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Contact Officer:

John Armstrong,
Democratic Services and Elections Manager
Tel: 01483 444102

18 March 2020

Dear Councillor

Your attendance is requested at a meeting of the **CORPORATE GOVERNANCE AND STANDARDS COMMITTEE** to be held in the Council Chamber, Millmead House, Millmead, Guildford, Surrey GU2 4BB on **THURSDAY 26 MARCH 2020** at **7.00 pm**.

Yours faithfully

James Whiteman
Managing Director

MEMBERS OF THE COMMITTEE

Chairman: Councillor Tim Anderson
Vice-Chairman: Councillor Nigel Manning

Councillor Jan Harwood	+Maria Angel MBE
Councillor Liz Hogger	+Murray Litvak
Councillor Ramsey Nagaty	^Julia Osborn
Councillor John Redpath	^Ian Symes
Councillor James Walsh	^Tim Wolfenden

*Independent member

^ Parish member

Authorised Substitute Members:

Councillor Jon Askew	Councillor Masuk Miah
Councillor Richard Billington	Councillor Susan Parker
Councillor Ruth Brothwell	Councillor Jo Randall
Councillor Colin Cross	Councillor Deborah Seabrook
Councillor Angela Gunning	Councillor Patrick Sheard
Councillor Tom Hunt	Councillor Catherine Young

WEBCASTING NOTICE

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

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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 5 - 10)

To confirm the minutes of the meeting of the Corporate Governance and Standards Committee held on 15 January 2020.

4 GENDER PAY GAP REPORT (Pages 11 - 18)

5 EQUALITIES SCHEME ACTION PLAN ANNUAL REPORT (Pages 19 - 34)

6 ANNUAL GOVERNANCE STATEMENT 2019-20 (Pages 35 - 66)

7 AUDIT REPORT ON THE CERTIFICATION OF FINANCIAL CLAIMS AND RETURNS 2018-19: HOUSING BENEFIT SUBSIDY AND POOLING HOUSING CAPITAL RECEIPTS (Pages 67 - 92)

8 FINANCIAL MONITORING 2019-20: PERIOD 10 (APRIL 2019 TO JANUARY 2020) (Pages 93 - 168)

9 DATA PROTECTION AND INFORMATION SECURITY UPDATE REPORT (Pages 169 - 172)

10 WORK PROGRAMME (Pages 173 - 180)

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CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

15 January 2020

- * Councillor Tim Anderson (Chairman)
- * Councillor Nigel Manning (Vice-Chairman)

- * Councillor Jan Harwood
- * Councillor Liz Hogger
- * Councillor Ramsey Nagaty
- * Councillor John Redpath
- * Councillor James Walsh

Independent Members:

- *Mrs Maria Angel MBE
- *Mr Murray Litvak

Parish Members:

- *Ms Julia Osborn
- *Mr Ian Symes
- *Mr Tim Wolfenden

*Present

The Lead Councillor for Finance and Assets, Customer Service, Councillor Joss Bigmore, was also in attendance.

CGS36 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

There were no apologies for absence.

CGS37 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS

There were no disclosures of interest.

CGS38 MINUTES

The Committee confirmed as a correct record the minutes of the meeting held on 19 November 2019. The Chairman signed the minutes.

CGS39 ANNUAL REPORT OF THE MONITORING OFFICER REGARDING MISCONDUCT ALLEGATIONS

The Committee received and noted the Monitoring Officer's annual report about decisions taken on standards allegations against borough and parish councillors for the 12-month period ending 31 December 2019.

The Committee noted that during this period, there had been eight complaints in total, of which seven were regarding borough councillors and one was in respect of a parish councillor.

Three of the complaints were the subject of no further action at stage 1, the initial jurisdiction test. Four of the complaints proceeded to stage 2, and one was subject to ongoing action. Two complaints were at stage 1 and were ongoing.

The Supplementary Information Sheet had set out for comparative purposes, information on complaints received in 2018. In relation to the eight complaints received in 2019,

- three were against one particular member
- two were against another particular member
- three were against other members

The Monitoring Officer reported that there was no common theme amongst the complaints.

At its last meeting, the Committee had agreed to convene a task group to examine, review, and report back on a number of corporate governance related matters, including the Councillors' Code of Conduct, and the best practice recommendations of the Committee on Standards in Public Life contained within its Report on Local Government Ethical Standards. The Committee noted that no parish member had been appointed to the task group and felt that it would be helpful to have a parish perspective to inform the task group's work. It was also felt that the gender balance of the task group would benefit from an additional female member.

The Committee therefore

RESOLVED:

- (1) That the cases referred to the Monitoring Officer under the Council's arrangements for dealing with allegations of misconduct for the period 1 January to 31 December 2019, be noted.
- (2) That the Monitoring Officer be advised that there are no areas of concern upon which the Committee would like further information and/or further work carried out.
- (3) That Julia Osborn (parish member) be added to the list of members of the Corporate Governance Task Group.

Reasons:

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

CGS40 FREEDOM OF INFORMATION COMPLIANCE - ANNUAL REPORT 2019

The Committee considered the annual report for 2019 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 2019, the Council's performance rate for responding to FOI requests within the 20 working day deadline stood at 94%, which compared favourably with the figure of 93% recorded at the end of 2018. 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 ten 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:

- There was not currently an accurate measure of the total officer time spent in responding to FOI requests.
- Action taken to address underperforming service areas which do not meet the 20 day response deadline.
- Many requests for information submitted by private companies related to information regarding contracts

The Committee

RESOLVED: That the Freedom of Information Compliance Report for 2019 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

CGS41 CAPITAL AND INVESTMENT STRATEGY 2020-21 TO 2024-2025

The Committee considered a report on the Council's capital and investment strategy, which gave a high-level overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of local public services along with an overview of how associated risk was managed and the implications for future financial sustainability.

The Committee noted that in order to achieve the ambitious targets within the Corporate Plan, 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 £290 million. Officers had put forward bids, with a net cost to the Council of £47.8 million, increasing the underlying need to borrow to £338 million should these proposals be approved for inclusion in the programme.

Some capital receipts or revenue streams could arise as a result of investment in particular schemes, but in most cases were currently uncertain and it was too early to make assumptions. Some information had been included in the capital vision highlighting the potential income. It was likely that there were 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. To ensure the Council demonstrated that its capital expenditure plans were affordable, sustainable and prudent, Prudential Indicators were set that must be monitored each year.

The capital programme included a number of significant regeneration schemes, which it was assumed would be financed from General Fund resources. However, subject to detailed design of the schemes, there might be scope to fund them from HRA resources 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 included a summary of the new bids submitted, the position and profiling of the current capital programme (2019-20 to 2023-24) and the capital vision schemes.

The Corporate Management Team, the Lead Councillor for Finance and Assets, Customer Service, the Joint Executive Advisory Board Budget Task Group, and the Joint EAB had all reviewed the bids presented in the report.

The report had also included the Council's Minimum Revenue Provision (MRP) policy and the Prudential Indicators. The Committee noted the correction to the table in paragraph 5.6 of the report showing the budget for MRP for 2020-21 and future years, which was set out in the Supplementary Information Sheet circulated at the meeting.

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The Committee was informed that officers carried out the treasury management function within the parameters set by the Council each year and in accordance with the approved treasury management practices. The Council was in a good financial position, with a strong asset base and a good level of reserves.

The budget for investment income in 2020-21 was £1.684 million, based on an average investment portfolio of £79.8 million, at an average rate of 2.18%. The budget for debt interest paid was £5.656 million, of which £5.06 million related to the HRA.

In relation to non-financial investments and investment strategy, the Executive was informed 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).

The Council had £161.244 million of investment property on its balance sheet, generating a return of £9 million and a current yield of 6.3%.

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 had invested £12.251 million in its housing company – North Downs Housing (NDH), via 40% equity to Guildford Holdings Limited (£4.903 million) (who in turn passed the equity to NDH) and 60% loan direct to NDH (£7.348 million) at a rate of base plus 5% (currently 5.75%). The loan was a repayment loan in line with the NDH business plan.

In commending the Capital and Investment Strategy report to the Executive, the Committee made the following comments or sought clarification on the following matters:

- The internal rate of return specifically related to investment property for which there was a separate strategy. When the original strategy was set, borrowing rates were much higher. The 5.5% represented debt repayment which would enable the Council to cover its debt costs if it were to purchase investment properties.
- In relation to the liability benchmark, it was noted that there were currently no LOBO loans and the Council was not intending to enter into such loans.
- In response to a question as to whether the Council would consider making investments outside of the borough, the Chief Finance Officer confirmed that, although other councils had done this and that the proposal had been considered, Government guidance discouraged such investment and the Council had not committed to do this and she would not recommend it. Some authorities had proposed investing within the area covered by their Local Enterprise Partnership boundary.
- In response to a request for an indication of the size of borrowing compared to the annual Council budget, the Chief Finance Officer confirmed that there was not an indicator that showed the total amount of borrowing compared to the revenue stream. However, table 4.48 in the report showed the ratio of the financing costs as a percentage of the net revenue stream. This ratio looked at the burden that the borrowing costs had placed on either the General Fund or the HRA. The overall borrowing amount on its own was not such a useful indicator unless it was compared, for example, to the asset base.

The Committee, having noted that the current review of the Council's corporate priorities and corporate plan would have some implications for the capital and investment strategy

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 5 February 2020, to approve

- the capital and investment strategy for 2020-21 to 2024-25; and
- the funding required for the new capital investment proposals.

CGS42 FINANCIAL MONITORING 2019-20 (APRIL TO NOVEMBER 2019)

The Committee considered a report that set out the financial monitoring position for eight-month period April to September 2019.

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 decrease in net expenditure on the general fund revenue account of £96,766, which included a £39,640 reduction in the statutory Minimum Revenue Provision (MRP) charge to the General Fund to make provision for the repayment of past capital debt reflecting a re-profiling of capital schemes and a reduction in the anticipated income received from investments of £136,865.

Appendix 2 to the report showed detailed information for each service split between direct expenditure and income and indirect costs. Officers monitored the projected outturn against the revised (or latest) budget as this took into account any virement or supplementary estimates approved since the original budget was set in February 2019.

At service level, the projected outturn was £193,991 lower than the latest estimate once adjusted for items either funded from reserve or transferred to reserve.

The reported position at month 6 had forecasted an overspend at total service level of £403,502. The reduction in the forecasted position had been due to the implementation of an action plan drawn up by officers to identify in-year savings, details of which were set out in the report.

A surplus on the Housing Revenue Account would enable a projected transfer of £10.721 million to the new build reserve and the reserve for future capital at year-end. This had been £212,000 lower than budgeted and reflected modest variations in rental income and repair and maintenance expenditure.

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 £71.38 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 £41.21 million by 31 March 2020, against an estimated position of £53.35 million, which was due to slippage on both the approved and provisional capital programme, as detailed in the report.

The Council held £107 million of investments and £206 million of external borrowing as at 30 November 2019, which included £192.9 million of HRA loans. Officers confirmed that the Council had complied with its Prudential indicators in the period, which had been set in February 2019 as part of the Council's Capital Strategy.

In considering the report, the presentation of the figures shown at the bottom of Appendix 1 to the report, namely the Projected (under) overspend, Movement in MRP and External Interest, and Underlying (under) / overspend on services required clarification.

Having considered the report, the Committee

Agenda item number: 3

RESOLVED: That the results of the Council's financial monitoring for the period April to November 2019 be noted.

Reason:

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

CGS43 SUMMARY OF INTERNAL AUDIT REPORTS (APRIL TO SEPTEMBER 2019)

The Committee considered a report setting out a summary of Internal Audit Reports for the period 1 April to 1 December 2019.

The Committee's attention was drawn to the reports classified as 'Partial Assurance with improvements required', which related to the Council's processes for allocating lettings and dealing with void properties, and also to additional information circulated at the meeting on the audit plan and performance management.

The audit plan for 2019-20 was closely aligned with the Future Guildford Project. The theme in carrying out the audit work this year was to assess how the Council was managing and monitoring service performance, how success was measured, and how greater transparency and accountability could be introduced into the process. This was very much part of the Future Guildford project and going forward into 2020-21 we will include a standing item in all audit reviews on the performance and outcomes against the key corporate and service performance indicators.

Having considered the report, the Committee

RESOLVED: That the contents of the summary of internal audit reports and other associated work for the period 1 April to 1 December 2019 be noted.

Reason:

To ensure an adequate level of audit coverage.

CGS44 WORK PROGRAMME

The Committee considered its updated 12 month rolling work programme and

RESOLVED: That the updated 12 month rolling work programme, 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 8.35 pm

Signed

Chairman

Date

Corporate Governance and Standards Committee Report

Ward(s) affected: n/a

Report of Managing Director (Head of Paid Service)

Author: Francesca Smith, Senior Specialist HR

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Email: francesca.smith@guildford.gov.uk

Lead Councillor responsible: Caroline Reeves

Tel: 07803 204433

Email: caroline.reeves@guildford.gov.uk

Date: 26 March 2020

2020 Gender Pay Gap report

Executive Summary

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 impose obligations on employers with 250 or more employees to publish information annually relating to the gender pay gap in their organisation. In particular, employers are 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.

This report sets out Guildford's Gender Pay Gap Report for 2020, which will be published on the Council's website and on a publicly accessible Government website and retained for a period of three years.

Recommendation to Committee

That the Gender Pay Gap Report for the year 2020, attached at Appendix 1 to this report, be noted and that the gender pay gap data for 2020 be published on the Government's Equalities website and on the Council's website by 30 March 2020.

Reason for Recommendation:

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

Is the report (or part of it) exempt from publication? No

1. Purpose of Report

- 1.1 In 2017, the Government introduced regulations which require the Council to publish details of our gender pay gap annually on our website and to upload this information to a publicly accessible Government website.

2 Strategic Priorities

- 2.1 We strive to provide equality of opportunity within the Council and aim to ensure that our workforce is diverse and inclusive. Creating a workplace where everyone is valued is part of our organisational values and our commitment to this is set out in our Corporate Plan.

3. Background

- 3.1 The Gender Pay Gap Report for 2020 (see Appendix 1), sets out our gender pay gap which, with a mean pay gap of -7%, indicates that women are not receiving less average pay than men. This compares to the national figure of 14.2%.
- 3.2 Our Gender Pay Gap was first published in 2018 and shows a reduction in the gap this year as follows:

	Mean	Median
2018	-9%	-22%
2019	-9%	-21%
2020	-7%	-13%

There has been no significant change in the pay quartile distribution and the reduction has therefore arisen from changes to our organisational structure during the Future Guildford transformation.

4. Equality and Diversity Implications

- 4.1 The Gender Pay Gap analysis enables the Council to review whether we have fairness and equality in the application of pay and remuneration within the Council.
- 4.2 The Council's duty under section 149 of the Equality Act 2010 is to have due regard to the matters set out in relation to equalities when considering and making decisions. This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report.

5. Financial Implications

- 5.1 No financial implications apply.

6. Legal Implications

- 6.1 Under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, the Council, as a relevant employer, is required to publish our gender pay gap data for 2020 on the Government's Equalities website and on our own website by 30 March 2020.

7. Human Resource Implications

- 7.1 The Senior Specialist HR is responsible for publishing the gender pay gap data, there are no further HR implications.

8. Background Papers

None

9. Appendices

Appendix 1: Gender Pay Gap Report 2020

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2020 Gender Pay Gap report

Equality is fundamental to building a fair society and a strong economy as we need to make sure that we benefit from the talents of everyone. Within our Council we strive to deliver equality of opportunity and aim to ensure that our workforce is diverse and inclusive.

One of the ways that we support equality is through fair pay and we're confident that our job evaluation scheme ensures that the men and women that we employ are paid equally for doing the same job.

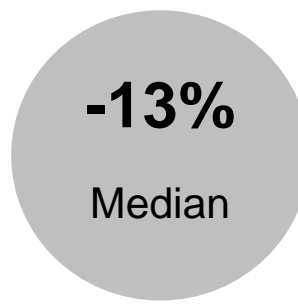
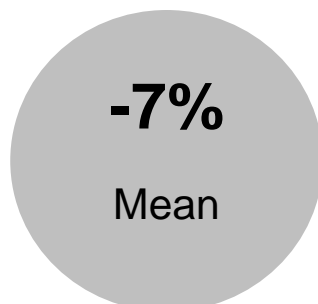
Government regulations require us to publish an annual gender pay gap report so that we can measure the difference in average earnings between women and men. This enables us to identify any pay gap differences and develop initiatives to improve any gender imbalance that we find. We think we're getting some things right but we want to build on this and create a Council that people want to work for and feel welcomed and involved.

James Whiteman
Managing Director

Our Gender Pay Gap

The gender pay gap is defined as the difference between the mean and median hourly rate of pay that our male and female employees receive.

- The **mean pay gap** is the difference between average hourly earnings of men and women.
- The **median pay gap** is the difference between the mid-point in the range of hourly earnings of men and women, when arranged from lowest to highest.



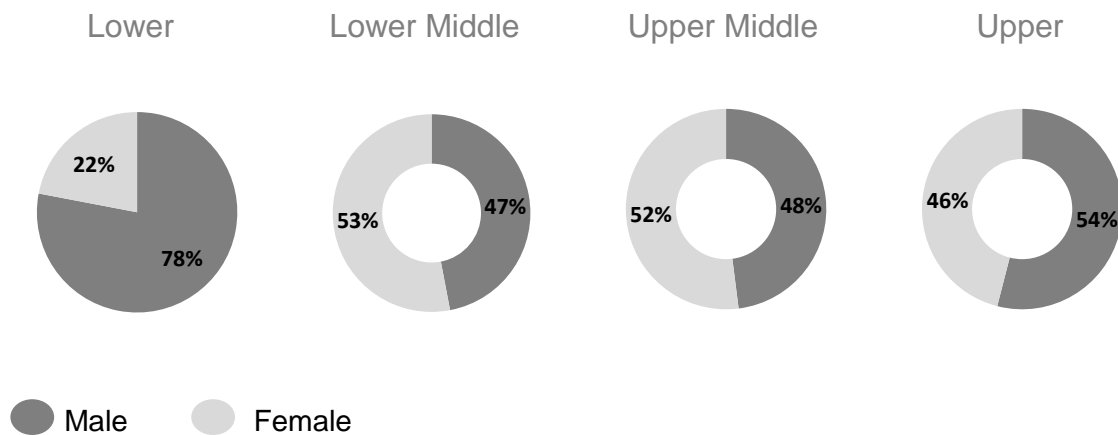
These figures provided are based on hourly rates of pay and show that:

- our female employees have an average hourly rate that is 7% higher than our male employees' hourly rate.
- At the mid-point within the range of hourly earnings that we pay our male and our female employees, our female employees have an hourly rate that is 13% higher than our male employees' hourly rate.

The main reason for this gender pay gap is an imbalance of male and female colleagues across the services as we have a much higher proportion of men working in our Waste Collection Service and our Parks and Landscape Service. Many of the roles within these services fall within the lower pay bands.

We do not pay any bonuses to our staff and the requirement to report on this is therefore not applicable.

Our Gender Pay Gap by quartile



This chart shows the gender split when we order hourly rate of pay from lowest to highest and then group these into four equal quartiles.

- The lower quartile contains more males than females for the reasons set out above.
- The lower middle quartile is fairly evenly split with more females than males.
- The upper middle quartile is fairly evenly split with more females than males.
- The upper quartile contains marginally more men than women in our very senior roles.

How we compare to others

The vast majority of organisations have a gender pay gap where women are, on average, paid less than men. The requirement to report on gender pay differences is aimed at encouraging organisations to identify any gap and put in place measures to reduce this. In comparing ourselves to others, our negative gender pay gap indicates that women are not receiving less average pay than men.

In comparison, nationally across all sectors the **mean gender pay gap is 14.2%** and the **median gender pay gap is 8.9%**. More specifically, across local authorities the **mean gender pay gap is 6.1%** (October 2018 Office for national Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures).

How we are addressing the pay gap

Recruitment

We aim to recruit from the widest possible talent pool and our hiring managers are trained in both equality and diversity, and how to recruit using competency-based interview techniques that aim to avoid unconscious bias. The organisations that work with us to support our recruitment needs are professional recruitment specialists who are committed to attracting diverse candidates.

Flexible working

We offer our employees a wide range of flexible working options to enable them to effectively manage their work/life balance. These options include part-time working, condensed working weeks, term time working, job share, home working, agile working and a generous flexi-time scheme. In addition, we offer extra leave purchase through a salary sacrifice scheme.

Development

We are committed to identifying from within our current workforce those employees who have the potential to grow into more senior roles. We will offer support and development opportunities to those employees including coaching and mentoring both within and outside of our organisation.



I, James Whiteman, Managing Director, confirm that the information in this statement is accurate.

Signed

A handwritten signature in black ink, appearing to read 'James Whiteman', written over a light grey rectangular background.

Date 7 January 2020

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Corporate Governance and Standards Committee Report

Ward(s) affected: n/a

Report of Managing Director

Author: Francesca Smith

Tel: 01483 444014

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Lead Councillor responsible: Caroline Reeves

Tel: 07803 204433

Email: Caroline.reeves@guildford.gov.uk

Date: 26 March 2020

Annual review of the Equality Scheme action plan

Executive Summary

The Equality Scheme and associated action plan were adopted by the Executive in January 2018. The Executive recommended that the Corporate Governance and Standards Committee should monitor the implementation of the actions in the action plan on an annual basis.

Recommendation to Corporate Governance and Standards Committee

To approve the updated equality action plan (linked to the Equality Scheme 2018 - 2021), as set out in Appendix 1 to this report.

Reasons for Recommendation:

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.

Is the report (or part of it) exempt from publication? No

1. Purpose of Report

1.1 To obtain approval of the updated equality action plan (linked to the Equality Scheme 2018 - 2021).

2. Strategic Priorities

2.1 The Equality Scheme and action plan contributes to our fundamental themes and priorities as follows:

Community – supporting more vulnerable and less advantaged people in our community

3. Background

- 3.1 The Equality Scheme and associated action plan were revised and adopted in January 2018. The Equality Scheme sets out the Council's commitment to equality and diversity both as an employer and as a provider of public services. It incorporates our legal responsibilities under the Equality Act 2010 and states broadly how we intend to meet our obligations to the general and specific duties of the Act.

The general duty of the Equality Act sets out three main aims. As a public body, we must have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and of the conduct prohibited by the Act
- advance equality of opportunity between people who share a protected characteristic and those who do not
- foster good relations between people who share a protected characteristic and those who do not.

The specific duties of the Act are:

- To publish equality information annually to demonstrate compliance with the general duty. This includes information relating to people with protected characteristics who are:
 - its employees, or
 - affected by its policies and practices e.g. service users.
- To prepare and publish at least one equality objective that we think we should achieve in order to meet any of the aims of the general duty. Our equality objectives are set out in the action plan.

- 3.2 A number of objectives set out in the action plan have been achieved in 2019 (see Appendix 1) and progress is being made on many others such as:

- A revised equality impact assessment (EIA) template and guidance has been introduced Council-wide. The form is simpler to complete and the guidance will ensure that impact is assessed at the appropriate time and is proportionate to the activity being assessed. Assessing impact on equality helps us to understand the effect of the Council's activities on people from protected groups and enables us to address any potential discrimination.
- We aim to ensure that our communications are accessible to protected groups. The Guidance on Alternative Forms of Communication document has been reviewed and updated on the Loop.
- We also aim to make our website accessible to protected groups and a full review has been carried out in line with the Web Content Accessibility Guidance. The Web team have received training in website accessibility

and have implemented a number of improvements to our website.

- A process has been agreed to identify any customer complaints that relate to equality, for example a complaint of unlawful discrimination. This will enable equality related complaints to be monitored and where appropriate, remedial action taken. No complaints were received in 2019.
- The Council carried out a benchmarking exercise of Director remuneration levels in 2019 and used E-PayCheck, a benchmarking package, to check the salaries of our job families against other local authorities.
- The workforce profile reports for 2016, 2017 and 2018 have been approved and published on the website. The 2019 report will be completed by the end of March 2020. Housing Advice have published their annual report of equality information related to housing applications and lettings. These reports link directly to our obligations under the specific duty to publish equality information relating to our employees and service users.
- Claire Morris, Director of Finance, was appointed as the senior lead for equality and diversity in October 2018. This provides strategic direction and raises the profile of equality and diversity at a senior level.

3.3 Once approved by Corporate Governance and Standards Committee, the updated action plan will be published on the Council's website and intranet site.

4. Consultations

4.1 No formal consultation has been conducted as this is an annual review of the action plan and no changes have been made to the Equality Scheme (2018 – 2021).

5. Equality and Diversity Implications

5.1 Consideration of the impact on equality and diversity has already been set out by in the Equality Scheme and a separate equality impact assessment is therefore not necessary.

6. Financial Implications

6.1 There are no financial implications.

7. Legal Implications

7.1 As set out in section 3 of this report, the Council has legal obligations under the Equality Act 2010 including the Public Sector Equality Duty.

7.2 The Equality and Human Rights Commission is the regulatory body responsible for enforcing the Equality Act. Their role is to help organisations to achieve their responsibilities but ultimately they have enforcement powers, which range from guidance to investigations and court action where organisations fail to meet their obligations.

8. Human Resource Implications

8.1 Equality and diversity forms part of the remit of the HR Specialists so no specific additional resources are required to implement the Scheme. Completion of the action plan falls mainly to staff in Human Resources although some objectives overlap with existing projects and action plans where work is already underway and is not anticipated to create any additional demand for resources.

9. Summary of Options

9.1 The options are to continue with the existing plan or approve the updated version.

10. Conclusion

10.1 If the updated action plan is approved it will continue to:

- provide a means of recording and monitoring our progress and enable the development of new equality objectives
- provide evidence that we are legally compliant
- provide focus and direction for our work in this area
- keep equality and diversity in the forefront of people’s minds and help embed equality into our business planning and day to day activities.

11. Background Papers

The Equality Scheme and current action plan are available upon request or can be viewed on our website <https://www.guildford.gov.uk/transparencydata>

12. Appendices

Appendix 1: Updated action plan

Please ensure the following service areas have signed off your report. Please complete this box and do not delete.

Service	Sign off date
<i>Finance / 151 Officer</i>	
<i>Legal / Governance</i>	
<i>HR</i>	<i>3.2.20</i>
<i>Equalities</i>	<i>3.2.20</i>
<i>Lead Councillor</i>	
<i>CMT</i>	
<i>Committee Services</i>	

EQUALITY SCHEME ACTION PLAN 2018 - 2021 (second annual review January 2020)

EQUALITY OBJECTIVES - KEY AREAS	OBJECTIVE	ACTIONS	LEAD OFFICER	TARGET DATE
<p style="text-align: center;">Page 23</p> <p>1. LEADERSHIP AND CORPORATE COMMITMENT</p>	1.1 Councillors and senior managers to be aware of the equality profile of the residents of the borough	1.1.1 Publish 2011 census information relating to Guildford Borough residents equality profile on intranet		
	1.2 Impact on equality is considered as part and parcel of implementing change before decision-making and policy changes take place	1.2.1 Establish which services are routinely conducting EIA's		
		1.2.2 Ensure all managers understand how to assess impact on equality		
		1.2.4 Publish a summary of EIA's and actions quarterly on the website		
	1.3 Conduct meaningful impact assessments	1.3.1 Review current EIA template and investigate alternative formats or options	Lucy Richards and members of E&D Forum	Completed April 2019
		1.3.2 Expand E&D knowledge within HR especially in relation to advising and checking EIA's	Francesca Smith, HR team	Ongoing
<p>2. SERVICE DELIVERY AND CUSTOMER CARE</p>	2.1 Equality monitoring is consistently carried out across Council services where relevant	2.1.1 Establish what monitoring is currently being carried out		
	2.2 Data collated from (customer) equality monitoring is published on the website annually	2.2.1 Investigate how data can be published in a useful and meaningful but not onerous way		

APPENDIX 1

EQUALITY OBJECTIVES - KEY AREAS	OBJECTIVE	ACTIONS	LEAD OFFICER	TARGET DATE
	2.3 Data is used to establish impact on equality/ to inform EIA's	2.2.1 Make the data available for use as per 2.2.1		
	2.4 Equality monitoring wording is consistent and sensitive	2.4.1 Compare current equality questions and make appropriate changes to equality questionnaires on customer documents (see 2.10.1)		
	2.5 Ensure our communications are accessible to protected groups	2.5.1 Review and re-issue document to staff 'Guidance on Alternative Forms of Communication'	Lucy Richards	Completed. Next review date 30/12/19
	2.6 Check whether HR information and customer information that is sent out is available in hard copies inform people that an alternative range of formats is available on request	2.6.1 Review documents and add information if necessary		
	2.7 Barriers to accessing services are removed where identified	2.7.1 Managers complete an EIA when planning changes and where an impact is identified they amend the proposal to remove or reduce the adverse impact		
	2.8 Staff deliver excellent customer service to protected groups	2.8.1 Investigate and implement a viable process for monitoring customer complaints and compliments from people in protected groups or for complaints of harassment or discrimination	Lucy Richards	30/04/18. Completed.

