing an auditor to principal local government and police bodies that have chosen to opt into its national auditor appointment arrangements. At its meeting on 6 December 2016, the Council resolved to opt-in to the appointing person arrangements made by PSAA. Grant Thornton UK LLP was successful in winning a contract in the procurement process and were recommended by PSAA as the Council's auditors for a period of five years from 2018-19. This appointment is made under regulation 13 of the Local Audit (Appointing Person) Regulations 2015, and was approved by the PSAA Board at its meeting on 14 December 2017 and by Council on 10 April 2018.

Recommendation to Committee

The Committee is asked to approve the external audit plan submitted by Grant Thornton, as set out in Appendix 1 to this report, and the fee set out on page 12 of Appendix 1; and

to make 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 2018-19 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 approves the audit plan, notes the fee and makes any comment that it feels relevant.

2. Strategic Framework

- 2.1 The annual audit by Grant Thornton underpins the achievement of all of the Corporate Plan 2018-23 key priorities. In particular the key priority of Using innovation, technology and new ways of working to improve value for money and efficiency in Council services.

3. Background

- 3.1 During 2017, the audit of local government bodies was retendered by Public Sector Audit Appointments (PSAA) Ltd. As a result, Grant Thornton were appointed as the Council's auditors for a five year period from 2018-19 by the PSAA board at its meeting on 14 December 2017 and by this Council on 10 April 2018. The fee for the 2018-19 core audit will be £44,300, a 23% reduction on the 2017-18 core audit fee of £57,533. The audit plan at Appendix 1 contains details of the scope of work covered by the core audit fee.
- 3.2 At the request of the Council, Grant Thornton have undertaken additional value for money work to help the Council understand its future financial sustainability position and inform the consideration of the Future Guildford Transformation Programme. The findings from this review were considered by full Council on 26 February 2019 and have been included in Appendix 2. Due to the short timescales involved in the review, it was not possible for the Committee to consider the outcome of this work prior to presentation to full Council. The report has therefore been included within this report for the Committee's information. The fee paid for the additional value for money works was £7,000.
- 3.3 The external auditor charges a separate fee for Grant Certification and non-audit related work. The indicative fee for 2018-19 of the non-core audit work is expected to be £36,000 as set out on page 14 of Appendix 1. 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.

- 3.4 The overall fees to be paid to Grant Thornton for 2018-19 will be £87,300 taking into account all elements of work.

4. Financial Implications

- 4.1 There is budget provision in the 2018-19 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 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. 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 Financial Reporting Council.
- 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.
- 5.4 Section 7 of the Local Audit and Accountability Act 2014 requires a relevant authority to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year. Section 8 governs the procedure for appointment including that the authority must consult and take account of the advice of its auditor panel on the selection and appointment of a local auditor. Section 8 also provides that where a relevant authority is a local authority operating executive arrangements, the function of appointing a local auditor to audit its accounts is not the responsibility of an executive of the authority under those arrangements.
- 5.5 Section 12 makes provision for the failure to appoint a local auditor: the authority must immediately inform the Secretary of State, who may direct the authority to appoint the auditor named in the direction or appoint a local auditor on behalf of the authority.
- 5.6 Section 17 gives the Secretary of State the power to make regulations in relation to an ‘appointing person’ specified by the Secretary of State. This power has been exercised in the Local Audit (Appointing Person) Regulations 2015 (SI 2015 No. 192) and this gives the Secretary of State the ability to enable a Sector Led Body to become the appointing person.

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 2018-19.

8. Background Papers

None

9. Appendices

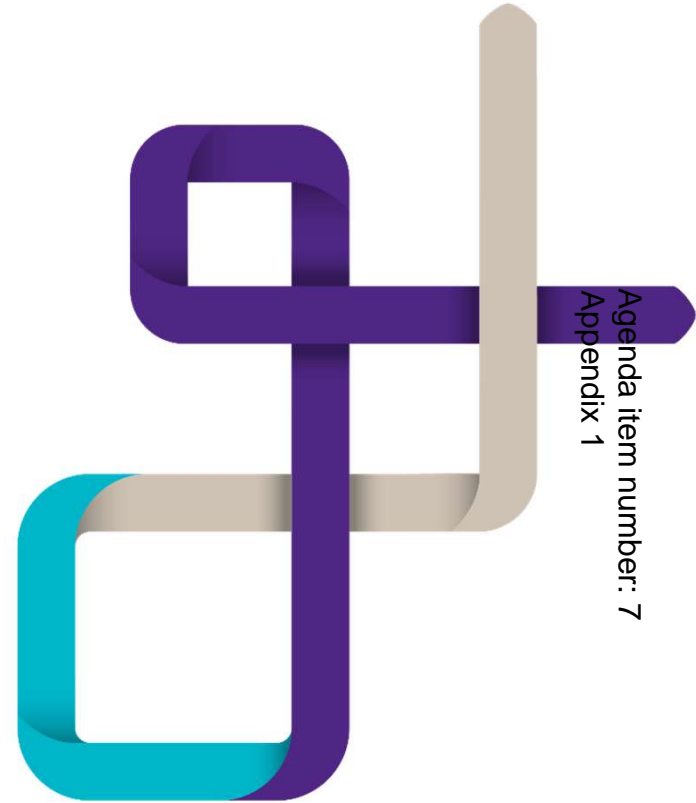
Appendix 1: Grant Thornton: The Audit Plan for Guildford Borough Council year ended 31 March 2019

Appendix 2: Supplementary VFM Findings Report 2018-19

External Audit Plan

Year ending 31 March 2019

Guildford Borough Council
14 March 2019
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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, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Authority or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. 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.

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Introduction & headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Guildford Borough Council ('the Authority') for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in our Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of Guildford Borough Council. We draw your attention to both of these documents on the [PSAA website](#).

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on:

- your financial statements that have been prepared by management with the oversight of those charged with governance (the Corporate Governance and Standards Committee); and
- Your Value for Money arrangements in place for securing economy, efficiency and effectiveness in your use of resources.

The audit of the financial statements does not relieve management or the Corporate Governance and Standards Committee of your responsibilities. It is the responsibility of the Authority 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 you are fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of your business and is risk based.

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- revenue cycle includes fraudulent transactions (although in the case of Guildford Borough Council we have been able to rebut this risk; see page 5)
- management override of controls
- valuation of land and buildings
- valuation of pension fund net liability

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have determined planning materiality to be £2.130 million (PY £2.193 million) for the Authority, which equates to 2% of your prior year gross expenditure for the year. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £0.107 million (PY £0.110 million).

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money have identified the following VFM significant risks:

- Medium Term Financial Planning
- General Fund Capital Programme

Audit logistics

Our interim visit will take place in March and our final visit will take place in June and July. Our key deliverables are this Audit Plan and our Audit Findings Report.

Our fee for the audit will be £44,300 (PY: £57,533), subject to you meeting our requirements set out on page 11.

Independence

We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements..

Key matters impacting our audit

Factors

<p>The wider economy and political uncertainty</p> <p>Local Government funding continues to be stretched with increasing cost pressures and demand from residents.</p> <p>At the end of January 2019, you are projecting an underspend for the year of £2,516,169 on the general fund. This is largely a result of a decrease in the Minimum Revenue Provision and higher than budgeted net interest receipts.</p>	<p>Brexit</p> <p>There is uncertainty surrounding the outcome of the 'deal/no deal' decision to be made on 29th March 2019. The decision has the potential to impact asset valuations and costs of some services.</p>	<p>Changes to the CIPFA 2018/19 Accounting Code</p> <p>The most significant changes relate to the adoption of:</p> <ul style="list-style-type: none"> IFRS 9 Financial Instruments which impacts on the classification and measurement of financial assets and introduces a new impairment model. IFRS 15 Revenue from Contracts with Customers which introduces a five step approach to revenue recognition. 	<p>North Downs Housing</p> <p>In 2016, you set up North Downs Housing Limited, a subsidiary to enable you to provide homes across a range of tenures other than social rent.</p> <p>As North Down Housing continues to expand, the preparation of group accounts will need to be considered going forward.</p>	<p>New Audit Methodology</p> <p>We will be using our new audit methodology, LEA, for the 2018/19 audit. It will enable us to be more responsive to changes that may occur in your organisation that impact on our risk assessment and testing approach.</p>
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Our response

- We will consider your arrangements for managing and reporting your financial resources as part of our work in reaching our Value for Money conclusion.
- We will consider whether your financial position leads to material uncertainty about the going concern consideration and will review related disclosures in the financial statements.
- We will follow up on recommendations from the 2017/18 Audit Findings Report
- We will keep you informed of changes to the financial reporting requirements for 2018/19 through on-going discussions and invitations to our technical update workshops.
- As part of our opinion on your financial statements, we will consider whether your financial statements reflect the financial reporting changes in the 2018/19 CIPFA Code.

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement 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.

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
The revenue cycle includes fraudulent transactions (rebutted)	Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.	<p>Having considered the risk factors set out in ISA240 and the nature of your revenue streams, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including Guildford Borough Council, mean that all forms of fraud are seen as unacceptable <p>Therefore we do not consider this to be a significant risk for Guildford Borough Council.</p>
Management over-ride of controls	<p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. You face external scrutiny of your spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals • analyse the journals listing and determine the criteria for selecting high risk unusual journals • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

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Appendix 1

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings Report in July 2019.

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
<p>Valuation of land and buildings</p>	<p>You revalue your land and buildings on a five-yearly basis. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£739 million of property, plant and equipment in 2017/18) and the sensitivity of this estimate to changes in key assumptions. Additionally, management will need to ensure the carrying value in the financial statements is not materially different from the current value at the financial statements date, where a rolling programme is used.</p> <p>We therefore identified valuation of land and buildings as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work • evaluate the competence, capabilities and objectivity of the valuation expert • write to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the Code are met • challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding • test revaluations made during the year to see if they had been input correctly into your asset register

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Appendix 7

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings Report in July 2019.

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of the pension fund net liability	<p>Your pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£90 million in your balance sheet in 2017/18) and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of your pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that your pension fund net liability is not materially misstated and evaluate the design of the associated controls; • evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • assess the competence, capabilities and objectivity of the actuary who carried out your pension fund valuation; • assess the accuracy and completeness of the information provided by you to the actuary to estimate the liability; • test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report.

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings Report in July 2019.

Other risks identified

Other risks are, in the auditor's judgement, those 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 if misstatement for an other risk is lower than that for a significant risk, and they are not considered to be areas that are highly judgemental, or unusual in relation to the day to day activities of the business.

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
<p>Group Accounts</p>	<p>In 2016, you set up North Downs Housing Limited, a subsidiary to enable you to provide homes across a range of tenures other than social rent.</p> <p>As at 31 March 2018, you held a 100% share ownership in the company and an intercompany balances (in the form of loans and equity) of £4.4m. Aside from capital acquisitions, the trading activities of North Downs Housing have been limited to date.</p> <p>However, as North Downs Housing continues to expand, the preparation of group accounts will need to be considered going forward. At present, management is not proposing to adopt Group Accounts on the basis that the rental income at North Downs Housing is not yet deemed to be financially significant. The Code of Practice requires Authorities with subsidiaries to publish group accounts unless their interest is considered not material and so there is an element of judgement in determining whether the presence of a subsidiary 'triggers' the need for Group Accounts.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the capital and operational activity taking place within North Downs Housing; • evaluate management's determination and disclosures over whether group accounts are required or not <p>Any first-year adoption of group accounts is likely to have resource and fee implications; should this occur, the Corporate Governance & Standards Committee will be requested to approve an additional fee.</p>

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings Report in July 2019.

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement to check that they are consistent with the financial statements on which we give an opinion and consistent with our knowledge of the Authority.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with the guidance issued by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
 - Giving electors the opportunity to raise questions about your 2018/19 financial statements, consider and decide upon any objections received in relation to the 2018/19 financial statements;
 - issue of a report in the public interest or written recommendations to the Authority under section 24 of the Act, copied to the Secretary of State.
 - Application to the court for a declaration that an item of account is contrary to law under Section 28 or for a judicial review under Section 31 of the Act; or
 - Issuing an advisory notice under Section 29 of the Act.
- We certify completion of our audit.

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 this report.

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 your ability to continue as a going concern" (ISA (UK) 570). We will review management's assessment of the going concern assumption and evaluate the disclosures in the financial statements.

Materiality

The concept of materiality

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. 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.

Materiality for planning purposes

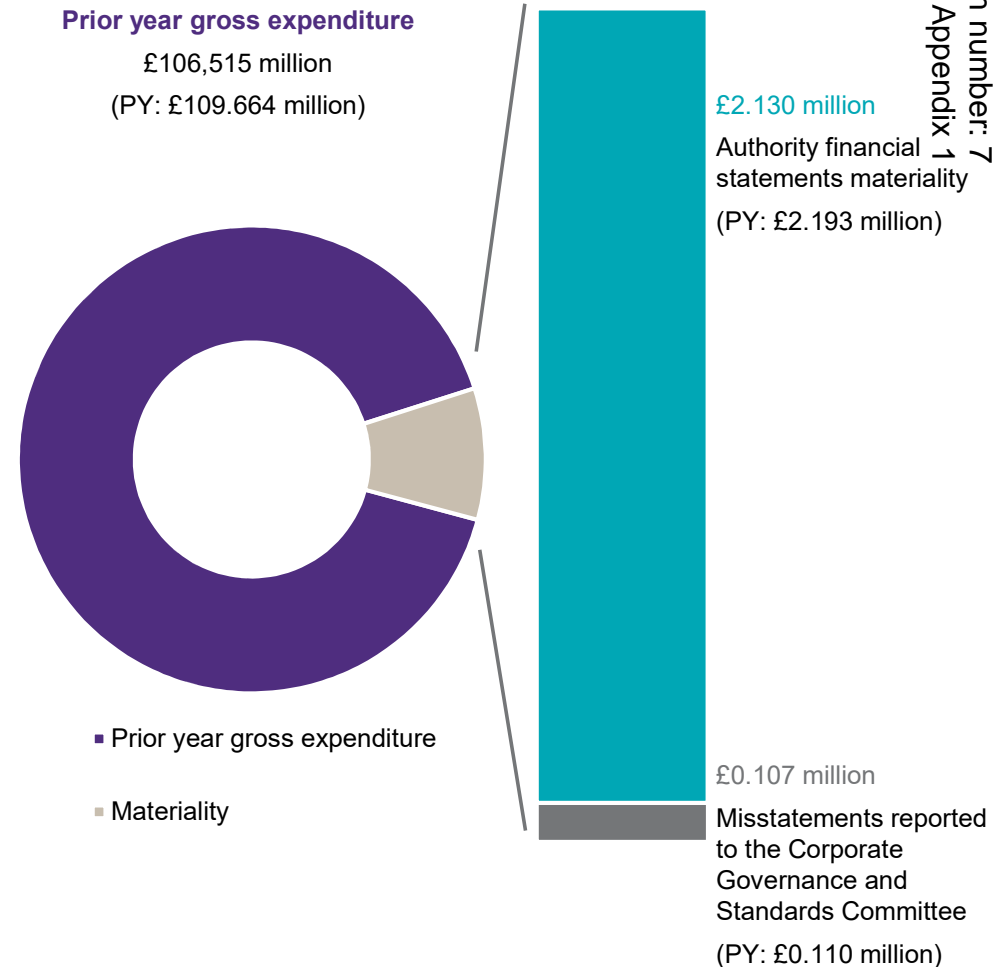
We have determined financial statement materiality based on a proportion of your gross expenditure for the financial year. In the prior year we used the same benchmark. Materiality at the planning stage of our audit is £2.130 million (PY £2.193 million) for the Authority, which equates to 2% of your prior year gross expenditure for the year. We design our procedures to detect errors in specific accounts at a lower level of precision.

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

Matters we will report to the Audit Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. In your context, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.107 million (PY £0.110 million).

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Corporate Governance and Standards Committee to assist it in fulfilling its governance responsibilities.



Value for Money arrangements

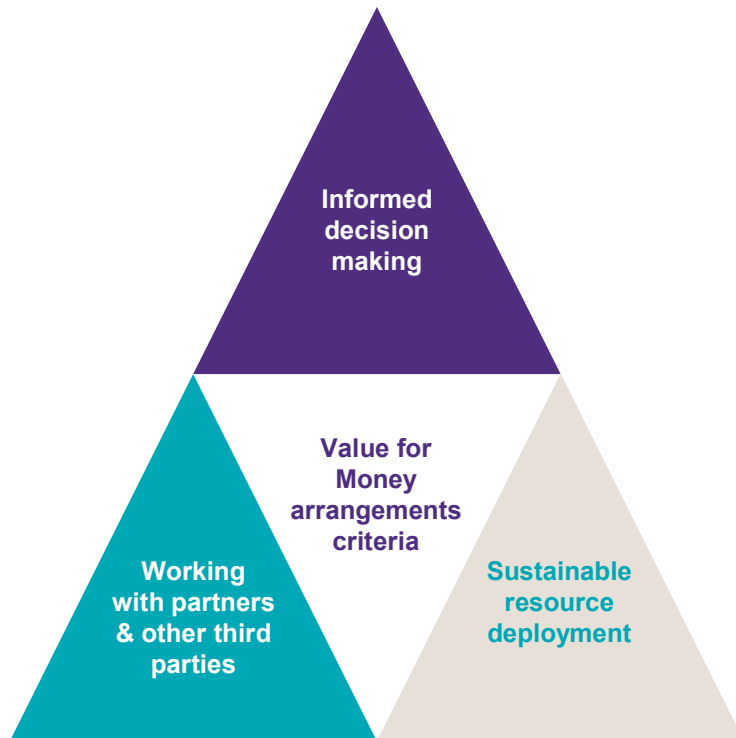
Background to our VFM approach

The NAO issued its guidance for auditors on Value for Money work in November 2017. The guidance states that for Local Government bodies, auditors are required to give a conclusion on whether you have proper arrangements in place to secure value for money.

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 below:



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Significant VFM risks

Those risks requiring audit consideration and procedures to address the likelihood that proper arrangements are not in place to deliver value for money.



Medium Term Financial Planning

You have identified a cumulative gap of £10.4 million between projected resources and budgeted expenditure over the four years to 2022/23. In part, this relies on continuing to deliver the budgeted level of savings from existing projects. You have 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. You have engaged an external consultant (Ignite Consulting) who in November 2018 presented a report entitled “Guildford Borough Council Future Operating Model Blueprint”. It set out to provide the ‘blueprint’ for the delivery of an ambitious transformation programme for you including a refined business case, an organisational design and a costed implementation approach and plan.

We will review your project management and risk assurance frameworks to establish how you are identifying, managing and monitoring these risks.



General Fund capital programme

You approved a General Fund Capital Programme for five years to 2022/23. This is an area of considerable spend, with a net cost of £96 million, involves decision-making against a backdrop of many variables. execution and timing of capital expenditure may also have revenue implications.

We will review your capital programme to establish the arrangements you have in place to realistically forecast and monitor capital expenditure and associated revenue implications.

Supplementary Vfm Findings Report 2018/19

In February 2019 we presented a supplementary finding reports in response to a specific request by the Authority. As part of this we reviewed your arrangements to achieve financial sustainability to support our statutory requirement to provide a conclusion your arrangements to deliver value for money. This results of this work have been considered in our risk assessment process and crossover with the significant risks identified above.

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Appendix 1

Audit logistics, team & fees



Sarah Ironmonger, Engagement Lead

Responsible for overall client relationship, quality control, provision of accounts opinions, meeting with key internal stakeholders and final authorisation of reports. Attendance at Corporate Governance & Standards Committee (supported by Manager as required).

Sebastian Evans, Audit Manager

Responsible for overall audit management over the course of the year, support and review of work performed by Audit Incharge and junior team members. Attendance at Corporate Governance & Standards Committees (alongside Engagement Lead as required).

Sophie Butler, Audit Incharge

Responsible for leading the on-site fieldwork. First point of contact for the co-ordination of fieldwork and supervision of junior team members.

Audit fees

The planned audit fees are £44,300 (PY: £57,533) for the financial statements audit and £19,993 for grants certification completed under the Code. We have agreed an additional £7,000 fee variation to the main audit fee to reflect the additional value for money work.

In setting your fee, we have assumed that the scope of the audit, and the Authority and its activities, do not significantly change.

Our requirements

To ensure the audit is delivered on time and to avoid any additional fees, we have detailed our expectations and requirements in the following section 'Early Close'. If the requirements detailed overleaf are not met, we reserve the right to postpone our audit visit and charge fees to reimburse us for any additional costs incurred.

Early close

Meeting the 31 July audit timeframe

In the prior year, the statutory date for publication of audited local government accounts was brought forward to 31 July, across the whole sector. This was a significant challenge for local authorities and auditors alike. For authorities, the time available to prepare the accounts was curtailed, while, as auditors we had a shorter period to complete our work and faced an even more significant peak in our workload than previously.

In 2017/18, the audit process to meet the early deadline ran smoothly overall and we were able to bring forward some of the audit work to earlier in the year. However, we identified an adjustment to the accounting treatment of the Onslow Village Park and Ride and, due to the complexities of the adjustment, the accounts were signed at a special meeting of the Corporate Governance and Standards Committee on 7 August 2018.

Going into 2018/19, we have carefully planned how we can make the best use of the resources available to us during the final accounts period. As well as increasing the overall level of resources available to deliver audits, we have focused on:

- bringing forward as much work as possible to interim audits
- starting work on final accounts audits as early as possible
- seeking further efficiencies in the way we carry out our audits
- working with you to agree detailed plans to make the audits run smoothly, including early agreement of audit dates, working paper and data requirements and early discussions on potentially contentious items.

We are satisfied that, if all these plans are implemented, we will be able to complete your audit and those of our other local government clients in sufficient time to meet the earlier deadline.

Client responsibilities

Where individual clients do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other clients. We will therefore conduct audits in line with the timetable set out in audit plans (as detailed on page 11). Where the elapsed time to complete an audit exceeds that agreed due to a client not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit by the statutory deadline. Such audits are unlikely to be re-started until very close to, or after the statutory deadline. In addition, it is highly likely that these audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit or additional audit fees being incurred, you need to ensure that you:

- produce draft financial statements of good quality by the deadline you have agreed with us, including all notes, the narrative report and the Annual Governance Statement
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit
- respond promptly and adequately to audit queries.

In return, we will ensure that:

- the audit runs smoothly with the minimum disruption to your staff
- you are kept informed of progress through the use of an issues tracker and weekly meetings during the audit
- we are available to discuss issues with you prior to and during your preparation of the financial statements.

Independence & non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make any additional significant judgements surrounding independence matters.

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 Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, 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 Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2017 which set out supplementary guidance on ethical requirements for auditors of local public bodies.

Other services provided by Grant Thornton

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Authority. The following other services were identified/ No other services were identified:

Service	£	Threats	Safeguards
Audit related			
Certification of Housing Capital Receipts Grant	1,500	Self-interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £1,500 in comparison to the total fee for the audit of £44,300 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level. PSAA sets a cap for non audit services and this engagement is not included within the PSAA cap arrangements further reducing the risk.
Certification of Housing Benefit Grant	20,000	Self-interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is 20,000 in comparison to the total fee for the audit of £44,300 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level. PSAA sets a cap for non audit services and this engagement is not included within the PSAA cap arrangements further reducing the risk.
Non-audit related			
Place Analytics and CFO Insights License	14,500	Self-interest (because this is a recurring fee), familiarity, advocacy, self-review	The non-audit service is being provided by a completely separate team to minimise the threat of familiarity. Grant Thornton will provide training but not any analysis so there is no threat of advocacy or self-review. Officers at the council will be trained to use the system and have the skills to use the service and will then exercise their own judgement. The annual fee is only 33% of the annual statutory audit fee (£44,300)

Independence & non-audit services

The amounts detailed are fees agreed to-date for audit related and non-audit services to be undertaken by Grant Thornton UK LLP in the current financial year. These services are consistent with the Authority's policy on the allotment of non-audit work to your auditors. All services have been approved by the Corporate Governance & Standards Committee. Any changes and full details of all fees charged for audit related and non-audit related 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.

None of the services provided are subject to contingent fees.



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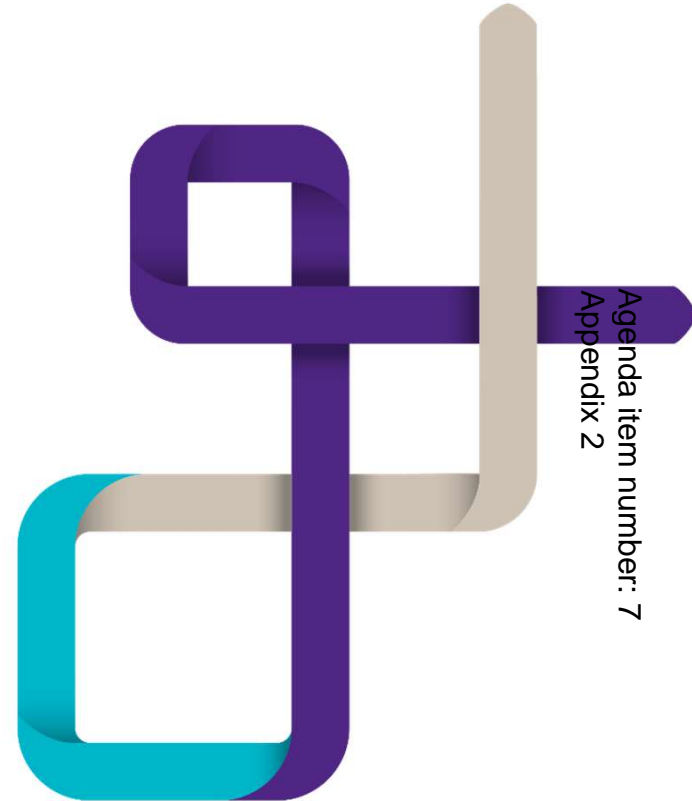
Supplementary VFM Findings Report 2018/19:

Review of financial arrangements

Guildford Borough Council

06 February 2019

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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. 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.

Our approach

Introduction

At your request we have brought forward our review of your arrangements to achieve financial sustainability to support our statutory requirement to provide a conclusion your arrangements to deliver value for money.

The scope of this work is to:

- Review medium term financial plan for the reasonableness of the assumptions
- Review the in-year financial performance in 2018/19
- Provide summary commentary on the financial position of the local government sector
- Review your arrangements for your Future Guildford Transformation Programme

Approach

Our approach involved:

- desktop analysis of relevant documentation; and
- meetings with key internal stakeholders.

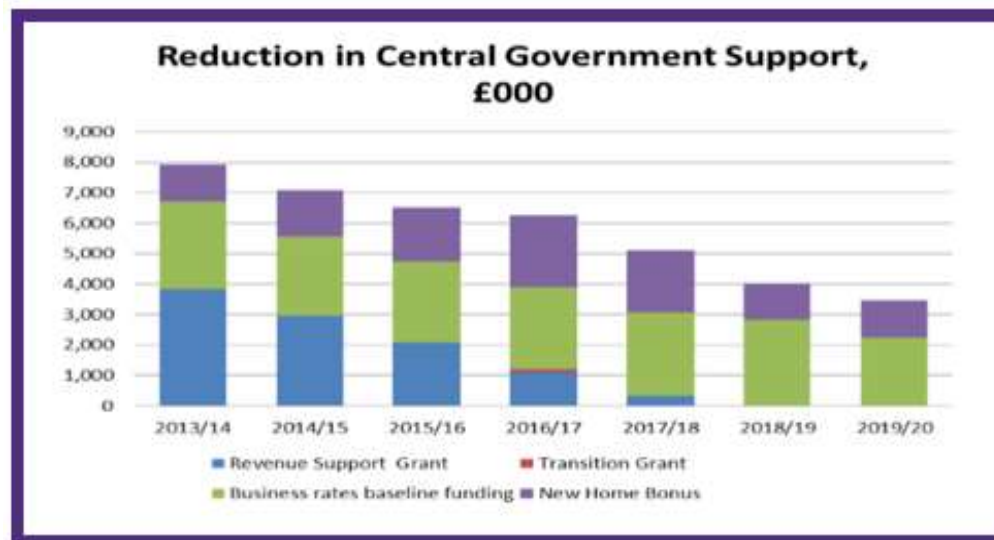
This report summarises the findings of our additional work to support our VfM conclusion for 2018/19. This review considers the financial challenges facing you, and the implications for your on-going financial position and plans to achieve financial sustainability. This report is supplementary to our Audit Findings Report, which will be issued later on in the year (July 2019) and an additional fee of £7,000.

Context & Background

Context of central government funding

Our 2018/19 Value for Money (VfM) conclusion requires us to undertake sufficient work to be able to satisfy ourselves as to whether, in our view, you have put arrangements in place that support the achievement of VfM. We are currently undertaking our initial risk assessment for our VfM audit. At the request of officers we have undertaken additional work to support our value for money conclusion and prepared a separate report.

In January 2019, the National Audit Office (NAO) published a report into local authority governance in which it reported that local authorities have seen a real-terms reduction in spending power (government grant and council tax) of **28.6%** between 2010/11 and 2017/18. For Guildford Borough Council (the Council), the reduction in the level of central government support has been significant with a 49% reduction in central government support since 2013/14.



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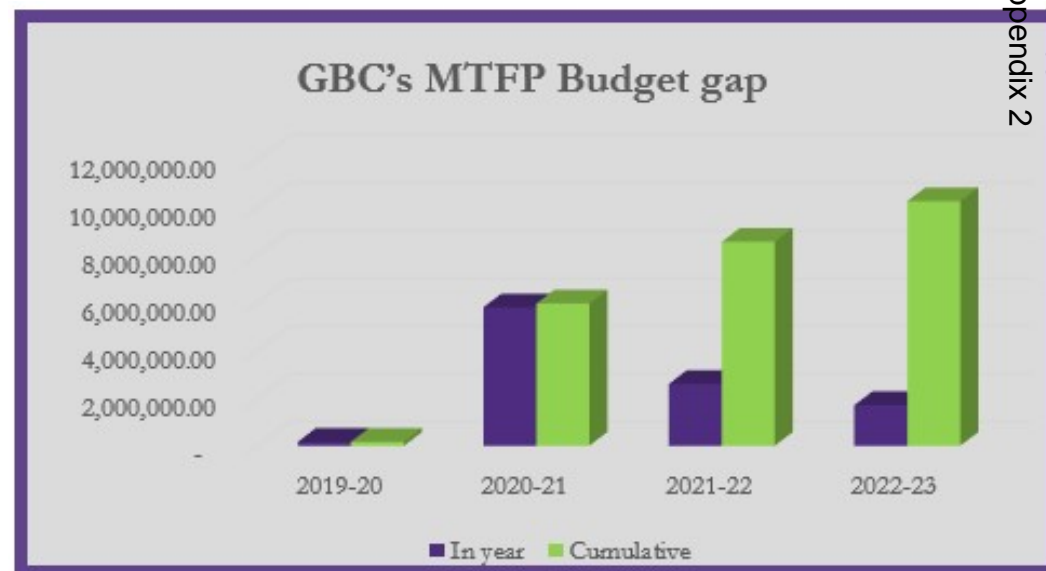
Context & Background

Whilst all local authorities have seen reductions in central government support the impact of this varies depending on the proportion of a local authority's income that is from central government support. 2017/18 is the final year in which you will receive Revenue Support Grant. The impact on you is mitigated by your ability to raise additional funds through council tax increases. Your reliance on central government funding is comparatively low. Based on your most recent figures, central government funding only represents 29% of your overall spending power in 2018-19 reducing to 28% in 2019-2020. The impact of this is that despite the significant reduction in central government support of 49%, your overall spending power from the period in the period 2013-14 to 2019/20 has reduced by 12%.

In response to continued reductions in central government funding, much of the local government sector has instigated major transformations to balance their budgets. For top tier authorities the reduction in funding has impacted at the same time as significant increases in cost and demand pressures in services such as children and adult social care. As a second tier authority, you are not subject to the same degree of demand pressure and you have been able to deliver cumulative efficiencies and increases in revenue of £10.6 million since the 2013/14.

Historically, your financial position has been very healthy. As at 31 March 2018, your useable revenue reserves totalled £45.5 million, which was 44% of gross revenue expenditure for that period. Useable reserves as percentage of gross revenue expenditure is a key indicator in assessing financial resilience; with a percentage of 44%, you compare very favourably with the rest of the sector.

Whilst you have a history of strong financial performance, the current medium term financial plan to 2022/2023 (4 year horizon) identifies a £10.4 million cumulative budget gap, as shown in the graph below.



Your own analysis identifies the main factors contributing to the budget gap were:

- Under achievement of prior year savings and efficiencies
- Inflation and other cost pressures on services
- Increases in interest payable and MRP costs as a result of planned projects in the general fund capital programme
- The estimated impact of the fair funding review post 2020

Executive Summary

Review and challenge the 4 year budget projections produced by the finance team to ensure that the estimates are based on evidence and/or realistic assumptions that can be supported

Your budget is produced using a robust arrangement where we were able to agree a sample of assumptions to underlying documentation. We identified an area of improvement where you could improve transparency by setting out more clearly the significant assumptions enabling focused scrutiny.

Estimates within the MTFP have been found to be based on realistic assumptions and there is a good understanding of the financial risks within the position. The cumulative deficit of £10.4 million identified in your MTFP is therefore considered to be a reasonable and prudent forecast and the Council should continue to explore ways to bridge this gap to ensure long term financial sustainability.

We did identify scope for you to review your Minimum Revenue Provision (MRP) forecasts. Your MRP forecasts are linked to your capital programme. Slippage in your capital programme changed the profile of when you need to obtain external borrowing which has in turn impacted on your required MRP.

Review the 2018-19 in year financial performance, in particular looking at the underlying financial position by assessing if over / under spends in year are one-off or on-going

Based on your most recent budget monitoring report, your current in-year performance is broadly in line with budget, with the exception of MRP which is significantly less than budgeted due to slippages in the capital programme. Our work did identify a number of recommendations within this area where there is scope:

- To give greater prominence for significant variances between budget and outturn together with proposed mitigating actions
- To improve transparency in your budget monitoring reports for where reserves are being used to pump-prime investments and where they are being used to fund service overspends
- To improve transparency by showing more clearly progress on delivery of savings and efficiencies

- To review and strengthen your arrangements to identify, monitor and deliver financial and non-financial benefits from projects
- To consider the capacity and skills to manage the future requirements of change and obtain additional support where gaps are identified

Provide commentary on the context of local government funding nationally and in particular, review the impact of the national funding proposals on district councils

Local government funding is entering a period of significant uncertainty after a period of reducing government funding. As a result councils need to be planning their finances for a range of scenarios and anticipating risk. Key areas of uncertainty are:

- Negative Revenue Support Grant
- Fair funding review
- Government policy
- Prospects for the UK economy
- Local factors

To provide an independent review (sense check) of the approach the Future Guildford Transformation Programme proposes.

In November 2018, Ignite Consulting presented a report entitled “Guildford Borough Council Future Operating Model Blueprint”. It set out to provide the ‘blueprint’ for the delivery of an ambitious transformation programme for you including a refined business case, an organisational design and a costed implementation approach and plan. Our independent high level review did not identify any significant issues or omissions, however in our detailed findings section we have outlined a number of key considerations you may want to take on board when assessing the proposal.

Detailed findings

Methodology

In order to prepare the budget, officers need to make a number of working assumptions. Significant assumptions, ones which have a material impact on the medium term financial plan, are required to be approved by the executive. For the 2019-20 budget and medium term financial plan to 2022-23, ten significant assumptions were identified and approved by the executive in July 2018.

Each of the ten significant assumptions approved in July 2018 have been subject to challenge and review as part of this report (refer to pages 8 - 10 for detailed findings). In addition to this work, we also set out to understand *how* the budget was produced at the individual cost line and review the arrangements in place to ensure figures uploaded to the budget were reasonable and based on supportable evidence.

	Area of focus	Findings
1. Page 72 Review and challenge the 4 year budget projections produced by the finance team to ensure that the estimates are based on evidence and/or realistic assumptions that can be supported	Understanding how the budget is produced	<p>You use an electronic platform to record and maintain the budget and medium term projections. Our review found robust arrangements supporting your budget process; many of the individual revenue and expenditure lines are subject to zero based budgeting principles, taking into account local factors. We also confirmed the implementation of a review and scrutiny process for all budget uploads.</p> <p>As set out in your policy, inflation is not attributed at the individual cost line, rather the cost pressure is centralised. As part of our review we confirmed that this policy is in effect and that no general price inflationary pressures are included at the individual expenditure line.</p>

Detailed findings

	Area of focus	Findings
<p>1. Review and challenge the 4 year budget projections produced by the finance team to ensure that the estimates are based on evidence and/or realistic assumptions that can be supported</p>	<p>Deep-dive into the validity of assumptions at the individual cost centre line</p>	<p>At random, we selected a cost line flowing into the 2019/20 budget and requested information to support the figures and key assumptions used. The cost line selected was 'Pay costs' of £31 million.</p> <p>Supporting documentation obtained confirmed the use of the executive approved assumption of a 2% pay increase. We are satisfied that the source data used in the calculation, i.e. the full establishment list was appropriate. We also obtained evidence of independent review and scrutiny by an appropriate person.</p> <p>In conclusion, no issues were identified and we are satisfied that the assumptions and methodology used to prepare the estimate are reasonable.</p> <p>Key observation: Within the forecasted budget figures for pay there is an assumption about the vacancy rate of general staff. This is currently set at 2.5% and is based on historic evidence. Whilst this assumption is not considered to be unreasonable, it is not one which is set out in the Executive Budget Assumptions Report and therefore not given the same level of challenge and scrutiny. This is despite the fact that this assumption has a sensitivity of £255k for a 1% change, which is comparable to the sensitivity of pay inflation which is £300k.</p> <p>Recommendation: To improve transparency, the Executive Budget Assumptions report should clearly set out what constitutes a significant assumption and a review should be conducted to ensure all parameters required to prepare the budget which meet this agreed threshold of significance is reported and given the appropriate level of scrutiny.</p>

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Detailed findings (Cont'd)

1. Review and challenge the 4 year budget projections produced by the finance team to ensure that the estimates are based on evidence and realistic assumptions that can be supported

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Area of focus	Findings
General inflation assumption (2%)	Your assumption for general inflation is 2% each year up to 2022/2023. This is based on CPI inflation forecasts from the Bank of England. We have obtained the latest CPI inflation forecast from the Bank of England (August 2018) and the forecast remains largely unchanged from the forecast the council used to derive the 2% assumption (May 2018). We are therefore satisfied that the 2% assumption is reasonable and is based on supportable evidence.
Pay rise (2%)	Officers proposed a 2% pay allowance uplift assumption each year up to 2022/2023 which was approved by the Executive in July 2018. The industry standard for estimating future salary increases is to link it to CPI inflation, with a +’ve or –’ve variable. Based on our industry knowledge, we would be concerned if the pay inflation assumption was more than 1% different (positive or negative) from CPI inflation. Given CPI inflation is 2%, we are satisfied that the pay inflation assumption of 2% is reasonable.
Income (3%)	Your current headline assumption for income is that it is increased by 3% for 2019/20 to 2022/23 as it reflects the RPI forecast over the same period. Having obtained the most recent RPI forecasts from the bank of England, we are satisfied that 3% is in line with RPI forecasts. There is however an important caveat to this assumption which is the 3% is only applied “where there is capacity in the market”. Having performed a detailed review at the individual line level of the budget, we obtained evidence that this caveat is being applied. We identified instances, for example within car parking, where local factors and trends were taken into account rather than a blanket increase of 3%. This demonstrates that there is a level of sophistication and robustness in the process of applying general assumptions.
Council Tax increase (3.3% in 2019-2020 and 1.9% until 2022-2023)	<p>As part of the multi-year Local Government Finance Settlement (LGFS) issued in 2016, central government introduced an allowance for district councils to increase their council tax by a maximum of £5 per annum or 2%. In the medium term financial plan, your current assumption is a Council Tax increase of £5 (approximately 3%) for 2019/20 and then 1.9% for 2020/21 to 2022/23. This is a reasonable estimate in line with local government regulations.</p> <p>We also reviewed whether the council tax percentage increases agreed by the executive were correctly included in your underlying calculations which feeds into the medium term financial plan. No issues were identified from this work.</p>
Business Rates Inflation (3% in 2019-20 and 2% until 2022-2023)	The assumption for business rates inflation is linked to RPI inflation in 2019/2020 and CPI from 2020/2023. This is deemed to be a reasonable basis for the estimate.

