

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

18 January 2024

- * Councillor Phil Bellamy (Chairman)
- * Councillor Bob Hughes (Vice-Chairman)
 - * Councillor Joss Bigmore
 - * Councillor James Jones
 - * 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, the Lead Councillor for Regulatory & Democratic Services, Councillor Merel Rehorst-Smith and Councillor Howard Smith were also in attendance.

The Lead Councillor for Commercial Services, Councillor Catherine Houston, and Councillors Yves de Contades, and Richard Mills OBE were in remote attendance.

CGS55 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

An apology for absence was received from Mr Murray Litvak.

CGS56 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS

There were no disclosures of interest.

CGS57 MINUTES

The minutes of the meetings held on 16 and 29 November 2023 were confirmed as a correct record. The chairman signed the minutes.

CGS58 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 noted that the external auditors had not yet provided an update on the actions requested on 28 September 2023 in respect of the value for money letter to the Chief Finance Officer.

The Committee, having noted the updates on the supplementary information sheet,

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

CGS59 INTERNAL AUDIT PROGRESS REPORT: NOVEMBER 2023

The Committee considered an update report from the Southern Internal Audit Partnership which set out a clear and transparent articulation of internal audit activity, performance, and outcomes during the eight-month period up to 30 November 2023.

The report had included the status of 'live' internal audit reports; an update on progress against the annual audit plan; a summary of internal audit performance, planning and resourcing issues; and a summary of significant issues that would impact on the Chief Internal Auditor's annual opinion.

Iona Bond of the Southern Internal Audit Partnership presented the report and drew the Committee's attention to the revised presentation of the table showing Stakeholder Satisfaction Survey Results as requested at the last meeting.

The Committee's attention was also drawn to the reference to the KPMG review of Performance Monitoring in the table of "live" audit reviews, which had been included in error as all the management actions had been completed.

The Committee noted that since the last report, two audit reviews had been undertaken - on procurement and information governance both of which had concluded with a "reasonable" assurance opinion, with a number of management actions none of which were due at the time the report had been produced.

In relation to the rolling work programme (section 7 of the report), the Committee were informed that all of the scheduled Q.3 work was currently in progress. The internal auditor had also finalised three further audit reports which would be considered at the next meeting.

In relation to Annex 1 to the report (overdue "high priority" management actions), the internal auditor reported that, since the last Committee meeting, there was only one overdue management action (on budgetary control) that had reached its

revised implementation date and to note that the implementation date had moved again. The second overdue recommendation on the payroll budget discrepancy had not yet been followed up because the revised target date had been 30 December 2023. This would be updated in the next progress report.

In relation to Annex 2 (overdue “low to medium priority” management actions), it was noted that, whilst there had not been any significant changes, because most of the revised target implementation dates had not yet been, there were two exceptions namely Core Financial Controls - Journals, and Core Financial Controls - General Ledger, each of which had medium priority recommendations where the due dates had slipped for a further two months. The Internal Auditor emphasised, however, that work was ongoing in respect of these overdue management actions on these individual audit reviews, but they were all integral to the wider work streams associated with the financial recovery plan.

The Internal Auditor noted that, at the last meeting of the Committee, a request had been made to provide additional information on the overdue low and medium priority management actions and explained that this had not yet been addressed partly due to the limited time available between committee meetings. It was hoped that this information could be provided at the next meeting, and subsequently each year at the March meeting.

During the debate, the following points were raised by the Committee:

- In response to a question as to how concerned the Committee should be with the number of overdue medium and high priority management actions, and whether these actions would be undertaken soon, the Internal Auditor confirmed that work was ongoing to resolve and implement the management actions. However, that work was taking longer than expected as much of the work related to key financial systems.
- Noting the comments of the Internal Auditor as to the number of overdue management actions, and the work that was ongoing to address them it was noted that a number of these actions had revised due dates for 31 December 2023 and the Internal Auditor was asked whether these due dates had been revised further. The Internal Auditor indicated that this report only included their follow-up work on overdue management actions that fell due before 30 November 2023, and that it was not yet possible to confirm whether the revised target date of 31 December had been achieved.
- It was noted that the covering report had not been written using the revised report template, as it omitted sections on climate change/ sustainability implications and equality and diversity implications.
- There should be clearer accountability for implementation of management actions, with identifiable officers responsible for their implementation by the

due dates. It would be useful to understand how the due dates were agreed, and whether those due dates were realistic in terms of implementation.

- In response to a question as to how the audit review of S106 Contributions had provided a significant assurance opinion with minor improvement opportunities, whilst the Committee had previously raised concerns regarding unspent contributions, the Internal Auditor commented that that review had been undertaken by the previous auditors, KPMG in 2022-23.

Having considered the report, the Committee

RESOLVED: That the progress made against the internal audit plan for 2023-24, as detailed in the report submitted to the Committee be noted.

