

EXECUTIVE

TUESDAY, 25TH JANUARY, 2022

SUPPLEMENTARY INFORMATION SHEET

Agenda No Item

12. **Supplementary Information Sheet (Pages 1 - 12)**

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EXECUTIVE

25 JANUARY 2022

SUPPLEMENTARY INFORMATION

Procedure for the discharge of business at this meeting

The Leader of the Council welcomes the attendance of members of the public and non-Executive councillors at this meeting.

The procedure for dealing with each item of business shall be as follows:

1. Lead Councillor to introduce report on the matter
2. Non-Executive councillors invited to ask a question or comment, for which they will have a maximum of **five** minutes each
3. Lead councillor to respond to comments and questions
4. Executive debates the matter
5. Executive to make decision on the matter

AGENDA ITEM 5: YVONNE ARNAUD THEATRE GRANT FUNDING (Pages 11 - 32)

Lead Councillor: Councillor Joss Bigmore, Leader of the Council (in the absence of Councillor James Steel, Lead Councillor for Environment)

Lead Officer: Steve Benbough, Strategy and Communications Manager

Extract from Draft Minutes: Strategy And Resources Executive Advisory Board 6 December 2021

The Executive Advisory Board (EAB) received an introductory presentation from the Strategy and Communications Manager regarding the mandate in respect of the Yvonne Arnaud Theatre (YAT) grant. The mandate addressed the following areas:

- Introduction
- Strategy
- Strategic options to deliver a solution
- Considerations
- Resources
- Risks, assumptions and issues
- Dependencies, constraints and opportunities
- Internal stakeholders
- Next steps
- Appendix 1 – Key Financial Data and Ratios

The presentation explained that the YAT provided a mixture of professional theatre both directly produced and received in its main house, an annual programme of small-scale touring companies and a term-time education programme for young people. In addition, the Mill Studio hosted theatre by local amateur and semi-professional companies.

The YAT had been supported financially by the Council for many years. Following a report to the Executive in February 2015, the annual grant to the Theatre had been set at £310,220 each year for the three-year period from 2015/16 to 2018/19 with no provision for inflation. At that time, it was highlighted that the Council would face financial pressure to reduce the amount of the grant

over following years and the YAT was expected to manage cost reduction and additional income generation programmes over time to compensate for the reduction.

Despite substantial reductions to the Council's central government funding over the last decade, YAT funding had remained at the same level since 2018/19. The Council was now facing a projected budget deficit of £6 million over the next four years and needed to make substantial savings across its discretionary services. Although grant funding to the YAT had been protected to date, this was not a sustainable position in the future owing to the amount of the grant and the Council's financial challenges.

The mandate set out five options for future funding of the YAT in the context of the Council's challenging financial position and corporate priorities. The Options consisted of (a) Do nothing, (b) Do something [1], (c) Do something [2], (d) Do more [1] or (e) Do most. Having considered the mandate at its meeting held on 3 November 2021, the Executive / Management Team Liaison Group recommended that Options (b) and (c) should be pursued and requested that further information regarding the grant as a percentage of the Theatre's turnover be provided. In response, the Group was advised that in a typical year, the Council's full grant represented 7-8% of the Theatre's turnover. This percentage increased substantially in 2020/21 to 22% due to reduced turnover caused by the Coronavirus pandemic. A credit check had been undertaken and indicated that the Theatre was in a sound financial position.

Officers met representatives of the YAT on 18 November 2021 to discuss the mandate and set out the opportunities to submit representations. The Theatre subsequently submitted a recent response and this was circulated to the EAB as a late sheet to its agenda.

The Leader of the Council advised that the mandate contained the necessary facts regarding the YAT's financial situation and the past financial support provided by the Council in order to inform a decision in respect of future grants to the Theatre, given the financial constraints currently being experienced by the Council. The EAB's views were sought in this regard to test whether it supported the Options endorsed by the Executive / Management Team Liaison Group. A consistent approach to funding reductions was welcomed.

The Resources Director declared an interest in this item as the Council's representative on the YAT Board and explained that, for this reason, she had distanced herself from this particular mandate process. The Director acknowledged that the Council's Savings Strategy posed some challenging decisions around funding reductions in relation to discretionary services in the light of the Council's projected budget deficit, which had been reported to the EAB on previous occasions.