APPENDIX 1

EQUALITY OBJECTIVES - KEY AREAS	OBJECTIVE	ACTIONS	LEAD OFFICER	TARGET DATE
<p style="text-align: center;">Page 25</p>	2.9 The website is accessible to protected groups	2.9.1 Website is reviewed to ensure it meets the needs of protected groups	Lucy Richards, Web Team	31/12/19. Complete. Next review date: 31/12/20
	2.10 We understand the needs of our community	2.10.1 Ensure equality information is included in customer satisfaction surveys		
<p>3. EMPLOYMENT AND TRAINING</p>	3.1 Staff are paid fairly and equitably	3.1.1 Appropriate use is made of the job evaluation scheme and appeals process	Francesca Smith	Complete
		3.1.3 Regular salary benchmarking activity to ensure that salaries remain competitive and equitable in comparison to the local economy	Francesca Smith	30/12/19

EQUALITY OBJECTIVES - KEY AREAS	OBJECTIVE	ACTIONS	LEAD OFFICER	TARGET DATE
		3.1.4 Annual review of the Pay Policy	Francesca Smith	completed 31.3.20 next review date 31.3.21
		3.1.5 Annual gender pay gap analysis to identify the mean and median differences in pay between the genders	Francesca Smith	Completed 31.3.20 next review date 31.3.21
	3.2 Workforce profiling is used to compare and move towards a similar profile to that of our customers	3.2.1 Complete and publish workforce profile		Completed 31.3.20 next review date 31.3.21
		3.2.2 Publish workforce profile for 2018		
		3.2.3 Publish workforce profile annually		
	3.3 Adequate recruitment training is provided for managers	3.3.1 Ensure recruitment training is in place for newly appointed managers and as a refresher, provided or arranged by HR	Ali Holman	Continuous
	3.4 Equality monitoring is used to inform decisions regarding employment policies and procedures	3.4.1 The impact of policies and procedures is reviewed annually and policies revised if necessary	HR team	Continuous
	3.5 Form an equality and diversity forum	3.5.1 Invite employees to join a group looking at equality matters relating to employment and customers		
	3.6 Equality and diversity training available to all staff	3.6.1 Add refresher E&D training to the Corporate Training Plan	Hannah Cornick	31/03/19
3.7 Be a Disability Confident employer	3.7.1 Review whether to apply for Disability Confident status			

APPENDIX 1

EQUALITY OBJECTIVES - KEY AREAS	OBJECTIVE	ACTIONS	LEAD OFFICER	TARGET DATE
	3.8 Meet the commitment to the Time to Change campaign	3.8.1 See separate action plan for Time to Change	Natasha Sherwood, HR, Helen Barnsley, Corporate Public Health	
Page 27	3.9 Increase equality and diversity awareness for employees	3.9.1 With the introduction of the Equality and Diversity Forum (see objective 3.5) introduce bitesize awareness sessions for employees on various aspects of equality and diversity.		
	3.10 Increase the number of job applications from a more diverse range of candidates including those with protected characteristics	3.10.1 Investigate options and advertise on specialist diversity recruitment sites in order to reach a more diverse range of applicants		
		3.10.2 Create a brief diversity and safeguarding statement to appear on all job adverts	Ali Fleming	Completed

4. CONSULTATION AND COMMUNITY DEVELOPMENT	4.1 The borough's various communities are encouraged to engage with the Council on equality matters	4.1.1 Use all of our communications media to communicate our key messages		
	4.2 Protected groups are targeted by inviting them to participate in consultation	4.2.1 Appropriate services are made aware of key issues that their various communities can engage with		

APPENDIX 1

EQUALITY OBJECTIVES - KEY AREAS	OBJECTIVE	ACTIONS	LEAD OFFICER	TARGET DATE
		4.2.2 Coordinate with service leaders on community consultation with regard to the services we provide		

DETAILS	COMMENTS
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 29</p>	<p>Improved guidance on assessing impact on equality and a new EIA form was produced and published in April 2019</p>

APPENDIX 1

DETAILS	COMMENTS
<p>Guidance has been updated and re-issued on the Council's intranet January 2020. Target date amended to 30 December 2020 for next annual review.</p>	
<p>Page 30</p>	
<p>Jane Brown, Customer Services Team Leader, to alert Lucy Richards when any equality related complaints are received. These will be monitored and any appropriate action taken.</p>	<p>None received as at 31/12/19</p>

APPENDIX 1

DETAILS	COMMENTS
<p>1. The web page https://www.guildford.gov.uk/accessibility was reviewed and updated. The web team visited the Gov.uk empathy lab and as a result of the feedback we have made the following features more accessible:</p> <ul style="list-style-type: none"> - the home page carousel (news feature at bottom of home page) was amended from an 'automatically scrolling' feature, so that users now click to view individual news items. - The website's keyboard navigation was improved (helpful for people who can't use a mouse to navigate around a website) - Hyperlink styling was altered to meet Web Content Accessibility Guidance standards . - Colour contrast issues were amended across the website (pale coloured text on pale backgrounds is a problems for sight impaired users) <p>2. The team uses Siteimprove on a regular and ongoing basis to check for accessibility problems, for example, missing titles from 'i-frames' (such as maps and videos), incorrect heading structure on web pages etc. Our Siteimprove report shows that we are making good progress but there is more to do.</p> <p>3. The Web team received training in editing pdf and word documents to make them more accessible. As a result we now:</p> <ul style="list-style-type: none"> - use an Adobe pdf accessibility when pdf's are submitted for upload to the website and either make simple edits to improve accessibility or use the report to request changes, for example, the Contact point housing newsletter (we liaised with the outside design agency that puts this newsletter together to request colour contrast changes) - Suggest to colleagues, where possible, that the information given to us in a word document or pdf is made into text on a web page (this makes information easier for all website users to access) <p>4. The Web team liaises with the Communications team to ensure transcripts and captions are added to videos produced in house and by outside agencies.</p> <p>5. We are also working with the Communications team to address the accessibility of poor colour contrast on some corporate printed communications, as the GBC 'teal' colour may cause problems for sight-impaired users.</p> <p>6. The web team have been invited to an information day on website accessibility by our website host company (GOSS) - scheduled for March 2020.</p>	
<p>Job evaluation process complete</p>	
<p>A benchmarking review of Director's salary grades was undertaken last year as part of the restructuring of the corporate management team. The Council wide transformation programme, Future Guildford, created a new staffing structure and associated posts and grades which were evaluated accordingly. Phase A is completed and Phase B is due to begin consultation shortly. The Council subscribed to EPayCheck, a benchmarking package offered by South East Employers which enabled us to check our salaries against other local authorities across job families.</p>	

APPENDIX 1

DETAILS	COMMENTS
The Pay Policy is reviewed annually and following Council approval is published on the transparency pages of the Council's website.	
The Gender Pay Gap is analysed annually and following approval from the Corporate Governance & Standards Committee the report is published on the Government's Equality website and the transparency pages of the Council's website. The gap is currently a positive figure.	
Page 2	
Recruitment training has been provided for newly promoted managers and for managers who recruit staff on a regular basis since July 2018 and is being offered throughout the Future Guildford programme.	Looking into whether to extend training to other managers during 2019
HR policies and procedures and equality impact assessed. Workforce profiling also highlights any differential impact on groups of employees with protected characteristics e.g. the number of grievances raised, bullying complaints, disciplinary hearings.	
Roll out of refresher training for existing staff is on hold until New Year (2021) while we deliver Phase B or the Future Guildford programme. (All new recruits receive mandatory E&D and disability awareness training in first six months of employment).	

APPENDIX 1

DETAILS	COMMENTS
<p>This statement has been added to job adverts/recruitment information: We are an equal opportunity employer and value diversity. All employment decisions are made on the basis of qualifications, merit and business need. Our organisation is committed to safeguarding and promoting the welfare of children, young people and vulnerable adults, and expects all staff and post-holders to share this commitment. To fulfil this commitment we have robust systems in place for the safe recruitment of staff and volunteers.</p> <p>Page 33</p>	

APPENDIX 1

DETAILS	COMMENTS

Corporate Governance and Standards Committee Report

Wards affected: n/a

Report of the Director of Strategy

Author: John Armstrong (Democratic Services and Elections Manager)

Tel: 01483 444102

Email: john.armstrong@guildford.gov.uk

Lead Councillor responsible: Caroline Reeves

Tel: 07803 204433

Email: caroline.reeves@guildford.gov.uk

Date: 26 March 2020

Annual Governance Statement 2019-20

Executive Summary

The Accounts and Audit Regulations 2015 require the Council to prepare an Annual Governance Statement (AGS) detailing the governance framework and procedures that have operated at the Council during the year, a review of their effectiveness, significant governance issues that have occurred and a statement of assurance. This report outlines the background to the AGS; and sets out in Appendix 1, the AGS for 2019-20. The AGS is underpinned by the Audit and Performance Manager's (as Head of Internal Audit) Annual Opinion Report April 2019 to March 2020, which is set out in Appendix 2.

The draft AGS will be included in the Council's statement of accounts for 2019-20. 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 for 2019-20, as set out in Appendix 1 to this report, and refers any comments that it feels appropriate to the Executive at its meeting on 21 April 2020.

Reason for Recommendation:

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

Is the report (or part of it) exempt from publication? No

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.

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 Democratic Services and Elections Manager has drafted the statement in consultation with the Director of Resources (Chief Finance Officer), the Head of Internal Audit (Audit and Performance Manager) and Council Solicitor and Monitoring Officer. 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, and the Audit and Performance 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 6 of the Accounts and Audit Regulations 2015, the Council must prepare and approve an Annual Governance Statement.
- 5.2 Regulation 10 of the 2015 Regulations requires the Council to publish the Annual Governance Statement alongside the adopted statement of accounts.

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 2020-21.

8. Background Papers

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

9. Appendices

Appendix 1: Annual Governance Statement 2019-20

Appendix 2: Head of Internal Audit Annual Opinion - April 2019 to March 2020

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GUILDFORD BOROUGH COUNCIL

ANNUAL GOVERNANCE STATEMENT 2019-20

1. SCOPE OF RESPONSIBILITY

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

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 The governance framework comprises the systems, processes, culture and values by which the authority is directed and controlled and the activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and 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 2020 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"> ▪ Council procedure rules for conduct at meetings ▪ financial and procurement procedure rules ▪ codes of conduct for Councillors and Officers ▪ protocol on decision making by lead councillors ▪ Protocol on Councillor/Officer Relations ▪ arrangements for dealing with allegations of misconduct by councillors ▪ Probity in planning local code of practice • Induction for new councillors and staff on standards 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 and recorded at meetings • Register of councillors’ interests maintained • Register of gifts and hospitality maintained for Councillors and staff • Anti-Fraud and Corruption Strategy • Anti-Bribery Policy • Whistle blowing policy • Officer corporate governance group to monitor compliance with laws and council policies 	<p><i>The probity in planning local code of practice was reviewed in 2019 and adopted by Council on 9 April 2019</i></p> <p><i>Review of staff code of conduct completed in 2019 and revised code adopted by Council on 31 July 2019</i></p> <p><i>Corporate Governance Task Group has reviewed the Councillors’ Code of Conduct (including policy on acceptance and registration of gifts and hospitality)with a view to report to Council in July 2020.</i></p> <p>Task group to also review Protocol on Councillor/ Officer Relations</p> <p><i>Following a review of procurement arrangements in 2018-19, the Corporate Procurement Board was established and has met monthly throughout 2019-20 to improve governance</i></p>

Principles of Good Governance	Arrangements the Council has for delivering good governance	Recent <i>achievements, developments</i> and areas for improvement
	<ul style="list-style-type: none"> • 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) and Chief Finance Officer (CFO) • Executive advisory boards in place to advise Executive on matters of strategic importance to the Council • Monitoring Officer provisions in place 	<p><i>arrangements around procurement, particularly where exemptions have been applied. A new procurement strategy has been developed and draft agreed by CMT for adoption by the Executive in May 2020</i></p>
B. Ensuring openness and comprehensive stakeholder engagement	<ul style="list-style-type: none"> • The Council's 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 	<p><i>In 2019, the Council commenced publication on its website of a disclosure log of our responses to FoI requests that might be of interest to the public.</i></p>

Principles of Good Governance	Arrangements the Council has for delivering good governance	Recent <i>achievements, developments</i> and areas for improvement
	<ul style="list-style-type: none"> • Transparency information published on website • Records of decision making maintained and published on website • Forward programme of committee meeting dates and agenda items published on-line with reporting dates adhered to • 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>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 Executive agreed on 21 January 2020 to hold a public consultation on new draft corporate priorities for the Council, and has set up a working group to support the development of the new corporate plan, which is expected to be adopted by the Council in July 2020.</i></p> <p><i>Phase A of Future Guildford implemented in December 2019. Phase B (focusing</i></p>

Principles of Good Governance	Arrangements the Council has for delivering good governance	Recent <i>achievements, developments</i> and areas for improvement
	<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 • Committee report template now includes Climate Change/Sustainability Implications • Business planning process and capital programme development aligned to the corporate plan, bids for funding scored against achievement of corporate plan priorities • Future Guildford Transformation Programme in place, overseen by the Future Guildford Board 	<p><i>on front-line services) launched in January 2020.</i></p>
D. Determining the interventions necessary to optimise the achievement of the intended outcomes	<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 Joint Executive Advisory Board and Councillor task group • Forward Plan maintained on a rolling 12 month basis • Regular corporate management team and Executive liaison meetings held to discuss strategy • Directors and senior officers hold regular 1:1 meetings with Lead Councillors • Corporate management team hold regular directorate level feedback sessions 	<p><i>Service planning has been further refreshed in 2019-20 as part of Future Guildford</i></p>

Principles of Good Governance	Arrangements the Council has for delivering good governance	Recent <i>achievements, developments</i> and areas for improvement
	<ul style="list-style-type: none"> • Senior Leaders group in place • Transformation Board in place which monitors the transformation programme • 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 Finance 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 	<p><i>The Monitoring Officer now attends meetings of the corporate management team, and continues to have regular 1:1 meetings with the Head of Paid Service and Chief Finance Officer and attends the Executive Liaison, Executive, and Corporate Governance & Standards Committee meetings.</i></p> <p><i>The Council achieved re-accreditation under the South East Charter in January 2020</i></p>

Principles of Good Governance	Arrangements the Council has for delivering good governance	Recent <i>achievements, developments</i> and areas for improvement
	<ul style="list-style-type: none"> • 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 • 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 online. • 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 	<p><i>The officer Corporate Governance Group and the Corporate Governance and Standards Committee continue to monitor compliance with requirements and obligations under the General Data Protection Regulation – now covered by the Data Protection Act 2018</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</i></p>

Principles of Good Governance	Arrangements the Council has for delivering good governance	Recent <i>achievements, developments</i> and areas for improvement
	<p>health and safety group</p> <ul style="list-style-type: none"> • 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 • 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><i>former 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>
<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 • Council has reaffirmed, and adopted as best practice, the position that all 	<p>The Corporate Governance Task Group, referred to above, will also be examining proposals to promote transparency and effective communications</p> <p><i>The Council does not currently produce a formal annual report however, the CFO’s Narrative Statement in the Council’s Statement</i></p>

Principles of Good Governance	Arrangements the Council has for delivering good governance	Recent <i>achievements, developments</i> and areas for improvement
	<p>committee reports are made public unless there are unequivocal legal or commercial reasons to the contrary and that where practicable, information within a report which is legally exempt from publication should be isolated from the body of the report as a restricted appendix, with the remainder of the report made available to the public.</p> <ul style="list-style-type: none"> • All restricted committee reports now clearly and precisely state at the point the agenda is published all of the following: <ul style="list-style-type: none"> (a) why the content is to be treated as exempt from the access to information publication rules. (b) to whom within the council the content is restricted (c) when, following a period of exemption, the exempt information can be expected to be made public. (d) details of how the decision to maintain the exemption may be challenged. • Working group reports and minutes made available to all councillors. 	<p><i>of Accounts reports the majority of information that an annual report would be expected to cover</i></p> <p><i>The Council is compliant with the mandatory elements of the Local Government Transparency Code 2015 in respect of the publication of data.</i></p>

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 2019-20, there were 31 planned pieces of works, including efficiency reviews and some contingency work. Over the year, we have completed or are working on 29 audits, which represent 94 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 2020 are shown in the table below:

THERE ARE NO FIGURES IN THE TABLE AS WE HAVE NOT COMPLETED ALL OF THE WORK YET AND THEY WILL BE INCLUDED IN THE FINAL REPORT.

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

- 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 2019-20, there was evidence of sound controls and substantial assurance over our major financial systems. 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 focussed on how we manage performance across our services, how we procure goods and services and how we improve our service planning process. Our work identified some governance areas where there were a number of medium risks and the resulting recommendations will be subject to follow-up reviews in 2020-21.

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 above. Where we have identified areas for further improvement we will take the necessary action to implement changes that will further develop our governance framework.

Progress on Governance Issues reported in the 2018-19 Annual Governance Statement:

- 6.2. The significant governance issues arising in 2018-19 and progress made against them are shown in table below:

PROJECT MANAGEMENT		
RECOMMENDATIONS	ACTIONS AGREED	PROGRESS MADE
The Council must 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.	A review of projects across the Council has taken place and the revised project management, monitoring and reporting is being led by the new Strategy and Communications Team.
PROCUREMENT		
RECOMMENDATIONS	ACTIONS AGREED	PROGRESS MADE
To look at areas where it is more efficient and effective to devolve procurement decisions more widely.	We have considered what the Council’s procurement team really needs and wants to control to ensure that we focus on what is important	There is now a central procurement team and we have identified our

	<p>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 is being considered as part of the Future Guildford project.</p>	<p>category spend which will allow us to rationalise and instigate better contract management and deliver efficiency savings.</p>
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6.3 In addition, there were a number of follow-up reviews from 2018-19, which were revisited in 2019-20, and progress on these is shown in the Annex to this Statement.

New Governance Issues arising in 2019-20:

6.4 Openness and Transparency:

The Council adopted a motion on 8 October 2019 which:

- (1) reaffirmed the position that all committee reports are made public unless there are unequivocal legal or commercial reasons to the contrary and that where practicable, information within a report which is legally exempt from publication should be isolated from the body of the report as a restricted appendix, with the remainder of the report made available to the public;
- (2) required that all restricted committee reports clearly and precisely state at the point the agenda is published:
 - (a) Why the content is to be treated as exempt from the Access to Information publication rules.
 - (b) To whom within the Council the content is restricted
 - (c) When, following a period of exemption, the exempt information can be expected to be made public.
 - (d) Details of how the decision to maintain the exemption may be challenged.
- (3) required all working group reports to be made available to all councillors, subject where necessary to redaction of exempt information (on the advice of officers, and in consultation with the relevant lead councillor).
- (4) requested the Managing Director to establish, in consultation with the chairman of the Corporate Governance and Standards Committee, a working group to examine the effectiveness of internal communications, between officers and councillors, make proposals to promote transparency, and promote effective communications and reporting, and report back its findings to full council.

6.5 Subsequently, and arising from a number of concerns raised by councillors in relation to ethical standards and transparency, the Corporate Governance and Standards Committee, at its meeting on 19 November 2019, agreed to set up a cross-party task group with a wide remit to consider, review and make recommendations on these matters. It was also suggested that this task group undertakes the work agreed by the Council on 8 October 2019, referred to in (4) above. The task group has now been established and has met to examine and review:

- the Councillors' Code of Conduct, including the policy on acceptance of gifts and hospitality by councillors;

- the best practice recommendations of the Committee on Standards in Public Life contained within its report on *Local Government Ethical Standards*; and
 - the Council's guidance on the use of social media by councillors.
- 6.6 The task group will continue its work to examine and review:
- the revised draft protocol on councillor/officer relations;
 - the effectiveness of internal communications, between officers and councillors; and
 - proposals to promote transparency, and effective communications and reporting, including the Council's Communications Protocol.
- 6.7 The task group's recommendations in respect of these matters will be considered by the Corporate Governance and Standards Committee in due course.
- 6.8 During 2019-20, we identified the following areas where the governance arrangements are not consistent.

Governance support for GBC Holdings Ltd and North Downs Housing Ltd

Concerns over Finance and Legal involvement in the governance and financial arrangements of the two companies established by the Council. However, the external auditor had acknowledged that the core business processes operated satisfactorily. The Business Plan is currently out of date and is in the process of being reviewed and updated. KPMG had been commissioned to undertake a review of the companies to ascertain what legal and governance arrangements and financial monitoring and controls were in place with a view to establishing clarity in respect of roles, responsibilities, councillor involvement and potential conflicts. Resolving these issues is particularly important as the number of stand alone companies is likely to increase.

Project Management

The Project Portfolio Board was working well and was raising corporate awareness of project management and providing a new overview of the process. However, not all projects had boards and were not operating as well as they could. There were concerns that several projects with considerable contingency funds were overspending and that information and cost reports were not being fed back to Finance. We need to ensure that there are consistent processes and measurable outcomes. The Strategy and Communications team are collating all projects across the Council and monitoring process and outcomes.

Procurement

We are a complex authority and we recognise that the procurement processes need to be as efficient as possible. We control certain areas of spend very tightly but we need to achieve economies of scale by rationalising contracts and understanding more fully our category spend. There has been progress in identifying potential areas for improvement over the last nine months and work is continuing as part of the Future Guildford project.

Asset Management

Following reports of a discrepancy in some of the Council's ICT equipment we carried out an audit review which found that there were inconsistent asset management controls which resulted in a loss of some equipment and, if not rectified, would have put the Council's assets at risk. However, the financial controls that were in place operated as intended and highlighted the issue. Remedial measures were put in place and the audit plan for 2020-21 will include a full review of the control mechanisms of the Council's ICT assets.

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

LICENSING			
	RECOMMENDATION	MANAGEMENT RESPONSE	STATUS
1	<p>Performance monitoring</p> <p>There are no formalised performance monitoring arrangements in place. The Regulatory Services Manager receives regular updates on the progress of licensing applications through monthly one-to-one meetings, but these are not formally recorded. There is currently no reporting to the Corporate Management Team. We recommended that the Council introduces performance monitoring arrangements. The Council should clearly define kpis for application processing and debt recovery, which should be reported to the Corporate Management Team on a quarterly basis.</p>	<p>Agreed</p> <p>Performance monitoring to be implemented with defined KPIs and reported to Director of Community Services. Regulatory Services Manager to investigate if CMT wish to receive performance monitoring report.</p> <p>Implementation date</p> <p>31 July 2019</p>	<p>Overdue</p> <p>The Council has not implemented a formalised performance monitoring procedure. The council is still planning to implement the agreed recommendation later this year as this will be addressed corporately through Future Guildford.</p> <p>Due date</p> <p>30 December 2019</p>
2	<p>Licensing team debt monitoring</p> <p>Licensing officers exercise judgement on when and how often to chase outstanding debt which could result in inconsistencies. In addition, we found that there were variations relating to the issue of Suspension Warning Letters and we recommend that there are clearly defined guidance notes to be followed by the Licensing Team. Licensing officers should issue Suspension Warning Letters consistently in line with this timeline and should keep appropriate documentation of all completed debt recovery actions.</p>	<p>Agreed</p> <p>Procedure is being drafted and will be implemented.</p> <p>Implementation date</p> <p>30 April 2019</p>	<p>Implemented</p> <p>A new policy and procedure document has been drafted. It now states the timeline that must be followed for debt monitoring, for example the first warning letter is sent ten days after the debt due date.</p> <p>We have reviewed the new policy document that shows a clear timeline of debt chasing policy.</p>

	RECOMMENDATION	MANAGEMENT RESPONSE	STATUS
3	<p>Houses in multiple occupation inspections</p> <p>When junior staff carry out an inspection of Houses in Multiple Occupation (HMOs) they use a checklist to ensure that everything is covered. More experienced staff do not use the check list as they are expected to be familiar with the requirements. This gives rise to a risk that the inspections are incomplete or of varying quality and could lead to licences being granted inappropriately. We recommended that the checklist is used regardless of the level of experience of the officer. The checklist should be uploaded to Tascomi as part of the licence application records.</p>	<p>Agreed</p> <p>Procedure is being drafted and will be implemented.</p> <p>Implementation date 30 April 2019</p>	<p>Overdue</p> <p>Staff have now been told that the checklist must be used for all HMO inspections but it has not yet been formally included in the policy.</p> <p>Implementation date 30 December 2019</p>
4	<p>Record keeping</p> <p>There were several instances where supporting records from the licensing application process were not kept. These included:</p> <ul style="list-style-type: none"> • checklists which are completed by reception; • checklists completed by the business support team • supporting documents including a mot certificate, an application form and a passport • the scorecards or checklists used for consistency in inspections by the Licensing Team or Private Property Services Team. <p>This increases the risk of challenge through inconsistencies in applying our policy and application process</p>	<p>Agreed</p> <p>Monthly monitoring will be incorporated into the overarching licensing policy and spots checks will be implemented as part of performance monitoring.</p> <p>Implementation date 31 July 2019</p>	<p>Overdue</p> <p>Monthly monitoring has not yet been incorporated into policy and spot checks are not yet being completed.</p> <p>Implementation date 30 November 2019</p>

Parking			
Recommendation		Management Response	Status
1	<p>Review of successful appeals</p> <p>Parking officers are responsible for reviewing challenges to penalty charge notices (PCNs) and determining whether they should be cancelled. We found that individual judgement is exercised in determining whether a PCN should be cancelled. There is no second review of the appeals. We reviewed the cancellation rates of each enforcement officer and noted that the cancellation rates vary from 37% successful appeal rate to 61%, suggesting a subjectivity in the review process. There is a risk that cases are not assessed in a consistent way. We recommended that spot reviews of appeals are carried out, in order to ensure that appeal decision making is consistent and objective across the team.</p>	<p>Agreed</p> <p>The processing team supervisor will undertake monthly spot checks of 10 cancelled PCNs per processing team member and undertake an annual review, to identify any discrepancies and the possible reasons for these.</p>	<p>Implemented</p> <p>Since December 2018, spot checks have been carried out on a sample of PCNs to ensure consistency between which cases warrant a cancellation. The policy has also been amended to provide staff with more stringent cancellation criteria following appeals in order to reduce the variation in cancellation rates between staff. The policy now features specific criteria and evidence required for a cancellation.</p>
2	<p>Out of date policies and procedures</p> <p>Parking policies and procedures have not been updated since 2014 and do not have references to the more recent updates to services. There is no reference to reconciliations performed and details of standard practice where investigation is required of variances over a certain threshold. Without up to date policies in place there is a risk that staff undertaking new roles and responsibilities are not properly informed resulting in inefficiencies in the process occurring.</p>	<p>Agreed</p> <p>Following the closure of the office counter in November 2018, it is our intention to undertake a root and branch review of all our policies and procedures.</p> <p>Due date 31 December 2019</p>	<p>Not yet due</p> <p>The Council has made good progress with this recommendation and aims to complete it by the deadline of December 2019. Around 70% of the parking policies and procedures have been updated in draft. We have reviewed two as examples of this occurring, comparing the current and previous versions for evidence of changes.</p>

	Recommendation	Management response	Status
3	<p>Income discrepancies</p> <p>The finance team perform a reconciliation of parking meter income using figures reported by the parking team and actual cash banked. Where there are discrepancies between the two figures the finance team forward the details back to the parking team to investigate. However, we noted that discrepancies queried by the finance team are not always followed up. Failure to follow up discrepancies could result in failure to identify instances of fraud. The council should identify a process for investigating discrepancies reported by the finance team and follow these up with respective parties (CSS or otherwise) to ensure that they are resolved.</p>	<p>Agreed</p> <p>The reconciliation discrepancy threshold of £10 was set in the early 2000s. We will redouble our efforts to ensure that all discrepancies more than £10 are reviewed, and also review whether the £10 threshold is still appropriate</p>	<p>Implemented</p> <p>Reconciliations are completed over the parking meter cash boxes in each instance that money is pooled (i.e. When the machine is filled) and additionally at the end of each month. In all reconciliations, any discrepancies above £5 are investigated.</p>
4	<p>Enacting regulation 10 penalty charge notices (pcns)</p> <p>In our testing we found that these cases had been cancelled as a result of the driver of the vehicle driving away before the pcn could be issued. This is because the parking system is not set up to automatically request the vehicle owner's details from the DVLA and progress with debt chasing. The traffic management act 2004 gives local authorities the power to serve pcns by post where the driver drives away before a PCN can be issued. In the period april to September 2018 there had been 66 such instances, representing lost revenue to the council.</p>	<p>Agreed</p> <p>This recommendation is agreed.</p> <p>Due date</p> <p>30 April 2019</p>	<p>Overdue</p> <p>Currently this recommendation has not been implemented due to software issues and has been postponed. These issues have been identified and are being managed and the new functionality is expected to go live within the next few months.</p> <p>Due date</p> <p>The updated implementation date is now 31 December 2019.</p>

FORMER TENANTS ARREARS		
RECOMMENDATION		
1	<p>The testing found that in some instances there was an extended delay in issuing the first debt chasing letter. We found that this was due in the main to delays in applying the relevant housing benefit adjustments. Additionally, during testing we found that in some cases the details supporting the debt had not been documented on the Orchard system which could affect the Council's ability to collect the arrears. There is now a review process in place and there are spot checks to confirm that the processes have been followed and appropriate documentation retained.</p>	<p>Agreed</p> <p>Policy and procedure to be written to cover the FTA tracing work with Reigate & Banstead.</p>
		<p>Implemented</p> <p>Immediately after the review, the policy was changed in response to the recommendation. Staff were made aware that when a monitoring officer was not available to carry out the review process it should be completed by the Rent Officer or Income Manager.</p>
2	<p>Policies and procedures</p> <p>The Council has recently agreed a contract with Reigate and Banstead Borough Council for tracing services for untraceable former tenants. There is currently no guidance or procedure documents on how the Council will use and monitor the performance of this agreement and there is a risk that the Council does not have mechanisms in place to ensure they are getting value from the contract.</p>	<p>Agreed</p> <p>Policy and procedure to be written to cover the FTA tracing work with Reigate & Banstead.</p>
		<p>Implemented</p> <p>A new policy and procedure has now been written for the Reigate and Banstead Collection Agency agreement. As recommended, the policy includes the author, version and date of document. It also includes step-by-step guidance over contacting the debtors and the document features a template Former Tenant Referral form.</p>

PAYROLL			
	RECOMMENDATION	MANAGEMENT RESPONSE	STATUS
1	<p>Leavers</p> <p>We noted that there is an inconsistency in how HRr are informed that a member of staff is leaving. It can be either the manager or the employee who contacts HR which can cause delays or confusion and lead to errors and overpayments. We recommended that the process for processing leavers should be the responsibility of the line manager, rather than the employee. They should complete a leavers' form with appropriate details and ensure they capture details required by HR and Payroll teams to ensure that the risk of over-payment are minimised. Leavers forms should be available on the intranet and managers should be encouraged to complete them as early as possible.</p>	<p>Agreed</p> <p>Leaver process to be created with a 'leavers form' for managers to complete and send HR.</p>	<p>Implemented</p> <p>A new leavers form has been designed and is being used. The form is filled out by the line manager and is forwarded onto HR.</p> <p>Audit Note</p> <p>This issue will be resolved with the introduction of the new ERP system in 2020</p>
2	<p>Policies and procedures</p> <p>We noted that there are no policies and procedures in place for processing payroll amendments and running the monthly pay-run. Though the payroll staff experienced and knowledgeable there is a risk that in periods of absence there is insufficient shared understanding of how to carry out these processes in a timely manner. Policies and procedures should be drafted and available on the intranet for easy access by payroll/HR staff and line managers. The policies should detail roles and responsibilities, make reference to other relevant policies (i.e. Exit interviews for leavers) and include reference to any relevant HR/payroll staff training.</p>	<p>Agreed</p> <p>Leaver process to be created. Payroll processes to be process mapped and procedures written. These will be placed on the HR portal.</p> <p>Implementation Date</p> <p>31 March 2019</p>	<p>Overdue</p> <p>Phase A of Future Guildford commenced in March 2019 and incorporated the Payroll and HR teams. This is a major programme of restructuring, the aim of which is to streamline processes, including those of payroll and HRr. As a part of future guildford a series of knowledge based articles have been designed. These are in depth guidance for employees and their line managers on actions to take in the event of a range of changes in circumstances.</p>