Reason:

To ensure good governance arrangements and internal control by undertaking an adequate level of audit coverage.

| Action: | Officer to action: |
|---|--|
| To ensure that future covering reports accompanying Internal Audit Progress reports are written on the correct report template. | Iona Bond Assistant Head of Southern Internal Audit Partnership |

CGS60 CAPITAL AND INVESTMENT STRATEGY 2024-25 TO 2028-29

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

Decisions made now, and during the period of the strategy on capital and treasury management would have financial consequences for the Council for many years into the future. The report therefore included details of the capital programme, any new bids/mandates submitted for approval plus the requirements of the Prudential Code and the investment strategy covering treasury management investments, service investments, and commercial investments. The report had also covered the requirements of the Treasury Management Code and the prevailing DLUHC Statutory Guidance.

The Committee noted that in order to achieve the ambitious targets within the Corporate Plan, the Council needed to invest in its assets, via capital expenditure, which was split into the General Fund (GF) and Housing Revenue Account (HRA).

All projects, regardless of the fund, would be funded by capital receipts, grants and contributions, reserves, and finally borrowing. When preparing the budget reports, it was not known how each scheme would be funded and, in the case of regeneration projects, what the delivery model would be. The report showed a high-level position. The business case for each individual project would set out the detailed funding arrangements for the project.

The Committee noted that some capital receipts or revenue income streams might arise as a result of regeneration schemes, but in most cases the position was currently uncertain, and it was too early at this stage to make assumptions. It was likely that there would be cash-flow implications of the development schemes, where income would come in after the five-year time horizon of the report and the expenditure incurred earlier in the programme.

The Committee also noted that Prudential Indicators were set to ensure that the Council could demonstrate that its capital expenditure plans were affordable, sustainable, and prudent.

The Council had an underlying need to borrow for the General Fund capital programme of £202 million between 2023-24 and 2028-29. Officers had put forward bids, with a net cost over the same period of £9.8 million, increasing this underlying need to borrow to £211.8 million should these proposals be approved for inclusion in the programme.

The capital programme included several significant regeneration schemes, which it was assumed would be financed from GF resources. Detailed funding proposals for each scheme would be considered when their Outline Business Case was presented to the Executive for approval.

The main areas of expenditure (shown gross), as set out in the report, were:

- £258 million Weyside Urban Village (WUV)
- £35 million Ash Road bridge and footbridge (Total gross cost £44 million, external funding, £36 million, net cost to GBC £8 million)

The report contained a summary of the new bids submitted and the position and profiling of the current programme (2023-24 to 2028-29).

The HRA capital programme was split between expenditure on existing stock and either development of or purchase of new dwellings to add to the stock. A lot of work had been done on stock condition surveys and the results were being analysed with a view to having a robust stock condition assessment which would provide 100% stock data over a rolling 5-year programme and allow for effective assessment against Regulatory and legislative standards.

Improved building safety standards across social housing had resulted in a national drive to improve standards and safety, Guildford had started to respond to this and had spent a significant sum on its properties. The budget for 2024-25 and ongoing would see budgets return to more modest levels seen in the past. The capital programme would be funded from HRA capital receipts and reserves. The programme also included £121 million between 2023-24 and 2028-29 for development projects to build or acquire new housing (including WUV). Officers had recommended removing the Bright Hill scheme from the HRA programme, as previously reported to Councillors, due to the change in the scope of the scheme being delivered.

The main areas of major repairs and improvement expenditure were:

- refurbishment, replacement & renewal programme of existing stock, £1.3 million, which included kitchen & bathroom upgrades, void property refurbishment and roof works
- works to existing stock to comply with changes to standards and legislation, £3.4 million, including replacement fire doors, electrical testing and fire protection works
- mechanical and electrical works £400,000, including central heating systems
- other works of £1.2 million including disabled adaptations

The main HRA development projects were:

- Guildford Park Car Park: £39 million
- WUV: £49 million
- Foxburrows: £11 million

The Committee was informed that officers carried out the treasury management function within the parameters set by the Council each year and in accordance with the approved treasury management practices.

The budget for investment income for 2024-25 was £3 million, based on an average investment portfolio of £86 million, at a weighted average rate of 5%. The budget for debt interest paid was £14.8 million, of which £5.4 million related to the HRA and £7.9 million was being capitalised and added to the cost of schemes in the capital programme, which was a net cost to the General Fund of £1.5 million for the year.

The Committee noted that councils could invest to support public services by lending to or buying shares in other organisations (service investments) or to

earn investment income (commercial investments, where earning a return was the primary purpose).

Investment property had been valued at £178 million, as per the 2022-23 unaudited Statement of Accounts, with rent receipts of £9.2 million, and a yield of 5.7%. In line with the Government's guidelines, the Council was not making any future purchases solely for yield.

The Council had also invested £25.3 million in its housing company North Downs Housing Ltd (NDH), via 40% equity to Guildford Borough Council Holdings Ltd (£10.1 million) who, in turn, passed the equity to NDH, and 60% repayment loan direct to NDH (£15.3 million) at a rate of 5%.

The report had also included the Council's Minimum Revenue Provision (MRP) policy, the Prudential Indicators and the updated flexible use of capital receipts policy. This policy, if approved at Council, would permit the use of any capital receipts received in year to be used to fund any service transformation costs incurred in the same year.

The Committee noted the comments and recommendations of the Joint Executive Advisory Board which had also considered this report at its meeting held on 11 January 2024, particularly with regard to the proposed new capital bids.

