GUILDFORD BOROUGH COUNCIL

BILLINGTON
MAYOR

Contact Officer:

John Armstrong, Democratic Services   23 July 2019
Manager. Tel: 01483 444102

To the Councillors of Guildford Borough Council

You are hereby summoned to attend a meeting of the Council for the Borough of Guildford to be held in the **Council Chamber, Millmead House, Millmead, Guildford, Surrey GU2 4BB** on **WEDNESDAY, 31 JULY 2019** commencing at 7.00 pm, to conduct the business that was unfinished at the ordinary meeting of the Council held on Tuesday 23 July 2019.

James Whiteman
Managing Director

Millmead House
Millmead
Guildford
Surrey   GU2 4BB

www.guildford.gov.uk

WEBCASTING NOTICE

This meeting will be recorded for live and/or subsequent broadcast on the Council's website in accordance with the Council's capacity in performing a task in the public interest and in line with the Openness of Local Government Bodies Regulations 2014. The whole of the meeting will be recorded, except where there are confidential or exempt items, and the footage will be on the website for six months.

If you have any queries regarding webcasting of meetings, please contact Committee Services.

THE COUNCIL'S STRATEGIC FRAMEWORK

Vision – for the borough

For Guildford to be a town and rural borough that is the most desirable place to live, work and visit in South East England. A centre for education, healthcare, innovative cutting-edge businesses, high quality retail and wellbeing. A county town set in a vibrant rural environment, which balances the needs of urban and rural communities alike. Known for our outstanding urban planning and design, and with infrastructure that will properly cope with our needs.

Three fundamental themes and nine strategic priorities that support our vision:

Place-making   Delivering the Guildford Borough Local Plan and providing the range of housing that people need, particularly affordable homes

Making travel in Guildford and across the borough easier

Regenerating and improving Guildford town centre and other urban areas

Community   Supporting older, more vulnerable and less advantaged people in our community

Protecting our environment

Enhancing sporting, cultural, community, and recreational facilities

Innovation   Encouraging sustainable and proportionate economic growth to help provide the prosperity and employment that people need

Creating smart places infrastructure across Guildford

Using innovation, technology and new ways of working to improve value for money and efficiency in Council services

Values for our residents

- We will strive to be the best Council.
- We will deliver quality and value for money services.
- We will help the vulnerable members of our community.
- We will be open and accountable.
- We will deliver improvements and enable change across the borough.

Time limits on speeches at full Council meetings:	
Public speaker:	3 minutes
Response to public speaker:	3 minutes
Questions from councillors:	3 minutes
Response to questions from councillors:	3 minutes
Proposer of a motion:	10 minutes
Seconder of a motion:	5 minutes
Other councillors speaking during the debate on a motion:	5 minutes
Proposer of a motion's right of reply at the end of the debate on the motion:	10 minutes
Proposer of an amendment:	5 minutes
Seconder of an amendment:	5 minutes
Other councillors speaking during the debate on an amendment:	5 minutes
Proposer of a motion's right of reply at the end of the debate on an amendment:	5 minutes
Proposer of an amendment's right of reply at the end of the debate on an amendment:	5 minutes

A G E N D A

1. **APOLOGIES FOR ABSENCE**

2. **DISCLOSURES OF INTEREST**

   To receive and note any disclosable pecuniary interests from councillors. In accordance with the local Code of Conduct, a councillor is required to disclose at the meeting any disclosable pecuniary interest (DPI) that they may have in respect of any matter for consideration on this agenda. Any councillor with a DPI must not participate in any discussion or vote regarding that matter and they must also withdraw from the meeting immediately before consideration of the matter.

   If that DPI has not been registered, the councillor must notify the Monitoring Officer of the details of the DPI within 28 days of the date of the meeting.

   Councillors are further invited to disclose any non-pecuniary interest which may be relevant to any matter on this agenda, in the interests of transparency, and to confirm that it will not affect their objectivity in relation to that matter.

3. **ELECTION OF GUILDFORD JOINT COMMITTEE CHAIRMAN 2019-20** (Pages 1 - 4)

4. **ALLOCATION OF SHADOW LEADER'S SPECIAL RESPONSIBILITY ALLOWANCE** (Pages 5 - 10)

5. **CAPITAL AND INVESTMENT OUTTURN REPORT 2018-19** (Pages 11 - 84)

6. **FOOD POVERTY** (Pages 85 - 188)

   The Overview and Scrutiny Food Poverty report is presented for information: to share the review findings with the wider membership of the Council and the public and to provide an opportunity for debate on a matter of local concern.

   The officer's covering report and the minutes of the Overview and Scrutiny Committee's discussion on 4 June 2019 are attached as Appendices 1 and 2 respectively.

   At its August meeting, the Executive (as the decision-maker) will be required to respond formally to the recommendations and indicate agreement or otherwise.

   Recommendation to Council:
   That the report and recommendations in respect of Food Poverty in the Borough be noted.

To receive and note the attached minutes of the meetings of the Executive held on 21 May and 18 June 2019.

12.   **EXCLUSION OF THE PUBLIC**

The Council is asked the consider passing the following resolution:

That under Section 100A(4) of the Local Government Act 1972 (as amended), the public be excluded from the meeting for consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information, as defined in the relevant paragraphs Part 1 of Schedule 12A to the Act indicated below.

15.   **COMMON SEAL**

To order the Common Seal to be affixed to any document to give effect to any decision taken by the Council at this meeting.

Report to Council

Ward(s) affected: n/a

Report of Director of Finance

Author: John Armstrong, Democratic Services Manager

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Lead Councillor responsible: Caroline Reeves

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Date: 31 July 2019

Election of Chairman of Guildford Joint Committee 2019-20

Executive Summary

Under the Constitution of the Guildford Joint Committee, for the 2018-19 Municipal year only, the Chairman was a County Councillor (Cllr Keith Taylor) and the Vice-Chairman was a Borough Councillor (Cllr Paul Spooner). The Constitution then provides that, from the 2019-20 municipal year, the offices of Chairman and Vice-Chairman shall alternate between the two councils every year, with the Borough Council providing the Chairman and the County Council providing the Vice-Chairman in 2019-20.

Should the Chairman or Vice-Chairman not complete a full term of office, a further member from the same council shall be appointed through the relevant authority's usual procedures for the remainder of that term.

At the last Council meeting on 15 May, Councillor Paul Spooner was elected chairman of the Guildford Joint Committee for the 2019-20 municipal year. The County Council elected Councillor Taylor Vice-Chairman of the Joint Committee for 2019-20. However, on 3 June, Councillor Spooner resigned as chairman of the Joint Committee in order for him to stand for election as chairman of the Overview and Scrutiny Committee on 4 June.

The office of chairman of the Guildford Joint Committee is now vacant, and under the Constitution of the Joint Committee the Borough Council is expected to elect a new Chairman of the Joint Committee for the remainder of the 2019-20 municipal year.

The Council is invited to elect a replacement chairman for 2019-20, or to consider an alternative proposal to ask Surrey County Council (SCC) to continue chairing the Joint Committee until the end of the 2019-20 municipal year and, thereafter, the Borough Council to elect a chairman for the ensuing two municipal years 2020-21 and 2021-22. At the end of 2021-22, the trial arrangement would be reviewed.

Recommendation to Council

Option A:
That the Council elects a replacement chairman of the Guildford Joint Committee for the remainder of the 2019-20 municipal year

Option B:
  (1) That the Council adopts, on a trial basis, an alternative arrangement with Surrey County Councillor Keith Taylor continuing to chair the Guildford Joint Committee until the end of the 2019-20 municipal year; and, thereafter, the Borough Council electing a chairman for the ensuing two municipal years 2020-21 and 2021-22, with the trial arrangement being reviewed at the end of 2021-22.

  (2) That the Council elects a Vice-Chairman of the Guildford Joint Committee for the remainder of the 2019-20 municipal year.

Reason for Recommendation:
To ensure that the Guildford Joint Committee has a chairman for the 2019-20 municipal year.

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1. Purpose of Report

1.1 To consider whether the Council should elect a replacement chairman of the Guildford Joint Committee for the remainder of the 2019-20 municipal year, or an alternative (trial) arrangement to ask SCC to continue chairing the Joint Committee until the end of the 2019-20 municipal year and, thereafter, the Borough Council to elect a chairman for the ensuing two municipal years 2020-21 and 2021-22.

2. Strategic Priorities

2.1 The Guildford Joint Committee provides a more integrated approach to delivery of local services, enabling closer partnership working and providing the ability to respond jointly to local issues for the benefit of residents, thereby strengthening democratic accountability.

3. Background

3.1 Under the Constitution of the Guildford Joint Committee, for the 2018-19 Municipal year only, the Chairman was a County Councillor (Cllr Keith Taylor) and the Vice-Chairman was a Borough Councillor (Cllr Paul Spooner). The Constitution then provides that, from the 2019-20 Municipal year, the offices of Chairman and Vice-Chairman shall alternate between the two councils every year, with the Borough Council providing the Chairman and the County Council providing the Vice-Chairman in 2019-20.

3.2 Should the Chairman or Vice-Chairman not complete a full term of office, a further member from the same council shall be appointed through the relevant authority's usual procedures for the remainder of that term.

3.3 Councillors will recall that, at the last Council meeting on 15 May, Councillor Paul Spooner was elected chairman of the Guildford Joint Committee for the 2019-20

municipal year. The County Council elected Councillor Taylor Vice-Chairman of the Joint Committee for 2019-20. However, on 3 June, Councillor Spooner resigned as chairman of the Joint Committee in order for him to stand for election as chairman of the Overview and Scrutiny Committee on 4 June.

3.4   The office of chairman of the Guildford Joint Committee is now vacant, and under the Constitution of the Joint Committee the Borough Council is expected to elect a new Chairman of the Joint Committee for the remainder of the 2019-20 municipal year.

3.5   On 5 June, the Council received an email from the Vice-Chairman of the Joint Committee, Councillor Taylor (with the support of the Leader of SCC) suggesting an arrangement for the chairmanship of the Guildford Joint Committee for 2019-20 that is currently being trialled with the Spelthorne Joint Committee.

3.6   Under this arrangement, it was agreed between SCC and Spelthorne Borough Council that the Chairman last year (a County Councillor) would remain Chairman for this year but that Spelthorne would then nominate a Chairman who would serve for both of the following years (2020-21 and 2021-22).

3.7   This came about because Spelthorne had a large turnover of Borough members following the recent local elections (albeit not as large as Guildford's) and Spelthorne felt that it would be appropriate to leave the Joint Committee Chair in County hands for 2019-20. Looking ahead, they also felt that it would be more sensible to have a Borough Chairman in 2020-21 and 2021-22 so that a county councillor, who would otherwise have been chairman, would not be distracted by having to fight a County election in May 2021 and to provide some continuity whatever the outcome of the County elections. Nothing is being done to amend the Constitution of the Spelthorne Joint Committee at this stage. This arrangement is being regarded as a "trial" for the period up to 2022, when it would be reviewed by both councils to see whether a permanent arrangement should be introduced by way of an amendment to that Joint Committee's Constitution.

3.8   If the Council thinks that such an arrangement would help with the current situation in Guildford, Councillor Taylor would be happy to continue as Guildford Joint Committee Chairman for 2019-20 and SCC would be happy to commit to the Chairman being a Borough councillor in both 2020-21 and 2021-22. This trial arrangement would be subject to review at the end of the 2021-22.

3.9   Of course, if the Council does not wish to do this, it may simply elect a new chairman to replace Councillor Spooner for the remainder of the 2019-20 municipal year. If that happens, the Council will need to consider nominations in respect of such election in the usual way. However, if the Council is minded to support the alternative arrangement for a trial period, it will need to pass a resolution to that effect and elect formally a Vice-Chairman for the remainder of the 2019-20 Municipal year.

4.   Consultations

4.1   Group leaders were consulted on the alternative proposal and all five indicated that they would be happy to support it.

5.   Financial Implications

5.1   There are no direct financial implications arising from this report.

6.   Legal Implications

6.1   Although there are no statutory requirements governing arrangements between constituent authorities of a joint committee as to who should chair a joint committee, the adopted Constitution of the Guildford Joint Committee (Section 3 – Standing Orders, paragraph 2) provides that the chairman and vice-chairman appointments should alternate annually between Guildford Borough Council and Surrey County Council.

7.   Human Resource Implications

7.1   There are no human resources implications arising from this report

8.   Summary of Options

8.1   The Council has two options to consider:

Option A asks the Council to consider electing a replacement for Councillor Spooner as chairman of the Guildford Joint Committee for the remainder of the 2019-20 municipal year.

Option B asks the Council to consider, on a trial basis, an alternative arrangement with Surrey County Councillor Keith Taylor continuing to chair the Guildford Joint Committee until the end of the 2019-20 municipal year; and, thereafter, the Borough Council electing a chairman for the ensuing two municipal years 2020-21 and 2021-22, with the trial arrangement being reviewed at the end of 2021-22.

If Option B is adopted, the Council will need to elect a Vice-Chairman of the Guildford Joint Committee for the remainder of the 2019-20 municipal year.

9.   Background Papers

Email dated 5 June 2019 from Councillor Keith Taylor

10.   Appendices

None

Report to Council

Ward(s) affected: n/a

Report of Director of Finance

Author: John Armstrong, Democratic Services Manager

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Date: 31 July 2019

Councillors' Allowances: Allocation of Shadow Leader's Special Responsibility Allowance 2019-20

Executive Summary

Under the Council's adopted scheme of allowances for councillors, there are a number of special responsibility allowances (SRAs) which are paid in addition to the basic allowance and given, as the name suggests, to those councillors undertaking additional duties that carry special responsibility, for example as Leader or Deputy Leader of the Council, lead councillor, or committee chairman. Following the local elections in May, the Annual Meeting and Selection Meeting, and subsequently the appointment by the Leader of her Executive, the councillors who, under the scheme of allowances, have been appointed to positions of special responsibility have been allocated the relevant SRAs.

However, it has not been possible for officers to identify the appropriate recipient in respect of one of the SRAs – namely the Shadow Leader's Allowance. The amount of that allowance is currently £5,601 p.a.

The current scheme of allowances states that the Shadow Leader "refers to the leader of the majority opposition group". The term "majority opposition group" is not defined, either in the scheme of allowances, or elsewhere in the Constitution. When the Council adopted the scheme of allowances in February 2016, there were three political groups on the Council – the Conservative group had 35 councillors and control of the Executive, and the two opposition groups comprised the Liberal Democrat group and Guildford Greenbelt Group (with nine and three councillors respectively). It was clear then, at that time, which group was the "majority opposition group".

However, since the local elections on 2 May 2019, the position has become less clear with the political balance changing with five formally constituted political groups, with no group having overall political control of the Council, as follows:

Guildford Liberal Democrats	17
Residents for Guildford & Villages	16
Conservatives	9
Guildford Greenbelt Group	4
Labour	2
Total	**48**

In view of the current circumstances, it could be argued that the majority opposition group is the Residents for Guildford and Villages group, but given that the leader of that group, Councillor Bigmore, has been appointed to the Executive as Lead Councillor for Finance, Asset Management and Customer Service, it might appear incongruous to allocate the Shadow Leader's SRA to him. However, it is noted that Councillor Bigmore's group remains the second largest group within the Council and that whilst Councillor Bigmore is a member of the Executive, the group which he leads remains separate to the Liberal Democrat group, in the same way that the Conservative, Guildford Greenbelt Group, and Labour groups are.

It could also be argued that the largest political group not represented on the Executive (the Conservative group), should be deemed to be the majority opposition group, with the Shadow Leader's SRA allocated to Councillor Spooner as the leader of that group.

If the Council decides to allocate the Shadow Leader's SRA for 2019-20 to a particular councillor, the payment could be backdated to 15 May 2019.

Alternatively, the Council could decide not to allocate the Shadow Leader's SRA in 2019-20, in which case the money would remain unspent within the General Fund.

Importantly, the Independent Remuneration Panel will be empowered to examine and propose an allowance scheme, which fits the prevailing circumstances at the Council. It is due to convene shortly, and to report to Council with its recommendations on 3 December 2019.

Recommendation to Council

The Council is asked to:

(1) consider whether the Shadow Leader's Special Responsibility Allowance should be allocated in 2019-20 and, if so, to whom and to agree that it be backdated to 15 May 2019; and

(2) request the Independent Remuneration Panel as part of its forthcoming review of the Scheme of Councillors' Allowances to examine the suitability of the Shadow Leader's Special Responsibility Allowance in the context of the prevailing circumstances at the Council and to consider and report on possible alternatives.

Reason for Recommendation:
To determine how the Shadow Leader's Special Responsibility Allowance should be allocated in the 2019-20 municipal year.

1.   Purpose of Report

1.1   To consider whether the Council should allocate the Shadow Leader's Special Responsibility Allowance in 2019-20; and, if so, to identify the recipient for payment of this allowance.

2.   Strategic Priorities

2.1   Dealing with this matter in public at a full Council meeting helps the Council deliver on its commitment to residents to be open and transparent.

3.   Background

3.1   Under the Council's adopted scheme of allowances for councillors, there are a number of special responsibility allowances (SRAs) which are paid in addition to the basic allowance and given, as the name suggests, to those councillors undertaking additional duties that carry special responsibility, for example as Leader or Deputy Leader of the Council, lead councillor, or committee chairman. Following the local elections in May, the Annual Meeting and Selection Meeting, and subsequently the appointment by the Leader of her Executive, the councillors who, under the scheme of allowances, have been appointed to positions of special responsibility have been allocated the relevant SRAs.

3.2   However, it has not been possible for officers to identify the appropriate recipient in respect of one of the SRAs – namely the Shadow Leader's Allowance. The amount of that allowance is currently £5,601 p.a.

3.3   The current scheme of allowances states that the Shadow Leader "refers to the leader of the majority opposition group". The term "majority opposition group" is not defined, either in the scheme of allowances, or elsewhere in the Constitution. When the Council adopted the scheme of allowances in February 2016, there were three political groups on the Council – the Conservative group had 35 councillors and control of the Executive, and the two opposition groups comprised the Liberal Democrat group and Guildford Greenbelt Group (with nine and three councillors respectively). It was clear then, at that time, which group was the "majority opposition group".

3.4   However, since the local elections on 2 May 2019, the position has become less clear with the political balance changing with five formally constituted political groups, with no group having overall political control of the Council, as follows:

Guildford Liberal Democrats	17
Residents for Guildford & Villages	16
Conservatives	9
Guildford Greenbelt Group	4
Labour	2
Total	**48**

3.5   In view of the current circumstances, it could be argued that the majority opposition group is the Residents for Guildford and Villages group, but given that the leader of that group, Councillor Bigmore, has been appointed to the Executive as Lead Councillor for Finance, Asset Management and Customer

Service, it might appear incongruous to allocate the Shadow Leader's SRA to him. However, it is noted that Councillor Bigmore's group remains the second largest group within the Council and that while Cllr Bigmore is a member of the Executive, the group which he leads remains separate to the majority Liberal Democrat group, in the same way that the Conservative, Guildford Greenbelt Group, and Labour groups are.

3.6 It could also be argued that the largest political group not represented on the Executive (the Conservative group), should be deemed to be the majority opposition group, with the Shadow Leader's SRA allocated to Councillor Spooner as the leader of that group.

3.7 If the Council decides to allocate the Shadow Leader's SRA for 2019-20 to a particular councillor, the payment could be backdated to 15 May 2019.

3.8 Alternatively, the Council could decide not to allocate the Shadow Leader's SRA in 2019-20, in which case the money would remain unspent within the General Fund.

3.9 Importantly, the Independent Remuneration Panel as part of its full review of councillors' allowances this year, will be proposing a new scheme of allowances, which fits the prevailing circumstances at the Council. It is due to convene shortly, and to report to Council with its recommendations on 3 December 2019.

4. Financial Implications

4.1 The Shadow Leader's SRA is currently £5,601 p.a. There are no other financial implications arising from this report.

5. Legal Implications

5.1 As the term "majority opposition group" is not defined, either in the adopted scheme of allowances, or elsewhere in the Constitution, it is appropriate for any decision as to the allocation of the Shadow Leader's SRA to be referred to full Council.

6. Human Resource Implications

6.1 There are no human resources implications arising from this report

7. Summary of Options

7.1 The Council has two options to consider: to either allocate the Shadow Leader's SRA to a particular councillor in 2019-20 on the basis that the councillor is deemed to be the leader of the majority opposition group; or to not allocate the SRA.

7.2 Whichever option is preferred, it is also recommended that the Council asks the Independent Remuneration Panel, when it conducts the full review of allowances this year, to examine the suitability of the Shadow Leader's Special Responsibility Allowance in the context of the prevailing circumstances at the Council and to consider and report on possible alternatives.

8.   Background Papers

[Councillors' Allowances Scheme adopted by the Council on 10 February 2016](#)

9.   Appendices

None

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Council Report

Ward(s) affected: n/a

Report of Chief Finance Officer

Author: Vicky Worsfold

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Lead Councillor responsible: Joss Bigmore

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Date: 31 July 2019

Capital and Investment outturn report 2018-19

Executive Summary

This annual outturn report includes capital expenditure, non-treasury investments and treasury management performance for 2018-19.

Capital programme
In total, expenditure on the General Fund capital programme was £37.7 million. This was less than the revised budget by £99.6 million. Details of the revised estimate and actual expenditure in the year for each scheme are given in **Appendix 3**.

The budget for Minimum Revenue Provision (MRP) was £1.2 million and the outturn was £795,190. This was due to slippage in the capital programme in 2017-18.

Non-treasury investments
The Council's investment property portfolio stood at £161 million at the end of the year. Our rental income was £9 million, and our income return 6.3% against the benchmark of 4.8%.

Treasury management
The Council's cash balances have built up over a number of years, and reflect our strong balance sheet, with considerable revenue and capital reserves. Officers carry out the treasury function within the parameters set by the Council each year in the Capital and Investment Strategy. As at 31 March 2019, the Council held £97.3 million in investments, £20 million of short-term borrowing so net debt of £116 million.

We borrowed short-term from other local authorities for cash flow purposes and ensure there is no cost of carry on this. We did not take out any additional long-term borrowing during the year. The Council had £212.9 million borrowing at 31 March 2019, of which £20 million was short-term borrowing for cash purposes.

This report (section 8) confirms that the Council complied with its prudential indicators, treasury management policy statement and treasury management practices (TMPs) for

2018-19. The policy statement is included and approved annually as part of the Capital and Investment Strategy, and the TMPs are approved under delegated authority.

The treasury management performance over the last year, compared to estimate, is summarised in the table below. The report highlights the factors affecting this performance throughout the report, and in **Appendix 1**.

	Estimate %	Actual %	Estimate (£000)	Actual (£000)
General fund Capital Financing Requirement (CFR)			360,074	106,939
Housing Revenue Account CFR			197,024	197,024
Total CFR			**557,098**	**303,963**
Return on investments	1.61	1.42	1,506	2,014
Interest paid on external debt		2.45	6,032	5,368
Total net interest paid			**7,538**	**7,382**

There was slippage in the capital programme, which resulted in a lower CFR than estimated (more information in **Appendix 1**, section 3).

Interest paid on debt was lower than budget, due to less long-term borrowing taken out on the general fund because of slippage in the capital programme.

The yield returned on investments was lower than estimated, but the interest received was higher due to more cash being available to invest in the year – a direct result of the capital programme slippage. Officers have been reporting higher interest receivable and payable and a lower charge for MRP during the year as part of the budget monitoring when reported to councillors during the year.

Detailed information on the return on investments, and interest paid on external debt can be found in section 7 of this report.

This report has been considered by the Corporate Governance and Standards Committee and the Executive at their respective meetings held on 13 and 18 June 2019. They were both happy to endorse the recommendation below

Recommendation to Council

(1)   That the treasury management annual report for 2018-19 be noted.

(2)   That the actual prudential indicators reported for 2018-19, as detailed in **Appendix 1** to this report, be approved.

Reason for Recommendation:
To comply with the Council's treasury management policy statement, the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on treasury management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

1.   Purpose of Report

1.1   The Local Government Act 2003 states that the Council has a legal obligation to have regard to both the CIPFA code of practice on treasury management and the Ministry of Housing, Communities, and Local Government (MHCLG) investment guidance.

1.2   The CIPFA treasury management code of practice and the MHCLG investment guidance requires public sector authorities to produce an annual capital strategy (incorporating capital expenditure, non-treasury investments and treasury management activity.

1.3   This report covers the outturn of the elements of the strategy and the requirement to report on the prudential and treasury indicators for the year. The position of the Council's investment property portfolio is also presented along with progress on the capital programme.

1.4   The Council borrows and invests substantial sums of money and is, therefore, exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risks. The Council holds a substantial amount of investment property and has a large capital programme, all of which have risk.

1.5   Treasury management is a highly complex, technical and regulated aspect of local government finance. We have included a glossary of technical terms (**Appendix 10**), to aid the reading of this report.

2.   Strategic Priorities

2.1   Treasury management and capital expenditure are key functions in enabling the Council to achieve financial excellence and value for money. It underpins the achievement of all the Corporate Plan 2018-2023 themes.

2.2   This report details the activities of the treasury management function and the effects of the decisions taken in the year in relation to the best use of its resources. It also presents the outturn position for the year of the capital programme, and the performance on non-treasury investments.

3.   Background

3.1   Treasury management is defined by CIPFA as:

"the management of the council's investments, borrowing and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks"

3.2   The Council has overall responsibility for treasury management. Treasury management contains a number of risks. The effective identification and

management of those risks are integral to the council's treasury management objectives, as is ensuring that borrowing activity is prudent, affordable and sustainable.

3.3 The Council has a statutory requirement, under the Local Government Act 2003, to adopt the CIPFA Prudential Code and produce prudential indicators.

3.4 The objectives of the prudential code are to ensure, within a clear framework, that capital investment plans are affordable, prudent and sustainable, and the treasury management decisions are taken in accordance with good professional practice.

3.5 The Council has a large capital programme and a large investment property portfolio on its balance sheet. These, together with treasury management, are the management of the Council's cash and assets.

3.6 The Council operates its treasury management function in compliance with this Code and the statutory requirements.

3.7 This annual report, and the appendices attached to it, set out:

- a summary of the economic factors affecting the approved strategy and counterparty updated (sections 4 and 5 with details in **Appendix 5**)
- a summary of the approved strategy for 2018-19 (section 6)
- a summary of the treasury management activity for 2018-19 (section 7 with detail in **Appendix 1**)
- compliance with the treasury and prudential indicators (section 8 with detail in **Appendix 1**)
- non-treasury investments (section 9)
- capital programme (section 10)
- risks and performance (section 11)
- Minimum Revenue Provision (MRP) (section 12)
- details of external service providers (section 13)
- details of training (section 14)

4. Economic Environment

4.1 This section includes the key points of the economic environment for 2018-19, to show the treasury management activity in context. **Appendix 5** contains more detail.

- US Federal Reserve continued to increase
- US and China tensions
- EU showing signs of rapid slowdown in economic growth resulting in the International Monetary Fund downgrading its global growth forecasts
- Brexit failed to pass in Parliament, EU granted an extension to the deadline, resulting in volatility in Gilt Yields due to the economic and political uncertainty in UK and Europe

- Year-on-year CPI rise
- Real earnings growth up by 1.4% (after adjusted for inflation)
- Unemployment fell to 3.9% in January 2019
- Annual GDP growth at 1.4% which is below trend
- Bank of England base rate increased by 0.25% to 0.75% in August 2018
- Bank ring-fencing came into force
- UK AA sovereign long-term rating put on Rating Watch Negative due to Brexit uncertainty

4.2   The key points relevant to investment property are:

- Tenant demand for retail space falling sharply, contrasting with growth in the industrial sector
- Industrial is the only sector displaying positive rental and capital value expectations in the near term
- The supply of property on the market for sale at headline level was steady
- Brexit uncertainty is having an impact

5.   Regulatory Changes

5.1   A new accounting standard - IFRS9 – financial instruments was implemented on 1 April 2018. This means that the Council needs to account for its investments differently, as categories and treatments have changed. There is currently no impact on the Council bottom line as the Government has issued a 5-year mandatory statutory override to stop any losses or gains received in year (in particular on pooled funds) being accounted for in year. These can continue to be held in a balance sheet reserve.

6.   Approved strategy and budgets for 2018-19 – a summary

6.1   Council approved the Capital and Investment strategy for 2018-19 in February 2018.

6.2   The strategy showed an underlying need to borrow in 2018-19 for the General Fund (GF) capital programme of £70.8 million.

6.3   The strategy set out how we would manage our cash. It allowed for internally managed investments for managing cash flow and externally managed and longer-term investments for our core cash (cash not required in the short or medium term). See **Appendix 9** for background.

6.4   It highlighted the need to continue to diversify our investment portfolio to reduce credit risk. The approved strategy set the minimum long-term credit rating of A- (or equivalent) for investments in counterparties to be determined as 'high credit' using the lowest denominator principal for the three main credit rating agencies.

6.5   Investment property risks were examined in the strategy.

Agenda item number: 5

7.   Treasury management activity in 2018-19

7.1   The treasury position at 31 March 2019, compared to the previous year is:

		31 March 2018 (£'000)	Average Rate	31 March 2019 (£'000)	Average Rate
Fixed Rate Debt	PWLB	148,125	3.22%	147,895	3.22%
	Market	0	0.00%	0	0.00%
Variable Rate Debt	PWLB	45,000	0.66%	45,000	0.92%
	Market	0	0.00%	0	0.00%
Long-term	LAs	5,000	1.29%	0	0.00%
Temporary borrowing	LAs	43,500	0.42%	20,000	0.66%
Total Debt		**241,625**	**2.23%**	**212,895**	**2.45%**
Fixed Investments		(91,132)	0.94%	(54,650)	1.09%
Variable Investments		(22,260)	0.58%	(30,729)	0.90%
Externally managed		(20,245)	3.30%	(11,945)	3.26%
Total Investments		**(133,637)**	**1.23%**	**(97,325)**	**1.42%**
Net Debt / (Investments)		**107,988**		**115,570**	

7.2   PWLB is the Public Works Loans Board and is a statutory body operating as an executive of HM Treasury. Its function is to lend money from the National Loans Fund to local authorities and other prescribed bodies.

7.3   The above table shows investments have decreased by £36.3 million and loans by £28.7 million. Therefore, net debt has increased by £7.6 million. Short-term borrowing has decreased, as we have used more of our investments to fund cash flow requirements in the year. We sold two of our externally managed funds and half of another with the aim of reinvesting in 2019-20 to have more diversification and a higher yield.

7.4   We budgeted a return of 1.63% for the year and achieved 1.42%.

7.5   The Council's budgeted investment income was £1.625 million, and actual interest was £1.986 million (£361,000 higher). We had been projecting higher interest receipts throughout the financial year. This is because we had more cash available to invest than we had budgeted, and we hold some longer higher yielding secure investments. We made a small loss on our external funds overall of £44,000 due to the write off of some of the value of the funding circle investment – this is in relation to bad debts and under the rules of IFRS9 we felt it was prudent to make the adjustment in 2018-19.

7.6   Our budgeted debt interest payable was £6.032 million. £5.14 million relates to the HRA. The outturn was £5.37 million (£5.1 million for the HRA). We assumed we would borrow long-term for the GF capital programme in the budget but slippage in the schemes meant that we did not need to and therefore realised a saving in the debt interest payable against budget.

7.7   All our external funds are distributing funds, and they achieved an overall weighted average return of 3.3%, split as:

Fund	Balance at 31 March £000	Average return	Type of fund
M&G	1,394,844	3.20%	Equity focussed
Schroders	855,750	7.58%	Equity focussed with at least 80% on FTSE all share companies
Funding Circle	508,170	6.22%	Investments in SMEs up to a max of £2,000
UBS	2,312,027	3.99%	Multi asset
CCLA	6,874,665	4.37%	Property

7.8   Movements in pooled funds in the year:

- we sold our investments in City Financials because it had not been performing well and we decided to redeem the investment (£88,000 loss).
- we sold 50% of our exposure in M&G to help mitigate the loss of the redemption of City Financials, as the fund had generated a capital gain (£210,000 gain).
- we also sold Payden & Rygel because we felt we could generate a higher yield than the fund was returning, if we diversified the investment.

7.9   Our external fund portfolio is diverse and we invest in a range of products and markets. The capital value of the funds can go up as well as down. Across all funds still held at the end of the year, there was a capital loss of £53,000 and a total capital gain of £222,000.

7.10   The Council also invested more in our subsidiaries and now holds £2.36 million of equity investment in Guildford Holdings Ltd and £4.61 million in North Downs Housing Ltd.

7.11   The Council agreed an interest rate of base rate plus 5% (currently 5.70%) on the investment in North Downs Housing Ltd. This is higher than the treasury investments held as it reflects the risk associated with holding such investments. We budgeted a return of £119,000 and earnt £184,000, which is due to the increase in the Bank of England base rate in the year.

7.12   The equity investment in Guildford Holdings will be subject to a dividend if a profit is achieved.

        Capital programme
7.13   The actual underlying need to borrow for the year, and the amount of internal borrowing actually taken, for the GF capital programme was £25.57 million, which is lower than budgeted of £99.6 million because of slippage in the capital programme. We will continue to support service managers with the scheduling of schemes in the capital programme to ensure it is kept up to date when project timescales change.

7.14   The Council must charge a Minimum Revenue Provision (MRP) on its internal borrowing, which is setting aside cash from council tax to repay the internal borrowing. MRP charged to the revenue account for the year was £795,189, against an original budget of £1.2 million.

7.15 Our overall underlying need to borrow, as measured by the Capital Financing Requirement (CFR) was £303.963 million (£106.9 million relates to the GF).

Benchmarking and performance indicators

7.16 The Council is a member of the CIPFA treasury management benchmarking club.

7.17 Arlingclose also provide benchmarking data across their clients ("client universe"). It highlights the effect of changes in our investment portfolio and compares the basis of size of investment, length of investment and the amount of credit risk taken.

7.18 The benchmarking shows a snapshot of our average running yield on all investments, also split between internally managed and externally managed. The latest benchmarking data (at 31 March 2019), shows our average rate of investments for our total portfolio as being 1.28% against the client universe of 1.08%. The table shows that we have outperformed our internally managed investments of the client universe by quite some margin.

Benchmark	Guildford	Client Universe
Internally managed return	1.31%	0.85%
Externally managed (return only)	3.88%	3.78%
Total Portfolio	1.61%	1.45%
% of investments subject to bail in	26%	55%
No. of counterparties/funds	31	13

7.19 The difference in our return as part of the benchmarking (1.61%) and our own return (1.42%) is due to a different calculation in the way Arlingclose put the benchmarking return together.

7.20 The table above shows how far the Council has come to mitigate bail in risk – closing the year at 26% of investments subject to bail in. This percentage will change during the course of the year depending on the level of cash we have and what we are invested in.

7.21 One of our key areas in our treasury strategy has been to increase diversification in the portfolio. The number of counterparties and funds we are investing in are far higher than the client universe and shows that we have achieved our aim. Again, this level of diversification will change at different points in the year.

7.22 We set our own performance indicators:

Indicator	Target	Actual	Variance
Cashflow investment returns above base rate	0.41%	0.29%	-0.12%
Long-term investment returns above base rate	0.73%	0.52%	-0.21%
Externally managaged funds above base rate	2.86%	2.21%	-0.65%
Combined funds above base rate	1.08%	0.66%	-0.42%
% of daily balances within the range +/- £50,000	70.00%	75.07%	5.07%
The daily current account bal to be +/- £50,000	+/-£50,000	£1,420	

7.23 Overall performance was slightly below target in most areas.

7.24 The Council's daily bank balance target was +/- £50,000 for 70% of days. The average balance in the year was £1,420 and 75.07% of days were +/- £50,000, so we were well within our target.

8. Non-treasury investments

8.1 **Appendix 2** sets out the Council investment property fund portfolio report for 2018-19. The key points are summarised below.

8.2 The current portfolio is:

Sector	No. of assets	Sub category	No. of assets
Office	8		
Industrial	129		
Retail	10	Shops Shopping centres Supermarkets	6 2 1
Leisure	6	Restaurants Nightclubs	5 1
Other Commercial	11	Educational Theatre Barn Petrol station Sui Generis Car Park Water treatment works	3 1 2 1 1 1 1
TOTAL	**159**		

8.3   Fund statistics are:

Rental income (£)					
	Industrial	**Office**	**All Retail**	**Alternatives**	**All**
2015/16	2,679,571	1,831,900	1,750,254	885,636	7,147,361
2016/17	3,057,302	1,858,638	1,447,672	1,062,137	7,425,749
2017/18	3,493,405	3,186,048	1,426,317	1,080,786	9,186,556
2018/19	3,619,808	3,038,548	1,459,048	1,129,361	9,246,765
Capital value (£)					
	Industrial	**Office**	**All Retail**	**Alternatives**	**All**
2015/16	39,077,755	19,227,500	34,270,000	11,233,500	103,808,755
2016/17	42,922,450	25,915,000	25,908,500	15,963,500	110,709,450
2017/18	51,509,000	49,574,000	26,065,000	17,471,500	144,619,500
2018/19	66,970,000	49,159,000	26,097,000	18,843,000	161,069,000
Income return (net of costs)					
	Industrial	**Office**	**All Retail**	**Alternatives**	**All**
2015/16	8.0%	7.5%	5.6%	7.5%	6.8%
2016/17	7.1%	7.2%	5.6%	6.7%	6.7%
2017/18	8.0%	7.4%	5.2%	5.8%	6.6%
2018/19	6.8%	6.6%	5.9%	5.8%	6.3%
Benchmark return					
	Industrial	**Office**	**All Retail**	**Alternatives**	**All**
2015/16	6.1%	4.7%	5.4%	4.7%	5.2%
2016/17	5.4%	4.1%	5.0%	5.5%	4.8%
2017/18	4.9%	4.1%	5.1%	5.3%	4.8%
2018/19	4.4%	4.0%	5.1%	5.0%	4.6%

8.4   The performance shows that our portfolio has performed better than our
       benchmark.

9.   General Fund Capital programme

9.1   **Appendix 3** sets out the actual expenditure on capital schemes, compared to the
       updated estimates, together with reasons for variances. Overall, we spent £61.9
       million (62%) less on capital schemes than we originally estimated and £10.7
       million (22%) less than the revised estimate, the schemes with more than £1
       million variance to budget relate to ICT, Internal Estate road, although there are
       significant variations on other approved schemes under £1 million, as detailed in
       the appendix.

9.2   The table below summarises our capital expenditure and variances in the year:

	Revised estimate (£m)	Actual (£m)	Variance (£m)
GF Non-housing approved programme	43.4	35.2	(8.2)
GF Non-housing provisional programme	0.04	0.014	(0.026)
GF Schemes financed from reserves	4.538	2.371	(2.167)
GF Projects financed from s106 receipts	0.356	0.50	0.144
Total	**48.334**	**38.085**	**(10.249)**

9.3 We significantly re profiled schemes during the year, and under spent by £6.3 million on the revised estimate.

10. Compliance with treasury and prudential indicators

10.1 The CIPFA prudential code and treasury management code of practices require local authorities to set treasury and prudential indicators.

10.2 The objectives of the Prudential Code, and the indicators calculated in accordance with it, provide a framework for local authority capital finance that will ensure

- capital expenditure plans are affordable
- all external borrowing and other long-term liabilities are within prudent and sustainable limits
- treasury management decisions are taken in accordance with professional good practice and
- in taking the above decisions, the council is accountable by providing a clear transparent framework

10.3 The prudential code requires the Council to set a number of prudential indicators for the following and two subsequent financial years, and to monitor against the approved indicators during the year. We can revise these indicators during the year but need full Council approval.

10.4 Officers can confirm that the Council has complied with its prudential indicators for 2018-19, (see **Appendix 1** for the outturn figures), its treasury management policy statement and its treasury management practices.

10.5 Section 6 outlines the approved treasury management strategy. We have adhered to the strategy by:

- financing of capital expenditure from government grants, usable capital resources, revenue contributions and cash flow balances rather than from external borrowing
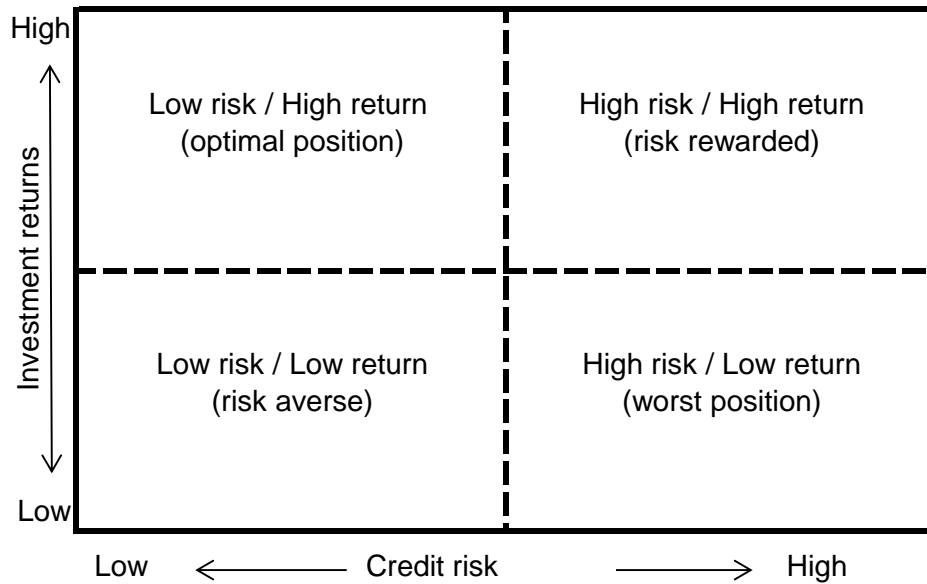
- taking a prudent approach in relation to the investment activity in the year, with priority given to security and liquidity over yield
- maintaining adequate diversification between counterparties
- forecasting and managing cash flow to preserve the necessary degree of liquidity

11.   Risk and performance

11.1   The Council considers security, liquidity and yield, in that order, when making investment decisions.

11.2   The Council has complied with all the relevant statutory and regulatory requirements, which limit the level of risk associated with its treasury management activities. In particular, its adoption and implementation of both the prudential code and treasury management code of practice means our capital expenditure is prudent, affordable and sustainable, and our treasury practices demonstrate a low risk approach.

11.3   Short-term interest rates and likely movements in these rates, along with our projected cash balances, determine our anticipated investment return. These returns can be volatile and whilst, loss of principal is minimised through the annual investment strategy, accurately forecasting future returns can be difficult.

11.4   If the Council were to lose any of its investments, the GF will carry the loss, even if the cash lost is HRA cash. Therefore, to compensate the GF for this, we apply a credit risk adjustment to the rate of interest we apply on the HRA balances and reserves and SPA reserves. Therefore, a lower interest rate is applied than the weighted average investment return for the year.

11.5   The Council invests in externally managed funds. These are more volatile than cash investments, but can come with a higher return. Officers continually review our funds to ensure they still have a place in the portfolio. We view most of our funds over a three to five year time horizon to take account of their potential volatility – they are not designed to be short-term investments, despite being able to get the money from them quickly.

Credit developments and credit risk management during the year

11.6   Security of our investments is our key objective when making treasury decisions. We therefore manage credit risk through the limits and parameters we set in our annual treasury management strategy. One quantifiable measure of credit quality we use is to allocate a score to long-term credit ratings. **Appendix 8** explains the scoring in more detail.

11.7   This is a graphical representation used in the Arlingclose benchmarking.

High		
Low risk / High return (optimal position)	High risk / High return (risk rewarded)
Low risk / Low return (risk averse)	High risk / Low return (worst position)

Investment returns →

Low ← Credit risk → High

11.8 Typically, we should aim to be in the top left corner of the chart where we get a higher return for lower risk. In the actual benchmarking, for average rate versus credit risk (value weighted) we were above the average of all clients and were in the top left box towards the middle vertical line. For time weighted, we are well within the top left box (see **Appendix 6** for the two charts).

11.9 We set our definition of high credit quality as a minimum long-term credit rating of A-, which attracts a score of 7. The lower the score, the higher the credit quality of the investment portfolio.

11.10 The table below shows that at each quarter date, the weighted average score of our investment portfolio, on a value weighted and a time weighted basis is well within our definition of high credit quality, ending the year at 3.86 (AA-) and 2.63 (AA).

Date	Value Weighted Avg Credit Risk Score	Value Weighted Avg Credit Rating	Time Weighted Avg Credit Risk Score	Time Weighted Avg Credit Rating	Average Life (days)
31-03-18	3.86	AA -	2.63	AA	302
30-06-18	3.73	AA-	2.30	AA	299
30-09-18	3.67	AA-	2.63	AA	350
31-12-18	3.81	AA-	2.50	AA	341
31-03-19	4.02	AA-	3.01	AA	328

11.11 We have maintained security throughout the year within the portfolio. We also have a lower risk score on both elements than the Arlingclose client universe (4.20/AA- and 4.02/AA-). We do, however, have a much longer duration (ours is 328 days compared to the universe of 29 days) and this is due to us having a large portion of investments of covered bonds in the portfolio, which can be sold

on the secondary market if required. The longer duration is with AAA rated covered bonds so this has enhanced the security of the portfolio.

12.   Minimum Revenue Provision (MRP)

12.1   The Local Authorities (Capital Financing and Accounting) (England) (Amendment) Regulations 2003 (SI No 414) place a duty on local authorities to make a prudent provision for debt redemption. Making an MRP reduces the Capital Financing Requirement (CFR) and leaves cash available to replenish reserves used for internal borrowing or making external debt repayments. There are three options for applying MRP available to us:

- asset life method
- depreciation method
- any other prudent method

12.2   Any other prudent method means we can decide on the most appropriate method depending on the capital expenditure.

12.3   The latest MRP policy was approved by Council in February 2018, and stated that:

- the Council will use the asset life method as its main method, but will use annuity for investment property
- in relation to expenditure on development, we may use the annuity method starting in the year after the asset becomes operational
- where we acquire assets ahead of a development scheme, we will charge MRP based on the income flow of the asset or as service benefit is obtained, and will not charge MRP during construction, refurbishment or redevelopment
- where expenditure is incurred pending receipt of an alternative source of finance we will not charge MRP
- we will use 75-years for freehold land purchased for development purposes, and any new buildings or similar structures on that land
- where loans are made to other bodies for their capital expenditure, no MRP will be charged
- we will apply a 100-year life for investments in shares classed as capital expenditure

12.4   The unfinanced capital expenditure in 2018-19 of £25.56 million related mainly to property purchases and redevelopment projects.

13.   External service providers

13.1   The Council reappointed Arlingclose as our treasury management advisors in March 2015. The contract is for a period of 7 years. The Council is clear what services it expects and what services Arlingclose will provide under the contract.

13.2 The Council is clear that overall responsibility for treasury management remains with the Council.

14. Training

14.1 CIPFA's revised treasury management code of practice suggest that best practice is achieved by all councillors tasked with treasury management responsibilities, including scrutiny of the treasury management function, receiving appropriate training relevant to their needs and that they should fully understand their roles and responsibilities.

14.2 The MHCLG's revised investment guidance also recommends that a process is in place for reviewing and addressing the needs of the Council's treasury management staff for training in investment management.

14.3 Following the revised CIPFA code of practice and the stated requirement that a specified body be responsible for the implementation and regular monitoring of the treasury management policies, we use the Corporate Governance and Standards Committee to scrutinise the treasury management activity of the Council.

14.4 Training on treasury management will be given to new councillors and in particular the group leaders and members of the Corporate Governance and Standards Committee.

14.5 Corporate Governance and Standards Committee reviews the annual report in June each year.

14.6 Officer training is undertaken on a regular basis, by attending workshops held by Arlingclose, and seminars or conferences held by other bodies, such as CIPFA. On the job training and knowledge sharing are undertaken when required. Those involved in treasury management are either a fully qualified accountant, or AAT qualified. The main post holder responsible for the treasury management function holds the 'Certificate in International Treasury Management for Public Finance' qualification, which is a joint qualification between the ACT (Association of Corporate Treasurers) and CIPFA.

14.7 Certain officers of the Council are deemed professional by the financial industry and therefore demonstrate the level of skill and expertise in the treasury function to ensure the Council retains professional status under the MiFID II regulations.

15. Consultations

15.1 Officers have consulted with the Lead Councillor for Finance about the contents of this report.

16. Executive Advisory Board comment

16.1 Treasury management reports are under the remit of Corporate Governance and Standards committee and are not required to be presented to an EAB.

17.   Equality and Diversity Implications

17.1   There are no equality and diversity implications

18.   Financial Implications

18.1   The detailed financial implications are summarised above and in **Appendix 1**.

19.   Legal Implications

19.1   A variety of professional codes, statutes and guidance regulate the Council's treasury management activities. These are:

- the Local Government Act 2003 ("the Act") provides the powers to borrow and invest. It also imposes controls and limits on these activities
- the Act permits the Secretary of State to set limits on either the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken. The HRA debt cap is the only restriction that applied in 2017-18
- statutory instrument 3146 (2003 ("The SI"), as amended, develops the controls and powers within the Act
- the SI requires the council to undertake any borrowing with regard to the prudential code. The prudential code requires indicators to be set – some of which are limits – for a minimum of three forthcoming years
- the SI also requires the council to operate the treasury management function with regard to the CIPFA treasury management code of practice
- under the terms of the Act, the Government issued "investment guidance" to structure and regulate the council's investment activities. The emphasis of the guidance is on the security and liquidity of investments.

20.   Human Resource Implications

20.1   There are no human resource implications arising from this report other than the training discussed in section 15, which is already in place.

21.   Summary of Options

21.1   We could have invested in lower credit quality investments, but this would have increased our risk exposure.

21.2   We could have borrowed longer-term for our capital programme, but would have suffered a cost of carry due to the slippage in the programme.

22.   Conclusion

22.1   The Council has complied with the objectives of the CIPFA treasury management code of practice by maintaining the security and liquidity of its investment portfolio.

22.2   We maintained the security of our investment portfolio, and did not borrow long-term in advance of need.

22.3   We have also complied with the requirements of the prudential code by setting, monitoring and staying within the prudential indicators set, except the variable limit on net investments due to higher investment balances than when the indicator was set.

23.   Background Papers

- CIPFA Treasury Management in the Public Services – Code of Practice and Cross Sectoral Guidance Notes (2018 edition)
- CIPFA Treasury Management in the Public Services – Guidance Notes for Local Authorities including Police Authorities and Fire Authorities (2018 edition)
- CIPFA the Prudential Code for Capital Finance in Local Authorities (2018 edition)
- CIPFA the Prudential Code for Capital Finance in Local Authorities – Guidance Notes for Practitioners (2018 edition)
- Treasury management annual strategy report 2018-19

24.   Appendices

Appendix 1: Treasury management activity, treasury and prudential indicators 2018-19
Appendix 2: Investment property fund portfolio report 2018-19
Appendix 3: capital programme
Appendix 4: schedule of investments at 31 March 2019
Appendix 5: economic background – a commentary from Arlingclose
Appendix 6: benchmarking graphs
Appendix 7: credit score analysis
Appendix 8: credit rating equivalents and definitions
Appendix 9: background to externally managed funds
Appendix 10: glossary

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Treasury Management activity and treasury and prudential indicators 2018-19

1.   Introduction

1.1   The treasury management service is an important part of the overall financial management of the council.   Whilst the prudential indicators consider the affordability and impact of capital expenditure decisions, the treasury service covers the effective funding of these decisions.

1.2   Strict regulations, such as statutory requirements and the CIPFA treasury management code of practice (the TM Code) govern the council's treasury activities, and the Prudential Code and MHCLG Investment Guidance non-treasury investments.

1.3   The Council holds a substantial amount of Investment property (non-treasury investment) and has a large capital programme which directly impacts on the treasury management decisions the Council may make.

2.   Treasury management activity

2.1   The council has an integrated capital and investment strategy and manages its cash as a whole in accordance with its approved strategy. Therefore, overall borrowing may arise because of all the financial transactions of the council (for example, borrowing for cash flow purposes) and not just those arising from capital expenditure reflected in the Capital Financing Requirement (CFR).

Investments

2.2   The Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance requires local authorities to focus on security and liquidity rather than yield.

2.3   Both the CIPFA Code and government guidance requires local authorities to invest funds prudently, and to have regard to the security and liquidity of investments before seeking the highest rate of return, or yield. The main objective, therefore, when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitable low investment income.

2.4   Security of capital remains our main objective when placing investments. We maintained this during the year by following our investment policy, as approved in our treasury management strategy 2018-19, which defined "high credit quality" counterparties as those having a long-term credit rating of A- or higher.

2.5   Investments during the year included:

*   investments in AAA rated constant net asset money market funds

- call accounts and deposits with banks and building societies systemically important to each country's banking system. We do have some investments with overseas banks, but in sterling
- other local authorities
- corporate bonds
- non-rated building societies
- covered bonds
- pooled funds without a credit rating, but only those subject to an external assessment

2.6 We divided our investments into three types

- short-term (less than one-year) internally managed cash investments
- long-term internally managed investments
- externally managed funds

2.7 Cash balances consisted of working cash balances, capital receipts, and council reserves.

2.8 The table below shows our investment portfolio, at 31 March 2019, compared to 31 March 2018. **Appendix 2** contains a detail schedule of investments outstanding at the end of the year.

Investment details	Balance at 31-03-18 £m	Weighted Avg Return for Year	Balance at 31-03-19 £m	Weighted Avg Return for Year
Internally Managed Investments				
Fixed Investments < 1 year to cover cash flow	29.00	0.71%	6.00	0.96%
Corporate bonds	2.00	0.59%	0.00	1.06%
Certificates of deposit	3.00	0.59%	0.00	0.68%
Notice Accounts	11.00	0.56%	8.00	0.78%
Call Accounts	0.44	0.21%	0.00	0.37%
Money Market Funds	8.32	0.31%	13.23	0.66%
Revolving credit facility	2.50	2.25%	9.50	2.28%
Long term investments > 1 year	57.13	1.12%	48.65	1.17%
Externally Managed Funds				
Payden & Rygel	5.01	0.69%	0.00	0.64%
Funding circle	0.49	7.54%	0.51	6.22%
CCLA	6.65	4.83%	6.87	4.37%
SWIP	0.00	1.21%	0.00	0.00%
M&G	2.57	2.86%	1.39	3.20%
Schroders	0.88	7.38%	0.86	7.58%
UBS	2.34	3.92%	2.31	3.99%
City Financials	2.30	3.26%	0.00	2.68%
Total Investments	**133.64**	**1.03%**	**97.32**	**1.42%**

2.9 Our level of investments decreased during 2018-19, and we achieved a higher return than last year, partly due to increasing investment rates.

2.10 The Councils also holds £3.083 million equity investments in Guildford Holdings Ltd and £4.618 million in North Downs Housing Ltd.

2.11 We are earning an interest return of base rate plus 5% (currently 5.75%) on the investment in North Downs Housing. This is higher than the return earned on

treasury investments, but reflects the additional risks to the Council of holding the investment.

Security of investments

2.12 Counterparty credit quality was assessed and monitored with reference to credit ratings; financial institutions analysis of funding structure and susceptibility to bail-in, credit default swap prices; financial statements; information on potential government support and reports in the quality financial press.

2.13 We also considered the use of secured investment products that provide collateral in the event that the counterparty cannot meet its obligations for repayment.

2.14 The minimum long-term counterparty credit rating for 'high quality counterparties' approved for 2018-19 was A-/A3 across all three main credit rating agencies (Fitch, S&P, and Moody's).

2.15 The overall minimum long-term credit rating in the treasury strategy is BBB+. The strategy set different limits for different counterparty credit ratings both in maximum duration and exposure in monetary terms.

2.16 We also have the ability to invest in non-rated institutions subject to due diligence.

Liquidity of investments

2.17 In keeping with the MHCLG's Guidance on Investments, the council maintained a sufficient level of liquidity using money market funds, call accounts, the maturity profile of fixed investments and short-term borrowing from other local authorities.

2.18 We use PSlive as our daily cash flow forecasting software to determine the maximum period for which funds may prudently be committed.

Yield of investments

2.19 The council sought to optimise returns commensurate with its objective of security and liquidity. The Bank of England base rate increased to 0.75% in August 2018. Yields have been slowly increasing, but due to the economic uncertainty, have remained low.

2.20 We invested in longer-term covered bonds, which increased the return of the portfolio and the duration. Bonds can be sold in the secondary market should we need the liquidity.

2.21 The council's budgeted investment income for the year was £1.506 million and actual interest was £1.989 million.

Externally managed funds

2.22 We estimate to have substantial cash balances over the medium-term (our "core" cash as identified in the Councils liability benchmark), and as such we have continued investing in pooled (cash-plus, bond, equity, multi-asset and property) funds. These funds, have allowed us to diversify into asset classes other than cash without the need to own and manage the underlying investments. These funds operate on a variable net asset value (VNAV) basis offer diversification of investment

risk, coupled with the services of a professional fund manager; they also offer enhanced returns over the longer term but are more volatile in the short term. All of our pooled funds are in the respective funds distributing share class, which pay out the income generated. They have no defined maturity date, but are available for withdrawal, some with a notice period.

2.23   We regularly monitor all our external funds' performance and continued suitability in meeting our investment objectives.

Borrowing and debt management

2.24   The council's debt portfolio is detailed in the table below. Our loan portfolio decreased by £28.7 million due to more short term loans at the end of the year.

Interest calc	Lender	Loan type	Principal £'000	Initial loan period (yrs)	Period remaining years	Maturity date	Rate
Long-term							
Fixed	PWLB	EIP	460	10	3.0	31/03/2021	3.60%
Variable	PWLB	Maturity	45,000	10	4.0	28/03/2022	0.92%
Fixed	PWLB	Maturity	10,000	12	6.0	28/03/2024	2.70%
Fixed	PWLB	Maturity	10,000	13	7.0	28/03/2025	2.82%
Fixed	PWLB	Maturity	10,000	14	8.0	28/03/2026	2.92%
Fixed	PWLB	Maturity	10,000	15	9.0	28/03/2027	3.01%
Fixed	PWLB	Maturity	25,000	17	11.0	28/03/2029	3.15%
Fixed	PWLB	Maturity	25,000	20	14.0	28/03/2032	3.30%
Fixed	PWLB	Maturity	25,000	25	19.0	28/03/2037	3.44%
Fixed	PWLB	Maturity	15,000	29	23.0	28/03/2041	3.49%
Fixed	PWLB	Maturity	17,435	30	24.0	28/03/2042	3.50%
Short-term							
Fixed	Waverley BC	Maturity	5,000	0.34	0.0	18/04/2019	0.85%
Fixed	Western Isles Council	Maturity	2,000	0.29	0.1	26/04/2019	0.77%
Fixed	North Sommerset DC	Maturity	5,000	0.38	0.2	31/05/2019	0.85%
Fixed	Vale of Glamorgan	Maturity	3,000	0.41	0.2	14/06/2019	0.85%
Fixed	PCC South Wales	Maturity	5,000	0.17	0.0	08/04/2019	0.83%
Total			**212,895**				

2.25   Our primary objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should our long-term plans change being a secondary objective.

2.26   The rate on the variable rate loan is the average for the year.

2.27   We also have short-term loans outstanding at the end of the year which we took out for cash flow purposes, from other local authorities. Temporary and short-dated loans borrowed during the year from other local authorities remained affordable and attractive.

2.28   Affordability and the "cost of carry" remained important influences on our long-term borrowing strategy alongside the consideration that, for any borrowing undertaken

ahead of need, the proceeds would be invested at rates of interest significantly lower than the cost of borrowing. As short-term interest rates have remained low, and are likely to remain low at least over the forthcoming two years, lower than long-term rates, the council determined it was more cost effective in the short-term to use internal resources and borrow short-term to medium-term instead.

2.29   The Councils borrowing position is monitored regularly as to whether it is more beneficial to externalise borrowing now or whether to continue internal borrowing based on predicted future borrowing costs (which are likely to be higher). Arlingclose assist us with this 'cost of carry' and break even analysis.

2.30   The PWLB continued to operate a spread of approximately 1% between "premature repayment rate" and "new loan" rates so the premium charge for early repayment of PWLB debt remained relatively expensive for the loans in our portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence.

3.   Treasury and prudential indicators

3.1   The Local Government Act 2003 requires local authorities to have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury decisions are taken in accordance with good professional practice. To demonstrate the Council has fulfilled these objectives, the Prudential Code sets various indicators that must be set and monitored each year.

3.2   The CFO confirms that we have complied with our prudential indicators for 2018-19, which were approved in February 2018 as part of the treasury management strategy statement. The CFO also confirms that we have complied with our treasury management policy statement and treasury management practices during 2018-19.

Balance sheet and treasury position prudential indicator

3.3   The capital financing requirement (CFR) measures the council's underlying need to borrow for a capital purpose. Over the medium-term, borrowing must be only for a capital purpose, although in the short-term, we can borrow for cash flow purposes, which does not affect the CFR.

3.4   The council's CFR for 2018-19 is shown in the following table

Capital Financing Requirement	2018-19 Approved Estimate £000	2018-19 Revised Estimate £000	2018-19 Actual £000
HRA			
Opening balance (01 Apr 18)	197,024	197,024	197,024
Movement in year: Unfinanced cap exp	0	0	0
Closing balance (31 Mar 19)	197,024	197,024	197,024
General Fund			
Opening balance (01 Apr 18)	93,801	82,167	82,167
Movement in year: Unfinanced cap exp	70,811	44,930	25,566
Movement in year: MRP	(1,201)	(795)	(795)
Closing balance (31 Mar 19)	163,411	126,302	106,938
Total			
Opening balance (01 Apr 18)	290,825	279,191	279,191
Movement in year: Unfinanced cap exp	70,811	44,930	25,566
Movement in year: MRP	(1,201)	(795)	(795)
Closing balance (31 Mar 19)	360,435	323,326	303,962
Balances and Reserves	(115,482)	(115,482)	(167,168)
Cumulative net borrowing requirement / (investments)	**244,953**	**207,844**	**136,794**

3.5 The GF unfinanced capital expenditure mainly relates to property purchases, SARP and Guildford park car park. This is lower than budgeted because of the slippage in the capital programme – we projected this slippage during the year, which is shown by the revised estimate (as in the strategy report presented to Council in February 2019).

3.6 We budgeted an underlying need to borrow of £70.8 million for 2018-19, and our actual underlying need to borrow was £25.6 million because of slippage in the capital programme.

Gross debt and the CFR

3.7 We monitor the CFR to gross debt continuously to ensure that, over the medium term, borrowing is only for a capital purpose and does not exceed the CFR. This is a key indicator of prudence. We will report any deviations to the CFO for investigation and appropriate action. The following table shows the council is in a net internal borrowing position and gross debt does not exceed the CFR over the period.

Gross Debt and the CFR	2018-19 Actual £000
General Fund CFR	106,939
HRA CFR	197,024
Total CFR (at 31 March)	**303,963**
Gross External Borrowing	(212,895)
Net (external) / internal borrowing position	**91,068**

3.8 Actual debt levels are monitored against the operational boundary and authorised limit for external debt, detailed in paragraph 3.20 to 3.25.

3.9 We are showing as being internally borrowed up to £91 million in at the end of March 2019, against an estimate of £222 million – lower because of slippage in the capital programme.

Capital expenditure prudential indicator

3.10 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits, and, in particular, to consider the impact on council tax or housing rent levels for the HRA.

3.11 The following table shows capital expenditure in the year, compared to the original estimate approved by the Executive in January 2018.

Projects	Original Estimate (£'000)	Actual (£'000)	Variance (£'000)
Housing Revenue Account			
HRA Capital Programme	22,706	9,249	(13,457)
Total Housing	**22,706**	**9,249**	**(13,457)**
General Fund			
Chapel Street	200	879	679
Spectrum roof & CHP	43	215	172
Guildford park car park	4,497	1,006	(3,491)
Clay lane link road	4,339	1,119	(3,220)
SARP	900	1,962	1,062
Walnut bridge	1,026	471	(555)
Bedford Wharf	0	15,576	15,576
Town centre gateway regeneration			0
Rebuild crematorium	10,335	3,913	(6,422)
Provisional schemes	40,058	15	(40,043)
Housing company loan	21,400	3,201	(18,199)
Other General Fund Projects	17,201	7,968	(9,233)
Total General Fund	**99,999**	**36,325**	**(63,674)**
Total Capital Programme	**122,705**	**45,574**	**(77,131)**

3.12 The table shows that there was a lot of slippage in the capital programme. This was mainly over a few larger schemes including:

- provisional schemes were re-profiled during the year, and include:

- o Westfield/Moorfield road resurfacing
- o new burial grounds
- o Guildford park car park
- o various transport schemes

3.13 The following table shows the financing of capital expenditure in the year, compared with the original approved estimate.

CAPITAL EXPENDITURE SUMMARY	2018-19 Approved £000	2018-19 Outturn £000	2018-19 variance £000
General Fund Capital Expenditure			
- Main Programme	44,437	35,234	(9,203)
- Provisional schemes	50,953	15	(50,938)
- Schemes funded by reserves	4,351	1,026	(3,325)
- S106 Projects	0	51	51
Total Expenditure	**99,741**	**36,326**	**(63,415)**
Financed by :			
Capital Receipts	(5,290)	(3,695)	1,595
Capital Grants/Contributions	(5,465)	(2,517)	2,948
Capital Reserves/Revenue	(17,832)	(9,945)	7,887
Borrowing	(71,154)	(20,169)	50,985
Financing - Totals	**(99,741)**	**(36,326)**	**63,415**
Housing Revenue Account Capital Expenditure			
- Main Programme	14,876	9,249	(5,627)
- Provisional schemes	7,830	0	(7,830)
Total Expenditure	**22,706**	**9,249**	**(13,457)**
Financed by :			
- Capital Receipts	(5,509)	(2,771)	2,738
- Capital Reserves/Revenue	(17,197)	(6,478)	10,719
- Borrowing	0	0	0
Financing - Totals	**(22,706)**	**(9,249)**	**13,457**

3.14 GF borrowing was less than budgeted because of slippage in the capital programme, and an increase in the opening of available capital resources which reduced the need for internal borrowing in the year.

Ratio of financing costs to the net revenue stream prudential indicator

3.15 This is an indicator of affordability and highlights the revenue impact of capital expenditure by identifying the proportion of the revenue budget required to meet the financing costs associated with capital spending. Financing costs include interest on borrowing, MRP, premium or discount on loans repaid early, investment income and depreciation where it is a real charge.

3.16 Depreciation is not a real charge to the GF, but has been to the HRA since April 2012.

3.17 The ratio is based on costs net of investment income.

3.18 The net revenue stream for the GF is the total budget requirement and for the HRA is total income. Where the figure is negative, it is because there is a net investment

position (more investments than debt). The total budget requirement for the GF used is the 2018-19 budget.

	2018-19 Original Estimate	2018-19 Actual
General Fund	10.61%	-3.76%
HRA	33.09%	32.84%

3.19 The figure for the GF is negative because interest received is higher than financing costs (interest payable, debt management costs and MRP). The budget assumed a large amount of external borrowing for the capital programme which was not required and was reported throughout the year as part of budget monitoring.

The authorised limit prudential indicator

3.20 The Local Government Act 2003 requires the council to set an affordable borrowing limit, irrespective of the indebted status. This is a statutory limit, which we cannot breach.

3.21 The limit is the maximum amount of external debt we can legally owe at any one time. It is expressed gross of investments and includes capital expenditure plans, the CFR and cash flow expenditure. It also provides headroom over and above for unexpected cash movements.

3.22 The limit was set at £591 million for the year and the highest level of debt was £230 million.

3.23 We measure the levels of debt on an ongoing basis during the year for compliance. The CFO confirms there were no breaches to the authorised limit in 2018-19.

The operational boundary prudential indicator

3.24 The operational boundary, based on the same estimates as the authorised limit, reflects the most likely, prudent but not worst case scenario. It does not allow for additional headroom included in the authorised limit.

3.25 The limit was set at £535 million for the year and the highest level of debt was £230 million.

Upper limit for fixed and variable interest rate exposures treasury indicator

3.26 This indicator is set to control exposure to interest rate risk. We calculate exposures on a net basis (fixed rate debt net of fixed rate investments). We take fixed rate to be if it was taken out as a fixed rate loan/investment regardless of its duration.

Net Debt / (Investments) on Principal outstanding	2018-19 Actual £000
Limits on fixed interest rates	132,325
Limits on variable interest rates	(230,367)

3.27 The above shows the peak in the year. Variable is negative because we had more variable rate investments than debt. We include our external funds as variable rate investments.

Maturity structure of fixed rate borrowing treasury indicator

3.28 The aim of this indicator is to control our exposure to refinancing risk (large concentrations of fixed rate debt needing refinancing at once). We calculate this as the amount of fixed rate borrowing maturing in each period as a percentage of fixed rate borrowing.

	Upper Limit	Lower Limit	Actual at 31 March 2019	Value of loans maturing
Under 12 months	15%	0%	1.49%	2,230,000
1-2 years	20%	0%	0.15%	230,000
3 to 5 years	25%	0%	6.67%	10,000,000
6 to 10 years	50%	0%	36.69%	55,000,000
11-15 years	100%	0%	16.68%	25,000,000
16-20 years	100%	0%	16.68%	25,000,000
21-25 years	100%	0%	21.64%	32,435,000
Over 26 years	100%	0%	0.00%	0

3.29 The above table shows the amount of debt maturing in each period and its percentage of total fixed rate loans. The targets were set to give us flexibility for drawing down new loans on a fixed or variable rate basis. If a lower upper limit for fixed rate debt were set, the council would be giving itself a greater exposure to interest rate changes by having more variable rate debt. The upper limit for under 12 months was set to cover any short-term borrowing for cash flow purposes and for allowing for the principal loan repayments falling in that period.

3.30 The limit for that maturing within 12 months is higher due to short-term borrowing levels. 45% of our fixed rate debt matures within the next 10 years, with the majority being in years 6-10. This gives the council stability in its interest payments over that time, and time to consider refinancing options. The first fixed rate loan matures in 2024.

Actual external debt treasury indicator

3.31 This indicator comes directly from our balance sheet. It is the closing balance for actual gross borrowing (short and long term) plus other deferred liabilities. It is measured in a manner consistent for comparison with the authorised limit and operational boundary.

	External debt as at 31 Mar 18 £'000	External debt as at 31 Mar 19 £'000
Borrowing	241,625	212,772
Other long term liabilities	0	0
Total	**241,625**	**212,772**

3.32   Actual external debt decreased because we had less short-term borrowing that at the start of the year.

Upper limit for total principal sums invested over 1 year

3.33   The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the council having to seek early repayment of the sums invested.

3.34   Our limit was set at £70 million, we ended the year with exposure of £48.6 million.

3.35   As mentioned earlier in the report, many of our long-term investments are covered bonds, which can be sold on the secondary market. There could be a price differential if they were sold, but it is unlikely to be material.

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GBC INVESTMENT PROPERTY FUND PORTFOLIO ANNUAL REPORT

2018/19

Current Fund Summary – 2018/19

OBJECTIVE OF FUND

The Investment Property Fund aims to provide a high and secure level of income with the prospect of income growth and to maintain the capital value of the properties held in the Fund. This is achieved by keeping vacancy and associated costs to a minimum and by generating income growth through rental increases, refurbishments, active asset management and new lettings, as well as investing in a diversified commercial property portfolio.

KEY POINTS – 31 MARCH 2019

- Fund size £161 million. Rental income of over £9.2 million pa.
- 164 properties
- High yielding (6.3% net of costs/voids)
- Low vacancy rate (0.78%)
- Long average unexpired lease terms

TOP FIVE SINGLE INVESTMENTS

- Wey House, Farnham Rd
- Liongate House, Ladymead
- Friary Centre
- The Billings, Walnut Tree Clse
- Friary Street, West Side

FUND PERFORMANCE AGAINST UK BENCHMARK 2018/19
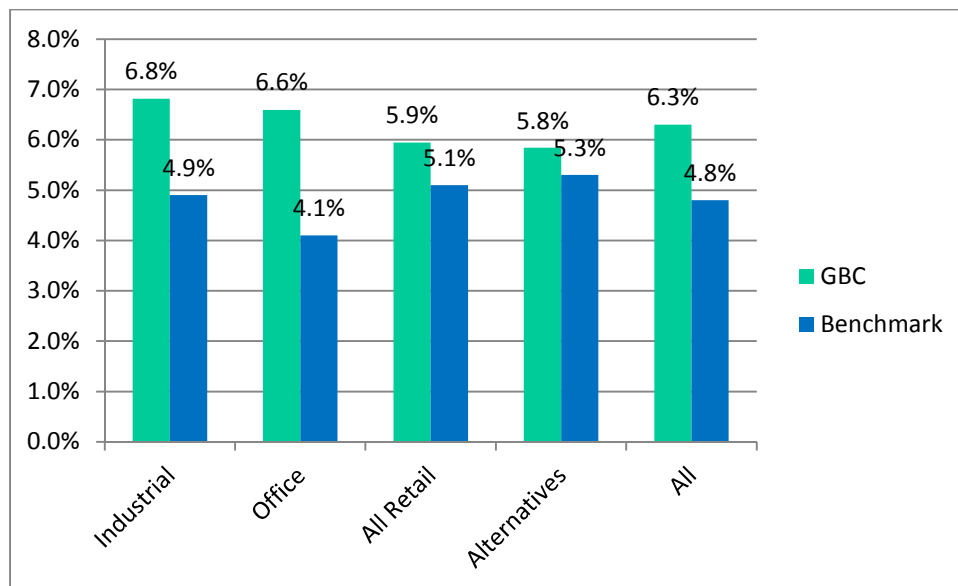
KEY ACQUSITIONS AND DISPOSALS 2018/19

Property	Interest	Price paid	Date of completion	Previous rent pa	Current rent pa
ACQUSITIONS					
Slyfield, Moorfield Road, 41 (Moorfield Point)	Leasehold (to merge Freehold)	£1,459,000	04/12/2018	£221,000	£357,534
Woodbridge Meadows, 23 (Argol House)	Leasehold (to merge Freehold)	£829,806	05/02/2019	£7,225	£65,000
DISPOSALS					
Lysons, Cobbs	Freehold	£390,000	19/10/2018	£18,500	N/A

**GBC INVESTMENT PROPERTY
FUND PORTFOLIO ANNUAL REPORT**

2018/19

Property Investment Fund – 2018/19

FUND STRATEGY

The Fund comprises the principal commercial property sectors: office, retail, industrial and alternatives (hotels, car showrooms, petrol stations, leisure, etc.).
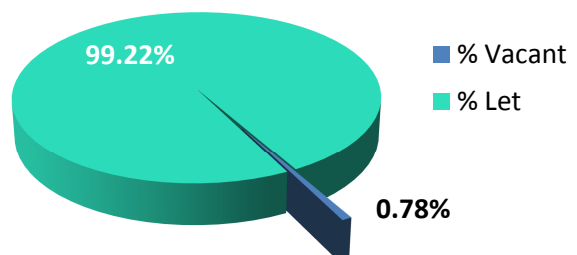
Current Fund Properties

Sector	No. of assets	Sub-category	No.
Office	8	-	
Industrial	125	-	
Retail	10	Shops Shopping Centres Supermarkets	6 2 1
Leisure	6	Restaurants Nightclubs	5 1
Alternatives	11	Educational Theatres Barns Petrol Stations Sui Generis Car Parks Water Treatment Works	3 1 2 1 1 1 1
Total Investment Properties	**159**		

Officers aim to achieve an above average income return by keeping vacancy and associated costs (such as empty rates, service charges, repairs and insurance) to a minimum and by generating income growth through rental increases, refurbishments, active asset management and new lettings. The vacancy rate is currently 0.78% (excluding intentional voids).