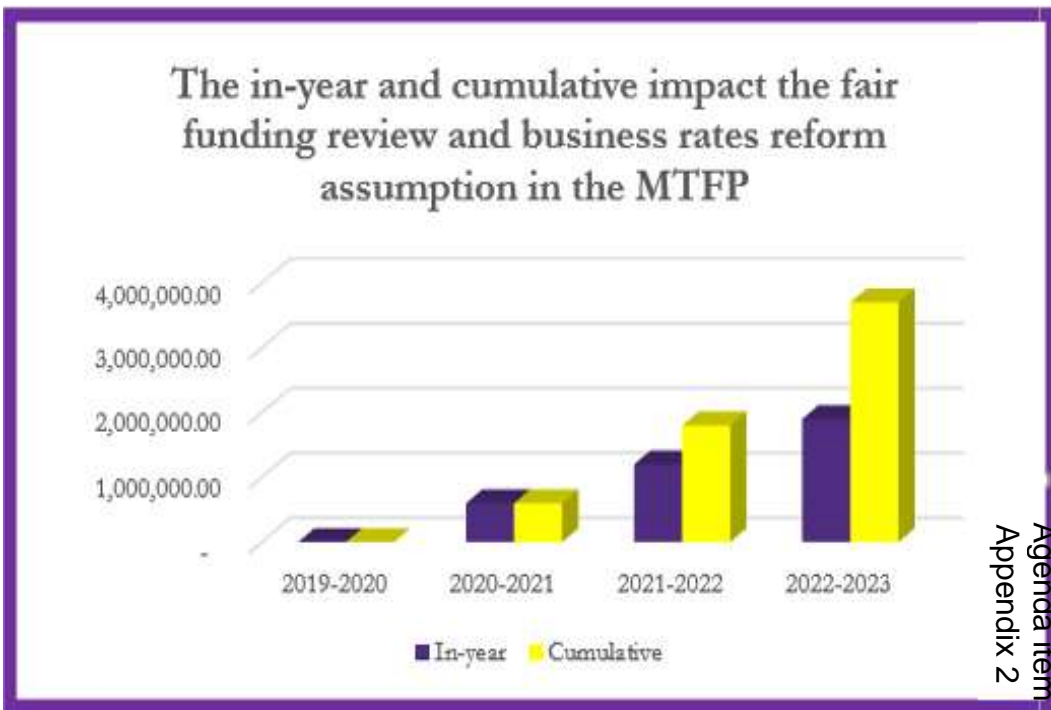
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Detailed findings (Cont'd)

1. Review and challenge the 4 year budget projections produced by the finance team to ensure that the estimates are based on evidence and/or realistic assumptions that can be supported

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Area of focus	Findings
<p>Anticipated impact of the fair funding review (FFR)</p>	<p>Within the medium term financial plan, you make an assumption that the settlement funding assessment will reduce by 20% per annum over the 4 year period to 2022/23. This assumption is based on the expectation of a reduction to baseline need following the fair funding review and an anticipation that local government will need to continue to make further reductions to meet national austerity targets.</p> <p>To put into context, the cumulative impact this assumption has over the medium term financial plan is £3.7 million which equates to 35% of the £10.4 million cumulative budget gap.</p> <p>As to whether a reduction of 20% per annum is a realistic assumption, past experience does support this assumption. The indicative LGFS for the 4 years 2016-17 to 2019-20 shows that your settlement funding assessment reduced by 24% over the period.</p> <p>In the provisional local government finance settlement released in December 2018, which has since been confirmed as final, negative RSG has been removed. This is correctly reflected in the MTFP as there is a nil impact in this period. However, after 2019-2020 the future of local government funding is uncertain due to the fair funding review, and so budgeting and forecasting in this environment is challenging. Whilst it is advisable to take a prudent view in these circumstances, as you have done, it is important that this estimation uncertainty is clearly defined and considered as part of any decision making process on the back of its impact.</p> <p>Key observation: The cumulative budget gap of £10.4 million is predicated on a number of assumptions and judgements. One of the most significant assumptions relates to the fair funding review. The cumulative impact of the fair funding review and business rates reform assumption equates to 35% of the cumulative budget gap.</p> <p>Recommendation: You should ensure that the decision making process, where applicable, takes into account and understands the impact of assumptions with a high degree of estimation uncertainty.</p>



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Detailed findings (Cont'd)

1. Review and challenge the 4 year budget projections produced by the finance team to ensure that the estimates are based on evidence and realistic assumptions that can be supported

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Area of focus	Findings					
Council tax base increase	Your Council Tax base increase assumption in the MTFP is outlined below:					
	Council Tax Base Increase	-0.5%	0.73%	0.73%	1.27%	<i>Planning applications and local plan forecast</i>
	<p>The input into the assumption used to calculate the increase in the Council Tax Base is the expected increases in housing each year. The figures for the number of new homes built each year comes from the proposed Submission Local Plan: strategy and sites, profiled over the plan period. As part of our work, we agreed the number of houses set out in the Local Plan to your underlying calculations which feeds into percentage increase figures set out above; no issues were identified from this work. You then factor in an assumed slippage on the number of houses built each year of 14%, this is considered to be reasonable and prudent.</p>					
New Homes Bonus	<p>The revenue from new homes bonus (NHB) is predicated on the same assumptions used in the Council Tax base i.e. the number of new homes built (information from the local plan). However, due to uncertainty around the future of the from 2020/21 onwards, any NHB grant received will be transferred in full to reserves in accordance with your NHB policy, adopted on 10 February 2016. Therefore the amount of NHB grant will not affect the council tax calculation or the budget gap identified from 2021/22. This is considered to be a reasonable and prudent assumption which avoids the risk of you relying on a source of funding which is highly uncertain.</p>					
Housing Rents	<p>Assumption used for housing rents appears reasonable on the basis that we have confirmed the assumptions are in line with government guidance where possible.</p>					
Average Weighted Investment Returns	<p>We obtained the latest figures for averaged weighted investment returns and agreed them to underlying calculations. Figures are calculated from information from Arlingclose, a consultancy company which specialises in Treasury management advice. We are satisfied that the estimate is based on reasonable assumptions from a credible third party.</p>					

Detailed findings (Cont'd)

1. Review and challenge the 4 year budget projections produced by the finance team to ensure that the estimates are based on evidence and/or realistic assumptions that can be supported

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Area of focus	Findings															
<p>Review and challenge assumptions related to MRP projections</p>	<p>The Minimum Revenue Provision (MRP) charge is the means by which capital expenditure which is financed by borrowing or credit arrangements is paid for by council tax payers. Local Authorities are required each year to set aside some of their revenues as provision for this debt. Your current projections for MRP are detailed below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="5" style="text-align: center;">Medium Term Financial Plan 4 Year Horizon</th> </tr> <tr> <th style="text-align: center;">2018-19</th> <th style="text-align: center;">2019-20</th> <th style="text-align: center;">2020-21</th> <th style="text-align: center;">2021-22</th> <th style="text-align: center;">2022-23</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1,200,643</td> <td style="text-align: center;">1,019,158</td> <td style="text-align: center;">2,340,691</td> <td style="text-align: center;">3,123,396</td> <td style="text-align: center;">3,870,811</td> </tr> </tbody> </table> <p>Between 2019/20 and 2022/23 the MRP charge almost quadruples from £1 million to £3.9 million. The sharp rise relates to your estimated increase in capital expenditure during the MTFP to £400 million. Within the MRP calculation we identified two key assumptions which have been subjected to challenge and review in this report as detailed below.</p> <p>Asset lives assumption</p> <p>A high level review has been conducted on all asset lives flowing through into the MRP calculation. No issues have been identified from this review, assumptions are considered to be reasonable and in line with our expectations.</p> <p>Assumptions on the timing and amount of capital expenditure</p> <p>Our review found that the MRP calculation assumes 100% delivery of capital spend in the capital programme, despite historical slippages of 65%. There is therefore a risk that the MRP forecast is over prudent as it is not based on realistic assumptions about capital delivery. Slippage impacts on the timing of when the MRP charge will increase not whether the charge will increase.</p> <p>Key observation: Review and challenge of the assumptions and judgements within the MRP forecast calculation has indicated a level of over-prudence in relation to the timing of the charge.</p> <p>Recommendation: There is scope to consider whether to re-profile the capital expenditure phasing and the associated impact on your forecasted MRP calculation.</p>	Medium Term Financial Plan 4 Year Horizon					2018-19	2019-20	2020-21	2021-22	2022-23	1,200,643	1,019,158	2,340,691	3,123,396	3,870,811
Medium Term Financial Plan 4 Year Horizon																
2018-19	2019-20	2020-21	2021-22	2022-23												
1,200,643	1,019,158	2,340,691	3,123,396	3,870,811												

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Detailed findings (Cont'd)

1. Review and challenge the 4 year budget projections produced by the finance team to ensure that the estimates are based on evidence and/or realistic assumptions that can be supported

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Area of focus		Findings																				
Interest payable		<p>As set out in the specification for this work, one of the four main contributing factors to the cumulative budget gap was thought to be “the increases in interest payable and MRP costs as a result of planned projects in the general fund capital programme”. Having already considered MRP costs, we also considered the reasonableness of interest payable cost projections.</p> <p>Set out below is the impact of interest receivable/payable over the four year MTFP horizon.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2">Budget 2018-19</th> <th rowspan="2">Probable Outturn 2018-19</th> <th colspan="4">MTFP 4 year period</th> </tr> <tr> <th>2019-20</th> <th>2020-21</th> <th>2021-22</th> <th>2022-23</th> </tr> </thead> <tbody> <tr> <td>- 677,696</td> <td>- 1,358,345</td> <td>- 877,355</td> <td>- 174,545</td> <td>806,880</td> <td>2,496,140</td> </tr> </tbody> </table> <p>The table above shows interest going from a net receivable in 2018/19 at (£678k) to a net payable by 2022/23 at (£2,496k). This has a significant impact on your MTFP and contributes to the cumulative budget gap of £10.4 million. For 2018/19 you planned for a net interest receivable of £677k but are currently projecting a net outturn interest receivable of £1.36 million due to slippage in your planned capital programme which reduced your need for external borrowing during the year. In considering options to meet your budget gap, re-phasing your capital programme is an option you should assess.</p> <p>Whilst our review has confirmed that the Council has taken a more realistic view regarding the profiling of capital spend in its interest calculations compared to the MRP calculation, it is still fair to say that the interest projections are prudent. As part of our work we also considered assumptions used about interest rates on future loans – no issues were identified.</p>					Budget 2018-19	Probable Outturn 2018-19	MTFP 4 year period				2019-20	2020-21	2021-22	2022-23	- 677,696	- 1,358,345	- 877,355	- 174,545	806,880	2,496,140
Budget 2018-19	Probable Outturn 2018-19	MTFP 4 year period																				
		2019-20	2020-21	2021-22	2022-23																	
- 677,696	- 1,358,345	- 877,355	- 174,545	806,880	2,496,140																	
Review of the financial risk register	<p>As part of the budget process, each year, a financial risk register is compiled to clearly articulate financial risks to the general fund. This is considered to be good practice, and having reviewed the financial risk register in detail, it is clear that the current arrangements are robust with clear identification of the risk owner, systematic scoring of the risks and current mitigations in place to manage the risk. Comparisons between the 2018/19 and 2019/2020 risk registers demonstrates that the analysis is well thought out and not a simple roll-forward exercise from the previous year.</p>																					

Detailed findings (Cont'd)

2. Review the 2018-19 in year financial performance, in particular looking at the underlying financial position by assessing if over / under spends in year are one-off or on-going

Area of focus	Findings
<p>Review of the month 8 financial monitoring report</p>	<p>You are forecasting an underspend on the general fund revenue account of £792k which equates to 2.13% of the original net budget. The main cause for the underspend is a reduction in the MRP charge to the general fund as a result of slippages in capital schemes.</p> <p>From our review of the financial monitoring reports, it was difficult to conclude what your underlying position was. In part this is due to the way you report your use of reserves within the general financial position. It is difficult to easily determine the extent to which you are using reserves to pump-prime one-off investment or whether you are meeting a budget deficit through use of reserves. Greater clarity on the use of reserves will make it more transparent for you to demonstrate your underlying financial position.</p> <p>Recommendation: To improve transparency in your budget monitoring reports for where reserves are being used to pump-prime investments and where they are being used to fund service overspends</p>
	<p>Efficiencies and savings are embedded within budgets and monitoring is undertaken at the budget level. It is therefore difficult to clarify whether savings are being delivered or not. It is helpful to monitor delivery of savings and efficiencies separately together with their impact on the budget. Where organisations are able to identify savings separately they have the opportunity to learn which type of savings are delivered successfully and which are not. There is a risk that underlying issues in managing savings plans are masked by unplanned easing of budget pressures elsewhere.</p> <p>Recommendation: To improve transparency in your budget monitoring reports by showing more clearly progress on delivery of savings and efficiencies</p>
	<p>In the appendix to the main monitoring report is another report which shows detailed information for each service split between direct expenditure, income and indirect costs. The document also provides detailed commentary to explain the reason for variations between projected outturn and budget. This document runs to 31 pages and provides a significant amount of information. It is however difficult to disseminate the key messages and risks to the financial position. Within the 31 page document, some significant variations are identified which require considered thought, scrutiny and potential actions. To this end, services with the larger variances are picked out and reported in the main monitoring document to ensure due prominence is given. The detailed report provides information on why a variation has occurred however it is less easy to identify the context of the financial risk or what mitigating actions may or may not be taking as a result.</p> <p>Recommendation: Significant variances between budget and outturn at the service level should have greater prominence in the financial monitoring report. A greater level of detail should be included against each significant variance, including what mitigating actions are being proposed. Together this can help build financial accountability and ownership.</p>

Detailed findings (Cont'd)

2. Review the 2018-19 in year financial performance, in particular looking at the underlying financial position by assessing if over / under spends in year are one-off or on-going

Area of focus	Findings
<p>Benefits realisation</p>	<p>A significant proportion of your discretionary investment spend and planned savings within your medium term forecast and future Guildford blueprint relates to change and transformation programmes within the organisation. This in turn depends on planned benefits from transformation being realised in line with business case forecasts. Delivery of financial and non financial benefits is key to your transformation success and long term financial sustainability.</p> <p>Benefits realisation is an area that has proved difficult to do well across the public sector and many public sector organisations. Based on interviews with your team, you have a mixed track record of achieving the planned for benefits. You do have a process with model template business cases in place however your team has expressed a view that the quality of submitted business case varies including the following issues:</p> <ul style="list-style-type: none"> • Poor articulation of non-financial benefits in business cases • A lack of governance arrangements to monitor and track the benefits from individual projects • No post implementation review of projects back to original business case to assess whether benefits have been achieved as intended leading to a lack of arrangements for sharing best practice as well as 'lessons learnt' <p>It is important that change and transformation programmes achieve the intended benefits and therefore this is an area where you should consider taking action.</p> <p>We discussed the arrangements for benefits realisation with a number of relevant officers and in all cases, a similar view was shared. Overall, the arrangements were not considered to be robust and this was partly due to skills and capacity but also a general culture and attitude within the authority. From these discussions we identified three recommendations:</p> <p>Recommendation: Review and strengthen your arrangements to identify, monitor and deliver financial and non-financial benefits from projects.</p> <p>Recommendation: Consider the capacity and skills required to manage future change programmes and obtain additional support where gaps are identified</p> <p>Recommendation: Continue to embed a culture of ownership of financial management across the organisation.</p>

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Detailed findings (Cont'd)

3. Provide commentary on the context of local government funding nationally and in particular, review the impact of the national funding proposals on district / borough (2nd tier Councils)

Area of focus	Findings
	<p>Local government funding is entering a period of significant uncertainty. The initial round of 4 year settlements are due to start expiring in the next financial year, and the current high levels of political and economic uncertainty make it unclear what the financial position for the next 3 to 5 years will be. Therefore, councils need to be planning their finances for a range of scenarios and anticipating risk. The Council's medium-term financial plan and the creation and maintenance of adequate financial reserves are the key means by which this uncertainty can be managed. Failure to make decisions early enough or the premature depletion of reserves to fund services in lieu of making efficiencies, can be a key characteristic of Council's who find themselves with significant financial problems. Key areas of financial uncertainty facing Guildford in the medium term include:</p> <ul style="list-style-type: none"> • Negative RSG – The government had calculated that in order to fund local government within its reduced financial envelope, some councils with proportionally higher levels of business rates collected (including Guildford) would need to pay an additional levy back to government, reducing the income retained to fund services. This levy, known as 'Negative RSG', has now been confirmed to be removed for 2019-2020. However, this is likely to be only a temporary reprieve as the problem of how to redistribute the limited available funding for local government remains acute. • Fair funding review – For some time councils have highlighted the need to reform the way that local government is financed. The fair funding review is currently underway and will feed into the wider Government spending review expected in 2019. A key driver is the need to divert more funding to demand led services in the top tier of local government as well as to address longstanding demographic and other imbalances. Because of this, there is a greater risk that proportionally less funding will be available for district councils in future settlement. Given the uncertainty and the risk outlined above, we feel it appropriate for tier 2 councils to include prudent assumptions regarding the outcome of the fair funding review. • Government Policy – As noted, a wider government spending review is expected in 2019 which will set funding envelopes for the MHCLG from 2020 onwards. This will directly impact on the total funding available for local government in the medium term. The Government continues to face significant financial challenges in managing the deficit as well as meeting spending commitments in areas such as the NHS and defence. Therefore, while the intention is that a period of growth in public spending will replace 'austerity' this is heavily dependent on other economic factors working in the government's favour and further austerity cannot be ruled out with confidence. In addition, the current political conditions are such that a change in government and/or its priorities for local government cannot be ruled out, creating further uncertainty.

Detailed findings (Cont'd)

Area of focus	Findings
<p>3. Provide commentary on the context of local government funding nationally and in particular, review the impact of the national funding proposals on district / borough (2nd tier Councils)</p>	<ul style="list-style-type: none"> • Prospects for the UK economy – Local government is now more directly reliant on local taxation and growth in its tax base than in the past. It therefore faces increased exposure to the risk of economic downturn, e.g. through lost revenue from business rate growth, council tax and new homes bonus, alongside the potentially higher costs of supporting the community. Many economists predict that Brexit could result in at least some short-term economic impact and coupled with signs of slower growth in the global economy, there is a possibility that the risk of an economic recession should at least be considered within the medium-term planning horizon • Local factors - Surrey County Council's has announced financial recovery plans that will focus more on statutory services and Children's and Adults in particular. This could lead to a vacuum in some areas of discretionary spend where County and district services in the community overlap or complement one another. Given the situation, Guildford may find itself under pressure to backfill services and incur additional costs, for example in regard to projects that promote economic growth and social cohesion, as well as support for residents who encounter economic hardship.

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Detailed findings (Cont'd)

4. To provide an independent review (sense check) of the approach the Future Guildford Transformation Programme proposes.

Area of focus	Findings
	<p>In response to your identified financial gap you commissioned Ignite Consulting to consider future options. In November 2018, Ignite Consulting presented a report entitled “Guildford Borough Council Future Operating Model Blueprint”. It set out to provide the ‘blueprint’ for the delivery of an ambitious transformation programme for Guildford Borough Council. The report included a refined business case, an organisational design and a costed implementation approach and plan.</p> <p>Across the local government sector, and indeed public services in general, there are very few organisations that have not undergone major transformation of the kind set out in the “Future Guildford Model” since 2013/14. In our experience, transformation has become so prevalent that <i>change</i> has become the new “business as usual”. The stimulus for change is often borne out of financial pressures. Where we see major transformation done best, the main focus for the entire organisation is on the non-financial benefits. Often, there are many aspects of these transformation projects which are good, in and of themselves because of the non-financial benefits. Councils need to consider whether a transformation delivers benefits for its residents beyond the impact on the financial position. Having the arrangements to be able to identify the non-financial benefits pertaining to individual projects within the overall transformation plan is therefore key in being able to make informed decisions and prioritise accordingly.</p> <p>The report represents your ambition with significant investment. As you consider how to progress the recommendations in this report you may want to consider the following:</p> <ul style="list-style-type: none"> • How you can be assured that the business case has been produced with high level of engagement with your organisation? In our experience, the greater the level of engagement, the more realistic and deliverable the change programme will be. • This proposal represents a significant investment, how can you be assured that you have considered appropriate alternatives including doing nothing. Cost benefit • How have you articulated the non financial benefits of this proposal? Many transformational programmes aim to deliver more benefits beyond the financial and these need to be clearly articulated • Do you understand what the financial and non-financial benefits/consequences are of each phase of the change and to what extent has this analysis has been subject to robust scrutiny and challenge? If these arrangements are not in place there is a risk of unintended consequences which may be difficult or even impossible to reverse.

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Detailed findings (Cont'd)

4. To provide an independent review (sense check) of the approach the Future Guildford Transformation Programme proposes.

Area of focus	Findings
4. To provide an independent review (sense check) of the approach the Future Guildford Transformation Programme proposes.	<ul style="list-style-type: none">• To what extent does the transformational change set out in 'Future Guildford' have an impact on assumptions within your MTFP e.g. whether redundancies will alter the vacancy rate %? If interdependencies are unclear there will be a risk of unintended consequences.• In your assessment of this proposal, how have you assessed the sensitivity of upward pressure on costs and downward pressure on benefits realisation? In our experience, transformation projects often experience increased costs whilst also reducing the expected benefits.• How have you learnt from your track record of achieving intended benefits of previous projects? The organisations who learn from previous experiences achieve a greater proportion of the intended benefits.

Agenda item number: 7
Appendix 2



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Corporate Governance and Standards Report

Ward(s) affected: All

Report of Director of Finance

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Date: 28 March 2019

Financial Monitoring Report (April 2018 – January 2019)

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 to January 2019.

Officers are projecting a reduction in net expenditure on the general fund revenue account of £2,516,169. This is the result of a reduction in the statutory Minimum Revenue Provision (MRP) charge to the general fund to make provision for the repayment of past capital debt. This lower than budgeted MRP charge reflects a re-profiling of capital schemes, which has also had a positive impact on the level of our cash balances and assumed external borrowing costs, which have combined to produce higher than budgeted net interest receipts. At service level, the projected outturn is £840,958 lower than the latest estimate once adjusted for items either funded from reserve or transferred to reserve. It is currently assumed, subject to consultation with the Lead Councillor for Finance and Asset Development, that the underspend will be transferred to the Invest to Save reserve to pump prime the Future Guildford Transformation project.

A surplus on the Housing Revenue Account will enable a projected transfer of £6.8 million to the new build reserve and £2.5 million to the reserve for future capital at year-end. The transfer is £216,947 lower than budgeted and is largely a consequence of the application of a risk-free interest rate on HRA reserve balances reflecting the allocation of risk between the general fund and the HRA.

Officers are making progress against significant capital projects on the approved programme as outlined in section 7. The Council expects to spend £50.13 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 progress in delivering the Council's capital programme and corporate plan objectives.

The Council's underlying need to borrow to finance the capital programme is expected to

be £31.48 million by 31 March 2019, against an estimated position of £71.15 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 the report.

The Council held £118.9 million of investments and £212.5 million of external borrowing at 31 January 2019, which includes £193 million of HRA loans. Officers confirm that the Council has complied with its Prudential indicators in the period, which were set in February 2018 as part of the Council's Capital Strategy.

Recommendation to Corporate Governance and Standards Committee

That the Committee notes the results of the Council's financial monitoring for the period April 2018 to January 2019 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 2018 to January 2019.

2. Strategic Priorities

- 2.1 Councillors have reviewed and adopted an ambitious corporate plan for the period 2018-2023. 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 2019 (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 Council's Corporate Management Team (CMT), Chief Finance Officer and deputy, and officer capital programme monitoring group review monitoring reports. Financial monitoring for all services is reported to the Council's Corporate Governance and Standards Committee on a regular basis.
- 3.3 This report sets out the financial monitoring and covers:
- (a) general fund revenue monitoring (section 4)
 - (b) housing revenue account monitoring (section 5)
 - (c) treasury management (section 6)
 - (d) capital programmes (section 7)

4 General Fund Revenue Account monitoring

- 4.1 **Appendix 1** shows the summary monitoring report for the general fund revenue account. Officers have prepared the projected outturn on 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 virement or supplementary estimates approved since the original budget was set in February 2018.
- 4.3 At total service level, after adjustment for movements to and from reserve, the projected outturn is £840,958 lower than the latest estimate.
- 4.4 Net external interest receivable is projected to be £1,269,758 higher than our original estimate. The reason for this improvement is set out in paragraph 6.7 below.
- 4.5 The Minimum Revenue Provision (MRP), based on the Capital Financing Requirement (CFR) at 31 March 2018 for the purposes of this report is shown as £795,190. This is £405,453 lower than originally estimated. The reduction is due to slippage in the capital programme experienced during 2017-18.
- 4.6 The overall projected position for net expenditure is £2,516,169 lower than estimate.
- 4.7 The table below shows the supplementary estimates and virements approved to date.

Supplementary Estimates 2018-19

Service/Description	Approval Date	Committee	Value
Nil			
TOTAL			£NIL

Virement Record 2018-19

Service/Description	Nature of Virement	Approved by	Date of Approval	Value £
Homelessness Realignment of coding structures	Recurrent	Claire Morris	21 Apr 18	260,170
Asset Development Consolidation of Maintenance Budgets	Recurrent	Claire Morris	08 May 18	1,063,500
Realignment of service responsibility for Tree Management	Recurrent	Claire Morris	16 Aug 18	75,000
Major Projects - various schemes	Non-Recurrent	CMT/Claire Morris	28 Aug 18	349,801
Senior Management Restructure - transformation saving	Recurrent	Claire Morris	4 Sept 18	286,440
Delivery of Internal Audit function - transformation saving	Recurrent	Claire Morris	5 Sept 18	159,800
Web team resourcing - post transferred from e-payments team	Recurrent	Claire Morris	22 Oct 18	21,950
Chinese Business Opportunities	Non-Recurrent	CMT/Claire Morris	30 Oct 18	6,500
Dog Control – service transferred between directorates	Recurrent	Claire Morris	30 Oct 18	25,320
Impact study into Brexit	Non-Recurrent	CMT/Claire Morris	22 Nov 18	12,000
Guildford Community Lottery	Non-Recurrent	Claire Morris	22 Nov 18	7,400
Planned repair and maintenance to Month 8	Non-Recurrent	Claire Morris	30 Nov 18	246,040
Valuer Fees Virement	Recurrent	Claire Morris	13 Dec 18	20,000
Data Audit – SMART Places Platform	Non-Recurrent	Claire Morris	9 Jan 19	7,000
Planned repair and maintenance Month 9 and 10	Non-Recurrent	Claire Morris	28 Jan 19	108,740
TOTAL				2,649,661

Major Service Variances

4.8 **Appendix 2** provides detailed information on variances at a service level.

5 Housing Revenue Account

5.1 **Appendix 3** shows the budget monitoring report for the Housing Revenue Account (HRA) for the period April 2018 to January 2019. The report shows that HRA gross service expenditure is projected to outturn at 100.94% of the budgeted level, whilst income is projected to be 100.13% of the budgeted level. The projected outturn would enable a transfer of around £9.3 million to the new build reserve and the reserve for future capital.

- The rental income estimate for 2018-19 included a prudent allowance for Right to Buy (RTB) sales and the re-commissioning of units. Rental income is projected to be £100,840 (0.34%) lower than budgeted.
 - It is projected that salary related expenditure; net of temporary staffing, vacancy credit and redundancy costs may result in a saving against budget of up to £141,000.
 - Emphasis continues to be on planned rather than responsive maintenance, supported by the benefits accruing from past levels of expenditure on planned capital and revenue maintenance works. At this point of the year, the projected expenditure on repairs and maintenance remains as per the budget.
 - 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. This is consistent with the HRA Business Plan, which prioritised the provision of additional housing. This approach will be subject to regular review and an updated business plan will be submitted reflecting constraints placed on the HRA by the prevailing legislation.
- 5.2 Tenancy arrears remain stable and are consistent with the assumptions contained in the business plan. Particular attention is paid to introductory tenancies (tenants of less than 12 months), as they often have no previous experience of managing a household budget or of renting a property.
- 5.3 In measures announced in the Social Housing Green Paper, the plan to impose a higher-value asset levy on social housing providers was scrapped, and the relevant provisions of the Housing and Planning Act 2016 repealed. This will mean that, for the first time in many years, councils will be able to prepare longer-term HRA business plans without the threat of imposition of the levy and the sale of so-called higher-value council housing and the consequent loss of vital future rental income entailed.
- 5.4 The proposals for reform in the way in which councils are able to use receipts from the sale of council houses under the statutory Right to Buy, issued alongside the green paper, are also to be welcomed – as is the government’s announcement to remove of the borrowing cap on councils’ housebuilding.

6 Treasury Management

- 6.1 The Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on Treasury Management (“the Code”) recommends that Councillors are informed of treasury management activities at least twice a year. This report therefore ensures the Council is embracing best practice in accordance with CIPFA’s recommendations by reporting quarterly to Councillors.

Debt management

6.2 We have a substantial long-term PWLB debt portfolio for the HRA totalling £193 million. Currently, the general fund is 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 month 10.

Loan type		Balance 01 April 18 £000	New loans £000	Loans repaid £000	Balance 31 Jan 19 £000	Weighted average rate of
PWLB						3.16%
Variable		45,000	0	0	45,000	
Fixed	Maturity	147,435	0	0	147,435	
	EIP	690	0	(115)	575	
Total long-term Loans		193,125	0	(115)	193,010	
Temporary Loans		48,500	60,500	(89,500)	19,500	0.83%
Total Loans		241,625	60,500	(89,615)	212,510	

Investment activity

6.4 During the period, we have continued with the diversification of our in-house investment portfolio into 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 2018-19 is £1.6 million; the projected outturn is £2.1 million. The gross cash balances representing the Council's reserves and working balances at 31 January 2019 available for investment were £119 million and net of short-term borrowing £100 million.

6.6 The Council's budgeted external interest cost, which relates to short and long-term borrowing, for the year is £6.03 million and the outturn is projected to be £5.4 million.

6.7 The original net interest receivable budget was £677,000. As at 31 January, we are projecting this will outturn at £1.94 million. This results from a reduction of £724,000 in interest payable on external borrowing assumptions. The reduction in external borrowing interest cost includes £64,000 relating to the budgeted loan for Clay Lane link road, £300,000 for Major Projects strategic property capital expenditure and £200,000 relating to a liquidity buffer loan. On 2 August 2018, the Bank of England increased the base rate by 0.25% to 0.75%. This has resulted in higher investment returns on our variable interest rate investments.

6.8 The Council's annualised weighted return on investments for the period to January 2019 was 1.336% against an estimate of 1.629%.

6.9 The table below summarises the Council's investment activity for April to January 2019.

Investment	Principal invested £000	Balance 01 April 18 £000	Movement in investment £000	Change in capital value £000	Balance 31 Jan 19 £000	Weighted average rate of interest
<u>Investment Funds</u>						
Payden & Rygel	5,000	5,007	0	(13)	4,995	0.64%
CCLA	5,000	6,652	0	133	6,785	4.37%
M&G	2,008	2,572	0	98	2,670	2.48%
Schroders	1,000	884	0	(15)	870	7.58%
Funding Circle	490	490	0	12	503	1.51%
UBS	2,500	2,336	0	(75)	2,261	2.98%
City Financial	2,500	2,303	0	(52)	2,251	3.78%
<u>In- House Investments:</u>						
Call Accounts		436	(436)		0	0.36%
Money Market Funds		8,324	9,760		18,084	0.63%
Notice Accounts		11,000	0		11,000	0.81%
Temporary Fixed Deposits		35,000	(20,000)		15,000	0.93%
Certificates of Deposit		3,000	(3,000)		0	0.64%
Unsecured bonds		5,803	(503)		2,300	0.76%
Covered Bonds		30,829	(2,629)		23,200	0.97%
Long Term Fixed Deposits		16,500	5,000		21,500	1.53%
Revolving Credit Facility		2,500	5,000		7,500	2.30%
Total Investments		133,637	(6,808)		118,919	

- 6.10 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. The Council has an earmarked reserve available to utilise in the event of a loss, thus minimising the impact on the general fund.

Prudential Indicators

- 6.11 Officers confirm that the Council has complied with its Prudential indicators in the period, which were set in February 2018 as part of the Council's Treasury Management Strategy Statement.

Authorised limit and Operational Boundary for External Debt

- 6.12 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.
- 6.13 The Council's authorised borrowing limit was set at £591 million for 2018-19.
- 6.14 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.
- 6.15 The operational boundary was set at £535 million for 2018-19.

- 6.16 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 £241.6 million.

7 Capital Programmes

- 7.1 **Appendices 4 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 2018 for each scheme
- the estimate for 2018-19 as approved by Council in February 2018
- the 2018-19 revised estimate which takes into account the approved estimate, any project underspends up to 31 March 2018, and any virement or supplementary estimates
- 2018-19 current expenditure
- 2018-19 projected expenditure estimated by the project officer

- 7.2 The table below summarises the current position on the various strands of the Council's capital programme. Detailed explanation is provided in paragraphs 7.3 to 7.11 below.

CAPITAL EXPENDITURE SUMMARY	2018-19 Approved £000	2018-19 Revised £000	2018-19 Outturn £000	2018-19 Variance £000
General Fund Capital Expenditure				
- Main Programme	54,932	59,246	44,509	(14,737)
- Provisional schemes	40,458	33,941	384	(33,557)
- Schemes funded by reserves	4,351	6,175	4,890	(1,285)
- S106 Projects	0	350	350	0
- Affordable Housing (General Fund)	0	0	0	0
Total Expenditure	99,741	99,712	50,133	(49,580)
Housing Revenue Account Capital Expenditure				
Approved programme	14,876	15,242	13,659	(1,584)
Provisional programme	7,830	7,830	442	(7,388)
Total Expenditure	21,970	23,072	14,101	(8,972)

Approved (main) programme (Appendix 4)

- 7.3 Expenditure is expected to be £44.5 million representing a £14.7 million variance to the revised estimate of £59.2 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 £30.9 million may seem low, a number of significant projects are in progress. These include:

- ED25 – Guildford Park infrastructure works (£4.76 million) - this scheme received planning consent in November 2016 and initial works are progressing. A significant amount of the cost of this project is still on the provisional capital programme awaiting final business case approval.

- ED6 – Slyfield area Regeneration Project (SARP) (£1.76 million) - work is progressing on the detailed design, pre-planning and site investigation work for this scheme to inform the final business case. The budget for the full scheme is still on the provisional capital programme.
- PL9 – Crematorium rebuild (£5 million) – work is progressing on this scheme which is scheduled for completion in 2019-20
- ED32 – Internal Estate Road CLLR Phase 1 (£4.96 million)
- ED49 – Midleton Industrial Estate redevelopment (£1.8 million)

7.4 In addition to the schemes outlined above, the re-profiling of the following significant amounts that were due to be spent on schemes or projects in 2018-19 will now be carried forward into 2019-20 or vice versa.:

- North Downs Housing investment (£16.29 million) – spend now expected between 2019-2022.
- TCMP sites – Bedford Road Wharf (£15.75 million) – spend now in 2018-19 originally expected in 2019-20.
- PL9 – Crematorium rebuild (£5.43 million) – work is progressing on this scheme which is scheduled for completion in 2019-20

Provisional programme (Appendix 5)

7.5 Expenditure on the provisional programme is expected to be £0.38 million, against the revised estimate of £33.94 million, representing a variance of £33.58 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:

- ED25(p) – Guildford Park new MSCP and infrastructure works (£18.62 million)
- ED48(p) – Westfield/Moorfield Road resurfacing (£3.15 million)

The re-profiling of schemes has resulted in a significantly lower level of expenditure than planned in 2018-19.

7.6 A number of other projects, that were also anticipated to start in 2018-19 have been re-profiled into future years including:

- PL16(p) - New burial ground acquisition and development (£2.46 million)
- PR7(p) - Town Centre transport infrastructure package (£4 million)
- ED22(p) - Energy efficiency compliance council owned properties (£1.15 million)

S106 (Appendix 6)

7.7 Capital schemes funded from s106 developer contributions are expected to total £350,000.

Reserves (Appendix 7)

7.8 Capital schemes funded from the Council's specific reserves. The outturn is anticipated to be £4.89 million. The main projects are:

- expenditure on car parks £1.79 million
- ICT renewals £1.5 million
- ICT infrastructure improvement £1.25 million

Capital resources (Appendix 8)

7.9 When the Council approved the budget, the estimated underlying need to borrow for 2017-18 was £71.1 million. The current estimated underlying need to borrow is £31.48 million. The reduction is due to slippage in the programme where schemes are re-profiled into future years.

Housing Investment Programme Approval Capital (Appendix 9)

7.10 The HRA approved capital programme is expected to outturn at £13.66 million against a revised estimate of £15.2 million. A number of projects are in progress. These include:

- Guildford Park - initial works are progressing, a significant amount of the cost of this project is still on the provisional capital programme awaiting final business case approval.
- Appletree - works are progressing with completion due in May 2019.
- Great Goodwin Drive - works are ongoing, completion is due this financial year.
- Ladymead/Fire Station – works started on site in Autumn 2018.

Housing Investment Programme Provisional Capital (Appendix 10)

7.11 The provisional programme's budget was £7.8 million with expenditure anticipated this financial year of £0.44 million. This programme includes provision for the opportunity purchase of land and housing for development, which is dependent on the availability of suitable sites. Changes to the profiling of expenditure on the Guildford Park and Bright Hill redevelopments contributed to a position where expenditure is lower than originally anticipated in 2018-19.

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 arising from this report.

13 Summary of Options

13.1 This report outlines the anticipated outturn position for the 2018-19 financial year based on ten months actual data. There are no specific recommendations and therefore no options to consider.

14 Conclusion

14.1 The report summarises the financial monitoring position for the period April to January for the 2018-19 financial year.

14.2 Officers are currently projecting a reduction in net expenditure of £2,516,169 on the general fund revenue account. The main reasons for this are set out in the table in paragraph 4.8.

14.3 The Chief Finance Officer in consultation with the Lead Councillor for Finance and Asset Development will determine the treatment of any balance as part of closing the 2018-19 accounts.

14.4 The surplus on the Housing Revenue Account will enable a transfer of £6.8 million to the new build reserve and £2.5 million to the reserve for future capital at year-end.