The Lead Councillor for Finance and Property commented that a significant part of the £18 million gap in the medium-term financial plan at the start of this financial year, had been due to debt servicing costs. Overall debt at that time was around £300 million and was projected to rise over to over £600 million by the end of the decade. This revised Capital and Investment Strategy represented a reduction in capital expenditure of approximately £100 million. The significant reduction in debt servicing costs over the medium-term financial plan period was a critical part of the Council's Financial Recovery Plan

During the debate, the Committee made the following comments:

- In response to a question as to whether there was a clear definition of what was permitted in terms of local authorities earning investment income, the Lead Specialist (Finance) explained that the Section 151 Officer was required to sign off investment income of any kind. Any borrowing from the Public Works Loan Board now required a great deal more information to be provided in terms of the purpose for which any loan was required.
- Inadequate scrutiny of the budget process, particularly in view of the previous mistakes made. In response, the Lead Councillor for Finance & Property indicated that many of the more detailed aspects of the

budget had been discussed at the Financial Recovery Executive Working Group. It was also noted that the current arrangements for consideration of draft budget papers had not changed over the past five years.

- Proposals to reduce the Council’s overall borrowing by approximately £100 million over the next few years was welcomed. Noting the Arlingclose interest rate forecast of a reduction to around 3% by early to mid-2026, officers were asked to comment on the impact of such a reduction on the Council’s finances in the medium-term. The Lead Specialist (Finance) indicated that prudent assumptions had been made in respect of interest rates on borrowing in the medium-term so that in 2025-26, it was anticipated that interest rates would reduce from 4% to 3.5%
- The level of detail in the mandate proposals in respect of each of the growth bids was welcomed.
- There were errors in the tables in paragraph 8.20 of the report and paragraph 4.16 of Appendix 1 to the report (Capital Expenditure Summary) in relation to HRA Capital Expenditure for 2023-24, which would be corrected by officers.

Having considered the report, the Committee,

RESOLVED: That the recommendations to the Executive and Council in respect of the Capital and Investment Strategy, as set out in the report submitted to the Committee, together with the comments referred to in the debate and summarised in the bullet points above, be endorsed.

Reason:

To enable the Council at its budget meeting on 7 February 2024, to approve

- the capital and investment strategy for 2024-25 to 2028-29; and
- the funding required for the new capital investment proposals.

| Action: | Officer to action: |
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| To pass on the Committee’s comments to the Executive. | Democratic Services & Elections Manager |

CGS61 EXTERNAL AUDIT UPDATE

Mr Paul Cuttle from the Council’s external auditors Grant Thornton gave an oral update on the external audits of the Council’s financial statements. In relation to 2020-21, it was noted that Grant Thornton had presented their Audit Findings Report to the Committee in July 2023 which explained that the Audit had been largely completed and that it was ready to be signed-off. However, due to the potential housing maintenance fraud, the audit was paused whilst further information was sought in that regard. Following discussions with management,

Grant Thornton were now in a position where they were comfortable, subject to agreeing a disclosure in the financial statements for 2020-21, and some audit procedures that would enable sign-off of those accounts within the next month.

In relation to the audits for 2021-22 and 2022-23, which were both outstanding, Mr Cuttle explained that there had been significant delays nationally in completing local government external audits. The Department for Levelling Up, Housing and Communities (DLUHC) had expressed an intention to take various actions to catch up on the backlog of audits, which included the introduction of a backstop date after which, if an audit was not completed, there would be no further work undertaken. In these circumstances, this would require a disclaimer audit opinion issued in respect of any incomplete audits. The Committee was informed that the original intention was that the backstop date would be March 2024; however, it was now understood that the likely backstop date would be September 2024, but this would be subject to consultation which had not yet commenced. It was noted that, whilst the details would follow, there would need to be legislation required to do this. The impact on the Council would be that there would be two years of outstanding audits.

Given the ongoing investigation into possible housing maintenance fraud and the potential implications for the Council's financial statements for 2021-22 and 2022-23, it was unlikely that these outstanding audits would be completed within the period envisaged. Grant Thornton were therefore proposing that they would take up the disclaimer option for those two years of audit and then start afresh in 2023-24.

It was not clear yet what the intention would be around opening balances for the 2023-24 audit, given that there would be two years' worth of incomplete audits, but it was expected that this would be clarified through the consultation period.

During the debate, the following points were raised:

- The position regarding incomplete audits was deeply unsatisfactory and was a reflection of how the audit system nationally had failed.
- There was no guarantee that external audits would be completed and signed off in the future unless there was a fundamental change in how they were undertaken. The Council would still be faced with the problem of opening balances and comparables.
- In response to the above comments, Mr Cuttle noted that there had been no problems signing off the Council's audits up to 2020-21, which was the first year the Council had changed its financial systems and led to significant delays in being able to complete that audit. Mr Cuttle agreed that there were clear issues with auditor capacity. Grant Thornton, whilst accepting that they would not necessarily achieve the initial deadline for 2022-23 audits, would be signing off other audits in Surrey. The Audit

Findings Report presented to the Committee last July was a substantial document that highlighted significant material changes to the financial statements that required a significant amount of work to get to that position. Had the accounts been of a better quality, the Council would not be in the position it currently found itself in. The additional work required due to the issue of opening balances could cause significant delays to the 2023-24 audit.

