



# INDEPENDENT GOVERNANCE REVIEW OF GUILDFORD BOROUGH COUNCIL, Solace in Business Ltd (SOLACE). 13<sup>th</sup> March 2024

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## 1. Introduction

- 1.1 In line with the terms of reference set out in the brief for the review a team of consultants arranged by SOLACE carried out this review in January to March 2024. Many documents were reviewed such as the constitution, agendas, minutes and reports from Council, Executive, Committee and management meetings. Over 40 people were interviewed as presented in Appendix B.
- 1.2 The review team was assembled and supported by Jess Mullinger at SOLACE and comprised Andrew Flockhart, Lead Reviewer; Suki Binjal, Governance Lead; Chris Buss, Finance Lead; and Jim Taylor, Quality Assurance.
- 1.3 The SOLACE team received good cooperation from everyone at the Council in carrying out the review. In all instances we received a good degree of openness and honesty. It is clear that there is a commitment from everyone we met to resolve the issues being faced and to improve the governance and performance of the Council. This report sets out our findings and recommendations.
- 1.4 In carrying out this review the SOLACE Team consulted with Jeanette McGarry, the Lead Reviewer of the Council's Housing Maintenance Service, in order to check the extent to which our findings are consistent with what she has found so far.

## 2. Scope of the review

- 2.1 The review was commissioned by the three statutory officers at the Council who decided that the essential building blocks of good governance, culture, behaviours and transparency should be reviewed and improved. The SOLACE team agreed to carry out the review using the seven Best Value themes in the DHLUC draft guidance for local authorities published in July 2023.<sup>1</sup>

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<https://www.gov.uk> > ... > Local government



- 2.2 The review team interviewed all members of the Council’s Executive, the Chair of the Overview & Scrutiny Committee, the Chair of the Governance & Standards Committee and all Group Leaders. This was complemented by interviews with the outgoing, incoming and interim Chief Executives as well as the Monitoring Officer, the Interim Section 151 Officer and all Strategic Directors, Executive Heads of Service, some service managers, the Council’s appointed Independent Persons as well as the Internal and External Auditors.

### 3 Background

- 3.1 During 2022 and 2023 a series of issues emerged which revealed serious weaknesses in the governance and management of the Council including the stewardship of public money and the delivery of services for the public. These were of sufficient scale and number that the Statutory Officers became concerned that the issues that had come to light may not be limited to specific areas where they had been identified. Concern grew that similar issues may be present though not identified across the authority’s services. Hence the initiative to commission this review, to consider the essential building blocks of good governance at the Council.
- 3.2 At the same time the Council was facing very serious financial challenges. Consideration was given by the Section 151 Officer to the issuing of a Section 114 Notice – in effect a formal statement that the Council was insolvent. Happily, this prospect has been averted though the Council still faces financial challenges which must be resolved.
- 3.3 There are 48 members of the Council. In May 2023, as a result of the local government elections, there was a significant change in the make-up of the Council. Many new Councillors were elected and a new Administration was formed with a small majority in the Council chamber. There are now 25 Liberal Democrats, 7 Residents for Guildford and Villages, 10 Conservatives, 3 Guildford Greenbelt Group and 3 Labour members.

- 3.4 During 2023 Tom Horwood, the then Chief Executive of the Council (which is a shared role with Waverley Borough Council), announced his intention to resign from his post for personal reasons. He left the Council's employment on 8 February 2024. Pedro Wrobel has been appointed as the Chief Executive of both Councils.
- 3.5 During the course of this review changes were made with immediate effect to the senior management arrangements at both Councils. These were communicated to all staff in an email on 16 February and to the SOLACE review team on 19 February. The effects of these included Pedro Wrobel bringing forward the date at which he took up the post of Chief Executive from 8 April to 19 February. This decision superseded the previous decision by both Councils to appoint Annie Righton, a Strategic Director of both Councils, as the interim Chief Executive pending the arrival in post of Pedro Wrobel. At the same time, two Strategic Directors agreed to step back on a temporary basis from their respective roles to protect the integrity of an investigation into whether the correct governance processes were followed in the letting and management of one or more contracts in the housing maintenance service.

#### **4 Key findings and recommendations**

- 4.1 The SOLACE Review Team's main finding is that Guildford Borough Council is at serious risk of failing in its statutory duty to deliver Best Value<sup>2</sup>. The Review team's recommendations are designed to assist the Council avoid such a failure which would have serious consequences for the authority. In the event that the Council do not accept and implement the recommendations there would be a significant risk that it could be considered to have failed its Best Value duty.
- 4.2 It is clear that the Council's political and managerial leaders (including the new Chief Executive) have an understanding of the serious issues they need to address to return the Council to a stable position. However, understanding about the Best Value requirements amongst Members and officers is very limited. This report aims to enable them to have a deeper and more comprehensive understanding of the issues and risks which are evident in the organisation as well as the actions necessary to ensure the Council meets its Best Value duties. It is essential in the circumstances that all Members and officers accept responsibility for their part in improving the overall governance and performance of the Council.

Therefore, it is recommended that the Council undertake a development programme for Members and officers which enables them to understand the statutory Best Value requirements for continuous improvement, the challenges faced and the actions that are

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<sup>2</sup> The Best Value duty relates to the statutory requirement set out in the Local Government Act 1999 for local authorities "to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, effectiveness and efficiency."

necessary. Other necessary aspects of a development programme for Members are referred to in this report.

- 4.3 Some efforts by Members and officers to improve governance are underway and it is understood that this is a priority for the Council. However, the approach to improvement is inconsistent and far from comprehensive. There is no coherent improvement plan with suitable strategic and operational elements. There is no clear direction of travel and there is a debilitating and serious absence of a range of important strategies, plans and systems.

Therefore, it is recommended that the Council develops and implements a comprehensive Improvement Plan encompassing all the recommendations in this report which are necessary to stabilise the Council's operations and to avoid the risk of failing in its Best Value duties as well as giving all Members and the public confidence that the Council is operating with sound governance and systems. Progress in implementing the Plan should be reported to the Council at six monthly intervals for three years.

- 4.4 The sharing of the top three tiers of management between Guildford and Waverley Councils is a key feature of the governance arrangements for both Councils and has been for some time. These arrangements were partially in place during the period in which the serious issues at Guildford Council developed. In view of this it would be prudent for Waverley Council to assure itself that similar risks and issues are not present in that authority.

## **5 The Review's Use of Best Value Guidance for Each Theme**

- 5.1 For each of the Best Value seven themes the government's draft guidance provides a description of what is meant by the theme along with a list of characteristics of a well-functioning authority and a list of indicators of potential failure. An A4 page is devoted to each theme. These can be seen in the guidance via the link provided here.  
[https://assets.publishing.service.gov.uk/media/64a2e57606179b000c1aea03/Best\\_Value\\_guidance\\_subject\\_to\\_consultation.pdf](https://assets.publishing.service.gov.uk/media/64a2e57606179b000c1aea03/Best_Value_guidance_subject_to_consultation.pdf)

- 5.2 In this report the Review Team has identified specific characteristics and indicators in order to illustrate the basis of the findings in relation to each theme. These are explained at the beginning of each of the sections that follow here.