			<p>We reviewed one of these articles, which appeared comprehensive. These will be available on the council's intranet in due course.</p> <p>Revised Deadline 30 June 2020</p>
3	<p>Un-signed employment contracts</p> <p>We were unable to evidence the existence of signed employment contracts for all starters in the testing sample. In addition, we found that the contracts for some payroll amendments relating to changes in posts were not signed by the employee. Commencing work in the absence of a formal signed contract, implies that the employee has accepted the contract and from a legal standpoint, is expected to comply with the terms and conditions. However, there is a risk that without a signed contract the employee could believe that they do not have to comply with the conditions, for example, fulfilling their notice period when they decide to terminate their contract. The payroll team should not accept the record until signed contracts are saved on the staff site.</p>	<p>Agreed</p> <p>Electronic signatures are already accepted, contracts are issued by email and returned electronically. Payroll process for new starters will include a signed contract check before accepting the record.</p> <p>Implementation Date 31 March 2019</p>	<p>Implemented</p> <p>The importance of ensuring that employment contracts are signed has been emphasised to the HR and Payroll teams.</p> <p>There has been more of an emphasis placed on contracts being signed electronically, to move towards a more efficient paperless system.</p>
4	<p>Timely authorisation of payroll amendments</p> <p>During sampling we noted that formal written authorisation was not obtained prior to processing an amendment on selima. This was for recruitment to a new post, which must be authorised by an appropriate manager. This authority was not obtained in writing until 7 days after the amendment was accepted and implemented on the payroll system. When queried we were advised that verbal authorisation was given, however there is no documentary record of this.</p>	<p>Agreed</p> <p>HR team advised not to make appointments until the formal authorisation has been received in all cases.</p> <p>Implementation date 31 March 2019</p>	<p>Overdue</p> <p>The requirement to await formal authorisation before implementing amendments has been communicated to relevant staff. However, this requirement has not been formalised in policy. The introduction of the new ERP system will include a review of all processes and</p>

			<p>aiming to streamline these, with new policies and procedures to be implemented in due course.</p> <p>Revised deadline</p> <p>30 June 2020</p>
5	<p>Value for money assessment for over-time (OT) payments</p> <p>From our data and analytics we noted that 35% of total employees paid during the six months under review incurred overtime payments. Rates vary depending on timing on work with 1.5x and 2x base salary paid for OT on weekends and evening work. 193 staff were paid ot at increased rates in the period, with increased rate payments equivalent to more than 20% of gross salary paid for 28 staff.</p> <p>Total OT payments during the six month period total £430k equivalent to 4% of total gross pay. We recommend that the Council conduct a value for money assessment of overtime paid across departments, to satisfy the Council that overtime pay is the most cost effective option available.</p>	<p>Agreed</p> <p>The use of overtime across the organisation is currently being reviewed by our business improvement team. The council is facing a major reorganisation of services. This future guildford programme, will address this issue.</p> <p>Implementation date</p> <p>31 March 2021</p>	<p>Audit Note</p> <p>This is an area, which is already being looked at as part of the Future Guildford programme and is a corporate wide review of overtime, agency staff, contractors and casual staff costs. Alternative working patterns to replace overtime are also being considered.</p>

CREDITORS			
	RECOMMENDATION	MANAGEMENT RESPONSE	STATUS
1	<p>Review of Supplier Amendments</p> <p>When a department completes a payment requisition form (PRF) with the suppliers' bank details it is assumed that they have verified suppliers' bank details via independent verification.</p> <p>There is no requirement to forward the external evidence received from the supplier to the payments team and they rely on the services to satisfy themselves as to the validity of the bank details. This creates a risk that inappropriate changes and potentially fraudulent transactions are processed. We recommend that there are monthly exception reports detailing all amendments made to supplier details and that these are reviewed and spot checked.</p>	<p>Agreed</p> <p>Corporately, all areas will be made aware that when they fill out a payment requisition, they need to attach the documentation of their checks they do to make sure bank details are correct by adapting the same method the payments team use.</p> <p>Implementation Date</p> <p>Immediately</p>	<p>Overdue</p> <p>Internal departments continue to send payment requisition forms without proof of verification of any amendments in suppliers' bank details. Where there is an invoice attached, the Payments team will verify bank details, the S151 Officer will issue corporate guidance and instruction to all services to provide evidence of verification. The Payments team would then be able to reject all payment requisitions with insufficient verification.</p> <p>Deadline 30 December 2019</p>
2	<p>Maintaining policies and procedures</p> <p>We noted that there are no written policies and procedures in relation to the payments process.</p> <p>Without widely available policies and procedure notes there is a risk that staff are unaware of their roles and responsibilities, particularly when staff from various departments have a role in the process for authorising invoices and verifying changes to suppliers' bank details. This in turn may result in inefficiencies in the process and the risk that appropriate detective and preventative controls are not in place to detect instances of fraud.</p>	<p>Agreed</p> <p>Policies and procedures to be created.</p> <p>Implementation date</p> <p>Immediately</p>	<p>Overdue</p> <p>Phase A of Future Guildford commenced in March 2019 and incorporated the finance team. This is a major programme of restructuring, the aim of which is to streamline processes, including those of finance. The payments process has been one of those subject to review, with new policies to follow.</p> <p>Revised deadline</p> <p>1 April 2020</p>

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Guildford Borough Council

Head of Internal Audit Annual Opinion

1 April 2019 to 31 March 2020

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.
 3. Support the Director of Finance and Managing Director as the Responsible Financial

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 2019-20 there were 31 planned audits, including service efficiency reviews and some contingency work. Over the year, we have completed or are currently working on 29 audits, which represent 94 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 2020 are shown below:

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

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. A routine financial reconciliation highlighted a discrepancy in some ICT assets and an audit review was instigated. The review found that there were inconsistent asset management controls which put the Council's assets at risk, however, the proper financial controls, operated as intended in discovering the issue. In 2020-2021, there will be a full review of the control mechanisms of the Council's ICT assets.
- 2.7 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.
- 2.8 We have received 11 Ombudsman complaints within the year two of which were upheld and the remedial action was an apology to the complainants.
- 2.9 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. Improved service planning which recognises the emerging priorities and risks for the services,
 3. increased customer focus through more efficient and outward facing service delivery,
 4. a transformation programme Future Guildford which has delivered savings of ??? in the first phase.
 5. a review of the potential impact of Brexit on our services
 6. better governance on procurement
 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,
- 2.10 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 partial assurance. These were:
- Asset Management
 - Lettings and Voids
- 2.11 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:
- Programme and project management,
 - Governance arrangements of the Council's wholly owned limited company
 - Service planning

- 2.12 There have been continuing changes over the last year with the focus on the implementation of the first phase of the Future Guildford Project. This has transformed and re-organised services across the Council. The project was agreed by Council in February 2019 and implementation and transition is taking place over the next 24 months. We recognise that risk always increases in times of change and the increased levels of risk will be taken into account in the audit plan for 2020-21. We review the governance arrangements where changes have already taken place or are planned to identify any control issues.
- 2.13 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.
- 2.14 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.
- 2.15 I can therefore provide substantial assurance that the Council's systems of governance, risk management and internal control in operation until 31 March 2020 were generally sound and operate consistently across departments.

Joan Poole

Chief Internal Auditor

Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Director of Service Delivery

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Lead Councillor responsible: Joss Bigmore

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Date: 26 March 2020

Audit Report on the Certification of Financial Claims and Returns 2018-19: 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 2018-19. The audit covers claims returns relating to expenditure of over £34.8 million, spanning:

- Housing Benefit Subsidy worth £31.5 million
- Pooling of Housing Capital Receipts worth £3.3 million

Although it has been necessary to qualify the Subsidy claim, the auditor found a minimal number of errors, with no new error types identified and minimal extrapolation.

The DWP has settled our claim without any amendments. We have provided assurance that we are continuing with our checking regime and looking for ways to reduce errors further.

The Pooling of Housing Capital Receipts audit also had no amendments.

Recommendation to Committee

The Committee is asked to note the position regarding the certification of claims and returns for 2018-19.

Reason for Recommendation:

To formally sign off our claims and returns for 2018-19.

Is the report (or part of it) exempt from publication? No

1. Purpose of Report

- 1.1 The Council receives reports from its auditors Grant Thornton (GT) regarding their work to provide assurance on our financial claims and returns relating to the financial year 2018-19.
- 1.2 The GT Housing Benefit (Subsidy) Assurance Process Report is attached as Appendix 1

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 We engaged with GT to carry out the Housing Benefit (Subsidy) Assurance Process for 2018-19.
- 3.2 GT provided the S151 Officer of Guildford Borough Council and the Department for Work and Pensions (DWP) with assurance relating to our Housing Benefit Subsidy claim of £31.5 million.
- 3.3 We also asked GT to carry out work on our Pooling of Housing Receipts return.

4. Audit Findings

Housing Benefit Subsidy:

- 4.1 GT identified a number of matters from the assurance work, the details of which are contained in their report attached at **Appendix 1**. These 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.
- 4.2 For 2018-19, it is pleasing to report that once again GT identified no new error types. All errors found were in the additional testing that is carried out due to errors found in previous years. Five overpayment errors extrapolated to £5,202.12 (of which one tax credit error of £234 extrapolated to £5,130). This compares to four errors totalling £252 in 2017-18, and shows how individual errors can have a sizeable impact when extrapolated across the caseload.
- 4.3 GT additionally identified some errors with the manual process used to account for some bed and breakfast claims, which had led the original claim to be understated by £10,046. We were able to amend the claim as a result.
- 4.4 In summary, because the auditors found errors as set out in their report in **Appendix 1** the Subsidy claim is qualified. The DWP has confirmed that no changes are required, and the claim is therefore currently closed. They requested assurances that procedures have or will be put in place to reduce the

possibility of the errors as reported by the reporting accountant being repeated in future claims. We have provided these assurances.

- 4.5 This is the seventh year running that we have had the subsidy claim qualified. Set against the overall subsidy of £31.5 million the errors are low; however the techniques of extrapolation used by GT following DWP guidance could easily count against us in the future, as they did in 2012-13 and 2013-14.
- 4.6 In terms of managing the risks associated with financial claw backs available to the DWP, the team continues to face staff shortages with a number of vacant posts being covered by temporary staff and the On Demand Assessment Service from our software supplier, pending Phase B of the Future Guildford programme.
- 4.7 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.
- 4.8 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.

Pooling Housing Capital Receipts:

- 4.9 The audit did not identify any amendments.

5. Advice

- 5.1 Members of the Committee are advised of the following as a broad commentary of the 2018-19 Housing Benefit Subsidy claim.
- 5.2 The DWP is satisfied with our claim, and we have provided the assurances they requested regarding procedures that we have in place to reduce the possibility of the errors as reported by the reporting accountant being repeated in future claims.
- 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 third 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 £31.5 million - the amount of benefit paid to claimants on behalf of the government. From the additional sample, GT identified errors on five claims resulting in overpayments totalling £241.15.
- 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 2018-19 the Benefits Service processed nearly 1,850 new claims for Housing Benefit and Local Council Tax Support and amended claims over 27,350 times for changes in circumstances. Claimants often have multiple changes in circumstance at the same time (for instance the claimant reduces the hours they work, and their partner changes their job to compensate). Over 49,000 individual changes were processed in 2018-19.
- 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 they have to deal with.
- 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 additional rules linked to Universal Credit run-on (payments of benefit made to "compensate" for Universal Credit not being paid swiftly). There is also an increasing number of DWP initiatives to incorporate into the daily workload aimed at reducing fraud and error.
- 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.
- 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. Key Risks

6.1 Future Guildford Changes

Timeliness and accuracy underpin the Subsidy grant. In recent years vacancies have affected timeliness of processing, and the quality of temporary staff affected accuracy. The Future Guildford Programme should increase resilience by ensuring a bigger pool of staff are available to work on claims. However, training and retention will be key to making this work. It may be that in the short term we need to continue to use the On Demand Assessment Service to provide skilled cover during the period of upheaval that is likely to be inevitable in 2020-21.

7. Financial Implications

7.1 The financial implications arising from this report are set out in the main text.

7.2 The fee paid to Grant Thornton for the 2018-19 Subsidy Audit was £28,000.

7.3 The fee paid for the Pooling of Housing Receipts Return Audit was £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. Equality and Diversity Implications

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

11. Climate Change/Sustainability Implications

11.1 No relevant climate change/sustainability implications apply.

12. Conclusion

12.1 The Housing Benefit subsidy claim has been qualified for 7 years and, as a result, Grant Thornton completed additional checking in 2018-19. 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.

Agenda item number: 7

15. Background Papers

None

16. Appendices

Appendix 1: GT letter and report.

Section 151 officer Guildford Borough Council

29th November 2019

Dear Sirs,

Housing Benefit (Subsidy) Assurance Process 2018/19 Module 6 DWP Reporting Framework Instruction (Applicable to England only) Reporting accountants' report for the Housing Benefit Subsidy claim form MPF720A, year ended 31 March 2019

This report is produced in accordance with the terms of our engagement letter with Guildford Borough Council dated 20 November 2019 and the standardised engagement terms in Appendix 2 of HBAP Module 1 2018/19 issued by the Department for Work and Pensions (DWP) for the purpose of reporting to the Section 151 Officer of Guildford Borough Council and the DWP.

Our report is prepared solely for the confidential use of the Local Authority and the DWP and solely for the purpose of facilitating the claim for Housing Benefit Subsidy on form MPF720A dated 29 April 2019 and the final version dated 27 November 2019.

This report should not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by the standardised engagement terms), without our prior written consent. Without assuming or accepting any responsibility or liability in respect of this report to any party other than the local authority and the DWP, we acknowledge that the local authority and/or the DWP may be required to disclose this report to parties demonstrating a statutory right to see it.

This report is designed to meet the agreed requirements of Local Authority and the DWP as described in the DWP HBAP reporting framework instruction 2018/19.

This report should not therefore be regarded as suitable to be used or relied by any other party for any purpose or in any context. Any party other than the Local Authority and the DWP which obtains access to this report or a copy and chooses to

rely on this report (or any part of it) will do so entirely at its own risk. To the fullest extent permitted by law, we accept no responsibility or liability in respect of our work or this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by the reliance of anyone other than the addressees on our work or this report.

Respective responsibilities of the Local Authority and the reporting accountant

We conducted our engagement in accordance with HBAP Modules 1 and 6 2018/19 issued by the DWP, which highlight the terms under which DWP has agreed to engage with reporting accountants.

The Section 151 Officer of the Local Authority has responsibilities under the Income-related Benefits (Subsidy to Authorities) Order 1998. The section 151 Officer is also responsible for ensuring that the Local Authority maintains accounting records which disclose with reasonable accuracy, at any time, the financial position of the Local Authority. It is also the Section 151 Officer's responsibility to extract relevant financial information from the Local Authority's accounting records, obtain relevant information held by any officer of the Local Authority and complete the attached form MPF720A in accordance with the relevant framework set out by the DWP.

Our approach

For the purpose of the HBAP engagement we have been provided with a signed copy of form MPF720A 2018/19 dated 29 April 2019 and the final version dated 27 November 2019 by the Section 151 Officer. The Section 151 Officer remains solely responsible for the completion of the MPF720A and is the signatory on the local authority's certificate on claim form MPF720A.

Our engagement was carried out in accordance with the DWP reporting framework instruction which has been prepared in accordance with the *International Standard on Related (ISRS) 4400, Engagement to perform agreed-upon-procedures regarding financial information*. The purpose of the engagement is to perform the specific test requirements determined by the DWP on the defined sample basis as set out in HBAP Modules of the HBAP reporting framework instruction on the Local Authority's form MPF720A dated 29 April 2019 and the final version dated 27 November 2019, and to report the results of those procedures to the Local Authority and the DWP.

The results of these are reported on in appendices A, B, C and D.

Inherent limitations

The procedures specified in DWP's HBAP Reporting framework instruction does not constitute an examination made in accordance with generally accepted auditing standards, the objective of which would be the expression of assurance on the contents of the local authority's claim for Housing Benefit subsidy on form MPF720A. Accordingly, we do not express such assurance. Had we performed additional procedures or had we performed an audit or review of the local authority's claim for Housing Benefit subsidy on form MPF720A in accordance with generally accepted auditing or review standards, other matters might have come to our attention that would have been reported to you. This report relates only to the Local Authority's form MPF720A and does not extend to any financial statements of the Local Authority, taken as a whole.

This engagement will not be treated as having any effect on our separate duties and responsibilities as the external auditor of the Local Authority's financial statements. Our audit work on the financial statements of the Local Authority is carried out in accordance with our statutory obligations and is subject to separate terms and conditions. Our audit report on the Local Authority's financial statements is made solely to the Local Authority's members, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work was undertaken so that we might state to the Local Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Local Authority and the Local Authority's members, as a body, for our audit work, for our audit reports, or for the opinions we have formed in respect of that audit.

Summary of HBAP report

Summary of Initial Testing

In accordance with HBAP modules an initial sample of cases was completed for all general expenditure cells. We have re-performed a sample of the Local Authority's testing and confirm the tests we have carried out concur with the Local Authority's results:

Cell 011 Non HRA Rent Rebate

No claims were found to be in error.

Cell 055 HRA rent rebate

No Claims were found to be in error.

Cell 094 Rent Allowance

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Appendix 1

No claims were found to be in error.

Completion of Modules

Completion of Module 2

No issues were identified.

Completion of Module 5

We have completed the questionnaire for the appropriate software supplier and no issues were identified.

Summary of testing arising from Cumulative Assurance Knowledge and Experience

In line with the requirements of HBAP Modules we have undertaken CAKE testing based upon the preceding Qualification Letter. Where appropriate the Authority has completed testing of the sub populations for:

HRA Rent Rebates – calculation of earned income within Cell 055

HRA Rent Rebates – calculation of tax credits within Cell 055

HRA Rent Rebates – calculation of occupational pension income Cell 055

Rent allowances – calculation of self-employed earnings within Cell 094

Rent allowances – calculation of tax credits within Cell 094

We have re-performed a sample of the Authority's testing and confirm the tests we have carried out concur with the Authority's results. These results are outlined in the appropriate appendix.

Summary paragraph/ending of letter

For the form MPF720A dated 27 November 2019 for the year ended 31 March 2019 we have completed the specific test requirements detailed in the DWP reporting framework instruction HBAP and have identified the following results set out in Appendix A, B, C and D.

Firm of accountants...**Grant Thornton UK LLP**.....

Office...**London**.....

Contact details (person, phone and email) **Sebastian Evans,**
sebastian.evans@uk.gt.com 020 7728 3451

Signature / stamp..... *Grant Thornton UK LLP*

Date..... *29/11/2019*

Appendix A Exceptions/errors found

Cell 055 Overpaid benefit – Occupational Pension Error

Cell 055 HRA Rent rebate

Cell Total: £13,005,045

Cell Total £1,117,687 – sub population

Cell Population: 2,885 cases

Cell Population: 300 cases – sub population

Our testing in 2015/16 identified that the Authority had not correctly taken occupational pension income into account in calculating benefit entitlement. Further errors were noted in 2016/17 and 2017/18.

During our initial testing, 3 cases (value £11,312) where the assessment was based on occupational pension income were tested and no errors were identified. However, given the nature of the population and the errors found in the previous claim, an additional sample of 40 cases where an assessment in the subsidy period was based upon occupational pension income was tested. This additional testing identified:

- 1 case (value £487) which resulted in an overpayment of housing benefit to a total of £0.15 in 2018/19 due to miscalculating the claimants occupational pension income. This has been rounded to £0 in our extrapolation table.
- 1 case (value £3,070) which had resulted in an underpayment of housing benefit to a total of £3 in 2018/19 due to miscalculating the claimants occupational pension income. As there is no eligibility to subsidy for benefit which has not been paid, the underpayment (or nil impact) identified does not affect and has not, therefore, been classified as errors for subsidy extrapolation purposes.

The following table is based on these findings:

Sample	Movement / brief note of error:	Original cell total: sub population (claims with occupational pension)	Sample error:	Sample value:	Percentage error rate (to four decimal places):	Cell adjustment:
		[CT]	[SE]	SV	[SE/SV]	[SE/SV times CT]
Initial sample – 3 cases	Incorrect Occupational Pension Income Calculation – Cell 055	£13,005,045	£0	£11,312		
Additional testing sample – 40 cases	Incorrect Occupational Pension Income Calculation – Cell 055	£1,117,687	£0.15	£145,524		
Combined sample - 43 cases	Incorrect Occupational Pension Income Calculation – Cell 055	£1,117,687	£0.15	£156,836	0.0001%	(£1.12)
Corresponding adjustment:	Combined sample - Cell 061 is overstated	£1,117,687	£0.15	£156,836	0.0001%	(£1.12)
Total corresponding adjustment	Total amendment of Cell 065					£1.12

Given the value of the overpayment, this table has been produced to four decimal points in order to most appropriately reflect the extrapolated overstatement.

Cell 055 Overpaid benefit – Tax Credits Error
Cell 055 HRA Rent rebate
Cell Total: £13,005,045
Cell Total £2,074,655 – sub population
Cell Population: 2,885 cases
Cell Population: 575 cases – sub population

Our testing in 2015/16 identified that the Authority had not correctly taken tax credits into account in calculating benefit entitlement. Further errors were noted in 2016/17 and 2017/18.

During our initial testing, 3 cases (value £10,233) where the assessment was based on tax credits were tested and no errors were identified. However, given the nature of the population and the errors found in the previous claim, an additional sample of 40 cases where an assessment in the subsidy period was based upon earned income was tested. This additional testing identified:

- 1 case (value £2,805) which resulted in an overpayment of housing benefit to a total of £3 in 2018/19 due to not correctly taking tax credits into account.
- 2 cases (value £10,720) which had resulted in an underpayment of housing benefit to a total of £245 in 2018/19 due to not correctly taking tax credits into account. As there is no eligibility to subsidy for benefit which has not been paid, the underpayment (or nil impact) identified does not affect and has not, therefore, been classified as errors for subsidy extrapolation purposes.

The following table is based on these findings:

Sample	Movement / brief note of error:	Original cell total: sub population (claims with tax credits)	Sample error:	Sample value:	Percentage error rate (to four decimal places):	Cell adjustment:
		[CT]	[SE]	SV	[SE/SV]	[SE/SV times CT]
Initial sample – 3 cases	Incorrect application of tax credits – Cell 055	£13,005,045	£0	£10,233		
Additional testing sample – 40 cases	Incorrect application of tax credits – Cell 055	£2,074,655	£3	£132,326		
Combined sample - 43 cases	Incorrect application of tax credits – Cell 055	£2,074,655	£3	£142,559	0.0021%	(£44)
Corresponding adjustment:	Combined sample - Cell 061 is overstated	£2,074,655	£3	£142,559	0.0021%	(£44)
Total corresponding adjustment	Total amendment of Cell 065					£44

Given the value of the overpayment, this table has been produced to four decimal points in order to most appropriately reflect the extrapolated overstatement.

Cell 094 Overpaid benefit – Self-Employed Earnings
Cell 094 Rent allowances
Cell Total: £18,894,476
Cell Total £1,717,388 – sub population
Cell Population: 3,264 cases
Cell Population: 269 cases – sub population

Our testing in 2015/16 identified that the Authority had not correctly taken self-employed earnings into account in calculating benefit entitlement. Further errors were noted in 2016/17 and 2017/18.

During our initial testing, 2 cases (value £9,841) where the assessment was based on self-employed earnings were tested and no errors were identified. However, given the nature of the population and the errors found in the previous claim, an additional sample of 40 cases where an assessment in the subsidy period was based upon earned income was tested. This additional testing identified:

- 2 cases (value £4,962) which resulted in an overpayment of housing benefit to a total of £4 in 2018/19 due to miscalculating the claimants' self employed earnings. The errors ranged from £0.40 to £3.64.
- 4 cases (value £34,495) which had resulted in an underpayment of housing benefit to a total of £159 in 2018/19 due to miscalculating the claimants' self-employed earnings.'
- 3 cases (value £25,100) where the error had no impact on entitlement to benefit or to subsidy.

As there is no eligibility to subsidy for benefit which has not been paid, the underpayment (or nil impact) identified does not affect and has not, therefore, been classified as errors for subsidy extrapolation purposes.

Sample	Movement / brief note of error:	Original cell total: sub population (claims with self-employed earnings)	Sample error:	Sample value:	Percentage error rate (to four decimal places):	Cell adjustment:
		[CT]	[SE]	SV	[SE/SV]	[SE/SV times CT]
Initial sample – 2 case	Incorrect calculation of self-employed earnings – Cell 094	£18,894,476	£0	£9,841		
Additional testing sample – 40 cases	Incorrect calculation of self-employed earnings – Cell 094	£1,717,388	£4	£238,482		
Combined sample - 42 cases	Incorrect calculation of self-employed earnings – Cell 094	£1,717,388	£4	£248,323	0.0016%	£27
Corresponding adjustment:	Combined sample - Cell 102 is overstated	£1,717,388	£4	£248,323	0.0016%	(£27)
Total corresponding adjustment	Total amendment of Cell 113					£27

Agenda item number: 7
Appendix 1

July 2018

Housing Benefit (subsidy) Assurance Process Report

Subsidy Year 2018/19

Given the value of the overpayment, this table has been produced to four decimal points in order to most appropriately reflect the extrapolated overstatement.

Cell 094 Overpaid benefit – Tax Credits Error
Cell 094 Rent allowances
Cell Total: £18,894,476
Cell Total £6,412,477 – sub population
Cell Population: 3,264 cases
Cell Population: 1,031 cases – sub population

Our testing in 2015/16 identified that the Authority had not correctly taken tax credits into account in calculating benefit entitlement. Further errors were noted in 2016/17 and 2017/18.

During our initial testing, 9 cases (value £46,259) where the assessment was based on tax credits were tested and no errors were identified. However, given the nature of the population and the errors found in the previous claim, an additional sample of 40 cases where an assessment in the subsidy period was based upon earned income was tested. This additional testing identified:

- 1 case (value £13,350) which resulted in an overpayment of housing benefit to a total of £234 in 2018/19 due to not correctly taking tax credits into account.
- 1 case (value £3,568) which had resulted in an underpayment of housing benefit to a total of £292 in 2018/19 due to not correctly taking tax credits into account. As there is no eligibility to subsidy for benefit which has not been paid, the underpayment (or nil impact) identified does not affect and has not, therefore, been classified as errors for subsidy extrapolation purposes.

The following table is based on these findings:

Subsidy Year 2018/19	Housing Benefit (subsidy) Assurance Process Report	July 2018
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Sample	Movement / brief note of error:	Original cell total: sub population (claims with tax credits)	Sample error:	Sample value:	Percentage error rate (to two decimal places):	Cell adjustment:
		[CT]	[SE]	SV]	[SE/SV]	[SE/SV times CT]
Initial sample – 9 cases	Incorrect application of tax credits – Cell 094	£18,894,476	£0	£46,259		
Additional testing sample – 40 cases	Incorrect application of tax credits – Cell 094	£6,412,477	£234	£258,004		
Combined sample - 49 cases	Incorrect application of tax credits – Cell 094	£6,412,477	£234	£304,263	0.08%	£5,130
Corresponding adjustment:	Combined sample - Cell 103 is overstated	£6,412,477	£234	£304,263	0.08%	(£5,130)
Total corresponding adjustment	Total amendment of Cell 113					£5,130

Appendix 1

Appendix B Observations

Cell 055 Overpaid benefit – Earnings
Cell 055 HRA Rent rebate
Cell Total: £13,005,045
Cell Total £2,086,284 – sub population
Cell Population: 2,885 cases
Cell Population: 621 cases – sub population

Our testing in 2015/16 identified that the Authority had not correctly taken tax credits into account in calculating benefit entitlement. Further errors were noted in 2016/17 and 2017/18.

During our initial testing, 4 cases (value £13,245) where the assessment was based on tax credits were tested and no errors were identified. However, given the nature of the population and the errors found in the previous claim, an additional sample of 40 cases where an assessment in the subsidy period was based upon tax credits was tested. This additional testing identified:

1 case (value £1,935) which had resulted in an underpayment of housing benefit to a total of £6 in 2018/19 due to miscalculating the claimants tax credits. As there is no eligibility to subsidy for benefit which has not been paid, the underpayment (or nil impact) identified does not affect and has not, therefore, been classified as errors for subsidy extrapolation purposes.

For one case in Cell 104 it was noted that a benefit granted for a 12 day period in March 2016 (registered as a prior year underpayment in 2018/19) had been generated through a system issue. The system issue means that in some instances, changes to current benefit entitlement have automatically generated underpayments relating to that 12 day period in March 2016, despite the fact that the new assessments do not impact that period. The auditor identified six separate instances of this occurring within the same case for the same period, with values of £0.28, £0.28, £0.28, £0.28, £0.28 and £1.16 (totalling £3.43).

This has resulted in a headline claim of £3.43 to Cell 094 and a corresponding amount of £3.43 to cell 102.

The theoretical benefit payment arising from this system issue was recovered against an existing overpayment and so has not been directly paid to the claimant, although it does appear on the claim form against Cell 094 and Cell 102.

The authority raised this issue with their software provider in December 2016, when the matter was first noted. A holding update was provided by the supplier in February 2018 with a revised update in October 2019 with a proposed means for addressing the issue. In November 2019 the supplier has advised of a potential fix that can be applied that should resolve this issue, to be first tested on a replica of the database.

The authority has appropriately installed available patches that were available as at the time of running the claim form in April 2019, as confirmed through Module 5.

No other instances of this issue have been noted as part of our testing. Based on feedback received from the supplier so far, the Authority do not believe it is currently possible to assess the total potential impact or value of this error although expect it will be possible to determine this once this until the fix is applied on a replica of the database.

Appendix C: Amendments to the claim form MPF720A

Cell 011 Bed and Breakfast

The authority's original MPFA720, as submitted on 29 April 2019, included a manual adjustment to Headline Cell 011 and eligibility cells 012 and 013. This was to bring in claims for Bed & Breakfast cases as these are not managed within the Authority's Civica system but are instead administered manually. Bringing these cases onto the claim form had the effect of increasing the values of Cells 011, 012 and 013 by £83,701, £37,451 and £46,250 respectively. These cases are tracked on a manual spreadsheet.

We reviewed a sample of 12 cases (of 60 in total) in line with Module 3. On our review of the underlying records we found that, while benefit had been correctly calculated and awarded, a typographical error on the manual spreadsheet meant that the values of Cell 011 and Cell 013 had been inflated for £40 with respect to this case, as the details on the invoice that had been paid had not been accurately transposed into the manual spreadsheet.

It was also noted that a spreadsheet error, in which a subtotal had been left blank by mistake, had caused three cases to be excluded from the overall totals, which had the effect of understating Cell 011 by £3,584 and understating Cell 013 by £3,584.

