

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

6 June 2024

- * Councillor Phil Bellamy (Chairman)
- * Councillor Bob Hughes (Vice-Chairman)
 - * Councillor Ruth Brothwell
 - * Councillor Stephen Hives
- * Councillor Vanessa King
- Councillor George Potter
- * Councillor James Walsh

Independent Members:

- * Murray Litvak

Parish Members:

- * Julia Osborn
- Simon Schofield
- Tim Wolfenden

*Present

The Deputy Leader of the Council, Councillor Tom Hunt, the Lead Councillor for Finance & Property, Councillor Richard Lucas, the Lead Councillor for Community and Organisational Development, Councillor Carla Morson, the Lead Councillor for Regulatory & Democratic Services, Councillor Merel Rehorst-Smith, the Lead Councillor for Planning, Councillor Fiona White, were also in attendance.

CGS4 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillor George Potter, Simon Schofield and Tim Wolfenden.

CGS5 LOCAL CODE OF CONDUCT - DECLARATIONS OF INTEREST

There were no disclosures of interest.

CGS6 MINUTES

The minutes of the meeting held on 11 April 2024 were confirmed as a correct record, subject to a correction to show that Mr Murray Litvak gave his apologies for absence. The chairman signed the minutes.

CGS7 DECISION/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.

In relation to the following action associated with the report on the Update on the Revised, Joint Equality, Diversity and Inclusion Policy, and associated Action Plan considered by the Committee on 18 January 2024:

- (a) "To meet with the vice-chairman of the Committee to discuss how the Equality, Diversity and Inclusion Action Plan could be made more ambitious"

it was noted that the meeting with the vice-chairman had not yet taken place. The Assistant Director for Organisational Development confirmed that the Policy was expected to be submitted for approval in July/August, although it was unclear as to the governance route for such approval.

The Committee

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

CGS8 Q1 AND Q2 INTERNAL AUDIT PLAN 2024-25

The Committee considered a report on Southern Internal Audit Partnership's proposal to transition to a quarterly approach to internal audit planning through 2024-25 and to adopt this methodology in full for future plans. Appendix 1 to the report presented the proposed retrospective Internal Audit Plan for Quarter 1 and the proposed Quarter 2 for 2024-25 in accordance with the requirements of the Public Sector Internal Audit Standards.

During the debate, there was a query as to whether future internal audit reports would continue to comment on those key recommendations made in past audit reports that had not been acted on. In response, the Deputy Head of Southern Internal Audit Partnership confirmed that they would continue to track the progress on all outstanding actions, and that this would be updated within the progress reports.

Having considered the report, the Committee

RESOLVED: That the revised approach to quarterly internal audit planning, and the proposed Quarter 1 and Quarter 2 Plans, as set out in the report submitted to the Committee be approved.

Reasons:

- The Committee has a responsibility to approve the Internal Audit Plan in accordance with the Public Sector Internal Audit Standards.
- To ensure good governance arrangements and internal control by undertaking an adequate level of audit coverage.

CGS9 PLANNING APPEALS MONITORING REPORT

The Committee noted that it had previously been agreed to submit monitoring reports on planning appeals on an annual basis to see if any patterns were emerging in respect of member overturns, costs of overturn appeals and costs awards. The Committee considered the most recent monitoring report which sought to identify targeted training for members of the Planning Committee and its substitutes.

The Committee noted that a detailed report on planning appeals, including details of cost applications, was reported to every meeting of the Planning Committee. The information contained in the monitoring report had been taken from the information contained on previous Planning Committee agendas.

In introducing the report, the Assistant Director for Planning Development informed the Committee of the outcomes of two key planning appeals that had recently been announced by the Planning Inspectorate, namely the Wisley appeal (which had been allowed), and the Cathedral appeal (which had been dismissed).

The Committee's attention was drawn to the statistical information within the report which indicated that there had been progressively fewer overturns year on year. The report had provided an overview of performance for appeal decisions in 2023, which showed that in 2023, there had been a slight decrease in the percentage of appeals dismissed, compared with 2022.

During the debate, the following points were made:

- In response to a query as to the apparent duplication of information in the table in paragraph 7.2 of the report relating to application 22/P/01151 (Pit Farm, Guildford), and the error in respect of the application number for the appeal regarding 12 Oak Hill Wood Street Village, the Assistant Director for Planning Development would clarify the position by way of an email to the Committee.
- Question as to whether the Committee could ask the Council to make representations to Surrey County Council regarding advice on infrastructure provision given as part of the consideration of planning applications, the concern being that they did not appear to recognise the need for greater

infrastructure provision when commenting on planning applications. In response, the Assistant Director for Planning Development indicated that there was some considerable work going on around the relationship between the county and the borough and the way we looked at the infrastructure requirements resulting from development and ensuring that we were achieving what was necessary to mitigate the impact of development on the environment and ensure that appropriate infrastructure was delivered.

- In response to a question as to whether, given that the budget provision for appeals was low and was regularly exceeded, it might be appropriate to make a recommendation to the Executive to increase the budget at least to a base level that is spent year-on-year, the Assistant Director for Planning Development indicated that she would be happy to speak to the Director of Finance about the budget but it was very difficult to forecast what level of provision should be made in the budget each year to fund the cost of appeals.
- In response to a request for details of the total cost to the Council of the Wisley appeal, the Assistant Director for Planning Development indicated that it was very likely that details of the appeal including the costs would be presented to the Planning Committee in advance of next year's annual monitoring report.
- Whilst the report looked at the quality of planning decisions made, as measured by overturns at appeal, it continued to lack details of the speed at which planning decisions were being determined, which was the second reason that DLUHC could designate a local planning authority. It was suggested that future reports provide this information. In response to a question as to whether the Council had stayed above the 70% target for the speed of decision making throughout the course of the past year, for major and non-major applications, and whether any applications had not been determined within 26 weeks, the Assistant Director for Planning Development indicated that the Council had not been designated and that the Council's performance had been in excess of the national targets of 60% for majors, 70%, for non-majors and had continued to be maintained well in excess of those targets. The Assistant Director would send an e-mail to the committee to share details of the Council's performance in that regard.
- It was noted that details of the performance of the planning development service in terms of speed of determination of planning applications was reported as part of the quarterly Corporate Performance Management Report to Overview and Scrutiny.