## **6 Continuous Improvement - Findings**

- 6.1 The draft Best Value guidance (hereafter "the guidance") says that making arrangements to secure continuous improvement is a core requirement for achieving best value. It expects an organisation wide approach to this with frequent monitoring, performance reporting and updating of corporate and improvement plans. Several of the findings below reflect specific points in the guidance.

- 6.2 Whilst there is improvement work going on in some areas of the Council, such as financial planning and customer services<sup>3</sup>, this is due to the initiatives of specific Members and Officers. However, there are no overall arrangements in place to deliver continuous improvement across the Council. There is no corporate improvement plan or anything similar. For example, the improvement work that exists in some areas is not replicated across the authority in any consistent way.
- 6.3 The Council has not had a corporate or finance peer review for several years. The Review team understand that a Corporate Peer Review was planned to take place in early 2024 and was postponed to a later date which is yet to be confirmed.
- 6.4 The guidance requires that the Annual Governance Statement (AGS) is used as an improvement document. In September 2023 the Council received a AGS prepared by officers. However, this has not been used substantially as an improvement document. The 2022/23 AGS had scope for improvement - only one was listed.
- 6.5 The aspiration for improvement on the part of Members and officers is impaired by the lack of a clearly defined and communicated purpose for the authority. Interviewees stated an openness to constructive challenge and advice. However, we found little evidence of this being applied consistently or to any great extent.
- 6.6 A traditional Councillors induction and development programme including a guide to being a Councillor is in place. However, many of the senior politicians interviewed would welcome further support. It is recommended that the Member and officer training and development programme needs to be revisited and improved.

## Recommendations

- 6.7 It is recommended that the Council undertake a development programme for Members and officers which enables them to understand the Best Value requirements for continuous improvement, the challenges faced and the actions that are necessary.
- 6.8 It is recommended that the Council develops and implements a comprehensive Improvement Plan encompassing all the detailed recommendations in this report which are necessary to stabilise the Council's operations and to avoid the risk of failing in its Best Value duties as well as giving all Members and the public confidence that the Council is operating with sound governance and systems. Progress in implementing the Plan should be reported to the Council at six monthly intervals for three years.

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<sup>3</sup> For example, an improvement in call answering performance has been reported to and noted by Members.

- 6.9 It is recommended that the Council considers appointing an Independent Improvement and Assurance Panel of specialist non-executive advisers who should be in place for at least two years to advise on and provide support for the Chief Executive and the political leadership of the Council during the period when the Improvement Plan is being developed and delivered. Given that the Chief Executive (and the entire senior management team) is shared with Waverley Borough Council, the way the Panel interfaces with the Council needs to be understood and managed in the context of the partnership and should be considered through the partnership arrangements.

## **7 Leadership - Findings**

- 7.1 The guidance expects that effective political and administrative leaders have a clear vision and a set of priorities for their area. It also says that an authority that either fails to recruit to its statutory officer posts on a permanent basis over an extended period time or has a high turnover in these roles indicates instability and potential wider cultural concerns. Several of the findings below reflect specific points in the guidance.
- 7.2 The Council's Corporate Strategy is out of date, has almost no visibility and is not used to steer the authority or make decisions at any level. Significantly, it is not used to shape service or financial planning. As part of this, there is no up to date vision for what the Council is trying to achieve for the people of Guildford. As such, there is no clear direction of travel and priorities are identified on an ad hoc basis in response to issues. During the interviews, it was recognised by senior councillors and officers that the current corporate plan (2021 – 2025) is out of date as it does not reflect the Administration's ambitions and priorities. This needs to be rectified.
- 7.3 There is evidence that the current Section 151 and Monitoring Officers uphold their duties and give their advice with a high degree of integrity and competence. The Monitoring Officer is fairly new in the role (started in April 2023) and the Section 151 officer is an interim appointment and is due to leave in May 2024. Furthermore, up till early 2023 there was a series of short term or temporary appointments to these roles. It is apparent that any succession planning for these posts that did exist was not effective. There is a risk that the Section 151 officer post will be vacant pending the departure of the interim postholder and before a permanent office is appointed. This represents a risk for the authority. Appointing a permanent Section 151 officer as soon as possible should be a priority for the Council.
- 7.4 As the guidance expects, the Section 151 and Monitoring Officers report directly to the Chief Executive. However, this is a very recent change in the lines of accountability. Prior to this these officers were accountable to a Strategic Director and only reported indirectly to the Head of Paid Service.
- 7.5 The guidance says that strong financial management and reporting must be applied throughout the organisation. The serious issues reported in the housing maintenance service

show this was not the case until recently. Until action was taken by the current Section 151 Officer there was a serious lack of budget planning and control right across the authority. The new policies and procedures being introduced now need to be embedded.

- 7.6 Whilst Members and senior officers maintain polite and positive relationships, in the view of the Review Team, there is insufficient mutual challenge. This is essential to ensure that both parties are held to account and that there are adequate check and balances in the routine leadership of the Council.
- 7.7 The Review has found that the Council needs additional corporate capacity to provide leadership for the organisation as is required to avoid failing in its Best Value duties. Whilst there are 16 senior officers i.e. a Chief Executive, three Strategic Directors, two other statutory officers (S151 and MO)<sup>4</sup> and ten other Executive Heads of Service – they are all shared with Waverley Borough Council. In circumstances where one or other authority was not at risk of failing their Best Value duties, this level of resource would probably be sufficient. However, as this report states clearly, this is not the case in respect of Guildford Borough Council and is, therefore, a significant risk.
- 7.8 Furthermore, the effectiveness of the top team is weakened significantly by three factors. First, the lack of strategic direction for the authority means that senior management's efforts are insufficiently focused. Second, the role of Strategic Directors is not sufficiently clear in relation to leading the delivery of corporate priorities or identifying, escalating and resolving corporate issues and risks.<sup>5</sup> Third, the attention and efforts of the Corporate Management Board have, for at least the last year, been preoccupied with short term and urgent issues particularly the financial crisis and the results of the whistle-blowing in the housing service.
- 7.9 The Executive Heads of Service appear clear about their roles and their lines of accountability. However, their effectiveness is hampered by a range of factors. These include the absence of corporate priorities, the poor quality of financial planning (though this is improving), the lack of clear delegations, the absence of sign off arrangements for plans and budgets (also improving now), the absence of a consistent performance management system, and the operation of a range of IT systems, which in some instances are not entirely compatible with each other. If these issues can be resolved there is great opportunity for much more effective and efficient ways of working. At the same time, the Executive Heads are working, like the CEO and SDs, for two Councils which have different policies, procedures and systems of every kind. Making progress on the synchronisation of policies, procedures and systems (including IT) between the two Councils would enable the Executive Heads to work much more effectively and efficiently.

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<sup>4</sup> During this review, the new CEO changed the designation of the MO and S151 Officer to become Strategic Directors.

<sup>5</sup> The expectation should be that SDs provide managerial leadership in delivering corporate priorities; that they look across the organisation to identify risks and issues requiring a corporate approach; that they provide a balance of support and challenge for their Executive Heads, and that they provide advice and support for Councillors in pursuing the Council's purpose.