Vacancy Rate (based on days per property)

Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year
0.65%	0.76%	0.72%	0.99%	0.78%

99.22%

■ % Vacant
■ % Let

0.78%

GBC INVESTMENT PROPERTY FUND PORTFOLIO ANNUAL REPORT

2018/19

The Fund has acquired 11 buildings in the last 5 years, investing almost £42 million in assets for pure investment and redevelopment opportunities. Those acquired for pure investment (just over £40 million) are now valued at over £51 million. Of these acquisitions, all properties have been retained to date, with only have one property being considered for disposal, illustrating that acquisitions have generally been made for the long term.

Property	Date Purchased	FY	Price paid	Asset Value at 31/01/2019
Midleton Ind Estate, 11	01/12/2014	2014/15	£460,000	Re-development
Midleton Ind Estate, 13	05/12/2014	2014/15	£325,000	Re-development
The Billings	01/12/2014	2014/15	£5,700,000	£6,950,000
Midleton Ind Estate, 05	19/12/2014	2014/15	£650,000	Re-development
Midleton Ind Estate, 10	20/07/2015	2015/16	£4,800,000	£6,700,000
Armour Building, Bridge St	24/03/2016	2015/16	£2,950,000	£3,120,000
Lysons, Brinnell Building	18/03/2016	2015/16	£1,500,000	£2,820,000
Wey House	02/08/2016	2016/17	£22,650,000	£23,200,000
Midleton Ind Estate, 09	24/03/2017	2016/17	£500,000	£890,000
Slyfield, Moorfield Road, 41	04/12/2018	2018/19	£1,459,000	£6,385,000
Woodbridge Meadows, 23	05/02/2019	2018/19	£829,806	£940,000

PERFORMANCE

Despite market uncertainty due to the current political environment and changing consumer spending patterns (See Appendix 1 - RICS UK Commercial Property Market Survey), the fund continues to perform well. The fund currently stands at £161million with a total rent roll of over £9.2 million per annum. This represents a total net return of 6.3%. This is despite the following:

1. intentional voids at Midleton Industrial Estate to allow the redevelopment (rental loss of £125,350pa);
2. the loss of units on Slyfield Industrial Estate to enable to the Slyfield Area Regeneration Project (SARP) (rental loss of £92,500pa);
3. vacancies at 3 The Billings (which is now under offer at £154,000pa) and 10 Mildleton (£300,000pa); and
4. Reclassification of some assets to the Operational Portfolio.

This represents a total loss of £671,850pa. However, due to rental increases at rent review and recent acquisitions, the loss has been off-set and income has actually increased.

GBC INVESTMENT PROPERTY FUND PORTFOLIO ANNUAL REPORT

2018/19

Fund Performance (total return)

Rental income (£)				
	Industrial	**Office**	**All Retail**	**Alternatives**	**All**
2015/16	2,679,571	1,831,900	1,750,254	885,636	7,147,361
2016/17	3,057,302	1,858,638	1,447,672	1,062,137	7,425,749
2017/18	3,493,405	3,186,048	1,426,317	1,080,786	9,186,556
2018/19	3,619,808	3,038,548	1,459,048	1,129,361	9,246,765
Capital value (£)				
	Industrial	**Office**	**All Retail**	**Alternatives**	**All**
2015/16	39,077,755	19,227,500	34,270,000	11,233,500	103,808,755
2016/17	42,922,450	25,915,000	25,908,500	15,963,500	110,709,450
2017/18	51,509,000	49,574,000	26,065,000	17,471,500	144,619,500
2018/19	66,970,000	49,159,000	26,097,000	18,843,000	161,069,000
Income return (net of costs)				
	Industrial	**Office**	**All Retail**	**Alternatives**	**All**
2015/16	8.0%	7.5%	5.6%	7.5%	6.8%
2016/17	7.1%	7.2%	5.6%	6.7%	6.7%
2017/18	8.0%	7.4%	5.2%	5.8%	6.6%
2018/19	6.8%	6.6%	5.9%	5.8%	6.3%
Benchmark return				
	Industrial	**Office**	**All Retail**	**Alternatives**	**All**
2015/16	6.1%	4.7%	5.4%	4.7%	5.2%
2016/17	5.4%	4.1%	5.0%	5.5%	4.8%
2017/18	4.9%	4.1%	5.1%	5.3%	4.8%
2018/19	4.4%	4.0%	5.1%	5.0%	4.6%

Currently the investment fund has a high weighting of industrial and office investments in comparison to retail and alternatives.

Sector weighting based on value

- Industrial 42%
- Office 30%
- All Retail 16%
- Alternatives 12%
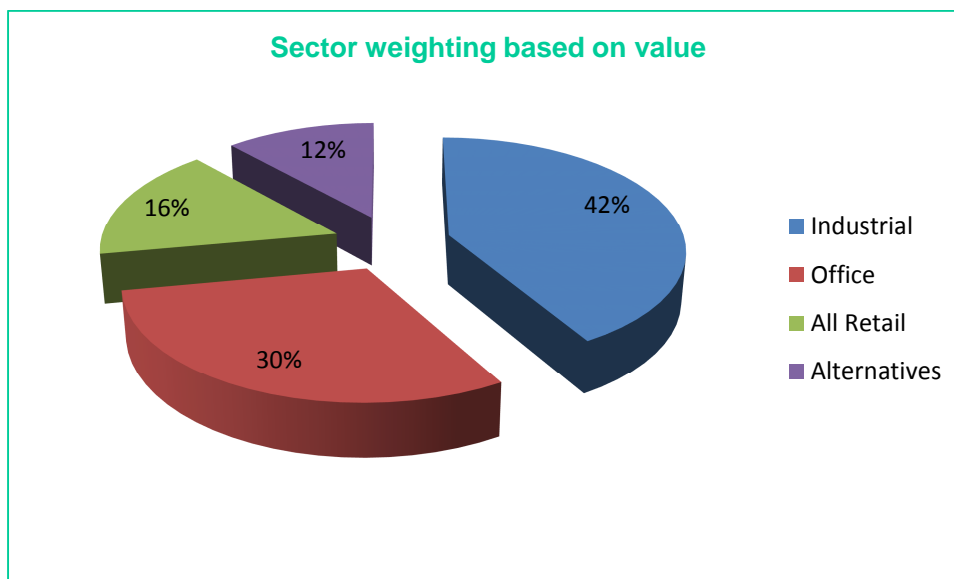
GBC INVESTMENT PROPERTY
FUND PORTFOLIO ANNUAL REPORT

LOCAL PROPERTY MARKET

Industrial

The local industrial market, in common with that of the wider South West M25 region continues to experience encouraging levels of occupier activity despite ongoing BREXIT uncertainty. Enquiry levels remain steady, the investment market performs well and fundamental indicators of supply versus demand suggests there remains demand for speculatively built space in 2019 and beyond.

Industrial stock in Guildford Borough is made up of a number of industrial estates. The Fund's Slyfield Industrial Estate is by far the biggest and is arguably best located for road connections to the A3. Current availability is remarkably low at present, particularly for the smaller size ranges.

Office

The office market in Guildford has started to suffer from the loss of large corporate occupiers. At the end of Q4 2018 there was some 432,000 sq ft of offices (units greater than 2,000 sq ft) available to be let in Guildford (this does not include the 82,000 sq ft which Ericsson will be vacating nor the 50,000 sq.ft which BOC will shortly be bring to the market). This represents a vacancy rate of circa 13%.

The ten-year average annual take up in Guildford is just over 90,000 sq.ft so there is therefore 4-6 years supply. Although agents believe the take up is actually below the average with just 5,000 sq.ft let in 2 deals in Q1 2018.

Market demand is mainly focussed on town centre locations with a large part of the demand currently coming from the computer games sector. The market is reliant on the SME's for take up and demand is generally for smaller space areas of 3,000 -10,000 sq ft.

2017 take up above 5,000 sq.ft attached.

Retail

Tenant demand for retail space is still falling sharply.

See Appendix 1 - RICS Q4 2018: UK Commercial Property Market Survey

Industrial is the only sector displaying positive rental and capital value expectations in the near term.

Officers believe the Fund's sector weightings will deliver a small yield benefit through maintaining a higher weighting to the Guildford industrial and alternative sectors, and a lower weighting to the high street retail, shopping centre and corporate office markets.

The Council's ability to source the right investment stock at the right price continues to be the biggest driver of performance.

Whilst there is currently no active property investment acquisition fund, officers continue to look for interesting opportunities, currently with a bias towards Guildford locations, the industrial markets and good quality alternatives.

More importantly, officers continue to asset manage the existing portfolio to ensure performance is optimised. .

GBC INVESTMENT PROPERTY FUND PORTFOLIO ANNUAL REPORT

2018/19

KEY ACQUSITIONS AND DISPOSALS 2018/19

Slyfield, Moorfield Road, 41 (Moorfield Point)

The rent of the above property was due for review as at 25 December 2015. In 2018, officers managed to finally agree an increase from the passing rent of £180,000pa to £221,000pa, an increase of 23%. This led to an approach from the long leaseholder to sell its interest in the property. This allowed the Council to consolidate the freehold and leasehold interest and become direct landlord to the eight sub-tenants with a rent roll of £357,534pa. The acquisition represented a net initial yield of 8.84%.

Woodbridge Meadows, 23 (Argol House)

This property was let on a long leasehold at £7,225pa. The Council acquired the property early this year. It was simultaneously re-let to the tenant on a 2-year lease at £65,000pa. On expiry of the temporary lease, the Council have grated a 125-year lease to Porsche Cars GB Ltd for a premium of £800,000 and a new ground rent of £15,000pa subject to review.

Lysons, Cobbs

This management intensive property did not meet the Council's investment criteria and was in a poor condition. As such, the Council agreed to sell the freehold to the existing tenant for £390,000. The proceeds have been ring fenced for future property investment.

CURRENT PROJECTS

The Council is currently undertaking a redevelopment of Midleton Industrial Estate. Midleton Industrial Estate, which is in the Council's freehold ownership, holds significant asset management opportunities.

The entire Estate comprises around 5.7 acres and is divided in accordance with the long leaseholds previously granted. There has been a strategy in recent years to buy back units, which were let on long leaseholds to enable redevelopment for continued industrial use. The units are typically 1970s warehouses at the end of their economic life.

The Council has to-date been temporarily letting properties to reduce costs and increase revenue with a range of lease expiry dates. The Council has now decided to bring forward and develop the site in phases as and when leases expire or are determined.

Phase 1 will begin with Plot 11, on which we vacant procession has been achieved, and follow with Plots 13 and 14/15.

It is hoped that the first properties will be ready to let around the end of 2019 / early 2020 and marketing will start once planning has been accepted.

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2018-19 to 2023-24

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Agenda item number: 5
Appendix 3

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate (a) £000	Cumulative spend at 31-03-18 (b) £000	2018-19 Estimate approved by Council in February (c) £000	Revised estimate (d) £000	Expenditure at 16.04.19 (e) £000	Projected exp est by project officer (f) £000	2019-20 Est for year (ii) £000	2020-21 Est for year (iii) £000	2021-22 Est for year (iv) £000	2022-23 Est for year (v) £000	2023-24 Est for year (v) £000	Future years est exp (g) £000	Projected expenditure total (b)+(g)=(h) £000	Grants / Contributions towards cost of scheme (i) £000	Net cost of scheme (h)-(i)=(j) £000
	APPROVED SCHEMES															
	COMMUNITY DIRECTORATE															
	General Fund Housing															
ED30	Home Farm, Effingham - provision of Gypsy and Travellor pitches COMPLETE	1,000	987	-	13	1	1	-	-	-	-	-	-	987	-	987
	Disabled Facilities Grants			-	605	455	455	605	605	605	605	605	3,025	3,480	(737)	2,743
	Better Care Fund			-		50	50	-						50		50
	Home Improvement Assistance			-	-	41	41	-					-	41	-	41
	Solar Energy Loans			-	-	6	6	-					-	6	-	6
	SHIP			-	-	0	0	-					-	0	-	0
	General Grants to HAs			100	100	-	-	100	100	100	100	100	500	500	-	500
	General feasibility, site preparation costs for affordable			120	188		-	120	120	120	120	120	600	1,265	-	1,265
	Bright Hill Car Park Site		17			2	2						-	-	-	-
	Ladymead/Fire Station site preparation (complete)		95			-	-						-	-	-	-
	Garage Sites-General		159			1	1						-	-	-	-
	Garage Sites Phase 1		5			5	5						-	-	-	-
							-									
	Guildford Park Car Park (complete)		312			-	-						-	-	-	-
	Apple Tree Pub Site		75			0	0						-	-	-	-
	Park Barn					2	2									
	Japonica Court/Shawfield Day Centre					4	4									
							-									
	Corporate Prorperty						-									
P ED3/15	Disabled Access (DDA) Improvements: ph.2 & 3	390	348	26	56	21	21	7	-	-	-	-	7	375	-	375
ED14(e)	Void investment property refurbishment works	400	219	177	58	-	-	59	-	-	-	-	59	401	-	401
ED14	5 High Street void works		-	-	106	2	2	105						105		
ED15	Unit 3 The Billings void works				1	0	0									
ED14(i)	12/13 Enterprise Est void work COMPLETE			-	16	16	16						-			
ED19	Asbestos surveys and removal in non-residential council premises	158	114	42	44	16	16	22	-	-	-	-	22	152	-	152
ED21	Methane gas monitoring system	100	45	60	55	-	-	55	-	-	-	-	55	100	-	100
ED22	Energy efficiency compliance - Council owned properties	245	16	225	229	42	42	187	-	-	-	-	187	245	-	245
ED23	Rebuild retaining wall on Shalford Park boundary with the Old Vicarage (COMPLETE)	60	32	9	28	1	1	-	-	-	-	-	-	33	(16)	17
ED26	Bridges -Inspections and remedial works	317	173	200	144	0	0	129	-	-	-	-	129	312	-	312
ED26	Bridges - Millmead Footbridge					4	4									
ED26	Bridges - Shalford Common			-		1	1									
ED26	Bridges - Millmead Lattice					9	9									
ED26	Bridges - Shalford Rd/Millmead Island					0	0									
ED35	Electric Theatre - new boilers	120	-	-	120	-	-	120	-	-	-	-	120	120	-	120
ED41	The Billings roof	200	13	187	187	14	14	-	173	-	-	-	173	200	-	200
ED42	Guildford house damproofing- removal of decayed timber panellling and mathematical tiling at high level COMPLETE	20	4	20	31	27	27	-	-	-	-	-	-	31	-	31
ED44	Broadwater cottage	224	2	64	72	67	67	154	-	-	-	-	154	223	-	223
ED45	Gunpowder mills - scheduled ancient monument	50	5	50	45	-	-	25	-	-	-	-	25	30	-	30
ED46	New House - short term works following acquisition	70	18	22	52	36	36	16	-	-	-	-	16	70	-	70
ED52	Chapel Street (Castle Street/Tunsgate Public Realm Scheme)	1,035	113	200	922	879	879	50	-	-	-		-	992	-	992
ED53	Site clearance costs ahead of sale of Burpham Court Farm Buildings	50	-	-	50	33	33	-	-	-	-	-	-	33	-	33
ED47	Cladding of Ash Vale units	145	-	145	145	13	13	132	-	-	-	-	132	145	-	145
ED55	48 Quarry Street, Museum - structural works	-	-	30	30	15	15	15	-	-	-	-	15	30	-	30
PL53	Park Barn CC LED lighting upgrade (Complete)	3	-	3	3	3	3	-	-	-	-	-	-	3	-	3
ED53	Tyting Farm Land-removal of barns and concrete hardstanding	200	-	200	200		-	200	-	-	-	-	200	200	-	200
ED56	Foxenden Tunnels safety works	110					-	110					110	110	-	110
ED57	Holy Trinity Church boundary wall	63					-	63					63	63	1	64
							-									
							-									
	Office Services						-									
	Replace Hydro Gates Toll House (COMPLETE)				16	11	11							11	-	11
BS4	Hydro private wire - Tollhouse to Millmead			4	4	3	3	-	-	-	-	-	-	3	-	3
	Millmead - IT Cooling System	150				18	18						-	18		18
	COMMUNITY DIRECTORATE TOTAL	5,110	2,752	1,883	3,520	1,796	1,796	2,274	998	825	825	825	5,697	10,227	(752)	9,476

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2018-19 to 2023-24

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate (a) £000	Cumulative spend at 31-03-18 (b) £000	2018-19 Estimate approved by Council in February (c) £000	Revised estimate (d) £000	Expenditure at 16.04.19 (e) £000	Projected exp est by project officer (f) £000	2019-20 Est for year (ii) £000	2020-21 Est for year (iii) £000	2021-22 Est for year (iv) £000	2022-23 Est for year (v) £000	2023-24 Est for year (v) £000	Future years est exp (g) £000	Projected expenditure total (b)+(g)=(h) £000	Grants / Contributions towards cost of scheme (i) £000	Net cost of scheme (h)-(i)=(j) £000
	ENVIRONMENT DIRECTORATE															
	Operational Services															
OP1	Safer Guildford: CCTV & Lighting Strategy - Lighting Strategy phase 3 & 4	345	324	-	21	-	-	21	-	-	-	-	21	345	-	345
OP5	Mill Lane (Pirbright) Flood Protection Scheme	71	55	16	16	-	-	16	-	-	-	-	16	71	(19)	52
OP6	Vehicles, Plant & Equipment Replacement Programme	6,445	5,366	600	1,079	384	384	579	-	-	-	-	579	6,329	(26)	6,303
	Mary Road Flood (EA grant)	45	16		29	-	-	29						45	(45)	-
OP20	Flood resilience measures (use in conjunction with grant funded schemes)	100	-	-	-	-	-	100	-	-	-	-	100	100	-	100
OP22	Litter bins replacement	265	104	-	161	8	8	-	-	-	-	-	-	112	-	112
OP23	Flats recycling - new bins	50	39	-	11	7	7	4	-	-	-	-	4	50	-	50
OP25	WRD roads and footpaths	150	59	51	51	37	37	40	-	-	-	-	40	135	-	135
OP26	Merrow lane grille & headwall construction	60	3	52	57	-	-	57	-	-	-	-	57	60	-	60
OP27	Merrow & Burpham surface water study	15	-	15	15	-	-	15	-	-	-	-	15	15	-	15
OP28	Crown court CCTV	10	-	10	10	-	-	10	-	-	-	-	10	10	-	10
OP17	New vehicle washing system	155	0	155	155	1	1	154	-	-	-	-	154	155	-	155
	Parks and Leisure						-									
PL11	Spectrum Roof replacement	4,000	1,420	43	276	115	115	300	-	-	-	-	300	2,939	-	2,939
	Spectrum roof - steelwork ph2	-	407	-	-	3	3	-	-	-	-	-	-	-	-	-
	Spectrum roof - steelwork ph3	-	697			23	23							-		-
PL15	Infrastructure works: Guildford Commons	150	3	-	-	-	-	-	-	-	-	-	-	3	-	3
PL15(a)	Infrastructure works: Guildford Commons: Merrow	-	12	-	5	0	0	5	-	-	-	-	5	17	-	17
PL15(b)	Infrastructure works: Guildford Commons: Shalford	-	97	33	33	14	14	-	-	-	-	-	-	111	-	111
PL20(a)	Onslow Rec play area (COMPLETE)	174	165	-	9	8	8	-	-	-	-	-	-	173	-	173
PL20(b)	Westnye Gardens play area	125	10	110	115	108	108	-	-	-	-	-	-	118	(1)	117
PL21	Stoke Park Tennis Courts refurbishment (COMPLETE)	90	85		5	4	4						-	89	-	89
PL22	Stoke Park Paddling Pool (ph1&2) (COMPLETE)	423	418	-	5	-	-	-	-	-	-	-	-	418	-	418
PL32	Stoke Park Bowls Club (COMPLETE)	102	112	-	(10)	-	-	-	-	-	-	-	-	112	(44)	68
PL34	Stoke cemetery re-tarmac	47	-	47	47	-	-	47	-	-	-	-	47	47	-	47
PL35	Woodbridge rd sportsground replace fencing	250	39	-	211	157	157	-	-	-	-	-	-	195	-	195
PL36	Stoke Park Composting facility	105	-	105	105	-	-	105	-	-	-	-	105	105	-	105
PL38	Chantry wood campsite	216	7	210	209	-	-	-	-	-	-	-	-	7	-	7
PL41	Stoke pk office accomodation & storage buildings (Greenhouse)Complete	65	74	-	(9)	2	2	-	-	-	-	-	-	76	-	76
PL42	Pre-sang costs	100	19	79	81	5	5	61	-	-	-	-	61	85	-	85
PL43	Stoke Cemetery Chapel - phase 2(COMPLETE)	75	7	72	68	38	38	-	-	-	-	-	-	46	-	46
PL46	Replace Stoke Park gardens attendent hut/Visitor information point (COMPLETE)	143	14	80	128	128	128	-	-	-	-	-	-	143	-	143
PL47	Wall repairs for parks, cemeteries & recreation facilities(COMPLETE)	195	10	180	185	162	162	-	-	-	-	-	-	172	-	172
PL48	Bellfields Community Centre - Subsidence	60	3	49	57	56	56	-	-	-	-	-	-	59	-	59
PL50	Countryside fence replacement COMPLETE	97	64	47	33	33	33	-	-	-	-	-	-	97	-	97
PL52	Sutherland Memorial Park LED lighting for courts/football pitch (COMPLETE)	25	-	-	25	24	24	-	-	-	-	-	-	24	-	24
PL53	New War Memorial	50	16		34	45	45							60		60
ED18	Museum and castle development	1,652	3	349	449	185	185	180	1,020	-	-	-	1,200	1,388	-	1,388
PL57	Parks and Countryside - repairs and renewal of paths,roads and car parks	165	-	165	165	94	94	-	-	-	-	-	-	94	-	94
PL24	Kings college astro turf	547	-	120	547	76	76	-	-	-	-	-	-	76	(427)	(350)
PL58	Shalford Common - regularising car parking/reduction of encroachments	121		-			-	60	61				121	121	-	121
PL49	Resurface Lido Rd CP (COMPLETE)	40	-	40	40	40	40	-	-	-	-	-	-	40	-	40
	Econmonic Development						-									
	Broadband for Surrey Hills				10	10	10							10	-	10
	ENVIRONMENT TOTAL DIRECTORATE	16,727	9,649	2,628	4,428	1,765	1,765	1,783	1,081	-	-	-	2,835	14,253	(561)	13,691
	FINANCE DIRECTORATE															
	Financial Services															
FS1	Capital contingency fund	annual	-	5,000	2,775	-	-	5,000	5,000	5,000	5,000	5,000	25,000	25,000	-	25,000

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2018-19 to 2023-24

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate (a) £000	Cumulative spend at 31-03-18 (b) £000	2018-19 Estimate approved by Council in February (c) £000	Revised estimate (d) £000	Expenditure at 16.04.19 (e) £000	Projected exp est by project officer (f) £000	2019-20 Est for year (ii) £000	2020-21 Est for year (iii) £000	2021-22 Est for year (iv) £000	2022-23 Est for year (v) £000	2023-24 Est for year (v) £000	Future years est exp (g) £000	Projected expenditure total (b)+(g)=(h) £000	Grants / Contributions towards cost of scheme (i) £000	Net cost of scheme (h)-(i)=(j) £000
	RESOURCES DIRECTORATE TOTAL	0	0	5,000	2,775	0	0	5,000	5,000	5,000	5,000	5,000	25,000	25,000	0	25,000
	DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS															
	COMMUNITY DIRECTORATE															
ED25	Guildford Park - new MSCP and infrastructure works	6,500	1,118	4,497	4,768	685	685	3,509	-	-	-	-	3,509	6,247	-	6,247
	Guildford Park - Housing for private sale		614			321	321									
	Investment in North Downs Housing (60%)	15,180	2,698	12,840	12,482	1,921	1,921	4,379	4,500	1,682	-	-	10,561	15,180	-	15,180
	Equity shares in Guildford Holdings ltd (40%)	10,120	1,803	8,560	8,317	1,280	1,280	2,920	3,000	1,117	-	-	7,037	10,120	-	10,120
ED49	Middleton Ind Est Redevelopment	3,850	36	1,637	1,801	219	219	3,594	-	-	-		3,594	3,849		3,849
	ENVIRONMENT DIRECTRORATE						-									
P5	Walnut Bridge replacement	3,341	896	1,026	2,445	471	471	801	1,094	17	-	-	1,912	3,278	(1,630)	1,648
PL9	Rebuild Crematorium	11,732	560	10,335	5,000	3,913	3,913	7,259	-	-	-	-	7,259	11,731	-	11,731
PL25	Spectrum Combined Heat and Power (GF contr)	1,110	216	-	651	74	74	-	-	-	-	-	-	290	-	290
PL29	Woodbridge Rd sportsground	1,900	1,918	-	(18)	293	293	-	-	-	-	-	-	2,211	(746)	1,465
	PLANNING & REGENERATION DIRECTORATE						-									
ED32	Internal Estate Road - CLLR Phase 1	11,139	1,173	4,339	4,966	1,119	1,119	6,500	-	-	-	-	6,500	8,792	(1,000)	7,793
ED6	Slyfield Area Regeneration Project (SARP)	15,225	1,252	900	1,632	1,962	1,962	5,670	700	5,641	-	-	12,011	15,225	-	15,225
ED27	North Street Development / Guild Town Centre regeneration	977	721	337	256	20	20	-	-	-	-	-	-	741	(50)	691
P9c	TCMP Sites U: Bedford Rd Wharf(COMPLETE)	15,576	-	-	1,400	15,576	15,576	-	-	-	-	-	-	15,576	-	15,576
P9c(a)	Walnut Bridge Land Acquisition		9		491	369	369							379	-	379
P9c	Town Centre Gateway Regeneration	3,523	11	-	(11)	33	33	3,479	-	-	-	-	3,479	3,522	-	3,522
	SMC(West) Phase 1	3,850		850	850	250	250	1,383	1,665				3,048	3,298	(2,725)	573
P16	A331 hotspots	3,930	-	300	300	147	147	2,230	1,400	-	-	-	3,630	3,777	(1,965)	1,812
P14	Town Centre Approaches	1,033	-	200	200	-	-	1,033	-	-	-	-	1,033	1,033	(700)	333
P12	Strategic property acquisitions -	830	-	-	830	831	831	-	-	-	-	-	-	831	-	831
P13	Strategic property acquisitions - 41 Moorfield Road	1,544		-	1,544	1,541	1,541	-	-	-	-	-	-	1,541	-	1,541
P20	Bedford Wharf Landscaping	150			150	1	1	149	-	-	-	-	149	150	-	150
P22	Ash Bridge Land acquistion	120			120	2	2	-	-	-	-	-	-	2	-	2
P21	Ash Road Bridge	3,460			600	646	646	2,814	-	-	-	-	2,814	3,460	(3,460)	(0)
	DEVELOPMENT/INCOME GENERATING/COST REDUCTION	115,089	13,024	45,821	48,773	31,672	31,672	45,720	12,359	8,457	0	0	66,536	111,232	(12,276)	98,956
	APPROVED SCHEMES TOTAL	136,926	25,425	55,332	59,496	35,234	35,234	54,777	19,438	14,282	5,825	5,825	100,068	160,712	(13,589)	147,123
	non-development projects total	21,837	12,401	9,511	10,723	3,562	3,562	9,057	7,079	5,825	5,825	5,825	33,532	49,480	(1,313)	48,167

X:\TreasuryManagement\Reports & Committee\2018 19\Outturn report\[190416 Capital schemes - spend and funding 18-19 Vicky.xlsx]Main-approved

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2018-19 to 2023-24

Ref	Code	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive (a) £000	Cumulative spend at 31-03-18 (b) £000	2018-19 Estimate approved by Council in February (c) £000	Revised estimate (e) £000	Expenditure at 16.04.19 (f) £000	Projected exp est by project officer (g) £000	2019-20 Est for year (i) £000	2020-21 Est for year (ii) £000	2021-22 Est for year (iii) £000	2022-23 Est for year (iv) £000	2023-24 Est for year (v) £000	Future years estimated expenditure (h) £000	Projected expenditure total (b) to (g)=(i) £000	Grants or Contributions towards cost of scheme (j) £000	Net total cost of scheme to the Council (i)-(j)=(k) £000
		PROVISIONAL SCHEMES (schemes approved in principle; further report to the Executive required)															
		COMMUNITY DIRECTORATE															
		General Fund Housing															
CM1(p)		Old Manor House - replacement windows	193	-	193	193	-	-	193	-	-	-	-	193	193	-	193
								-									
		Corporate Property						-									
ED14(P)		Void investment property refurbishment works	300	-	200	200	-	-	150	150	-	-	-	300	300	-	300
ED18(P)		Guildford Museum	5,010	-	-	-	-	-	-	5,010	-	-	-	5,010	5,010	-	5,010
ED21(P)		Methane gas monitoring system	150	-	150	150	-	-	150	-	-	-	-	150	150	-	150
ED22(P)		Energy efficiency compliance - Council owned properties	950	-	950	950	-	-	-	475	475	-	-	950	950	-	950
ED26(P)		Bridges	370	-	270	370	-	-	185	185	-	-	-	370	370	-	370
ED45(P)		Gunpowder mills - scheduled ancient monument	172	-	172	172	-	-	120	52	-	-	-	172	172	-	172
ED48(p)		Westfield/Moorfield rd resurfacing	3,152	-	3,152	3,152	-	-	-	3,152	-	-	-	3,152	3,152	-	3,152
ED51(p)		Exhibition lighting at Guildford House	50	-	50	50	-	-	50	-	-	-	-	50	50	-	50
ED52(p)		Chapel Street (Castle Street/Tunsgate Public Realm Scheme)	965	-	950	965	-	-	965	-	-	-	-	965	965	-	965
ED53(p)		Tyting Farm Land-removal of barns and concrete hardstanding	50	-	50	50	-	-	50	-	-	-	-	50	50	-	50
ED54(p)	P74069	Rodboro Buildings - electric theatre through road and parking	450	-	450	450	10	10	440	-	-	-	-	440	450	-	450
ED55(p)	P74071	48 Quarry Street, Museum - structural works	220	-	-	-	-	-	220	-	-	-	-	220	220	-	220
ED56(p)		Land to the rear of 39-42 Castle Street	10		10	10			10	-	-	-	-	10	10	-	10
PL53(p)	P28008	Park Barn CC LED lighting upgrade (Complete)	19	-	19	19	-	-	-	-	-	-	-	-	-	-	-
PL54(p)		Shawfield DC - fire alarm system and LED lighting upgrade	83	-	83	83	-	-	83	-	-	-	-	83	83	-	83
		Office Services						-									
CD3(P)		Renewables	65		65	65	-	-	65	-	-	-	-	65	65	-	65
BS3(p)		Millmead House - M&E plant renewal	33		33	33	-	-	-	-	-	-	-	-	-	-	-
BS4(p)	P50016	Hydro private wire - Tollhouse to Millmead	85		82	82	-	-	82	-	-	-	-	82	82	-	82
								-									
		COMMUNITY DIRECTORATE TOTAL	**12,327**	**-**	**6,879**	**6,994**	**10**	**10**	**2,763**	**9,024**	**475**	**-**	**-**	**12,262**	**12,271**	**-**	**12,271**
		ENVIRONMENT DIRECTORATE															
		Operational Services															
OP5(P)		Mill Lane (Pirbright) Flood Protection Scheme	200	-	200	200	-	-	200	-	-	-	-	200	200	(20)	180
OP6(P)		Vehicles, Plant & Equipment Replacement Programme	5,000	-	-	-	-	-	-	5,000	-	-	-	5,000	5,000	-	5,000
OP21(P)		Surface water management plan	200	-	200	200	-	-	200	-	-	-	-	200	200	-	200
OP22(P)		Town Centre CCTV upgrade	250				-	-	250	-	-	-	-	250	250	-	250
OP23(P)		High Street Protection	260					-	260	-	-	-	-	260	260	-	260
		Parks and Leisure						-									
PL16(P)	P04006	New burial grounds - acquisition & development	7,834	33	2,508	2,501	5	5	100	2,396	5,300	-	-	7,796	7,834	-	7,834
PL18(P)		Refurbishment / rebuild Sutherland Memorial Park Pavilion	150	-	150	150	-	-	-	-	-	-	150	150	150	-	150
PL20(P)		Council owned playground refurbishment	320	-	200	200	-	-	250	70	-	-	-	320	320	-	320
PL21(P)		Council tennis courts refurbishment(COMPLETE)	155	-	155	155	-	-	-	-	-	-	-	-	-	-	-
PL39(P)		Aldershot rd allotment expansion & improvement	200	-	200	200	-	-	-	-	200	-	-	200	200	-	200
PL41(P)		Stoke pk office accomodation & storage buildings	665	-	665	665	-	-	-	665	-	-	-	665	665	-	665
PL44(p)		Sutherland memorial park all weather courts new posts and barriers	25	-	-	25	-	-	-	-	-	-	-	-	-	-	-
PL45(p)		Stoke Pk gardens water feature refurb	81	-	81	81	-	-	-	81	-	-	-	81	81	(59)	22
PL49(p)		Resurface Lido Rd CP (COMPLETE)	60	-	60	60	-	-	-	-	-	-	-	-	-	-	-
PL52(p)		Sutherland Memorial Park LED lighting (COMPLETE)	10	-	10	10	-	-	-	-	-	-	-	-	-	-	-
PL55(p)		Stoke Memorial Park - electrical works	39	-	39	39	-	-	39	-	-	-	-	39	39	-	39
PL56(p)		Stoke Park Masterplan enabling costs	500	-	100	100	-	-	100	150	100	150		500	500	-	500
PL57(p)	P18215	Parks and Countryside - repairs and renewal of paths,roads and car parks	1,735	-	135	135	-	-	535	400	400	400	-	1,735	1,735	-	1,735
PL58(P)		Sports pavillions - replace water heaters	154	-	154	154	-	-	-	-	-	-	-	-	-	-	-
PL59(p)		Millmead fish pass	60	-	-	-	-	-	60	-	-	-	-	60	60	-	60
PL60(p)		Traveller encampments	250				-	-	180	70	-	-	-	250	250	-	250
		ENVIRONMENT DIRECTORATE TOTAL	**18,148**	**33**	**4,857**	**4,875**	**5**	**5**	**2,174**	**8,832**	**6,000**	**550**	**150**	**17,706**	**17,744**	**(79)**	**17,665**
		DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS															
		COMMUNITY DIRECTORATE															
ED25(P)		Guildford Park new MSCP and infrastructure works	23,125	-	18,625	18,625	-	-	4,380	11,625	7,120	-	-	23,125	23,125	-	23,125
	P79996	Investment in North Downs Housing	30,100	-	-	-	-	-	-	-	5,518	12,539	-	18,057	18,057	-	18,057
	P79997	Equity shares in Guildford Holdings ltd	-	-	-	-	-	-	-	-	3,683	8,360	-	12,043	12,043	-	12,043
ED49(p)		Redevelop Midleton industrial estate	11,057	-	-	-	-	-	-	11,057	-	-	-	11,057	11,057	-	11,057
		ENVIRONMENT DIRECTRORATE															

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2018-19 to 2023-24

Ref	Code	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive	Cumulative spend at 31-03-18	2018-19 Estimate approved by Council in February	Revised estimate	Expenditure at 16.04.19	Projected exp est by project officer	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	2022-23 Est for year	2023-24 Est for year	Future years estimated expenditure	Projected expenditure total	Grants or Contributions towards cost of scheme	Net total cost of scheme to the Council
			(a)	(b)	(c)	(e)	(f)	(g)	(i)	(ii)	(iii)	(iv)	(v)	(h)	(b) to (g)=(i)	(j)	(i) - (j) = (k)
			£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
PL51(p)		Stoke Park - Home Farm Redevelopment	4,000	-	-	-	-	-	-	-	-	-	4,000	4,000	4,000	-	4,000
		PLANNING & REGENERATION DIRECTORATE															
P ED16(P)		Slyfield Area Regeneration Project (SARP) (GBC share)	59,083	-	-	-	-	-	-	-	17,321	41,762	-	59,083	59,083	(7,500)	51,583
ED38(P)		North Street development	29,590	-	-	-	-	-	-	29,590	-	-	-	29,590	29,590	-	29,590
HC4(p)		Bright Hill Development	13,500	-	500	500	-	-	180	500	5,000	7,000	820	13,500	13,500	-	13,500
P7(P)		Transport schemes for future Local Growth Fund and other funding opportunities	4,000	-	4,000	-	-	-	-	-	-	-	-	-	-	-	-
P8(P)		Town centre transport infrastructure package	217	-	217	217	-	-	-	-	-	-	-	-	-	-	-
P10(p)		Sustainable Movement Corrider	6,045	-	-	-	-	-	-	-	6,045	-	-	6,045	6,045	-	6,045
P11(p)		Guildford West (PB) station	5,200	-	1,150	1,150	-	-	-	1,150	1,050	3,000	-	5,200	5,200	(3,750)	1,450
P12(p)		Strategic property acquisitions	31,747	-	-	-	-	-	4,647	13,300	13,800	-	-	31,747	31,747	-	31,747
P14(p)		Guildford Gyratory & approaches	10,967	-	-	-	-	-	-	3,500	3,500	3,967	-	10,967	10,967	(5,000)	5,967
P15(p)		Guildford bike share	530	-	530	530	-	-	530	-	-	-	-	530	530	-	530
P17(p)		Bus station relocation	500	-	300	300	-	-	300	200	-	-	-	500	500	-	500
P18(p)		Student Housing	81,000	-	3,000	-	-	-	-	-	-	-	-	-	-	-	-
P19(p)		Access for all Ash Station funding	250						250	-	-	-	-	250	250	-	250
P20(p)		Bedford Wharf Landscaping	350			350			350	-	-	-	-	350	350	-	350
P21(p)		Ash Road Bridge	9,040						9,040	-	-	-	-	9,040	9,040	(9,040)	-
		DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS TOTAL	320,301	-	28,322	21,672	-	-	19,677	70,922	56,992	82,673	4,820	235,084	235,084	(25,290)	209,794
		PROVISIONAL SCHEMES - GRAND TOTALS	350,776	33	40,058	33,541	15	15	24,613	88,778	63,467	83,223	4,970	265,051	265,099	(25,369)	239,730
		non development projects	30,475	33	11,736	11,869	15	15	4,937	17,856	6,475	550	150	29,968	30,016	(79)	29,937

GENERAL FUND CAPITAL SCHEMES - PROJECTS FUNDED VIA RESERVES: ESTIMATED EXPENDITURE

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-18	2018-19 Estimate approved by Council in February	Revised estimate	Expenditure at 16.04.19	Projected exp est by project officer	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	2022-23 Est for year	2023-24 Est for year	Future years est exp	Projected expenditure total
		(a) £000	(b) £000	(c) £000	£000	(e) £000	(f) £000	(i) £000	(ii) £000	(iii) £000	(iv) £000	(v) £000	(g) £000	(b)+(g) = (h) £000
	COMMUNITY DIRECTORATE													
	ENERGY PROJECTS per SALIX RESERVE:(PR220)			-		-	-	-					-	-
R-EN10	LED Lighting replacement	80	49	-	19	-	-	193	-	-	-	-	193	242
	Lighting Spectrum	26			26	26	26						-	26
R-EN11	WRD energy reduction	70	-	-	70	-	-	70	-	-	-	-	70	70
							-							
							-							
	ENERGY PROJECTS per GBC INVEST TO SAVE RESERVE: *GBC 'Invest to Save' energy projects (to be repaid in line with savings)*			164	164	-	-	-					-	-
R-EN12	PV/energy efficiency projects	100	2	98	98	-	-	-	-	-	-	-	-	100
R-EN13	Park Barn Day Centre - air source heat pump COMPLETE	143	-	143	143	100	100	-	-	-	-	-	-	100
R-EN14	SMP - air source heat pump	28	-	28	28	-	-	28	-	-	-	-	28	28
R-EN15	Stoke Park Nursery - air source heat pump COMPLETE	17	-	17	17	9	9	-	-	-	-	-	-	9
	ENERGY RESERVES TOTAL	**464**	**51**	**450**	**565**	**136**	**136**	**291**	**-**	**-**	**-**	**-**	**291**	**576**
	CAPITAL SCHEMES RESERVE													
	Ash Manor Roof Works	80			80	78	78	-	-	-	-	-	-	78
	CAPITAL SCHEMES RESERVE	**80**	**-**	**-**	**80**	**78**	**78**	**-**	**-**	**-**	**-**	**-**	**-**	**78**
	BUDGET PRESSURES RESERVE													
	Future Guildford implementation team	2,600					-	1,000	1,600	-	-	-	2,600	2,600
	BUDGET PRESSURES RESERVE TOTAL	**2,600**	**-**	**-**	**-**	**-**	**-**	**1,000**	**1,600**	**-**	**-**	**-**	**2,600**	**2,600**
	FINANCE DIRECTORATE													
	INFORMATION TECHNOLOGY - IT Renewals Reserve (PR265) : approved annually													
	Hardware / software budget		-	1,034	1,425	-	-	527	500	500	500	-	2,027	2,027
R-IT1	Hardware	annual	annual	-	-	14	14	-	-	-	-	-	-	14
R-IT2	Software	annual	annual	-	-	299	299	-	-	-	-	-	-	299
	ICT infrastructure improvements	1,250		1,250	1,325	-	-	-	-	-	-	-	-	-
R-IT3	IDOX Acolaid to Uniform	275					-	275	-	-	-	-	275	275
R-IT4	LCTS alternative	56					-	6	50	-	-	-	56	56
R-IT5	Future Guildford ICT	1,200					-	1,200	-	-	-	-	1,200	1,200
	IT RENEWALS RESERVE TOTAL	**2,781**	**-**	**2,284**	**2,750**	**313**	**313**	**2,008**	**550**	**500**	**500**	**-**	**3,558**	**3,871**
	ENVIRONMENT DIRECTORATE													
	SPECTRUM RESERVE													
R-S14	Spectrum schemes (to be agreed with Freedom Leisure)	700	-	700	700	-	-	450					450	450
	Spectrum - Athletic Track					168	168							
	SPECTRUM RESERVE TOTAL	**700**	**-**	**700**	**700**	**168**	**168**	**450**	**-**	**-**	**-**	**-**	**450**	**450**
	CAR PARKS RESERVE													
R-CP1	Car parks - install/replace pay-on-foot equipment	1,170	240	15	345	-	-	930	-	-	-	-	930	1,170
	Car Parks - Lighting & Electrical improvements:						-							
R-CP13	- Castle, Farnham & York Rd Lighting	300	-	-	300	-	-	-	-	-	-	-	-	-
R-CP8	- Castle car park (PR000299) deck surfacing	325	-	325	325	144	144	175	-	-	-	-	175	319
R-CP10	- Bedford Road (PR000243) deck replacement	512	-	-	59	-	-	59	-	-	-	-	59	59
R-CP18	- Deck Millbrook car park	2,000	-	-	-	-	-	-	1,000	1,000	-	-	2,000	2,000
R-CP12	Replacement of collapsed retaining wall Bright Hill (Complete	321	54	-	-	-	-	-	-	-	-	-	-	54
R-CP14	Lift replacement (PR000293)	841	68	187	399	141	141	426	187	-	-	-	613	822
R-CP16	Bright Hill Barrier essential works (PR000425)	80	2	-	78	-	-	-	-	-	-	-	-	2

GENERAL FUND CAPITAL SCHEMES - PROJECTS FUNDED VIA RESERVES: ESTIMATED EXPENDITURE

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-18	2018-19 Estimate approved by Council in February	Revised estimate	Expenditure at 16.04.19	Projected exp est by project officer	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	2022-23 Est for year	2023-24 Est for year	Future years est exp	Projected expenditure total
		(a)	(b)	(c)		(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(g) = (h)
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
R-CP17	Leapale rd MSCP drainage (PR000433)	90	-	90	90	26	26	-	-	-	-	-	-	26
R-CP21	Tunsgate Car Park Lighting		48		-	-	-							48
R-CP19	Structural works to MSCP	300	-	200	200	-	-	245	-	-	-	-	245	245
R-CP20	MSCP- Deck surface replacement & barriers	593						593	-	-	-	-	593	593
	CAR PARKS RESERVE TOTAL	6,532	413	817	1,796	311	311	2,428	1,187	1,000	-	-	4,615	5,339
	SPA RESERVE :													
	SPA schemes (various)	100	annual	100	251	-	-	-	-	-	-	-	-	21
R-SPA1	Chantry Woods					-	-						-	
R-SPA2	Effingham					-	-						-	
R-SPA3	Lakeside					-	-						-	
R-SPA4	Riverside					21	21						-	
R-SPA5	Parsonage					-	-						-	
R-SPA7	Access tracks at Chantry Wood	60	-	-	60	-	-	-	-	-	-	-	-	-
	SPA RESERVE TOTAL	160	-	100	311	21	21	-	-	-	-	-	-	21
	GRAND TOTALS	13,318	464	4,351	6,201	1,026	1,026	6,177	3,337	1,500	500	-	11,514	12,935

X:\TreasuryManagement\Reports & Committee\2018 19\Outturn report\[190416 Capital schemes - spend and funding 18-19 Vicky.xlsx]Reserve

GENERAL FUND CAPITAL PROGRAMME - S106 ESTIMATED EXPENDITURE 2018-19 to 2023-24

Ref	Service Units / Capital Schemes	Approved gross estimate (a) £000	Cumulative spend at 31-03-18 (b) £000	2018-19 Estimate approved by Council in February (c) £000	Revised estimate (d) £000	Expenditure at 16.04.19 (e) £000	Projected exp est by project officer (f) £000	2019-20 Est for year (i) £000	2020-21 Est for year (ii) £000	2021-22 Est for year (iii) £000	2022-23 Est for year (iv) £000	2023-24 Est for year (v) £000	Future years est exp (g) £000	Projected expenditure total (b)+(g)=(h) £000	Grants / Contributions towards cost of scheme (i) £000	Net cost of scheme (h)-(i)=(j) £000	Total net cost approved by Executive (k) £000
	APPROVED SCHEMES (fully funded from S106 contributions)																
	ENVIRONMENT DIRECTORATE																
	Operational Services																
S-OP3	Hayden Place CCTV - P92310	35	12		23	-	0							35	(35)		
	Parks and Leisure						0										
S-PL7	Tilehouse Open Space - Playground Refurbishment & Fitness Equipment	132	102	-	30	-	0	-	-	-	-	-	-	102	(102)	-	-
S-PL8	Baird Drive/Briars Playground Refurb	10	8	-	2	-	0	-	-	-	-	-	-	8	(8)	-	-
S-PL17	Bushy Hill Facilities	27	16	-	11	-	0	-	-	-	-	-	-	16	(16)	-	-
S-PL23	75-78 Woodbridge Rd (complete)	15	11	-	4	-	0	-	-	-	-	-	-	11	(11)	-	-
S-PL29	Greening the approaches - roundabouts	40	5	-	35	-	0	-	-	-	-	-	-	5	(5)	-	-
S-PL33	Installation of trampoline play equipment Pirbright	11	-	-	11	-	0	-	-	-	-	-	-	-	-	-	-
S-PL36	Gunpowder mills - signage, access and woodland imps	36	17	-	19	-	0	-	-	-	-	-	-	17	(17)	-	-
S-PL38	Chantry Wood Campsite	36		-			0	36	-	-	-	-	36	36	(36)	-	
S-PL47	Fir Tree Garden	28	-	-	28	-	0	-	-	-	-	-	-	-	-	-	-
S-PL48	Stoke Park Trim Trail	23	22		1	-	0	-	-	-	-	-	-	22	(22)	-	
S-PL50	Stoke Park New Playground Entrance	13	6		7	7	7	-	-	-	-	-	-	13	(13)	-	
S-PL51	Pound Place Playarea	23			23	23	23							23	(23)	-	
S-PL52	Benches on Ripley Green	5			5	5	5							5	(5)	-	
S-PL53	WW1 Commemorative Orchard	14			14	14	14							14	(14)	-	
S-PL54	Shalford Swift Tower (Art)	7			7	2	2							2	(2)	-	
	ENVIRONMENT DIRECTORATE TOTAL	**418**	**199**	**-**	**218**	**50**	**50**	**36**	**-**	**-**	**-**	**-**	**36**	**273**	**(273)**	**-**	**-**
	APPROVED SCHEMES continued (fully funded from S106 contributions)																
	COMMUNITY DIRECTORATE																
P S-P1	Haydon Place / Martyr Road	67	64	-	3	-	0	-	-	-	-	-	-	64	(64)	-	-
S-P7	Woodbridge meadows	243	197	-	46	-	0	-	-	-	-	-	-	197	(197)	-	-
S-P8	Woodbridge Hill environmental improvements	226	220	-	6	1	1	-	-	-	-	-	-	221	(221)	-	-
S-P10	G Live Lighting and Signage York Road	32	23	-	9	-	0	-	-	-	-	-	-	23	(23)	-	-
S-P11	G Live Bus stop/drop off point	11	4	-	7	-	0	-	-	-	-	-	-	4	(4)	-	-
S-P12	Espom Rd/Boxgrove Road	150	87	-	63	-	0	-	-	-	-	-	-	87	(87)	-	-
S-P14	Bridge Street Waymarking	5	1	-	4	-	0	-	-	-	-	-	-	1	(1)	-	-
	DEVELOPMENT DIRECTORATE TOTOAL	**734**	**595**	**-**	**139**	**1**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**596**	**(596)**	**-**	**-**
	APPROVED S106 SCHEMES TOTAL	**1,152**	**794**	**-**	**357**	**51**	**51**	**36**	**-**	**-**	**-**	**-**	**36**	**869**	**(869)**	**-**	**-**

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

1.0 AVAILABILITY OF RESOURCES - NOTES :

1.1 The following balances have been calculated taking account of estimated expenditure on the approved capital schemes

1.2 The actuals for 2017-18 have been audited.

1.3 **Funding assumptions:**

    1. All capital expenditure will be funded in the first instance from available capital receipts and the General Fund capital programme reserve.

    2. Once the above resources have been exhausted in any given year, the balance of expenditure will be financed from borrowing, both internally
       and externally, depending upon the Council's financial situation at the time.

1.4 These projections are based on estimated project costs, some of which will be 'firmed up' in due course. Any variations to the estimates
    and the phasing of expenditure will affect year on year funding projections.

2.0 Capital receipts - Balances (T01001)

	2017-18 Actuals £000	2018-19 Budget £000	2018-19 Est Outturn £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000
Balance as at 1 April	0	0	0	0	0	0	0	0
Add estimated usable receipts in year	496	5,290	3,695	1,200	0	4,000	11,200	55,067
Less applied re funding of capital schemes	(496)	(5,290)	(3,695)	(1,200)	0	(4,000)	(11,200)	(10,795)
Balance after funding capital expenditure as at 31 March	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**44,272**

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

during year = outturn (col v, actual = col u)

3.0 Capital expenditure and funding - summary

	2017-18 Actuals £000	2018-19 Budget £000	2018-19 Est Outturn £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000
Estimated captial expenditure								
Main programme - approved	12,627	55,332	35,234	54,777	19,438	14,282	5,825	5,825
Main programme - provisional	19	40,058	15	24,613	88,778	63,467	83,223	4,970
s106	90	0	51	36	0	0	0	0
Reserves	1,204	4,351	1,026	6,177	3,337	1,500	500	0
GF Housing	0	0	0	0	0	0	0	0
Total estimated capital expenditure	**13,940**	**99,741**	**36,326**	**85,603**	**111,553**	**79,249**	**89,548**	**10,795**
To be funded by:								
Capital receipts (per 2.above)	(2,597)	(5,290)	(3,695)	(1,200)	0	(4,000)	(11,200)	(10,795)
Contributions	(1,966)	(5,465)	(2,517)	(19,560)	(4,500)	(5,500)	(5,500)	0
R.C.C.O. :								
Other reserves	(1,204)	(17,832)	(8,304)	(11,858)	(3,557)	(1,720)	(500)	0
Capital Schemes Reserve (para.4 below)	0	0	0	0	0	0	0	0
	(5,767)	(28,587)	(14,516)	(32,618)	(8,057)	(11,220)	(17,200)	(10,795)
Balance of funding to be met from (i) the Capital Reserve, and (ii) borrowing	(8,173)	(71,154)	(21,810)	(52,985)	(103,496)	(68,029)	(72,348)	0
Total funding required	**(13,940)**	**(99,741)**	**(36,326)**	**(85,603)**	**(111,553)**	**(79,249)**	**(89,548)**	**(10,795)**

4.0 General Fund Capital Schemes Reserve (U01030)

	2017-18 Actuals £000	2018-19 Budget £000	2018-19 Est Outturn £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000
Balance as at 1 April	1,400	0	1,641	0	0	0	0	0
Add: General Fund Revenue Budget variations	1,201	0	0	0	0	0	0	0
Contribution from revenue	40	0	0	0	0	0	0	0
	2,641	0	1,641	0	0	0	0	0
Less: Applied re funding of capital programme	(1,000)	0	(1,641)	0	0	0	0	0
Balance after funding capital expenditure etc.as at 31 March	**1,641**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Estimated shortfall at year-end to be funded from borrowing	**7,173**	**71,154**	**20,169**	**52,985**	**103,496**	**68,029**	**72,348**	**0**

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

5.0 **Housing capital receipts (pre 2013-14) - estimated availability/usage for Housing, Affordable Housing and Regeneration projects - GBC policy**	2017-18 Actuals £000	2018-19 Budget £000	2018-19 Est Outturn £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000
Balance as at 1 April (T01008)	14,861	13,361	12,760	5,461	0	0	0	0
Add: Estimated receipts in year	0	0	0	0	0	0	0	0
Less: Applied re Housing (General Fund) capital programme	0	0	0	0	0	0	0	0
Less: Applied re Housing company	(2,101)	(13,361)	(7,299)	(5,461)	0	0	0	0
	12,760	0	5,461	0	0	0	0	0
Less: Applied on regeneration schemes	0	0	0	0	0	0	0	0
Housing receipts - estimated balance in hand at year end	**12,760**	**0**	**5,461**	**0**	**0**	**0**	**0**	**0**

5.1 **Housing capital receipts (post 2013-14) - estimated availability/usage for Housing, Affordable Housing and Regeneration projects only (statutory (impact CFR))**	2017-18 Actuals £000	2018-19 Budget £000	2018-19 Est Outturn £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000
Balance as at 1 April (T01012)	2,938	2,428	422	0	0	0	0	0
Add: Estimated receipts in year	506	200	286	289	292	295	298	301
Less: Applied re Housing (General Fund) capital programme	0	(220)	0	(220)	(220)	(220)	(220)	(220)
Less: Applied re Housing Improvement programme	(3,022)	(475)	(708)	(69)	(72)	(75)	(78)	(81)
	422	1,933	0	0	0	0	0	0
Less: Applied on regeneration schemes	0	0	0	0	0	0	0	0
Housing receipts - estimated balance in hand	**422**	**1,933**	**0**	**0**	**0**	**0**	**0**	**0**

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Total £'000s
6.1 Estimated annual borrowing requirement	7,173	71,154	20,169	52,985	103,496	68,029	72,348	0	317,027
Bids for funding (net)		0	0	0	0	0	0	0	
Total estimated borrowing requirement if all bids on Appendix 1 approved		**71,154**	**20,169**	**52,985**	**103,496**	**68,029**	**72,348**	**0**	**317,027**

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2018-19 to 2023-24: HRA APPROVED PROGRAMME

		Project Budget £000	2017-18 Actual £000	Project Spend at 31-03-18 £000	2018-19 Estimate £000	Carry Forward	Expenditure as at 12/04/2019 £000	2018-19 Projected Outturn £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	Total Project Exp £000
	Acquisition of Land & Buildings	10,700	202	400	2,800	300	519	519	0	1,800	1,800	1,800	1,800	8,120
	New Build							0						
N30008	Lakeside Close, Ash	5,100	336	4,991	0		25	25	0	0	0	0	0	5,017
N30011	Guildford Park	75	615	640	0	(565)	341	341	0	0	0	0	0	982
N30012	Appletree pub site	3,200	131	555	2,476	169	2,209	2,209	338	0	0	0	0	3,102
N30013	Slyfield Green (Corporation Club)	2,448	523	2,376	200	(128)	0	0	0	0	0	0	0	2,376
N30014	Willow Way	1,000	773	773	300	(73)	179	179	0	0	0	0	0	952
	Garage sites-	2,500	0	0	1,100	(158)		0	0	0	0	0		0
N30015	Pond Meadow		500	500			62	62						562
N30016	Rowan Close		544	544			4	4						549
N30017	Great Goodwin Drive		513	513			431	431						945
N30018	The Homestead	500	429	429	50	21	327	327	0	0	0	0	0	756
N30019	Fire Station/Ladymead	2,000	0	0	1,800	200	643	643	1,196	25	0	0	0	1,864
	Bright Hill	500	0	0	475	25	0	0	0	0	0	0	0	0
	Various small sites & feasibility/Site preparation	1,000	0	0	0			0	0	0	0	0	0	1,000
	Pipeline projects	9,425						0	575	1,825	3,325	1,825	1,875	9,425
	Redevelopment bid 13	533						0	533					533
	Redevelopment bid 14	300						0	300					300
	Schemes to promote Home-Ownership							0						
	Equity Share Re-purchases	annual	99	annual	400		143	143	400	400	400	400	400	annual
								0						
	Major Repairs & Improvements							0						
	Retentions & minor carry forwards	annual	0	annual	30		0							annual
	Kitchens & Bathrooms	annual	1,097	annual	1,025		1,253	1,253						annual
	Doors and Windows	annual	203	annual	60	180	256	256						annual
	Structural	annual	380	annual	1,475	225	545	545						annual
	Energy efficiency: Central heating	annual	1,214	annual	1,155		1,101	1,101						annual
	General	annual	1,040	annual	1,455	170	1,210	1,210	0					annual
	Grants							0						
	Cash Incentive Scheme	annual	0	annual	75		0	0						annual
								0						
	TOTAL APPROVED SCHEMES	**39,281**	**8,600**	**11,723**	**14,876**	**366**	**9,249**	**9,249**	**3,342**	**4,050**	**5,525**	**4,025**	**4,075**	**36,480**

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2018-19 to 2022-23: HRA PROVISIONAL PROGRAMME

	Project Budget £000	2017-18 Actual £000	Project Spend at £000	2018-19 Estimate £000	2018-19 Projected Outturn £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	Total Project Exp £000
Acquisition of Land & Buildings	10,000	0	0	0	0	0	0	3,000	3,000	4,000	10,000
New Build											
Guildford Park	16,000	0	0	4,830	0	406	6,760	7,201	26	0	15,093
Bright Hill	3,000	0	0	3,000	0	0	1,500	1,480	0	0	2,980
Slyfield (25/26 £5m; 26/27 £44m)	1,000	0	0	0	0	0	0	0	1,000	0	1,000
Redevelopment bid 13							3,197	5,861	1,066	0	10,124
Redevelopment bid 14							1,000	1,500	500	0	3,000
Major Repairs & Improvements											
Major Repairs & Improvements	annual		annual			5,150	5,500	5,500	5,500	5,500	annual
Retentions & minor carry forwards	annual		annual								annual
Modern Homes: Kitchens and bathrooms	annual		annual								annual
Doors and Windows	annual		annual								annual
Structural	annual		annual								annual
Energy efficiency: Central heating	annual		annual								annual
General	annual		annual								annual
Grants											
Cash Incentive Scheme	annual		annual			75	75	75	75	75	annual
Total Expenditure to be financed	**30,000**	**0**	**0**	**7,830**	**0**	**5,631**	**18,032**	**24,617**	**11,167**	**9,575**	**42,197**

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2018-19 to 2023-24: HRA RESOURCES AND FUNDING STATEMENT

	2017-18 Actual £000	2018-19 Estimate £000	2018-19 Projected Outturn £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000
EXPENDITURE								
Approved programme	8,600	14,876	9,249	3,342	4,050	5,525	4,025	4,075
Provisional programme	0	7,830	0	5,631	18,032	24,617	11,167	9,575
Total Expenditure	**8,600**	**22,706**	**9,249**	**8,973**	**22,082**	**30,142**	**15,192**	**13,650**
FINANCING OF PROGRAMME								
Capital Receipts	3,022	400	1,306	400	400	400	400	400
1-4-1 recepits	1,307	5,109	1,465	1,004	4,832	7,250	2,765	2,303
Contribution from Housing Revenue a/c (re cash incentives)	0	75	0	75	75	75	75	75
Future Capital Programme reserve	0	0	0	0	0	0	0	0
Major Repairs Reserve	3,934	5,200	4,395	5,150	5,500	5,500	5,500	5,500
New Build Reserve	0	11,922	2,084	2,344	11,275	16,917	6,452	5,373
Grants and Contributions	0	0	0	0	0	0	0	0
Total Financing (= Total Expenditure)	**8,264**	**22,706**	**9,249**	**8,973**	**22,082**	**30,142**	**15,192**	**13,650**

RESERVES - BALANCES	2017-18 Actual £000	2018-19 Estimate £000	2018-19 Projected Outturn £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000
Reserve for Future Capital Programme (U01035)								
Balance b/f	28,329	30,829	30,829	33,329	35,829	38,329	40,829	43,329
Contribution in year	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Used in year	0	0	0	0	0	0	0	0
Balance c/f	**30,829**	**33,329**	**33,329**	**35,829**	**38,329**	**40,829**	**43,329**	**45,829**
Major Repairs Reserve (U01036)								
Balance b/f	6,396	8,277	7,991	9,235	9,614	9,614	9,614	9,614
Contribution in year	5,529	6,500	5,639	5,529	5,500	5,500	5,500	5,500
Used in Year	(3,934)	(5,200)	(4,395)	(5,150)	(5,500)	(5,500)	(5,500)	(5,500)
Balance c/f	**7,991**	**9,577**	**9,235**	**9,614**	**9,614**	**9,614**	**9,614**	**9,614**
New Build Reserve (U01069)								
Balance b/f	37,356	43,496	44,919	50,826	56,724	53,854	45,511	47,805
Contribution in year	7,563	3,000	7,990	8,241	8,406	8,574	8,745	8,920
Used in Year	0	(11,922)	(2,083)	(2,344)	(11,275)	(16,917)	(6,452)	(5,373)
Balance c/f	**44,919**	**34,574**	**50,826**	**56,724**	**53,854**	**45,511**	**47,805**	**51,353**

Usable Capital Receipts: 1-4-1 receipts (T01011)

Balance b/f	6,211	6,641	7,093	6,968	8,493	6,270	1,704	1,700
Contribution in year	2,189	1,221	1,340	2,529	2,609	2,684	2,762	2,841
Used in Year	(1,307)	(5,109)	(1,465)	(1,004)	(4,832)	(7,250)	(2,765)	(2,303)
Balance c/f	**7,093**	**2,753**	**6,968**	**8,493**	**6,270**	**1,704**	**1,700**	**2,239**

Note: a contribution to this reserve is dependent on the number of RTB sales in the year determined in the HRA self financing model. There are many variables to the calculation of the 1:4:1 contribution. As an estimate, I have used a model provided by Sector which is based on our assumption of RTB sales

Usable Capital Receipts - HRA Debt Repayment (T01010)

Balance b/f	3,428	3,851	3,867	3,952	4,613	5,296	6,001	6,729
Contribution in year	439	664	85	661	683	705	728	752
Used in Year	0	0	0	0	0	0	0	0
Balance c/f	**3,867**	**4,515**	**3,952**	**4,613**	**5,296**	**6,001**	**6,729**	**7,481**

Note: each RTB sale generates a contribution to this reserve toward debt repayment determined in the HRA self financing model. A small number of sales are anticipated each year.

Usable Capital Receipts - pre 2013-14 (T01008)

Balance b/f	14,861	13,361	12,760	9,559	4,098	4,098	4,098	4,098
Contribution in year	0	0	0	0	0	0	0	0
Used in Year (HRA = above)	0	0	0	0	0	0	0	0
Used in Year (GF Housing Co)	(2,101)	(13,361)	(3,201)	(5,461)	0	0	0	0
Used in Year (GF Housing - DFG)	0	0	0	0	0	0	0	0
Balance c/f	**12,760**	**0**	**9,559**	**4,098**	**4,098**	**4,098**	**4,098**	**4,098**

Note: Can only be used for HRA capital expenditure, affordable housing and regeneration schemes as set by GBC policy

Usable Capital Receipts - post 2013-14 (T01012)

Balance b/f	2,938	2,428	422	0	0	0	0	0
Contribution in year	506	200	898	289	292	295	298	298
Used in Year (HRA = above)	(3,022)	(475)	(1,306)	(69)	(72)	(75)	(78)	(475)
Used in Year (GF Housing)	0	(220)	(14)	(220)	(220)	(220)	(220)	(220)
Balance c/f	**422**	**1,933**	**0**	**0**	**0**	**0**	**0**	**(397)**

Note: Can only be used for HRA capital expenditure, affordable housing and regeneration schemes as set by the Government

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Schedule of investments at 31 March 2019

Counterparty	Principal £	Rate	Start	End
Fixed investments				
National Counties BS	1,000,000	0.9200%	18-Jan-19	26-Apr-19
LA - Thurrock Council	5,000,000	1.1000%	08-Mar-19	09-Sep-19
	6,000,000			
Long-term Covered bonds				
Santander UK plc	2,000,000	0.6560%	08-Jul-16	08-Jul-19
BMW Intl Investment (corp un	2,300,000	0.4034%	10-Jul-18	17-Jul-19
Leeds BS	2,000,000	0.6131%	01-Oct-14	01-Oct-19
Coventry	2,000,000	0.5805%	17-Mar-15	17-Mar-20
Bank of Montreal	600,000	0.6480%	20-Jul-17	20-Jul-20
Bank of Montreal	1,400,000	0.4680%	20-Jul-17	20-Jul-20
National Australia Bank	2,000,000	1.1250%	10-Nov-16	10-Nov-21
Commonwealth Bank of Aust	2,000,000	1.1250%	18-Jan-17	22-Dec-21
CIBC	2,000,000	1.1220%	17-Jul-17	30-Jun-22
Santander UK plc	1,000,000	0.6750%	16-Nov-17	16-Nov-22
Barclays Bank UK PLC	1,000,000	0.5124%	23-Oct-18	09-Jan-23
Nationwide	850,000	0.4156%	12-Apr-18	12-Apr-23
United Overseas Bank	1,000,000	0.3092%	01-Feb-19	28-Feb-23
Santander UK plc	1,000,000	0.5402%	12-Feb-19	12-Feb-24
	21,150,000			
Long-term investments				
Highland Council (14/4/21)	5,000,000	1.5000%	16-Apr-18	14-Apr-19
Rugby Borough Council (15/4	2,000,000	1.5500%	15-Apr-16	15-Apr-19
Fife Council	5,000,000	1.7700%	07-Apr-15	07-Apr-20
Rugby BC	3,000,000	1.8000%	05-May-15	05-May-20
Staffordshire Moorlands	1,500,000	1.7800%	20-May-15	20-May-20
Croydon	5,000,000	1.0500%	02-May-18	05-May-20
Southern Housing Group Ltd	6,000,000	1.2100%	04-Feb-19	05-Aug-19
	27,500,000			

Counterparty	Principal £	Rate	Start	End
Notice Accounts				
Barclays	3,000,000			
Goldman Sachs 95 day	5,000,000			
	8,000,000			
Revolving Credit Facility				
Network Homes	2,500,000			
One housing group	5,000,000			
	7,500,000			
Money market funds				
Aberdeen	6,750,000			
Amundi	616,000			
CCLA	1,854,000			
Federated	4,009,300			
	13,229,300			
Total internally managed	**83,379,300**			
Externally managed				
CCLA	6,948,750			
M&G	1,394,844			
Schroders	855,750			
UBS	2,312,027			
Funding Circle	511,106			
Total Externally managed	**12,022,477**			
Total investments	**95,401,777**			

Economic background – a commentary from Arlingclose

Economic background:
After spiking at over $85/barrel in October 2018, oil prices fell back sharply by the end of the year, declining to just over $50 in late December before steadily climbing toward $70 in April 2019. UK Consumer Price Inflation (CPI) for February 2019 was up 1.9% year/year, just above the consensus forecast but broadly in line with the Bank of England's February Inflation Report. The most recent labour market data for the three months to January 2019 showed the unemployment rate fell to a new low 3.9% while the employment rate of 76.1% was the highest on record. The 3-month average annual growth rate for pay excluding bonuses was 3.4% as wages continue to rise steadily and provide some upward pressure on general inflation. Once adjusted for inflation, real wages were up 1.4%.

After rising to 0.6% in the third calendar quarter from 0.4% in the second, fourth quarter economic growth slowed to 0.2% as weaker expansion in production, construction and services dragged on overall activity. Annual GDP growth at 1.4% continues to remain below trend. Following the Bank of England's decision to increase Bank Rate to 0.75% in August, no changes to monetary policy have been made since.

The US Federal Reserve continued its tightening bias throughout 2018, pushing rates to the 2.25%-2.50% range in December. However, a recent softening in US data caused the Fed to signal a pause in hiking interest rates at the last Federal Open Market Committee (FOMC) meeting in March.

With the 29th March 2019, the original EU 'exit day' now been and gone, having failed to pass a number of meaningful votes in Parliament, including shooting down Theresa May's deal for the third time, MPs voted by a majority of one (313 to 312) to force the prime minister to ask for an extension to the Brexit process beyond 12th April in order to avoid a no-deal scenario. Recent talks between the Conservative and Labour parties to try to reach common ground on a deal which may pass a vote by MPs have yet to yield any positive results. The EU must grant any extension and its leaders have been clear that the terms of the deal are not up for further negotiation. The ongoing uncertainty continues to weigh on sterling and UK markets.

While the domestic focus has been on Brexit's potential impact on the UK economy, globally the first quarter of 2019 has been overshadowed by a gathering level of broader based economic uncertainty. The US continues to be set on a path of protectionist trade policies and tensions with China in particular, but with the potential for this to spill over into wider trade relationships, most notably with EU. The EU itself appeared to be show signs of a rapid slowdown in economic growth with the major engines of its economy, Germany and France, both suffering misfires from downturns in manufacturing alongside continued domestic/populist unrest in France. The International Monetary Fund downgraded its forecasts for global economic growth in 2019 and beyond as a consequence.

Financial markets:
December was a month to forget in terms of performance of riskier asset classes, most notably equities. The FTSE 100 (a good indicator of global corporate sentiment) returned -8.8% assuming dividends were reinvested; in pure price terms it fell around 13%. However, since the beginning of 2019 markets have rallied, and the FTSE 100 and FTSE All share indices were both around 10% higher than at the end of 2018.

Gilt yields continued to display significant volatility over the period on the back of ongoing economic and political uncertainty in the UK and Europe. After rising in October, gilts regained their safe-haven status throughout December and into the new year - the 5-year benchmark gilt yield fell as low as 0.80% and there were similar falls in the 10-year and 20-year gilts over the same period dropping from 1.73% to 1.08% and from 1.90% to 1.55%. The increase in Bank Rate pushed up money markets rates over the year and 1-month, 3-month and 12-month LIBID (London Interbank Bid) rates averaged 0.53%, 0.67% and 0.94% respectively over the period.

Recent activity in the bond markets and PWLB interest rates highlight that weaker economic growth is not just a UK phenomenon but a global risk. During March the US yield curve inverted (10-year Treasury yields were lower than US 3 month money market rates) and German 10-year Bund yields turned negative. The drivers are a significant shift in global economic growth prospects and subsequent official interest rate expectations given its impact on inflation expectations. Further to this is world trade growth which collapsed at the end of 2018 falling by 1.8% year-on-year. A large proportion of this downturn in trade can be ascribed to the ongoing trade tensions between the US and China which despite some moderation in January does suggest that the International Monetary Fund's (IMF) and Organisation for Economic Co-Operation & Development's (OECD) forecasts for global growth in 2019 of 3.5% might need to be revised downwards.

Credit background:
Credit Default Swap (CDS) spreads drifted up towards the end of 2018 on the back of Brexit uncertainty before declining again in 2019 and continuing to remain low in historical terms. After hitting around 129 basis points in December 2018, the spread on non-ringfenced bank NatWest Markets plc fell back to around 96bps at the end of March, while for the ringfenced entity, National Westminster Bank plc, the CDS spread held relatively steady around 40bps. The other main UK banks, as yet not separated into ringfenced and non-ringfenced from a CDS perspective, traded between 33 and 79bps at the end of the period.

The ringfencing of the big four UK banks (Barclays, Bank of Scotland/Lloyds, HSBC and RBS/Natwest Bank plc) transferred their business lines into retail (ringfenced) and investment banking (non-ringfenced) entities.

In February, Fitch put the UK AA sovereign long-term rating on Rating Watch Negative as a result of Brexit uncertainty, following this move with the same treatment for UK banks and a number of government-related entities.

There were minimal other credit rating changes during the period. Moody's revised the outlook on Santander UK to positive from stable to reflect the bank's expected issuance plans which will provide additional protection for the its senior unsecured debt and deposits.