Having considered the report, the Committee

RESOLVED: That the contents of the revised Planning Appeals Monitoring Report and data be noted.

Reason:

To enable the Committee to monitor the Council's performance on planning appeals.

Action:	Officer to action:
<p>(a) To clarify, by way of an email to the Committee, the information provided in the table in paragraph 7.2 of the report relating to 22/P/01151 (Pit Farm, Guildford), and the error in respect of the application number for the appeal regarding 12 Oak Hill Wood Street Village.</p> <p>(b) To discuss the appropriate level of budget for planning appeals in future years with the Director of Finance.</p> <p>(c) To send an email to the Committee setting out details of the Council's performance in respect of planning determinations against government targets</p>	Assistant Director for Planning Development

CGS10 RISK MANAGEMENT AND CORPORATE RISK REGISTER

The Committee noted that since the last report on this matter in November 2023, a report commissioned by the Council into corporate governance had identified areas for improvement regarding the Council's approach to risk management.

An update on the corporate risk register was due to be brought to this meeting but in light of the SOLACE report and the Council's resultant commitment to reviewing its performance and risk management frameworks (Corporate improvement plan action ref 13.1), officers were working at pace on improvements to risk management at the authority. A progress update – including intended next steps as well as an updated Corporate Risk Register – would therefore be brought to the next meeting on 25 July 2024.

The Committee noted that the intention of a corporate risk register was to articulate the Council's appetite for risk whilst focusing on areas of greatest concern to the organisation, i.e. risks that threaten the delivery of the Council's corporate strategy or the medium-term financial plan.

Accordingly, the Committee

RESOLVED: That the report be noted and that an update on the Corporate Risk Register would be submitted to the Committee's next meeting on 25 July 2024.

Reason:

To support the Committee's constitutional role in respect of risk management.

CGS11 FREEDOM OF INFORMATION COMPLIANCE: ANNUAL REPORT 2023-24

The Committee considered the annual report for 2023-24 on the monitoring of the Council's performance in dealing with Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests.

The Committee noted that the Council had received 844 FOI/EIR requests during the financial year 2023-24. Of these, 90.5% had been responded to within the 20-working day deadline, compared to 92.5% for 2022-23.

It was noted, however, that only 691 requests had been received in 2022-23, so this indicated an additional 153 requests since the previous 12-month period - marking a significant 22% increase. Although there was room for improvement given that 9.5% of requests were overdue, the Council had exceeded the Information Commissioner's performance indicator of 85%, and the 90% target agreed by Corporate Management Board.

Furthermore, following the Committee's request to monitor, as an additional target, response rates dealt with promptly within 10 working days, it was noted that during 2023-24, 385 requests (45.5% of the total) had been responded to within 10 or fewer working days.

Questions and comments from the Committee raised the following points:

- In response to a question as to why bereavement services had only been able to respond to one FOI request within the 20 day response period out of three received overall, the Information Governance Officer reported that the team had been under-resourced with increasing volumes of work and that FOI requests were typically complex in nature.
- In response to a question as to why "councillors" were not listed as a specific category of requester, the Information Governance Officer confirmed that there was a "political" category which included councillors, MPs, or researchers acting on behalf of MPs or political parties, but as the number of requests received under that category had been so low, they had not been shown separately on the pie chart in

the report. It was suggested that a further breakdown of information listed under “Other” in the pie chart would be helpful.

The Committee

RESOLVED: That the response rates and officer actions contained within the Freedom of Information Compliance Annual Report for 2023-24 be noted and that the Committee continues to receive regular updates.

Reasons:

- 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

Action:	Officer to action:
To provide in future annual reports a further breakdown of information listed under “Other” in the pie chart showing categories of requester.	Information Governance Officer

CGS12 ANNUAL REPORT OF THE MONITORING OFFICER REGARDING MISCONDUCT ALLEGATIONS

The Committee received and noted the Monitoring Officer’s annual report about complaints received, and decisions taken in relation to Allegations of Misconduct against Borough Councillors and Parish Councillors under the Arrangements for dealing with Allegations of Misconduct for the 12-month period between 1 April 2023 and 31 March 2024.

Throughout this period, there had been a total of five complaints received all of which related to parish councillors, none of which were progressed beyond Stage 1 – the Initial Jurisdiction Test.

In response to a request for information as to whether the complaints against parish councillors related to one specific parish council, multiple complaints against the same parish councillor(s) or regarding different parish councillors, the senior governance officer indicated that the monitoring officer would be asked whether this information would be shared.

Having reviewed the contents of the Annual Code of Conduct report, the Committee

RESOLVED:

- (1) That the Committee agreed that the governance arrangements were operating effectively.
- (2) That the Committee did not wish to make any recommendations in that regard.
- (3) That the Committee should continue to review Code of Conduct matters on an annual basis

Reasons:

- This Committee is a key component of the authority's corporate governance regime. The Committee provides an independent and high-level focus on the assurance and reporting arrangements that underpin good governance.
- The Committee has, within its terms of reference in Part 3 of the Constitution, 'To consider the Monitoring Officer's Annual Report on misconduct complaints against councillors, and any other matter referred by the Monitoring Officer' (paragraph 28).