The following points arose from related questions, comments and discussion:

1. The Council's Tourism Service had previously provided a box office service for local events and organisers that involved the provision of a ticketing facility through the Tourist Information Centre, which would receive a commission from the ticket sales. However, the YAT, which already operated its own box office function, sought to take over that service which would provide it with an additional modest income stream. When the Council was operating the box office service it was receiving income of approximately £16,000 per annum, although staffing costs would be deducted from that amount.
2. Reference was made to a presentation to councillors made by the chief executive officer of the YAT some months previously and how that might compare to the presentation given earlier in the day of this meeting.
3. Having recently attended a production at the Theatre, a councillor expressed the view that the building appeared dated and the clientele largely fell into the older age group which may require the YAT to consider offering productions which attracted an audience in a wider age range.

4. Another councillor felt that the YAT was widely valued as an artistic and cultural entertainment offering in Guildford and the rarity of touring and original theatre productions was highlighted.
5. The poor state of repair of the Mill Studio had been raised by the YAT and it was questioned whether the premises were suitable to be let at a full market rental from renewal of the lease, which was a possibility indicated in the mandate, without prior investment to improve the Studio's condition. It was envisaged that the upkeep of the main Theatre building and the Mill Studio would represent a considerable cost to the Council should it become responsible for its maintenance in the event that the YAT ceased to operate and there was a need to identify an alternative use.
6. It was highlighted that Culture and Heritage services had been identified as a low priority in recent public consultations whereas the services provided by local Citizens' Advice Bureaux had been rated as a priority. The recently approved new Corporate Plan had confirmed that the Council's priorities were homes and employment, climate change and supporting vulnerable people.
7. Although the café at the YAT had previously been let to an external provider, it had not been financially viable and therefore the offering had been re-established in-house and was achieving a modest income stream to support the Theatre.
8. The projection of films in the Theatre had occurred in the past and was suggested as an additional future use of the premises to attract income.
9. The addition of £239,177 shown in the YAT's statutory accounts for 2017/18 was a one-off amount resulting from closure of one of the Theatre's subsidiary companies in that financial year as part of a management restructure.
10. Notwithstanding Covid-19, the YAT's finances appeared to be reasonably buoyant in 2020/21 owing to its receipt of pandemic related grants, Business Rate reduction, qualification for the furlough scheme and reduced expenditure owing to fewer theatre productions being offered.
11. There was an impression that other local authorities were not in a position to offer financial support to sustain their local theatres to the same level as that provided by this Council.
12. In response to the YAT's comment that it had understood that there were certain guarantees of ongoing funding from the Council, councillors noted that the mandate stated that this was not the case. The EAB was advised that the prior three year rolling funding agreement had lapsed and the amount of and duration of future grants were at the Council's discretion. However, the YAT had requested a multi-year funding agreement in future to aid its financial planning.
13. A view was expressed that the amount of savings to be achieved by the Council in relation to the implementation of Option (b) in the mandate was a relatively small sum. Accordingly, Option (a) was favoured by the same councillor who suggested that, in the event that Options (b) or (c) were widely supported, the YAT should be consulted in respect of its preference in this regard.
14. A further councillor expressed on balance support for pursuing Option (a).
15. Another councillor expressed support for a staged reduction in the grant to the YAT, similar to that suggested in Option (b), whilst giving the Theatre an opportunity to make further representations to the Council in the event that its financial circumstances changed significantly due to the impact of the pandemic or other factors.
16. A further view preferred Option (b) implemented in a phased manner to achieve the desired saving over a three year period with the funding reduction weighted towards the latter part of the period to minimise any immediate impact on the YAT.

In summary, although there was no overall consensus amongst the EAB in respect of the Option(s) to be recommended to the Executive, two councillors favoured Option (a) and two further two councillors expressed support for Option (b). The preferences for the latter Option were on the basis that the YAT should be given an opportunity to make further representations to the Council in the event of changes to its financial circumstances and that the reductions be implemented in a phased manner weighted towards the latter part of the period to minimise any immediate impact on the YAT. As the Executive / Management Team Liaison Group had recommended that Options (b) and (c) should be pursued, under these circumstances it was felt

that the YAT should be consulted in respect of its preference between these Options and that the condition of repair of the Mill Studio be borne in mind.