- 14.5 Actual expenditure incurred on our general fund capital programme for the period has been comparatively low against the programme envisaged at the 1 April 2018. Officers are making progress against significant capital projects on the approved programme as outlined in section 7. The Council expects to spend £50.13 million on its capital schemes by the end of the financial year.
- 14.6 It is anticipated that the Council's underlying need to borrow to finance the capital programme will be £31.48 million by 31 March 2019. The Council has complied with Prudential Indicators during the period with the exception of the upper limit on variable interest rates.
- 14.7 At the end of January 2019, the Council had £118.9 million of current investment balances.

15 Background Papers

None

16 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 approved capital programme
Appendix 10: Housing Revenue Account provisional capital programme

Appendix 1 Latest

Actual 2017-18 £	GENERAL FUND SUMMARY [APRIL 2018-JANUARY 2019]	Estimate 2018-19 £	Estimate 2018-19 £	Projection 2018-19 £
5,730,610	Community Services	6,566,430	(81,171)	(1,218,002)
3,660,491	Corporate	4,182,470	0	0
(64,620)	Planning and Regeneration	(940,790)	7,559,504	6,497,328
10,228,910	Environment	12,541,840	12,687,157	11,399,812
(152,784)	Managing Director	(720,960)	388,125	495,268
1,683,406	Finance	4,265,080	7,856,600	6,962,908
21,086,013	Total Directorate Level	25,894,070	28,410,215	24,137,314
(11,858,453)	Depreciation (contra to Service Unit Budgets)	(11,622,280)	(11,622,280)	(11,623,096)
9,227,560	Directorate Level excluding depreciation	14,271,790	16,787,935	12,514,218
(1,594,679)	External interest receivable (net)	(677,696)	(677,696)	(1,947,454)
573,852	Minimum Revenue Provision	1,200,643	1,200,643	795,190
(18,174)	Revenue income from sale of assets	0	0	0
	Revenue Contributions to Capital Outlay (RCCO)			
1,000,000	Met from: Capital Schemes reserve	0	0	0
1,204,102	Other reserves	862,000	862,000	862,000
0	General Fund	0	0	0
10,392,661	Total before transfers to and from reserves	15,656,737	18,172,882	12,223,954
	Transfers to and from reserves			
	Capital Schemes reserve			
(1,000,000)	Funding of Revenue Contribution to Capital Outlay	0	0	0
120,000	Contribution in year	0	0	0
(733,838)	Budget Pressures reserve	(975,227)	(975,227)	(129,227)
2,499,270	Business Rates Equalisation reserve	2,097,217	2,097,217	2,296,217
250,532	Car Park Maintenance reserve	(999,580)	(999,580)	(209,006)
32,500	Election Costs reserve	62,500	62,500	62,500
384,198	Housing Revenue Account	804,490	804,490	474,278
12,138	Insurance reserve	(5,630)	(5,630)	16,089
48,007	IT Renewals reserve	227,880	227,880	247,620
(285,948)	Invest to Save reserve	155,450	155,450	(14,421)
(193,496)	Local Authority Business Growth Incentive reserve	0	0	0
37,815	New Homes Bonus reserve	(269,969)	(269,969)	(217,685)
55,613	On Street Parking Reserve	46,190	46,190	(137,451)
1,577,983	Pensions Reserve (Statutory)	0	0	0
0	Recycling reserve	0	0	(300,000)
(65,050)	Spectrum reserve	181,510	181,510	181,510
2,180,826	Carry Forward Items	0	(2,516,145)	(905,634)
1,884,897	Other reserves	(215,630)	(215,630)	661,025
17,198,108	Total after transfers to and from reserves	16,765,938	16,765,938	14,249,769
	Business Rates Retention Scheme payments			
29,737,627	Business Rates tariff payment	22,269,018	22,269,018	22,269,018
0	Business Rates tariff payment to MHCLG	(475,774)	(475,774)	(475,774)
(475,758)	Business Rates levy payment to Surrey - Croydon Pool	0	0	0
0	Business Rates pilot gain from Surrey Pilot Pool	(351,982)	(351,982)	(351,982)
	Non specific government grants			
(1,183,169)	s31 grant re BRR scheme	(1,413,309)	(1,413,309)	(1,413,309)
(20,232)	s31 grant re council tax	0	0	0
(101,789)	Transition grant	0	0	0
(20,103)	New Burdens grant	0	0	0
(2,075,466)	New Homes Bonus grant	(1,200,586)	(1,200,586)	(1,200,586)
43,059,218	GUILDFORD BOROUGH COUNCIL NET BUDGET	35,593,305	35,593,305	33,077,136
1,576,106	Parish Council Precepts	1,631,985	1,631,985	1,631,985
44,635,324	TOTAL NET BUDGET	37,225,290	37,225,290	34,709,121
(35,250,674)	Business Rates - retained income	(26,159,016)	(26,159,016)	(26,159,016)
(319,407)	Revenue support grant	0	0	0
654,015	Collection Fund Deficit - Business Rates	52,958	52,958	52,958
(120,602)	Collection Fund Surplus - Council Tax	38,032	38,032	38,032
9,598,656	COUNCIL TAX REQUIREMENT	11,157,264	11,157,264	8,641,095
	Projected (under)/over spend			(2,516,169)
	Movement in MRP and External Interest			1,675,211
	Adjusted Projection			(840,958)

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COMMUNITY SERVICES

Revised Budget Projected Outturn Variance Notes

SERVICE SUMMARY			
Direct Expenditure	15,333,629	15,700,878	367,249
Income	(19,377,860)	(20,717,724)	(1,339,864)
Total Directly Controllable (Income)/Expenditure	(4,044,231)	(5,016,846)	(972,615)
Indirect Expenditure	3,963,060	3,798,844	(164,216)
Net (Income)/Expenditure	(81,171)	(1,218,002)	(1,136,831)

BUILDING MAINTENANCE

Direct Expenditure	3,311,410	3,932,686	621,276	A variation in the level of work undertaken, including an increase in resources to reduce the length of void periods for HRA properties. These additional costs will be recharged to the Housing Revenue Account.
Income	(3,409,530)	(4,030,856)	(621,326)	
Total Directly Controllable (Income)/Expenditure	(98,120)	(98,170)	(50)	
Indirect Expenditure	91,360	91,410	50	
Net (Income)/Expenditure	(6,760)	(6,760)	0	

GYPSY AND TRAVELLER SITES

Direct Expenditure	116,690	94,532	(22,158)	Vacant post.
Income	(169,720)	(191,180)	(21,460)	Unbudgeted management fee income .
Total Directly Controllable (Income)/Expenditure	(53,030)	(96,648)	(43,618)	
Indirect Expenditure	31,200	31,280	80	
Net (Income)/Expenditure	(21,830)	(65,368)	(43,538)	

CITIZENS ADVICE BUREAU

Direct Expenditure	283,420	283,410	(10)
Total Directly Controllable (Income)/Expenditure	283,420	283,410	(10)
Indirect Expenditure	1,770	1,780	10
Net (Income)/Expenditure	285,190	285,190	0

CIVIL EMERGENCIES

Direct Expenditure	58,310	53,307	(5,003)
Total Directly Controllable (Income)/Expenditure	58,310	53,307	(5,003)
Indirect Expenditure	3,810	3,820	10
Net (Income)/Expenditure	62,120	57,127	(4,993)

COMMUNITY SERVICES	Revised Budget	Projected Outturn	Variance	Notes
CORPORATE PROPERTY SERVICES				
Direct Expenditure	1,851,677	1,455,673	(396,004)	Planned maintenance costs are forecast to be lower than budget due to delays in consents and the procurement process. Salaries are below budget due to vacancies in the team, partly covered by temporary staff and leading to a lower recovery rates of support recharges (see below). It is anticipated the Surveyor posts will be recruited by the end of February.
Income	(1,087,510)	(886,096)	201,414	
Total Directly Controllable (Income)/Expenditure	764,167	569,577	(194,590)	
Indirect Expenditure	335,540	143,343	(192,197)	
Net (Income)/Expenditure	1,099,707	712,920	(386,787)	
DAY SERVICES				
Direct Expenditure	619,160	625,910	6,750	
Income	(205,050)	(201,666)	3,384	
Total Directly Controllable (Income)/Expenditure	414,110	424,244	10,134	
Indirect Expenditure	165,110	162,452	(2,658)	
Net (Income)/Expenditure	579,220	586,696	7,476	
EMERGENCY COMMUNICATIONS SYSTEM				
Direct Expenditure	263,720	260,371	(3,349)	
Income	(359,780)	(400,552)	(40,772)	Increased subscriptions to the service.
Total Directly Controllable (Income)/Expenditure	(96,060)	(140,181)	(44,121)	
Indirect Expenditure	59,220	59,250	30	
Net (Income)/Expenditure	(36,840)	(80,931)	(44,091)	
EMI SERVICES				
Direct Expenditure	276,500	264,600	(11,900)	Savings in employee costs due to substantive vacancies.
Income	(156,020)	(129,491)	26,529	Reduction in grant support from Surrey County Council.
Total Directly Controllable (Income)/Expenditure	120,480	135,109	14,629	
Indirect Expenditure	19,490	19,190	(300)	
Net (Income)/Expenditure	139,970	154,299	14,329	

COMMUNITY SERVICES**ENVIRONMENTAL CONTROL**

	Revised Budget	Projected Outturn	Variance	Notes
Direct Expenditure	432,950	467,088	34,138	Costs associated with joint working with Surrey Heath BC are included in the projection (grant receipt included in income) The £25,000 funding received in 2017-18, and held in reserve, will be committed to support Air Quality projects in future years.
Income	(24,460)	(55,522)	(31,062)	See above.
Total Directly Controllable (Income)/Expenditure	408,490	411,566	3,076	
Indirect Expenditure	67,620	73,244	5,624	
Net (Income)/Expenditure	476,110	484,810	8,700	

SURREY FAMILY SUPPORT PROGRAMME

Direct Expenditure	429,240	484,931	55,691	There has been an increase in employee costs reflecting support for both the refugee and family support programmes (FSP). Refugee programme expenditure is met by the Home Office and FSP programme funding comes from Surrey County Council, on an agreed split of the central government grant. Expenditure in excess of the budget reflecting variations in grant support, will be transferred from reserves at the year-end.
Income	(255,000)	(325,893)	(70,893)	See above.
Total Directly Controllable (Income)/Expenditure	174,240	159,038	(15,202)	
Indirect Expenditure	65,610	65,620	10	
Net (Income)/Expenditure	239,850	224,658	(15,192)	

FOOD AND SAFETY SERVICES

Direct Expenditure	330,790	309,390	(21,400)
Income	(1,800)	(1,270)	530
Total Directly Controllable (Income)/Expenditure	328,990	308,120	(20,870)
Indirect Expenditure	82,980	83,020	40
Net (Income)/Expenditure	411,970	391,140	(20,830)

HEALTH AND SAFETY

Direct Expenditure	133,860	134,412	552
Income	(154,610)	(154,690)	(80)
Total Directly Controllable (Income)/Expenditure	(20,750)	(20,278)	472
Indirect Expenditure	17,540	17,570	30
Net (Income)/Expenditure	(3,210)	(2,708)	502

COMMUNITY SERVICES

HOUSING SURVEYING SERVICES

	Revised Budget	Projected Outturn	Variance	Notes
Direct Expenditure	731,600	643,395	(88,205)	Vacant posts.
Income	(839,120)	(750,965)	88,155	Reduction in recharges resulting from vacancies.
Total Directly Controllable (Income)/Expenditure	(107,520)	(107,570)	(50)	
Indirect Expenditure	105,950	106,000	50	
Net (Income)/Expenditure	(1,570)	(1,570)	0	

GRANTS TO VOLUNTARY ORGANISATIONS - HOUSING AND COMMUNITY

Direct Expenditure	533,129	506,725	(26,404)	The cash grant for Wey Valley Bowls Club has been replaced with alternative financial support. The 2019-20 estimates reflect this revised position.
Total Directly Controllable (Income)/Expenditure	533,129	506,725	(26,404)	
Indirect Expenditure	6,650	6,660	10	
Net (Income)/Expenditure	539,779	513,385	(26,394)	

HOME FARM ESTATE, EFFINGHAM

Direct Expenditure	110,475	13,759	(96,716)	The works anticipated for 2018-19 will not now be completed. A carry forward request will be submitted to fund the work in 2019-20.
Income	(12,230)	(11,284)	946	
Total Directly Controllable (Income)/Expenditure	98,245	2,475	(95,770)	
Indirect Expenditure	17,120	14,770	(2,350)	
Net (Income)/Expenditure	115,365	17,245	(98,120)	

HOMELESSNESS AND EMERGENCY ACCOMMODATION

Direct Expenditure	761,800	829,927	68,127	See below.
Income	(9,000)	(394,242)	(385,242)	Income received from MHCLG in respect of Flexible Homelessness Support Grant £186,000 and Prevention Partnership Fund £197,700 will be used to support additional expenditure shown above. The balance of funding will be transferred to reserve at year-end to support homelessness prevention in subsequent years.
Total Directly Controllable (Income)/Expenditure	752,800	435,685	(317,115)	
Indirect Expenditure	99,680	99,510	(170)	
Net (Income)/Expenditure	852,480	535,195	(317,285)	

HOUSING ADVICE

Direct Expenditure	300,000	300,000	0	
Total Directly Controllable (Income)/Expenditure	300,000	300,000	0	
Net (Income)/Expenditure	300,000	300,000	0	

COMMUNITY SERVICES**AFFORDABLE HOUSING DEVELOPMENT**

	Revised Budget	Projected Outturn	Variance	Notes
Direct Expenditure	133,840	95,680	(38,160)	Savings in salaries due to vacancies, partially offset by the use of agency staff.
Total Directly Controllable (Income)/Expenditure	133,840	95,680	(38,160)	
Indirect Expenditure	175,960	176,000	40	
Net (Income)/Expenditure	309,800	271,680	(38,120)	

INDUSTRIAL ESTATES

Direct Expenditure	294,382	246,222	(48,160)	
Income	(3,428,020)	(3,570,519)	(142,499)	Overall income is forecast to be ahead of budget with income generated from the acquisition of the head lease for 41 Moorfield Road offsetting the loss of Unit 11 Midleton Industrial Estate, which is subject to a planned redevelopment. Both changes were received after the 2018-19 estimates were prepared and the Midleton project results in a reduction in rental income due to void properties and free rent periods together with costs associated with void units.

Total Directly Controllable (Income)/Expenditure	(3,133,638)	(3,324,297)	(190,659)	
Indirect Expenditure	308,410	311,555	3,145	
Net (Income)/Expenditure	(2,825,228)	(3,012,742)	(187,514)	

INVESTMENT PROPERTY

Direct Expenditure	166,030	241,833	75,803	Void units at The Billings has resulted in additional utilities and Business Rates costs. Reduction in rental income due to void properties and rent free periods not assumed as part of the budget preparation process.
Income	(5,702,420)	(5,528,118)	174,302	See above.
Total Directly Controllable (Income)/Expenditure	(5,536,390)	(5,286,285)	250,105	
Indirect Expenditure	351,000	332,552	(18,448)	
Net (Income)/Expenditure	(5,185,390)	(4,953,733)	231,657	

LICENSING SERVICES

Direct Expenditure	226,550	242,758	16,208	Use of additional administrative staff has resulted in higher than budgeted expenditure.
Income	(170,450)	(172,350)	(1,900)	
Total Directly Controllable (Income)/Expenditure	56,100	70,408	14,308	
Indirect Expenditure	73,430	73,540	110	
Net (Income)/Expenditure	129,530	143,948	14,418	

COMMUNITY SERVICES	Revised Budget	Projected Outturn	Variance	Notes
COMMUNITY MEALS AND TPT				
Direct Expenditure	863,510	834,718	(28,792)	Employee related savings resulting from vacancies.
Income	(275,090)	(283,625)	(8,535)	Community Transport Scheme grant has been received from Surrey County Council.
Total Directly Controllable (Income)/Expenditure	588,420	551,093	(37,327)	
Indirect Expenditure	75,640	75,710	70	
Net (Income)/Expenditure	664,060	626,803	(37,257)	
OFFICE SERVICES TEAM				
Direct Expenditure	1,695,690	1,711,068	15,378	Contribution towards installation of LED lighting at Millmead funded from Energy Management Reserve.
Income	(2,151,700)	(2,088,970)	62,730	The target for income generated from the lease of office space in Millmead House to external organisations will not be met in full in 2018-19.
Total Directly Controllable (Income)/Expenditure	(456,010)	(377,902)	78,108	
Indirect Expenditure	573,570	595,637	22,067	Asset Development recharges reflecting Millmead works.
Net (Income)/Expenditure	117,560	217,735	100,175	
HOUSING OUTSIDE THE HRA				
Direct Expenditure	3,650	14,106	10,456	Additional charges at Old Manor House due to vacant properties.
Income	(24,940)	(30,388)	(5,448)	
Total Directly Controllable (Income)/Expenditure	(21,290)	(16,282)	5,008	
Indirect Expenditure	47,920	53,826	5,906	
Net (Income)/Expenditure	26,630	37,544	10,914	
OTHER PROPERTY				
Direct Expenditure	90,300	202,626	112,326	See below.
Income	(358,160)	(690,126)	(331,966)	A net improvement of £211,000 materially results from the acquisition of the Multiplex Bedford Road site. Rental income increases whilst one-off and ongoing maintenance costs are included together with business rates and security costs for the vacant Old Orleans building. Security costs for Tyting farm will continue throughout this financial year.
Total Directly Controllable (Income)/Expenditure	(267,860)	(487,500)	(219,640)	
Indirect Expenditure	327,310	341,489	14,179	
Net (Income)/Expenditure	59,450	(146,011)	(205,461)	

COMMUNITY SERVICES**PEST CONTROL**

	Revised Budget	Projected Outturn	Variance	Notes
Direct Expenditure	61,820	62,477	657	
Income	(62,000)	(60,805)	1,195	
Total Directly Controllable (Income)/Expenditure	(180)	1,672	1,852	
Indirect Expenditure	11,350	11,400	50	
Net (Income)/Expenditure	11,170	13,072	1,902	

PRIVATE SECTOR HOUSING

Direct Expenditure	567,700	741,939	174,239	The cost of a co-ordinator was not included in the 2018-19 estimates. The increase in agency staff for both the Care and Repair Team and the Private Sector Housing service will be funded from additional income.
Income	(258,200)	(485,467)	(227,267)	See above.
Total Directly Controllable (Income)/Expenditure	309,500	256,472	(53,028)	
Indirect Expenditure	724,540	724,620	80	
Net (Income)/Expenditure	1,034,040	981,092	(52,948)	

PROJECT ASPIRE

Direct Expenditure	0	36,234	36,234	The cost of Project Aspire is funded from reserve.
Total Directly Controllable (Income)/Expenditure	0	36,234	36,234	
Net (Income)/Expenditure	0	36,234	36,234	

PUBLIC HEALTH

Direct Expenditure	83,680	85,922	2,242	
Total Directly Controllable (Income)/Expenditure	83,680	85,922	2,242	
Indirect Expenditure	7,470	7,500	30	
Net (Income)/Expenditure	91,150	93,422	2,272	

COMMUNITY WELLBEING

Direct Expenditure	361,790	273,346	(88,444)	Vacancies resulting in salary savings.
Total Directly Controllable (Income)/Expenditure	361,790	273,346	(88,444)	
Indirect Expenditure	39,240	39,280	40	
Net (Income)/Expenditure	401,030	312,626	(88,404)	

COMMUNITY SERVICES	Revised Budget	Projected Outturn	Variance	Notes
TAXI LICENSING AND PRIVATE HIRE VEHICLES				
Direct Expenditure	164,046	171,114	7,068	
Income	(169,500)	(175,270)	(5,770)	
Total Directly Controllable (Income)/Expenditure	(5,454)	(4,156)	1,298	
Indirect Expenditure	58,990	59,216	226	
Net (Income)/Expenditure	53,536	55,060	1,524	
WOKING ROAD DEPOT STORES				
Direct Expenditure	75,910	80,719	4,809	
Income	(93,550)	(98,379)	(4,829)	
Total Directly Controllable (Income)/Expenditure	(17,640)	(17,660)	(20)	
Indirect Expenditure	17,580	17,600	20	
Net (Income)/Expenditure	(60)	(60)	0	

ENVIRONMENT

Revised Budget Projected Outturn Variance Notes

SERVICE SUMMARY			
Direct Expenditure	30,098,637	30,652,180	553,543
Income	(28,225,110)	(29,986,724)	(1,761,614)
Total Directly Controllable (Income)/Expenditure	1,873,527	665,456	(1,208,071)
Indirect Expenditure	10,813,630	10,734,356	(79,274)
Net (Income)/Expenditure	12,687,157	11,399,812	(1,287,345)

ABANDONED VEHICLES

Direct Expenditure	35,730	34,222	(1,508)
Income	0	(237)	(237)
Total Directly Controllable (Income)/Expenditure	35,730	33,985	(1,745)
Indirect Expenditure	3,280	3,320	40
Net (Income)/Expenditure	39,010	37,305	(1,705)

BUSINESS FORUM

Direct Expenditure	26,270	67,305	41,035	The additional expenditure includes costs agreed to support the Business Forum.
Income	0	(30)	(30)	
Total Directly Controllable (Income)/Expenditure	26,270	67,275	41,005	
Indirect Expenditure	1,000	1,010	10	
Net (Income)/Expenditure	27,270	68,285	41,015	

CCTV SYSTEMS

Direct Expenditure	80,270	81,482	1,212
Total Directly Controllable (Income)/Expenditure	80,270	81,482	1,212
Indirect Expenditure	22,470	26,922	4,452
Net (Income)/Expenditure	102,740	108,404	5,664

CEMETERIES AND CLOSED CHURCHYARDS

Direct Expenditure	276,040	293,213	17,173
Income	(73,900)	(85,148)	(11,248)
Total Directly Controllable (Income)/Expenditure	202,140	208,065	5,925
Indirect Expenditure	62,570	46,838	(15,732)
Net (Income)/Expenditure	264,710	254,903	(9,807)

ENVIRONMENT

CLINICAL WASTE

	Revised Budget	Projected Outturn	Variance	Notes
Direct Expenditure	2,420	6,649	4,229	
Total Directly Controllable (Income)/Expenditure	2,420	6,649	4,229	
Indirect Expenditure	1,260	1,260	0	
Net (Income)/Expenditure	3,680	7,909	4,229	

CREMATORIUM

Direct Expenditure	848,330	692,143	(156,187)	The irrecoverable VAT charge assumed in the budget will not be required as a consequence of a revised expenditure profile, and changes to HMRC guidelines which impact the accounting period the charge falls into (a carry forward will be requested). Staffing resources allocated as part of a growth bid have remained uncommitted for the majority of 2018-19 creating a saving. The saving is offset by Mercury Emission Abatement costs which have been charged to revenue pending legal action to recover costs incurred.
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Income	(702,650)	(1,189,915)	(487,265)	Income disruption arising from the redevelopment has been less than envisaged.
Total Directly Controllable (Income)/Expenditure	145,680	(497,772)	(643,452)	
Indirect Expenditure	394,050	393,304	(746)	
Net (Income)/Expenditure	539,730	(104,468)	(644,198)	

ELECTRIC THEATRE

Direct Expenditure	0	(67)	(67)	
Total Directly Controllable (Income)/Expenditure	0	(67)	(67)	
Net (Income)/Expenditure	0	(67)	(67)	

FLEET MANAGEMENT SERVICE

Direct Expenditure	1,096,280	1,076,276	(20,004)	Vehicle insurance is £35,600 less than budgeted as is vehicle hire but this is offset by increases in maintenance agreements and employee related expenditure due to overtime.
Income	(3,030,860)	(3,103,756)	(72,896)	An insurance receipt in respect of the write-off of a road sweeper which will be used to finance a replacement.
Total Directly Controllable (Income)/Expenditure	(1,934,580)	(2,027,480)	(92,900)	
Indirect Expenditure	1,936,960	1,937,480	520	
Net (Income)/Expenditure	2,380	(90,000)	(92,380)	

ENVIRONMENT	Revised Budget	Projected Outturn	Variance	Notes
LEGAL SERVICES				
Direct Expenditure	1,110,770	1,500,399	389,629	Additional external legal expenses have been incurred as a result of work involved in the local plan and more resources required to support momentum in the major capital projects. Employment expenditure exceeds budget due to the higher cost of temporary staff employed to cover vacancies. The budget held for legal services own procurement of barristers will not be used in 2018-19.
Income	(1,269,710)	(1,624,104)	(354,394)	See above.
Total Directly Controllable (Income)/Expenditure	(158,940)	(123,705)	35,235	
Indirect Expenditure	151,340	151,430	90	
Net (Income)/Expenditure	(7,600)	27,725	35,325	
ENGINEERING AND TRANSPORT SERVICES				
Direct Expenditure	361,390	303,028	(58,362)	
Income	(421,900)	(364,186)	57,714	
Total Directly Controllable (Income)/Expenditure	(60,510)	(61,158)	(648)	
Indirect Expenditure	61,260	61,290	30	
Net (Income)/Expenditure	750	132	(618)	
GUILDFORD HOUSE				
Direct Expenditure	389,697	385,496	(4,201)	
Income	(70,630)	(81,208)	(10,578)	
Total Directly Controllable (Income)/Expenditure	319,067	304,288	(14,779)	
Indirect Expenditure	106,550	92,484	(14,066)	
Net (Income)/Expenditure	425,617	396,772	(28,845)	
GUILDHALL				
Direct Expenditure	124,560	152,490	27,930	Unbudgeted agency caretaking staff.
Income	(34,800)	(34,787)	13	
Total Directly Controllable (Income)/Expenditure	89,760	117,703	27,943	
Indirect Expenditure	50,920	45,596	(5,324)	
Net (Income)/Expenditure	140,680	163,299	22,619	

ENVIRONMENT	Revised Budget	Projected Outturn	Variance	Notes
INFORMATION RIGHTS OFFICER				
Direct Expenditure	63,740	67,785	4,045	
Income	(69,160)	(69,180)	(20)	
Total Directly Controllable (Income)/Expenditure	(5,420)	(1,395)	4,025	
Indirect Expenditure	5,300	5,320	20	
Net (Income)/Expenditure	(120)	3,925	4,045	
LAND DRAINAGE				
Direct Expenditure	156,200	68,980	(87,220)	Land drainage costs are anticipated to be lower than budgeted.
Total Directly Controllable (Income)/Expenditure	156,200	68,980	(87,220)	
Indirect Expenditure	307,830	242,692	(65,138)	
Net (Income)/Expenditure	464,030	311,672	(152,358)	
LEISURE ART DEVELOPMENT				
Direct Expenditure	80,960	81,410	450	
Income	0	(765)	(765)	
Total Directly Controllable (Income)/Expenditure	80,960	80,645	(315)	
Indirect Expenditure	18,220	18,260	40	
Net (Income)/Expenditure	99,180	98,905	(275)	
LEISURE COMMUNITY CENTRES				
Direct Expenditure	70,470	78,459	7,989	
Income	(1,440)	(11,295)	(9,855)	
Total Directly Controllable (Income)/Expenditure	69,030	67,164	(1,866)	
Indirect Expenditure	89,870	85,572	(4,298)	
Net (Income)/Expenditure	158,900	152,736	(6,164)	
LEISURE G LIVE				
Direct Expenditure	396,510	401,926	5,416	
Income	(37,880)	(81,888)	(44,008)	Higher than budgeted management fee income for 2017-18 (paid in 2018-19). The 2019-20 estimate has been increased to reflect this.
Total Directly Controllable (Income)/Expenditure	358,630	320,038	(38,592)	
Indirect Expenditure	932,000	928,111	(3,889)	
Net (Income)/Expenditure	1,290,630	1,248,149	(42,481)	

ENVIRONMENT	Revised Budget	Projected Outturn	Variance	Notes
LEISURE GRANTS				
Direct Expenditure	452,510	437,116	(15,394)	
Total Directly Controllable (Income)/Expenditure	452,510	437,116	(15,394)	
Indirect Expenditure	8,690	8,730	40	
Net (Income)/Expenditure	461,200	445,846	(15,354)	
LEISURE MANAGEMENT CONTRACT				
Direct Expenditure	1,092,890	1,239,316	146,426	Increased utility charges against estimate £199,500 partly offset by additional income £30,000 and anticipated reduction in general repairs to buildings £40,000.
Income	(1,945,490)	(2,288,513)	(343,023)	VAT refund relating to the treatment of sports fee income from previous years totalling £313,800.
Total Directly Controllable (Income)/Expenditure	(852,600)	(1,049,197)	(196,597)	
Indirect Expenditure	1,664,060	1,668,918	4,858	
Net (Income)/Expenditure	811,460	619,721	(191,739)	
LEISURE PLAY DEVELOPMENT				
Direct Expenditure	218,590	219,339	749	
Income	(29,360)	(53,721)	(24,361)	Higher than budgeted income from FISH as a 98% participation rate was achieved this year.
Total Directly Controllable (Income)/Expenditure	189,230	165,618	(23,612)	
Indirect Expenditure	22,240	22,280	40	
Net (Income)/Expenditure	211,470	187,898	(23,572)	
LEISURE RANGERS				
Direct Expenditure	223,000	210,405	(12,595)	
Total Directly Controllable (Income)/Expenditure	223,000	210,405	(12,595)	
Indirect Expenditure	9,930	9,940	10	
Net (Income)/Expenditure	232,930	220,345	(12,585)	
LEISURE SPORT DEVELOPMENT				
Direct Expenditure	71,980	84,358	12,378	Increase in salary costs relating to the current intern who left in August and was not funded from the Corporate scheme. The replacement intern will be funded from the Corporate scheme. The overspend is covered by the saving in Leisure Play.
Income	(4,000)	(2,251)	1,749	
Total Directly Controllable (Income)/Expenditure	67,980	82,107	14,127	
Indirect Expenditure	13,330	13,350	20	
Net (Income)/Expenditure	81,310	95,457	14,147	

ENVIRONMENT

MARKETS

	Revised Budget	Projected Outturn	Variance	Notes
Direct Expenditure	60,940	55,385	(5,555)	
Income	(175,630)	(161,056)	14,574	
Total Directly Controllable (Income)/Expenditure	(114,690)	(105,671)	9,019	
Indirect Expenditure	7,090	7,120	30	
Net (Income)/Expenditure	(107,600)	(98,551)	9,049	

MOT BAY

Direct Expenditure	120,640	126,571	5,931	
Income	(169,580)	(147,028)	22,552	
Total Directly Controllable (Income)/Expenditure	(48,940)	(20,457)	28,483	
Indirect Expenditure	24,140	24,150	10	
Net (Income)/Expenditure	(24,800)	3,693	28,493	

GUILDFORD MUSEUM

Direct Expenditure	467,810	529,195	61,385	Employee related expenditure resulting from the appointment of an Engagement Officer which was not a substantive post in the estimate. Salary costs reflecting changes to the management structure of heritage.
Income	(52,630)	(58,778)	(6,148)	
Total Directly Controllable (Income)/Expenditure	415,180	470,417	55,237	
Indirect Expenditure	132,060	145,743	13,683	
Net (Income)/Expenditure	547,240	616,160	68,920	

OFF STREET PARKING

Direct Expenditure	4,854,920	4,037,490	(817,430)	There are some salary savings due to vacancies. The planned works programme funded from the Car Parks Maintenance Reserve (CPMR) is expected to be £734,400 below the original budget despite previous assumptions. The upgrade to the Pay and Display machines totalling £51,500 will be met from the CPMR as will £55,000 for new Pay and Display at Bedford Road. The consultants budget of £80,000 for decking at Millbrook will not be spent.
Income	(10,858,680)	(10,573,373)	285,307	Lower than budgeted levels of income are projected at Farnham Road MSCP, Leapale Road MSCP, Bright Hill, Tunsgate and Guildford Park.
Total Directly Controllable (Income)/Expenditure	(6,003,760)	(6,535,883)	(532,123)	
Indirect Expenditure	1,764,830	1,751,242	(13,588)	
Net (Income)/Expenditure	(4,238,930)	(4,784,641)	(545,711)	

ENVIRONMENT	Revised Budget	Projected Outturn	Variance	Notes
ON STREET PARKING				
Direct Expenditure	1,188,540	1,216,949	28,409	The new on-street agency agreement requires a payment of 20% of Guildford on-street net income to SCC; this was signed off after the 2018-19 budget setting process. There are salary savings due to vacancies and the budget for signs will be underspent. £37,400 will no longer be spent on a parking study funded from CPMR due to procurement delays. Guildford on-street income is below budget due in part to parking bays no longer available at Tunsgate and Castle Street.
Income	(1,948,600)	(1,820,639)	127,961	Guildford on-street income is below budget due in part to parking bays no longer available at Tunsgate and Castle Street.
Total Directly Controllable (Income)/Expenditure	(760,060)	(603,690)	156,370	
Indirect Expenditure	85,730	85,750	20	
Net (Income)/Expenditure	(674,330)	(517,940)	156,390	
ORDNANCE SURVEY AND MAPPING SERVICES				
Direct Expenditure	3,540	4,414	874	
Total Directly Controllable (Income)/Expenditure	3,540	4,414	874	
Indirect Expenditure	10,830	5,025	(5,805)	
Net (Income)/Expenditure	14,370	9,439	(4,931)	
PARKS AND COUNTRYSIDE				
Direct Expenditure	3,957,760	4,103,849	146,089	Vacant posts are being used to fund the use of casual staff, contractors and the vacancy credit £41,000. Additional property services works total £72,000 which includes £24,000 for reactive repairs and vandalism (the budget for these costs is held centrally), £26,000 towards the paddling pool repairs and £10,000 towards Stoke Park boiler repairs. Woodbridge Road project has been delayed until 2019-20 £98,260, plus estimated traveller incursions costs £27,000.
Income	(1,292,570)	(1,312,967)	(20,397)	Increase in income from chargeable grounds maintenance works £101,000, offset by a reduction in rental income against the assumption included in the estimate in respect of the Burchatts Barn lease.
Total Directly Controllable (Income)/Expenditure	2,665,190	2,790,882	125,692	
Indirect Expenditure	1,262,720	1,282,920	20,200	Additional charges from external legal support recharges and asset development total £22,400.
Net (Income)/Expenditure	3,927,910	4,073,802	145,892	

ENVIRONMENT	Revised Budget	Projected Outturn	Variance	Notes
PARK AND RIDE SERVICES				
Direct Expenditure	657,090	704,838	47,748	
Income	(50,000)	(64,087)	(14,087)	
Total Directly Controllable (Income)/Expenditure	607,090	640,751	33,661	
Indirect Expenditure	98,790	88,669	(10,121)	
Net (Income)/Expenditure	705,880	729,420	23,540	
PROCUREMENT				
Direct Expenditure	91,670	89,093	(2,577)	
Income	(96,700)	(96,730)	(30)	
Total Directly Controllable (Income)/Expenditure	(5,030)	(7,637)	(2,607)	
Indirect Expenditure	15,880	15,910	30	
Net (Income)/Expenditure	10,850	8,273	(2,577)	
PUBLIC CONVENIENCES				
Direct Expenditure	231,060	228,300	(2,760)	
Income	(12,480)	(11,920)	560	
Total Directly Controllable (Income)/Expenditure	218,580	216,380	(2,200)	
Indirect Expenditure	78,350	74,047	(4,303)	
Net (Income)/Expenditure	296,930	290,427	(6,503)	
REFUSE AND RECYCLING				
Direct Expenditure	6,434,640	7,162,680	728,040	Additional gate fee costs relating to the disposal of co-mingled recyclate totalling £300,000 will be met from the recycling equalisation reserve (linked to presentation of income) After a period of significantly improved sickness the service has experienced a couple of long term cases resulting in the need for greater agency backfill. Fuel costs are higher than expected and computer software costs are £25,500 more than budgeted with some costs having been moved to the IT Renewals reserve.
Income	(3,563,580)	(3,866,280)	(302,700)	Subscriptions to the green waste services are anticipated to exceed budget by £31,000 but trade refuse income is now expected to be under budget by £47,200.
Total Directly Controllable (Income)/Expenditure	2,871,060	3,296,400	425,340	
Indirect Expenditure	756,690	772,714	16,024	
Net (Income)/Expenditure	3,627,750	4,069,114	441,364	

ENVIRONMENT	Revised Budget	Projected Outturn	Variance	Notes
RIVER CONTROL				
Direct Expenditure	31,360	21,895	(9,465)	
Total Directly Controllable (Income)/Expenditure	31,360	21,895	(9,465)	
Indirect Expenditure	10,730	8,975	(1,755)	
Net (Income)/Expenditure	42,090	30,870	(11,220)	
ROADS AND FOOTPATHS MAINTENANCE				
Direct Expenditure	37,990	23,029	(14,961)	
Total Directly Controllable (Income)/Expenditure	37,990	23,029	(14,961)	
Indirect Expenditure	60,090	67,919	7,829	
Net (Income)/Expenditure	98,080	90,948	(7,132)	
SNOW AND ICE PLAN HOLDING ACCOUNT				
Direct Expenditure	53,420	45,598	(7,822)	
Income	(45,080)	(45,080)	0	
Total Directly Controllable (Income)/Expenditure	8,340	518	(7,822)	
Indirect Expenditure	1,140	581	(559)	
Net (Income)/Expenditure	9,480	1,099	(8,381)	
SPA SITES				
Direct Expenditure	105,000	99,312	(5,688)	
Income	(105,000)	(795,896)	(690,896)	SPA income for the future development and maintenance of green spaces is projected to exceed budget by £696,600. An element of this income will be used in the current year to fund revenue spending, the remainder will be transferred to reserve at year-end.
Total Directly Controllable (Income)/Expenditure	0	(696,584)	(696,584)	
Net (Income)/Expenditure	0	(696,584)	(696,584)	
STREET CLEANSING				
Direct Expenditure	2,393,470	2,226,012	(167,458)	There are salary savings due to vacancies and a restructuring of the service.
Income	(145,360)	(153,472)	(8,112)	
Total Directly Controllable (Income)/Expenditure	2,248,110	2,072,540	(175,570)	
Indirect Expenditure	176,850	176,940	90	
Net (Income)/Expenditure	2,424,960	2,249,480	(175,480)	

ENVIRONMENT

STREET FURNITURE

	Revised Budget	Projected Outturn	Variance	Notes
Direct Expenditure	81,910	66,459	(15,451)	
Total Directly Controllable (Income)/Expenditure	81,910	66,459	(15,451)	
Indirect Expenditure	8,280	12,827	4,547	
Net (Income)/Expenditure	90,190	79,286	(10,904)	

TOURIST INFORMATION CENTRE

Direct Expenditure	255,330	286,910	31,580	The cost of computer maintenance agreements previously shared with Electric Theatre are now being absorbed into the TIC budget.
Income	(51,290)	(61,477)	(10,187)	
Total Directly Controllable (Income)/Expenditure	204,040	225,433	21,393	
Indirect Expenditure	32,900	32,920	20	
Net (Income)/Expenditure	236,940	258,353	21,413	

BUSINESS AND TOURISM

Direct Expenditure	557,740	588,075	30,335	Agreed SNAP sponsorship consultancy cost. Higher than budgeted tourism marketing costs not included in the budget.
Income	(152,950)	(140,728)	12,222	
Total Directly Controllable (Income)/Expenditure	404,790	447,347	42,557	
Indirect Expenditure	83,660	81,985	(1,675)	
Net (Income)/Expenditure	488,450	529,332	40,882	