The Monitoring Officer commented that it was beneficial for the Committee to hear from the external auditors some of the reasons around why the 2021-22 and 2022-23 accounts might not be audited. It was clear that there were some legitimate and good reasons for that and that these problems were being experienced across the country. The Committee was reminded, however, that the Council was still in a difficult position because there was a statutory obligation to publish audited accounts. Further legal advice may have to be given to the Committee in that regard in due course.

The Committee

RESOLVED: That the oral update on the external audits of the Council's financial statements be noted.

CGS62 FINANCIAL MONITORING 2023-24 PERIOD 8 (APRIL TO NOVEMBER 2023)

The Committee considered the Financial Monitoring Report for Period 8 which summarised the projected outturn position for the Council's General Fund (GF) revenue account and Housing Revenue Account (HRA), based on the latest actual and accrued data.

The revised budget had been adjusted to reflect the changes agreed to bring the budget back into a balanced position. Officers were projecting an underspend within services on the GF revenue account of £0.467 million, which included specific reserves transfers. Corporate adjustments, provisions and external interest receivable, was forecast to overachieve by £0.629 million to give an overall favourable variance of £1.096 million. Any surpluses or deficits would impact reserves at year end.

Within the forecast of external interest was a budget of £0.800 million which was expected to be received from North Downs Housing (NDH), which had been highlighted as being a risk based on past performance, and a provision of £0.300 million had been included to reduce the risk to which the Council was exposed. However, the Committee noted that latest information available had indicated that the monies due from NDH would be received.

Officers were projecting an overspend on the HRA of £0.616 million, details of which were highlighted in the report.

The Orchard housing management system contained a number of jobs which had not been invoiced and therefore not shown in Business World.

GF reserves were forecast to be £34.819 million at year end, of which £31.622 million were earmarked and £3.198 million were available and classed as usable, although this excluded the GF working balance.

Progress against the capital programme was underway, and the Council was expected to spend £81.85 million on its capital schemes by the end of the financial year against a budgeted expenditure of £228.66 million. This forecast supported the report of the Interim Director of Finance reducing the Capital programme by £99.6 million.

The Committee was reminded that the Month 6 report considered at the last meeting (29 November 2023) had contained a number of errors. A corrected report had been circulated to the Committee on 1 December. For transparency purposes, the corrected report was attached, for information, as Appendix 5 to the current report.

The Committee's attention was drawn to an error in the table in paragraph 10.1 of the report showing the variances within each directorate's spending. The total variance should have indicated a favourable variance, or an underspend, of £467,000.

The Lead Councillor for Finance and Property, Councillor Richard Lucas commented that this monitoring report was a significant improvement on previous reports, as it helped officers to better manage their operations, and associated risks and improved transparency, so that the Committee had greater visibility of what was going on.

During the debate, the following points were raised:

- Concern regarding the volatility in the reporting of financial monitoring from one meeting to the next, for example the Month 6 monitoring report had indicated a projected £200,000 surplus on the General Fund at year end, and this report had indicated that the surplus would be £1.1 million. It should be expected that such volatility should reduce significantly towards the end of the financial year.
- In response to a question about the risk associated with the General Fund forecast, in particular around the external interest receivable, which was now £1.3 million, the Committee noted that external interest came from a number of different sources, some as bank interest, which was easy to predict, but other sources were only declared on a quarterly or half yearly

basis. However, officers were getting better at how to investigate and determine those figures and it was hoped that would improve going forward.

- Having this level of monthly monitoring and being able to see month by month, what was happening through financial monitoring, it was not that surprising to see so much volatility. The information provided in the Summary of Directorate Variances was welcomed. The report also identified areas which were clearly going to need a greater focus going forward e.g. assets and property and planning and development.

Having considered the report, the Committee

RESOLVED: That the Council's latest financial monitoring for Month 8 of the 2023-24 financial year be noted that the Committee's comments and observations referred to above be passed to the Executive.

Reason:

To ensure that Councillors and executives fulfil their responsibilities for the overall financial management of the council's resources.

CGS63 UPDATE ON THE REVISED, JOINT EQUALITY, DIVERSITY AND INCLUSION POLICY, AND ASSOCIATED ACTION PLAN

The Committee noted that, under the Equality Act 2010 there were statutory obligations for organisations to have equality objectives and to adhere to the general and specific duties within the Act.

The Committee considered an update report on the revised joint Equality, Diversity and Inclusion Policy and associated action plan, the key objectives of which 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 Council's workforce encouraged equality, diversity and inclusion to help prevent legal challenges arising from bullying, harassment, and discrimination.

The policy itself had been updated in June 2023 in collaboration with Waverley Borough Council and was now a shared policy (albeit with a separate action plan for each Council). The policy was reviewed annually and updated every three years. The action plan, which had been updated to be more accessible and easier to use, was an organic document reviewed by the Equality, Diversity and Inclusion Group every quarter and progress reported annually to this Committee.

