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Guildford Borough Council

Report to:	Full Council
Date:	3 December 2024
Ward(s) affected:	All
Report of Director of:	Pedro Wrobel, Chief Executive
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Status:	Open
Key decision:	No

Improvement Plan – 6-month progress update

1. Executive Summary

- 1.1 On 23 July 2024, Council endorsed the report on the SOLACE governance reviews and the Improvement Plan. The Improvement Plan aims to address the recommendations from the reviews and achieve our outcome of meeting our Best Value duty and becoming a well-managed and resilient council. One of the recommendations of the SOLACE report, agreed by Council as part of the Improvement Plan, is that Full Council should receive an update, every six months.
- 1.2 This report is the first of these six-monthly updates. It summarises the activities and achievements of our first six months of Guildford Borough Council's Improvement Plan. It is presented to Council alongside the first assessment from the Independent Assurance Panel (see Appendix 3).
- 1.3 The Council remains committed to delivering the Improvement Plan and becoming a resilient and well-managed council for our residents, communities, businesses, and staff.

- 1.4 The Council has made significant progress against the Improvement Plan over the last 6 months. In particular, clear direction has been established through the Corporate Strategy and Values; financial monitoring has improved, and the Council closed its accounts on time for the first time in recent years. Financial planning is underway and aligned to our strategic objectives. Progress has been made in improving governance with numerous revised policies and procedures. The Housing service has strengthened their compliance with Financial and Procurement rules and have increased their engagement and work with the Tenant Engagement Group. There has been progress in improving our culture and service delivery and the staff survey should give us more information to work with. Section 7 set out this progress in more detail.
- 1.5 Whilst progress has been made in the first six months, the Council's aim of delivering the Improvement Plan and meeting our statutory duty to deliver Best Value requires continued effort, dedication and collaboration from both Members and Officers. The Council recognises there is more to do to improve our operations, governance and culture, and deliver the high-quality services that our communities, tenants and businesses deserve. The Improvement Plan takes a risk-based approach, recognising we cannot deliver all the actions at once. The actions and timescales within the Improvement Plan are reviewed regularly to ensure it reflects the Council's priorities and the Council has sought the support from the Independent Assurance Panel on this prioritisation.
- 1.6 The Independent Assurance Panel is playing a critical role in monitoring and advising on these efforts, ensuring that Council has visibility and assurance on its journey of improvement. The Council is grateful for the support the Independent Assurance Panel has given in the first six months of the delivery of the Improvement Plan and welcomes their independent assessment on the Council's progress.

2. Recommendation to Council

That the Council resolves:

- 2.1 To note the progress made in the first six months of Guildford's Improvement Plan.
- 2.2 To refer this report to Overview and Scrutiny - Resources, for the purpose of reviewing the report and the progress being made with the delivery of the Improvement Plan.

3. Reasons for Recommendations

- 3.1 Monitoring delivery is central to provide assurance on the progress being made by the Council against its Improvement Plan, and that we are fulfilling our statutory duty to deliver Best Value.
- 3.2 Scrutiny of the Improvement Plan demonstrates transparency and good governance.

4. Status of Report

- 4.1 No parts of this report are exempt from publication.

5. Strategic Priorities

- 5.1 The Improvement Plan supports the Council's Corporate Strategy 2024-2034 by contributing to the Corporate Priority: *Priority 5: A resilient and well-managed council.*
- 5.2 By delivering our Improvement Plan, the Council is developing an improved governance framework, culture and operations and is the key strategic work programme for the delivery of the outcome: *The Council has delivered its Corporate Improvement Plan and is consistently and effectively meeting its statutory duty to deliver Best Value.*

