

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

19 January 2023

- * Councillor Deborah Seabrook (Chairman)
- * Councillor Susan Parker (Vice-Chairman)

- * Councillor Ruth Brothwell
- Councillor Liz Hogger
- * Councillor Nigel Manning
- * Councillor George Potter
- * Councillor James Walsh

Independent Members:

- * Maria Angel MBE
- Murray Litvak

Parish Members:

- * Julia Osborn
- * Ian Symes
- * Tim Wolfenden

*Present

The Leader of the Council, Councillor Julia McShane, the Deputy Leader of the Council, Councillor Joss Bigmore, the Lead Councillor for Planning Development, Legal and Democratic Services Councillor Tom Hunt, and Councillor Fiona White were also in attendance.

Councillor Ramsey Nagaty was in remote attendance.

CGS46 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillor Liz Hogger and Murray Litvak.

CGS47 ELECTION OF VICE-CHAIRMAN OF THE COMMITTEE 2022-23

The Committee

RESOLVED: That Councillor Susan Parker be elected Vice-Chairman of the Committee for the remainder of the 2022-23 municipal year.

CGS48 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS

There were no disclosures of interest.

CGS49 MINUTES

The minutes of the meeting of the Committee held on 17 November 2022 were approved as a correct record.

The Chairman signed the minutes.

CGS50 DECISION AND ACTION TRACKER

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

The Committee, having noted the updates set out 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.

CGS51 REVIEW OF PROBITY IN PLANNING LOCAL CODE OF PRACTICE - HANDBOOK FOR COUNCILLORS AND OFFICERS

The Committee noted that the Council had last reviewed the Probity in Planning - Local Code of Practice Handbook in April 2019. The Handbook formed part of the Council's Constitution and provided guidance for councillors and officers on their role and conduct in the planning process. The guidance included how councillors and officers should manage contact with applicants, developers and objectors or supporters. The purpose of the guidance provided in the document was to ensure that decisions made in the planning process were not biased, were taken openly and transparently, and based only on material planning considerations.

As part of its ongoing work reviewing various aspects of the corporate governance of the Council, the Corporate Governance Task Group appointed by this Committee had conducted a thorough review of the Handbook.

The draft revised Handbook, as recommended by the Task Group, was attached as Appendix 2 to the report submitted to the Committee.

Each part of the Handbook had been carefully reviewed to ensure that the document reflected the law, and current best practice. The Committee's attention was drawn to a separate review of the Planning Committee, which had been undertaken by an Executive working group, which examined a number of recommendations by the LGA /PAS Peer Review. Two of the recommendations had been the subject of discussion by both the working group and the Corporate Governance Task Group, namely the call-up process for referral of applications to Planning Committee by councillors, and the process for overturning officer recommendations on applications at Planning Committee meetings. There had been differences of opinion expressed on both these matters by members of both groups.

The Lead Councillor for Planning Development, Legal and Democratic Services commented that the proposed changes to the Member referral process would replace the current seven-day notice procedure. A more collaborative, and constructive, less sequential approach was proposed in which all ward members would have the opportunity to express concerns about specific applications and, where necessary, call-up the application for determination by the Planning Committee at the beginning, rather than at the end, of the 8-week determination period. The need for the change had been highlighted as a key recommendation of the Peer Review to help the Council accelerate the processing of planning applications and improve the Council's performance in determining non-major applications within the statutory 8-week period. The Lead Councillor commented that the current procedure was inefficient and not widely used in other Local Planning Authorities. It was noted that there was a very real possibility of the Council being designated by the Secretary of State for failure to adequately perform its function in determining non-major applications.

In considering the report and the draft revised Handbook, the Committee made the following comments and suggestions:

Proposed Call-up process:

- Councillors have always had the opportunity of discussing particular applications with officers where it was felt that issues needed to be brought to their attention. Concern that the proposed new process would not enable councillors to see the officer's report on an application before it was determined, and not having at that point the option of call-up to Committee, which would create a huge burden for councillors.
- The seven-day referral process had been in place for many years, including times when the Council was performing well in determining applications. The current poor performance cannot therefore be due to the seven-day referral process. In response, the

Executive Head of Planning Development noted that there were a number of factors that had contributed towards the current situation in respect of the performance of the planning department, including an increase in the number of applications and the very severe staffing situation which officers were endeavouring to address. In addition, officers were looking at improving other processes and procedures to demonstrate to the Government that the Council was putting in place measures to improve the performance of the planning service in Guildford.