Internal Investments: Average Rate vs Credit Risk (value-weighted)

Average Rate vs Credit Risk (time-weighted)

LOW RISK
HIGH RETURN

r=-0.11

Average Return on Internal Investments

Average Credit Risk Score - Time Weighted Average

♦ Benchmarking   ● Guildford - 31/03/2019
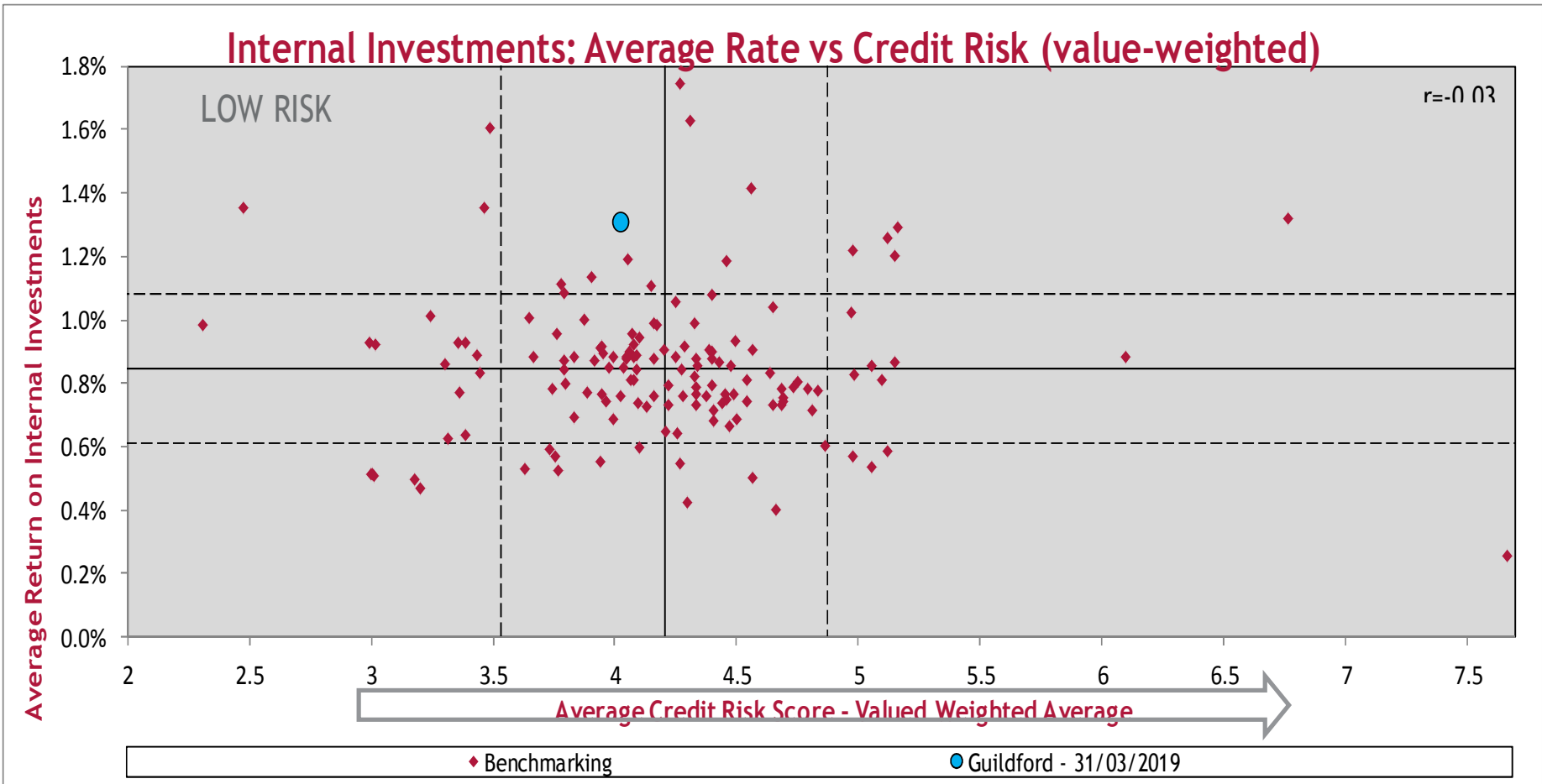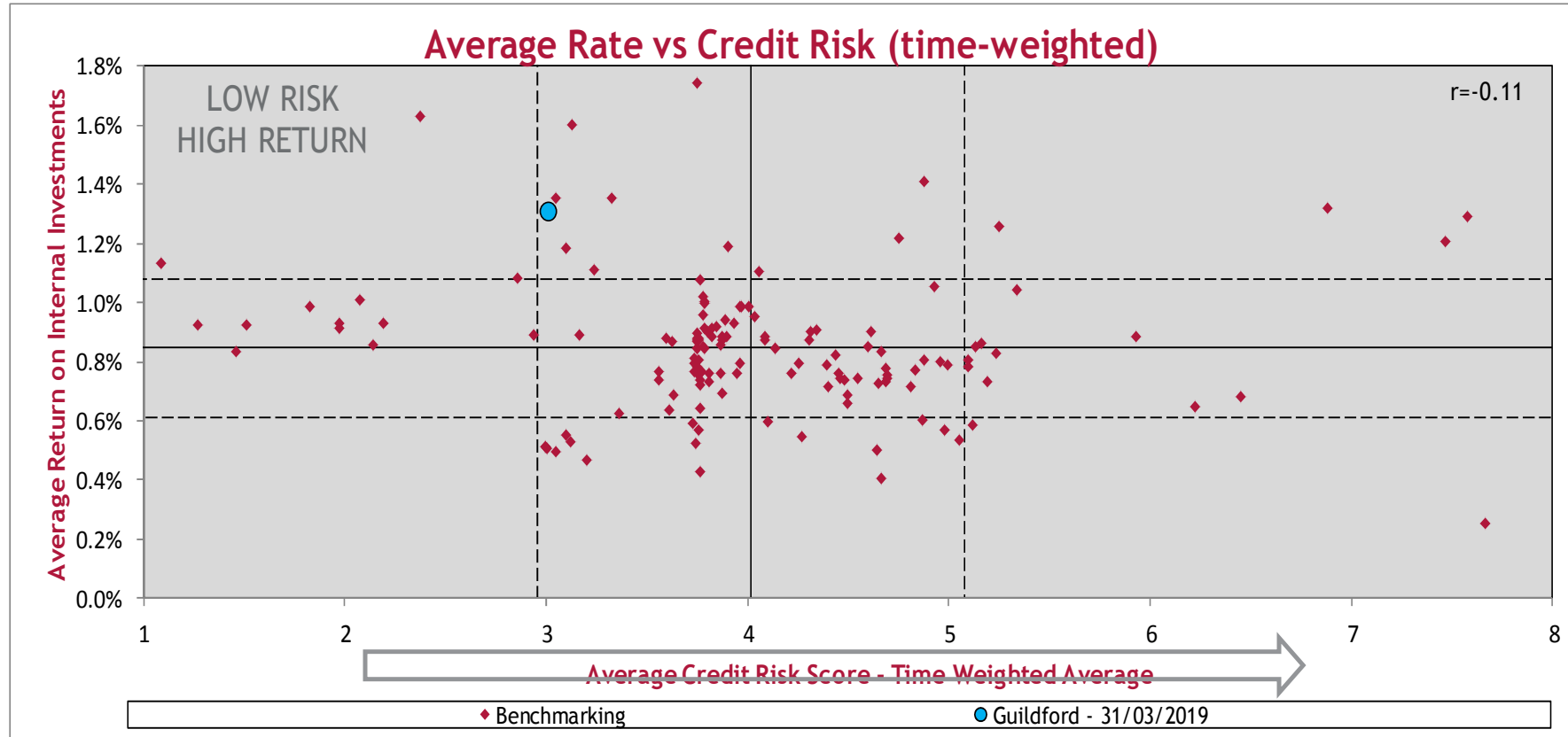
Credit score analysis

Scoring:

Long-Term Credit Rating	Score
AAA	1
AA+	2
AA	3
AA-	4
A+	5
A	6
A-	7
BBB+	8
BBB	9
BBB-	10

The value-weighted average reflects the credit quality of investments according to the size of the deposit. The time-weighted average reflects the credit quality of investments according to the maturity of the deposit

The Authority aimed to achieve a score of 7 or lower, to reflect the council's overriding priority of security of monies invested and the minimum credit rating of threshold of A- for investment counterparties.

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Credit Rating Equivalents and Definitions

	Fitch	Moody's	Standard & Poor's
Long Term Investment Grade	AAA	Aaa	AAA
	AA+ AA AA-	Aa1 Aa2 Aa3	AA+ AA AA-
	A+ A A-	A1 A2 A3	A+ A A-
	BBB+ BBB BBB-	Baa1 Baa2 Baa3	BBB+ BBB BBB-
Sub Investment Grade	BB+ BB BB-	Ba1 Ba2 Ba3	BB+ BB BB-
	B+ B B-	B1 B2 B3	B+ B B-
	CCC+ CCC CCC-	Caa1 Caa2 Caa3	CCC+ CCC CCC-
	CC+ CC CC-	Ca1 Ca2 Ca3	CC+ CC CC-
	C+ C C-	C1 C2 C3	C+ C C-
	D		D or SD

Fitch	Moody's	Standard & Poor's
AAA Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in the case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.	**Aaa** Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.	**AAA** An obligator rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by Standard & Poors.
AA Very high credit quality. 'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.	**Aa** Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.	**AA** An obligator rated 'AA' has very strong capacity to meets its financial commitments. It differs from the highest rated obligators only to a small degree.
A High credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.	**A** Obligations rated A are considered upper-medium grade and are subject to low credit risk.	**A** An obligator rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligators in higher rated categories.
BBB Good credit quality. 'BBB' ratings indicate that there are currently expectations of low credit risk. The capacity for payment of financial commitments is considered adequate but adverse changes in circumstances and economic conditions are more likely to impair this capacity. This is the lowest investment grade category.	**Baa** Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.	**BBB** An obligator rated 'BBB' has adequate capacity to meets its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligator to meet its financial commitments.

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Background to externally managed funds

CCLA – The Local Authorities Property Fund

The fund's objective is to generate long-term growth in capital and a high and rising income over time.

The aim is to have high quality, well-diversified commercial and industrial property portfolio, in the UK, focussing on delivering attractive income and is actively managed to add value.

The fund will maintain a suitable spread between different types of property and geographical location. Importance will be attached to location, standard of construction and quality of covenant with lease terms preferably embodying upwards only rent reviews at intervals of not more than five years.

M&G Global Dividend Fund

The fund aims to deliver a dividend yield above the market average, by investing mainly in a range of global equities. It aims to grow distributions over the long-term whilst maximising total return (a combination of income and growth of capital).

Exposure to global equities may be gained by using derivatives. The fund may invest across a wide range of geographies, sectors and market capitalisations. It may also invest in other assets including collective investment schemes, other transferrable securities, cash and near cash, deposits, warrants, money market instruments and derivatives.

The fund employs a bottom-up stockpicking approach, driven by the fundamental analysis of individual companies. The fund seeks to invest in companies that understand capital discipline, have the potential to increase dividends over the long-term and are undervalued by the stock market. Dividend yield is not the primary consideration for stock selection.

The fund manager aims to create a diversified portfolio with exposure to a broad range of countries and sectors designed to perform well in a variety of market conditions. It usually holds around 50 stocks with a long-term investment view and a typical holding period of 3-5 years.

<u>Risk and reward profile</u>

Low risk   High risk

Typically lower reward   Typically higher reward

1	2	3	4	5	6	7

The fund's risk factor based on historical data and may not be the same moving forward. It is rated a 5 because of the investments the fund makes:
- Value of investments, and income from them, will fluctuate and will cause the fund price to rise or fall
- Currency exchange rate fluctuations will impact the value of the investment

- There is a risk that a counterparty may default on its obligations or become insolvent, which may have a negative impact on the fund
- Investments in Emerging markets tend to have larger price fluctuations than more developed countries.
- There is a risk that one or more countries will exit the Euro and re-establish their own currencies. There is an increased risk of asset prices fluctuating or losing value. It may also be difficult to buy and sell securities and issuers may be unable to repay the debt. In addition, there is a risk that disruption in Eurozone markets could give rise to difficulties in valuing the assets of the fund.

Schroder Income Maximiser Fund

The funds objective is to provide income with potential capital growth primarily through investment in equity and equity related securities of UK companies. The fund will also use derivative instruments to generate income.

The manager may selectively sell short dated call options over securities or portfolios of securities held by the fund or indicies, in order to generate additional income by setting target 'strike' prices at which those securities may be sold in the future. The manger may also, for the purpose of efficient management, use derivative instruments which replicate the performance of a basket of short dated call options or a combination of equity securities and short dated call options. Investment will be in directly held transferable securities. The fund may also invest in collective investment schemes, derivatives, cash, deposits, warrants and money market transactions.

The fund aims to deliver a target yield of 7% per year, although this is an estimate and is not guaranteed. There are four quarterly distributions in a year, each calculated by dividing the quarterly distribution amount by the unit price at the start of that quarter.

UBS Multi-Asset Income Fund

The fund seeks to provide income, through a diversified portfolio of investments. Capital growth will not be a primary consideration, although opportunities for growth may occur if market conditions are favourable.

The fund will invest in a mix of transferrable securities including domestic and international equities and bonds, units in collective investment schemes, warrants, money market instruments, deposits, and cash or near cash, as the Investment Manager deems appropriate. There are no geographical restrictions on the countries of investment.

The Fund may use a range of derivative instruments which include foreign exchange, forward and futures contracts, swaps and options and other derivatives for investment purposes and / or to manage interest rate and currency exposures.

Index futures and other derivatives are used to manage market exposure inherent in an invested portfolio. Increasing or reducing market and currency exposure will entail the use of long or net short positions in some derivative instruments.

<u>Risk profile</u>

The main risks arising from the funds instruments are market price risk and foreign currency risk. Market price risk is the uncertainty about future price movements of the financial instruments the fund is invested in. Foreign currency risk is the risk that the value in the funds investments will fluctuate as a result in foreign exchange rates. Where the fund invests in overseas securities, the balance sheet can be affected by these funds due to movements in foreign exchange rates.

Investments in less developed markets may be more volatile than investments in more established markets. Less developed markets may have additional risks due to less established market practices. Poor liquidity may result in a holding being sold at a less favourable price, or another holding having to be sold instead.

Bonds carry varying levels of underlying risk, including default risk, dependent upon their type. These range from gilts, which carry limited levels, to speculative/non-investment grade corporate bonds, that carry higher levels of risk but with the potential for greater capital growth.

Over 35% of the fund may be invested in securities issued by any one body.

The fund will use derivatives as part of its investment capabilities. This allows it to take 'short positions' in some investments and it can sell a holding they do not own, on the anticipation that its value will fall. These instruments carry a material level of risk and the fund could potentially experience higher levels of volatility should the market move against them.

In order to trade in derivative instruments they enter into an agreement with various counterparties. Whilst they assess the credit worthiness of each counterparty, the fund is at risk that it may not fulfil its obligations under the agreement.

In aiming to reduce the volatility of the fund they utilise a risk management process to monitor the level of risk taken in managing the portfolio, however there is no guarantee that this process will work in all instances

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Glossary

Affordable Housing Grants – grants given to Registered Providers to facilitate the provision of affordable housing.

Arlingclose – the Council's treasury management advisors

Asset Quality Review (AQR) – a review conducted by the ECB and national competent authorities examine whether assets were properly valued on a banks' balance sheet at 31 December 2013. It made banks comparable across national borders, by applying common definitions for previously diverging concepts and a uniform methodology when assessing balance sheets. The review provides the ECB with substantial information on the banks that will fall under its direct supervision and will help its efforts in creating a level playing field for supervision in future.

Authorised Limit – the maximum amount of external debt at any one time in the financial year

Bail in risk – following the financial crisis of 2008 when governments in various jurisdictions injected billions of dollars into banks as part of bail-out packages, it was recognised that bondholders, who largely remained untouched through this period, should share the burden in future by making them forfeit part of their investment to "bail-in" a bank before taxpayers are called upon.

A bail in takes place before a bankruptcy and under current proposals, regulators would have the power to impose losses on bondholders while leaving untouched other creditors of similar stature, such as derivatives counterparties. A corollary to this is that bondholders will require more interest if they are to risk losing money to a bail-in.

Balances and Reserves – accumulated sums that are maintained either earmarked for specific future costs or commitments or generally held to meet unforeseen or emergency expenditure

Bank of England – the central bank for the UK. It has a wide range of responsibilities, including act as the Government's bank and the lender of last resort, it issues currency and, most importantly, oversees monetary policy.

Bank Rate – the Bank of England base rate

Bank Recovery and Resolution Directive (BRRD) – this directive ensures that EU member states have a harmonised toolkit to deal with the failure of banks and investment firms. It will make the EU financial system less vulnerable to shocks and contagion

Banks – Secured – covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the banks assets, which limits the potential losses in the unlikely event of insolvency and means they are exempt from bail in.

Banks – Unsecured – accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. Subject

to the risk of credit loss via a bail in should the regular determine that the bank is failing or likely to fail.

Bonds – bonds are debt instruments issued by government, multinational companies, banks and multilateral development banks. Interest is paid by the issuer to the bond holder at regular pre-agreed periods. The repayment date of the principal is also set at the outset.

Capital expenditure – expenditure on the acquisition, creation or enhancement of capital assets

Capital Financing Requirement (CFR) – the Council's underlying need to borrow for a capital purpose, representing the cumulative capital expenditure of the Council that has not been financed

CCLA – the local authority property investment fund

Certainty rate – the government has reduced by 20 basis points (0.20%) the interest rates on loans via the Public Works Loan Board (PWLB) to principal local authorities who provide information as specified on their plans for long-term borrowing and associated capital spending.

Certificates of deposit – Certificates of deposit (CDs) are negotiable time deposits issued by banks and building societies and can pay either fixed or floating rates of interest. They can be traded on the secondary market, enabling the holder to sell the CD to a third party to release cash before the maturity date.

CIPFA - the Chartered Institute of Public Finance and Accountancy. The institute is one of the leading professional accountancy bodies in the UK and the only one which specialises in the public sector. It is responsible for the education and training of professional accountants and for their regulation through the setting and monitoring of professional standards. Uniquely among the professional accountancy bodies in the UK, CIPFA has responsibility for setting accounting standards for a significant part of the economy, namely local government. CIPFA's members work, in public service bodies, in the national audit agencies and major accountancy firms.

CLG – department of Communities and Local Government

Consumer Price Index (CPI) – measures changes in the price level of a market basket of consumer goods and services purchased by households.

Corporates – loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent.

Corporate bonds – corporate bonds are those issued by companies. Generally, however, the term is used to cover all bonds other than those issued by governments. The key difference between corporate bonds and government bonds is the risk of default.

Cost of Carry - costs incurred as a result of an investment position, for example the additional cost incurred when borrowing in advance of need, if investment returns don't match the interest payable on the debt.

Counterparty – the organisation the Council is investing with

Covered bonds – a bond backed by assets such as mortgage loans (covered mortgage bond). Covered bonds are backed by pools of mortgages that remain on the issuer's balance sheet, as opposed to mortgage-backed securities such as collateralised mortgage obligations (CMOs), where the assets are taken off the balance sheet.

Credit default swaps (CDS) – similar to an insurance policy against a credit default. Both the buyer and seller of a CDS are exposed to credit risk. The buyer effectively pays a premium against the risk of default.

Credit Rating – an assessment of the credit worthiness of an institution

Creditworthiness – a measure of the ability to meet debt obligations

Deposit Guarantee Scheme Directive (DGSD) – directive which requires EU member states to introduce at least one deposit guarantee scheme in their jurisdiction to provide protection for depositors and to reduce the risk of bank runs.

Derivative investments – derivatives are securities whose value is derived from the some other time-varying quantity. Usually that other quantity is the price of some other asset such as bonds, stocks, currencies, or commodities.

Derivatives – financial instruments whose value, and price, are dependent on one or more underlying assets. Derivatives can be used to gain exposure to, or to help protect against, expected changes in the value of the underlying investments. Derivatives may be traded on a regulated exchange or traded 'over the counter'.

Diversification / diversified exposure – the spreading of investments among different types of assets or between markets in order to reduce risk.

DMADF – Debt Management Account Deposit Facility operated by the DMO where users can place cash in secure fixed-term deposits. Deposits are guaranteed by the government and therefore have the equivalent of the sovereign credit rating.

DMO – debt management office. An Executive Agency of Her Majesty's Treasury (HMT) with responsibilities including debt and cash management for the UK Government, lending to local authorities and managing certain public sector funds.

EIP Loans – Equal Instalments of Principal. A repayment method whereby a fixed amount of principal is repaid with interest being calculated on the principal outstanding

European Central Bank (ECB) – the central bank responsible for the monetary system of the European Union (EU) and the euro currency. Their responsibilities include to formulate monetary policy, conduct foreign exchange, hold currency reserves and authorise the issuance of bank notes.

European Investment Bank (EIB) – the European Investment Bank is the European Union's non-profit long-term lending institution established in 1958 under the Treaty of Rome. It is a "policy driven bank" whose shareholders are the member states of the EU. The EIB uses its financing operations to support projects that bring about European integration and social cohesion.

Federal Reserve Bank (Fed) – the central bank of the US and the most powerful institution of the world.

Finance Lease - a finance lease is a lease that is primarily a method of raising finance to pay for assets, rather than a genuine rental. The latter is an operating lease. The key difference between a finance lease and an operating lease is whether the lessor (the legal owner who rents out the assets) or lessee (who uses the asset) takes on the risks of ownership of the leased assets. The classification of a lease (as an operating or finance lease) also affects how it is reported in the accounts.

Floating rate notes – floating rate notes (FRNs) are debt securities with payments that are reset periodically against a benchmark rate, such as the three month London inter-bank offer rate (LIBOR). FRNs can be used to balance risks incurred through other interest rate instruments in an investment portfolio.

FTSE – a company that specialises in index calculation. Co-owners are the London Stock Exchange and the Financial Times. The FTSE 100 is an index of blue chip stocks on the London Stock Exchange.

Gilts – long term fixed income debt security (bond) issued by the UK Government and traded on the London Stock Exchange

Government – loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail in, and there is an insignificant risk of insolvency.

Gross Domestic Product – the monetary value of all finished goods and services produced within a country's borders in a specific time period, although it is usually calculated on an annual basis.

Housing Grants – see Affordable Housing Grants

Illiquid – cannot be easily converted into cash

Interest rate risk – the risk that unexpected movements in interest rates have an adverse impact on revenue due to higher interest paid or lower interest received.

Liability benchmark – the minimum amount of borrowing required to keep investments at a minimum liquidity level (which may be zero)

LIBID – London Interbank BID Rate – the interest rate at which London banks are willing to borrow from one another

LIBOR - London Interbank Offer Rate – the interest rate at which London banks offer one another. Fixed every day by the British Bankers Association to five decimal places.

Liquidity risk – the risk stemming from the inability to trade an investment (usually an asset) quickly enough to prevent or minimise a loss.

M&G – M&G Global Dividend fund. The fund invests mainly in global equities.

Market risk – the risk that the value of an investment will decrease due to movements in the market.

Mark to market accounting – values the asset at the price that could be obtained if the assets were sold (market price)

Maturity loans – a repayment method whereby interest is repaid throughout the period of the loan and the principal is repaid at the end of the loan period.

Minimum Revenue Provision (MRP) - the minimum amount which must be charged to an authority's revenue account each year and set aside towards repaying borrowing

Moody's - a credit rating agency. They provide international financial research on bonds issued by commercial and government entities. They rank the creditworthiness of borrowers using a standardised ratings scale which measures expected investor loss in the event of default. They rate debt securities in several markets related to public and commercial securities in the bond market.

Money Market - the market in which institutions borrow and lend

Money market funds – an open-end mutual fund which invests only in money markets. These funds invest in short-term debt obligations such as short-dated government debt, certificates of deposit and commercial paper. The main goal is the preservation of principal, accompanied by modest dividends. The fund's net asset value remains constant (e.g. £1 per unit) but the interest rates does fluctuate. These are liquid investments, and therefore, are often used by financial institutions to store money that is not currently invested. Risk is extremely low due to the high rating of the MMFs; many have achieved AAA credit status from the rating agencies:

- Constant net asset value (CNAV) refers to funds which use amortised cost accounting to value all of their assets. They aim to maintain a net asset value (NAV), or value of a share of the fund, at £1 and calculate their price to two decimal places known as "penny rounding". Most CNAV funds distribute income to investors on a regular basis (distributing share class), though some may choose to accumulate the income, or add it on to the NAV (accumulating share class). The NAV of accumulating CNAV funds will vary by the income received.
- Variable net asset value (VNAV) refers to funds which use mark-to-market accounting to value some of their assets. The NAV of these funds will vary by a slight amount, due to the changing value of the assets and, in the case of an accumulating fund, by the amount of income received.

This means that a fund with an unchanging NAV is, by definition, CNAV, but a fund with a NAV that varies may be accumulating CNAV or distributing or accumulating VNAV.

Money Market Rates – interest rates on money market investments

Monetary Policy Committee – the regulatory committee of the Central Bank that determine the size and rate of growth of the money supply, which in turn, affects interest rates.

Multilateral Investment banks – International financial institutions that provide financial and technical assistance for economic development

Municipal Bonds Agency – an independent body owned by the local government sector that seeks to raise money on the capital markets at regular interval to on-lend to participating local authorities.

Non Specified Investments - all types of investment not meeting the criteria for specified investments.

Operational Boundary – the most likely, prudent but not worst case scenario of external debt at any one time

Pooled Funds – investments are made with an organisation who pool together investments from other organisations and apply the same investment strategy to the portfolio. Pooled fund investments benefit from economies of scale, which allows for lower trading costs per pound, diversification and professional money management.

Project rate – the government has reduced by 40 basis points (0.40%) the interest rates on loans via the Public Works Loans Board (PWLB) for lending in respect of an infrastructure project nominated by a Local Enterprise Partnership (LEP).

Prudential Code – a governance procedure for the setting and revising of prudential indicators. Its aim is to ensure, within a clear framework, that the capital investment plans of the Council are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good practice.

Prudential Indicators – indicators set out in the Prudential Code that calculates the financial impact and sets limits for treasury management activities and capital investment

Prudential Regulation Authority (PRA) – is responsible for the prudential regulation and supervision of around 1,700 banks, building societies, credit unions, insurers, and major investment firms. It sets standards and supervises financial institutions at the level of the individual firm.

PWLB (Public Works Loans Board) - a central government agency which provides long- and medium-term loans to local authorities at interest rates only slightly higher than those at which the Government itself can borrow. Local authorities are able to borrow to finance capital spending from this source.

Quantitative easing (QE) – a type of monetary policy used by central banks to stimulate the economy when standard monetary policy has become ineffective. It is implemented by buying specified amounts of financial assets from commercial banks and other private institutions, raising the prices of those financial assets and lowering their yield, while simultaneously increasing the monetary base.

Registered Providers (RPs) – also referred to as Housing Associations.

Repo - a repo is an agreement to make an investment and purchase a security (usually bonds, gilts, treasuries or other government or tradeable securities) tied to an agreement to sell it back later at a pre-determined date and price. Repos are secured investments and sit outside the bail-in regime.

Reserve Schemes – category of schemes within the General Fund capital programme that are funded from earmarked reserves, for example the Car Parks Maintenance reserve or Spectrum reserves.

SME (Small and Midsize Enterprises) – a business that maintains revenue or a number of employees below a certain standard.

Sovereign – the countries the Council are able to invest in

Specified Investments - Specified investments are defined as:

     a. denominated in pound sterling;
     b. due to be repaid within 12 months of arrangement;
     c. not defined as capital expenditure; and
     d. invested with one of:
          i. the UK government;
          ii. a UK local authority, parish council or community council, or
          iii. a body or institution scheme of high credit quality

Stable Net Asset Value money market funds – the principle invested remains at its invested value and achieves a return on investment

Standard & Poors (S&P) – a credit rating agency who issues credit ratings for the debt of public and private companies, and other public borrowers. They issue both long and short term ratings.

Subsidy Capital Financing Requirement – the housing capital financing requirement set by the Government for Housing Subsidy purposes

SWAP Bid – a benchmark interest rate used by institutions

SWIP – SWIP Absolute Return Bond fund. They invest in fixed income securities, index linked securities, money market transactions, cash, near-cash and deposits.

Temporary borrowing – borrowing to cover peaks and troughs of cash flow, not to fund spending

Treasury Management – the management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risk associated with those activities and the pursuit of optimum performance with those risks.

Treasurynet – the Council's cash management system

Treasury Management Practices – schedule of treasury management functions and how those functions will be carried out

Treasury Management Strategy Statement – also referred to as the TMSS.

Voluntary Revenue Provision (VRP) – a voluntary amount charged to an authority's revenue account and set aside towards repaying borrowing.

Working capital – timing differences between income and expenditure (debtors and creditors)

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Food Poverty

Overview and Scrutiny Task and Finish Group

Report to the Overview and Scrutiny Committee

Guildford Borough Council

March 2019

Foreword

*This has been an eye-opening journey for the task group. There has been a mass of evidence, with many facts and figures, which you'll find as troubling as we did; however, our conclusion is clear – **food poverty and insecurity exists in the Borough in both urban and rural settings**.*

Food poverty and insecurity is not restricted to residents in our less advantaged areas. Our findings show that residents who live in our affluent areas experience food poverty and insecurity. This may be because they are 'asset rich' (i.e., they own their own home) and 'cash poor' so they too struggle financially to pay for their basic needs.

Our report concludes that the main cause of food poverty and insecurity is the changes to the benefits system for people of working age, against the backdrop of our government's austerity measures. The rising cost of housing, especially in the rental market, and debt are also contributors as they stretch budgets to their limit. But what's particularly interesting from the data, is that more and more working families are dealing with food poverty and insecurity (the in-work poor) and are having to make the stark decision whether to buy food or pay a bill (such as heating); we were told that parents are going without meals so that their children can eat.

*I'd like to highlight **just three causes** for particular concern from our report:*

- *We have no **measurement** of the scope and extent of food poverty or insecurity across our borough. This begs the question 'How can we – and local organisations - help those people most in need? Food banks do provide some data, such as the number of food parcels, but what about the people who do not use them?*
- *There is evidence that food poverty and insecurity have **adverse effects** on our physical and mental health - the phrase 'leftover food, for leftover people' hits home. This again raises the question of what can we do – alongside health & wellbeing services and local organisations – to help improve this?*
- ***Food aid** – such as food banks - has its place in our community to meet immediate and short term need. But shouldn't we know more about the true causes of food poverty and insecurity and what long term resolutions can be put in place to eradicate it?*

Our report recommends the Council develop and implement a Food Poverty Strategy and Action Plan, working with academics and other experts by experience. In addition, the report makes clear that there is a need for a move away from short-term, food-centred action that is often presented as the solution to food insecurity. For a real, long-term solution, we found there is a requirement to look upstream and address the structural drivers of food poverty and insecurity.

Finally, it has been a real pleasure working on this project and I'd like to thank <u>everyone</u> involved in it; special thanks are extended to Professor Jon May for his insightful assistance at the outset of our review, Drs Dianna Smith and Claire Thompson for their help and advice, the Trussell Trust, the task group members, and the Council's Scrutiny Manager, James Dearling. This report would not have happened without your hard work and invaluable input.

Councillor Angela Goodwin

Chair of the Food Poverty Task Group

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Table 1: key definitions

Food poverty: 'the inability to afford, or have access to, food to make up a healthy diet.' [Department of Health, Choosing a Better Diet: a food and health action plan, 2005, p.7.]

Food insecurity: 'Limited or uncertain availability of nutritionally adequate and safe foods or limited or uncertain ability to acquire acceptable foods in socially acceptable ways.' [Food Standards Agency, Low Income Diet and Nutrition Survey, 2007]

Food Aid: refers to range of support activities aiming to help people meet food needs, often on a short term basis, which contribute to relieving the symptoms of food poverty and insecurity. [Household Food Security in the UK: a review of food aid, DEFRA, 2014, p.iv.]

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1.   Introduction

Background and reasons for the review

1.1   In April 2017, the Council's Overview and Scrutiny Committee approved a proposal to investigate food poverty in the Borough and agreed the terms of reference for the investigation (within the scoping document, attached at Appendix 1).

1.2   The Overview and Scrutiny Committee determined that the complexity and likely nature of the review warranted a task and finish task group approach.

1.3   The investigation was prompted by concerns over the occurrence of food poverty in the Borough, seemingly epitomised by the continuance of local food banks, along with knowledge of existing pockets of deprivation in the Borough.

1.4   A key expectation of the review was to raise awareness of emergency food provision in the Borough and the issues surrounding its use. In addition, the Overview and Scrutiny Committee tasked the task group with investigating the effectiveness of food aid provision in the Borough and addressing questions around the use of surplus food.[1]

1.5   The Overview and Scrutiny Committee identified three key issues for the task group:

- What is driving people to use food aid in Guildford and how accessible and appropriate is it?
- Who needs food aid and why?
- Who provides food aid and how?

1.6   Five overarching objectives for the task group's investigation were agreed:

- What are the impacts of food poverty?
- How widespread is food poverty in Guildford?
- How effective is the model of food aid provision in Guildford (in meeting immediate and long-term needs)?
- Consider approaches to reduce residents' dependency on food aid.
- How successful are the strategic approaches to tackling food poverty?

1.7   The task group membership comprises:

Councillor Angela Goodwin (Chair)	Councillor Dennis Paul [until April 2018]
Councillor Angela Gunning	Councillor Pauline Searle
Councillor Sheila Kirkland	Councillor James Walsh

2.   Process

2.1   Throughout the period of the task group's review the issues of food poverty and food insecurity have featured in public discourse. There has been a steady flow of reports and research informing food poverty issues that the task group has sought to keep up to date with. In addition, the investigation has incorporated a desktop review of published literature on food insecurity.

2.2   During the course of its considerations the task group obtained oral and written evidence from Council officers (including the Family Support Team), academics, local food banks, the Trussell Trust, FareShare, local charities (including Surrey Welfare Rights Unit, Woking's Lighthouse Centre, and Guildford Action), supermarkets, the Diocese of Guildford, Ash Citizens Advice and other local authorities. Organisers at local and neighbouring food banks proved an invaluable source of information and insight for the task group's work.

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[1] For details see Guildford Borough Council, Overview and Scrutiny Committee minutes, 25 April 2017, OS44 and OS45. http://www2.guildford.gov.uk/councilmeetings/ieListDocuments.aspx?CId=262&MId=460&Ver=4

2.3   The task group met formally on sixteen occasions to gather and evaluate its evidence. This was in addition to visiting the Borough's food banks, the Lighthouse Centre at Woking, FareShare Southern Central, and FareShare Sussex. The notes of the task group's meetings are attached as Appendix 2 to this report.

2.4   The task group members felt it was important to meet residents experiencing food poverty and hear directly the voices of those in poverty themselves. Notes from these meetings with users are not attached to this report.

2.5   Towards the end of its review the task group commissioned an expert external researcher to help map the emergency food aid provision in the Borough (one of the key issues for the task group's work).

2.6   The task group gathered evidence from the Lead Councillor for Housing and Development Management and invited the Lead Councillor for Community Health, Wellbeing, and Project Aspire to contribute to the review.

2.7   The task group's draft report and recommendations were shared with officers and participants for comments.

3.   Context

3.1   Before considering the more detailed findings and conclusions of the task group's review, a brief discussion of the national and local contexts (and the interplay between the two) is beneficial. This section discusses the measurement and scale of food poverty and insecurity, food banks and other food aid provision, and the costs of food poverty and insecurity.

Measurement of food poverty and insecurity

3.2   Ascertaining the scale of food poverty and insecurity was an overarching objective for the task group. Both before and during the group's review, research has been published highlighting inequalities and poverty in the UK. The headline findings and figures are disturbing. For example, in the second decade of the twenty-first century, more than 14 million people in the UK live in poverty: 8.4 million working-age adults; 4.5 million children; and 1.4 million pension age adults. Twenty-two per cent of the overall UK population is living in a family considered to be in poverty and more than one in ten of the population live in persistent poverty.[2] Over 1.5 million people were destitute at some point in 2017, that is to say, unable to afford two 'essential' needs, such as food or shelter. Research suggests that the most common essential need lacked by people in destitution is food (62 per cent).[3]

3.3   While Guildford Borough is generally seen as an affluent area in a well-to-do county, prosperity is far from universal. Narratives of generalised affluence are misplaced and unhelpful for attempts to help tackle poverty and inequality. Significant inequalities and levels of poverty within the Borough and the county are identifiable. For example, in Surrey twenty-five neighbourhoods are within the third most deprived areas in England, with four of these deprived neighbourhoods in Guildford Borough (Westborough, Stoke, Worplesdon, and Ash Wharf).[4] The percentage of

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[2] Social Metrics Commission, *A new measure of poverty for the UK: The final report of the Social Metrics Commission*, September 2018. There has been no official UK-wide measure of poverty since 2015. The task group cites the core measure of poverty devised by the Commission which is wider than an assessment of income or a measure about what the public believe is a minimum standard at which people should live. https://lif.blob.core.windows.net/lif/docs/default-source/default-library/legj6470-measuring-poverty-full_report-181004-web.pdf?sfvrsn=0

[3] Suzanne Fitzpatrick, Glen Bramley, Filip Sosenko, Janice Blenkinsopp, Jenny Wood, Sarah Johnsen, Mandy Littlewood, and Beth Watts, *Destitution in the UK 2018*, Joseph Rowntree Foundation, June 2018, pp.1, 8. https://www.jrf.org.uk/report/destitution-uk-2018

[4] For comprehensive data and examples see: Surrey County Council, *The Welfare Picture in Surrey: An update report from the Surrey Welfare Coordination Group*, October 2018; Community Foundation for Surrey, *Surrey*

children in poverty in the Borough after housing costs (AHC) is 14.59 per cent. In three local neighbourhoods in the Borough over a quarter of the children live in poverty AHC.[5]

3.4   Significantly, and unlike some other western countries, in the UK there is not yet a routine measurement of the scope and extent of food poverty or insecurity. Only in February 2019 (as the task group finalised its report) did government concede the need to monitor food insecurity to inform its policy making. Previously, government has refused to measure food insecurity and responded to requests to do so by alluding to the complexities of why people turn to food aid and the difficulties of collecting food insecurity data. For critics of the government this reluctance to quantify how many people are too poor to eat has appeared politically motivated, perhaps allowing government inaction. From April 2019 the government will add ten questions to its Family Resources Survey to enable a measurement of food insecurity, with results published in April 2021.[6]

3.5   Yet, there have been different surveys that have given indications of the scale of the problem in different populations at different times. For example, in 2014 the UN estimated approximately ten per cent of adults in the UK (5.3 million) experienced food insecurity and 8.4 million adults lived in food insecure households.[7] More recently in the first substantial survey into the scale of food insecurity, the 2016 Food & You survey by the Food Standards Agency (for England, Wales, and Northern Ireland) found a similar proportion of adults (8 per cent) to be food insecure, that is to say, living in low or very low food secure households, and 13 per cent to live in marginally secure households.[8]

Scale of the problem

3.6   The Food & You survey reveals contrasting differences in rates of food insecurity within society: a third of those aged 16 to 24 and a quarter of those aged 25 to 34 worried that household food would run out before there was money to buy more compared with 6–7 per cent of those aged over 65. Fifteen per cent of adults in the lowest income quartile lived with 'very low food security', and 23 per cent of adults in the lowest quartile lived in food insecure households compared with 3 per cent in the highest quartile. Almost half (47 per cent) of unemployed adults worried that their household food would run out before there was money to buy more. Pointedly, employment offered inadequate protection from food insecurity, with 6 per cent of all those in work living in food insecure households, and 20 per cent of adults in work worrying about running out of food before they had money to buy more. In contrast, pensioners were at lower risk of food insecurity, with less than 2 per cent experiencing food insecurity.[9]

Uncovered: Why local giving is needed to strengthen our communities, 2013 and 2017 reports; and www.surreyi.gov.uk.

[5] The Before Housing Costs figure for the Borough is 8.96 per cent. Poverty levels are generally higher when household incomes are measured after housing costs, as poorer households tend to spend a larger proportion of their income on housing than high-income households. Feargal McGuinness, 'Poverty in the UK: Statistics', House of Commons Library, briefing paper 7096, August 2018. http://researchbriefings.files.parliament.uk/documents/SN07096/SN07096.pdf . Local data, including ward level figures, are available at http://www.endchildpoverty.org.uk/poverty-in-your-area-2018/

[6] Patrick Butler, 'UK hunger survey to measure food insecurity', The *Guardian*, 27 February 2019. https://www.theguardian.com/society/2019/feb/27/government-to-launch-uk-food-insecurity-index Feargal McGuinness, Jennifer Brown, and Matthew Ward, 'Household food insecurity measurement in the UK', House of Commons Library, debate pack 2016/0238, December 2016, pp.6-8.

[7] The definitions of food poverty, food insecurity, and food security used for this review are shown in Table 1. UN data from the 2014 Gallup World Poll concluded that in the UK an estimated 8.4 million people lived in households where adults reported insecure access to food in the past year, within this task group around 2.4 million people experienced severe food insecurity. UN FAO *Voices of the Hungry: Technical Report*, 2016, p.39.

[8] Food Standards Agency, 'The Food & You Survey: Wave 4', 2017, pp.26-29. https://www.food.gov.uk/sites/default/files/media/document/food-and-you-w4-combined-report_0.pdf

[9] The Food Foundation, 'Food Standards Agency Survey Confirms Enormity of those Struggling to Afford Food in the UK', March 2017. https://foodfoundation.org.uk/food-standards-agency-survey-confirms-enormity-of-those-struggling-to-afford-food-in-the-uk/ Food Standards Agency, 'The Food & You Survey: Wave 4', Combined report - results table, 2017, Table 1.17. https://www.food.gov.uk/research/food-and-you/food-and-you-wave-four

Modelling food insecurity

3.7 The task group's review confirmed that the extent to which Guildford Borough residents are affected by food insecurity is neither measured nor estimated. However, the task group was introduced to models mapping the estimated risk of household food insecurity in local areas. This modelling uses factors identified as contributing to food insecurity to provide an index of food insecurity risk. A simple example of such a map is below (kindly produced for the task group's review by Dr Dianna Smith, University of Southampton). It depicts the relative risk of household food insecurity for those <65 years within Guildford.[10]

Percentage of age 0-64 in each MSOA at higher demographic risk - low income with dependent children. Hatched areas show MSOAs in the top 20% of areas within Surrey for JSA, ESA, UC claimants.
Data from 2011 Census and 2016 ONS mid-year population estimates.

N

0   1.5   3   6 Kilometers

Top 20% of areas for benefit claimants

% age 0-64 at higher risk

	2.7 - 4.6
	4.7 - 5.5
	5.6 - 7.3
	7.4 - 10.2
	10.3 - 20.5
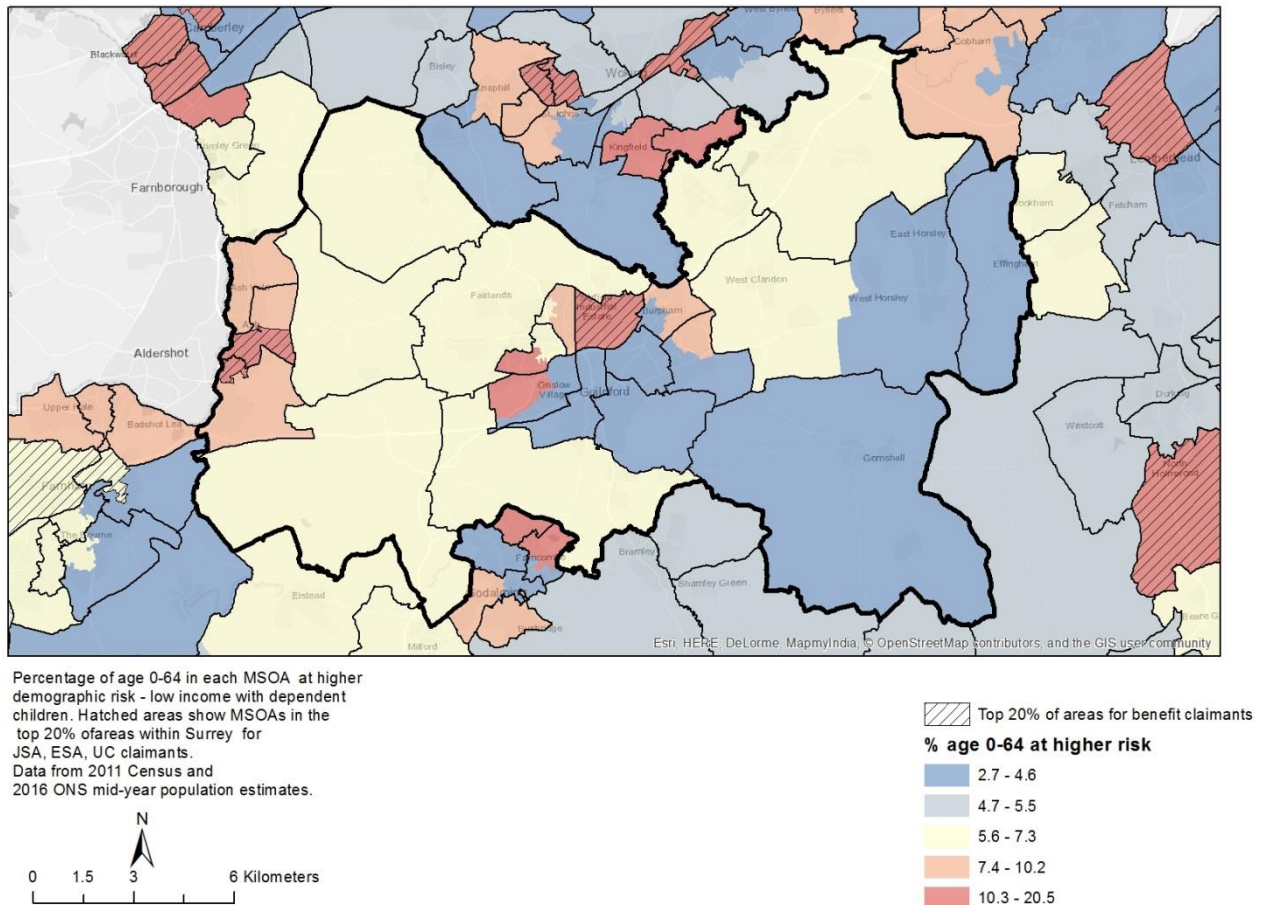
3.8 The map illustrates the household profile-derived risk of food insecurity (indicated by colour) and the high number of benefit claimants (indicated by hatching). Put simply, the colour shading indicates the percentage of people aged <65 years who live in a household on a low income with dependent children (identified as a higher demographic risk of food poverty). The areas with hatching are where the percentage of people of working age claiming benefits is in the top 20 per cent for Surrey. Thus, the areas where there are more people in the working age population at highest risk are shown with red shading and hatching. The task group judged the potential benefits of identifying higher-risk groups (through estimates validated by surveys) to enable a targeting of resources in neighbourhoods (using Lower Super Output Areas) as worthwhile. The advantages of such approaches, including the addition and combination of other factors and the comparability of the model to the 2015 Indices of Deprivation for England, have been considered elsewhere.[11]

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[10] Abbreviations used in the map key: MSOA (Middle Layer Super Output Area), JSA (Jobseeker's Allowance), ESA (Employment and Support Allowance), and UC (Universal Credit).
[11] For example, Dianna Smith, Claire Thompson, Kirk Harland, Storm Parker, and Nicola Shelton, 'Identifying populations and areas at greatest risk of household food insecurity in England', *Applied Geography*, 91 2018, pp.21-31.

Local estimates of need

3.9 As a direct result of the task group's review, academic experts invited the Council to join a project to expand and refine local estimates of food poverty. Alas, it must be noted that participation in this project was judged not a priority for the Council and, despite the minimal resources involved, the opportunity was declined. Naturally, the task group was disappointed to encounter such a view concerning the need for better establishing how extensive food insecurity may be for residents.

3.10 It is unfortunate that, rightly or wrongly, such a response can be located in an apparent Council discourse that seeks to downplay the issue of food poverty; a narrative that seemingly conflates absence of evidence with evidence of absence, or views the issue as one best addressed by local communities or through changes to individual behaviour. It is doubly unfortunate that the Lead Councillor with responsibility for health and community welfare did not respond to requests from the task group to contribute to the review and share her views on food poverty and food insecurity.

Food bank usage

3.11 While the rise in the numbers of food banks and their users is often used to highlight issues of poverty and social injustice, food bank usage is not a simple, reliable proxy for food insecurity. Evidence from countries that routinely measure food insecurity confirms food bank usage to be a poor indicator of food insecurity, with those people using food banks not representative of the wider food insecure population. Furthermore, one study determined that possibly only a fifth of people that were food insecure used food banks.[12] Possible explanations for why people experiencing food insecurity do not use emergency food aid, and how these barriers might be addressed, are considered in sections 4 and 5 below.

3.12 In the UK only a fraction of the people calculated to live in food insecure households have received food parcels from food banks.[13] Despite the amount of emergency food aid provided, for example, the Trussell Trust distributed 1.3 million three-day emergency food packages in 2017-18,[14] food bank usage statistics understate measured need and cannot be relied upon as a measure of household food insecurity.[15] Simply mapping the locations of food banks is not a method to reliably distinguish areas of food insecurity. Indeed, it has been suggested that the level of community resources and social networks required to start a food bank further detracts from their possible use as a measure of need.[16]

3.13 Notwithstanding the limited capacity of food bank evidence, in the absence of local measurement of food insecurity in the Borough and given the Council's stance on the value of ascertaining estimates, food bank usage can provide a very good indication of the existence of food insecurity (though how many more people are affected by food insecurity than use food banks is unknown).

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[12] Rachel Loopstra and Valerie Tarasuk, 'Food Bank Usage is a Poor Indicator of Food Insecurity: Insights from Canada', *Social Policy and Society* 14(3), pp.443-55.

[13] Briefing paper, 'Measuring household food insecurity in the UK and why we MUST do it: 4 facts you should know', Food Foundation, Sustain, and University of Oxford, November 2016. https://foodfoundation.org.uk/wp-content/uploads/2016/07/MeasuringHouseholdFoodInsecurity.pdf

[14] The Trussell Trust is a non-governmental organisation and charity that co-ordinates food banks in the UK, with over 420 food banks operating out of more than 1,200 distribution centres. An ongoing mapping exercise of food bank locations by Sabine Goodman on behalf of the Independent Food Aid Network (IFAN) has found over 2,000 food banks operating, including over 800 not affiliated to the Trussell Trust. Trussell Trust, End of Years Stats, retrieved November 2018. http://www.foodaidnetwork.org.uk/mapping [accessed 10 January 2019]

[15] Flora Douglas, Ourega-Zoé Ejebu, Ada Garcia, Fiona MacKenzie, Stephen Whybrow, Lynda McKenzie, Anne Ludbrook, and Elisabeth Dowler, *The nature and extent of food poverty/insecurity in Scotland*, NHS Health Scotland, 2015, pp.67-68.

[16] Research looking at Trussell Trust food banks found them to be more likely to open in those local authorities worst hit by central welfare cuts, unemployment, and benefit sanctions. Rachel Loopstra, Aaron Reeves, David Taylor-Robinson, Ben Barr, Martin McKee, and David Stuckler, 'Austerity, sanctions, and the rise of food banks in the UK', *BMJ* 2015; 350. Dianna Smith, Claire Thompson, Kirk Harland, Storm Parker, and Nicola Shelton, 'Identifying populations and areas at greatest risk of household food insecurity in England,' *Applied Geography*, 91 2018, pp.21-31.

While vouchers for food banks[17] are issued by multiple agencies and can be redeemed at multiple sites, compiling and interpreting statistics of food bank is not as problematic as commentators have asserted.[18] Moreover, the task group has adopted a limited, even circumspect, approach to local food bank data that sidesteps (unfounded) charges of inflating the issue. Before reviewing the usage of food banks by Guildford Borough residents, a brief summary of local food banks is appropriate.

Local food banks

3.14   There are currently two food banks based within Guildford Borough, providing food parcels in four areas: the Salvation Army at Woodbridge Road and the North Guildford Food Bank with locations at St. Clare's Church, Park Barn, the New Hope Centre, Bellfields, and Bushy Hill Community Centre, Merrow. None of these food banks are Trussell Trust affiliated. The opening hours of these food banks, along with other food aid providers in the Borough, are included in Appendix 3.[19]

3.15   Data collected by North Guildford Food Bank shows the vast majority of people accessing its emergency food aid are from Guildford town and the immediate surrounding area (postcodes GU1 and GU2). This remains the predominant pattern of its usage. However, following the closure in 2017 of a food bank distribution centre at Ash Vale (within Guildford Borough but operated by Farnham food bank), the North Guildford Food Bank started to be accessed by residents from Ash for the first time.[20]

3.16   Importantly, food parcel data provided to the task group by the Trussell Trust confirms that Guildford Borough residents access foodbanks outside the Borough's boundaries. Relying on figures from the two independent food banks within the Borough neglects Trussell Trust food banks at Woking, Cobham, Farnham, Dorking, and Farnborough and would overlook almost a third of the food parcels distributed to Borough residents.

3.17   Almost 2,000 food parcels were distributed to Borough households in 2017-18, with the task group advised by food banks of expected increases for 2018-19. (For 2017-18, the North Guildford Food Bank reports issuing 495 parcels, the Salvation Army 941 parcels and, as Appendix 4 details, Trussell Trust food banks issued 557.) Further information and analyses of food bank records would be required to identify the number of unique users (according to the Trust the average user visits twice[21]) or the total number of people helped (parcels can be for individuals or families) but, as suggested above, it is not the intention to present food bank usage as a proxy for food insecurity. Food bank statistics do not capture the exact levels of food insecurity in the population, but the number of food parcels distributed locally may serve as a wake-up call to anyone not yet at the stage of acknowledging the issue.

3.18   Records from the Trussell Trust and the two independent food banks within the Borough reveal the patterns of food bank usage across the Borough. Significantly, the Trust's data is broken

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[17] All Trussell Trust-affiliated food banks, and many others food banks (including those in Guildford) operate a voucher system that requires people seeking food aid to have been referred with a voucher completed by a frontline professional. Typically, the voucher contains personal details of the food bank user, including the number of adults and children in the household and the nature of the crisis that caused them to turn to emergency food aid. A voucher can be exchanged for a three-day, non-perishable food parcel. Food bank users are usually permitted to claim up to three vouchers over a six-month period, with food bank managers able to issue further vouchers at their discretion. An example of a local food voucher is attached at Appendix 6.

[18] Robert Smith, 'The Trussell Trust's misleading figures on food bank usage help no one', *Spectator*, 22 April 2015. https://blogs.spectator.co.uk/2015/04/the-trussell-trusts-misleading-figures-on-food-bank-usage-help-no-one/

[19] Ash Citizens Advice distributes food parcels provided by the Trussell Trust affiliated Farnham Food Bank (with the completed food referral vouchers returned to the Farnham food bank). Appendix 3 outlines the food aid provision in the Borough; namely, local sources of dry and cooked food available to those in greatest need and the access routes. The task group's intention is for a detailed version of this directory of resources to be publicised.

[20] North Guildford Food Bank, year end data for 2017 shared with the task group.

[21] North Guildford Food Bank records reveal that during 2017 over half of its users (57 per cent) visited the food bank once, 23 per cent twice, and 12 per cent three times. North Guildford Food Bank, year end data for 2017 shared with the task group.

down by wards and shows the geographical spread of residents resorting to food banks; evidently, food poverty is experienced much wider than those localities traditionally identified as the areas of deprivation in the Borough. Such data suggests localised measurement and estimates of food poverty are necessary to better understand and tackle the issues. (Figures from the Trussell Trust food banks for 2017-18 and 2016-17 are included in Appendix 4.)

The contested meaning of food banks

3.19 The extent and nature of food poverty and food insecurity, particularly the meaning of the growth and use of food banks,[22] remains a contested area in public discourse. Perceptions and tensions about the replacement of the welfare state with a welfare society influence such a discourse. The government's initial response to the rise of food banks applauded them as part of Big Society's active citizenship. Indeed, an All-Party Parliamentary Inquiry into Hunger and Food Poverty in the UK, while concluding that the welfare state was failing to provide the social security safety net it should, presented the food bank movement as the basis to build a strategy 'to deal both with the symptoms and the long-term causes of hunger in our society.' The Inquiry explicitly rejected calls for the Government to take responsibility to deal with food insecurity and essentially argued for an increased role for voluntarism and a supporting and enabling responsibility for central and local government.[23] In contrast, other research recognises the limits of such approaches and concludes that the 'disjointed "big society" approach' is unequal to the task of ending household food insecurity.[24]

3.20 The culpability for food poverty assigned to government welfare policies and austerity has acted to help politicise the growth in emergency food aid provision. The range of factors driving people to use food aid in Guildford is explored in section 4 below. It is worthwhile to note at this juncture that the task group saw no evidence of people taking advantage of free food, that is to say, free food creating demand, or the growth in food bank use being attributable to 'marketing' by the food bank movement itself.[25] The majority of food banks operate a voucher referral system that requires users to have been judged in genuine need by a frontline professional. In addition, beliefs that food aid charities create users have been reviewed by academics and refuted.[26] Food banks are a last resort for people in food poverty and, as such, best understood as the tip of the food poverty iceberg.[27]

3.21 In late 2018, an investigation in the UK by the UN special rapporteur on extreme poverty and human rights documented a disconnect between the government's narrative of poverty and first-hand accounts. He concluded:

> Not only does the government not measure food poverty, but a Minister dismissed the significance of foodbank use as being only occasional and noted that foodbanks exist in many other western countries. The clear implication was that

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[22] Trussell Trust foodbank use has almost quadrupled between 2012-13 and 2017-18: from 346,992 to 1,332,952 food parcels. The Trussell Trust, 'End of Year Stats', 2018, https://www.trusselltrust.org/news-and-blog/latest-stats/end-year-stats/#fy-2017-2018

[23] Report of the All-Party Parliamentary Inquiry into Hunger in the United Kingdom, *Feeding Britain: A strategy for zero hunger in England, Wales, Scotland and Northern Ireland*, 2014, pp.17, 55. https://www.feedingbritain.org/Handlers/Download.ashx?IDMF=d71439a6-8788-4c31-9a05-bd0ec707f252

[24] Cameron Tait, *Hungry for Change: The final report of the Fabian Commission on Food and Poverty*, Fabian Society, 2015, p.1. http://www.fabians.org.uk/wp-content/uploads/2015/10/Hungry-for-Change-web-27.10.pdf

[25] As suggested by some commentators: Nigel Morris, 'Demand for food banks has nothing to do with benefits squeeze, says Work minister Lord Freud', *Independent,* 2 July 2013. https://www.independent.co.uk/news/uk/politics/demand-for-food-banks-has-nothing-to-do-with-benefits-squeeze-says-work-minister-lord-freud-8684005.html Toby Helm, 'Charities condemn Iain Duncan Smith for food bank snub', *Guardian*, 21 December 2013. https://www.theguardian.com/politics/2013/dec/21/iain-duncan-smith-food-banks-charities

[26] Rachel Loopstra, Aaron Reeves, David Taylor-Robinson, Ben Barr, Martin McKee, and David Stuckler, 'Austerity, sanctions, and the rise of food banks in the UK', *BMJ* 2015; 350.

[27] Hannah Lambie-Mumford, Daniel Crossley, Eric Jensen, Monae Verbeke, and Elizabeth Dowler, 'Household Food Security in the UK: a review of food aid', DEFRA, 2014, p.vii. https://www.gov.uk/government/publications/food-aid-research-report

their rapid growth in the UK should not be seen as cause for concern, let alone for government action.[28]

3.22 Belatedly, in February 2019 the government accepted that troubles with the roll out of Universal Credit had contributed to increased food bank use.[29]

3.23 As has been noted elsewhere, there is no policy framework and little guidance from central government on food banks or on how local government should operate with emergency food aid providers.[30] Perhaps given the profile of the issue and the public and political calls for action this raises the question of whether this is a policy gap or a policy in itself.

Other food aid provision

3.24 In addition to food parcels from food banks, food aid is provided through the redistribution of surplus food. FareShare is the UK's leading food distribution charity. Its network distributes surplus food from the food industry to charities and community groups. For 2017-18, FareShare reports redistributing enough food through its network of 21 regional centres and its FareShare Go app[31] to make approximately 36.7 million meals.[32] FareShare charge its Community Food Members[33] a fee to cover the operational costs of its regional centres. A consultants' report commissioned by FareShare claims that modelling the socio-economic impact of the organisation's work shows FareShare saves the public sector approximately £51 million every year.[34]

3.25 Currently, FareShare does not have a regional centre covering the Borough, although Guildford is within the organisation's expansion strategy. The Guildford area has not been a focus of activity for FareShare partly due to the distance from a regional centre; however, a feasibility study by FareShare has identified 43 community groups and charities in the Guildford / Woking area that could potentially benefit from the service. The task group was advised that such an expansion could be a paid for delivery operation from FareShare Sussex into the Guildford area (likely to also include Woking, Fleet, and Farnborough[35]). The members of the task group judged it sensible to consider the inclusion of Leatherhead in such a development. The task group was advised that local supermarkets and stores used the FareShare Go app to distribute surplus food to six[36] community groups in the Guildford area.

[28] Professor Philip Alston, *Statement on Visit to the United Kingdom*, London, 16 November 2018. p.17. https://www.ohchr.org/Documents/Issues/Poverty/EOM_GB_16Nov2018.pdf
[29] BBC News, 'Amber Rudd links universal credit to rise in food bank use', 11 February 2019. https://www.bbc.co.uk/news/uk-politics-47203389
[30] Brent London Borough Council, 'The Use of Food Banks In Brent Task group Report', Report to Cabinet, 15 January 2018. In 2013, the Government indicated that local authorities could fund food banks. Patrick Butler, 'Welfare minister urges local councils to invest in food banks: Lord Freud accused of backing away from principle of welfare after saying local authorities should "ramp up support in kind"', *The Guardian*, 13 December 2013. https://www.theguardian.com/politics/2013/dec/13/welfare-minister-local-councils-food-banks
[31] FareShare Go connects local charities and community groups with the surplus food left over at the end of the day at local supermarkets.
[32] This equals almost 17,000 tonnes of food (11,000 tonnes through its centres and the remainder from local supermarkets) redistributed and prevented from going to waste.
[33] FareShare's Community Food Members (CFMs) are those charities and community groups linked to a regional FareShare centre. For 2017-18, FareShare's income from CFM fees was £510,000.
[34] *The Wasted Opportunity: The economic and social value of redistributed surplus food; the current and potential cost avoided by the UK public sector resulting from FareShare's work*, 2018 https://www.nefconsulting.com/redistributing-surplus-food-to-charities-saves-the-uk-economy-51-million-every-year/ For the methodological approach and assumptions informing the claim of monetary value see the consultants' technical report. https://nefconsulting.com/wp-content/uploads/2018/11/FareShare-Report_NEFC-PRINT.pdf The benefits to the food industry (for example, the saved costs of waste food disposal, the expression of corporate philanthropy, or the development of community capital) and any possible negative aspects of FareShare are not apparently detailed.
[35] The task group was advised that FareShare Sussex will likely change its name to FareShare Sussex & Surrey to reflect this wider geographic remit.
[36] Figure correct at September 2018.

3.26   The long-term implications of using surplus food to feed those in food insecurity are examined in sections 5.20-5.28. In addition, whether or not redistributing surplus food is likely to provide a solution to food insecurity is discussed.

3.27   Within the UK the range of responses and approaches to food poverty and insecurity is diverse. In addition to the models discussed above, provision includes initiatives such as members-only social supermarkets, community fridges, meal projects, cook and eat groups, pay what you can meal providers, food vouchers, holiday hunger programmes, and soups runs, along with perhaps more longstanding and formal action such as community care (meals on wheels).

3.28   The task group's outline of the elements of the local model of food aid provision is included in Appendix 3, and includes meal providers and a school holiday programme.

School holiday provision

3.29   The term 'holiday hunger' refers to the increased levels of food insecurity experienced by some children and their families during school holidays. School holiday hunger is a particular problem for families that usually receive free school meals. Holiday hunger is a historic policy gap, but the issue has come more to the fore recently with holiday clubs an increasingly popular way to help feed children during school holidays.[37]

3.30   The task group was made aware of a school holiday playscheme in the Borough that targets less advantaged children. This is run by CHIPS, a local charity operating in the Westborough and Stoke wards of the Borough, which introduced free lunches[38] to its programme in 2016 to address the cheap food choices of low-income households during school holidays. Significantly, the approach of CHIPS is evident from the number (a majority) of children eligible for free school meals that use the playscheme.[39] CHIPS runs for four weeks during the summer holidays and one week at Easter. The task group felt the scheme was an example of a targeted approach that was working well and avoided stigmatising attendance. (In addition, the task group was advised that churches and holiday time clubs did provide some meals in the holidays.)

The impact of food poverty

3.31   Food poverty has economic, social, and health impacts and costs.

3.32   Obviously, an inability to afford or have access to food to make up a healthy diet can lead to diet-related ill health. Conditions such as diabetes, cardiovascular disease, obesity, malnutrition, and a range of cancers are common diet-related diseases. An extensive case-control study across 52 countries estimated that food poverty contributed to half of all coronary heart disease deaths. Statistical research has linked food poverty with low birth weight and increased childhood mortality, increased falls and fractures in older people, and increased dental cavities in children.[40]

3.33   A rise in Victorian era diseases, such as rickets, has been linked with food poverty by public health professionals at the Faculty of Public Health (FPH).[41] Malnutrition caused by food poverty can adversely affect the immune system, the muscular system, and the psychosocial function.[42]

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[37] Michael A. Long, Paul B. Stretesky, Pamela Louise Graham, Katie Jane Palmer, Eileen Steinbock, and Margaret Anne Defeyter, 'The impact of holiday clubs on household food insecurity—A pilot study', *Health and Social Care in the Community*, 2017, 26 (2), e261-e269. https://onlinelibrary.wiley.com/doi/epdf/10.1111/hsc.12507 Pamela Louise Graham, Eilish Crilley, Paul B. Stretesky, Michael A. Long, Katie Jane Palmer, Eileen Steinbock, and Margaret Anne Defeyter, 'School Holiday Food Provision in the UK: A Qualitative Investigation of Needs, Benefits, and Potential for Development', *Frontiers in Public Health* 2016 (4), pp.1-8. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4992941/pdf/fpubh-04-00172.pdf
[38] The company supplying the lunches charge CHIPS a discounted rate.
[39] The January 2017 School Census shows 7.5 per cent of school children within the Borough eligible for Free School Meals, but records much higher levels at some schools.
[40] British Medical Association, *Health at a price: Reducing the impact of poverty*, June 2017, p.7.
[41] Tracy McVeigh, 'Rickets returns as poor families find healthy diets unaffordable', *The Observer*, 30 August 2014. https://www.theguardian.com/society/2014/aug/30/child-poverty-link-malnutrition-rickets
[42] British Medical Association, Health at a price: Reducing the impact of poverty', June 2017, p.7.

3.34   Significantly, the FPH has suggested that obesity is the biggest problem of food poverty with people forced into choosing cheap, processed, high-fat foods to live.[43] The task group was advised of this association (and the seeming paradox to some in government) between food insecurity and obesity. The task group was informed that high energy / low nutrient diets can contribute towards hypertension, iron deficiency, and impaired liver function. Research has confirmed that people are spending more on food, but eating less nutritious food.[44]

3.35   The health and social consequences and costs of food poverty may be intergenerational. The importance of a healthy diet for breastfeeding, the importance of nutrients for brain development in babies and children, and the wider effects of poverty on child development are well established.[45] For children, food poverty means bad dietary patterns, hunger, lower nutrient intake, low fruit and vegetable consumption, and problems accessing food in school holidays. The task group was advised that growing up in a system of food poverty had intergenerational issues for families, particularly girls.

3.36   Food poverty in childhood can have a long-term impact on physical and mental health.[46] The poor health impacts associated with child poverty limits children's potential and their development and increases poor health and life chances in adulthood.[47] For example, when children and young people go to school hungry there is an effect on their education.

3.37   Diet-related ill health in the UK is a substantial burden. For example, it is estimated that 70,000 premature deaths (equivalent to more than 10 per cent of the total annual number of deaths) would be prevented if diets matched nutritional guidelines in terms of more fruit and vegetables and reduced consumption of salt, saturated fat, and added sugar.[48]

3.38   In public health terms, the significance of possible repeat food bank use draws attention to issues of the nutritional value, quality, and quantity of emergency food aid.[49] An increase in food bank usage has no long-term public health upside.[50] Charitable food aid is unpredictable and has limited reach (as suggested above, approximately 80 per cent of people in food insecurity never access a food bank).[51]

3.39   Setting aside social and moral arguments, the economic case for tackling food poverty is compelling. The current overall economic costs of diet-related ill health are substantial. Food

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[43] Tracy McVeigh, 'Rickets returns as poor families find healthy diets unaffordable', *The Observer*, 30 August 2014. https://www.theguardian.com/society/2014/aug/30/child-poverty-link-malnutrition-rickets

[44] For example, Kellogg's and the Centre for Economics and Business Research, *Hard to Swallow: The Facts about Food Poverty*, 2017. https://www.kelloggs.co.uk/content/dam/europe/kelloggs_gb/pdf/R3_Facts%20about%20Food%20Poverty%20ReportFINAL.pdf

[45] For example, J. T. Cook, D. A. Frank, C. Berkowitz, et al. 'Food insecurity is associated with adverse health outcomes among human infants and toddlers', *The Journal of Nutrition* 2004;134 (6) pp. 1432-38.

[46] For example, Sharon I. Kirkpatrick, Lynn McIntyre, Melissa L. Potestio, 'Child Hunger and Long-term Adverse Consequences for Health', *Archives of Pediatrics & Adolescent Medicine* 2010, 164(8), pp.754-62. Lynn L. McIntyre, Jeanne V. A.Williams, Dina H. Lavorato, and Scott Patten, 'Depression and suicide ideation in late adolescence and early adulthood are an outcome of child hunger', *Journal of Affective Disorders* 2012, 150(1), pp.123-29.

[47] Wickham S, Anwar E, Barr B, et al. 'Poverty and child health in the UK: using evidence for action', *Archives of Disease in Childhood* 2016;101, pp.759-66. https://adc.bmj.com/content/101/8/759

[48] Cabinet Office, *Food Matters: Towards a Strategy for the 21st Century*, 2008. p.11. https://webarchive.nationalarchives.gov.uk/20100407165056/http://www.cabinetoffice.gov.uk/strategy/work_areas/food_policy.aspx

[49] Darren Hughes and Edwina Prayogo, 'A Nutritional Analysis of the Trussell Trust Emergency Food Parcel', Trussell Trust, June 2018. Robbie Davison, 'The Trussell Trust Report: a missed opportunity', Can Cook, June 2018. http://www.cancook.co.uk/trussell-trust-report-missed-opportunity/

[50] Elisabeth Garratt, 'Please sir, I want some more: an exploration of repeat foodbank use', *BMC Public Health* (2017) 17: 828.

[51] Martin Caraher and Sinéad Furey, 'Is it appropriate to use surplus food to feed people in hunger? Short-term Band-Aid to more deep rooted problems of poverty,' Food Research Collaboration, Centre for Food Policy, January 2017. https://foodresearch.org.uk/publications/is-it-appropriate-to-use-surplus-food-to-feed-people-in-hunger/

consumption-related health costs have been calculated to be approximately £45 billion annually.[52] In 2015, one study estimated the total annual public expenditure associated with malnutrition to be £20 billion.[53]

The stigmatisation of food aid

3.40   There is a strong and well-established association between poor mental health and poverty; unsurprisingly, research into the relationship between food insecurity and poor health has highlighted the important link with mental health conditions. Adults experiencing food insecurity are known to be more likely to develop mental health conditions.[54]

3.41   The task group felt that the effects of the stigma associated with food poverty and insecurity cannot be understated. In an affluent society, more so perhaps in an affluent area such as Guildford Borough, an inability to feed oneself or one's children and family is viewed as personal failure, even shameful. The task group was advised that feelings of powerlessness, guilt, and exclusion can be associated with food insufficiency or acquiring food in socially unacceptable ways. That proof of extreme food poverty (along with its implicit connotations of personal failure) is sometimes judged necessary, or effective, in order to access emergency food provision is addressed below (see section 5.12).

3.42   The disputed significance and meaning of food banks, and food aid in general, has added to the stigma and embarrassment of people in food insecurity, particularly those in food poverty and needing to access emergency food aid. At times those in food insecurity have been almost scorned by some in central government and other commentators who have linked food bank use to a lifestyle choice engaged in by those unable to budget properly or cook for themselves.[55] Indeed, research has shown much of the national media has supported a perception that people at food banks are there largely due to their own fault: often alluding to inappropriate spending on alcohol, cigarettes, take-aways, big screen televisions, mobile phones, and so on.[56] Such views are ill-informed, ignorant of the influence of people's environment and circumstances on their decisions, and ultimately unhelpful. Notions of deserving and undeserving poor can be seen within the discourse of food poverty deployed, perhaps in an attempt to shift blame for poverty from financial factors to behavioural ones.

3.43   In formulating its recommendations, the task group rejected the concept of the undeserving poor. The task group felt that the concept led to a stereotyping that adds to the stigma associated with food insecurity. On a basic level, to suggest whether some of those in food poverty and insecurity might be responsible for their own plight (for example, through laziness or debt) and therefore undeserving of help, or alternately judged poor and deserving through no fault of their own (for example, through illness, accident, or age), is to call for a moral evaluation. Of course, people may act in ways that are not financially sound or simply make mistakes, but mistakes do not affect everyone equally: the same event or episode will mean poverty for some people and a small discomfort for others.

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[52] Sustainable Food Trust, *The Hidden Cost of UK Food*, November 2017, p.55. http://sustainablefoodtrust.org/wp-content/uploads/2013/04/HCOF-Report-online-version-1.pdf

[53] £15.2 billion in healthcare, £4.4 billion in social care. Marinos Elia, *The cost of malnutrition in England and potential cost savings from nutritional interventions (full report): A report on the cost of disease-related malnutrition in England and a budget impact analysis of implementing the NICE clinical guidelines/quality standard on nutritional support in adults*, National Institute for Health Research, 2015, p.1.

[54] Andrew D. Jones, 'Food Insecurity and Mental Health Status: A Global Analysis of 149 Countries', *American Journal of Preventive Medicine*, 53(2), August 2017, pp. 264-73.

[55] For examples Patrick Butler, Patrick Wintour, and Amelia Gentleman, 'Tory peer forced to eat her words after claiming poor people can't cook', *The Guardian*, 8 December 2014. https://www.theguardian.com/society/2014/dec/08/poor-cannot-cook-peer-eats-words   Paul Vale, 'Michael Gove: 'Families Turn To Food Banks Because Of Poor Financial Management''', *Huffington Post*, 10 September 2013. https://www.huffingtonpost.co.uk/2013/09/10/michael-gove-families-tur_n_3901443.html?ec_carp=2693124991120650325

[56] Rebecca Wells and Martin Caraher, 'UK print media coverage of the food bank phenomenon: from food welfare to food charity?' *British Food Journal*, 116 (9), 2014, pp.1426-45. For example Jason Deans, 'Jamie Oliver bemoans chips, cheese and giant TVs of modern-day poverty', *The Guardian*, 27 August 2013. https://www.theguardian.com/lifeandstyle/2013/aug/27/jamie-oliver-chips-cheese-modern-day-poverty

3.44   The social acceptability of how food is accessed is important, including the upholding of personal dignity. For many, accessing a food handout is a distressing humiliation; there is considerable stigma associated with surplus food – encapsulated in the phrase, 'leftover food for leftover people'.[57] Indeed, the task group members encountered a reluctance among meal providers to admit to receiving and redistributing surplus food. The task group noted the value in the four Dignity Principles developed by Nourish Scotland & The Poverty Truth Commission to guide the design and implementation of responses to food insecurity:

      1. Involve in decision making people with direct experience.
      2. Recognise the social value of food.
      3. Provide opportunities to contribute.
      4. Leave people with the power to choose.[58]

4.   Causes

4.1   The task group's substantive findings and conclusions are considered below within a discussion of the drivers of food poverty and insecurity and the responses to it.

4.2   The arena and discourse of food poverty and food aid is heavily politicised. The task group felt this was perhaps understandable as the reality of individuals and families too poor to eat suggests a societal failure – more so in a wealthy country such as ours with a welfare state designed to provide a social security safety net.