Action:	Officer to action:
To provide information as to whether the complaints received against parish councillors referred to in the report related to one specific parish council, multiple complaints against the same parish councillor(s) or regarding different parish councillors.	Monitoring Officer

CGS13 ANNUAL WHISTLEBLOWING REPORT 2023-24

The Committee received and noted the annual Whistleblowing Report of the Council which summarised the whistleblowing activity over the last year and analysed the effectiveness of the Council's system. The annual Whistleblowing Register had been redacted and was appended to the report.

The Senior Governance Officer presented the report and informed the Committee that there had been nine whistleblowing matters contained within the report, many of which had been closed. In relation to one of the whistleblowing reports, assistance had been sought from internal audit in

relation to fleet services. The housing maintenance matter was currently being investigated, but support from audit was not required with that particular matter.

During the debate, the Committee made the following points:

- It was good that people felt comfortable knowing that they could raise whistleblowing complaints, which indicated that there was trust and confidence in the process, and an indication of a very healthy organisational culture.
- In relation to the housing maintenance complaint, there had been concerns expressed about the delay between the whistleblower making an allegation and the allegation being acted on, but this had not been reflected in the annual report. In response, the senior governance officer indicated that this committee would receive a report concerning every individual whistleblowing matter. The last occasion was in April and a further report was expected for the July meeting.
- Reassurance was sought that future whistleblowing reports would be acted on quickly and, in response, the senior governance officer noted that there was a requirement that the detailed investigation in respect of each individual whistleblowing matter was reported to the Corporate Management Board, and then to this committee. The Interim Strategic Director for Housing and Environment reminded the Committee that the Chief Executive, at the last meeting on 15 May 2024, had given a commitment that the senior staff investigation currently ongoing into who knew what and when in respect of the housing maintenance issue would be reported to councillors, together with any learning points. Any whistleblowing allegations received were referred directly to the Monitoring Officer who was investigating them. There was absolute recognition that what went on in the past with that particular whistleblowing allegation should not happen again.

Having reviewed the contents of the annual Whistleblowing Report, the Committee

RESOLVED:

- (1) That the Committee agreed that the governance arrangements were operating effectively.
- (2) That the Committee did not wish to make any specific recommendations in that regard but wished to continue receiving whistleblowing reports in a timely manner.

Reasons:

- This Committee is a key component of the authority's corporate governance regime. The Committee provides an independent and high-level focus on the assurance and reporting arrangements that underpin good governance.
- The Committee has, within its terms of reference in Part 3 of the Constitution: 'To consider an annual report of the operation of the Whistleblowing Policy, including incidents reported' (para 14).

CGS14 REVIEW OF TASK GROUPS REPORTING TO THE CORPORATE GOVERNANCE & STANDARDS COMMITTEE

The Committee reviewed the work undertaken over the past 12 months by the Councillor Development Steering Group and the Joint Constitutions Review Group which reported to the Committee, and to note the programme of work for the two groups over the next 12 months.

The Committee was asked to agree that both groups should continue their important work and to appoint members to them.

Accordingly, the Committee

RESOLVED:

- (1) That the work carried out by the Councillor Development Steering Group over the past 12 months be noted, and that it should continue its work in accordance with its agreed terms of reference.
- (2) That the numerical allocation of seats on the Steering Group to each political group shall be one member per group, and the following councillors be appointed to the Steering Group for the 2024-25 municipal year:

Cllr Bob Hughes
Cllr Patrick Oven
Cllr Katie Steel
Cllr James Walsh
Cllr Catherine Young

- (3) That the work of the Joint Constitutions Review Group over the past 12 months be noted and that, subject to similar approval of Waverley Borough Council's Standards & General Purposes Committee, the Review Group continues its work in accordance with its agreed terms of reference.
- (4) That the numerical allocation of seats on the Review Group to political groups shall continue as follows:

2 x Liberal Democrats
1 x Conservative
1 x R4GV

and that the following councillors be appointed to the Review Group for the 2024-25 municipal year:

Cllr Joss Bigmore
Cllr Catherine Houston
Cllr James Jones
Cllr Richard Mills OBE

- (5) That Cllr James Jones be appointed as a co-chair of the Joint Constitutions Review Group for 2024-25.

Reason:

To enable this Committee to review the continuation of the task groups reporting to it.

CGS15 THE COMMITTEE'S WORK PROGRAMME

The Committee considered and noted its updated 12 month rolling work programme. The Committee also noted that the Joint Constitutions Review Group (JCRG) was meeting regularly to discuss and review elements of the Guildford and Waverley Constitutions, with a view to their alignment where practicable. At its meeting on 29 May, the JCRG had considered reports on the following proposals:

- Joint Scheme of Officer Delegations and Proper Officer Functions
- Joint Financial Procedure Rules
- Joint Councillor / Officer Relationship Protocol

These matters would, as a matter of course, come to this Committee for consideration and, subject to the Committee's approval, be referred to full Council for adoption into the Constitution. Similarly, they would be submitted to

Waverley's Standards & General Purposes Committee and to Waverley full Council for adoption into their Constitution.

In order to ensure that these constitutional matters could be adopted by both Councils in July (and noting that the next scheduled meeting of this Committee after 6 June would be held two days after the Council meeting in July), it was proposed that a special meeting of the Committee be held on Monday 1 July at 6pm simultaneously with a special meeting of Waverley's Standards & General Purposes Committee in the Council Chamber at Waverley Borough Council. This would enable both committees to hold, in effect, separate meetings at the same time and at the same venue to consider separate agendas containing the same business (i.e. the three matters referred to above), with each item being considered simultaneously enabling members of each committee to hear the comments of the members from the other committee before coming to a conclusion and voting (separately) on those items.