During the debate, the following points were raised:

- Since the previous report to the Committee, the vice-chairman remained of the view that it lacked ambition, particularly in respect of making a difference for people with disabilities, and requested the opportunity, once again, to discuss it further with officers and work with the Lead Councillor. It was suggested that there were no proactive actions within the action plan, for example there was no policy to make adaptations or indeed to attract applicants with disabilities to work for the Council, or to consult with staff and others with disabilities, including groups and organisations representing disabled people, about what they think and want from the Council. There were also no targets in respect of what the Council was seeking to achieve in terms of improvements. The action plan made no reference to improvements for disabled people elsewhere in the borough, for example in the town centre, and the North Street development.
- In response, the Strategic Director for Community Wellbeing explained that the policy before the Committee was an internal policy for the Council's staff and how the Council operated as a business. However, the points raised regarding the external environment and the impact that had on those with disabilities was still valid. The Strategic Director indicated that she would take those comments back to the Equalities, Diversity and Inclusion Group and make sure that they were passed on to the people who were looking at the wider environment and the place-shaping around Guildford.
- It was suggested that action 2.2 of the action plan "Upgrade our Disability Confident Committed" status to level 2 Disability Confident Employer via the government scheme would address many of the points raised by the vice-chairman in respect of the Council as an employer. However, it was noted that the deadline for that action to be completed was 18 January 2024, and an update on this via the Action Tracker was requested.
- The Strategic Director indicated that she would pass on these comments to the Strategic Director for Transformation and Governance and that officers would be happy to meet with the vice-chairman as requested.

Having considered the report, the Committee

RESOLVED: That, subject to the comments raised at the meeting, the updated Equality, Diversity and Inclusion policy and its associated action plan as set out in Appendices 1 and 2 to the report submitted to the Committee, be approved.

Reasons:

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

| Action: | Officer to action: |
|---|--|
| <ul style="list-style-type: none"> • To meet with the vice-chairman of the Committee to discuss how the Equality, Diversity and Inclusion Action Plan could be made more ambitious. • To provide an update on implementation of Action 2.2 of the Equality, Diversity and Inclusion Action Plan 2022-23: “Upgrade our Disability Confident Committed status to level 2, Disability Confident Employer through the government scheme”. | Executive Head of Organisational Development |

CGS64 AMENDMENTS TO THE GUILDFORD AND WAVERLEY JOINT GOVERNANCE COMMITTEE TERMS OF REFERENCE

The Committee noted that the Guildford & Waverley Joint Governance Committee (JGC) had been established in April 2022 following approval by both councils of its Terms of Reference. At the request of the Joint Executive Head of Legal & Democratic Services, the Terms of Reference for the JGC were reviewed to ensure they remained, relevant, fit for purpose and included any collaboration arrangement updates.

The amendments focused mainly on the inclusion of the Temporary Shared Staffing Inter Authority Agreement (IAA), periodic review periods, frequency of meetings, quorum, and procedures for electing a chairperson (in the absence of a Co-Chair) and voting. The amendments also included the rephrasing of text for clarity and correcting some minor typographical errors.

The proposed amendments had been considered initially by the JGC on 1 November 2023, where members of the committee reviewed, noted, and supported the proposed amendments. The JGC made an additional recommendation, for a further amendment to the use of substitutes under clause 8; requesting that the respective Group Leaders nominate an ongoing main substitute.

At its meeting on 30 November 2023, the matter was considered by the Joint Constitutions Review Group (JCRG). The JCRG agreed to recommend approval of the proposed amendments to both this Committee and to Waverley’s Standards & General Purposes Committee at their respective meetings in January, with a further recommendation that each committee recommends the adoption of the amended Terms of Reference to their respective full Council meetings.

The Committee noted that Waverley's Standards & General Purposes Committee had endorsed the proposed amendments at its meeting held on 8 January 2024.

Having considered the proposed amendments, the Committee

RESOLVED: To recommend to Council that the proposed amended terms of reference for the Guildford & Waverley Joint Governance Committee, as set out in Appendix 3 to the report submitted to the Committee, be adopted into the Constitution.

Reason:

To ensure both councils continue to adopt and exercise strong governance arrangements for inter-authority working.

| Action | Officer |
|--|---|
| To submit the report, including the Committee's endorsement of the recommendation to the extraordinary Council meeting on 23 January 2024. | Democratic Services & Elections Manager |

**CGS65 GUILDFORD BOROUGH COUNCIL AND WAVERLEY BOROUGH COUNCIL:
OFFICER EMPLOYMENT PROCEDURE RULES**

As part of the current work programme to update the constitutions of both Guildford Borough Council (GBC) and Waverley Borough Council (WBC), the Joint Executive Head of Legal and Democratic Services had deemed the Officer Employment Procedure Rules as a high priority, requiring urgent attention, particularly at WBC where none currently existed.

Officers had recommended the introduction of new Officer Employment Procedure Rules, using examples of good practice, based on the statutory framework.

The Committee noted that all members of the Joint Management Team (JMT) were employed by WBC and the Officer Employment Procedure Rules based on the Council's current staff structures, applied only to members of the JMT. It was proposed that the new Officer Employment Procedure Rules would be included in the constitutions of both councils. The existing Officer Employment Procedure Rules in GBC's Constitution would be superseded by the new rules.