Given the prevalence of errors, the Authority were asked to review the underlying spreadsheet to ensure that all remaining formulas in the spreadsheet were correct and that all invoices had been correctly input. As a result of this review further typographical errors were identified, which had the effect of understating Cell 011 by £1,479, understating Cell 012 by £1,309 and understating Cell 013 by £170.

As a result of these changes, the final claim form contains values for Cells 011, 012 and 013 of £88,724, £38,760 and £49,964 respectively, representing an increase between the original claim (dated 29 April 2019) form of £5,023, £1,309 and £3,714 respectively.

These have been adjusted for in the final claim form dated 27 November 2019.

No errors were noted with respect to the underlying claim handling, but only with respect to the underlying spreadsheet used to total the subsidy claims. Therefore where cell values have increased, this is not due to benefits being underpaid but due to their being omitted from the claim form.

Appendix D Additional issues

No additional issues were noted.

Corporate Governance and Standards Report

Ward(s) affected: All

Report of Director of Resources

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Date: 26 March 2020

Financial Monitoring 2019-20

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 2019 to January 2020.

Officers are projecting a decrease in net expenditure on the general fund revenue account of £30,771, which includes a £39,640 reduction in the statutory Minimum Revenue Provision (MRP) charge to the general fund to make provision for the repayment of past capital debt reflecting a re-profiling of capital schemes and an increase in the anticipated income received from investments of £63,135. At service level, the projected outturn is £72,004 higher than the latest estimate once adjusted for items either funded from reserve or transferred to reserve.

A surplus on the Housing Revenue Account will enable a projected transfer of £10.796 million to the new build reserve and the reserve for future capital at year-end. The transfer is projected to be £212,000 lower than budgeted assumption and reflects modest variations in rental income and additional repair and maintenance expenditure.

Officers are making progress against significant capital projects on the approved programme as outlined in section 7. The Council expects to spend £66.232 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.

The Council's underlying need to borrow to finance the capital programme is expected to be £39 million by 31st March 2020, against an estimated position of £53.35 million. The lower underlying need to borrow is a result of slippage on both the approved and provisional capital programme as detailed in paragraph 7.3 to 7.6 of the report.

The Council held £123 million of investments and £235 million of external borrowing at 31 January 2020, which includes £192.9 million of HRA loans. Officers confirm that the

Council has complied with its Prudential indicators in the period, which were set in February 2019 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 2019 to January 2020 and makes any comments it feels appropriate

Reason(s) for Recommendation:

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

1. Purpose of Report

- 1.1 Recommendation 8 of the 2015 Council Governance Review was: 'That the importance of the Corporate Governance and Standards Committee to the Council be recognised, particularly in the way in which it supports the overview and scrutiny function through ongoing scrutiny of financial matters, including its proposed expanded remit on the treasury management function and budget monitoring.
- 1.2 This Committee started its enhanced review of our financial management at its meeting on 24 September 2015. This report covers the period April 2019 to January 2020.

2. Strategic Priorities

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

3 Background

- 3.1 The Council undertakes regular financial monitoring in the following ways:
 - a. reporting the General Fund and Housing Revenue Account position on a bimonthly basis [periods 2, 4, 6, 8 and 10] This report covers the period to January 2020 [period 10] and covers all Council services
 - b. quarterly monitoring of the capital programme
 - c. monthly and quarterly monitoring of its treasury management activity
- 3.2 The Council's Corporate Management Team (CMT), Chief Finance Officer and deputies, 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 We have amended the monitoring periods for 2019-20 to better align with scheduled dates for this committee. This change enables the committee to scrutinise the financial monitoring on five occasions rather than the previous four occasions.
- 3.4 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. 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 considers any virement or supplementary estimates approved since the original budget was set in February 2019. The appendix also shows where transfers to and from reserves are impacting on the forecasted outturn position.
- 4.3 At total service level after adjustment for movements to and from reserve, the projected outturn is £72,004 higher than the latest estimate.
- 4.4 The reported position at month 8 forecasted an underspend at total service level of £193,991 due, in the main, to the implementation of an action plan drawn up by Officers to identify in year savings. Since this action the position has changed slightly due to additional cost of agency staff.
- 4.5 Net external interest receivable is currently projected to be £63,135 higher than our original estimate. This is due, in part, to better than expected returns due to the UK having agreed the Brexit withdrawal agreement with the EU. However, it is possible that a dip in interest rates could occur due to market factors around the coronavirus by the end of the financial year.
- 4.6 The Minimum Revenue Provision (MRP), based on the Capital Financing Requirement (CFR) at 31 March 2019 for the purposes of this report is shown as £926,640. This is £39,640 lower than originally estimated. The reduction is due to slippage in the capital programme experienced during 2018-19.
- 4.7 The table shows the supplementary estimates and virements approved to date.

Supplementary Estimates 2019-20

Service/Description	Approval Date	Committee	Value
Watts Gallery Grant	27 th August 2019	Executive	40,000
Stoke Masterplan	24 th September 2019	Executive	380,000
Climate change funding	26 th November 2019	Executive	25,000
Salix Funding	26 th November 2019	Executive	217,000
Stoney Castle enforcement action	26 th November 2019	Executive	120,000
Planning appeals	26 th November 2019	Executive	125,000
TOTAL			£907,000

Virement Record 2019-20

Service/Description	Nature of Virement	Approved by	Date of Approval	Value £
Constant Power – Business Continuity [budget responsibility change]	Recurrent	V Worsfold	14 th May	4,250
Web Team Salary Account [alignment of general ledger coding]	Recurrent	V Worsfold	29 th May	33,680
Repairs and maintenance Holding Account [alignment of general ledger coding]	Recurrent	V Worsfold	7 th June	1,400,000
Electric Theatre [budget responsibility change]	Non-Recurrent	V Worsfold	19 th June	5,730
Surrey Police Domestic Abuse Grant [transfer of funding]	Non-Recurrent	J Whiteman	11 th July	6,000
Transfer of training budgets [allocation of budgets across services from holding account]	Non-Recurrent	V Worsfold	12 th July	209,860
CIL consultancy spend [alignment of general ledger coding]	Non-Recurrent	V Worsfold	1 st August	53,969
Water Fountains - bottle refill points – at Tunsgate and North Street WC sites	Non-Recurrent	CMT	13 th August	3,000
Training budgets [alignment of general ledger coding]	Non-Recurrent	V Worsfold	13 th Sept	1,550
Contribution to Surrey wide Traveller Site study	Non-Recurrent	V Worsfold	31 st Oct	25,000
Woodbridge Road Sports Ground investment in fixtures and fittings	Non-Recurrent	C Morris	31st Oct	46,000
TOTAL				1,789,039

4.8 **Appendix 2** provides detailed information on variances at service level. The table below summarises the main components of the higher than budgeted service level expenditure referred to in paragraph 4.3.

Service/Budget heading	Variance to revised estimate £000	Explanation

Industrial Estates	150	Business rates for void units in Middleton Industrial Estate and Thornberry Way amount to £124,000 and £90,000 respectively. This is partially offset by higher than budgeted income. Officers are investigating if these costs can be reduced following the demolition of Middleton Industrial Estate.
Day Services	52	Expenditure increases are unbudgeted invest to save reserve expenditure of £20,000 and £20,000 of general maintenance costs at the Day Centres. Employee costs are £14,000 over budget as more expensive temporary staff are covering vacant posts; these are required to maintain regulated staff ratios.
Investment Properties	217	Rental income overall is down due to void properties. Increased indirect expenditure on consultants' fees for advice in relation to lease agreements. Officers are seeking alternative tenants to try and mitigate this loss of income
Corporate Property Services	(108)	Projects amounting to £108,000 have been deferred until 2020-21, which may be subject to a carry forward request should the financial position allow.
Crematorium	(201)	Reduction in assumed level of disruption and no requirement to repay non recoverable VAT as originally anticipated
Town Centre Management	199	Income from Public Realm Enhancements has been delayed resulting in an adverse variance of £51,000. The decision has been made to move away from a WIFI concession and in its place to run a mini competition for a larger scale WIFI joint venture. Planned sponsorship income has taken longer to establish than initially anticipated and as a result will achieve £50,000 this financial year, £138,000 lower than the budgeted level. Every effort is being made to increase income from sponsorship. Meetings are being arranged with all departments to look at how we can use the assets we own to generate more sponsorship income.
Parking	467	Projection for income at Bedford Rd, Castle and York Rd MSCP less than budgeted. The reduction in use (possibly due to the rise in internet shopping) has meant that it is unlikely that the income targets will be achieved.
Salary Costs	(765)	Salary savings net of assumed vacancy level across the organisation.
Building Control	203	Vacant post savings are being used to part-fund three agency surveyors although there is an overall shortfall in funding from this arrangement. Building control fees will not now achieve budget; approved inspectors have now been able to obtain insurance and the additional work anticipated will not materialise
Corporate Inflation Budget	(180)	Current working assumption on cost pressures will produce a saving.
Other minor variations	38	
Total	72	

Use of Reserves

- 4.9 As part of the budget setting process for 2019-20 we assumed that £2.6 million would be transferred from earmarked reserves during the year. It is currently assumed that the amount to be transferred from earmarked reserves will increase by £0.6 million to £3.2 million. The table below highlights the major movement along with supporting narrative

Reserve Transfer to (from)	Original Estimate £000	Projected Outturn £000	Variance £000	Explanation
Budget Pressures	(200)	0	200	In 2017-18 Council approved the use of this reserve to offset the potential loss of income during the crematorium rebuild project of £846,000 in 2018-19 and £200,000 in 2019-20. The disruption has been less than anticipated and consequently it is not currently proposed to use this reserve. As this funding is not required to offset the revenue loss of income, a report to Council is currently being prepared to seek approval to use the funding that was set aside in 18/19 and 19/20, to offset the overspend on the crematorium capital project.
Car Parks Maintenance Reserve	(1,004)	(1,287)	(283)	Profiling of repair and maintenance expenditure at our MSCP's.
Business Rates Equalisation reserve	(2,345)	(2,425)	(80)	Additional costs of feasibility studies for transport and infrastructure projects to be funded from this reserve.
Election costs Reserve	62	(124)	(186)	An annual contribution is budgeted as part of the budget process to equalise the cost of Borough Elections held on a four-year cycle. The expenditure shown relates to Borough elections held in May 2019.
Invest to Save	814	(1,483)	(2,297)	Funding to support the ICT and Future Guildford transformation programme and ICT cloud migration.
Recycling Reserve	0	(150)	(150)	This reserve equalises the impact in the revenue account of adverse market movements in the income generated from recycle materials. It is proposed to use the reserve to support £150,000 of costs in 2019-20.
HRA Interest	598	540	(58)	Reduction in Investment income payable to the HRA
Carry Forward Items	0	(756)	(756)	Approved and budgeted projects that were ongoing at the end of the financial year. By allowing unspent project budgets to be carried forward to the next budget period, the pressure to use it or lose it is reduced. Budget managers are given more time to purchase goods or services

				that contribute to the achievement of objectives, which in turn promotes efficient use of resources.
Other Reserves	17	3,091	3,074	The large increase is due to Special Protection Area income received for the future development and maintenance of green spaces. This has been received following the approval of the Local plan.
Other minor variations	(581)	(662)	(81)	Minor variations across several reserves
TOTAL	(2,638)	(3,256)	(0.6)	

5 Housing Revenue Account

5.1 **Appendix 3** shows the budget monitoring report for the Housing Revenue Account (HRA) for the period April 2019 to January 2020. The report shows that HRA gross service expenditure is projected to outturn at 101.4% of the budgeted level, whilst income is projected to be 99.86% of the budgeted level. The projected outturn would enable a transfer of around £10.796 million to the new build reserve and the reserve for future capital, compared to the budgeted transfer of £10.933 million.

- The rental income estimate for 2019-20 incorporated a prudent allowance for Right to Buy (RTB) sales and the re-commissioning of units, along with an estimate for the additional income from new units. Based on data from April to November, rental income is projected to be just shy of the annual estimate, being 0.93% below the budget of £29.736 million.
- Current projections indicate that salary related expenditure; net of temporary staffing and a vacancy allowance of £77,630, will be in line with the budget.
- Emphasis continues to be on planned rather than responsive maintenance, but as the budget provides for both planned and responsive repairs, an element of demand driven cost is inherent in the expenditure. The previous financial year saw an increase in void levels and the service continues to experience higher levels of repair costs in a large part due to voids. Whilst the service returns a property to use as soon as possible, void units typically incur additional repair and improvement expenditure in order to prepare them for subsequent tenants.
- At this point of the year, expenditure on direct repairs and maintenance (R&M) is projected to be around the equivalent outturn figure for 2018-19. R&M expenditure above the 2019-20 estimate can be accommodated within the overall budget primarily due to a reduction in the contribution to the bad debt provision (see 5.3 below).
- 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 presently remain stable. 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 Although rent arrears currently remain at consistent levels, this is in contrast to the overall housing sector, which has seen an increase in the level of arrears. A number of welfare reform changes have now taken effect, but the delay in the roll out of universal credit has so far deferred any potential impact on arrears levels locally. As a result, the budgeted contribution to the bad debt provision of £300,000 has been reduced by £250,000.

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 31 Mar 19 £000	New loans £000	Loans repaid £000	Balance 31 Jan 20 £000	Weighted average rate of interest
PWLB						3.20%
Variable		45,000	0	0	45,000	
Fixed	Maturity	147,435	0	0	147,435	
	EIP	575	0	(115)	460	
Total long-term Loans		193,010	0	(115)	192,895	
Temporary Loans		20,000	62,000	(40,000)	42,000	0.82%
Total Loans		213,010	62,000	(40,115)	234,895	

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 and projected investment income for 2019-20 is £1.17 million. The gross cash balances representing the Council's reserves and

working balances at 31 January available for investment were £123 million and net of short-term borrowing £81.0 million.

- 6.6 The Council's budgeted, and projection of external interest cost, which relates to short and long-term borrowing, for the year is £0.6 million.
- 6.7 The original net interest receivable budget was £877,355. As at the 31 December, we are projecting that the outturn will be higher than budgeted with the caveat around a possible dip in interest rates due to market factors surrounding the coronavirus.
- 6.8 The Council's annualised weighted return on investments for the period to January 2020 was 1.33% against an estimate of 1.629%.
- 6.9 The table below summarises the Council's investment activity for April to January 2020.

Investment	Principal invested £000	Balance 31 Mar 19 £000	Movement in investment £000	Change in capital value £000	Balance 31 Jan 20 £000	Weighted average rate of interest
<u>Investment Funds</u>						
CCLA	5,000	6,756	0	(114)	6,642	4.41%
M&G	1,008	1,395	0	65	1,460	1.83%
Royal London	2,500	0	2,500	(78)	2,422	7.97%
Schroders	1,000	856	0	(75)	781	4.00%
Funding Circle	490	511	0	11	523	1.51%
UBS	2,500	2,312	0	43	2,355	2.31%
<u>In- House Investments:</u>						
Call Accounts		0	(0)		0	0.40%
Money Market Funds		13,229	1,712		27,831	0.74%
Notice Accounts		8,000	0		8,000	0.92%
Temporary Fixed Deposits		6,000	14,000		25,000	0.99%
Unsecured bonds		2,300	3,360		1,000	1.26%
Covered Bonds		18,850	(2,000)		20,100	1.06%
Long Term Fixed Deposits		10,000	0		27,500	1.65%
Revolving Credit Facility		7,500	(7,500)		0	1.26%
Total Investments		77,709	12,072	(147)	123,613	

- 6.10 Some of our externally managed funds have seen a fall in their capital values since inception but income returns across the portfolio have been good which has meant that over the period the total return is positive. 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. Appendix 11 details the performance of our strategic funds as at 30 January 2020.

Prudential Indicators

- 6.11 Officers confirm that the Council has complied with its Prudential indicators in the period, which were set in February 2019 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 £464 million for 2019-20.
- 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 £404 million for 2019-20.
- 6.16 The Chief Financial Officer confirms that there have been no breaches to the authorised limit and operational boundary during the year. Borrowing, at its peak, was £213 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 2019 for each scheme
 - the estimate for 2019-20 as approved by Council in February 2019
 - the 2019-20 revised estimate which takes into account the approved estimate, any project under spends up to 31 March 2019, and any virement or supplementary estimates
 - 2019-20 current expenditure
 - 2019-20 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 paragraph 7.3 to 7.11

CAPITAL EXPENDITURE SUMMARY	2019-20 Approved £000	2019-20 Revised £000	2019-20 Outturn £000	2019-20 Variance £000
General Fund Capital Expenditure				
- Main Programme	62,854	77,780	57,298	(20,482)
- Provisional schemes	17,126	27,496	2,189	(25,307)
- Schemes funded by reserves	6,769	8,334	6,595	(1,739)
- S106 Projects	36	150	150	0
- Affordable Housing (General Fund)	0	0	0	0
Total Expenditure	86,785	113,760	66,232	(47,528)
Housing Revenue Account Capital Expenditure				
Approved programme	8,567	13,267	11,694	(1,574)
Provisional programme	406	1,106	300	(806)
Total Expenditure	8,973	14,373	11,994	(2,380)

Approved (main) programme (Appendix 4)

7.3 Expenditure is expected to be £57.298 million representing a £20.482 million variance to the revised estimate of £77.780 million. If a project is on the approved programme, it is an indicator that the project has started or is near to start following the approval of a final business case by Executive. Whilst actual expenditure for the period of £40.877 million may seem low, a number of significant projects are in progress. These include:

- ED6 – Slyfield area Regeneration Project (SaRP) (£11.451m) - work is progressing on the detailed design, pre-planning and site investigation work for this scheme to inform the final business case. Pre-agreement invoices (Thames Water) have been signed off with post- agreement in pipeline.
- PL9 – Crematorium rebuild (£7.35million) – work is progressing on this scheme which is scheduled for completion in 2019-20
- ED32 – Internal Estate Road CLLR Phase 1 (£8.85 million) - a bid for LEP funding of £4.1m has now been received. Building work on this scheme is progressing.
- ED49 – Midleton Industrial Estate redevelopment (£3.59 million) – work on design and planning is progressing.
- North Downs Housing (£4.379m) and Guildford Holdings Ltd (£2.290) – 21 properties have been purchased this financial year, bringing the total to date to 47.
- P12 – Strategic Property Acquisitions (8.520m) – the two units on Thornberry Way have completed.
- P21 – Ash Road Bridge (1.2m) – work is progressing.
- P5 – Walnut Bridge (1.314m) – work is now progressing.

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 2019-20 will now be carried forward into 2020-21.:

- Town Centre Gateway Regeneration (£3.48 million) – spend now expected in 2020-21.

- ED25 – Guildford Park infrastructure works (£3.76 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
- SMC – (£1.31 million) – spend of £625k is expected in 1920 with the majority of spend now expected in 2020-21.
- A331 hotspots (1.74 million) – spend now expected in 2020-21.
- Ash Road Bridge (1.614 million) spend now expected in 2020-21.
- Public Realm (1.615 million) spend now expected in 2020-21.

Provisional programme (Appendix 5)

- 7.5 Expenditure on the provisional programme is expected to be £2.19 million, against the revised estimate of £27.496 million, representing a variance of £25.31 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 re-profiling of schemes has resulted in a significantly lower level of expenditure than planned in 2019-20.

- 7.6 Several other projects, that were also anticipated to start in 2019-20 have been re-profiled into future years including:
- PL21(p) – Ash Road Bridge (£18.44 million)
 - ED25(p) – Guildford Park new MSCP and infrastructure works (£4.38 million)
 - P11(p) – Guildford West (PB) station (£0.65 million)

S106 (Appendix 6)

- 7.7 Capital schemes funded from s106 developer contributions are expected to total £150,000.

Reserves (Appendix 7)

- 7.8 Capital schemes funded from the Council's specific reserves. The outturn is anticipated to be £6.60 million. The main projects are:
- expenditure on car parks £2.5 million
 - ICT renewals and infrastructure improvements £1.87 million

Capital resources (Appendix 8)

- 7.9 When the Council approved the budget, the estimated underlying need to borrow for 2019-20 was £53.35 million. The current estimated underlying need to borrow is £39.002 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 £11.694 million against a revised estimate of £13.26 million. Several 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.
 - Ladymead/Fire Station – works started on site in Autumn 2018.

Housing Investment Programme Provisional Capital (Appendix 10)

- 7.11 The provisional programme revised estimate is £1.10 million with expenditure anticipated this financial year of £0.3 million. This programme includes provision for the opportunity purchase of land and housing for development, which is dependent on the availability of suitable sites.

8 Consultations

- 8.1 The accountants prepare the budget monitor in consultation with the relevant service managers.

9 Equality and Diversity Implications

- 9.1 There are no direct equality and diversity implications as a result of this report. Each service manager will consider these issues when providing their services and monitoring their budgets.

10 Financial Implications

- 10.1 The financial implications are contained throughout the report.

11 Legal Implications

- 11.1 The Local Government Act 1972, Section 151 states that each local authority has a statutory duty to make arrangements for the proper administration of their financial affairs. In addition, the Accounts and Audit Regulations 2015 impose an explicit duty on the Council to ensure that financial management is adequate and effective and that they have a sound system of internal control, including arrangements for the management of risk.
- 11.2 Proper administration is not statutorily defined; however, there is guidance, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) on the responsibilities of the Chief Financial Officer (CFO). This states that local authorities have a corporate responsibility to operate within available resources and the CFO should support the effective governance of the authority through development of corporate governance arrangements, risk management and reporting framework. Regular monitoring of the Council's actual expenditure to budget and forecasting of the expenditure for the full year is part of the proper administration and governance of the Council.

11.3 There are no further direct legal implications because of this report.

12 Human Resource Implications

12.1 There are no human resource implications arising from this report.

13 Summary of Options

13.1 This report outlines the anticipated outturn position for the 2019-20 financial year based on ten months actual data. There are no specific recommendations and therefore no options to consider.

14 Conclusion

13.1 The report summarises the financial monitoring position for the period April 2019 to January 2020 for the 2019-20 financial year.

13.2 Officers are currently projecting an increase in net income and expenditure of £30,771 on the general fund revenue account.

13.3 The Chief Financial Officer in consultation with the Lead Councillor for Finance and Customer Service will determine the treatment of any balance as part of closing the 2019-20 accounts.

13.4 The surplus on the Housing Revenue Account will enable a transfer of £10.796 million to the new build reserve and the reserve for future capital at year-end.

13.5 Actual expenditure incurred on our general fund capital programme for the period has been comparatively low against the programme envisaged at the 1 April 2019. Officers are making progress against significant capital projects on the approved programme as outlined in section 7. The Council expects to spend £66.232 million on its capital schemes by the end of the financial year.

13.6 It is anticipated that the Council's underlying need to borrow to finance the capital programme will be £39.002 million by 31 March 2020. The Council has complied with Prudential Indicators during the period with the exception of the upper limit on variable interest rates.

13.7 At the end of January 2020, the Council had £123 million of investment balances, and £235 million of external borrowing.

14 Background Papers

14.1 None

15 Appendices

- Appendix 1 - General fund revenue account summary
- Appendix 2 - General fund services - revenue detail
- Appendix 3 - Housing Revenue Account
- 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 11 - Strategic Funds at as 31-01-20

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GENERAL FUND SUMMARY [APRIL 2019 - JANUARY 2020]	Original Estimate 2019-20 £	Latest Estimate 2019-20 £	Projected Outturn 2019-20 £
Community Services	(795,580)	(440,532)	(1,791,521)
Planning and Regeneration	3,247,260	4,841,660	4,072,316
Environment	11,125,160	11,594,402	9,465,338
Management Directorate	801,740	815,007	3,060,395
Finance	6,611,420	6,612,323	6,871,425
Total Directorate Level	20,990,000	23,422,860	21,677,953
Depreciation (contra to Service Unit Budgets)	(8,011,160)	(8,011,160)	(8,011,160)
Directorate Level excluding depreciation	12,978,840	15,411,700	13,666,793
External interest receivable (net)	(877,355)	(877,355)	(940,490)
Minimum Revenue Provision	966,280	966,280	926,640
Revenue income from sale of assets			
Revenue Contributions to Capital Outlay (RCCO)			
Met from: Capital Schemes reserve			
Other reserves	2,992,000	2,992,000	2,992,000
General Fund			
Total before transfers to and from reserves	16,059,765	18,492,625	16,644,943
Transfers to and from reserves			
Capital Schemes reserve			
<i>Funding of Revenue Contribution to Capital Outlay</i>			
<i>Contribution in year</i>			
Budget Pressures reserve	(200,000)	(200,000)	0
Business Rates Equalisation reserve	(2,345,206)	(2,569,842)	(2,425,175)
Car Park Maintenance reserve	(1,003,790)	(1,138,190)	(1,287,498)
Election Costs reserve	62,500	62,500	(124,075)
Housing Revenue Account	598,260	598,260	540,145
Insurance reserve	(530)	(530)	6,879
IT Renewals reserve	(534,290)	(534,290)	(534,290)
Invest to Save reserve	814,079	714,079	(1,482,654)
New Homes Bonus reserve	8,646	8,646	(31,354)
Energy Management reserve	0	0	0
On Street Parking reserve	(239,780)	(239,780)	(270,569)
Pensions reserve (Statutory)	0	0	0
Recycling reserve	0	0	(150,000)
Spectrum reserve	185,140	185,140	185,140
Carry Forward Items	0	(1,884,997)	(755,540)
Other reserves	17,510	(55,835)	3,091,063
Total after transfers to and from reserves	13,422,304	13,437,786	13,407,015
Business Rates Retention Scheme payments			
Business Rates tariff payment	31,332,993	31,332,993	31,332,993
Business Rates levy payment to MHCLG	1,274,000	1,274,000	1,274,000
Business Rates tariff payment from MHCLG	0	0	0
Business Rates pilot gain from Surrey Pilot Pool	0	0	0
Non specific government grants			
s31 grant re BRR scheme	(1,825,148)	(1,825,148)	(1,825,148)
s31 grant re council tax	0	0	0
New Burdens grant	0	0	0
Other government grant	(44,208)	(44,208)	(44,208)
New Homes Bonus grant	(1,039,201)	(1,039,201)	(1,039,201)
GUILDFORD BOROUGH COUNCIL NET BUDGET	43,120,740	43,136,222	43,105,451
Parish Council Precepts	1,740,697	1,740,697	1,740,697
TOTAL NET BUDGET	44,861,437	44,876,919	44,846,148
Business Rates - retained income	(34,941,330)	(34,941,330)	(34,941,330)
Collection Fund Deficit - Business Rates	1,493,170	1,493,170	1,493,170
Collection Fund Surplus - Council Tax	85,997	85,997	85,997
COUNCIL TAX REQUIREMENT	11,499,274	11,514,756	11,483,985
Projected (under)/over spend			(30,771)
Movement in MRP and External Interest			(102,775)
Underlying (under) / overspend on services			72,004

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Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
Community Services Directorate						
SERVICE SUMMARY						
Direct Expenditure	11,378,919	16,140,368	15,919,666	(90,872)	(311,574)	
Income	(17,582,405)	(19,856,320)	(21,155,842)		(1,299,522)	
Total Directly Controllable (Income)/Expenditure	(6,203,486)	(3,715,952)	(5,236,176)	(90,872)	(1,611,096)	
Indirect Expenditure	2,601,298	3,275,420	3,444,655	0	169,235	
Net (Income)/Expenditure	(3,591,079)	(440,532)	(1,791,521)	(90,872)	(1,441,861)	
BUILDING MAINTENANCE						
Direct Expenditure	3,139,132	3,434,750	3,894,886		460,136	
Income	(2,613,273)	(3,519,350)	(3,979,522)		(460,172)	
Total Directly Controllable (Income)/Expenditure	525,859	(84,600)	(84,636)		(36)	
Indirect Expenditure	66,730	80,050	80,086		36	
Net (Income)/Expenditure	592,589	(4,550)	(4,550)		0	
GYPSY AND TRAVELLER SITES						
Direct Expenditure	47,690	121,530	100,001		(21,529)	
Income	535	(202,390)	(202,390)		0	
Total Directly Controllable (Income)/Expenditure	48,225	(80,860)	(102,389)		(21,529)	
Indirect Expenditure	3,290	3,890	3,908		18	
Net (Income)/Expenditure	51,515	(76,970)	(98,481)		(21,511)	The £25,000 budget virement for a Surrey wide study to identify traveller sites will not be paid this year and will be subject to a carry forward request.

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
CITIZENS ADVICE BUREAU						
Direct Expenditure	283,476	283,420	283,476		56	
Total Directly Controllable (Income)/Expenditure	283,476	283,420	283,476		56	
Indirect Expenditure	1,080	1,290	1,300		10	
Net (Income)/Expenditure	284,556	284,710	284,776		66	
CIVIL EMERGENCIES						
Direct Expenditure	38,530	60,550	60,821		271	
Total Directly Controllable (Income)/Expenditure	38,530	60,550	60,821		271	
Indirect Expenditure	2,590	3,090	3,108		18	
Net (Income)/Expenditure	41,120	63,640	63,929		289	
CORPORATE PROPERTY SERVICES						
Direct Expenditure	720,081	2,522,067	1,396,004		(1,126,063)	
Income	(1,519,323)	(1,176,510)	(1,177,070)		(560)	
Total Directly Controllable (Income)/Expenditure	(799,242)	1,345,557	218,934		(1,126,623)	
Indirect Expenditure	179,647	474,680	474,728		48	
Net (Income)/Expenditure	(619,595)	1,820,237	693,662		(1,126,575)	Planned Maintenance budgets are held centrally and expenditure is shown in the service areas. The expenditure to date forecast in service areas (£1,046,000) therefore shows as a forecast underspend in Corporate Property. In addition it has been agreed to defer £108,000 of projects until 2020-21, which may be subject to a carry forward request should the financial position allow.