TOWN CENTRE MANAGEMENT

Direct Expenditure	95,260	98,861	3,601	
Income	(269,950)	(60,511)	209,439	Miscellaneous income will not be received this year as the public Wi-Fi concession has been delayed and delivery is now expected in Spring 2019. This is due to the time taken for permission to be granted coupled with the subsequent procurement process and due diligence checks. Sponsorship income is lower than budget and it will take time to build to the levels forecast in the 2018-19 budget. Four sponsors have been attracted so far and further partners and initiatives are planned over time to build to a sustainable level.
Total Directly Controllable (Income)/Expenditure	(174,690)	38,350	213,040	
Indirect Expenditure	19,420	19,480	60	
Net (Income)/Expenditure	(155,270)	57,830	213,100	

ENVIRONMENT**TRANSPORTATION**

	Revised Budget	Projected Outturn	Variance	Notes
Direct Expenditure	9,010	10,731	1,721	
Total Directly Controllable (Income)/Expenditure	9,010	10,731	1,721	
Indirect Expenditure	6,020	5,683	(337)	
Net (Income)/Expenditure	15,030	16,414	1,384	

VEHICLE MAINTENANCE WORKSHOP

Direct Expenditure	706,280	835,553	129,273	Increased expenditure on salaries and parts will be recovered through the recharge to other services.
Income	(781,650)	(873,380)	(91,730)	See above.
Total Directly Controllable (Income)/Expenditure	(75,370)	(37,827)	37,543	
Indirect Expenditure	53,950	53,990	40	
Net (Income)/Expenditure	(21,420)	16,163	37,583	

THE VILLAGE

Direct Expenditure	0	14,950	14,950	
Income	0	(400)	(400)	
Total Directly Controllable (Income)/Expenditure	0	14,550	14,550	
Indirect Expenditure	0	150	150	
Net (Income)/Expenditure	0	14,700	14,700	

WORKS ANCILLARY SERVICES**WOKING ROAD DEPOT**

Direct Expenditure	438,560	496,169	57,609	Use of agency staff and repair and maintenance costs are over budget.
Income	(573,380)	(563,658)	9,722	Vending machine sales lower than estimated.
Total Directly Controllable (Income)/Expenditure	(134,820)	(67,489)	67,331	
Indirect Expenditure	201,130	196,219	(4,911)	
Net (Income)/Expenditure	66,310	128,730	62,420	

RECYCLING, CLEANSING AND PARKING SERVICES OVERHEAD ACCOUNT

Direct Expenditure	86,090	98,132	12,042	
Income	(188,220)	(188,280)	(60)	
Total Directly Controllable (Income)/Expenditure	(102,130)	(90,148)	11,982	
Indirect Expenditure	59,220	59,290	70	
Net (Income)/Expenditure	(42,910)	(30,858)	12,052	

FINANCE **Revised Budget** **Projected Outturn** **Variance** **Notes**

SERVICE SUMMARY			
Direct Expenditure	44,476,300	42,317,700	(2,158,600)
Income	(39,793,170)	(38,402,190)	1,390,980
Total Directly Controllable (Income)/Expenditure	4,683,130	3,915,510	(767,620)
Indirect Expenditure	3,173,470	3,188,056	14,586
Net (Income)/Expenditure	7,856,600	7,103,566	(753,034)

ACCESS GROUP FOR GUILDFORD

Direct Expenditure	1,860	2,893	1,033
Total Directly Controllable (Income)/Expenditure	1,860	2,893	1,033
Indirect Expenditure	2,310	2,310	0
Net (Income)/Expenditure	4,170	5,203	1,033

ACCOUNTANCY

Direct Expenditure	814,290	683,671	(130,619)	Vacancies resulting in salary savings and former Head of Service salary allocation.
Income	(936,660)	(936,790)	(130)	
Total Directly Controllable (Income)/Expenditure	(122,370)	(253,119)	(130,749)	
Indirect Expenditure	145,400	145,480	80	
Net (Income)/Expenditure	23,030	(107,639)	(130,669)	

BUSINESS RATES

Direct Expenditure	198,150	200,825	2,675
Income	(270,240)	(269,873)	367
Total Directly Controllable (Income)/Expenditure	(72,090)	(69,048)	3,042
Indirect Expenditure	49,850	49,870	20
Net (Income)/Expenditure	(22,240)	(19,178)	3,062

CIVIC EXPENSES

Direct Expenditure	203,140	222,279	19,139	The continuing requirement to support borough events has led to promotional expenses exceeding budgeted levels but the costs are projected to be in line with previous years.
Income	0	(43)	(43)	
Total Directly Controllable (Income)/Expenditure	203,140	222,236	19,096	
Indirect Expenditure	25,050	25,080	30	
Net (Income)/Expenditure	228,190	247,316	19,126	

FINANCE

	Revised Budget	Projected Outturn	Variance	Notes
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COUNCIL AND COMMITTEE SUPPORT

Direct Expenditure	195,650	178,975	(16,675)	Reduction in the printing required to support the council and council committees.
Income	(37,620)	(37,620)	0	
Total Directly Controllable (Income)/Expenditure	158,030	141,355	(16,675)	
Indirect Expenditure	246,370	246,370	0	
Net (Income)/Expenditure	404,400	387,725	(16,675)	

CORPORATE FINANCIAL

Direct Expenditure	191,490	177,992	(13,498)	Lower than anticipated Broker Fees and Consultants expenditure.
Income	(160,590)	(160,590)	0	
Total Directly Controllable (Income)/Expenditure	30,900	17,402	(13,498)	
Indirect Expenditure	263,850	263,990	140	
Net (Income)/Expenditure	294,750	281,392	(13,358)	

CORPORATE SERVICES

Direct Expenditure	607,170	657,030	49,860	Increasing usage of debit and credit card payment facilities have led to a 21% increase in charges compared with last year and this is forecast to continue for the rest of the year.
Income	(106,970)	(107,055)	(85)	
Total Directly Controllable (Income)/Expenditure	500,200	549,975	49,775	
Indirect Expenditure	501,540	506,342	4,802	
Net (Income)/Expenditure	1,001,740	1,056,317	54,577	

COMMITTEE SERVICES

Direct Expenditure	177,620	151,107	(26,513)	Vacant post
Income	(221,730)	(221,810)	(80)	
Total Directly Controllable (Income)/Expenditure	(44,110)	(70,703)	(26,593)	
Indirect Expenditure	43,700	43,720	20	
Net (Income)/Expenditure	(410)	(26,983)	(26,573)	

COUNCIL TAX

Direct Expenditure	686,410	599,903	(86,507)	There have been a significant number of vacancies throughout 2018-19 and agency staff have only been engaged since August.
Income	(300,000)	(280,000)	20,000	
Total Directly Controllable (Income)/Expenditure	386,410	319,903	(66,507)	
Indirect Expenditure	179,740	179,800	60	
Net (Income)/Expenditure	566,150	499,703	(66,447)	

FINANCE	Revised Budget	Projected Outturn	Variance	Notes
ICT CUSTOMER TECHNICAL SUPPORT				
Direct Expenditure	0	3	3	
Total Directly Controllable (Income)/Expenditure	0	3	3	
Net (Income)/Expenditure	0	3	3	
DEMOCRATIC REPRESENTATION AND MANAGEMENT				
Direct Expenditure	686,970	678,608	(8,362)	
Income	(107,890)	(107,890)	0	
Total Directly Controllable (Income)/Expenditure	579,080	570,718	(8,362)	
Indirect Expenditure	329,890	330,070	180	
Net (Income)/Expenditure	908,970	900,788	(8,182)	
ELECTIONS				
Direct Expenditure	80,780	74,616	(6,164)	
Total Directly Controllable (Income)/Expenditure	80,780	74,616	(6,164)	
Indirect Expenditure	18,510	18,580	70	
Net (Income)/Expenditure	99,290	93,196	(6,094)	
ELECTORAL REGISTRATION				
Direct Expenditure	346,190	253,304	(92,886)	Only £2,000 of the £80,000 carry forward for Electoral Registration fees will be used although there may be a further requirement in 2019-20.
Income	(3,090)	(29,063)	(25,973)	An unbudgeted electoral registration grant has been received.
Total Directly Controllable (Income)/Expenditure	343,100	224,241	(118,859)	
Indirect Expenditure	41,320	43,265	1,945	
Net (Income)/Expenditure	384,420	267,506	(116,914)	
FEASIBILITY STUDIES				
Direct Expenditure	340,000	70,000	(270,000)	It is not anticipated that the feasibility budget will be fully committed in 2018-19.
Total Directly Controllable (Income)/Expenditure	340,000	70,000	(270,000)	
Indirect Expenditure	220	8,841	8,621	
Net (Income)/Expenditure	340,220	78,841	(261,379)	

FINANCE

	Revised Budget	Projected Outturn	Variance	Notes
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DEBTORS

Direct Expenditure	162,880	170,712	7,832	
Income	(210,200)	(212,215)	(2,015)	
Total Directly Controllable (Income)/Expenditure	(47,320)	(41,503)	5,817	
Indirect Expenditure	49,930	49,960	30	
Net (Income)/Expenditure	2,610	8,457	5,847	

HOUSING BENEFITS

Direct Expenditure	33,565,820	32,289,801	(1,276,019)	Variation in the claimant numbers and expenditure. This is reflected in the corresponding variation in costs recovered from Department for Work and Pensions.
Income	(33,474,320)	(32,131,059)	1,343,261	See above.
Total Directly Controllable (Income)/Expenditure	91,500	158,742	67,242	
Indirect Expenditure	217,130	216,280	(850)	
Net (Income)/Expenditure	308,630	375,022	66,392	

INSURANCE REVENUE ACCOUNT

Direct Expenditure	1,068,540	1,038,841	(29,699)	
Income	(1,069,440)	(1,055,830)	13,610	
Total Directly Controllable (Income)/Expenditure	(900)	(16,989)	(16,089)	
Indirect Expenditure	6,530	6,530	0	
Net (Income)/Expenditure	5,630	(10,459)	(16,089)	

IT RENEWALS REVENUE ACCOUNT

Income	(602,150)	(598,430)	3,720	
Total Directly Controllable (Income)/Expenditure	(602,150)	(598,430)	3,720	
Indirect Expenditure	487,950	488,030	80	
Net (Income)/Expenditure	(114,200)	(110,400)	3,800	

MANAGEMENT POLICY STRATEGY

Direct Expenditure	273,430	284,800	11,370	
Income	(284,890)	(284,990)	(100)	
Total Directly Controllable (Income)/Expenditure	(11,460)	(190)	11,270	
Indirect Expenditure	20,760	20,728	(32)	
Net (Income)/Expenditure	9,300	20,538	11,238	

FINANCE

MISCELLANEOUS ITEMS

	Revised Budget	Projected Outturn	Variance	Notes
Direct Expenditure	365,280	149,186	(216,094)	Removal of inflation allowance.
Income	(8,550)	(5,003)	3,547	
Total Directly Controllable (Income)/Expenditure	356,730	144,183	(212,547)	
Indirect Expenditure	360	360	0	
Net (Income)/Expenditure	357,090	144,543	(212,547)	

OPERATIONS TECHNICAL SERVICES

Direct Expenditure	1,238,440	1,397,469	159,029	Redundancy costs have been incurred in the process of restructuring the service; provision has been made for these costs in the invest to save reserve. A consultant has been retained to patch infrastructure to enhance cyber security in line with internal audit recommendations.
Income	(1,271,050)	(1,238,135)	32,915	Street Naming income will not be received this year due to the requirement to conclude a consultation process prior to implementation of charging.
Total Directly Controllable (Income)/Expenditure	(32,610)	159,334	191,944	
Indirect Expenditure	145,350	144,750	(600)	
Net (Income)/Expenditure	112,740	304,084	191,344	

PARISH AND LOCAL LIAISON

Direct Expenditure	201,900	202,569	669	
Total Directly Controllable (Income)/Expenditure	201,900	202,569	669	
Indirect Expenditure	205,920	205,930	10	
Net (Income)/Expenditure	407,820	408,499	679	

PAYROLL AND PURCHASING

Direct Expenditure	318,360	272,409	(45,951)	Savings relating to the processing of cheques and software for reporting spend information.
Income	(522,430)	(520,474)	1,956	
Total Directly Controllable (Income)/Expenditure	(204,070)	(248,065)	(43,995)	
Indirect Expenditure	124,080	124,150	70	
Net (Income)/Expenditure	(79,990)	(123,915)	(43,925)	

FINANCE

	Revised Budget	Projected Outturn	Variance	Notes
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PORTFOLIO MANAGEMENT

Direct Expenditure	208,470	228,115	19,645	Increased costs required to provide a round the clock service provision and computer software licence costs for the service.
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Income	(205,350)	(205,320)	30	
Total Directly Controllable (Income)/Expenditure	3,120	22,795	19,675	
Indirect Expenditure	31,150	31,020	(130)	
Net (Income)/Expenditure	34,270	53,815	19,545	

NON DISTRIBUTED COSTS

Direct Expenditure	2,294,390	2,088,032	(206,358)	Saving arising from variation in the estimate of superannuation back funding.
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Total Directly Controllable (Income)/Expenditure	2,294,390	2,088,032	(206,358)	
Indirect Expenditure	360	360	0	
Net (Income)/Expenditure	2,294,750	2,088,392	(206,358)	

WEBSITE

Direct Expenditure	251,180	249,502	(1,678)	
Total Directly Controllable (Income)/Expenditure	251,180	249,502	(1,678)	
Indirect Expenditure	31,050	31,080	30	
Net (Income)/Expenditure	282,230	280,582	(1,648)	

GUILDFORD YOUTH COUNCIL

Direct Expenditure	4,890	2,058	(2,832)	
Total Directly Controllable (Income)/Expenditure	4,890	2,058	(2,832)	
Indirect Expenditure	5,150	5,160	10	
Net (Income)/Expenditure	10,040	7,218	(2,822)	

MANAGEMENT

Revised Budget Projected Outturn Variance Notes

SERVICE SUMMARY			
Direct Expenditure	2,194,935	2,314,895	119,960
Income	(2,217,720)	(2,231,437)	(13,717)
Total Directly Controllable (Income)/Expenditure	(22,785)	83,458	106,243
Indirect Expenditure	410,910	411,810	900
Net (Income)/Expenditure	388,125	495,268	107,143

COMMUNITY DEVELOPMENT

Direct Expenditure	307,185	286,759	(20,426)	Savings due to the timing of expenditure on the Safer Guildford Partnership carried forward from 2017-18. An application will be made to carry forward remaining funds to 2019-20.
Income	(15,000)	(29,687)	(14,687)	
Total Directly Controllable (Income)/Expenditure	292,185	257,072	(35,113)	
Indirect Expenditure	50,640	50,286	(354)	
Net (Income)/Expenditure	342,825	307,358	(35,467)	

CUSTOMER SERVICE CENTRE

Direct Expenditure	413,650	363,646	(50,004)	
Income	(502,280)	(502,450)	(170)	
Total Directly Controllable (Income)/Expenditure	(88,630)	(138,804)	(50,174)	
Indirect Expenditure	68,880	68,930	50	
Net (Income)/Expenditure	(19,750)	(69,874)	(50,124)	Savings due to vacant posts partially offset by temporary staff.

INTERNAL AUDIT

Direct Expenditure	170,800	138,359	(32,441)	Savings associated with the commissioning and programming of audits.
Income	(358,490)	(358,490)	0	
Total Directly Controllable (Income)/Expenditure	(187,690)	(220,131)	(32,441)	
Indirect Expenditure	47,370	47,400	30	
Net (Income)/Expenditure	(140,320)	(172,731)	(32,411)	

MANAGEMENT	Revised Budget	Projected Outturn	Variance	Notes
BUSINESS IMPROVEMENT				
Direct Expenditure	(3,660)	210,805	214,465	As a mechanism to introduce salary and other savings into the budget arising from the Council wide service transformation programme, they are initially shown in the Business Improvement account. As savings are realised they appear in the service where the saving accrued. However, the budget relating to those savings is vired against this account.
Income	(293,090)	(293,090)	0	
Total Directly Controllable (Income)/Expenditure	(296,750)	(82,285)	214,465	
Indirect Expenditure	31,960	31,980	20	
Net (Income)/Expenditure	(264,790)	(50,305)	214,485	
FUTURE GUILDFORD				
Direct Expenditure	0	90,494	90,494	Future Guildford costs are being funded from the invest to save reserve.
Total Directly Controllable (Income)/Expenditure	0	90,494	90,494	
Net (Income)/Expenditure	0	90,494	90,494	
HR SERVICES				
Direct Expenditure	553,240	488,304	(64,936)	A vacant post within the service which has been disestablished for 2019-20.
Income	(643,830)	(643,830)	0	
Total Directly Controllable (Income)/Expenditure	(90,590)	(155,526)	(64,936)	
Indirect Expenditure	92,850	93,854	1,004	
Net (Income)/Expenditure	2,260	(61,672)	(63,932)	
OTHER EMPLOYEE COSTS				
Direct Expenditure	299,110	248,554	(50,556)	It is currently anticipated that expenditure on the corporate training budget will be lower than anticipated. A carry forward may be requested at year-end to support training and developments needs arising from Future Guildford.
Income	(227,520)	(227,520)	0	
Total Directly Controllable (Income)/Expenditure	71,590	21,034	(50,556)	
Indirect Expenditure	13,120	13,180	60	
Net (Income)/Expenditure	84,710	34,214	(50,496)	

MANAGEMENT	Revised Budget	Projected Outturn	Variance	Notes
PAYROLL AND INSURANCE				
Direct Expenditure	112,570	138,013	25,443	
Income	(170,810)	(170,810)	0	
Total Directly Controllable (Income)/Expenditure	(58,240)	(32,797)	25,443	
Indirect Expenditure	42,760	42,800	40	
Net (Income)/Expenditure	(15,480)	10,003	25,483	
PUBLIC RELATIONS AND MARKETING				
Direct Expenditure	342,040	349,961	7,921	
Income	(6,700)	(5,560)	1,140	
Total Directly Controllable (Income)/Expenditure	335,340	344,401	9,061	
Indirect Expenditure	63,330	63,380	50	
Net (Income)/Expenditure	398,670	407,781	9,111	

PLANNING AND REGENERATION

Revised Budget Projected Outturn Variance Notes

SERVICE SUMMARY			
Direct Expenditure	7,380,674	6,404,565	(976,109)
Income	(2,588,880)	(2,871,246)	(282,366)
Total Directly Controllable (Income)/Expenditure	4,791,794	3,533,319	(1,258,475)
Indirect Expenditure	2,767,710	2,964,009	196,299
Net (Income)/Expenditure	7,559,504	6,497,328	(1,062,176)

BUILDING CONTROL SUMMARY

Direct Expenditure	782,010	872,370	90,360	Savings from vacancies will no longer cover the agency staff engaged until the end of the financial year; there are also an agency requirement to cover long term sickness. Consultant costs are expected to be over budget by £34,300. Only £7,500 of the microfiche scanning carry forward of £30,000 is expected to be spent in 2018-19.
Income	(503,400)	(460,054)	43,346	Building Control fee income is currently anticipated to be £43,300 under budget.
Total Directly Controllable (Income)/Expenditure	278,610	412,316	133,706	
Indirect Expenditure	147,110	147,220	110	
Net (Income)/Expenditure	425,720	559,536	133,816	

CLIMATE CHANGE

Direct Expenditure	297,220	170,600	(126,620)	Vacant posts have resulted in an underspend. The Carbon allowance scheme has now finished resulting in a saving of £84,600.
Income	(318,840)	(388,956)	(70,116)	The additional income results from the recovery of costs relating to the Millmead LED lighting scheme.
Total Directly Controllable (Income)/Expenditure	(21,620)	(218,356)	(196,736)	
Indirect Expenditure	61,490	61,540	50	
Net (Income)/Expenditure	39,870	(156,816)	(196,686)	

PLANNING AND REGENERATION

DEVELOPMENT CONTROL

	Revised Budget	Projected Outturn	Variance	Notes
Direct Expenditure	2,031,380	2,376,530	345,150	Employee related expenditure is projected to be over budget by £161,500 due to temporary staff, maternity cover for two posts and the new compliance and monitoring officer post. Only £42,500 of the microfiche scanning carry forward of £170,000 will be spent in this financial year. Planning appeal expenses are expected to be higher than budgeted.
Income	(1,508,540)	(1,555,357)	(46,817)	
Total Directly Controllable (Income)/Expenditure	522,840	821,173	298,333	
Indirect Expenditure	635,680	623,388	(12,292)	
Net (Income)/Expenditure	1,158,520	1,444,561	286,041	

LOCAL LAND CHARGES

Direct Expenditure	215,030	211,873	(3,157)
Income	(256,500)	(253,492)	3,008
Total Directly Controllable (Income)/Expenditure	(41,470)	(41,619)	(149)
Indirect Expenditure	38,460	38,279	(181)
Net (Income)/Expenditure	(3,010)	(3,340)	(330)

MAJOR PROJECTS

Direct Expenditure	2,304,630	1,272,858	(1,031,772)	Employee related costs are expected to be £94,617 over the revenue budget which takes into account a capital allocation of £258,800. The allocation between revenue and capital will be revised at each monitoring period as the individual projects move from revenue to capital. There is a projected underspend on consultants fees on a number of projects including Guildford West (£164,030), Sustainable Movement Corridor (£197,000), Stoke Park Development (£165,000), Spectrum 2.0 (£200,000) and Major Projects (£274,070) which has been partially offset by unbudgeted Museum consultants fees of £89,970 and LEP fees of £26,650.
Income	0	(162,652)	(162,652)	LEP funding of £162,650 in this financial year has been received and is set against Sustainable Movement Corridor expenditure.
Total Directly Controllable (Income)/Expenditure	2,304,630	1,110,206	(1,194,424)	
Indirect Expenditure	489,010	489,030	20	
Net (Income)/Expenditure	2,793,640	1,599,236	(1,194,404)	

PLANNING AND REGENERATION

	Revised Budget	Projected Outturn	Variance	Notes
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POLICY

Direct Expenditure

1,689,514

1,477,005

(212,509)

Consultants and agency costs (excluding Local Plan) will be over budget by £76,000 and are attributable to transport planning, design and conservation and neighbourhood plans. Employee related savings due to vacancies are £156,400. Only £5,000 of the carry forwards will be spent in this financial year due mostly to delays in the Local Plan. The growth bid for the Strategic Design Overview SPD will be spent in 2018-19 along with an additional £70,500 which will be vired from salaries. The Infrastructure Delivery Plan will be delayed (£60,000 growth bid). Inspectors fees are projected to be under spent by £25,000 although legal costs relating to the Local Plan are significantly more than anticipated. The reserve for judicial review costs of £300,000 will not be spent in this financial year as a further consultation will most likely take place.

Income

(1,600)

(50,735)

(49,135)

A government grant of £20,000 is due in relation to the West Horsley neighbourhood plan and a new burdens payment of £30,000 for self and custom build will be due from MHCLG.

Total Directly Controllable (Income)/Expenditure**1,687,914****1,426,270****(261,644)**

Indirect Expenditure

936,350

1,144,912

208,562

Net (Income)/Expenditure**2,624,264****2,571,182****(53,082)****SLYFIELD AREA REGENERATION PROJECT (SARP)**

Direct Expenditure

60,890

23,329

(37,561)

It is not currently anticipated that the consultants budget will be committed in 2018-19.

Total Directly Controllable (Income)/Expenditure**60,890****23,329****(37,561)**

Indirect Expenditure

459,610

459,640

30

Net (Income)/Expenditure**520,500****482,969****(37,531)**

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HOUSING REVENUE ACCOUNT SUMMARY - BUDGET MONITOR (APRIL 2018 - JAN 2019)

APPENDIX 3

2016-17 Actual £	2017-18 Actual £	Analysis	2018-19 Estimate £	2018-19 Projection £
		Borough Housing Services		
654,594	613,565	Income Collection	695,740	662,113
1,004,169	948,978	Tenants Services	959,890	948,210
71,395	64,128	Tenant Participation	137,940	69,498
68,906	68,808	Garage Management	72,390	67,987
62,795	64,083	Elderly Persons Dwellings	63,930	62,222
489,812	524,075	Flats Communal Services	433,580	505,249
473,413	432,181	Environmental Works to Estates	541,170	455,921
5,088,818	5,523,575	Responsive & Planned Maintenance	5,249,470	5,552,474
149,529	120,028	SOCH & Equity Share Administration	138,690	120,514
8,063,430	8,359,422		8,292,800	8,444,189
		Strategic Housing Services		
393,556	360,623	Advice, Registers & Tenant Selection	349,880	334,092
199,230	210,368	Void Property Management & Lettings	191,190	209,241
10,098	9,142	Homelessness Hostels	9,700	9,700
200,681	142,418	Supported Housing Management	164,170	160,392
593,967	392,915	Strategic Support to the HRA	425,970	394,918
1,397,533	1,115,468		1,140,910	1,108,343
		Community Services		
822,862	911,190	Sheltered Housing	779,380	827,279
		Other Items		
6,703,540	5,528,728	Depreciation	6,500,000	6,485,780
2,661,783	(44,323)	Revaluation and other Capital items	0	0
147,485	165,468	Debt Management	160,590	160,590
154,218	280,328	Other Items	635,960	649,740
19,950,851	16,316,281	Total Expenditure	17,509,640	17,675,921
(32,623,860)	(32,247,174)	Income	(31,916,130)	(31,959,248)
(12,673,009)	(15,930,894)	Net Cost of Services(per inc & exp a/c)	(14,406,490)	(14,283,327)
259,861	264,207	HRA share of CDC	251,530	251,530
(12,413,148)	(15,666,687)	Net Cost of HRA Services	(14,154,960)	(14,031,797)
(508,072)	(384,996)	Investment Income	(804,490)	(474,278)
5,022,423	5,004,072	Interest Payable	5,138,210	5,131,995
(7,898,797)	(11,047,611)	Deficit for Year on HRA Services	(9,821,240)	(9,374,080)
	627,309	REFCUS - Revenue funded from capital	75,000	75,000
2,500,000	2,500,000	Contrib to/(Use of) RFFC	2,500,000	2,500,000
7,966,069	7,563,162	Contrib to/(Use of) New Build Reserve	7,246,240	6,799,080
121,431	309,017	Tfr (fr) to Pensions Reserve	0	0
	640,110	Tfr (from)/to CAA re: Voluntary Revenue Provision	0	0
(2,648,007)	71,504	Tfr (from)/to CAA re: Revaluation	0	0
(25,420)	(627,309)	Tfr (from)/to CAA re: REFCUS	0	0
(13,775)	(27,181)	Tfr (from)/to CAA re: Intangible assets	0	0
(1,500)	(9,000)	Tfr (from)/to CAA re: rev. inc. from sale of asset	0	0
(0)	0	HRA Balance	0	0
(2,500,000)	(2,500,000)	Balance Brought Forward	(2,500,000)	(2,500,000)
(2,500,000)	(2,500,000)	Balance Carried Forward	(2,500,000)	(2,500,000)

2016-17 Actual £	2017-18 Actual £	Analysis	2018-19 Estimate £	2018-19 Projection £
		Borough Housing Services		
(29,850,855)	(29,579,133)	Rent Income - Dwellings	(29,314,780)	(29,213,934)
(213,964)	(207,228)	Rent Income - Rosebery Hsg Assoc	(209,980)	(208,349)
(194,263)	(199,874)	Rents - Shops, Buildings etc	(194,300)	(201,821)
(677,827)	(699,962)	Rents - Garages	(730,000)	(720,004)
(30,936,909)	(30,686,197)	Total Rent Income	(30,449,060)	(30,344,107)
(345,764)	(316,404)	Supporting People Grant	(82,000)	(128,000)
(961,529)	(937,611)	Service Charges	(1,008,040)	(978,788)
(5,155)	(21,432)	Legal Fees Recovered	(28,840)	(22,000)
(40,025)	(44,698)	Service Charges Recovered	(76,310)	(76,310)
(334,477)	(240,832)	Miscellaneous Income	(271,880)	(410,043)
(32,623,860)	(32,247,174)	Total Income	(31,916,130)	(31,959,248)

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GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2018-19 to 2023-24

Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-18	2018-19				Projected exp est by project officer	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	2022-23 Est for year	2023-24 Est for year	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Net cost of scheme
			Estimate approved by Council in February	Revised estimate	Expenditure at 15.02.19											
	(a)	(b)	(c)	(d)	(e)	(f)	(ii)	(iii)	(iv)	(v)	(v)	(g)	(b)+(g) = (h)	(i)	(h)-(i) = (j)	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
APPROVED SCHEMES																
COMMUNITY DIRECTORATE																
General Fund Housing																
Home Farm, Effingham - provision of Gypsy and Traveller	1,000	987	-	13	(11)	13	-	-	-	-	-	-	1,000	-	1,000	
Disabled Facilities Grants			-	605	344	605	605	605	605	605	605	3,025	3,630	(737)	2,893	
Better Care Fund			-	-	29	-	-	-	-	-	-	-	-	-	-	
Home Improvement Assistance			-	-	31	-	-	-	-	-	-	-	-	-	-	
Solar Energy Loans			-	-	-	-	-	-	-	-	-	-	-	-	-	
SHIP			-	-	0	-	-	-	-	-	-	-	-	-	-	
General Grants to HAs			100	100	-	100	100	100	100	100	100	500	600	-	600	
General feasibility, site preparation costs for affordable housing			120	188	-	188	120	120	120	120	120	600	1,453	-	1,453	
Bright Hill Car Park Site		17			2								-	-	-	
Ladymead/Fire Station site preparation		95			2								-	-	-	
Garage Sites-General		159			1								-	-	-	
Garage Sites Phase 1		5			5								-	-	-	
Guildford Park Car Park		312			(2)								-	-	-	
Apple Tree Pub Site		75			0								-	-	-	
Park Barn					2											
Japonica Court/Shawfield Day Centre					4											
Corporate Property																
Disabled Access (DDA) Improvements: ph.2 & 3	390	348	26	56	49	56	-	-	-	-	-	-	404	-	404	
Void investment property refurbishment works	400	219	177	60	-	50	10	-	-	-	-	10	400	-	400	
5 High Street void works		-	-	106	1	51	55					55				
12/13 Enterprise Est void work			-	15	16	15										
Asbestos surveys and removal in non-residential council	158	114	42	44	14	12	32	-	-	-	-	32	158	-	158	
Methane gas monitoring system	100	45	60	55	-	10	45	-	-	-	-	45	100	-	100	
Energy efficiency compliance - Council owned properties	245	16	225	229	34	229	-	-	-	-	-	-	245	-	245	
Rebuild retaining wall on Shalford Park boundary with the Old	60	32	9	28	1	1	-	-	-	-	-	-	33	(16)	17	
Bridges -Inspections and remedial works	317	173	200	144	0	144	-	-	-	-	-	-	317	-	317	
Bridges - Millmead Footbridge					4											
Bridges - Shalford Common			-		1	-										
Bridges - Millmead Lattice					9											
Bridges - Shalford Rd/Millmead Island					0											
Electric Theatre - new boilers	120	-	-	120	-	-	120	-	-	-	-	120	120	-	120	
The Billings roof	200	13	187	187	-	12	-	175	-	-	-	175	200	-	200	
Guildford house damproofing- removal of decayed timber	20	4	20	31	24	26	-	-	-	-	-	-	30	-	30	
Broadwater cottage	224	2	64	72	38	50	172	-	-	-	-	172	224	-	224	
Gunpowder mills - scheduled ancient monument	50	5	50	45	(1)	20	25	-	-	-	-	25	50	-	50	
New House - short term works following acquisition	70	18	22	52	36	52	-	-	-	-	-	-	70	-	70	
Chapel Street (Castle Street/Tunsgate Public Realm Scheme)	835	113	-	722	748	722	-	-	-	-	-	-	835	-	835	
Site clearance costs ahead of sale of Burpham Court Farm	50	-	-	50	33	33	-	-	-	-	-	-	33	-	33	
Cladding of Ash Vale units	145	-	145	145	0	10	135	-	-	-	-	135	145	-	145	
48 Quarry Street, Museum - structural works	-	-	30	30	14	18	12	-	-	-	-	12	30	-	30	
Park Barn CC LED lighting upgrade (Complete)	3	-	3	3	3	3	-	-	-	-	-	-	3	-	3	
Foxenden Tunnels safety works	110						110					110	110	-	110	
Holy Trinity Church boundary wall	63						63					63	63	1	64	
Office Services																
Replace Hydro Gates Toll House (COMPLETE)				16	11	11							11	-	11	
Hydro private wire - Tollhouse to Millmead			4	4	3	4	-	-	-	-	-	-	4	-	4	
COMMUNITY DIRECTORATE TOTAL	4,560	2,752	1,483	3,120	1,447	2,434	1,604	1,000	825	825	825	5,079	10,265	(752)	9,513	
ENVIRONMENT DIRECTORATE																
Operational Services																
Safer Guildford: CCTV & Lighting Strategy - Lighting Strategy	345	324	-	21	-	0	21	-	-	-	-	21	345	-	345	
Mill Lane (Pirbright) Flood Protection Scheme	71	55	16	16	-	(0)	16	-	-	-	-	16	71	(19)	52	
Vehicles, Plant & Equipment Replacement Programme	6,445	5,366	600	1,079	312	500	579	-	-	-	-	579	6,445	(26)	6,419	
Mary Road Flood (EA grant)	45	16		29	-	0	29						45	(45)	-	
Flood resilience measures (use in conjunction with grant)	100	-	-	-	-	-	100	-	-	-	-	100	100	-	100	
Litter bins replacement	265	104	-	161	8	161	-	-	-	-	-	-	265	-	265	
Flats recycling - new bins	50	39	-	11	7	11	-	-	-	-	-	-	50	-	50	

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2018-19 to 2023-24

Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-18	2018-19				Projected exp est by project officer	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	2022-23 Est for year	2023-24 Est for year	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Net cost of scheme
			Estimate approved by Council in February	Revised estimate	Expenditure at 15.02.19	Estimate approved by Council in February										
	(a)	(b)	(c)	(d)	(e)	(f)	(ii)	(iii)	(iv)	(v)	(v)	(g)	(b)+(g) = (h)	(i)	(h)-(i) = (j)	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
WRD roads and footpaths	150	59	51	51	37	51	40	-	-	-	-	40	150	-	150	
Merrow lane grille & headwall construction	60	3	52	57	-	(0)	57	-	-	-	-	57	60	-	60	
Merrow & Burpham surface water study	15	-	15	15	-	-	15	-	-	-	-	15	15	-	15	
Crown court CCTV	10	-	10	10	-	-	10	-	-	-	-	10	10	-	10	
New vehicle washing system	155	0	155	155	1	155	-	-	-	-	-	-	155	-	155	
Parks and Leisure																
Spectrum Roof replacement	4,000	1,420	43	276	106	276	300	-	-	-	-	300	3,100	-	3,100	
Spectrum roof - steelwork ph2	-	407	-	-	3	-	-	-	-	-	-	-	-	-	-	
Spectrum roof - steelwork ph3	-	697	-	-	23	-	-	-	-	-	-	-	-	-	-	
Infrastructure works: Guildford Commons	150	3	-	-	-	-	-	-	-	-	-	-	3	-	3	
Infrastructure works: Guildford Commons: Merrow	-	12	-	5	-	5	-	-	-	-	-	-	17	-	17	
Infrastructure works: Guildford Commons: Shalford	-	97	33	33	12	33	-	-	-	-	-	-	130	-	130	
Onslow Rec play area (COMPLETE)	174	165	-	9	8	9	-	-	-	-	-	-	174	-	174	
Westnye Gardens play area	125	10	110	115	106	115	-	-	-	-	-	-	125	-	125	
Stoke Park Tennis Courts refurbishment (COMPLETE)	90	85	-	5	4	5	-	-	-	-	-	-	90	-	90	
Stoke Park Paddling Pool (ph1&2) (COMPLETE)	423	418	-	5	-	0	-	-	-	-	-	-	418	-	418	
Stoke Park Bowls Club (COMPLETE)	102	112	-	(10)	(10)	-	-	-	-	-	-	-	102	(44)	58	
Stoke cemetery re-tarmac	47	-	47	47	-	-	47	-	-	-	-	47	47	-	47	
Woodbridge rd sportsground replace fencing	250	39	-	211	157	211	-	-	-	-	-	-	250	-	250	
Stoke Park Composting facility	105	-	105	105	-	-	105	-	-	-	-	105	105	-	105	
Chantry wood campsite	216	7	210	209	-	(0)	-	-	-	-	-	-	7	-	7	
Stoke pk office accomodation & storage buildings	65	74	-	(9)	2	2	-	-	-	-	-	-	76	-	76	
Pre-sang costs	100	19	79	81	5	20	61	-	-	-	-	61	100	-	100	
Stoke Cemetery Chapel - phase 2(COMPLETE)	75	7	72	68	38	44	-	-	-	-	-	-	51	-	51	
Replace Stoke Park gardens attendant hut/Visitor information	143	14	80	128	128	128	-	-	-	-	-	-	143	-	143	
Wall repairs for parks, cemeteries & recreation	195	10	180	185	162	143	-	-	-	-	-	-	153	-	153	
Bellfields Community Centre - Subsidence	60	3	49	57	56	57	-	-	-	-	-	-	60	-	60	
Countryside fence replacement	97	64	47	33	21	33	-	-	-	-	-	-	97	-	97	
Sutherland Memorial Park LED lighting for courts/football pitch	25	-	-	25	24	25	-	-	-	-	-	-	25	-	25	
New War Memorial	50	16	-	34	47	34	-	-	-	-	-	-	50	-	50	
Museum and castle development	452	3	349	449	-	449	-	-	-	-	-	-	452	-	452	
Parks and Countryside - repairs and renewal of paths,roads	165	-	165	165	48	165	-	-	-	-	-	-	165	-	165	
Kings college astro turf	547	-	120	547	1	547	-	-	-	-	-	-	547	(427)	120	
Shalford Common - regularising car parking/reduction of	121	-	-	-	-	-	60	61	-	-	-	121	121	-	121	
Resurface Lido Rd CP (COMPLETE)	40	-	40	40	40	40	-	-	-	-	-	-	40	-	40	
Economic Development																
Broadband for Surrey Hills				10	10	10							10	-	10	
ENVIRONMENT TOTAL DIRECTORATE	15,527	9,649	2,628	4,428	1,355	3,229	1,440	61	0	0	0	1,472	14,368	(560)	13,808	
FINANCE DIRECTORATE																
Financial Services																
Capital contingency fund	annual	-	5,000	3,025	-	3,025	5,000	5,000	5,000	5,000	5,000	25,000	28,025	-	28,025	
RESOURCES DIRECTORATE TOTAL	0	0	5,000	3,025	0	3,025	5,000	5,000	5,000	5,000	5,000	25,000	28,025	0	28,025	
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																
COMMUNITY DIRECTORATE																
Guildford Park - new MSCP and infrastructure works	6,500	1,118	4,497	4,768	476	1,259	3,509	-	-	-	-	3,509	6,500	-	6,500	
Guildford Park - Housing for private sale		614			269	-										
Investment in North Downs Housing (60%)	15,180	2,698	12,840	12,482	1,506	2,700	3,600	4,500	1,682	-	-	9,782	15,180	-	15,180	
Equity shares in Guildford Holdings Ltd (40%)	10,120	1,803	8,560	8,317	1,004	1,800	2,400	3,000	1,117	-	-	6,517	10,120	-	10,120	
Middleton Ind Est Redevelopment	3,850	36	1,637	1,801	167	165	3,649	-	-	-	-	3,649	3,850	-	3,850	
ENVIRONMENT DIRECTORATE																
Walnut Bridge replacement	3,341	896	1,026	2,445	333	533	801	1,094	17	-	-	1,912	3,341	(1,441)	1,900	
Rebuild Crematorium	11,732	560	10,335	5,000	3,333	3,800	7,372	-	-	-	-	7,372	11,732	-	11,732	
Spectrum Combined Heat and Power (GF contr)	1,110	216	-	651	65	150	-	-	-	-	-	-	366	-	366	
Woodbridge Rd sportsground	1,900	1,918	-	(18)	293	(18)	-	-	-	-	-	-	1,900	(746)	1,154	
PLANNING & REGENERATION DIRECTORATE																
Internal Estate Road - CLLR Phase 1	11,139	1,173	4,339	4,966	768	3,466	6,500	-	-	-	-	6,500	11,139	(1,000)	10,139	
Slyfield Area Regeneration Project (SARP)	5,225	1,252	900	1,632	1,400	1,632	2,341	-	-	-	-	2,341	5,225	-	5,225	
North Street Development / Guild Town Centre regeneration	977	721	337	256	15	256	-	-	-	-	-	-	977	(50)	927	
TCMP Sites U: Bedford Rd Wharf(COMPLETE)	15,576	-	-	1,400	15,576	15,576	-	-	-	-	-	-	15,576	-	15,576	