Drivers of food poverty

4.3   The task group was charged with identifying the reasons for food poverty and why people use food aid. Distinguishing the drivers would help identify solutions. To help accomplish this the task group used evidence from its interviews, referral data from food banks, a qualitative analysis of cases handled by Ash Citizens Advice, and a desktop review of research on the topic.

4.4   Despite assertions from government and others about the complexity of food aid and difficulties in identifying causes of food banks, the reasons why people access food aid are not hard to fathom.[59]

Food bank data

4.5   While the Trussell Trust does not represent all the charitable food aid in the UK, in the absence of government data the Trust's franchised network does provide a much-cited source of data on food bank referrals and food aid use. Included as part of the information required, food bank vouchers set out to capture the primary cause as determined by the referral agency. Shown below are the primary referral causes to Trussell Trust foodbanks in 2017-2018:

1. Low Income (28.49%)
2. Benefit Delays (23.74%)
3. Benefit Changes (17.73%)
4. Debt (8.53%)

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[57] Professor Elizabeth Dowler quoted in press release accompanying Food Research Collaboration Policy Brief by Martin Caraher and Sinéad Furey, 'Is it appropriate to use surplus food to feed people in hunger? Short-term Band-Aid to more deep rooted problems of poverty', Food Research Collaboration, Centre for Food Policy, January 2017. https://foodresearch.org.uk/publications/is-it-appropriate-to-use-surplus-food-to-feed-people-in-hunger/

[58] Nourish Scotland & The Poverty Truth Commission, *Dignity in Practice: Learning, tools and guidance for community food providers*, March 2018, p.2. http://www.nourishscotland.org/projects/dignity/

[59] Witness the apparently stock response of government spokespeople to studies linking welfare benefit delays and sanctions with food poverty and households having to resort to food aid: 'Reasons for food bank use are complex so it is misleading to link them to any one issue.' https://www.theguardian.com/society/2016/nov/14/spike-food-bank-usage-blamed-delays-benefit-claims-frank-field
https://www.independent.co.uk/news/uk/politics/universal-credit-government-food-banks-benefits-work-pensions-dwp-charities-mps-dan-jarvis-a8048496.html https://www.independent.co.uk/news/uk/home-news/benefit-sanctions-food-bank-use-link-study-linked-trussell-trust-oxford-university-benefits-rachel-a7382476.html

5. Other (7.57%)
6. Homeless (5.01%)
7. Sickness / Ill Health (2.86%)
8. No recourse to public funds (2.69%)
9. Domestic Abuse (1.41%)
   - Reasons under 1%: Delayed Wages (0.81%), Child Holiday meals (0.76%), Refused STBA (Short Term Benefit Allowance) (0.40%)

4.6   Information provided by North Guildford Food Bank in 2017 about the key drivers of their emergency food aid is consistent with the above breakdown: approximately ⅓ (31 per cent) of users had benefit problems, ⅓ (31 per cent) were homeless / delayed wages / debt issues / sickness / domestic abuse and unemployed, and ⅓ (34 per cent) low income.[60]

4.7   Efforts to decide on a primary or perhaps determining element or factor for the use of emergency food aid from a list are not without problems. The requirement to assign a primary factor for a food parcel referral can over-simplify the issues. Evidence of such simplification was presented to the task group by Ash Citizens Advice (CA), in the form of a review of its food bank referral cases.

4.8   Ash CA conducted an in-depth analysis of its food aid client cases for a three-month period,[61] the results of which suggested some limitations to a single tick box approach to identifying drivers of food aid. For example, all except one of these case studies involved clients on benefits (and, by definition, on low incomes) and with health issues (as demonstrated by receipt of ESA, DLA, or PIP or by reference to specific health issues). Mental health issues were recorded in almost half of the food parcel referral case studies.[62] Yet the task group found that information gathered by providers of food aid, together with other sources of evidence, could be usefully exploited to establish the factors contributing to people asking for food aid. Indeed, the task group suggest consideration be given to altering paper food voucher forms by adding the option to specify Universal Credit (UC) as the cause of the referral.[63] The reasons for this suggestion are expanded in sections 4.30-4.33.

The short-term 'crisis'
4.9   The task group was advised by many witnesses that people typically have recourse to food aid when hit with a sudden reduction in household income that in an insecure financial context constitutes a 'crisis.' As case studies shared with the task group illustrate, what constitutes a crisis can vary – from a problem with a benefit payment, sickness, the breakdown of a kitchen appliance, the loss of a purse or wallet, or a theft.

4.10   The task group acknowledges that an event or crisis with financial consequences can often not be absorbed by those on a low income, and can stimulate the use of emergency food aid. However, this 'crisis' explanation is far from the whole picture. For some vulnerable households and families there are continuing circumstances and conditions (structural drivers), such as debt and low income, that mean food insecurity is a constant or near unremitting feature of their lives.[64]

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[60] North Guildford Food Bank, year end data for 2017 shared with the task group.
[61] Ash CA shared an anonymised analysis of a client case review for the period December 2017 - February 2018.
[62] Employment Support Allowance (ESA); Disability Living Allowance (DLA); Personal Independence Allowance (PIP).
[63] Increasingly, food banks in the Trussell Trust network are using electronic referrals. Electronic referrals are completed by referral agencies in the same way as paper food bank vouchers and can gather more detailed information about referral reasons. The Trussell Trust, *The Next Stage of Universal Credit: Moving onto the new benefit system and foodbank use*, November 2018, p.9. https://www.trusselltrust.org/wp-content/uploads/sites/2/2018/10/The-next-stage-of-Universal-Credit-Report-Final.pdf
[64] Hannah Lambie-Mumford and Elizabeth Dowler , (2014),'Rising use of "food aid" in the United Kingdom', *British Food Journal*, 116 (9), 2014, p. 1420. Hannah Lambie-Mumford, Daniel Crossley, Eric Jensen, Monae Verbeke, and Elizabeth Dowler, 'Household Food Security in the UK: a review of food aid', DEFRA, 2014, p.viii. https://www.gov.uk/government/publications/food-aid-research-report

4.11   Discourses preoccupied with assigning responsibility for poverty on those experiencing it are discussed below in sections 4.44-4.46. However, such narratives risk overlooking the structural forces at play. In putting forward its understanding of the reasons for food insecurity, the task group supports a wider narrative of structural drivers causing household and individual food poverty and insecurity. As suggested above, people will always act in ways that are not financially sound, make mistakes, or encounter misfortune, but circumstances do not affect everyone equally: the same event or episode will have profound consequences for the most vulnerable and be a mild inconvenience for others. To ignore underlying or structural reasons by emphasising possible individual factors or behaviours misses the wider context.

Cost of living – food prices

4.12   The prevailing economic circumstances since the 2008 financial crisis have helped create and drive food aid activity: notably, a higher cost of living and stagnating or (in real terms) declining wages. In particular, high food prices have resulted in food being proportionately less affordable in low-income households, as those on lower incomes spend a higher proportion of their money on food. The largest item of household expenditure for low-income households after housing, fuel, and power costs, is food. As research shows, 'If you're in the poorest 10 per cent in the UK, almost 25 per cent of your income will go on food and beverages. If you're in the rich 10 per cent, it's just 4.2 per cent.'[65] The retail price of all food groups has risen between 2007 and 2017 (ranging from 19 per cent to 47 per cent), with food and non-alcoholic drinks increasing overall by 31 per cent.[66]

4.13   In addition to spending a higher proportion of their money on food, people on low-incomes may have to pay more depending on where they live and shop. Typically, a food desert is an area poorly served by food stores, in which it is difficult to access healthy food at a good price; for those on low-incomes or with limited ability to travel, the costs of access to low-cost nutritious food can be higher than suggested by a standard analysis of prices.[67]

4.14   The task group was advised that for some residents on low incomes in Guildford living in a food desert was an additional difficulty. The task group was informed that local convenience stores inevitably stocked a limited range of food. The Director of Community Services indicated that the establishment of a mobile fruit and veg van was being investigated by the Council (as part of Project Aspire) to help address issues of food availability and affordability. The task group welcome this initiative as a start, but calls for more concerted action (see section 5.37 below).

Cost of living – housing

4.15   As part of its investigation, the task group was presented with evidence that the affordability of the private rented sector was a key factor contributing to poverty locally. Investigations of private sector housing costs by Ash CA show rents to be above an affordable level (whether calculated using the government's National Living Wage or the national median rate).[68]

4.16   The Local Housing Allowance (LHA) relevant to the Borough's area does not reflect actual values in the private rented sector.[69] For those families and individuals renting in the private sector, the LHA rate is used to calculate housing benefit or the housing element of universal credit;

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[65] Kellogg's and the Centre for Economics and Business Research, *Hard to Swallow: The Facts about Food Poverty*, 2017, p.16.
https://www.kelloggs.co.uk/content/dam/europe/kelloggs_gb/pdf/R3_Facts%20about%20Food%20Poverty%20ReportFINAL.pdf
[66] DEFRA, Food Statistics in your pocket 2017: Prices and expenditure, Updated 9 October 2018,
https://www.gov.uk/government/publications/food-statistics-pocketbook-2017/food-statistics-in-your-pocket-2017-prices-and-expenditure
[67] Scott Corfe, *What are the barriers to eating healthily in the UK?*, Social Market Foundation, October 2018.
http://www.smf.co.uk/wp-content/uploads/2018/10/What-are-the-barriers-to-eating-healthy-in-the-UK.pdf
[68] Undertaken by Ash CA in 2016 and 2017. Ash Citizens Advice, *Is the Private Rented Sector Affordable?* – *Follow up*, 2017.
[69] Examples provided by Ash CA suggest the LHA rate to be more than £150pcm less than the actual rental cost of a typical one or two-bedroom property, while there is a gap of over £200 pcm between the LHA rate and actual rent for a three-bedroom property.

essentially, housing benefit for private renters.[70] The task group was advised that targeting rents would be an effective way to help those residents living in poverty (including food poverty). The LHA is currently frozen until 2020. Until 2013 LHA rates were linked to the local housing market to cover the cheapest thirty per cent of homes. Notwithstanding the introduction of extra funding for areas worst affected, the reduced LHA has been found to be contributing to poverty and homelessness.[71]

4.17   The suggestion was put forward to the task group that action be taken to 'top up' the LHA rate to make rents affordable. Consequently, the task group explored Discretionary Housing Payments (DHPs).[72]

Discretionary Housing Payments

4.18   While some districts and boroughs in Surrey have typically overspent or optimised their DHP fund contribution from central government, until recently Guildford's percentage spend of their DHP allocation has been comparatively, and consistently, low. For instance, the Council spent less than 90 per cent of its allocated £165,930 in 2016/17 and in 2013/14 only 62 per cent of its £206,697 allocation (awarding 191 awards in response to 254 applications, at an average of £781.27). It is essential to note that local authorities must return unspent DHP contributions from central government at the end of each financial year. In addition, the DHP spending of local authorities helps inform the allocation of central government funds in subsequent years. In contrast to Guildford's underspends, Runnymede Borough Council and Spelthorne Borough Council exceeded their respective DHP fund contributions from central government by over 50 per cent in both 2015/16 and 2016/17, and in 2017/18 were again Surrey's two largest over-spenders.[73]

4.19   While Guildford's DHP spending increased in 2017-18 to exceed its central government contribution and will do so again in 2018-19, the task group notes that councils can legally spend up to 2½ times this allocation. That is to say, Guildford Borough Council's DHP fund in 2018-19 received a central government contribution of £222,658 and has a legal limit of £556,645, and in 2019-20 will receive £201,084 with the overall fund limit set at £502,709.[74]

4.20   The task group questioned whether past underspends by the Council of its central government DHP contribution might be because the Council was wary of running out of government funds too quickly and did not wish to dip into its own finances. However, the group was advised that the Council had regarded DHPs as short-term financial assistance that it would be undesirable to

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[70] Government plans to roll out the LHA rate cap to social housing tenants were dropped in October 2017.

[71] Since 2013 LHA rates have been set using the previous year's rates uprated by a flat rate index: the consumer prices index in 2013; one per cent for 2014 and 2015; and from April 2016 until 2020 a freeze. Chartered Institute of Housing, *Missing the Target? Is targeted affordability funding doing its job?*, August 2018. http://www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/Missing%20the%20target%20final.pdf

[72] Local authorities are able to award DHPs to someone entitled to Housing Benefit or the housing costs element of Universal Credit needing "further financial assistance" with their "housing costs". Wendy Wilson, 'Discretionary Housing Payments,' House of Commons Library, briefing paper 6899, July 2018. http://researchbriefings.files.parliament.uk/documents/SN06899/SN06899.pdf

[73] Department for Work and Pensions, 'Use of Discretionary Housing Payments, analysis of end of year returns from local authorities: Data for April 2017 to March 2018', July 2018, p.4. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/724614/use-of-discretionary-housing-payments-2017-to-2018.pdf Department for Work and Pensions, Housing Benefit Subsidy Circular S1/2019 '2019-20 Discretionary Housing Payments government contribution for English and Welsh local authorities (Revised)', 2019. https://www.gov.uk/government/publications/housing-benefit-subsidy-circulars-2019/s12019-2019-20-discretionary-housing-payments-government-contribution-for-english-and-welsh-local-authorities Surrey County Council, *The Welfare Picture in Surrey: An update report from the Surrey Welfare Coordination Group*, October 2018, pp.19, 32.

[74] In 2017-18, Guildford Borough Council's DHP scheme had a spend of £258,232 and a central government contribution of £253,784 and in 2018-19 a forecast spend of £257,500 with a central government contribution of £222,658. Department for Work and Pensions, 'Data tables: Use of Discretionary Housing Payments, analysis of end of year returns from local authorities: April 2017 to March 2018', July 2018. https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-financial-year-2017-to-2018

make residents dependent upon and had instead focused on the affordability issues to minimise shortfalls due to housing costs.

4.21   The task group recommends greater efforts to publicise the Council's DHP scheme and encourage applications to the fund. The task group noted that DHPs are available to tenants with social or private landlords, and it is for local authorities to determine how much a household receives and the length of time DHPs are paid. The group was advised that the Council's DHPs are promoted through the service given at the local Citizens Advice, but the Council does not advertise the help available through the DHP fund (other than as part of a homelessness prevention process). Nevertheless, national guidance emphasises the importance of publicising DHPs and puts forward an extensive list of suggestions to raise awareness.[75] The task group feels that increasing the awareness of DHPs as a source of help for those struggling to pay for housing will improve the effectiveness of the scheme (which has seen an increase despite a lack of publicity).

4.22   Available details of the welfare reform for which a DHP was awarded confirm the variations between districts and boroughs in Surrey. Indeed, within the county the administration of DHP varies markedly; if and how much people receive appears to be influenced by their postcode rather than determined by individual circumstances.[76]

Income stagnation and insecurity

4.23   The rising cost of living, combined with income stagnation, contributes to food insecurity.[77] Average incomes (after housing costs) for low- and middle-income families are lower in 2016-17 than they were in 2003-04.[78] In the ten years since the financial crisis, average real wages in the UK have contracted by an average annual rate of 0.3 per cent. Moreover, a report from the Resolution Foundation thinktank reveals it is unlikely that UK real pay levels will return to the pre-crisis level until the 2020s.[79] The Institute for Fiscal Studies projects that on average for the poorest 15 per cent of households real AHC income will fall between 2014-15 and 2021–22.[80]

4.24   Zero-hour contracts that offer no guarantee of work and other often insecure types of jobs have increased markedly following the effects of the financial crisis.[81] In-work poverty, welfare reform, and austerity (frozen benefit levels) are discussed below.

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[75] Suggestions include leaflets and posters, making landlords aware of the scheme, information on local authority and choice-based-lettings websites, raising awareness with social housing tenants and residents' organisations, and targeted communications aimed at those likely to be affected. Department for Work and Pensions, 'Discretionary Housing Payments Guidance Manual: Including Local Authority Good Practice Guide', March 2018, pp.39-40.
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/692240/discretionary-housing-payments-guide.pdf

[76] Department for Work and Pensions, 'Data tables: Use of Discretionary Housing Payments, analysis of end of year returns from local authorities: April 2017 to March 2018', July 2018, Monitoring Returns.
https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-financial-year-2017-to-2018

[77] Hannah Lambie-Mumford, Daniel Crossley, Eric Jensen, Monae Verbeke, and Elizabeth Dowler, 'Household Food Security in the UK: a review of food aid', DEFRA, 2014, p.viii. Niall Cooper, Sarah Purcell, and Ruth Jackson, *Below the breadline: the relentless rise of food poverty in Britain*, Church Action on Poverty and Oxfam, 2014. https://oxfamilibrary.openrepository.com/bitstream/handle/10546/317730/rr-below-breadline-food-poverty-uk-090614-en.pdf?sequence=1

[78] Adam Corlett, Stephen Clarke, Conor D'Arcy, and John Wood, *The Living Standards Audit 2018*, Resolution Foundation, July 2018, p.22. https://www.resolutionfoundation.org/app/uploads/2018/07/Living-Standards-Audit-2018-3.pdf

[79] Adam Corlett, Stephen Clarke, Conor D'Arcy, and John Wood, *The Living Standards Audit 2018*, Resolution Foundation, p.31

[80] Andrew Hood and Tom Waters, *Living Standards, Poverty and Inequality in the UK: 2016–17 to 2021–22,* Institute for Fiscal Studies, 2017, p.6. https://www.ifs.org.uk/uploads/publications/comms/R127.pdf

[81] Stephen Clarke and Nye Cominetti, 'Setting the record straight: How record employment has changed the UK', Resolution Foundation, January 2019, p.47. https://www.resolutionfoundation.org/app/uploads/2019/01/Setting-the-record-straight-full-employment-report.pdf

Impact of welfare reform and austerity

4.25 It is not possible to consider the reasons for food poverty and insecurity without highlighting the role of welfare reform and austerity. The task group heard repeated evidence from experts, including local experts by experience, about difficulties with welfare benefits driving individuals and families into both food insecurity and the use of food aid.

4.26 The task group found much evidence to support the contention that changes to the system of benefits for people of working age are a major driver of food poverty. Research by academics, charities, and food providers shows a clear link between welfare reform, austerity, and increasing charity food aid provision.[82] As indicated above, the failure of benefit levels to cover essential living costs and issues with payments are common reasons for referral to a foodbank. Previous assertions from government denying the link between charitable food aid use and welfare reform are no longer credible to those familiar with the evidence.

4.27 A brief examination of the effects of these changes is both necessary and revealing. To aid this discussion some of the main welfare reform changes are outlined at Appendix 5.

4.28 An independent evaluation published by the Department for Work and Pensions of the Removal of the Spare Room Subsidy, or so-called bedroom tax, found that 76 per cent of people affected reported having to cut back on food to meet the cut in benefit.[83] In Guildford in 2018, almost 300 households remained affected by this under-occupation deduction for working-age claimants in social housing.

4.29 Local evidence gathered by the task group confirmed national reports that changes in benefit can lead to a gap in income (for a period of weeks) which benefit claimants frequently lack any reserves to bridge. In addition to these gaps in income, welfare reforms can cause a sudden drop in income. For example, the task group was advised of difficulties Guildford residents had encountered with the transition from Disability Living Allowance (DLA) to Personal Independence Payments (PIP). Due to the different criteria between the two benefits, the change from DLA to PIP could lead to a reduction in income. The task group was advised that challenging a PIP decision was a lengthy process and appeals could take several months.

4.30 As noted above, problems with benefit transitions drive up food bank referrals. In particular, the five-week or more wait for a first payment under Universal Credit (UC) has been singled out for criticism. Government figures show that 1 in 6 people do not receive full payment of UC on time. The Trussell Trust is among those questioning why people being transferred from legacy benefits in the roll-out of UC are subjected to a delay given that need has been established under the old benefits or tax credit system.[84] The judgment of the UN special rapporteur on extreme poverty and human rights about the five-week delay between a UC claim and payment is blunt: 'The rationales offered for the delay are entirely illusory, and the motivation strikes me as a

[82] Rachel Loopstra, Aaron Reeves, David Taylor-Robinson, Ben Barr, Martin McKee, and David Stuckler, 'Austerity, sanctions, and the rise of food banks in the UK', *BMJ*, 2015; 350. Rachel Loopstra, Jasmine Fledderjohann, Aaron Reeves, and David Stuckler, 'Impact of Welfare Benefit Sanctioning on Food Insecurity: a Dynamic Cross-Area Study of Food Bank Usage in the UK', *Journal of Social Policy*, 43 (3), 2018, pp. 437-57. Niall Cooper, Sarah Purcell, and Ruth Jackson, *Below the breadline: the relentless rise of food poverty in Britain*, Church Action on Poverty and Oxfam, 2014. https://oxfamilibrary.openrepository.com/bitstream/handle/10546/317730/rr-below-breadline-food-poverty-uk-090614-en.pdf?sequence=1
All-Party Parliamentary Inquiry into Hunger in the United Kingdom, *Feeding Britain: A strategy for zero hunger in England, Wales, Scotland and Northern Ireland*, The Children's Society, 2014, p.34.
[83] Cambridge Centre for Housing and Planning Research and Ipsos MORI, 'Evaluation of Removal of the Spare Room Subsidy: Final Report', Department for Work and Pensions, December 2015, p.18. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/506407/rsrs-evaluation.pdf
[84] Abhaya Jitendra, Emma Thorogood, Mia Hadfield-Spoor, *Left Behind: Is Universal Credit Truly Universal?*, The Trussell Trust, April 2018. https://s3-eu-west-1.amazonaws.com/trusselltrust-documents/Trussell-Trust-Left-Behind-2018.pdf 'The next stage of Universal Credit: Moving onto the new benefit system and foodbank use', The Trussell Trust, October 2018. https://www.trusselltrust.org/wp-content/uploads/sites/2/2018/10/The-next-stage-of-Universal-Credit-Report-Final.pdf

combination of cost-saving, enhanced cashflows, and wanting to make clear that being on benefits should involve hardship.'[85]

4.31   Surrey is one of the last areas subject to the full service rollout of UC (October 2018 for Guildford Borough) and the task group could not monitor its impact locally. (In January 2019, the 'managed migration' of approximately 3 million existing eligible claimants on legacy payments was halted by the government following widespread criticism of the extension of the system.) According to Trussell Trust data, in areas of full roll out of UC there is a demonstrable increase in demand in local food banks:

> On average, 12 months after rollout, foodbanks see a 52% increase in demand, compared to 13% in areas with Universal Credit for 3 months or less. This increase cannot be attributed to randomness and exists even after accounting for seasonal and other variations.[86]

4.32   Research commissioned by Gateshead Council has linked the roll out of Universal Credit with increasing food poverty and insecurity (as well as debt, rent arrears, extreme hardship, and serious consequences for health and wellbeing).[87] The task group was advised that a review of case studies locally by Ash Citizens Advice had confirmed that changes in benefit often led to a gap in income that caused hardship.

4.33   The task group was informed that the Council had previously provided information about Universal Credit to local food banks in the Borough. With reference to the roll out of Universal Credit, and notwithstanding the government commissioning Citizens Advice to provide Universal Support for Universal Credit claimants, the task group felt that a forum or similar gathering to raise awareness of the issues and provide updates would be beneficial. The task group suggest that such a forum consider the matter once the 2019 pilot scheme has been assessed and the future of UC is clearer.

4.34   The effect of the policy to limit benefits based on the number of children, the so-called 'two child policy' introduced by the Welfare Reform and Work Act 2016, is estimated to push an additional 260,000 children across the UK into poverty by 2019-20, representing a 10 per cent increase in child poverty. A similar number of children already living below the poverty line will fall deeper into poverty. However, the local impact of the limit is unknown.[88]

4.35   Since 2016, the majority of working age benefits have been frozen as a key austerity measure. This follows the government switching the indexing of benefit rates to the CPI rate of inflation and then capping most increases at one per cent for three years, thus ending the link between benefits and price rises. Overall, the real cut to many benefits from the four-year freeze alone has been shown as over 6 per cent. The overall impact of the four-year freeze will have been to reduce working-age household incomes by £4.4 billion. Analyses show the extent to which the freeze has eroded the value of benefits, meaning almost half a million more people will be in

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[85] Professor Philip Alston, *Statement on Visit to the United Kingdom*, London, 16 November 2018. p.5. https://www.ohchr.org/Documents/Issues/Poverty/EOM_GB_16Nov2018.pdf

[86] The Trussell Trust, *The Next Stage of Universal Credit: Moving onto the new benefit system and foodbank use*, November 2018, p.4. https://www.trusselltrust.org/wp-content/uploads/sites/2/2018/10/The-next-stage-of-Universal-Credit-Report-Final.pdf

[87] Mandy Cheetham, Suzanne Moffatt, and Michelle Addison, '"It's hitting people that can least afford it the hardest" the impact of the roll out of Universal Credit in two North East England localities: a qualitative study,' Gateshead Council and FUSE, November 2018, p.23. https://www.gateshead.gov.uk/media/10665/The-impact-of-the-roll-out-of-Universal-Credit-in-two-North-East-England-localities-a-qualitative-study-November-2018/pdf/Universal_Credit_Report_2018pdf.pdf?m=636778831081630000

[88] Deven Ghelani and Giovanni Tonutti, Briefing paper 'The impact of the two child limit to tax credits', Policy in Practice, April 2017, pp.9-10. http://policyinpractice.co.uk/wp-content/uploads/2017/04/Limiting-Child-Tax-Credits-to-Two-Children_PIP_Briefing-Paper_April2017.pdf

poverty in 2021 than if benefits had kept pace with inflation; indeed, the Joseph Rowntree Foundation has claimed the freeze is the 'biggest policy driver' of increasing poverty.[89]

4.36   Introduced as a work incentive, the Benefit Cap reduces the amount households can claim in a year; in areas outside London the cap is currently set at £13,400 for single adults (£258 a week) and £20,000 for couples and families (£385 a week). In Britain, since the introduction of the benefit cap in 2013 to August 2018 almost 200,000 households have had their Housing Benefit or Universal Credit capped: over 60 per cent of those capped were single-parent families and over 90 per cent of households capped have dependent children. In Guildford Borough in the same period, 311 households have had their benefits capped, 75 per cent of which were single-parent families and 93 per cent households with dependent children. At August 2018 there were 104 households in the Borough affected by the benefit cap, losing between a few pence to over £200 per week.[90]

4.37   In 2017, the task group was advised by the Council's then Head of Housing Advice that there was an association between the reduction in the benefit cap in 2016 and an increase in use of emergency food aid.[91]

4.38   The task group notes that it is not within their remit to assess a social policy seemingly driven by continued austerity and welfare reform. Nonetheless, the task group members feel it is difficult to avoid concluding that changes to the system of benefits for people of working age, introduced against the backdrop of austerity, are a major driver of food poverty and insecurity.

The failing social security safety net

4.39   Social security was conceived as a safety net to protect citizens from want. However, critics of welfare reforms in the era of austerity observe that elements of the system designed to provide a social security safety net are actively contributing to poverty rather than tackling it. Breaking the link between benefits and price rises has meant benefit levels have failed to keep pace with essential living costs. Adjusted for inflation, the levels of some benefits have been shown to be at their lowest for decades. For example, in April 2019 unemployment benefit (jobseekers allowance) will be lower than it was in April 1991.[92] A comparison of welfare regimes across Europe confirms that if social security spending is low (such as in the UK) then social protection becomes insufficient to protect people from economic hardship and an increase in food insecurity can be expected to follow.[93]

4.40   Information and research considered by the task group alludes to a contrast in the incidence of food insecurity among those of working age and older people over pension age. Food banks in Guildford reported few elderly users and Ash CA did not have many clients over pension age. The task group was informed that generally if entitlements were claimed, particularly Pension Credit, then a food parcel would not be needed by the elderly as they had been protected from elements of the welfare reform changes. Furthermore, the task group was advised that there had not been a single food aid client over 65 years of age within the three-month period of Ash CA's case studies review. However, the task group felt this difference might be explained by the

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[89] Adam Corlett, 'Despite "the end of austerity", April promises another deep benefit cut', Resolution Foundation, October 2018. https://www.resolutionfoundation.org/media/blog/despite-the-end-of-austerity-april-promises-another-deep-benefit-cut/   Katie Schmuecker, 'Briefing for November 2017 Budget: Incomes not keeping up with prices', Joseph Rowntree Foundation, October 2017.   https://www.jrf.org.uk/report/briefing-november-2017-budget

[90] There are no instances of Universal Credit being capped in Guildford. Department for Work and Pensions, Benefit cap: GB households capped to August 2018, Tables, November 2018, Tables 1 and 12. https://www.gov.uk/government/statistics/benefit-cap-number-of-households-capped-to-august-2018

[91] Prior to November 2016 the caps outside London was set at £500 a week for couples and families and £350 for single adults.

[92] Adam Corlett, 'Despite "the end of austerity", April promises another deep benefit cut', Resolution Foundation, October 2018. https://www.resolutionfoundation.org/media/blog/despite-the-end-of-austerity-april-promises-another-deep-benefit-cut/

[93] Rachel Loopstra, Aaron Reeves, Martin McKee, and David Stuckler, 'Food insecurity and social protection in Europe: Quasi-natural experiment of Europe's great recessions 2004-2012', *Preventative Medicine* 89 (2016), pp.44-50.

elderly being more reticent to ask for help than younger people, rather than a lack of need. In addition, testimony from food banks that deliver food parcels to Guildford Borough residents confirms that mobility problems can make accessing emergency food aid difficult for the elderly.

In-work poor

4.41　Government responses to criticism of welfare reform and austerity typically refer to incentivising paid work and 'making work pay' as if work is the solution to poverty. And yet the Trussell Trust states that approximately 1 in 6 of the people referred to their food banks are in work.[94] Researchers have found that a majority of people living in poverty in the UK are in households where someone works. In 2016/17, almost 3 million of those living in poverty were in families where all adults worked full-time.[95] Rising costs of living, low pay, and higher job insecurity (exemplified by the rise of zero hours contracts), means that work per se does not solve poverty.

The Living Wage

4.42　In 2016, the government introduced a 'National Living Wage' – a higher minimum wage rate for all staff over 25 years of age. However, the national living wage is not based on actual living costs, but aims to reach 60 per cent of median earnings by 2020 (currently it is 55 per cent, or £7.83 per hour).[96] To underline the principle that pay should reflect living costs, the task group recommends that the Council becomes an accredited real Living Wage Employer with the Living Wage Foundation and promotes the scheme locally to other employers.

4.43　To become an *accredited* Living Wage Employer, and join the hundreds of already accredited public sector employers, would require the Council to commit to a plan to pay contractors the real living wage. The task group was advised that the Council currently pays the UK Living Wage to all staff in established posts or with fixed term contracts. Other arrangements are in place for casual workers, interns, apprentices, and staff who have transferred into the Council under TUPE.

Individual behaviour and responsibility (budgeting and food skills)

4.44　Despite the numerous, evidentially sound, structural drivers of poverty identifiable, views assigning primary responsibility for poverty on those experiencing it are far from uncommon.[97] As suggested above, a common theme in discourses around food poverty is to question the financial management, spending decisions, and food skills of low-income households.[98] Questioning from the task group confirmed a belief that users of local food banks sometimes lack budgeting skills (with the particular examples of mobile phone contracts and loans cited). However, actual research into the approaches employed by people on a restricted budget has shown often complex household management strategies and knowledge (and a desire) to eat healthily.[99] In short, the idea that financial mismanagement is a widespread cause of food insecurity is refuted by the evidence.

4.45　Similarly, the task group felt that there are more convincing explanations for food poverty than a lack of food skills.[100] This is not to argue that cookery or budgeting skills should not be offered to those in food insecurity – indeed, the task group proposes measures in this area. Rather it is to

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[94]　Rachel Loopstra and Doireann Lalor, *Financial insecurity, food insecurity, and disability: The profile of people receiving emergency food assistance from The Trussell Trust Foodbank Network in Britain*, Trussell Trust, July 2017, p.ix.

[95]　Social Metrics Commission, *A new measure of poverty for the UK: the final report of the Social Metrics Commission*, September 2018, p.86.   https://socialmetricscommission.org.uk/MEASURING-POVERTY-FULL_REPORT.pdf

[96]　See Living Wage Foundation website.   https://www.livingwage.org.uk/what-real-living-wage

[97]　Rebecca Wells and Martin Caraher, 'UK print media coverage of the food bank phenomenon: from food welfare to food charity?', *British Food Journal*, 116(9), 2014, p.1436.

[98]　Report of the All-Party Parliamentary Inquiry into Hunger in the United Kingdom, *Feeding Britain: A strategy for zero hunger in England, Wales, Scotland and Northern Ireland*, 2014, p.29.

[99]　For example, Elizabeth Dowler and Hannah Lambie-Mumford, 'How Can Households Eat in austerity? Challenges for Social Policy in the UK', *Social Policy & Society* 2015 14:3, pp.419-20.

[100]　For a satirical comment on approaches that centre on the behaviour of individuals experiencing food poverty see the microplay, 'Britain Isn't Eating' *The Guardian* 17 November 2014: https://www.theguardian.com/stage/video/2014/nov/17/britain-isnt-eating-microplay-guardian-royal-court-video

underline that it is fundamentally wrong to see the provision of such skills as a solution to food poverty and equally misplaced to condemn and apportion blame for a lack (or supposed lack) of skills that many of us do not possess or demonstrate.[101]

4.46   Approaches focusing on budgeting and food skills constitute a downstream intervention whereas the task group feel there is a need to look upstream and address the fundamental structural reasons for food insecurity. Ultimately, in the face of dramatically reduced public expenditure on social security and other structural drivers for food insecurity, narratives that focus on individuals' behaviour and attempt to frame responsibility for food poverty and insecurity on those suffering it are flawed.[102]

Community resilience

4.47   The task group judge it appropriate to point out that an emphasis on developing community resilience and placing solutions at a community level – such as occurs with the Council's Project Aspire – risks downplaying structural drivers and accentuating individual behaviours and responsibilities. The task group questions whether developing community resilience is a strategic approach to tackle food poverty or a response led by available resources. The task group is aware of accusations that enabling communities to develop resilience can be viewed as a smoke-screen to justify those budget cuts to local authorities that can affect the most vulnerable in society. In addition, the task group rejects the view put to it by a senior Council officer that if food poverty needs existed then local people and organisations would adapt to meet them.

Brexit

4.48   Given the UK's exit from the EU, the plight of food insecure families is unlikely to improve. Brexit is predicted to increase food prices. Research has concluded that any increase in food prices because of Brexit will add to the number of food insecure households. The impact on nutrition is unclear with 40 per cent of vegetables and over a third of fruit purchased in the UK coming from the EU.[103] The Joseph Rowntree Foundation predicts poverty rates to be not greatly affected by Brexit, so long as future governments uprate benefits to account for inflation – failure to do so could mean an additional 900,000 people in poverty by 2030.[104]

5.   The local response

5.1   The above examination and assessment of the causes of food insecurity was necessary before an evaluation of the response to food poverty in Guildford Borough, including the accessibility, appropriateness, and effectiveness of food aid provision locally. As will be seen, the current model of food aid provision in the Borough is grounded in addressing food poverty and insecurity in the short-term. This stopgap model accords with the crisis narrative of food poverty identified above.

5.2   Before reviewing the actions of local government to food poverty and insecurity, the response from the third sector is considered.

Charity

5.3   Food banks are perhaps the most well-known example of the charitable sector's response to food poverty. As outlined above, there are two food banks within the Borough providing emergency food aid parcels from four locations. In addition, Ash Citizens Advice distributes food parcels provided by Farnham Food Bank and North Guildford Food Bank provides Guildford Citizens Advice with a supply of two-person emergency bags for clients. Significantly, residents from across the Borough are accessing food banks at Woking, Cobham, Farnham, Dorking, and

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[101]   Jesse Bauman, '"Poor People Can't Cook," and other myths', Food Secure Canada, August 2014.
https://foodsecurecanada.org/resources-news/blogs-discussions/poor-people-cant-cook-and-other-myths-0
[102]   Elizabeth Dowler and Hannah Lambie-Mumford, 'How Can Households Eat in austerity? Challenges for Social Policy in the UK', *Social Policy & Society* 2015, 14:3, p.424.
[103]   House of Lords European Union Committee, 'Brexit: food prices and availability', May 2018, HL129, p.4.
[104]   Joseph Rowntree Foundation briefing, 'How could Brexit affect poverty in the UK?', September 2018, pp.12,13. https://www.jrf.org.uk/report/how-could-brexit-affect-poverty-uk

Farnborough. The Salvation Army is long established in Guildford town and North Guildford Food Bank opened in late 2012. The opening times of the three North Guildford Food Bank locations are detailed in Appendix 3.

5.4   Given the incidence of food insecurity indicated by current food parcel levels for residents in food poverty and feedback from officers working with food insecure households, the task group suggest that there might be advantages to a further staggering or extension of the opening times of food bank locations within the Borough. This measure might be expected to increase accessibility. In addition, the task group noted that some food banks (notably Cobham) delivered to people unable to physically access the food bank, sometimes due to mobility issues or the expense of collecting from food banks.

5.5   Similarly, individual officers from the Council's Family Support Team confirmed the difficulties within Guildford of accessing food banks, particularly for those unable to drive or afford public transport, and indicated that they often collected food bank parcels for client families in such circumstances.   The need for improved access to food banks in the Borough was identified, with the task group advised that Council officers were contacted by families without food on days when no food bank was open. The task group supports the proposal from these frontline officers for food parcels to be available in more places around the community for families to access when required.

5.6   In addition to the identified areas of urban deprivation where the Council traditionally targets its efforts, rural areas in the Borough are affected by food poverty and insecurity. The task group was informed of the mix of economic circumstances across villages in the Borough, geographically isolated low-income families, and the difficulties of accessing food provision in affluent areas such as the Horsleys, particularly as public transport was in all likelihood not affordable to those in food poverty. The existence of food poverty in rural areas of the Borough is confirmed by food parcel data in Appendix 4.

5.7   Research has shown that the religious setting in which charity food aid is offered, in contrast to the neutrality of state social provision, can be expected to raise issues for some people to such an extent that it may affect attendance. The task group suggest that to increase access and avoid unintentionally excluding anyone, there should be no faith-based obligations, questions, or interventions with food aid users at any stage of a visit. The list of voluntary and community groups in Appendix 3, together with the interviews undertaken by the task group members, confirms a religious impetus behind the provision of food aid in the Borough. The Trussell Trust identifies itself as a charity based on Christian principles. Everyone that the task group spoke to involved in food aid provision locally recognised that faith should not be a barrier to access, although many of the ventures were based in churches. However, on occasion the task group encountered a desire, if not an expectation, that clients would engage with Christian doctrine or symbols.

A Forum for the Borough

5.8   In framing suggestions relating to the third sector, the task group members are particularly mindful of the possible sensitivities of local government being seen to direct voluntary food aid organisations. Extending or formalising the voluntary sector's response to food insecurity raises both practical and conceptual concerns. During its review, the task group came across the example of the NG7 food bank in Nottingham that closed in protest at the local authority's use of it as a reason to avoid paying out hardship funds.[105] While NG7 was a rare response, the task group did find consistently that local food banks organisers and volunteers held concerns about the perceived long-term role of food banks as an answer to food insecurity or being viewed as

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[105] After opening in 2012, the NG7 food bank closed in 2014 in protest at the local authority's use of it as a reason to avoid paying out hardship funds. As the final update from the food bank stated, '[W]e have recognised that we are not being used as a temporary service of last resort, but rather being seen as a part of the long term strategy of replacement for statutory services, who have a duty and the resources to address a large part of the need.' NG7 Food Bank, Facebook, 25 November 2014 [accessed 29 January 2019].
https://www.facebook.com/Ng7FoodBank/posts/681857565260824?__tn__=K-R

part of the social security safety net. Pointedly perhaps, the task group was advised that Council efforts in 2016 to establish a food bank forum in the Borough came to nothing.

5.9   From the information gathered, the task group noted that there were potential advantages from continued familiarisation between local food banks, particularly Trussell Trust and independent operators. Needs might differ between food banks (although running operations from halls often without sufficient storage seemed a near constant issue). The task group felt that food banks might benefit from networking and co-ordination in areas such as volunteers, premises, drivers, and donor networks.

5.10   The task group recommends the Council facilitate an inaugural food insecurity forum for the Borough with the objective of further developing the network of emergency food aid provision in the Borough. Invited forum members would include stakeholders, charities, churches, schools, sheltered housing, supported accommodation providers, and food bank referrers. Through the forum, training and briefings on subjects such as safeguarding, food safety, and customer care could be offered. The task group was made aware that the Council had run a workshop for food bank referrers around 2014, but members were disheartened to find that the lessons learnt and best practice from the event seem to have been lost to the Council following staff restructuring.[106]

The referral gateway

5.11   Although keen to point out that they do not turn away anyone in need, the food banks known to be used by Borough residents ostensibly operate on a referral-only basis. To state the obvious, food charity is not a right or entitlement akin to social security, and this compounds the stigma and embarrassment felt by recipients. Access to local food banks is mediated through a system that normally requires a professional to verify the needs of those referred through the issue of a voucher (an example is included at Appendix 6). Through this mechanism the state is pushing citizens in food poverty towards charities. The benefits of this referral approach, as presented to the task group, are that individuals visiting the food bank are not asked to demonstrate their poverty and food bank volunteers and donors are reassured that their respective efforts and donations are going to those in need. In short, no-one is 'taking advantage.' However, members of the task group met residents who described how their usage of food bank vouchers had been challenged at a local food bank (with the result that they subsequently avoided visiting the food bank in question).

5.12   By insisting on referrals, food banks risk invoking the long-established narrative of a 'deserving poor' and, implicitly, reinforcing a negative stereotype of an 'undeserving poor'. As we have seen above, such a discourse is unhelpful; the desirability and effects of distinguishing between those in genuine need and others, along with the rationale for it, are questionable.

5.13   The task group believe that rather than restricting emergency food provision by gatekeepers, access should be broadened. Hence, the task group members support an increase in the number of agencies able to provide referrals (including the possible addition of suitably trained councillors), along with a more radical widening of access through accepting self-referrals. Specifically, the task group recommends that food banks consider accepting initial approaches by users without a formal referral in order to minimise the distress for anyone approaching a food bank for the first time. A change to self-referral would widen emergency food provision to include residents who may not be accessing other services or may not be able to request a referral.

5.14   Along with self-referrals, the task group advocates lifting the current referral limit rules operated by local food banks. A three-voucher referral limit in any six-month period is common for Borough residents, with a fourth referral sometimes triggering a phone call to the referring agency for further information. The task group heard evidence suggesting that this limited referral policy appears intended to discourage dependency on the service, rather than address a concern that because supplies are limited or variable a limit on the number of visits and the amount of food distributed is required.

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[106] Surrey County Council Public Health, *Food Access Needs Assessment 2014*, p.10.
https://www.surreyi.gov.uk/dataset/food-access-needs-assessment-2014

5.15   Given the structural nature of the causes of food insecurity, especially the periods of low or no income associated with welfare reform and austerity, the task group questioned the effectiveness of a restrictive model of limited referrals. On more than one occasion the task group was advised by food bank organisers of a wariness or concern about creating a dependency amongst those accessing the aid. Yet, the testimony of the same food bank organisers juxtaposes the three-referral model with the discretion required to help people affected by benefit claims delayed by weeks. The task group notes that the Trussell Trust advocates that after someone has been referred to a food bank three times, the food bank manager should contact the referral agency to check the household is receiving the statutory and other support needed.

5.16   The task group heard suggestions from many witnesses, including local food bank users, that the cap of three food bank vouchers per individual be removed, if not completely then certainly during the roll out of Universal Credit in the Borough. The task group would encourage food banks to review their policy for helping people in need to ensure its flexibility. As a first step, the task group asks consideration be given to the introduction of a ten-visit limit, obviously subject to supplies being sustainable.

5.17   In light of the array of structural drivers of poverty, any limiting of emergency food aid users to just a handful of visits to ensure they do not develop a possible dependency on it seems a secondary or misdirected concern. Efforts to make a system punitive to dissuade possible abuse (by introducing barriers to filter out all but the most desperate or determined) can appear misplaced. The task group members are not naïve; they conclude that occasional attempted abuse (of which very few examples were relayed to the group) is a price worth paying to help those individuals and families in need.

Short-term emergency food aid

5.18   Almost all the charity food aid providers the task group spoke to were adamant that the service they provided was intended to be short term emergency provision. The task group agrees that it is essential that short-term emergency responses do not become mistaken for long term solutions. The task group believe it is vital to be aware of the dangers and implications in the changing narrative of charity food aid: from something abnormal and short term – essentially thrown up by recession – to more recent portrayals as a normalised and long-term feature of society.

5.19   Somewhat curiously, after railing against a normalisation or institutionalisation of food banks and any reliance on charitable food to address structural causes of food insecurity, in early 2018 the Trussell Trust entered into a three-year, £20 million partnership with Asda (and FareShare) to combat food poverty and food insecurity through an expansion of its infrastructure.[107] The task group noted the criticisms of this expansion from within the third sector, particularly the institutionalisation of the 'poor-food-for-poor-people' model or the notion that for the poor some food is better than no food.[108]

Food waste: the other side of the coin?

5.20   Part of the remit for the task group was to evaluate the strategic approaches proposed to tackle food poverty – a necessary step in the process of developing recommendations. At the outset of

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[107] See Asda news release, 'Asda, FareShare and The Trussell Trust launch £20 million partnership to help one million people out of food poverty', 8 February 2018.   https://corporate.asda.com/newsroom/2018/02/08/asda-fareshare-and-the-trussell-trust-launch-20-million-partnership-to-help-one-million-people-out-of-food-poverty For the Trussell Trust's announcement see https://www.trusselltrust.org/2018/02/09/new-partnership-fareshare-asda/ For a critique see, Independent Food Aid Network, 'Our response to the Asda, Fareshare & Trussell Trust Announcement', 10 February 2018. http://www.foodaidnetwork.org.uk/asda-response The Trussell Trust has stated that it does not apply for or receive Government funding to ensure 'both independence of voice and that we do not become part of the welfare state.'

[108] Robbie Davison, 'A Third Sector Plan to Institutionalise Food Poverty', Can Cook, February 2018. http://www.cancook.co.uk/third-sector-plan-instiutionalise-food-poverty/ The Trussell Trust advised the group that its funds have gone into direct grants to food banks doing additional services and a three-year research project with Heriot-Watt University into the reasons behind food bank use.

its review, the task group was eager to explore the feasibility of using waste food, or 'surplus food', from the food industry to address food poverty and insecurity. There is an estimated total of 10 million tonnes of food and drink waste occurring post-farmgate annually in the UK, with the food industry wasting 1.9 million tonnes (of which over half is edible, with or without further processing).[109] Put simply, it initially seemed to the task group that connecting surplus food and hungry people would tackle both issues. Advocates of redistributing surplus food present it as a win-win, 'turning an environmental problem into a social solution.'

5.21   However, as the task group's review progressed and its understanding of the causes of food insecurity developed, it became clear that while surplus food might reduce food poverty there was very little evidence to suggest it would solve the issue or tackle food insecurity. There is an established body of academic research concluding that food donation can support the fight against food poverty in the short-term only.[110]

5.22   The task group accepts that without emergency food aid it is difficult to see where people in need can turn while longer term solutions to the issue of food poverty are sought. The task group's desire to avoid entrenching an inadequate system is not to disparage food donation or the redistribution of surplus food, much less the efforts of the volunteers involved. Indeed, the task group welcomes the proposed expansion of FareShare Sussex into the Guildford area as outlined in section 3.25 above. Nor is the task group denying that food waste is a significant global issue, with environmental impacts both in terms of producing food, which is then wasted, and the additional emissions of food disposed of in landfill. However, the task group seeks to draw attention to the confusion of the two separate issues of food insecurity and food waste as a mutual solution. Food surplus is decidedly not the 'other side of the coin' as some have suggested.[111]

5.23   The morality of sending food to anaerobic digestion or landfill while people go hungry is an emotive argument for using surplus food, but the consequences of pursuing surplus food as the solution to food insecurity are profound. Championing the redistribution of waste food asks one to set aside several concerns: for example, the dignity and choice for recipients; the inherently ad hoc, limited, and randomised nature of the supply; the ethics of citizens being dependent on charity for essential needs; and the lack of social security. Food transfers are not the most efficient or effective way to ensure food security.

5.24   Research on models of food charity deployed in North America has indicated several advantages to the food industry and to government from using waste food to address food insecurity. Besides burnishing corporate philanthropy and social responsibility credentials, redirecting surplus food to charities avoids the cost to the food industry of landfill disposal. For government, the use of surplus food for emergency food aid can depoliticise the issues of food poverty with a narrative that promotes in-kind food relief in place of a political response (for example, welfare entitlements).[112] The task group agreed it was increasingly unlikely the public would disaggregate the issues of surplus food and food insecurity in light of the political and media momentum to combine the two. Pointedly, in October 2018 the government announced a

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[109] House of Commons Environment, Food and Rural Affairs Committee, 'Food waste in England', April 2017, HC429, p.9. Julian Parfitt, Stuart Woodham, Elanor Swan, Tecla Castella, and Andrew Parry, *Quantification of food surplus, waste and related materials in the grocery supply chain*, WRAP, 2016, p.2. https://www.farminguk.com/content/knowledge/Quantification-of-food-surplus-waste-and-related-materials-in-the-grocery-supply-chain(4040-684-286-3476).pdf

[110] Martin Caraher and Sinéad Furey, 'Is it appropriate to use surplus food to feed people in hunger? Short-term Band-Aid to more deep rooted problems of poverty', Food Research Collaboration, Centre for Food Policy, January 2017. https://foodresearch.org.uk/publications/is-it-appropriate-to-use-surplus-food-to-feed-people-in-hunger/ Graham Riches, *Food Bank Nations: Poverty, Corporate Charity and the Right to Food*, Routledge, 2018.

[111] Doireann Lalor, 'Feeding the Gaps: Food poverty and food surplus redistribution in Oxford', CAG Oxfordshire, 2014, p.4.   https://cagoxfordshire.org.uk/wp-content/uploads/2016/07/Feeding-The-Gaps-Report-2014.pdf

[112] Graham Riches, 'Food Banks and Food Security: Welfare Reform, Human Rights and Social Policy. Lessons from Canada?', *Social Policy and Administration* 36(6): pp.648-63. https://www.historyofsocialwork.org/1967_food_banks/2002%20Riches%20food%20banks.pdf

planned £15m fund to subsidise the diversion of surplus food from the food industry to charities.[113]

5.25   Academics warn that the practice of using surplus food to feed food insecure people will undermine calls for action to both reduce the production of surplus food and to address underlying, upstream drivers of food poverty.[114] Reviewing the evidence available, the task group judge that to be effective action needs to get upstream and address the cause of food poverty. The task group's concerns about the irrationality of concentrating on short term responses to food poverty at the expense of putting into place a long-term solution to address the root causes is neatly illustrated by the parable of the river.[115]

5.26   The task group is aware that a review singling out 'food' poverty is likely to be seen as encouraging a focus on food, feeding, or food-centred strategies as a solution. To be sure, at the outset of the review it appeared to the task group that linking surplus food and hungry people would tackle both issues. As described above, as its review has progressed the task group has resolved that the issue is the structural causes of poverty, not food poverty as such. Yet, selecting food poverty does underline the extent to which the social security safety net is failing and social policy appears driven by austerity and welfare reform. And it has an undeniable emotive impact, which for some symbolises the effects of austerity.

5.27   The task group's review confirmed that there are positive aspects of food waste redistribution that do not distract from tackling the structural drivers of household food insecurity. These include pay-as-you-feel cafes and social supermarkets where the end beneficiary makes a nominal payment in exchange for receiving food or meals. The review learnt of a desire for a pay-as-you-feel café (the Trash Canteen) at the Boileroom in Guildford town.

5.28   Similarly, the task group welcomes the reported progress of a possible community fridge at the Park Barn Centre. While the primary goal of a community fridge is to reduce food waste, it aims to give people facing hardship access to fresh food. The task group noted that a community fridge scheme in Dorking uses surplus food collected from local supermarkets and a weekly delivery from FareShare.[116]

Expanding the Food Bank Plus Model

5.29   The *Feeding Britain* report from the All Party Parliamentary Task group on Hunger advocated a 'One Stop Shop/Food Bank Plus' approach to poverty, whereby expert advisors are placed into emergency food projects to help people.[117] In turn, this reflected the Trussell Trust's submission to the parliamentary group, promoting a similar 'More Than Food' co-location of additional services within foodbanks. On balance, the task group supports the provision of such services,

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[113] Megan Tatum, 'Michael Gove commits £15m to subsidise redistribution of food', *The Grocer*, 1 October 2018. https://www.thegrocer.co.uk/home/topics/waste-not-want-not/food-waste-government-commits-15m-to-subsidise-redistribution/572198.articl

[114] Valerie Tarasuk, 'A critical examination of community-based responses to household food insecurity in Canada', *Health Education & Behavior,* 2001, 28(4), p.489.

[115] The parable, in which preoccupations with short-term emergency efforts mean that upstream solutions are neglected, is summarised below: One day a resident of the community sees a baby floating down the river. She rushes out to rescue it, and, with the help of her neighbours, finds dry clothing, a cot, and a blanket. The next day two babies are rescued, and the day after that several more. Soon the babies are arriving in large numbers, and they become a regular feature of life in the village; very nearly the whole village becomes involved in rescuing them. Finally, one of the villagers suggests making an expedition upstream, to see how the babies are getting into the water in the first place. The villagers, however, are afraid to take time and energy away from the immediate rescue project, afraid that babies will drown if they are not there to save them. Janet Poppendieck*, Sweet Charity?: Emergency Food and the End of Entitlement*, New York, 1998.

[116] www.dorkingcommunityfridge.co.uk Alex Boyd, 'Volunteers at Dorking Community Fridge save 10 tonnes of supermarket food from wastage', *Surrey Live*, 3 July 2018. https://www.getsurrey.co.uk/news/surrey-news/volunteers-dorking-community-fridge-save-14827006

[117] All-Party Parliamentary Inquiry into Hunger in the United Kingdom, *Feeding Britain: A strategy for zero hunger in England, Wales, Scotland and Northern Ireland*, 2014, p.18. The task group received support for such a general approach from officers within the Council's Family Support Team. https://www.feedingbritain.org/Handlers/Download.ashx?IDMF=d71439a6-8788-4c31-9a05-bd0ec707f252

particularly as part of a wider umbrella project delivering a range of individual projects such as occurs at Woking's Lighthouse centre.

5.30   The anxiety from having to access a food bank can be lessened by locating the service in a building with other uses; the task group was informed that Woking's Lighthouse was intended to feel like a community space rather than premises set aside for those in need. The task group understands that the availability of accommodation will determine the feasibility of such a community hub in the Borough and welcomes the Council's ongoing efforts to help identify a property for a Lighthouse base. The task group recommends that the Council prioritise and progress such a Lighthouse style approach.

5.31   At the Lighthouse centre, the task group witnessed a range of individual projects (including a food bank) in a venue that people visited for reasons other than food aid. One of the projects within the centre is Foodwise, which the task group understands the Council has made efforts to help introduce within the Borough. This charity trains people to cook low cost nutritional food on a budget. The training, equipment and food is offered free of charge (with enough food provided to feed the immediate family of the participant).

5.32   The task group felt that organisations operating food banks consider a name change to exclude the term 'food bank'. The task group consider the term carries a stigma and, especially if there are other services offered from the same premises, is limiting. In addition, the task group noted the efforts of the Lighthouse centre, which is run by the Emmaus Road Church, to both use a neutral name and be non-proselytising.

Holiday hunger programmes

5.33   As described in section 3.30 above, there are efforts within the Borough to target food insecure households in school holidays. The task group was informed that this included some families in the Borough receiving post-dated food bank vouchers from home school link workers. The task group noted that elsewhere food parcels were offered in holiday periods for children eligible for free school meals. However, the task group questions whether singling out the issue of holiday hunger and considering it in isolation addresses the structural causes of food poverty.

5.34   The responses of local government to food poverty and insecurity are discussed below.

A Council priority?

5.35   With reference to section 3.9 above, the significance of the Council declining involvement in a project to obtain more accurate estimates of local food insecurity appears clear. The task group suggest the Council confirm whether quantifying the extent of the problem locally is such a low priority. The task group felt that establishing the extent of the issue, that is to say, how many people are too poor to eat or are food insecure, should be a first step in an action plan to address the issues. The task group suggests that the relevant Lead Councillor champion Guildford's Health and Wellbeing Board investigating the issues as a priority (possibly through its Reducing Inequalities in the Borough work stream).

Food poverty strategy and action plan

5.36   The task group suggests the involvement of Guildford Health and Wellbeing Board be requested in developing a food poverty strategy and action plan. In calling for the development of a food poverty strategy and action plan (incorporating a food access plan) the task group is not looking for the construction of an umbrella document for existing actions. The recommendation is for a targeted strategy that allocates responsibilities and accountability, measures food insecurity to provide a baseline to evaluate interventions and monitor progress, and ensures effective redress.

Food access planning

5.37   As noted above in sections 4.13-4.14, the Council is aware that food deserts exist in the Borough and is taking limited action to address them. However, the task group recommend that a formal food access plan be prepared to identify barriers to accessing affordable and nutritious food and actions to overcome these obstacles. The task group was keen to see the concept of good food

markets explored. Guildford Health and Wellbeing Board would seem ideally placed to co-ordinate such action given the clear links between food and health.[118]

5.38 The review was advised that there are no community store or social supermarket initiatives in Surrey, and certainly none in the Borough, but the task group would support their introduction as part of efforts to improve access to affordable, nutritious food. The task group was advised of tenants' shops, food cooperatives, and pantry projects where users sign up and pay some money towards the food they are obtaining. Such free-choice models afford users more dignity than a pre-packaged food parcel and are more useful (and less wasteful).[119]

Signposting support

5.39 The task group considered the accessibility and amount of information relating to food insecurity and poverty on the Council's website, and contrasted it with approaches elsewhere in Surrey to signposting information. In particular, the task group reviewed the Diocese of Guildford publication, *Help for those in Need: Crisis Support across the Diocese of Guildford*, and accessed information provided on other local authority websites.[120] The task group recommend the Council provide information to show and support actions being taken and generally raise awareness of food insecurity issues.

Local social security net

5.40 Following the end of the central Social Fund in 2013 and transfer of responsibility for providing discretionary emergency welfare from central government to local authorities, many local welfare assistance schemes have closed or reduced their spending. At the time of transferring the responsibility in 2013-14, central government funding had reduced from £330 million in 2010-11 to £178 million in 2013-14. In 2012-13, the Social Fund issued a total of £240.2 million in funds.[121] A parliamentary review of the local welfare safety net noted that one result of the localisation was that those in poverty were a financial cost to councils in a manner they had never been before.[122] The UN special rapporteur on extreme poverty and human rights noted that, 'The collapse of this [local welfare fund] resource for people who face sudden hardship has apparently been of no concern to the government, which decentralized responsibility for the funds and does not collect any information on what has become of them.'[123]

5.41 Somewhat against the national trend, Surrey County Council continues to provide support through a local welfare assistance scheme fund for people facing sudden hardship. The fund is designed to assist with immediate needs such as food, certain utilities, and emergency travel costs. However, the scheme's criteria has tightened (for example, the almost complete removal of replacement white goods and furniture) and its non-ringfenced budget more than halved since April 2015: in 2014/15 the funding was £1,144,833; in 2015/16, £500,000; in 2016/17, £508,000; and in 2017/18, £518,000. Surrey's local assistance scheme awards have fallen steadily:

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[118] Cameron Tait, *Hungry for Change: The final report of the Fabian Commission on Food and Poverty*, Fabian Society, 2015, p.2. http://www.fabians.org.uk/wp-content/uploads/2015/10/Hungry-for-Change-web-27.10.pdf

[119] For example, see Your Local Pantry established in Stockport. https://www.stockporthomes.org/community/pantries/ The task group was advised of interest in establishing a Your Local Pantry community food store within Guildford town.

[120] Diocese of Guildford, *Help for those in Need: Crisis Support across the Diocese of Guildford*, 2018 [accessed on 11 February 2019] https://www.cofeguildford.org.uk/docs/default-source/default-document-library/crisis-support-foodbanks-homelessness.pdf?sfvrsn=0

[121] Gavin Aitchison, *Compassion in crisis how do people in poverty stay afloat in times of emergency?*, Church Action on Poverty and End Hunger UK, October 2018, p.4. http://www.church-poverty.org.uk/compassion Frances Ryan, 'We had a safety net for the poor. Now they fall to earth', *The Guardian*, 21 September, 2017. https://www.theguardian.com/commentisfree/2017/sep/21/remove-safety-net-disabled-toddlers-dirty-clothes-social-fund

[122] House of Commons Work and Pensions Committee, 'The local welfare safety net', January 2016, HC373, p.31.

[123] Professor Philip Alston, *Statement on Visit to the United Kingdom*, London, 16 November 2018. p.14. https://www.ohchr.org/Documents/Issues/Poverty/EOM_GB_16Nov2018.pdf House of Commons Work and Pensions Committee, 'The local welfare safety net: Government Response to the Committee's Fifth Report of Session 2015-16', March 2016, HC924, pp.8, 12-13.

2014/15, £932,790; 2015/16, £523,189; 2016/17, £275,344; and 2017/18, £254,860.[124] In 2017/18 the approval rate for claims saw three in ten turned down, whereas in 2013/14 just one in ten was. The proportion of applications from Guildford residents to the scheme has consistently been over ten per cent, with more than 450 applications in 2016/17.[125]

5.42   In the past, resorting to Surrey's emergency local assistance scheme for the provision of food was commonplace. An analysis undertaken in 2014 confirmed that the majority of all funds provided were for food and that 95 per cent of awards included money for food. The task group was advised that such an analysis and classification of Surrey's awards has not been undertaken since 2014.[126]

5.43   The task group notes that Surrey County Council's local assistance fund uses card payment, rather than in-kind vouchers or similar methods that may stigmatise the support. Certainly, the task group would not support building donated food or charity food into the local social security net as has occurred elsewhere. The task group is aware that some local assistance schemes provide food parcels delivered direct by supermarkets, rather than the use of food vouchers.

5.44   The other two elements of the local social security net are Discretionary Housing Payments and Council Tax Support. Discretionary Housing Payments are considered above in sections 4.18-4.22. The task group recommends greater efforts to publicise the Discretionary Housing Payments fund and encourage applications.

5.45   The local social security net was further extended through the abolition of the nationwide council tax benefit (CTB) in 2013 and its replacement with localised council tax support schemes. This localisation of help for low-income households with their council tax has increased the cost of living for some of the poorest and increased poverty.[127] A brief summary of the change illustrates how.

5.46   In 2013 Councils were tasked with designing local council tax support (LCTS) schemes for those of working age (while ensuring the provision of a level of support for pensioners set by central government[128]); the rationale behind the change included incentivising councils to get people back into work. At its introduction, the funding for localised schemes was set ten per cent lower than central government's council tax benefit, in part due to austerity.[129] Faced with this funding reduction, the majority of councils (including Guildford Borough Council) introduced schemes less generous than the previous CTB system, with low-income households either required to pay local tax for the first time or finding their tax liability increased.[130] Guildford Borough Council is among

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[124] The costs of administering and delivering the fund are included in the Local Assistance Scheme budget.

[125] Surrey County Council, *The Welfare Picture in Surrey: An update report from the Surrey Welfare Coordination Group*, October 2018, pp.17-18, 31. Additional information provided by Surrey County Council's Local Assistance Scheme office.

[126] Surrey County Council Public Health, *Food Access Needs Assessment 2014*, pp.28-29. https://www.surreyi.gov.uk/dataset/food-access-needs-assessment-2014

[127] LGA, *Council Tax Support: the story continues*, January 2015, p15. https://hqnetwork.co.uk/download.cfm?doc=docm93jijm4n7332.pdf&ver=14976   Research has found that some low-income households are cutting back on essentials, including food, or borrowing money to meet their council tax bills. Sam Ashton, Marc Francis, and Alice Woudhuysen, 'Still too Poor to Pay: Three years of localised Council Tax support in London', Child Poverty Action Task group and Z2K, 2016, p.4. http://www.cpag.org.uk/sites/default/files/StillTooPoor_web_update5Oct16_0.pdf

[128] Protecting the council tax support for pensioners has left a further reduced pot of money to spend on working age recipients. Guildford's council tax support caseload is approximately 48 per cent pension age and 52 per cent working age. Guildford Borough Council, Report to Executive, 'Local Council Tax Support Scheme for 2019-20', 27 November 2018. http://www2.guildford.gov.uk/councilmeetings/ieListDocuments.aspx?CId=132&MId=748

[129] Wendy Wilson and Chris Murphy, *Council Tax Reduction Schemes*, House of Commons Library, briefing paper 6672, June 2017, pp.3, 4. The funding for council tax support has been incorporated into the (shrinking) yearly central government grant that each local authority receives.

[130] Stuart Adam, Robert Joyce, and Thomas Pope, *The impacts of localised council tax support schemes*, The Institute for Fiscal Studies, January 2019, p.10.

the 90 per cent of English councils that have reduced Council Tax Support entitlements for working-age families below the level of support provided to pensioners in 2013-14.[131]

5.47   A proportion of councils, including Guildford Borough, have a discretionary hardship fund to help support residents struggling financially as a consequence of savings in council tax support. The task group recommends publicity for the Council's Discretionary LCTS Hardship Fund be increased to ensure it is spent.   Since the introduction of the Fund in 2013-14 there has been a considerable underspend every year; at no point have hardship payments awarded in the Borough exceeded 40 per cent of the £40,000 budgeted. Such underspending in hardship funds elsewhere has been attributed to a lack of promotion or highly restrictive eligibility criteria.[132] The task group notes that approximately half of the applications to Guildford's discretionary LCTS hardship fund are refused help. The task group suggests an evaluation of the application process and criteria for the hardship fund be undertaken.

5.48   The task group recommends that the Council act to publicise and protect the local security safety net (Surrey County Council's local welfare assistance scheme, Discretionary Housing Payments, and the LCTS Hardship Fund).

Mayor's Local Distress Fund

5.49   The task group recommends both an extension of the remit for the Mayor of Guildford's Local Distress Fund and that its application procedure be reviewed. During its investigation, the task group was made aware that an objective of the Fund is the prevention and relief of poverty. The task group noted that the formal distribution policy of the Fund was last revised in 2012, as was the maximum value of grant (£250). As discussed above, the welfare landscape has changed in the intervening years. Currently, funds are not given for ongoing expenses such as rent, utility bills, debts, and food, whereas carpets, kitchen items and appliances, household furniture, and clothing are within the remit of the fund. The task group felt the application procedure requiring the ongoing involvement of a third party appeared bureaucratic and was unlikely to maximise take-up.[133] The level of grant expenditure in 2017-18 was £5,762, leaving a balance of £43,165 with an additional £20,000 donation from the Council to be included in 2018-19.[134]

A moral imperative

5.50   The task group recognise that although the primary drivers of food poverty and insecurity are structural, an immediate response is required. Immediate, short-term action is essential and for many this constitutes a moral imperative. The task group's review suggests an equal moral imperative or duty to tackle the problem in the medium-long term while avoiding false solutions.

5.51   The task group felt compelled to try and highlight that depoliticising and institutionalising the response to food insecurity within charities is unlikely to be helpful to food insecure households in the longer term. In kind food assistance given in the short-term needs an exit strategy to avoid becoming a long-term non-solution.

6.   Conclusion

6.1   During its review the task group has experienced scepticism towards the notion that food poverty or food insecurity could be a widespread issue for residents in the Borough. Generally, in affluent

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[131] Stuart Adam, Robert Joyce, and Thomas Pope, *The impacts of localised council tax support schemes*, The Institute for Fiscal Studies, January 2019, p.64. Guildford Borough Council, 'The Rules of the Local Council Tax Support Scheme for those of working age', 2014-18.   https://guildford.gov.uk/article/18603/What-is-Local-Council-Tax-Support-and-how-has-it-changed-

[132] Sam Ashton, Marc Francis, and Alice Woudhuysen, 'Still too Poor to Pay: Three years of localised Council Tax support in London', Child Poverty Action Task group and Z2K, 2016, p.6. http://www.cpag.org.uk/sites/default/files/StillTooPoor_web_update5Oct16_0.pdf

[133] Guildford Borough Council website, 'How to apply for the Mayor of Guildford's Local Distress Fund', [accessed 9 February 2019] https://guildford.gov.uk/localdistressfund

[134] The Mayor of Guildford's Local Distress Fund Annual Report, 1 April 2017 to 31 March 2018, [accessed on Charity Commission website on 9 February 2019] http://beta.charitycommission.gov.uk/charity-details/?subid=0&regid=258388

areas there can be less food aid infrastructure and services, and less assumption of need. Still, at times there has seemed an apparent lack of interest within the Council itself. Witness the failure of the Lead Councillor with responsibility for health and community welfare to respond to requests to contribute to the review, or the assurance offered to the task group that while not knowing if emergency food aid provision met the current level of demand in the Borough if food poverty needs existed then local people and organisations would adapt to meet them. Or the judgment that participation in a project to expand and refine local estimates of food poverty was not a Council priority. In this respect, and knowing that food bank use is the tip of the food poverty iceberg, it is hoped that the number of food parcels distributed locally may serve as something of a wake-up call in the Borough.

6.2   The task group reviewed the issues of food poverty and insecurity over a period of time that enabled analysis and reflection on its findings. Naturally, the task group's recommendations evolved with its assessment of the evidence and narratives. An example of this change is the perceived role of surplus food as a solution to food poverty. From a position of considering the logistical issue of matching corporate food waste to food insecure households the task group moved to a belief that while waste food might reduce food poverty there was very little if any evidence to suggest it would solve the issue. As Mencken alluded, 'For every complex problem there is an answer that is clear, simple, and wrong.' Proposing the redistribution of surplus food as the solution to food poverty and insecurity is just such a case.

6.3   Evidence about the causes of food poverty and insecurity demands a structural framing of the drivers and solutions to food poverty and insecurity, rather than an approach focusing on the behaviour of those in food insecure households. The task group found powerful and cogent explanations for food insecurity in an exposition of the impact and extent of welfare reforms, austerity, the cost of living, and income stagnation – explanations far more convincing than narratives that point towards the behaviour and decisions of those affected and suggests responsibility.

6.4   The task group has attempted to move beyond a short-term portrayal of food poverty and insecurity and put forward a more rounded analysis of the causes and solutions. At the risk of stating the obvious, there is a need to look upstream and address the structural drivers of food poverty and insecurity. And not blame or stigmatise people for circumstances which they can perhaps do little to fundamentally change.

6.5   The long-term solutions to the issue of food poverty are in a different sphere to local government or the third sector. The task group feels it to be vital to raise awareness of the danger of short-term emergency responses to food insecurity becoming mistaken for and pursued as long-term solutions. Yes, of course there are measures to help in the short-term – and in the context of Guildford some have been suggested – but evidence shows that a focus on food, feeding, or food-centred strategies will not be effective in the long-term.

7.   Recommendations

7.1   The reasoning for the recommendations is presented within the discussion above.

7.2   To address food poverty and insecurity in the Borough we recommend that:

(I)   The Leader of the Council write to the Secretary of State for Work and Pensions outlining the problems caused by Universal Credit and other welfare reforms and calling for immediate upstream action on food insecurity.

(II)   The Executive formally recognise food poverty and insecurity as issues meriting priority action in the Borough.

(III) The Executive reiterate its support for the principle that pay should reflect living costs and that the Council becomes an accredited real Living Wage employer with the Living Wage Foundation then promote the Living Wage scheme to employers locally.

(IV) The Executive develop and implement a Food Poverty Strategy and Action Plan that includes, but is not limited to:

(a) Facilitation of a food insecurity forum for the Borough (invited stakeholders to include food aid providers, food bank referrers, the Citizens Advice, churches, schools, sheltered housing, supported accommodation providers, and other experts by experience).

(b) Development and training sessions on food poverty and insecurity for Councillors, led by the relevant Lead Councillor, that includes advice on dealing with residents in severe hardship, how to make food bank referrals, the roll out of Universal Credit, and the local social security safety net.

(c) Prioritisation of a community space, 'Lighthouse' style resource for the Borough.

(d) Preparation and delivery of a formal food access plan to identify barriers to accessing affordable and nutritious food and actions to address them.

(e) Measures to encourage the creation of a community store or social supermarket (such as a *Your Local Pantry*).

(f) Development of local measurements of food poverty and insecurity, including engaging with external experts whenever possible, and working with partnership organisations such as Guildford's Health and Wellbeing Board.

(g) Extension of the remit of the Mayor's Local Distress Fund and reviewing the application procedure.

(h) Increased promotion of existing initiatives that target food poverty and insecurity and provide help to residents in hardship (including, Surrey's Local Assistance Scheme, the Discretionary Housing Payments fund, Guildford's Local Council Tax Support Hardship fund, the Mayor's Local Distress Fund, and emergency food aid providers).

(i) Maintaining and publicising, including on the Council's website and through partners, the current provision of food aid that is accessible to Guildford Borough residents.

(j) Review of the application process and criteria for the Council's Local Council Tax Support Hardship fund.

(V) The Executive ensure the Overview and Scrutiny review of food poverty is publicised.

(VI) The Executive request local emergency food aid providers consider the findings of the Overview and Scrutiny review of food poverty and insecurity (for example, the consideration of self-referral gateways and removal of the three-visit cap; altering paper food voucher forms by adding a tick box to specify Universal Credit as the primary cause of the referral; a possible name change to exclude the term 'food bank'; a limited delivery service; further staggering of opening times; improved availability of food parcels in more places around the community; ensuring there are no faith-based obligations, questions, or interventions with food aid users at any stage of a visit; and endorsement of the Dignity Principles).

Furthermore,

(VII) That the Executive submit to the Overview and Scrutiny Committee an update on the above recommendations no later than November 2019.

Appendices

Proposed Scrutiny Review: Food Poverty

1. Review Outline

Subject of review	Food Poverty and Food Aid
Methodology / Approach	Task and finish group

1.1 Reasons for the Review

Reasons for conducting this review	The UK is the seventh richest country in the world, but It is estimated that perhaps millions of its citizens live in food poverty[1]. This review will assess the extent and reasons for food poverty and hunger in the Borough, including an investigation of emergency food provision for individuals and families in Guildford. See previously circulated briefing paper *Emergency Food Provision: Food Banks*.
Key question that the review is seeking to answer	What is driving people to use food aid in Guildford and how accessible and appropriate is it? Who needs food aid and why? Who provides it and how?
Objectives of review / Areas for investigation	1. What are the impacts of food poverty? 2. How widespread is food poverty in Guildford? 3. How effective is the model of food aid provision in Guildford (in meeting immediate and long-term needs)? 4. Consider approaches to reduce residents' dependency on food aid. 5. How successful are the strategic approaches to tackling food poverty?

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[1] The Department of Health defines food poverty as 'the inability to afford, or to have access to, food to make up a healthy diet'. Dept of Health, Choosing a Better Diet: a food and health action plan, 2005, p.7.

Outcomes expected from conducting this work	1. Raise awareness of emergency food provision in Guildford.
	2. A report covering items (1) to (5) in the Objectives and Areas of Investigation identified above.
	3. Possible recommendations to help maximise co-ordination and development of efforts to address food poverty.
	4. If applicable, establish options.

