

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

14 November 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 Engagement and Customer Services Councillor Angela Goodwin, the Lead Councillor for Commercial Services, Councillor Catherine Houston, the Lead Councillor for Finance & Property, Councillor Richard Lucas, the Lead Councillor for Regulatory & Democratic Services, Councillor Merel Rehorst-Smith, the Lead Councillor for Planning, Councillor Fiona White, The Deputy Mayor, Councillor Howard Smith, and Councillor Sue Wyeth-Price were also in attendance.

Councillors Amanda Creese, Richard Mills OBE, and Catherine Young were in remote attendance.

CGS61 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

There were no apologies for absence.

CGS62 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS

There were no disclosures of interest.

CGS63 MINUTES

The minutes of the simultaneous special meeting held with Waverley Borough Council's Standards & General Purposes Committee on 26 September 2024, and the minutes of the ordinary meeting also held on 26 September 2024 were confirmed as a correct record.

The chair signed the minutes.

CGS64 ACTION TRACKER

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

The Committee

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

CGS65 QUESTIONS BY MEMBERS OF THE PUBLIC

No questions had been received.

CGS66 QUESTIONS FROM MEMBERS

No questions had been received.

CGS67 FINANCIAL STATEMENTS FOR THE YEARS ENDED 31.03.22 AND 31.03.23

The Committee received the report from the Council's external auditors Grant Thornton and noted that it would not be possible to complete the external audit of the Council's accounts for 2021-22 and 2022-23 by the statutory backstop date of 13 December 2024 set by government. The external auditor would therefore issue a disclaimer audit opinion in respect of both years.

Even though no work had been undertaken, the auditors were still required under Auditing Standards to report certain matters to the Committee, including their responsibilities as auditor, the scope of the audit, independence, audit fees and any matters arising from the audit.

The Chair of the Committee was required to issue a letter of representation on behalf of the Council to the auditors to provide assurance over the management framework operating at the Council and the disclosures in the accounts. A copy of the proposed letters for 2021-22 and 2022-23 were appended to the report.

The external auditor informed the Committee that the 2023-24 audit was currently being undertaken with a view to presenting an audit findings report to the Committee at its January 2025 meeting, which would bring the Council back in line with the expected timetables for completing financial statements audits.

The Committee

RESOLVED:

- (1) That Grant Thornton's Audit Findings Report, attached as Appendix 1 to the report submitted to the Committee, be noted.
- (2) That the letters of representation on behalf of the Council (as set out in Appendices 2 and 3 to the report) be approved and that the Chair of the meeting be authorised to sign the letter on the Council's behalf.

Reason:

The Committee as 'Those Charged with Governance' are required to receive the Audit Findings Report and approve for the Chair to sign the letters of representation on behalf of the Council.

CGS68 INTERNAL AUDIT PLAN UPDATE Q4

In accordance with the requirements of the Public Sector Internal Audit Standards, the Committee considered the proposed Internal Audit Plan for Quarter 4 of 2024-25, which comprised of five internal audit reviews, including Charitable Trusts, which would follow on from the review in Quarter 3 which sought assurance over the governance and control frameworks in place relating to the Council's interests in companies.

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

- It was noted that the corporate risks identified in the plan had reflected the Q4 2023-24 Corporate Risk Register, presented to Committee in July 2024, whereas the Committee had reviewed the Q1 2024-25 risk register at its September meeting. Assuming that the Q2 register was now available, it was suggested that the Plan be updated to refer to the most recent risk register.
- With regard to the table showing the Q4 Internal Audit Plan, which had been extended to show the Q1 to Q3 audit activities, it was suggested that it would be helpful if the status of those activities could be shown to indicate whether they had been completed, or were ongoing. Furthermore, it was suggested that it would be helpful if any changes to the Plan, compared to the previous version, could be highlighted. In response, the Deputy Head of Southern Internal Audit Partnership indicated that the update of the status of the items in the plan would normally be highlighted in the separate Internal Audit Progress Reports.
- It was noted that the Internal Audit Plan made erroneous reference to the out-of-date corporate plan, whereas the Council had adopted its new Corporate Strategy in July 2024. The Deputy Head of Southern Internal Audit Partnership confirmed that this would be corrected for the Internal Audit Plan for Q1 of 2025-26.

Having considered the report, the Committee

RESOLVED: That the Internal Audit Plan for 2024-25 Quarter 4, attached as Appendix 1 to the report submitted to the Committee, be approved.