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2018-19 to 2023-24

Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-18	2018-19			Projected exp est by project officer	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	2022-23 Est for year	2023-24 Est for year	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Net cost of scheme
			Estimate approved by Council in February	Revised estimate	Expenditure at 15.02.19										
	(a)	(b)	(c)	(d)	(e)	(f)	(ii)	(iii)	(iv)	(v)	(v)	(g)	(b)+(g) = (h)	(i)	(h)-(i) = (j)
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Walnut Bridge Land Acquisition		9		491	369	491							500	-	500
Town Centre Gateway Regeneration	3,523	11	-	(11)	32	31	3,481	-	-	-	-	3,481	3,523	-	3,523
SMC(West) Phase 1	3,850		850	850	196	802	1,383	1,665				3,048	3,850	(2,725)	1,125
A331 hotspots	3,930	-	300	300	-	300	2,230	1,400	-	-	-	3,630	3,930	(1,965)	1,965
Town Centre Approaches	1,033	-	200	200	-	-	1,033	-	-	-	-	1,033	1,033	(700)	333
Strategic property acquisitions -	830	-	-	830	831	830	-	-	-	-	-	-	830	-	830
Strategic property acquisitions - 41 Moorfield Road	1,544		-	1,544	1,541	1,544	-	-	-	-	-	-	1,544	-	1,544
Bedford Wharf Landscaping	150			150			150	-	-	-	-	150	150	-	150
Ash Bridge Land acquisition	20			20		20	-	-	-	-	-	-	20	-	20
Ash Road Bridge	600			600		485	115	-	-	-	-	115	600	(600)	-
DEVELOPMENT/INCOME GENERATING/COST REDUCTION	102,129	13,024	45,821	48,673	28,174	35,821	38,564	11,659	2,816	0	0	53,039	101,884	(9,227)	92,657
APPROVED SCHEMES TOTAL	122,216	25,425	54,932	59,246	30,976	44,509	46,608	17,720	8,641	5,825	5,825	84,590	154,543	(10,539)	144,003

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GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2018-19 to 2023-24

Directorate / Service Units Capital Schemes	Gross estimate approved by Executive (a)	Cumulative spend at 31-03-18 (b)	2018-19		Expenditure at 15.02.19 (f)	Projected exp est by project officer (g)	2019-20 Est for year (i)	2020-21 Est for year (ii)	2021-22 Est for year (iii)	2022-23 Est for year (iv)	2023-24 Est for year (v)	Future years estimated expenditure (h)	Projected expenditure total (b) to (g)=(i)	Grants or Contributions towards cost of scheme (j)	Net total cost of scheme to the Council (i) - (j) = (k)
			Estimate approved by Council in February (c)	Revised estimate (e)											
PROVISIONAL SCHEMES (schemes approved in principle; further report to the Executive required)															
COMMUNITY DIRECTORATE															
General Fund Housing															
Old Manor House - replacement windows	193	-	193	193	-	-	193	-	-	-	-	193	193	-	193
Corporate Property															
Void investment property refurbishment works	300	-	200	200	-	-	300	-	-	-	-	300	300	-	300
Guildford Museum	6,210	-	-	-	-	-	180	6,030	-	-	-	6,210	6,210	-	6,210
Methane gas monitoring system	150	-	150	150	-	-	150	-	-	-	-	150	150	-	150
Energy efficiency compliance - Council owned properties	950	-	950	950	-	-	-	950	-	-	-	950	950	-	950
Bridges	370	-	270	370	-	-	370	-	-	-	-	370	370	-	370
Gunpowder mills - scheduled ancient monument	172	-	172	172	-	-	120	52	-	-	-	172	172	-	172
Westfield/Moorfield rd resurfacing	3,152	-	3,152	3,152	-	-	-	3,152	-	-	-	3,152	3,152	-	3,152
Exhibition lighting at Guildford House	50	-	50	50	-	-	50	-	-	-	-	50	50	-	50
Chapel Street (Castle Street/Tungate Public Realm Scheme)	1,165	-	1,150	1,165	-	-	1,165	-	-	-	-	1,165	1,165	-	1,165
Tyting Farm Land-removal of barns and concrete handstanding	250	-	250	250	-	-	250	-	-	-	-	250	250	-	250
Rodboro Buildings - electric theatre through road and parking	450	-	450	450	7	-	450	-	-	-	-	450	450	-	450
48 Quarry Street, Museum - structural works	220	-	-	-	-	-	220	-	-	-	-	220	220	-	220
Land to the rear of 39-42 Castle Street	10	-	10	10	-	-	10	-	-	-	-	10	10	-	10
Park Barn CC LED lighting upgrade (Complete)	19	-	19	19	-	-	-	-	-	-	-	-	-	-	-
Shawfield DC - fire alarm system and LED lighting upgrade	83	-	83	83	-	-	83	-	-	-	-	83	83	-	83
Office Services															
Renewables	65	-	65	65	-	65	-	-	-	-	-	-	65	-	65
Millmead House - M&E plant renewal	33	-	33	33	-	33	-	-	-	-	-	-	33	-	33
Hydro private wire - Tollhouse to Millmead	85	-	82	82	-	82	-	-	-	-	-	-	82	-	82
COMMUNITY DIRECTORATE TOTAL	13,927	-	7,279	7,394	7	180	3,541	10,184	-	-	-	13,725	13,905	-	13,905
ENVIRONMENT DIRECTORATE															
Operational Services															
Mill Lane (Pirbright) Flood Protection Scheme	200	-	200	200	-	-	200	-	-	-	-	200	200	(20)	180
Vehicles, Plant & Equipment Replacement Programme	5,000	-	-	-	-	-	-	5,000	-	-	-	5,000	5,000	-	5,000
Surface water management plan	200	-	200	200	-	-	200	-	-	-	-	200	200	-	200
Town Centre CCTV upgrade	250	-	-	-	-	-	250	-	-	-	-	250	250	-	250
High Street Protection	260	-	-	-	-	-	260	-	-	-	-	260	260	-	260
Parks and Leisure															
New burial grounds - acquisition & development	7,834	33	2,508	2,501	5	5	100	2,396	5,300	-	-	7,796	7,834	-	7,834
Refurbishment / rebuild Sutherland Memorial Park Pavilion	150	-	150	150	-	-	-	-	-	-	150	150	150	-	150
Council owned playground refurbishment	320	-	200	200	-	-	250	70	-	-	-	320	320	-	320
Council tennis courts refurbishment (COMPLETE)	155	-	155	155	-	-	-	-	-	-	-	-	-	-	-
Aldershot rd allotment expansion & improvement	200	-	200	200	-	-	-	-	200	-	-	200	200	-	200
Stoke pk office accommodation & storage buildings	665	-	665	665	-	-	-	665	-	-	-	665	665	-	665
Sutherland memorial park all weather courts new posts and	25	-	-	25	-	25	-	-	-	-	-	-	25	-	25
Stoke Pk gardens water feature refurb	81	-	81	81	-	-	-	81	-	-	-	81	81	(59)	22
Resurface Lido Rd CP (COMPLETE)	60	-	60	60	-	-	-	-	-	-	-	-	-	-	-
Sutherland Memorial Park LED lighting (COMPLETE)	10	-	10	10	-	-	-	-	-	-	-	-	-	-	-
Stoke Memorial Park - electrical works	39	-	39	39	-	39	-	-	-	-	-	-	39	-	39
Stoke Park Masterplan enabling costs	500	-	100	100	-	-	100	150	100	150	-	500	500	-	500
Parks and Countryside - repairs and renewal of paths, roads and	1,735	-	135	135	-	135	400	400	400	400	-	1,600	1,735	-	1,735
Sports pavilions - replace water heaters	154	-	154	154	-	-	-	-	-	-	-	-	-	-	-
Millmead fish pass	60	-	-	-	-	-	60	-	-	-	-	60	60	-	60
Traveller encampments	250	-	-	-	-	-	180	70	-	-	-	250	250	-	250
ENVIRONMENT DIRECTORATE TOTAL	18,148	33	4,857	4,875	5	204	2,000	8,832	6,000	550	150	17,532	17,769	(79)	17,690
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS															
COMMUNITY DIRECTORATE															
Guildford Park new MSCP and infrastructure works	23,125	-	18,625	18,625	-	-	4,380	11,625	7,120	-	-	23,125	23,125	-	23,125
Investment in North Downs Housing	30,100	-	-	-	-	-	-	-	5,518	12,539	-	18,057	18,057	-	18,057
Equity shares in Guildford Holdings Ltd	-	-	-	-	-	-	-	-	3,683	8,360	-	12,043	12,043	-	12,043

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2018-19 to 2023-24

Directorate / Service Units Capital Schemes	Gross estimate approved by Executive (a)	Cumulative spend at 31-03-18 (b)	2018-19		Expenditure at 15.02.19 (f)	Projected exp est by project officer (g)	2019-20 Est for year (i)	2020-21 Est for year (ii)	2021-22 Est for year (iii)	2022-23 Est for year (iv)	2023-24 Est for year (v)	Future years estimated expenditure (h)	Projected expenditure total (b) to (g)=(i)	Grants or Contributions towards cost of scheme (j)	Net total cost of scheme to the Council (i) - (j) = (k) £000
			Estimate approved by Council in February (c)	Revised estimate (e)											
			£000	£000											
Redevelop Middleton industrial estate	11,057	-	-	-	-	-	-	11,057	-	-	-	11,057	11,057	-	11,057
ENVIRONMENT DIRECTORATE															
Stoke Park - Home Farm Redevelopment	4,000	-	-	-	-	-	-	-	-	-	4,000	4,000	4,000	-	4,000
PLANNING & REGENERATION DIRECTORATE															
Slyfield Area Regeneration Project (SARP) (GBC share)	69,083	-	-	-	-	-	3,659	700	22,962	41,762	-	69,083	69,083	(7,500)	61,583
North Street development	29,590	-	-	-	-	-	-	29,590	-	-	-	29,590	29,590	-	29,590
Bright Hill Development	13,500	-	500	500	-	-	180	500	5,000	7,000	820	13,500	13,500	-	13,500
Transport schemes for future Local Growth Fund and other	4,000	-	4,000	-	-	-	-	-	-	-	-	-	-	-	-
Town centre transport infrastructure package	217	-	217	217	-	-	-	-	-	-	-	-	-	-	-
Sustainable Movement Corridor	6,045	-	-	-	-	-	-	-	-	6,045	-	6,045	6,045	-	6,045
Guildford West (PB) station	5,200	-	1,150	1,150	-	-	1,150	1,050	3,000	-	-	5,200	5,200	(3,750)	1,450
Strategic property acquisitions	31,747	-	-	-	-	-	4,647	13,300	13,800	-	-	31,747	31,747	-	31,747
Guildford Gyrotary & approaches	10,967	-	-	-	-	-	-	3,500	3,500	3,967	-	10,967	10,967	(5,000)	5,967
Guildford bike share	530	-	530	530	-	-	530	-	-	-	-	530	530	-	530
Bus station relocation	500	-	300	300	-	-	300	200	-	-	-	500	500	-	500
Student Housing	81,000	-	3,000	-	-	-	-	-	-	-	-	-	-	-	-
Access for all Ash Station funding	250	-	-	-	-	-	250	-	-	-	-	250	250	-	250
Bedford Wharf Landscaping	350	-	-	350	-	-	350	-	-	-	-	350	350	-	350
Ash Road Bridge	11,900	-	-	-	-	-	11,900	-	-	-	-	11,900	11,900	(11,900)	-
COME GENERATING/COST REDUCTION PROJECTS TOTAL	333,161	-	28,322	21,672	-	-	27,346	71,522	64,583	79,673	4,820	247,944	247,944	(28,150)	219,794
PROVISIONAL SCHEMES - GRAND TOTALS	365,236	33	40,458	33,941	12	384	32,887	90,538	70,583	80,223	4,970	279,201	279,617	(28,229)	251,388

GENERAL FUND CAPITAL PROGRAMME - S106 ESTIMATED EXPENDITURE 2018-19 to 2023-24

Service Units / Capital Schemes	Approved gross estimate	Cumulative spend at 31-03-18	2018-19 Estimate approved by Council in February	Revised estimate	Expenditure at 15.02.19	Projected exp est by project officer	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	2022-23 Est for year	2023-24 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
	(a) £000	(b) £000	(c) £000	(d)	(e) £000	(f) £000	(i) £000	(ii) £000	(iii) £000	(iv) £000	(v) £000	(g) £000	(b)+(g) = (h) £000	(i) £000	(h)-(i) = (j) £000	(k) £000
APPROVED SCHEMES (fully funded from S106 contributions)																
ENVIRONMENT DIRECTORATE																
Operational Services																
Hayden Place CCTV - P92310	35	12		23	-	23							35	(35)		
Parks and Leisure																
Tilehouse Open Space - Playground Refurbishment & Baird Drive/Briars Playground Refurb	132	102	-	30	-	30	-	-	-	-	-	-	132	(132)	-	-
Bushy Hill Facilities	10	8	-	2	-	2	-	-	-	-	-	-	10	(10)	-	-
75-78 Woodbridge Rd (complete)	27	16	-	11	-	11	-	-	-	-	-	-	27	(27)	-	-
Greening the approaches - roundabouts	15	11	-	4	-	4	-	-	-	-	-	-	15	(15)	-	-
Installation of trampoline play equipment Pirbright	40	5	-	35	-	35	-	-	-	-	-	-	40	(40)	-	-
Gunpowder mills - signage, access and woodland imps	11	-	-	11	-	11	-	-	-	-	-	-	11	(11)	-	-
Chantry Wood Campsite	36	17	-	19	-	19	-	-	-	-	-	-	36	(36)	-	-
Fir Tree Garden	36		-				36	-	-	-	-	36	36	(36)	-	-
Stoke Park Trim Trail	28	-	-	28	-	28	-	-	-	-	-	-	28	(28)	-	-
Stoke Park New Playground Entrance	23	22		1	-	1	-	-	-	-	-	-	23	(23)	-	-
Pound Place Playarea	13	6		7	7	7	-	-	-	-	-	-	13	(13)	-	-
Benches on Ripley Green	23			23	23	23							23	(23)	-	-
WW1 Commemorative Orchard	5			5	5	5							5	(5)	-	-
	14			14	14	14							14	(14)	-	-
ENVIRONMENT DIRECTORATE TOTAL	412	199	-	212	48	212	36	-	-	-	-	36	412	(412)	-	-
APPROVED SCHEMES continued (fully funded from S106 contributions)																
COMMUNITY DIRECTORATE																
Haydon Place / Martyr Road	67	64	-	3	-	3	-	-	-	-	-	-	67	(67)	-	-
Woodbridge meadows	243	197	-	46	-	46	-	-	-	-	-	-	243	(243)	-	-
Woodbridge Hill environmental improvements	226	220	-	6	1	6	-	-	-	-	-	-	226	(226)	-	-
G Live Lighting and Signage York Road	32	23	-	9	-	9	-	-	-	-	-	-	32	(32)	-	-
G Live Bus stop/drop off point	11	4	-	7	-	7	-	-	-	-	-	-	11	(11)	-	-
Espom Rd/Boxgrove Road	150	87	-	63	-	63	-	-	-	-	-	-	150	(150)	-	-
Bridge Street Waymarking	5	1	-	4	-	4	-	-	-	-	-	-	5	(5)	-	-
DEVELOPMENT DIRECTORATE TOTOAL	734	595	-	139	1	139	-	-	-	-	-	-	734	(734)	-	-
APPROVED S106 SCHEMES TOTAL	1,146	794	-	350	49	350	36	-	-	-	-	36	1,146	(1,146)	-	-

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

Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-18	2018-19 Estimate approved by Council in February	Revised estimate	Expenditure at 15.02.19	Projected exp est by project officer	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	2022-23 Est for year	2023-24 Est for year	Future years est exp	Projected expenditure total
	(a) £000	(b) £000	(c) £000	£000	(e) £000	(f) £000	(i) £000	(ii) £000	(iii) £000	(iv) £000	(v) £000	(g) £000	(b)+(g) = (h) £000
COMMUNITY DIRECTORATE													
ENERGY PROJECTS per SALIX RESERVE:(PR220)													
LED Lighting replacement	80	49	-	19	-	(0)	193	-	-	-	-	193	242
WRD energy reduction	70	-	-	70	-	-	70	-	-	-	-	70	70
ENERGY PROJECTS per GBC INVEST TO SAVE													
GBC 'Invest to Save' energy projects (to be repaid in line with PV/energy efficiency projects	100	2	164	164	-	164	-	-	-	-	-	-	164
Park Barn Day Centre - air source heat pump	143	-	143	143	5	143	-	-	-	-	-	-	143
SMP - air source heat pump	28	-	28	28	0	28	-	-	-	-	-	-	28
Stoke Park Nursery - air source heat pump	17	-	17	17	-	17	-	-	-	-	-	-	17
ENERGY RESERVES TOTAL	438	51	450	539	6	450	263	-	-	-	-	263	764
CAPITAL SCHEMES RESERVE													
Ash Manor Roof Works	80	-	-	80	77	80	-	-	-	-	-	-	80
CAPITAL SCHEMES RESERVE	80	-	-	80	77	80	-	-	-	-	-	-	80
BUDGET PRESSURES RESERVE													
Future Guildford implementation team	2,600	-	-	-	-	-	1,000	1,600	-	-	-	2,600	2,600
BUDGET PRESSURES RESERVE TOTAL	2,600	-	-	-	-	-	1,000	1,600	-	-	-	2,600	2,600
FINANCE DIRECTORATE													
INFORMATION TECHNOLOGY - IT Renewals Reserve (PR265) : approved annually													
Hardware / software budget	-	-	1,034	1,500	-	1,500	527	500	500	500	-	2,027	3,558
Hardware	annual	annual	-	-	286	-	-	-	-	-	-	-	-
Software	annual	annual	-	-	-	-	-	-	-	-	-	-	-
ICT infrastructure improvements	1,250	-	1,250	1,250	1,220	1,250	-	-	-	-	-	-	1,250
IDOX Acolaid to Uniform	275	-	-	-	-	-	275	-	-	-	-	275	275
LCTS alternative	56	-	-	-	-	-	6	50	-	-	-	56	56
Future Guildford ICT	1,200	-	-	-	-	-	1,200	-	-	-	-	1,200	1,200
IT RENEWALS RESERVE TOTAL	2,781	-	2,284	2,750	1,506	2,750	2,008	550	500	500	-	3,558	6,308

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Appendix 7

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

Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-18	2018-19				2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	2022-23 Est for year	2023-24 Est for year	Future years est exp	Projected expenditure total
			Estimate approved by Council in February	Revised estimate	Expenditure at 15.02.19	Projected exp est by project officer							
	(a) £000	(b) £000	(c) £000	£000	(e) £000	(f) £000	(i) £000	(ii) £000	(iii) £000	(iv) £000	(v) £000	(g) £000	(b)+(g) = (h) £000
ENVIRONMENT DIRECTORATE													
SPECTRUM RESERVE													
Spectrum schemes (to be agreed with Freedom Leisure)	700	-	700	700	-	82	450					450	532
Spectrum - Athletic Track					168	168							
SPECTRUM RESERVE TOTAL	700	-	700	700	168	250	450	-	-	-	-	450	532
CAR PARKS RESERVE													
Car parks - install/replace pay-on-foot equipment	1,170	240	15	345	-	70	860	-	-	-	-	860	1,170
Car Parks - Lighting & Electrical improvements:						-							
- Castle, Farnham & York Rd Lighting	300	-	-	300	-	300	-	-	-	-	-	-	300
- Castle car park (PR000299) deck surfacing	325	-	325	325	9	150	175	-	-	-	-	175	325
- Bedford Road (PR000243) deck replacement	512	-	-	59	-	59	-	-	-	-	-	-	59
- Deck Millbrook car park	2,000	-	-	-	-	-	1,000	1,000	-	-	-	2,000	2,000
Replacement of collapsed retaining wall Bright Hill	321	54	-	-	(0)	-	-	-	-	-	-	-	54
Lift replacement (PR000293)	841	68	187	399	141	399	187	187	-	-	-	374	841
Bright Hill Barrier essential works (PR000425)	80	2	-	78	(2)	20	-	-	-	-	-	-	22
Leapale rd MSCP drainage (PR000433)	90	-	90	90	26	40	-	-	-	-	-	-	40
Tunsgate Car Park Lighting		48		-	(48)	-							48
Structural works to MSCP	300	-	200	200	-	12	233	-	-	-	-	233	245
MSCP- Deck surface replacement & barriers	593						593	-	-	-	-	593	593
CAR PARKS RESERVE TOTAL	6,532	413	817	1,795	126	1,049	3,048	1,187	-	-	-	4,235	5,697
SPA RESERVE :													
SPA schemes (various)	100	annual	100	251	-	230	-	-	-	-	-	-	251
Chantry Woods						-							-
Effingham						-							-
Lakeside						-							-
Riverside					21	21							-
Parsonage						-							-
Access tracks at Chantry Wood	60	-	-	60	-	60	-	-	-	-	-	-	60
SPA RESERVE TOTAL	160	-	100	311	21	311	-	-	-	-	-	-	311
GRAND TOTALS	13,291	464	4,351	6,175	1,904	4,890	6,769	3,337	500	500	-	11,106	16,292

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Appendix 7

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 2017-18 have been audited.

1.3 Funding assumptions:

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

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

2.0 Capital receipts - Balances (T01001)

	2017-18 Actuals £000	2018-19 Budget £000	2018-19 Est Outturn £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000
Balance as at 1 April	0	0	0	0	0	0	0	0
Add estimated usable receipts in year	496	5,290	3,614	1,200	0	4,000	11,200	55,067
Less applied re funding of capital schemes	(496)	(5,290)	(3,614)	(1,200)	0	(4,000)	(11,200)	(10,795)
Balance after funding capital expenditure as at 31 March	0	0	0	0	0	0	0	44,272

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Appendix 8

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

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

3.0 Capital expenditure and funding - summary

Estimated capital expenditure

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

Total estimated capital expenditure

To be funded by:

Capital receipts (*per 2.above*)

Contributions

R.C.C.O.:

Other reserves

Capital Schemes Reserve (*para.4 below*)

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

Total funding required

	2017-18 Actuals £000	2018-19 Budget £000	2018-19 Est Outturn £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000
	12,627	54,932	44,509	46,608	17,720	8,641	5,825	5,825
	19	40,458	384	32,887	90,538	70,583	80,223	4,970
	90	0	350	36	0	0	0	0
	1,204	4,351	4,890	6,769	3,337	500	500	0
	0	0	0	0	0	0	0	0
Total estimated capital expenditure	13,940	99,741	50,133	86,300	111,595	79,724	86,548	10,795
To be funded by:								
Capital receipts (<i>per 2.above</i>)	(2,597)	(5,290)	(3,614)	(1,200)	0	(4,000)	(11,200)	(10,795)
Contributions	(1,966)	(5,465)	(2,528)	(19,681)	(4,500)	(5,500)	(5,500)	0
R.C.C.O.:								
Other reserves	(1,204)	(17,832)	(10,867)	(13,749)	(3,557)	(720)	(500)	0
Capital Schemes Reserve (<i>para.4 below</i>)	0	0	0	0	0	0	0	0
	(5,767)	(28,587)	(17,010)	(34,630)	(8,057)	(10,220)	(17,200)	(10,795)
Balance of funding to be met from (i) the Capital Reserve, and (ii) borrowing	(8,173)	(71,154)	(33,123)	(51,670)	(103,538)	(69,504)	(69,348)	0
Total funding required	(13,940)	(99,741)	(50,133)	(86,300)	(111,595)	(79,724)	(86,548)	(10,795)

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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

	2017-18 Actuals £000	2018-19 Budget £000	2018-19 Est Outturn £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000
Balance as at 1 April	1,400	0	1,641	0	0	0	0	0
Add: General Fund Revenue Budget variations	1,201	0	0	0	0	0	0	0
Contribution from revenue	40	0	0	0	0	0	0	0
	2,641	0	1,641	0	0	0	0	0
Less: Applied re funding of capital programme	(1,000)	0	(1,641)	0	0	0	0	0
Balance after funding capital expenditure etc.as at 31 March	1,641	0	0	0	0	0	0	0

Estimated shortfall at year-end to be funded from borrowing

	7,173	71,154	31,482	51,670	103,538	69,504	69,348	0
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Appendix 8

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

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

Balance as at 1 April (T01008)
 Add: Estimated receipts in year
 Less: Applied re Housing (General Fund) capital programme
 Less: Applied re Housing company

	2017-18 Actuals £000	2018-19 Budget £000	2018-19 Est Outturn £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000
Balance as at 1 April (T01008)	14,861	13,361	12,760	6,760	0	0	0	0
Add: Estimated receipts in year	0	0	0	0	0	0	0	0
Less: Applied re Housing (General Fund) capital programme	0	0	0	0	0	0	0	0
Less: Applied re Housing company	(2,101)	(13,361)	(6,000)	(6,760)	0	0	0	0
	12,760	0	6,760	0	0	0	0	0
Less: Applied on regeneration schemes	0	0	0	0	0	0	0	0
Housing receipts - estimated balance in hand at year end	12,760	0	6,760	0	0	0	0	0

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

Balance as at 1 April (T01012)
 Add: Estimated receipts in year
 Less: Applied re Housing (General Fund) capital programme
 Less: Applied re Housing Improvement programme

Less: Applied on regeneration schemes

Housing receipts - estimated balance in hand

	2017-18 Actuals £000	2018-19 Budget £000	2018-19 Est Outturn £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000
Balance as at 1 April (T01012)	2,938	2,428	422	0	0	0	0	0
Add: Estimated receipts in year	506	200	286	289	292	295	298	301
Less: Applied re Housing (General Fund) capital programme	0	(220)	(288)	(220)	(220)	(220)	(220)	(220)
Less: Applied re Housing Improvement programme	(3,022)	(475)	(420)	(69)	(72)	(75)	(78)	(81)
	422	1,933	0	0	0	0	0	0
Less: Applied on regeneration schemes	0	0	0	0	0	0	0	0
Housing receipts - estimated balance in hand	422	1,933	0	0	0	0	0	0

6.1 Estimated annual borrowing requirement

Bids for funding (net)

Total estimated borrowing requirement if all bids on Appendix 1 approved

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Total £'000s
Estimated annual borrowing requirement	7,173	71,154	31,482	51,670	103,538	69,504	69,348	0	325,542
Bids for funding (net)		0	0	0	0	0	0	0	0
Total estimated borrowing requirement if all bids on Appendix 1 approved		71,154	31,482	51,670	103,538	69,504	69,348	0	325,542

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GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2018-19 to 2023-24: HRA APPROVED PROGRAMME

	Project Budget £000	2017-18 Actual £000	Project Spend at 31-03-18 £000	2018-19 Estimate £000	Carry Forward	Expenditure as at 15/02/2019 £000	2018-19 Projected Outturn £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	Total Project Exp £000
Acquisition of Land & Buildings	10,700	202	400	2,800	300	259	3,100	0	1,800	1,800	1,800	1,800	10,700
New Build													
Lakeside Close, Ash	5,100	336	4,991	0		25	22	0	0	0	0	0	5,013
Guildford Park	75	615	640	0	(565)	283	283	0	0	0	0	0	923
Appletree pub site	3,200	131	555	2,476	169	1,532	2,307	338	0	0	0	0	3,200
Slyfield Green (Corporation Club)	2,448	523	2,376	200	(128)	0	72	0	0	0	0	0	2,448
Willow Way	1,000	773	773	300	(73)	178	227	0	0	0	0	0	1,000
Garage sites-	2,500	0	0	1,100	(158)			0	0	0	0	0	0
Pond Meadow		500	500			62	314						814
Rowan Close		544	544			4	314						858
Great Goodwin Drive		513	513			430	314						827
The Homestead	500	429	429	50	21	327	71	0	0	0	0	0	500
Fire Station/Ladymead	2,000	0	0	1,800	200	272	767	1,196	25	0	0	0	1,988
Bright Hill	500	0	0	475	25	0	500	0	0	0	0	0	500
Various small sites & feasibility/Site preparation	1,000	0	0	0			0	0	0	0	0	0	1,000
Pipeline projects	9,425							575	1,825	3,325	1,825	1,875	9,425
Redevelopment bid 13	533							533					533
Redevelopment bid 14	300							300					300
Schemes to promote Home-Ownership													
Equity Share Re-purchases	annual	99	annual	400		143	400	400	400	400	400	400	annual
Major Repairs & Improvements													
Retentions & minor carry forwards	annual	0	annual	30		0	30						annual
Kitchens & Bathrooms	annual	1,097	annual	1,025		398	953						annual
Doors and Windows	annual	203	annual	60	180	121	240						annual
Structural	annual	380	annual	1,475	225	364	1,022						annual
Energy efficiency: Central heating	annual	1,214	annual	1,155		757	1,346						annual
General	annual	1,040	annual	1,455	170	973	1,302						annual
Grants													
Cash Incentive Scheme	annual	0	annual	75		0	75						annual
TOTAL APPROVED SCHEMES	39,281	8,600	11,723	14,876	366	6,129	13,659	3,342	4,050	5,525	4,025	4,075	40,031

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GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2018-19 to 2022-23: HRA PROVISIONAL PROGRAMME

	Project Budget £000	2017-18 Actual £000	Project Spend at £000	2018-19 Estimate £000	2018-19 Projected Outturn £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	Total Project Exp £000
Acquisition of Land & Buildings	10,000	0	0	0	0	0	0	3,000	3,000	4,000	10,000
New Build											
Guildford Park	16,000	0	0	4,830	422	406	6,760	7,201	26	0	14,815
Bright Hill	3,000	0	0	3,000	20	0	1,500	1,480	0	0	3,000
Slyfield (25/26 £5m; 26/27 £44m)	1,000	0	0	0	0	0	0	0	1,000	0	1,000
Redevelopment bid 13							3,197	5,861	1,066	0	10,124
Redevelopment bid 14							1,000	1,500	500	0	3,000
Major Repairs & Improvements											
Major Repairs & Improvements	annual		annual			5,150	5,500	5,500	5,500	5,500	annual
Retentions & minor carry forwards	annual		annual								annual
Modern Homes: Kitchens and bathrooms	annual		annual								annual
Doors and Windows	annual		annual								annual
Structural	annual		annual								annual
Energy efficiency: Central heating	annual		annual								annual
General	annual		annual								annual
Grants											
Cash Incentive Scheme	annual		annual			75	75	75	75	75	annual
Total Expenditure to be financed	30,000	0	0	7,830	442	5,631	18,032	24,617	11,167	9,575	41,939

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Corporate Governance and Standards Committee Report

Ward(s) affected: n/a

Report of Director of Environment

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Date: 28 March 2019

Data Protection and Information Security Update Report

Summary

The transactions and interactions customers, residents and staff make with the Council can involve those individuals sharing personal data, such as their name, address and birth date. Most individuals share data online, for example, when visiting a website, searching for or buying a product/service, using social media or sending an email. Sharing data helps make life easier, more convenient and connected.

The data of the Council's staff, customers and residents does not belong to the Council; it is therefore important that this data is used only in ways reasonably expected, and that it stays safe. Data protection law makes sure everyone's data is used properly and legally.

Recommendation to Committee

To note the report.

1. Data Protection

1.1 Since May 2018, there has been both the expansion of the information available and the publication of detailed guidance that assists the Council with its legal obligations. These include:

- Children and the General Data Protection Regulation (GDPR);
- Automated decision making and profiling;
- Codes of conduct;
- Data Protection Impact Assessments (DPIAs);
- Right to data portability;
- Consent;

- Exemptions
- Encryption;
- Contracts and liabilities; and
- European Data Protection Board (EDPB) guidelines

1.2 The Data Protection Act 2018 sets out the framework for data protection law in the UK. It updates and replaces the Data Protection Act 1998, and came into effect on 25 May 2018. It works alongside the General Data Protection Regulation (GDPR), and tailors how the GDPR applies in the UK - for example by providing exemptions. It also sets out separate data protection rules for law enforcement authorities, extends data protection to some other areas such as national security and defence, and sets out the Information Commissioner's functions and powers.

a) Brexit

1.3 The GDPR is the General Data Protection Regulation (EU) 2016/679. It sets out the key principles, rights and obligations for most processing of personal data – but it does not apply to processing for law enforcement purposes, or to areas outside EU law such as national security or defence.

1.4 The GDPR came into effect on 25 May 2018. As a European Regulation, it has direct effect in UK law and automatically applies in the UK until we leave the EU (or until the end of any agreed transition period, if we leave with a deal). After these events, it will form part of UK law under the European Union (Withdrawal) Act 2018, with some technical changes to make it work effectively in a UK context.

1.5 As the Council is an organisation in the UK and the GDPR applies to it, there are key practical points and considerations for the Council to consider in relation to its data protection obligations. This is being reviewed by the Council's Information Risk Group (IRG). For example, the UK leaving the EU would mean there would be some parts of the GDPR that will no longer be relevant or apply to the UK.

1.6 After exiting the EU, all guidance will reflect the UK data protection regime and possible effects of any transitional period if a deal is agreed.

b) Will the GDPR still apply if we leave the EU without a deal?

1.7 The GDPR is an EU Regulation and, in principle, it will no longer apply to the UK if we leave the EU on 29 March 2019 without a deal. However, as an organisation that operates inside the UK, the Council will need to comply with UK data protection law. The government intends to incorporate the GDPR into UK data protection law when it exits the EU. This means in practice there will be little change to the core data protection principles, rights and obligations found in the GDPR.

1.8 The EU version of the GDPR would still apply directly to the Council if it either operated in Europe, offered goods or services to individuals in Europe, or monitored the behaviour of individuals in Europe.

- 1.9 The GDPR would still apply to any organisations in Europe who send the Council data, in this scenario the Council would need to work with the said organisation to decide how best to transfer personal data to the UK in line with the GDPR.
- 1.10 The Information Commissioner's Office (ICO) will not be the regulator for any European-specific activities caught by the EU version of the GDPR, although they will continue to work closely with European supervisory authorities.

c) What will the UK data protection law be if we leave without a deal?

- 1.11 The Data Protection Act 2018 (DPA 2018), which currently supplements and tailors the GDPR within the UK will continue to apply. The provisions of the GDPR will be incorporated directly into UK law if we leave the EU without a deal, to sit alongside the DPA 2018. New data protection exit regulations have been passed which will make technical amendments to the GDPR so that it works in a UK-only context from exit day.

Is the ICO's GDPR guidance still relevant?

- 1.12 UK data protection law is expected to be aligned with the GDPR, so the Council should continue to use the existing guidance. The data protection principles, obligations and rights will remain the same.

d) Freedom of Information (FOI) Act and Environmental Information Regulations (EIR)

FOI

- 1.13 A new Section 45 Code of Practice was issued on 4 July 2018. This Code of Practice provides guidance for public authorities on best practice in meeting their responsibilities under Part I of the Act (Access to information held by public authorities). It sets the standard for all public authorities when considering how to respond to Freedom of Information requests. The Information Commissioner also has a statutory duty to promote good practice by public authorities, including following this Code of Practice.

Brexit – will FOI and EIR still apply?

- 1.14 The Freedom of Information Act 2000 forms part of UK law and will continue to apply. The Environmental Information Regulations will continue to apply unless specifically repealed or amended. Both Acts derive from EU law, but are set out in UK law. The UK has also independently signed up to the underlying international treaty on access to environmental information (the Aarhus Convention).

e) Data protection compliance since May 2018

- 1.15 The staff training and awareness programme was successful and new employees are trained as part of their induction. Existing corporate policies and procedures were amended and new policies and procedures introduced.

- 1.16 The Council launched a new Data Protection and privacy web page to reflect the changes to the law and the Council's approach to data protection.
<https://www.guildford.gov.uk/article/21422/Data-protection-and-privacy>
- 1.17 Since the GDPR came into force, there has been an increase in the public using their personal rights, for example Subject Access Requests (SARs).
- 1.18 Legal Services have amended the Council's contracts to reflect GDPR requirements and this will be kept under review as part of its role in contract management, procurement and the transparency code.
- 1.19 The data protection team have received a high level of requests for advice and support across a number of areas within the Council and this work will continue going forwards.
- 1.20 The outcome of internal audit reviews by KPMG were positive. These audits have focussed on privacy management, data management and collection, data security, third party agreements and incident management/escalation. The IRG worked with KPMG to conduct and complete this audit.
- 1.21 Cyber security awareness training for staff took place in September. The awareness course was delivered and covered the following topics:
- Passwords
 - Secure Devices
 - Public Wi-Fi
 - Privacy/E-Safety/Social media
 - Cyber drills/Personal resilience
 - Supply Chain/Accreditation
 - Phishing/Social engineering
 - Case studies
 - Insider threat
 - Threat horizon/Current trends
 - Useful resources for business and personal use, including advice for parents and those
 - Working with young people

f) Data protection compliance over the next 6 months

- 1.22 The Data Protection Officer (DPO) has recommended that they should be consulted as part of the Council's organisational changes, namely Future Guildford and the ICT Transformation Programme, changes to working practices, hot desking, flexible working and office relocations. This will ensure the DPO has an understanding of these projects and can provide advice to the project managers to assist with GDPR compliance (for example, Data Privacy Impact Assessments (DPIA) must be completed by the Project Managers and to assist this, DPIAs should be included in project management training).