AGENDA ITEM 6: SHERE PARISH COUNCIL CAR PARK – INTRODUCTION OF CHARGES
(Pages 33 - 38)

Lead Councillor: Councillor Joss Bigmore, Leader of the Council (in the absence of Councillor James Steel, Lead Councillor for Environment)

Lead Officer: Chris Wheeler, Head of Operational and Technical Services

AGENDA ITEM 7: OFF-STREET PARKING BUSINESS PLAN 2022-23 (Pages 39 - 98)

Lead Councillor: Councillor John Redpath, Lead Councillor for Economy (in the absence of Cllr James Steel)

Lead Officer: Andy Harkin, Programme Manager (Car Parks)

Extract from Draft Minutes: Service Delivery Executive Advisory Board (13 January 2022)

At its meeting held on 13 January 2022, the Service Delivery Executive Advisory Board (EAB) was invited to consider a report reviewing the off-street parking pricing structure proposals which formed part of the Off-Street Parking Business Plan 2022-23.

The Programme Manager (Car Parks) introduced the report for the EAB's consideration. The following points arose from related questions, comments and discussion for forwarding to the Executive:

1. With regard to integration of on and off-street parking, the latter had charged for parking in the evenings and on Sundays for many years whilst there had been no similar parking controls for on-street parking resulting in visitors parking on residential streets around the town centre to avoid charges at these times. This had caused issues for residents and was one of the key drivers for the recent introduction of on-street charges.
2. A move to more sustainable transport was sought and one of the few mechanisms available to the Council to influence behaviours was through its off-street car park pricing policy.
3. A reduction in demand for parking following the pandemic had not been witnessed other than in the long stay York Road and Farnham Road Car Parks which were not currently utilised to full capacity. A parking study undertaken by the Systra Group in 2020 had indicated that there was an increased demand for visitor parking and attention needed to be given to how best accommodate that within car parks or by encouraging alternative transport modes. It was acknowledged that future residential developments in the Borough were likely to generate increased demand for parking and close working with Corporate Programmes colleagues was taking place regarding the timing of the redevelopment of car parks such as Bright Hill as this would have an impact on parking capacity and demand. Possibly, the car parks with spare capacity could absorb some of the displaced parking demand.
4. The Park and Ride service had been significantly impacted by the pandemic due to factors including a shortage of drivers and a significant reduction in use by commuters, one of largest user groups, owing to an increase in working from home. Identified weaknesses with the Onslow site were the need to travel through a congested area to access the site and high operating expenses as the site was outside Council ownership. Land on the approach to Shalford was suggested as a possible Park and Ride site which could cater for new developments planned in the Cranleigh area. There was a possibility that the Artington site may be utilised as a bus depot enabling the parking of buses overnight when customer parking had ceased for the day. It was felt that improvements to the Park and Ride sites

would render them more attractive and increase their use alleviating congestion and pollution in the town centre. Therefore officers were seeking to improve and develop the service which included identifying options and opportunities to secure more economical and better placed sites. However, this was hampered by the cessation of related Government funding in the near future and the uncertainties around the future demand for the service due to changing work and behavioural patterns following COVID-19.

5. In response to a query as to whether the former Arriva garage site in Mary Road could be utilised as a Park and Ride depot or a car park, the EAB was advised that this was unlikely as the site was privately owned, at risk of flooding and possibly earmarked for redevelopment.
6. In terms of parking season tickets, it was suggested that permit holders' workplace destination should be taken into account in addition to the source of their car journey when allocating permit controlled parking bays in order to minimise congestion and pollution. Officers confirmed that, for this reason, customers and corporate clients were directed towards the York Road and Farnham Road Car Parks which acted as interceptors located in the outer areas of the town and had spare capacity.
7. An effective communications campaign would be required to explain the reasons for the proposed parking tariff increases to the public and businesses and the Parking Team were working with the Communications Team to achieve this. Some resistance to the increases was anticipated and some negative comments had been made via social media, although these may equally apply to the recent changes to on-street parking agreed by the Guildford Joint Committee concerning the introduction of controls in the evenings and on Sundays.
8. There was some support for implementing Option A to minimise the increase in the shopper tariff and encourage people to visit the town centre. However, Guildford was a regional draw with much to offer visitors and its parking charges compared favourably with other regional centres.
9. Discussions would be held with Experience Guildford and local businesses regarding the proposed parking tariff increases to address any fear of a resulting reduced footfall in the town. Past experience had shown that shoppers valued parking convenience over the level of parking charges and increased tariffs did not reduce footfall or negatively impact on businesses. Charges varied between different car parks giving drivers some options.
10. Consideration should be given to the possible introduction of reduced off-street parking tariffs on Thursday afternoons and evenings to coincide with and support the late night shopping initiative in Guildford. Such reductions could also be applied to other events such as the Queen's Platinum Jubilee celebrations.
11. This Council should continue discussions with Surrey County Council with a view to securing provision of 'end to end active travel' amenities in the form of secure cycle parking facilities as electric bikes and cycling were encouraged and becoming more popular as a sustainable mode of transport.