6. Background

- 6.1 On 23 July 2024, Council endorsed the report on the SOLACE governance reviews and the Improvement Plan which aims to address the recommendations from the reviews and achieve our outcome of meeting our Best Value duty and becoming a well-managed and resilient council.
- 6.2 The Improvement Plan has six objectives, and the actions contribute to delivery of these objectives. These are Strategic Direction, Value for Money, Governance, Culture, Service Delivery, and Housing. Within the Housing objective, there is a linked improvement plan focused on addressing the Housing recommendations within the SOLACE Governance Review of the Housing Landlord function.
- 6.3 In July 2024, Council also agreed to appoint an Independent Assurance Panel for three years to monitor the Council's progress and provide an independent view to Council every six months. The Panel has four members, two of whom were the lead members of the SOLACE review team. The panel members each have different specialities and focuses: Leadership, Governance, Housing and Finance.
- 6.4 The first assessment from the Independent Assurance Panel is included alongside this progress report on the Improvement Plan (see Appendix 3).
- 6.5 The Improvement Plan is a live programme of work and is expected to evolve to remain relevant and responsive to emerging priorities, changes in our internal and external environment and best practice.
- 6.6 It is also expected to change and evolve with learnings from the Independent Assurance Panel, the Regulator of Social Housing, our Executive and Corporate Leadership Board, our staff, internal audit and the Overview and Scrutiny Committees.

7. Improvement Plan progress

- 7.1 The Council's Improvement Plan is themed by 6 objectives that we want to deliver, and the actions contribute to these. Progress has

been summarised in this section, and specific updates, including slippages, are provided in the Appendices.

7.2 Overall, there has been significant progress in improving the Council's governance, operations and culture and the Council is proud of the efforts of both Members and Officers on this progress. There have been slippages, and the Council is working hard to mitigate these delays and have a clear path forward for delivery. We recognise the considerable amount of work still required to deliver our Corporate Strategy objective of becoming a Well-Managed and Resilient Council. The Improvement Plan is a long-term programme of work that will adapt to the Council's challenges and priorities as needed.

7.3 Strategic Direction

Within this objective, there are 14 actions, of which 12 are completed. The delivery of this objective has been paramount as this work establishes the foundation for everything the Council does and starts the journey to deliver more for our residents, businesses and communities.

The adoption of our Corporate Strategy, alongside our internal shared values, in July was the beginning of setting clear strategic direction for the Council. This has provided a clear focus for the development of the annual Delivery Plan, budget planning process, service planning, performance management and risk management.

There is ongoing work to engage with our residents, businesses, communities, partners and staff around our Corporate Strategy. There have been internal event launches for staff at Millmead, the Hive, Woking Road Depot, Stoke Park and Heritage sites. A series of engagement events with our partners are also in progress. These conversations will inform the development of the Delivery Plan 2025-2026.

The outstanding actions include a LGA Peer Review, scheduled for mid-next year, and developing new strategies that align to our Corporate Strategy and provide direction for the Council's service delivery. These are in progress and the Delivery Plan should be finalised in Spring 2025.

7.4 Value For Money

Twelve out of the 16 actions are complete within this objective. Notably, Guildford closed its accounts on time, and our budget and Medium-Term Financial Planning (MTFP) began much earlier than previous years and is progressing in partnership with services and the Executive. The Council also boosted its reserves position with a VAT refund of circa £3.5m in September and reviewed its capital programme. We have also improved budget monitoring processes and revised our Financial Procedural Rules.

The new Procurement Strategy has been delayed but will now be moving forward for approval. However, officers and members have had training and briefing sessions on the new Procurement Act, and we are in the process of implementing a new contracts database to improve contract management and visibility. There is now a reporting schedule to the Executive on our Procurement Pipelines to improve our transparency and forward-planning with our upcoming procurements.

There is work to do to review the finance staff structure and recruit more permanent staff within our Finance and Procurement teams, to replace the interim staff in post. The Council will also be progressing the budget planning process in response to the Autumn Budget and Local Government Finance Settlement announcements.

7.5 Decision-making and Governance

Improving our governance and decision-making is key to ensuring our services are delivered in the right way for our residents, tenants and communities. Twelve out of the 25 actions have been completed.