- In response to concerns that some councillors were not receiving the weekly notification of planning applications, and that Ash Parish Council had been asked to consider planning applications that had already been determined by officers, the Executive Head of Planning Development would investigate these matters.
- The Task Group had discussed extending the proposed period to allow a councillor to call-up an application to Committee from 21 to 25 or 28 days. Other councils' referral processes permitted councillors to call-up an application at the point at which the public/neighbour consultation had expired. If a Ward Councillor was limited to 21 days, they would not have enough time to see the comments from the public and to understand the facts about the application to enable them to consider a call-up to Committee.
- In response to a request for evidence of the number of applications that had been referred to Committee under the seven-day referral process, the Executive Head of Planning Development confirmed that of the 700 applications that councillors responded to under the seven-day referral process (in 2020), 15 had been referred to Committee at the request of councillors, and of those, seven had been overturned by the Committee.
- In response to concerns over the perceived short time period proposed for councillors to request a call-up, officers clarified that, under the proposed new referral process, councillors would have 21 days from the date of the weekly list, not from the date of validation, to submit a committee referral.
- Concerns were raised that some neighbours of adjoining properties were saying they had not received consultation notices so had no opportunity to comment on an application.
- If other changes were required to make the planning application process more efficient or effective, particularly in terms of ensuring that the public were aware of applications, these should be addressed as part of a wider review of the processes followed by the Planning Department. The Executive Head of Planning Development commented that the Council's approach to public consultation on planning applications followed the statutory requirements. Officers were requested to keep list of notifications sent, to enable councillors to demonstrate this.

Given the contentious nature of the proposed change in the Councillor Call-up Process, as set out in Annex 3 of the draft revised Handbook, the Committee took a vote on whether it should support the proposed change. As there was an equality of votes and given that full Council would make the final decision on the change, the Committee felt that the balance of views should be reflected in its comments that would be passed, first to the Planning Committee at its special meeting on 7 February and, then to full Council at its extraordinary meeting on 22 February.

General:

- Request for a tracked changed version of the document so councillors can see the changes that were being proposed to the Handbook, together with a summary of the key changes.

Members' Interests

- Suggestion that examples of non-pecuniary interests be included in section 10 of the Handbook.

Member overturn process at the Planning Committee

- Concern that the proposed revised overturn process would require councillors to cite relevant planning policies in support of a motion to refuse an application contrary to officer recommendation, and possibly to have pre-determined themselves if they had prepared reasons for refusal and relevant policies in support of a motion to that effect in advance of the meeting. It was suggested that the Handbook should be clear in such circumstances whether a councillor wishing to overturn the officer recommendation should state the harm that the proposed development would cause in planning terms and the relevant policies as the basis to justify a refusal. In response, the Committee was advised that:
 - (a) Planning Committee members were entitled to have concerns about planning applications and to discuss those concerns with officers in advance of a meeting. Pre-determination would only arise where the councillor attends a meeting having already made up their mind how they were going to vote;
 - (b) relevant policies would be set out in the officer's report, which should assist a councillor seeking to justify an overturn by reference to those policies;
 - (c) the current overturn procedure at Planning Committee, as stated in the notes on the Committee's agenda, required the proposer of a motion to refuse an application contrary to officer recommendation to state the harm that the proposed development would cause, and the relevant policy(ies) to justify the motion, whereas the proposed procedure was less onerous as the proposer of the motion would still be expected to state the harm, and provide the relevant planning policy(ies), "*where possible*".

The Committee took a vote on whether it should support the revised procedure for councillors overturning officer recommendations at the Planning Committee, as set out in Annex 4 of the draft revised Handbook, which was carried.

Corporate duty to maintain division between promoter of development/ decision makers

- Whilst the Handbook sets out detailed rules for individual councillors having conversations with potential applicants or planning officers, and the need to keep notes of meetings etc., there was concern that there did not appear to be anything in the Handbook that applied similar rules in circumstances where the Council might be involved in the development of a planning application, not as a planning authority, but as a corporate entity. It was suggested that either the Handbook could be expanded to include the role of councillors on planning when they were acting in a corporate capacity, for example as a portfolio holder, and the role of the Council as a corporate body in relation to planning matters, or that it be included in a separate protocol or policy document. In response, officers explained that there were specific statutory rules that were applied including the steps to be undertaken to define particular roles to ensure that there was not a conflict of interests, with no person working across both sides. It was therefore suggested that a reference to these rules was included, rather than repeating them in full.

