

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

21 April 2022

- * 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:

- * Maria Angel MBE
- Murray Litvak

Parish Members:

- * Julia Osborn
- Ian Symes
- * Tim Wolfenden

*Present

The Leader of the Council, Councillor Joss Bigmore and the Lead Councillor for Development Management were also in attendance. The Lead Councillor for Resources, Councillor Tim Anderson and Councillors Ramsey Nagaty and Catherine Young attended the meeting remotely.

CGS63 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Murray Litvak and Ian Symes.

CGS64 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS

There were no disclosures of interest.

CGS65 MINUTES

The minutes of the meeting of the Committee held on 24 March 2022 were approved as a correct record, subject to the correction in Minute No. CGS60 of the fourth bullet point of the seventh paragraph as follows:

- “In response to ~~a request as to concerns over actions that could in circumstances what action where~~ councillors should take if they were being harassed or intimidated by members of the public, councillors were advised to contact the Monitoring Officer for advice and assistance. It was noted that Surrey Police had previously advised councillors on personal safety where they had received threats or intimidation”.

The Chairman signed the minutes, as corrected.

CGS66 DECISION AND ACTION TRACKER

The Committee noted that the decision and action tracker had been introduced to monitor progress against the decisions and actions that the Committee had agreed, which would be kept up to date for each meeting. When decisions/actions were reported as being ‘completed’, the Committee would be asked to agree to remove these items from the tracker.

The Committee

RESOLVED: That the decision and action tracker be noted and that the actions reported as being completed be removed from the table.

CGS67 AUDIT REPORT ON THE CERTIFICATION OF FINANCIAL CLAIMS AND RETURNS 2020-21: HOUSING BENEFIT SUBSIDY AND POOLING HOUSING CAPITAL RECEIPTS

The Committee considered an audit report on the certification of financial claims and returns for 2020-21.

The audit covered claims returns relating to expenditure in respect of Housing Benefit Subsidy worth £25.4 million. In relation to the pooling of Housing Capital Receipts for 2020-21, the Committee noted that the Council's external auditors, Grant Thornton, had certified the return in accordance with procedures agreed with the Department for Levelling Up, Communities and Housing (DLUCH) on 9 February 2022.

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.

The following points were raised during the debate:

- Difficulties in recruitment of staff and the need for greater flexibility in terms of agile working
- In response to an enquiry as to whether material errors identified were fed back to the claimants and their claims adjusted accordingly, the Committee noted that if, as a result of the audit, it was necessary to adjust a claim, the claimant would be informed. Officers would check whether any claims were actually recalculated as a result of this audit and inform the Committee accordingly.

Having considered the report, the Committee

RESOLVED: That the position regarding the certification of claims and returns for 2020-21 be noted.

Reason:

To formally sign off the claims and returns for 2020-21.

Action:	Officer to action:
To check whether any claims were recalculated as a result of this audit and inform the Committee accordingly.	Revenues & Benefits Lead

CGS68 DATA PROTECTION AND INFORMATION SECURITY UPDATE REPORT

The Committee considered a report from the Information Governance Officer that provided an update on developments in data protection and information security within the council since the last report of September 2021. The report covered governance successes, information assurance successes and objectives for the coming six months.

Details of progress made with the objectives identified in the previous update report to the Committee in September 2021, that were not referred to in the report on the agenda were set out on the Supplementary Information Sheet.

During the debate, the following points were made:

- A request for further, more detailed information to be provided in future reports including commentary on the Council's performance in relation to data security – in particular whether there had been any breaches of data security and, if so, details of any such breach and measures put in place to prevent a recurrence. It was confirmed that there had been no serious breaches of data security.
- In response to a question as to how the Council ensures data security with staff working remotely and a suggestion that the Council should test its data security measures periodically with staff with, for example, trial phishing emails, the Information Governance Officer confirmed that during the pandemic staff were alerted on a number of occasions to data security risks whilst working from home; he also indicated that measures to test staff awareness would be considered in future.
- It was suggested that the cybersecurity training for staff should also include councillors.
- It was noted that the timescale for conducting external and internal security penetration tests of council-wide systems, was this year as part of the annual penetration testing.