- 7.10 The Review Team discovered that there is an absence of fit for purpose strategies and policies which could reasonably be expected including a people plan, IT strategy and procurement strategy. This situation needs to be remedied.
- 7.11 The election of a new Council in May 2023 means that there is a mix of very experienced Councillors alongside many new Councillors who have very little experience in the role. This presents opportunities for new approaches as well as risks whilst new Members learn ways in which to operate effectively. At the same time the formation of a new Administration following the elections has created the opportunity to shape a new direction for the Council.
- 7.12 The Review Team found that there is a desire shared by all leading Councillors to improve the Council's governance and performance. They need appropriate support to enable them to do this. The appointment of a new Chief Executive is also a huge opportunity to bring a fresh approach and energy to the challenges the Council faces.

## **Recommendations**

- 7.13 It is recommended that the Council develops a new corporate strategy which clearly states the Council's:
- i) Purpose which brings all Members and officers together to work as one team pursuing a shared endeavour,
  - ii) priorities which give direction to the organisation and provide the basis for managing the Council's performance and
  - iii) values which reflect the Council's aspirations for the way it wishes to operate and provide the basis for the behaviours which all Members and officers are expected to demonstrate.
- 7.14 It is recommended that the Council carry out an options appraisal on the best means of achieving the capacity and capability delivering the Review's recommendations.
- 7.15 It is recommended that the Council review the range of strategies and policies which need to be developed (including the people plan, IT strategy and procurement strategy) to support the secure operation of the Council, clarify the timescale for their development and ensure the necessary resources are in place to support this work.
- 7.16 It is recommended that the Council develop a communications plan which provides the basis for ensuring that all internal and external stakeholders are aware of the Council's corporate strategy, the challenges it faces and the improvement plan.

## **8 Governance - Findings**

- 8.1 The guidance expects that a well-run council will have clear and robust governance and scrutiny arrangements in place that are fit for purpose; and that decision-making processes,

within clear schemes of delegation, should be transparent, regularly reviewed, clearly followed and understood, enabling decision-makers to be held to account effectively.

- 8.2 The basic building blocks of a sound governance system are in place with an Executive, an Overview & Scrutiny Committee and a Corporate Governance and Standards Committee which includes the Audit role. However, the effectiveness with which they operate is undermined by several factors.
- 8.3 In respect of the Executive's operation, its agenda comprises items which do not all reflect the Executive's declared role. Minor issues appear and major issues are occasionally handled using Portfolio Holder decisions. The Review Team heard of instances where urgency procedures were used without clear and compelling reasons. The forward planning of the Executive's agenda should be reviewed to ensure that all appropriate items for decision come to the full Executive. Furthermore, reports to the Executive are often unnecessarily long and complicated, weakening transparency and leading to decisions which are not easy to understand.
- 8.4 At the same time, it is not clear that the agendas for the Overview & Scrutiny Committee reflect the commitment to provide oversight and commentary which contributes to the delivery of the Council's priorities or to the improvement of the planning and performance of services for the public. The Committee's hard work would benefit from a more systematic approach to the review of the Council's services with a view to identifying the need and opportunity for improvement. There are also two Executive Advisory Boards whose roles appear to overlap with the Overview & Scrutiny Committee. This is confusing and is not the most effective way to use the energies and skills of Members or officers.
- 8.5 The Corporate Governance and Standards Committee includes the Audit function, but this is not obvious (not being in the title of the committee) and it appears to the Review Team that its remit is so broad as to marginalise the audit role to the detriment of the Council's governance. This should be remedied.
- 8.6 Generally, the Review Team found that both Members and officers understand and comply with their respective codes of conduct. This view is supported by the Council's Independent persons. However, there is also a desire amongst Members to learn and improve the way they carry out their various roles on the Executive, Overview and Scrutiny, regulatory committees etc. For example, ways in which they can challenge each other robustly and constructively in the best interests of the public.
- 8.7 The Review Team considered the way in which the (previous) Chief Executive, Strategic Directors, Monitoring Officer and Section 151 Officer worked together in the Corporate Management Board (CMB) meant it did not fulfil its role effectively. This may well change with the new Chief Executive. However, the Review found that the CMB worked together in regular meetings which did not reflect its strategic and corporate role for the authority. Two key aspects are as follows. First, typically, meetings were very long, considered long and

complex reports addressing a mix of strategic and operational matters without clear distinction, focused too much on understanding problems and insufficiently on finding solutions. The decisions made and actions agreed were not always clear. Second, the criteria and process for items to be put on the agenda was not clear e.g. minor operational or policy issues feature on the CMB agenda whilst major issues and risks do not appear to be escalated systematically. Officers reported confusion about what decisions should be made at CMB or elsewhere. This situation in itself presents risks to the authority.

- 8.8 In addition to the CMB, there are several other senior management forums whose existence and operation alongside it do not, in their totality, provide sufficient clarity or efficiency in giving senior management leadership and drive for improvement. These include the Enterprise Portfolio Board (EPB), the Financial Control Panel (FCP) and the Transformation Board. The range of forums along with their respective roles and interfaces should be reviewed.
- 8.9 The review noted that the statutory officers are beginning, for the first time, to meet together regularly with appropriate agendas and minutes. Given the centrality of the three statutory officers to the good governance of the authority this should have been the case as a matter of normal practice. It is important that this approach becomes routine now.
- 8.10 The guidance expects the Council to have a performance management system which operates corporately, where information is used consistently, relevant outcomes are measured, and underperformance is addressed effectively. The review found that key performance indicators (KPI's) are reported routinely to Members and that there is evidence performance has improved in some areas such as telephone call answering. These reports are given serious consideration by Members and have the effect of reassuring them about the Council's performance. However, it appears that the reports do not offer insight which helps identify key risks and issues facing the Council and its services. For example, this system of reporting did not identify the major issues which the Council has been reacting to over the last year.
- 8.11 The review found that there is no performance management system in place across the authority for measuring performance in achieving priorities or in the delivery of services and managing budgets across the authority's services. The same is true in relation to individual performance and appraisal. Consequently, the attention of leading Members and officers focuses to a large extent on immediate or short-term issues in a reactive manner. This amounts to a significant risk for the authority.
- 8.12 The guidance states that a well-run Council will have clear and fit for purpose decision making processes. Schemes of delegation should be clear and transparent. During the interviews it became apparent that there was a lack of understanding of effective decision-making processes, which has been further evidenced by the lack of controls around contract awards and management, which has led to significant contract overspends. Since the appointment of the Monitoring Officer, she discovered that key and officer decisions had not

been published and she took steps to remedy this. The Monitoring Officer is currently reviewing the schemes of delegation, to ensure that officers have the correct powers to make decisions. It is further suggested that not only are schemes of delegation reviewed, but a process of monitoring the exercise of officers' delegations is also included in the improvement programme.