2. Information Assurance Manager

2.1 Information security successes since May 2018:

- In partnership with SEROCU (South East Regional Organised Crime Unit) cyber awareness training was delivered to high risk targeted Managers with a further interactive training session provided for Senior Leaders.
- Obtained formal PSN connection compliance Certification in December 2018 from the Cabinet Office (the Council last held this compliance certificate, which expired July 2017).
- Recently obtained formal Cyber Essentials Certification for the Council, which provides a level of assurance to our staff, customers and residents, that the Council takes information security seriously.
- Completed an internal KPMG GDPR Audit and received an Amber Red Rating (Partial Assurance with Improvements required). All improvements have been actioned and completed.
- Completed an internal KPMG Network Controls Audit. Received Amber Green Rating (Significant Assurance with Minor Improvements Assurance). Currently implementing the recommended minor improvements.
- Completed Local Government Association Audit on Information security position of Council, which produced Amber Green rating.
- Improved Governance and Risk Management in relation to security patches on all computer servers within the estate and removed identified vulnerabilities. Monthly patching now in place following the introduction of Nessus, which scans the internal network for vulnerabilities.
- Authored Information Systems Security Policy and ICT Users Policy
- Data protection team also authored Data Breach Response and Notification Policy and Data Protection Policy
- Reviewed and removed insecure FTP connections and replaced with SFTP connections from external suppliers to Council.
- Implemented NCSC (National Cyber Security Centre) monitoring of GBC network
- Introduced NCSC Web Check which monitors Council's external IP Address for vulnerabilities

2.2 Objectives for the next 6 months:

- Manage internal and External Penetration Testing of Council wide systems and mitigate any high-risk issues.
- Manage external ICT Audit being performed by Grant Thornton
- Manage security Penetration Testing of Council's Microsoft Azure Cloud
- Author new Password, Internet and Email, Patch Management and Firewall Policies and publicise Council wide
- Work closely with Finance Department to obtain formal PCI-DSS (Payment Card Industry – Data Secure Standard) for Council compliance
- Continue to attend NCSC meetings and information security events
- Implement NCSC DNS Service and Mail Check service which will mitigate spoofing

3. Information Rights Officer

3.1 Information Rights successes since May 2018:

- FOI/EIR Disclosure log is now live online <https://guildford.disclosurelog.co.uk/>
- FOI/EIR compliance rate for 2018 is at 93% - the highest since records began
- Transparency audit with KPMG completed in Oct/Nov 2018
- New Data Protection Policy (updated to cover GDPR & DPA 2018) and Data Breach Response & Notification Procedure updated and approved
- New Regulation Investigation Powers Act (RIPA) Policy approved and training completed for authorised officers
- Councillors' guides to FOI and data protection updated for Democratic Services team
- CCTV revenue costs now unified within single account code following recommendation in CCTV Audit
- Privacy Impact Assessment procedure for new CCTV's set up
- New section on cyber-security added to data protection training for new staff
- Council Records Retention & Disposal schedule updated following consultation with various service areas
- Privacy statements amended to reflect changes brought in by GDPR/DPA 2018
- New Policies and Procedures section added to Sharepoint as reference point for all staff to access
- Official form used by external bodies (e.g. police/HMRC) to request third party personal data for purposes of crime prevention/debt collection is now updated.

4. Objectives for the next 6 months

- To update Council and Surrey Police's CCTV joint Code of Practice in consultation with police representatives
- To review existing CCTV coverage to ensure data protection compliance in relation to signage/scope of vision, etc
- To further improve Ecase's functionality (for example to incorporate SARs etc)
- FOI section on Council website to be made more prominent to enable the disclosure log to be more visible

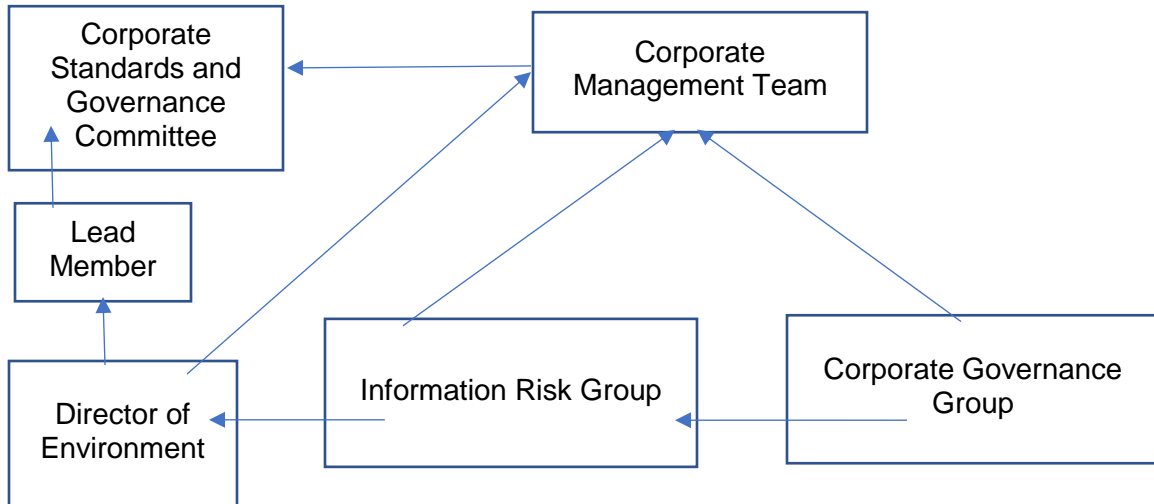
5. Appendices

Appendix 1: Data Protection and Information Security Governance Structure

Appendix 1

Data Protection and Information Security Governance Structure

The overall layout of the governance arrangements with the various groups and individuals involved is set out below. The diagram includes reporting lines.



The Information Risk Group (IRG)

The IRG’s role is to oversee the Council’s response to all information risks. This includes Data Protection and covers Information Rights and the security of records. The group meets every 6 weeks and its members are:

- Principal Solicitor (Corporate) (who is the Data Protection Officer, DPO)
- Chief Information Officer (who is the Senior Information Risk Owner, SIRO)
- Information Assurance Manager (Information Security)
- Information Rights Officer (IRO)

The Corporate Governance Group (CGG)

The CGG monitors the Council’s standards of governance, including information issues. The group meets quarterly and its members are:

- The Head of Paid Service
- Chief Finance Officer
- Monitoring Officer
- Deputy Monitoring Officers
- Principal Solicitor (Corporate) & DPO

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Corporate Governance & Standards Committee Report

Ward(s) affected: All

Report of the Monitoring Officer

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Date: 28 March 2019

Annual Report of the Monitoring Officer regarding Misconduct Allegations

Executive Summary

This report is to inform and update members of the Committee about decisions taken on allegations of misconduct against borough and parish councillors for the 12-month period ending 31 December 2018.

Recommendation to Committee:

- (1) To note the cases referred to in Appendix 1.
- (2) To advise the Monitoring Officer of any areas of concern upon which the Committee would like further information and/or further work carried out.
- (3) To note the summary of the recommendations of the report of the Committee on Standards in Public Life (CSPL), Local Government Ethical Standards, at Appendix 2; and
- (4) To consider the implementation of the 15 best practice recommendations contained in the CSPL report, as set out in Appendix 3; and, if so minded, to authorise the Monitoring Officer to take the necessary steps to ensure compliance with them and to submit reports as appropriate to this Committee in due course.

Reasons for Recommendation:

- To ensure members of the Committee and others to whom the report is circulated are kept up to date with standards complaints relevant to the Committee, and kept up to date with the relevant findings of the review undertaken in 2018 by the Committee on Standards in Public Life of Local Government Ethical Standards.
- To consider learning points for the future.
- To seek to promote and maintain high standards of conduct amongst Members.

1. Purpose of Report

- 1.1 The purpose of this report is to inform and update members of the Committee about decisions taken on allegations of misconduct against borough and parish

councillors during the year ending 31 December 2018, and to inform the Committee about the report of the Committee on Standards in Public Life, *Local Government Ethical Standards*, and its recommendations.

2. Statutory background

2.1 The statutory background can be found in the Localism Act 2011, Part 1 Chapters 6 and 7 (“the Act”) and the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (“the Regulations”) made thereunder.

3. Strategic Priorities

3.1 The Committee’s discussion in public about decisions taken on ethical standards allegations against borough and parish councillors and consideration of any learning points for the future is an important element of good corporate governance and reinforces the Council’s commitment to be open and accountable to its residents.

4. Relevant Government Policy and Relevant Council Policy

4.1 The relevant government policies with regard to the ethical standards framework are contained in the Department for Communities and Local Government Guidance “[Openness and Transparency on Personal Interests: A guide for Councillors](#)”. The Council’s policy is contained in Part 5 of its Constitution, in particular the Councillors’ Code of Conduct and the Council’s Arrangements for dealing with allegations of misconduct by councillors and co-opted members.

5. Report and Recommendation of the Committee on Standards in Public Life, *Local Government Ethical Standards*

5.1 The Committee on Standards in Public Life (CSPL), have completed their review of the effectiveness of ethical standards arrangements and the maintenance of ethical standards in local government. The CSPL has now issued a report, [Local Government Ethical Standards](#), which contains examples of good practice, and recommendations for legal and practice change. The Committee is recommended to consider the report, a summary of which is at Appendix 2.

5.2 The CSPL report acknowledges that many of their recommendations will require changes in either primary or secondary legislation, most notably the headline recommendation (no.16) that local authorities should have the power to suspend errant councillors, without allowances, for up to six months. However, CSPL have identified 15 examples of best practice, which they have invited councils to consider introducing as soon as possible in advance of any legislative changes.

5.3 The table in Appendix 3 shows each of the 15 best practice recommendations, together with commentary regarding the Council’s current practices and an assessment of the extent to which they are compliant with best practice.

5.4 If the Committee is minded to agree that the Council should strive to achieve compliance with the best practice recommendations, it is recommended that authority be delegated to the Monitoring Officer to take all necessary steps to achieve this and to submit reports, as appropriate, to this Committee in due course.

6. Background

- 6.1 The Act made fundamental changes to the system of regulation of standards of conduct for elected and co-opted councillors. The new provisions came into force on 1 July 2012.
- 6.2 Section 27(2) of the Act required the authority to adopt a code dealing with the conduct that is expected of members and co-opted members of the authority when they are acting in that capacity. Sections 28(6) and (7) of the Act required the Council to put in place Arrangements under which allegations that a councillor or co-opted member of the Council or of any of the 23 parish councils within the borough has failed to comply with the relevant code of conduct can be investigated and decisions made on such allegations.
- 6.3 Following the full council meetings on 8 May 2012 and 5 July 2012 the Council:
- Established this Committee with responsibility for a range of matters to include promoting and maintaining high standards of conduct by members and co-opted members of the authority;
 - Adopted a new Councillors' Code of Conduct;
 - Appointed an Independent Person;
 - Adopted Arrangements and procedures for dealing with misconduct complaints in relation to both borough and parish councillors;
 - Revised the Register of Members' Interests to reflect the new Disclosable Pecuniary Interests created under the Act and regulations made thereunder;
 - Authorised the making of all necessary changes to the Constitution.
- 6.4 After four years of operation, the Arrangements for dealing with misconduct complaints were reviewed by the Council with assistance from this Committee and the Standards Working Group in light of local experiences of handling cases, to benchmark the Council's Arrangements against emerging best practice and to ensure greater efficiency in the process. The new Arrangements were approved by this Committee and came into force on 24 November 2016, and were further reviewed in spring of 2018, with the modifications being adopted on 24 July 2018.

7. Details

- 7.1 Attached at Appendix 1 is a list showing the decisions taken by the Monitoring Officer in relation to allegations made against borough councillors and parish councillors in accordance with the Council's adopted Arrangements for dealing with Allegations of Misconduct for the year ending 31 December 2018.
- 7.2 **Number of allegations.** Throughout this period, there have been 16 complaints in total. Of these, 7 complaints were regarding parish councillors and 9 were regarding borough councillors.

Action taken. Thirteen of the complaints were the subject of no further action at stage 1, the initial jurisdiction test. Two of the complaints proceeded to stage 2, and one proceeded to stage 3, investigation— after which no further action was taken.

Type of complainant. Aside from one complaint (where the identity of the complainant is being treated as confidential), all of the complaints were made by members of the public.

Response times. The time taken for consideration and determination of a complaint is set out in Appendix 1.

7.3 The identity of all councillors complained of has been anonymised. It is felt that such information should remain confidential unless and until any complaint results in an open hearing before the Hearings Sub-Committee.

7.4 There is no common theme that the Monitoring Officer would like to draw to the attention of Members.

7.5 However, Members are invited to consider whether there are any areas of concern upon which they would like further information and/or further work done.

8. Consultations

8.1 The Lead Councillor for Infrastructure and Governance has been consulted on this Report. Corporate Management Team and the Deputy Monitoring Officer have also been consulted.

9. Next steps

9.1 The Committee is asked to note the matters contained in this report and advise the Monitoring Officer of any areas of concern or further information/action required.

9.2 The Committee is also invited to note the summary of the recommendations of the report of the Committee on Standards in Public Life, Local Government Ethical Standards, at Appendix 2, and to consider the 15 best practice recommendations in Appendix 3.

10. Other courses of action considered but rejected

10.1 It is good practice to provide an annual update report of this nature. The requirement forms part of the Work Programme for the Committee. Failure to keep Members up to date could lead to a diminution of ethical standards amongst Members.

11. Equality and Diversity Implications

11.1 There is a general obligation in the Councillors' Code of Conduct in which Members undertake "Not to do anything which may cause your authority to breach any of the equality enactments".

12. Financial Implications

12.1 None

13. Legal Implications

13.1 None, other than those implicit within this Report and Appendix 1.

14. Human Resource Implications

14.1 None

15. Conclusion

15.1 Members are asked to note the cases referred to in Appendix 1; and to advise the Monitoring Officer of any areas of concern upon which they would like further information and/or further work done.

16. Background Papers

As referred to in this Report & Appendices.

Case files referred to are exempt under the Local Government Act 1972 Part 1 of Schedule 12A paragraphs 1 and 2.

17. Appendices

Appendix 1: Allegations against Councillors & Parish Councillors under the Arrangements for dealing with Allegations of Misconduct – 1 January 2018 to 31 December 2018.

Appendix 2: Summary of the report, *Local Government Ethical Standards*, of the Committee on Standards in Public Life, taken from the www.localgovernmentlawyer.co.uk website.

Appendix 3: List of best practice identified by the Committee on Standards in Public Life and current practice at GBC

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**Decisions taken in relation to Allegations of Misconduct against Borough Councillors & Parish Councillors
under the Arrangements for dealing with Allegations of Misconduct
1 January 2018 to 31 December 2018**

Item	Borough or Parish Councillor	Relevant Parts of Code of Conduct	Decision	Comments	Complainant	Date complaint received	Date of Decision/ Outcome
1	Parish	Para 2 (1) Failure to treat others with respect Para 2(2)(B) intimidation/bullying Failure to act with openness, transparency, and honesty.	No Further Action ("NFA") following local assessment (stage 2)	No foundation to complaint actions taken were appropriately justified and transparent. MO recommended informal workshop on working relationships (substantial delay due to the sensitivity of the complainant as to fears over ramifications of being identified as the complainant)	Confidential	14 February 2018	9 November 2018
2	Borough	Para 2 (1) Failure to treat others with respect Failure to act with honesty, and leadership, bringing the Council into disrepute Using position to improperly confer or secure an advantage. Para 4 Bringing the Council into disrepute etc.	NFA following local assessment (stage 2)	Comments in response to a public challenge were even-handed, direct and fair	Public	15 March 2018	29 May 2018

Item	Borough or Parish Councillor	Relevant Parts of Code of Conduct	Decision	Comments	Complainant	Date complaint received	Date of Decision/ Outcome
3	Borough	Para 2 (1) Failure to treat others with respect Para 4 Bringing the Council into disrepute etc.	NFA stage 1 – informal apology offered	Actions were not in the course of Council-related functions.	Member of the public	9 April 2018	28 April 2018
4	Borough	Failure to act with integrity, honesty, and failure to keep an open mind	NFA stage 1	No evidence of a breach. Complaint out of time.	Member of the public	17 April 2018	30 April 2018
5	Parish (six members)	Para 2 (1) Failure to treat others with respect Failure to act with integrity, honesty, and failure to keep an open mind Using position to improperly confer or secure an advantage. Para 4: Bringing the Council into disrepute etc.	NFA stage 1	No evidence of a breach	Member of the public	22 June 2018	17 July 2018

Item	Borough or Parish Councillor	Relevant Parts of Code of Conduct	Decision	Comments	Complainant	Date complaint received	Date of Decision/ Outcome
6	Borough	Failure to act objectively, with selflessness, and honesty/accountability	Stage 3 - Investigation – NFA after investigation	No finding of breach	Public	21 June 2018	15 March 2019
7	Borough (three members)	Failure to act with openness/integrity	Stage 1 - NFA	No evidence of breach	Public	10 October 2018	24 October 2018
8	Borough (two members)	Bullying and intimidation Para 4: Bringing the Council into disrepute etc.	Stage 1 - NFA	No evidence of breach	Public	27 November 2018	4 December 2018

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Local authorities should be given the power to suspend councillors without allowances for up to six months, the Committee on Standards in Public Life (CSPL) has recommended.

In a report, [Local Government Ethical Standards](#), the CSPL said: “The current sanctions available to local authorities are insufficient. Party discipline, whilst it has an important role to play in maintaining high standards, lacks the necessary independence and transparency to play the central role in a standards system.

“The current lack of robust sanctions damages public confidence in the standards system and leaves local authorities with no means of enforcing lower level sanctions, nor of addressing serious or repeated misconduct.”

The Committee said councillors, including parish councillors, who are suspended should be given the right to appeal to the Local Government and Social Care Ombudsman, who should be given the power to investigate allegations of code breaches on appeal. The decision of the Ombudsman would then be binding.

The CSPL meanwhile described the Monitoring Officer as “the lynchpin” of the current standards arrangements, but accepted that the role was “challenging and broad”, with a number of practical tensions and the potential for conflicts of interest. Local authorities should put in place arrangements to manage any potential conflicts, it said.

However, the Committee concluded that the role was not unique in its tensions and could be made coherent and manageable with the support of other statutory officers.

It called for employment protections for statutory officers to be extended, and for statutory officers to be supported through training on local authority governance.

Other key findings and recommendations in the report include:

- There is considerable variation in the length, quality and clarity of codes of conduct. This created confusion among members of the public, and among councillors who represent more than one tier of local government. Many codes of conduct failed to address adequately important areas of behaviour such as social media use and bullying and harassment. An updated model code of conduct should therefore be available to local authorities in order to enhance the consistency and quality of local authority codes.
- The updated model code should be voluntary and able to be adapted by local authorities. The scope of the code of conduct should also be widened, with a rebuttable presumption that a councillor's public behaviour, including comments made on publicly accessible social media, was in their official capacity.
- The current arrangements for declaring and managing interests are "unclear, too narrow and do not meet the expectations of councillors or the public". The current requirements for registering interests should be updated to include categories of non-pecuniary interests. The current rules on declaring and managing interests should be repealed and replaced with an objective test, in line with the devolved standards bodies in Scotland, Wales and Northern Ireland.
- The current criminal offences relating to disclosable pecuniary interests are "disproportionate in principle and ineffective in practice, and should be abolished".
- Local authorities should maintain a standards committee. This committee may advise on standards issues, decide on alleged breaches and sanctions, or a combination of these. Independent members of decision-making standards committees should be able to vote.
- The safeguard provided by the Independent Person should be strengthened and clarified: a local authority should only be able to suspend a councillor where the Independent Person agrees both that there has been a breach and that suspension is a proportionate sanction. Independent Persons should have fixed terms and legal protections. The view of the Independent Person in relation to a decision on which they are consulted should be published in any formal decision notice.
- Parish councils should be required to adopt the code of their principal authority (or the new model code), and a principal authority's decision on sanctions for a parish councillor should be binding.
- Monitoring officers should be provided with adequate training, corporate support and resources to undertake their role in providing support on standards issues to parish councils, including in undertaking investigations and recommending sanctions. Clerks should also hold an appropriate qualification to support them to uphold governance within their parish council.

- At a time of rapid change in local government, decision-making in local councils was getting more complex, with increased commercial activity and partnership working. "This complexity risks putting governance under strain. Local authorities setting up separate bodies risk a governance 'illusion', and should take steps to prevent and manage potential conflicts of interest, particularly if councillors sit on these bodies. They should also ensure that these bodies are transparent and accountable to the council and to the public."
- An ethical culture required leadership. Given the multi-faceted nature of local government, leadership was needed from a range of individuals and groups: an authority's standards committee, the chief executive, political group leaders, and the chair of the council.
- Political groups have an important role to play in maintaining an ethical culture. "They

should be seen as a semi-formal institution sitting between direct advice from officers and formal processes by the council, rather than a parallel system to the local authority's standards processes. Political groups should set clear expectations of behaviour by their members, and senior officers should maintain effective relationships with political groups, working with them informally to resolve standards issues where appropriate."

- An ethical culture starts with tone. "Whilst there will always be robust disagreement in a political arena, the tone of engagement should be civil and constructive." Expected standards of behaviour should be embedded through effective induction and ongoing training.

- Political groups should require their members to attend code of conduct training provided by a local authority, and this should also be written into national party model group rules. "Maintaining an ethical culture day-to-day relies on an impartial, objective monitoring officer who has the confidence of all councillors and who is professionally supported by the chief executive."

- An ethical culture will be an open culture. "Local authorities should welcome and foster opportunities for scrutiny, and see it as a way to improve decision making. They should not rely unduly on commercial confidentiality provisions, or circumvent open decision-making processes. Whilst local press can play an important role in scrutinising local government, openness must be facilitated by authorities' own processes and practices."

In a letter to the Prime Minister, contained in the introduction to the report, Lord Evans of Weardale, Chair of the Committee on Standards in Public Life, said: "It is clear that the vast majority of councillors and officers want to maintain the highest standards of conduct in their own authority. We have, however, identified some specific areas of concern. A minority of councillors engage in bullying or harassment, or other highly disruptive behaviour, and a small number of parish councils give rise to a disproportionate number of complaints about poor behaviour.

"We have also identified a number of risks in the sector: the current rules around conflicts of interest, gifts, and hospitality are inadequate; and the increased complexity of local government decision-making is putting governance under strain."

The CSPL chair added: "The challenge is to maintain a system which serves the best instincts of councillors, whilst addressing unacceptable behaviour by a minority, and guarding against potential corporate standards risks.

"It is clear from the evidence we have received that the benefits of devolved arrangements should be retained, but that more robust safeguards are needed to strengthen a locally determined system. We are also clear that all local authorities need to develop and maintain an

organisational culture which is supportive of high ethical standards. A system which is solely punitive is not desirable or effective; but in an environment with limited external regulation, councils need the appropriate mechanisms in place to address problems when they arise.”

Lord Evans said the Committee’s recommendations would enable councillors to be held to account effectively and would enhance the fairness and transparency of the standards process.

A number of the CSPL’s recommendations involve legislative change which it believed the government should implement. The Committee has also identified ‘best practice’ for local authorities, “which represents a benchmark for ethical practice which we expect that any authority can and should implement”.

Michael King, the Local Government and Social Care Ombudsman, said he supported the CSPL’s call for a greater degree of transparency and independent oversight of a strengthened framework for local government ethical standards, particularly in circumstances where it has not been possible to resolve issues at a local level.

He said: “Currently, our role in investigating councillor conduct complaints involves considering how a council has dealt with such complaints. Although we recognise that many complaints are rightly and successfully resolved locally, we have seen some instances of councils unreasonably delaying taking action, failing to take into account relevant information in reaching a decision, or where councils have not had proper procedures in place.”

King added: “As the committee has recognised, we have more than 40 years’ experience of investigating most complaints about local authorities and our oversight of the sector as a whole puts us in an ideal position to ensure such independent scrutiny. This possible extension to our role would not only complement our existing work but also help ensure such complaints are dealt with in a proportionate way.

“Should a decision be made to create a route for councillors who have had a sanction imposed against them to appeal to the Ombudsman, we stand ready to work with the Committee and Government to determine how this might be achieved in practice.”

Commenting on the report, Suki Binjal, President of Lawyers in Local Government (LLG), described the current standards regime with its lack of sanctions as “a toothless tiger”.

She said: “For too long, unacceptable standards of behaviour from a (thankfully) small number of councillors has had a negative impact on decision making, committee cohesiveness, and culture. The long-awaited recommendation for a power to suspend is warmly welcomed by LLG as a first step; as is the recognition of the need for increased statutory protection for monitoring officers as the lynchpins of the standards regime.”

Deborah Evans, CEO of LLG, said: “We hope that the proposals will be implemented without undue delay. Will they be enough? Only time will tell whether at some point the power of disqualification will be in the reform program. For now, however, the focus should be on turning these sensible recommendations into a positive agenda for change.”

Helen McGrath, Head of Public Affairs at LLG, added: “LLG shares the view that an ethical culture requires a monitoring officer who is professionally supported by the chief executive. LLG knows that the downgrading of Heads of Legal from the top tier places considerable strain and conflict on monitoring officers and can leave them susceptible to targeted campaigns. It is our mission to elevate the status of all local government lawyers and ensure the protection of monitoring officers in their statutory role to uphold the governance of their authorities.

“We are keen to ensure a direct input with the Local Government Association in producing a model code of conduct given our expertise in this area and professional credibility in drafting codes, (acknowledged last year by the Supreme Court). It remains to be seen on sanctions however, whether the ballot box reflects continuous repeat offenders as historically, this has not always proven the case.”

Cllr Sue Baxter, chairman of the National Association of Local Councils, said she was pleased the Committee had listened to the concerns of NALC, county associations of local councils, and local councils themselves.

“The Committee rightly acknowledges it is a minority of local councillors who engage in bullying or harassment, or other highly disruptive behaviour, therefore NALC is delighted the Committee agrees with our proposal for the regime to have more teeth through the re-introduction of

sanctions for breaches of the code,” she said.

“However, NALC is bitterly disappointed at the report’s failure to support local councillors by helping them develop a better understanding of the standards regime through councillor training such as induction and regular refresher training. That is why I am urging the government to go further and work with NALC to encourage and support training for local councillors, and to provide investment to support a national training programme comprising a range of initiatives including a member development charter. Such investment could come from existing funding into local government improvement.”

Cllr Baxter said NALC supported the recommendation to develop an updated model code of conduct to reflect the proposed changes, “but given over half of local councils and many principal authorities use NALC’s model code of conduct, this should be the foundation for the development of an updated model code of conduct for all tiers of local government”.

SEE ALSO: [Not just back to the future](#) - Jonathan Goolden analyses the key findings in the Committee for Standards in Public Life’s report on local government ethical standards.

List of best practice identified by the Committee on Standards in Public Life

Item	Best Practice identified by the CSPL	Current Practice at Guildford Borough Council	Level of compliance ¹
1	Local authorities should include prohibitions on bullying and harassment in codes of conduct. These should include a definition of bullying and harassment, supplemented with a list of examples of the sort of behaviour covered by such a definition.	The Code of Conduct only prescribes that a councillor must not “bully any person” (Para 2 (2) (b)). Bullying is not defined and there is no reference to “harassment”. No examples of the type of bullying behaviour are given	P
2	Councils should include provisions in their code of conduct requiring councillors to comply with any formal standards investigation, and prohibiting trivial or malicious allegations by councillors.	<p>The requirement to comply with formal standards investigations is contained in the adopted Arrangements for dealing with allegations of misconduct rather than in the Code of Conduct. Para 15 of the Arrangements:</p> <p style="text-align: center;"><i>“The Subject Member has a duty to cooperate with any investigation and to respond promptly and to comply with any reasonable requests from the Investigating Officer for such things as interviews, comments on draft meeting/ interview notes or the provision of information necessary for the conduct of an investigation.”</i></p> <p>The adopted Arrangements also refer , in the context of determining whether a complaint should be investigated, to whether the complaint appears to be “malicious, vexatious, politically motivated or ‘tit-for-tat’”</p> <p>There is no reference at all to “trivial” allegations.</p>	P

¹ **F** = Fully / **P** = Partly / **N** = Not compliant

List of best practice identified by the Committee on Standards in Public Life

Item	Best Practice identified by the CSPL	Current Practice at Guildford Borough Council	Level of compliance ¹
3	Principal authorities should review their code of conduct each year and regularly seek, where possible, the views of the public, community organisations and neighbouring authorities.	The Code of Conduct has not been reviewed formally since it was introduced.	N
4	An authority's code should be readily accessible to both councillors and the public, in a prominent position on a council's website and available in council premises.	The Code of Conduct is available for viewing on the Council's website: https://www.guildford.gov.uk/councillorconduct It is also available on request at the Council offices.	F
5	Local authorities should update their gifts and hospitality register at least once per quarter, and publish it in an accessible format, such as CSV.	We currently remind councillors on a six monthly basis of the need to ensure that their register of interests (which are available to view online and at the offices) are kept up to date. NB. the register of interests includes gifts and hospitality.	P
6	Councils should publish a clear and straightforward public interest test against which allegations are filtered.	This is not explicitly stated in our Arrangements	N
7	Local authorities should have access to at least two Independent Persons.	We currently have three Independent Persons and have advertised recently to appoint three Independent Persons for the four year period 2019-23.	F
8	An Independent Person should be consulted as to whether to undertake a formal investigation on an allegation, and should be given the option to review and comment on allegations which the responsible officer is minded to dismiss as being without merit, vexatious, or trivial.	This is included in the Council's Arrangements. The views of the Independent Person are not, however, included in the decision in writing under para 7.10 of the Arrangements	P

Agenda item number: 10
Appendix 3

List of best practice identified by the Committee on Standards in Public Life

Item	Best Practice identified by the CSPL	Current Practice at Guildford Borough Council	Level of compliance ¹
9	Where a local authority makes a decision on an allegation of misconduct following a formal investigation, a decision notice should be published as soon as possible on its website, including a brief statement of facts, the provisions of the code engaged by the allegations, the view of the Independent Person, the reasoning of the decision-maker, and any sanction applied.	<p>Our Arrangements provide for the MO to:</p> <ul style="list-style-type: none"> • issue a written decision within 10 working days of the hearing to the subject member, complainant, any witness and parish clerk (if relevant); and • publish a summary of the decision and reasons on the website <p>There is currently no reference to including the view of the Independent Person.</p>	P
10	A local authority should have straightforward and accessible guidance on its website on how to make a complaint under the code of conduct, the process for handling complaints, and estimated timescales for investigations and outcomes.	<p>Guidance on how to make a complaint, including a complaint form, and the process for handling complaints is available for viewing on the Council's website: https://www.guildford.gov.uk/councillorconduct</p> <p>Reference to estimated timescales for investigations and outcomes?</p>	P
11	Formal standards complaints about the conduct of a parish councillor towards a clerk should be made by the chair or by the parish council as a whole, rather than the clerk in all but exceptional circumstances.	This is essentially a matter for the 23 parish councils	N

List of best practice identified by the Committee on Standards in Public Life

Item	Best Practice identified by the CSPL	Current Practice at Guildford Borough Council	Level of compliance ¹
12	Monitoring Officers' roles should include providing advice, support and management of investigations and adjudications on alleged breaches to parish councils within the remit of the principal authority. They should be provided with adequate training, corporate support and resources to undertake this work.	This is currently included in the role of the MO, though the resource for this is limited given the number of parish councils. A more effective programme of training could be developed by agreement with the parish councils.	P
13	A local authority should have procedures in place to address any conflicts of interest when undertaking a standards investigation. Possible steps should include asking the Monitoring Officer from a different authority to undertake the investigation.	<p>Our Arrangements currently provide that:</p> <ul style="list-style-type: none"> • No Member of the Council will participate in any stage of the arrangements if he or she has, or may have, any conflict of interest in the matter. (Paragraph 1.6) • The MO may, at his absolute discretion, refer a complaint to the Assessment Sub-Committee for assessment, in cases, for example, where there is an allegation where there is a perceived or actual conflict of interest e.g. the MO has previously advised the Subject Member on the matter (paragraph 7.6). • When appointing an investigating officer, the MO may, at his sole discretion, make an external appointment to the role of Investigating Officer where for example, a conflict has, or may be perceived to have, arisen (App 2 paragraph 3 (d)). 	F

List of best practice identified by the Committee on Standards in Public Life

Item	Best Practice identified by the CSPL	Current Practice at Guildford Borough Council	Level of compliance ¹
14	Councils should report on separate bodies they have set up or which they own as part of their annual governance statement, and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness, and publish their board agendas and minutes and annual reports in an accessible place.	The Council operates a shareholder and trustee board at which operational matters (including conduct) may feature. The law requires varying degrees of reporting depending on the nature of the company/trust as being controlled, influenced, or participated-in.	N
15	Senior officers should meet regularly with political group leaders or group whips to discuss standards issues.	Whilst the Managing Director meets regularly with group leaders, meetings are not exclusively about standards issues.	P

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Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Director of Finance

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Date: 28 March 2019

Review of Probity in Planning – Local Code of Practice

Executive Summary

The Probity in Planning - Local Code of Practice document (see Appendix 1) has not been reviewed for some time and has been included as a part of the ongoing review of the Council's Constitution. The document provides guidance for councillors and officers on their role and conduct in the planning process. The guidance includes how councillors and officers should manage contact with applicants, developers and objectors or supporters. The purpose of the guidance provided in the document is to ensure that decisions made in the planning process are not biased and are taken openly and transparently, and based on material planning considerations only.

During the review, officers have undertaken a comparison process between the existing document and other councils' local codes published more recently. The Planning Development Manager, the Principal Planning Solicitor and the Monitoring Officer have reviewed the document. During the course of this process, it was suggested that the updated Probity in Planning - Local Code of Practice could be amalgamated with other relevant information in respect of the determination of planning applications, including how the Planning Committee operates in that regard, and published as a 'Probity in Planning Councillors' Handbook', which will be very useful for all councillors, particularly those newly elected following the Borough Council Elections on 2 May 2019.

The draft Handbook is attached as Appendix 2 to this report.

The report will be referred initially to the Planning Committee on 27 March 2019, and any comments from that Committee will be reported to this Committee. Full Council will be invited to consider adoption of the Handbook at its meeting on 9 April 2019.

Recommendation to the Committee:

Recommendation to the Committee:

That the 'Probity in Planning Councillors' Handbook' attached as Appendix 2 to this report be

commended to full Council on 9 April 2019 for adoption.

Reason for Recommendation:

To provide up to date and fit for purpose Probity in Planning guidance to councillors and officers, together with other relevant information on the planning process at the Council in a helpful handbook for councillors.

1. Purpose of Report

- 1.1 The purpose of this report is to set out why the Probity in Planning – Local Code of Conduct has been reviewed, the process of the review and the changes that have been made in draft to include other relevant information in respect of the planning process into a helpful Councillors’ Planning Handbook. This report asks the Committee to commend the Handbook to full Council for adoption.

2. Strategic Priorities

- 2.1 Place-making. The Council, as the local planning authority, has a key role in local development, redevelopment and implementation of the Local Plan in line with legislation and the National Planning Policy Framework. The Council must ensure that councillors and officers are properly supported with fit for purpose guidance that can provide confidence in the decision-making process and reassurance to local residents and businesses.

3. Background

- 3.1 Probity in Planning guidance is provided by all local authorities and it normally sits within councils’ constitutions. There is no statutory requirement to provide such codes of practice, but it is good practice to have accessible, up to date guidance available to all decision makers. The guidance should be read alongside the Councillors’ Code of Conduct, the Code of Conduct for Staff and the Protocol on Councillor/Officer Relations.
- 3.2 The Council’s Probity in Planning – Local Code of Practice has not been reviewed or updated for some time. It does not, for example, include guidance for councillors on bias, predetermination, and predisposition.
- 3.3 The review to date has involved a comparison process between the existing Local Code of Practice document (Appendix 1) and a number of other councils’ local codes which have been published recently.
- 3.4 As the draft Probity in Planning document developed in terms of themes and information, it was suggested that it might be useful to councillors and officers to have all information and guidance related to the planning decision-making process in one place, in the form of a ‘Handbook’. This will be useful for all councillors, particularly those newly elected following the Borough Council elections in May, especially those who are appointed to the Planning Committee. A copy of the draft ‘Handbook’ is attached as Appendix 2.

4. Consultations

- 4.1 The Planning Development Manager, the Principal Planning Solicitor and the Monitoring Officer have reviewed this draft version.
- 4.2 As stated above, the 'Handbook' will be a useful tool for all councillors, but as it is directly relevant to the planning process and the operation of the Planning Committee, it was considered appropriate that that Committee was afforded the opportunity of being consulted on it. Any comments arising from the Planning Committee's consideration of the report will be reported to this Committee at its meeting.
- 4.3 The draft 'Handbook' is now before this Committee for comment and feedback. The Committee is asked to commend the adoption of the Handbook to full Council on 9 April 2019.

5. Equality and Diversity Implications

- 5.1 Public authorities are required to have due regard to the aims of the Public Sector Equality Duty (Equality Act 2010) when making decisions and setting policies
- 5.2 There are no equality and diversity implications arising from this report

6. Financial Implications

- 6.1 There are no immediate financial implications arising from this report; however, it is of vital importance that councillors and officers operate under the guidance issued in the Planning in Probity document so as not to expose the Council to awards of costs resulting from poor decision-making.

7. Legal Implications

- 7.1 The legal implications are set out in the draft Handbook.

8. Human Resource Implications

- 8.1 There are no human resource implications arising from this report

9. Summary of Options

- 9.1 The Committee may recommend that the existing Probity in Planning – Local Code of Practice be retained if councillors consider it remains fit for purpose.
- 9.2 The Committee may submit the matter back to officers for further revision if it considers it is still not fit for purpose after the recent review.
- 9.3 The Committee may commend the Probity in Planning Councillors' Handbook' to full Council for adoption.

10. Background Papers

Agenda item number: 11

Probity in Planning documents from the following local authorities:

- Broadland District Council
- Manchester City Council
- Rother District Council

'Probity in Planning for councillors and officers', Local Government Association and the Planning Advisory Service 2013

11. Appendices

Appendix 1: Current Probity in Planning – Local Code of Practice

Appendix 2: Proposed Councillors' Planning Handbook

PART 5 – PROBITY IN PLANNING

GUILDFORD BOROUGH COUNCIL

PROBITY IN PLANNING - LOCAL CODE OF PRACTICE

General Context

Councillors must ensure that their conduct accords with the requirements of the Councillors' Code of Conduct and Protocol on Councillor/Officer Relations included in Part 5 of this Constitution. The Code makes clear that, in taking public office, councillors must accept constraints on their behaviour. It is not enough to avoid actual impropriety. You should at all times avoid any occasion for suspicion and any appearance of improper conduct.

Councillors are required to adhere to the following general principles prescribed by the Localism Act 2011, as attached to the Councillors' Code of Conduct:

- **Selflessness.** Holders of public office should act solely in terms of the public interest. .
- **Integrity.** Holders of public office must avoid placing themselves under any obligation to people or organisations that try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves their family or their friends. They must declare and resolve any interests and relationships.
- **Objectivity.** Holders of public office must act and take decisions impartially fairly and on merit using the best evidence and without discrimination or bias.
- **Accountability.** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
- **Openness.** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- **Honesty.** Holders of public office should be truthful.
- **Leadership.** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

The planning system involves taking decisions about the use and development of land. It is not an exact science and relies on informed judgement within a firm policy context. It is important that all concerned (applicants, objectors, practitioners, officers, councillors and the general public) have complete confidence in the integrity and transparency of the system. This is supported by central government advice and by the Local Government Association.

This local code of practice has been prepared to reflect government guidance within the local context of Guildford. It is intended as a guide to councillors to ensure that decisions are taken impartially, without bias and are well founded. The guidance is divided into three sections:

PART 5 – PROBITY IN PLANNING

1. General Roles and Conduct
2. Lobbying and Negotiations
3. Decision-Making

General Roles and Conduct

Role of Councillors

Councillors on the Planning Committee sit as a non-judicial body, but act in a semi-judicial capacity, representative of the whole local community in making decisions on planning applications. They must, therefore:

1. act fairly, openly and apolitically;
2. approach each planning application with an open mind, avoiding pre-conceived opinions;
3. carefully weigh up all relevant issues;
4. determine each application on its individual planning merits;
5. avoid undue contact with interested parties; and
6. ensure that the reasons for their decisions are clearly stated.