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
DAY SERVICES						
Direct Expenditure	486,059	614,810	668,767		53,957	
Income	(122,210)	(152,610)	(153,729)		(1,119)	
Total Directly Controllable (Income)/Expenditure	363,849	462,200	515,038		52,838	
Indirect Expenditure	144,291	173,920	173,521		(399)	
Net (Income)/Expenditure	508,140	636,120	688,559		52,439	Energy savings assumed in the boiler replacement business case are not being achieved of £20,000 and a £20,000 increase in general maintenance costs at the Day Centres. Employee costs are £14,000 over budget due to temporary staff are covering vacant posts to maintain regulated staff ratios.
EMERGENCY COMMUNICATIONS SYSTEM						
Direct Expenditure	164,405	261,440	248,586		(12,854)	
Income	(347,027)	(399,520)	(402,209)		(2,689)	
Total Directly Controllable (Income)/Expenditure	(182,622)	(138,080)	(153,623)		(15,543)	
Indirect Expenditure	57,060	68,470	68,500		30	
Net (Income)/Expenditure	(125,562)	(69,610)	(85,123)		(15,513)	
EMI SERVICES						
Direct Expenditure	167,740	288,890	242,800		(46,090)	
Income	(99,950)	(105,680)	(122,762)		(17,082)	
Total Directly Controllable (Income)/Expenditure	67,790	183,210	120,038		(63,172)	
Indirect Expenditure	39,240	47,050	47,080		30	
Net (Income)/Expenditure	107,030	230,260	167,118		(63,142)	Expenditure savings are primarily due to vacant post savings totalling £47,000. There will be no permanent recruitment until the wider restructure is complete. Changes in the way SCC fund the EMI unit are forecast to produce an overall improvement against budgeted income for the year of £17,000.
ENVIRONMENTAL CONTROL						
Direct Expenditure	342,173	424,740	448,147		23,407	
Income	(42,727)	(26,180)	(28,148)		(1,968)	
Total Directly Controllable (Income)/Expenditure	299,446	398,560	419,999		21,439	
Indirect Expenditure	58,890	65,670	69,854		4,184	
Net (Income)/Expenditure	358,336	464,230	489,853		25,623	Increase in agency and consultancy costs

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
SURREY FAMILY SUPPORT PROGRAMME						
Direct Expenditure	273,773	430,020	397,637	87,290	(32,383)	
Income	(71,778)	(429,510)	(432,607)		(3,097)	
Total Directly Controllable (Income)/Expenditure	201,995	510	(34,970)	87,290	(35,480)	
Indirect Expenditure	76,050	91,260	91,276		16	
Net (Income)/Expenditure	278,045	91,770	56,306		(35,464)	Expenditure savings are due to vacant posts totalling £81,000. This is offset by forecast expenditure to support the Refugee Programme which is not included in the budget as it is funded from Home Office grant income held in reserves.
FOOD AND SAFETY SERVICES						
Direct Expenditure	182,789	316,000	286,806		(29,194)	
Income	(2,002)	(1,080)	(2,020)		(940)	
Total Directly Controllable (Income)/Expenditure	180,787	314,920	284,786		(30,134)	
Indirect Expenditure	48,200	57,820	57,832		12	
Net (Income)/Expenditure	228,987	372,740	342,618		(30,122)	Underspend on salaries due to vacant posts.
HEALTH AND SAFETY						
Direct Expenditure	98,217	147,470	151,110		3,640	
Income	(129,440)	(156,330)	(156,330)		0	
Total Directly Controllable (Income)/Expenditure	(31,223)	(8,860)	(5,220)		3,640	
Indirect Expenditure	15,100	18,090	18,108		18	
Net (Income)/Expenditure	(16,123)	9,230	12,888		3,658	
HOUSING SURVEYING SERVICES						
Direct Expenditure	442,169	668,500	654,908		(13,592)	
Income	(607,301)	(755,970)	(742,420)		13,550	
Total Directly Controllable (Income)/Expenditure	(165,132)	(87,470)	(87,512)		(42)	
Indirect Expenditure	85,630	102,740	102,782		42	
Net (Income)/Expenditure	(79,502)	15,270	15,270		0	

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
GRANTS TO VOLUNTARY ORGANISATIONS - HOUSING AND COMMUNITY						
Direct Expenditure	322,315	499,740	477,521		(22,219)	
Total Directly Controllable (Income)/Expenditure	322,315	499,740	477,521		(22,219)	
Indirect Expenditure	4,270	5,120	5,132		12	
Net (Income)/Expenditure	326,585	504,860	482,653		(22,207)	The cash grant for Wey Valley Bowls Club has been replaced with an alternative financial arrangement.
HOME FARM ESTATE, EFFINGHAM						
Direct Expenditure	1,817	107,925	5,614		(102,311)	
Income	(4,347)	(11,000)	(11,000)		0	
Total Directly Controllable (Income)/Expenditure	(2,530)	96,925	(5,386)		(102,311)	
Indirect Expenditure	11,371	23,410	23,410		0	
Net (Income)/Expenditure	8,841	120,335	18,024		(102,311)	The £102,000 site maintenance allowance funded from reserves will not be used in 2019-20. A carry forward request will be made to use the funding in 2020-21.
HOMELESSNESS AND EMERGENCY ACCOMMODATION						
Direct Expenditure	674,550	781,620	919,860		138,240	
Income	(469,388)	(9,000)	(358,388)		(349,388)	
Total Directly Controllable (Income)/Expenditure	205,162	772,620	561,472		(211,148)	
Indirect Expenditure	84,780	101,730	101,754		24	
Net (Income)/Expenditure	289,942	874,350	663,226		(211,124)	Income received from MHCLG in respect of Flexible Homelessness Support Grant £246,026, Rough Sleeper Initiative £142,000 and Prevention Partnership Fund £34,461 will be used to support additional expenditure shown above.
HOUSING ADVICE						
Direct Expenditure	1,824	302,580	302,648		68	
Total Directly Controllable (Income)/Expenditure	1,824	302,580	302,648		68	
Net (Income)/Expenditure	1,824	302,580	302,648		68	

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
AFFORDABLE HOUSING DEVELOPMENT						
Direct Expenditure	92,486	92,690	105,461		12,771	
Total Directly Controllable (Income)/Expenditure	92,486	92,690	105,461		12,771	
Indirect Expenditure	22,020	23,810	25,982		2,172	
Net (Income)/Expenditure	114,506	116,500	131,443		14,943	
INDUSTRIAL ESTATES						
Direct Expenditure	334,592	233,532	536,366		302,834	
Income	(2,870,511)	(3,256,620)	(3,422,444)		(165,824)	
Total Directly Controllable (Income)/Expenditure	(2,535,919)	(3,023,088)	(2,886,078)		137,010	
Indirect Expenditure	145,270	160,260	172,636		12,376	
Net (Income)/Expenditure	(2,390,649)	(2,862,828)	(2,713,442)		149,386	Business rates for void units in Midleton Industrial Estate and Thornberry Way amount to £124,000 and £90,000 respectively, with servicing costs for voids amounting to £60,000. Valuers fees are forecast to exceed budget by £20,000 due to a higher turnover of tenants. Planned and reactive maintenance costs, where the cost are udgeted and controlled centrally by Corporate Property, amount to £17,000. The budget will be transferred at yearend. Overall rents and service charges are forecast to be £163,000 higher than budgeted with temporary lettings prior to construction being maximised and lease extensions on improved terms.
INVESTMENT PROPERTY						
Direct Expenditure	285,319	219,710	387,495	(114,380)	167,785	
Income	(4,641,619)	(5,247,990)	(5,252,002)		(4,012)	
Total Directly Controllable (Income)/Expenditure	(4,356,300)	(5,028,280)	(4,864,507)	(114,380)	163,773	
Indirect Expenditure	172,595	161,590	214,661		53,071	
Net (Income)/Expenditure	(4,183,705)	(4,866,690)	(4,649,846)	(114,380)	216,844	Provision has been made for void rates for Liongate, Ladymead amounting to £67,000, with £50,000 revenue contribution being shown against the income line. £78,000 of maintenance costs have been budgeted centrally with costs showing against investment properties;the budget will be reallocated at year end. An additional £20,000 of mechanical and electrical maintenance costs have been incurred. Rental income overall is marginally down due to void properties. Increased indirect expenditure is Corporate Property Staff time charged to investment property projects and fees for advice in relation to lease agreements.

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
LICENSING SERVICES						
Direct Expenditure	207,432	271,240	289,452		18,212	
Income	(169,115)	(179,350)	(195,766)		(16,416)	
Total Directly Controllable (Income)/Expenditure	38,317	91,890	93,686		1,796	
Indirect Expenditure	76,360	91,510	91,666		156	
Net (Income)/Expenditure	114,677	183,400	185,352		1,952	
COMMUNITY MEALS AND TPT						
Direct Expenditure	605,926	884,290	798,123		(86,167)	
Income	(183,833)	(273,280)	(258,658)		14,622	
Total Directly Controllable (Income)/Expenditure	422,093	611,010	539,465		(71,545)	
Indirect Expenditure	86,830	104,160	104,204		44	
Net (Income)/Expenditure	508,923	715,170	643,669		(71,501)	Savings resulting from vacancies in the Meals on Wheels and Community Transport Service, pending a wider restructuring of the service.
OFFICE SERVICES TEAM						
Direct Expenditure	1,178,829	1,501,140	1,449,531		(51,609)	
Income	(1,806,623)	(2,222,440)	(2,290,552)		(68,112)	
Total Directly Controllable (Income)/Expenditure	(627,794)	(721,300)	(841,021)		(119,721)	
Indirect Expenditure	557,475	683,970	681,965		(2,005)	
Net (Income)/Expenditure	(70,319)	(37,330)	(159,056)		(121,726)	Additional expenditure of £54,000 relating to the provision of office equipment for SCC has been recovered in income. There are anticipated savings in office moves and furniture requirements for the council of £32,400. Repairs and maintenance works are currently £40,700- the budget is held in Asset Management and will be allocated at year end. There are unbudgeted refurbishment costs of £31,600. Business Rates are £128,000 under budget as floor space is let to external organisations.

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
HOUSING OUTSIDE THE HRA						
Direct Expenditure	15,349	3,720	75,238		71,518	
Income	91,860	(7,460)	(113,382)		(105,922)	
Total Directly Controllable (Income)/Expenditure	107,209	(3,740)	(38,144)		(34,404)	
Indirect Expenditure	41,913	49,890	57,249		7,359	
Net (Income)/Expenditure	149,122	46,150	19,105		(27,045)	We are forecasting a surplus of £40,000 income over the cost of running housing outside the HRA. Work has just commenced on remodelling the night shelter and the unused balance of the grant allocated for this purpose will be deferred at yearend.
OTHER PROPERTY						
Direct Expenditure	302,798	304,020	346,981		42,961	
Income	(1,099,962)	(1,077,750)	(1,117,821)		(40,071)	
Total Directly Controllable (Income)/Expenditure	(797,164)	(773,730)	(770,840)		2,890	
Indirect Expenditure	403,606	424,050	513,877		89,827	
Net (Income)/Expenditure	(393,558)	(349,680)	(256,963)		92,717	Planned and reactive maintenance costs for properties in the portfolio, where the cost are budgeted and controlled centrally by Corporate Property, amount to £137,000. The budget will be transferred at year end. A saving of £102,000 is due to planned maintenance on the Old Orleans building being deferred until a decision about its future use is confirmed. These costs variations are offset by a small increase in property rental income. Indirect costs recharged to Other Property have increased as a result of more Corporate Property staff time recharged to maintenance projects in the property portfolio and recharged costs associated with a capital project.
PEST CONTROL						
Direct Expenditure	36,889	49,880	49,827		(53)	
Income	(47,244)	(55,000)	(53,000)		2,000	
Total Directly Controllable (Income)/Expenditure	(10,355)	(5,120)	(3,173)		1,947	
Indirect Expenditure	5,030	6,000	6,018		18	
Net (Income)/Expenditure	(5,325)	880	2,845		1,965	

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
PRIVATE SECTOR HOUSING						
Direct Expenditure	493,650	690,590	700,232		9,642	
Income	(611,711)	(330,620)	(437,967)		(107,347)	
Total Directly Controllable (Income)/Expenditure	(118,061)	359,970	262,265		(97,705)	
Indirect Expenditure	96,640	115,910	115,994		84	
Net (Income)/Expenditure	(21,421)	475,880	378,259		(97,621)	Additional income from 5 year HMO licences (£46k), Salary underspend due to vacancies (£30k) and additional income from the Handyperson scheme due to higher activity levels (£28k)
PROJECT ASPIRE						
Direct Expenditure	24,699	0	24,699	(24,699)	0	
Total Directly Controllable (Income)/Expenditure	24,699	0	24,699	(24,699)	0	
Net (Income)/Expenditure	24,699	0	24,699	(24,699)	24,699	Project Aspire is funded from reserve.
PUBLIC HEALTH						
Direct Expenditure	50,707	83,630	85,233		1,603	
Income	(576)	0	(576)		(576)	
Total Directly Controllable (Income)/Expenditure	50,131	83,630	84,657		1,027	
Indirect Expenditure	5,600	6,680	6,710		30	
Net (Income)/Expenditure	55,731	90,310	91,367		1,057	
COMMUNITY WELLBEING						
Direct Expenditure	184,669	281,420	274,571		(6,849)	
Total Directly Controllable (Income)/Expenditure	184,669	281,420	274,571		(6,849)	
Indirect Expenditure	41,620	49,930	49,948		18	
Net (Income)/Expenditure	226,289	331,350	324,519		(6,831)	

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
TAXI LICENSING AND PRIVATE HIRE VEHICLES						
Direct Expenditure	113,590	177,084	167,934	(38,993)	(9,150)	
Income	(128,497)	(167,350)	(144,170)		23,180	
Total Directly Controllable (Income)/Expenditure	(14,907)	9,734	23,764	(38,993)	14,030	
Indirect Expenditure	58,130	67,420	69,388		1,968	
Net (Income)/Expenditure	43,223	77,154	93,152	(38,993)	15,998	
WOKING ROAD DEPOT STORES						
Direct Expenditure	65,244	81,370	88,931		7,561	
Income	(86,343)	(93,330)	(100,909)		(7,579)	
Total Directly Controllable (Income)/Expenditure	(21,099)	(11,960)	(11,978)		(18)	
Indirect Expenditure	9,990	11,960	11,978		18	
Environment Directorate						
SERVICE SUMMARY						
Direct Expenditure	22,116,656	30,065,752	30,386,912	(2,534,295)	(2,213,135)	
Income	(24,863,799)	(28,570,180)	(30,960,424)	4,746,132	2,355,888	
Total Directly Controllable (Income)/Expenditure	(2,747,143)	1,495,572	(573,512)	2,211,837	142,753	
Indirect Expenditure	8,092,251	10,098,830	10,038,850	(252,589)	(312,569)	
Net (Income)/Expenditure	5,345,108	11,594,402	9,465,338	1,959,248	(169,816)	
ABANDONED VEHICLES						
Direct Expenditure	24,459	37,380	36,729		(651)	
Total Directly Controllable (Income)/Expenditure	24,459	37,380	36,729		(651)	
Indirect Expenditure	3,550	4,240	4,258		18	
Net (Income)/Expenditure	28,009	41,620	40,987		(633)	
BUSINESS FORUM						
Direct Expenditure	68,496	71,510	90,738		19,228	
Total Directly Controllable (Income)/Expenditure	68,496	71,510	90,738		19,228	
Indirect Expenditure	1,330	1,570	1,582		12	
Net (Income)/Expenditure	69,826	73,080	92,320		19,240	

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
CCTV SYSTEMS						
Direct Expenditure	60,064	80,860	66,332		(14,528)	
Total Directly Controllable (Income)/Expenditure	60,064	80,860	66,332		(14,528)	
Indirect Expenditure	23,849	20,330	26,051		5,721	
Net (Income)/Expenditure	83,913	101,190	92,383		(8,807)	
CEMETERIES AND CLOSED CHURCHYARDS						
Direct Expenditure	200,856	245,850	255,139		9,289	
Income	(64,682)	(60,430)	(78,956)		(18,526)	
Total Directly Controllable (Income)/Expenditure	136,174	185,420	176,183		(9,237)	
Indirect Expenditure	38,756	68,540	58,322		(10,218)	
Net (Income)/Expenditure	174,930	253,960	234,505		(19,455)	Repairs and maintenance are currently £49,740- the budget is held in Asset Management and will be allocated at year end. The original budget of £25,000 and the carry forward of £30,000 both for memorial safety inspections will not be spent in this financial year.
CLINICAL WASTE						
Direct Expenditure	2,770	2,460	3,118		658	
Total Directly Controllable (Income)/Expenditure	2,770	2,460	3,118		658	
Indirect Expenditure	260	290	296		6	
Net (Income)/Expenditure	3,030	2,750	3,414		664	

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
CREMATORIUM						
Direct Expenditure	434,013	817,900	611,099		(206,801)	
Income	(924,473)	(1,014,360)	(1,214,612)		(200,252)	
Total Directly Controllable (Income)/Expenditure	(490,460)	(196,460)	(603,513)		(407,053)	
Indirect Expenditure	329,477	397,740	402,347		4,607	
Net (Income)/Expenditure	(160,983)	201,280	(201,166)		(402,446)	Salary savings total £51,000. It was anticipated that the redevelopment of the Crematorium would result in reduced revenue, with the Budget Pressures reserve being used to manage this short term scenario, fees are currently projected to exceed the budget by £200,000. The budget of £159,600 for irrecoverable VAT will not now be required as we are below the 5% partial exemption threshold for 2018-19.
ELECTRIC THEATRE						
Direct Expenditure	0	0	0		0	
Total Directly Controllable (Income)/Expenditure	0	0	0		0	
Indirect Expenditure	0	0	0		0	
Net (Income)/Expenditure	0	0	0		0	
FLEET MANAGEMENT SERVICE						
Direct Expenditure	860,065	1,075,260	983,700		(91,560)	
Income	(2,186,584)	(2,827,430)	(2,844,920)		(17,490)	
Total Directly Controllable (Income)/Expenditure	(1,326,519)	(1,752,170)	(1,861,220)		(109,050)	
Indirect Expenditure	1,239,910	1,713,460	1,713,730		270	
Net (Income)/Expenditure	(86,609)	(38,710)	(147,490)		(108,780)	There are savings associated with the insurance tender.

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
LEGAL SERVICES						
Direct Expenditure	978,249	1,159,520	1,298,505		138,985	
Income	(1,291,353)	(1,354,450)	(1,560,447)		(205,997)	
Total Directly Controllable (Income)/Expenditure	(313,104)	(194,930)	(261,942)		(67,012)	
Indirect Expenditure	140,960	226,420	169,176		(57,244)	
Net (Income)/Expenditure	(172,144)	31,490	(92,766)		(124,256)	Employee costs are forecast to be £24,000 lower than budget, with vacancies and maternity leave covered by temporary staff pending recruitment following the restructure of the department. External legal fees are forecast to be £163,000 higher than budget with revenue outsourced legal work forecast at £212,000 compared with £377,000 in 2018-19. Consequently income recharged to departments will be higher than budgeted. S106 work is delivering significant income and is forecast to be £40k higher than budget.
ENGINEERING AND TRANSPORT SERVICES						
Direct Expenditure	204,784	356,110	300,539		(55,571)	
Income	(249,375)	(398,170)	(347,903)		50,267	
Total Directly Controllable (Income)/Expenditure	(44,591)	(42,060)	(47,364)		(5,304)	
Indirect Expenditure	37,580	45,060	45,090		30	
Net (Income)/Expenditure	(7,011)	3,000	(2,274)		(5,274)	There are salary savings due to vacancies and a consequent reduction in recharge income.
GUILDFORD HOUSE						
Direct Expenditure	231,325	367,960	331,420		(36,540)	
Income	(53,802)	(77,180)	(63,677)		13,503	
Total Directly Controllable (Income)/Expenditure	177,523	290,780	267,743		(23,037)	
Indirect Expenditure	94,172	125,850	118,240		(7,610)	
Net (Income)/Expenditure	271,695	416,630	385,983		(30,647)	There are salary savings due to vacant posts

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
GUILDHALL						
Direct Expenditure	79,793	120,580	109,650		(10,930)	
Income	(22,744)	(35,030)	(40,612)		(5,582)	
Total Directly Controllable (Income)/Expenditure	57,049	85,550	69,038		(16,512)	
Indirect Expenditure	35,055	63,900	52,525		(11,375)	
Net (Income)/Expenditure	92,104	149,450	121,563		(27,887)	There are salary savings due to various vacant posts. Letting fees will be over budget.
INFORMATION RIGHTS OFFICER						
Direct Expenditure	53,303	65,950	72,927		6,977	
Income	(60,510)	(72,640)	(72,628)		12	
Total Directly Controllable (Income)/Expenditure	(7,207)	(6,690)	299		6,989	
Indirect Expenditure	6,340	7,590	7,602		12	
Net (Income)/Expenditure	(867)	900	7,901		7,001	
LAND DRAINAGE						
Direct Expenditure	51,713	141,270	73,349		(67,921)	
Total Directly Controllable (Income)/Expenditure	51,713	141,270	73,349		(67,921)	
Indirect Expenditure	80,783	163,700	131,817		(31,883)	
Net (Income)/Expenditure	132,496	304,970	205,166		(99,804)	There are projected savings in payments to contractors due to this being a demand led budget. The recharge from engineers will also be under budget.

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
LEISURE ART DEVELOPMENT						
Direct Expenditure	95,873	104,120	144,413		40,293	
Income	(40,663)	0	(40,638)		(40,638)	
Total Directly Controllable (Income)/Expenditure	55,210	104,120	103,775		(345)	
Indirect Expenditure	19,000	22,700	22,788		88	
Net (Income)/Expenditure	74,210	126,820	126,563		(257)	
LEISURE COMMUNITY CENTRES						
Direct Expenditure	119,063	34,410	114,219		79,809	
Income	(10,691)	(11,270)	(11,131)		139	
Total Directly Controllable (Income)/Expenditure	108,372	23,140	103,088		79,948	
Indirect Expenditure	63,254	90,990	84,879		(6,111)	
Net (Income)/Expenditure	171,626	114,130	187,967		73,837	Property services works for Park Barn Youth club are currently £63,600 and for Beverley Hall Community Centre, £10,700, the budget is allocated within Asset Development and will be reallocated at year end to cover this expenditure.
LEISURE G LIVE						
Direct Expenditure	299,513	415,490	412,817		(2,673)	
Income	(17,173)	(44,110)	(89,282)		(45,172)	
Total Directly Controllable (Income)/Expenditure	282,340	371,380	323,535		(47,845)	
Indirect Expenditure	963,468	1,167,430	1,163,788	10,000	(3,642)	
Net (Income)/Expenditure	1,245,808	1,538,810	1,487,323	10,000	(51,487)	The higher than budget management fee income (£45k) reflects the improved performance of the contract.
LEISURE GRANTS						
Direct Expenditure	316,005	393,380	393,648		268	
Total Directly Controllable (Income)/Expenditure	316,005	393,380	393,648		268	
Indirect Expenditure	2,430	2,900	2,912		12	
Net (Income)/Expenditure	318,435	396,280	396,560		280	

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
LEISURE MANAGEMENT CONTRACT						
Direct Expenditure	823,793	1,444,820	1,361,288		(83,532)	
Income	(1,353,384)	(2,118,190)	(1,998,969)		119,221	
Total Directly Controllable (Income)/Expenditure	(529,591)	(673,370)	(637,681)		35,689	
Indirect Expenditure	1,592,143	1,900,750	1,902,686		1,936	
Net (Income)/Expenditure	1,062,552	1,227,380	1,265,005		37,625	Utility costs forecasted to be higher than estimate
LEISURE PLAY DEVELOPMENT						
Direct Expenditure	169,672	222,850	215,666		(7,184)	
Income	(49,707)	(39,000)	(49,000)		(10,000)	
Total Directly Controllable (Income)/Expenditure	119,965	183,850	166,666		(17,184)	
Indirect Expenditure	24,790	29,680	29,746		66	
Net (Income)/Expenditure	144,755	213,530	196,412		(17,118)	
LEISURE RANGERS						
Direct Expenditure	159,935	231,010	233,452		2,442	
Total Directly Controllable (Income)/Expenditure	159,935	231,010	233,452		2,442	
Indirect Expenditure	9,120	10,930	10,948		18	
Net (Income)/Expenditure	169,055	241,940	244,400		2,460	
LEISURE SPORT DEVELOPMENT						
Direct Expenditure	51,741	88,020	81,927		(6,093)	
Income	(5,944)	(3,750)	(4,837)		(1,087)	
Total Directly Controllable (Income)/Expenditure	45,797	84,270	77,090		(7,180)	
Indirect Expenditure	11,630	13,940	13,946		6	
Net (Income)/Expenditure	57,427	98,210	91,036		(7,174)	
MARKETS						
Direct Expenditure	43,976	57,640	50,800		(6,840)	
Income	(123,677)	(160,410)	(149,676)		10,734	
Total Directly Controllable (Income)/Expenditure	(79,701)	(102,770)	(98,876)		3,894	
Indirect Expenditure	4,530	5,430	5,442		12	
Net (Income)/Expenditure	(75,171)	(97,340)	(93,434)		3,906	

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
MOT BAY						
Direct Expenditure	93,224	127,010	123,810		(3,200)	
Income	(105,561)	(164,070)	(128,834)		35,236	
Total Directly Controllable (Income)/Expenditure	(12,337)	(37,060)	(5,024)		32,036	
Indirect Expenditure	26,400	31,670	31,694		24	
Net (Income)/Expenditure	14,063	(5,390)	26,670		32,060	Income from the MOT bay is less than budgeted.
GUILDFORD MUSEUM						
Direct Expenditure	577,359	525,310	685,446		160,136	
Income	(34,004)	(59,460)	(44,238)		15,222	
Total Directly Controllable (Income)/Expenditure	543,355	465,850	641,208		175,358	
Indirect Expenditure	128,348	132,230	148,337		16,107	
Net (Income)/Expenditure	671,703	598,080	789,545		191,465	Repairs and maintenance is currently £250,600 and the budget will be transferred from Asset Development to the Museum at year end . There are significant salary savings as the Heritage Manager vacancy has not been filled due to difficulties in recruiting; responsibilities relating to this post have been transferred to the Parks and Landscape Manager. Additional funding from reserves will therefore not be required.

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
OFF STREET PARKING						
Direct Expenditure	3,392,696	4,026,540	4,192,510	(442,708)	(276,738)	
Income	(8,513,953)	(11,008,440)	(10,360,217)		648,223	
Total Directly Controllable (Income)/Expenditure	(5,121,257)	(6,981,900)	(6,167,707)	(442,708)	371,485	
Indirect Expenditure	1,212,338	1,473,750	1,477,047		3,297	
Net (Income)/Expenditure	(3,908,919)	(5,508,150)	(4,690,660)	(442,708)	374,782	It is projected that repair and maintenance expenditure funded from the Car Parks Maintenance Reserve will be £335,170. The reserve will also fund the Pay and Display installation and upgrade £82,540 and a half share of the cost of the parking study being £25,000, the other half being met from a Major Project budget. The budget for repairs and maintenance, currently standing at £35,200, will be transferred from Asset Management at year end. The parking general maintenance budget will under spent by £48,400 despite urgent repairs to surface car parks being commissioned in the next few weeks. It is currently projected that meter income will be below budget for most car parks but in particular Bedford Rd, Castle and York Rd MSCPs. Season ticket income is also projected to be under budget.
ON STREET PARKING						
Direct Expenditure	616,922	1,361,700	1,325,929	(1,325,929)	(35,771)	
Income	(1,476,265)	(1,942,930)	(1,815,465)	1,815,465	127,465	
Total Directly Controllable (Income)/Expenditure	(859,343)	(581,230)	(489,536)	489,536	91,694	
Indirect Expenditure	123,980	148,710	148,788	(148,788)	78	
Net (Income)/Expenditure	(735,363)	(432,520)	(340,748)	340,748	91,772	The signage budget will be under spent in this financial year by £24,600. Meter income is projected to be under budget by £134,720, penalty fees are projected to be over budget by £40,800 and suspension fees are under budget by £41,100. The corresponding payment to SCC under the terms of our agency agreement is therefore reduced.
ORDNANCE SURVEY AND MAPPING SERVICES						
Direct Expenditure	4,625	3,540	4,975		1,435	
Total Directly Controllable (Income)/Expenditure	4,625	3,540	4,975		1,435	
Indirect Expenditure	4,532	4,530	4,848		318	
Net (Income)/Expenditure	9,157	8,070	9,823		1,753	

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
PARKS AND COUNTRYSIDE						
Direct Expenditure	2,985,575	4,067,470	4,155,014	(50,295)	37,249	
Income	(909,126)	(1,221,230)	(1,272,851)		(51,621)	
Total Directly Controllable (Income)/Expenditure	2,076,449	2,846,240	2,882,163	(50,295)	(14,372)	
Indirect Expenditure	738,833	864,630	888,536		23,906	
Net (Income)/Expenditure	2,815,282	3,710,870	3,770,699		59,829	There are salary savings of £124,700 due to vacancies, a figure which includes contract cleaners and the vacancy credit. Repairs and maintenance is currently £134,400- Asset Management hold the budget which will be allocated at year end. Miscellaneous expenses are under budget by £30,750 and grounds miscellaneous under budget by £28,800. Consultancy funded from the Stoke Park master plan will not now be spent in this financial year. We have received a grant from MHCLG for £23,200. An additional grant of £12,500 will be received in this financial year to support community schemes (Pocket Parks) and this will need to be carried forward too. It is anticipated that rental income from Burchatts Barn will not now be achieved.
PARK AND RIDE SERVICES						
Direct Expenditure	318,394	695,020	653,202	(653,202)	(695,020)	
Income	(4,849)	(37,500)	(56,098)	56,098	37,500	
Total Directly Controllable (Income)/Expenditure	313,545	657,520	597,104	(597,104)	(657,520)	
Indirect Expenditure	92,589	115,650	113,801	(113,801)	(115,650)	

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
Net (Income)/Expenditure	406,134	773,170	710,905	(710,905)	(773,170)	The external security contract came to an end at the beginning of September and GBC staff are now responsible for locking and unlocking the premises. This has produced a saving in 2019-20 of £49,500. Security gates have been installed at Merrow; barriers at Artington and Onslow will now be installed in 2020-21.
PROCUREMENT						
Direct Expenditure	151,761	96,810	208,990		112,180	
Income	(102,090)	(122,510)	(122,534)		(24)	
Total Directly Controllable (Income)/Expenditure	49,671	(25,700)	86,456		112,156	
Indirect Expenditure	21,420	25,700	25,706		6	
Net (Income)/Expenditure	71,091	0	112,162		112,162	The additional costs relate to two temporary staff members - one is covering the vacant Procurement Assistant Post and the second has been agreed to undertake a number of short term procurement projects which will be funded from reserve. It is assumed one post will revert to a fixed term post from March 2020.
PUBLIC CONVENIENCES						
Direct Expenditure	340,142	208,760	424,337		215,577	
Income	(10,040)	(12,050)	(35,383)		(23,333)	
Total Directly Controllable (Income)/Expenditure	330,102	196,710	388,954		192,244	
Indirect Expenditure	75,541	95,930	97,174		1,244	
Net (Income)/Expenditure	405,643	292,640	486,128		193,488	There are planned works at Stoke Park Tennis Courts and Woodbridge Road. The budget for these works will be transferred from the corporate repair and maintenance budget prior to the end of the financial year.
REFUSE AND RECYCLING						
Direct Expenditure	4,748,116	6,540,950	6,618,766		77,816	
Income	(2,843,336)	(3,552,440)	(3,479,911)	(150,000)	(77,471)	
Total Directly Controllable (Income)/Expenditure	1,904,780	2,988,510	3,138,855	(150,000)	345	