- 8.13 The current allegations of potential fraud, linked to the Housing Maintenance service, are outside the scope of this review. However, during the review, it became apparent that prior to the arrival, in April 2023, of the current Monitoring Officer, effective whistle-blowing incidents, for whatever reason, had not taken place. The Review team also noted that for the years 2021/22 and 2022/23 there was no oversight by the Corporate Governance & Standards Committee of whistle-blowing incidents. It is recommended that the Council review its employee's codes of conduct and HR processes to ensure effective support for whistle-blowers.
- 8.14 The Review Team noted that, whilst HR processes exist, there is a lack of knowledge about HR policies and processes which are fit for purpose at the Council. This has resulted in inconsistencies across the organisation. This was not explored further in this Review, and it is suggested that the Council should review, as part of the improvement plan, its current HR policies and processes to ensure they are of sector standard.
- 8.15 The guidance expects the Internal Audit service to meet PSIA standards. The Internal audit service is now provided by Hampshire via Southern Internal Audit partnership; prior to April 2023 it was provided by KPMG. The onboarding process was problematic with changes in the audit plan being required due to budget restraints. There are a range of issues that are a mix of cultural and structural that the Council will need to resolve to improve levels of internal control, which will then aid audit in being able to place reliance on those systems as a control mechanism.
- 8.16 The audit functions fall under the Corporate Governance and Standards Committee. Although the membership of this committee is robust, but there is a question as to whether the remit is too wide, and whether it can at times becomes politicised. The size and scope of the agendas can be bulky, and the Council should consider whether a separate Audit Committee should be formed.

## **Recommendations**

- 8.17 It is recommended that:
- i) the way the Council and the Executive (including individual Members) operate is reviewed and revised to ensure its agendas, reports, minutes and decision making reflects its role appropriately,

- ii) the way the Overview and Scrutiny Committee operates and plans its work is reviewed and revised to ensure it provides more effective oversight and constructive challenge which contributes to the Council's priorities and the improvement agenda,
- iii) the terms of reference and title of the Corporate Governance and Standards Committee is reviewed to ensure that the audit function is not marginalised or seen to be so – consideration should be given to the formation of a separate Audit Committee.

8.18 It is recommended that the Council commission and support a development programme by September 2024 for Councillors, particularly for members in leading roles (Executive, Chairs and Vice Chairs of Committees and Group Leaders). The programme should, amongst other things, build a deeper understanding about the legitimate rights of Councillors for information which enables them to carry out their roles.

8.19 It is recommended that:

- i) The corporate management arrangements are reviewed including the ways in which the CMB works together and makes decisions, the range and roles of the various corporate management forums and the role of Strategic Directors,
- ii) A performance management system is put in place across the authority for measuring the achievement of priorities, the delivery of services and management of budgets across the authority's services,
- iii) The current HR policies and processes are reviewed and confirmed.

8.20 It is recommended that to enable decision-makers to be held to account effectively, the Council ensures that its schemes of delegation and decision-making protocols are reviewed regularly and that everyone concerned understands and follows them.

## 9 Culture – Findings

9.1 The guidance expects, amongst other things, an agreed set of shared corporate values which are implemented and modelled across the authority and the existence of an outward facing, transparent and open culture, where challenge is welcomed and acted upon.

9.2 The review found that the Council does not have a set of values which are modelled, promoted or understood across the authority. Few people interviewed were able to say what the Council's values are. This needs to be remedied.

9.3 All interviewees reported a culture of civil working relationships between Members and between Members and officers. Members are polite and respectful to each other and to officers, which is positive. There is also a strong, evident commitment amongst all concerned to "do the right thing" for the Council and the people of Guildford. However, we also found an insufficient level of mutual challenge, of a searching and constructive nature. On the part of Members, the review found insufficient curiosity about the ways in which the way services

and budgets are managed and delivered for the benefit of the public. Some more constructive challenge would be healthy.

- 9.4 The review did not detect or find evidence of a culture of secrecy, however, there seems to be hesitancy to share information with all Members other than the Administration. It is understood that this is due to a few isolated incidents of confidential information being leaked to the local press, which has resulted in an overly risk adverse culture, with officers not sharing information with Members. However, the Council should review and embed a positive and open culture of sharing information. Members should respect the duty of confidentiality.
- 9.5 The absence of a corporate direction has contributed to some confusion between the respective roles of Members and officers. For example, during the interview process, it became apparent that some Members do not focus on strategic priorities and get overly involved in operational decisions. Equally, officers have not been providing the appropriate support required to set the strategic (political) vision.
- 9.6 At the same time there is an overriding internal (as opposed to external) orientation in the behaviour of leading Members and officers. Interviewees spoke much more about the internal affairs of the Council and relatively little about the needs of the community or the ways services could be improved. This is perhaps understandable given the major issues that have surfaced recently. It also reflects the lack of clarity about, and focus on, the Council's purpose and priorities. This will be detrimental if it persists. One notable exception to this pattern of behaviour is the recent examination by the Overview and Scrutiny Committee of the recent flooding incidents affecting Guildford.
- 9.7 The review observed the predominance of behaviours focusing on understanding problems and an insufficient orientation to developing solutions, making decisions and taking action (getting things done). This sits alongside the lack of clear accountability for services and budgets. This is, in part, influenced by the absence, until recently, of sign off procedures for service plans and budgets and the weaknesses in the performance management, financial planning and control systems.
- 9.7 The lack of clear priorities is fostering an environment where the balance of proactive work is outweighed by the focus on reacting to issues in the short term. This encourages a culture of finding quick fixes for issues rather than longer lasting solutions which resolve the causes of problems which are often complex.
- 9.8 The lack of clear corporate priorities and shared values also provides an environment in which thinking and working in "silos" is the predominant way of working. Typically, such narrow approaches to service planning and delivery do not reflect the nature of needs in the community or the demands customers make of the Council. The "silo" thinking and working is reflected in the reports and decisions which are brought to the CMB, the Executive and ultimately the Council. There is insufficient lateral consultation with relevant services and

stakeholders in the considerations made (or not made) when matters are brought forward for decision. This contributes to a lack of trust (or at least understanding) between officers across the authority.

- 9.9 Some Members mentioned that there was a lack of understanding across the officer cohort of the public interest and accountability to the public purse. There was also little recognition that the senior management team needs to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities. This needs to be remedied and an understanding of the principles of good governance should form part of the overall refreshed Member and officer training and development programmes.
- 9.10 In the summer of 2023, a Joint (cross party) Councillors working group between Guildford and Waverley was established to review the Councils' Constitutions. The intention is to review and update the whole constitution by May 2025. The MO and the Councillors working group have been agreeing systematically the priorities and timescales for the agreed work programme. For example, with a focus on areas that expose the council to the most risk, such as the officer employment procedure rules, officer scheme of delegations, contract and financial procedure rules, Executive and officer decision making protocols.
- 9.11 Finally, it should be noted that the culture at the Council allowed the serious failure to follow due process in the procurement and management of contract in the housing maintenance service, which is being investigated through a separate review. In view of this and for the sake of good governance, it is suggested that the award of contracts should be monitored robustly and reported regularly to Members.