The Committee

RESOLVED: That the update report be noted.

Reason:

To ensure that the Committee is kept up to date with developments in the Council's data protection and information security framework.

Action:	Officer to action:
<ul style="list-style-type: none"> • To provide more detailed information in future reports including commentary on the Council's performance in relation to data security – in particular whether there had been any breaches of data security and, if so, details of any such breach and measures put in place to prevent a recurrence. • To provide cybersecurity training for councillors. 	<p>Information Governance Officer</p> <p>Information Governance Officer/Democratic Services and Elections Manager</p>

CGS69 CORPORATE PERFORMANCE MONITORING 2021-22 (QUARTER 3)

The Committee considered the Corporate Performance Monitoring Report (in relation to quarter 3 of 2021-22), which had been submitted as part of the Council's evolving performance monitoring framework.

The Committee had previously requested that these reports should differentiate between indicators that the Council directly controlled in terms of its own service performance and those broader outcome measures in relation to the health of the borough. Officers were currently reviewing all indicators, which would result in a revised set of indicators with effect from quarter 1 in 2022-23.

During the debate, the following points were made:

- In response to concern over lack of data in respect of ENV 5 to ENV 8, it was noted that this was data collected annually and would be included in the next report in respect of quarter 4.
- In response to concern relating to the usefulness of COM3 (number of community hot meals delivered), it was noted this would be reviewed as part of the officer review referred to above as it was felt that this metric was a measure of demand rather than a measure of performance.
- In relation to COU2 (staff turnover), an enquiry was made as to steps being taken to ensure staff retention and maintaining morale. The Lead Specialist – HR would be asked to circulate a response on this point to the Committee.
- As performance data should be a useful tool for Management, it was suggested that, noting the broad range of indicators included in the report, there should be a hierarchy of consolidated indicators which were the most important to the Council in terms of corporate priorities. It was confirmed that this would be picked up as part of the review referred to above.
- It was suggested that the Executive Summary in future reports should include information regarding particular indicators that were worth highlighting in terms of performance over the quarter.

The Committee, having reviewed the report

RESOLVED: That the contents of the report along with the Performance Monitoring Report for 2021-22 quarter 3, shown in Appendix 1 thereto, be noted.

Reasons:

To support our 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.

Action:	Officer to action:
<ul style="list-style-type: none">• To review the usefulness of all indicators• To include in the Executive Summary of future reports information regarding particular indicators that were worth highlighting in terms of performance over the quarter.	Policy Officer, Strategy & Communications
To circulate a response to the Committee on steps being taken to ensure staff retention and maintaining morale.	Lead Specialist – HR

CGS70 RISK MANAGEMENT FRAMEWORK - CORPORATE RISK REGISTER

The Committee considered a report on the Council's new risk management framework including the Risk Management Strategy and Policy, the corporate risk register and risk scoring guidance and matrix. The Strategy and Policy would be presented to the Executive at its meeting on 28 April 2022 for formal approval. As the Committee had corporate risk within its remit, it was being asked to consider and comment upon the corporate risk register.

It was intended to submit an updated corporate risk register to the Committee on a six-monthly basis, together with a report outlining any changes to the Strategy and Policy and any lessons learned in respect of the corporate risk register.

During the debate the following comments were made:

- The report was too general in outlook, and it would be better to have a more specific assessment of risk within other reports, particularly in respect of corporate performance management. In response, officers clarified that there were different levels of risk registers from the highest-level strategic risks down to service level and to individual programmes and projects. The corporate risk register represented the high-level strategic risk register.
- A suggestion that the Executive Summary should include particular points worth highlighting, for example the Council's attitude to risk.
- When reviewing the Strategy and Policy it would be useful to highlight examples of any risks that had not previously been identified.
- Request for clarity on who managed and owned risks and also to seek feedback from our Auditors on our assessment of risk and associated mitigation measures
- To note that at a high-level, it was necessary to identify the key risks, action to be taken to address them, and the impacts of mitigations measures. It was also necessary to understand how risks change over time and this should be highlighted.
- Although the Committee would be monitoring the corporate risk register over time, it was worth noting that risks were being monitored at different levels of management. It was also noted that the new risk management process and how it was reported would take time to evolve in terms of what would need to be reported to the Committee.