There has been significant progress made within this objective. There has been training for Members and Officers in Best Value, Member/Officer Protocol, and decision-making. Statutory officers now meet regularly and there is work progressing to improve Executive decision-making and officer decision making, and monitoring these delegations.

The Joint Constitutions Review Group has helped revise several policies and procedures which were approved subsequently including the Officer Employment Procedure Rules, Council Procedure Rules, Financial Procedure Rules, Contract Procedure Rules, Local Choice Functions, Scheme of Delegation to Officers and a Joint Protocol on Councillor and Officer relationships.

There is ongoing work to improve the operation and arrangements of our committees and to support Members. This includes improving our scrutiny function and the Council's arrangements for our Companies, Charities and Trusts so the Council fulfils its duties in respect of the shareholder function and in respect of best value and continuous improvement.

The Constitution Review will continue, with a timeline of September 2025 for completion. There will be ongoing work to support staff and Members to embed the governance changes across the Council.

7.6 Culture

Nine out of the 13 actions have been completed, with the aim of building a public service culture within the Council that is outward-facing, innovative and supports partnership working with our communities and businesses.

The Council has updated the Whistleblowing Policy, established a weekly staff briefing and increased our communication with services and stakeholders. Staff networks have been created.

There has been a delay in receiving the independent cost-benefit analysis which has delayed subsequent actions to review our collaboration partnership with Waverley Borough Council. Progress has been made and we are now anticipating an update on our Collaboration with Waverley Borough Council to be presented in early 2025.

7.7 Service Delivery

To ensure our service delivery is focused on achieving the right outcomes for residents and businesses, we have completed 9 out of the 11 actions.

Notably, our corporate performance and risk frameworks have been reviewed. This has led to the need to develop a new risk management strategy which aligns to our Corporate Strategy. There have been initial improvements to our performance reporting, and this work will be ongoing to improve our corporate, service and project performance delivery, monitoring and reporting.

A new service planning process has been developed, aligning to service budget and resources. This is in progress and will continue alongside the budget planning process.

There also been an initial review of the Council's operating model to consider how the Council handles different processes and the relationship between the case and frontline services. This has recently concluded and there now will be work to understand and implement the recommendations.

7.8 Housing

The Housing objective has its own Housing Improvement Plan which is delivered by different services across the Council. Fifteen out of the 38 actions have been completed.

There has been significant progress in improving the knowledge and compliance with financial and procurement processes within Housing. Housing complaints have been reviewed, with service improvements made and Housing staff will be a key stakeholder in the wider Complaints Review for the Council. The Housing Service has undertaken a skills and qualification audit which will inform the service's future training needs. The Council now has a permanent Strategic Director and Assistant Director who lead our Housing service, and there have been two staff days to bring Housing staff together and prioritise key areas for the service.

The Housing service has strengthened its relationship with the Tenant Engagement Group and there is now a Housing Operations Board to keep the Council accountable to tenants and Members in its performance, policies and decision-making. Following our regulatory judgement, there has been continued engagement with the Regulator of Social Housing to assure our compliance with statutory duties.

Some Housing actions have slipped due to capacity. They are all in progress but will take longer to complete than anticipated. We have brought in additional resource to support the Housing service.

Recruitment of permanent staff in Housing is an ongoing challenge due to the labour market and the need to have immediate expertise to support the Council during this crucial time of improvement.

Looking forward, the Council will use the findings from the external assessment of how we meet the new Consumer Standards as well as learnings from the Regulator of Social Housing inspection at Waverley Borough Council to review the Housing Improvement plan. There may be a need to re-prioritise existing actions and add new work. This will happen with our staff, Tenant Engagement Group and the Executive. We will continue to communicate progress to Councillors and the Housing Operations Board.

Whilst good progress has been made, the Council recognises that there is significant work needed to improve our Housing governance, culture and operations so our tenants and service users experience a high-quality service from the Council.