## **Recommendations**

- 9.12 It is recommended that Members and officers work together (as part of the corporate strategy process) to review and challenge the values which have become the norm in the Council and to develop the values which reflect shared aspirations for the way they wish to operate and provide the basis for the behaviours which everyone concerned is expected to demonstrate.
- 9.13 It is recommended that the Joint (cross party) Councillors working group between Guildford and Waverley should continue to review and update the Council's constitution and that this is underpinned by a programme of training, so that the processes and clear decision-making, including the circumstances of exercising delegations, is understood.
- 9.14 It is recommended that the Council should ensure that all decisions are evidenced and recorded following good principles of public law such as reasonableness, proportionality, and fairness.

## 10 Use of Resources - Findings

- 10.1 The guidance expects amongst other things that an authority must have in place and deploy properly an effective internal control environment to safeguard the use of resources, and clear and effective processes to secure value for money. It must have appropriate financial management, reporting and regulation arrangements in place to govern the strategic and operational management of its investments, funding, assets and companies. This includes ensuring it has the appropriate skills and capacity in place, commensurate with the complexity of its finances, using specialist expertise when needed. It should respond to audit recommendations and address issues identified in a timely way.
- 10.2 There is good evidence of improvement in financial management, accounting and basic finance processes over the past twelve months. However, this improvement needs to be embedded within the Council. At present the whole of the senior finance team are interims, there are no permanent qualified staff. It is understood that the recruitment process has started to get permanent staff in but recruitment to these posts will take time. Getting this right including the timing of recruitment and hand over from the interim staff group is key in ensuring that the good work undertaken since last summer is not lost and the Council does not regress. Failure to achieve this will present risks to the Council.
- 10.3 One of the key parts of the financial recovery process is the resetting and recording of financial policies and procedures, this is still a work in progress, and needs to be in hand and aiming to be embedded before the new team takes over. The old arrangements pre last summer were not fit for purpose, with no budget ownership by line managers, this is changing, due in part to better reporting processes and arrangements in place for budget holders to sign for budgets, but this is very much early days, and the Council could easily revert to former ways if a vacuum appears in respect of financial leadership. The Council needs to ensure that processes are implemented, documented and reviewed regularly to ensure that they are fit for purpose.
- 10.4 There are two specific areas where historic investment decisions made by previous administrations may result in future costs arising which need to be reflected in the Medium Term Financial Plan (MTFP). The first is North Downs Housing, this is a Housing Company owned by Guildford in which the Council has invested £ 25.3 million. Officers have indicated that this is due to close with assets either transferring back to the HRA or being sold with limited financial exposure to the Council. However, no evidence has been provided to the panel to confirm this. There has been no business plan approved by the Executive Shareholder and trustee committee for over 18 months for North Downs Housing and in the absence of an agreed business plan or other report there is no evidence of effective oversight and governance arrangements being in place for the Company. The Council should review the arrangements and operation of the Executive Shareholder and Trustee committee to ensure that they are following good governance practice.



- 10.5 The second is the Weyside Urban village, this is a significant housing-based redevelopment with a long history, at present the revenue cost of this scheme has not been charged to revenue due to a decision to capitalise borrowing as well as development costs. However, when parts of the scheme are completed in 2027/28 the revenue costs both borrowing & MRP need to be charged to revenue. It is understood that the current estimated cost of this is £3.5million a year.
- 10.6 The potential impact of the above in addition to the 2026/27 budget gap of £1.6million, means that the Council will, in 4 years' time have a £5.1million budget gap, when funding in 2024/25 is estimated at £16.8million: this is a 30% net expenditure to funding gap. Although the budget is balanced for 2024/5, the above scenario means that the Council, will need to look at how it deals with the financial issues arising from the Weyside Urban village.
- 10.7 The Council has over the years built up a portfolio of investment properties valued at £178 million in the draft 2022/23 accounts. The expected return on the portfolio was £9.7 million in 2023/24 rising to £10.1 million in 2024/25. This is significant when compared to the income raised from Council tax which is forecast at £11.8 million in 2024/25. The review has not undertaken a detailed examination of the portfolio but at present the arrangements for managing the portfolio appear to be adequate, but the Council should ensure that the arrangements are regularly reviewed and reported to committee to minimise the risk of any future loss from circumstances that are outside the Council's immediate control.
- 10.8 Whilst acknowledging that the corporate strategy is out of date and a new one needs to be developed, the Council needs to ensure its MTFP aligns with the Council's priorities and that it reflects the future year impacts of historic investment decisions.
- 10.9 The Council has limited funding (£100k net) set aside for transformation and no dedicated Guildford staff. There is a proposal to generate up to £50m of capital receipts (the first list only shows just over £30m) which is designed to reduce debt, the Council should and could consider the use of some of these receipts to fund transformation under the flexible use of capital receipts regime.
- 10.10 With regard to External Audit, this has been undertaken for a number of years by Grant Thornton. Significant accounting errors were found in the audit of the first year of the new accounting system, these led to the subsequent potential Section 114 notice. The external auditors raised a number of issues in a Value for Money letter issued and reported to the Corporate Governance and Standards Committee (whose role includes the audit function) in September 2023. The Committee noted the report, but no formal action plan was requested by the committee to deal with the matters raised or formal response made to Grant Thornton. Both of these matters should be rectified.

## **Recommendations**

- 10.11 It is recommended that the Council take action quickly to ensure the capacity and capability of the finance team is maintained pending the departure of the interim appointments and ensure that new financial policies and procedures are developed fully, embedded and reviewed regularly so that they are always fit for purpose.
- 10.12 It is recommended that the Council reviews the MTFP to ensure it aligns with the corporate strategy and the Council's priorities that it reflects the future year impacts of historic investment decisions including those mentioned in this report.
- 10.13 It is recommended that the Council request the Corporate Governance and Standards Committee to consider formal action and or a formal response to the External Auditors in respect of the Value for Money matters it raised in September 2023.
- 10.14 It is recommended that the Council should review the arrangements and operation of the Executive Shareholder and Trustee committee to ensure that it is following good governance practice.

## **11 Service Delivery - Findings**

- 11.1 The guidance says that poor individual services can often be an indication of broader governance and financial weaknesses; and that corporate governance failure will almost certainly at some point impact negatively how services are delivered.
- 11.2 The Review team did not assess service quality. Our remit was to see if governance issues are likely to be affecting this across the authority. The answer to this question is, broadly, yes, as presented in this report.
- 11.3 It is clear that the quality of service in the housing maintenance service has been affected significantly by governance failings. It is not apparent, at least yet, that other services have been affected so severely. However, there is a risk that there are negative impacts on other services which have not yet been detected. Resolving the issues identified in this review will help identify and resolve any issues of a similar nature which exist in other services.
- 11.4 The building blocks of good service planning and management at the Council are weak in key ways. In particular, the absence of a consistent and rigorous approach to service and financial planning undermines the delivery of priorities and service standards. It also disempowers the lead Members on the Executive and Members on the Overview and Scrutiny Committee who should be able to see easily what is planned and delivered. This represents a risk to all the services delivered by the authority.
- 11.5 Equally the absence of a consistent approach to performance management across the authority undermines accountability and clarity of focus. There is no "golden thread" running from priorities through to individual objectives and accountability. Consequently,

the hard work, commitment and talents of the Council's employees are not being deployed to best effect.