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
Indirect Expenditure	418,110	501,600	501,792		192	
Net (Income)/Expenditure	2,322,890	3,490,110	3,640,647		150,537	Staffing costs will be over budget in 2019-20. Additional gate fee costs relating to the disposal of co-mingled recyclate totalling £150,000 will be met from the recycling equalisation reserve (linked to presentation of income). October will see the end of gate fees and a transitional payment will be received to compensate on a per household basis. A Surrey Waste Partnership variable payment for 2018-19 of £61,200 has been recently advised and will be received in this financial year. The publicity and promotional budgets will be spent this year. Trade refuse disposal charges will be less than budgeted and trade refuse income is also reduced. Garden waste green bin sales are now expected to be under budget and less than in 2018-19.
RIVER CONTROL						
Direct Expenditure	20,269	32,300	22,842		(9,458)	
Total Directly Controllable (Income)/Expenditure	20,269	32,300	22,842		(9,458)	
Indirect Expenditure	20,291	4,910	21,101		16,191	
Net (Income)/Expenditure	40,560	37,210	43,943		6,733	Weir repairs are significantly more than previously anticipated although liability has yet to be established. The works will start immediately and provision will be made a year end.
ROADS AND FOOTPATHS MAINTENANCE						
Direct Expenditure	23,975	37,400	30,467		(6,933)	
Total Directly Controllable (Income)/Expenditure	23,975	37,400	30,467		(6,933)	
Indirect Expenditure	68,126	72,110	76,834		4,724	
Net (Income)/Expenditure	92,101	109,510	107,301		(2,209)	
SNOW AND ICE PLAN HOLDING ACCOUNT						
Direct Expenditure	40,391	52,340	47,888		(4,452)	
Income	0	(55,140)	(55,140)		0	
Total Directly Controllable (Income)/Expenditure	40,391	(2,800)	(7,252)		(4,452)	
Indirect Expenditure	1,013	1,230	738		(492)	
Net (Income)/Expenditure	41,404	(1,570)	(6,514)		(4,944)	

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
SPA SITES						
Direct Expenditure	42,930	105,000	46,828	(46,828)	(105,000)	
Income	(3,024,569)	(105,000)	(3,024,569)	3,024,569	105,000	
Total Directly Controllable (Income)/Expenditure	(2,981,639)	0	(2,977,741)	2,977,741	0	
Net (Income)/Expenditure	(2,981,639)	0	(2,977,741)		(2,977,741)	SPA income for the future development and maintenance of green spaces is currently projected to exceed budget by £2,919,570. An element of this income will be used in the current year to fund revenue spending, the remainder will be transferred to the reserve at year-end.
STREET CLEANSING						
Direct Expenditure	1,599,888	2,366,572	2,193,045		(173,527)	
Income	(131,196)	(154,690)	(164,090)		(9,400)	
Total Directly Controllable (Income)/Expenditure	1,468,692	2,211,882	2,028,955		(182,927)	
Indirect Expenditure	145,010	173,970	174,018		48	
Net (Income)/Expenditure	1,613,702	2,385,852	2,202,973		(182,879)	There are vacancies resulting in salary savings. Additional costs for leaf fall and spring clean will be £33,000.
STREET FURNITURE						
Direct Expenditure	62,048	83,310	70,791		(12,519)	
Total Directly Controllable (Income)/Expenditure	62,048	83,310	70,791		(12,519)	
Indirect Expenditure	15,352	24,780	21,761		(3,019)	
Net (Income)/Expenditure	77,400	108,090	92,552		(15,538)	

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
TOURIST INFORMATION CENTRE						
Direct Expenditure	206,110	245,290	283,623		38,333	
Income	(66,509)	(53,050)	(62,026)		(8,976)	
Total Directly Controllable (Income)/Expenditure	139,601	192,240	221,597		29,357	
Indirect Expenditure	42,250	50,690	50,708		18	
Net (Income)/Expenditure	181,851	242,930	272,305		29,375	TIC Salaries overspend due to salary increases resulting from covering Tourism Manager's responsibilities (Tourism Manager vacancy bringing savings in Tourism cost centre rather than TIC) and missing overtime budget in 2019/20. D5431 Computer Maintenance Agreement code - overspend due to ticketing software contract binding for most of current financial year. The software and its cost were intended to be shared between TIC and Electric Theatre which was operated by the GBC at that time. Currently the TIC must bear the cost fully.
BUSINESS AND TOURISM						
Direct Expenditure	340,049	501,250	445,214	(15,333)	(71,369)	
Income	(94,552)	(162,660)	(116,871)		45,789	
Total Directly Controllable (Income)/Expenditure	245,497	338,590	328,343	(15,333)	(25,580)	
Indirect Expenditure	88,834	106,070	105,978		(92)	
Net (Income)/Expenditure	334,331	444,660	434,321		(10,339)	Overall the Service Unit shows a net salary saving. Income and Expenditure are both forecast to be below plan, due to the Guildford Science and Arts Festival not taking place in this year.
TOWN CENTRE MANAGEMENT						
Direct Expenditure	64,993	101,920	100,555		(1,365)	
Income	(63,730)	(272,380)	(72,000)		200,380	
Total Directly Controllable (Income)/Expenditure	1,263	(170,460)	28,555		199,015	
Indirect Expenditure	14,020	16,790	16,844		54	
Net (Income)/Expenditure	15,283	(153,670)	45,399		199,069	Income from Public Realm Enhancements has been delayed resulting in an adverse variance of £51,000. The decision has been made to move away from a WIFI concession and in its place to run a mini competition for a larger scale WIFI joint venture. Planned sponsorship income has taken longer to establish than initially anticipated and as a result will achieve £38,000 this financial year, £149,000 lower than the budgeted level.

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
TRANSPORTATION						
Direct Expenditure	166	12,740	12,772		32	
Total Directly Controllable (Income)/Expenditure	166	12,740	12,772		32	
Indirect Expenditure	4,081	7,910	6,472		(1,438)	
Net (Income)/Expenditure	4,247	20,650	19,244		(1,406)	
VEHICLE MAINTENANCE WORKSHOP						
Direct Expenditure	708,737	760,900	907,199		146,299	
Income	(511,776)	(807,560)	(953,402)		(145,842)	
Total Directly Controllable (Income)/Expenditure	196,961	(46,660)	(46,203)		457	
Indirect Expenditure	40,940	49,110	49,134		24	
Net (Income)/Expenditure	237,901	2,450	2,931		481	Increased repair costs will be recovered via the recharge.
THE VILLAGE						
Direct Expenditure	0	0	147		147	
Total Directly Controllable (Income)/Expenditure	0	0	147		147	
Net (Income)/Expenditure	0	0	147		147	Electricity costs to be investigated.
WORKS ANCILLARY SERVICES						
WOKING ROAD DEPOT						
Direct Expenditure	397,628	491,190	503,460		12,270	
Income	(444,251)	(534,770)	(541,609)		(6,839)	
Total Directly Controllable (Income)/Expenditure	(46,623)	(43,580)	(38,149)		5,431	
Indirect Expenditure	78,946	102,730	98,672		(4,058)	
Net (Income)/Expenditure	32,323	59,150	60,523		1,373	

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
RECYCLING, CLEANSING AND PARKING SERVICES OVERHEAD ACCOUNT						
Direct Expenditure	51,197	88,080	87,627		(453)	
Income	(73,230)	(87,880)	(87,898)		(18)	
Total Directly Controllable (Income)/Expenditure	(22,033)	200	(271)		(471)	
Indirect Expenditure	8,910	10,690	10,696		6	
Net (Income)/Expenditure	(13,123)	10,890	10,425		(465)	
Finance Directorate						
SERVICE SUMMARY						
Direct Expenditure	20,364,330	41,886,613	38,718,367	(289,696)	(3,168,246)	
Income	(25,604,868)	(37,635,390)	(34,214,206)		3,421,184	
Total Directly Controllable (Income)/Expenditure	(5,240,538)	4,251,223	4,504,161	(289,696)	252,938	
Indirect Expenditure	1,973,478	2,361,100	2,367,264	0	6,164	
Net (Income)/Expenditure	(3,267,060)	6,612,323	6,871,425	(289,696)	259,102	
ACCESS GROUP FOR GUILDFORD						
Direct Expenditure	1,746	2,440	2,704		264	
Total Directly Controllable (Income)/Expenditure	1,746	2,440	2,704		264	
Indirect Expenditure	2,040	2,430	2,430		0	
Net (Income)/Expenditure	3,786	4,870	5,134		264	
ACCOUNTANCY						
Direct Expenditure	479,386	754,560	736,450		(18,110)	
Income	(800,760)	(960,910)	(961,102)		(192)	
Total Directly Controllable (Income)/Expenditure	(321,374)	(206,350)	(224,652)		(18,302)	
Indirect Expenditure	89,630	107,520	107,574		54	
Net (Income)/Expenditure	(231,744)	(98,830)	(117,078)		(18,248)	
BUSINESS RATES						
Direct Expenditure	142,209	206,800	211,544		4,744	
Income	(18,677)	(261,850)	(264,677)		(2,827)	
Total Directly Controllable (Income)/Expenditure	123,532	(55,050)	(53,133)		1,917	
Indirect Expenditure	33,270	39,850	39,886		36	
Net (Income)/Expenditure	156,802	(15,200)	(13,247)		1,953	

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
CIVIC EXPENSES						
Direct Expenditure	134,826	213,993	235,138		21,145	
Income	(62)	0	(62)		(62)	
Total Directly Controllable (Income)/Expenditure	134,764	213,993	235,076		21,083	
Indirect Expenditure	25,310	30,330	30,360		30	
Net (Income)/Expenditure	160,074	244,323	265,436		21,113	The additional expenditure relates to support for borough promotional events which are projected to exceed budget by £19,000, although the Mayor will not use all of his theme budget this year saving £5,000. Salary costs are estimated to be £7,000 higher than the budget estimate.
COUNCIL AND COMMITTEE SUPPORT						
Direct Expenditure	149,300	212,150	214,611		2,461	
Income	0	(39,150)	(39,000)		150	
Total Directly Controllable (Income)/Expenditure	149,300	173,000	175,611		2,611	
Indirect Expenditure	212,870	255,270	255,438		168	
Net (Income)/Expenditure	362,170	428,270	431,049		2,779	
CORPORATE FINANCIAL						
Direct Expenditure	224,284	204,230	262,410		58,180	
Income	0	(150,000)	(150,000)		0	
Total Directly Controllable (Income)/Expenditure	224,284	54,230	112,410		58,180	
Indirect Expenditure	208,080	249,660	249,750		90	
Net (Income)/Expenditure	432,364	303,890	362,160		58,270	Brokers commission will be greater than budgeted due to the advisory fee on two high yielding investments (£44k)
CORPORATE SERVICES						
Direct Expenditure	568,155	720,870	781,140	(60,000)	270	
Income	(17,484)	(119,570)	(127,484)		(7,914)	
Total Directly Controllable (Income)/Expenditure	550,671	601,300	653,656	(60,000)	(7,644)	
Indirect Expenditure	349,258	412,860	418,136		5,276	
Net (Income)/Expenditure	899,929	1,014,160	1,071,792		57,632	Additional expenditure includes increased external audit costs £14,000, an estimated £25,000 of project and programme governance consultancy costs in 2019-20 and £30,000 charges due to the growth in use of debit and credit cards.

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
COMMITTEE SERVICES						
Direct Expenditure	106,368	185,730	153,154		(32,576)	
Income	(184,450)	(221,340)	(221,382)		(42)	
Total Directly Controllable (Income)/Expenditure	(78,082)	(35,610)	(68,228)		(32,618)	
Indirect Expenditure	31,430	37,690	37,720		30	
Net (Income)/Expenditure	(46,652)	2,080	(30,508)		(32,588)	Expenditure savings are due to vacancies which will not be recruited this financial year.
COUNCIL TAX						
Direct Expenditure	469,075	706,030	642,241		(63,789)	
Income	0	(290,000)	(280,000)		10,000	
Total Directly Controllable (Income)/Expenditure	469,075	416,030	362,241		(53,789)	
Indirect Expenditure	113,080	135,680	135,722		42	
Net (Income)/Expenditure	582,155	551,710	497,963		(53,747)	There are a large number of vacancies in the Council Tax collection team which are in part being covered by temporary staff. The overall effect on staffing costs is a saving of £30,000. Council Tax court fees are forecast to be £10,000 lower than budget.
DEMOCRATIC REPRESENTATION AND MANAGEMENT						
Direct Expenditure	467,322	686,580	684,984		(1,596)	
Income	0	(107,800)	(107,800)		0	
Total Directly Controllable (Income)/Expenditure	467,322	578,780	577,184		(1,596)	
Indirect Expenditure	175,380	210,370	210,448		78	
Net (Income)/Expenditure	642,702	789,150	787,632		(1,518)	
ELECTIONS						
Direct Expenditure	254,034	72,980	276,496	(186,575)	16,941	
Income	(11,568)	0	(11,568)		(11,568)	
Total Directly Controllable (Income)/Expenditure	242,466	72,980	264,928	(186,575)	5,373	
Indirect Expenditure	18,120	21,700	21,724		24	
Net (Income)/Expenditure	260,586	94,680	286,652		191,972	The cost of the May 2019 Guildford Borough Election will be funded from reserves. [An annual contribution is made to reserves to fund the cost of elections.]

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
ELECTORAL REGISTRATION						
Direct Expenditure	177,786	270,030	260,029		(10,001)	
Income	(54,336)	(22,630)	(25,646)		(3,016)	
Total Directly Controllable (Income)/Expenditure	123,450	247,400	234,383		(13,017)	
Indirect Expenditure	28,460	34,120	34,144		24	
Net (Income)/Expenditure	151,910	281,520	268,527		(12,993)	
FEASIBILITY STUDIES						
Direct Expenditure	34,511	40,000	40,000		0	
Total Directly Controllable (Income)/Expenditure	34,511	40,000	40,000		0	
Indirect Expenditure	390	470	470		0	
Net (Income)/Expenditure	34,901	40,470	40,470		0	
DEBTORS						
Direct Expenditure	111,010	165,800	165,904		104	
Income	(174,830)	(209,800)	(209,842)		(42)	
Total Directly Controllable (Income)/Expenditure	(63,820)	(44,000)	(43,938)		62	
Indirect Expenditure	37,200	44,620	44,644		24	
Net (Income)/Expenditure	(26,620)	620	706		86	
HOUSING BENEFITS						
Direct Expenditure	14,006,249	31,178,280	28,028,932		(3,149,348)	
Income	(20,912,481)	(30,985,330)	(27,860,626)		3,124,704	
Total Directly Controllable (Income)/Expenditure	(6,906,232)	192,950	168,306		(24,644)	
Indirect Expenditure	171,800	206,140	206,194		54	
Net (Income)/Expenditure	(6,734,432)	399,090	374,500		(24,590)	The overall fluctuation in claimant numbers results in variations in expenditure and a corresponding reduction in costs recovered from DWP.

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
INSURANCE REVENUE ACCOUNT						
Direct Expenditure	800,674	831,190	812,190	6,879	(12,121)	
Income	(827,161)	(1,104,880)	(827,161)		277,719	
Total Directly Controllable (Income)/Expenditure	(26,487)	(273,690)	(14,971)	6,879	265,598	
Indirect Expenditure	5,190	6,220	6,220		0	
Net (Income)/Expenditure	(21,297)	(267,470)	(8,751)		258,719	Our insurance cover was re-tendered in the last quarter of 2018-19. The exercise generated savings of approximately £250,000 which were removed as a single line entry [late in the budget process] from the expenditure budget of the Insurance Revenue Account. The reduced recharged income reflects this change, with corresponding savings against the insurance budget in the service accounts.
IT RENEWALS REVENUE ACCOUNT						
Income	(746,300)	(893,250)	(893,250)		0	
Total Directly Controllable (Income)/Expenditure	(746,300)	(893,250)	(893,250)		0	
Indirect Expenditure	188,230	225,880	225,922		42	
Net (Income)/Expenditure	(558,070)	(667,370)	(667,328)		42	
MANAGEMENT POLICY STRATEGY						
Direct Expenditure	302,286	277,360	334,197		56,837	
Income	(253,170)	(303,800)	(303,860)		(60)	
Total Directly Controllable (Income)/Expenditure	49,116	(26,440)	30,337		56,777	
Indirect Expenditure	19,770	23,690	23,714		24	
Net (Income)/Expenditure	68,886	(2,750)	54,051		56,801	Costs associated with the SOCITM consultancy package, covering the Lead Specialist ICT post and supporting service delivery partially offset by savings from the ICT Manager position.
MISCELLANEOUS ITEMS						
Direct Expenditure	511,298	873,940	694,581		(179,359)	
Income	(2,501)	(10,360)	(9,408)		952	
Total Directly Controllable (Income)/Expenditure	508,797	863,580	685,173		(178,407)	
Indirect Expenditure	380	450	450		0	
Net (Income)/Expenditure	509,177	864,030	685,623		(178,407)	Corporate Inflation budget forecasted to be £180,000 underspent

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
OPERATIONS TECHNICAL SERVICES						
Direct Expenditure	900,792	1,235,050	1,135,559	(50,000)	(149,491)	
Income	(1,058,470)	(1,267,110)	(1,271,162)		(4,052)	
Total Directly Controllable (Income)/Expenditure	(157,678)	(32,060)	(135,603)	(50,000)	(153,543)	
Indirect Expenditure	106,570	127,810	127,882		72	
Net (Income)/Expenditure	(51,108)	95,750	(7,721)		(103,471)	We are currently forecasting to use £50,000 of the £100,000 reserve funding to migrate ICT into the cloud. The balance of expenditure savings are due to vacancies which will not be filled as a result of Future Guildford.
PARISH AND LOCAL LIAISON						
Direct Expenditure	115,966	187,450	187,568		118	
Total Directly Controllable (Income)/Expenditure	115,966	187,450	187,568		118	
Indirect Expenditure	6,700	8,010	8,034		24	
Net (Income)/Expenditure	122,666	195,460	195,602		142	
PAYMENTS AND PURCHASING						
Direct Expenditure	168,088	264,460	280,447		15,987	
Income	(361,228)	(433,230)	(432,464)		766	
Total Directly Controllable (Income)/Expenditure	(193,140)	(168,770)	(152,017)		16,753	
Indirect Expenditure	83,220	99,850	99,892		42	
Net (Income)/Expenditure	(109,920)	(68,920)	(52,125)		16,795	
PORTFOLIO MANAGEMENT						
Direct Expenditure	187,229	266,660	251,810		(14,850)	
Income	(181,390)	(254,380)	(217,712)		36,668	
Total Directly Controllable (Income)/Expenditure	5,839	12,280	34,098		21,818	
Indirect Expenditure	23,180	27,800	27,812		12	
Net (Income)/Expenditure	29,019	40,080	61,910		21,830	No external income from street naming service is currently projected pending the finalisation of the scheme.

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
NON DISTRIBUTED COSTS						
Direct Expenditure	(134,211)	2,074,790	2,074,792		2	
Total Directly Controllable (Income)/Expenditure	(134,211)	2,074,790	2,074,792		2	
Indirect Expenditure	21,260	25,510	25,516		6	
Net (Income)/Expenditure	(112,951)	2,100,300	2,100,308		8	
WEBSITE						
Direct Expenditure	185,947	255,240	251,486		(3,754)	
Total Directly Controllable (Income)/Expenditure	185,947	255,240	251,486		(3,754)	
Indirect Expenditure	22,660	27,170	27,182		12	
Net (Income)/Expenditure	208,607	282,410	278,668		(3,742)	
Management Directorate						
SERVICE SUMMARY						
Direct Expenditure	3,779,325	2,273,597	4,514,740	(2,334,899)	(93,756)	
Income	(1,498,936)	(1,792,240)	(1,795,775)		(3,535)	
Total Directly Controllable (Income)/Expenditure	2,280,389	481,357	2,718,965	(2,334,899)	(97,291)	
Indirect Expenditure	285,768	333,650	341,430	(5,834)	1,946	
Net (Income)/Expenditure	2,566,157	815,007	3,060,395	(2,340,733)	(95,345)	

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
COMMUNITY DEVELOPMENT						
Direct Expenditure	223,373	335,457	294,671	(40,000)	(80,786)	
Income	(19,483)	(15,000)	(19,780)		(4,780)	
Total Directly Controllable (Income)/Expenditure	203,890	320,457	274,891	(40,000)	(85,566)	
Indirect Expenditure	36,164	43,170	43,350		180	
Net (Income)/Expenditure	240,054	363,627	318,241		(45,386)	Vacant posts are projected to generate salary savings of £60,000, however this is offset by a net increase in grants paid of £15,000. A £40,000 grant has been awarded to Watts gallery as a contribution towards the Physical Energy sculpture, funded from the New Homes Bonus reserve. This is partially compensated by a £25,000 underspend relating to a carry forward from 2018-19. The Safer Guildford Partnership is planning to carry forward this balance to enable continued funding of the Partnership taking account of the expanded role in 2020 in respect of knife crime, health and wellbeing and youth crime, with the upfront investment this will require.
CUSTOMER SERVICE CENTRE						
Direct Expenditure	217,660	301,030	316,526		15,496	
Income	(377,980)	(453,570)	(453,666)		(96)	
Total Directly Controllable (Income)/Expenditure	(160,320)	(152,540)	(137,140)		15,400	
Indirect Expenditure	66,580	79,890	79,908		18	
Net (Income)/Expenditure	(93,740)	(72,650)	(57,232)		15,418	
INTERNAL AUDIT						
Direct Expenditure	31,389	117,090	116,533		(557)	
Income	(124,680)	(149,610)	(149,610)		0	
Total Directly Controllable (Income)/Expenditure	(93,291)	(32,520)	(33,077)		(557)	
Indirect Expenditure	5,960	7,150	7,168		18	
Net (Income)/Expenditure	(87,331)	(25,370)	(25,909)		(539)	

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
BUSINESS IMPROVEMENT						
Direct Expenditure	159,076	243,580	249,493		5,913	
Income	(207,600)	(249,120)	(249,120)		0	
Total Directly Controllable (Income)/Expenditure	(48,524)	(5,540)	373		5,913	
Indirect Expenditure	27,330	30,910	32,496		1,586	
Net (Income)/Expenditure	(21,194)	25,370	32,869		7,499	
FUTURE GUILDFORD						
Direct Expenditure	2,294,899	0	2,294,899	(2,294,899)	0	
Total Directly Controllable (Income)/Expenditure	2,294,899	0	2,294,899	(2,294,899)	0	
Indirect Expenditure	5,834	0	5,834	(5,834)	0	
Net (Income)/Expenditure	2,300,733	0	2,300,733	(2,300,733)	0	Costs connected with the Future Guildford project are being funded from the invest to save reserve.
HR SERVICES						
Direct Expenditure	342,473	487,400	472,214		(15,186)	
Income	(470,620)	(564,740)	(564,740)		0	
Total Directly Controllable (Income)/Expenditure	(128,147)	(77,340)	(92,526)		(15,186)	
Indirect Expenditure	63,620	76,340	76,364		24	
Net (Income)/Expenditure	(64,527)	(1,000)	(16,162)		(15,162)	
OTHER EMPLOYEE COSTS						
Direct Expenditure	163,110	305,940	295,411		(10,529)	
Income	(182,013)	(218,230)	(218,383)		(153)	
Total Directly Controllable (Income)/Expenditure	(18,903)	87,710	77,028		(10,682)	
Indirect Expenditure	13,740	16,460	16,478		18	
Net (Income)/Expenditure	(5,163)	104,170	93,506		(10,664)	

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
PAYROLL AND INSURANCE						
Direct Expenditure	91,492	116,140	126,351		10,211	
Income	(114,560)	(137,470)	(137,476)		(6)	
Total Directly Controllable (Income)/Expenditure	(23,068)	(21,330)	(11,125)		10,205	
Indirect Expenditure	18,250	21,830	21,878		48	
Net (Income)/Expenditure	(4,818)	500	10,753		10,253	
PUBLIC RELATIONS AND MARKETING						
Direct Expenditure	255,853	366,960	348,642		(18,318)	
Income	(2,000)	(4,500)	(3,000)		1,500	
Total Directly Controllable (Income)/Expenditure	253,853	362,460	345,642		(16,818)	
Indirect Expenditure	48,290	57,900	57,954		54	
Net (Income)/Expenditure	302,143	420,360	403,596		(16,764)	Expenditure savings are primarily due to the decision not to renew the agreement with Eagle Radio and lower than budgeted costs for 'About Guildford'.
Planning and Regeneration Directorate						
SERVICE SUMMARY						
Direct Expenditure	3,762,588	6,309,480	5,428,345	(171,729)	(881,135)	
Income	(2,057,625)	(2,593,020)	(2,540,266)		52,754	
Total Directly Controllable (Income)/Expenditure	1,704,963	3,716,460	2,888,079	(171,729)	(828,381)	
Indirect Expenditure	997,836	1,125,200	1,184,237	0	59,037	
Net (Income)/Expenditure	2,702,799	4,841,660	4,072,316	(171,729)	(769,344)	
BUILDING CONTROL SUMMARY						
Direct Expenditure	742,472	795,634	970,251		174,617	
Income	(393,437)	(503,510)	(475,088)		28,422	
Total Directly Controllable (Income)/Expenditure	349,035	292,124	495,163		203,039	
Indirect Expenditure	100,230	120,270	120,300		30	
Net (Income)/Expenditure	449,265	412,394	615,463		203,069	Vacant post savings are being used to part-fund three agency surveyors although there is an overall shortfall in funding from this arrangement of £74,600. Consultants costs will be higher than budgeted. Building control fees will not now achieve budget; approved inspectors have now been able to obtain insurance and the additional work anticipated will not materialise. There are redundancy costs coded to this service.

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
CLIMATE CHANGE						
Direct Expenditure	98,711	120,010	119,696		(314)	
Income	(187,961)	(201,630)	(233,484)		(31,854)	
Total Directly Controllable (Income)/Expenditure	(89,250)	(81,620)	(113,788)		(32,168)	
Indirect Expenditure	40,890	49,010	49,058		48	
Net (Income)/Expenditure	(48,360)	(32,610)	(64,730)		(32,120)	The vacant post of Climate Change Officer is currently being covered by the use of casual staff. The Salix and Energy Invest to Save recharges are more than budgeted.
DEVELOPMENT CONTROL						
Direct Expenditure	1,642,329	2,201,006	2,330,513		129,507	
Income	(1,274,376)	(1,606,000)	(1,534,814)		71,186	
Total Directly Controllable (Income)/Expenditure	367,953	595,006	795,699		200,693	
Indirect Expenditure	538,234	575,150	634,634		59,484	
Net (Income)/Expenditure	906,187	1,170,156	1,430,333		260,177	Salary, casual and agency budgets will be over budget by £59,000, £18,000 of which is being funded by a government grant of £50,000 to assist with unauthorised developments. A request to carry forward the balance of £32,000 will be submitted during the closing process. Planning fees are projected under budget at this stage by £246,600 as income levels continue to fall with no major applications in the pipeline. Planning Performance Applications are due to generate £105,200 in this financial year. S106 monitoring fees will be over budget but planning application fees are not generating as much income as expected. Planning appeal expenses are projected to be £110,600 over budget; we were expecting to recover up to £100,000 of those costs but this is being disputed. A supplementary budget of £125,000 will cover the shortfall if required. The scanning budget will be underspent by £86,100.
LOCAL LAND CHARGES						
Direct Expenditure	157,781	214,850	213,463		(1,387)	
Income	(196,028)	(266,880)	(255,757)		11,123	
Total Directly Controllable (Income)/Expenditure	(38,247)	(52,030)	(42,294)		9,736	
Indirect Expenditure	27,312	32,730	32,883		153	
Net (Income)/Expenditure	(10,935)	(19,300)	(9,411)		9,889	

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
MAJOR PROJECTS						
Direct Expenditure	320,183	1,563,926	672,233	(149,969)	(891,693)	
Total Directly Controllable (Income)/Expenditure	320,183	1,563,926	672,233	(149,969)	(891,693)	
Indirect Expenditure	122,200	145,360	145,372		12	
Net (Income)/Expenditure	442,383	1,709,286	817,605		(891,681)	Employee related costs are expected to be £107,428 over the revenue budget which takes into account a capital allocation of £150,255. 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 Gyrotory (£50,000), Blackwell Farm (£20,000), Spectrum 2.0 (£276,696), Millbrook Decking (£80,000), Public Realm (£44,000) Guildford Station Platform Study (£60,000). Consultant budgets for Bedford Wharf (£80,000), SMC (£160,000) and Major Projects (£160,000) are to be vired to Guildford West and carried forward to 20-21 along with unspent budget of £85,000. Savings partially offset by unbudgeted Museum consultants fees of £29,000 and LEP fees of £6,000 for Bike Share Scheme.
POLICY						
Direct Expenditure	789,417	1,361,024	1,068,453	(21,760)	(292,571)	
Income	(5,823)	(15,000)	(41,123)		(26,123)	
Total Directly Controllable (Income)/Expenditure	783,594	1,346,024	1,027,330	(21,760)	(318,694)	
Indirect Expenditure	150,730	180,800	180,086		(714)	
Net (Income)/Expenditure	934,324	1,526,824	1,207,416	(21,760)	(319,408)	There are salary savings due to vacancies although agency and consultants have been retained in lieu of some posts. Referendum and consultants costs for neighbourhood plans will not be needed in 2019-20. Costs for the judicial review process are £116,135 and costs recovered will be £25,000. Work on the the Infrastructure Delivery Plan will not now take place in this financial year and consultant costs on the Local Plan will be under budget by £22,000. CIL consultants costs will not be spent in this financial year nor will the Local Plan reserve. Planning policy software costs of £21,760 will be funded from the Policy reserve and we do not anticipate any further expenditure there. The Local Plan inspector's budget of £50,000 will not be required this year.