Having noted that the chair and vice-chair of this Committee had been consulted and were content with the proposal, the Committee

RESOLVED: That the updated 12 month rolling work programme, as set out in Appendix 1 to the report submitted to the Committee, be approved, including the proposed addition of a special meeting of the Committee on Monday 1 July 2024 at 6pm to be held simultaneously with a special meeting of Waverley's Standards & General Purposes Committee in the Council Chamber at Waverley Borough Council.

Reason:

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

Action:	Officer to action:
To convene a special meeting of the committee on 1 July 2024, to be held simultaneously with a special meeting of Waverley's Standards & General Purposes Committee to consider various constitutional matters.	Democratic Services & Elections Manager

The meeting finished at 8.24 pm

Signed

Date

Chairman

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

1 July 2024

- * Councillor Phil Bellamy (Chairman)
- * Councillor Bob Hughes (Vice-Chairman)
- * Councillor Ruth Brothwell
- * Councillor Stephen Hives
- * Councillor Vanessa King
- Councillor George Potter
- * Councillor James Walsh

Independent Members:

Murray Litvak

Parish Members:

Julia Osborn

Simon Schofield

* Tim Wolfenden

*Present

The Lead Councillor for Finance & Property, Councillor Richard Lucas, and the Lead Councillor for Planning, Councillor Fiona White were also in attendance.

The Lead Councillor for Engagement and Customer Services, Councillor Angela Goodwin, the Lead Councillor for Community and Organisational Development, Councillor Carla Morson, the Lead Councillor for Regulatory & Democratic Services, Councillor Merel Rehorst-Smith, and Councillor Richard Mills OBE were in remote attendance.

This meeting was held simultaneously with Waverley Borough Council's Standards & General Purposes Committee, with both committees considering the same agenda items, and having had the benefit of taking into account the debate from the other meeting before taking the decisions referred to below.

CGS16 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillor George Potter, Murray Litvak, Julia Osborn, and Simon Schofield.

CGS17 LOCAL CODE OF CONDUCT - DECLARATIONS OF INTEREST

There were no disclosures of interest.

CGS18 MINUTES

The minutes of the meeting held on 15 May 2024 were confirmed as a correct record. The chairman signed the minutes.

CGS19 QUESTIONS FROM MEMBERS OF THE PUBLIC

No questions had been received.

CGS20 QUESTIONS BY MEMBERS

No questions had been received.

CGS21 PROPOSED CHANGES TO THE OFFICER SCHEMES OF DELEGATION

The Committee noted that the review of the Officer Scheme of Delegation and Proper Officer Scheme had been undertaken by the Joint Constitutions Review Group (JCRG), at their meetings held on 25 April, 29 May and 20 June 2024.

Each Council's Executive had also considered this matter in the context of the Officer Scheme of Delegation which related specifically to Executive functions. Both Executives had given formal approval to the delegation of Executive functions set out in the revised Joint Officer Scheme of Delegation and Proper Officer Scheme. The Executive had also authorised the Monitoring Officer, in consultation with the Leader, Deputy Leader, and Portfolio Holder, to include any changes to the Scheme of Delegation in respect of Executive functions recommended by this Committee.

At its meeting on 20 June 2024, the JCRG had agreed to recommend approval of the new Officer Scheme of Delegation and Proper Officer Scheme, copies of which were appended to the report, to this Committee and to Waverley's Standards & General Purposes Committee, with a further recommendation that the Committees recommend the adoption of the new Officer Scheme of Delegation and Proper Officer Scheme to the respective full Council meetings in July 2024.

During the debate, the following points were made:

- It was suggested that the exercise of the delegation to the JSD – Housing Communities & Environment to take a decision as to whether the Council would tolerate unlawful encampments for a specified period and purpose, and to keep that decision under constant review (ref: 2.3.1) should be in consultation with the relevant portfolio holder.

- It was suggested that the delegation to the Assistant Director – Community Services to take any action under the Public Health (Control of Diseases) Act 1984 and the related public health protection regulations (ref 3.2.5) should be in consultation with the Leader of the Council.
- In relation to the General Principles (ref: 1.4.4), it was suggested that the wording should be clarified as follows:

“The exercise of a delegated power shall not amount to a new policy or extension or amendment to an existing policy unless the officer has specific delegated authority to ~~do so~~ create a new policy or extend or amend an existing policy.”

- In response to a question as to whether the proposed revised scheme of delegation addressed the various lessons learned from the governance related investigations undertaken to date in respect of Guildford, it was confirmed that a key recommendation arising from the SOLACE reports was that scheme of delegation should be reviewed. In working up the revised scheme of delegation, officers had looked at both councils and it was noted that one of the critical points that had been addressed was to reduce the financial limits that officers were able to spend to under delegated powers without coming back to the Executive, which was a critical safeguard and the scope of certain delegations had been dramatically reduced.
- In response to a further question seeking assurance that the necessary resources would be allocated to officer training in order to embed the new scheme of delegation, it was intended to roll out decision-making training so that everyone was aware of their individual responsibilities. As the revised scheme of delegation would be implemented the day after formal approval by full council, strategic directors and assistant directors would be expected to have in place a scheme of authorisation running through the whole directorate so that all staff understood the nature and extent of the officer delegations.
- It was suggested that as well as explicit responsibility for financial management at Joint Management Team level there should be explicit responsibility at that level for risk management. In response, although risk management responsibilities had been specifically referenced within the proposed revised Financial Procedure Rules, the Strategic Director of Finance agreed that it would be appropriate to make some reference in the scheme of delegation to risk management responsibilities.

