

Little solace for Guildford from fraud report

Weak governance and poor scrutiny at Guildford Borough Council created a 'quick fix culture' that allowed potentially millions of pounds to be defrauded from the public purse while vulnerable housing tenants suffered, a new report has found.

The council has apologised unreservedly and pledged to adopt every recommendation – of which there are more than 70 – after a Society of Local Authority Chief Executives (SOLACE) review found its practices posed a serious risk to residents.

The report, released on Tuesday May 7, covered how the culture at the council created an environment where housing budgets were able to skyrocket and pushed the authority towards bankruptcy.

It covers a general overview of the stages that lead to an arrest, two council staff members being suspended, and five agency workers having their contracts terminated.

In February 2022, the council agreed to invest a total of £24.5m to bring its housing stock up to standard and a three-year contract with a value of £5.4m was agreed for testing and inspection. In less than three years that ballooned to £18.9m spent – a £13.5m overspend.

There was an increase in complaints concerning repairs and enhancements from tenants, the review found. This happened while the Housing Surveyor Team was vacant and had no permanent surveyors.

The report read: "This lack of in-house expertise and capacity meant that the council often didn't inspect and check work and were reliant upon agency staff. There was also incompleteness of data which compounded matters." It added: "After making initial enquiries, it came to light that there was concern regarding risk to the council and the following matters were raised:

That work may have been ordered when it wasn't necessary. *That work may have been ordered, invoiced and paid for when it was not completed at all or *Not to a satisfactory standard. *That duplicate invoices may have been submitted and paid for the same work. *That works may have been ordered and undertaken that were not the responsibility of the council.

This triggered a criminal investigation in August 2023 resulting in the suspension of two employees and five agency workers having their contracts terminated.

Whistleblowers first raised the alarm in September 2022 but it was not until 2023 that serious action into how housing budgets of about £5.4m a year had ballooned to more than £17m.

The initial investigation was conducted by Reigate and Banstead Borough Council's anti-fraud unit before being handed over to the South East Regional Organised Crime Unit of the Police.

The council then ordered a series of reviews, with the results published late on Tuesday, May 7 – although the allegations of potential fraud were outside the review's scope.

Despite that shortcoming, the review did find there was serious failure to follow due process in the procurement and management of housing maintenance contracts.

The council has now published an in-depth improvement plan, with more than 70 recommendations, to address every finding from the two reports, and, it says, to ensure it provides services that residents and businesses can be proud of.

Leader of the Council, Councillor **Julia McShane**, said: 'The people of Guildford deserve better from their council and for that we give a heartfelt apology and a commitment to put right the long-standing issues which we have uncovered. We have invited scrutiny and embrace accountability and will not rest until we have a resilient, well managed council of which we can all be proud.'

Deputy leader, Cllr **Tom Hunt**, said: 'We apologise unreservedly to the residents and taxpayers of Guildford. The SOLACE reports identify serious issues around the council's governance, operations, and controls. This is unacceptable. We are utterly determined to root out every problem and to put matters right. The people of Guildford deserve nothing less.'

Pedro Wrobel, chief executive of Guildford and Waverley Borough Councils, said: "'I recognise everything that the SOLACE reports identify, and accept all the findings in full. This is not okay, and I came here to deal with it. Over the past two and half months, we have been developing a comprehensive Improvement Plan to address the issues at Guildford Borough Council. It addresses every recommendation from these reports and goes further.'



"I am delighted with the appointment of the Independent Assurance Panel. It is critical that we make everything open and transparent. We are here to do the right thing, not the easy thing. I am determined to ensure the council is sustainable, delivers excellent value for money, and provides services that our residents and businesses can be proud of.

"We will not do this alone. I look forward to working with partners and our communities and businesses to make Guildford a brilliant place to live, work and do business."

A police investigation and an employment investigation carried out by an external law firm are continuing, the council said.

The Local Democracy Reporting Service has read through the documents with this being the first of several stories to be written about the findings.

Further stories will look in greater detail at the steps the council is taking, the impact of the merger with Waverley Borough Council and the views of the community and residents.

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