Service	Actual	Revised Budget	Projected Outturn	Contribution to (from) reserve	Variance	Notes
SLYFIELD AREA REGENERATION PROJECT (SARP)						
Direct Expenditure	11,695	53,030	53,736		706	
Total Directly Controllable (Income)/Expenditure	11,695	53,030	53,736		706	
Indirect Expenditure	18,240	21,880	21,904		24	
Net (Income)/Expenditure	29,935	74,910	75,640		730	

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HOUSING REVENUE ACCOUNT SUMMARY - BUDGET MONITOR (APRIL 2019 - JANUARY 2020)

2017-18 £ Actual	2018-19 £ Actual	Analysis Borough Housing Services	2019-20 £ Estimate	2019-20 £ Projection
613,565	738,104	Income Collection	682,940	680,009
948,978	1,036,217	Tenants Services	938,680	961,237
64,128	81,030	Tenant Participation	148,270	118,186
68,808	69,865	Garage Management	101,340	97,429
64,083	59,064	Elderly Persons Dwellings	66,740	66,486
524,075	584,036	Flats Communal Services	432,530	551,614
432,181	423,867	Environmental Works to Estates	482,000	458,224
5,523,575	5,676,678	Responsive & Planned Maintenance	5,357,668	5,674,795
120,028	121,665	SOCH & Equity Share Administration	141,950	135,025
8,359,422	8,790,527		8,352,118	8,743,004
		Strategic Housing Services		
360,623	419,543	Advice, Registers & Tenant Selection	360,450	350,310
210,368	217,026	Void Property Management & Lettings	210,010	184,146
9,142	9,700	Homelessness Hostels	5,120	5,120
142,418	155,194	Supported Housing Management	163,210	165,623
392,915	426,311	Strategic Support to the HRA	380,990	386,912
1,115,468	1,227,774		1,119,780	1,092,112
		Community Services		
911,190	938,878	Sheltered Housing	842,400	912,975
		Other Items		
5,528,728	5,638,889	Depreciation	5,528,730	5,528,730
(44,323)	(45,515)	Revaluation and other Capital items	0	0
165,468	163,276	Debt Management	160,590	160,590
280,328	343,578	Other Items	632,390	382,312
16,316,281	17,057,407	Total Expenditure	16,636,008	16,819,723
(32,247,174)	(31,991,396)	Income	(32,445,282)	(32,401,218)
(15,930,894)	(14,933,989)	Net Cost of Services(per inc & exp a/c)	(15,809,274)	(15,581,494)
264,207	258,720	HRA share of CDC	256,800	251,530
(15,666,687)	(14,675,269)	Net Cost of HRA Services	(15,552,474)	(15,329,964)
(384,996)	(456,206)	Investment Income	(598,260)	(598,260)
5,004,072	5,159,240	Interest Payable	5,142,230	5,131,995
(11,047,611)	(9,972,235)	Deficit for Year on HRA Services	(11,008,504)	(10,796,229)
627,309	0	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
7,563,162	7,849,699	Contrib to/(Use of) New Build Reserve	8,433,504	8,221,229
309,017	(421,229)	Tfr (fr) to Pensions Reserve	0	0
640,110	0	Tfr (from)/to CAA re: Voluntary Revenue Provision	0	0
71,504	76,058	Tfr (from)/to CAA re: Revaluation	0	0
(627,309)	0	Tfr (from)/to CAA re: REFCUS	0	0
(27,181)	(30,543)	Tfr (from)/to CAA re: Intangible assets	0	0
(9,000)	(1,750)	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)

2017-18 £ Actual	2018-19 £ Actual	Analysis Borough Housing Services	2019-20 £ Estimate	2019-20 £ Projection
(29,579,133)	(29,236,342)	Rent Income - Dwellings	(29,736,103)	(29,457,541)
(207,228)	(208,349)	Rent Income - Rosebery Hsg Assoc	(209,980)	(209,980)
(199,874)	(206,530)	Rents - Shops, Buildings etc	(194,300)	(224,508)
(699,962)	(718,083)	Rents - Garages	(739,774)	(949,078)
(30,686,197)	(30,369,304)	Total Rent Income	(30,880,157)	(30,841,107)
(316,404)	(140,122)	Supporting People Grant	(105,000)	(139,507)
(937,611)	(1,023,033)	Service Charges	(1,007,580)	(1,008,410)
(21,432)	(9,144)	Legal Fees Recovered	(28,840)	(28,840)
(44,698)	(51,614)	Service Charges Recovered	(40,000)	(39,894)
(240,832)	(398,179)	Miscellaneous Income	(383,705)	(343,459)
(32,247,174)	(31,991,396)	Total Income	(32,445,282)	(32,401,218)

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GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2019-20 to 2024-25

Ref	Directorate/Service and Capital Scheme name	Approved (a) £000	Cumulative (b) £000	2019-20			Projected (f) £000	2020-21 Est (ii) £000	2021-22 (iii) £000	2022-23 (iv) £000	2023-24 (v) £000	2024-25 (v) £000	Future years (g) £000	Projected (b)+(g) = (h) £000	Grants / (i) £000	Funded	Net cost (h)-(i) = (j) £000
				Estimate (c) £000	Revised (d) £000	Expenditure (e) £000											
APPROVED SCHEMES																	
COMMUNITY DIRECTORATE																	
General Fund Housing																	
ED30	Home Farm, Effingham - provision of Gypsy and Traveller	1,000	987	-	-	(10)	-	-	-	-	-	-	-	987	-	-	987
	Disabled Facilities Grants		annual	605	605	340	605	605	605	605	605	605	3,025	3,630	(710)	-	2,920
	Better Care Fund			-	-	198	-	-	-	-	-	-	-	-	-	-	-
	Home Improvement Assistance			-	-	78	-	-	-	-	-	-	-	-	-	-	-
	Solar Energy Loans			-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BCF TESH Project			-	-	6	-	-	-	-	-	-	-	-	-	-	-
	BCF Prevention grant			-	-	12	-	-	-	-	-	-	-	-	-	-	-
	SHIP			-	-	1	-	-	-	-	-	-	-	-	-	-	-
	General Grants to HAs		annual	100	100	-	100	100	100	100	100	100	500	600	-	-	600
	General feasibility, site preparation costs for affordable housing		annual	120	120	-	120	120	120	120	120	120	600	680	-	-	680
	Bright Hill Car Park Site			19	-	19	30	-	-	-	-	-	-	-	-	-	-
	Garage Sites-General			160	-	1	1	-	-	-	-	-	-	-	-	-	-
	Japonica Court/Shawfield Day Centre COMPLETE			4	-	2	2	-	-	-	-	-	-	-	-	-	-
	Site B10b feasibility			-	-	2	2	-	-	-	-	-	-	-	-	-	-
	Redevelopment bid 13			-	-	15	45	-	-	-	-	-	-	-	-	-	-
	Corporate Property																
ED3/15	Disabled Access (DDA) Improvements: ph.2 & 3	404	368	-	36	0	36	-	-	-	-	-	-	404	-	-	404
ED14(e)	Void investment property refurbishment works	400	237	10	47	-	47	-	-	-	-	-	-	400	-	-	400
ED14	5 High Street void works			55	105	50	105	-	-	-	-	-	-	-	-	-	-
ED14	Unit 3 The Billings void works			-	1	1	1	-	-	-	-	-	-	-	-	-	-
ED15	Liongate void works			-	10	26	10	-	-	-	-	-	-	-	-	-	-
ED14	10 Middleton void works	230		130	230	7	230	-	-	-	-	-	-	230	(100)	-	130
ED19	Asbestos surveys and removal in non-residential council	158	130	32	28	25	28	-	-	-	-	-	-	158	-	-	158
ED21	Methane gas monitoring system	100	45	45	55	-	51	-	-	-	-	-	-	96	-	-	100
ED21a	Methane gas monitoring Depots			-	-	-	4	-	-	-	-	-	-	-	-	-	-
ED22	Energy efficiency compliance - Council owned properties	245	58	-	187	23	50	137	-	-	-	-	137	245	-	-	245
ED26	Bridges -Inspections and remedial works	317	173	-	130	1	130	-	-	-	-	-	-	317	-	-	317
ED26	Bridges - Millmead Footbridge			4	-	-	-	-	-	-	-	-	-	-	-	-	-
ED26	Bridges - Shalford Common			1	-	-	-	-	-	-	-	-	-	-	-	-	-
ED26	Bridges - Millmead Lattice			9	-	8	-	-	-	-	-	-	-	-	-	-	-
ED26	Bridges - Shalford Rd/Millmead Island			0	-	-	-	-	-	-	-	-	-	-	-	-	-
ED35	Electric Theatre - new boilers	120	-	120	120	-	120	-	-	-	-	-	-	120	-	-	120
ED41	The Billings roof	200	27	-	(2)	(1)	(2)	175	-	-	-	-	175	200	-	-	200
ED42	Guildford house damproofing- removal of decayed timber	35	31	-	4	1	4	-	-	-	-	-	-	35	-	-	35
ED44	Broadwater cottage	224	69	172	155	18	155	-	-	-	-	-	-	224	-	-	224
ED45	Gunpowder mills - scheduled ancient monument	222	5	145	165	5	165	52	-	-	-	-	52	222	-	-	222
ED46	New House - short term works following acquisition	70	54	-	16	-	16	-	-	-	-	-	-	70	-	-	70
ED51(p)	Guildford House Exhibition lighting	50	-	50	50	-	-	50	-	-	-	-	50	50	-	-	50
ED47	Cladding of Ash Vale units	145	13	135	132	(8)	40	92	-	-	-	-	92	145	-	-	145
ED55	48 Quarry Street, Museum - structural works	250	15	232	235	275	235	-	-	-	-	-	-	250	-	-	250
ED53	Tyting Farm Land-removal of barns and concrete hardstanding	200	-	200	200	7	200	-	-	-	-	-	-	200	-	-	200
ED56	Foxenden Tunnels safety works	110	-	110	110	16	110	-	-	-	-	-	-	110	-	-	110
ED57	Holy Trinity Church boundary wall	63	-	63	63	6	63	-	-	-	-	-	-	63	-	-	63
CP1	SMP Ph1 Calorifer replacement	28	-	-	-	-	-	28	-	-	-	-	28	28	-	-	28
CP2	SMP Main pavilion amenity club	50	-	-	-	-	-	50	-	-	-	-	50	50	-	-	50
CP3	SMP cricket pavilion	120	-	-	-	-	-	120	-	-	-	-	120	120	-	-	120
Office Services																	
BS4	Hydro private wire - Tollhouse to Millmead	4	3	-	1	-	1	-	-	-	-	-	-	4	-	-	4
	Millmead - IT Cooling System	150	18	-	132	75	132	-	-	-	-	-	-	150	-	-	150
COMMUNITY DIRECTORATE TOTAL																	
		4,894	2,430	2,324	3,035	1,200	2,716	1,529	825	825	825	825	4,829	9,787	(810)		8,981
ENVIRONMENT DIRECTORATE																	
Operational Services																	
OP1	Safer Guildford: CCTV & Lighting Strategy - Lighting Strategy	345	324	21	21	-	0	21	-	-	-	-	21	345	-	-	345
OP5	Mill Lane (Pirbright) Flood Protection Scheme	71	55	16	16	-	16	-	-	-	-	-	-	71	(19)	-	52
OP6	Vehicles, Plant & Equipment Replacement Programme	10,665	5,750	579	695	336	695	4,220	-	-	-	-	4,220	10,665	(26)	-	10,639
	Mary Road Flood (EA grant) COMPLETE	45	16	29	29	-	0	-	-	-	-	-	-	16	(16)	-	-
OP20	Flood resilience measures (use in conjunction with grant)	100	-	100	100	-	100	-	-	-	-	-	-	100	-	-	100
OP22	Litter bins replacement	265	112	-	153	-	0	153	-	-	-	-	153	265	-	-	265
OP25	WRD roads and footpaths	150	95	40	55	54	55	-	-	-	-	-	-	150	-	-	150
OP26	Marrow lane grille & headwall construction	60	3	57	57	-	(0)	57	-	-	-	-	57	60	-	-	60
OP27	Marrow & Burpham surface water study	15	-	15	15	-	15	-	-	-	-	-	-	15	-	-	15
OP28	Crown court CCTV	10	-	10	10	-	10	-	-	-	-	-	-	10	-	-	10
OP17	New vehicle washing system	155	1	-	154	56	154	-	-	-	-	-	-	155	-	-	155
Parks and Leisure																	
PL11	Spectrum Roof replacement	4,000	1,535	300	435	43	435	-	-	-	-	-	-	3,100	-	-	3,100
	Spectrum roof - steelwork ph2	-	409	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Spectrum roof - steelwork ph3	-	720	-	-	19	-	-	-	-	-	-	-	-	-	-	-
PL25	Spectrum Combined Heat and Power (GF contr) COMPLETE	867	290	-	77	15	15	-	-	-	-	-	-	305	-	-	305
PL15	Infrastructure works: Guildford Commons	150	3	-	-	-	-	-	-	-	-	-	-	3	-	-	3
PL15(a)	Infrastructure works: Guildford Commons: Marrow	-	12	-	5	2	5	-	-	-	-	-	-	17	-	-	17
PL15(b)	Infrastructure works: Guildford Commons: Shalford	-	111	-	19	19	19	-	-	-	-	-	-	130	-	-	130
PL20(b)	Westnye Gardens play area	125	118	-	7	4	7	-	-	-	-	-	-	125	(1)	-	124
PL20(c)	Redevelopment of Westborough and Park barn play area	320	-	250	250	-	25	295	-	-	-	-	295	320	-	-	320
PL34	Stoke cemetery re-tarmac	47	-	47	47	-	-	47	-	-	-	-	47	47	-	-	47

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2019-20 to 2024-25

Ref	Directorate/Service and Capital Scheme name	Approved (a) £000	Cumulative (b) £000	2019-20			Projected (f) £000	2020-21 Est (ii) £000	2021-22 (iii) £000	2022-23 (iv) £000	2023-24 (v) £000	2024-25 (v) £000	Future years (g) £000	Projected (b)+(g) = (h) £000	Grants / (i) £000	Funded	Net cost (h)-(i) = (j) £000
				Estimate (c) £000	Revised (d) £000	Expenditure (e) £000											
PL35	Woodbridge rd sportsground replace fencing	280	195	-	85	67	85	-	-	-	-	-	-	281	-	-	281
PL36	Stoke Park Composting facility NO LONGER REQD	105	-	105	105	-	-	-	-	-	-	-	-	-	-	-	-
PL39(P)	Aldershot rd allotment expansion & improvement	20	-	-	20	4	20	-	-	-	-	-	-	20	-	-	20
PL42	Pre-sang costs	100	24	61	76	32	76	-	-	-	-	-	-	100	-	-	100
PL43	Stoke Cemetry Chapel - phase 2(COMPLETE)	1	-	-	1	1	1	-	-	-	-	-	-	1	-	-	1
PL47	Wall repairs for parks, cemeteries & recreation	201	172	-	30	30	30	-	-	-	-	-	-	201	-	-	201
PL57	Parks and Countryside - repairs and renewal of paths,roads	165	94	-	71	25	71	-	-	-	-	-	-	165	-	-	165
PL24	Kings college astro turf	547	76	-	470	417	470	-	-	-	-	-	-	547	(427)	-	120
PL58	Shalford Common - regularising car parking/reduction of	121	-	60	60	22	22	99	-	-	-	-	99	121	-	-	121
	Allen House Pavillion - Roof Works	30	-	-	30	-	30	-	-	-	-	-	-	30	-	-	30
PL60	Traveller encampments - Bellfields Green	72	-	72	72	60	72	-	-	-	-	-	-	72	-	-	72
PL60	Traveller encampments - Shalford Common	48	-	48	48	-	48	-	-	-	-	-	-	48	-	-	48
	ENVIRONMENT TOTAL DIRECTORATE	19,080	10,117	1,810	3,213	1,207	2,476	4,892	-	-	-	-	4,892	17,485	(489)	-	16,997
	FINANCE DIRECTORATE																
	Financial Services																
FS1	Capital contingency fund	annual	-	5,000	3,778	-	(0)	5,000	5,000	5,000	5,000	5,000	25,000	25,000	-	-	25,000
	RESOURCES DIRECTORATE TOTAL	0	0	5,000	3,778	0	(0)	5,000	5,000	5,000	5,000	5,000	25,000	25,000	0	-	25,000
	DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																
	Development / Infrastructure																
ED54	Rodboro Buildings - electric theatre through road and parking	450	10	450	440	5	70	280	-	-	-	-	280	360	-	-	360
ED18	Museum and castle development	1,652	188	180	444	155	444	1,020	-	-	-	-	1,020	1,652	-	-	1,652
ED52	Public Realm Scheme (Chapel Street/Castle Street/Tungate)	2,627	992	1,425	1,635	12	20	1,615	-	-	-	-	1,615	2,627	(10)	(1,615)	1,002
P5	Walnut Bridge replacement	4,291	1,367	1,301	1,813	189	1,314	1,593	17	-	-	-	1,610	4,291	(1,825)	-	2,466
ED32	Internal Estate Road - CLLR Phase 1	11,139	2,292	6,500	8,847	7,844	8,847	-	-	-	-	-	-	11,139	(5,100)	-	6,039
P9c	Town Centre Gateway Regeneration	3,523	43	3,481	3,480	7	(0)	3,480	-	-	-	-	3,480	3,523	-	-	3,523
	SMC(West) Phase 1	3,850	250	1,383	1,935	717	625	2,975	-	-	-	-	2,975	3,850	(2,725)	-	1,125
P16	A331 hotspots	3,930	147	2,230	2,383	71	637	3,146	-	-	-	-	3,146	3,930	(1,965)	-	1,965
P14	Town Centre Approaches	1,033	-	1,033	1,033	4	217	816	-	-	-	-	816	1,033	(700)	-	333
P22	Ash Bridge Land acquisition	120	2	-	118	102	118	-	-	-	-	-	-	120	-	-	120
P21	Ash Road Bridge	4,060	646	4,060	2,814	977	1,200	2,214	-	-	-	-	2,214	4,060	(4,060)	-	(0)
P11	Guildford West (PB) station	500	-	500	500	-	-	500	-	-	-	-	500	500	-	-	500
	Development Financial																
	Investment in North Downs Housing (60%)	15,180	4,619	3,600	4,379	3,397	4,379	4,500	1,682	-	-	-	6,182	15,180	-	-	15,180
	Equity shares in Guildford Holdings Ltd (40%)	10,120	3,083	2,400	2,920	2,264	2,920	3,000	1,117	-	-	-	4,117	10,120	-	-	10,120
ED25	Guildford Park - new MSCP and infrastructure works	6,500	1,803	3,509	3,762	209	300	3,462	-	-	-	-	3,462	6,500	-	-	6,500
	Guildford Park - Housing for private sale		935			147											
ED49	Middleton Ind Est Redevelopment	9,350	255	3,649	3,595	1,041	3,595	5,500	-	-	-	-	5,500	9,350	-	-	9,350
P12	Strategic property acquisitions	8,520	-	4,647	8,520	7,016	8,520	-	-	-	-	-	-	8,520	-	-	8,520
PL9	Rebuild Crematorium	11,822	4,472	7,372	7,350	5,301	7,350	-	-	-	-	-	-	11,822	-	-	11,822
ED27	North Street Development / Guild Town Centre regeneration	977	741	-	236	61	0	236	-	-	-	-	236	977	(50)	-	927
PL29	Woodbridge Rd sportsground	2,311	2,211	-	100	65	100	-	-	-	-	-	-	2,311	(496)	-	1,814
ED6	Slyfield Area Regeneration Project (SARP)	21,006	3,214	6,000	11,451	8,885	11,451	5,245	1,096	-	-	-	6,341	21,006	(2,000)	-	19,006
	DEVELOPMENT/INCOME GENERATING/COST REDUCTION	122,961	27,270	53,720	67,754	38,470	52,106	39,582	3,912	0	0	0	43,494	122,870	(18,932)	(1,615)	102,323
	APPROVED SCHEMES TOTAL	146,935	39,817	62,854	77,780	40,877	57,298	51,003	9,737	5,825	5,825	5,825	78,215	175,143	(20,231)	(1,615)	153,301
	non-development projects total	23,974	12,547	9,134	10,026	2,407	5,192	11,421	5,825	5,825	5,825	5,825	34,721	52,272	(1,299)	0	50,977
	development/infrastructure - non-financial benefit	37,175	5,937	22,543	25,441	10,083	13,491	17,639	17	0	0	0	17,656	37,084	(16,385)	(1,615)	19,084
	development- financial benefit	85,786	21,333	31,177	42,313	28,387	38,615	21,943	3,895	0	0	0	25,838	85,786	(2,546)	0	83,239
	TOTAL	146,935	39,817	62,854	77,780	40,877	57,298	51,003	9,737	5,825	5,825	5,825	78,215	175,143	(20,231)	(1,615)	153,301

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2019-20 to 2024-25

Ref	Directorate / Service Units Capital Schemes	Gross (a) £000	Cumulative (b) £000	2019-20		Expenditure (f) £000	Projected (g) £000	2020-21 Est (i) £000	2021-22 (ii) £000	2022-23 Est (iii) £000	2023-24 (iv) £000	2024-25 (v) £000	2025-26 (vi) £000	2026-27 (vii) £000	2027-28 (viii) £000	Future years (h) £000	Projected (b) to (g)=(i) £000	Grants or (j) £000	Net total (i) - (j) = £000
				Estimate (c) £000	Revised (e) £000														
PROVISIONAL SCHEMES (schemes approved in principle; further report to the Executive required)																			
COMMUNITY DIRECTORATE																			
General Fund Housing																			
CM1(p)	Old Manor House - replacement windows	193	-	193	193	-	-	193	-	-	-	-	-	-	-	193	193	-	193
Corporate Property																			
ED14(P)	Void investment property refurbishment works	170	-	170	170	-	-	170	-	-	-	-	-	-	-	170	170	-	170
ED21(P)	Methane gas monitoring system	150	-	150	150	-	-	150	-	-	-	-	-	-	-	150	150	-	150
ED22(P)	Energy efficiency compliance - Council owned properties	950	-	-	-	-	-	950	-	-	-	-	-	-	-	950	950	-	950
ED26(P)	Bridges	370	-	370	370	-	-	370	-	-	-	-	-	-	-	370	370	-	370
ED48(p)	Westfield/Moorfield rd resurfacing	3,152	-	-	-	-	-	3,152	-	-	-	-	-	-	-	3,152	3,152	-	3,152
ED53(p)	Tyting Farm Land-removal of barns and concrete hardstanding	50	-	50	50	-	50	-	-	-	-	-	-	-	-	-	50	-	50
ED56(p)	Land to the rear of 39-42 Castle Street	10	-	10	10	-	10	-	-	-	-	-	-	-	-	-	10	-	10
PL54(p)	Shawfield DC - fire alarm system and LED lighting upgrade(NO	83	-	83	83	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CP4	New House works	416	-	-	-	-	-	416	-	-	-	-	-	-	-	416	416	-	416
CP5	Energy & CO2 reduction in Council non HRA properties	2,268	-	-	-	-	-	268	500	500	500	-	-	-	-	2,268	2,268	-	2,268
Office Services																			
CD3(P)	Renewables	65	-	-	65	-	65	-	-	-	-	-	-	-	-	-	65	-	65
BS3(p)	Millmead House - M&E plant renewal	33	-	-	33	-	-	-	33	-	-	-	-	-	-	33	33	-	33
BS4(p)	Hydro private wire - Tollhouse to Millmead	82	-	-	82	-	82	-	-	-	-	-	-	-	-	-	82	-	82
COMMUNITY DIRECTORATE TOTAL		7,992	-	1,026	1,206	-	207	5,669	533	500	500	500	-	-	-	7,702	7,909	-	7,909
ENVIRONMENT DIRECTORATE																			
Operational Services																			
OP5(P)	Mill Lane (Pirbright) Flood Protection Scheme	200	-	200	200	-	200	-	-	-	-	-	-	-	-	-	200	(20)	180
OP6(P)	Vehicles, Plant & Equipment Replacement Programme	1,600	-	-	-	-	-	780	-	-	-	-	-	-	-	780	780	-	780
OP21(P)	Surface water management plan	200	-	200	200	-	200	-	-	-	-	-	-	-	-	-	200	-	200
OP22(P)	Town Centre CCTV upgrade	250	-	250	250	-	250	-	-	-	-	-	-	-	-	-	250	-	250
Parks and Leisure																			
PL16(P)	New burial grounds - acquisition & development	7,834	38	100	100	-	50	-	-	-	-	-	-	-	-	-	88	-	88
PL18(P)	Refurbishment / rebuild Sutherland Memorial Park Pavilion	150	-	-	-	-	-	-	-	-	150	-	-	-	-	150	150	-	150
PL39(P)	Aldershot rd allotment expansion & improvement	180	-	-	-	-	20	160	-	-	-	-	-	-	-	160	180	-	180
PL41(P)	Stoke pk office accommodation & storage buildings	665	-	-	-	-	-	665	-	-	-	-	-	-	-	665	665	-	665
PL44(p)	Sutherland memorial park all weather courts new posts and	25	-	-	25	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PL45(p)	Stoke Pk gardens water feature refurb	81	-	-	-	-	81	-	-	-	-	-	-	-	-	-	81	(59)	22
PL55(p)	Sutherland Memorial Park - electrical works	39	-	-	39	-	39	-	-	-	-	-	-	-	-	-	39	-	39
PL56(p)	Stoke Park Masterplan enabling costs	500	-	100	100	-	100	150	100	150	150	-	-	-	-	500	500	-	500
PL57(p)	Parks and Countryside - repairs and renewal of paths,roads and	1,645	-	400	372	-	372	400	400	400	-	-	-	-	-	1,200	1,572	-	1,572
PL58(p)	Sports pavilions - replace water heaters	154	-	-	154	-	-	28	42	42	42	-	-	-	-	154	154	-	154
PL59(p)	Millmead fish pass	60	-	60	60	-	60	-	-	-	-	-	-	-	-	-	60	-	60
PL60(p)	Traveller encampments	130	-	60	60	-	60	130	-	-	-	-	-	-	-	130	130	-	130
ENVIRONMENT DIRECTORATE TOTAL		13,713	38	1,370	1,560	-	1,272	2,263	592	542	342	-	-	-	-	3,739	5,049	(79)	4,970
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																			
Development / Infrastructure																			
ED18(P)	Guildford Museum	16,810	-	-	-	-	-	16,810	-	-	-	-	-	-	-	16,810	16,810	(11,800)	5,010
	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
P10(p)	Sustainable Movement Corridor	6,045	-	-	-	-	-	-	-	6,045	-	-	-	-	-	6,045	6,045	-	6,045
P11(p)	Guildford West (PB) station	4,700	-	650	650	-	-	1,700	3,000	-	-	-	-	-	-	4,700	4,700	(3,750)	950
P14(p)	Guildford Gyration & approaches	10,967	-	-	-	-	-	3,500	3,500	3,967	-	-	-	-	-	10,967	10,967	(5,000)	5,967
P15(p)	Guildford bike share	530	-	530	530	-	530	-	-	-	-	-	-	-	-	-	530	-	530
P17(p)	Bus station relocation	500	-	300	300	-	-	500	-	-	-	-	-	-	-	500	500	-	500
P19(p)	Access for all Ash Station funding	250	-	250	250	-	-	-	-	-	-	-	-	-	-	-	-	-	-
P21(p)	Ash Road Footbridge	18,440	-	8,440	18,440	-	-	18,440	-	-	-	-	-	-	-	18,440	18,440	(18,440)	-
P21(p)	Ash Road Footbridge	4,800	-	-	-	-	-	4,800	-	-	-	-	-	-	-	4,800	4,800	(4,800)	-
Development Financial																			
ED25(P)	Guildford Park new MSCP and infrastructure works	23,125	-	4,380	4,380	-	-	4,380	11,625	7,120	-	-	-	-	-	23,125	23,125	-	23,125
ED49(p)	Redevelop Midleton industrial estate	5,557	-	-	-	-	-	5,557	-	-	-	-	-	-	-	-	5,557	-	5,557
PL51(p)	Stoke Park - Home Farm Redevelopment	4,000	-	-	-	-	-	-	-	-	4,000	-	-	-	-	4,000	4,000	-	4,000
ED16(P)	Slyfield Area Regeneration Project (SARP) (GBC share)	327,359	-	-	-	-	-	12,178	41,119	73,340	42,772	37,547	34,881	24,342	61,180	327,359	327,359	(53,715)	273,644
ED38(P)	North Street development	29,590	-	-	-	-	-	29,590	-	-	-	-	-	-	-	29,590	29,590	-	29,590
HC4(p)	Bright Hill Development	13,500	-	180	180	-	180	500	5,000	7,000	820	-	-	-	-	13,320	13,500	-	13,500
P12(p)	Strategic property acquisitions	23,292	-	-	-	-	-	9,492	13,800	-	-	-	-	-	-	23,292	23,292	-	23,292
DF1	Investment property acquisition	40,000	-	-	-	-	-	20,000	10,000	10,000	-	-	-	-	-	40,000	40,000	-	40,000
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS TOTAL		559,565	-	14,730	24,730	-	710	127,447	97,245	128,371	47,592	37,547	34,881	24,342	61,180	558,605	559,315	(97,505)	461,810
PROVISIONAL SCHEMES - GRAND TOTALS		581,269	38	17,126	27,496	-	2,189	135,379	98,370	129,413	48,434	38,047	34,881	24,342	61,180	570,046	572,273	(97,584)	474,689
non development projects		21,705	38	2,396	2,766	-	1,479	7,932	1,125	1,042	842	500	-	-	-	11,441	12,958	(79)	12,879
development/infrastructure - non-financial benefit		93,142	0	10,170	20,170	0	530	45,750	15,701	30,911	0	0	0	0	0	92,362	92,892	(43,790)	49,102
development- financial benefit		466,423	0	4,560	4,560	0	180	81,697	81,544	97,460	47,592	37,547	34,881	24,342	61,180	466,243	466,423	(53,715)	412,708
TOTAL		581,269	38	17,126	27,496	0	2,189	135,379	98,370	129,413	48,434	38,047	34,881	24,342	61,180	570,046	572,273	(97,584)	474,689

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GENERAL FUND CAPITAL PROGRAMME - S106 ESTIMATED EXPENDITURE 2019-20 to 2024-25

Ref	Service Units / Capital Schemes	Approved (a) £000	Cumulative (b) £000	2019-20		Expenditure (e) £000	Projected (f) £000	2020-21 (i) £000	2021-22 (ii) £000	2022-23 (iii) £000	2023-24 (iv) £000	2024-25 (v) £000	Future (g) £000	Projected (b)+(g) = (h) £000	Grants / (i) £000	Net cost of (h)-(i) = (j) £000
				Estimate (c) £000	Revised (d)											
APPROVED SCHEMES (fully funded from S106 contributions)																
ENVIRONMENT DIRECTORATE																
Operational Services																
S-OP3	Hayden Place CCTV - P92310	35	12		23	-	23							35	(35)	
Parks and Leisure																
S-PL8	Baird Drive/Briars Playground Refurb	10	8	-	2	0	2	-	-	-	-	-	-	10	(10)	-
S-PL36	Gunpowder mills - signage, access and woodland imps	36	17	-	19	-	19	-	-	-	-	-	-	36	(36)	-
S-PL38	Chantry Wood Campsite	36		36	36	-	36	-	-	-	-	-	-	36	(36)	-
S-PL47	Fir Tree Garden	28	-	-	28	-	28	-	-	-	-	-	-	28	(28)	-
S-PL54	Shalford Swift Tower (Art)	7			7	6	7							7	(7)	-
S-PL55	Provision Play Area Tongham Recreation ground	36			36	36	36							36	(36)	-
ENVIRONMENT DIRECTORATE TOTAL		187	25	36	150	42	150	-	-	-	-	-	-	153	(153)	-
APPROVED S106 SCHEMES TOTAL		187	25	36	150	42	150	-	-	-	-	-	-	887	(887)	-