- It was noted that certain functions related to environmental matters had been divided between the Assistant Directors for Regulatory Services and Environmental Services, and it was queried whether the budgets for these matters had also been allocated to the relevant services to enable actions to be taken as necessary. It was confirmed that these delegations were merely clarifying where current responsibility for those functions were located.
- Clarification was requested as to what would be expected of ward councillors when they were consulted regarding certain officer delegations. It was confirmed that this would also be picked up in the officer training referred to above.

Having considered the report, the Committee

RESOLVED:

- (1) That the Council be asked to adopt into the Constitution the revised Joint Officer Scheme of Delegation and Proper Officer Scheme, as set out in Appendices 1 and 2 to the report submitted to the Committee, in so far as the delegations relate to this Council.
- (2) That the Monitoring Officer be authorised, in consultation with the chair of this Committee, to make such further amendments to the Joint Officer Scheme of Delegation and Proper Officer Scheme as may be necessary to correct errors or for clarification purposes, prior to consideration of these matters by full council.

Reasons:

- An officer scheme of delegation and proper officer scheme which is materially the same for both Councils, whilst being owned by each Council in respect of their services, will help to promote more efficient joint working and will support the transformation programme by aligning officer decision making across both Councils.
- The recommended changes will improve the governance procedures for each Council and will ensure that there is greater transparency over decision making.
- The reductions in financial limits will ensure that key decisions are made by the Executive, thereby promoting accountability and transparency.
- Aligning officer delegations into a scheme, which is similar for both Councils, supports the Councils' Collaborative and Transformation programme and

provides clarity for those officers employed to provide a joint service across both Councils.

Action:	Officer to action:
To refer the Committee's recommendation to full Council on 23 July 2024	Democratic Services & Elections Manager

CGS22 PROPOSED CHANGES TO THE FINANCIAL PROCEDURE RULES

The Committee considered a report on the recent review of the Financial Procedure Rules, which had been undertaken by the Joint Constitutions Review Group (JCRG), at their meetings held on 29 May and 20 June 2024. The JCRG had recommended approval of the revised Financial Procedure Rules, which were appended to the report, with a further recommendation that this Committee recommends the adoption of the revised Financial Procedure Rules to the full Council.

During the debate, the following comments were made:

- In response to a question as to what, if any, difference the proposed revised Financial Procedure Rules would have made in respect of the issues relating to the overspend on Guildford's housing maintenance contracts, the Strategic Director of Finance indicated that in terms of both the proposed new Financial Procedure Rules and Contract Procedure Rules, adjustments had been made to some of the financial limits therein which would require officers to seek proper approvals at times when expenditure was exceeding those limits. It was noted that a combination of the proposed new scheme of delegation and the new financial and contract procedure rules would provide a level of safeguarding for the Council that had not been present before, so any expenditure over £200,000 would require Executive approval.
- In response to a further question which sought reassurance on the process for approval of batches of invoices the Committee was informed that following a change in process and procedure within Housing Services for the batching of invoices, which had been worked up by the officers separately to the new Financial Procedure Rules, they would go through the workflow of Business World and would each require express approval of the relevant Strategic Director.

- It was suggested that the Executive summary of the report should make it clear that the revised Financial Procedure Rules were designed to strengthen governance within the Council and to mitigate some of the shortcomings in governance which had been uncovered as part of the recent investigations. In response to a question as to whether the proposed Financial Procedure Rules should be reviewed externally by internal/external auditors to establish whether they were in line with best practice, officers confirmed that there were frequent discussions and meetings with the internal auditors, and that they would be asked to comment on the new procedure rules.

Having considered the report, the Committee

RESOLVED: That the full Council at its meeting on 23 July 2024, be requested to adopt into the Council’s Constitution, the revised Financial Procedure Rules as set out in Appendix 1 to the report submitted to the Committee.

Reasons:

- Financial Procedure Rules which are materially the same for both Councils, whilst being owned by each Council in respect of their services, will help to promote more efficient joint working and will support the transformation programme by aligning officer decision making across both Councils.
- The recommended changes will improve the governance procedures for each Council and will ensure that there is greater clarity over financial decision making.
- The reductions in financial limits will ensure that key decisions are made by the Executive, thereby promoting accountability and transparency.
- Aligning both Councils’ Financial Procedure Rules supports the Councils Collaborative and Transformation programme and provides clarity for those officers employed to provide a joint service across both Councils. The rules will replace the existing Financial Procedure Rules (Guildford) and Financial Regulations (Waverley).

Action:	Officer to action:
To refer the Committee’s recommendation to full Council on 23 July 2024	Democratic Services & Elections Manager

CGS23 PROPOSED NEW CONTRACT PROCEDURE RULES

The Committee noted that Contract Procedure Rules were a statutory requirement under s135 Local Government Act 1972, and they set out the framework by which the Council procured all of its services and works carried out on its behalf. In addition, they also provided guidance to officers as to how such services and works were to be procured. The new Contract Procedure Rules had been updated to reflect not just the lessons learned from the recent governance issues at Guildford but also to align and to bring into force some of the changes that would be coming into force in October 2024 as a consequence of the Procurement Act 2023. The Government had been very clear that the purposes of the Procurement Act 2023 were not only to simplify the rules and regulations around procurement, but also to increase transparency.