Officer obligations to observe impartiality

- Suggestion that the duty on councillors to act impartially at all times should also apply to officers, and that the requirement for officers to disclose interests where it is considered that those interests might affect their objectivity in respect of a matter, should extend specifically to a requirement that they take no part in any decision on that matter. The Committee was advised that professional codes of conduct applied to officers advising the Planning Committee in addition to the Council's own Code of Conduct for Staff which required officers to provide impartial advice to councillors and the public. It was

suggested that the professional code of conduct of RTPI could be mentioned, although not all planning officers were members of the RTPI.

The Committee

RESOLVED: That the Committee's conclusions, comments and suggestions in respect of the draft revised Probity in Planning Handbook, as set out above, be forwarded to, and taken into consideration by, the Planning Committee at its special meeting on 7 February and full Council at its extraordinary meeting on 22 February 2023.

Reason:

To provide revised, up to date and fit for purpose Probity in Planning guidance to councillors and officers, together with other relevant information on the planning process at the Council in a helpful handbook.

| Action: | Officer to action: |
|--|---|
| To forward the Committee's conclusions, comments and suggestions in respect of the draft revised Probity in Planning Handbook, as set out above, for consideration by the Planning Committee at its special meeting on 7 February and full Council at its extraordinary meeting on 22 February 2023. | Democratic Services & Elections Manager |

CGS52 SUMMARY OF INTERNAL AUDIT REPORTS (APRIL 2022 TO JANUARY 2023)

The Committee considered a report on progress made by the Council's internal audit manager (KPMG) on their internal audit plan for 2022-23 for the period April 2022 to January 2023, which included a summary of the work that they had concluded since the previous report to Committee and what they had planned to do ahead of the next.

The report also reviewed the design and effectiveness of the processes and controls over corporate programmes at the Council for which KPMG had provided a 'partial assurance with improvements required' (amber-red rating).

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

- Whilst the report had set out the agreed management actions in respect of the red (high risk) findings, there were no similar actions set out in respect of the amber (medium risk), or green (low risk) findings. In response, Mr Crouch of KPMG indicated that they had not previously set out agreed actions in respect of amber or green findings in their executive summary reports. However, he would be happy to share the detail of the agreed actions in respect of this audit report with Councillors.
- It was noted that KPMG were due to submit their internal audit report on Regeneration to the next meeting of the Committee, and in that regard, it was assumed that, as Weyside Urban Village was a key regeneration project, further information on that project would come forward as part of that report.
- Further information was requested in relation to the comment in the audit report that KPMG had agreed with management to undertake an additional review looking at the payroll budget discrepancy identified in 2022. In particular, whether this discrepancy related to the payroll error referred to in the draft budget. The Lead Councillor for Finance and Planning Policy stated that this error had been first mentioned to the Committee at its meeting in September last year, and to the Executive following that meeting. This had been the third year where there had been an issue with incremental pay rises to employees, amounting to approximately £600,000 per year. Whilst employees had been paid the correct amount, it had not been accounted for correctly in

the budget. It was anticipated that this would be corrected in the forthcoming budget. As it was a significant issue, it was considered appropriate to commission an audit report.

- In response to a request for an update on the recruitment of a Programme Manager and the issue raised regarding the integration between Verto and Business World, the Executive Head of Regeneration and Planning Policy reported that it was anticipated that the target date for the recruitment of the Programme Manager was 30 April 2023. In relation to the integration between Verto and Business World, it was noted that considerable effort had been made to ensure that there was alignment between the two systems in terms of the detail that was included on both. However, the fiscal integration of the two different types of software, had not yet been looked at. It was the other priorities that had been outlined, that were probably more critical to progress.

The Committee

RESOLVED: That the Internal Audit Progress Report (April 2022 to January 2023), attached as Appendix 1 to the report submitted to the Committee, together with the key findings from the reviews undertaken since the last report to the Committee, be noted.

Reason:

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

CGS53 SAFEGUARDING - INTERNAL AUDIT REPORT UPDATE

The Committee considered a report on the progress made in response to the recommended actions in the KPMG internal audit report on the Council's safeguarding arrangements in November 2021.

The purpose of the report was to provide the Committee with the opportunity to examine the progress and activities undertaken in the context of the Council's statutory safeguarding duties, and to advise and comment on the appropriateness of the draft Strategic Safeguarding action plan 2023-24.