The Committee also noted that GBC currently had an Employment Committee, whose terms of reference included matters relating to the employment (including appointment, disciplinary action and dismissal) of the Council's most senior

officers. The procedures for dealing with those matters were now set out in the existing Officer Employment Procedure Rules.

The Employment Committee's terms of reference did not take into account the collaboration between the two councils, the establishment of the JMT and of the Guildford & Waverley Joint Appointments Committee. They were therefore out of date, of no practical use and superfluous and in contradiction with the terms of reference of the Joint Appointments Committee. The terms of reference of the Joint Appointments Committee included the process for the appointment of the Joint Chief Executive, Joint Section 151 Officer, Joint Monitoring Officer, and Joint Strategic Director posts.

Approval of the new Officer Employment Procedure Rules would therefore, as a consequence, require the formal disbandment of the Employment Committee which no longer had a role. It was noted, however, that the Employment Committee's terms of reference also included "*approval of the Council's human resources policies*", which were not within the remit of the Joint Appointments Committee. It was therefore proposed that this function be delegated to the Head of Paid Service, and that the GBC Scheme of Officer Delegations be amended to reflect this.

The Committee noted that the Joint Appointments Committee had been established in August 2021 to deal with the appointments of joint senior members of staff. To support the new Officer Employment Procedure Rules, and to incorporate statutory requirements, it had become evident that the Joint Appointment Committee's remit would need to be expanded to also deal with disciplinary action against, and the dismissal of, joint senior members of staff.

It was proposed therefore that the Joint Appointments Committee's terms of reference be amended to deal with appointments, disciplinaries and dismissals of relevant officers, to reflect legislation. As such, the Joint Appointments Committee would require a change of name to better reflect its new purpose, and it was proposed that it be known as the 'Joint Senior Staff Committee'.

At its meeting on 30 November 2023, the Joint Constitutions Review Group (JCRG) had considered a report on the introduction of the new Officer Employment Procedure Rules, together with the other related matters referred to above. The JCRG had recommended approval of the new Officer Employment Procedure Rules to both this Committee and to Waverley's Standards & General Purposes Committee at their respective meetings in January, with a further recommendation that each committee recommends the adoption of the new procedure rules to their respective full Council meetings.

The Committee noted that Waverley's Standards & General Purposes Committee, at its meeting held on 8 January 2024, had endorsed the proposed new Officer

Employment Procedure Rules, subject to one minor amendment, together with the other recommendations that affected both councils.

Having considered the report, the Committee

RESOLVED: To recommend to Council:

- (1) That, subject to the inclusion of the minor amendment proposed by Waverley’s Standards & General Purposes Committee to include a reference to the schedule of proper officers listed in Part 3 of the Constitution, the new Officer Employment Procedure Rules, as set out in Appendix 1 to the report, be adopted into the Constitution, and that they replace the Council’s existing Officer Employment Procedure Rules.
- (2) That the Employment Committee be disbanded.
- (3) That the Head of Paid Service be authorised to approve, where necessary, any human resources policies that apply to Guildford Borough Council.
- (4) That the revised terms of reference for the Joint Appointments Committee and change of its name to “Joint Senior Staff Committee” to reflect its expanded responsibilities, as set out in Appendix 4 to the report, be adopted.
- (5) That the Council confirms the GBC membership of the Joint Senior Staff Committee, for the remainder of the 2023-24 municipal year, as being:
 - Councillor Philip Brooker
 - Councillor Julia McShane
 - Councillor Fiona White
- (6) That the Monitoring Officer be authorised to convene, where necessary, an Independent Panel, as provided for in the Officer Employment Procedure Rules.

Reason:

To ensure that both GBC and WBC have adequate arrangements in place to deal with the employment of all officers including senior management and statutory officers. Approval of the new Officer Employment Procedure Rules will be the first step in the process to align the constitutions of GBC and WBC where appropriate to do so.

| Action | Officer |
|---|---|
| To submit the report, including the Committee's recommendations, to the extraordinary Council meeting on 23 January 2024. | Democratic Services & Elections Manager |

CGS66 GUILDFORD BOROUGH COUNCIL AND WAVERLEY BOROUGH COUNCIL MONITORING OFFICER PROTOCOL

The Committee was reminded that Section 5(1) Local Government and Housing Act 1989 required every Council to designate an Officer as the Council's Monitoring Officer. The Monitoring Officer was designated by Council and may or may not be an employee of the Council.

As part of the current work programme to update the constitutions of both Guildford Borough Council (GBC) and Waverley Borough Council (WBC), the Joint Executive Head of Legal and Democratic Services had deemed the introduction of a Monitoring Officer Protocol as a high priority, to ensure that both councils had the proper procedures in place to allow the Monitoring Officer to effectively discharge their statutory obligations.

The law did not prescribe exactly how the Monitoring Officer was to carry out their functions. Therefore, the Protocol had described the manner in which the Council expected the Monitoring Officer to discharge these functions and how it expected Officers and Members to co-operate with the Monitoring Officer in order to enable them to discharge these functions effectively.