During the debate, the following comments were made:

- In response to a suggestion that, in relation to procurement below £5,000, there should actually be a requirement to verify that local suppliers have been given an opportunity to quote, and to establish the reasons for not being able to quote, officers indicated that it would be very difficult within the proposed rules to set up a separate system of monitoring of such procurement, particularly given that the Procurement Act would provide greater accessibility for small and medium enterprises into local authority procurement. The purpose of the requirements regarding procurement below £5,000 was about making sure that officers remember to obtain quotes from local suppliers where possible with a view to dealing with such matters promptly to ensure that there was greater focus on the more regulated higher value contracts.
- In response to a suggestion that processes for potential local suppliers for lower value procurements should be a great deal simpler and straightforward than those for more complex higher value procurements, officers reiterated that one of the key principles of the new legislation was to require councils to consider how accessible their procurement processes were for small and medium enterprises.
- In terms of presentation, officers confirmed that when this matter was referred to the full Council meetings of both authorities, “clean” versions of the proposed Contract Procedure Rules would be provided (i.e., a version tailored for each Council to approve).

Having considered the report, the Committee

RESOLVED: That the full Council at its meeting on 23 July 2024, be requested to adopt into the Council’s Constitution, the revised Contract Procedure Rules as set out in Appendix 1 to the report submitted to the Committee.

Reasons:

- Contract Procedure Rules which are materially the same for both Councils, whilst being owned by each Council in respect of their services, will help to promote more efficient joint working and will support the transformation programme by aligning officer decision making across both Councils.
- The recommended changes will improve the governance procedures for each Council and will ensure that there is greater clarity and oversight over procurements.
- The reductions in Contract limits will ensure that key decisions are made by the Executive, thereby promoting accountability and transparency.
- Aligning both Councils’ Contract Procedure Rules supports the Councils’ Collaborative and Transformation programme and provides clarity for all officers who provide support for procurement, as well as for those postholders who are joint officer appointments. The rules will replace the existing Procurement Procedure Rules (Guildford) and the Contract Procurement Rules (Waverley).
- The recommended changes will also implement changes as a result of the Procurement Act 2023 which come in to force on 28 October 2024. This will allow time for changes to be embedded by both Councils and appropriate resource provided and identified.

Action:	Officer to action:
To refer the Committee’s recommendation to full Council on 23 July 2024	Democratic Services & Elections Manager

CGS24 JOINT COUNCILLOR/OFFICER RELATIONSHIPS PROTOCOL

The Committee considered a report on the recent review of a proposed new Joint Councillor/Officer Relationship Protocol, which had been undertaken by the Joint Constitutions Review Group (JCRG), at its meeting held on 29 May 2024. A good relationship based on mutual trust, respect and courtesy, between Councillors and Officers was essential for the smooth running of the Council.

The proposed Joint Councillor/Officer Relationship Protocol would govern the different roles and responsibilities of Councillors and Officers and set out expectations and provide a framework for how they should work together.

The JCRG had recommended approval of the new Protocol, a copy of which was appended to the report and, if approved, would replace the existing Protocol on Councillor/Officer relations in the Constitution. The JCRG had further recommended that this Committee recommends the adoption of the new Protocol to the full Council.

The Committee, having noted that there would be training on the Protocol for councillors and officers,

RESOLVED: That the full Council at its meeting on 23 July 2024, be requested to adopt into the Council's Constitution, the proposed Joint Councillor/Officer Relationship Protocol, as set out in Appendix 1 to the report submitted to the Committee.

Reasons:

- It is imperative, for the benefit of those who live, work and do business in our Borough's, that Councillors and Officers are clear on their differing roles and responsibilities and have good working relationships between them based on mutual trust and respect.
- It is good practice for Councils to have a Protocol in place setting out the expectations arising from the relationship between Councillors and Officer.

Action:	Officer to action:
To refer the Committee's recommendation to full Council on 23 July 2024	Democratic Services & Elections Manager

The meeting finished at 6.51 pm

Signed

Date

Chairman

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

25 July 2024

- Councillor Phil Bellamy (Chairman)
* Councillor Bob Hughes (Vice-Chairman) – in the chair
* Councillor Ruth Brothwell
Councillor Stephen Hives
Councillor Vanessa King
* Councillor George Potter
* Councillor James Walsh

Independent Members:

Murray Litvak

Parish Members:

- * Julia Osborn
* Simon Schofield
* Tim Wolfenden

*Present

The Leader of the Council, Councillor Julia McShane, the Lead Councillor for Finance & Property, Councillor Richard Lucas, and the Lead Councillor for Community and Organisational Development, Councillor Carla Morson were also in attendance.

CGS25 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from the Chair, Councillor Phil Bellamy, and Councillors Stephen Hives and Vanessa King, and from Murray Litvak.

CGS26 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS

There were no disclosures of interest.

CGS27 MINUTES

Upon the minutes of the meeting held on 6 June and the special meeting held on 1 July 2024 being put to the Committee for confirmation as a correct record, a committee member raised a concern over a point raised in Minute CGS23 - Proposed New Contract Procedure Rules.

The Committee was asked if it would be happy if there was a note in the minutes of this meeting, taking into account the point made by the committee member. That member also commented on whether matters arising from the minutes should be included on future agendas, to enable the committee to keep track of

matters. The person presiding indicated that Democratic Services and members of the Executive would consider that suggestion.

CGS28 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.

In relation to the following action associated with the report on the Update on the Revised, Joint Equality, Diversity and Inclusion Policy, and associated Action Plan considered by the Committee on 18 January 2024:

- (a) "To meet with the vice-chairman of the Committee to discuss how the Equality, Diversity and Inclusion Action Plan could be made more ambitious".

it was noted that a meeting with the vice-chairman had been scheduled for the following week. The Committee also welcomed the information provided in the two appendices to the report on actions arising from consideration of the internal audit progress report (February 2024) and the Month 10 Financial Monitoring Report 2023-24.