1.2 Possible sources of information

Literature scoping review
Local and national food aid organisations (e.g., food banks organisers/volunteers, Fareshare, Trussell Trust, FoodCycle)
Users of food aid (particularly food banks — the most prominent providers of a food aid provision)
Council officers
Guildford Health and Wellbeing Board
Surrey Health and Wellbeing Board
Surrey County Council
Supermarkets

2. Project Plan and Resourcing

2.1 Councillor Involvement

O&S Councillor leading review	tbc
Other O&S Councillors involved	tbc
Key Executive Councillors	Councillor Tony Rooth, Lead Councillor for Housing and Social Welfare [until May 2017; Councillor Philip Brooker, Lead Councillor for Housing and Development Management currently holds a portfolio including responsibility for Universal Credit) Councillor Iseult Roche, Lead Councillor for Community, Health, and Sport [subsequently Lead Councillor for Community Health, Wellbeing, and Project Aspire]
Other Executive portfolios covered	

2.2 Officer Support and External Involvement

Lead Officers	Director of Community Services

	Head of Housing Advice
	Head of Health and Community Care
O&S officer	Scrutiny Manager
Expert witnesses and possible co-optees	tbc

2.3 Council Services Expected to Contribute

Contact / Council Service	Contribution Expected
Community Services Directorate (Health and Community Care)	Evidence on food poverty and its drivers, and food aid provision locally

2.4 External Organisations to be Invited to Contribute / Submit Evidence

Contact / Organisation	Contribution
Fareshare	Information and evidence on recycling surplus food and Fareshare Foodcloud
North Guildford Food Bank	Information and evidence on food poverty and food banks locally
Guildford Salvation Army	Information and evidence on food poverty and food banks locally
Trussell Trust	Evidence on food poverty and food banks (national perspectives)
Citizens Advice	Information and evidence on food poverty drivers

2.5 Publicity and Awareness of the Review

Publicity activities to be undertaken	The use of press release and social media at the launch of the review and similar publicity at its conclusion. A call for evidence at early stage of the review.

2.6 Timetable for Core Phases of Review

Phase	Time required	Completion Date
Meetings and evidence gathering sessions	9 weeks from 1st meeting	21 July 2017
Evaluation of evidence and formulate recommendations	3 weeks	11 August 2017
Produce the draft report	3-4 weeks	1 September 2017
Witness / Executive comment on report	3-4 weeks	2 October 2017

Consideration of draft report by OSC		14 November 2017
Report to relevant decision makers	—	Executive (28 November meeting)
Schedule monitoring of the implementation outcomes	—	April 2018

2.7 Specific Costs Identified

Anticipated call on Scrutiny Budget	Expert witnesses, small number of site visits

2.8 Equalities Issues

Relevant equality and diversity issues in relation to the proposed scrutiny review	Due regard to all equality principles.

2.9 Constraints / Barriers / Risks

Including timing constraints to when the review can be carried out	tbc

3. Signed Approval

Signed: (By Chair on behalf of Overview and Scrutiny Committee)	
Date Agreed: (By Overview and Scrutiny Committee)	

Food Poverty
Overview and Scrutiny Task and Finish Group

Notes of the first meeting,
Newlands Room on 28 June 2017

Present: Councillors Angela Goodwin, Angela Gunning, Sheila Kirkland, Pauline Searle, and James Walsh.

Also present: James Dearling (Overview and Scrutiny Manager)

1. Apologies for absence

The group was advised of an apology from Councillor Dennis Paul.

2. Election of Chairman

Councillor Goodwin was elected chairman of the task group.

Councillor Gunning was elected deputy chairman.

3. Terms of reference and evidence gathering

The group considered a Scoping Document reviewed by the Overview and Scrutiny Committee on 25 April 2017. The document described the terms of reference for the group's work. The group was informed that in addition to the content of the Scoping Document, members of the Overview and Scrutiny Committee had supported inclusion of the issues raised by the Fareshare Southern Central presentation and discussion on 25 April 2017.

The group was advised that the remit of the scoping document was already very broad.

During the discussion of the scoping document, a number of points and issues were raised, including:

- The need for an agreed definition of food poverty. The group was reminded that the Department of Health defines food poverty as 'the inability to afford, or have access to, food to make up a healthy diet.' [Choosing a Better Diet: a food and health action plan, 2005, p.7.][1]

- With reference to previous local food poverty initiatives locally (such as a holiday play scheme at Shepherds Hill), group members indicated the importance of addressing whether journalists' claims about the relatively recent growth of the issue might be overstated and whether the issue of food poverty was a long term trend or occurrence.

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[1] A related concept is 'food insecurity' which can be defined as 'the state of being without reliable access to a sufficient quantity of affordable, nutritious food.' Studies have developed measurements for the severity of food insecurity, for example see, 'Financial insecurity, food insecurity, and disability: the profile of people receiving emergency food assistance from The Trussell Trust Foodbank Network in Britain', June 2017.

- The task group felt the review should investigate local food bank usage, including variables such as whether users were, families, children, recognised as vulnerable, homeless, and out-of-work or affected by in work poverty.

- Members suggested that if employed were using food banks then this was an indication of a systematic problem [a failure of the role of the state to care for its citizens].

- Another area of interest to the review was the cost of food poverty, notably the financial, social, and personal health impacts linked to food poverty.

- The issue of holiday hunger among children (including the claim that 1 in 10 children was affected by holiday hunger) merited attention in the review. Similarly, the group wanted information on the number of children in the Borough accessing free school meals and food aid provision in holiday periods (e.g., extension of food bank hours and playscheme events).

- Need for the review to recognise food poverty in rural areas – prevalence of rural poverty in the Borough raised at O&S Committee meeting on 6 June 2017.

- Members indicated the value in identifying the causes of food poverty in the Borough: including financial poverty (income) and benefit delay (more details from Citizens Advice).

- The impact and effects of budget on food choice were felt to be key to the group's review. Similarly, establishing the extent and worth of education on food nutrition and food preparation in the Borough.

- Members suggested that food poverty led to food banks [rather than food banks creating demand].

- With reference to possible sources of information, the group was keen to speak to representatives of GNFB (Guildford North Food Bank) and Salvation Army-run food bank at an early stage in the review.

- The group wanted to find out from local supermarkets about their respective approach to surplus in-store food and information on food donation points in supermarkets/stores. Ideally the group would speak to all supermarkets at the same meeting.

- Members discussed surplus food from the food industry going to landfill and contrasted this with the situation in France (where supermarkets are banned from throwing away or destroying unsold food, and forced instead to donate it to charities and food banks). Group requested available statistics on the amount of food waste going to landfill in the UK.

- The Chairman had contacted a researcher at Southampton University. The group was advised of the value in obtaining academic data and insights as part of its study.

- Members confirmed an update was needed for the Emergency Food Provision background paper on food banks by Pippa Coldham [and were advised that the possibility of Pippa doing this would be explored].

- Group members were keen to visit food banks and find out more. Members discussed how the food bank voucher referral system operates, including the three referrals limit rule and the discretion able to be exercised at food banks. The value to the study of meeting food bank users to gather evidence was to be balanced against other factors. Members suggested there remained a stigma to using food banks, with users avoiding using local ones if possible.

- The group identified the county Health and Wellbeing Board and local as a source of evidence, and suggested speaking to the Director of Public Health (Helen Atkinson) and Clinical Commissioning Groups. The possibility of helping at local food banks to gain knowledge and put information into context was discussed.

- The meeting was advised of an ONS study on Persistent poverty in the UK and EU: rates of persistent relative income poverty for the UK are compared with other EU countries.

- The group was advised of the likely usefulness of ascertaining the representativeness or applicability of UK food poverty studies to the local Guildford context.

- Group members had spoken to market stallholders willing to donate fresh fruit and vegetables at the end of a day's trading.

- In connection to possible outcomes of the group's review and its aims and progression, the group was advised of a March 2016 proposal for a Food Bank Forum in the Borough. [Subsequently, details of the proposal were circulated to group members.]

- The role of churches and other voluntary organisation in emergency food provision was felt to be long-established.

- Task group members to receive list of organisations that donate food to Fareshare Southern Central [list circulated by email on 3 July].

- Financial proposal from Fareshare (at 25 April OSC) discussed. This included the claim that the first three years could be met by £45,000 Community Food Member (CFM) fees and £90,000 funding, with CFM funding the venture from year four onwards.

- The group considered and broadly agreed the reasons for the review as laid out within the scoping document. The group members supported exploring the feasibility of progressing some of the issues raised by the Fareshare model (i.e., redistributing surplus food from the food industry to charities).

- Progressing the Fareshare model involved mapping what food aid provision is available in Guildford (to ascertain the number of potential Community Food Members) and establish what is the need and what are the gaps. The group indicated that the impossibility of Fareshare supplying to food banks be confirmed.

- The group's work must aim to raise awareness with the public, the Executive, Councillors, staff, and the local MP.

- Members suggesting publicising local food banks (and their needs), perhaps in part through arranging for Council staff to be invited to bring in food bank donations (once specific needs were confirmed with the food banks).

4. Co-option

Councillors Searle and Goodwin to progress possibility of Citizens Advice or Christians Against Poverty co-optee and report back to the group.

The merit in co-opting a past user of the food bank service was also suggested. Members indicated the value of community wardens as witnesses to the review.

5. Date and Time of Future Meetings

With reference to the need to update the timetable for the review and other issues, the group agreed the next meeting would be arranged by email.

Food Poverty
Overview and Scrutiny Task and Finish Group

Notes of visit to Fareshare Southern Central, Southampton on 25 September 2017

Present: Councillors Angela Goodwin, Angela Gunning, Sheila Kirkland, and Pauline Searle.

Also present: Mike Smith, Senior Manager (Operations, Fareshare Southern Central), Claire Johns, Food Team Manager (Fareshare Southern Central), and James Dearling (Overview and Scrutiny Manager).

Mike Smith confirmed that, after 3½ years of operations, the management of Fareshare Southern Central was transferring to Fareshare UK the following week. He explained that there were 22 regional Fareshare centres in the UK. Mr Smith confirmed that Fareshare Southern Central was forecast to be sustainable but was not currently. The transfer to Fareshare UK would (in time) include a bigger site, with existing volunteers continuing, and staff transferring over (under TUPE arrangements). The current expectation was that a larger site in the same locality would be used from January 2018. In the meantime Fareshare UK would continue at the current site (leasing it from SCRATCH[1]).

The task group was advised that the core business of SCRATCH was its furniture project which included Service Level Agreements or similar with Southampton City Council and Hampshire County Council to provide starter packs of furniture. SCRATCH's other projects included Christmas Complete, Community Re-paint, and Megabite Meal Squares. Mr Smith indicated that many of the Community Food Members (CFMs) of Fareshare Southern Central had been known to SCRATCH through other, earlier projects. The group was advised that after the departure of Fareshare, the current depot premises would be used by SCRATCH for other projects, storage, and training.

In response to a question, the group was advised that in the past arrangements for volunteers had included a contract with the probation service. Mr Smith advised that volunteers helping through community service arrangements usually remained after the conclusion of their service period.

The meeting discussed the costs of the Fareshare Southern Central operation. Mr Smith advised that its refrigerated vehicles were particularly expensive to run. The group was informed that leasing a refrigerated van cost approximately £10k a year, excluding fuel and repairs. Electricity costs at the centre were approximately £1k a month. Fareshare Southern Central had £120-£140k income and operating costs of £240k.

The task group was advised that Community Food Members typically paid the equivalent of 10% of the value of the food that they received. Thus income of £120k from CFMs equated to approximately £1.2m of food re-distributed.

In response to a question about sponsorship income, Mr Smith indicated that many potential sponsors were already involved in SCRATCH projects. Fareshare UK had considerable funding streams and communications personnel. In reply to a question, Mr Smith confirmed that none of the Fareshare set-ups were individually self-sustaining yet.

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[1] Southampton City and Region Action To Combat Hardship

The business plan of Fareshare was for each centre to be self-sustaining from a mixture of CFM and sponsorship.

The group was advised about Fareshare Go [formerly Food Cloud], an app designed to get surplus food direct from local stores to charities for free. The surplus food involved was nearing its in-store end of date, with insufficient time for a distributor to be involved.

The customers of Fareshare were charitable or not-for-profit organisations – hostels, lunch clubs, after school clubs, but not individuals. Charities using Fareshare were able to re-invest the money saved or lower the cost of the service they provided.

The meeting discussed the Fareshare model. The task group was advised that currently there were 4 Fareshares in the country run directly by Fareshare UK [excluding Fareshare Southern Central]. Each Fareshare benefitted from a comprehensive management system. The Fareshare model could be seen as basically a network of redistribution centres. These centres sorted, stored, recorded (for their own knowledge), and redistributed surplus food. All Fareshare CFMs were subject to hygiene inspections and Fareshare's volunteers were trained in food safety. The requirements of each CFM were recorded and while Fareshare was unable to guarantee specific foods only food relevant to specific needs was sent to clients.

The group was advised that the largest single client of Fareshare Southern Central was a local hostel that provided breakfast and dinner for approximately 50 people daily. Fareshare Southern Central supported about ten hostels around Hampshire. The group was advised that if a potential client (such as a hostel) used a private caterer then it wasn't eligible for Fareshare. The group was advised that through using Fareshare one hostel saved approximately £13,000 a year; smaller groups (paying lower CFM fees) would make smaller savings.

Fareshare Southern Central operated a spokes and hub model in Borden that typically involved organisations collecting from a refrigerated van weekly; occasionally deliveries were made by Fareshare direct to a client. Fareshare Southern Central operated a van to Bournemouth, Poole, Portsmouth, and Gosport twice a week. Mr Smith indicated that the setup costs of a depot in each locality would be prohibitively high.

Claire Johns indicated that she had begun work to identify likely CFMs in Guildford and agreed to forward on to the group members the email sent to prospective clients. Ms Johns indicated that her research on Guildford was at an early stage. The value of approaching schools was confirmed. Councillors suggested that neighbouring areas (Leatherhead, Woking, Aldershot) were likely affected by food poverty and food aid provision. Mr Smith indicated that experience confirmed pockets of deprivation existed in generally affluent areas (e.g., Winchester). Ms Johns indicated that any future service provided by Fareshare to Guildford would depend on what the Borough wanted. The group was advised that it was more feasible for Guildford to be a hub than a distribution centre.

Ms Johns advised the group that Fareshare was promoted through identifying potential CFMs and direct contact to see if there was interest in savings and (potentially) better food. The meeting was informed that long-established groups or clubs sometimes had specific wishes that Fareshare could not guarantee to meet. However, dietary requirements such as Halal or gluten free were increasingly able to be met.

The suitability of the Fareshare model for food banks was discussed. The group was advised that food banks tended to rely on dry goods; a food bank in Southampton was a

CFM of Fareshare Southern Central but it was unusual as it was open 5 days a week and able to collect daily from Fareshare.

The group was advised of companies donating surplus goods to Fareshare Southern Central. Fareshare UK had developed relationships with suppliers and negotiations happened at a national level. The contents of permanent in-store supermarket collection points came to Fareshare for sorting and redistribution.

Fareshare deliveries could be used to supplement or vary the food used by clients. For example, school breakfast clubs were provided with yoghurts, fruit, Babybel cheese or similar (in addition to cereals, bread, and milk).

In response to a question about Holiday Hunger and becoming a CFM for a limited time, Mr Smith indicated that in the past Southampton City Council had given funds for such clubs to be included in Fareshare.

Mr Smith confirmed that none of the Fareshare operations throughout the country were entirely funded by CFM fees. He advised that both Hampshire County Council and Southampton City Council had given grants; in return for funds, Hampshire requiring county-wide coverage from Fareshare.

The group was advised of Your Local Pantry run by Stockport Homes.[2] [Under the system members pay £2.50 a week to use their local Pantry, where they can choose at least 10 items of groceries. Membership criteria includes living in the catchment area and using the local pantry at least once every three weeks, with membership limited to 150 at each pantry.] In addition, the group was advised of a pop up supermarket that operated on a membership basis and opened on specific days.

The meeting was advised that approximately 55% of everything baked in-store in Tescos was thrown away either by the store or by customers.

Mr Smith indicated that nationally approximately 5% of surplus food went to Fareshare.

Fareshare Community Food Members are not permitted to sell-on goods, partly to ensure donors could trace products if necessary.

Ms Johns indicated that the quality and nutritional value of the food distributed was important. Claire indicated that if there was an unusual product to be distributed then they would send out recipes with the foods.

The group was advised that Fareshare UK was preparing a £10m Lottery Bid.

[After this discussion the group toured the depot, including witnessing a delivery of surplus food.]

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[2] For further details see Stockport Homes webpages. [https://www.stockporthomes.org/community/pantries/]

Food Poverty
Overview and Scrutiny Task and Finish Group

Notes of the second meeting,
Room 108 on 26 September 2017

Present: Councillors Angela Goodwin (Chair), Angela Gunning, Sheila Kirkland, Dennis Paul, and Pauline Searle

Also present: Ann Mather (Co-ordinator North Guildford Food Bank), Heather Roche (HR & Admin Manager at North Guildford Food Bank), and James Dearling (Overview and Scrutiny Manager)

1. **Apologies for absence**

   The group was advised of an apology from Councillor James Walsh.

2. **Discussion with Ann Mather and Heather Roche, North Guildford Food Bank**

   Ann advised the task group members of the establishment of the North Guildford Food Bank in December 2012. The meeting was advised that the Food Bank was a Christian organisation founded to meet a perceived need. Ann indicated that prior to the opening of the Food Bank she had spoken to the Salvation Army (whose food bank covered central Guildford and was mainly used by homeless people). North Guildford Food Bank now had three branches.

   Approximately 5,700 people had been provided with meals by North Guildford Food Bank during the (almost) five years since its opening. The meeting was advised that there was a twenty-seven per cent increase in referrals this year compared to 2016 (315 referrals in the calendar year to 23 September, compared with 380 for the whole of 2016).

   The group was reminded of the agencies able to refer users to the Food Bank [listed on page 13 of the Food Banks background document, circulated previously]. The meeting was informed that each food parcel was intended to provide three meals per day for three days for those in need.

   In reply to questions, the Food Bank would not turn away people without a referral voucher, although they were aware of some bogus referral attempts; however, less than 5 people had self-referred to the Food Bank this year. More than half of referrals were one-offs. Food was provided for three vouchers; a fourth voucher triggered a phone call to the referring agency for further information. Ann indicated that the Food Bank was keen not to create a dependency amongst its users. There was a shared database of users between the three branches of the Food Bank.

   In response to questions, the group was advised that clothing was not provided by the food bank (due to difficulties with storage and the range of clothing to stock). The meeting was advised that toys were collected for redistribution at Christmas.

   The group was informed that the Ash area had been covered by the Farnham Food Bank run by the Trussell Trust, but the branch at Ash Vale Methodist Church had closed at the beginning of 2017. The reasons for this closure were not known.

In relation to whether the profile of users had changed over the years, for example, whether people with jobs now used the Food Bank, the group was advised that this was unclear. Heather indicated that gaps in employment and financial difficulties were known to cause people to use the Bank. The reason for referral was often given as Low Income which would cover a wide variety of situations including the working poor.

In response to questions about the specific drivers for people using the Food Bank, the meeting was advised that the questions asked of users had not always captured such detail. The group was informed that approximately ⅓ of users had benefit problems, ⅓ were homeless / delayed wages / debt issues/ sickness / domestic abuse and unemployed, and ⅓ low income.

In response to a question, the group was advised that almost half the people the Food Bank provides food for are children (0-16 years) and that there are few elderly users (with just one referral from Age Concern in the past year). The Group was informed that the Food Bank had started to number and track the referral vouchers to ascertain details of which were issued but not used. Some weeks the Food Bank had 7 vouchers used, other weeks more or less.

Local supermarkets (Tesco and, from September 2017, Sainsburys at Burpham) have collection points in store, but the Food Bank was unable to handle perishable foods.

The Food Bank had received a phone call over the summer regarding Fareshare and becoming a Community Food Member, but the offer did not appear to fit the Food Bank's needs (plus, the Food Bank was a guest organisation in its venues without suitable storage for fresh food or the ability to freeze it).

The Food Bank uses surplus fresh food from allotments, eggs, carrots and potatoes and (sponsored by the local Lions) provides food for Xmas dinners. Referral agencies were advised of Xmas activities; the group was advised that there was a consequent increase in referrals.

The meeting was informed that there was a standard list of goods for a parcel for families but users of the Food Bank did complete a preference list when they first arrived.

Harvest Festival, Christmas, and the end of the academic year were big collection times for the Food Bank. Food supplies from departing students were collected by Tesco and the university and re-distributed between North Guildford Food Bank and the Salvation Army Food Bank.

School holiday hunger is a particular problem for families that usually receive free school meals. Some families received post-dated vouchers from Home School Link Workers at schools. However, the group was informed that churches and holiday time clubs did provide some meals in the holidays.

In reply to a question, the group was advised that more women than men attended the Food Bank to collect food parcels.

Ann indicated that users might take Food Bank volunteers into their confidence because they were not viewed as part of the official system (and not seen as liable to report them to anyone). The Food Bank did not offer direct advice or counselling but did signpost users. In reply to a question about passing on safeguarding concerns to the Council, the group was informed that the issue had never arisen at the Food Bank and if there were concerns then the referring agency would be contacted.

The Food Bank had about fifty volunteers, along with some additional Duke of Edinburgh students volunteering for 3-month periods.

As a Christian organisation, the Food Bank asked clients what issues they would like prayer for and then prayed for them once the session had closed, obviously in total confidence.

Some users of the Food Bank had indicated that there had been delays and reductions in benefits connected to the introduction of Universal Credit; in addition, some users in receipt of benefit had been advised to save for the transition to Universal Credit.

In the past, Council officers had provided information about Universal Credit to the Food Bank.

The Scrutiny Manager indicated that information about local ward councillors and their contact details would be provided to the Food Bank.

The group was advised that there was more flexibility toward referrals in January (when bills arrive). Occasionally financial donations to the Food Bank would be used to top-up prepaid utility cards. In response to a question, Ann estimated the amount used in this way annually was £500-£1,000.

With reference to the goods required most by the Food Bank and in-store collection points, the meeting discussed the provision of a suggestions list in supermarkets or even labelling shelves to denote particular items needed by food banks.

In reply to a question, Heather confirmed that the Food Bank had a shortage of puddings and desserts. Councillors offered to publicise a suggestions list using social media.

Heather and Ann confirmed that social media was an area of development for the Food Bank and other issues had been given priority.

Past meetings and information briefings with the Salvation Army and Council officers had been useful. Currently, there was little interaction between the Council and the Food Bank. The group was advised by Ann that meeting to exchange ideas with the Salvation Army had proved very useful in the past and they would look to do it more often.

A leaky roof on one of two garages let by the Council to the Food Bank for storage would be reported to the appropriate Council officer.

The North Guildford Food Bank received the goods donated to the in-store collection at Tesco's fortnightly (alternating with the Salvation Army).

In response to a question, Ann indicated that when she was setting up the Food Bank in Guildford she investigated using the Trussell Trust food bank model but was told that it required a down payment of £4,000 and subscription fees of £1,500 a year. The Food Bank concluded that they neither needed the Trussell Trust franchise model nor could they justify the expense.

3. **Next Steps**

The Scrutiny Manager confirmed that arrangements would be made for group members to visit the Food Bank at St Clare's. Ann suggested that members visit no more than two at a time.

The group members confirmed that they would like to meet managers of local supermarkets and a representative of the Trussell Trust.

4. Notes of 28 June Meeting

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Consideration of the notes was deferred until a future date.

Food Poverty
Overview and Scrutiny Task and Finish Group

Notes of visit to Salvation Army Food Bank, Woodbridge Road, on 11 October 2017

Present: Councillors Angela Goodwin, Angela Gunning, and Pauline Searle.

Also present: Rikke Lofthouse, Catherine Rand, and Kevin Rand (all from Salvation Army) and James Dearling (Overview and Scrutiny Manager).

After a tour of the building, there was a discussion about the operation and issues facing the Salvation Army Food Bank. The group was advised that in comparison to North Guildford Food Bank, relatively few families used the Salvation Army Food Bank; however, school holiday hunger was seen as a growing issue. The demand on the Food Bank was highest in the winter.

The Food Bank was formally open on a Friday afternoon and most food parcels were distributed at this time. However, as the building was staffed much of the time the opening hours of the Food Bank were in effect much longer.

The group was advised that access to the Food bank was an issue for some potential users, particularly as buses did not run to some localities after 5.30pm and public transport was in all likelihood not affordable for those in need of a Food Bank. Catherine indicated that the Food Bank was seldom able to deliver food parcels.

The group was shown a Salvation Army Food Bank referral voucher. Councillors were provided with a number of vouchers to issue to residents as necessary. Rikke advised that Citizens Advice and Guildford Action issued most of the referral vouchers redeemed at the Food Bank. Other referrals came from St Catherine's Hostel [National Probation Service] and the Wellbeing Centre at the University of Surrey. In response to a question, the group was informed that very few referrals were made to the Food Bank by Age UK. The students union at the University of Surrey arranged for surplus food from its members to be collected at the end of the academic year for delivery to the Food Bank.

The group was advised that the nature of the crisis recorded on each Food Bank referral voucher was not collated.

In response to a question about Food Bank users, the group was reminded that since April 2017 the Salvation Army had run the Mulberry House refuge for homeless single women.

Members questioned whether a lack of budgeting skills, or cooking and food nutrition knowledge appeared to be an issue for Food Bank users. In response, the group was advised that Food Bank users were not always good at budgeting (the particular examples of mobile phone contracts and loans were put forward). The group was advised that the Salvation Army's Croydon Citadel hosted a breakfast event for children at which parents had an opportunity to learn about budgeting / parenting before joining their children for lunch together.

The group was advised that there was a suspicion that some of the people appearing as homeless in Guildford were 'professional' beggars because they did not take up offers of help from the Salvation Army. For further information on the increase in homelessness, the group was advised to speak to Guildford's HOST (Homeless Outreach and Support

Team) [HOST provides help and support to those rough sleeping and those at risk of rough sleeping.] The likely impact of the Homelessness Reduction Act 2017, particularly if a local connection requirement was removed, was mentioned.

Catherine indicated that the Food Bank received donations weekly from Sainsburys at Godalming and Waitrose at Guildford, and fortnightly from Tesco's in Guildford. She advised that alcohol, medicine, and homemade food were not accepted as Food Bank donations.

The Food Bank hoped to promote its suggestions list through information boards at the entrance to supermarkets. The members of the task group suggested exploiting Facebook to help promote the requirements of the food banks in the Borough.

Kevin indicated that special dietary requirements, such as gluten-free, were becoming more common.

In response to a question about the possible expansion of Fareshare to Guildford, Catherine advised that the formal food hygiene certificates required by Fareshare were not held by the Food Bank and there was limited freezer space available. The nutritional benefits of providing food aid that included fresh food was discussed by the group.

The group was advised that a shipping container or similar would bring much needed storage capacity for the Food Bank.

The group members suggested the advantages of a Community Fridge [as opened recently in Dorking, where people or businesses can donate surplus food that would otherwise be thrown away]. In addition, the community shop model of food aid provision was explained.

In response to a question, the group was advised that extra storage space and a micro-market might improve food insecurity in the Borough. In addition, an increased role for the Council in facilitating discussion and information sharing between the food banks was proposed. The appropriateness of the Council taking a lead against food waste and the need for the Council to generally take a lead on the issue of food poverty in the Borough, and not rely on charities or foodbanks, was advocated to the task group.

The possibility was offered for the task group members to drop in to the Food Bank on a Friday afternoon session to witness operations was proposed.

The group members thanked Rikke, Catherine, and Kevin for the visit and for answering their questions.

Food Poverty
Overview and Scrutiny Task and Finish Group

Notes of the meeting with
Dr Claire Thompson and Dr Dianna Smith,
Chinthurst Room on 16 October 2017

Present: Councillors Angela Goodwin (Chair), Angela Gunning, Sheila Kirkland, Dennis Paul, and Pauline Searle

Also present: Dr Claire Thompson (London School of Hygiene and Tropical Medicine), Dr Dianna Smith (University of Southampton), and James Dearling (Overview and Scrutiny Manager)

1. Apologies for absence

The group was advised of an apology from Councillor James Walsh.

2. Food poverty, health and food banks: the challenge of measuring and responding to the problem

A briefing note and an unpublished research paper (with supporting statistics) had been provided to the task group members in advance of the meeting.

Drs Thompson and Smith presented the findings of their work to the group [see attached slides[1].]

Dr Thompson indicated that since the 2008 spike in food prices, the significance of food poverty / food insecurity had increased as an issue. The group was advised that access to food banks was commonly mediated by a referral system that typically required a health or social care professional to corroborate the needs of a client before issuing a referral voucher; few food banks permitted self-referrals. Through the referral system, the state was pushing those in food poverty towards charities.

The group was advised of the drivers for food poverty (e.g., rising living costs, falling incomes, austerity, insecure and low paid work, and widening inequality) and the effects. The group was informed that this included a rise in both malnutrition and obesity (as high energy / low nutrient diets can contribute towards hypertension, iron deficiency, and impaired liver function).

The group was advised that a study in London found a fifth of parents had skipped meals so their children could eat and 30 per cent reported buying less fruit and vegetables due to the expense.

Dr Thompson explained that her research was based on three years' qualitative study and that two further years remained. The approach included interviews with food aid workers, health and social care professionals, and food bank clients. The group was advised that repeat interviews and video diaries (including looking at the impacts of food poverty on dietary health) would feature in the remainder of her work.

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[1] These slides contain initial findings and are yet to be published. Also, data presented to the group that relates to the unpublished national model is not attached here.

Dr Thompson highlighted some of the health challenges associated with food poverty / food insecurity: the low priority accorded to self-care (particularly a healthy diet), the ability to feed children and the effects on child development, the importance of a healthy diet for breastfeeding, and additional or overlapping health and social vulnerabilities. Dr Thompson presented excerpts from interviews to illustrate these issues.

The group was advised of the importance of nutrients for brain development in babies and children, and the intergenerational issues of families, particularly girls, growing up in a system of food poverty.

In response to a question about the availability of cookery classes, the group was advised that facilities available to food bank clients or at the food bank venue itself could be limited. However, there were examples of such aid being tailored to people with access only to a kettle and microwave.

In reply to a question, Dr Thompson indicated that there were considerable practicalities for food aid providers with storing fresh food (including food safety requirements) and an actual lack of fresh food donations.

The group was advised that stores could be reluctant to allow surplus food to be redistributed due to issues around food safety. Dr Smith informed the group of gleaning networks in the US [i.e., the organisation of volunteers to harvest crops on farms that would otherwise be wasted, and distribute that food to people in need].

The group was advised that local authorities often had a facilitation and / or client validation role for food aid provision. In addition to family support workers, health visitors and other professionals, local authorities responded to food poverty by acting as referral and signposting points. The group was advised that food poverty had been met with a cross sector response from charities and the state.

In response to a question about cultural changes towards food (for example, takeaways and home-cooked; processed and fresh food; and housing designed with fewer dining rooms), the group was advised of the density of takeaways in poorer areas and that food poverty could present as obesity rather than hunger. The emergence of everyday takeaway use as a social norm was discussed. The group was reminded that the issue of food poverty was about access to a healthy and nutritious diet rather than hunger.

A lack of cooking facilities or skills and a concern not to risk money on food that might not be eaten (liked) were put forward as reasons for use of convenient and familiar takeaways. The group was advised that food banks prepared 'cold box' food parcels for those without heating or hot water. [The contents of 'kettle box' food parcels are prepared by adding boiling water or eaten cold.] The group was advised that making diet a priority in times of hardship was problematic and that it was difficult to have a healthy diet if reliant on donated food. The group was advised that research suggested achieving stable funding for food aid provision was difficult.

Dr Smith introduced her work on modelling, planning and targeting resources to address food poverty. The group was referred to reports of the All-Party Parliamentary Group (APPG) on hunger and food poverty and research by the Trussell Trust. The group was advised that one study had concluded that Trussell Trust foodbanks are more likely to have opened in areas characterised by benefit cuts and sanctions. However, the group was informed that the presence of food banks was not the best indicator of food poverty, rather food banks an indication of social networks and community resources.

Furthermore, the group was advised that there was no link between Index of Multiple Deprivation scores and Trussell Trust food banks.

The group was advised that the aim of the quantitative research was to create a risk score that could be adapted to local pressures. This model or index of food insecurity / food poverty risk could be seen as an attempt to replace a local-level survey: the group was informed of measures of food insecurity in North America and elsewhere. In England there is no routine measurement of the scope and extent of food poverty. The group was advised that the devolved governments of Wales and Northern Ireland did measure food poverty.

The model presented to the group estimated the risk of food insecurity using factors identified as influencing the risk; namely, household composition and benefit claims (and sanctions). Using these two domains, which are based on a range of indicators, a measure of risk can be calculated for particular groups living within areas. Providing relevant data is available, the model can calculate potential household risk for areas as small as a Lower layer Super Output Areas, or neighbourhood. The group was advised that the model's approach could be expanded or refocused to incorporate groups judged at high risk of food insecurity, providing relevant data was available at a local level.

Dr Smith indicated that the model presented to the group used quantitative data more recent than that utilised by the Index of Multiple Deprivation. Dr Smith suggested the value of obtaining local data to produce a bespoke model of a locality's risk. The group was advised that benefit sanctions did not feature in the mapping of risk for areas within Guildford because no area had 5 or more individuals with an adverse sanction decision.

The group members indicated that Council officers might hold additional datasets that could be used to enhance a local model of food insecurity risk.

During a discussion of the relative lack of elderly people using food banks in the Borough, the group were advised that asking for donations in return for access to food aid might encourage elderly people to use them. Similarly, the group was advised that progressive food banks used delivery systems (and achieved higher use by elderly clients).

Dr Smith confirmed the potential value of supermarket shopping data to a model of food poverty risk and advised the group that supermarkets had provided only limited disclosure of loyalty card data. (The discussed whether the sensitivities around the BOGOF offers of sugary or fatty foods might be a factor.)

The group was informed that the national model presented to the group identified the MSOAs (Middle layer Super Output Areas) where populations could be expected to be at highest risk of food poverty. The group was advised that the results of the model tallied with data for England available from Oxfam.

With reference to a map of Surrey and Guildford showing relative risk of food poverty, Dr Smith indicated that a map could be produced with ward boundaries overlaid.

The group discussed profiling and modelling, including the possible value of customising the model to include indicators for local pressures (such as fuel poverty, housing costs, ex-armed forces personnel, and students). The group suggested that the impact of Universal Credit would be considerable.

The meeting discussed the barriers to the take up of food bank usage, including pride (group members felt this could be an issue particularly among the older generations), access or knowledge of food banks, and the expense of collecting from food banks.

Mobile food banks were put forward as an alternative. Similarly, the group discussed the benefits of community food shops. In addition, the group was advised of The Real Junk Food Project and the possible use of meals on wheels to deliver food parcels in addition to hot meals.

Dr Thompson indicated that in affluent areas there was often less food aid infrastructure and services, and less assumption of need. The group was advised that food banks had become embedded as part of the expected response to food poverty issues and the sense of outrage and dismay that accompanied their introduction had dissipated. However, the group noted that use of a food bank could retain the stigma of drawing attention to an inability to feed oneself or one's own children, along with the fear of being drawn into the social services system.

The task group thanked Drs Smith and Thompson for attending to explain their research and findings.

Food Poverty
Overview and Scrutiny Task and Finish Group

Notes of the meeting with
Kim Rippett, Head of Housing Advice,
in Newlands Room on 13 November 2017

Present: Councillors Angela Goodwin (Chair), Angela Gunning, Sheila Kirkland, Pauline Searle, and James Walsh

Also present: James Dearling (Overview and Scrutiny Manager) and Kim Rippett (Head of Housing Advice)

1. Apologies for absence

The group was advised of an apology from Councillor Dennis Paul.

2. Discussion with Kim Rippett, Council's Head of Housing Advice

Kim Rippett summarised the responsibilities of her role, including the strategic housing functions (e.g., needs, allocations, and homelessness). The group was advised of Surrey County Council's Family Support Programme (part of the government's Troubled Families initiative). Kim informed the group that she was one of the Council's strategic leads for welfare reform.

The meeting was advised that the elimination of food banks in the Borough had been an ambition stated within a previous version of the Council's Corporate Plan, but that demand for the food banks' services was expected to continue. The group was advised that in the past, the Council had led initiatives for closer working between the Council, local foodbanks, and Citizens Advice.

The group was advised of likely pressures on food banks, including the continuing impact of the welfare reform agenda since 2010 and the expected effect of the roll out of Universal Credit (scheduled for the summer of 2018 for Surrey, with new claimants in Guildford being arranged for July 2018). The group was reminded that Universal Credit was a monthly payment to a single member of the household, paid in arrears. The direct payment of rent to a landlord was no longer possible. The group was informed that Council tenants had not paid rent direct since 1972 and a cultural shift would be needed. The group was told that an increase in money management issues was expected as a result of the change to Universal Credit. The Head of Housing Advice indicated that the new system would be simpler to understand and cheaper to administer (for example, it had been designed to work with a smart phone). She advised the group that at the end of September 2017 there were 16 single people in the Borough on Universal Credit.

The group was informed that there was an association between the reduction in the benefit cap (limiting the amount a working age person can get from welfare benefits) and the number of families being brought into the realm of food banks. The group was reminded that people of pension age were exempt from the benefits cap.

The task group was advised that data from three years previous confirmed that benefits-related issues were the most commonly reported reason for food bank use. The Head of Housing Advice indicated that an unpredictable or unforeseen event or crisis was often

not able to be absorbed by those on a low income and could prompt use of a food bank. The group was advised that self-referrals to a food bank were rare, with a need for a third party to verify the circumstances of a client.

The task group was advised that the Salvation Army food bank in Guildford had operated for over 15 years and been publicised little, while the more recently established North Guildford Food Bank was publicised and promoted more. The Head of Housing Advice indicated that Ash Citizens Advice issued food bank parcels from the Trussell Trust, but another food bank in Ash had closed.

The group was advised of previous research undertaken by Surrey County Council officers, including a review of the type of food issued by food banks (for example, its nutrition and sugar or starch content). The Head of Housing Advice indicated that local food banks had been receptive to the need to produce food parcels that were nutritionally balanced. However, the group was advised that the food banks had been reluctant to include information leaflets in their food parcel. The Head of Housing Advice informed the group that a Council event to update food bank volunteers had been well received. In addition, she confirmed that North Guildford Food Bank had asked for future updates on welfare reform.

The group was advised that, in contrast to North Guildford Food Bank, Council officers had not been able to obtain data on food bank clients from the Salvation Army. Similarly, the food bank at Farnham had difficulty differentiating data on its Ash Citizens Advice food bank.

The Head of Housing Advice informed the group that she had been reassured that the content of the food bank parcels and signposting to agencies was good. She advised that the suggestion of an annual event, a Foodbanks Forum, had been declined by North Guildford Food Bank.

The group was advised that the number of households within the Borough affected by the benefits cap was approximately 109 [67 in private sector housing and 58 in Council or social housing, although the group was not static].

The Head of Housing Advice stated that there was not a major problem with rogue landlords compared with other local authority areas.

In response to a question about the numbers of working poor using food banks, the Head of Housing Advice indicated that the Family Support Programme at Surrey County Council would have detail on such issues. In addition, she indicated that FISH (Fun in the School Holidays) might be a source of such information.

The group members questioned whether the food banks were open sufficiently or might limit accessibility. The Head of Housing Advice indicated that most people did not shop every day and that the food banks might deliver occasionally.

The Head of Housing Advice confirmed that she did not know if the emergency food aid provision met the current level of demand in the Borough.

In reply to a question, the Head of Housing Advice indicated that the food banks exercised a degree of leniency in relation to the 3-voucher rule for clients.

Members agreed the value in identifying the free school meal eligibility in the Borough's schools.

The Chair outlined the work of Drs Smith and Thompson [see notes of 16 October 2017] and the meeting discussed the lack of older people being referred to the food banks in the Borough. The Head of Housing Advice suggested that the group contact the Community Services Manager for details of the number of older people in the town centre and related food aid.

Members questioned whether there were any community store or community supermarket initiatives in Surrey. In reply, the Head of Housing Advice indicated that she was not aware of such schemes in Surrey and they tended to be in areas of higher deprivation and denser populations. The Head of Housing Advice confirmed that local supermarkets and other retailers were distributing surplus food waste in Guildford.

The Head of Housing Advice indicated that there might be need for a scheme that people paid something to access. She suggested that if the need was there then local people and organisations would adapt to meet the circumstances – and cited North Guildford Food Bank and the Salvation Army as examples evolving to meet need.

With reference to FareShare, the Head of Housing Advice indicated that it was not a suitable financial model for Guildford alone. She agreed that there were pockets of deprivation in Waverley, Hampshire, and other neighbouring areas that might influence a FareShare proposal for Guildford residents.

The Head of Housing Advice indicated that the Council's role was to ensure it was accessible to offer advice to local organisations and charities that provided food aid. For example, to provide information on upcoming changes to benefits or collate data, but it was better for organisations to take a lead themselves.

The group was advised that the Trussell Trust model ensured consistent data to enable comparison of the local against the national.

Members questioned the impact of benefits reforms. In response, the group was advised that the first benefits cap was judged to have prompted re-consideration of employment by some benefit recipients (by ending a benefits trap) and the bedroom tax had helped with some downsizing (although the bulk of under-occupiers were elderly and therefore excluded from the Spare Room Subsidy).

The group was advised of vacancies in the Council's homelessness outreach and support staff (which was currently operating on 2.5 FTE rather than 5 FTE).

The Head of Housing Advice informed the group that there was data monitoring the impact of the welfare reform from 2014/15 onwards, with some elements measured since 2013. She circulated a spreadsheet and graphs to illustrate the Council's monitoring of the impact of welfare reform. The group was advised that further information could be provided to the group.

In addition, an analysis of information relating to food parcels distributed by Ash Citizens Advice was provided to the group.

The Chair thanked the Head of Housing Advice for attending and answering questions.

3. **Notes of previous meetings**

The group had been provided with notes of the meetings and visits from 28 June, 18 September, 25 September, 26 September, and 11 October. The group was advised that notes from the meeting on 16 October were not finalised for circulation.

Due to the shortness of time, a detailed discussion of the notes was deferred.

4. Next Steps

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The group considered arrangements for a proposed visit from Nathan Au (National Development Manager, FareShare) and Rachel Carless (Sussex FareShare). The group agreed to re-schedule the visit to Thursday 23 November and if this was not convenient then representatives of the task group should visit Brighton.

The group agreed to seek meetings with the Trussell Trust and Ash Citizens Advice, and to pursue meetings with the local supermarkets.

Food Poverty
Overview and Scrutiny Task and Finish group

Notes of visit to FareShare Sussex, Brighton
on 8 December 2017

Present: Councillors Angela Gunning, Dennis Paul, and James Walsh.

Also present: Nathan Au (National Development Manager of FareShare UK),
Sophie Butcher (Committee Officer), and Rachel Carless (Manager of FareShare Sussex)

The task group was advised that FareShare Sussex was part of a national network of 21 regional centres, 16 of which are independently managed with 5 managed by FareShare UK. FareShare started in 1997 as part of Crisis' Christmas campaign to help the homeless, which expanded to help people in need throughout the whole year.

In response to a question, the group was advised that some funding was provided nationally, a lot of which came directly from the food industry and stores such as Tesco's and Asda, and via Trusts and Grants, Councils, and Clinical Commissioning Groups. A proportion of costs are also covered through the fees charged by FareShare to the projects they supply food to. Each regional centre is responsible for meeting their costs each year through fundraising and through charging fees. Operational costs for FareShare Sussex are approximately £270,000 per annum. These costs include leasing and running the delivery vans, utilities, volunteer expenses, and staff costs.

Sainsbury's, Asda, and Kellogg's provided the monetary equivalent of food so they did not make a profit. Strict food standards also had to be met and no profit was allowed to be made from the food donated. Tesco's priority for example was to achieve 0 per cent to landfill by 2019 and FareShare therefore assisted in helping them achieve their goal by delivering that surplus food to where it was needed most. In 2016, the FareShare network saved 12,000 tonnes of food, which had a monetary value of £48 million.

The group was interested to know how demand for their services was established as well as identifying areas in the UK to expand into. The group noted that feasibility studies were often undertaken to identify how active the charity sector was in specific areas. Local super output areas were also used to pinpoint regions of poverty. Often areas that were so deprived did not have any form of support or charities in operation. In the Guildford area, Aldershot, Farnborough, and Woking were the next most populated areas outside of Brighton and demand from vulnerable groups for food was anticipated to be high. In order to qualify for receipt of food from FareShare, the food had to be distributed to vulnerable people via community groups or charities that offered a holistic approach to helping people back into society through the provision of a range of support services. FareShare was currently working with the Trussell Trust to expand the provision of these key social and community services. The group was advised that FareShare Sussex delivered the food to the community groups and charities. There were four projects that collected the food but this was not that popular because car ownership in and around Brighton was low. In 2017, FareShare Sussex delivered food to 100 different community groups and charities across Sussex, serving 7,211 beneficiaries in 12 local authority areas.

When looking to expand into a specific area, FareShare would make contact with local councils particularly their housing and community support teams to seek discretionary funding as well as advertise in local newspapers and/or put on roadshows.

The group noted that 40 per cent of the surplus food it obtained came from large supermarkets, 10 per cent from local businesses and the rest from other sources. The surplus food from supermarkets generally had a longer lifespan. Even if a yoghurt had 10 days until it expired, a supermarket would not accept it. That said, the group was advised that the UK was one of the most efficient countries in managing its food waste when compared to the rest of the world.

The group discussed the fact that in the media a lot of the focus was put upon the end of store food wastage when the wastage problem was greater at the supplier end.

In the next five years, FareShare Sussex aimed to more efficiently meet the needs of the rural poor. The group discussed the fact that FareShare supplied School Breakfast Clubs and Holiday Hunger Clubs had also experienced a huge demand for their services in the last year and a half.

The group noted that Global Food Network had provided monies for the Sussex FareShare expansion; however, the number of vans currently available to distribute foods limited them. Owing to the outcome of a bid, significant funding could be made available in the longer term. If this was the case, a second warehouse could be bought or leased in the Redhill or Crawley area as this was within the M25 corridor and easily accessible. This would also assist with Sussex FareShare's larger expansion in increasing its capacity to providing foods beyond 133 projects/charities.

The group noted that they were in the early stages of establishing the need for services such as FareShare in the wider Guildford/Surrey area. The group had met so far with three foodbanks in the Guildford area and looked at research which indicated that vulnerable people were at greater risk of not eating enough but were not using foodbanks either. It was acknowledged that there was a stigma attached to foodbanks and people in need may feel too embarrassed to use them. Pantries in Manchester offered a good alternative to foodbanks as the users had to sign up and pay some money towards the food they were obtaining which in turn reduced the stigma. The group was advised that the growth in need for foodbanks, particularly in the last ten years had unfortunately arisen from longstanding inflationary prices, accelerated by a lack of wage growth.

It was noted that there were a number of charities in Guildford but the group had not yet identified which charities to work with. It was recommended that a meeting was set up with the likely stakeholders, charities, churches, and schools, sheltered housing and supported accommodation providers to start partnership working and develop links. It was noted that one fifth of all charitable projects were church run so it was recommended that such institutions should be approached in the first instance. FareShare could also assist in identifying the number of charities that existed in the Guildford area.

The group noted that a large number of the recipients of food from FareShare became volunteers at the charity. It was not a standard volunteering opportunity but a gateway to work. Approx. 15-16 volunteers in the last year had managed to secure full-time employment using the skills they had obtained with FareShare. The Head Office also provided a number of paid internships and had links with the students at the University of Sussex.

The group was advised that FareShare used a bespoke database that logged all food received, tracked waste, and provided an overview of electoral wards and CCG postcode boundaries. This was essential as food suppliers, for health and safety reasons, demanded a way of tracking the surplus food provided to FareShare.

It was noted that FareShare did not supply to hospitals yet as it was a statutory requirement for hospitals to provide food. However, Commissioning groups had been approaching FareShare who were currently being assessed to confirm if they could benefit from these services.

Lastly, the group noted that in a peak month, 500 tonnes of food was delivered from Tesco's and 200 tonnes on a lesser month. Christmas was the peak time of food waste and July/August was the time of peak demand.

Food Poverty
Overview and Scrutiny Task and Finish Group

Notes of the meeting with Ash Citizens Advice
in Hatchlands Room on 28 March 2018, at 10.00am

Present: Councillors Angela Goodwin (Chair), Angela Gunning, Sheila Kirkland, and Pauline Searle

Also present: Julia Butler (Chief Officer, Ash Citizens Advice), James Dearling (Overview and Scrutiny Manager), and Barbara Kemp (Research & Campaigns Coordinator , Ash Citizens Advice)

1. Apologies for absence

The group was advised of apologies from Councillors Dennis Paul and James Walsh.

2. Discussion with Julia Butler and Barbara Kemp

The Chair welcomed Julia Butler, Chief Officer, Ash Citizens Advice, and Barbara Kemp, Research & Campaigns Coordinator , Ash Citizens Advice.

Julia advised the Committee that Ash Citizens Advice (CA) had updated their 2016 research on the affordability of the private rented sector in the area. The group was informed that a spot check of rents in the private rented sector and comparisons of the Local Housing Allowance had taken place in October 2017. [Local Housing Allowance is the maximum amount of housing benefit available to those in the private rented sector.] Copies of the research results were shared with the group members.

In response to members' questions, Julia confirmed that Ash Citizens Advice distributed food parcels provided by the Farnham Food Bank but did not issue or redeem food vouchers. The group was advised that clients need to be seen by an adviser and an assessment made in order to receive a food parcel. She confirmed that they are aware of some individuals who may abuse the system.

With reference to the causes of food poverty, the group was advised that clients usually had underlying problems additional to the one they presented with. The group discussed the requirement to assign a single issue on food parcel referrals, particularly on the Trussell Trust forms. The group noted the possible skewing or over-simplification of the factors that prompted recourse to a food bank. The group was advised that a review of cases had confirmed benefit changes and delays were responsible for much food parcel need. In particular, changes in benefit often led to a gap in income (usually for a period of two weeks or so) which benefit claimants often lacked any reserves to bridge.

The group was advised that the change from DLA (Disability Living Allowance) to PIP (Personal Independence Payment) could lead to a sudden drop in income as the criteria for the two benefits were not identical. The group was informed that challenging a PIP decision was a lengthy process and appeals could take 9-12 months.

The meeting suggested altering food voucher forms by adding a tick box to specify Universal Credit (UC) as the cause of the referral. The group was advised that a review

of cases involving a food parcel confirmed that low income was a common problem and health issues were frequent.

In response to a question, the group was advised that the information collected to explain the distribution of a food parcel did not indicate 'holiday hunger' as a driver. The group was informed that the food voucher system perhaps picked up the first issue, and there were commonly 4-5 issues involved in a crisis.

The group questioned the distribution of food boxes from Ash Citizens Advice and was advised that some clients travelled from Aldershot and Guildford town. [Partial details of the distribution of food boxes from Ash Citizens Advice during the period January – December 2017 were subsequently provided to the task group.] Members of the group asked about the possible stigma of receiving food parcels. The meeting was informed that food boxes contained carrier bags to enable the contents to be carried easier and appear as shopping. In reply to questions, the group was advised that there was not a drop off service; however, family food boxes were heavy and Ash CA could hold half boxes to enable clients to split transporting the contents into more than one trip.

The group was advised that a food bank outreach service at Ash Vale Methodist Church had closed. The hours of opening at Ash Citizens Advice were Monday – Thursday 9.30am - 4pm, and Friday 9.30am - 1pm for phone calls and appointments only; effectively, enabling food parcels to be collected 4½ days a week. Julia confirmed that there was no fresh food in the food boxes provided to Ash Citizens Advice by Farnham Food Bank. Also, the group was informed that if clients required toiletries or nappies then they were redirected to Farnham Food Bank (the group was advised that the Ash CA office did not have the space to store such goods). The Ash CA office had room for a limited number of food boxes and Farnham Food Bank replenished food boxes as necessary.

In response to questions about income and debt, the group was advised of the pay weekly retailer Brighthouse [which has a store in Aldershot] and the exploitation of the poor by such companies. In response to questions about the working poor and food insecurity (rather than food poverty), the group was referred to a recent analysis by the Joseph Rowntree Foundation [*Working families still locked in poverty – time to right the wrong of in-work poverty*] which found that two thirds of children and working age adults in poverty belonged to working households.

In reply to a suggestion about the value of a community fridge, the group was advised that an established location, such as Guildford Action was preferable (and that the Ash CA office would not be suitable).

Members questioned whether food parcels were used by older residents. In reply, the group was advised that the Ash CA did not have many clients over 65 years of age, (indeed, the group was informed that there had not been a single client over 65 years of age within the 3-month period for which cases were examined in-depth in preparation for the meeting). The group was informed that generally if appropriate benefits are claimed, particularly Pension Credit, then a food parcel is not needed. Some members of the group suggested that the elderly were more reticent to ask for help or accept charity than younger people.

The group discussed the increase in zero hour contracts and the associated difficulties with budgeting.

With reference to the updated research on the affordability of the private rented sector in the area, the group was advised that the Local Housing Allowance relevant to the

Borough did not reflect current values in the private rented sector. The group was advised that targeting rents, possibly through the local authority topping up the LHA to make rents affordable, would be an effective way to help those residents living in poverty (including food poverty). The value in a revision of the LHA was suggested. In response to questions, the group was advised that Right to Buy had not helped the problems of housing affordability. The group was advised that housing rent rates were an underlying cause of poverty as housing benefit (LHA) covered social housing rent rates but did not represent affordability for the private rented sector.

The meeting considered the likely outcomes of the task group's work. Members discussed further collaboration between food banks and a role for the Council's Community Wardens in distributing food parcels. The group was reminded that the role of food banks was to meet short-term needs.

The group considered the likely impact of the introduction of universal credit (UC), particularly the several weeks delay in receiving the first payment and its accessibility as a digital service. The group was advised that a private landlord could evict without additional reason a tenant with more than 8 weeks' rent arrears. In response to questions, the group was informed that Ash Citizens Advice had spent funds training its advisors for the introduction of UC in 2013 and had decided that they would await the rollout of UC locally before running such events for its advisors again.

The Chair thanked Julia Butler and Barbara Kemp for attending, sharing their research, and answering questions.

Food Poverty
Overview and Scrutiny Task and Finish Group

Notes of the meeting with
Erik Jespersen, Lighthouse, Woking, in Newlands Room on 9 May 2018, at 9.30am

Present: Councillors Angela Goodwin (Chair), Angela Gunning, Sheila Kirkland, and Pauline Searle

Also present: James Dearling (Overview and Scrutiny Manager) and Erik Jespersen (Co-founder of Lighthouse centre)

1. Apologies for absence

The group was advised of an apology from James Walsh.

2. Discussion with Mr Jespersen

The Chair welcomed Mr Jespersen and invited him to tell the meeting about Woking's Lighthouse centre, including its Trussell Trust-affiliated foodbank.

Mr Jespersen explained the background to the establishment of the Lighthouse centre. The group was advised that the desire for a shopfront venue had led to the acquisition of the lease for a derelict building in Woking town centre in 2011, which had then been restored and transformed into the Lighthouse centre. The group was informed that the centre had opened in 2014 and hosted a number of projects, including Woking Foodbank.

The group was advised that food poverty was not an isolated issue, but was always connected to other problems. The group was informed that a holistic approach to the needs of individuals was essential and that the Lighthouse centre was able to provide a range of responses. For example, Lighthouse projects included clothing through the jigsaw project, cooking classes, a job club, café, or arts group (see http://www.lighthousewoking.org/our-projects.html). The group was advised that the approach of the Lighthouse centre was to help move people beyond any immediate crisis and avoid a charity dependency.

In reply to questions, Mr Jespersen confirmed that the Lighthouse centre was run by a Christian charity as a faith venture, but pursued a sense of 'neutrality' (reflected in the name chosen for the centre).

The group was advised that the foodbank in the Lighthouse was supported by two satellite branches (Sythwood and Sheerwater foodbanks). Mr Jespersen confirmed that the opening times of the three foodbank locations were staggered to maximise accessibility Monday to Friday [closed over the weekend].

The group was advised that Woking Foodbank distributed 25 tonnes of food in food parcels each year, with around 2,500 people fed through the Lighthouse centre. Mr Jespersen indicated that Tesco and Marks & Spencer donated fresh produce to the Lighthouse 2-3 times a week; he confirmed that the foodbank was able to freeze short-dated goods such as bread.

The group was advised that non-food items such as toiletries, nappies, and pet-food, were available to add to food parcels as necessary. In response to a question, Mr Jespersen confirmed that obtaining donations was not an issue for the foodbank, for example, in the run-up to Christmas their storage facilities (with a capacity of approximately 8 tonnes of supplies) had been filled. The group was reminded that most Trussell Trust foodbanks were run in church halls that lacked substantial storage.

The group was advised by Mr Jespersen that in his experience the foodbank's relationships with local supermarkets were determined by its relationship with the individual supermarket managers.

The group was advised of the strengths of using the Trussell Trust. Mr Jespersen indicated that the voucher referral system used by the Trust ensured an assessment of need had been undertaken before clients arrived at the foodbank; individuals visiting the foodbank were not asked to demonstrate need. The Trust's foodbank model was felt to provide a robust structure and clear guidance on potential sensitivities (such as eligibility to access a foodbank).

In response to questions, Mr Jespersen indicated that discretion was applied to the Trust's three referral guideline because it could take six weeks to process benefit claims. On the other hand, he indicated that he was wary of creating a dependency on the emergency provision of the foodbank.

In response to a question, the group was advised that the Lighthouse paid a fee of approximately £400 each year to the Trussell Trust in return for a database system, infrastructure support, and help to train its volunteers. The group was advised that Woking Council contributed to the Lighthouse centre in ways other than direct finance.

The group was informed that the Emmaus Road Church was keen to create a similar model to the Lighthouse centre in Guildford (if needed), but the availability of accommodation would determine the feasibility of such a venture. Also, the Church was keen to develop relationships with existing organisations and providers in Guildford, including the foodbanks and the Diocese, in advance of any introduction of additional projects or services. The group was advised that it was hoped to work in collaboration with Guildford Council and there was not an expectation that the Council alone would make the change happen.

The group was informed of the value of adopting a broad approach to the issue of food poverty, that is to say, not just the provision of a foodbank, but cooking classes and other activities that enable people to contribute and preserve their dignity. In response to suggestions, Mr Jespersen agreed that a community-fridge or community-shop might enhance the model of food aid in Guildford.

The group was advised that the town centre location of the Lighthouse centre suited circumstances in Woking; however, a hub and spoke model might be more appropriate for Guildford.

With reference to the Lighthouse centre, the group was informed that stigma or anxiety from having to access a foodbank could be lessened by locating the service in a building with other uses; the centre was intended to feel like a community space rather than premises set aside for those in need.

Mr Jespersen confirmed that need for foodbanks had increased in Woking and the national Trussell Trust figures for use were reflected locally (with approximately 70% of

foodbank use connected to benefit issues). He indicated that Surrey's high living costs were a factor in working people needing to use foodbanks. Mr Jespersen indicated he could provide the group with statistical information on the Woking foodbank.

The Lighthouse centre was funded from a mix of grants, the Friends of the Lighthouse, the social enterprise café (that generated a profit), and private hire of the building. Mr Jespersen advised the group that central staff costs consisted of two full-time employees (including himself) and three part-time co-ordinators.

Members asked about the likely timeframe for preparing and opening a Lighthouse-style centre in Guildford. In reply, Mr Jespersen advised that the experience gained from renovating the Lighthouse building in Woking meant that work that had taken 18 months to complete there was now expected to be achieved within no more than 3-4months.

Mr Jespersen invited the group members to visit the Lighthouse centre to see the approach and range of projects for themselves.

The Chair thanked Mr Jespersen for attending and answering questions.

Food Poverty
Overview and Scrutiny Task and Finish Group

Notes of the meeting with Community Leisure Manager
in Room 204 on 14 May 2018 at 9.00am

Present: Councillors Angela Goodwin (Chair), Angela Gunning, and Pauline Searle

Also present: James Dearling (Overview and Scrutiny Manager) and Jo James (Community Leisure Manager)

1. Apologies for absence

The group was advised of an apology from James Walsh.

2. Discussion with Community Leisure Manager

The Chair welcomed the Community Leisure Manager to the meeting and invited her to tell the meeting about how food poverty impacts children within the Borough and the numbers affected.

In response, the group was advised of FISH (Fun in the School Holidays), an activity playscheme for 10-16 year olds in the summer and Easter holidays. The Community Leisure Manager indicated that FISH was targeted at north Guildford wards and Ash, but attracted children from across the Borough. Families using the playscheme had a mix of incomes. The group was advised that approximately 120 children attended FISH over the Easter holiday, and 160 per week attended for the 3-week period it ran in the summer holidays. The playscheme operated from 10am to 4pm, with an extended service available between 8.30am and 5.15pm. The group was advised of the activities provided by FISH, including off-site day trips.

In reply to questions, the group was advised that children attending FISH brought in packed lunches. The group was informed that the question of what constituted a good lunch had always been an issue and FISH staff had intervened when necessary (e.g., phoned parents). A FISH welcome pack provided to parents including information on healthy eating and a packed lunch. In reply to a question, the Community Leisure Manager indicated that over the previous five-year period approximately 10 children had arrived without a lunch on more than one occasion. If a child at FISH was without a lunch or theirs was inappropriate then one was provided.

In relation to the issue of holiday hunger, the group was informed that a big change over recent years was not discernible. The group was reminded that children from a range of economic backgrounds used the scheme, unlike the CHIPS playscheme.

The group was advised that a local charity, CHIPS provides school holiday play provision for children aged 4-11 in the Westborough and Stoke wards. The playscheme targeted less advantaged children. For the last 2 years, CHIPS had provided lunches. The lunches were are free of charge to the children. The company supplying the lunches charge CHIPS a discounted rate of £2.50 per meal. In 2018, CHIPS is receiving financial support and volunteer support to fund and serve hot lunches offered to all children attending the playscheme . The CHIPS scheme was put forward to the group as an example of a targeted approach that was working well. The group was advised that

CHIPS would be happy to share evalution insight into the impact of the free lunches provided. The group was advised of the barriers to FISH providing lunches, including the possible stigma of singling out less advantaged children.

The Community Services Manager circulated further details of CHIPS and food poverty [attached to these notes - the group was advised that these details of holiday hunger, income, and food poverty, including the relationship between child obesity and poverty, had been compiled for CHIPS funding applications].

In response to questions, the group was advised that referrals to FISH and CHIPS came from home-school link workers, charities, and family support workers. The Community Leisure Manager indicated that keyworker bookings on FISH were quickly filled; however, funding from Surrey County Council for such bookings had recently been withdrawn.

The meeting was informed that CHIPS ran for four weeks during the summer holidays and for one week at Easter from 9am until 4.30pm; during the summer it runs from two separate schools, for two weeks in each.

The group was advised that using well-established venues and agencies was preferable to introducing completely new initiatives.

The Community Leisure Manager indicated that healthy eating activities, such as cookery classes, had been around for years whereas food poverty was seen as a relatively new issue.

In addition, the group was advised of an October 2017 report by the Diocese of Guildford entitled, *Foodbanks, Emergency Aid, Homelessness Support, Debt Advice, & Christian Counselling Services*.

The Chair thanked the Community Leisure Manager for attending and answering questions.

CHIPS Playscheme – Food Poverty Scheme

The summer holiday period represents a time of significant risk that nutritional needs are not being met in lower income homes with children whom would normally be receiving free school meals (FSM) or supported via Universal FSM. These children make-up the majority of our intake. Local data from before the introduction of Universal FSM indicates that in 2014 49% of pupils received FSM at Guildford Grove Primary school rising to 54% in year 6 pupils compared to 27% of pupils nationally. Figures for pupils attending Weyfield academy are similar with 47% of pupils receiving free school meals rising to 51% of year 6 pupils. During school holidays when this provision ends the budgets of low-income homes already seriously stretched by welfare reform are pulled even tighter leading to cheap – not necessarily healthy – food choices. Feedback from parents, children, playworkers and community workers tells us that many parents do not know how to prepare healthy food from scratch helping their budgets go further. Instead they buy convenience food perceived to be cheap but actually very poor value for money and often of poor nutritional content. According to the School Food Plan (DfE, 2013) only 1% of packed lunches meet the nutritional standards that currently apply to school food. A review of the lunches brought in by children attending CHIPS during our 2016 summer provision found this to be true. Amongst the concerns that our playworkers raised were lunch box food quality and portion size with some lunches found to be too small or too big to meet needs. We will address these issues though the provision of free, healthy, hot lunches and teaching the children and their parents/carers about nutrition and health and wellbeing in a new, creative way that captures their attention and imagination. We will also equip the children and parents with the skills and information to make cheap, healthy snacks and meals.

Research by Kellogg's (2015), backed by our own experience running CHIPS for over 10 years shows that without the support of FSM summer holidays can be a time that families living on tight budgets dread. It is important to note that it is not just the child who is affected. Main findings by Kellogg's include:

- 41% of parents on lower incomes of less than £15,000 have skipped meals so their children can eat during school holidays. This figure is 31% of parents on incomes below £25,000.

- 73% of households with incomes of less than £15,000 can't always afford food in holidays only decreasing slightly to 62% for lower income homes of less than £25,000.

- 14% said they'd served slightly smaller meals to their family to keep costs down and 3% said the entire family had to skip a meal on at least one occasion.

- 38% said they'd bought cheaper – and perhaps less healthy – food, and 24% prioritised food over paying a household bill.

Kellogg's also found that 41% of low and middle income parents said they sometimes felt isolated during the holidays due to being unable to afford to go out and entertain their children and 46% said they stayed in the house more often than in term-time. 22% said they had avoided having their children's friends over and 17% said they had even avoided inviting family to their house during the holidays due to a lack of money for food. Given the amount of referrals we receive accounting for one-third of children attending our provision and

feedback given directly by parents we know that we are supporting these families helping provide a support network in their own community. Evidence from our referral agencies particularly Home School Link workers further supports this. The North Guildford Food Bank have also advised us that they have families coming to them with vouchers issued on the basis that they are struggling in the absence of free school meals and many more referred because of low income. With regards to the last point expensive childcare options or lack or childcare means that many local families struggle to maintain their normal employment routine over the summer. This is a need we very much meet providing low cost childcare for many and a third of children attending will have their places paid for by other sources arranged by us. As two quotes from many given by parents in our 2015 evaluations demonstrate:

> 'My child attends CHIPS on the days I work. If he weren't attending he would be with friends if I could arrange it. If not, his father, who is self-employed, would have to refuse work for child care. The activities would not be so varied, nor would there be such an opportunity to socialise.'

> 'It enables both parents to work during the holidays in the knowledge that our child is safe and having fun. We would otherwise have to take unpaid leave, as other childcare is prohibitively expensive.'

Analysis by Surrey County Council (2015) found a clear relationship between child obesity and poverty. 23.4% of children in Westborough live in poverty and 21.8% of children in Stoke. Reception age children in the Spinney Children's Centre catchment area are the most likely in Guildford to be obese (9.89%) or underweight (1.1%) with just 78% of Year R children at a healthy weight. The Stoke area presents similar data with 8.9% of Year R children measured as obese in the Bellfields catchment area (relevant for our Weyfield delivery) and just 74.3% of children being a healthy weight. The number of children assessed as overweight at the Spinney for school age Year 6 is the highest for all children's centres in Guildford. In total, 32% are obese or overweight and 1.6% are underweight. For Stoke Bellfields area an estimated 35% plus of Y6 children are either overweight or obese. This is striking data and shows something new must be done to tackle the health of children in the area – many of whom will attend CHIPS – getting children active and making positive food choices when they are able.

Food Poverty
Overview and Scrutiny Task and Finish Group

Notes of the meeting with Guildford Tesco Community Champion in Sheepleas Room on 19 June 2018 at 10.00am

Present: Councillors Angela Goodwin (Chair) and Angela Gunning

Also present: James Dearling (Overview and Scrutiny Manager) and Kellie Morgan (Community Champion, Tesco Guildford)

1. Apologies for absence

The group was advised of apologies from Councillors Sheila Kirkland, Pauline Searle and James Walsh.

2. Discussion with Community Champion, Guildford Tesco

The Chair welcomed Kellie Morgan, the Community Champion from Tesco Superstore, Ashenden Road, and explained the purpose of the task group's review and its interest in finding out what Tesco does locally to help address food poverty and food waste.

The Tesco Community Champion advised the group that her store donated food to five different local organisations / charities (including the Salvation Army and Guildford Action). She agreed to provide the task group with a complete list of organisations and the day that they collected from the store. The meeting was advised that Age Concern had never contacted the store for help.

The group was advised that Tesco had a target to have zero waste by 2020. In response to a question about the relationship with the local foodbanks, the Community Champion indicated that the North Guildford foodbanks no longer collected food while the Salvation Army occasionally even purchased food from the store.

The meeting considered the issue of surplus food and the Fare Share model of re-distribution. In addition, the value of community fridges, community larders, and community stores (with items discounted) was discussed.

The Committee was advised of the Feed Crawley / Food 4 Crawley Community Project. The meeting was advised that there was no referral process for the event. The Tesco Community Champion indicated that she hoped a 'Feed Guildford at Christmas' or similar event would be held this year.

The meeting considered France's ban on supermarkets throwing away or destroying unsold food, and being forced instead to donate it to charities and food banks.

In response to a question, Councillors were advised that the Tesco Express on Bridge Street did not donate food to local organisations. The meeting was advised that the disposal of short-dated food was to some extent a matter for individual store managers.

The meeting considered whether it was preferable for food donations to be distributed within the same locality, rather than be taken out of the area.

The meeting was advised that Tesco at Ashenden Road donated food for a weekly cooking class at Stoughton Infant School.

The merit of providing a starter pack or parcel for new householders, to be distributed by the Council's Community Wardens, was considered.

The meeting was advised that in the South-East, most Tesco stores partner with Fare Share rather than the Trussell Trust.

The meeting was advised of steps Tesco was taking that would cut food waste, including reducing the number of products it carried. In response to a question, the Tesco Community Champion confirmed that there was no freezing of surplus food to facilitate later collection or use. The Tesco Community Champion indicated that she would find out what food waste was sent to farms for animal feed.

The group was advised of an officer at the University of Surrey Students' Union who reportedly collated information about foodbanks.

The Chair thanked Kellie for attending and answering questions.

Food Poverty
Overview and Scrutiny Task and Finish Group

Notes of the meeting with Nicola Bassani, Diocese of Guildford in Law Library on 25 June 2018 at 10.30am

Present: Councillors Angela Goodwin (Chair), Angela Gunning, and Pauline Searle.

Also present: Nicola Bassani (Partnership Advisor, Diocese of Guildford) and James Dearling (Overview and Scrutiny Manager)

1. Apologies for absence

The group was advised of apologies from Councillors James Walsh and Sheila Kirkland.

2. Discussion with Partnership Advisor, Diocese of Guildford

The Chair welcomed Nicola Bassani to the meeting, explained the purpose of the task group's review, and its interest in gathering evidence and viewpoints on food poverty and associated issues.

Ms Bassani advised the group that she had started as Partnership Advisor for the Diocese in January 2018, having previously been acted a Community Connector across the Borough for three years (employed by the Diocese and the Council).

The group was advised that in addition to the areas of deprivation that Council strategies focused on, rural areas were often affected by poverty. The group considered the need not to neglect small pockets of poverty Ms Bassani informed the group of the work undertaken in Horsley to create a sustainable model of neighbourhood connections (Neighbourhood Connections is a social prescribing project). The group was advised of requests for food support from among Horsley villagers and the mix of economic circumstances across the village.

The group was advised there were 55 food banks run across Surrey, including a small number from Diocese buildings. Ms Bassani advised the meeting about the Families Matter projects run in north Leatherhead, North Walton in Elmbridge, and Sandy Hill in Farnham. In reply to questions, the group was advised that the three local authorities in the areas involved had been supportive, including meeting their respective chief executives and the Diocese. The group discussed the difficulties of accessing food provision and was advised that transport in rural areas was a particular concern.

The group discussed holiday hunger programmes and the value in coordinating information to help families requiring support. The group was advised that Surrey County Council recognised the need to support families.

In response to a question, Ms Bassani indicated that food poverty can affect anyone and is not necessarily intrinsically linked to social problems stereotypically associated with disadvantage. For example, you can have two people in full time employment but only one experiencing food poverty and presenting at a food bank.

The group discussed the possible benefits of cookery classes, budgeting education, and other practical recommendations. Members noted that a lack of knowledge of basic

cooking skills was not a new problem and seemed to be becoming more widespread and perhaps a generational issue.

The meeting discussed the accessibility and amount of information on the Council's website, and the signposting information provided in the Diocese publication, *Help for those in Need: Crisis Support across the Diocese of Guildford*, and on other local authority websites. The group considered the merits of providing community information to show and support actions being taken and generally raise awareness of food insecurity issues.

The group was advised of food recipe cards that accompanied food parcels and were prepared with advice from the local CCG and Surrey County Council.

The group discussed the prevalence of food banks run by churches and faith groups and questioned whether the religious aspects might affect attendance. In response, Ms Bassani indicated that food banks were part of the social action of the churches and agreed that the initial greeting at food banks was important. She indicated that poverty issues warranted engagement across all the community.

The group was advised of the involvement of local supermarkets at community events.

The meeting discussed community fridges, including possible health hygiene complications.

With reference to the rollout of universal credit in October, the group agreed that a conference or similar gathering to raise awareness of the issues would be beneficial. The group suggested early in 2019 would be an appropriate time for such an event (after the impact of universal credit could be demonstrated). The suggestion was put forward to avoid 'Guildford' in the naming of such an event, as the name was invariably associated with the town rather than the wider Borough. In addition, better use of the interaction people had at food banks was suggested.

The Chair thanked Nicola for attending and answering questions.

[Subsequent to this discussion, the group considered the foodbank cap of three vouchers per individual and whether there should be increased leniency, particularly during the roll out of universal credit. Members were advised that some people did not receive their universal credit within the correct period of time, and could be waiting for weeks.]

Food Poverty
Overview and Scrutiny Task and Finish Group

Notes of the meeting with Director of Community Services in Chantries Room on 9 July 2018 at 10.30am

Present: Councillors Angela Goodwin (Chair), Angela Gunning, Sheila Kirkland, and Pauline Searle.

Also present: James Dearling (Overview and Scrutiny Manager) and Philip O'Dwyer (Director of Community Services)

1. Apologies for absence

The group was advised of apologies from Councillor James Walsh and Councillor Iseult Roche, Lead Councillor for Community Health, Wellbeing, and Project Aspire. The Chair indicated that she would contact Councillor Roche after the meeting with a view to gathering her views on the issues identified within the review's scoping document:

[i.e.,

- What is driving people to use food aid in Guildford, and how accessible and appropriate is it?
- Who needs food aid and why?
- What are the impacts of food poverty?
- How effective is the model of food aid provision in Guildford Borough (in meeting immediate and long-term needs)?
- What approaches could be used to reduce residents' dependency on food aid?
- How successful are GBC's strategic approaches to tackling food poverty across the borough?]

