

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

17 June 2021

- * Councillor George Potter (Chairman)
- * Councillor Deborah Seabrook (Vice-Chairman)

- Councillor David Goodwin
- * Councillor Nigel Manning
- * Councillor Susan Parker
- * 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 Mayor, Councillor Marsha Moseley and Councillors Tim Anderson, and John Rigg, were also in attendance.

CGS1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillor David Goodwin, and from Julia Osborn and Tim Wolfenden.

CGS2 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS

There were no disclosures of interest.

CGS3 MINUTES

The minutes of the meeting of the Committee held on 22 April 2021 were approved as a correct record. The Chairman signed the minutes.

CGS4 EQUALITY SCHEME AND ACTION PLAN

The Committee considered a report on the proposed revision to the Council's Equality Scheme and Action Plan. The key objectives of the Scheme and Action Plan were:

- to demonstrate how the Council would meet its legal obligations set out in the Equality Act 2010
- to provide a structured and easy to understand equality framework
- to ensure that the workforce encourages equality, diversity, and inclusion to help prevent legal challenges arising from bullying, harassment, and discrimination

The Committee noted that the Scheme itself was reviewed annually and updated every three years. The new scheme covered the period 2021 - 2024. The Action Plan, which was an organic document, was reviewed by the Equality and Diversity Group every quarter. This Committee monitored the implementation of the actions in the action plan annually. Ongoing monitoring of equalities issues was undertaken via equality impact assessments that were completed for any major decisions, policies, projects etc., and approved by senior management and HR. These were available for the public to view.

A revised and updated Action Plan was attached to the Supplementary Information Sheet circulated before the meeting.

During the debate, it was suggested for the future that where actions had been completed, a date should be included and, where appropriate, the date when the matter was next due for review.

Having considered the report, the Committee

RESOLVED: That the revised Equality Scheme and Action Plan shown respectively in Appendices 1 and 2 to the report submitted to the Committee, as amended by the update on the Supplementary Information Sheet, be approved.

Reason:

To assist the Council in meeting its obligations under the Equality Act 2010 and to provide a way to measure and evidence the Council's work in this area.

CGS5 CORPORATE PERFORMANCE MONITORING

The Committee considered the second Corporate Performance Monitoring Report (in relation to quarter 4 of 2020-21), which had been submitted as part of the Council's new performance monitoring framework.

The first Performance Monitoring Report presented to the Committee on 25 March 2021 had been received positively by Corporate Management Team and the Committee and had prompted a good discussion with the Committee about the Performance Indicators (PIs) and information which would be useful in future, as well as constructive feedback.

In particular, Councillors were keen for the report to include commentary where PIs were not meeting a target/not heading in the preferred direction of travel. This information had now been requested from Service Leads when they submit their PI data in their Service Plans and was included in the report where it had been provided.

Following feedback, officers had also made some changes to the report to ensure it was more clearly presented, including re-designing the RAG rating symbols to be more accessible and removing targets/preferred direction of travel when it was not relevant to the PI. Unfortunately, the report for quarter 4 was still showing some PIs without data (for a variety of reasons) and where this was due to data not being provided, Directors had been made aware.

The Committee had been invited to submit comments and questions regarding the report itself and specific performance indicators in advance of the meeting, details of which, together the officer response, were included in the Supplementary Information Sheet circulated prior to the meeting.

During the debate, the following points were made:

- Concern over the persistent lack of data provided in respect of a number of PIs
- Suggestion that future reports show performance over the previous five quarters on a rolling basis so that comparisons can be made with the same quarter in the previous year
- In response to concern expressed over the average time to let void housing properties (COM10), officers confirmed that performance in letting properties had been affected by the Covid pandemic over the past 12 months, but performance was expected to improve significantly moving forward
- In response to a suggestion that there should be a broader spectrum of environmental monitoring across the Borough, not just monitoring of Council activities or operations, officers stated that the current performance metrics represented the data that the Council was readily able to access and monitor and that work was being undertaken to develop better and wider monitoring benchmarks. Further information on how these metrics were being developed would be shared with councillors.

The Committee, having reviewed the report

RESOLVED: That the contents of the report along with the Performance Monitoring Report for 2020-21 quarter 4, shown in Appendix 1 thereto, be noted.

Reasons:

To support our new corporate performance monitoring framework and enable the Committee to monitor the Council's performance against key indicators, as well as review key data relating to the 'health' of the borough.