Reasons:

- The Committee had 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.

Action:	Officer to action:
To include reference to the Council's Corporate Strategy (adopted in July 2024) and strategic objectives in future Internal Audit Plans.	Deputy Head of Southern Internal Audit Partnership

CGS69 REVIEW OF COMMITTEES - PROPOSED ESTABLISHMENT OF A NEW AUDIT & RISK COMMITTEE AND A STANDARDS COMMITTEE

The Committee considered a report on proposed changes to its terms of reference, including a change of name of the Committee to the Standards Committee and the establishment of a separate and new Audit & Risk Committee. The Committee noted that this matter had been considered at its meeting held simultaneously with Waverley's Standards & General Purposes Committee on 26 September. The Committee noted at its last meeting that there had been no discussion with the chairs and vice-chairs of the overview & scrutiny committees regarding the allocation of the residual scrutiny related functions contained in the Corporate Governance & Standards Committee's current terms of reference. Accordingly, the Committee agreed the following:

- (1) That the matter be referred back to the next meeting of the Joint Constitutions Review Group for further consideration of:
 - (a) the terms of reference of the proposed Audit & Risk Committee and Standards Committee, and;
 - (b) which committees should be responsible for dealing with those residual matters within the current terms of reference of the Corporate Governance and Standards Committee which are not proposed to be dealt with by the proposed Audit & Risk Committee or Standards Committee.
- (2) That, following further consideration by the Joint Constitutions Review Group, the matter be scheduled for formal consideration by this Committee at its next scheduled meeting on 14 November 2024.

All members of the Corporate Governance & Standards Committee, the chairs and vice-chairs of the overview and scrutiny committees, and members of the

Executive had been invited to the meeting of the JCRG on 21 October, by way of consultation. At that meeting, members suggested that the Terms of Reference of the O&S Cttees could be expanded to include specific reference to pre-scrutiny of the areas being transferred from the Corporate Governance & Standards Committee, and this could be included in the future review of the Overview & Scrutiny Terms of Reference.

The Committee considered the revised proposals and recommendations from the JCRG, made the following comments during its debate on the matter:

- The co-opted independent member of this Committee expressed concern that the report had indicated that, if he was willing, he would become an independent member on the new Audit & Risk Committee, whereas his background was in respect of ethical standards related matters. Officers responded by emphasising that the report was seeking approval in principle to the proposed terms of reference of the revised committee arrangements. Once the terms of reference had been accepted, officers would have discussions with the current co-optees to ensure that they had continuing involvement in the committees in some capacity. The full Council, at its annual meeting next year, would make appointments to the committees, including the co-optees to those committees.
- It was suggested that this Committee could amend the proposals so that the two co-optees on the Standards Committee included one parish member and one independent member. The Joint Strategic Director of Legal & Democratic Services commented that it was best practice to have co-opted parish representatives on a standards committee because that committee dealt with code of conduct complaints against parish councillors, and it was best practice, under the CIPFA guidance, to co-opt independent members to audit committees.
- Whilst welcoming the proposal to implement the changes from the beginning of the new municipal year to enable further detailed consideration of the proposals, one of the parish representatives expressed concern over the proposal to transfer S106 monitoring and planning appeals monitoring, which were pertinent to parish councils, to the Overview and Scrutiny Committee - Services, where currently there were no co-opted parish representatives. It was suggested that the Overview and Scrutiny Committee should be able to co-opt one of the parish representatives to ensure that they did not lose their collective voice on these two important issues, and that of the two remaining parish representatives, one be co-opted to the new Audit & Risk Committee and the other co-opted to the Standards Committee. The Joint Strategic Director of Legal & Democratic Services commented that the Overview and Scrutiny Committees already had powers to co-opt, either for particular matters or more generally.

- It was suggested that the issues raised by the co-optees should be referred back to this Committee for further consideration.
- A further suggestion was that, as the Standards Committee would also be considering matters other than standards, there might be merit in having one, or two, co-opted parish representative(s) and one independent member on that Committee.
- Welcomed the clear proposals in the report that ensured that all of the current terms of reference of the Corporate Governance & Standards Committee would be allocated to either of the two new committees or to overview and scrutiny, in accordance with best practice. It was noted that any decision to co-opt a parish representative to an overview and scrutiny committee would be a matter for that committee. The Joint Strategic Director of Legal & Democratic Services commented that the Joint Constitutions Review Group would shortly be reviewing the terms of reference of the overview and scrutiny committees, the outcome of which would be reported back to this Committee before the end of the current municipal year and that, as part of that review, it would be possible to consider whether the terms of reference should include the co-option of a parish representative.