The Committee noted that the report had been considered initially by the Joint Constitutions Review Group (JCRG) at its meeting on 18 December 2023. The JCRG had supported the adoption of the proposed Protocol by both councils and had referred it to this Committee and Waverley's Standards & General Purposes Committee for formal consideration. The JCRG also felt that similar protocols should be developed for the two other statutory officer posts: Head of Paid Service and the Section 151 (Chief Finance Officer).

The Committee noted that Waverley's Standards & General Purposes Committee, at its meeting held on 8 January 2024, had endorsed the proposed new Monitoring Officer Protocol, subject to two minor amendments.

Having considered the report and the amendments suggested by Waverley's Standards & General Purposes Committee, the Committee

RESOLVED: To recommend to Council the adoption into the Constitution of the proposed Monitoring Officer Protocol, as set out in Appendix 1 to the report submitted to the Committee, subject to the inclusion of the two minor amendments proposed by Waverley's Standards & General Purposes Committee as follows:

- (a) the amendment of the first bullet point in paragraph 4.0 of the Protocol as follows:

- *“The Monitoring Officer, rather than the Council, will nominate at least one Officer as Deputy Monitoring Officer, with the power to act as Monitoring Officer where the Monitoring Officer is unable to act as a result of absence, ~~or~~ illness, or conflict of interest; and”*

(b) the amendment of the sixth bullet point in paragraph 5.2 of the Protocol to reflect the Monitoring Officer being responsible for providing or obtaining legal advice rather than necessarily being the principal legal adviser to the Council.

Reason:

To protect the interests of the Council, and to provide guidance on how it expects Officers and Members to co-operate with the Monitoring Officer in order to enable them to discharge these functions effectively.

| Action | Officer |
|--|---|
| To submit the report, including the Committee's endorsement of the recommendation to the extraordinary Council meeting on 23 January 2024. | Democratic Services & Elections Manager |

CGS67 AMENDMENTS TO THE GUILDFORD BOROUGH COUNCIL AND WAVERLEY BOROUGH COUNCIL PRE-ELECTION PUBLICITY & DECISION-MAKING POLICY

The Committee noted that both Guildford and Waverley had adopted the current Pre-Election Publicity Policy in April 2022, which was identical for both councils.

The main purpose of the existing policy was to protect the interests of the Council, and to provide guidance to Councillors and Officers on publicity and the use of Council resources during the pre-election period. A key aspect of the existing Policy was to limit the Council and Committee meetings during the pre-election period. Specifically:

- Regular Full Council, Executive, and Committee meetings (excluding Planning Committee, Licensing Sub-Committee and Licensing Regulatory Sub-Committee) would not be scheduled during the pre-election period;
- Where an unscheduled election was called, meetings scheduled to take place in the pre-election period (other than meetings of the Planning Committee, Licensing Sub-Committee and Licensing Regulatory Sub-Committee) may be cancelled if it was considered by the Joint Chief Executive prudent to do so; and

- Extraordinary Full Council and/or Special Committee meetings would be arranged if, in the opinion of the Joint Chief Executive and Monitoring Officer, it was considered to be in the Council's interests to hold them for urgent items of business.

However, after further careful review and consideration, it was proposed that the Pre-Election Publicity & Decision-Making Policy be amended to provide more flexibility for the Proper Officers of the Council to assess and decide which council meetings could be held during the pre-election period on a case-by-case basis. Such an approach provided the Proper Officers with the flexibility to take into account whether a forthcoming election was in respect of Borough elections, or another election, and the level of political sensitivity around each election which could impact on Council business.

The Committee considered a report which recommended the adoption of a revised Pre-Election Period Publicity & Decision-Making Policy, focusing on the Pre-Election published guidance by the former DCLG and LGA which emphasised that councils should continue to discharge normal council business during the pre-election period.

The report had been considered initially by the Joint Constitutions Review Group (JCRG) at its meeting on 18 December 2023. The JCRG had supported the proposed revised Policy and had referred it to this Committee and Waverley's Standards & General Purposes Committee for formal consideration. The Committee was asked to consider the amendments to the Pre-Election Publicity & Decision-Making Policy and to recommend the adoption of the revised Policy by the Council at its extraordinary meeting on 23 January 2024.

The Committee noted that Waverley's Standards & General Purposes Committee, at its meeting held on 8 January 2024, had endorsed the proposed amendments to the Pre-Election Publicity and Decision-making Policy, subject to one minor amendment.

Having considered the report and the amendment suggested by Waverley's Standards & General Purposes Committee, the Committee

RESOLVED: To recommend to Council the adoption into the Constitution of the proposed revised Pre-Election Publicity & Decision-Making Policy, as set out in Appendix 3 to the report submitted to the Committee, subject to the inclusion of the minor amendment proposed by Waverley's Standards & General Purposes Committee to the fourth bullet point in paragraph 8 of the Policy as follows:

- *“continue with business as usual Council, Executive, and Committee meetings, subject to the proviso that the business to be transacted at those meetings, including motions brought and conduct displayed at*

those meetings, does not, in the view of the Monitoring Officer, contravene the provisions of this policy”.