The Committee

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

CGS29 QUESTIONS BY MEMBERS OF THE PUBLIC

There were no questions from the public.

CGS30 QUESTIONS FROM MEMBERS

There were no questions from Members.

CGS31 CORPORATE RISK REGISTER AND RISK MANAGEMENT STRATEGY

The Committee considered an update report on the Council's corporate risks for Q4 for 2023-24. Since the Committee last received an update on risk management, the corporate risk register had been reviewed and refreshed in accordance with past Committee feedback and actions arising from the Council's Corporate Improvement Plan. Further to this, the report had also updated the

Committee on the development of a new risk management strategy and methodology for the Council.

The Lead Councillor for Community and Organisational Development, Councillor Carla Morson commented that there would be briefings on the new strategy which would be delivered both by officers, and external partners at Zurich.

During the debate, the following comments and observations were made by the Committee:

- Welcome the new format for the document, which was much clearer in showing how the Council identified and evaluated risks.
- In view of the Three Lines of Defence Methodology used in risk management, there was no reference in the document to the role of internal and external audit as a mitigating factor to ensure independent, objective assurance.
- Whilst the removal of CR18 (inability to meet statutory duties in timeframes) on the basis that it was too non-specific was accepted, the report had stated that FoI risks could be considered within another risk category but did not acknowledge that there were other examples of failures to meet important statutory duties such as external audit.
- Welcome the removal of certain non-strategic risks to service risk registers.
- In response to a query in respect of CR2 (Financial Sustainability) as to whether the red RAG rating was appropriate notwithstanding the positive direction of travel, the Joint Strategic Director of Finance advised that it might be possible to review the RAG rating in the next quarter given the positive outturn position and the VAT refund for example; however, he remained concerned about ongoing uncertainty as regards future long-term funding settlements.
- In response to a question, the Corporate Strategy and Performance Manager confirmed that whilst the Council had not been affected by the recent CrowdStrike outage, there were always learning points around cyber security and business continuity incidents such as these. The Council worked closely with government agencies such as the National Cyber Security Centre and it had multilayered defences in place to control and mitigate risks. The Corporate Strategy and Performance Manager indicated that he would ask the Lead Specialist – ICT to provide assurance to the Committee in respect of any learning points arising from the CrowdStrike outage.
- In response to a request for an explanation as to the reason for CR5 (Failure to make lawful decisions and follow governance) increasing and the absence of any commentary on this from the Leader or Chief Executive in the report, the Corporate Strategy and Performance Manager indicated

that the direction of travel referred to when the risk was last reported to the Committee in November 2023 and, since then, the risk had been reviewed in the previous month. The Monitoring Officer had identified significant areas of work that had taken place in recent months in respect of improved governance processes, and that the scoring of this particular risk was now on a downward trajectory, which would be reflected in the next report to the Committee. The Leader of the Council also reassured the Committee that issues surrounding governance and improving governance were a priority for the administration as evidenced by the various Constitutional matters that had been considered initially by the Joint Constitutions Review Group and brought through this Committee and approved by the Council on 23 July.

- In response to a concern expressed that some of these governance issues might be a little more systemic, and there needed to be a means by which errors in process could be addressed and corrected in a more constructive way, the Committee was advised that any such concerns should be raised with the Monitoring Officer.
- In response to a question in respect of CR11 (recruitment and retention of staff) in terms of identifying the issues which cause problems with recruiting and retaining staff, the Corporate Strategy and Performance Manager undertook to follow it up with a written response. The Leader informed the Committee that, in a recent recruitment process for Strategic Directors, each of the roles attracted over 30 applications, which had been encouraging and indicative that things were improving around the organisational culture at the Council, and also around the work being undertaken to address the various challenges facing the Council.
- In response to a concern over the lack of detail provided in respect of CR9 (non-adherence to procurement processes and contracts), the Joint Strategic Director of Finance informed the Committee that the Council's new Head of Procurement was currently reviewing all procurement related processes and procedures with a view to writing a new Procurement Strategy, and would be putting in place a series of procurement related training sessions for both officers and councillors in due course.

Having considered the report, the Committee

RESOLVED:

- (1) That the updated corporate risk register and the update provided on the development of a new risk management strategy and methodology, be noted.
- (2) That the Executive be asked to note the Committee's comments and observations summarised above.

Reason:

To support the Committee's constitutional role in respect of risk management.

Action:	Officer to action:
To circulate to the Committee the various issues which cause problems with recruiting and retaining staff.	Lead Specialist HR / Assistant Director Strategy and Corporate Services
To provide further assurance to the Committee in respect of any learning points arising from the recent CrowdStrike outage.	Lead Specialist - ICT

CGS32 INTERNAL AUDIT ANNUAL REPORT 2023-24

The Committee considered the Annual Internal Audit Report & Opinion which provided a summary of audit work that had been undertaken during 2023-24 in order to obtain all information and explanations considered necessary to provide sufficient assurance that the control environment was both reasonable and effective. The Committee noted that whilst no assurance could ever be absolute, on the basis of the audit work completed, it was the Chief Internal Auditor's opinion that the Council's framework of governance, risk management and control was 'limited'.

It was acknowledged that the Council had faced significant challenges over the past year and the recent improvements put in place following receipt of the two SOLACE reports would help to strengthen the Council's governance, risk and control arrangements.