- 11.6 The Review Team found that the effectiveness and efficiency with which some services are delivered is affected by the way in which front line and back-office services are structured and the way in which they interface with each other. The existence and operation of a generic back-office team handling a range of different processes, and its relationship with front line services poses some issues for the delivery of services in an effective and efficient manner. This arrangement is, apparently, very different from the structuring of services at Waverley Borough Council and is, therefore, an issue that needs to be resolved when planning the joining up of services and staffing structures between the two Councils. Consequently, this front and back-office arrangement should be reviewed.
- 11.7 The Review was unable, due to constraints on time and resource, to assess how the Council manages its data and knowledge. However, in the absence of a consistent performance framework across the authority, it does lead to the view that the management of data is, at the very least, underdeveloped.
- 11.8 Similarly the Review was not able to assess the Council's transformation programme. However, it is evident that the opportunities for efficiency savings, in respect of the Partnership with Waverley Borough Council, have not been assessed in a robust or systematic, meaningful way.

## **Recommendations**

- 11.9 It is recommended that the Council put in place a system for the consistent design and approval of service plans and their associated budgets and, in doing so, make sure that this fits in with the corporate performance management system the Council introduces, that it provides for clear accountability and reflects the scheme of delegations approved by the Council.
- 11.10 It is recommended that the Council considers instigating further in-depth reviews in services which procure large contracts in order to identify any issues that might exist and to assure the Council that the kind of problems that developed in the housing services are not present in others
- 11.11 It is recommended that the Council reviews the existence and operation of the generic back-office team handling a range of different processes, and its relationship with front line services so that any inefficiencies can be resolved and to pave the way for a shared operating model with Waverley Borough Council if that is what the Council decides it wants.
- 11.12 It is recommended that the Council consider reviewing the Transformation programme in the light of this report and its recommendations including its priorities and resourcing.

## 12 Partnership and Community Engagement

- 12.1 The guidance says that authorities must have a clear understanding of and focus on the benefits that can be gained by effective collaborative working with local partners and community engagement, in order to achieve its strategic objectives and key outcomes for local people. It also says appropriate governance structures should also be in place to oversee these arrangements. Ambitions for the community should feature in any partnership's aims.
- 12.2 The Council has entered into a strategic partnership with Waverley Borough Council as a means of saving money and mitigating the effects of austerity. This is the Council's principal partnership.
- 12.3 In interviews all Leading Members expressed strong support for the partnership with Waverley Borough Council based on the perceived opportunities for efficiency savings. The main achievements so far are the creation of Member level governance arrangements and the sharing of all senior managers between both Councils, as exemplified by the creation of the Joint Management Team<sup>6</sup>. A transformation programme to deliver savings has been put in place with staff and a budget. The Review team is aware that the governance of the partnership is being reviewed and this has not yet been concluded.
- 12.4 The review team observed that the development of the partnership has lost momentum. Various reasons for this were shared with the Review team. For example, the risk of a Section 114 Notice and the surfacing of the serious issues in the housing service at Guildford. These are credible explanations. However, the Review team consider that some other issues are of significance. In particular, the Council's ambition for the partnership is too narrow, focusing almost exclusively on savings to the exclusion of improvement in services and outcomes for the public. The review team suggest that the aims of the partnership should be reviewed through the partnership governance arrangements that have been put in place.
- 12.5 This context is hampering the transformation programme which lacks clarity in its direction and the sequencing of change. Several strategic issues need to be resolved by Members and the CMB to enable the partnership to progress. These include the ambition, or otherwise, to create a single joint staffing structure who share the same buildings, facilities, procedures and systems of every kind. Whilst recognising the sovereignty of each Council, the benefits to be achieved by sharing common policies could also be explored, especially in core functions such as HR, IT, assets and finance.
- 12.6 As a consequence of this situation, the transformation programme's short, medium and long-term priorities look unclear. Options include strategic priorities for service improvement, opportunities for significant cost savings, contribution to the creation of a

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<sup>6</sup> The JMT comprises the three statutory officers (CEO, MO & S151 Officers), the Strategic Directors & the Executive Heads of Service.

single staffing structure, synchronisation of terms and conditions of employment, synchronisation of back-office systems, using vacancies in management posts to create single teams. This issue needs to be remedied.

- 12.7 As it stands, all senior managers are working to deliver the priorities of two Councils which have different policies, procedures, staff teams and systems of every kind. The severity of the issues is exacerbated by the lack of clarity about the Council's priorities and the poor quality of service and financial planning systems. Consequently, senior managers are very stretched and cannot operate efficiently. This issue needs to be addressed quickly. If it isn't, significant risks of various kinds will develop, e.g. delays in the realisation of benefits, frustration with this and difficulties in recruiting and retaining senior staff.
- 12.8 Notwithstanding all of this, the transformation programme looks under-resourced. As a result, the probability of the partnership delivering further benefits (however they are to be defined) in the current context is low. Consequently, there is a risk that the partnership will lose credibility. This situation needs to be remedied.
- 12.9 Whilst prima facie the Council has the appropriate legal documentation (section 113 Agreements and Deed of variations) in place and joint committees, there seems to be a lack of appropriate governance arrangements between the Councils. This is being reviewed by the jointly appointed Monitoring Officer.
- 12.10 During the SOLACE interviews there was little consistency regarding the staff consultation process before entering into the partnership with Waverley. Some of those interviewed mentioned that they had been consulted prior to the arrangements being put in place, whereas others mentioned that they had not been aware of the arrangements until the press announcements.
- 12.11 Assuming the partnership is to continue, there needs to be an agreed understanding of the effectiveness of the collaborative working arrangements between the Councils. The governance and staffing structures that oversee the arrangements should be reviewed and a clear transition plan should be agreed.
- 12.12 The sharing of the top three tiers of management between Guildford and Waverley Councils is a key feature of the governance arrangements for both Councils and has been for some time. These arrangements were partially in place during the period in which the serious issues at Guildford Council developed. In view of this it would be prudent for Waverley Council to assure itself that similar risks and issues are not present in that authority."
- 12.13 The capacity issues described in section 7 of this report are significant and need to be addressed by the Council. If they are not, it is likely that tensions will arise in the governance of the partnership for example in relation to the level of senior management time that will have to be devoted to resolving the issues at Guildford.

## **Recommendations**

- 12.14 It is recommended that the Council shares this report with Waverley Borough Council and discusses the implications with its Members, through the established partnership arrangements. As part of these discussions and given that all senior officers are shared between the two Councils, it is suggested that Waverley considers carrying out a similar review in order to assure itself that similar risks and issues are not present in that Council.
- 12.15 It is recommended that the Council reviews with Waverley Borough Council the priorities for and resourcing to support the transformation programme.