Reasons:

- To protect the interests of the Council, and to provide guidance to Councillors and Officers on publicity and the use of Council resources during the pre-election period.
- To provide further flexibility for the Councils’ Proper Officers to assess and decide which council meetings can be held during the pre-election period.

| Action | Officer |
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| To submit the report, including the Committee's endorsement of the recommendation to the extraordinary Council meeting on 23 January 2024. | Democratic Services & Elections Manager |

CGS68 GUILDFORD BOROUGH COUNCIL - WHISTLEBLOWING POLICY

The Committee considered a report on the proposed revision of the Council’s Whistleblowing Policy, which had been reviewed previously in 2017 and was therefore long overdue a review and update. The Committee noted that the aim of the Whistleblowing Policy was to:

- Encourage staff to report suspected wrongdoing as soon as possible, in the knowledge that their concerns would be taken seriously and investigated as appropriate, and that their confidentiality would be respected as far as possible;
- Encourage and enable staff to raise concerns within the Council rather than ignoring a problem or blowing the whistle externally without exhausting internal procedures;
- Provide staff with guidance as to how to raise those concerns;
- Reassure staff that they should be able to raise genuine concerns without fear of reprisals, victimisation, subsequent discrimination, disadvantage, or dismissal, even if they turned out to be mistaken, provided the disclosure was made in the public interest.

The Council was committed to conducting business with honesty and integrity and expected all staff to maintain high standards of conduct. Staff were often the first to realise that there might be something seriously wrong within an organisation. Whistleblowing was viewed by the Council as a positive act that could make a valuable contribution to the Council’s efficiency and long-term success.

The Committee acknowledged that the Whistleblowing Policy should be regularly reviewed, at least biennially, or more frequently where there were changes to legislation or statutory guidance, or learning from its operation that should be taken into account. The Committee was informed that it was proposed that Guildford Borough Council and Waverley Borough Council attempt to align their respective Whistleblowing Policies as far as it was appropriate to do so, whilst accepting there might be local differences. Proposals similar to those contained in the report were due to be considered at Waverley Borough Council shortly.

During the debate, the following points were raised:

- The importance of ensuring that:
 - (a) whistleblowing was embedded in the culture of the organisation,
 - (b) statistics on instances of whistleblowing were collated and reported,
 - and
 - (c) external bodies with whom the Council contracts its services also have robust whistleblowing policies.
- It was noted that the terms of reference for this Committee included consideration of a report, at least annually, on whistleblowing, although the Monitoring Officer was minded to bring reports to the Committee on the outcome of whistleblowing investigations as and when necessary.
- In response to a request to identify the key differences between the current 2017 Whistleblowing Policy and the proposed policy, the Monitoring Officer reported that although there had been no change to the legislation that underpinned whistleblowing, the revised policy had been strengthened significantly, for example, by widening the group of people who were encouraged to be able to whistleblow under the policy, and encouraging people to use the internal process first, rather than going direct to the media or an external organisation.
- It was suggested that authority be delegated to the Monitoring Officer to make minor or consequential administrative amendments to the policy to reflect, for example, any future change in external auditors or legislation regarding whistleblowing.

Having considered the report, the Committee

RESOLVED: That the following feedback be provided to the Executive when it considers this matter at its meeting on 25 January 2024:

- (1) That this Committee commends the adoption of the revised Whistleblowing Policy, as set out in Appendix 1 to the report submitted to the Committee, subject to the following amendments:
 - (a) in the third paragraph of Section 1.0 (Purpose), substitute “Public Interest Disclosure Act 1998” in place of “Public Disclosure Act 1998”;

and

(b) the omission of the final paragraph of Section 16 (External Disclosures) as it is factually inaccurate.

(2) That authority be delegated to the Monitoring Officer to make such minor amendments to the Whistleblowing Policy as they deem appropriate for the purpose of keeping it up to date.

Reasons:

- It is right and proper to uphold the principles of transparency to encourage individuals to make any disclosures and raise any concerns where they suspect wrongdoing.
- It is important that the Council has a Policy in place to govern such disclosures and that such Policy is kept under regular review.
- Whilst the adoption of the Policy is within the remit of the Executive, as this Committee has a role in monitoring the operation of the Policy, there was merit in the Committee having the opportunity to consider any proposed revisions to the Policy and being able to provide feedback by way of consultation to the Executive.

| Action | Officer |
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| To forward the Committee's recommendation to the Executive meeting on 25 January 2024. | Democratic Services & Elections Manager |

CGS69 WORK PROGRAMME

The Committee considered its updated 12 month rolling work programme and it was suggested that consideration be given to an interim update on the revised Equality, Diversity and Inclusion Policy and associated action plan, to establish whether any changes to the Policy were required.

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.

Reason:

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

| Action | Officer |
|---|--|
| To report on an interim update on the revised Equality, Diversity and Inclusion Policy and associated action plan, to | Joint Executive Head of Organisational Development |

| | |
|---|--|
| establish whether any changes to the Policy are required. | |
|---|--|

Before closing the meeting, the Chairman informed the Committee that this was Victoria Worsfold's last meeting before she leaves Guildford Borough Council for Surrey Heath Borough Council. The Committee thanked her for her service and wished her well in her future endeavours.

The meeting finished at 9.21 pm

Signed

Date

Chairman