**CGS6 AUDIT REPORT ON THE CERTIFICATION OF FINANCIAL CLAIMS AND RETURNS
2019-20: HOUSING BENEFIT SUBSIDY AND POOLING HOUSING CAPITAL
RECEIPTS**

The Committee considered an audit report on the certification of financial claims and returns for 2019-20.

The audit covered claims returns relating to expenditure in respect of Housing Benefit Subsidy worth £27.6 million. However, it was noted that the pooling of Housing Capital Receipts for 2019-20 had not been received at the time this report had been written.

The auditor had provided assurance to the Department for Work and Pensions (DWP) around the accuracy of the Subsidy claim. This recompensed the Council for payments to help residents on low incomes with their rent.

The Committee noted that the DWP did not have a financial tolerance level, so any errors were reported. This led to the claim being qualified and would result in additional testing in subsequent years. The more records that were tested, the more likelihood there was that an error would be identified.

The Council's subsidy claim had been qualified since 2012-13. Statistics on qualified subsidy claims were not routinely published. However, in 2012-13 over 77% of claims were qualified, indicating that Guildford was not an unusual case.

Whilst the auditors found a new error type during their audit, the overall errors in 2019-20 remained low and no amendments had been made to the Council's claim. As had been the case in recent years, this meant that the Council did not have to pay funds back to the DWP as a result of the audit.

The Committee acknowledged that it remained challenging to balance capacity, speed, and accuracy to ensure that claimants received the help they required whilst not exposing the Council to an increased financial risk as a result of errors. It was noted that the Council had provided the DWP with assurance that it would continue to work to reduce errors further.

In response to questions from the Committee, the officers confirmed the following:

- It was the DWP's responsibility to migrate claimants out of the existing system into Universal Credit, rather than the Council's, and that the process by which this would be done had not yet been clarified.
- As housing benefit subsidy would cease to apply for cases that moved to Universal credit, it was likely that the Council's claim would be less prone to errors as the case load would be reduced.
- Although Future Guildford had automated many processes across the Council, and a smart form had been produced for housing benefit claimants, the processing of housing benefit claims was not fully automated. As the introduction of universal credit, to replace housing benefit, had been delayed by the DWP the Council had not invested in any further smart forms as part of Future Guildford, so it was not likely that this would lead to a reduction in errors in future.

Having considered the report, the Committee

RESOLVED: That the position regarding the certification of claims and returns for 2019-20 be noted.

Reason:

To formally sign off the claims and returns for 2019-20.

CGS7 HOUSING REVENUE ACCOUNT (HRA) RIGHT TO BUY RECEIPTS AUDIT REPORT

The Committee considered the audit report from KPMG regarding the HRA Right to Buy receipts audit, which followed on from the report to the Executive on 23 March 2021, on a review of the use of the right to buy capital receipts by the Council. The review had reported that, in 2019-20, the Council had to repay Right to Buy (RTB) receipts plus interest to government totalling £2.7million. The reason for the repayment was because the Council had not spent the money on its new build housing investment programme in the HRA within the required time frame. Although the Council had acquired property to try and mitigate some of the repayment risk, it had not spent enough money on acquisition of property into the HRA to mitigate all of the repayment risk. The report showed that the Council had seen slippage in the region of 56% to 72% on its Housing Investment Programme (HIP) in recent years which continued into 2020-21.

The HIP was funded 30% through RTB receipts (with the remaining 70% being funded either through HRA reserves or, if necessary HRA borrowing) and as such, any slippage in delivery had a direct impact on the risk of having to repay receipts to government. The review had found that, in order to avoid this risk going forward, the Council needed to improve both the monitoring and the delivery of its Housing Investment Programme. The Executive had set up an Executive working group to consider why RTB receipts needed to be repaid to government, the reporting arrangements around the matter and what could be done to prevent further repayments. Alongside the working group, the Council's internal auditors, KPMG had been asked to carry out an audit of the monitoring and use of RTB receipts, and the findings were presented in the audit report submitted to the Committee.

The audit report had made seven recommendations which had been accepted by officers for implementation. The highest priority of the recommendations was to establish a formal policy around Right to Buy Receipts and their use. This proposal had been recommended to the Executive at its March meeting; however, KPMG had recommended that the policy should also set out the roles and responsibilities, accountability and ownership for the spending and monitoring of RTB receipts. Officers indicated that the policy would be submitted to the Executive for approval in September 2021.