Having considered the report, the Committee

RESOLVED: That the corporate risk register, the Risk Management Strategy and Policy be noted and that the comments referred to in the debate be agreed.

Reason:

Following the recommendations relating to risk management in the KPMG report produced in February 2021, the Council had developed a new corporate risk register. Risk was in the remit of the Corporate Governance and Standards Committee.

Action:	Officer to action:
<ul style="list-style-type: none">• To include in the Executive Summary of future reports particular points worth highlighting to the Committee• To highlight examples of any risks that had not previously been identified, and how risks change over time, when reviewing the Strategy and Policy.• To seek feedback from our Auditors on our assessment of risk and associated mitigation measures	Policy Officer, Strategy & Communications

CGS71 SECTION 106 MONITORING REPORT

The Committee considered a report setting out details of Section 106 contributions that had been secured, received, and spent as at the date of the report. In cases where the contribution had not yet been spent, the report also indicated whether the contribution had been committed to a project.

The Committee noted that Section 106 Agreements could be used to secure financial contributions towards infrastructure. The Council would only seek contributions where a proposed development created additional need or exacerbated an existing deficiency and where it complied with the three tests set out in the Community Infrastructure Levy Regulations 2010 (as amended).

Section 106 Agreements were recorded and monitored using a module of the Acolaid planning database, from the signing of the agreement to spending the contributions. The Council's Finance team also kept a monitor of income and spend of developer contributions.

Detailed information on Section 106 contributions towards infrastructure were included in the report, which was split into three main sections, S106 Funds Available, S106 Pending Funds and S106 Spent Funds.

As this was the first of the S106 monitoring reports, the Committee noted that this was an opportunity to comment in general terms on the layout and content of the report and to identify and recommend any changes to improve future reports.

During the debate, the Committee made the following points:

- Concern over the length of time some S106 monies had remained unspent and a suggestion that local ward councillors are kept informed as to the status of S106 monies whenever there was a risk that the monies may have to be returned to developers. This would enable them to discuss with local Surrey County Divisional Members whether pooling of monies allocated to highway/ transportation improvements between the two councils could be achieved so that schemes to deliver those improvements could be implemented. Officers agreed to this suggestion.
- Request that future reports showing the list of S106 monies at risk of return to developers were grouped into wards.
- Concern over the level of unallocated and uncommitted S106 monies. The report should be used as a management tool to inform decision making to ensure actions were put into place to spend S106 monies for purposes for which they were required to be paid by developers.
- Concern that S106 monies allocated to provide educational facilities were not being spent in the Borough. Officers indicated that they meet with officer counterparts at Surrey County Council, the health service and Surrey Police to make them aware of the S106 contributions that were available and the specific purposes for which they were provided, and the deadlines by which the monies had to be committed. It was also noted that whilst S106 contributions might be available towards specific educational, healthcare, or public safety schemes, implementation of those schemes would be dependent on the full funding becoming available, which might account for the delay in committing some of the funding.
- In response to an enquiry as to whether in future the Council should request S106 contributions towards viable projects that had some certainty of being delivered, officers confirmed that stringent tests were applied before a S106 contribution could be requested through the planning application process, so that all contributions requested

by Surrey County Council and other bodies needed to be earmarked for viable projects and needed to be justified in terms of the amount requested so that contributions were proportionate to the to the scale and size of the of proposed development. Occasionally, it might be necessary to wait for a similar application to be submitted to ensure that a further S106 contribution could be secured to enable sufficient funds to be available to deliver the improvement.