The report had also provided the background to the Council's responsibilities and its safeguarding audit commitments in the context of the statutory duties set out in the legislation and statutory guidance.

The activities undertaken, progress made towards target actions, and mitigations implemented in the last year were summarised in the report with more detailed tracking of targets and commentary presented in Appendix 1.

The draft Strategic Safeguarding action plan 2023-24, which was attached as Appendix 2 to the report, responded to the recommendations made in the latest statutory Section 11 and Surrey Safeguarding Adults Board (SSAB) quality assurance audits, as well as the outstanding actions from the non-statutory KPMG audit.

The Committee had been asked:

- (a) to review the progress against the recommended actions in the KPMG Safeguarding audit 2021, as set out in Appendix 1, and
- (b) to comment on the appropriateness of the Strategic Safeguarding Group Action Plan 2023-24 as set out in Appendix 2.

The Leader of the Council, Councillor Julia McShane recognised the importance of safeguarding and the wide scope of the work to ensure that the Council was safeguarding those with whom it interacted and that it was meeting its statutory duties. The Leader also

acknowledged, and was reassured by, the partnerships that the safeguarding leads had with the safeguarding boards, with various county and local safeguarding groups and district and borough colleagues, to share best practice learned from reviews and to ensure that the Council was meeting its commitments under the statutory safeguarding audits. The Leader also thanked staff, in particular those on the frontline, who had sound knowledge and always had safeguarding at the forefront of their work in safeguarding customers and residents.

The Committee thanked the officers for their work on this very important area of the Council's work and made the following comments during the debate on this matter:

- In relation to Recording Safeguarding Referrals contained in the Safeguarding KPMG audit action plan (update December 2022) it was noted that a central recording system should be established across the organisation, which required an IT solution. In response to a query as to whether we could learn from other authorities in making the transition to such a system as smooth as possible, it was confirmed that there was communication and liaison on such matters via the Safeguarding Group. As stated in the report, the IT solution would need to meet all the accessibility, confidentiality and usability requirements and be corporately aligned. Officers were investigating the possible use of ECINS community safety case management system.
- It was noted that progress in the draft action plan in response to:
 - (a) an inconsistent knowledge and information sharing on latest practice and learning from reviews, and
 - (b) an inconsistent approach to recording concerns, assessments, reporting referrals and recording outcomes reliant on service-based records

had been, in relation to (a), to set up a Teams channel to host key information and support the Operational Safeguarding Group and, in relation to (b) to put in place an interim recording process and case review through a Teams channel. In response to a request for clarification as what the Teams channel actually involved and how the concerns were being addressed, officers explained that the Corporate Safeguarding Teams Channel supported communications between approximately 90 members, including all Executive Heads, managers and anyone else dealing with safeguarding. In addition, Teams allowed centralised storage of key documents which could be shared amongst those members. In terms of the operational element, the Executive Head of Community Services currently chaired monthly meetings with of all the frontline staff who have concerns or issues or who have flagged a safeguarding concern and that group monitors where a particular referral has gone, and its progress through the system, and what needed to be done to ensure that interventions were progressed satisfactorily.

- In response to a request for some quantitative data in respect of the number and type of referrals and their progress through the system, officers confirmed that this could be collated and circulated to councillors.
- It was pointed out that there were a number of metrics around safeguarding which featured in the Corporate Performance Monitoring report which was now considered by the Overview and Scrutiny Committee.

| Action: | Officer to action: |
|--|---|
| To collate and circulate to the Committee quantitative data in respect of the number and type of safeguarding referrals and their progress through the system. | Executive Head of Community Services Senior Policy Officer |

CGS54 CAPITAL AND INVESTMENT STRATEGY 2023-24 TO 2027-28

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 Council had an underlying need to borrow for the General Fund capital programme of £286 million between 2022-23 and 2027-28. Officers had put forward bids, with a net cost over the same period of £10 million, increasing this underlying need to borrow to £296 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. However, subject to detailed design of the schemes, there might be scope to fund them from HRA resources rather than the GF resources in due course. 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:

- £274 million Weyside Urban Village (WUV)
- £62 million strategic property purchases
- £32 million North Downs Housing (NDH)
- £28 million Ash road bridge and footbridge

Upon reviewing the current capital programme, officers had identified that there was a separate scheme for the bus station, the cost of which had also been included in the Shaping Guildford's Future scheme, and therefore could be removed from the provisional capital programme.