KPMG had found that some, but not all, of the recommendations made to the Executive in March had been implemented. The improvements to the financial monitoring reports to this Committee had been implemented immediately. However, improvements to the monitoring and reporting of progress on projects identified as being partially funded through RTB receipts by the Major Projects Portfolio Board and the establishment of a Housing Working Group were still to be implemented. KPMG had also made some additional recommendations relating to the training of officers and risk management processes.

The report highlighted one minor correction to the KPMG report in relation to the detailed findings, which was to clarify that the Council's Housing Team used RTB receipts to purchase new properties or re-purchase properties formerly sold under right to buy for the Council's Housing Revenue Account.

The Committee noted with deep disappointment at the fact that this situation had arisen in the first place, but expressed cautious optimism with the efficacy of the measures that had been put in place, or were being put in place, to prevent the recurrence of having to make further

repayments of RTB receipts. The Committee also indicated that it would wish to be kept informed of progress with the implementation of all the recommendations by way of further update reports.

The Committee, having reviewed the audit report from KPMG in respect of this matter,

RESOLVED: That the accepted recommendations and actions be noted.

Reason:

To ensure good governance arrangements and internal control.

CGS8 REVIEW OF TASK GROUPS REPORTING TO THE COMMITTEE

The Committee noted that Council Procedure Rule 24 (v) required the appointing body to review annually, the continuation of task groups appointed by them. Although the Councillors' Development Steering Group had been set up originally as an Executive working group, it was agreed in 2015 that the Steering Group, which met quarterly, would report on its work to this Committee.

The Corporate Governance Task Group had been established by the Committee in November 2019 to review a number of corporate governance related matters and had met on ten occasions in 2020-21, and twice already in 2021-22.

The Committee considered a report which reviewed the work carried out by the Steering Group and the Task Group over the past twelve months, and the work they were likely to undertake over the next twelve months. The Committee was asked to agree that the two Groups should continue with their important work and that all five political groups should be represented on them.

Having considered the report, the Committee

RESOLVED:

- (1) That the Councillors' Development Steering Group should continue its work and that the numerical allocation of seats on the Steering Group to each political group be agreed as one member per group (plus a nominated deputy) as follows:

Cllr Colin Cross
Cllr Angela Gunning
Cllr Jo Randall
Cllr Pauline Searle
Cllr Catherine Young

- (2) That the terms of reference of the Steering Group be amended as follows:

"To continue to support councillors in their ongoing development and training needs through a clear, structured Action Plan for councillor development that responds to the **corporate priorities of the Council** ~~fundamental themes that support the vision of the Corporate Plan: Place-making, Community and Innovation.~~"

- (3) That the Corporate Governance Task Group should continue its work and that the numerical allocation of seats on the task group to each political group be agreed as one member per group (plus a nominated deputy) as follows:

Cllr Nigel Manning
Cllr Ramsey Nagaty
Cllr Will Salmon
Cllr Deborah Seabrook

Cllr James Walsh

- (4) That the following matters be added to the work currently being undertaken by the Task Group in considering proposals to promote transparency, and effective communications and reporting:

To discuss and consider:

- (a) the Council's Constitution regarding the definition and processes for 'Key Decisions' so that any bids, tenders or other activities that may lead to key decisions in future are included in the Forward Plan or communicated to relevant Ward Councillors in a sufficiently timely manner for transparency;
 - (b) how we can ensure that any meetings involving lead councillors, officers and the private sector are minuted and available in the public domain; and
 - (c) steps we can take to ensure that any failings in transparency or procedure are communicated to the public by the Council as soon as identified.
- (5) That the membership of the Corporate Governance Task Group shall continue to include a co-opted Independent Member (Murray Litvak) and a Parish Member (Julia Osborn) of this Committee.

Reasons:

- To recognise the important work that both groups undertake in respect of councillor training and development and reviewing various corporate governance related matters on behalf of this Committee.
- To comply with the requirement for this Committee to review the continuation of the Councillors' Development Steering Group and the Corporate Governance Task Group, in accordance with Council Procedure Rule 24 (v).

CGS9 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 Chairman announced that this meeting would be the last for Bridget Peplow, before she leaves the Council, having been with Guildford for the past 14 years.

On behalf of the Committee, the Chairman thanked Bridget for all her hard work during her time with the legal team, and latterly as Deputy Monitoring Officer, and wished her well for the future.

The meeting finished at 9.24 pm

Signed

Chairman

Date