2. Discussion

The Chair welcomed the Director of Community Services to the meeting, explained the purpose of the task group's review, and its interest in gathering evidence and viewpoints on food poverty and associated issues.

With reference to the group's scoping document, the group discussed the progress of its review and obtained the views of the Director of Community Services.

The Director of Community Services questioned whether issues other than food poverty needed to be tackled as a higher priority. In addition, the possibility of food banks being better connected in the Borough was suggested. The growth of food banks and the issue of supply and demand was discussed. Similarly, whether there was a required density of population necessary to support a food bank was considered. The Director of Community Services was advised that storage and distribution appeared to be greater issues for food banks than obtaining sufficient volunteers.

The group members advised the Director of Community Services about the Lighthouse Centre at Woking, Fare Share, local food banks, and fuel poverty. The group was

reminded that supermarkets would ordinarily have to pay to dispose of surplus and waste food.

In response to questions, the group was advised that universal credit had been launched for cases considered straightforward and would be introduced for other claimants in the Borough by October 2018. The Director of Community Services indicated that universal credit was a tough system, while claimants might not be the most organised and perhaps tended to fall through the cracks in the Department for Work and Pensions assistance schemes.

The meeting contrasted the accessibility of fast food and processed foods with fresh food with a shorter shelf life. The group was advised that local convenience stores stocked a limited range of goods; the Director of Community Services indicated that as part of Project Aspire the establishment of a mobile fruit and veg van was being investigated.

The Chair thanked the Director of Community Services for attending and answering questions.

Food Poverty
Overview and Scrutiny Task and Finish Group

Notes of the meeting with Lead Councillor for Housing and Development Management in Loseley Room on 11 December 2018 at 3.00pm

Present: Councillors Angela Goodwin (Chair) and Angela Gunning.

Also present: Councillor Philip Brooker (Lead Councillor for Housing and Development Management), James Dearling (Overview and Scrutiny Manager), and Siobhan Rumble (Landlord Services Manager)

1. Apologies for absence

The Chair was advised of apologies from Councillors Sheila Kirkland, Pauline Searle, and James Walsh.

2. Discussion

The Chair welcomed Lead Councillor for Housing and Development Management and the Landlord Services Manager, outlined the group's review, and explained the purpose of the meeting.

With reference to a summary note prepared for the meeting, the Lead Councillor for Housing and Development Management and the Landlord Services Manager summarised the current situation in respect of Universal Credit (UC) in the Borough.

The task group members were advised that the impact of UC in Guildford was currently low and the full rollout of UC in the Borough was scheduled for 2022/23. Presently there were 59 people on UC in the Borough, with the vast majority (55) dating from 24 October 2018. The members were informed that advance payment could be paid back over 16 months rather than 12 months. In addition, within the Borough nine Alternative Payment Arrangements had been applied for, with 3 approved.

The meeting was advised that UC had no provision for a 53 week year meaning that every five or six years there would be 53 weekly rent charges in one year, but that the housing cost element in the monthly UC payments was calculated using a maximum of 52 weeks. The members were advised that tenants with weekly rents would be short by a week and that monthly tenancies were unaffected by the rule.

The Landlord Services Manager advised the meeting that she had contacted North Guildford Food Bank very recently and been advised it was closed to donations (i.e., full) and only really wanting financial donations at the moment for users' gas and electricity payments. She informed the meeting that the food bank had told her it often had to close its doors to donations in the Christmas season due to the generosity of local people.

The Landlord Services Manager indicated that the food bank had experienced an increase in use of approximately twenty percent in 2018 (up to August). She informed the

meeting that this increase was not as a result of UC [which prior to 24 October 2018 had only 4 cases Borough-wide].

The group was informed that a Welfare Benefits and Money Advisor was being recruited to support Council's housing residents on UC. The meeting was informed that the Council had a culture of supporting and helping [Council] residents to sustain their tenancies.

The group was advised about the Council's use of RentSense rent arrears management software (going live in January 2019). The meeting was advised that RentSense predicted the risk of rent arrears and identified which tenants should be prioritised for contact. In response to a question, the meeting was advised that the software did not pick up the number of people on zero hour contracts.

In response to a question, the Landlord Services Manager indicated that food poverty did exist in the Borough. The Lead Councillor for Housing and Development Management confirmed he was aware of food bank usage, including in his own ward, and indicated he did not know the reasons causing such use.

In reply to a question about signposting residents of Council housing to local hardship or distress funds, the Landlord Services Manager indicated that the caseworkers in tenancy services adopted a range of approaches to minimise rent arrears and maximise residents' take-up of entitlements.

With reference to the payment of UC five weeks in arrears, the members questioned whether landlords were nervous or reticent to deal with those in receipt of the benefit. In reply, the Landlord Services Manager indicated that the Council had good relationships with its regular private sector landlords and did guarantee deposits and, to some extent, rent. She confirmed that staff did assist with applications to the Council for DHP (Discretionary Housing Payments).

The Chair thanked the Lead Councillor for Housing and Development Management and the Landlord Services Manager for attending and answering questions.

Food aid providers   (Information correct as of November 2018)

Food Parcels or Emergency Meals

Open Regularly Every Week	Name	Website	Opening Times
Food Bank + Meal Provider	North Guildford Food Bank, St Clare's Church	www.northguildfordfoodbank.co.uk	8.45-10.45am Wednesday & 5.30-6.30pm Friday
Food Bank + Meal Provider	North Guildford Food Bank, New Hope Church	www.northguildfordfoodbank.co.uk	5.30-6.30pm Friday
Food Bank + Meal Provider	North Guildford Food Bank, Bushy Hill Community Centre	www.northguildfordfoodbank.co.uk	4.30-5.30pm Thursday
Food Bank + Meal Provider	Salvation Army, Woodbridge Road	www.salvationarmy.org,uk/guildford	4-5.30pm Friday* and can throughout the week
Meal Provider	Number 5 Project	www.numberfiveproject.co.uk	6pm-10am
Meal Provider	Footsteps	www.footsteps.org.uk	4.30-7pm Sunday
Meal Provider	Guildford Action Drop-In Centre	www.surreycommunity.info/guildfordaction	9.30am-4pm Monday-Friday
Meal Provider	Hill Song Church		
Meal Provider	Merrow Community Lunch Club	www.merrowmethodistchurch.org.uk	Tuesday lunchtime
Food Parcels	St Peter's Shared Church	www.stpetersguildford.org	Ad hoc
Meal Provider	St Peter's Shared Church	www.stpetersguildford.org	
Meal Provider	Westborough United Reformed Church, Southway	www.westborough-urc.co.uk	
Meal Provider	St Alban's Church	www.worplesonparish.com	
Meal Provider	Worplesdon Parish bi-weekly café at Fairlands community centre	www.worplesonparish.com	
Meal Provider	Matrix Trust Youth Hub Bellfields	www.matrixtrust.com	7.30-9pm Friday
Meal Provider	Matrix Trust Youth Hub Bushy	www.matrixtrust.com	6.30-8pm Thursday
Meal Provider	Matrix Trust Youth Hub Albury	www.matrixtrust.com	7.45-9.15pm Friday
Meal Provider	St Saviour's Church	www.st-saviours.org.uk	
Meal Provider	Guildford Street Angels	www.gtcc.org.uk	Friday and Saturday nights 10.30pm-4am
Meal Provider	Guildford Family Church		Ad hoc
Meal Provider	Canterbury Care Centre at the Keeper's Pub	www.canterburycarecentre.com	
Meal Provider	Canterbury Care Centre	www.canterburycarecentre.com	
Meal Provider	St John's Church, Stoke Road	www.stjohns-stoke.co.uk	
Meal Provider	Guildford Baptist Church	www.guildfordbaptistchurch.org	
Meal Provider	Guildford Borough Council, Meals on Wheels	www.guildford.gov.uk	
Meal Provider	Guildford Borough Council, Lunch Clubs (at Park Barn, Shawfield Centre and Dray Court)		
Meal Provider	Family Church Guildford		Kids Club once a month

Food Aid Provider - Holiday and Temporary Provision

Meal Provider	Emmanuel Church	www.emmanuelchurch.co.uk	
Meal Provider	Munch Club St John's Church Stoke Road	www.stjohns-stoke.co.uk	
Meal Provider in holidays (cooking lessons in term-time)	Foodwise	www.foodwiselc.care	
Meal Provider (as part of holiday provision)	CHIPS	www.chipsholidayplay.co.uk	
Meal Provider	Matrix Trust at St Peter's Shared Church	www.matrixtrust.com	
Meal Provider	BESOM Guildford	www.besom.com/local-besoms/guildford	

In the pipeline

Meal Provider	Trash Canteen Community Kitchen at the Boileroom		

* From 27 March 2019, Salvation Army changes to Wednesdays 3.00-5.00pm

Appendix 4

Trussell Trust food bank usage, 2016-17 and 2017-18

Total Number of three day emergency food supplies during 2016/17

Foodbank	Ash South & Tongham	Ash Vale	Ash Wharf	Burpham	Christchurch	Clandon & Horsley	Effingham	Friary & St Nicolas	Holy Trinity	Lovelace	Merrow	Normandy	Onslow	Pilgrims	Pirbright	Send	Shalford	Stoke	Stoughton	Tillingbourne	Westborough	Worplesdon	
Woking	2	0	0	0	0	0	0	4	0	4	0	0	0	0	33	23	0	0	1	0	0	12	79
Cobham	0	0	0	0	0	105	52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	157
Farnham	89	48	107	0	1	6	0	0	0	0	6	1	0	38	0	2	0	20	0	0	1	32	351
Dorking	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9	0	0	9
Farnborough	11	2	51	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	64
Total	**102**	**50**	**158**	**0**	**1**	**111**	**52**	**4**	**0**	**4**	**6**	**1**	**0**	**38**	**33**	**25**	**0**	**20**	**1**	**9**	**1**	**44**	**660**

Total Number of three day emergency food supplies during 2017/18

Foodbank	Ash South & Tongham	Ash Vale	Ash Wharf	Burpham	Christchurch	Clandon & Horsley	Effingham	Friary & St Nicolas	Holy Trinity	Lovelace	Merrow	Normandy	Onslow	Pilgrims	Pirbright	Send	Shalford	Stoke	Stoughton	Tillingbourne	Westborough	Worplesdon	
Woking	1	0	0	0	0	0	0	0	2	1	2	7	0	0	37	6	0	0	5	0	0	0	61
Cobham	0	0	0	0	0	75	14	0	0	0	0	0	0	0	0	0	0	9	0	0	0	0	98
Farnham	88	30	110	1	6	9	0	1	0	2	1	11	4	9	0	0	0	11	2	0	6	8	299
Dorking	0	1	0	0	0	4	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	6
Farnborough	8	15	62	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	93
Total	**97**	**46**	**172**	**1**	**6**	**88**	**14**	**1**	**2**	**3**	**3**	**18**	**4**	**9**	**37**	**6**	**0**	**20**	**7**	**1**	**6**	**16**	**557**

Appendix 5

The main welfare reforms since 2013

Benefit change	Date	Details	Who could be affected
Housing Benefit: Bedroom tax for under occupation in social housing	April 2013	Tenants in social housing have their benefits cut by 14 per cent if they have a spare bedroom, or 25 per cent if they have two or more. Two children under 16 of the same gender are expected to share one bedroom, as are two children under 10, regardless of gender.	Renters in the social sector with spare rooms. On average a tenant affected by the bedroom tax would lose between £14 and £25 a week.
Transition from Disability Living Allowance (DLA) to Personal Independence Payments (PIP)	2013 - ongoing	DLA awards are ending and claims for PIP have to be made.	Adults aged between 16 and 64. Many have struggled with delays in transition and changed criteria.
Limits to benefits based on the number of children	April 2017	The limit to two children affects claims of Child Tax Credit, Housing Benefit and Universal Credit when third or subsequent children are born after April 2017. No Family Premium will be included in any new claim for HB, or existing claimants for child born on or after April 2017.	Beyond the reduction to the Benefit Cap, this will further limit the amount of benefit available to 'large' families. Discretionary Housing Payments (DHP) may be available to assist larger families.

Freeze of working age benefits: freeze for four years until 2020 along with changes to tax credits and income thresholds	April 2016	Many clients will not see a cost of living increase in some benefits they receive until 2020.	Minimum wage increases not expected to compensate for the lowered benefit thresholds. Therefore, low-income families and vulnerable people will have increased financial pressures.
Local Housing Allowance (LHA) freeze	April 2016	LHA sets the maximum amount at which Housing Benefit is paid for those in private rented properties. LHA rates will continue at their current level until 2020.	A real term cut to LHA may erode its value over time, making private renting increasingly unaffordable to people who need support with their housing costs.
Universal Credit (UC)	In Surrey from Autumn 2017.	UC is replacing the six current welfare benefits (including housing benefit), and is administered by the Department for Work and Pensions (DWP). It will eventually roll-out to all claimants by 2023.	UC is paid monthly in arrears, and will shift responsibility to the claimant to manage their income effectively to meet their financial commitments including the payment of their rent. It is anticipated that this will present difficult choices for those who struggle to self-manage their finances.
Benefit Cap: Reduction in the total amount of 'welfare' a household can receive. Reduced in November 2016 from £26k to	2013 -	'Welfare' includes benefits such as Child Benefit, Employment and Support Allowance, Housing Benefit, Income Support and Jobseekers Allowance. For people	In Guildford Borough in the period 2013 to August 2018, 311 households have had their benefits capped. At August 2018 there were 104 households in the Borough affected by the

£20k (for couples/lone parent households). Single adults without children receive a maximum of £13,400		on Housing Benefit, the Cap is imposed by reducing the claimant's HB only.	benefit cap, losing between a few pence to over £200 per week.

Appendix 6

FOOD CRISIS VOUCHER

PLEASE PHONE THE FOLLOWING NUMBER FOR RECORDED DETAILS OF CURRENT OPENING HOURS

07952092735

Guildford Food Crisis Centre
The Salvation Army Hall
Woodbridge Road
Guildford, Surrey, GU1 4QQ
01483 506763

**Please complete the form in BLOCK CAPITALS
PHOTOCOPIES CAN NOT BE ACCEPTED**

Name: | Authorised Signatory:

Organisation :

Client first name: | Client surname: | Date:

Telephone:

Client's Address:
(Please include Post Code) | Post Code | Adults | Children (under 16)

Nature of crisis (please tick most appropriate box, one only)

Benefit cuts	☐	Benefit delay	☐	Refused crisis loan	☐	Delayed Wages	☐	Debt	☐
Homeless	☐	Low income	☐	Unemployed	☐	Domestic Violence	☐	Sickness	☐
Child Hols Meals	☐	Other:							

This voucher has no monitory value, is not transferable, is only valid when completed by an authorised signatory, and must be exchanged for emergency food within one week. | Client Signature:

THE SALVATION ARMY Registered Charity Number 214779 and in Scotland SC009359

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Overview and Scrutiny Committee Report

Report of Director of Finance

Author: James Dearling, Scrutiny Manager

Tel: 01483 444141

Email: james.dearling@guildford.gov.uk

Date: 4 June 2019

Food Poverty — Report of the Overview and Scrutiny Task and Finish Group

Executive summary

The Overview and Scrutiny (O&S) Committee is asked to consider and endorse the findings and recommendations of the task group it established to investigate food poverty in the Borough. The task group's report is attached as **Appendix 1**.

In a wide-ranging analysis, the task group's report suggests the scale of food poverty and insecurity within the Borough has not been recognised sufficiently, cautions against mistaking short-term action as a solution, and argues for action against the structural causes of food poverty and insecurity.

The task group's report puts forward recommendations for endorsement by the Committee. If adopted by the Committee, the group's report will go forward to the Executive. Importantly, the Committee has the option of referring its formal recommendations and conclusions for consideration at Full Council.

The task group's report was finalised in March 2019 but due to pre-election restrictions is able to be published only now.

Recommendation

That the Committee

(i)   adopt the report of the Food Poverty Overview and Scrutiny task and finish group;

(ii)   refer the Food Poverty Overview and Scrutiny report for consideration at Full Council on 23 July; and

(iii)   commend the findings and recommendations of the Food Poverty Overview and Scrutiny report to the Executive [with a response to the Committee required by November 2019].

Reason for Recommendation:
To address food poverty and insecurity in the Borough.

1.   Purpose of report

1.1   The report attached at Appendix 1 sets out the investigation and conclusions of the Food Poverty Overview and Scrutiny task group. The task group's recommendations are repeated at section 6 of this officer report.

1.2   The Committee is asked to formally adopt the report of its Food Poverty task group and commend its findings to the Executive.

1.3   In addition, the Committee is requested to exercise its power to refer its Food Poverty report for consideration at Full Council (on 23 July), with the response of the Executive reported to a subsequent meeting of Full Council.

1.4   This officer report provides only an introductory outline to the task group's work; a full and proper understanding and appreciation of the investigation and proposals is best obtained from reading their report.

2.   Strategic priorities

2.1   The Overview and Scrutiny task group review makes recommendations to address food poverty and food insecurity in the Borough. Supporting older, more vulnerable, and less advantaged people in our community is a strategic priority for the Council (identified within the Community theme of the Council's Corporate Plan).

3.   Background: the establishment and role of the task group

3.1   In April 2017, the Overview and Scrutiny Committee established a task group to investigate food poverty in the Borough and report back. Together with identifying the causes, use, and provision of food aid in the Borough, the Committee tasked the group with investigating the impact and scale of food poverty and how to tackle it.

3.2   In addition, the group's review was to include investigating the use of surplus food as part of the local response to food poverty.

3.3   Overview and Scrutiny's decision to undertake such a review was prompted by concerns about continuing food poverty and food insecurity in the Borough.

3.4   Sections 1.4-1.6 of the task group's report provides a fuller explanation of the reasons for the review.

3.5   Membership of the O&S task group was cross-party:

Councillor Angela Goodwin (Chair)   Councillor Dennis Paul [until April 2018]
Councillor Angela Gunning   Councillor Pauline Searle
Councillor Sheila Kirkland   Councillor James Walsh

4.   Task group's evidence

4.1   In addition to exploiting published reports and research, the task group sought evidence and views from a range of sources; namely, local and national food aid organisations, charities, users of food aid, academic experts, the Diocese

of Guildford, supermarkets, Council officers, Lead Councillors, and other local authorities.

4.2   The group collected much of its local evidence at formal meetings held between June 2017 and December 2018. The notes of much of the oral evidence gathered by the task group are included at Appendix 2 to their report.

4.3   In addition, the group commissioned an external researcher to help map the emergency food aid provision in the Borough. An outline of the resulting model of food aid provision is included at Appendix 3 to the task group's report.

4.4   The task group's process to gathering information and evaluating evidence is described further in section 2 of their report.

4.5   The task group's work locates food poverty and food insecurity issues in both national and local contexts. This discussion occurs in section 3 of the report, where the scale, impacts, and costs of food poverty and food insecurity are discussed in-depth. The same section of the report examines the significance of food bank usage and the stigmatisation of those in food insecurity.

4.6   In March 2019, the task group's report was shared for comments on factual accuracy with everyone who had participated in the review.

5.   Task group's findings and proposals

5.1   The main findings and conclusions of the review are put forward within sections 4 and 5 of the task group's report. Prior to presenting detailed proposals, the report considers the causes of food poverty and insecurity and the reasons for people accessing food aid.

5.2   Food poverty is an emotive subject and, as the task group reports, can become politicised. The task group contends that the concept of the deserving and undeserving poor can be seen within the current discourses of food poverty and food aid (for example, see sections 3.42-3.43). They suggest that such moral judgments appear an attempt to assign blame for food poverty on behavioural factors rather than financial ones.

5.3   The task group finds narratives that apportion primary responsibility for food poverty and insecurity on those experiencing it to be wide of the mark. The group concludes that assertions about individual behaviours, such as financial mismanagement or a lack of food skills, are unpersuasive explanations for why people access food aid. Similarly, the group considers another common explanation for people resorting to food aid – the occurrence of a short-term 'crisis' or event – as missing the whole picture. Instead, the group argues for a greater understanding of the wider context and continuing circumstances and conditions within which some vulnerable households and families live.

5.4   The task group concludes that structural drivers of poverty are a convincing explanation for food poverty and people resorting to food aid. The group marshals evidence from interviews, local case studies, food bank referral data, and academic research to support its contention.

5.5   The task group's exploration and conclusions relating to the structural causes of food poverty and insecurity are perhaps the most politically controversial aspects of its report. Here the task the group assembles a list of factors: a higher cost of living (including the unaffordability of housing locally); income stagnation; in-work poverty; and the impact of welfare reform and austerity. They highlight a failing social security safety net and the consequence of breaking the link between benefits and price rises. The task group suggests the limitations of 'stopgap' models of food aid.

5.6   The task group's report differentiates between upstream and downstream interventions or approaches to tackle food poverty and insecurity. The group's report is unequivocal that short-term, reactive, downstream measures will not solve food poverty and upstream action on the structural drivers of food poverty and insecurity is required.

5.7   The group notes that without food aid it is difficult to see where those in food poverty would turn while longer-term solutions are pursued. Therefore, while emphasising that food aid is not a solution to food poverty and insecurity, and maintaining its 'desire to avoid entrenching an inadequate system', the group recommends (within section 5 of its report) ways to improve the immediate, local response.

5.8   The task group evaluates the use of surplus food as part of the local response to food poverty and insecurity. Its report concludes that surplus food and food insecurity are two separate issues. The task group notes how the use of surplus food for emergency food aid may depoliticise issues of food insecurity.

5.9   The task group suggests measures to improve the model of food aid provision in the Borough but notes the limited benefit of receiving help from food banks and other short term, food-centred, responses. The report calls for the development of a food poverty strategy and action plan, with local food insecurity measured to provide a baseline to evaluate interventions and monitor progress.

5.10   As part of this proposed food poverty strategy, the report recommends increased promotion of the local social security net – defined as the local welfare assistance scheme, Discretionary Housing Payments, and the Local Council Tax Support Hardship Fund – and the Mayor's Local Distress Fund.

6.   Task group's recommendations

6.1   The formal recommendations from the review are below; however, as stated above, an understanding of the rationale for them is only possible from reading the task group's report.

6.2   To address food poverty and insecurity in the Borough we recommend that:

        (I)   The Leader of the Council write to the Secretary of State for Work and Pensions outlining the problems caused by Universal Credit and other welfare reforms and calling for immediate upstream action on food insecurity.

(II) The Executive formally recognise food poverty and insecurity as issues meriting priority action in the Borough.

(III) The Executive reiterate its support for the principle that pay should reflect living costs and that the Council becomes an accredited real Living Wage employer with the Living Wage Foundation then promote the Living Wage scheme to employers locally.

(IV) The Executive develop and implement a Food Poverty Strategy and Action Plan that includes, but is not limited to:

(a) Facilitation of a food insecurity forum for the Borough (invited stakeholders to include food aid providers, food bank referrers, the Citizens Advice, churches, schools, sheltered housing, supported accommodation providers, and other experts by experience).

(b) Development and training sessions on food poverty and insecurity for Councillors, led by the relevant Lead Councillor, that includes advice on dealing with residents in severe hardship, how to make food bank referrals, the roll out of Universal Credit, and the local social security safety net.

(c) Prioritisation of a community space, 'Lighthouse' style resource for the Borough.

(d) Preparation and delivery of a formal food access plan to identify barriers to accessing affordable and nutritious food and actions to address them.

(e) Measures to encourage the creation of a community store or social supermarket (such as a *Your Local Pantry*).

(f) Development of local measurements of food poverty and insecurity, including engaging with external experts whenever possible, and working with partnership organisations such as Guildford's Health and Wellbeing Board.

(g) Extension of the remit of the Mayor's Local Distress Fund and reviewing the application procedure.

(h) Increased promotion of existing initiatives that target food poverty and insecurity and provide help to residents in hardship (including, Surrey's Local Assistance Scheme, the Discretionary Housing Payments fund, Guildford's Local Council Tax Support Hardship fund, the Mayor's Local Distress Fund, and emergency food aid providers).

(i) Maintaining and publicising, including on the Council's website and through partners, the current provision of food aid that is accessible to Guildford Borough residents.

(j) Review of the application process and criteria for the Council's Local Council Tax Support Hardship fund.

(V) The Executive ensure the Overview and Scrutiny review of food poverty is publicised.

(VI) The Executive request local emergency food aid providers consider the findings of the Overview and Scrutiny review of food poverty and insecurity (for example, the consideration of self-referral gateways and removal of the three-visit cap; altering food voucher forms by adding a tick box to specify Universal Credit as the primary cause of the referral; a possible name change to exclude the term 'food bank'; a limited delivery service; further staggering of opening times; improved availability of food parcels in more places around the community; ensuring there are no faith-based obligations, questions, or interventions with food aid users at any stage of a visit; and endorsement of the Dignity Principles).

Furthermore,

(VII) That the Executive submit to the Overview and Scrutiny Committee an update on the above recommendations no later than November 2019.

7. Power to refer report to Full Council

7.1 The Council's Overview and Scrutiny Procedure Rules enable the Committee to refer its formal recommendations and conclusions for consideration by Full Council, with the response of the Executive reported to a subsequent meeting of the Full Council.

7.2 The primary purpose of such a referral is to showcase the work of O&S and share its findings with the public and wider membership of the Council, and demonstrate that the Executive is responsive to O&S. In addition, a referral would provide an opportunity for debate on a matter of local concern.

7.3 The Council introduced this power of referral partly in anticipation of statutory guidance to recommend that O&S reports and recommendations be submitted to Full Council rather than solely to the Executive. The statutory guidance (issued late in May 2019) sees this referral and debate as part of communicating O&S's role and purpose and raising awareness of its work.

8. Pre-election restrictions

8.1 The task group's report was scheduled to be considered by the Overview and Scrutiny Committee at a special meeting arranged for late March 2019.

8.2 However, the task group's report was judged so politically sensitive that its publication and consideration was not possible during the pre-election period. As a consequence of this delay the task group's report is being published in late May but dates from March 2019.

9. Financial implications

9.1 There are no financial implications at this stage. However, should the Executive accept the recommendations within the task group's report then there is an expectation that the initiatives proposed will incur expenditure. For example, the Council becoming an accredited real Living Wage Employer, increasing promotion and protection of the local social security net, facilitating

a food insecurity forum, or prioritising a Lighthouse style resource for the Borough.

10. Legal implications

10.1 There are no legal implications arising directly from this report at this stage.

11. Equality and Diversity Implications

11.1 The Council has a statutory duty under section 149 of the Equality Act 2010 which provides that a public authority must, in exercise of its functions, have due regard to the need to (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

11.2 This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report at this stage.

12. Human Resources implications

12.1 There are no direct, immediate human resources implications arising from this report at this stage.

12.2 However, the Executive's acceptance of the proposed actions may have resource impacts, including absorbing food poverty and insecurity work within an officer delivery team.

12.3 In addition, becoming an accredited real Living Wage employer may have an effect. Currently, the Council pays the UK Living Wage to all established posts and fixed term contracts. Other arrangements are in place for casual workers, interns, apprentices and staff who have been transferred into the Council under TUPE. The Council has a commitment in its Pay Policy to pay the Living Wage, but is not accredited.

13. Background Papers

None.

14. Appendices

Appendix 1 – Report of the Food Poverty Task and Finish Group

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OVERVIEW AND SCRUTINY COMMITTEE

4 June 2019

* Councillor James Walsh (Vice-Chairman)

* Councillor Colin Cross	* Councillor John Redpath
* Councillor Liz Hogger	* Councillor Tony Rooth
* Councillor Tom Hunt	* Councillor Deborah Seabrook
* Councillor Gordon Jackson	* Councillor Patrick Sheard
* Councillor Steven Lee	* Councillor Paul Spooner
Councillor Masuk Miah	

*Present

Councillors Paul Abbey, Christopher Barrass, Chris Blow, Dennis Booth, Angela Goodwin, Lead Councillor for Housing (social and affordable), Homelessness, Access and Disability, Angela Gunning, Julia McShane, Lead Councillor for Health and Wellbeing, the Voluntary Sector, Grants Panel, Play Strategy and Project Aspire, Maddy Redpath, John Rigg, Deputy Lead Councillor for Sustainable Transport, Transformation & Regeneration and Economic Development, Pauline Searle, Lead Councillor for Arts, Parks, and Countryside, James Steel, Lead Councillor for Leisure, Heritage, Tourism, and PR and Communications, and Fiona White, Deputy Leader of the Council and Lead Councillor for Safeguarding, Inclusion, Public Safety, Community Safety, and Vulnerable Families.

In accordance with Council procedure Rule 23(j), Councillor George Potter attended as a substitute for Councillor Masuk Miah.

OS1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

The Committee was advised of an apology for absence from Councillor Masuk Miah and a substitute as detailed above.

OS2 ELECTION OF CHAIRMAN

RESOLVED: That Councillor Paul Spooner be elected Chairman of the Overview and Scrutiny Committee for the 2019-20 municipal year.

Councillor Spooner thereupon took the Chair.

OS3 LOCAL CODE OF CONDUCT AND DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS

There were no declarations of Disclosable Pecuniary Interests.

OS4 MINUTES

The minutes of the Overview and Scrutiny Committee meeting held on 5 March 2019 were approved.

In response to a question, the Committee agreed that actions outstanding from previous meetings should be reported through a standing agenda item.

OS5   FOOD POVERTY - REPORT OF THE OVERVIEW AND SCRUTINY TASK AND FINISH GROUP

The Chair welcomed Dr Martin Caraher, professor of food and health policy at the Centre for Food Policy, at City, University of London, Maria Zealey, from Surrey Welfare Rights Unit, and members of the food poverty task group.

Dr Caraher gave a presentation entitled, 'Food poverty and hunger in the UK: Race to the bottom.' He confirmed that he would focus on the issues at a national level rather than the specifics of the task group's report.

Dr Caraher stated that a lack of cookery skills was not in itself a cause of poverty. He criticised notions of a deserving poor and undeserving poor and indicated that the need for food banks and charity showed a dismantling of state provision. He informed the meeting that the root causes of food banks required attention. The meeting was advised that 14 million people in the UK live in poverty, with 8 million struggling to put food on the table, and over 4 million children at risk of food poverty.

Dr Caraher indicated that the first government measurement of food insecurity would be available in 2020/21 from the inclusion of questions in the Family Resources Survey starting in April 2019. He suggested that data within the food poverty task group's report provided sufficient proxy measures to act on.

The meeting was advised of the link between obesity and food poverty and the need for a comprehensive policy approach to such issues, rather than separate strategies.

Dr Caraher indicated that the 25 per cent increase in food prices between 2007 and 2012 had had a disproportionate effect on those on low incomes. He stated that between 1998 and 2009 household income for low-income households rose 22 per cent while food prices rose by 33 per cent.

Dr Caraher advised the meeting that households saved an average of 4 per cent between 2007 and 2010 by trading down to cheaper products. He noted that low-income households have not managed to make savings by trading down probably because they were already purchasing cheaper products. He stated that food was the elastic item in household budgets and that the lowest income decile typically bought less food rather than trading down.

Dr Caraher stated that falling income and static welfare benefits (after housing costs) combined with rising food prices had reduced food affordability by over twenty per cent for the lowest income decile households between 2007 and 2010. Dr Caraher advised the meeting that the energy intake of households fell by almost 10 per cent between 2007 and 2010. He indicated that food prices were forecast to increase by 15 per cent in the next 6 months, regardless of any impact from Brexit.

Dr Caraher provided information indicating that average household debt in the UK had almost doubled between 2000 and 2015, to nearly £12k. The meeting was advised that NHS workers, and supermarket workers were among those people taking out pay day loans to pay for essentials such as food, while Asda had contributed £20m to food charities at the same time as employing many low paid workers. The Committee was advised of the adverse implications of the gig economy (with over 900,000 people on zero hour contracts in the UK) for family life, food poverty, and obesity.

The meeting was informed that numbers of food banks had grown since the financial crisis of 2005. Dr Caraher stated that food banks did not address the root causes or drivers of food

poverty, but at best tackled issues of immediate want. The meeting was advised that about 8 out of 10 people living in food poverty do not use a food bank or charity provision. The meeting was advised that the weekday opening hours of food banks often meant low-income workers were unable to access them.

Dr Caraher informed the meeting that the Beveridge Report had no reference to food, as the assumption at the time was that such issues would be addressed through a basic income.

Maria Zealey advised the Committee that action could be taken locally, not just nationally, to address issues within the report.

The Committee Chairman introduced the members of the task group and indicated that Councillors Angela Goodwin and Pauline Searle had recently become members of the Executive. He invited Councillor Angela Goodwin to present the task group's report. Councillor Goodwin confirmed that she and Councillor Searle were attending the meeting not as members of the Executive, but to help explain the review and its conclusions and to answer questions from the Committee.

Councillor Goodwin, along with the other members of the task group, drew attention to selected aspects of their report. The Committee was advised about the working poor and low-income families in food insecurity and the existence of poverty in both rural and urban settings within the Borough was highlighted. With reference to the East Surrey Poverty Truth Commission, the meeting was informed that Guildford was not the only area in Surrey looking to address poverty.

The Committee was advised that an estimated 8.4 million people experienced food insecurity in the UK, including approximately 19 per cent of children. The Committee was advised of the financial costs to families caused by the absence of free school meals during the summer holidays. The meeting was advised about the CHIPS holiday playscheme running in the Westborough and Stoke wards and the lack of similar schemes in other parts of the Borough.

A member of the task group referred the Committee to the considerable amount of surplus food generated by supermarkets and subsequently distributed to charities and other organisations in the south east. The Committee was advised that the stigma associated with food poverty caused residents to access food banks far outside their neighbourhood areas. In addition, the meeting was informed of the failure of the relevant Lead Councillor to respond to the task group's requests to contribute to the review.

A member of the task group suggested the importance of monitoring the impact of Universal Credit.

The Committee was advised that four of the Borough's wards were within the third most deprived areas of England. The meeting was informed that 14.5 per cent of the Borough's children lived in poverty [after housing costs] and in three neighbourhoods the figure was over a quarter of children.

The Committee was advised that in 2017-18 over 2,000 food parcels were distributed to households in the Borough and that the number was expected have risen for 2018-19.

The Committee's discussion raised the following points and clarifications:

- The meeting was advised that Food cycle was a scheme providing meals using surplus food cooked in spare kitchen space.

- Councillors discussed the value in providing food aid as part of a wider umbrella project delivering a range of services, such as occurs at the Lighthouse Centre in Woking.

- In response to a Committee member suggesting the merit of a strategy with a wider focus than food poverty, the Committee was advised that the recommended food insecurity forum could provide a basis for a wider partnership approach.

- Members highlighted some of the health and social impacts of poverty and the interrelationships between issues.

- The extension of the CHIPS holiday playscheme to rural areas was suggested.

- The Committee requested confirmation of whether the Council paid the real Living Wage or the national Living Wage. In addition, the Committee asked for the number and percentage of Guildford Borough Council employees that are not paid the real Living Wage.

- The meeting heard proposals for the calculation of a minimum income standard for the Borough or county, leading to a Guildford or Surrey Living Wage. Dr Caraher indicated that some regional variations for the minimum income standard had been calculated

- Councillors discussed the value of proactive, early intervention or a triage approach to help people avoid a crisis. A member of the Committee suggested that organisations such as Citizens Advice and Christians Against Poverty did not have the resources to deal with the numbers of people seeking their advice and were unable to provide more accessible opening hours for those at work. The value in extra resources for existing advice services was suggested.

- With reference to the task group's recommendations about developing signposting to the help available to people in food insecurity, a Committee member suggested the benefit in deploying improved branding.

- A Committee member suggested the possibility of using green spaces and other land within the Borough for growing local food, perhaps through community schemes.

- The Committee was advised of evidence about differential supermarket pricing.

- The Committee was advised of the social significance of food in the UK and the impacts of excluding people from it.

- The meeting was informed that research had demonstrated the benefits of providing meals at work to both employers (for example, directly through higher productivity) and to employees' family life.

- Committee members noted the evidence within the report about the impact of Universal Credit on food bank demand. The meeting was advised that the transfer to Universal Credit of those in receipt of legacy benefits would involve millions of households. The Committee was informed that 1½ million children would lose rights to free school meals when Universal Credit was rolled out fully.

- A member of the Committee advocated cookery programmes to address the lack of food skills.

- The task group members confirmed that they had been presented with evidence of faith-based obligations or interventions at local food banks.

- A member of the Committee commented on the task group's recommendation to extend the remit of the Mayor's Local Distress Fund and review its application procedure. He indicated that the matter was one for the trustees of the Fund and questioned the proposal to review the ongoing involvement of a third party and the extension of the Fund's use.

- The Lead Councillor for Health and Wellbeing, the Voluntary Sector, Grants Panel, Play Strategy, and Project Aspire welcomed the task group's report and indicated she would be speaking further to the task group members.

- The Director of Community Services indicated that food banks were a response to the underlying issue of low income.

- Dr Caraher informed the meeting that England's Chief Medical Officer was considering subsidising healthy foods. Furthermore, Dr Caraher he indicated a need to consider strategies in an integrated way, reminding the meeting that Aneurin Bevan had been the minister for health and housing.

- In response to questions about local actions, the meeting was advised of alternative models to food banks: the food bank plus model centred on early intervention work rather than crisis response, Can Cook in Liverpool, Food Nation at Newcastle, Food Cycle, and community stores. Dr Caraher suggested that rather than adopting any particular existing model, Guildford should consider other models in the process of developing its own and consider joining the Sustainable Food Cities network.

- Maria Zealey suggested the importance of action on the Local Housing Allowance. With reference to the payment card system used in the Surrey County Council Crisis Fund, the meeting was advised to avoid designing specific services for poor people.

The Chairman thanked Dr Martin Caraher and Maria Zealey for attending to inform and advise the Committee.

RESOLVED: (I) That the Committee adopt the report of the Food Poverty Overview and Scrutiny task and finish group.

(II) That the Food Poverty Overview and Scrutiny report be referred for consideration at Full Council on 23 July 2019.

(III) That the findings and recommendations of the Food Poverty Overview and Scrutiny report be commended to the Executive, with a response to the Committee required by November 2019.

The meeting finished at 8.48 pm

Signed .... Date ....

Chairman

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Report to Council

Report of Director of Finance

Author: James Dearling, Scrutiny Manager

Tel: 01483 444141

Email: james.dearling@guildford.gov.uk

Date: 31 July 2019

Overview and Scrutiny Annual Report, 2018-19

Executive Summary:

This report outlines the work undertaken by overview and scrutiny (O&S) during the past municipal year, its future work programme as thus far developed and, in the context of improving O&S further, considers the recently issued statutory guidance on O&S.

Decisions taken during the past municipal year under the 'urgency' provisions and the use of 'call-in' are listed within the report, and detailed within Appendix 3. In 2018-19, five decisions were taken under the Constitution's urgency provisions, while there were no call-ins.

This report was also considered by the Overview and Scrutiny Committee (OSC) at its meeting on 9 July 2018. The OSC commended the report to Council.

Recommendations to Council

(1) That this report be commended as the annual report of the Overview and Scrutiny Committee for 2018-19.

(2) That the current rules relating to call in or urgency provisions remain unchanged.

(3) That the policies, practice, and approaches identified within the statutory guidance on O&S, attached as Appendix 2 to this report, be noted.

Reasons for Recommendation:
Article 8.2(d) of the Council's Constitution requires the Council's Overview and Scrutiny Committee to report annually to Full Council on the work undertaken during the year, its future work programme, and amended working methods if appropriate.

Overview and Scrutiny Procedure Rule 16(i), requires the operation of the provisions relating to call-in and urgency to be monitored annually and a report submitted to Full Council with proposals for review if necessary.

Statutory guidance on O&S has been published in May 2019 to ensure that local authorities carry out their O&S functions effectively.

1 Purpose of Report

1.1 This report has been prepared in accordance with Article 8.2(d) of the Constitution, which requires the Council's Overview and Scrutiny Committee to report annually to Full Council on the work undertaken during the year, its future work programme, and amended working methods if appropriate.

1.2   Overview and Scrutiny Procedure Rule 16(i) requires that the provisions relating to 'call-in' and 'urgency' are monitored annually and reported to Full Council with proposals for review if necessary.[1]

1.3   In addition, the report considers whether fresh measures to improve O&S at Guildford can be identified within the recently published statutory guidance on O&S.

2.   The Council's Strategic Framework

2.1   The O&S function strengthens the position of the Council to ensure that we are able to deliver our strategic priorities. For example, O&S assists the Council in improving value for money and efficiency and helps to ensure we are open and accountable to our residents.

3.   Work of the OSC in 2018-19

3.1   In accordance with Overview and Scrutiny Procedure Rule 7, the chairmen and vice-chairmen of the OSC and the Executive Advisory Boards (EABs) held joint work programme meetings in 2018-19. These meetings were held on four occasions to exchange, discuss, and agree work programmes for submission and approval to the OSC and EABs respectively.

3.2   In addition, the O&S work programme is prepared and progressed through frequent meetings between the O&S Chairman, Vice-Chairman, and Scrutiny Manager.

3.3   Lead Councillor question sessions continued as a regular item at OSC in 2018-19, with five members of the Executive attending such individual sessions, including the Leader of the Council. These sessions give an opportunity for non-Executive Councillors (and members of the public[2]) to question a member of the Executive about decisions and performance. Questioning can focus on targets and performance over time; particular decisions, initiatives, or projects; or on a section of a Lead Councillor's portfolio. Issues reviewed in this manner during 2018-19 include fire safety within the Council's housing properties and the Council's Budget gap.

3.4   The formal issues and topics considered by the OSC in 2018-19 include:

- Safer Guildford Partnership Annual Report 2018
- Local Government Association's Corporate Peer Challenge - Action Plan
- Guildford's Air Quality Strategy
- Modal Shift: Encouraging Sustainable Travel
- Houses in Multiple Occupation (HMO) Update
- Operation of the leisure management contract, 2017-18
- Watercourse and Grill Clearance
- Potential Impact of Brexit
- Annual report and monitoring arrangements for the operation of the G-Live contract, 2017-18
- Future Guildford
- Emergency Planning in Guildford Borough

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[1] Urgency provisions refers to the circumstances set out in the Access to Information Procedure Rules 15 (General Exception) and 16 (Special Urgency) and Overview and Scrutiny Procedure Rule 16(h) Call-in. Guildford Constitution, Part 4, Procedure Rules.
[2] The OSC may facilitate the asking of questions submitted in advance by members of the public. Council Constitution, Part 2 (Article 8), section 8.2(b)iii.

- Embedding Health and Wellbeing in Council Decision-making
- Guildford Community Lottery

3.5   Two additional issues were progressed in 2018-19 through an in-depth, task and finish group approach: On-street Parking and Food Poverty. Both reviews commenced in 2017. The report of the On-street Parking group was adopted by the OSC in June 2018 and its findings and recommendations considered by Guildford Joint Committee in September 2018.

3.6   The report of the Food Poverty task group was completed in March 2019 but, due to pre-election restrictions, was not able to be considered (and adopted) by the OSC until 4 June 2019. Its findings and recommendations will be discussed by full Council on 23 July 2019, prior to the Executive responding as the decision-maker in August 2019.

3.7   Another task group review, on Older People's Services, was started in late 2018 but ceased following the May 2019 elections because it no longer had any members. To inform its decision about whether or not to re-establish the review in 2019-20, O&S has requested information on the timeframe for developing recommendations about the service for a decision by the Executive.

3.8   Since 2016, the OSC has scrutinised the Council's G-Live and Leisure Partnership Agreement contracts monitoring through a working group reporting back to the Committee.

4.   Future Work Programme

4.1   Attached at Appendix 1 is the overview and scrutiny work programme for 2019-20 as developed thus far.

4.2   To assist in developing the future work programme, all Councillors were invited to an externally facilitated session on 17 June 2019 to help consider and start prioritising potential work programme items.

4.3   A programme of Lead Councillor question sessions will be scheduled for 2019-20.

4.4   Working groups drawn from non-Executive Councillors will be established to scrutinise the Council's Leisure Partnership Agreement and G-Live contracts monitoring. This group will report back to the OSC in November 2019 and January 2020 respectively.

5.   Improving Overview and Scrutiny

5.1   The continuing development of O&S at the Council is discussed below in the context of the Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities issued in May 2019.

5.2   The statutory O&S guidance includes a number of policies and practices authorities should adopt or should consider adopting when deciding how to carry out their overview and scrutiny functions. The Council 'must have regard' to the guidance but is not required to follow it in every detail.

5.3   Although it is statutory guidance, it is non-prescriptive and distinctly light-touch. It maintains that individual local authorities are best placed to decide how scrutiny[3] should work within their own political structures. As such, individual local authorities are invited to determine whether to implement the policies and practices featured in the guidance.

5.4   The guidance identifies effective scrutiny using six themes: culture, resourcing, selection of committee members, powers to access information, planning of work programmes, and evidence sessions.

5.5   The key content of the six themes is summarised below in sections 5.6 - 5.25 and the full report is attached at Appendix 2. Limited comment is offered.

Culture

5.6   The guidance notes that the organisational culture within a local authority is a key determinant of the success or failure of O&S, and emphasises the importance of Councillors in setting an environment for effective scrutiny.

5.7   The guidance lists a range of suggested measures to help establish a strong organisational culture supportive of the role of scrutiny:

a) **Recognising scrutiny's legal and democratic legitimacy**

    The guidance notes the need for all Councillors and officers to understand the importance and legitimacy of scrutiny, particularly its role as a check and balance on the executive.

b) **Identifying a clear role and focus**

    The guidance advocates scrutiny having a clearly defined role within the organisation.

c) **Ensuring early and regular engagement between the executive and scrutiny**

    The guidance suggests there should be early and regular discussions between scrutiny and the executive, especially about the future work programme of the executive.

d) **Managing disagreement**

    The guidance suggests that it is the job of the executive and scrutiny to work together to reduce the risk of the executive disagreeing with the findings or recommendations of the OSC. To achieve this, the development of a protocol is suggested to manage instances when the executive disagrees with the OSC.

e) **Providing the necessary support**

    The guidance notes that local authorities should consider the purpose of O&S when allocating resources to scrutiny.

f) **Ensuring impartial advice from officers**

    The guidance confirms the need for all officers to be able to give impartial advice to OSCs to help ensure effective scrutiny.

g) **Communicating scrutiny's role and purpose to the wider authority**

    The guidance notes that scrutiny can lack support and recognition due to a lack of awareness within a local authority about its role.

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[3] The guidance uses the term 'scrutiny' to refer to both overview and scrutiny and the same terminology is used within this report.

h) Maintaining the interest of full Council in the work of Scrutiny

The guidance notes the importance of the wider membership of the Council being kept informed of the work of scrutiny. The suggested mechanism for this is through submitting OSC reports and recommendations to full Council rather than solely to the Executive.

i) Communicating scrutiny's role to the public

The guidance recommends scrutiny have a profile in the wider community and suggests engaging the Council's communications officers to help with this.

j) Ensuring scrutiny members are supported in having an independent mind-set

The guidance notes the potential difficulties for O&S Councillors in having to scrutinise colleagues and their need for an independent mind-set.

5.8. Many elements above have already been addressed by the Council. For example, the power for the OSC to refer its reports and recommendations to full Council was introduced in 2018.

5.9 Moreover, given the role of O&S to provide challenge and act as a check and balance on the executive, Councillors may feel uneasy with the suggestion that the executive disagreeing with findings and recommendations from scrutiny is a risk to be minimised. At Guildford Borough Council, O&S minimises misunderstandings around its findings and recommendations by ensuring they are evidence-based and explained clearly, and provide a framework for debate.

Resourcing

5.10 The guidance suggests the resource allocated to scrutiny is fundamental in determining how effective the function is, before noting it is a matter for each local authority to decide.

5.11 Currently, the Council has a dedicated scrutiny officer post and a separate scrutiny budget for external advice and expertise.

Selecting Committee Members

5.12 The guidance notes how important the councillors serving on OSCs are to the effective functioning of scrutiny. The guidance identifies the need to consider experience, expertise, interests, ability to act impartially, ability to work as part of a group, and capacity to serve when selecting Councillors to serve on OSCs.

5.13 The guidance notes the importance and influence the role of Chairman has in the success of scrutiny. A suggestion is made for taking a vote by secret ballot as a method for selecting a scrutiny Chairman, but it is made clear that each local authority can choose the best method for their circumstances.

5.14 The guidance recommends that an induction and ongoing training are provided for scrutiny Councillors to enable them to carry out their roles effectively.

5.15 The Council offers induction training and ongoing skills training to Councillors, usually facilitated by John Cade from the Institute of Local Government Studies (INLOGOV), University of Birmingham. All this training has been extremely well received by councillors and additional sessions on aspects of overview and scrutiny are envisaged during 2019-20. In addition, Councillors are able to attend external O&S

training courses (for example, with the Centre for Public Scrutiny and the Local Government Association).

Power to Access Information

5.16   The guidance notes the legal powers of an OSC to access information in order to do its job effectively. The guidance suggests a number of considerations for scrutiny when seeking information from external organisations, including the need to explain the purpose of scrutiny, the benefits of an informal approach, how to encourage compliance with the request, and who to approach.

Planning Work

5.17   The guidance notes the importance of focusing on items that can make a tangible difference and having a long term plan, but one flexible enough to accommodate urgent, short term issues that arise.

5.18   The guidance suggests a variety of sources can inform the O&S work programme. A formal consultation with the public is suggested as likely to be ineffective, and less successful than individual Councillors having conversations with groups and individuals in their own local areas.

5.19   The guidance also recommends approaches to shortlisting topics should ensure that the items chosen are ones in which scrutiny can add value.

5.20   At Guildford Borough Council, the O&S work programme is considered regularly and agreed formally by the OSC. Topics are shortlisted with reference to a P.A.P.E.R. selection tool (attached as Appendix 4).

5.21   The OSC may wish to consider who else should be consulted in developing its work programme and how this could be accomplished.

5.22   The guidance suggest a number of ways to scrutinise topics, including as a single item on an agenda, a single item meeting, short or long-term task and finish groups, and a standing panel.

5.23   In the past year at Guildford, the majority of topics for O&S have been scrutinised as individual items on an agenda, a larger topic (Modal Shift) has involved a dedicated meeting, and more complex issues have been addressed through task groups or a standing working group.

Evidence Sessions

5.24   The guidance notes that evidence sessions are a key way for OSCs to inform their work and that they require effective planning. As far as possible there should be a consensus among scrutiny members about the objective of an evidence session.

5.25   Prior to each OSC meeting at Guildford Borough Council, a pre-meeting is held for discussing each agenda item and for question-planning. Given the importance of effective planning, the OSC might consider whether the current system of pre-meetings immediately before the meeting allows this to be accomplished or whether other mechanisms should be considered.

5.26   The guidance notes that recommendations from O&S should be evidence-based and SMART (specific, measurable, achievable, relevant, and time-bound). Such an approach has long been adopted by scrutiny at the Council.

6.   Call-In Procedure and Urgency Provisions

6.1   The provisions relating to 'call-in' and 'urgency' are monitored on an annual basis and recommendations for changes are submitted to the Council for consideration if necessary.

Call-in Procedure

6.2   Call-in is the power of Overview and Scrutiny to scrutinise a decision by the Leader/ Executive or an individual Lead Councillor before it is implemented. The call-in provisions also apply to a key decision made by an officer with delegated authority from the Leader/Executive.

6.3   The provisions relating to call-in are specified in the Overview and Scrutiny Procedure Rules contained in the Council's Constitution. The call-in mechanism enables non-Executive councillors to intervene when they feel that a decision being made by the Leader/Executive should be revisited or changed. The effect of call-in is to prevent implementation of a decision until the OSC has examined the decision. The OSC has the power to refer a decision back to the decision-maker or to refer a matter for further review by the Council.

6.4   The call-in procedure has not been exercised at the Council since November 2012 (that is to say, not since the call-in in relation to the future provision of classical music in the Borough).

6.5   The call-in procedure was revised by the Council in October 2014 as part of a review of the Council's Constitution. In 2014, the call-in threshold was increased from three councillors to five, while retaining the call-in power of the OSC chairman and increasing the call-in period from 96 hours to 5 working days.

6.6   There are no changes proposed to the call-in procedure at this time.

Urgency Provisions

6.7   The 'urgency' provisions are specified in the Access to Information Procedure Rules and Overview and Scrutiny Procedure Rules. A principal purpose of these provisions is to enable the Leader/Executive or individual Lead Councillor, with the consent of the chairman of the OSC, to agree to preclude the call-in of any particular executive decision in cases of urgency. In addition, these provisions enable key decisions to be taken with less than 28 days' notice: either with at least 5 clear days' notification or less notice with the agreement of the OSC Chairman.

6.8   During 2018-19, the urgency provisions were used on five occasions:

- Surrey Leaders' Group – Nominations for appointment to outside bodies 2018-19. Executive decision, 22 May 2018.

- Acquisition of leasehold interest in property. Decision taken by Leader, October 2018.

- Submission of Garden Village Bid for Wisley Airfield. Executive decision, October 2018.

- Slyfield Area Regeneration Project. Executive decision, March 2019.

- Acquisition of the Leasehold of an Industrial Unit. Executive decision, April 2019.

6.9 Further details of the five occasions during 2018-19 are attached at Appendix 3. This compares to three occasions in the 2017-18 municipal year.[4]

6.10 There are no changes proposed to the urgency provisions.

7. Legal Implications

7.1 This report on the operation of overview and scrutiny has been prepared in accordance with the requirements of the Council's Constitution. In particular, the Council's Overview and Scrutiny Procedure Rule 16(i) requires the operation of the provisions relating to call-in and urgency to be monitored annually and a report submitted to Full Council with proposals for review if necessary. Article 8.2(d) of the Constitution requires the Overview and Scrutiny Committee to report annually to Full Council on the work undertaken during the year, its future work programme, and amended working methods if appropriate.

7.2 Statutory guidance on O&S was published by the Ministry of Housing, Communities and Local Government in May 2019 under section 9Q of the Local Government Act 2000 and Schedule 5A paragraph 2(9) to the Local Democracy, Economic Development and Construction Act 2009. The Council must 'have regard' to the guidance when exercising and reviewing its O&S function. This means that it is not necessary to follow every detail of the guidance, but it should be followed unless there is good reason not to do so.

8. Financial Implications

8.1 There are no financial implications arising directly from this report.

9. Human Resources Implications

9.1 There are no human resources implications arising from this report.

10. Equality and Diversity Implications

10.1 The Council has a statutory duty under section 149 of the Equality Act 2010 which provides that a public authority must, in exercise of its functions, have due regard to the need to (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

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[4] Surrey Leaders' Group – nominations for appointment to outside bodies, 2017-18. Executive decision, 23 May 2017. Guildford Bus Interchange: Stage 3 Report and Stakeholder Engagement Progress. Executive decision, 27 June 2017. Proposed Surrey Business Rates Retention Pilot. Executive decision, 24 October 2017.

10.2 This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report.

11. Conclusion

11.1 Having considered the statutory guidance on scrutiny, together with current and previously considered approaches to scrutiny at the Council, officers recommend no change to O&S at this time. On 9 July 2019, the OSC was invited to consider the O&S guidance attached at Appendix 2 to this report, and the summary above, and confirm this view.

Officers are not recommending any changes to call-in or urgency procedures at this juncture.

12. Background Papers

None.

13. Appendices

Appendix 1: OSC work programme 2018-19, June 2019.
Appendix 2: Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities, May 2019.
Appendix 3: Key decisions taken by Executive in 2018-19 under urgency provisions / call-in waived.
Appendix 4: P.A.P.E.R. selection tool.

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Overview & Scrutiny work programme, 2019-20

Overview and Scrutiny Committee (OSC) – scheduled meetings
9 July 2019   - Safer Guildford Partnership Annual Report   - Review of Overview and Scrutiny – Annual Report   - Establishment of working group for G-Live and Leisure Partnership Agreement contracts monitoring
10 September 2019   - Lead Councillor Question Session: Councillor Susan Parker, Lead Councillor for Environment and Rural Strategy   - Support for care leavers   - Woodbridge Road Sports Ground Pavilion Refurbishment Project: post-project report   - Review of Guildford's Joint Enforcement Team
12 November 2019   - Lead Councillor Question Session: Councillor Joss Bigmore, Lead Councillor for Finance, Asset Management, and Customer Service   - Operation of the Leisure Management contract, 2018-19   - Post-project review of ICT infrastructure   - Progress report on Food Poverty recommendations
14 January 2020   - Lead Councillor Question Session: Councillor Caroline Reeves, Leader of the Council and Lead Councillor for Sustainable Transport, Transformation and Regeneration, Economic Development, Governance   - Air Quality Strategy - monitoring   - Annual report and monitoring arrangements for operation of the G-Live contract, 2018-19
3 March 2020   Lead Councillor Question Session (Lead Cllr tbc)
14 April 2020   Lead Councillor Question Session (Lead Cllr tbc)

Unscheduled items

- Implementation of Future Guildford
- Spectrum 2.0
- Evaluation of Project Aspire
- Governance of Council's major projects
- Social housing – how to ensure truly affordable homes
- Transport network – to improve the urban environment in the future, alleviate congestion and improve air quality for next generation. Reviewing work undertaken and planned, and identifying further recommendations.
- Traveller encampments
- Council's use of consultants
- Council website
- Impact of Brexit

Task and finish group from 2018-19

Title	Current membership	Anticipated end date
Older People's Service Review	None	Timescale requested for developing recommendations for the service and for a decision by the Executive. This will inform the OSC's decision about whether to re-establish the review.

Ministry of Housing,
Communities &
Local Government

Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities

OGL

Contents

Ministerial Foreword

The role that overview and scrutiny can play in holding an authority's decision-makers to account makes it fundamentally important to the successful functioning of local democracy. Effective scrutiny helps secure the efficient delivery of public services and drives improvements within the authority itself. Conversely, poor scrutiny can be indicative of wider governance, leadership and service failure.

It is vital that councils and combined authorities know the purpose of scrutiny, what effective scrutiny looks like, how to conduct it and the benefits it can bring. This guidance aims to increase understanding in all four areas.

In writing this guidance, my department has taken close note of the House of Commons Select Committee report of December 2017, as well as the written and oral evidence supplied to that Committee. We have also consulted individuals and organisations with practical involvement in conducting, researching and supporting scrutiny.

It is clear from speaking to these practitioners that local and combined authorities with effective overview and scrutiny arrangements in place share certain key traits, the most important being a strong organisational culture. Authorities who welcome challenge and recognise the value scrutiny can bring reap the benefits. But this depends on strong commitment from the top - from senior members as well as senior officials.

Crucially, this guidance recognises that authorities have democratic mandates and are ultimately accountable to their electorates, and that authorities themselves are best-placed to know which scrutiny arrangements are most appropriate for their own individual circumstances.

I would, however, strongly urge all councils to cast a critical eye over their existing arrangements and, above all, ensure they embed a culture that allows overview and scrutiny to flourish.

Rishi Sunak MP
Minister for Local Government

About this Guidance

Who the guidance is for
This document is aimed at local authorities and combined authorities in England to help them carry out their overview and scrutiny functions effectively. In particular, it provides advice for senior leaders, members of overview and scrutiny committees, and support officers.

Aim of the guidance
This guidance seeks to ensure local authorities and combined authorities are aware of the purpose of overview and scrutiny, what effective scrutiny looks like, how to conduct it effectively and the benefits it can bring.

As such, it includes a number of policies and practices authorities should adopt or should consider adopting when deciding how to carry out their overview and scrutiny functions.

The guidance recognises that authorities approach scrutiny in different ways and have different processes and procedures in place, and that what might work well for one authority might not work well in another.

The hypothetical scenarios contained in the annexes to this guidance have been included for illustrative purposes, and are intended to provoke thought and discussion rather than serve as a 'best' way to approach the relevant issues.

While the guidance sets out some of the key legal requirements, it does not seek to replicate legislation.

Status of the guidance
This is statutory guidance from the Ministry of Housing, Communities and Local Government. Local authorities and combined authorities must have regard to it when exercising their functions. The phrase 'must have regard', when used in this context, does not mean that the sections of statutory guidance have to be followed in every detail, but that they should be followed unless there is a good reason not to in a particular case.

Not every authority is required to appoint a scrutiny committee. This guidance applies to those authorities who have such a committee in place, whether they are required to or not.

This guidance has been issued under section 9Q of the Local Government Act 2000 and under paragraph 2(9) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009, which requires authorities to have regard to this guidance. In addition, authorities may have regard to other material they might choose to consider, including that issued by the Centre for Public Scrutiny, when exercising their overview and scrutiny functions.

Terminology
Unless 'overview' is specifically mentioned, the term 'scrutiny' refers to both overview and scrutiny.[1]

Where the term 'authority' is used, it refers to both local authorities and combined authorities.

Where the term 'scrutiny committee' is used, it refers to an overview and scrutiny committee and any of its sub-committees. As the legislation refers throughout to powers conferred on scrutiny committees, that is the wording used in this guidance. However, the guidance should be seen as applying equally to work undertaken in informal task and finish groups, commissioned by formal committees.

Where the term 'executive' is used, it refers to executive members.

For combined authorities, references to the 'executive' or 'cabinet' should be interpreted as relating to the mayor (where applicable) and all the authority members.

For authorities operating committee rather than executive arrangements, references to the executive or Cabinet should be interpreted as relating to councillors in leadership positions.

Expiry or review date
This guidance will be kept under review and updated as necessary.

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[1] A distinction is often drawn between 'overview' which focuses on the development of policy, and 'scrutiny' which looks at decisions that have been made or are about to be made to ensure they are fit for purpose.

1. Introduction and Context

1. Overview and scrutiny committees were introduced in 2000 as part of new executive governance arrangements to ensure that members of an authority who were not part of the executive could hold the executive to account for the decisions and actions that affect their communities.

2. Overview and scrutiny committees have statutory powers[2] to scrutinise decisions the executive is planning to take, those it plans to implement, and those that have already been taken/implemented. Recommendations following scrutiny enable improvements to be made to policies and how they are implemented. Overview and scrutiny committees can also play a valuable role in developing policy.

   > Effective overview and scrutiny should:
   > - Provide constructive 'critical friend' challenge;
   > - Amplify the voices and concerns of the public;
   > - Be led by independent people who take responsibility for their role; and
   > - Drive improvement in public services.

3. The requirement for local authorities in England to establish overview and scrutiny committees is set out in sections 9F to 9FI of the Local Government Act 2000 as amended by the Localism Act 2011.

4. The Localism Act 2011 amended the Local Government Act 2000 to allow councils to revert to a non-executive form of governance - the 'committee system'. Councils who adopt the committee system are not required to have overview and scrutiny but may do so if they wish. The legislation has been strengthened and updated since 2000, most recently to reflect new governance arrangements with combined authorities. Requirements for combined authorities are set out in Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.

5. Current overview and scrutiny legislation recognises that authorities are democratically-elected bodies who are best-placed to determine which overview and scrutiny arrangements best suit their own individual needs, and so gives them a great degree of flexibility to decide which arrangements to adopt.

6. In producing this guidance, the Government fully recognises both authorities' democratic mandate and that the nature of local government has changed in recent years, with, for example, the creation of combined authorities, and councils increasingly delivering key services in partnership with other organisations or outsourcing them entirely.

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[2] Section 9F of the Local Government Act 2000; paragraph 1 of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.

2. Culture

7. The prevailing organisational culture, behaviours and attitudes of an authority will largely determine whether its scrutiny function succeeds or fails.

8. While everyone in an authority can play a role in creating an environment conducive to effective scrutiny, it is important that this is led and owned by members, given their role in setting and maintaining the culture of an authority.

9. Creating a strong organisational culture supports scrutiny work that can add real value by, for example, improving policy-making and the efficient delivery of public services. In contrast, low levels of support for and engagement with the scrutiny function often lead to poor quality and ill-focused work that serves to reinforce the perception that it is of little worth or relevance.

10. Members and senior officers should note that the performance of the scrutiny function is not just of interest to the authority itself. Its effectiveness, or lack thereof, is often considered by external bodies such as regulators and inspectors, and highlighted in public reports, including best value inspection reports. Failures in scrutiny can therefore help to create a negative public image of the work of an authority as a whole.

How to establish a strong organisational culture

11. Authorities can establish a strong organisational culture by:

   a) **<u>Recognising scrutiny's legal and democratic legitimacy</u>** – all members and officers should recognise and appreciate the importance and legitimacy the scrutiny function is afforded by the law. It was created to act as a check and balance on the executive and is a statutory requirement for <u>all</u> authorities operating executive arrangements and for combined authorities.

   Councillors have a unique legitimacy derived from their being democratically elected. The insights that they can bring by having this close connection to local people are part of what gives scrutiny its value.

   b) **<u>Identifying a clear role and focus</u>** – authorities should take steps to ensure scrutiny has a clear role and focus within the organisation, i.e. a niche within which it can clearly demonstrate it adds value. Therefore, prioritisation is necessary to ensure the scrutiny function concentrates on delivering work that is of genuine value and relevance to the work of the wider authority – this is one of the most challenging parts of scrutiny, and a critical element to get right if it is to be recognised as a strategic function of the authority (see chapter 6).

   Authorities should ensure a clear division of responsibilities between the scrutiny function and the audit function. While it is appropriate for scrutiny to pay due regard to the authority's financial position, this will need to happen in the context of the formal audit role. The authority's section 151 officer should advise scrutiny on how to manage this dynamic.

While scrutiny has no role in the investigation or oversight of the authority's whistleblowing arrangements, the findings of independent whistleblowing investigations might be of interest to scrutiny committees as they consider their wider implications. Members should always follow the authority's constitution and associated Monitoring Officer directions on the matter. Further guidance on whistleblowing can be found at:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/415175/bis-15-200-whistleblowing-guidance-for-employers-and-code-of-practice.pdf.

c) **Ensuring early and regular engagement between the executive and scrutiny** – authorities should ensure early and regular discussion takes place between scrutiny and the executive, especially regarding the latter's future work programme. Authorities should, though, be mindful of their distinct roles:

> In particular:
>
> - The executive should not try to exercise control over the work of the scrutiny committee. This could be direct, e.g. by purporting to 'order' scrutiny to look at, or not look at, certain issues, or indirect, e.g. through the use of the whip or as a tool of political patronage, and the committee itself should remember its statutory purpose when carrying out its work. All members and officers should consider the role the scrutiny committee plays to be that of a 'critical friend' not a de facto 'opposition'. Scrutiny chairs have a particular role to play in establishing the profile and nature of their committee (see chapter 4); and
>
> - The chair of the scrutiny committee should determine the nature and extent of an executive member's participation in a scrutiny committee meeting, and in any informal scrutiny task group meeting.

d) **Managing disagreement** – effective scrutiny involves looking at issues that can be politically contentious. It is therefore inevitable that, at times, an executive will disagree with the findings or recommendations of a scrutiny committee.

It is the job of both the executive and scrutiny to work together to reduce the risk of this happening, and authorities should take steps to predict, identify and act on disagreement.

One way in which this can be done is via an 'executive-scrutiny protocol' (see annex 1) which can help define the relationship between the two and mitigate any differences of opinion before they manifest themselves in unhelpful and unproductive ways. The benefit of this approach is that it provides a framework for disagreement and debate, and a way to manage it when it happens. Often,

the value of such a protocol lies in the dialogue that underpins its preparation. It is important that these protocols are reviewed on a regular basis.

Scrutiny committees do have the power to 'call in' decisions, i.e. ask the executive to reconsider them before they are implemented, but should not view it as a substitute for early involvement in the decision-making process or as a party-political tool.

e) **Providing the necessary support** – while the level of resource allocated to scrutiny is for each authority to decide for itself, when determining resources an authority should consider the purpose of scrutiny as set out in legislation and the specific role and remit of the authority's own scrutiny committee(s), and the scrutiny function as a whole.

Support should also be given by members and senior officers to scrutiny committees and their support staff to access information held by the authority and facilitate discussions with representatives of external bodies (see chapter 5).

f) **Ensuring impartial advice from officers** – authorities, particularly senior officers, should ensure all officers are free to provide impartial advice to scrutiny committees. This is fundamental to effective scrutiny. Of particular importance is the role played by 'statutory officers' – the monitoring officer, the section 151 officer and the head of paid service, and where relevant the statutory scrutiny officer. These individuals have a particular role in ensuring that timely, relevant and high-quality advice is provided to scrutiny.

g) **Communicating scrutiny's role and purpose to the wider authority** – the scrutiny function can often lack support and recognition within an authority because there is a lack of awareness among both members and officers about the specific role it plays, which individuals are involved and its relevance to the authority's wider work. Authorities should, therefore, take steps to ensure all members and officers are made aware of the role the scrutiny committee plays in the organisation, its value and the outcomes it can deliver, the powers it has, its membership and, if appropriate, the identity of those providing officer support.

h) **Maintaining the interest of full Council in the work of the scrutiny committee** – part of communicating scrutiny's role and purpose to the wider authority should happen through the formal, public role of full Council – particularly given that scrutiny will undertake valuable work to highlight challenging issues that an authority will be facing and subjects that will be a focus of full Council's work. Authorities should therefore take steps to ensure full Council is informed of the work the scrutiny committee is doing.

One way in which this can be done is by reports and recommendations being submitted to full Council rather than solely to the executive. Scrutiny should decide when it would be appropriate to submit reports for wider debate in this way, taking into account the relevance of reports to full Council business, as well as full Council's capacity to consider and respond in a timely manner. Such

reports would supplement the annual report to full Council on scrutiny's activities and raise awareness of ongoing work.

In order to maintain awareness of scrutiny at the Combined Authority and provoke dialogue and discussion of its impact, the business of scrutiny should be reported to the Combined Authority board or to the chairs of the relevant scrutiny committees of constituent and non-constituent authorities, or both. At those chairs' discretion, particular Combined Authority scrutiny outcomes, and what they might mean for each individual area, could be either discussed by scrutiny in committee or referred to full Council of the constituent authorities.

i) **Communicating scrutiny's role to the public** – authorities should ensure scrutiny has a profile in the wider community. Consideration should be given to how and when to engage the authority's communications officers, and any other relevant channels, to understand how to get that message across. This will usually require engagement early on in the work programming process (see chapter 6).

j) **Ensuring scrutiny members are supported in having an independent mindset** – formal committee meetings provide a vital opportunity for scrutiny members to question the executive and officers.

Inevitably, some committee members will come from the same political party as a member they are scrutinising and might well have a long-standing personal, or familial, relationship with them (see paragraph 25).

Scrutiny members should bear in mind, however, that adopting an independent mind-set is fundamental to carrying out their work effectively. In practice, this is likely to require scrutiny chairs working proactively to identify any potentially contentious issues and plan how to manage them.

Directly-elected mayoral systems

12. A strong organisational culture that supports scrutiny work is particularly important in authorities with a directly-elected mayor to ensure there are the checks and balances to maintain a robust democratic system. Mayoral systems offer the opportunity for greater public accountability and stronger governance, but there have also been incidents that highlight the importance of creating and maintaining a culture that puts scrutiny at the heart of its operations.

13. Authorities with a directly-elected mayor should ensure that scrutiny committees are well-resourced, are able to recruit high-calibre members and that their scrutiny functions pay particular attention to issues surrounding:
   - rights of access to documents by the press, public and councillors;
   - transparent and fully recorded decision-making processes, especially avoiding decisions by 'unofficial' committees or working groups;
   - delegated decisions by the Mayor;
   - whistleblowing protections for both staff and councillors; and
   - powers of Full Council, where applicable, to question and review.

14. Authorities with a directly-elected mayor should note that mayors are required by law to attend overview and scrutiny committee sessions when asked to do so (see paragraph 44).

3. Resourcing

15. The resource an authority allocates to the scrutiny function plays a pivotal role in determining how successful that function is and therefore the value it can add to the work of the authority.

16. Ultimately it is up to each authority to decide on the resource it provides, but every authority should recognise that creating and sustaining an effective scrutiny function requires them to allocate resources to it.

17. Authorities should also recognise that support for scrutiny committees, task groups and other activities is not solely about budgets and provision of officer time, although these are clearly extremely important elements. Effective support is also about the ways in which the wider authority engages with those who carry out the scrutiny function (both members and officers).

> When deciding on the level of resource to allocate to the scrutiny function, the factors an authority should consider include:
> - Scrutiny's legal powers and responsibilities;
> - The particular role and remit scrutiny will play in the authority;
> - The training requirements of scrutiny members and support officers, particularly the support needed to ask effective questions of the executive and other key partners, and make effective recommendations;
> - The need for ad hoc external support where expertise does not exist in the council;
> - Effectively-resourced scrutiny has been shown to add value to the work of authorities, improving their ability to meet the needs of local people; and
> - Effectively-resourced scrutiny can help policy formulation and so minimise the need for call-in of executive decisions.

Statutory scrutiny officers

18. Combined authorities, upper and single tier authorities are required to designate a statutory scrutiny officer,[3] someone whose role is to:
   - promote the role of the authority's scrutiny committee;
   - provide support to the scrutiny committee and its members; and
   - provide support and guidance to members and officers relating to the functions of the scrutiny committee.

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[3] Section 9FB of the Local Government Act 2000; article 9 of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017

19. Authorities not required by law to appoint such an officer should consider whether doing so would be appropriate for their specific local needs.

<u>Officer resource models</u>

20. Authorities are free to decide for themselves which wider officer support model best suits their individual circumstances, though generally they adopt one or a mix of the following:

- Committee – officers are drawn from specific policy or service areas;
- Integrated – officers are drawn from the corporate centre and also service the executive; and
- Specialist – officers are dedicated to scrutiny.

21. Each model has its merits – the committee model provides service-specific expertise; the integrated model facilitates closer and earlier scrutiny involvement in policy formation and alignment of corporate work programmes; and the specialist model is structurally independent from those areas it scrutinises.

22. Authorities should ensure that, whatever model they employ, officers tasked with providing scrutiny support are able to provide impartial advice. This might require consideration of the need to build safeguards into the way that support is provided. The nature of these safeguards will differ according to the specific role scrutiny plays in the organisation.

4. Selecting Committee Members

23. Selecting the right members to serve on scrutiny committees is essential if those committees are to function effectively. Where a committee is made up of members who have the necessary skills and commitment, it is far more likely to be taken seriously by the wider authority.

24. While there are proportionality requirements that must be met,[4] the selection of the chair and other committee members is for each authority to decide for itself. Guidance for combined authorities on this issue has been produced by the Centre for Public Scrutiny[5].

> Members invariably have different skill-sets. What an authority must consider when forming a committee is that, as a group, it possesses the requisite expertise, commitment and ability to act impartially to fulfil its functions.

25. Authorities are reminded that members of the executive cannot be members of a scrutiny committee.[6] Authorities should take care to ensure that, as a minimum, members holding less formal executive positions, e.g. as Cabinet assistants, do not sit on scrutinising committees looking at portfolios to which those roles relate. Authorities should articulate in their constitutions how conflicts of interest, including familial links (see also paragraph 31), between executive and scrutiny responsibilities should be managed, including where members stand down from the executive and move to a scrutiny role, and vice-versa.