7.9 New Actions

The Council has developed new actions which will be added to the Improvement Plan.

Housing

- Review Housing General Fund budgets to ensure correct appropriation between the General Fund and the Housing Revenue Account (Finance & Housing)
- Develop a glossary of terms and acronyms used within housing to improve our communications and inclusion with colleagues, partners and residents. (Housing)
- Review and update our terms of reference for Housing-related Boards and Group meetings (Housing)
- Develop and implement Housing service policies that respond to legislation and ensure a consistent approach to delivering Housing Services for our residents and tenants.

Governance

- Develop a S151 Protocol (Finance/Legal & DS)

- Develop a joint approach for the development and monitoring our Annual Governance Statement so it is better used as an improvement tool within the organisations (Finance, with key services)

Service Delivery:

- Improve the way we deliver programmes and projects by developing a new joint methodology and framework that is proportionate and aligns to our Corporate Strategy. (Strategy & Corporate Services)
- Review and develop an improved approach to complaints, ensuring that public voices and concerns are central to our learnings, processes, systems and culture (Communications & Customer Services)
- Develop a new risk management strategy and approach to meet sector best practice. (Strategy & Corporate Services)
- Review our use of data, considering how we can improve accessibility and use of data, our data culture, literacy and maturity to improve our decision-making and service delivery. (Strategy & Corporate Services)

Value for Money:

- Review the way the Council manages debt recovery: considering our approach to debt consolidation across services, debt enforcement and supporting residents and businesses (Finance)
- Prepare for the Budget and MTFP process 2026/27, ensuring it aligns to our Corporate Strategy, service planning and Improvement work. (Finance, Strategy & Corporate Services, Feb 2025-March 2026)
- Explore considered and appropriate income-generating opportunities to improve our financial sustainability. (Commercial Services)
- Review and consider a coordinated approach to the use of Interims with the aim of reducing our reliance and spend. This includes developing a policy and a plan to reduce interim spend as well as reviewing our People Offer to recruit and retain talented permanent employees. (Finance, HR)

Culture:

- Review our HR structure, practices, procedures and policies to ensure we are meeting sector standard, providing the right

support for employees and improving service delivery. (HR, Legal & Democratic Services)

7.10 Engagement and Communications on the Improvement Plan

An [external webpage](#) on the Improvement Plan was created in July 2024, and this was updated in November 2024.

From May 2024, there have been monthly email updates on Improvement Plan progress to all councillors, our Tenant Engagement Group and staff. An internal staff site on the Improvement Plan is also in place.

The Council has started a Guildford Improvement Champions Group which is an internal staff group. It is for all staff who want to be involved in Guildford's Improvement. The Group meets monthly at different sites including the Hive, Guildford House, Woking Road depot and Stoke Park Nursery. Their suggestions are helping the Council shape training, staff engagement and ways of working.

7.11 Looking forward

As a Council, we are proud with what we have delivered so far, but this is a long-term programme of work and there is still much to do and the implementation of the Improvement Plan will continue.

As a live programme of work, there will be changes and additions to the actions and the timelines in which we want to deliver them by.

The Council will also receive the internal audit findings on the Improvement Plan in Quarter 3 from which we will use to learn and make any changes to our framework.

8. Consultation

8.1 The Group Leaders, the Overview & Scrutiny and Corporate Governance and Standards Committee chairs, the Portfolio Holder, the Corporate Leadership Board, and the Executive have all been briefed on this report.

8.2 As part of our recommendations in Section 2, we are proposing that Overview and Scrutiny Committee - Resources review this report as part of their work programme.

8.3 The Housing Operations Board received an update on the Housing Improvement Plan on 25 September.

9. Key Risks

9.1 The two SOLACE reports identified a number of corporate and service level risks that the Council needs to respond to. The key risk identified in the reports was that the Council is at serious risk of failing in its statutory duty to deliver best value and the Improvement Plan has been designed to address the issues identified.