- It was noted that a member of the public had written to the Committee in respect of the report, and it was suggested that officers be requested to respond and to copy the response to members of the Committee. The response could then be looked at in greater detail, if necessary, when the next S106 Monitoring Report came back to the Committee.
- In response to a suggestion that SANG and SAMM contributions be included in future reports, the Committee noted that SANG contributions were commuted sums that the Council had to hold in perpetuity for 80 to 120 years, to use to pay for the ongoing long-term maintenance of the site, not for a specific project within a specified time frame.
- In response to a suggestion that the £270,000 at risk of being returned to developers should be included on the corporate risk register, officers indicated that this was already covered on the risk register under a general loss of funding corporate risk which would apply to the general risk about potential loss of external funding.
- The Committee needs to identify the apparent governance failures of the S106 process, and the changes required to address them.
- Concern that over £6 million of uncommitted S106 contributions in respect of educational provision. In response to an enquiry as to whether, given that most primary and secondary schools in the borough were outside local authority control, S106 contributions could be earmarked for academy trusts rather than with Surrey County Council, officers confirmed that because Surrey County Council was the infrastructure authority, contributions toward infrastructure had to be passed to them in the first instance.
- Query whether the report had erroneously stated that there were no climate change/sustainability implications.
- Suggestion that future reports indicate when S106 monies become repayable to developers.
- Query whether terms of S106 Agreements had been too specific in relation to the purpose for which contributions were made, which could account for the reason why some funds had not been committed.
- It was suggested that £36,045 marked as uncommitted in respect of a contribution towards CCTV arising from a development at the former Tyre and Exhaust Depot, Lysons Avenue, Ash Vale in 2010 had actually been committed and should not therefore be shown as at risk of refund
- A request that details of S106 monies at risk of refund be extracted and included at the beginning of the report with a narrative commenting on the action planned to ensure that monies are not refunded.

Having considered the report, the Committee

RESOLVED: That the report be noted, and the above comments made during the debate be endorsed.

Reason:

To ensure that the Committee was informed of the extent to which S106 funds were available, pending, and spent/committed.

Action:	Officer to action:
<ul style="list-style-type: none"> • To ensure that local ward councillors are kept 	Specialist – S106/

Action:	Officer to action:
<p>informed as to the status of S106 monies whenever there was a risk that the monies may have to be returned to developers.</p> <ul style="list-style-type: none"> • To ensure that future reports showing the list of S106 monies at risk of return to developers are grouped into wards. • To respond to the members of the public who had written to the Committee about the report and to copy the response to members of the Committee. • To ensure that SANG and SAMM contributions are included in future reports. • To ensure that future reports indicate when S106 monies become repayable to developers. • To check the status of the allocation of £36,045 for CCTV contributions referred to above • To extract details of S106 monies at risk of refund and included at the beginning of future reports with a narrative commenting on the action planned to ensure that monies are not refunded 	<p>Finance team</p>

CGS72 WORK PROGRAMME

The Committee considered its updated 12 month rolling work programme and noted that at the last meeting, the Committee had requested an update on progress with the audit of the 2020-21 accounts setting out details of the audit work undertaken, and the work still to be done, the timescale for completion of the audit, and any impact of the delay in respect of subsequent years' audits. The Council's external auditors Grant had submitted a report to the Committee on this which was included on the Supplementary Information Sheet circulated at the meeting.

Grant Thornton's report outlined the details of the outstanding areas of the audit work that were still ongoing and noted that it was expected that the work would be completed by end of June/early July 2022.

The Committee

RESOLVED: That the updated 12 month rolling work programme, as set out in Appendix 1 to the report submitted to the Committee and subject to the changes listed below, be approved.

Action:	Officer to action:
<p>To schedule six monthly update reports on the review of the Corporate Risk Register into the work programme</p>	<p>Democratic Services & Elections Manager</p>
<ul style="list-style-type: none"> • To provide an update on progress with the allocation of unspent S.106 monies potentially at risk of being returned in the Financial Monitoring Report scheduled for the 28 July meeting. • To provide an informal interim progress report on unspent S.106 monies to the Committee prior to the July meeting. • To determine as part of the consideration of the Financial Monitoring Report at the July meeting the frequency of future S.106 Monitoring Reports. 	<p>Lead Specialist (Finance)/ Specialist – S106 officer</p>

Reason:

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

The meeting finished at 9.32 pm

Signed

Chairman

Date