The report contained a summary of the new bids submitted and the position and profiling of the current programme (2022-23 to 2026-27).

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. The Council had in place a

robust stock condition review process which provided 100% stock data over a rolling 5-year programme, which allowed for effective assessment against Regulatory and legislative standards. In addition to which, the recently updated Fire Risk Assessments, had allowed the Council to plan the current and future programme to ensure compliance with the new building safety legislation and standards. This, in turn, was complimented by the new compliance framework that had been rolled out over the last year which provided enhanced and improved levels of assurance and up to date information and requirements to meet the requirements of other key areas of compliance including asbestos, legionella, lifts and gas.

Improved building safety standards across social housing had resulted in a national drive to improve standards and safety. Guildford had responded to the recent and forthcoming changes in requirements with an extensive improvement programme. The first year of the programme required an investment at levels not previously seen in Guildford with £24.5 million invested in 2022-23, and a further £20 million planned for 2023-24 after which the extensive programme of building safety improvement would be completed, and investment level would return to levels as previously seen. The capital programme will be funded from HRA capital receipts and reserves. There is also £145 million between 2022-23 and 2027-28 million included for development projects to build or acquire new housing (including WUV).

The main areas of major repairs and improvement expenditure were:

- refurbishment, replacement & renewal programme of existing stock, £11 million, which includes kitchen & bathroom upgrades, void property refurbishment and roof works
- works to existing stock to comply with changes to standards and legislation, £9 million, including replacement fire doors, electrical testing and fire protection works
- mechanical and electrical works £2 million, including central heating systems
- other works of £1.9 million including damp prevention works

The main development projects included:

- Guildford Park Car Park: £38.9 million
- WUV: £49 million
- Foxburrows: £10 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 2023-24 was £3.5 million, based on an average investment portfolio of £75 million, at a weighted average rate of 3.56%. The budget for debt interest paid was £8.2 million, of which £4.8 million related to the HRA and £600,000 short term loans. WUV interest of £2.8 million was being capitalised and added to the cost of the scheme.

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 £174 million, as per the 2020-21 unaudited Statement of Accounts, with rent receipts of £8.2 million. 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 and the Prudential Indicators and had set out 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 correction to the recommendation set out on the Supplementary Information Sheet, which clarified the proposal to remove £500,000 allocated in respect of the

Bus Station relocation scheme from the provisional capital programme. Before the Committee debated the report, the Lead Councillor for Finance and Planning Policy commented that this would be kept under review as there was still some uncertainty regarding the scheme.

The Lead Councillor also drew attention to the impact of the interest rate rises on the capital programme, which would necessitate a review and reassessment of some business cases to make sure projects were still viable.

During the debate, the Committee made the following comments:

- In response to a request for clarification as to whether
 - (a) it was still correct to assume actual expenditure of 50% for schemes on the provisional programmes in the financial year (paragraph 4.7 of the report) given that projects were being more actively managed and that some schemes had been removed from the programme, and
 - (b) provision should be made for inflation in the cost projections for schemes in the capital programme (paragraph 4.9)

the Lead Specialist – Finance confirmed that the 50% assumption reflected the need to minimise the impact on the Minimum Revenue Provision, and that although no provision was made for inflation the capital contingency fund was used as a source of funding for topping up capital budgets following receipt of tenders. It was noted that where inflation impacts on larger capital schemes, these were subject to separate reports back to councillors.

- In response to a request for information as to the nature of the estimated expenditure on the provisional capital programme on the North Street development, which would be £1.35 million by 2030, the Lead Specialist – Finance confirmed that details would be circulated to the Committee.
- In relation to the detailed investment strategy in Appendix 1, and in view of the Council's stated priority on environmental leadership, it was suggested that a watching brief was kept as to the appropriate time at which the framework for evaluating investment opportunities should be extended to include environmental, social and governance (ESG) criteria.
- In response to a question as to whether any consideration had been given by the Executive to rebuilding those HRA properties that were in very poor condition, the Committee noted that such decisions would be informed by the outcome of the stock condition survey and resulting asset management plan. Consideration would also need to be given as to where displaced residents would be housed.
- In response to concerns expressed over the relatively low provision set aside for energy projects, and for Special Protection Areas, the Committee noted that these were projects to be funded by specific reserves. It was anticipated that the energy projects would come before the Executive for approval in due course.
- Request for clarification as to the level of risk of having to pay for levies relating to liability for asbestos and whether the health of residents was at risk. In response, officers confirmed that there no specific, known risks to residents and that this was a very long-term liability.
- Concerns over the operation of North Downs Housing (NDH) and the apparent lack of communication between NDH and the holding company.