The above role applies also to councillors who are nominated substitutes on the Planning Committee. Where a councillor, who is neither a member of, nor a substitute on the Planning Committee, attends a meeting of the Committee, he or she is also under a duty to act fairly and openly and avoid any actions which might give rise to an impression of bias or undue influence.

Equally, the conduct of members of any working party or committee considering planning policy must be similar to that outlined above relating to the Planning Committee.

Role of Planning Officers

Planning officers advise councillors on planning policy and planning applications. They will:

1. provide professional, objective and comprehensive advice;
2. provide a clear and accurate analysis of the issues;
3. advise on the development plan and other material considerations;
4. give a clear recommendation; and
5. implement the Committee's/Council's decisions (including those made by officers under powers delegated to them).

Role of the Council Solicitor and Monitoring Officer

The Council Solicitor and Monitoring Officer will give clear and objective advice to councillors as necessary on legal issues arising out of the conduct of the Committee's functions, the implementation of its decisions and proposed courses of action and will implement the

PART 5 – PROBITY IN PLANNING

Committee's/Council's decisions so far as they require the completion of any legal agreements, institution/defence of any proceedings, issuing of notices etc.

The Democratic Services Manager will also give clear and objective advice to councillors as necessary on administrative issues arising out of the conduct of the Committee's functions.

Disclosure and Registration of Interests

It is very important that councillors disclose their interest in particular schemes, including indirect interests. This requirement relates to individual planning applications and also planning policies and proposals which are being developed in development plans, supplementary planning guidance or development briefs. There is clear guidance in the Councillors' Code of Conduct on what constitutes an 'interest'.

Interests must be disclosed by councillors before the Committee discusses the item concerned. Such disclosures are usually taken at the start of the meeting and are recorded in the minutes.

It is also important for officers to disclose interests in writing to their service leader, if they consider that those interests might affect their objectivity.

The Council has a publicly available register of councillors' interests, a copy of which is also available for inspection on the Council's website:

<http://www.guildford.gov.uk/councillorsearch>

The Council also holds a register of officers' interests, which is not available to the public.

The Councillors' Code of Conduct also sets out rules on acceptance of gifts and hospitality by councillors. There is also guidance for officers and a hospitality register is held within directorates.

Monitoring Feedback and Complaints

The Council has drawn up and published a guide to service standards, which includes an explanation of how complaints about any services may be made. Copies of the guide and comment forms are available from the Customer Services team.

Lobbying and Negotiations

Planning Applications

It is common for applicants, other interested parties (such as neighbours) and other councillors to wish to discuss a proposed development with members of the Planning Committee before and during the consideration of a planning application.

Whilst such discussion can help councillors' understanding of the issues and concerns associated with an application, it is important that councillors avoid compromising their positions before they have received all the relevant information.

The Local Government Association's paper "Probity in Planning" recognises lobbying as a part of the political process. However, the paper states that care and common sense needs to be exercised, such that councillors' impartiality and integrity are not called into question in

PART 5 – PROBITY IN PLANNING

the decision-making process.

Councillors and, in particular, those sitting as the Planning Committee need to take account of the general public's (and the Ombudsman's) expectation that a planning application will be processed and determined in a transparent, open, reasonable and fair manner.

In order to make their position clear, councillors should:

- Make a note of any formal meetings with an applicant or any other interested party, whom if possible a councillor should avoid meeting alone, which will be publicly available on the planning file and inform those present that this will be done.
- Direct objectors and other interested parties to planning officers who will include reference to their opinions (where relevant) in their report to the Planning Committee.
- Avoid making it known in advance of the Committee meeting whether they support or oppose the proposal.
- Restrict pre-application advice to procedures and policies only.
- Avoid placing pressure on officers to give a particular recommendation. (If a councillor is concerned about the recommendation or the advice a case officer is giving, the Director of Planning and Regeneration must be informed immediately.)

If a meeting with an applicant, objector or potential applicant is undertaken, councillors should restrict their comments to policies and procedures that may be involved in coming to a decision. Councillors may wish to involve a colleague or planning officer in such meetings. It is essential that councillors do not become involved in the negotiation process, but direct applicants to the case officer to carry out the relevant negotiations.

Pre-Application Discussions

Pre-application discussions with potential applicants may take place, but unless the discussion simply relates to policies and procedures, such meetings should always involve officers, who can give professional planning advice. Such discussions can be extremely useful to all concerned and can save a great deal of wasted effort (on both sides) as well as contributing to a higher quality development. To avoid any misunderstanding, the following guidelines should be followed:

- Councillors will only be involved (primarily for fact-finding) in pre-application discussions on major schemes when a specific forum has been arranged by officers for that purpose.
- In complex or contentious cases, at least one planning officer will be present.
- A meeting note will be taken by planning officers and placed on the relevant file. In some cases, this might be a previous planning file, in others it might be the general file for the area. Some pre-application discussions are undertaken on a confidential basis and these will be placed in a confidential envelope on the appropriate file.
- It will be made clear that the planning officers are giving provisional views (based on the development plan and up-to-date government guidance); that no decisions are

PART 5 – PROBITY IN PLANNING

being made and that decision-making rests with councillors at Planning Committee or by the relevant officer under delegated powers.

- Similar issues apply to the development of planning policy. There may be occasions where owners, developers or other interested parties will wish to discuss with councillors aspects of emerging policy in the development plan and other policy documents. This may be as promoters of a particular development or objectors to specific proposals. In such circumstances, councillors should:
 - avoid as far as possible meeting a promoter of a development alone;
 - avoid making it known in advance of the Committee or similar meeting whether they support or oppose the proposal;
 - restrict advice to procedures only;
 - direct objectors or promoters of schemes to the planning officers so that they can be included in the appropriate report;
 - Make a note of any relevant meeting and copy to the planning officer(s).

Decision-Making

Planning Applications

All planning applications are determined either by the Planning Committee or delegated to officers. It should be noted that irrespective of the type of development, applications submitted to the Council by councillors or officers will be determined by the Planning Committee.

Under the Council's Constitution, there is the ability to refer planning applications to full Council for consideration. In those circumstances, this code of practice would equally apply to consideration by the full Council.

There are four aspects, which are relevant to this code:

(i) Officer Reports

Officer reports are key to decision-making and make a significant contribution to consistency and confidence in the system. Planning reports should:

- be accurate and comprehensive and include the substance of objections and the views of people who have been consulted;
- be relevant and include a clear exposition of the development plan, site history and all other material considerations;
- have a written recommendation of action with a technical appraisal which clearly justifies the recommendation; and
- if the recommendation is contrary to the development plan, the material considerations which justify this must be clearly stated.

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(ii) Public Speaking

The Third Report of the Committee on Standards in Public Life (The Nolan Report) recommends as best practice that there should be opportunities for applicants and objectors and other interested parties, such as parish councils, to make representations at Planning Committee. In implementing public speaking, there should be clear protocols identifying who is allowed to speak, including provisions as to whether parish councils or third party objectors are allowed to speak. In addition, in order to promote equity, the time allowed for these presentations should be identical. Guildford already has such arrangements in place. Copies of the scheme have already been supplied to councillors, but additional copies are available from the Planning Committee Manager, Sophie Butcher (01483 444056).

(iii) Site Visits

There is need for clarity of purpose with respect to site visits. They can be useful to identify features that may otherwise be difficult to appreciate.

When appropriate, formal visits will be made by the members of the Planning Committee to site(s) in respect of which there are application(s) under consideration by the Committee. Such Committee visits will only be authorised by the Planning Committee and will be at an agreed time. They should only be held in circumstances in which it is not possible for councillors to make an informed decision without seeing the site for themselves. The Committee minutes will show the planning reasons for the decision to hold a site visit. Site visits are generally not appropriate in cases where purely policy matters are at issue. The applicant will be notified in advance in writing of the time and date of the visit. A planning officer and the Planning Committee Manager will be in attendance. Site visits are:

- fact finding exercises.
- not part of the formal consideration of the application and, therefore, public rights of attendance and speaking by applicants and objectors do not apply. There will be no decision made by the site visit party. The Chairman of the Committee or his/her representative must maintain a firm control over the conduct of the site visit which, whilst not part of a formal meeting of the Planning Committee, must be conducted as a single meeting and in an orderly fashion. Councillors should not allow themselves to be addressed by individual parties.
- to enable officers to point out relevant features.
- to enable councillors to ask questions on site for clarification. However, discussion on the application will only take place at Planning Committee when all parties will be present.
- members of the public or applicants may not address the Committee at councillors' site visits.

The application the subject of the site visit will normally be reported to the next available Planning Committee meeting for formal decision.

(iv) Decisions Contrary to Officer Recommendations

PART 5 – PROBITY IN PLANNING

From time to time, members of the Planning Committee will disagree with the professional advice given by planning officers. In such cases, the planning reasons for rejecting an officer's recommendation will be clearly stated and recorded in the minutes. Where an appeal arises against such a decision, it is unlikely that the case officer will give evidence and, in some cases, consultants will be employed. Support will also be given to the relevant councillors in preparing evidence for the appeal and providing factual evidence.

(v) Councillor Representations on Appeals Against Planning Decisions

Where a councillor wishes to support an appellant on any appeal against a Council decision on a planning matter, that councillor shall as a matter of courtesy give written notice of his or her intention to the Monitoring Officer and the appellant. Where the appeal is to be dealt with at an inquiry, the notice shall be delivered to the Monitoring Officer and the appellant normally not less than five working days before the start of the inquiry.

In deciding whether to make representations on an appeal, councillors should consider very carefully beforehand whether there could be any allegation that they are in breach of this local code or any other provisions in the Councillors' Code of Conduct. Councillors are reminded that their over-riding duty is to the whole local community.

Councillors proposing to support an appellant at an appeal must in addition make it clear to the planning inspector that they are appearing in their personal capacity and not as a spokesman for the Council.

Planning Policy

Similar principles to the above apply to decisions on development plans, supplementary planning guidance or other policy documents.

There may be occasions where sub-groups of councillors are formed to develop planning policy. In particular, it is now established practice to establish sub-groups to take forward the development plan. Where such groups are formed, it is important that the remit is established from the outset. In particular, it needs to be resolved whether the meetings and papers will be public, the political composition of the sub-groups and the relationship with the Leader/Executive and parent committee. This will establish whether the remit of the sub-group is to advise officers in the preparation of policy documents or whether the sub-group is empowered to make formal recommendations to the Leader/Executive and/or parent committee.

Applicability of the Code

This code of practice is intended to be a guide for councillors and others (including members of the public) as to the conduct expected of all parties on matters relating to planning in the Borough.

Members of the Planning Committee and others to whom this code applies must make their own judgments as to its application to specific planning matters, including individual planning applications. In most cases, its applicability will be clear. If any councillor is in doubt, he or she may seek advice from the Monitoring Officer. However, the final decision must be for the councillor to determine.

PART 5 – PROBITY IN PLANNING

A breach of the code is a serious matter and, although usually not amounting to a breach of the criminal law, may incur an adverse report from the Local Government Ombudsman and/or action under the Councillors' Code of Conduct.

PROBITY IN PLANNING – COUNCILLORS’ HANDBOOK

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1. Foreword

- 1.1 This Probity in Planning guide is for councillors and planning officers and reflects the requirements of the Localism Act 2011, the recommendations of the Third Report on Standards in Public Life Committee ('Nolan Report'), Local Government Association guidance and the Council's own experience.
- 1.2 The guidance clarifies how councillors should understand their roles and responsibilities when involved in planning discussions, plan making and determining planning applications.
- 1.3 It is important that councillors and officers familiarise themselves with this guidance and with the other Codes and Protocols which sit alongside it in Part 5 of the Council's Constitution. Councillors must ensure that their conduct accords with the requirements of the Councillors' Code of Conduct and Protocol on Councillor/Officer Relations included in Part 5 of the Constitution.
- 1.4 Councillors should note that this guidance does not constitute legal advice.
- 1.5 Any councillor or officer with any doubts about the matters presented in this guidance should contact the Council Solicitor and Monitoring Officer for clarification.

2. Introduction

- 2.1 The planning system involves taking decisions about the use and development of land. It is not an exact science and relies on informed judgement within a firm policy context. It is important that all concerned (applicants, objectors, practitioners, officers, councillors and the general public) have complete confidence in the integrity and transparency of the system.
- 2.2 Councillors are required to adhere to the following general principles prescribed by the Localism Act 2011, as attached to the Councillors' Code of Conduct:
 - **Selflessness.** Holders of public office should act solely in terms of the public interest.
 - **Integrity.** Holders of public office must avoid placing themselves under any obligation to people or organisations that try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves their family or their friends. They must declare and resolve any interests and relationships.
 - **Objectivity.** Holders of public office must act and take decisions impartially, fairly and on merit using the best evidence and without discrimination or bias.
 - **Accountability.** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
 - **Openness.** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
 - **Honesty.** Holders of public office should be truthful.
 - **Leadership.** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.
- 2.3 The Councillors' Code of Conduct makes clear that, in taking public office, councillors must accept constraints on their behaviour. It is not enough to avoid actual impropriety. You should at all times avoid any occasion for suspicion and any appearance of improper conduct.

- 2.4 This local code of practice has been prepared to reflect government guidance within the local context of Guildford. It is intended as a guide to councillors and officers to ensure that decisions are taken impartially, without bias and are well founded.

3. Planning policies and the Local Plan

- 3.1 This local code of practice also applies to decisions on development plans, supplementary planning guidance or other policy documents.
- 3.2 Local plans must be positively prepared, justified, effective and consistent with national policy in accordance with section 20 of the Planning and Compulsory Purchase Act 2004 (as amended). If a Local Development Plan has been adopted, councillors must vote in accordance with it unless there are mitigating material considerations.

4. Applicability of the Code

- 4.1 This code of practice is intended to be a guide for councillors as to the conduct expected of them on matters relating to planning in the Borough.
- 4.2 Members of the Planning Committee and others to whom this code applies must make their own judgments as to its application to specific planning matters, including individual planning applications. In most cases, its applicability will be clear. If any councillor is in doubt, he or she may seek advice from the Monitoring Officer. However, the final decision must be for the councillor to determine.

5. Breaches of the Code

- 5.1 A breach of the code is a serious matter and, although usually not amounting to a breach of the criminal law, may incur an adverse report from the Local Government Ombudsman and/or action under the Councillors' Code of Conduct.

6. Training

- 6.1 The Council requires that all councillors receive an introduction to planning training session when they are elected. It is important for all councillors, not only those sitting on the Planning Committee, to receive this training as some complex applications can be referred to full Council.
- 6.2 For those members sitting on the Planning Committee 'bite-sized' training sessions are delivered regularly. It is important that members and substitute members attend all training sessions so that the any risk for the Council is kept low and the local community can be reassured that those determining Planning matters have the knowledge to be able to do so.
- 6.3 Members of the Planning Committee or substitute members who are absent when training is delivered must ensure they view the training recorded on the webcast to familiarise themselves with the training provided.
- 6.4 All councillors will receive training on the Councillors' Code of Conduct to remind them of the responsibilities of public office and remind them to review their register of interests regularly.

7. Role of the Councillor

- 7.1 Councillors and officers have different but complementary roles. Both serve the public but councillors are responsible to the electorate, whilst officers are responsible to the Council as a whole.

7.2 The Court of Appeal has held that Planning Committees are not acting in a judicial or quasi-judicial role when deciding planning applications but “in a situation of democratic accountability”. Planning Committee Members must therefore:

1. act fairly, openly and apolitically;
2. approach each planning application with an open mind, avoiding pre-conceived opinions;
3. carefully weigh up all relevant issues;
4. determine each application on its individual planning merits;
5. avoid undue contact with interested parties; and
6. ensure that the reasons for their decisions are clearly stated.
7. consider the interests and well-being of the whole borough and not only their own ward.

7.3 The above role applies also to councillors who are nominated as substitutes to the Planning Committee. Equally, the conduct of members of any working party or committee considering planning policy must be similar to that outlined above relating to the Planning Committee.

8. Role of the Planning Officer

8.1 Officers advise councillors and the Council and carry out the Council's work. A successful relationship between councillors and officers will be based upon mutual trust, understanding and respect of each other's positions.

8.2 Planning officers advise councillors on planning policy and planning applications. They will:

1. provide professional, objective and comprehensive advice;
2. provide a clear and accurate analysis of the issues;
3. advise on the development plan and other material considerations;
4. give a clear recommendation; and
5. implement the Committee's/Council's decisions (including those made by officers under powers delegated to them).

9. Role of the Council Solicitor and Monitoring Officer (or representative)

9.1 The Council Solicitor and Monitoring Officer will give clear and objective advice to councillors:

- on legal issues arising out of the conduct of the Committee's functions; and
- regarding the implementation of the Committee's decisions and proposed courses of action

9.2 The Council Solicitor and Monitoring officer will implement the Committee's/Council's decisions so far as they require the completion of any legal agreements, institution/defence of any proceedings, issuing of notices etc.

9.3 The Democratic Services Manager (or representative) will also give clear and objective advice to councillors as necessary on administrative issues arising out of the conduct of the Committee's functions.

10. Disclosure and Registration of Interests (see also Appendix 1)

Disclosable pecuniary interest (DPI).

10.1 A person's pecuniary interests are their business interests (for example their employment, trade, profession, contracts, or any company with which they are associated) and wider financial interests they might have (for example trust funds, investments, and assets including land and property). Councillors with a DPI may not speak on the item and should

absent themselves from the debate and the vote. There is clear guidance in the Councillors' Code of Conduct on what constitutes a 'disclosable pecuniary interest'

Non-pecuniary interest

- 10.2 If a councillor has a non-pecuniary interest they must declare it at the meeting, but they may speak on the item and need not absent themselves for the debate or the vote. Councillors should check with the Monitoring Officer if they are in any doubt.
- 10.3 It is very important that councillors disclose any interests they may have in particular schemes at the earliest opportunity. This requirement relates to individual planning applications and planning policies and proposals, which are being developed in development plans, supplementary planning guidance or development briefs.
- 10.4 Interests must be disclosed by councillors before the Committee discusses the item concerned. Such disclosures are usually taken at the start of the meeting and are recorded in the minutes.
- 10.5 It is also important for officers to disclose interests in writing to their service leader/director, if they consider that those interests might affect their objectivity.
- 10.6 The Council has a publicly available register of councillors' interests, a copy of which is also available for inspection on the Council's website:
<http://www.guildford.gov.uk/councillorsearch>
- 10.7 The Council also holds a register of officers' interests, which is not available to the public. The Councillors' Code of Conduct also sets out rules on acceptance of gifts and hospitality by councillors. There is also guidance for officers and a hospitality register is held within directorates.

11. Predisposition, Predetermination or bias

- 11.1 It is entirely permissible for Committee Members, who are democratically accountable decision makers, to be predisposed towards a particular outcome. Nonetheless, they must address the planning issues before them fairly and on their individual merits. That means they can have a view on the application but must not make up their minds on how to vote before formally considering the application, listening to the officer presentation any representations and the full debate. Committee Members must have an open mind to the merits of a proposal before it is formally considered at the Committee meeting and they must be prepared to be persuaded by a different view in the light of any detailed arguments or representations concerning the particular matter under consideration.

12. Fettering discretion

- 12.1 Councillors being involved with a matter that they will later be called upon to take a decision on as a member of the Council can fetter their discretion.
- 12.2 Pressure is sometimes put on councillors to comment on a matter before the meeting, either in the press or on social media. The councillor should not be put in a position where it appears they have already taken a view. The councillor should always say that they will consider all the facts and take a decision based on the merits of the case presented.

13. Members of more than one tier of local government

- 13.1 Provided a member of the Planning Committee has not acted at parish or county level in so far as they will have predetermined the matter then they may remain in the Committee meeting to speak and vote.

- 13.2 Councillors serving on other councils may reserve their right to change their position when more information is provided at the Planning Committee meeting. More information may become available in the Planning Officer's report, which will include all representations.

14. Development proposals submitted by the Council, councillors and officers

- 14.1 Planning applications submitted by individual councillors or officers will be determined by the Planning Committee and not under delegated powers in order to maintain propriety and transparency.
- 14.2 Any councillor submitting a planning application is likely to have a disclosable pecuniary interest and must follow the guidance set out in the Councillors' Code of Conduct.
- 14.3 Aside from minor Council applications, which can be approved under delegated authority, proposals for the Council's own development will be treated with the same transparency and impartiality as those of private developers.

15. Lobbying and Negotiations

- 15.1 Lobbying is usual during the planning process and those affected by an application will seek to influence individual councillors and the Planning Committee. Councillors should expect to be contacted in this regard and should listen to all views.
- 15.2 Councillors may offer advice, for example suggesting to those lobbying that they write to the planning officer or register to speak at the committee, but should take care when being lobbied that any comments they make do not give the impression that they have predetermined the matter. Instead they should make it clear that they will not make a final decision until they have heard all of the arguments at the Committee meeting.
- 15.3 Political group decisions must not be taken on planning applications and related matters and councillors should not lobby one another or agree with one another on how to vote.
- 15.4 Councillors should adhere to the Protocol on Councillor/Officer Relations at all times and should not attempt to influence or to apply pressure to officers in any way. (If a councillor is concerned about the recommendation or the advice a case officer is giving, the Director of Planning and Regeneration must be informed immediately.)
- 15.5 Any councillor wishing to make representations in a planning inquiry should seek the advice of the Monitoring Officer and the Planning Development Manager.
- 15.6 Councillors and, in particular, those sitting as the Planning Committee need to take account of the general public's (and the Ombudsman's) expectation that a planning application will be processed and determined in a transparent, open, reasonable and fair manner.

16. Pre-Application Discussions

- 16.1 Pre-application discussions with potential applicants may take place, but unless the discussion simply relates to policies and procedures, such meetings should always involve officers, who can give professional planning advice. Such discussions can be extremely useful to all concerned and can save a great deal of wasted effort (on both sides) as well as contributing to a higher quality development.
- 16.2 Councillors will only be involved (primarily for fact-finding) in pre-application discussions on major schemes when a specific forum has been arranged by officers for that purpose.
- 16.3 In complex or contentious cases, at least one planning officer will be present.

- 16.4 A meeting note will be taken by planning officers and placed on the relevant file. Some pre-application discussions are undertaken on a confidential basis and these will be placed in a confidential envelope on the appropriate file. These will normally be made public once an application has been received.
- 16.5 On larger schemes it is possible the proposal will be the subject of a Design Review Panel. The local ward councillors would be invited to attend that review.
- 16.6 It will be made clear that the planning officers are giving provisional views (based on the development plan and up-to-date government guidance); that no decisions are being made and that decision-making rests with councillors at Planning Committee or by the relevant officer under delegated powers.
- 16.7 Similar issues apply to the development of planning policy. There may be occasions where owners, developers or other interested parties will wish to discuss with councillors aspects of emerging policy in the development plan and other policy documents. This may be as promoters of a particular development or objectors to specific proposals. In such circumstances, councillors should always:
- avoid as far as possible meeting a promoter of a development alone;
 - avoid making it known in advance of the Committee or similar meeting whether they support or oppose the proposal;
 - restrict advice to procedures only;
 - direct objectors or promoters of schemes to the planning officers so that they can be included in the appropriate report;
 - make a note of any relevant meeting and copy to the planning officer(s).
- 16.8 Councillors should make a note of any formal meetings with an applicant or any other interested party, whom if possible a councillor should avoid meeting alone, which will be publicly available on the planning file and inform those present that this will be done.
- 16.9 Councillors should direct objectors and other interested parties to planning officers who will include reference to their opinions (where relevant) in their report to the Planning Committee.
- 16.10 Councillors should restrict pre-application advice to procedures and policies only.
- 16.11 If meeting with an applicant, objector or potential applicant, councillors should restrict their comments to policies and procedures that may be involved in coming to a decision. Councillors may wish to involve a colleague or planning officer in such meetings. It is essential that councillors do not become involved in the negotiation process, but direct applicants to the case officer to carry out the relevant negotiations.
- 17. Publicity (see Appendix 2)**
- 17.1 There are statutory requirements in place around advertising planning applications dependent upon the type of application received.
- 17.2 The Council will publish information widely as set out in Appendix 2.
- 17.3 All planning applications will be published on the Council's website.
- 17.4 All applications that require advertisement will be published in a local newspaper.
- 17.5 Where appropriate signs detailing and referencing the application will be put up on the site or as near as possible to it.

- 17.6 Neighbouring residents abutting the application red line site will be informed of an application by letter, depending on the application type and scale of proposal
- 17.7 Interested parties will have up to 21 days to respond with the exception of 'permission in principle' applications which have only 14 days to respond
- 17.8 If an application is amended, further notification and publicity will be given with 7 - 21 days' notice depending upon the extent of the changes
- 17.9 The Council will not determine an application until the notice period is complete.
- 17.10 Anyone can respond to a planning application regardless of whether they have been formally notified.
- 17.11 Decisions **will** be based upon planning policy and planning matters including:
- design issues
 - privacy
 - traffic
 - access
 - landscaping
 - noise
- 17.12 The following **will not** be a factor in determining an application:
- private property matters
 - any effect on the value of a property
 - the loss of a view
 - matters covered by other legislation
 - the character or motives of an applicant
 - any personal comments about the applicant or occupiers of the application property
- 17.13 Responses can be made in writing to the Director of Planning and Regeneration, by email to planningenquiries@guildford.gov.uk, or may be submitted via the Council's website where progress of the application can also be tracked.
- 17.14 Responses will be published on the Council's website unless they are of a confidential nature.
- 17.15 Correspondence will not usually be entered into.
- 17.16 If the required number of responses are received then public speaking will be triggered and all of those who responded with be notified. Those wishing to speak on an application must register by 12 noon on the day before the meeting as per the rules set out in Section 23 of this guide.

18. Planning Applications

- 18.1 All planning applications are determined either by the Planning Committee or delegated to officers.
- 18.2 Major applications and minor applications
Major development
- 10+ dwellings/over half a hectare/buildings exceeding 1000 sq. metres
 - Office/light industrial – 1000+ sq. metres/1+ hectare
 - Retail – 1000+ sq. metres/ 1+ hectare
 - Gypsy/traveller site – 10+ pitches
 - Site area exceeding 1 hectare

Minor development

- 1-9 dwellings (unless floor space exceeds 1000 sq. metres under half a hectare)
- Office /light industrial - up to 999 sq. metres/under 1 hectare
- General industrial – up to 999 sq. metres/under 1 hectare
- Retail – up to 999 sq. metres/ under 1 hectare
- Gypsy/traveller site – 0-9 pitches

- 18.3 Applications are referred automatically to the Planning Committee in the following cases:
- for all householder and other applications, the trigger for Committee will be 10 letters/emails or more contrary to the officer's recommendation;
 - for all Major and Minor applications, the trigger for Committee will be 20 letters/emails or more contrary to the officer's recommendation;
 - large scale applications submitted by Guildford Borough Council, for example redevelopment of an existing site or provision of new housing. Small scale and minor schemes will be dealt with under delegated powers;
 - a councillor or a Council employee has submitted an application, 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.
- 18.4 Councillors are notified of all planning applications within their wards. A 21-day consultation period is set during which time anyone can submit written comments about the application.
- 18.5 Councillors' comments received will be taken into account in determining the application; however, councillors should not provide a clear opinion either way at this stage as it could prejudice their ability to vote on the matter should it come before the Planning Committee. At any point prior to the Committee meeting, should councillors wish to give an opinion, they are advised to state that this is their opinion based upon the information currently available, which may change in the light of additional information. Councillor comments are kept on file.
- 18.7 Under the Council's Constitution, there is the ability to refer planning applications to full Council for consideration. In those circumstances, this code of practice would equally apply to consideration of such applications by all councillors.
- 18.8 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 does not have to be a Planning Committee member).
- 18.9 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.
- 19. Seven day notification period (see Appendix 3)**
- 19.1 The 'seven day notification' process requires the officer report to be referred to all ward councillors in the event of a single objection being received or if they are looking to refuse a planning application.
- 19.2 Exemptions to this process are all Lawful Development Certificates; Prior Approval applications; Statutory Consultations from other authorities including Surrey County Council

and Section 211 Tree applications (notices), whereby properties are located within a Conservation Area and are subject to a time limited 6 week process.

- 19.3 Many applications are referred to ward councillors on the 'seven-day notification' process, very few applications of those seven-day notifications are actually referred to Planning Committee for decision.
- 19.4 Councillors should use the 'seven-day' call up to Committee process responsibly.
- 19.5 The 7-day process is not an opportunity for lobbying by either the applicant or third parties. Please remember that during the seven-day notification process the officer report should always remain confidential and should not be shared or forwarded to the applicant, agent, Parish Council or third parties.
- 19.6 If no objection letters have been received then officers can process the application, without reference to Councillors, if the application is to be approved.
- 19.7 If a 'seven day notification' is necessary, the officer will get their report checked and signed off by a senior manager who has delegated authority to sign off. They will then utilise an automated template email to send out to all the ward members.

20. Councillor Call-in

- 20.1 All councillors receive a list of planning applications submitted to the Council.
- 20.2 Any member of the council may call-in a planning application to be determined by the Planning Committee rather than be determined under delegated powers.
- 20.3 There is a 21-day period between when an application is received and it being determined when a councillor can exercise call-in. To call-in an application, a written request should be sent to the Director of Planning and Regeneration with reasons to justify this action.
- 20.4 The Director of Planning and Regeneration has the power to refuse the call-in if the justification is not reasonable.
- 20.5 Councillors who have exercised call-in will be expected to speak to the item at Planning Committee provided they have not demonstrated a predetermination.
- 20.6 All councillors receive a list of enforcement actions. Any councillor can call-in an enforcement as above, but the time window will be 14 days.

21. Site Visits

Up-Front Site Visits

- 21.1 When the agenda for the Planning Committee meeting has been published, Planning Committee members can request that a site visit is undertaken for an application listed. Councillors must submit their request, detailing their reasons and material planning considerations, to the Committee Officer by no later than midday on the Thursday the week prior to the Planning Committee meeting.
- 21.2 The request for a site visit is discussed in liaison with the Chairman of the Planning Committee and Planning Development Manager at the Pre-Planning Committee meeting (which is generally held in the afternoon on the Thursday prior to the Planning Committee meeting). If the Chairman and Planning Development Manager agree the request for a site visit, the Committee Officer will confirm the site visit details with the Councillors and applicant.

21.3 Site visits are scheduled to be held on the Tuesday, the day prior to the Planning Committee meeting at approx. 9:30am.

Requested Site Visits

21.4 Site visits can also be requested at a Planning Committee meeting and will only be agreed by the Committee and scheduled at an agreed date and time.

21.5 Site visits should only be held in circumstances in which it is not possible for councillors to make an informed decision without seeing the site for themselves. Examples of such circumstances include:

- the impact of the proposed development is difficult to visualise from the plans and any supporting material, including photographs taken by officers
- the comments of the applicant and objectors cannot be expressed adequately in writing
- the proposal is particularly contentious

21.6 The Committee minutes will show the planning reasons for the decision to hold a site visit.

21.7 Site visits are generally not appropriate in cases where purely policy matters are at issue.

21.8 The applicant will be notified in advance in writing of the time and date of the visit. A planning officer and the Planning Committee Manager will attend.

21.9 Site visits are:

- fact finding exercises.
- not part of the formal consideration of the application and, therefore, public rights of attendance and speaking by applicants and objectors do not apply.
- to enable officers to point out relevant features.
- to enable councillors to ask questions on site for clarification. However, discussion on the application will only take place at Planning Committee when all parties will be present.

21.10 Councillors should not allow themselves to be addressed by individual parties, members of the public or applicants at councillors' site visits.

21.11 Any councillor who may visit the site alone is only entitled to view the site from public vantage points and has no individual rights to enter private property.

21.12 It is not good practice to enter the site if invited by the owner if alone as this can lead to the perception that the councillor may no longer be impartial.

21.13 The Chairman of the Committee or, in their absence, the Vice-Chairman must maintain a firm control over the conduct of the site visit, which, whilst not part of a formal meeting of the Planning Committee, must be conducted as a single meeting and in an orderly fashion.

21.14 There will be no decision made by the site visit party. The application subject of the site visit will normally be reported to the next available Planning Committee meeting for formal decision.

21.15 A half-day yearly tour, visiting two or three sites as exemplars will be arranged usually in September, for members of the Planning Committee.

22. Planning Committee

- 22.1 The Planning Committee is made up of 15 borough councillors. A number of other councillors are named as substitute members of the Committee.
- 22.2 Planning Committee meetings usually take place every four weeks. Meetings are on Wednesday evenings and start at 7pm. Sometimes there are special meetings to discuss major or strategic applications.
- 22.3 Agendas are published on the Council's website five clear working days before each meeting.
- 22.4 Any member of the public can attend Planning Committee meetings and listen to the discussions about applications and other matters on the public part of the meeting agenda.
- 22.5 The Planning Committee makes decisions on about 5% of the planning applications the Council receives. The Director of Planning and Regeneration decides all other applications under delegated powers.
- 22.6 All meetings are open to the public (s100 LGA 1972). Where there are aspects of a matter which are required to be dealt with in private, the Committee may pass a resolution to exclude the public from the meeting (s100A(4) LGA 1972). That resolution must identify the matters to which it refers and state the description of the "Exempt Information" under Schedule 12A of the LGA 1972.
- 22.7 Unless otherwise decided by a majority of councillors present and voting at the meeting, all meetings shall finish by no later than 10.30pm. Any outstanding items not completed by the end of the meeting shall be adjourned to a reconvened meeting or the next ordinary meeting of the Committee.
- Procedures for dealing with planning applications at Planning Committee**
- 22.8 Any member of the council who wishes to speak on an item on the agenda may do so with the consent of the Chairman of the Planning Committee in accordance with the rules for public speaking.
- 22.9 Ward councillors (who are not Planning Committee members) must register to speak by midday on the day prior to the Planning meeting and if speaking in that capacity, cannot attend as a substitute.
- 22.10 Committee members wishing to speak for or against an application may for that item step away from the committee and speak in the public speaking place, but shall not be entitled to speak for more than three minutes. They shall take no further part in that item, and no substitute shall be allowed for that item.
- 22.11 Councillors must not attend a meeting of the Planning Committee with a prepared speech or notes giving the impression that they have predetermined their decision.
- 22.12 Ward Councillors (who are not Planning Committee members) wishing to speak must register with the Committee Officer by email, by no later than midday the day before the meeting. The Committee Officer will then advise the Chairman.
- 22.13 Each speaker, including councillors or members of the public, may address the Planning Committee for a maximum of three minutes. In exceptional circumstances the chairman can agree to speakers having longer than three minutes to address an item. An example of this would be a strategic site with multiple and complex issues.
- 22.14 Under the procedure rules, the Chairman has the right to decline to hear anyone behaving

improperly at the meeting.

- 22.15 No additional written evidence or information such as photographs, plans or models may be circulated at the meeting.
- 22.16 The Chairman will move the officer recommendation following the debate. If it is seconded, the motion is put to the vote. A simple majority vote is required 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.
- 22.17 In any case where the motion is contrary to officer recommendation, that is:
- Approval to refusal, or;
 - Refusal to approval;
 - Or where the motion proposed additional reasons or additional conditions.
 - Provided that a motion has been properly moved and seconded, the Chairman shall temporarily pause the meeting in advance of the vote. This is to allow officers; the mover of the motion and the Chairman the opportunity 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 pause and upon reconvening the meeting, Chairman will put to the Committee the motion and the reason(s) for the decision before moving to the vote.
- 22.18 Officers might occasionally defer a committee item following publication of the agenda.
- 22.19 The Planning Committee might defer an application at the meeting. A motion may be proposed and seconded at any time during the debate to defer or adjourn consideration of an application. The Committee 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.
- 22.20 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. However, the comments of speakers from the first meeting will be fully summarised in the updated report.
- 22.21 Councillors, objectors, the applicant and (where relevant) parish councils will be notified when an application is coming back to the Planning Committee following deferral.

23. Councillor behaviour in committee meetings

- 23.1 Councillors will afford courtesy and respect to one another, to officers and to all of those attending committee meetings and/or making representation. This will include the use of electronic devices in line with the Council's codes, protocols and policies.
- 23.2 Councillors will not pass notes or paperwork between themselves or others attending the meeting.
- 23.3 Councillors will not deliver pre-prepared speeches in support of or in opposition to any application. Pre-prepared speeches can appear as if you have come to the meeting with a pre-determined view.
- 23.4 It is considered acceptable for councillors to have prepared bullet points for any contributions they may make in advance of a meeting. Bullet points enable you to speak naturally rather than a pre-prepared speech which looks and sounds unnatural.

24. Webcasting

- 24.1 All Planning Committee meetings will be webcast, except in circumstances where the committee considers confidential or exempt information during the consideration of any matter.
- 24.2 Viewing figures for Planning Committee meetings can vary according to the type of applications being considered. Councillors should be mindful that for larger applications for example, the public interest will increase.
- 24.3 Webcasting ensures the process of local government is both transparent and accessible to the public, helping people to engage with the decisions that affect their lives and community on a daily basis.
- 24.4 Webcasting encourages good governance and preparation for meetings (by both members and officers).
- 24.5 Councillors should be mindful of their body language, slumping can be misinterpreted as disengagement and eye resting as sleeping.
- 24.6 Councillors should be aware of how their messages could be interpreted by the public such as applicants, agents, objectors and supporters of an application, both by what you say and how you say it.
- 24.7 Councillors should be clear about the information they give so that it is clear to a lay person what you are doing and why you are doing it.

25. Reports containing confidential or exempt information

- 25.1 Reports or sections of reports published on pink paper will be subject to confidentiality and may not be viewed or shared with any other person.
- 25.2 On occasion, owing to the sensitivity of a matter, the confidential item will only be handed out in hard copy at the meeting itself. Councillors will be given sufficient time to read through the report prior to debating the item and coming to a conclusion.
- 25.3 Councillors must ensure that their private papers are handed back to the Committee Services Officer at the end of the consideration of that item. This is essential so that the papers can be confidentially shredded.

26. Officer Reports

- 26.1 Officer reports are key to decision-making and make a significant contribution to consistency and confidence in the system.
- 26.2 At a minimum, the report should include:
 - Executive Summary
 - Recommendation
 - Purpose of report
 - Strategic priorities
 - Background
 - Consultations
 - Equality & Diversity implications
 - Financial implications
 - Legal implications
 - Human resource implications

- Options
- Conclusions
- Background papers
- Appendices

- 26.3 Planning reports should be accurate and comprehensive and include the substance of objections and the views of all of those who have been consulted.
- 26.4 It is important that the report sets out the pros and cons of planning proposals in a fair manner and then comes to a recommendation after balancing them.
- 26.5 Planning reports should be relevant and include a clear exposition of the development plan, site history and all other material considerations.
- 26.6 Planning reports should have a written recommendation of action with a technical appraisal which clearly justifies the recommendation.
- 26.7 If the recommendation is contrary to the development plan, the material considerations which justify this must be clearly stated in the planning report.
- 26.8 Supplementary Information Sheets (also known as “Late Sheets”) published on the day of the meeting will set out details of public speakers, and inform councillors and other interested parties of any amendments to recommendations or other considerations that may have arisen since the committee report was published with the agenda.
- 27. Public Speaking (see Appendix 3)**
- 27.1 The Guide to Planning Committee Meetings, which deals with public speaking at Planning Committee Meetings, is also available for viewing on the website:
<http://www2.guildford.gov.uk/councilmeetings/documents/s7809/GuidetospeakingatPlanningCtte.pdf>
- 28. Decisions Contrary to Officer Recommendations**
- 28.1 From time to time, members of the Planning Committee will disagree with the professional advice given by planning officers. It is vital that councillors supporting and seconding a motion that is contrary to officer recommendation cite clear and relevant reasons and policies.
- 28.2 If a councillor has concerns about an application they should meet with the Planning Development Manager in advance of any decision to clarify the reasons for concern.
- 28.3 The planning reasons for rejecting an officer’s recommendation will be clearly stated and recorded in the minutes.
- 28.4 Where an appeal arises against such a decision, it is unlikely that the case officer will give evidence and, in some cases, consultants will be employed.
- 28.5 Support will be given to the relevant councillors in preparing evidence for the appeal and providing factual evidence.
- 29. Councillor representations on appeals against planning decisions**
- 29.1 Where a councillor wishes to support an appellant on any appeal against a Council decision on a planning matter, that councillor shall as a matter of courtesy give written notice of his or her intention to the Monitoring Officer and Planning Development Manager, as well as the appellant.