Having considered the proposals, the Committee

RESOLVED: That full Council, at its meeting on 3 December 2024, be asked to approve the following recommendation:

- (1) That the terms of reference of the Corporate Governance & Standards Committee be amended and the Committee renamed the Standards Committee, with effect from the start of the 2025-26 municipal year.
- (2) That a new Audit & Risk Committee be established, with effect from the start of the 2025-26 municipal year.
- (3) That the proposed Terms of Reference of the new Audit & Risk Committee and Standards Committee, as set out respectively in Appendices 1 and 2 to the report submitted to the Committee, be adopted into the Constitution with effect from the start of the 2025-26 municipal year, subject to an amendment in Appendix 2 to indicate that the Standards Committee will co-opt one parish representative and one independent member, rather than two parish representatives.
- (4) That the residual remit of the current Corporate Governance & Standards Committee be distributed as set out in Appendix 3, with effect from the start of the 2025-26 municipal year.
- (5) That it be noted that a further report will be submitted to the Corporate Governance & Standards Committee, by the end of the 2024-25 municipal

year, on the review of the terms of reference of the overview and scrutiny committees.

Reasons:

- The Corporate Governance and Standards Committee was responsible for a wide breadth of areas including corporate governance, accounts and audit, and ethical standards. Splitting the remit and functions of the Committee into two separate and distinct committees would help to ensure that an appropriate focus was given to both areas, and that, in turn, this would improve the effectiveness of the committees and allow for better support and training for members.
- The recent SOLACE review of governance for Guildford Borough Council found that the remit of the Committee was ‘so broad as to marginalise the audit role to the detriment of the Council’s governance’. It recommended that the Council give consideration to a separate audit committee, and the Council agreed to accept the SOLACE recommendations in full.

Action:	Officer to action:
To refer the Committee’s recommendation to full Council on 3 December 2024	Democratic Services & Elections Manager

CGS70 PROPOSED CHANGE TO COUNCIL PROCEDURE RULE 6.2

The Committee considered a report from the Joint Constitutions Review Group which had proposed a change to Council Procedure Rule 6.2, to ensure that no changes were made to the start times of committees, unless there was an urgent requirement.

Having noted the proposal, the Committee

RESOLVED: That full Council, at its meeting on 3 December 2024, be asked to approve the following recommendation:

That Council Procedure Rule 6.2 be amended to read as follows:

“Should a committee or sub-Committee need to hold a meeting at a time different to that determined by the Monitoring Officer, then the Chair shall notify the Monitoring Officer via email at committeeservices@guildford.gov.uk. The Monitoring Officer will consider whether there are exceptional circumstances which warrant the changing of the timing of the meeting, and if necessary they will make the necessary amendment to the calendar of meetings. The Monitoring Officer may only make such amendment to the time of the meeting at least 5 clear working days prior to the summons for the meeting being published.”

Reason:

The Joint Constitutions Working Group at its meeting on 21 October 2024 were concerned that changing the start time of meetings might have equalities issues, in that working members and the public might not be able to attend.

Action:	Officer to action:
To refer the Committee's recommendation to full Council on 3 December 2024	Democratic Services & Elections Manager

CGS71 MONITORING OF S.106 CONTRIBUTIONS

The Committee considered the annual update on the monitoring of expenditure of Section 106 Contributions, which included details of how some unspent monies would be reallocated.

The Joint Assistant Director of Planning presented the report and referred the Committee to the comprehensive breakdown of all S.106 contributions by ward relating to individual S.106 Agreements, which was appended to the report.

The report had set out the tests that were necessary when collecting S.106 contributions, as set out in the CIL Regulations 2020, and also details of how some internal procedures had changed to ensure that when there was internal spend, it complied with the three tests set out in the Regulations.

Over the last year, there had been extensive work with the County Council around the significant contributions that were passed to the county council for expenditure on functions for which it was responsible. That work had examined current processes and had resulted in a change in the terms of reference to the joint infrastructure meetings that took place not only with Guildford but with all the other boroughs and districts across the county.

There was some ongoing work around education to ensure that S.106 contributions collected for that purpose would be more specifically related to the developments that they were collected from and accord with the three tests set out in the Regulations.

The report had also included details of those expired S.106 contributions where the 'spend by' period had expired and the contribution remained uncommitted, which amounted to £186,838.