In conclusion, the EAB indicated its general support for the proposed increases in the off-street parking tariffs recommended in the report. The Board recognised the challenges that the Council faced in relation to encouraging different behaviours with a view to tackling climate change and improving air quality. As factors such as public transport were largely outside the Council's control, it was felt that further work should be undertaken in this area to secure improvements and encourage greater use where possible.

Suggested Amendment to the Recommendation:

An amendment to the recommendation is being suggested to delay implementation of the proposed amendments to the shopper tariff from 1 April to 1 July 2022 to allow a period of additional support to shoppers and businesses during the period immediately after current Covid restrictions are anticipated to come to an end.

All other proposed tariff changes will come into force on 1 April 2022.

The effect of the delayed implementation of the shopper tariff is to reduce our anticipated income by £180,000. Consequently, it will be necessary to make a transfer from the car parks maintenance reserve to offset this reduction, which will be factored into the budget report for full Council on 9 February 2022.

If the Executive is supportive of the suggested delay, the recommendation on page 39 of the Executive agenda is amended as follows:

Shopper Tariff

- (1) **Option B** - to change, **with effect from 1 July 2022**, the shopper tariff from **£3 for up to 3 hours, £6 for 3-6 hours and £12 for more than 6 hours**, to **£3.60 for up to 3 hours, £7.20 for 3-6 hours and £14.40 for more than 6 hours** (Bedford Rd MSCP, Castle MSCP, GLive, Millbrook, Tunsgate, York Rd MSCP)

Add the following recommendation and re-number subsequent recommendations as appropriate:

- “(2) To include an additional transfer of £180,000 from the Car Parks Maintenance Reserve within the final General Fund Budget Report to be presented to the Council at the Budget Meeting on 9 February 2022 to cover the revenue implications of the delayed implementation of the Shopper Tariff.”**

AGENDA ITEM 8: CAPITAL AND INVESTMENT STRATEGY (2022-23 TO 2026-27) (Pages 99 -246)

Lead Councillor: Councillor Tim Anderson, Lead Councillor for Resources

Lead Officer: Victoria Worsfold, Lead Specialist - Finance

Extract from Draft Minutes: Joint Executive Advisory Board (10 January 2022)

The Joint Executive Advisory Board (EAB) was invited to consider this report regarding the Capital and Investment Strategy 2022-23 to 2026-27 at its meeting held on 10 January 2022.

The Lead Specialist - Finance introduced the report and sought comments from the Joint EAB in respect of the capital bids outlined within the appendices to the report. The following points arose from related questions, comments and discussion relating to the bids for forwarding to the Executive:

Guildford Economic Regeneration (GER) Programme

This programme, which consisted of the delivery of a proactive strategy incorporating a master plan for the comprehensive economic and physical regeneration of Guildford town centre, involved expenditure in the region of £3 million over a two year period. In response to some expressed concern, the Joint EAB was assured that full consultation would be undertaken in respect of each element of this long term scheme, such as flooding, transportation, and delivery of homes. Early work was likely to involve flood remediation measures. Once the current work in this regard had been progressed to a sufficient stage with evidence of the intention to pursue the programme, available grants would be applied for to provide the necessary funding.

Stoke Park Paddling Pool

This bid sought capital funding to replace the Stoke Park paddling pool rubber crumb surface during April 2022 to enable the paddling pool to be operated for the next season and beyond. Full support was expressed for the safe and hygienic continuation of this service which was

highly valued by many families. A query as to whether the service would be open from the commencement of the season for use of the pool would be referred back to relevant officers for a response.