SUMMARY	
APPROVED S106 SCHEMES - TOTAL	
GRAND TOTAL	

25	36	150	42	150	-	-	-	-	-	-	-	-	887	(887)	-
25	36	150	42	150	-	-	-	-	-	-	-	-	887	(887)	-

FINANCED BY - S106 CONTRIBUTIONS	
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(25)	(36)	(150)	(42)	(150)	-	-	-	-	-	-	-	-	(887)	887	-
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GENERAL FUND CAPITAL SCHEMES - PROJECTS FUNDED VIA RESERVES: ESTIMATED EXPENDITURE

Item	Projects & Sources of Funding	Approved (a) £000	Cumulative (b) £000	2019-20				2020-21 (i) £000	2021-22 (ii) £000	2022-23 (iii) £000	2023-24 (iv) £000	2024-25 (v) £000	Future (g) £000	Projected (b)+(g) = (h) £000
				Estimate (c) £000	Revised £000	Expenditure (e) £000	Projected (f) £000							
COMMUNITY DIRECTORATE														
ENERGY PROJECTS per SALIX RESERVE:(PR220)														
R-EN10	LED Lighting replacement	80	49	193	193	-	193	-	-	-	-	-	-	242
R-EN11	WRD energy reduction	70	-	70	70	-	70	-	-	-	-	-	-	70
R-EN12	LED lighting	44	-	-	-	-	-	44	-	-	-	-	44	44
R-EN13	ASHP CAB	28	-	-	-	-	-	-	28	-	-	-	28	28
ENERGY PROJECTS per GBC INVEST TO SAVE RESERVE:														
GBC 'Invest to Save' energy projects (to be repaid in line														
R-EN12	PV/energy efficiency projects	100	2	-	164	-	164	-	-	-	-	-	-	164
R-EN13	Park Barn Day Centre - air source heat pump COMPLETE	143	100	-	-	10	10	-	-	-	-	-	-	110
R-EN14	SMP - air source heat pump	28	-	-	28	1	-	28	-	-	-	-	28	28
ENERGY RESERVES TOTAL		493	151	263	553	11	535	72	28	-	-	-	100	786
BUDGET PRESSURES RESERVE														
Future Guildford implementation team		2,600	-	1,000	1,000	-	1,000	1,600	-	-	-	-	1,600	2,600
BUDGET PRESSURES RESERVE TOTAL		2,600	-	1,000	1,000	-	1,000	1,600	-	-	-	-	1,600	2,600
FINANCE DIRECTORATE														
INFORMATION TECHNOLOGY - IT Renewals Reserve (PR265) : approved annually														
Hardware / software budget		-	-	527	527	-	527	500	500	500	-	-	1,500	2,027
R-IT1	Hardware	annual	annual	-	-	283	-	-	-	-	-	-	-	-
R-IT2	Software	annual	annual	-	-	-	-	-	-	-	-	-	-	-
PAD		-	-	-	-	40	-	-	-	-	-	-	-	-
ICT infrastructure improvements		1,485	1,345	-	140	236	140	-	-	-	-	-	-	1,485
R-IT3	IDOX Acolaid to Uniform	275	-	275	275	-	-	275	-	-	-	-	275	275
R-IT4	LCTS alternative	56	-	6	6	-	6	50	-	-	-	-	50	56
R-IT5	Future Guildford ICT	1,200	-	1,200	1,200	-	1,200	-	-	-	-	-	-	1,200
IT RENEWALS RESERVE TOTAL		3,016	1,345	2,008	2,148	559	1,873	825	500	500	-	-	1,825	5,043
ENVIRONMENT DIRECTORATE														
SPECTRUM RESERVE														
R-S14	Spectrum schemes (to be agreed with Freedom Leisure)	700	168	450	532	-	532	-	-	-	-	-	-	700
SPECTRUM RESERVE TOTAL		700	168	450	532	-	532	-	-	-	-	-	-	700
CAR PARKS RESERVE														
R-CP1	Car parks - install/replace pay-on-foot equipment	1,170	240	860	930	-	930	-	-	-	-	-	-	1,170
Car Parks - Lighting & Electrical improvements:														
R-CP13	- Castle, Farnham & York Rd Lighting	300	-	-	300	-	-	-	-	-	-	-	-	-
R-CP8	- Castle car park (PR000299) deck surfacing	325	144	175	181	107	113	-	-	-	-	-	-	257
R-CP18	- Deck Millbrook car park	2,000	-	1,000	1,000	-	-	1,000	1,000	-	-	-	2,000	2,000
R-CP14	Lift replacement (PR000293)	841	209	187	445	42	445	187	-	-	-	-	187	841
R-CP16	Bright Hill Barrier essential works (PR000425)	80	2	-	78	-	(0)	-	-	-	-	-	-	2
R-CP17	Leapale rd MSCP drainage (PR000433)	90	26	-	64	-	64	-	-	-	-	-	-	90
R-CP19	Structural works to MSCP	300	-	233	300	50	300	-	-	-	-	-	-	300
R-CP20	MSCP- Deck surface replacement & barriers	652	-	593	652	455	652	-	-	-	-	-	-	652
R-CP21	Additional barriers Farnham Rd	15	-	-	-	-	-	15	-	-	-	-	15	15
R-CP22	Deck surface replacement (stair cores)Farnham Rd	70	-	-	-	-	-	70	-	-	-	-	70	70

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

Item	Projects & Sources of Funding	Approved (a) £000	Cumulative (b) £000	2019-20			Projected (f) £000	2020-21 (i) £000	2021-22 (ii) £000	2022-23 (iii) £000	2023-24 (iv) £000	2024-25 (v) £000	Future (g) £000	Projected (b)+(g) = (h) £000
				Estimate (c) £000	Revised £000	Expenditure (e) £000								
R-CP23	Deck surface replacement Leapale Rd	400					400	-	-	-	-	-	400	400
R-CP24	Signage replacement Leapale Rd	30					30	-	-	-	-	-	30	30
R-CP25	Structural repairs roof turret timbers Castle St	60					60	-	-	-	-	-	60	60
	CAR PARKS RESERVE TOTAL	6,333	622	3,048	3,950	654	2,504	1,762	1,000	-	-	-	2,762	5,887
	SPA RESERVE :													
	SPA schemes (various)	100	annual	-	151	-	151	-	-	-	-	-	-	151
R-SPA1	Chantry Woods					-	-						-	
R-SPA2	Effingham					-	-						-	
R-SPA3	Lakeside					-	-						-	
R-SPA4	Riverside					-	-						-	
R-SPA5	Parsonage					-	-						-	
	SPA RESERVE TOTAL	100	-	-	151	-	151	-	-	-	-	-	-	151
	GRAND TOTALS	13,242	2,286	6,769	8,334	1,223	6,595	4,259	1,528	500	-	-	6,287	15,168

Agenda Item number: 8
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 2018-19 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)

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Balance after funding capital expenditure as at 31 March

	2018-19 Actuals £000	2019-20 Budget £000	2019-20 Est Outturn £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000
Balance as at 1 April	0	0	40	0	0	0	0	21,641
Add estimated usable receipts in year	3,039	0	1,991	0	0	0	21,641	22,117
Less applied re funding of capital schemes	(3,000)	0	(2,031)	0	0	0	0	0
Balance after funding capital expenditure as at 31 March	40	0	0	0	0	0	21,641	43,758

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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

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

Total funding required

	2018-19 Actuals £000	2019-20 Budget £000	2019-20 Est Outturn £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000
	35,234	62,854	57,298	51,003	9,737	5,825	5,825	5,825
	15	17,126	2,189	135,379	98,370	129,413	48,434	38,047
	51	36	150	0	0	0	0	0
	2,371	6,769	6,595	4,259	1,528	500	0	0
	0	0	0	0	0	0	0	0
Total estimated capital expenditure	37,671	86,785	66,232	190,641	109,635	135,738	54,259	43,872
To be funded by:								
Capital receipts (<i>per 2.above</i>)	(6,176)	0	(2,031)	0	0	0	0	0
Contributions	(1,673)	(19,681)	(13,519)	(70,768)	(12,615)	(7,350)	(600)	0
<u>R.C.C.O.:</u>								
Other reserves	(2,558)	(13,749)	(15,458)	(4,479)	(1,748)	(720)	0	0
	0	0	0	0	0	0	0	0
	(10,406)	(33,430)	(31,008)	(75,247)	(14,363)	(8,070)	(600)	0
Balance of funding to be met from (i) the Capital Reserve, and (ii) borrowing	(27,265)	(53,355)	(35,224)	(115,394)	(95,272)	(127,668)	(53,659)	(43,872)
Total funding required	(37,671)	(86,785)	(66,232)	(190,641)	(109,635)	(135,738)	(54,259)	(43,872)

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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

	2018-19 Actuals £000	2019-20 Budget £000	2019-20 Est Outturn £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000
	1,641	0	894	0	0	0	0	0
	0	0	0	0	0	0	0	0
	894	0	0	0	0	0	0	0
	2,535	0	894	0	0	0	0	0
	(1,641)	0	(894)	0	0	0	0	0
Balance after funding capital expenditure etc.as at 31 March	894	0	0	0	0	0	0	0

Estimated shortfall at year-end to be funded from borrowing

	25,624	53,355	34,331	115,394	95,272	127,668	53,659	43,872
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Agenda item number: 8
Appendix 8

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

2018-19 Actuals £000	2019-20 Budget £000	2019-20 Est Outturn £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000
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)	12,760	6,760	9,559	0	0	0	0
Add: Estimated receipts in year	0	0	0	0	0	0	0
Less: Applied re Housing (General Fund) capital programme	0	0	0	0	0	0	0
Less: Applied re Housing company	(3,201)	(6,760)	(7,299)	0	0	0	0
	9,559	0	2,260	0	0	0	0
Less: Applied on regeneration schemes	0	0	0	0	0	0	0
Housing receipts - estimated balance in hand at year end	9,559	0	2,260	0	0	0	0

2018-19 Actuals £000	2019-20 Budget £000	2019-20 Est Outturn £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000
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)	422	0	0	0	0	0	0
Add: Estimated receipts in year	898	289	286	289	292	295	301
Less: Applied re Housing (General Fund) capital programme	(14)	(220)	(100)	(220)	(220)	(220)	(220)
Less: Applied re Housing Improvement programme	(1,306)	(69)	(186)	(69)	(72)	(75)	(81)
	0	0	0	0	0	0	0
Less: Applied on regeneration schemes	0	0	0	0	0	0	0
Housing receipts - estimated balance in hand	0	0	0	0	0	0	0

	Total £'000s								
6.1 Estimated annual borrowing requirement	25,624	53,355	34,331	115,394	95,272	127,668	53,659	43,872	470,195
Bids for funding (net)		0	0	0	0	0	0	0	0
Total estimated borrowing requirement if all bids on Appendix 1 approved		53,355	34,331	115,394	95,272	127,668	53,659	43,872	470,195

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GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2019-20 to 2024-25: HRA APPROVED PROGRAMME

	Project Budget £000	2018-19 Actual £000	Project Spend at 31-03-19 £000	2019-20 Estimate £000	Carry Forward	Expenditure as at 10.02.20 £000	2019-20 Projected Outturn £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	Total Project Exp £000
Acquisition of Land & Buildings	10,700	519	920	0	2,581	905	2,581	1,800	1,800	1,800	1,800	0	10,700
New Build													
N30011 Guildford Park	75	0	75	0	0	142	0	0	0	0	0	0	75
N30012 Appletree pub site	3,200	2,209	2,764	338	98	719	660	0	0	0	0	0	3,424
N30013 Slyfield Green (Corporation Club)	2,448	0	2,376	0	72	61	61	0	0	0	0	0	2,437
N30014 Willow Way	1,000	179	952	0	48	1	5	0	0	0	0	0	957
Garage sites-	2,500		0	0	189			0	0	0	0	0	0
N30015 Pond Meadow		62	562	0		9	38						600
N30016 Rowan Close		4	549	0		9	51						600
N30017 Great Goodwin Drive		431	945	0		57	55						1,000
N30018 The Homestead	500	327	756	0	0	4	44	0	0	0	0	0	800
N30019 Fire Station/Ladymead	2,000	643	643	1,196	136	1,257	1,332	25	0	0	0	0	2,000
Bright Hill	500	0	0	0	500	0	0	500	0	0	0	0	500
Various small sites & feasibility/Site preparation	1,000		0	0		0	0	0	0	0	0	1,000	1,000
Pipeline projects	9,425			575		84	150	2,250	3,325	1,825	1,875	0	9,425
Redevelopment bid 13	533			533		0	0	533					533
Redevelopment bid 14	300			300		0	50	250					300
Schemes to promote Home-Ownership													
Equity Share Re-purchases	annual	143	annual	400		0	400	400	400	400	400	400	annual
Major Repairs & Improvements													
Retentions & minor carry forwards	annual	0	annual	40		0	40						annual
Modern Homes - Kitchens, Bathrooms & Void refurb	annual	1,253	annual	1,050		1,442	1,346						annual
Doors and Windows	annual	256	annual	525	0	18	505						annual
Structural	annual	545	annual	400	300	219	614						annual
Energy efficiency: Central heating/Lighting	annual	1,101	annual	1,530		796	1,266						annual
General	annual	1,210	annual	1,605	776	1,339	2,421						annual
Grants													
Cash Incentive Scheme	annual	0	annual	75		0	75						annual
TOTAL APPROVED SCHEMES	34,181	8,883	10,540	8,567	4,700	7,061	11,694	5,758	5,525	4,025	4,075	1,400	34,350

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GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2019-20 to 2023-24: HRA PROVISIONAL PROGRAMME

Project Budget £000	2018-19 Actual £000	Project Spend at 31-03-19 £000	2019-20 Estimate £000	Carry Forward	2019-20 Projected Outturn £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	Total Project Exp £000
Acquisition of Land & Buildings	10,000	0	0		0	0	3,000	3,000	4,000	0	10,000
New Build											
Guildford Park	16,000	341	907	406	700	300	7,566	7,201	26	0	16,000
Bright Hill	3,000	0	0	0	0	0	1,500	1,500	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	10,124						3,197	5,861	1,066	0	10,124
Redevelopment bid 14	3,000						1,000	1,500	500	0	3,000
Major Repairs & Improvements											
Major Repairs & Improvements	annual		annual	0		0	5,635	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	0		0	75	75	75	75	annual
Total Expenditure to be financed	43,124	341	907	406	700	300	18,973	24,637	11,167	9,575	43,124

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STRATEGIC POOLED FUND PORTFOLIO

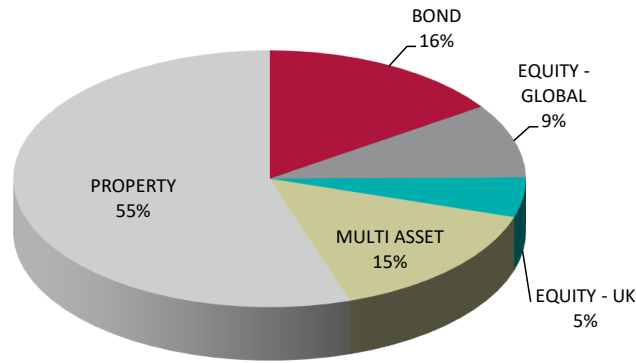
GUILDFORD

From: 31/03/2013

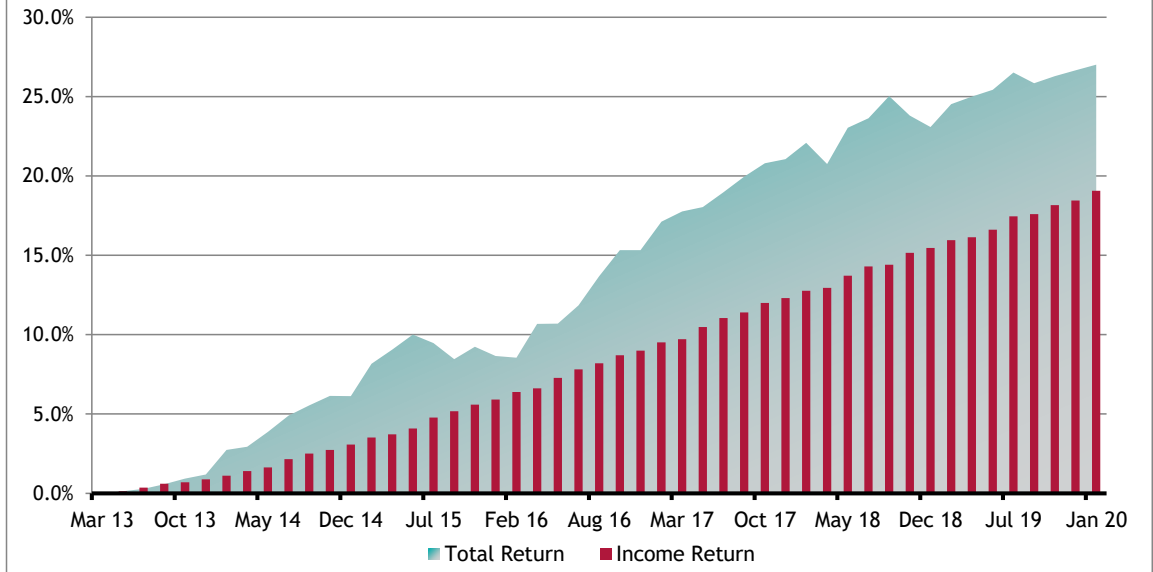
To: 31/01/2020

FUND NAME	ASSET CLASS	No of Units Held in Period	Current Value £	Capital Growth £	Dividends Earned £	Holding Period (yrs)	Capital Return	Income Return	Total Return	Volatility
ABERDEEN TARGET RETURN BOND FUND	ABSOLUTE RETURN	1,892,148	0	-170,482	105,083	4.1	-8.52%	5.25%	-3.27%	1.5%
CCLA - LAMIT PROPERTY FUND	PROPERTY	2,237,337	6,641,982	1,641,982	1,981,990	6.8	32.84%	39.64%	72.48%	3.4%
CITY FINANCIAL MULTI ASSET DIVERSIFIED FUND	MULTI ASSET	1,980,355	0	-285,485	244,158	3.8	-11.42%	9.77%	-1.65%	4.2%
FUNDAMENTUM SOCIAL HOUSING REIT	PROPERTY	2,000,000	1,960,000	-40,000	0	0.2	-2.00%	0.00%	-2.00%	0.8%
M&G GLOBAL DIVIDEND FUND	EQUITY - GLOBAL	1,218,843	1,459,565	846,426	408,235	5.5	42.32%	20.41%	62.73%	10.8%
ROYAL LONDON SHORT DURATION GLOBAL HIGH YIELD BOND FUND	BOND	2,849,003	2,422,222	-77,778	119,735	0.7	-3.11%	4.79%	1.68%	0.3%
SCHRODER INCOME MAXIMISER FUND	EQUITY - UK	1,989,654	780,939	-219,061	396,725	6.0	-21.91%	39.67%	17.77%	8.1%
UBS MULTI ASSET INCOME FUND	MULTI ASSET	4,734,848	2,355,114	-144,886	460,701	4.6	-5.80%	18.43%	12.63%	3.2%
GRAND TOTAL			15,619,822	1,550,715	3,716,626	4.2	7.95%	19.06%	27.01%	2.0%
Capital gains and losses under one year are not annualised							Annualised Returns:	1.52%	4.03%	5.55%

Asset Class Allocation



Cumulative Return on Strategic Pooled Funds



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Corporate Governance and Standards Committee Report

Ward(s) affected: n/a

Report of Director of Strategic Services

Author: Ciaran Ward

Tel: 01483 444072

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Lead Councillor responsible: Caroline Reeves

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Email: caroline.reeves@guildford.gov.uk

Date: 26 March 2020

Data Protection and Information Security Update Report

Executive Summary

The transactions and interactions customers, residents and staff make with the Council often involves the sharing of personal data – for example in relation to council tax accounts, housing agreements, employment contracts.

It is therefore important that this data is used only in ways reasonably expected, and that it stays safe. Similarly, the secure collection, storage and transfer must be executed with regard to sound cybersecurity practices.

Recommendation to Committee:

That the update report be noted.

Reason for Recommendation:

To keep the Committee informed of progress with various data protection and information security initiatives that have taken place since the last annual report.

Is the report (or part of it) exempt from publication? No

1. Background

- 1.1 It is now almost two years since the General Data Protection Regulation (GDPR) came into force. A number of positive advances have taken place within the Council since then.
- 1.2 This report will cover developments in data protection and information security within the Council since the Committee considered the last annual report in March 2019.

2. Update on progress in 2019

Information Governance Successes since March 2019

- During 2019, 94% of Freedom of Information (FOI) requests were completed within the 20 working day deadline - the highest performance figure since records began.
- The Council's FOI/EIR Disclosure log has been available online for over a year - <https://guildford.disclosurelog.co.uk/> - and contains details of almost 400 Freedom of Information requests. Before submitting an online FOI request via the GBC website, members of the public are now required to tick a box to confirm they have checked the Disclosure Log to see if the information they require is already available online.
- The Transparency page on the public GBC website has recently been updated to a more user friendly format.
- Deployment of body-worn cameras (following approval of Privacy Impact Assessment and information security guarantee) by Civil Enforcement Officers has been a success in catching offenders (for example bogus disabled passes) and in establishing disputed facts
- The new intake of councillors received GDPR and cybersecurity training in May 2019
- We have been promoting paperless meetings, a key benefit of which is the reduction of the risk of data breaches.

Objectives for the next 6 months:

- Information Security Classification Policy currently in progress - sets out rules around sensitivity of information, encryption and forwarding of emails, internal and external data sharing, secure disposal of both electronic and hard copy information, intellectual property issues around data ownership
- Guidance on email encryption currently being updated to reflect organisational changes following migration of Council network to Office 365 – document to be uploaded to intranet
- Remove Personal Storage Table (PST) files from GBC devices
- Continue Disclosure Log with the aim of making it as detailed and comprehensive as possible

Information Assurance Successes since March 2019

- The Council achieved Payment Card Industry Data Secure Standards (PCI DSS) compliance in November 2019 - a certification on credit/debit card payments – which facilitates electronic payments (for example parking

meters, council tax collection). If an organisation is not PCI DSS compliant it cannot take electronic card payments. The Council now takes in excess of 20,000 card transactions per year.

- Mandatory training for staff who deal with card payments took place in October 2019.
- The Council is currently looking into implementing PDNS (Protective Domain Name System), a system created by government agency the National Cyber Security Centre (NCSC). PDNS scans the network for suspicious emails by mapping IP addresses to names, thereby hampering the use of domain name systems for malware distribution and preventing access to malware, ransomware, phishing¹ attacks, viruses, malicious sites and spyware at source - thus making the network more secure.
- The Council has procured a Security Information Event Management (SIEM) system, which provides real time analysis of security alerts, threat mitigation and incident response
- Considerable corporate due diligence has been conducted around new software systems to ensure they are GDPR compliant and have adequate cybersecurity measures in place when transferring, collecting and storing personal information
- Mitel softphone policy and Firewall policy completed and uploaded to internal Sharepoint system
- Information Assurance Officer has carried out work in conjunction with ignite around cloud-based systems
- KPMG auditors currently conducting GBC Cyber and GDPR review

Objectives for next six months

- Managing external and internal security penetration tests of council-wide systems
- New information security policies being drafted for Council
- Removal of legacy Windows 7 PC and Windows 2008 (r2) desktops currently in progress
- The Council is currently working on the implementation of DMARC (Domain-based Message Authentication, Reporting and Conformance), a

¹ **Phishing** – a fraudulent attempt to obtain sensitive information such as usernames, passwords and credit card details by disguising oneself as a trustworthy entity in an electronic communication – e.g. emails or text messages - which often direct users to enter personal data at a fake website which matches the look and feel of the legitimate site.

system set up to tackle email spoofing². DMARC aims to reduce email spam by approximately 80% to 90%. Examples of fraudulent spam messages in the past have included fake emails purporting to be from GBC's council tax department which tell the recipient they owe a sum of unpaid council taxes.

3. Background Papers

None

4. Appendices

None

² **Spoofing** - The creation of email messages with a forged sender address often designed to trick the receiver into believing they come from a legitimate source (e.g. a bank or utility supplier) for the purposes of unlawful financial gain. Spoof emails often have the intention of spreading malicious viruses.

Corporate Governance and Standards Committee Report

Ward(s) affected: n/a

Report of Strategy Director

Author: John Armstrong

Tel: 01483 444102

Email: john.armstrong@guildford.gov.uk

Date: 15 January 2020

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 recommendation:

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

Is the report (or part of it) exempt from publication? No

1. Purpose of report

1.1 The draft work programme attached as Appendix 1 sets out the items scheduled to be considered by this Committee at its meetings over 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 12 month rolling work programme

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE: 12 MONTH ROLLING WORK PROGRAMME

18 June 2020

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Capital and Investment outturn report 2019-20	To submit any comments to the Executive when it considers this matter in June 2020.	Executive: 23 June 2020 Council: 28 July 2020	Victoria Worsfold 01483 444834
Revenue Outturn Report 2019-20	To note the Draft Statement of Accounts 2019-20, and to make any comments to officers in advance of the audit.	Executive: 23 June 2020	Claire Morris 01483 444827
Housing Revenue Account Final Accounts 2019-20	To submit any comments to the Executive when it considers this matter in June 2019.	Executive: 23 June 2020	Peter O'Connell 01483 444800
External Audit 2020-21 Fee Letter	To consider the planned audit fee	Corporate Governance and Standards Committee	Claire Morris 01483 444827
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
Internal Audit Plan 2020-21	To consider the internal audit plan for 2020-21	Corporate Governance and Standards Committee	Joan Poole 01483 444854
Review of the Councillors' Development Steering Group	To approve the numerical allocation of seats on the Steering Group to each political group for 2020-21. To ask political group leaders to confirm the councillor membership of the Steering Group for 2020-21	Corporate Governance and Standards Committee	John Armstrong 01483 444102
Reviews of various corporate governance related matters.	To consider proposals from the task group in respect of reviews of various corporate governance related matters including: (a) the Councillors' Code of Conduct (b) compliance with the 15 best practice recommendations contained in the report of the CSPL, Local Government Ethical Standards (c) Guidance on social media use by Councillors	Corporate Governance and Standards Committee Council (28 July 2020)	John Armstrong 01483 444102 Diane Owens 01483 444027

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE: 12 MONTH ROLLING WORK PROGRAMME

30 July 2020

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
2019-20 Audit Findings Report: Year ended 31 March 2020	To note the external auditor's findings and management's response in the Action Plan	Corporate Governance and Standards Committee	Claire Morris 01483 444827
2019-20 Audited Statement of Accounts	To approve the 2019-20 Statement of Accounts	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Financial Monitoring 2020-21 Period 2 (April/May 2020)	To note the results of the Council's financial monitoring for the period April/May 2020	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Summary of Internal Audit Reports October 2019 – March 2020	To consider the summary of internal audit reports for the period October 2019 to March 2020, including an update on complaints to the Local Government Ombudsman for that period	Corporate Governance and Standards Committee	Joan Poole 01483 444854
Freedom of Information Compliance update	To consider the update report on the Council's performance in dealing with Freedom of Information requests (January to June 2020)	Corporate Governance and Standards Committee	Ciaran Ward 01483 444072
Reviews of various corporate governance related matters.	To consider proposals from the task group in respect of reviews of various corporate governance related matters including: <ul style="list-style-type: none"> Internal communications 	Corporate Governance and Standards Committee Council (6 October 2020)	John Armstrong 01483 444102 Diane Owens 01483 444027

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE: 12 MONTH ROLLING WORK PROGRAMME

24 September 2020

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Financial Monitoring 2020-21 Period 4 (April to July 2020)	To note the results of the Council's financial monitoring for the period April to July 2020	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
Data Protection and Information Security Update Report	To consider a six monthly update on compliance with statutory requirements	Corporate Governance and Standards Committee	Ciaran Ward 01483 444072

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE: 12 MONTH ROLLING WORK PROGRAMME

19 November 2020

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Financial Monitoring 2019-20: Period 6 (April to October 2020)	To note the results of the Council's financial monitoring for the period April to October 2020	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Summary of internal audit reports (April to September 2020)	To consider the summary of internal audit reports and progress on the internal audit plan for April to September 2020, including update on complaints to the Local Government Ombudsman for that period.	Corporate Governance and Standards Committee	Joan Poole 01483 444854

Agenda item number: 10
Appendix 1

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE: 12 MONTH ROLLING WORK PROGRAMME

14 January 2021

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Capital and investment strategy (2021-22 to 2024-25)	To comment on various recommendations to the Executive and Council	Executive: 26 January 2021 Council: 10 February 2021	Victoria Worsfold 01483 444834
Financial Monitoring 2020-21 Period 8 (April to November 2020)	To note the results of the Council's financial monitoring for the period April to November 2020	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	Sarah White 01483 444069
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	Francesca Smith 01483 444014
Gender Pay Gap Report 2021-22	To note the Council's gender pay gap report	Corporate Governance and Standards Committee	Francesca Smith 01483 444014
Freedom of Information Compliance - Annual Report 2020	To consider the annual report for 2020 on the Council's performance in dealing with Freedom of Information requests.	Corporate Governance and Standards Committee	Ciaran Ward 01483 444072

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE: 12 MONTH ROLLING WORK PROGRAMME

25 March 2021

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 2020-21	To adopt the Council's Annual Governance Statement 2020-21	Executive: 20 April 2021	John Armstrong 01483 444102
Audit Report on the Certification of Financial Claims and Returns 2019-20: Housing Benefit Subsidy and Pooling Housing Capital Receipts	To note the position regarding the certification of financial claims and returns for 2019-20	Corporate Governance and Standards Committee	Belinda Hayden 01483 444867
External Audit Plan and Audit Update 2020-21	To approve the external audit plan for 2020-21, 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
Data Protection and Information Security Update Report	To consider a six monthly update on compliance with statutory requirements	Corporate Governance and Standards Committee	Ciaran Ward 01483 444072
Financial Monitoring 2020-21 Period 10 (April 2020 to January 2021)	To note the results of the Council's financial monitoring for the period April 2020 to January 2021	Corporate Governance and Standards Committee	Claire Morris 01483 444827