The Assistant Director reported that, in her view, there was a very low risk of developers wishing to claw back those expired funds, and work was being carried out to re-profile those contributions to other projects to ensure that the money was spent.

The Available Funds section of the report provided details of Section 106 contributions that had been received, but not yet spent either because there were no projects that had reached a trigger where the funds were at draw-down stage or that they were historic contributions that now needed to be reallocated.

The Pending Funds section of the report provided details of the contributions that had been secured by Section 106 Agreements, but the development was yet to commence and/or any payment trigger had not been reached. The Committee noted that, at its meeting in July 2024, concern had been expressed around negotiations on contributions to the Wisley development. As part of the appeal, extensive negotiations had taken place with the applicant with lengthy discussions as part of the Inquiry. The report confirmed the mitigation/ contributions secured through the Section 106.

During the debate, the following points were raised:

- Whilst the report and the information presented was welcomed, it still did not provide information such as when the funds had been received and how much had been passed to any receiving organisations like Surrey County Council (SCC) for highways, libraries, and education, nor to the relevant Integrated Care Board (ICB), parish councils and others. The Assistant Director confirmed that it would be possible to report on the S106 monies that had transferred to other organisations. The Assistant Director also reported that regular liaison meetings were now taking place with SCC to discuss allocation of S106 monies for educational purposes.
- There was also no information regarding SANG contributions, and how much of that money the Council was holding, together with plans for spending or investing that money. The Assistant Director commented that as SANG contributions were slightly more complex, a separate report might be required to explain how and why the monies were collected and how the monies were spent.
- Concern regarding £24.8m of pending contributions and nearly £10m of unspent funds.
- Concerns that the Assistant Director has the necessary staff and resources to replace the existing IT systems to record and manage these funds as soon as possible. The Committee noted that the Assistant Director had proposed to bring in a new IT system, used by many other councils, that would allow councillors to access in real time information relating to S106 monies received, allocated, and spent. The Lead Councillor for Finance and Assets commented that the budget planning process had commenced, and growth bids such as this considerably outnumbered the savings opportunities. It would therefore be necessary to prioritise the growth bids.
- It was noted that the resource gap was with getting the S106 monies spent, not with collecting the money or monitoring the spending of it.

- It was noted that there were five areas of the borough - Ash, Clandon & Horsley, Send, Effingham, and Stoke in which a considerable amount of S106 monies were due to be spent. It was suggested that a committee of ward councillors from these areas should be established to work with officers to oversee how the money was spent.
- In response to a request as to how expired unspent S106 monies might be used, the Assistant Director commented that the unspent monies were earmarked predominantly for spending within Ash and Stoke wards, and so officers would be working with those ward members and the parish council to look at what alternative projects could be delivered with the available funds.
- In response to a suggestion that the wording of planning conditions in respect of S106 agreements should be reviewed to ensure that the infrastructure to mitigate the impact of a development is provided locally and not outside of the borough, the Assistant Director commented that some S106 contributions were spent by the ICB outside the borough because of the way healthcare was provided which often crossed county boundaries. Similarly, whilst education S106 monies do not get spent outside of Surrey, some catchments meant that children from Hampshire benefited from attendance at Surrey schools and vice versa.
- The Assistant Director reassured the Committee that all monies due from developers as part of S106 agreements were collected and accounted for.
- In response to a question, the Assistant Director confirmed that the non-delivery of infrastructure to be provided from S106 monies would not invalidate a planning permission, and pointed out that in larger scale developments, certain infrastructure such as new schools may not be provided until completion of the whole development.
- In response to a question as to whether a small proportion of S106 monies could be allocated towards the cost of providing an officer resource, the Committee noted that this would only be permissible if such provision was included in the S106 Agreement.
- Concern over the S106 monies that the Borough Council holds that are not being transferred to parish councils, for example the £210,000 due to Send Parish Council in relation to the Clockbarn Nursery development towards their pavilion redevelopment project. The chair indicated that he would ask the Director of Finance and Resources to respond to this.
- Concern that the proposals to deal with expired funds lacked details as to dates and timeframes. The Assistant Director was confident that by the time the next monitoring report was submitted, and working with local ward members and parish councils alternative projects on which those funds could be spent would have been identified.
- In relation to the S106 Agreement as part of the Garlic's Arch development, it was understood that a pelican crossing would be provided outside Send

School before any occupation of the estate, but the report had made no reference to this. The Assistant Director would look into this and respond.