Albury Closed Burial Grounds

There was a statutory obligation and health and safety reasons to maintain the heritage boundary wall of the closed burial ground at the old parish church of St Peter and St Paul, Albury. Whilst these were recognised, some concern regarding the related level of expenditure, involving the engagement of specialist architects, was expressed in the light of the Council's Savings Strategy. It was confirmed that the burial ground was closed to new burials and not to visitors of the existing burials. Queries around the timing of the bid to undertake the maintenance work and the estimated cost of the wall repairs could be referred to relevant officers for a response and explanation of the amount of the budget bid.

Chilworth Gunpowder Mills

Recent renovation and repair work at the Gunpowder Mills had led to the discovery of a significant defect with a stone culvert and spillway beneath the main access path into the site. The possibility of temporarily or permanently closing this site was suggested in reflection of the Council's financial constraints which limited its ability to address the related health and safety liability which would render the Council culpable in the event of any injuries. Councillors were reminded of the outcome of the recent public consultation which had indicated that investment in respect of the Borough's heritage was the lowest priority for residents. However, owing to the numerous points of access to the site, it was not possible to close it to the public and therefore the investment in securing health and safety measures was considered unavoidable. The historic artefacts at the site were felt to be incidental to visitors to the site who were mainly walkers.

Fleet Replacement Programme

Whilst acknowledging the environmental benefits of replacing fleet vehicles with new electric models that contributed to climate change targets, the possibility of delaying the replacement of refuse vehicles was raised in view of the significant purchase cost of £2.5 million.

The Joint EAB was advised that the Fleet Team historically operated on the basis of a rolling programme of vehicle replacement, and it was unfortunate that vehicles due for replacing in the next financial were costly refuse lorries. It was suggested that the Council did not need to continue the rolling programme and should consider alternatives such as retaining vehicles for longer and adopting a maintenance plan to extend their life. Although new vehicles would be less costly to maintain, their value depreciated rapidly. There was also the question of what style and power source of refuse vehicles would be required in the future as refuse and recycling circumstances changed and it was suggested that further research should be undertaken prior to expending funds in respect of vehicle purchases.

One councillor was of an opposing view and advised that this process aimed to earmark a capital provision which did not necessitate the expenditure of funds if the exacting tests were not met. As environmental circumstances and technologies were constantly changing, it was difficult to identify a correct time to purchase new vehicles. Although the Council's financial pressures lay in its Revenue Account and new vehicle purchases would be funded from the Capital Programme, the expenditure of capital would have revenue implications. Any borrowing would not be sought until the Council had fully established its borrowing needs. It was recognised that there was a market in respect of second-hand reconditioned refuse vehicles which was possibly an economic alternative to purchasing new vehicles.

Another factor was whether this Council continued an in-house waste and recycling collection service or formed a closer collaboration in this area with Waverley Borough Council which operated an outsourced approach. However, it was advised that it would be approximately six

years before Waverley's contract expired and there was doubt that this Council's current refuse vehicles could be operated for that length of time without replacement.

The Lead Councillor assured the Joint EAB that, in order for expenditure of this amount to be approved, challenges and rigorous justification tests would be undertaken. The Joint EAB thanked the Lead Councillor for his assurances and confirmed the need for more research, understanding and rigorous testing prior to any expenditure commitment being made.

YMCA Lighting

The present lighting at the YMCA steps was poor and the Joint EAB indicated its support for this proposal to improve the lighting on health and safety and public access grounds.

Millmead House Lifts

The present lifts at New Millmead House, which with some past upgrading were in the region of 40 years old, were failing and in need of further upgrade. Under the Equalities Act, the Council was required to provide safe and reliable lifts. The Board questioned whether it would be possible to continue without upgrading the existing lifts for a further period of time to delay incurring the significant associated costs, particularly in view of the number of staff currently working from home and the resulting diminished use of the lifts.

The Board was advised that the Council was obliged to ensure that disabled people were not disadvantaged by inoperable lifts. Also, as the Council was actively seeking to lease office floorspace to new tenants as a form of income, malfunctioning lifts were not a feasible option. These factors were acknowledged by the Joint EAB, and it was suggested that communications with the public should stress that, whilst the Council was seeking to avoid unnecessary expenditure, investment in some projects such as this was required.