The Committee noted the pie chart in the report showing outcomes from internal audit reviews that had been reported to the Committee throughout the year and summarising the assurance opinions as being 45% 'reasonable' and 55% 'limited'. The Chief Internal Auditor had indicated that in relation to the 'limited' assurance reviews on the key financial systems, discussions had been held with the Strategic Director of Finance with regard to some detailed follow up work as part of the Quarter 4 plan on the implementation of the management actions arising from those audits.

The Strategic Director of Finance commented that the 'limited' assurance finding had been expected, but the most important aspect was the progress being made in respect of addressing the issues around the Council's governance and internal controls and indicated that he expected some really significant improvements going forwards.

In debating this item, the Committee raised the following points:

- Welcomed the detailed and meaningful audits carried out over the past year by Southern Internal Audit Partnership.
- Noted that the underlying systems used for financial monitoring were still not where we would like them to be. The Strategic Director of Finance was asked to comment on corrective actions being taken to address the IT and technical systems supporting financial monitoring and the timeframes around them. In response the Director confirmed that the Council was receiving support from Unit 4 in respect of the review of the accounting side of Business World with a report due in the next month, which would enable an action plan to be drawn up to move things forward. It was noted that an update on this would be reported back to members of this Committee.
- There had been insufficient discussion around the control environment given that the internal audit work during the year had found that there had been a limited control environment in place across the majority of review areas, particularly around financial controls. Concern was expressed regarding control account reconciliation and management. The risk CR11 (recruitment and retention of staff) highlighted in the previous report was relevant in the context of the finance team. In response to a request for an update on the recruitment position and to highlight specific areas where good progress was being made, the Strategic Director of Finance mentioned that all policies and procedures within the Finance team had been reviewed, documented, and simplified. Contract and Financial Procedure Rules had been reviewed and approved by Council, and a great deal of work had been done around debt management, partly as a response to a previous audit report, with better reporting of the figures. The Director reported that members of the finance team were now responsible for each of the Council's control accounts in terms of reconciliation. The Director also reported that he had recently taken a paper to the Financial Recovery Executive Working Group on proposals to restructure the finance team to establish permanent members of staff, which would take a few months to put in place. The Director offered to update the Committee on progress with the restructure.
- In response to a request for further information regarding senior management concerns in respect of the operation of the Council's Housing Stores and activities being undertaken within the vehicle workshop, the Strategic Director of Finance indicated that this would be circulated to the Committee.

Having considered the report, the Committee

RESOLVED: That the Annual Internal Audit Report and Opinion for 2023-24, attached as Appendix 1 to the report submitted to the Committee, be noted.

Reasons:

- The Committee had a responsibility to consider the Annual Internal Audit Report and Opinion in accordance with the Public Sector Internal Audit Standards.
- To ensure good governance arrangements and internal control by undertaking an adequate level of audit coverage.

Action:	Officer to action:
<p>To circulate updates to the Committee on the following matters:</p> <ul style="list-style-type: none"> (a) the outcome of the review of the accounting side of Business World, (b) restructure of the finance team and specific areas where good progress was being made in respect of the financial control environment, and (c) senior management concerns referred to in the internal audit annual report in respect of the operation of the Council’s Housing Stores and activities being undertaken within the vehicle workshop. 	<p>Joint Strategic Director of Finance</p>

CGS33 WORK PROGRAMME

The Committee considered its updated 12 month rolling work programme. It was noted that the six-monthly monitoring report on S.106 Contributions had been listed in the work programme for both the September and November meetings. The Committee expected to see the report at its next meeting on 26 September, with an indication as to the frequency of future reports.

The Committee also felt that, in consultation with the chairman, an external audit update should be submitted to the next meeting on 26 September 2024.

The Committee

RESOLVED: That, subject to the above comments, 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.

Action:	Officer to action:
<p>To submit a S106 Monitoring Report to the September 2024 meeting and to provide an</p>	<p>Assistant Director, Planning</p>

indication as to frequency of future reports	
To liaise with the external auditors with a view to submitting an update report on external audit progress to the next meeting on 26 September 2024.	Strategic Director of Finance

CGS34 EXCLUSION OF PUBLIC

The Committee

RESOLVED: That in accordance with Section 100A(4) of the Local Government Act 1972:

- (1) the public be excluded from the meeting during consideration of agenda item 11 on the grounds that it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during consideration of the item, there would be disclosure to them of exempt information (as defined by Section 100I of the Act) of the description specified in paragraph 2 of the revised Part 1 of Schedule 12A to the Local Government Act 1972, which was Information which was likely to reveal the identity of an individual.
- (2) the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

CGS35 WHISTLEBLOWING: GUILDFORD BOROUGH COUNCIL HOUSING SERVICES

The Committee considered a report on an investigation into an allegation of malpractice or wrongdoing connected to Guildford Borough Council’s award of contracts to one supplier that had occurred in 2016. There had been a suggestion of non-delivery under such contracts. The allegation had been made under the Council’s Whistleblowing Policy that was reviewed, updated and approved by the Executive in January 2024.

The Committee welcomed the investigation which had taken place promptly after the Whistleblower had come forward. It was noted that there had been no Procurement Team in place at the time the alleged wrongdoing had taken place. However, housing and legal records dating back some eight years had been examined and no evidence of malpractice could be identified in regard to the allegation. Members of the Committee would have preferred to have seen more detail in terms of the timelines of the investigation and this was noted in regard to any future investigations.

Overall, the Committee found that the Whistleblowing Policy had provided a reassurance for those with concerns to come forward. The Leader of the Council expressed gratitude to the Whistleblower for coming forward and noted the journey the Council was on to address longstanding issues, improve transparency and provide an open cultural environment for staff.

The meeting finished at 8.24 pm

Signed

Date

Chairman