- Whilst acknowledging the need to invest in the maintenance of the housing stock, there was concern as to whether it was really necessary to replace kitchens, bathrooms, and heating systems that were still fully functional every ten years.
- In relation to new schemes, clarification was sought in respect of whether any reports had been prepared in relation to Spectrum upgrades. It was noted that this would be subject of a meeting of the Joint EAB in the next few weeks.
- Request for consistency in naming of capital schemes, for example there was reference in the capital programmes to “Slyfield Area Regeneration Project” and to “Weyside Urban Village”.

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 8 February 2023, to approve

- the capital and investment strategy for 2023-24 to 2027-28; and
- the funding required for the new capital investment proposals.

| Action: | Officer to action: |
|---|---------------------------|
| To circulate to the Committee details as to the nature of the estimated expenditure on the provisional capital programme on the North Street development, which would be £1.35 million by 2030. | Lead Specialist - Finance |

CGS55 FINANCIAL MONITORING 2022-23: PERIOD 8 (APRIL TO NOVEMBER 2022)

The Committee received an oral update from the Section 151 Officer on the financial monitoring for the period April to November 2022. It had not been possible to produce a written report due to other pressures and priorities associated with managing the current anticipated budget deficit and ongoing budget preparation work.

The Committee noted that the period 4 position reported in October 2022, had shown a £3.1m net deficit in the current year. In response, a budget pressures and MTFP report, which included an action plan with 17 points, was considered and put into place in October. Due to staff resourcing issues, work on implementing the action plan took some time to get underway, particularly bearing in mind the ongoing budget preparation work. The finance team capacity had been increased to enable this work to be carried out.

Further detailed work would be undertaken reviewing the financial position with reports expected for consideration by Council in July 2023. In the meantime, budget monitoring had continued with ongoing discussions with management. The Committee was advised that the current position had shown the deficit to be somewhere between £2m and £3m, although there were caveats to that around some of the movement on the capital programme, and the Minimum Revenue Provision, which was quite a significant amount of money for Guildford in its capital programme, together with adjustments for interest estimates.

The Section 151 Officer also referred to income adjustments around car parking and utility costs. The Joint Management Team had been looking at what action it needed to take in response to the financial position, and the most appropriate action taken was simply a voluntary holding back on spend where possible. That was considered to be an appropriate

action because anything further than that would have been damaging to service delivery and particularly to the most vulnerable in the community. It was noted that some of the inflationary pressures would be picked up through reserves, as that was their purpose in these circumstances, and that there were sufficient reserves to enable that to happen. These cost pressures were also reflected in the 2023-24 budget.

The Section 151 Officer assured the Committee that a written financial monitoring report would be presented to the next meeting on 15 March 2023.

The Deputy Leader of the Council and Lead Councillor for Finance and Planning Policy commented that work has had to be prioritised as indicated by the Section 151 Officer, and that the additional staffing resources in the Finance team would alleviate the position.

The Committee

RESOLVED: That the oral update on the results of the Council's financial monitoring for the period April to November 2022 be noted.

CGS56 ANNUAL REPORT OF THE CORPORATE GOVERNANCE AND STANDARDS COMMITTEE 2021-22

The Committee noted that, following receipt of the KPMG internal audit report on the effectiveness of the Committee, considered on 24 March 2022, one of the recommendations was that the Committee should report at least annually to the Council on its activities and an assessment of its performance in discharging its responsibilities as defined in the Committee's terms of reference.

The Committee considered and reviewed the first of these annual reports setting out details of the Committee's work during the 2021-22 municipal year, under the main headings within the terms of reference, namely:

- Audit and Accounts activity,
- Corporate Governance Activity, and
- Ethical Standards Activity

The Committee particularly welcomed the table in Annex 2 to the Annual Report setting out the types and category of report considered by the Committee during the year.

Following discussion with the chairman, it was proposed to bring the next Annual Report, for 2022-23, to the September 2023 meeting, and every September thereafter.

The Committee

RESOLVED: That the Annual report of the Corporate Governance and Standards Committee for the municipal year 2021-22 be commended to full Council for adoption.

Reason:

To ensure that the Committee is accountable for its work to the full Council.

CGS57 WORK PROGRAMME

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.

The meeting finished at 10.03 pm

Signed
Chairman

Date