Yorkies Bridge Lighting

Yorkies Bridge and the approaches to it were currently lit by poor and constantly failing lighting. Therefore, this bid to improve the lighting at Yorkies Bridge, which was heavily used by students and local residents, was supported and would be appreciated by users.

Memorial Wall

This mandate sought a capital bid to complete a Memorial wall and garden, landscaping, and associated ground works at Guildford Cemetery. Whilst the Joint EAB was reluctant to endorse this level of spending in respect of memorial facilities, it supported the bid to avoid the distress that may be caused to bereaved people in the absence of such facilities.

Cemetery Tarmacking

Funding to undertake tarmacking and curbing in two cemeteries, namely, The Mount and Stoke Cemetery, was sought. This bid was supported in the interests of health and safety, meeting statutory obligations and improving the journey for loved ones travelling to the cemeteries.

Castle Multi-Storey Car Park / Car Park Lighting

It was hoped that maintenance repairs to the architectural 'turrets' on each corner of the above Car Park structure and car parking lighting schemes relating to Castle, York Road, Leapale Road and Farnham Road Car Parks could be funded from the Car Park Maintenance Reserve, and possibly from Salix Government funding in the case of the latter.

The same officer would pursue all the lighting schemes to achieve a co-ordinated approach in the interests of efficiency in the event that the related bids were approved. It was not anticipated that

Surrey County Council would be in a position to contribute funding towards the lighting projects and would only provide and maintain street lighting for new residential developments.

HRA Maintenance Programme

Councillors noted the details of the HRA Maintenance Programme, which totalled £24.5 million to be funded from HRA resources, and that the Table in Appendix 15 to the report would be updated to reflect additional funds for development projects to be added.

The Joint EAB's comments in respect of the bids would be added to the report and the Board indicated its support for the recommendations to the Executive and Council contained in the report, including the deletion of some named schemes from the Capital Programme.

Mandate Proposal to Upgrade or Replace Housing Management and Asset Software Management Systems

The Head of Housing introduced the proposal advising that the mandate had been developed around the replacement of the ICT system currently utilised for managing the Council's housing stock of approximately 5,200 properties. The existing system consisted of two elements, namely, Orchard, the current and main Housing Management System which had been operated by the Council for more than 20 years, and Keystone, which was utilised in tandem with Orchard as the Housing Property Asset Management System. This mandate covered both systems which worked independently of each other.

The strategic options available to the Council to deliver a solution were:

Option 1 – Pursue a new combined solution procurement exercise to either replace existing systems with a new combined housing and asset management system or undertake a full upgrade of both current systems with innovative solutions.

Option 2 - Upgrade the Orchard system in the short term and replace Keystone with Cx Asset Management entering both onto the Council's new network. Such an upgrade would require data clean-up data and information together with further updates / upgrades which would make ready the system in preparation for any future procurement exercise to update the system later.

Option 3 – Do nothing leading to use of unsupported and obsolete systems and processes without compliance with the General Data Protection Regulation or procurement guidance.

Based on consideration of the information available, the mandate recommended Option 1 as the Option to be progressed.

In response to a councillor's query regarding the alignment of the proposed ICT systems with others within the Council, the Joint EAB was advised that it was the intention to introduce a system which interfaced with a range of other systems, including those of the Council and its contractors, in areas including gas, electricity, and property repair and maintenance. This would enable the transfer of data and information between systems to provide a single integrated approach.

Whilst the Joint EAB did not express any particular view regarding the options contained in the mandate, it was generally supportive of the proposal to move towards a new modern integrated system.

Extract from Draft Minutes: Corporate Governance and Standards Committee (20 January 2022)

At its meeting held on 20 January 2022, the Corporate Governance and Standards Committee considered the Capital and Investment Strategy and endorsed the recommendations to the

Executive and Council (as set out in the Executive report), together with the following comments which were referred to in the debate and summarised below:

1. Whether the spending objectives for evaluating the benefits of capital schemes should include 'impact on the environment' in the context of the Council's Climate Emergency declaration. In response, officers indicated that this would be taken on board for future consideration. The Committee would also like to see more capital projects coming forward that addressed issues relating to the Climate Emergency.
2. In response to an enquiry as to the risks associated with increasing inflation, especially with regard to affordability, borrowing, and the effects of slippage in the capital programme, officers acknowledged that inflation was a real concern and that provision for this should be made in the Council's Corporate Risk Register. The Council did not inflate its capital schemes as a matter of course, but it was noted that the tendering process mitigated some of the impact of inflation.
3. In response to an enquiry as to why it was proposed to fund the upgrade/ replacement Housing Management and Asset Software Management Systems from the HRA, it was explained that these systems were used to administer properties within the HRA.
4. In noting that the interest receivable had been calculated before base rates had increased, a question arose as to whether interest payable and the affordability of the Council's borrowing had been factored into the future cost of borrowing. In response, officers drew attention to the fact that most of the Council's borrowing would theoretically come from the Government's Public Works Loan Board, which was based on gilts that fluctuated. However, the majority of the borrowing was currently fixed on the HRA, with an assumption of a higher interest rate of 2.5% for the GF element.
5. It was noted that the Council did not have a dedicated officer responsible for identifying possible sources of grant funding. Although the Council had signed up to GrantFinder, with limited success, external funding towards major projects had been sourced on a project-by-project basis mainly from government – for example via the LEP and housing infrastructure funds.
6. In response to continuing concerns over delays progressing schemes in the HRA Capital Programme, officers acknowledged the slippage in both the GF and HRA Capital Programmes, which had been monitored over a number of years. The Committee was reminded of the measures the Council had put in place to address this matter including the introduction of the PPM governance framework for projects, and the new Major Projects team introduced following Future Guildford. In relation to the HRA Capital Programme, officers had sought to develop a broad portfolio of schemes of varying types, size, and structure in order to overcome this issue.
7. Query as to whether the proposed capital expenditure of £24.5 million in 2022-23 on maintaining the existing housing stock was absolutely necessary given that most bathrooms, kitchens, and roofs normally functioned beyond a ten-year life cycle, and whether the Council should have a process of looking at what actually needed to be replaced. In response, officers advised that decisions were based on data gathered from stock condition surveys, together with guidance following changes in legislation post Grenfell. In addition, there was an urgent need to address requirements for smoke detection, fire alarm, and carbon monoxide systems. The Committee also noted that the Council followed the Decent Homes Standards in managing its housing stock, which required certain elements to be replaced after a specified period of time. Finally, it was noted that due to the age of the stock and given that a number of elements had been undertaken 30 years ago, it was now necessary to undertake these replacement works.
8. In response to a request for clarification on "pipeline bids", officers confirmed that the Council had a long list of schemes that over a period of time had been reviewed and, following further discussions with Planning officers, viability work had been carried out. Following that work, some schemes had been brought forward for implementation.

AGENDA ITEM 9: HOUSING REVENUE ACCOUNT (HRA) BUDGET 2022-23 (Pages 247 - 280)

Lead Councillor: Councillor Tim Anderson, Lead Councillor for Resources

Lead Officer: Matt Gough, Head of Housing

Extract from Draft Minutes: Joint Executive Advisory Board (10 January 2022)

A report outlining the proposed Housing Revenue Account (HRA) budget for 2022-23 was before the Joint Executive Advisory Board (EAB) for consideration at its meeting held on 10 January 2022.

Following introductions by the Resources Director and Head of Housing, the Joint EAB considered the report, and the ensuing points arose from related questions, comments and discussion for forwarding to the Executive:

1. Some concern was expressed in relation to the comment in paragraph 5.5 of the report that the wider social housing sector was becoming increasingly commercial moving towards market rental levels. However, the Council's stock remained designated as social housing. Approximately 97% of Council tenants were charged rent at social rent levels whilst the remainder paid affordable rent levels or were in a shared ownership arrangement. Therefore, the majority of Council rents were considerably lower than those charged by most housing associations, which limited the Council's cashflow opportunities. For those tenants in receipt of Housing Benefit, rent payments were covered up to the affordable level in accordance with the current Government framework. There were no indications that this framework was likely to be amended in the near future.
2. In terms of building cladding, fire risk assessments had been undertaken in respect of the Council's entire housing stock following the Grenfell tragedy and the findings indicated that there was no cause for concern in this area as none of the stock was cladded with the type of cladding utilised at Grenfell Tower. A recommendation arising from the Grenfell inquiry had been to review the manner in which fire risk assessments were undertaken resulting in the identification of new approaches and the issue of updated guidance. The Council was therefore embarking on a fresh programme of assessments in line with this guidance. This was one evolving area where the requirement for additional expenditure to remedy identified issues was anticipated and this had been factored into the budget.
3. As the Government had not changed its stance in relation to the Right to Buy scheme, this initiative was continuing. Where the Council sold residential units under this scheme, it received capital receipts and was working to ensure that the receipts were spent to enable new replacement properties to be added to its stock.
4. Fees, Charges and Miscellaneous income predominantly related to service charges and rents associated with a number of HRA investment properties in the Council's ownership. Outstanding appendices would be added to the report when it was finalised, and the amount of additional income referred to in paragraph 7.4 would be rounded to £2.7 million.
5. There was currently no certainty with regard to the timescale for the full-scale transition of recipients from Housing Benefit to Universal Credit. Where tenants had transferred to date, they had been in receipt of advice and support from the Council and other agencies to assist with the process, which was particularly necessary in the case of vulnerable tenants. The success of this was reflected in the low level of rent arrears, currently 1%, in the Borough compared to arrears of 5-6% experienced by most social landlords. Although the Council took all possible steps to avoid evictions, occasionally tenants made poor money management decisions resulting in the accumulation of rent arrears. Under these circumstances, it was necessary to follow the social landlord protocol before considering court action. Ultimately, the decision to end a tenancy was made by a judge.
6. The proposed investment of £24.5 million in the Council's housing stock to secure improvements in quality, energy efficiencies linked to climate change, and safety by reducing anti-social behaviour (A-SB) was welcomed.

7. Meeting the Climate Emergency target which the Council had set in respect of energy efficiency to achieve net zero carbon by 2030 was a challenge and ahead of the national target set by Government for social landlords to achieve net zero carbon by 2050. Although much of the technology required to achieve this goal remained under development and few related products had reached the market, there was an early opportunity to install some ground source heat pumps where home design and layout allowed. However, as the cost of installing a pump was £9-10,000 compared to a price of £2,500-£3,000 to install a more traditional boiler, more of the latter were currently being provided in the housing stock over the next 12 months. These boilers were amongst the most energy efficient models available and were able to operate using alternative fuels such as hydrogen. There were also moves to increase insulation and overall energy efficiency in the housing stock including low energy lighting installations and roofing work. In instances of condensation, residents would be advised as how to tackle this.
8. Fire safety work was also being undertaken and the fire doors being installed were fully compliant with current standards and with developments expected to come forward with new legislation later in the year. The doors featured closers and intumescent strips which expanded when hot to seal them. Fire alarm systems were also being upgraded and included enhanced corresponding magnetic door controls. Improvements in the information available to the Fire and Rescue Service were being pursued to inform it of alarm systems and CCTV coverage in the event of fires occurring. The Service was also made aware of tenants' disabilities / mobility issues.
9. With regard to A-SB, the Council was looking to work with colleagues across a number of agencies in order to identify where such behaviour could be addressed through measures including building design, improved lighting, parking arrangements and landscaping. Proposals would be funded from the Capital Programme and were informed by direct interface with tenants and feedback from the Residents' Group. Such consultation would continue.
10. The nature of the Council's role as a supplier of social housing included providing homes to vulnerable tenants and supporting them in their tenancies to assist them to lead successful and fruitful lives, with the benefit of a wide-ranging support package involving other agencies to address needs.
11. The importance of communications to tenants was highlighted to make them aware of the proposed rent increases, with reassurance that these would be covered by benefits in many cases, and of the Council's proposed investment in its housing stock to increase safety, and energy efficiency in the interests of climate change.

AGENDA ITEM 10: GENERAL FUND BUDGET 2022-23 AND MEDIUM-TERM FINANCIAL PLAN 2023-24 TO 2025-26 (Pages 281 - 376)

Lead Councillor: Councillor Tim Anderson, Lead Councillor for Resources

Lead Officer: Claire Morris, Director of Resources

AGENDA ITEM 11: DRAFT TIMETABLE OF COUNCIL AND COMMITTEE MEETINGS FOR 2022-23 (Pages 377 - 380)

Lead Councillor: Councillor Joss Bigmore, Leader of the Council

Lead Officer: John Armstrong, Democratic Services and Elections Manager

To note the Guildford Joint Committee will meet on 29 June and 26 October 2022.