9.2 The Improvement Plan takes a risk-based approach knowing the Council cannot deliver all the actions at once. The actions and timelines within the Improvement Plan are reviewed regularly to ensure it reflects the Council's priorities and the Council has sought the support from the Independent Assurance Panel on this prioritisation.

10. Legal and Governance Implications

10.1 Section 3 of the Local Government Act 1999 provides that the Council "must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". Section 4 of the Act, as amended by the Local Government and Public Involvement in Health Act 2007, provides that the Council must have regard to statutory guidance when deciding how to fulfil that duty.

10.2 The SOLACE report in early 2024 concluded that the Council is at serious risk of failing in its statutory duty to deliver best value and their recommendations are designed to assist the Council to avoid such a failure.

10.3 Section 5 of the Local Government and Housing Act 1989 provides that the Council must designate one of their officers to be known as the Monitoring Officer, and that it shall be the duty of that officer if it appears to them that any proposal, decision or omission by the

Council has given rise to a contravention of any enactment, to prepare a report to the Council.

10.4 In July 2024, we reported to Full Council that there is a risk that the Council is failing to comply with the provisions of the Local Government Act 1999 in respect of the best value duty, but the delivery of the Council's Improvement Plan should negate that risk and ensure continued compliance.

10.5 The Ministry of Housing, Communities & Local Government has the power, under section 230 Local Government Act 1972, to issue a formal Best Value Notice on a local authority, to obtain assurance in respect of securing continuous improvement. Ultimately the Secretary of State has the power under s15 Local Government Act 1999 to intervene by way of statutory directions where satisfied that a local authority is failing to comply with its Best Value Duty.

11. Financial Implications

11.1 In early 2023, significant financial issues were identified, and the Council was warned of the risk of being in a s114 position in July 2023. The Council approved a Financial Recovery Plan in August 2023, which set out a plan to deal with the financial deficit and had a separate workstream dealing with improvements to financial governance.

11.2 A significant amount of work has been done to address the key risks identified, but there is still work to be completed and this is captured within the Improvement Plan. The Financial Recovery Plan has been superseded by the Improvement Plan.

11.3 Investment has been required to improve governance across the Council and to strengthen both the finance and legal functions as part of the Improvement Plan.

11.4 Resources needed to deliver the Improvement Plan are part of the Council's annual budget setting process for 2025/26.

12. Human Resources Implications

12.1 There are actions within the Council's Improvement Plans that rely on input from the Council's HR function. A key action included in the Improvement Plan is to ensure the Council has a refreshed and effective people strategy in place which has been drafted.

13. Equality and Diversity Implications

13.1 There are no direct Equality and Diversity Implications arising from this report.

14. Climate Change and Sustainability Implications

14.1 There are no direct climate change / sustainability implications arising from this report.

15. Next Steps

15.1 Officers recommend that the Council approves all the recommendations set out in section 2 of this report. Alternatively, the Council could resolve not to agree or to amend any or all of the recommendations.

15.2 Full Council will receive the next update on the Improvement Plan in six months, Summer 2025.

16. Background Papers

16.1 [SOLACE Governance Review](#)

16.2 [SOLACE Housing Governance Review](#)

16.3 <https://www.gov.uk/government/publications/best-value-standards-and-intervention-a-statutory-guide-for-best-value-authorities>

17. Appendices

Appendix 1: Improvement Plan – with updates

Appendix 2: Housing Improvement Plan – with updates

Appendix 3: The Independent Assurance Panel’s Report to Full
Council on the Corporate Improvement Plan

Report clearance progress:

Finance	Richard Bates	20/11/2024
Legal & Governance	Susan Sale	22/11/2024
Human Resources	Francesca Chapman	15/11/2024
Equalities	Ali Holman	15/11/2024
Strategic Director	Pedro Wrobel	13/11/2024