26. Members or substitute members of a combined authority must not be members of its overview and scrutiny committee.[7] This includes the Mayor in Mayoral Combined Authorities. It is advised that Deputy Mayors for Policing and Crime are also not members of the combined authority's overview and scrutiny committee.

Selecting individual committee members

27. When selecting individual members to serve on scrutiny committees, an authority should consider a member's experience, expertise, interests, ability to act impartially, ability to work as part of a group, and capacity to serve.

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[4] See, for example, regulation 11 of the Local Authorities (Committee System) (England) Regulations 2012 (S.I. 2012/1020) and article 4 of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 (S.I. 2017/68).

[5] See pages 15-18 of 'Overview and scrutiny in combined authorities: a plain English guide': https://www.cfps.org.uk/wp-content/uploads/Overview-and-scrutiny-in-combined-authorities-a-plain-english-guide.pdf

[6] Section 9FA(3) of the Local Government Act 2000.

[7] 2(3) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009

28. Authorities should not take into account a member's perceived level of support for or opposition to a particular political party (notwithstanding the wider legal requirement for proportionality referred to in paragraph 24).

Selecting a chair

29. The Chair plays a leadership role on a scrutiny committee as they are largely responsible for establishing its profile, influence and ways of working.

30. The attributes authorities should and should not take into account when selecting individual committee members (see paragraphs 27 and 28) also apply to the selection of the Chair, but the Chair should also possess the ability to lead and build a sense of teamwork and consensus among committee members.

> Chairs should pay special attention to the need to guard the committee's independence. Importantly, however, they should take care to avoid the committee being, and being viewed as, a de facto opposition to the executive.

31. Given their pre-eminent role on the scrutiny committee, it is strongly recommended that the Chair not preside over scrutiny of their relatives[8]. Combined authorities should note the legal requirements that apply to them where the Chair is an independent person[9].

32. The method for selecting a Chair is for each authority to decide for itself, however every authority should consider taking a vote by secret ballot. Combined Authorities should be aware of the legal requirements regarding the party affiliation of their scrutiny committee Chair[10].

Training for committee members

33. Authorities should ensure committee members are offered induction when they take up their role and ongoing training so they can carry out their responsibilities effectively. Authorities should pay attention to the need to ensure committee members are aware of their legal powers, and how to prepare for and ask relevant questions at scrutiny sessions.

34. When deciding on training requirements for committee members, authorities should consider taking advantage of opportunities offered by external providers in the sector.

Co-option and technical advice

35. While members and their support officers will often have significant local insight and an understanding of local people and their needs, the provision of outside expertise can be invaluable.

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[8] A definition of 'relative' can be found at section 28(10) of the Localism Act 2011.

[9] See article 5(2) of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 (S.I. 2017/68).

[10] Article 5(6) of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

36. There are two principal ways to procure this:
    - Co-option – formal co-option is provided for in legislation[11]. Authorities must establish a co-option scheme to determine how individuals will be co-opted onto committees; and
    - Technical advisers – depending on the subject matter, independent local experts might exist who can provide advice and assistance in evaluating evidence (see annex 2).

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[11] Section 9FA(4) Local Government Act 2000

5. Power to Access Information

37. A scrutiny committee needs access to relevant information the authority holds, and to receive it in good time, if it is to do its job effectively.

38. This need is recognised in law, with members of scrutiny committees enjoying powers to access information[12]. In particular, regulations give enhanced powers to a scrutiny member to access exempt or confidential information. This is in addition to existing rights for councillors to have access to information to perform their duties, including common law rights to request information and rights to request information under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.

39. When considering what information scrutiny needs in order to carry out its work, scrutiny members and the executive should consider scrutiny's role and the legal rights that committees and their individual members have, as well as their need to receive timely and accurate information to carry out their duties effectively.

40. Scrutiny members should have access to a regularly available source of key information about the management of the authority – particularly on performance, management and risk. Where this information exists, and scrutiny members are given support to understand it, the potential for what officers might consider unfocused and unproductive requests is reduced as members will be able to frame their requests from a more informed position.

41. Officers should speak to scrutiny members to ensure they understand the reasons why information is needed, thereby making the authority better able to provide information that is relevant and timely, as well as ensuring that the authority complies with legal requirements.

> While each request for information should be judged on its individual merits, authorities should adopt a default position of sharing the information they hold, on request, with scrutiny committee members.

42. The law recognises that there might be instances where it is legitimate for an authority to withhold information and places a requirement on the executive to provide the scrutiny committee with a written statement setting out its reasons for that decision[13]. However, members of the executive and senior officers should take particular care to avoid refusing requests, or limiting the information they provide, for reasons of party political or reputational expediency.

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[12] Regulation 17 - Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012; article 10 Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.
[13] Regulation 17(4) – Local Government (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012; article 10(4) Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

> Before an authority takes a decision not to share information it holds, it should give serious consideration to whether that information could be shared in closed session.

43. Regulations already stipulate a timeframe for executives to comply with requests from a scrutiny member[14]. When agreeing to such requests, authorities should:
   - consider whether seeking clarification from the information requester could help better target the request; and
   - Ensure the information is supplied in a format appropriate to the recipient's needs.

44. Committees should be aware of their legal power to require members of the executive and officers to attend before them to answer questions[15]. It is the duty of members and officers to comply with such requests.[16]

Seeking information from external organisations

45. Scrutiny members should also consider the need to supplement any authority-held information they receive with information and intelligence that might be available from other sources, and should note in particular their statutory powers to access information from certain external organisations.

46. When asking an external organisation to provide documentation or appear before it, and where that organisation is not legally obliged to do either (see annex 3), scrutiny committees should consider the following:

   a) **The need to explain the purpose of scrutiny** – the organisation being approached might have little or no awareness of the committee's work, or of an authority's scrutiny function more generally, and so might be reluctant to comply with any request;

   b) **The benefits of an informal approach** – individuals from external organisations can have fixed perceptions of what an evidence session entails and may be unwilling to subject themselves to detailed public scrutiny if they believe it could reflect badly on them or their employer. Making an informal approach can help reassure an organisation of the aims of the committee, the type of information being sought and the manner in which the evidence session would be conducted;

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[14] Regulation 17(2) – Local Government (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012; article 10(2) Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.
[15] Section 9FA(8) of the Local Government Act 2000; paragraph 2(6) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.
[16] Section 9FA(9) of the Local Government Act 2000; paragraph 2(7) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.

c) **How to encourage compliance with the request** – scrutiny committees will want to frame their approach on a case by case basis. For contentious issues, committees might want to emphasise the opportunity their request gives the organisation to 'set the record straight' in a public setting; and

d) **Who to approach** – a committee might instinctively want to ask the Chief Executive or Managing Director of an organisation to appear at an evidence session, however it could be more beneficial to engage front-line staff when seeking operational-level detail rather than senior executives who might only be able to talk in more general terms. When making a request to a specific individual, the committee should consider the type of information it is seeking, the nature of the organisation in question and the authority's pre-existing relationship with it.

Following 'the Council Pound'

Scrutiny committees will often have a keen interest in 'following the council pound', i.e. scrutinising organisations that receive public funding to deliver goods and services.

Authorities should recognise the legitimacy of this interest and, where relevant, consider the need to provide assistance to scrutiny members and their support staff to obtain information from organisations the council has contracted to deliver services. In particular, when agreeing contracts with these bodies, authorities should consider whether it would be appropriate to include a *requirement* for them to supply information to or appear before scrutiny committees.

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6. Planning Work

47. Effective scrutiny should have a defined impact on the ground, with the committee making recommendations that will make a tangible difference to the work of the authority. To have this kind of impact, scrutiny committees need to plan their work programme, i.e. draw up a long-term agenda and consider making it flexible enough to accommodate any urgent, short-term issues that might arise during the year.

48. Authorities with multiple scrutiny committees sometimes have a separate work programme for each committee. Where this happens, consideration should be given to how to co-ordinate the various committees' work to make best use of the total resources available.

<u>Being clear about scrutiny's role</u>

49. Scrutiny works best when it has a clear role and function. This provides focus and direction. While scrutiny has the power to look at anything which affects 'the area, or the area's inhabitants', authorities will often find it difficult to support a scrutiny function that carries out generalised oversight across the wide range of issues experienced by local people, particularly in the context of partnership working. Prioritisation is necessary, which means that there might be things that, despite being important, scrutiny will not be able to look at.

50. Different overall roles could include having a focus on risk, the authority's finances, or on the way the authority works with its partners.

51. Applying this focus does not mean that certain subjects are 'off limits'. It is more about looking at topics and deciding whether their relative importance justifies the positive impact scrutiny's further involvement could bring.

52. When thinking about scrutiny's focus, members should be supported by key senior officers. The statutory scrutiny officer, if an authority has one, will need to take a leading role in supporting members to clarify the role and function of scrutiny, and championing that role once agreed.

<u>Who to speak to</u>

53. Evidence will need to be gathered to inform the work programming process. This will ensure that it looks at the right topics, in the right way and at the right time. Gathering evidence requires conversations with:

- *The public* – it is likely that formal 'consultation' with the public on the scrutiny work programme will be ineffective. Asking individual scrutiny members to have conversations with individuals and groups in their own local areas can work better. Insights gained from the public through individual pieces of scrutiny work can be fed back into the work programming process. Listening to and participating in conversations in places where local people come together, including in online forums, can help authorities engage people on their own terms and yield more positive results.

Authorities should consider how their communications officers can help scrutiny engage with the public, and how wider internal expertise and local knowledge from both members and officers might make a contribution.

- *The authority's partners* – relationships with other partners should not be limited to evidence-gathering to support individual reviews or agenda items. A range of partners are likely to have insights that will prove useful:
  - Public sector partners (like the NHS and community safety partners, over which scrutiny has specific legal powers);
  - Voluntary sector partners;
  - Contractors and commissioning partners (including partners in joint ventures and authority-owned companies);
  - In parished areas, town, community and parish councils;
  - Neighbouring principal councils (both in two-tier and unitary areas);
  - Cross-authority bodies and organisations, such as Local Enterprise Partnerships[17]; and
  - Others with a stake and interest in the local area – large local employers, for example.

- *The executive* – a principal partner in discussions on the work programme should be the executive (and senior officers). The executive should not direct scrutiny's work (see chapter 2), but conversations will help scrutiny members better understand how their work can be designed to align with the best opportunities to influence the authority's wider work.

Information sources

54. Scrutiny will need access to relevant information to inform its work programme. The type of information will depend on the specific role and function scrutiny plays within the authority, but might include:
- Performance information from across the authority and its partners;
- Finance and risk information from across the authority and its partners;
- Corporate complaints information, and aggregated information from political groups about the subject matter of members' surgeries;
- Business cases and options appraisals (and other planning information) for forthcoming major decisions. This information will be of particular use for pre-decision scrutiny; and
- Reports and recommendations issued by relevant ombudsmen, especially the Local Government and Social Care Ombudsman.

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[17] Authorities should ensure they have appropriate arrangements in place to ensure the effective democratic scrutiny of Local Enterprise Partnerships' investment decisions.

> As committees can meet in closed session, commercial confidentiality should not preclude the sharing of information. Authorities should note, however, that the default for meetings should be that they are held in public (see 2014 guidance on '*Open and accountable local government*':
> https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/343182/140812_Openness_Guide.pdf).

55. Scrutiny members should consider keeping this information under regular review. It is likely to be easier to do this outside committee, rather than bringing such information to committee 'to note', or to provide an update, as a matter of course.

Shortlisting topics

> Approaches to shortlisting topics should reflect scrutiny's overall role in the authority. This will require the development of bespoke, local solutions, however when considering whether an item should be included in the work programme, the kind of questions a scrutiny committee should consider might include:
> - Do we understand the benefits scrutiny would bring to this issue?
> - How could we best carry out work on this subject?
> - What would be the best outcome of this work?
> - How would this work engage with the activity of the executive and other decision-makers, including partners?

56. Some authorities use scoring systems to evaluate and rank work programme proposals. If these are used to provoke discussion and debate, based on evidence, about what priorities should be, they can be a useful tool. Others take a looser approach. Whichever method is adopted, a committee should be able to justify how and why a decision has been taken to include certain issues and not others.

57. Scrutiny members should accept that shortlisting can be difficult; scrutiny committees have finite resources and deciding how these are best allocated is tough. They should understand that, if work programming is robust and effective, there might well be issues that they want to look at that nonetheless are not selected.

Carrying out work
58. Selected topics can be scrutinised in several ways, including:

a) **As a single item on a committee agenda** – this often presents a limited opportunity for effective scrutiny, but may be appropriate for some issues or where the committee wants to maintain a formal watching brief over a given issue;

b) **At a single meeting** – which could be a committee meeting or something less formal. This can provide an opportunity to have a single public meeting about a

given subject, or to have a meeting at which evidence is taken from a number of witnesses;

c) **At a task and finish review of two or three meetings** – short, sharp scrutiny reviews are likely to be most effective even for complex topics. Properly focused, they ensure members can swiftly reach conclusions and make recommendations, perhaps over the course of a couple of months or less;

d) **Via a longer-term task and finish review** – the 'traditional' task and finish model – with perhaps six or seven meetings spread over a number of months – is still appropriate when scrutiny needs to dig into a complex topic in significant detail. However, the resource implications of such work, and its length, can make it unattractive for all but the most complex matters; and

e) **By establishing a 'standing panel'** – this falls short of establishing a whole new committee but may reflect a necessity to keep a watching brief over a critical local issue, especially where members feel they need to convene regularly to carry out that oversight. Again, the resource implications of this approach means that it will be rarely used.

7. Evidence Sessions

59. Evidence sessions are a key way in which scrutiny committees inform their work. They might happen at formal committee, in less formal 'task and finish' groups or at standalone sessions.

> Good preparation is a vital part of conducting effective evidence sessions. Members should have a clear idea of what the committee hopes to get out of each session and appreciate that success will depend on their ability to work together on the day.

How to plan

60. Effective planning does not necessarily involve a large number of pre-meetings, the development of complex scopes or the drafting of questioning plans. It is more often about setting overall objectives and then considering what type of questions (and the way in which they are asked) can best elicit the information the committee is seeking. This applies as much to individual agenda items as it does for longer evidence sessions – there should always be consideration in advance of what scrutiny is trying to get out of a particular evidence session.

> Chairs play a vital role in leading discussions on objective-setting and ensuring all members are aware of the specific role each will play during the evidence session.

61. As far as possible there should be consensus among scrutiny members about the objective of an evidence session before it starts. It is important to recognise that members have different perspectives on certain issues, and so might not share the objectives for a session that are ultimately adopted. Where this happens, the Chair will need to be aware of this divergence of views and bear it in mind when planning the evidence session.

62. Effective planning should mean that at the end of a session it is relatively straightforward for the chair to draw together themes and highlight the key findings. It is unlikely that the committee will be able to develop and agree recommendations immediately, but, unless the session is part of a wider inquiry, enough evidence should have been gathered to allow the chair to set a clear direction.

63. After an evidence session, the committee might wish to hold a short 'wash-up' meeting to review whether their objectives were met and lessons could be learned for future sessions.

Developing recommendations

64. The development and agreement of recommendations is often an iterative process. It will usually be appropriate for this to be done only by members, assisted by co-optees where relevant. When deciding on recommendations, however, members should have due regard to advice received from officers, particularly the Monitoring Officer.

65. The drafting of reports is usually, but not always, carried out by officers, directed by members.

66. Authorities draft reports and recommendations in a number of ways, but there are normally three stages:

   i.   the development of a 'heads of report' – a document setting out general findings that members can then discuss as they consider the overall structure and focus of the report and its recommendations;

   ii.   the development of those findings, which will set out some areas on which recommendations might be made; and

   iii. the drafting of the full report.

67. Recommendations should be evidence-based and SMART, i.e. specific, measurable, achievable, relevant and timed. Where appropriate, committees may wish to consider sharing them in draft with interested parties.

68. Committees should bear in mind that often six to eight recommendations are sufficient to enable the authority to focus its response, although there may be specific circumstances in which more might be appropriate.

> Sharing draft recommendations with executive members should not provide an opportunity for them to revise or block recommendations before they are made. It should, however, provide an opportunity for errors to be identified and corrected, and for a more general sense-check.

Annex 1: Illustrative Scenario – Creating an Executive-Scrutiny Protocol

An executive-scrutiny protocol can deal with the practical expectations of scrutiny committee members and the executive, as well as the cultural dynamics.

Workshops with scrutiny members, senior officers and Cabinet can be helpful to inform the drafting of a protocol. An external facilitator can help bring an independent perspective.

Councils should consider how to adopt a protocol, e.g. formal agreement at scrutiny committee and Cabinet, then formal integration into the Council's constitution at the next Annual General Meeting.

The protocol, as agreed, may contain sections on:

- The way scrutiny will go about developing its work programme (including the ways in which senior officers and Cabinet members will be kept informed);
- The way in which senior officers and Cabinet will keep scrutiny informed of the outlines of major decisions as they are developed, to allow for discussion of scrutiny's potential involvement in policy development. This involves the building in of safeguards to mitigate risks around the sharing of sensitive information with scrutiny members;
- A strengthening and expansion of existing parts of the code of conduct that relate to behaviour in formal meetings, and in informal meetings;
- Specification of the nature and form of responses that scrutiny can expect when it makes recommendations to the executive, when it makes requests to the executive for information, and when it makes requests that Cabinet members or senior officers attend meetings; and
- Confirmation of the role of the statutory scrutiny officer, and Monitoring Officer, in overseeing compliance with the protocol, and ensuring that it is used to support the wider aim of supporting and promoting a culture of scrutiny, with matters relating to the protocol's success being reported to full Council through the scrutiny Annual Report.

Annex 2: Illustrative Scenario – Engaging Independent Technical Advisers

This example demonstrates how one Council's executive and scrutiny committee worked together to scope a role and then appoint an independent adviser on transforming social care commissioning. Their considerations and process may be helpful and applicable in other similar scenarios.

Major care contracts were coming to an end and the Council took the opportunity to review whether to continue with its existing strategic commissioning framework, or take a different approach – potentially insourcing certain elements.

The relevant Director was concerned about the Council's reliance on a very small number of large providers. The Director therefore approached the Scrutiny and Governance Manager to talk through the potential role scrutiny could play as the Council considered these changes.

The Scrutiny Chair wanted to look at this issue in some depth, but recognised its complexity could make it difficult for her committee to engage – she was concerned it would not be able to do the issue justice. The Director offered support from his own officer team, but the Chair considered this approach to be beset by risks around the independence of the process.

She talked to the Director about securing independent advice. He was worried that an independent adviser could come with preconceived ideas and would not understand the Council's context and objectives. The Scrutiny Chair was concerned that independent advice could end up leading to scrutiny members being passive, relying on an adviser to do their thinking for them. They agreed that some form of independent assistance would be valuable, but that how it was provided and managed should be carefully thought out.

With the assistance of the Governance and Scrutiny Manager, the Scrutiny Chair approached local universities and Further Education institutions to identify an appropriate individual. The approach was clear – it set out the precise role expected of the adviser, and explained the scrutiny process itself. Because members wanted to focus on the risks of market failure, and felt more confident on substantive social care matters, the approach was directed at those with a specialism in economics and business administration. The Council's search was proactive – the assistance of the service department was drawn on to make direct approaches to particular individuals who could carry out this role.

It was agreed to make a small budget available to act as a 'per diem' to support an adviser; academics were approached in the first instance as the Council felt able to make a case that an educational institution would provide this support for free as part of its commitment to Corporate Social Responsibility.

Three individuals were identified from the Council's proactive search. The Chair and Vice-Chair of the committee had an informal discussion with each – not so much to establish their skills and expertise (which had already been assessed) but to give a sense about

their 'fit' with scrutiny's objectives and their political nous in understanding the environment in which they would operate, and to satisfy themselves that they will apply themselves even-handedly to the task. The Director sat in on this process but played no part in who was ultimately selected.

The independent advice provided by the selected individual gave the Scrutiny Committee a more comprehensive understanding of the issue and meant it was able to offer informed advice on the merits of putting in place a new strategic commissioning framework.

Annex 3: Illustrative Scenario – Approaching an External Organisation to Appear before a Committee

This example shows how one council ensured a productive scrutiny meeting, involving a private company and the public. Lessons may be drawn and apply to other similar scenarios.

Concerns had been expressed by user groups, and the public at large, about the reliability of the local bus service. The Scrutiny Chair wanted to question the bus company in a public evidence session but knew that she had no power to compel it to attend. Previous attempts to engage it had been unsuccessful; the company was not hostile, but said it had its own ways of engaging the public.

The Monitoring Officer approached the company's regional PR manager, but he expressed concern that the session would end in a 'bunfight'. He also explained the company had put their improvement plan in the public domain, and felt a big council meeting would exacerbate tensions.

Other councillors had strong views about the company – one thought the committee should tell the company it would be empty-chaired if it refused to attend. The Scrutiny Chair was sympathetic to this, but thought such an approach would not lead to any improvements.

The Scrutiny Chair was keen to make progress, but it was difficult to find the right person to speak to at the company, so she asked council officers and local transport advocacy groups for advice. Speaking to those people also gave her a better sense of what scrutiny's role might be.

When she finally spoke to the company's network manager, she explained the situation and suggested they work together to consider how the meeting could be productive for the Council, the company and local people. In particular, this provided her with an opportunity to explain scrutiny and its role. The network manager remained sceptical but was reassured that they could work together to ensure that the meeting would not be an 'ambush'. He agreed in principle to attend and also provide information to support the Committee's work beforehand.

Discussions continued in the four weeks leading up to the Committee meeting. The Scrutiny Chair was conscious that while she had to work with the company to ensure that the meeting was constructive – and secure their attendance – it could not be a whitewash, and other members and the public would demand a hard edge to the discussions.

The scrutiny committee agreed that the meeting would provide a space for the company to provide context to the problems local people are experiencing, but that this would be preceded by a space on the agenda for the Chair, Vice-chair, and representatives from two local transport advocacy groups to set out their concerns. The company were sent in

advance a summary of the general areas on which members were likely to ask questions, to ensure that those questions could be addressed at the meeting.

Finally, provision was made for public questions and debate. Those attending the meeting were invited to discuss with each other the principal issues they wanted the meeting to cover. A short, facilitated discussion in the room led by the Chair highlighted the key issues, and the Chair then put those points to the company representatives.

At the end of the meeting, the public asked questions of the bus company representative in a 20-minute plenary item.

The meeting was fractious, but the planning carried out to prepare for this – by channelling issues through discussion and using the Chair to mediate the questioning – made things easier. Some attendees were initially frustrated by this structure, but the company representative was more open and less defensive than might otherwise have been the case.

The meeting also motivated the company to revise its communications plan to become more responsive to this kind of challenge, part of which involved a commitment to feed back to the scrutiny committee on the recommendations it made on the night.

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Executive meeting	Item of business	Decision taken (K) = Key Decision	Chair of O&S informed under General Exception provision of Access to Information Procedure Rule 15	Chair of O&S agreement obtained under Special Urgency provision of Access to Information Procedure Rule 16	Chair of O&S agreed to waive call-in
22 May 2018	Surrey Leaders' Group – Nominations for appointment to outside bodies 2018-19	To submit nominations to the Surrey Leaders' Group in respect of the appointments of district council representatives to various outside bodies	n/a	n/a	✓
17 October 2018 (Decision taken by the Leader)	Acquisition of leasehold interest in property	(K) To agree the transfer of monies from the provisional capital programme to the approved capital programme to allow the Council to acquire the long leasehold of a property in Guildford in order to facilitate the redevelopment of the site.	n/a	✓	✓
30 October 2018	Submission of Garden Village Bid for Wisley Airfield	(1) To endorse the preparation and submission of a Garden Village Bid for Wisley Airfield to the MHCLG. (2) To authorise the Director of Planning and Regeneration to finalise and submit the bid following consultation with the Leader of the Council and the Director of Finance.	n/a	n/a	✓

Executive meeting	Item of business	Decision taken (K) = Key Decision	Chair of O&S informed under General Exception provision of Access to Information Procedure Rule 15	Chair of O&S agreement obtained under Special Urgency provision of Access to Information Procedure Rule 16	Chair of O&S agreed to waive call-in
7 March 2019	Slyfield Area Regeneration Project	(K) (1) To transfer £10 million from the provisional capital programme to the approved capital programme to facilitate the funding of 50% of Thames Water's costs as well as any future spend covering Thames Water's legal, professional fees, and design costs leading to the submission of the planning application for the Sewage Treatment Works. (2) To authorise the Managing Director, in consultation with the Leader of the Council, to sign and complete the Development Agreement with Thames Water to proceed with the implementation of the relocation of the Sewage Treatment Works and associated works.	✓	n/a	✓
23 April 2019	Acquisition of the Leasehold of an Industrial Unit	(K) To acquire the leasehold interest of an Industrial Unit at Slyfield Industrial Estate	✓	n/a	✓

P.A.P.E.R. topic selection tool

Public interest: concerns of local people should influence the issues chosen

Ability to change: priority should be given to issues that the Committee can realistically influence

Performance: priority should be given to areas in which the Council and Partners are not performing well

Extent: priority should be given to issues that are relevant to all or a large part of the Borough

Replication: work programme must take account of what else is happening to avoid duplication or wasted effort

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Council Report

Ward(s) affected: Clandon & Horsley and Effingham

Report of Director of Finance

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Date: 31 July 2019

Community Governance Review – Parishes of East Horsley and Effingham

Executive Summary

A Community Governance Review (CGR) is undertaken by the principal council for the area (i.e. this Council) and is a review of the whole or part of the Borough to consider one or more of the following:

- Creating, merging, altering or abolishing parishes;
- The naming of parishes and the style (i.e. whether to call it a town council or village council etc.) of new parishes;
- The electoral arrangements for parishes (including the number of councillors to be elected to the council, and parish warding), and
- Grouping parishes under a common parish council or de-grouping parishes

The legal framework within which principal councils must undertake these reviews is set out in the Local Government and Public Involvement in Health Act 2007 (as amended).

On 16 April 2019, East Horsley Parish Council submitted a written request (see **Appendix 1** to this report) for the Council to conduct a CGR, with the suggested terms of reference including the following proposals:

Proposal 1
Subject to Proposal 2 below, to alter the existing boundary between the parishes of East Horsley and Effingham in the area close to Effingham Common, as set out in Map A3 of Appendix A to the parish council's submission.

Proposal 2
To recommend to the Local Government Boundary Commission for England ("LGBCE") that it approves the change of the existing boundary between the Clandon and Horsley

ward and the Effingham ward of the Borough Council so that it is coterminous with the change to the parish boundary referred to in Proposal 1 above.

Proposal 3
To increase the maximum number of councillors to be elected to the parish council of East Horsley from nine councillors to twelve councillors.

The Council has power under section 82 of the 2007 Act to undertake CGRs at any time.

Recommendation to Council:

The Council is asked to consider first whether it wishes to exercise its power under Section 82 of the 2007 Act and conduct a CGR of the parishes of East Horsley and Effingham, in accordance with the requirements of 2007 Act, and associated government guidance as described in this report.

If the Council is minded to conduct a CGR, councillors are asked to consider the following recommendations:

(1) That the terms of reference in respect of the community governance review including the proposed timetable, as set out in **Appendix 2** to this report, be approved and published.

(2) That the Democratic Services Manager be authorised to conduct the community governance review on the Council's behalf and to take all necessary action to comply with the Council's statutory obligations in that regard.

Reason for Recommendation:
To address the community governance request received in respect of this matter with a view to ensuring that community governance within the area under review is:

- reflective of the identities and interests of the community in that area; and
- is effective and convenient.

1.   Purpose of Report

1.1   Following a formal request from East Horsley Parish Council, this report sets out the requirements and procedure should the Council agree to undertake a community governance review in accordance with the Local Government and Public Involvement in Health Act 2007 (the 2007 Act) and associated government guidance.

2.   Strategic Priorities

2.1   To undertake the review will be consistent with our desire to be open and accountable to our residents, to deliver improvements and enable change across the borough.

3. Background

3.1 The 2007 Act amended the responsibility for parish area reviews from what is now the Local Government Boundary Commission for England (LGBCE) to principal councils, subject to adherence to regulations and directions issued by the former Department for Communities and Local Government (DCLG) and the Electoral Commission. Principal councils in this context include district councils in England. The process for considering a change is now termed a Community Governance Review (CGR).

3.2 A CGR is a review of one or more areas of the borough to look at one or more of the following:

- Creating, merging, altering or abolishing parishes;
- The naming of a parish and the style of a new parish (i.e. whether to call it a "village", "community" or "neighbourhood" with the council similarly named as a "village council", "community council" or "neighbourhood council");
- The electoral arrangements for parishes (including council size, the number of councillors to be elected to the council, and parish warding), and
- Grouping parishes under a common parish council or de-grouping parishes

3.3 A CGR may not change parliamentary, borough ward or county division boundaries, although it might lead to recommendations to the LGBCE to make consequential changes to ward or division boundaries.

4. Community Governance Review Request

4.1 On 16 April 2019, the Council received a formal request from East Horsley Parish Council for a CGR. A copy of the parish council's written submission is attached as **Appendix 1** to this report.

4.2 In summary, the parish council is seeking to secure, by way of a CGR, the following:

Proposal 1
Subject to Proposal 2 below, to alter the existing boundary between the parishes of East Horsley and Effingham in the area close to Effingham Common, as set out in Map A3 of Appendix A to the parish council's submission (see **Appendix 1)**.

Proposal 2
To recommend to the Local Government Boundary Commission for England ("LGBCE") that it approves the change of the existing boundary between the Clandon and Horsley ward and the Effingham ward of the Borough Council so that it is coterminous with the change to the parish boundary referred to in Proposal 1 above.

NB. Proposal 1 would not be implemented unless LGBCE approves the associated coterminous alteration to the borough ward boundary.

Proposal 3
To increase the maximum number of councillors to be elected to the parish council of East Horsley from nine councillors to twelve councillors.

4.3   The reasons cited by the parish council for making the request to:

 (a) alter the parish boundary are as follows:

- to remove anomalies where the settlement has outgrown its historic boundaries and to establish new clearly-defined boundaries tied to firm ground features; and
- to support the identity and interests of the local community.

 (b) increase the number of parish councillors, are as follows:

- to reduce the workload on individual councillors; and
- to seek to improve diversity on the parish council.

Undertaking a Community Governance Review

4.3   If the Council is minded to agree to conduct a CGR, the procedure requires the Council:

(a) to agree the terms of reference for the review including specifying the area under review
(b) to then publish and consult on the terms of reference with the local electorate and those with an interest
(c) taking into account representations received, to agree final recommendations and, if required, to make a community governance reorganisation order to give effect to agreed changes.

4.4   Suggested terms of reference for a CGR in this case are set out in **Appendix 2** for the Council's consideration. Although the formal request has been submitted by East Horsley Parish Council, the area under review is specified as being both the parishes of East Horsley and Effingham as the proposed alteration of the parish boundary clearly affects both parishes. In addition to the alteration of the parish boundary and an increase in the number of councillors to be elected to East Horsley Parish Council, the legislation also requires this Council to make recommendations on other related "electoral arrangements" for East Horsley Parish Council and Effingham Parish Council, as follows:

(a)   the year in which ordinary elections of councillors are to be held;
(b)   the division (or not) of the parish into wards for the purpose of electing councillors;
(c)   the number and boundaries of any such wards;
(d)   the number of councillors to be elected for any such ward;
(e)   the name of any such ward.

4.5   It is suggested that the terms of reference should propose, at this stage, that other than the increase in the number of parish councillors to be elected to East Horsley Parish Council, no changes be made to the electoral arrangements of either parish council described in (a) to (e) in paragraph 4.4 above. Currently, East Horsley parish is not divided into wards, but Effingham parish is.

4.6 Following the consultation, and taking into account the representations received, the Council must consider the following questions in relation to whether one or both parish councils should, or should not, be or continue to be divided into wards for the purpose of electing parish councillors:

(a) whether the number, or distribution, of the local government electors for each parish would make a single election of councillors impracticable or inconvenient; and

(b) whether it is desirable that any area or areas of each parish should be separately represented on the parish councils.

4.7 Section 93 of the 2007 Act allows principal councils to decide how to undertake a CGR, provided that they comply with a number of duties prescribed in the Act, as follows:

(i) Before undertaking a CGR, the Council must notify Surrey County Council that a CGR is to be undertaken and its terms of reference.

(ii) In conducting a CGR, the Council must consult with the following:

- the local government electors in the area under review (i.e. the parishes of East Horsley and Effingham),
- East Horsley Parish Council and Effingham Parish Council
- any other person or body which appears to have an interest in the review (e.g. local businesses, local residents' associations, amenity groups, local public and voluntary organisations - such as schools or health bodies)

(iii) When undertaking a CGR, the Council must also:

- have regard to the need to secure that community governance in the area under review:

  (a) reflects the identities and interests of the community in that area, and

  (b) is effective and convenient.

- take into account any representations received in connection with the review.

4.9 A CGR must also take into account a number of influential factors including:

- the impact of community governance arrangements on community cohesion; and
- the size, population and boundaries of a local community or parish.

4.10 It is anticipated that the consultation on the terms of reference of this CGR will involve:

- Writing to the 55 households directly affected by the proposed alteration of the parish boundary in the vicinity of Effingham Common
- Publication of the terms of reference on the Borough Council's website and both parish councils' websites

- Publicity for the CGR to be displayed in any parish magazine and on parish notice boards and in community venues within both parishes
- Press releases
- Communication with local community groups

4.11   A suggested timetable for the conduct of the CGR is included within the draft terms of reference (see **Appendix 2**).

4.12   The Council is required to complete a CGR within a period of 12 months from the date it publishes the terms of reference.

5.   Equality and Diversity Implications

5.1   The process to be followed in conducting the CGR is laid down in statute and guidance issued by the Government. Every attempt will be made to engage electors and interested parties in the CGR through the consultation process that will be led by officers.

6.   Financial Implications

6.1   It is envisaged that the only costs to the Council will be in respect of printing and postage costs (estimated at £85) to cover a consultation letter to the 55 households which would be affected by the proposed boundary change, and officer time in conducting the CGR, which will be met from within existing budgets.

7.   Legal Implications

7.1   The Council has power under Section 82 of the Local Government and Public Involvement in Health Act 2007 to conduct CGRs. A CGR must be conducted in accordance with the requirements set out in Chapter 3 of Part 4 of the Local Government and Public Involvement in Health Act 2007 (as amended) and guidance issued by the Secretary of State under Section 100(4) of the 2007 Act[1]. These requirements are highlighted in section 4 of this report.

8.   Human Resource Implications

8.1   Officers in Democratic Services will conduct the CGR within existing staff resources.

9.   Options

9.1   There are two situations when the Council must conduct a CGR. The first is when a valid community governance petition has been submitted and the second is when the requestor is a Neighbourhood Forum. Otherwise, the Council may conduct a CGR at its discretion. In this case, East Horsley Parish Council is asking the Council to use its section 82 power.

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[1] "Guidance on Community Governance Reviews" – DCLG and Local Government Boundary Commission for England (March 2010)

10. Conclusion

10.1 This report is the first step towards carrying out a CGR. Should the Council agree to carry out a CGR, the terms of reference in Appendix 2 will be published and a six-week period of public consultation will take place. It is anticipated that a formal report on the outcome of the consultation will be submitted to full Council on 3 December 2019.

10.2 If, following the CGR, the Council decides to make a Community Governance Reorganisation Order in respect of the proposals, the alteration to the parish boundary would be dependent on the LGBCE agreeing to a coterminous change to the ward boundary between Clandon & Horsley and Effingham wards. Any increase in the number of parish councillors approved as part of this CGR would take effect from the next scheduled parish elections in May 2023.

11. Background Papers

"Guidance on Community Governance Reviews" – DCLG and Local Government Boundary Commission for England (March 2010)

12. Appendices

Appendix 1: East Horsley Parish Council's written submission dated 16 April 2019 requesting a community governance review

Appendix 2: Proposed terms of reference of the community governance review of the parishes of East Horsley and Effingham
- Annex 1: A summary of the powers and duties of parish councils
- Annex 2: Map of the Parishes of East Horsley and Effingham with proposed boundary alteration

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SUBMISSION TO GUILDFORD BOROUGH COUNCIL

Request for a Community Governance Review:

East Horsley parish

Request submitted by East Horsley Parish Council

16th April 2019

CONTENTS

APPENDICES

2

1. Request for a Community Governance Review

In accordance with the provisions of the Local Government and Public Involvement in Health Act 2007, East Horsley Parish Council ("EHPC") is pleased to submit this request to Guildford Borough Council ("GBC") to undertake a Community Governance Review for the parish of East Horsley.

EHPC requests that the following proposals be included in the terms of reference for a Community Governance Review:

Proposal 1

Subject to Proposal 2 below, to alter the existing boundary between the parishes of East Horsley and Effingham in the area close to Effingham Common, as set out in Map A3 of Appendix A.

Proposal 2

To recommend to the Local Government Boundary Commission for England ("LGBCE") that it approves the change of the existing boundary between the Clandon and Horsley ward and the Effingham ward of the Borough Council so that it is coterminous with the change to the parish boundary referred to in Proposal 1 above.

Proposal 3

To increase the maximum number of councillors to be elected to the parish council of East Horsley from nine councillors to twelve councillors.

EHPC believes that all other electoral arrangements relating to the parish of East Horsley are satisfactory and does not request any further changes be made under the Community Governance Review apart from the matters stated above.

Reasons for making the request

The reasons for EHPC making the request to revise the East Horsley parish boundary are:

- To remove anomalies where the settlement has outgrown its historic boundaries and to establish new clearly-defined boundaries tied to firm ground features; and
- To support the identity and interests of the local community.

The reasons for EHPC making the request to increase the maximum number of parish councillors are:

- To reduce the workload on individual councillors; and
- To seek to improve diversity on the parish council.

3

Appendix 1

2. Supporting justification: revision of parish boundary

EHPC is requesting a revision in its parish boundary to remove anomalies and establish a clearly defined boundary, whilst supporting the identity and interests of the local community.

Anomalous boundaries

Guidance issued by the Department for Communities and Local Government ("DCLG") in 2010 states in Paragraph 15 that:

"...over time communities may expand with new housing developments. This can often lead to existing parish boundaries becoming anomalous as new houses are built across the boundaries resulting in people being in different parishes from their neighbours. In such circumstances, the council should consider undertaking a community governance review, the terms of reference of which should include consideration of the boundaries of existing parishes."

In a section of the East Horsley parish boundary close to Effingham Common there is evidence of clear boundary anomalies, as illustrated by Map A2 in Appendix A. Five private residential roads - Heath View, Heathway, Berrington Drive, Orchard Close & Forest Lane - are each split between the parishes of East Horsley and Effingham, with a total of 55 houses in these roads being located in Effingham parish. All five roads fall within the designated settlement area of East Horsley.

EHPC understands that the present parish boundary follows the route of long-established drainage ditches which were concreted over during World War Two when troops were based on Effingham Common. Thereafter, the concrete military tracks provided the road framework for new post-war residential development.

Establishing strong, clearly defined boundaries

The DCLG guidance on Community Governance Reviews states in Paragraph 16 that:

"A community governance review offers an opportunity to put in place strong, clearly defined boundaries, tied to firm ground features, and remove the many anomalous parish boundaries that exist in England...."

As Map A2 in Appendix A illustrates, the present East Horsley parish boundary in the vicinity of Effingham Common is irregular and unrelated to existing ground features in that area. The revision shown in Map A3 in Appendix A proposes to move the existing boundary eastwards a short distance as far as the border of Effingham Common. In this way all of the 55 homes currently within Effingham parish would move into East Horsley parish.

4

This proposed revision will create a strong, clearly defined boundary marked by the edge of Effingham Common. Effingham Common is designated as an area of common land, as well as a SANG in the forthcoming GBC Local Plan, meaning that any further encroachment of the residential settlement beyond this revised boundary line is unlikely to occur.

The revised border also tracks the designated bridleway BW131. This bridleway is located inside Effingham Common a metre or so within the proposed border, thereby helping to provide a clear physical definition of the revised boundary on the ground.

Should GBC agree, following this Community Governance Review, to alter the boundary between the parishes of East Horsley and Effingham as described above, it may wish to consider whether to request the LGBCE to make consequential changes to the borough ward boundary between the Clandon and Horsley ward and the Effingham ward, so that the parish and borough ward boundaries remain coterminous.

Supporting local Identity and interests

EHPC has consulted local residents prior to making this submission, as detailed in Appendix B. All of the 55 houses now located in Effingham parish were contacted and their views solicited about a proposed boundary change. Overall 71% of the houses contacted responded to this consultation, with 81% of respondents indicating support for a boundary change.

It is clear from the comments shown in Appendix B that most residents in this area already consider themselves to be living in East Horsley. They have East Horsley as their designated postal address, regularly use the East Horsley village facilities, (which are much closer than those of Effingham village), and generally consider themselves to be a part of the East Horsley village community. In considering the benefits of a border revision a number also commented on the convenience of using polling stations which are significantly closer to those presently provided in Effingham.

Accordingly, EHPC believes that the proposed parish boundary revision will support and enhance the sense of local village identity in this area.

5

Residents' concerns: protection of Effingham Common

In the Heath View consultation five households expressed their opposition to the boundary change, primarily because of possible negative effects on the future protection of Effingham Common. A number of others supporting the boundary change also raised this issue as a significant concern.

EHPC sees no reason why the protection of Effingham Common should be worsened by this boundary change, since the Common will remain wholly within the parish of Effingham under the proposed revision. However, since EHPC considers Effingham Common to be both an important recreational and ecological resource benefitting both parishes, EHPC is very happy to give additional support to Effingham Parish Council in its efforts to conserve and protect this area of common land.

To ensure future co-operation between the two parish councils is effective and timely, EHPC undertakes to commit to the following measures, to become effective upon approval of the proposed boundary change, namely:

a) To add Effingham Common to the areas monitored by EHPC's Woodlands & Meadows Task Group* (*See Note below*);

b) To invite Effingham Parish Council to nominate a representative to join this Task Group and to act as ongoing liaison between the two councils;

c) To support Effingham Parish Council in its various conservation activities relating to Effingham Common, including publicising local events such as the Commoners' Day, soliciting support for volunteer work parties, etc;

d) Through its Parish Clerk, EHCP will take up any issues or concerns raised by East Horsley residents such as fly-tipping or other inappropriate activities reported on Effingham Common, either directly or by working in conjunction with the Effingham Parish Clerk.

This request to GBC was approved by EHPC at its parish council meeting on 15th April 2019, including a specific reference to the above commitments. In this way EHPC seeks to ensure that any change in the parish boundary in this area will not weaken the protection or conservation of Effingham Common.

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* NOTE:
EHPC's Woodlands & Meadows Task Group is responsible for monitoring three green spaces in East Horsley owned by EHPC – The Forest, Wellington Meadow and Great Ridings Wood (which also extends significantly into Effingham parish). This Task Group is comprised of 3 parish councillors, the Parish Clerk, and four resident volunteers who act as local wardens for these three green areas. Two of these volunteers are highly experienced amateur naturalists. The group also liaises closely with Surrey Wildlife Trust, which manages The Forest, and with the Woodland Trust, which manages Great Ridings Wood.

Criteria for assessment

EHPC understands that, in keeping with community governance requirements, the boundary revision must be "*reflective of the identities and interests of the community in that area*". It should also take into account "*community cohesion*". Based upon the results of our consultation EHPC believes that both of these factors are demonstrated for the boundary revision being proposed.

It is a further requirement that the proposed revision should be "*effective and convenient*". EHPC believes that in addressing the present anomalous boundary, by clarifying postal addresses and by providing polling stations which are significantly closer to residents than those presently used in Effingham, the proposed boundary revision will also be effective and convenient for residents.

Conclusion

Accordingly, EHPC believes that the proposed boundary revision in the vicinity of Effingham Common is justified and requests that GBC should support this revision.

7

Appendix 1

3. Supporting justification: councillor numbers

EHPC is seeking to increase its councillor numbers in order to reduce the workload on individual councillors and to try and improve diversity on the parish council.

Workload on parish councillors

Parish councillors are unpaid volunteers who give their time and energy towards helping the local community. Presently EHPC has three formal committees – monthly parish council meetings, fortnightly planning committees and quarterly finance committees – as well as a further seven active Task Groups who convene regularly. In recent years councillors have also undertaken a number of one-off projects involving substantial time commitments, such as preparing the East Horsley neighbourhood plan, participating in the Wisley airfield public inquiry, developing a range of new facilities for Kingston Meadow and organising a local summer arts festival for the village. Future trends also point towards increased councillor workloads. For example, the Community Infrastructure Levy to be introduced shortly will mean significantly more involvement by parish councillors in new infrastructure development in the village.

The DCLG guidance indicates that, for villages of East Horsley's size, parish councils typically have between 9 to 16 parish councillors. An increase from 9 to 12 councillors would therefore bring East Horsley into the mid-point of this indicative range.

A comparison with other nearby parish councils is also illustrative. Effingham Parish Council has a maximum of 10 councillors for a village population which is 63% the size of East Horsley. West Horsley Parish Council has a maximum of 9 councillors with a population that is 66% the size of East Horsley.

Increasing diversity

Out of the present nine parish councillors, two are in full-time employment, two are female and just one is below the age of 60 years. EHPC believes the parish council should ideally be more broadly representative of our village community as a whole and that increasing councillor numbers may help to achieve this goal.

Conclusion

EHPC believes that increasing the number of parish councillors from nine to twelve councillors is fully justified and therefore requests that GBC should approve this Community Governance Review.

East Horsley Parish Council

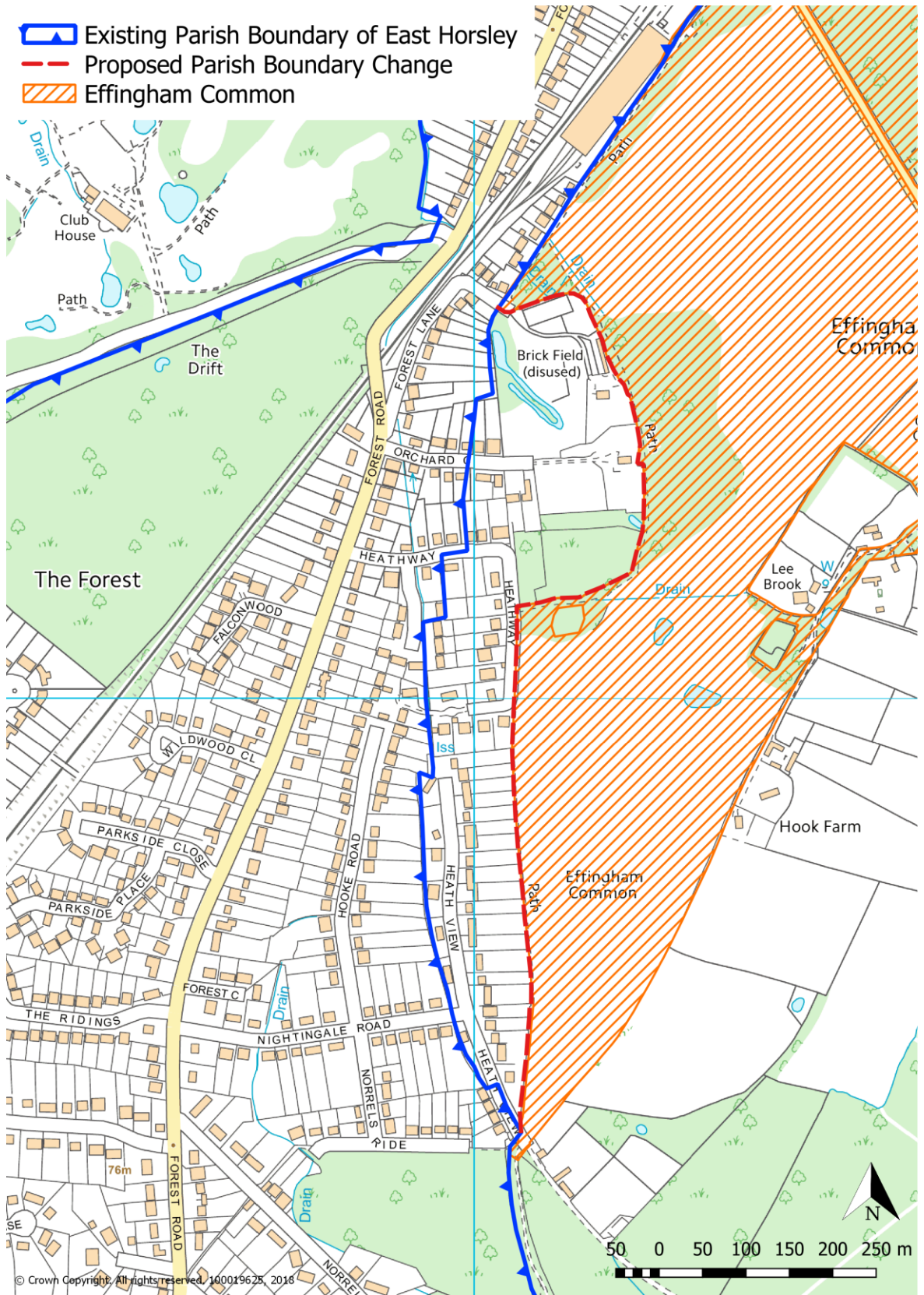16th April 2019

APPENDICES

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MAP A1   Current East Horsley parish boundary

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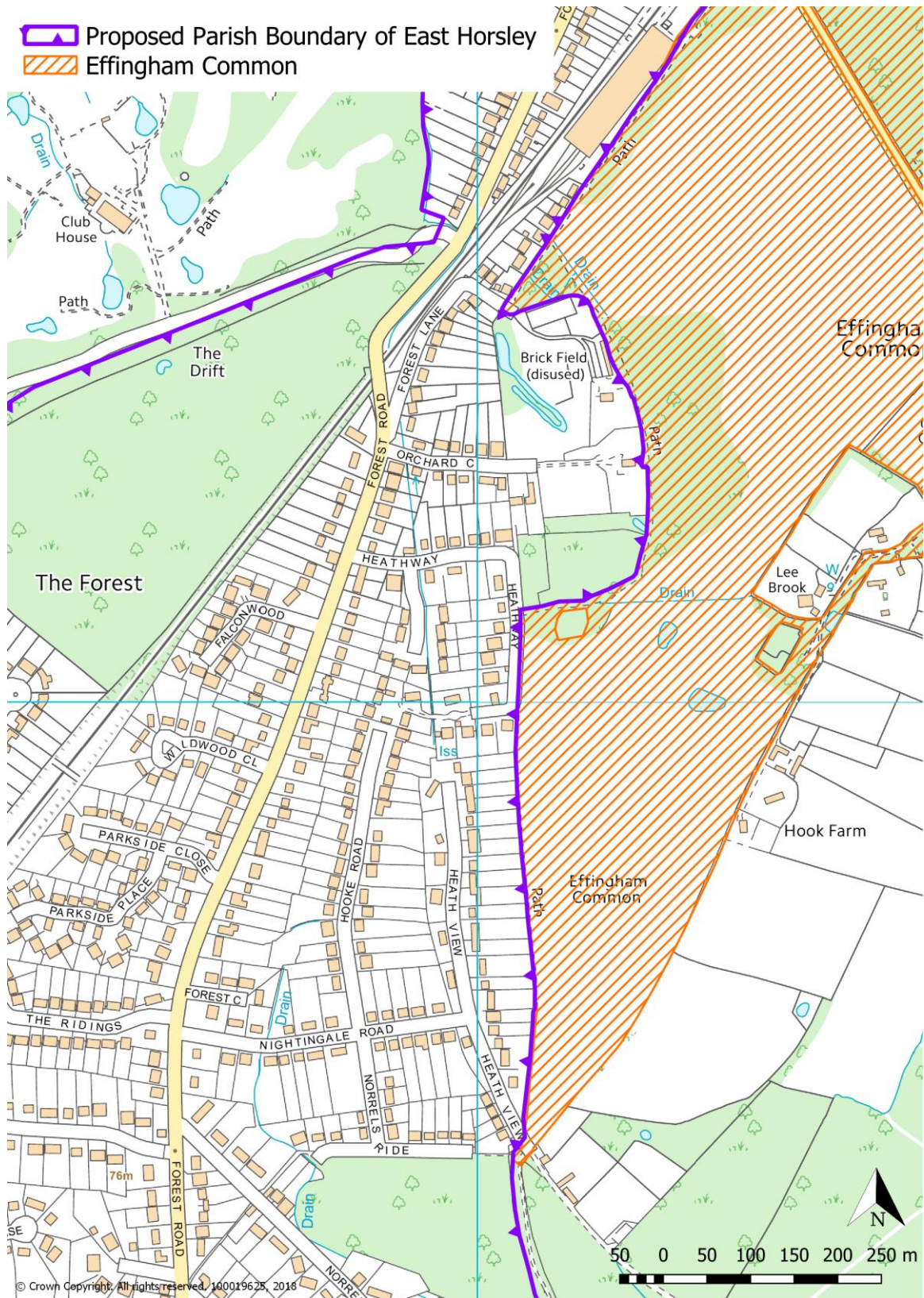**MAP A2   Current East Horsley parish boundary: vicinity of Effingham Common**
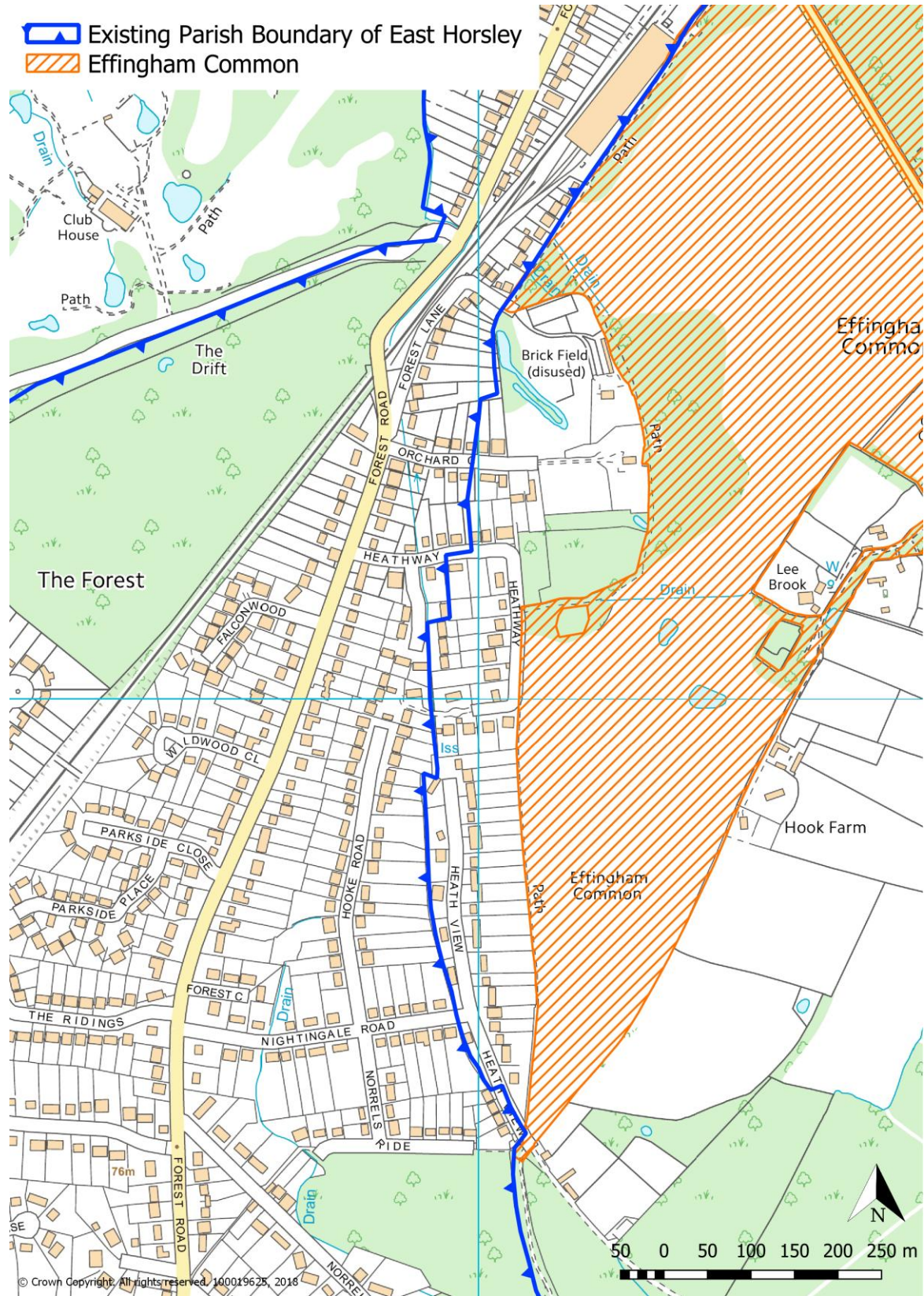
MAP A3   Proposed East Horsley parish boundary change

Legend:
- Existing Parish Boundary of East Horsley
- Proposed Parish Boundary Change
- Effingham Common

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MAP A4 East Horsley proposed parish boundary: vicinity of Effingham Common

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APPENDIX B   CONSULTATION RESULTS

Introduction

There are 55 homes currently within Effingham parish which would move into the parish of East Horsley under the proposed boundary revision. These dwellings are located in the following roads:

Roads	No.
Heath View	28
Heathway	16
Berrington Drive	3
Orchard Close	7
Forest Lane	1
TOTAL	55 *homes*

Prior to submitting its request for a boundary revision, EHPC consulted with the local residents who would be affected. Heath View and Heathway (together with Berrington Drive) are private roads with road associations/companies and EHPC conducted its consultation through these organizations. Residents in Orchard Close and Forest Lane were contacted directly by EHPC councillor, Mr Andrew Franklin, who is a resident of Orchard Close.

71% of the households contacted responded to the consultation exercise. The results are set out in the remainder of this Appendix.

Appendix B1   Heath View consultation results

A total of 28 homes in Heath View presently fall within Effingham parish. Under the proposed boundary revision all of these homes would move into East Horsley. The chairman of the Heath View Road Company, Mr Chris Woods, having been approached by EHPC, conducted his own survey of residents' views towards such a change in February 2019, contacting his neighbours in person, by e-mail or by phone. He also prepared his own report setting out the results of his survey, which was submitted to both EHPC and to Effingham Parish Council and is copied in full below.

RESPONSE: 25 out of 28 houses responded. 78% were in favour of moving the boundary.

Copy of the survey report prepared by Chris Woods, chairman of the Heath View Road Association.

To: Parish Councils
Unofficial Boundary move poll:

I have emailed or contacted, to the best of my knowledge, one or more in each household in which I think there is at least one person entitled to vote in Effingham. 28 of the 32 HV homes are in Effingham. 2 of the 28 are rented out to fairly recent tenants. I contacted the remaining 26 homes.

I wrote about what I saw as considerations as objectively as I could, primarily: to which village do you have affinity, consider care for Effingham Common and which parish should you support financially. I asked for a YES/NO interim view on would you like the boundary moved to put your house in EH. I stated my view, which is to move the boundary.

Of the 26 households I received views from 25.

Most households have 2 voters, a few have 1 and I believe there are up to 4 voters in 2 households, I calculate it likely that there are 52 Heath View residents eligible to vote in Effingham.
I have votes from 45 (87%) of them. I have no response from 5 and 2 are undecided.
  - *10 of the 45 (22%) voted NO to a boundary change.*
  - *35 of the 45 (78%) voted YES to a boundary change.*

Of those in property adjoining the Common, 10 voted NO to the boundary change, and 23 voted YES. All 12 who voted on the west side of HV (not adjoining the common) voted YES.

Some voters expressed views verbally or in writing. Protection of Effingham Common was outstanding as the major concern for those voting against the change and a concern voiced by some who voted for the change.

Paraphrased and actual comments from those voting NO to a change:

Satisfaction in how EPC had objected to development on the Common.
Concern that EHPC might not be as active as EPC in looking after the Common and or the interests of those adjoining the Common.
One respondent asked: would EHPC put in writing for later reference that it would keep an eye on the Common like EPC has done?
We do not see sufficient reason for changing.
"… [the] expense it would inevitably cost us e.g. amendments etc. to our legal land and property documents"
"not clear what benefits [resident] will gain from the move. [Resident] gets everything [resident] wants from EH now. And it will take a lot of unnecessary work by many people to transfer over." Unless [edited] "protests been

made in writing to the leaders of either PC from residents of HV … why … bother to make a change for the sake of a slightly different line drawn on a map."

"cost of re-drawing the boundaries? Would there be any real gain in this re-structuring?"

"can't see the point"

"Liz Hogger does a good job looking after the Common and the Green Belt"

"all documents would need to be changed"

From one resident [edited/summarised/paraphrased]: *"[I have] an interest in remaining with Effingham … if EPC … [is] involved with the Common. Use Common daily … children educated in Effingham … use shop, church, garage in Forest Road [note these 3 are in EH] … [I] centre on Dorking and Cobham as well as EH … like things how they are and see no reason to change. I enjoy feeling part of Effingham and value the common and the EPC's commitment to it"*

… Former chairman of EHPC lived in HV showing that non EH voters can play a valuable role in EH – also EH voters will safeguard EH for HV residents"

"enjoy feeling part of Effingham … value … the common and EPC's commitment to it"

There was concern about school catchment areas, that those in EH parish may not be as favoured as Effingham. [my note – schools come under SCC, not parishes. I think parish residency does not play a part in admission selection criteria]

[Chris Woods' Note: my view is that the Common is a valuable asset for Effingham and EPC should continue to look after it as it has done in the past. EHPC should support where appropriate and is more likely to do so if its parishioners' properties adjoin it. I believe the Common is mostly owned by GBC and that Common land enjoys very significant planning protections including a requirement to create another adjoining piece of common land if more than 200 square metres is agreed for some sort of development.]

Comments from those voting YES to the boundary change:

I, Chris Woods, see and treat EH as 'my village' and wish to be part of it, able, as a parishioner, to participate in decisions affecting EH and to contribute to it by helping to fund things via the parish precept. I say I live in East Horsley and it is my postal address. Only a historic boundary anomaly cuts us off and it should be changed to include all of Heath View. I think it is right that we support the village we use and believe all or almost all see EH in the same light; even those whose prime concern is protection of the Common.

Others' views follow: *"agree with your[i.e. my] points entirely and would relish a boundary move to be included in EH."*

"we agree that this makes sense"

"The Common is protected by GBC I think and EPC would not be able to allow any development. I agree also with all your comments about affinity to EHPC as 'our village' in every respect including postal address etc. "

"it would make more sense to draw a straighter line from the southern end of our road, going due north and to edge of the Common along the path behind the houses and including Heath Way"

"[we] support a change … [we] have always been somewhat confused by the current anomalous situation"

"For voting we are required to drive over to KGV Hall.

"We consider our village as East Horsley, we use and enjoy the facilities they provide."

"it makes sense for us to be part of EHP" … "I … identify with the village."

"we would be delighted to be part of East Horsley and always consider ourselves as being so."

Chris Woods
18/02/2019

Appendix B2   Heathway & Berrington Drive consultation results

There are 16 homes in Heathway and 3 homes in Berrington Drive which are presently located in Effingham parish. Both of these roads are part of the same road association. In February 2019 EHPC contacted the acting chairman, Mr Nigel Alexander, who agreed to forward an e-mail, prepared by EHPC, to residents in these roads. The e-mail explained that EHPC was considering requesting GBC to undertake a boundary review and asked residents if they wished to express any opinion to do so by e-mail directly to EHPC. A total of 7 residents responded - 6 were in favour of a move to East Horsley parish and 1 was undecided.

RESPONSE: 7 out of 21 houses responded. All were in favour of the boundary move apart from 1 who was undecided.

E-mail comments received:

i) Igs and I both think that it would be sensible if all of the houses in Heathway came under East Horsley Parish Council instead of just the first few dwellings near to Forest Road being in E. Horsley and then the rest of the houses in Heathway being in the Parish of Effingham. Our Postal Address has always been 'East Horsley, Surrey'. It would be illogical for the first few houses in Heathway to be in East Horsley and for the rest of Heathway to be classed as 'Effingham'. Logically, the whole of Heathway should be considered as part of East Horsley, so that people looking for a house in Heathway don't needlessly start their search at Effingham Village, two miles away from Heathway, at the far end of Effingham Common. When filling out official forms – for driving licences, passports etc., we have always declared that we reside in East Horsley, because the postal address is 'East Horsley' – letters addressed to 'Effingham' would go out on a different postal round!

ii) We would like to express our approval to the proposed changes to parish boundaries. Our house, Achillea, Heathway, KT24 5ET, lies just inside the Effingham boundary at present and this always seemed confusing as our neighbours are in East Horsley and our address is also East Horsley. I fully agree that Effingham Common should be protected at all costs and remain within Effingham.

iii) I think this would be a good idea as I have always considered myself as part of East Horsley.

iv) Pamela and John Bevington, owners of Bramble Hill, Heath Way, fully support the proposal outlined in your e-mail of 25th February. We believe the consolidation proposed is totally appropriate, and would much enjoy being a formal part of East Horsley Parish!

v) I am writing with regard to the proposed Parish Boundary changes for Effingham/East Horsley. We are at 2 Berrington Drive, KT24 5ST which I understand is one of the few homes in our road which currently falls under the Effingham parish territory. However, I would welcome the change to East Horsley if this was so amended.

vi) I confirm that I am in favour of the suggested changes to the Parish Council boundaries which would put all of Heath Way and Berrington Drive into East Horsley Parish Council. We have lived in Berrington Drive for 25 years and have always felt that we have lived in and been part of East Horsley not Effingham and cannot see any reason why the proposed changes could be objected to.

vii) Thanks for the information about potentially Heathway moving to East Horsley Parish from Effingham. I thought to respond though I'm not sure I have a view one way or the other. Sorry not to be more insightful.

Appendix B3. Orchard Close and Forest Lane consultation results

There are 7 homes in Orchard Close and 1 home in Forest Lane which presently lie in Effingham parish. Since there is no road association in Orchard Close, these residents were contacted by local parish councillor, Mr Andrew Franklin, who lives in one of the 7 houses. His e-mail in February 2019 explained the background and asked for their views on a prospective move into East Horsley parish.

RESPONSE: 6 out of 8 houses responded. 100% were in favour of moving the parish boundary.

E-mail comments received:

i) Victoria and I are in favour because a) we feel our affinity on every count rests with EH and b) it would be much more convenient on election days going to the polling station in Forest Road rather than driving over to Effingham.

ii) Many thanks for your email, I did read this plan, and can't think of any disadvantage to it for us, and as you say East Horsley village is closer to us than Effingham so it does make some sense. Can you think of any disadvantages or other implications?

iii) Thank you for your email, Andrew. I too think that it would be best if our property were in the parish of East Horsley.

iv) Thank you for alerting us to this. One thing that I would like to understand is will this mean any changes to planning boundaries of the green belt? I think both our properties (and Mr Connor's field) fall under the green belt, but not the rest of Orchard Close. We would not want this to change as this then opens the door to development of the land behind our houses. Could you please confirm?
If there is no proposed change to the green belt / planning boundary or future implications relating to this of changing parishes, then both Neil and I would support the move towards being part of East Horsley PC.

v) I agree with boundary move so that we are all in East Horsley. Makes sense.

Verbal comment received:

vi) One resident also gave verbal confirmation of their support.

Appendix B4. Summary of results from residents' consultation

Total number of homes affected by the proposed boundary move: 55 homes

Total number of households responding to consultation approach 39 households

    % response rate **71%**

Total number of households indicating support for boundary move 31.5 households*

    % respondents in support **81%**

* NOTE:

The Heath View survey, conducted by Mr. Chris Woods, recorded votes from all eligible voters in the household to the question: "Do you want the Parish boundary moved to include your Heath View home in East Horsley instead of Effingham?" In one household the husband and wife took different views and so for consistency this is treated as half of a household here.

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GUILDFORD BOROUGH COUNCIL
COMMUNITY GOVERNANCE REVIEW 2019
PARISHES OF EAST HORSLEY AND EFFINGHAM
TERMS OF REFERENCE

What is a Community Governance Review?

A Community Governance Review is a review of the whole or part of the Borough to consider one or more of the following:

- Creating, merging, altering or abolishing parishes;
- The naming of a parish and the style of a new parish (i.e. whether to call it a "village", "community" or "neighbourhood" with the council similarly named as a "village council", "community council" or "neighbourhood council");
- The electoral arrangements for parishes (including council size, the number of councillors to be elected to the council, and parish warding), and
- Grouping parishes under a common parish council or de-grouping parishes.

The Borough Council is required to ensure that community governance within the area under review will be:

- reflective of the identities and interests of the community in that area; and
- is effective and convenient.

In doing so, the Community Governance Review is required to take into account:

- The impact of community governance arrangements on community cohesion; and
- The size, population and boundaries of a local community or parish.

The government has emphasised that recommendations made in Community Governance Reviews ought to bring about improved community engagement, more cohesive communities, better local democracy and result in more effective and convenient delivery of local services.

Why are we carrying out this Community Governance Review?

We have received a request from East Horsley Parish Council for a community governance review to alter the parish boundary between East Horsley and Effingham in the vicinity of Effingham Common, and increase the number of parish councillors to be elected to East Horsley Parish Council from nine to twelve.

The area under review is the area of the borough of Guildford comprising the parishes of East Horsley and Effingham.

The parish of East Horsley is located within the Clandon and Horsley ward of Guildford Borough Council. It is also located within the Horsleys Division of Surrey County Council and forms part of the Mole Valley Parliamentary Constituency.

The parish of Effingham is located within the Effingham ward of Guildford Borough Council. It is also located within the Horsleys Division of Surrey County Council and forms part of the Mole Valley Parliamentary Constituency.

What do parish councils do?

By way of information, a summary of the general powers and duties of parish councils is attached as **Annex 1**.

What are we consulting on?

We are consulting the public on the request from East Horsley Parish Council, which is

1. To alter the existing boundary between the parishes of East Horsley and Effingham in the area close to Effingham Common, as set out in the Map at Annex 2

As the effect of 1. above, is also to alter the borough ward boundary between Clandon & Horsley ward and Effingham ward, the change can only be implemented if the Local Government Boundary Commission for England, on the recommendation of the borough council, approves the change.

2. To increase the number of parish councillors elected to East Horsley Parish Council from nine (9) to twelve (12).

If approved, the change will come into effect on the date of the next scheduled parish council elections in May 2023.

Why has this request been made?

The Parish Council's reasons for moving the parish boundary are set out below:

(a) To remove anomalies where the settlement has outgrown its historic boundaries and to establish new clearly-defined boundaries tied to firm ground features; and

(b) To support the identity and interests of the local community.

The Parish Council's justification for the increase in the number of parish councillors is set out below:

(c) To reduce the workload on individual councillors; and;

(d) To seek to improve diversity on the parish council.

For the purposes of this review, we are also <u>required by law</u> to make recommendations on other related "electoral arrangements" in respect of East Horsley Parish Council and Effingham Parish Council, as follows:

(1) the year in which ordinary elections of parish councillors are to be held;
(2) the division (or not) of the parishes into wards for the purpose of electing parish councillors;

> *(3) the number and boundaries of any such wards;*
> *(4) the number of parish councillors to be elected for any such ward;*
> *(5) the name of any such ward.*
>
> *In relation to (1) above, Guildford Borough Council proposes that no change be made to the year of ordinary elections, as they currently coincide with borough council elections and elections to other parish councils in the borough.*
>
> *In relation to (2) to (5) above, the introduction of 'wards' would mean that each parish councillor would be elected by voters living within a particular area (or ward) within the parish, and they would represent those voters on the parish council. The Borough Council proposes that, irrespective of the outcome of this community governance review:*
>
> > *(a) East Horsley parish should continue to be unwarded, i.e. no change be made. East Horsley Parish Council supports this proposal;*
> >
> > *(b) Effingham parish should continue to be divided into two wards "North Ward" and "South Ward", i.e. no change be made. Effingham Parish Council supports this proposal.*
>
> *We would therefore like to know what YOU think of the proposals to:*
>
> > *(a) Move the parish boundary between East Horsley and Effingham as shown on the Plan at Annex 2; and*
> > *(b) increase the number of parish councillors on East Horsley Parish Council from 9 to 12, and*
> > (c) *make no other changes to the electoral arrangements in respect of East Horsley Parish Council and Effingham Parish Council*

Electorate Forecast

At the time Guildford Borough Council considered the request to carry out this community governance review, the Local Government electorate for the parish of East Horsley was 3,437 and the Local Government electorate for the parish of Effingham was 2,066.

For the purpose of this review, we are required to forecast the expected growth in the electorate for the parishes of East Horsley and Effingham for the next five years.

East Horsley
There are currently outstanding planning permissions (permitted but not completed, including those commenced) for 20 homes in the parish of East Horsley. The Local Plan/Land Availability Assessment provides for 115 homes within 5 years, making a total of 135. There are no Neighbourhood Plan sites forecast within one to five years.

Effingham
There are currently outstanding planning permissions (permitted but not completed, including those commenced) for 299 homes in the parish of Effingham, of which 204 are expected to be built within the next 5 years. The 2017 Land Availability Assessment identifies sites with an estimated capacity to deliver 36 homes within 5 years. The Effingham Neighbourhood Plan identified an additional site, making a total of 245.

How to let us know your views

Any representations on this matter above must be in writing and should be sent to:

> John Armstrong
> Democratic Services Manager
> Guildford Borough Council
> Millmead House
> Millmead
> GUILDFORD
> Surrey   GU2 4BB

by no later than 5pm on Friday 18 October 2019.

Alternatively, you may send your representations either:

- by email to: committeeservices@guildford.gov.uk; or

- via our online facility: www.guildford.gov.uk/comgovrev

Please ensure that you state your name and address clearly on any representations submitted. Please note that any submissions received after 18 October 2019, or any representations submitted anonymously, will <u>not</u> be taken into account.

Please also note that the consultation stages of a Community Governance Review are public consultations. We will not publish your personal information; however, in the interests of openness and transparency, the Council will make available for public inspection full copies of all representations it takes into account as part of this review.

All personal information submitted to us during the course of this consultation will be destroyed once the matter has been determined by the Council.

What happens next?

In arriving at its final recommendations, the Council will take account of the views of local people and any other person or body who appears to have an interest in the Review by judging them against the criteria set out in the Local Government and Public Involvement in Health Act 2007 and associated government guidance.

The Borough Council will take steps to notify consultees of the outcome of the review by publishing all decisions taken, together with reasons, on the Council's website (and ask East Horsley Parish Council and Effingham Parish Council to publish the same on their websites), through general press releases, and by placing key documents on public deposit at Guildford Borough Council's offices and at the offices of East Horsley Parish Council and Effingham Parish Council.

If any change to the electoral arrangements for East Horsley Parish Council is approved, a Community Governance Reorganisation Order will be made to give effect to the change.