## **ENDS**

## **APPENDIX A - LIST OF RECOMMENDATIONS**

### **Continuous Improvement**

- 6.7 It is recommended that the Council undertake a development programme for Members and officers which enables them to understand the Best Value requirements for continuous improvement, the challenges faced and the actions that are necessary.
- 6.8 It is recommended that the Council develops and implements a comprehensive Improvement Plan encompassing all the detailed recommendations in this report which are necessary to stabilise the Council's operations and to avoid the risk of failing in its Best Value duties as well as giving all Members and the public confidence that the Council is operating with sound governance and systems. Progress in implementing the Plan should be reported to the Council at six monthly intervals for three years.
- 6.9 It is recommended that the Council considers appointing an Independent Improvement and Assurance Panel of specialist non-executive advisers who should be in place for at least two years to advise on and provide support for the Chief Executive and the political leadership of the Council during the period when the Improvement Plan is being developed and delivered. Given that the Chief Executive (and the entire senior management team) is shared with Waverley Borough Council, the way the Panel interfaces with the Council needs to be understood and managed in the context of the partnership and should be considered through the established partnership arrangements.

### **Leadership**

- 7.13 It is recommended that a new corporate strategy is developed which clearly states the Council's:

- i) Purpose which brings all Members and officers together to work as one team pursuing a shared endeavour,
- ii) priorities which give direction to the organisation and provide the basis for managing the Council's performance and,
- iii) values which reflect the Council's aspirations for the way it wishes to operate and provide the basis for the behaviours which all Members and officers are expected to demonstrate.

7.14 It is recommended that the Council carry out an options appraisal on the best means of achieving the capacity and capability delivering the Review's recommendations.

7.15 It is recommended that the Council review the range of strategies and policies which need to be developed (including the people plan, IT strategy and procurement strategy) to support the secure operation of the Council, clarify the timescale for their development and ensure the necessary resources are in place to support this work.

7.16 It is recommended that the Council develop a communications plan which provides the basis for ensuring that all internal and external stakeholders are aware of the Council's corporate strategy, the challenges it faces and the improvement plan.

## **Governance**

8.17 It is recommended that:

- i) the way the Council and the Executive (including individual Members) operates is reviewed and revised to ensure its agendas, reports, minutes and decision making reflects its role appropriately,
- ii) the way the Overview and Scrutiny Committee operates and plans its work is reviewed and revised to ensure it provides more effective oversight and constructive challenge which contributes to the Council's priorities and the improvement agenda,
- iii) the terms of reference and title of the Corporate Governance and Standards Committee is reviewed to ensure that the audit function is not marginalised or seen to be so – consideration should be given to the formation of a separate Audit Committee.

8.18 It is recommended that the Council commission and support a development programme by September 2024 for Councillors particularly for Members in leading roles (Executive, Chairs and Vice Chairs of Committees and Group Leaders). The programme should, amongst other things, build a deeper understanding about the legitimate rights of Councillors for information which enable them to carry out their roles.

8.19 It is recommended that:

- i) the corporate management arrangements are reviewed including the ways in which the CMB works together and makes decisions, the range and roles of the various corporate management forums and the role of Strategic Directors,
- ii) a performance management system is put in place across the authority for measuring the achievement of priorities, the delivery of services and management of budgets across the authority's services,
- iii) the current HR policies and processes are reviewed and confirmed.

8.20 It is recommended that to enable decision-makers to be held to account effectively, the Council ensures that its schemes of delegation and decision-making protocols are reviewed regularly and that everyone concerned understands and follows them.

### **Culture**

9.12 It is recommended that Members and officers work together (as part of the corporate strategy process) to review and challenge the values which have become the norm in the Council and to develop the values which reflect shared aspirations for the way they wish to operate and provide the basis for the behaviours which everyone concerned is expected to demonstrate.

9.13 It is recommended that the Joint (cross party) Councillors working group between Guildford and Waverley should continue to review and update the Council's constitution and this is underpinned by a programme of training, so that the processes and clear decision-making, including the circumstances of exercising delegations, is understood.

9.14 It is recommended that the Council should ensure that all decisions are evidenced and recorded following good principles of public law such as reasonableness, proportionality and fairness.

### **Use of Resources**

10.11 It is recommended that the Council take action quickly to ensure the capacity and capability of the finance team is maintained pending the departure of the interim appointments and ensure that new financial policies and procedures are developed fully, embedded and reviewed regularly so that are always fit for purpose.

10.12 It is recommended that the Council reviews the MTFP to ensure it aligns with the corporate strategy and the Council's priorities and that it reflects the future year impacts of historic investment decisions including those mentioned in this report.

10.13 It is recommended that the Council request the Corporate Governance and Standards Committee to consider formal action and or a formal response to the External Auditors in respect of the Value for Money matters it raised in September 2023.





- 10.14 It is recommended that the Council should review the arrangements and operation of the Executive Shareholder and Trustee committee to ensure that it is following good governance practice.

### **Service Delivery**

- 11.9 It is recommended that the Council put in place a system for the consistent design and approval of service plans and their associated budgets and, in doing so, make sure that this fits in with the corporate performance management system the Council introduces, that it provides for clear accountability and reflects the scheme of delegations approved by the Council.
- 11.10 It is recommended that the Council consider instigating further in-depth reviews in services which procure large contracts in order to identify any issues that might exist and to assure the Council that the kind of problems that developed in the housing services are not present in others.
- 11.11 It is recommended that the Council reviews the existence and operation of the generic back-office team handling a range of different processes, and its relationship with front line services so that any inefficiencies can be resolved and to pave the way for a shared operating model with Waverley Borough Council if that is what the Council decides it wants.
- 11.12 It is recommended that the Council consider reviewing the Transformation programme in the light of this report and its recommendations including its priorities and resourcing.

### **Partnerships and Community Engagement**

- 12.14 It is recommended that the Council shares this report with Waverley Borough Council and discusses the implications with its Members. through the established partnership arrangements. As part of these discussions and given that all senior officers are shared between the two Councils, it is suggested that Waverley considers carrying out a similar review.
- 12.15 It is recommended that the Council reviews, with Waverley Borough Council the priorities for and resourcing to support the transformation programme.