- It was suggested that the Assistant Director should write, on behalf of the Committee, to the County Council and ICB referring to the unspent S106 monies being held for infrastructure purposes for which they are responsible to request a commitment to provide a timeframe within which they anticipated spending those monies.

Having considered the report, the Committee

RESOLVED: That the contents of the report be noted.

Reason:

To ensure that the Committee is informed on Section 106 spend as well as through the Annual Infrastructure Spending Statement which all planning authorities were required to published on or before 31 December each year.

Action:	Officer to action:
To respond to Send Parish Council’s application for the transfer of £210,000 due to the Parish Council towards their pavilion redevelopment project.	Director of Finance and Resources / Assistant Director of Planning
To respond to Cllr Hughes’ query in respect of whether the reference in the report to the S106 Agreement in relation to the Garlic’s Arch development, should have included the provision of a pelican crossing outside Send School before any occupation of the estate.	Assistant Director of Planning

CGS72 FREEDOM OF INFORMATION COMPLIANCE UPDATE

The Committee considered an update report 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 during the first six months of 2024 (January to June inclusive – i.e. Quarter 4 of 2023-24 and Quarter 1 of 2024-25) the Council had received 449 FOI/EIR requests – of which 89.7% were responded to within the 20 working day statutory deadline, compared with the Corporate Management Board’s set target of 90%.

Furthermore, following the Committee’s request to monitor, as an additional target, response rates dealt with promptly within 10 working days (i.e., half of the statutory time limit), it was reported that, during this period 206 requests (36.6% of the total) were responded to within 10 or fewer working days. This marked a

similar trend to the equivalent period for last year when 38.5% of requests were responded to within 10 or fewer working days.

Questions and comments from the Committee raised the following points:

- Request that the performance table in future reports includes a separate column indicating the percentage response rates for each service for the same period in the previous year.
- In response to a question as to whether officers could prioritise responses to requests for information from the public and the media ahead of those submitted by companies, which were often for commercial purposes, the Information Governance Officer indicated that the legislation was ‘purpose-blind’, which meant that applicants did not have to provide a reason for their request for information. In any event, it was up to the assigned officer to prioritise their responses, which was often dependent on the complexity of the information request.

The Committee commended the report and

RESOLVED: That the update report be noted.

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 include a separate column in the performance table in future reports indicating the percentage response rates for each service for the same period in the previous year.	Information Governance Officer

CGS73 REGULATION OF INVESTIGATORY POWERS ACT 2000

The Committee considered the annual report on the Council’s use of covert surveillance operations as regulated in law by the Regulation of Investigatory Powers Act 2000 (RIPA) in accordance with the Council’s policy.

The Committee noted that there had been one new application for Directed Surveillance since the last report. This had been authorised by an Authorising

Officer on 18 September 2024 and the matter would be considered by the court for judicial approval on 18 November 2024.

In relation to the logs for investigative work which fell outside RIPA, the Committee noted that there had been five entries on the 'Social Media Investigations Log', four from officers in Regulatory Services and one from Planning.

The report had also sought approval of minor amendments to the Council's Covert Surveillance and Investigative Powers Policy and Procedure, which had last been updated in September 2023. These amendments were required to reflect changes in the Scheme of Delegation and changes in job titles.

Having considered the report, the Committee

RESOLVED:

- (1) To note the report and that regular updates would continue to be submitted to the Committee in accordance with the policy.
- (2) To note that the Joint Strategic Director – Legal and Democratic Services would be amending the policy under the Scheme of Delegation as set out in the report submitted to the Committee.

Reasons:

- To ensure that the Committee is kept up to date and can monitor the Council's use of covert surveillance and investigatory powers.
- To ensure that the Council's Policy is up to date and reflects any organisational changes, changes to legislation or the relevant Codes of Practice and continues to be aligned with the policy for Waverley Borough Council.
- To inform members of the intention to make future minor changes to the Policy under delegations. Any significant changes are still reserved to the Committee and full Council.

CGS74 WORK PROGRAMME

The Committee considered its updated 12 month rolling work programme and noted that the Council's internal auditors had requested the addition of the implementation of the new Global Internal Audit Standards to the list of items for the 16 January 2025 meeting.

The Committee

RESOLVED: That, subject to the above additional item, the updated 12 month rolling work programme, as set out in Appendix 1 to the report submitted to the Committee, be approved.

Reason:

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

The meeting finished at 9.21 pm

Signed

Date

Chairman