- 29.2 Where the appeal is to be dealt with at an inquiry, the notice shall be delivered to the Monitoring Officer and Planning Development Manager and the appellant not less than five working days before the start of the inquiry.
- 29.3 Councillors proposing to support an appellant at an appeal must in addition make it clear to the planning inspector that they are appearing in their personal capacity and not as a spokesperson for the Council.

30. Planning Enforcement

- 30.1 The Council's [Local Enforcement Plan](#) will set out how a breach of planning control should be addressed.
- 30.2 Councillors should be aware of the ability of homeowners to build to an extent under permitted development and the background to every case should be carefully considered before action is taken.
- 30.3 Planning enforcement is subject to a strong legal framework and councillors should take care not to prejudice the Council's position. Councillors should refrain from entering private land without permission and restrict any enquiries to matters of fact or general information.
- 30.4 Any decision to take action will be made by either the Planning Committee or the Director of Planning and Regeneration under delegated authority.

31. Further Reading

- Probity in planning: the role of councillors and officers – revised guidance note on good planning practice for councillors and officers dealing with planning matters
Local Government Association, May 2009
<https://www.local.gov.uk/sites/default/files/documents/probity-planning-councill-d92.pdf>
- The Localism Act 2011:
<https://www.gov.uk/government/publications/localism-act-2011-overview>
- Revised National Planning Policy Framework Department for Communities and local Government, July 2018
<https://www.gov.uk/government/collections/revised-national-planning-policy-framework>
- Royal Town Planning Institute Code of Professional Conduct:
https://www.rtpi.org.uk/media/1736907/rtpi_code_of_professional_conduct_-_feb_2016.pdf
- The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012
Openness and transparency on personal interests: guidance for councillors,
Department for Communities and Local Government, March 2013:
<https://www.legislation.gov.uk/uksi/2012/1464/contents/made>
- The Planning System – matching expectations to capacity Audit Commission, February 2006:
<https://webarchive.nationalarchives.gov.uk/20150423154441/http://archive.audit-commission.gov.uk/auditcommission/aboutus/publications/pages/national-reports-and-studies-archive.aspx.html>
- 'Standards Matter' Kelly Committee Jan 2013:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/228884/8519.pdf
- Guildford Borough Council Planning and Building Control Documents:
<https://www.guildford.gov.uk/planningandbuildingcontroldocumentsandpublications>

Appendix 1: Councillor interests

Disclosable Pecuniary Interests include business, trade, profession, contract and wider financial interests such as land, payments, securities, shares etc.

If a spouse or civil partner has interests which would be considered Disclosable Pecuniary Interests then these must also be registered under the councillor's name



Enter Personal Interests into the Register
Also include those Pecuniary Interests that need to be disclosed

Councillor is a member of the Planning Committee

Councillor has a Disclosable Pecuniary Interest which relates to an item at the Planning Committee

Councillor has a personal interest which relates to an item at the Planning Committee

Councillor cannot participate (either as a councillor or member of the public) in the discussion or take part in any vote

Councillor must decide if this interest is likely to be seen as prejudicing their impartiality or ability to meet the principles of public life

YES

NO

Councillor has a Disclosable Pecuniary Interest which relates to an item at the Planning Committee

Note:
This flowchart is for illustration purposes only
It is a criminal offence not to follow the rules on Disclosable Pecuniary Interests
If in doubt, a councillor should always consult the Council's Monitoring Officer

The councillor is free to take part in the debate and any subsequent vote on the item in question

The councillor must leave the room.

Appendix 2: Publicity arrangements for planning applications

(NB: These arrangements are for guidance only and are subject to change)

	Website	Site notice	Site notice or neighbour/ owner	Press advert	Parish council	Ward Member
Planning applications:	Y	Y1	Y	Y1	Y	Y
EIA development	Y	Y	Y	Y	Y	Y
Not in accordance with Development Plan	Y	Y	Y	Y	Y	Y
Affecting a public right of way	Y					
Major development	Y	Y	Y	Y	Y	Y
Affecting the setting of a Listed Building or the character and appearance of a Conservation Area	Y	Y	Y	Y	Y	Y
Other planning applications	Y	Y1	Y	Y1	Y	Y
Listed Building applications:	Y	Y	Y	Y	Y	Y
Vary or discharge conditions on Listed Building application	Y					
Prior Notifications Part 1: Larger Homes Household Extensions	Y		Y			
Prior Notifications: Part 3						
Class A, Class B, Class C, Class D, Class E, Class F, Class G, Class H, Class I, Class J, Class K, Class L, Class M	Y	Y1				
Class N Sui Generis to Residential	Y	Y1				
Class O Offices to Dwelling Houses	Y	Y1				
Class P Storage or Distribution to Dwelling Houses	Y	Y1				
Class Q Agricultural Buildings to Dwelling Houses	Y	Y1				
Class R, Class S, Class T, Class U, Class V	Y	Y1				
Prior Notifications Part 4: Class A-E Temporary Buildings and Uses	Y	Y1				
Prior Notifications Parts 5 to 15	Y	Y1				
Prior Notifications: Part 16 Telecommunications	Y	Y1				

	Website	Site notice	Site notice or neighbour/ owner	Press advert	Parish council	Ward Member
Prior Notifications: Parts 17-19	Y	Y1				
Advertisement applications	Y	Y1	Y		Y	Y
Applications for works to TPO trees	Y	Y	Y		Y	Y
Notice of works to trees in Conservation Areas	Y				Y	Y
Hedgerow removal applications	Y	Y1			Y	Y

Y	Statutory requirement
Y1	Needs to stipulate on the site notice the reason for the advert

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Appendix 3: Speaking at Planning Committee



GUILDFORD
B O R O U G H

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

Introducing this guide

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 Chamber which is accessed from the main reception up one flight of stairs. The main reception can be accessed via a disability ramp. The Council Chamber is accessible via a wheelchair accessible lift.

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 four weeks. Meetings normally are on Wednesday evenings and start at 7pm. Occasionally, there are special meetings to discuss major or strategic planning 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 will explain 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. 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 5% 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:

- for all householder and other applications, the trigger for committee will be 10 letters/emails or more contrary to the officers recommendation;

- for all Major and Minor applications, the trigger for committee will be 20 letters/emails or more contrary to the officers recommendation;
- large scale applications submitted by Guildford Borough Council, for example redevelopment of an existing site or provision of new housing. Small scale and minor 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 15 borough councillors. A number of other councillors are named as substitute members of the committee.

Visit our website at www.guildford.gov.uk for the contact details of the members of the Planning Committee.

Webcasting Arrangements

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

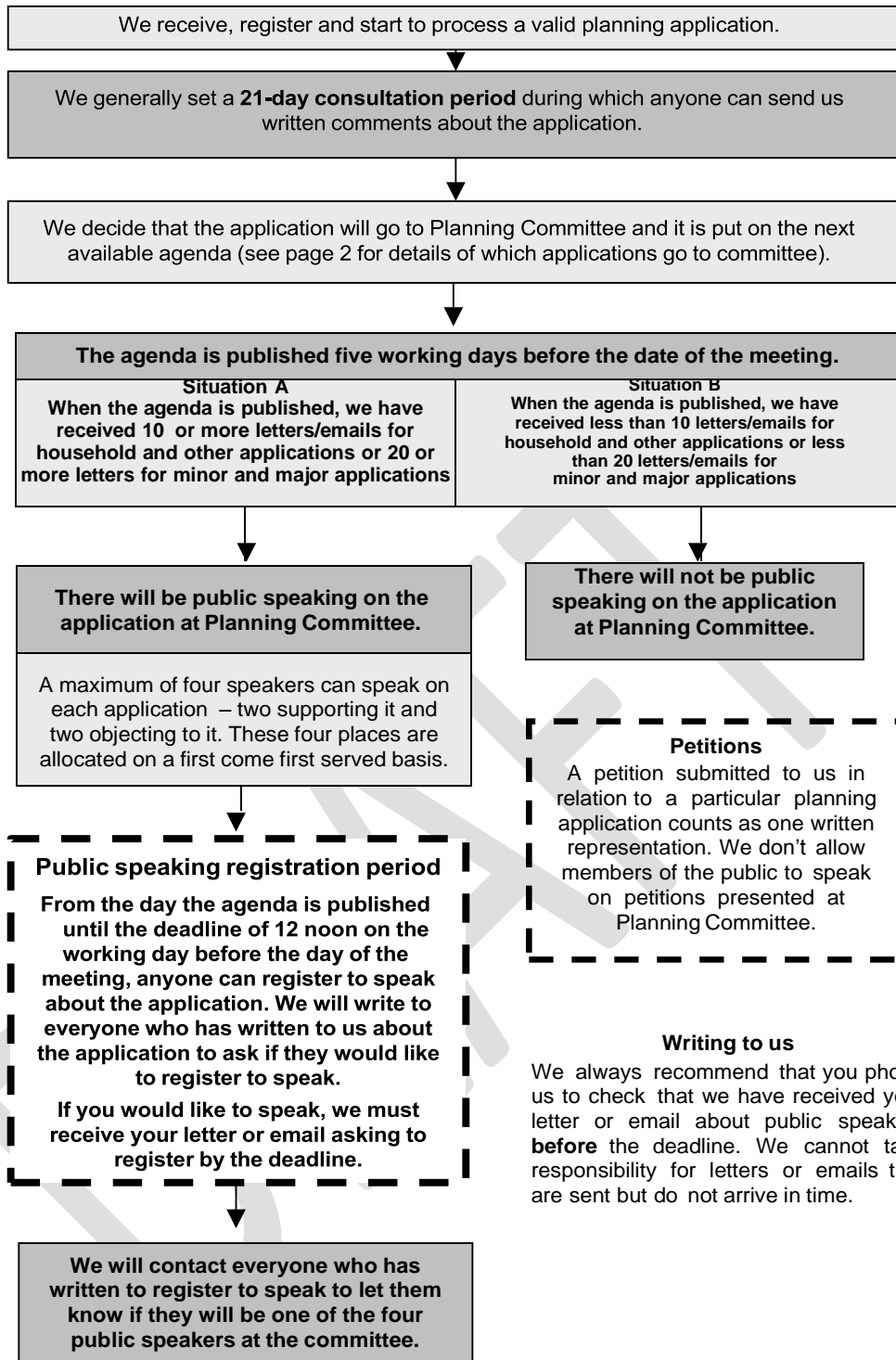
If you have any queries regarding the webcasting of meetings, please contact Committee Services by email on: committeeservices@guildford.gov.uk

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 display of written signs or placards is not permitted in the Council Chamber or anywhere on the Council premises.

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.



Registering to speak

If you would like to register to speak on a public speaking item, registration starts on the day the agenda is published, which is five clear working days prior to the meeting. For example, planning committee meetings are normally held on a Wednesday, therefore the agenda is published on the Tuesday the week before. 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 email or letter to:

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

Email: sophie.butcher@guildford.gov.uk
Tel: 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.

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 can speak 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 Senior Committee Officer will introduce herself and note your attendance.

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.
- The committee will make a decision on the application.

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 or phone planning enquiries on 01483 444609.

For more information about committee meetings and speaking at a Planning Committee meeting, contact Sophie Butcher, Senior Committee Officer, by emailing sophie.butcher@guildford.gov.uk or by phoning 01483 444056.

The council chamber layout for a Planning Committee meeting

		Senior Committee Officer	Senior Solicitor	Chairman	Planning Development Manager	Planning Officer		
--	--	--------------------------	------------------	----------	------------------------------	------------------	--	--

Public Speaker											NPCMS
Cllr											Cllr
Cllr											Cllr
	Cllr	Cllr	Cllr	Cllr	Cllr	Cllr	Cllr	Cllr	Cllr	Cllr	

Cllr: Planning Committee Member
 NPCMS: Non-Planning Committee member speaker

Committee Room 1 public seating
Any other councillors who attend the meeting will sit here

Please contact us to request this document in an alternative format

Contact us:

Guildford Borough Council
 Millmead House
 Millmead
 Guildford
 Surrey GU2 4BB

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



Appendix 4: Seven day notification process template

The template used is as follows:

Recommended decision

For reference

The application is recommended for refusal for the reasons set out in the report and therefore in line with our delegated practices I would be grateful for your confirmation of the recommendation or, if you do not agree that the application should be refused, your reasons for calling the item to Planning Committee (please note these must be valid reasons why you feel that the proposal may warrant approval or to justify any additional reasons for refusal)

Please note comments must be received within seven days from the date of this email or the application will be determined in accordance with the officer recommendation. This includes ensuring full reasons and policies, where applicable, are provided within the seven day period. Please ensure responses are received before 12 noon on the final day to ensure that applications are determined in a timely manner.

Where less than seven days

Whilst the usual response time is seven days, the deadline for response in this instance expires on I would therefore be very grateful if you could respond no later than 12 noon on this date to allow the application to be determined on time. If, for any reason, you are unable to respond sooner, we will not issue any decision until the full seven-day period has expired.

Please make your selection using an X

Councillor response	'X'	
I agree the officer recommendation		
I would like to refer the application to planning committee		Reasons Planning policies
I would like to request a committee site visit		Reasons for a site visit

Under current arrangements, the 15 members of the Planning Committee are the nominated responders for seven-day notifications for their respective wards. Where there is more than one member of the Planning Committee representing the same ward, those members will agree amongst themselves who the nominated responder for seven-day notifications will be and inform the Planning Development Manager accordingly. If they are unable to agree, it will fall to the Chairman of the Planning Committee, in consultation with their Group Leader(s), to nominate the single responder.

In relation to seven-day notifications in respect of applications in multi-member wards not represented on the Planning Committee, the relevant ward members will agree amongst themselves who the nominated responder for seven-day notifications will be and inform the Planning Development Manager accordingly. If they are unable to agree, it will fall to the Chairman of the Planning Committee, in consultation with their Group Leader(s) to nominate the single responder.

Once officers have heard back from the nominated responder the decision notice can be issued.

Where a ward member who is not the nominated responder in respect of that ward does not agree with the nominated responder in relation to a response to a particular application, they must raise their concerns with the nominated responder before a response is sent. If a response is sent

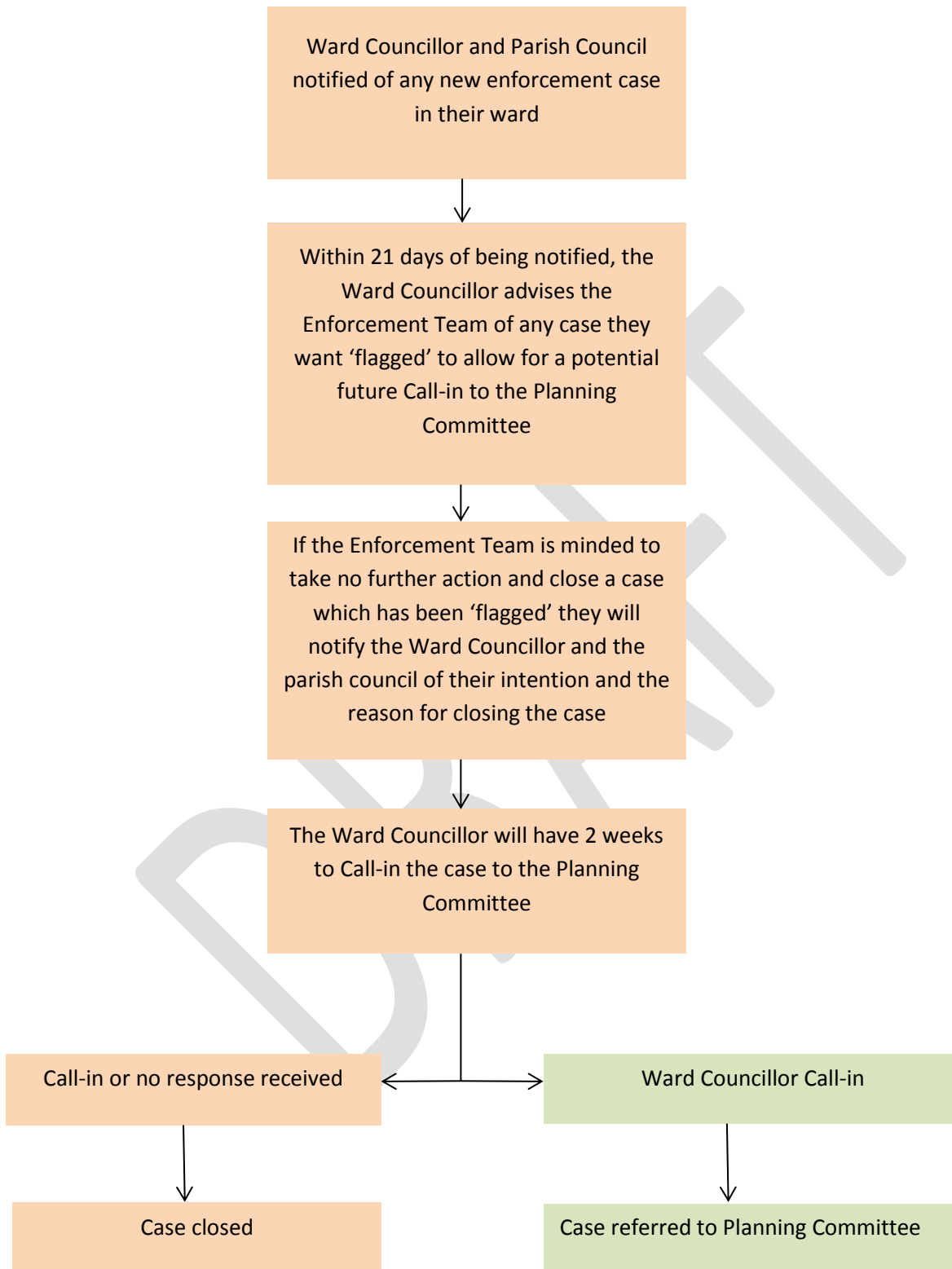
directly to the case officer from a ward member who is not the nominated responder, that councillor will be requested to discuss with the nominated responder in the first instance. The final response should then come from the nominated responder.

Important elements to remember

- To respond promptly and, if possible, early in the process, there is no need to wait for the full 7 days
- If you are going away and have no, or limited, access to emails please nominate another councillor to respond on your behalf. This should be another ward councillor, or councillor for an adjoining ward, or the Chairman/Vice Chairman of the Planning Committee.
- If we have not heard back from you following the 7-day period, we will issue the decision in accordance with the officer recommendation.
- We encourage councillors to approach the case officer early in the application process should they have concerns or require clarification on points. Please remember that the seven-day notification process is not a councillor negotiation process. It is a process to agree the officer recommendation or to request a referral to the Planning Committee for planning reasons supported by planning policies where applicable.
- Should the officer report be significantly altered or changed post a seven day notification referral to councillors, (by virtue of the item being called to Committee), then as a courtesy the revised report will be sent out to the ward Councillors once more.

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Appendix 5:
Enforcement Call-in Procedure



Council Report

Ward(s) affected: n/a

Report of: Director of Finance

Author: John Armstrong, Democratic Services Officer

Tel: 01483 444102

Email: john.armstrong@guildford.gov.uk

Lead Councillor responsible: Matt Furniss

Tel: 07891 022206

Email: matt.furniss@guildford.gov.uk

Date: 9 April 2019

Appointment of independent members of Corporate Governance and Standards Committee (May 2019 - May 2023)

Recommendation

The Council is asked to consider the appointment of Murray Litvak and the re-appointment of Maria Angel MBE as independent members of the Council's Corporate Governance and Standards Committee, as recommended by a selection panel, with effect from May 2019, for a four-year term of office.

Reason for Recommendation:

To comply with Article 10 of the Council's Constitution.

1. Purpose of Report

- 1.1 To ask the Council to agree to the appointment of two independent members to the Corporate Governance and Standards Committee with effect from May 2019, for a four-year term of office.

2. Strategic Priorities

- 2.1 The manner by which the Council advertised the vacancy for appointment of independent members of the Corporate Governance and Standards Committee, and the appointments process, demonstrates the Council's commitment to being open and accountable to our residents.

3. Background

- 3.1 Article 10 of the Constitution provides that the composition of the Council's Corporate Governance and Standards Committee includes three non-voting, co-opted persons who are not councillors or officers of the Council (independent members), whose term of office would be for a four-year period, with serving independent members being eligible for re-appointment. We currently only have

one independent member, namely, Mrs Maria Angel MBE, and her term office will expire in May 2019.

- 3.2 In January 2019, the Democratic Services Manager placed an advertisement on the Council's website inviting applications from the public in respect of the three vacancies. In addition, the details of the appointments were publicised via social media, and we wrote to a number of partners and other organisations drawing their attention to the advertisement and the information pack for candidates on the website.
- 3.3 We received two applications, one from our current independent member Mrs Angel seeking re-appointment, and the other from Mr Murray Litvak.
- 3.4 On the basis that Mrs Angel has served very ably and impartially as an independent member on the Committee (and its predecessor committee) since 2013, officers have no hesitation in commending to the Council her re-appointment as an independent member for a further four-year term. Mrs Angel has updated her CV, which is attached as the "Not for Publication" Appendix 1 to this report.
- 3.5 Officers invited Mr Litvak for interview on 6 March 2019 by a panel comprising the Chairman of the Corporate Governance and Standards Committee (Councillor Richard Billington), the Chief Finance Officer (Claire Morris) and the Deputy Monitoring Officer (Sarah White).
- 3.6 Following the interview, the panel indicated that Mr Litvak was an extremely able and high calibre candidate with a good knowledge of standards and governance issues. Mr Litvak is currently Chairman of the Spelthorne Members Code of Conduct Committee and is also the statutory Independent Person at Runnymede Borough Council. The panel therefore recommend that Mr Litvak be appointed as an independent member of the Corporate Governance and Standards Committee. A copy of Mr Litvak's CV in support of his application is attached as the "Not for Publication" Appendix 2 to this report.

4. Financial Implications

- 4.1 Co-opted members of committees are entitled to a small co-optees' allowance (currently £344 p.a.) and claim travel and subsistence allowance at the same rate as councillors to cover the cost of attending meetings. This can be contained within existing budgets. There are no other financial implications arising from consideration of this matter.

5. Legal Implications

- 5.1 Although the appointment of co-opted independent members to the Corporate Governance and Standards Committee is not a statutory requirement, the Council has chosen to appoint such independent members as a means of ensuring that we are able to bring an independent, objective perspective to the audit and governance work of this committee.

6. Human Resource Implications

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

7. Conclusion

7.1 The Council is invited to consider:

- (a) the re-appointment of Maria Angel; and
- (b) the panel's recommendation to appoint Murray Litvak

as co-opted independent members of the Corporate Governance and Standards Committee for a four year term commencing in May 2019.

8. Background Papers

- Advertisement and Information Pack for Candidates

9. Appendices

Appendix 1: Mrs Maria Angel's CV in support of her application for re-appointment

Appendix 2: Mr Murray Litvak's CV in support of his application for appointment

NB. Both appendices are exempt from publication under Paragraph 1 of Part 1 of Schedule 12A to the Local Government Act 1972

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Document is Restricted

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By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Agenda item number: 12
Appendix 2

Document is Restricted

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Corporate Governance and Standards Report

Ward(s) affected: n/a

Report of the Director of Finance

Author: John Armstrong, Democratic Services Manager

Tel: 01483 444102

Email: john.armstrong@guildford.gov.uk

Lead Councillor responsible: Matt Furniss

Tel: 07891 022206

Email: matt.furniss@guildford.gov.uk

Date: 28 March 2019

Appointment of Independent Persons under Section 28 Localism Act 2011 (May 2019 - May 2023)

Executive Summary

Under Section 28 of the Localism Act 2011 (“the Act”) the Council is required to appoint at least one independent person whose views may be sought regarding any allegations of misconduct¹ against a councillor² and the arrangements under which any such allegations can be investigated and determined.

There are currently three Independent Persons who were appointed by the Council in 2015 and their term of office will end in May 2019.

Although the role of Independent Person is voluntary, the Council is required to advertise the vacancy in such manner as the authority considers is likely to bring it to the attention of the public.

It can often be a challenge to find suitable Independent Persons and so in 2012 and 2015, the Council agreed a local arrangement with a number of neighbouring councils to make joint appointments of Independent Persons. At its meeting on 29 November 2018, this Committee agreed to continue the joint arrangements, this time with six other participating Surrey councils.

This report sets out details of the 2019 recruitment process, and those candidates recommended for formal appointment as Independent Persons by this Council for the four year period from May 2019 to May 2023.

¹ Refers to a breach of the Councillors’ Code of Conduct

² The views of the Independent person may be sought in regards to an allegation of misconduct against either a Guildford Borough councillor or a parish councillor

Recommendation to the Committee

To commend to full Council (9 April 2019) the appointment of:

- Vivienne Cameron
- Bill Donnelly
- Paul Eaves
- Liz Lawrence
- Roger Pett
- Bernard Quoroll
- John Smith

as Independent Persons for a four-year term of office expiring in May 2023.

Reason for Recommendation:

To enable the Council to comply with its obligations under Section 28 (7) of the Localism Act 2011.

1. Purpose of Report

- 1.1 To seek the comments of the Corporate Governance and Standards Committee regarding the suitability of the candidates recommended for appointment as Independent Persons. Thereafter, on the basis of their considered suitability, to recommend their appointment to full Council on 9 April 2019 in accordance with the statutory requirements.

2. Strategic Priorities

- 2.1 The manner by which the Council advertised the vacancy for appointment of Independent Persons, and the appointments process, demonstrates the Council's commitment to being open and accountable to our residents.

3. Background

- 3.1 The Act introduced a new ethical standards regime for local government in July 2012. Amongst other things, it requires the Council to seek the views of an Independent Person before it takes a decision on an allegation of misconduct by a councillor which it has decided to investigate. At Guildford, the Monitoring Officer decides, after consultation with the Independent Person, whether a complaint merits a formal investigation. The Independent Person's views may also be sought by the Council at any other stage in a misconduct complaint, or by a councillor against whom an allegation has been made.
- 3.2 The Council is also required to use its Independent Persons in respect of dismissal or disciplinary procedures against the Head of Paid Service, Monitoring Officer or Chief Finance Officer in accordance with the provisions of The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015.
- 3.3 It has often been challenging to recruit suitable volunteers to serve as Independent Persons. Due to the nature of the role, there are parameters set out

in legislation regarding who and who may not be appointed. Consequently, the Council has adopted a pragmatic approach to recruitment of Independent Persons by entering into joint arrangements with other Surrey councils.

- 3.4 Following a joint recruitment and appointments process with a number of other Surrey district councils in 2012 and 2015, our three Independent Persons have performed the same role for Guildford and other councils as follows:
- **Vivienne Cameron** (also IP for Mole Valley, Reigate & Banstead, Spelthorne, and Waverley)
 - **Bernard Quoroll** (also IP for Mole Valley, Surrey County Council and Waverley)
 - **Roger Pett** (also IP for Reigate & Banstead and Spelthorne)
- 3.5 Following the success of the previous joint appointments arrangement, the Democratic Services Manager contacted all the Surrey councils (including Surrey County Council) to enquire as to whether they would be interested in participating in a further joint arrangement for the appointment of Independent Persons for the next four years. Not all Surrey councils were at a point of needing to recruit, but the following councils agreed to participate:
- Epsom & Ewell
 - Mole Valley
 - Reigate & Banstead
 - Spelthorne
 - Surrey Heath
 - Waverley
- 3.6 At its meeting held on 29 November 2018, the Committee authorised the Democratic Services Manager to establish a joint appointments panel with participating Surrey councils' monitoring officers so that the panel may:
- (a) advertise for, short-list, and interview candidates and
 - (b) make recommendations to the respective councils
- for the appointment of Independent Persons for a four-year term of office expiring in May 2023.
- 3.7 The vacancy for Independent Persons was advertised in January 2019 with a deadline date of 22 February 2019 for receipt of applications. The advert, with a person profile, was featured on each of the participating councils' websites. In addition, the details of the appointments were publicised via social media, and we wrote to a number of partners and other organisations inviting applications.
- 3.8 Our current Independent Persons were each asked if they would be happy to continue in the role until 2023 and, if so, invited to apply for re-appointment. All three confirmed their wish to continue and have formally re-applied.
- 3.9 Following the advertisement period, three new applications were received in total (although none from the Guildford area). All three candidates, namely Paul

Eaves, Liz Lawrence, and Bill Donnelly, were invited to be interviewed. The interviews took place on 4 and 7 March at Guildford. The interview panel comprised the Monitoring Officers (or their deputies) from Guildford, Mole Valley, Reigate & Banstead, and Surrey Heath.

- 3.10 The interview panel found that all three candidates demonstrated well-developed skills of independence, analysis, and fair dealing and has commended all three for appointment by the participating councils. Copies of the candidates' CVs in support of their applications are attached to this report as "Not for Publication" Appendices.
- 3.11 It was agreed with all the participating councils that serving Independent Persons, who have re-applied should not have to be interviewed again. Instead, we have asked them to submit up to date CVs. As well as our three current Independent Persons, a fourth Mr John Smith – who is currently serving as Independent Person to Epsom and Ewell – has sought re-appointment. Copies of their CVs are also attached to this report as "Not for Publication" Appendices.

4. Equality and Diversity Implications

- 4.1 Public authorities are required to have due regard to the aims of the Public Sector Equality Duty (Equality Act 2010) when making decisions and setting policies.
- 4.2 The recruitment process has sought to contact a wide range of local organisations in the public, private and voluntary sector to raise awareness of the vacancies.
- 4.3 The recruitment process has sought to find a variety of candidates that whilst meeting the profile, offer a variety of different backgrounds and experiences.

5. Financial Implications

- 5.1 The Committee agreed on 29 November 2018 that the Independent Persons appointed by this Council shall not be entitled to receive any remuneration other than travelling expenses which will be paid at the same rate as currently provided for councillors under the Scheme of Allowances for Councillors.
- 5.2 There are no other financial implications arising from this report.

6. Legal Implications

- 6.1 The Localism Act s.28 prescribes the need for a council to appoint at least one Independent Person, although no term of office is specified; the role that the Independent Person plays in the arrangements for dealing with allegations of misconduct by councillors; and the various requirements for independence that those applying for appointment must satisfy.
- 6.2 There are no additional legal implications arising from this report.

7. Human Resource Implications

7.1 There are no human resource implications arising from this report.

8. Conclusion

8.1 The joint arrangements for appointment of Independent Persons has once again worked very well and will, subject to formal approval of the appointments by the participating councils, provide an effective panel of Independent Persons for those councils over the next four years.

8.2 In order to comply with the Council's obligations under Section 28 Localism Act 2011 in respect of the appointment of Independent Persons, the Committee is asked to endorse for decision by full Council on 9 April 2019:

(a) the re-appointment of serving Independent Persons as follows:

- Vivienne Cameron
- Roger Pett
- Bernard Quoroll
- John Smith

(b) the interview panel's recommendation that the three new applicants be appointed as Independent Persons as follows:

- Bill Donnelly
- Paul Eaves
- Liz Lawrence

9. Background Papers

- Advertisement and Information Pack for Candidates

10. Appendices

Appendix 1: Ms Vivienne Cameron's CV in support of her application for re-appointment

Appendix 2: Mr William Donnelly's CV in support of his application for appointment

Appendix 3: Mr Paul Eaves' CV in support of his application for appointment

Appendix 4: Ms Liz Lawrence's CV in support of her application for appointment

Appendix 5: Mr Roger Pett's CV in support of his application for re-appointment

Appendix 6: Mr Bernard Quoroll's CV in support of his application for re-appointment

Appendix 7: Mr John Smith's CV in support of his application for appointment

NB. All the appendices are exempt from publication under Paragraph 1 of Part 1 of Schedule 12A to the Local Government Act 1972

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By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Appendix 5

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Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Director of Finance

Author: John Armstrong

Tel: 01483 444102

Email: john.armstrong@guildford.gov.uk

Date: 28 March 2019

Corporate Governance and Standards Committee – 12 month rolling Work Programme

Recommendation

That the Committee considers and approves its updated 12 month rolling work programme, 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 The draft work programme attached as Appendix 1 sets out the items to be considered by this Committee for the next 12 months.

2. Draft work programme

- 2.1 The draft work programme for the Corporate Governance and Standards Committee is set out in Appendix 1 to this report. The timing of the reports contained in the work programme is subject to change, in consultation with the chairman. The items to be considered include decisions to be made by the Executive and/or full Council, with consideration of any comments or recommendations made by this Committee.

3. Financial Implications

- 3.1 There are no financial implications arising directly from this report.

4. Legal Implications

- 4.1 There are no legal implications arising directly from this report.

5. Human Resource Implications

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

6. Background Papers

- Guildford Borough Council Forward Plan
- Corporate Management Team Forward Plan

7. Appendices

Appendix 1: Corporate Governance and Standards Committee draft work programme

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

13 June 2019

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Capital and Investment outturn report 2018-19	To submit any comments to the Executive when it considers this matter on 18 June 2019.	Executive: 18 June 2019 Council: 23 July 2019	Victoria Worsfold 01483 444834
Revenue Outturn Report 2018-19	To note the Draft Statement of Accounts 2018-19, and to make any comments to officers in advance of the audit.	Executive: 18 June 2019	Claire Morris 01483 444827
Housing Revenue Account Final Accounts 2018-19	To submit any comments to the Executive when it considers this matter on 18 June 2019.	Executive: 18 June 2019	Philip O'Dwyer 01483 444318
External Audit 2019-20 Fee Letter	To consider the planned audit fee	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Internal Audit Plan 2019-20	To consider the internal audit plan for 2019-20	Corporate Governance and Standards Committee	Joan Poole 01483 444854
Review of Protocol on Councillor/Officer Relations	To consider recommendations of the task group appointed by the Committee to review the Protocol	Council: 23 July 2019	John Armstrong 01483 444102
Code of Conduct for Staff	To adopt a revised Code of Conduct for Staff following review	Council: 23 July 2019	John Armstrong 01483 444102
Review of the Councillors' Development Steering Group	(1) To approve the numerical allocation of seats on the Steering Group to each political group for 2019-20. (2) To ask political group leaders to confirm the councillor membership of the Steering Group for 2019-20	Corporate Governance and Standards Committee	John Armstrong 01483 444102

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

25 July 2019

Agenda item number: 14

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
2018-19 Audit Findings Report: Year ended 31 March 2019	To note the external auditor's findings and management's response in the Action Plan	Corporate Governance and Standards Committee	Claire Morris 01483 444827
2018-19 Audited Statement of Accounts	To approve the 2018-19 Statement of Accounts	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Financial Monitoring 2019-20 Period 2 (April/May 2019)	To note the results of the Council's financial monitoring for the period April/May 2019	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Summary of Internal Audit Reports October 2018 – March 2019	To consider the summary of internal audit reports for the period October 2018 to March 2019, including an update on complaints to the Local Government Ombudsman for that period	Corporate Governance and Standards Committee	Joan Poole 01483 444854
General Data Protection Regulation (GDPR)	To consider a six monthly update on compliance with the GDPR	Corporate Governance and Standards Committee	Joyce Hamilton 01483 444053
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 2019)	Corporate Governance and Standards Committee	Ciaran Ward 01483 444072

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

19 September 2019

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Financial Monitoring 2019-20 Period 4 (April to July 2019)	To note the results of the Council's financial monitoring for the period April to July 2019	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Councillor Training and Development Update	To consider a report from the Councillors' Development Steering Group relating to councillor training and development	Corporate Governance and Standards Committee	Sophie Butcher 01483 444056
Procurement Procedure Rules	To approve amendments to Procurement Procedure Rules following review	Council: 8 October 2019	Diane Owens 01483 444027

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

19 November 2019

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Annual Audit Letter for 2018-19	To consider the Annual Audit Letter for 2018-19	Executive: 7 January 2020	Claire Morris 01483 444827
Financial Monitoring 2018-19: Period 6 (April to October 2019)	To note the results of the Council's financial monitoring for the period April to October 2019	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Summary of internal audit reports (April to September 2019)	To consider the summary of internal audit reports and progress on the internal audit plan for April to September 2019, including update on complaints to the Local Government Ombudsman for that period.	Corporate Governance and Standards Committee	Joan Poole 01483 444854

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

16 January 2020

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Capital and investment strategy (2020-21 to 2023-24)	To comment on various recommendations to the Executive and Council	Executive: 21 January 2020 Council: 5 February 2020	Victoria Worsfold 01483 444834
Financial Monitoring 2019-20 Period 8 (April to November 2019)	To note the results of the Council's financial monitoring for the period April to November 2019	Corporate Governance and Standards Committee	Claire Morris 01483 444827
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	Robert Parkin 01483 444135
Equalities Scheme Action Plan	Annual monitoring report on the implementation of the actions in the Equalities Scheme action plan approved in January 2018	Corporate Governance and Standards Committee	Lucy Richards 01483 444013
Gender Pay Gap Report 2020-21	To note the Council's gender pay gap report	Corporate Governance and Standards Committee	Francesca Smith 01483 444014
Freedom of Information Compliance - Annual Report 2019	To consider the annual report for 2018 on the Council's performance in dealing with Freedom of Information requests.	Corporate Governance and Standards Committee	Ciaran Ward 01483 444072
General Data Protection Regulation Update	To consider a six monthly update on compliance with the GDPR	Corporate Governance and Standards Committee	Joyce Hamilton 01483 444053

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

26 March 2020

Agenda item number: 14

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Discussions with those charged with governance	To agree the Committee's response to the external auditor's audit plan	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Annual Governance Statement 2019-20	To adopt the Council's Annual Governance Statement 2019-20	Executive: 21 April 2020	Claire Morris 01483 444827
Audit Report on the Certification of Financial Claims and Returns 2018-19: Housing Benefit Subsidy and Pooling Housing Capital Receipts	To note the position regarding the certification of financial claims and returns for 2018-19	Corporate Governance and Standards Committee	Belinda Hayden 01483 444867
External Audit Plan and Audit Update 2019-20	To approve the external audit plan for 2019-20, 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
General Data Protection Regulation (GDPR)	To consider a report on progress with compliance with the GDPR	Corporate Governance and Standards Committee	Joyce Hamilton 01483 444053
Financial Monitoring 2019-20 Period 10 (April 2019 to January 2020)	To note the results of the Council's financial monitoring for the period April 2019 to January 2020	Corporate Governance and Standards Committee	Claire Morris 01483 444827