**ENDS**

## APPENDIX B

### LIST OF INTERVIEWEES

<p><u>The Executive</u></p> <p>Cllrs Julia McShane, Leader of the Council  Cllr Tom Hunt, Deputy Leader  Cllr Richard Lucas  Cllr Angela Goodwin  Cllr Carla Morson  Cllr George Potter  Cllr Fiona White  Cllr Catherine Houston  Cllr Merel Rehorst-Smith</p>	<p><u>Group Leaders</u></p> <p>Liberal Democrats: Cllr Julia McShane  Conservative: Cllr Philip Brooker  Residents for Guildford &amp; Villages: Cllr Joss Bigmore  Guildford Greenbelt Group: Cllr Patrick Oven  Labour: Cllr James Walsh</p> <p>Other Councillors:  Cllr M. Smith</p>
<p><u>Corporate Governance &amp; Standards C'tee</u></p> <p>Cllr Phil Bellamy, Chair  Cllr Bob Hughes, Vice Chair</p> <p><u>Independent Persons</u></p> <p>Andrea Armstrong  Vivienne Cameron  Jane Clarke  Bill Donnelly</p> <p><u>Auditors</u></p> <p>Paul Cuttle, Grant Thornton External Auditors  Iona Bond, Southern Internal Audit Partnership</p>	<p><u>Statutory Officers</u></p> <p>Tom Horwood, Chief Executive (till 9.2.24)  Pedro Wrobel, Chief Executive (from 19.2.24)  Susan Sale, Monitoring Officer  Richard Bates, Section 151 Officer (interim)</p> <p><u>Strategic Directors</u></p> <p>Annie Righton, Community Wellbeing  Dawn Hudd, Place  Ian Doyle, Transformation &amp; Governance</p> <p><u>Others</u></p> <p>Jeanette McGarry, Independent Reviewer of the Housing Maintenance Service</p>
<p><u>Executive Heads of Service</u></p> <p>Nicola Haymes, Communications &amp; Customer Services  Sam Hutchison, Community Services  Mark Allen, (Interim) Environmental Services  Marieke van der Reijden, Assets and Property  Claire Upton-Brown, Planning Development  Abi Lewis, Regeneration &amp; Planning Policy  Richard Homewood, Regulatory Services  Kelvin Mills, Commercial Services  Richard Bates, (Interim) Finance</p>	



Susan Sale, Legal & Democratic Services  
Robin Taylor, Organisation Development  
The Head of Housing Services post was vacant during the period of this review.

## **APPENDIX C - TERMS OF REFERENCE FOR THE REVIEW**

### **INDEPENDENT GOVERNANCE REVIEW 2023: GUILDFORD BOROUGH COUNCIL**

Over the past year, a series of issues has emerged at Guildford Borough Council which showed that governance, monitoring and due process in some areas have not been sufficient. Issues have been reported by officers and Internal Audit to the Corporate Governance and Standards Committee, the Executive and the Full Council since October 2022.

From an initial perception that GBC required remediation in specific areas, the Council's three Statutory Officers have come to the view that the essential building blocks of good governance, culture, behaviours and transparency should be reviewed and improved.

An external and independent consultant or team of consultants with experience of best value reviews and improvement work within local authorities is sought to undertake this independent governance review and report to the Council with its findings and recommendations. A scoping document is attached. Such an independent governance review would also feed into and be assisted by GBC's Corporate Peer Challenge scheduled for January 2024.

Tom Horwood  
Head of Paid Service

Susan Sale  
Monitoring Officer

Richard Bates  
Section 151 Officer

27 November 2023



## **Proposed Outline Consultancy Brief: Independent Governance Review of Guildford Borough Council 2023**

### **1.0 NATURE OF THE PROJECT**

To undertake a formal and independent Governance Review of the Council.

### **2.0 LEAD CLIENT**

The three Statutory Officers:

- Tom Horwood, Head of Paid Service, Chief Executive
- Susan Sale, Monitoring Officer, Executive Head of Legal and Democratic Services
- Richard Bates, Section 151 Officer, interim Executive Head of Finance

### **3.0 NATURE OF PROJECT DELIVERY**

The consultant(s) will undertake an independent review to take place as quickly as possible and on the basis akin to that of a Best Value Governance Inspection under the Local Government Act 1999.

The terms of reference for the resulting report will include:

1. the operation, culture and structure of the organisation;
2. the effectiveness of political and organisational leadership;
3. the capacity and/or capability to provide the organisation with clear and effective strategic direction;
4. use of resources and the impact of governance on the organisation's ability to deliver best value;
5. the impact of corporate governance on service delivery;
6. the culture of openness, transparency and trust within and between the officers and members;
7. openness to challenge;
8. effective engagement with external partners;
9. review of whether the key building blocks for good governance are in place;
10. review of whether the key policies for good governance in local authorities is in place and up-to-date;
11. consideration of training and development needs of officers and councillors to reflect and uphold good governance.

Without prescribing your methodology, the Council would want you to consider conducting but not exhaustive:

- Interviews with all Group Leaders, Executive Members and other key members including the Chair and Vice Chair of the Corporate Governance and Standards Committee;
- Interviews with the Statutory Officers, Chief Officers including Strategic Directors and Deputy Chief Officers including Executive Heads of Service;
- Interviews with the external auditor, internal auditors and key strategic partners including key members of Waverley Borough Council.

#### **4.0 RECOMMENDATIONS**

The appointed consultant(s) will present their report and any recommendations in public to the full council.

In the event that the consultant(s) has/have urgent or interim recommendations, these should be presented to the Statutory Officers, or appropriate council committee.

#### **5.0 ACCESS TO INFORMATION**

The Head of Paid Service will arrange for the consultant(s) to have access to any information, whether confidential or not, which the consultant(s) require, in order for them to perform their task. The consultant(s) will be mindful of legal obligations towards others, including issues of confidentiality, data protection and defamation in drafting their report, if necessary, anonymising or redacting their report and will seek to minimise the prospects of successful challenges being presented.

The Consultant(s) should in the first instance refer any queries to the Lead Client.

If further resources are required to undertake this task, please refer to the Lead Client who will seek to assist.

#### **6.0 MANDATORY INFORMATION**

The consultant(s) is/are required to provide the following mandatory information

- Company name and registration;
- The Company's ability to comply with General Data Protection Regulations (2018) as they will be handling personal identifiable and confidential data and all necessary data protection arrangements;
- The Company's insurance arrangements;
- The Company's Professional Indemnity Certificate;
- The Company's Companies House Validation;
- Whether IR35 will impact on the scope of the work tendered for or whether the Consultant(s) will expect to be payrolled.

#### **7.0 TIMELINE**



This report is required as a matter of urgency. Please provide a timeline with key milestones for how the contract will be delivered.

## **8.0 DEADLINE FOR SUBMISSION OF RESPONSES**

Responses to this Request for Quotation are requested by no later than 4.00pm on Friday 1<sup>st</sup> December 2023.

## **9.0 ANTICIPATED PROJECT COMMENCEMENT DATE**

It is anticipated that the consultant will commence the services during the week commencing Monday 11<sup>th</sup> December 2023.

## **10.0 ANTICIPATED COMPLETION DATE**

It is anticipated that the review will be completed and report be ready for presentation within 12 to 16 weeks from the commencement date.

## **11.0 CRITERIA FOR ASSESSMENT**

80% Quality 20% Price

## **12.0 QUALITY CRITERIA**

80% Weighting

- Experience of the team assigned to undertake the project (previous references and case study evidence): Please provide recent evidence and experience of relevant reviews with comparable Organisations, providing case studies and two reference organisations (40%)
- Qualifications and Experience of proposed team: Please provide current up to date CV's of the proposed team to undertake this project, highlighting recent relevant experience to undertake a review of this nature (20%)
- Project Methodology: Please provide a proposed draft outline project plan to meet this project's objectives and required timescales (20%)

## **13.0 PRICE CRITERIA**

20% Weighting

Please provide the total cost of review and also show breakdown of daily rates of proposed team (20%).

Any queries or requests for clarifications should be directed to Adrian Swift, Lead Specialist – Procurement.



You must make the Authority aware at the earliest possible opportunity where a potential conflict of interest exists between the Consultant, the Authority and/or its advisors.