A timetable for the Community Governance Review

A Community Governance Review must, by law, be concluded within a 12-month period from the day on which the Borough Council publishes the terms of reference and ending on

the day on which the Council publishes its final recommendations. The proposed timetable for this Community Governance Review is set out below:

23 July 2019	Terms of Reference and Timetable for Review approved by Guildford Borough Council.
2 September 2019	Guildford Borough Council to publish approved Terms of Reference. Six-week consultation period begins with local people and interested parties.
18 October 2019	Closing date for consultation period.
3 December 2019	Guildford Borough Council to consider consultation submissions and publish final recommendations.

Date of Publication of Terms of Reference:
2 September 2019

Powers and Duties of Parish Councils

The role played by parish councils varies considerably. Smaller parish councils have only limited resources and generally play only a minor role, while some larger parish councils have a role similar to that of a small district council. Parish councils receive funding by levying a "precept" on the council tax paid by the residents of the parish.

The list below is intended as a summary of the main functions of parish councils. It is not intended to be a definitive list of such functions. Where a function is marked with an asterisk a parish council also has the power to give financial assistance to another person or body performing the same function.

Functions	Powers And Duties
Allotments	Powers to provide allotments Duty to provide allotment gardens if demand unsatisfied
Bus Shelters and roadside seats	Power to provide and maintain
Bye Laws	Power to make byelaws for public walks and pleasure grounds
Clocks*	Power to provide public clocks
Closed Churchyards	Powers (and sometimes duty) as to maintain
Commons Land and Common Pastures	Powers in relation to enclosure as to regulation and management and as to providing common pasture
Community Centres and Village Halls	• Power to provide and equip premises for use of clubs having athletic, social or educational objectives • Power to provide buildings for offices and for public meetings and assemblies
Conference facilities*	Power to provide and encourage the use of facilities
Crime Prevention*	Powers to spend money on various crime prevention measures including
Drainage	Power to deal with ponds/ditches
Education	Right to appoint governors of primary schools
Entertainment and the Arts*	Provision of entertainment and support of the arts
Environment	Power to act for the benefit of the community by tackling and promoting awareness of environmental issues
Flagpoles	Power to erect flagpoles in highways
Highways	• Power to repair and maintain footpaths and bridleways • Power to provide lighting of roads and public places • Power to provide parking places for vehicles, bicycles and motorcycles • Power to enter into an agreement as to dedication and widening • Power to provide traffic signs and other notices • Power to plant trees, etc., and to maintain roadside verges • Power to prosecute for unlawful ploughing of a footpath or bridleway • Power to contribute financially to traffic calming schemes
Investments	Power to participate in schemes of collective investment
Land	• Power to acquire land by agreement or compulsory purchase,

Functions	Powers And Duties
	- Power to appropriate land - Power to dispose of land - Power to accept gifts of land - Power to obtain particulars of persons interested in land
Litter bins	Power to provide litter bins including receptacles for dog faeces
Lotteries	Power to promote lotteries
Monuments and Memorials	Power to agree to maintain monuments and memorials
Mortuaries and post-mortem rooms	Powers to provide mortuaries and post-mortem rooms
Nature Reserves	Power to designate statutory to the nature reserves and marine nature reserves - English Nature can designate sites of specific scientific interest
Nuisances	Power to deal with offensive ditches, ponds and gutters
Open Spaces, Burial Grounds, Cemeteries and crematoria*	Power to acquire, maintain or contribute towards expenses
Parish Property and Records	- Powers to direct as to their custody - Power to collect, exhibit and purchase local records
Parks and pleasure grounds	Power to hire pleasure boats in parks and pleasure grounds
Parochial charities	- Power to appoint trustees of parochial charities - Duty to receive accounts of parochial charities
Planning	Right to be notified of and power to respond to planning applications
Postal and telecommunications facilities	Power to pay the Post Office, British Telecommunications or any other public telecommunications operator any loss sustained in providing post or telegraph office or telecommunications facilities
Public Conveniences	Power to provide public conveniences
Raising of Finances	Power to raise money through the parish precept
Recreation*	- Power to acquire land for or to provide recreation grounds, public walks, pleasure grounds, and open spaces and to manage and control them. - Power to provide gymnasiums, playing fields, holiday camps
Swimming pools, bathing places, baths and washhouses	Power to provide
Tourism*	Power to contribute to the encouragement of tourism
Town Status	Power to adopt town status
Transport*	Power to (a) establish car sharing schemes (b) make grants for bus services, (c) provide taxi-fare concessions; (d) investigate public transport, road use and needs; (e) provide information about public transport services Community Transport Schemes
Village greens	Power to maintain, to make bylaws for and to prosecute for interference with village greens
Water Supply	Power to utilise well, spring or stream and to provide facilities for obtaining water therefrom.
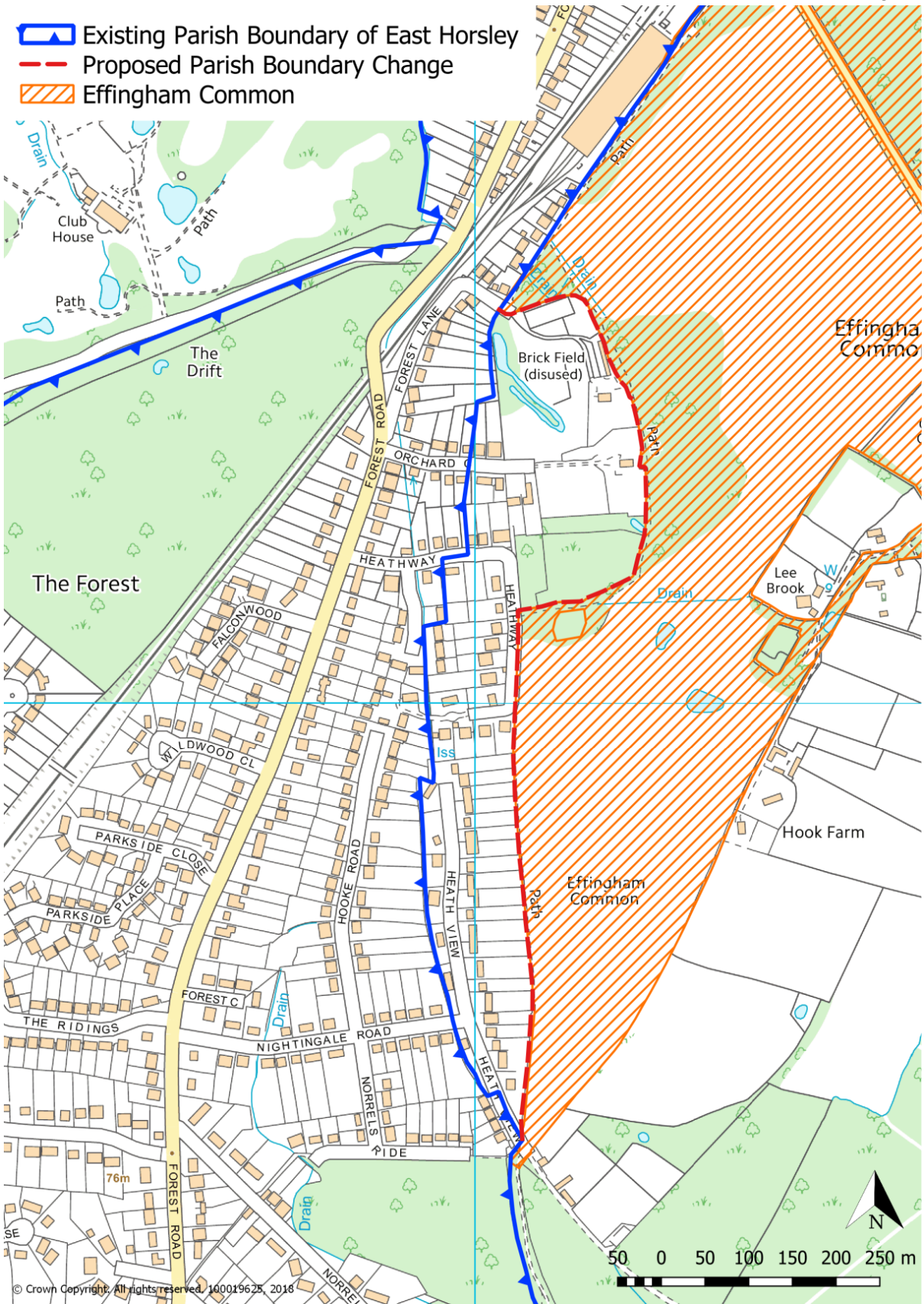
Legend:
- Existing Parish Boundary of East Horsley
- Proposed Parish Boundary Change
- Effingham Common

Council Report

Ward(s) affected: All

Report of Director of Finance

Author: John Armstrong, Democratic Services Manager

Tel: 01483 444102

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Lead Councillor responsible: Caroline Reeves

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Email: caroline.reeves@guildford.gov.uk

Date: 31 July 2019

Review of the Code of Conduct for Staff

Executive Summary

There are requirements under legislation for the Council to adopt a Code of Conduct for Councillors to provide local guidance about behaviour and conduct. There is no such requirement for a Code of Conduct for Staff, but it is good practice to have one and of benefit to offer guidance and signposting to relevant employment policies and protocols that govern officers in their day-to-day work.

The current Code of Conduct for Staff (see Appendix 1) sits in Part 5 of the Council's Constitution alongside the Councillors' Code of Conduct. However, the Constitution, as the Council's tool of governance, is not a day-to-day reference for many of the Council's employees. The Code of Conduct for Staff has been rewritten to be a more accessible document in terms of style and language and it will contain links to other key sources of online information for all employees.

Alongside a general modernisation, it is also proposed in this report that the Code of Conduct should become part of the line management process, including new employee induction and end of probation sign off.   It is also proposed that the revised Code of Conduct should be provided to all staff (new and existing), who will be required to confirm that they understand the behaviours and conduct expected of them.

This matter was also considered by the Corporate Governance and Standards Committee at its meeting held on 13 June. The Committee made a number of comments and suggestions, and these have been incorporated where appropriate into the draft revised Code of Conduct for Staff set out in Appendix 2 to this report.

Recommendation to Council:

That the revised Staff Code of Conduct attached as Appendix 2 to this report be adopted.

Reason for Recommendation:
To provide up to date and fit for purpose guidance accessible to all staff.

---

1. Purpose of Report

1.1 The purpose of this report is to present to the Council a revised draft of the Code of Conduct for Staff for consideration of adoption.

2. Strategic Priorities

2.1 This Council has a set of organisational values that determine how we treat our customers and colleagues as we carry out our work. These values influence our day-to-day activities and help shape our culture.

3. Background

3.1 Local authorities are required to adopt a code of conduct, which sets out rules governing the behaviour of their councillors and satisfies the requirements of the Localism Act 2011. All elected and co-opted members of local authorities, including parish councils, are required to abide by their own, formally adopted, code. The Councillors' Code of Conduct seeks to ensure that members observe the highest standards of conduct in their role as councillors. It is not a requirement for local authorities to have a similar code of conduct for staff but it is considered good practice.

3.2 The Code of Conduct for Staff sits at Part 5 of the Council's Constitution alongside the Councillors' Code of Conduct and the Protocol on Councillor/ Officer Relations. It is the intention that these three documents are collectively reflective in providing guidance on the behaviour and conduct expected of those performing the public service role.

3.3 This Council has been undertaking an ongoing review of various elements of the Constitution over recent months and the Code of Conduct for Staff is the most recent section to be reviewed.

3.4 It is important that this document is revised and updated as and when necessary to cover changes in modern business practice, such as data protection matters and technology, such as social media use. These practices and technologies nurture new behaviours and expectations and should be reflected in the guidance.

4. Consultations

4.1 On 19 February 2019, service leaders from across the Council met to review the content of the existing Staff Code of Conduct and how it could be revised to become more pertinent to modern practices and accessible to all staff. The meeting was provided with the outcome of officer research into staff codes of conduct across a number of other councils in order to inform and advise what could be absent from the existing document. In particular, material from Norwich City Council, Glasgow City Council, Oxford County Council and Cornwall Council were found to be useful.

4.2 UNISON have been consulted on the proposed revised Code of Conduct for Staff and have no comments to add.

4.3 This matter was also considered by the Corporate Governance and Standards Committee at its meeting held on 13 June. The Committee made a number of comments and suggestions, and these have been incorporated where

appropriate into the draft revised Code of Conduct for Staff set out in Appendix 2 to this report.

5. Equality and Diversity Implications

5.1 There are no equality and diversity implications arising from this report.

6. Financial Implications

6.1 There are no financial implications arising from this report.

7. Legal Implications

7.1 It is important that members of staff and the Council itself remain safeguarded by clearly set out guidance regarding proper conduct and behaviour.

7.2 The Code of Conduct for Staff will be incorporated into employees' employment contracts and breach of its provisions will therefore be a breach of contract. The Code makes it clear that breach may result in disciplinary proceedings. Obtaining the employee's signature to the Code will be important to evidence the fact that they were made aware of its provisions.

8. Human Resource Implications

8.1 Consultation undertaken with senior managers has suggested that the Code of Conduct for Staff should be provided to all existing and newly recruited members of staff and signed by them to ensure the expected behaviours and conduct are understood. It is also proposed that line managers revisit the Code at the conclusion of the probation period for new staff.

8.2 The revised Code includes links and references (for guidance purposes) to relevant Human Resource and ICT policies.

9. Summary of Options

9.1 The Council may consider that the existing guidance is fit for purpose and make no changes.

9.2 The Council may agree with the revisions to the Code of Conduct for Staff proposed in Appendix 2 and agree to formally adopt the revised Code.

9.3 The Council may consider that the revisions do not go far enough and further research and consultation should be undertaken.

10. Conclusion

10.1 It is important for the Council to provide guidance to members of staff in terms of expected behaviour and conduct. This is in order to continue to provide a high standard of service to the public and to protect the interests of staff, councillors and the Council as an organisation.

11. Background Papers

- Norwich City Council Staff Code of Conduct
- Glasgow City Council Staff Code of Conduct

- Oxford County Council Staff Code of Conduct
- Cornwall Council Staff Code of Conduct

12.   Appendices

Appendix 1: Existing Guildford Borough Council Staff Code of Conduct
Appendix 2: Revised draft of Guildford Borough Council Staff Code of Conduct 2019

GUILDFORD BOROUGH COUNCIL

CODE OF CONDUCT FOR STAFF

1.   Introduction

1.1   The public is entitled to expect the highest standards of conduct from all staff working for Guildford Borough Council. Public confidence in their integrity would be shaken were the least suspicion to arise that they could in any way be influenced by improper motives.

1.2   The Council approved this code of conduct, which applies to all employees, on the recommendation of the former Standards and Audit Committee and after consultation with representatives of staff. It draws together existing laws, regulations, rules, policies and conditions of service relating to conduct and provides further guidance to assist and protect staff in their day-to-day work.

1.3   Failure to follow the various guidelines and requirements set out in this code may result in disciplinary action being taken, which could lead to dismissal. Therefore, it is important that staff familiarise themselves with the content.

1.4   Where employees are in any doubt about any matter arising from the code, including whether any personal relationships or interests should be declared in particular circumstances, they should seek advice from their director or the Monitoring Officer.

1.5   The Code gives advice and guidance on the following matters:-

   ➢   General standards
   ➢   Political neutrality
   ➢   Disclosure of information
   ➢   Relationships
   ➢   Use of the Council's materials, equipment or resources
   ➢   Separation of roles during competitive tendering
   ➢   Appointments and employment matters
   ➢   Outside commitments
   ➢   Personal interests
   ➢   Gifts and hospitality
   ➢   Sponsorship
   ➢   Equality and health and safety issues
   ➢   Information technology
   ➢   Breach of code of conduct

2.   General standards

2.1   You are expected to give the highest possible standard of service to the public and, where it is part of your duties, to provide appropriate advice to councillors and fellow staff with impartiality. You must not conduct yourself in a manner which could reasonably be regarded as bringing the Council into disrepute.

2.2   You will be expected through agreed procedures and without fear of recrimination to bring to the attention of the appropriate level of management any deficiency in the provision of service. You must report any impropriety or breach of procedure. Normally, this would be to your line manager but, in exceptional cases, may be direct to a director or the Managing Director. Further information is contained in the Council's Whistle-Blowing Policy.

2.3   You should be aware that it is a serious criminal offence for you corruptly to receive or give any gift, loan, fee, reward or advantage for doing, or not doing, anything or showing favour, or disfavour, to any person in your official capacity.

3.   Political neutrality

3.1   You serve the Council as a whole and must, therefore, serve all councillors and not just those of one particular group. You must ensure that the individual rights of all councillors are respected.

3.2   You shall not be required to advise or attend group meetings of the political groups of the Council and must not do so without the consent of your director. Any advice to political groups must be given in a way that does not compromise your political neutrality.

3.3   Some senior and other posts are designated as politically restricted posts. If your post is so affected, this will have been identified to you as part of your terms of employment and you will have received a schedule setting out the various restrictions in force.

3.4   Whether or not you are politically restricted, you must follow every lawful expressed policy of the Council and must not allow your own personal or political opinions to interfere with your work.

4.   Disclosure of information

4.1   It is generally accepted that open government is best. The law requires that certain types of information must be available to councillors, auditors, government departments, service users and the public. If you are unsure as to what information can be disclosed, you must seek guidance from the Monitoring Officer in respect of committee reports and your service leader or director in respect of all other information.

4.2   You must not use any information obtained in the course of your employment for personal gain or benefit nor pass it on to others who might use it in such a way.

4.3   Personal information about another member of staff or councillor should not be divulged without their prior approval, except where that disclosure is required or sanctioned by law.

5.   Relationships

Councillors

5.1   Mutual respect between staff and councillors is essential to good local government. Close personal familiarity between staff and individual councillors can damage the relationship and should, therefore, be avoided. The Protocol on Member/Officer Relations provides further guidance on the role and relationships of councillors and officers and principles governing general conduct.

Local community and service users

5.2   You should always remember your responsibilities to the community you serve and ensure courteous, efficient and impartial service delivery to all groups and individuals within that community.

Contractors

5.3   All relationships of a business or private nature with external contractors or potential contractors must be made known to your director. Orders and contracts must be awarded on merit by fair and open competition against other tenders. No special favour should be shown to businesses with particular connections to employees (e.g. friends, partners or relatives). No part of the local community should be discriminated against.

5.4   If you engage or supervise contractors or have any other official relationship with contractors and have previously had or currently have a relationship in a private or domestic capacity with contractors, you should declare that relationship to your director.

Colleagues

5.5   You should treat colleagues with fairness, dignity and respect at all times. Mutual respect between colleagues is essential to good working relationships. The Council will not tolerate bullying, harassment or victimisation of anyone in any form.

6.   Use of the Council's materials, equipment or resources

6.1   You must ensure that public funds entrusted to you are used in a responsible and lawful manner. You should strive to ensure value for money to the local community and to avoid legal challenge to the Council.

6.2   If your work involves the handling of money or awarding of contracts, you must familiarise yourself with the requirements of the Council's Financial and Procurement Procedure Rules. Failure to follow the correct procedures will be treated as a serious matter.

6.3   You must follow the Council's rules on the ownership of intellectual property or copyright created during your employment.

6.4   You must ensure that all facilities, including stationery, secretarial, computer services, use of telephones, fax machines and photocopiers and all materials provided by the Council, are used only in connection with duties arising directly from your employment with the Council.

7.   Contracts and tendering

7.1   If you are involved in the tendering process and dealing with contractors, you must be aware of the need for accountability and openness and follow agreed procedures. You must exercise fairness and impartiality when dealing with all customers, suppliers, other contractors and sub-contractors.

7.2   If you are privy to confidential information on tenders or costs relating to contractors, you should not disclose that information to any unauthorised party or organisation.

7.3   You should ensure that no special favour is shown to current or recent former staff or their partners, close relatives or associates in awarding contracts to businesses run by them or employing them in a senior or relevant managerial capacity.

8. Appointments and employment matters

8.1   If you are involved in appointments, you must ensure that these are made on the basis of merit. It would be unlawful to make an appointment which was based on anything other than the ability of the candidate to undertake the duties of the post. In order to avoid any possible accusation of bias, you should not be involved in an appointment where you are related to an applicant or have a close personal relationship outside work with him or her.

8.2   Similarly, you should not be involved in any decisions relating to discipline, promotion or pay adjustments for any other member of staff who is a relative, partner or close personal friend outside work. You should not show any favouritism in day-to-day working relationships.

9. Outside commitments

9.1   Your off-duty hours are your personal concern, but you must not subordinate your duty to your private interest or put yourself in a position where your duty and your private interest conflict. You must also not do anything which could reasonably be regarded as bringing the Council into disrepute.

9.2   The Council will not preclude you from undertaking additional employment, but this employment must not, in the Council's view, conflict with your job or have a detrimental impact on the Council's interests or in any way weaken public confidence in the conduct of the Council's business.

9.3   Senior staff are expected to devote their whole-time service to the work of the Council and should do nothing that would impair their ability to perform their duty. They must not engage in any other business or take up any additional appointment without the express consent of their director.

10. Personal Interests

10.1   If you or your partner or any other person with whom you have a close family or personal relationship has a financial interest in a contract, potential contract or any financial or other matter being dealt with by the Council, this must be reported in writing and without delay by you to your director who will keep a record.

10.2   The test for declaring such an interest must be to avoid any suspicion of impropriety. If you are in a position to influence any decisions which are taken by, or on behalf of, the Council and you have any interest in that decision, however remote, you should declare it. This might include membership of voluntary bodies, especially where they might be receiving grants.

10.3   Another particularly sensitive area relates to applications for planning permission. If you or your partner or any other person with whom you have a close family or personal relationship has any interest in a property for which a planning application has been made or which might be affected by an application for an adjoining or nearby property and you might be in a position to influence the consideration of that application, you should declare your interest.

10.4   Officers are expected to consider carefully whether their membership of, or association with, clubs, societies, political parties and other organisations, such as the Freemasons, lobbying organisations and voluntary bodies, could allow the impression to be created that their official position could be used to promote a private or personal interest. The position should be notified as set out in paragraph 10.5 below.

10.5 A central register of the external interests of senior staff (Band 6 and above) will be maintained by the relevant director, with access limited to an individual's director and the Managing Director and to the leaders of the political groups and committee chairmen.

11. Gifts and Hospitality

Gifts

11.1 The acceptance of gifts and hospitality (including sponsorship of a Council activity) must be treated with extreme caution.

11.2 You should not accept any gifts and hospitality where this could be perceived as influencing the Council's relationship with any third party.

11.3 Other than items of small value, such as business diaries, calendars, flowers, confectionery or conventional seasonal tips, you should not accept gifts. You must return any gift which is not acceptable within this definition. If you feel that the return of the gift might cause offence, you should contact your director who will determine the appropriate course of action.

11.4 Each directorate will maintain a register to record all cases under paragraph 11.3 above of gifts over a value of £25 and this will be available for inspection when required by the Managing Director and Monitoring Officer.

Hospitality

11.5 As a general rule, attendance in an official capacity at a function organised by a public authority or body or by a charitable or non-profit-making organisation is acceptable. Similarly, attendance at a function attended by the Mayor or Deputy Mayor in his or her official capacity (for example the opening of premises, special anniversary functions etc.) at which you are also an official guest is acceptable.

11.6 Limited hospitality in the form of a meal or refreshments is also a normal courtesy of a business relationship and is acceptable. However, you must not allow such hospitality to reach a level whereby it could be seen by others to have influenced a business decision and you must not be entertained if you believe that an offer has been made with a view to exerting influence or to improve the standing of a private individual or firm in relation to current or future dealings with the Council.

11.7 As a further guide, a modest lunch taken in the context of a business meeting is acceptable, but entertainment outside the context of the business day (for example entertainment and/or invitations to sporting events, country houses and other leisure activities) is not, unless it is for charity fundraising.

11.8 If you are ever in any doubt as to what is or is not acceptable in terms of hospitality, the offer should be declined.

11.9 You must notify your director of all hospitality received over a value of £25, except where attending as in paragraph 11.5 above. Directorates will keep a register to record all such cases and this will be available for inspection when required by the Managing Director and Monitoring Officer.

Appendix 1

Preferential rates and treatment

11.10 You must not seek or accept preferential rates or treatment from any person, company or other organisation by virtue only of your employment with the Council.

11.11 You must not seek or accept any preferential rates or treatment in respect of the use of any Council-owned facility, unless such preferential rates or treatment have been specified and agreed by the Council.

12. Sponsorship

12.1 Where an outside organisation wishes to sponsor or is asked to sponsor a Council activity, whether by invitation, tender, negotiation or voluntarily, the basic conventions concerning acceptance of gifts or hospitality apply. Particular care must be taken when dealing with contractors or potential contractors (i.e. contractors who could bid for Council work).

12.2 Where the Council wishes to sponsor an event or service, neither you nor any partner, spouse or relative must benefit from such sponsorship in a direct way without there being full disclosure to your director of any such interest. Similarly, where the Council through sponsorship, grant aid, financial or other means, gives support in the community, you should ensure that impartial advice is given and that there is no conflict of interest involved.

13. Equality and health and safety issues

13.1 You must ensure compliance with policies relating to equality issues. All members of the local community, customers and other staff have a right to be treated with fairness and equality.

13.2 You must ensure compliance with policies relating to health and safety issues.

14. Information technology

14.1 You must comply with policies relating to the use and security of the Council's computer systems.

15. Breach of code of conduct

15.1 Any breach of the code of conduct may be regarded as a disciplinary offence.

GUILDFORD BOROUGH COUNCIL

CODE OF CONDUCT FOR STAFF

1. Introduction

1.1 The public must have full confidence in the professionalism and integrity of all members of staff.

1.2 This Code applies to all members of staff when working for or acting on behalf of the Council, including temporary and casual workers, agency workers, interims and contractors. Where there is no direct employment-contract relationship, regard shall be had to this code when assessing acceptable behavioural standards.

1.3 The Code does not affect your rights and responsibilities under the law; its purpose is to provide clear and helpful guidance.

1.4 It is important for you to know that disciplinary action is possible if the Code is not followed and you should familiarise yourself with this document.

1.5 You should always seek advice from your line manager if in doubt about any aspect of this Code, especially the relevance of any personal relationships or interests[1].

2. Version

2.1 This document is version 2.0. It will be reviewed and updated as and when necessary to ensure that it is up to date and relevant.

3. General standards

3.1 You **shall**:

- Provide the highest possible standard of service to the public

- Provide impartial advice to councillors and the public

- Report to the appropriate management any breaches of this Code.

- Declare any gift, loan, reward, favour or advantage given to you because of the job you do.

- Present a smart professional appearance.

- If you are issued with a uniform, only wear it when undertaking your professional duties.

- Comply with the Council's **Behavioural Standards**.

3.2 You **shall not**:

- Conduct yourself in a way that would bring the Council into disrepute.

  Organisational Culture Framework

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[1] **What is an 'interest'?**
An interest can be something like the house or the area where you/your family live. Alternatively, it can be something you, your family or someone close to you do aside from working for the council like another job, membership of a political party or a club or society.

4.   Political neutrality

4.1   You should remember that the Council is a political organisation and be mindful of this in all areas of your work and personal life. Some jobs in the Council are 'politically restricted' and those jobs are subject to rules about personal life as well as in work. The Council has written some **Guidance on Politically Restricted Posts**.

4.2   You **shall**:

- Address all councillors respectfully and impartially.

- Be politically neutral when offering advice to councillors.

- Act according to any political restrictions set out in your job description.

4.3   You **shall not**:

- Allow your own personal or political opinions to interfere with your work.

- Attend political group₂ meetings without your director's knowledge and approval.

5.   Use of media and social media

5.1   The 'media' or the 'press' means news websites, radio or television stations and newspapers. When we talk about 'social media', we mean online social networking websites like Facebook, Instagram, Twitter etc.

5.2   If you post malicious, untrue or otherwise inappropriate statements about the Council, councillor(s) or members of staff on social media sites, this will be a misuse of social networking and any such posting(s) may result in the Council taking disciplinary action against you.

5.3   You **shall**:

- Direct anyone from the media with a query to contact the Council's trained officers in the Communications and PR Team.

- Be aware that any comments you make on social media websites will be public and expressing in a public forum (whether via news or other media or other online or social media) personal views which conflict with the policies of the Council may result in disciplinary action being taken against you for bringing the Council into disrepute.

- Always comply with the Council's **Communications Protocol** and **social media standards.**

5.4   You **shall not**:

- Post comments or disclose information about Council business, other officer colleagues, councillors or the Council that could be described as offensive,

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[2] **What is a Group?**

Councillors can form political groups and the largest group or a combination of groups usually form an administration to provide the political leadership for the authority. There is statutory recognition for political groups and it is common practice for such groups to consider matters of Council business in advance of consideration by the relevant Council committee.

abusive or damaging even if those comments are made outside of working hours.

- Make available any of the Council's confidential information without the proper permission.

6. Disclosure of information

6.1 Sharing confidential information without permission is a serious matter and may result in dismissal under the Council's **Disciplinary Policy and Procedure**. It could also be a criminal offence and lead to criminal proceedings.

6.2 You **shall**:

- Know and apply the Council's policies on the management of sensitive information, and be aware of the types of information that can be shared depending upon the person who asking for it.

- Check with your manager or the Monitoring Officer if you are unsure what information can be shared.

- Maintain the confidentiality of all sensitive information (whether personal or otherwise) that you have access to in the course of doing your job.

6.3 You **shall not**:

- Use Council-held information in a way that would promote your own personal interests or the interests of others, or share it with others to use in such a way.

- Share personal information about another officer or councillor without proper authority to do so.

7. Relationships

You **shall**:

- Treat other members of staff with fairness, dignity and respect. The Council will not tolerate bullying, harassment or victimisation in any form. **Bullying and harassment policy**

- Be courteous, efficient, and impartial to councillors, members of the public and service users. **Protocol on Councillor/Officer relations for guidance on role and relationships.**

- Tell your director if you have any business or personal relationships with an external service provider or potential contractor working for the council.

- Inform your manager if you are related to someone at work or if you are having a close personal relationship with someone at work.

8. Use of the Council's equipment and resources

You **shall**:

- Use Council-owned equipment and resources given to you to do your job in a lawful and responsible manner.

- Strive to ensure value for money when undertaking your professional duties.

- Use Council facilities and equipment only in connection with the duties required by your job.

- Follow the rules regarding:

  ICT users' policy
  Information systems security policy
  Data protection policy
  Council's rules on intellectual property and copyright

9. Contracts and tendering

9.1 You **shall**:

- Display accountability and openness and follow **Council's Procurement Procedures rules** during the tendering process.

- Respect the confidentiality of tenders. **Awarding contracts**

- Disclose in writing to your line manager and the Monitoring Officer, any interest you may have in a contract which is, or is proposed to be, appointed by the Council, in accordance with s117 of the Local Government Act 1972.

9.2 You **shall not**:

- Offer, promise or give someone a reward to make them perform their activities improperly.

- Accept, agree to accept or request a reward in return for performing an activity . **Anti-fraud and corruption policy**

- Bribe anyone in order to win business, keep business or gain a business advantage for the council. **Anti-bribery policy**

10. Appointments and employment matters

10.1 It you are involved in staff recruitment you **shall**:

- Appoint based on merit and purely on the ability of the applicant to undertake the duties of the post.

10.2 It you are involved in staff recruitment you **shall not**:

- Be involved in the appointment of a relative or friend

- Be involved in any decisions relating to discipline, remuneration or promotion of any member of staff who is a relative, partner, or close friend outside work.

- Show any favouritism for any member of staff who is a relative, partner, or close friend outside work.

11. Outside commitments

11.1 You **shall**:

- Usually be able to take up additional employment outside of your job for the Council provided it does not conflict with your Council role; however, you must first notify your line manager.

- Declare any additional hours working for an external employer to your line manager.

11.2   You **shall not**:

- If you are a senior officer, take up other employment in addition to your Council role, without the express consent of your director.

- Undertake activities outside of your Council work that may be regarded as bringing the Council into disrepute.

12.   Personal Interests

12.1   If your job is Band 6 and above, it is expected that you **shall inform your director**:

- If you, a close family member or someone with whom you have a close relationship has a financial interest in any matter being dealt with by the council.

- If you, a close family member or someone with whom you have a close relationship has submitted a planning application.

- If you have any interest in any council decision that you are able to influence for example, if you are a member of local club, society, or organisation in receipt of council grants, or which is a tenant or licensee of the Council.

- If you are a member of a political party.

12.2   Your director will ask you to fill out a **Staff Declaration of Interest** form. What you declare will be included on a register of senior staff interests with access limited to your director, the Managing Director, political group leaders and committee chairmen.

13.   Safeguarding

13.1   The Council has a statutory duty to ensure the safety and welfare of children, young people and adults at risk and the Council has a **Safeguarding Policy**.

13.2   When you are doing your job, if you have direct or indirect contact with children or adults at risk, or if you have access to information about them, you have a duty to safeguard and promote their welfare.

13.3   If you have concerns relating to the welfare of a child or adult at risk, you must report these to your line manager or your director.

14.   Gifts, hospitality and sponsorship

14.1   You **shall**:

- Tell your director about any gift received or hospitality accepted over a value of £25, which will be placed on a 'register of gifts and hospitality' with access limited to the Managing Director and the Monitoring Officer

- Be aware that limited hospitality (a meal/refreshments) is acceptable as long as it does not reach a level that it might seem like it has influenced a business decision.

- Decline a gift or an offer of hospitality if you believe that the offer was made in order to exert influence over you or the Council or if you are uncertain about the reason for the invitation.

- Be aware that a modest lunch is normally acceptable, but entertainment is unacceptable unless it is for charity fundraising.

- Be aware that the rules concerning the acceptance of gifts or hospitality will apply if an outside organisation should sponsor a Council activity by invitation, tender, negotiation or voluntarily.

14.2   You **shall not**:

- Appear to influence the Council's relationship with anyone by accepting any gifts and hospitality from them.

- Accept any gifts, other than items of small value [£25 or less].

- Seek or accept special treatment from anyone because you work for the Council.

- Seek or accept special treatment regarding the use of any Council owned facility, unless you have been given permission to do so by the Council.

- Directly benefit yourself, or anyone with whom you have a close relationship, from any Council sponsored event or activity.

15.   Equalities and health and safety issues

You should read and follow the Council's policies relating to **equal opportunities**, **alcohol and substance misuse** and **health and safety**.

16.   Notification of Criminal Investigations and other required disclosures

You should inform your manager in writing straight away if during your employment with the Council you are arrested, charged with, or convicted of a criminal offence.

17.   Breach of code of conduct

Any breach of the code of conduct may be regarded as a disciplinary offence.
Disciplinary Policy and Procedure
Grievance policy and procedure
Whistleblowing procedure

I have read and understood the content of this document

Staff Signature   Manager Signature

………………………..   ……………………………

Date………………..   Date ……………………..

Council Report

Ward(s) affected: All

Report of Director of Finance

Author: John Armstrong, Democratic Services Manager

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Lead Councillor responsible: Caroline Reeves

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Date: 31 July 2019

Appointments to External Organisations 2019-2023

Executive Summary

The Council appoints councillors to a number of local external organisations for which they undertake a range of governance or advisory roles. In May 2016, full Council resolved to establish a Working Group with the following terms of reference:

(a) to engage with those external organisations to which the Council appoints representatives to discover what they look for from such appointments;

(b) to review the process for making appointments and, in relation to each organisation, whether the Council should continue to make such appointments; and

(c) to submit a report on their findings to the Corporate Governance and Standards Committee, for final recommendation to Council.

In November 2016, a Working Group was convened and a review of the process and engagement with external organisations commenced. The Working Group submitted an interim report to the Council in April 2017 setting out progress with the review, together with a number of initial recommendations.

The Council agreed, amongst other things:

(1) That councillors will normally be appointed to such external organisations that:
(i) Support the Council's Corporate priorities, and/or
(ii) Assist in delivery of Council services, and/or
(iii) Are using Council facilities

(2) That all appointees to external organisations shall be current borough councillors.

(3) That, in principle, when an appointment is made there shall be just one councillor appointee and a deputy appointed to each external organisation.

(4)   That the Council shall appoint to external organisations for a four-year term of office following Borough Council elections, and that, should a vacancy arise during a term of office, the deputy appointee (where applicable) will normally assume the role of the appointee for the term of office remaining, and group leaders will be asked to submit nominations for the appointment of a new deputy appointee in accordance with the provisions of these recommendations.

(5)   That a 'person profile' shall be completed by each external organisation to ensure that the appointment is a suitable match to the requirements of the organisation and the capacity of the individual councillor in terms of skills, experience and time commitment.

(6)   That councillors shall not accept an appointment to an external organisation unless there is a full understanding of the commitments and requirements for the role between all parties.

(7)   That political group leaders shall liaise between themselves to ensure that individual councillors' interest in specific nominations are shared between them before the meeting at which any contested appointments are to be determined.

(8)   That, in relation to contested appointments, each nominee shall have the opportunity to make either a written or an oral personal statement to the meeting in support of their nomination before the vote is taken, with any oral statement taking no longer than three minutes.

(9)   That the Democratic Services Manager be authorised to determine uncontested appointments to external organisations.

(10)   That it will be the expectation of the Council that an induction and suitable training shall be provided for the councillor appointee by the external organisation which shall include any legal responsibilities, budget and financial issues, information sharing with the council or other bodies and accountability.

(11)   That all councillors appointed to an external organisation shall each year provide written feedback on the work of those organisations over the previous twelve months using an agreed report template.

Following these Council decisions, the Working Group applied the new approaches to undertake a review of individual councillor appointments and submitted its final recommendations to the Council in July 2017.

The Council agreed on 25 July 2017 the following:

(1)   To continue the appointment of councillors to a number of external organisations and, where those appointments are contested, categorised them as being either appointments to be made by full Council or appointments to be made by the Executive.

(2)   To commence the appointment of councillors to a small number of additional external organisations and again, where contested, categorised them as being Council appointments or Executive appointments.

(3)   To discontinue the appointment of councillors to a number of external organisations.

Following the review, the Council now appoints councillors to over thirty external organisations, which include local charities, community groups and joint local authority advisory bodies.   Most councils appoint councillors to external organisations with a view to developing positive working relationships with them for the benefit of their residents and local communities.

The various updated person profile forms in respect of all the external organisations to which the Council makes appointments have been sent to all group leaders, for circulation among their respective groups. Each form sets out details of the organisation in terms of:

- Accessibility to meetings
- Frequency and location of meetings
- Role of the appointee
- Main tasks and responsibilities of the organisation
- Required skills, abilities, qualities and experience of appointee
- Induction, training and support provided by the organisation
- Whether safeguarding checks are required and provided

On each of these forms, the councillor nominated for appointment must complete the last page which invites them to set out their relevant experience, skills and qualities that they would bring to the appointment taking into account the requirements of the organisation.

The deadline for submission of completed person profile nomination forms was Friday 5 July 2019. As stated above, the Democratic Services Manager has delegated authority to confirm all uncontested appointments. Where an appointment is contested, those appointments designated as 'Council appointments', are to be determined by full Council, and those designated as 'Executive appointments' will be determined by the Executive. However, there were no contested 'Executive appointments'. Details of all uncontested appointments are set out, for information, in **Appendix 2**. These were confirmed formally on 10 July 2019.

Details of the contested 'Council appointments' and the respective nominees are set out in **Appendix 3** to this report.

As stated above, in respect of the contested appointments, each nominee shall have the opportunity to make either a written or an oral personal statement to the meeting in support of their nomination before the vote is taken, with any oral statement taking no longer than three minutes.

Recommendation to Council

That full Council, after due consideration of any presentations provided by nominated members, appoints one councillor and a deputy to each of the external organisations referred to in Appendix 3 to this report.

Reason for Recommendation:
To ensure that, in the best interests of local people, the Council maintains and develops its relationship with key local organisations.

1.   Purpose of Report

1.1   In order that Council may consider nominations in respect of contested appointments to external organisations. These are set out in **Appendix 3** to this report.

2.   Strategic Priorities

2.1   Working with the various external organisations to which the Council appoints councillors will assist in the delivery of the Council's fundamental theme of Community:

- Supporting older, more vulnerable and less advantaged people in our community
- Protecting our environment
- Enhancing sporting, cultural, community, and recreational facilities

3.   Background

The 2017 Review

3.1   In 2017, the Council undertook a review of the process of appointing councillors to external organisations and revised the protocol guidance, which can be found in Part 5 of the Council's Constitution (see **Appendix 1**). It is important that councillors read and understand this protocol, which provides guidance and informs councillors on matters to take into account when contemplating accepting an appointment. In particular, councillors should ensure they are aware of any legal implications should they undertake a formal role such as 'Director' or 'Trustee'.

3.2   Two important objectives of the review were, first, to update the list of organisations to which the council had routinely appointed. Some appointments were historical and no longer relevant to the Council's strategic objectives. Secondly, to seek ways in which the skills and experience of councillors could create a more productive match with the business of the organisations to which the Council makes appointments.

3.3   The review created some partnerships with new external organisations, but also set up a process whereby all participating organisations could submit a 'person profile' of the skills and experience that would most productively engage with their business.

Appointments to external organisations 2019-2023

3.4   The 'person profiles' in respect of the external organisations to which the Council is being asked to make appointments for the four year period 2019-2023 have been made available to all councillors (via their group leaders) to assist them in deciding if they are interested in an appointment.

3.5 The deadline for submission of completed person profile nomination forms was Friday 5 July 2019. The Democratic Services Manager has delegated authority to confirm all uncontested appointments. Where an appointment is contested, those appointments designated as 'Council appointments', are to be determined by full Council, and those designated as 'Executive appointments' will be determined by the Executive. However, there were no contested 'Executive appointments'. Details of all uncontested appointments are set out, for information, in **Appendix 2**. These were confirmed formally on 10 July 2019.

3.6 Details of the contested 'Council appointments' and the respective nominees are set out in **Appendix 3** to this report. In summary, these are as follows:

Access Group Guildford
Councillor Angela Goodwin
Councillor Ann McShee

Royal Surrey County Hospital NHS Foundation Trust – Council of Governors
Councillor Paul Spooner
Councillor Fiona White

Surrey Hills AONB Board
Councillor Gordon Jackson
Councillor Susan Parker

Watts Gallery (Limnerslease)
Councillor Gordon Jackson
Councillor Ramsey Nagaty

3.7 As stated above, each nominee in respect of the contested appointments shall have the opportunity to make either a written or an oral personal statement to the meeting in support of their nomination before the vote is taken, with any oral statement taking no longer than three minutes.

4. Consultations

4.1 As agreed previously by the Council, political group leaders shall liaise between themselves to ensure that individual councillors' interest in specific nominations are shared between them before the meeting at which any contested appointments are to be determined. Copies of the completed person profiles in respect of the contested appointments have been circulated to group leaders.

5. Equality and Diversity Implications

5.1 Public authorities are required to have due regard to the aims of the Public Sector Equality Duty (Equality Act 2010) when making decisions and setting policies.

5.2 An Equalities Impact Assessment (EIA) screening was undertaken during the 2017 review of appointments to external organisations and a full assessment was found not to be required.

5.3   Those organisations to which the council appoints have stated in the 'profile' form that they operate in compliance with the Council's Equality Statement.

6.   Financial Implications

6.1   There are no financial implications arising from this report.

7.   Legal Implications

7.1   There are no legal implications arising from this report.

7.2   Individual councillors should ensure they are aware of any legal implications should they undertake a formal role such as 'Director' or 'Trustee'.

8.   Human Resource Implications

8.1   There are no human resource implications arising from this report.

9.   Summary of Options

9.1   Council should consider and agree, taking into account the completed person profiles, the most suitable nominee for each contested appointment.

9.2   Should Council find that none of the nominees are suitable for the appointment it may decline to appoint.

10.   Background Papers

- 'External Organisations Working Group' Report to Council, 11 April 2017
- 'External Organisations Working Group' Report to Council, 25 July 2017

11.   Appendices

Appendix 1: Councillor appointments to external organisations protocol
Appendix 2: Uncontested appointments 2019-2023
Appendix 3: Completed person profiles in respect of contested appointments 2019-2023

GUILDFORD BOROUGH COUNCIL

PROTOCOL ON COUNCILLOR APPOINTMENTS TO EXTERNAL ORGANISATIONS

Introduction

1. The Council has extensive involvement with a wide range of external partnerships and organisations. Councillors may be informally involved on an individual basis with many organisations including community organisations, sports and recreation clubs, housing associations charitable trusts and companies. This Protocol relates to the formal appointment of councillors to external organisations by the Council. The main objective of these appointments is for the Council to develop positive relationships with local organisations in the interests of the local community.

2. Formal appointments include various roles ranging from advisory to membership of management committees as trustees or as company directors. Some roles will have legal duties and responsibilities which must be properly discharged and which can have implications for the Council as well as for the individuals themselves. Consequently, with any relationship involving external organisations there must be a clear definition of roles, responsibilities and accountabilities. This Protocol aims to assist councillors serving on external organisations to be clear on these matters and includes guidance for dealing with any conflicts of interest between the Council and the external organisations.

3. The main purposes of this Protocol are:

    (i) to ensure that the Council's and individual councillors' interests are properly safeguarded and represented;
    (ii) to ensure, whenever a councillor is appointed to an external organisation, that all such appointments are properly authorised, recorded and managed; and
    (iii) to provide a formal procedure with relevant guidance to appointees.

Existing Guidance for Councillor Appointees

4. The matter of councillors' conduct is addressed by the Council's own local code of conduct ("the Councillors' Code"), which was adopted by the Council pursuant to Section 27 of the Localism Act 2011. The Councillors' Code appears in Part 5 of the Council's Constitution and covers matters of propriety in office, the acceptance of gifts and hospitality and rules relating to disclosable pecuniary interests. The Councillors' Code does not directly address the matter of any conflict between the interests of the Council and those of the external organisation to which a councillor has been appointed. An appointment to an external organisation does not necessarily mean that the councillor will be representing the Council's interests on that external organisation. Indeed, a councillor appointed by the Council to a decision making role in an external organisation (for example, as a director of a company or as a trustee) has a duty to act in the best interests of the organisation notwithstanding a conflict between these interests and those of the Council. This may mean, in some instances, that a councillor cannot participate in a decision of the Council which affects or relates to that external organisation. Importantly, when acting for the other organisation, the appointee has no power to commit the Council to any particular course of action: their role is to exercise independent judgement when deciding issues and to contribute to the decision-making of the other organisation, not to represent the Council in discussions or negotiations within that organisation.

Types of External Organisation

5. There are a number of types of organisation to which the Council may appoint councillors. Some common examples are:

    - National or regional body
    - Charitable Trust
    - Company limited by shares
    - Company limited by guarantee
    - Unincorporated association
    - Industrial and provident society (mainly housing associations)

Legal Structures

6. In all cases it is essential that those accepting an appointment to an external organisation should have absolute clarity of the legal status of the organisation concerned and the nature and responsibilities of the appointment itself of the appointment itself. Those proposing to take up appointments must ensure that they possess and have read an up-to-date copy of the organisation's governance documentation, the skills and experience required by the organisation and fully understand all obligations and including any implications relating to personal liability.

    Charitable Status

7. Many organisations with which the Council becomes involved are registered charities. Charities are not themselves a separate category of organisation. Charitable status is a characteristic, which can be attached to a number of different types of organisation provided they are set up for specified, and purely charitable purposes and fulfil the various requirements of the Charity Commission.

    There are four main structures available for charities and community groups. These are:

    - Unincorporated Association
    - Charitable Trust
    - Charitable Incorporated Organisation (CIO)
    - Charitable Company

8. Organisations that are *'unincorporated'* are associations having no separate legal existence and remain for most purposes a collection of individuals and committee members hold personal liability. Any property or contracts would be held by individuals on behalf of the group. Any legal proceedings taken against the group would be taken against the individuals themselves, making them personally liable. An *'incorporated'* organisation has limited personal liability, a clear statutory framework and clear accountability both to members/shareholders and to a regulatory body. Incorporated charities are registered as companies with Companies House as well as the Charity Commission. If a charity is incorporated, the organisation, rather than individual trustees, is liable for debts and other costs.

9. Those managing a charitable organisation have the duties and responsibilities of company directors, management committee members or trustees, and are subject to the legal requirements placed upon those organisations by charity law and/or company law as appropriate.

10. The duties of a charity trustee do not differ in principle from those of a non-charitable trustee - to execute the duties of the trust in accordance with its terms of reference and within the law in the interests of the intended beneficiaries. In doing so, they are subject to the jurisdiction of the Charity Commission. In particular, charity trustees may be held personally liable when charity assets are misapplied. This may be so even in some cases where the misapplication has been inadvertent (e.g., where the trustees honestly but mistakenly apply the assets other than for a charitable purpose).It is important to note that charity trustees who suffer financial loss as a result of such a breach are not entitled to be indemnified out of the charity's property.

Company Status

11. Charitable companies (those incorporated as a company limited by guarantee) must comply with provisions in the Companies Acts 1985, 1989, 2006. Alongside compliance with charity law, they are required to register details of trustees as directors at Companies House. Councillors appointed to such organisations should ensure they are registered as directors and, in due course, ensure their names have been removed should they step down from the role.

12. Individuals appointed to positions within companies or industrial and provident societies (collectively referred to here as companies) should be mindful of Part V of the Local Government and Housing Act 1989 and the Local Authorities (Companies) Order 1995 and Part 1of the Localism Act 2011. This legislation provides a framework for regulating local authorities' interests in companies, access to its information, the treatment of its accounts, and the stated association with the local authority. The law in this area will determine if a company has become a "regulated company". This means the degree to which local authorities or persons "associated" with local authorities are involved with the company. For these purposes, "associated" persons are current councillors, officers, and anyone who has been a councillor in the past four years, together with certain employees of local authority-controlled companies. A company would be deemed regulated if "associated" persons make up 20% or more of the directors/management committee members or shareholders or hold 20% or more of the voting rights. Appointees should inform the Monitoring Officer should any resignation or appointment lead to the 20% threshold being reached. This information should also be readily available at board/management committee meetings and be properly minuted.

Duties and Responsibilities of Directors and Trustees

13. A councillor appointed as a director of a company must act in the best interests of the company. The main duties of a director are:
    - to act honestly and in good faith and in the best interests of the organisation as a whole;
    - a duty not to make a personal profit and to take proper care of the organisation's assets;
    - to attend board meetings and follow the rules on the declaration of interests;
    - to exercise reasonable skill and care (this is a subjective test based upon the individual's own knowledge and experience and involves due diligence in the performance of his/her duties as a director); and
    - to comply with statutory obligations imposed by the Companies Acts, other legislation and any procedural rules set out in the governing document.

14. A councillor appointed as a trustee of a charity has duties that are generally the same as for a director. In addition, he/she must ensure the trust acts in accordance with the aims

and objectives of the trust and should ensure that he/she has a clear understanding of what these are (there is normally a trust deed which sets these out).

General Duties of an Appointee to an External Organisation

15. In carrying out the duties of a Trustee or Director of an external organisation, decisions must be taken without being influenced by the fact that you are a councillor. The primary duty as an appointee making management decisions for the external organisation is to make these decisions in the interests of the organisation. Councillors should always ensure that their fellow directors/trustees are aware of the fact that they are councillors. In these cases, the councillor must act in the interests of that organisation and exercise independent judgement in making decisions, in accordance with a duty of care to the organisation. The councillor appointee is not there just to vote in accordance with the Council's wishes. You may have regard to the interests of the Council, but only insofar as those interests directly coincide with those of the organisation. In some cases, voting in the Council's interests could be a breach of a director's duty to a company.

16. In other cases, the Council may have expressed a view or formulated a policy and would expect the councillor appointee to convey that view or policy to the external organisation. This is acceptable if it does not conflict with the particular duties as director or trustee, or where it is not contrary to the interests of the organisation. The overriding responsibility is to seek to avoid a situation where duty and interest conflict and therefore if the appointee is unsure about declaring an interest, it would be wise to declare it and leave the meeting during consideration of the business. Correspondingly, where a given decision of the Council may directly affect the company, this may place the councillor acting as a director or trustee in a situation of conflict when making decisions. Advice should be taken from the Monitoring Officer on how to manage this situation.

17. Councillors (and officers) are under a specific obligation as a result of the Local Authorities (Companies) Order 1995 to provide such information about the company as is needed in relation to their role. That obligation is best met by an annual report to the relevant Portfolio Holder and subsequently to Council. While the law now makes this a requirement for involvement in outside companies, it is self-evident that the requirement to report back should apply to involvement in all outside bodies.

Appointment Procedure

18. Councillors will normally be appointed to such external organisations that:

    (i) Support the Council's Corporate priorities, and/or
    (ii) Assist in delivery of Council services, and/or
    (iii) Are using Council facilities

19. All appointees to external organisations shall be sitting borough councillors.

20. When an appointment is made, there shall normally be one councillor appointee and a deputy appointed to each external organisation.

21. The Council shall appoint to external organisations for a four-year term of office following Borough Council elections at the first ordinary Council meeting after the Selection Council meeting. Should a vacancy arise during a term of office, then where applicable the deputy appointee will normally assume the role of the appointee for the term of office remaining and group leaders will be asked to submit nominations for the appointment of a new deputy appointee.

22. The Council or Executive shall approve all contested appointments as appropriate. In relation to contested nominations, each nominee shall have the opportunity to make either a written or an oral personal statement to the appropriate meeting in support of their nomination before the vote is taken, with any oral statement taking no longer than three minutes.

23. The Democratic Services Manager, under delegated authority, will determine uncontested appointments to external organisations.

24. A 'person profile' (as shown in Appendix 1 to this Protocol) shall be completed by each external organisation to ensure that the appointment is a suitable match to the requirements of the organisation and the capacity of the individual councillor in terms of skills, experience and time commitment.

25. It is the expectation of the Council that an induction and suitable training shall be provided for the councillor appointee by the external organisation, which shall include any legal responsibilities, budget and financial issues, information sharing with the council or other bodies and accountability.

26. It is the expectation of the Council that the external organisation will undertake any required and appropriate safeguarding arrangements with regard to the appointment and the appointee.

27. 'Appointments to External Organisations' will be covered in the Council's new councillor induction programme following local Borough elections.

28. Councillors shall not accept an appointment to an external organisation unless there is a full understanding of the commitments and requirements for the role between all parties.

29. Political group leaders shall liaise between themselves to ensure that individual councillor's interest in a specific nomination is shared between them before the meeting at which any contested appointments are to be determined.

30. Councillors appointed to an external organisation shall each year provide written feedback on the work of those organisations over the previous twelve months.

31. Councillor appointees are responsible for ensuring that their appointment has been approved and properly effected in accordance with the external organisation's own rules and procedures.

32. When an appointment ceases for whatever reason (including when that person ceases to be a councillor), the councillor concerned will be responsible for ensuring that it is properly terminated both with the Council and with the external organisation. It is not sufficient simply to cease to attend meetings of the organisation, as this is unlikely to extinguish the individual's legal responsibilities, where these apply.

Following Appointment

33. All appointments approved by the Council, Executive or under authority by officer delegation will be recorded in writing, published in the public domain and the Monitoring Officer informed. Appointments made in accordance with this Protocol will be held on a register of appointments. This register will be publicly available on the Council website and kept up to date by the Democratic Services Manager.

34. Appointees should play an active role in the external organisation particularly by way of regular attendance at meetings and reporting back to the Council. In particular, the appointee should report immediately if there are any material changes in the organisation or its relationship with the Council that would affect the reason they are appointed.

Conflicts of Interest

35. Disclosure of interests rules and the consequences of such disclosure in terms of speaking and voting on specific matters must be followed when working with the external organisation in the same way as council requirements as set out in the Councillors' Code.

36. Often, the purposes of the external organisation will coincide with the interests of the Council and conflicts should be rare. However, there may be difficulty in some circumstances if, for example

- The organisation is not complying with the terms and conditions of a funding agreement with the Council, or;
- If the organisation is to appeal against a planning decision made by the Council, or;
- If the organisation has wider objectives than the reason behind the Council's appointment and wishes to pursue activities which would conflict with Council policy.

Such circumstances should be managed appropriately and advice should always be sought from the Monitoring Officer. Resignation may be the outcome.

37. If the Council or Executive does not feel that a representative on an external organisation is properly fulfilling their role and responsibilities, e.g. the person is not attending meetings or is voting in ways which may be inappropriate, then the Council or Executive could choose to change its appointee to the external organisation.

38. If the Council considers an issue relating to or affecting the external organisation you must declare an interest if the matter relates to an approval, consent, licence, permission or registration. Unless the interest is a disclosable pecuniary interest as defined in the Councillors' Code of Conduct, you would still be able to participate and, where applicable, vote on the matter at the meeting, if in doubt you should seek the Monitoring Officer's advice.

39. The Local Authorities (Companies) Order 1995 provides that an appointment to regulated company must end if the appointment as councillor ends. It may be that, on appointment, the Council wishes to make appointment to a company coterminous with a councillor holding a particular role or portfolio as elected member – and to extend these rules to appointment to other external bodies/organisations.

Duties of Confidentiality and Conduct

40. Confidential information must be treated with care and if there is any doubt over the status of any information passed to the councillor by the organisation then it should kept confidential and a check made with the Data Protection Officer, whether or not it is something which is already in the public domain or which may be disclosed. The specific rules adopted by each organisation will vary and therefore you should ask for advice and guidance from the secretary of the organisation and/or the Monitoring Officer, as appropriate.

41. The legal position is that someone who has received information in confidence is not allowed to take improper advantage of it. Deliberate leaking of confidential information will be a breach of the Councillors Code of Conduct and a breach of the Data Protection Act 1998 and may result in legal action.

42. An appointee by the Council to an external organisation must comply with the Code of Conduct of that organisation, if it has one. If it does not, he/she must comply with the Councillors' Code of Conduct unless observance of the Code would conflict with any other obligations (i.e. the duty to act in the best interests of the external organisation).

43. Under the Code appointees must not:

- disclose information given in confidence by anyone, or information acquired which is believed to be of a confidential nature, without the consent of a person authorised to give it, or unless required by law to do so;
- prevent another person from gaining access to information to which that person is entitled by law.

Any correspondence an appointee may have with the relevant external body, if using their council email address or council headed paper may be the subject of a Freedom of Information (FOI) or Environmental Information Regulations (EIR) request from a member of the public. Councillors should therefore note that any written communications made using the council email system may be made publicly available if the council deems it to be captured under FOI or EIR, regardless of whether that councillor believes themselves to be acting outside of their capacity as a councillor.

44. Disclosing confidential information may also contravene other parts of the Code e.g. it may be regarded as bringing the office of Councillor or the Council into disrepute; may compromise the impartiality of people who work for the Council; may improperly confer or secure an advantage or disadvantage the appointee or any other person.

45. The external organisation may make it a condition of appointment that any person appointed or nominated to it is subject to a criminal record check from the Disclosure and Barring Service (DBS).

Allowances, insurances and indemnities

46. The Council has authorised attendance at meetings of external organisations as an approved duty for councillors, allowing travelling and/or subsistence allowances in connection with meetings of the organisation. Alternatively, the body itself, in accordance with its own rules, may defray any expenses. If the organisation does pay expenses, a claim may not be made from the Council. For further information on allowances, consult the Democratic Services Manager. The Local Authorities (Companies) Order 1995 places strict limits on the allowances permitted to be paid to councillors when appointed to regulated companies, requiring them to be in line with the rules of the Council in relation to a comparable duty.

47. In no instances are councillors who are appointed to external organisations by the Council provided with personal liability indemnity for decisions they make and actions which they take in their representative capacity. The external organisation may have insurance to cover personal liability in these cases and councillors should always check with the organisation itself.

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Appointments to External Organisations 2019-2023: Uncontested Appointments

Council Appointments

Organisation	Councillor appointed
Archbishop Abbot's Exhibition Foundation	*No nominations received*
Ash Citizens' Advice Bureau	Cllr Paul Abbey
Ash Manor School - Joint Committee (sports facilities)	*No nominations received*
Guildford Action for Community Care	*No nominations received*
Guildford Allotment Society	Cllr Fiona White
Guildford Arts	Cllr Jan Harwood
Guildford in Bloom	Cllr Caroline Reeves
Guildford Book Festival	Cllr Caroline Reeves
Guildford Twinning Association	Cllr James Steel
Guildford Citizens Advice Bureau	Cllr Fiona White
Guildford Poyle Charities	*No nominations received*
Guildford Sunset Homes	Cllr Maddy Redpath
Oakleaf Enterprise	*No nominations received*
South East Employers	Cllr Jan Harwood
Southern Pro Musica	Cllr Chris Blow
Sport Guildford	Cllr Joss Bigmore
Surrey County Agricultural Society	*No nominations received*
Surrey County Playing Fields Association	*No nominations received*
Surrey Lifelong Learning Partnership	Cllr Julia McShane
Tourism South East	Cllr James Steel
Yvonne Arnaud Theatre Management Ltd and Yvonne Arnaud Theatre Trust	Cllr Steven Lee

Executive Appointments

Organisation	Councillor appointed
Basingstoke Canal Joint Management Committee	Cllr Angela Gunning
Blackwater Valley Advisory Committee for Public Transport	Cllr Graham Eyre
Blackwater Valley Countryside Partnership	Cllr Jo Randall
Experience Guildford (BID)	Cllr Tom Hunt
Guildford Philanthropy Fund Panel	Cllr Julia McShane
Surrey Countryside Partnership Board	Cllr Jan Harwood
Surrey Museums Consultative Committee	Cllr James Steel

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ORGANISATION NAME: Access Group Guildford

CONTACT NAME: Sophie Butcher

ORGANISATION TYPE: Voluntary Group

EMAIL: sophie.butcher@guildford.gov.uk

TEL: 01483 444056

Appointee Role Title:	Councillor representative.
Responsible to:	Access Group Guildford.
Where (Location):	Guildford Borough Council offices – Meeting Room 6 Hurtmore
Is full access available? (Meetings and documents - mobility/hearing or visually impaired)	Meeting Room 6, Hurtmore is accessible for mobility and visually impaired persons. Unfortunately, there is no loop system in this room, however, none of our members currently require this. Should a need be identified then we would look to move to an alternative room where a loop system was in place such as Committee Room 1.
Time commitment (frequency of meetings, time of day etc.):	Meets approx. 5 times a year at 2pm on a Tuesday.
Role description (eg, trustee, director, advisor etc.)	No trustees or directors sit on the Access Group. The three councillors provide a link through to the Council to progress issues and resolve queries that members may have.
Main tasks and responsibilities (including any budgetary and financial matters)	[The Access Group does not have a budget.] • To assist with members queries and provide updates in relation to forthcoming consultations; • To progress issues with appropriate officers at the Council and; • To assist with arrangements for the annual Mayor's Award for Access such as attending site visits, assessing potential nominees for the awards and attending the award ceremony in October.
Required skills, abilities, qualities and experience	• Lobbying; • Problem solving skills and; • To act as an ambassador to promote the work of the Access Group both within the Council and outside of it.
Induction, training and support available	• No formal induction is provided for new councillors. The Committee Officer will outline the main duties and give support as required.
Are safeguarding checks for vulnerable people required and provided? (DBS)	• No DBS checks are required or provided.
Any other requirements of the organisation from the appointee	• None

Return completed form to: John Armstrong, Democratic Services Manager, Guildford Borough Council, Millmead, Guildford GU2 4BB Tel: 01483 444102 Email:john.armstrong@guildford.gov.uk

Any restrictions on information sharing between the organisation and the council	None
Any personal liabilities, accountabilities or legal responsibilities involved in the role	None
Is the councillor insured/indemnified by the organisation? **If yes, please forward a copy of the insurance documentation.**	No
Is your organisation in compliance with equalities legislation and in agreement with Guildford Borough Council's Equalities Statement?	*A copy of the statement was attached to the email sent to you.* Yes

Return completed form to: John Armstrong, Democratic Services Manager, Guildford Borough Council, Millmead, Guildford GU2 4BB Tel: 01483 444102 Email:john.armstrong@guildford.gov.uk

TO BE COMPLETED BY THE COUNCILLOR

NAME: Angela Goodwin   ORGANISATION: Access Group Guildford

Please set out below the relevant experience, skills and qualities that you would bring to this appointment taking into account the requirements of the organisation.

Skills	- Good listening skills - Empathetic with others - Proactively works with GBC officers to report disability / access issues and find appropriate solutions - Good lobbying skills to promote disability and access within GBC and externally - Genuinely wants to help to make a difference and peoples' lives better, especially those in our 'vulnerable groups'.
Experience / qualities	- I have been a member of this group for 4 years, with good attendance at their day time meetings. I proactively encourage GBC officers to include the Access Group in discussions / new initiatives / consultations so that their views are incorporated. - I have nominated charities / organisations to be put forward for the annual Access awards. In addition to this I have assessed – with the Mayor / Deputy Mayor of Guildford – nominees for potential awards at the annual ceremony in October. - I have met many people of all ages, families and their children who have some form of disability through my previous line of work (a charity that supported Carers), and through the education establishments and charities our daughter is in contact with through her own disabilities. This has given me a broad understanding of the challenges people face as a result of their visible / non-visible disabilities.
Aims	- My wish is to work collaboratively with GBC and SCC to improve accessibility across our borough. Whilst funding is an obvious challenge, there are some quick wins that can be done including disability education in the retail arena. - Continually drive and challenge accessibility through any works / projects undertaken by GBC, and to encourage future developments to incorporate accessibility (housing developments, sport / playground facilities etc).
Other comments	- Elected as a Borough Councillor in May 2015, and re-elected in May 2019. - Became a GBC outside body member for the Access Group and served for four years (2015 to 2019). - Elected as a Surrey County Councillor in May 2017 with specific interests around Adult Social Care and Health & Wellbeing. - Attended majority of the Access Group meetings, and the 40th anniversary celebrations in October 2018. - May 2019: Appointed on the GBC Executive with a portfolio encompassing Social / Affordable Housing, Access, Disability and Homelessness. As a member of the Access Group I will continue to hear at first hand what the issues are, and be in a stronger position to work with officers to look for solutions / improvements.

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EXTERNAL ORGANISATION APPOINTMENT PROFILE

	NOTE: Personally, I think the Access Group only needs two GBC Councillors – one to attend the majority of meetings, with a second to act as a 'stand-in / sub'. If I am chosen to sit again on this group, there may be occasions where there is a clash with a Surrey County Council meeting at which point the 'sub' would be invited to attend. This has indeed been the case for the past two years with Mike Hurdle acting as my 'sub'.

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TO BE COMPLETED BY THE COUNCILLOR

NAME: Ann McShee   ORGANISATION: Access Group

Please set out below the relevant experience, skills and qualities that you would bring to this appointment taking into account the requirements of the organisation.

Skills	Communicating with people Good listener
Experience	When working for Surrey Social Services I worked mainly with older people who had all sorts of disabilities, so was used to trying to assist them with mobility problems. I am a volunteer with Fairwood Helpers who help people to do shopping, visit hospital, GP's surgery, dentists etc. many of these people have mobility problems.
Qualities	Reliable and trustworthy
Other comments	

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EXTERNAL ORGANISATION APPOINTMENT PROFILE

ORGANISATION NAME:	Royal Surrey County Hospital NHS Foundation Trust		
CONTACT NAME:	Molly Clark	**ORGANISATION TYPE:**	NHS Foundation Trust
CHARITY REG. NO.		**COMPANY REG. NO.**	
EMAIL:	molly.clark1@nhs.net	**TEL:**	01483571122 ext 6558

Appointee Role Title:	Appointed Governor
Responsible to:	Chair of the Trust
Where (Location):	Royal Surrey County Hospital, Egerton Road, GUILDFORD, Surrey, GU2 7XX
Is full access available? (Meetings and documents – mobility/hearing or visually impaired)	Yes
Time commitment (frequency of meetings, time of day etc.):	Expected to attend 4 main meetings of the Council of Governors. If interested the appointee would be welcome to attend governor committees.
Role description (eg, trustee, director, advisor etc.)	Governor
Main tasks and responsibilities (including any budgetary and financial matters)	• Link with Guildford Borough Council which is stakeholder of the Royal Surrey
Required skills, abilities, qualities and experience	• Nothing specific
Induction, training and support available	• Literature and support from the Chair and Company Secretary
Are safeguarding checks for vulnerable people required and provided? (DBS)	• Yes and yes
Any other requirements of the organisation from the appointee	• Fit and proper person checks must be completed, these are included within the Fit and Proper Persons policy
Any restrictions on information sharing between	Governors are required to keep confidential any information so identified. If the appointee is unsure they should check with the Chair or

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the organisation and the council	Company Secretary.
Any personal liabilities, accountabilities or legal responsibilities involved in the role	None
Is the councillor insured/indemnified by your organisation? **If yes, please forward a copy of the insurance documentation.**	Yes via the Trust's Constitution available via the following link: https://www.royalsurrey.nhs.uk/wp-content/uploads/2018/12/RSCH-Constitution-2018-final.pdf
Is your organisation in compliance with equalities legislation?	Yes
Any additional information regarding the appointment?	An induction handbook is in place, and future training is provided as part of a structured progreamme

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EXTERNAL ORGANISATION APPOINTMENT PROFILE

TO BE COMPLETED BY THE COUNCILLOR

NAME: _Paul Spooder_ ORGANISATION: _RSCH Governor_

Please set out below the relevant experience, skills and qualities that you would bring to this appointment taking into account the requirements of the organisation.

Skills	EXTENSIVE PRIVATE + PUBLIC SECTOR MANAGEMENT EXPERIENCE. LEADERSHIP SKILLS - SEE LINKED IN. 30 YEAR CAREER IN HEALTHCARE (CURRENTLY MEDTECH IN NEUROPHYSIOLOGY)
Experience	PRIVATE SECTOR 30+ YEARS IN HEALTHCARE PAST 18 MTHS AS GBC APPOINTED GOVERNOR TO RSCH. - INCUMBENT. STAKEHOLDER ENGAGEMENT AS LEADER OF COUNCIL 2015-19. (GUILDFORD / SURREY BOARD) BOARD MEMBER OF SURREY H&W BOARD (UNTIL MAY 2019)
Qualities	I BELIEVE MY SKILL SET + EXPERIENCE PERFECTLY MATCH THE REQUIREMENTS OF THIS ROLE.
Other comments	I AM VERY KEEN TO CONTINUE REPRESENTING GBC INTERESTS AT ROYAL SURREY.

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TO BE COMPLETED BY THE COUNCILLOR

NAME: Fiona White   ORGANISATION: Royal Surrey County Hospital NHS Foundation Trust

Please set out below the relevant experience, skills and qualities that you would bring to this appointment taking into account the requirements of the organisation.

Skills	I am an experienced councillor with knowledge of the local area and health issues in the area. I have also been a trustee of charities in the past so have some understanding of what is required.
Experience	My most relevant experience is as a local councillor for many years. I have been the county councillor for Guildford West Division, which includes the hospital, since 2005. As a county councillor I have served on Adults and Children's Select Committees and the Health Scrutiny Committee. Much of the area I represent has a lower than average life expectancy for Guildford Borough.
Qualities	I am dedicated to improving the lives of the people I represent and the health of people living in Guildford as a whole. I believe that all levels of the NHS must work together to improve the health and wellbeing of our residents. I am always willing to listen and learn and can be tenacious in arguing a cause.
Other comments	I would very much like the opportunity to serve as a Trustee as I believe strongly in the service that the Royal Surrey County Hospital provides for people in Guildford and the wider area.

Return completed form to: John Armstrong, Democratic Services Manager, Guildford Borough Council, Millmead, Guildford GU2 4BB Tel: 01483 444102 Email:john.armstrong@guildford.gov.uk

EXTERNAL ORGANISATION APPOINTMENT PROFILE

ORGANISATION NAME:	Surrey Hills AONB Board		
CONTACT NAME:	Rob Fairbanks	**ORGANISATION TYPE:**	Joint Committee
CHARITY REG. NO.		**COMPANY REG. NO.**	
EMAIL:	Rob.fairbanks@surreyhills.org	**TEL:**	01372 220650

Appointee Role Title:	GBC Member Representative
Responsible to:	Surrey Hills AONB Board
Where (Location):	Surrey Hills Estate Office, Warren Farm Barns, Mickleham, Surrey RH5 6DG
Is full access available? (Meetings and documents - mobility/hearing or visually impaired)	Yes
Time commitment (frequency of meetings, time of day etc.):	4 AONB Board meetings per annum (afternoon) 4 Statutory Members Group meetings per annum (afternoons) Up to 2 Partnership meetings per annum (Half Day)
Role description (eg, trustee, director, advisor etc.)	To represent GBC interests on the AONB Board
Main tasks and responsibilities (including any budgetary and financial matters)	• Attend AONB Board meetings • Represent GBC views regarding priorities for the AONB and advice on the AONB Management Plan • To advocate the AONB Management Plan vision and policies within GBC
Required skills, abilities, qualities and experience	• A knowledge and an interest in countryside issues • Advocacy and influencing • Leading and chairing meetings
Induction, training and support available	• Induction pack and advice provided for all Members
Are safeguarding checks for vulnerable people required and provided? (DBS)	• No
Any other requirements of the organisation from the appointee	• The Chairman has responsibilities for promoting the AONB to Government and liaising with the National Association for AONBs

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Any restrictions on information sharing between the organisation and the council	No
Any personal liabilities, accountabilities or legal responsibilities involved in the role	No
Is the councillor insured/indemnified by the organisation? **If yes, please forward a copy of the insurance documentation.**	No
Is your organisation in compliance with equalities legislation and in agreement with Guildford Borough Council's Equalities Statement?	Yes. It's a Surrey CC Joint Committee and operates under its standing orders

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EXTERNAL ORGANISATION APPOINTMENT PROFILE

TO BE COMPLETED BY THE COUNCILLOR

NAME: Gordon Jackson   ORGANISATION: Surrey Hills AONB Board

Please set out below the relevant experience, skills and qualities that you would bring to this appointment taking into account the requirements of the organisation.

Skills	Retired solicitor with extensive experience of all aspects of managing meetings. Particular experience of corporate and charity law
Experience	Borough Councillor for 9 years during which I have served on the Surrey Countryside Partnership and the Heathland Management Committee Chairman Surrey Hills Trust Fund Chairman Surrey Hills Society
Qualities	An enthusiastic lover of the countryside and a keen landscape and animal photographer. I spend most of my spare time walking in the Surrey Hills and have been involved in a raft of projects related to the AONB. During my Mayoral Year I raised over £25,000 for the Surrey Hills Trust Fund
Other comments	

Return completed form to: John Armstrong, Democratic Services Manager, Guildford Borough Council, Millmead, Guildford GU2 4BB Tel: 01483 444102 Email:john.armstrong@guildford.gov.uk

TO BE COMPLETED BY THE COUNCILLOR

NAME: Susan Parker   ORGANISATION: Surrey Hills AONB board

Please set out below the relevant experience, skills and qualities that you would bring to this appointment taking into account the requirements of the organisation.

Skills	More than 20 years lobbying and campaigning to protect the Surrey Hills. This includes membership of CPRE including membership of the Guildford CPRE committee, then latterly being a founder member and chair of GGG. Skills: organisational (administration of political and lobbying group); Chartered Accountant with own practice; political organisation
Experience	Chair and founder of Guildford Greenbelt Group Managing director of own business (chartered accountancy practice sp2 Consulting Ltd). Clients include an number of companies; previous clients are varied including Finance South East, Finance England, Ark Therapeutics, Cell Medica plc. Committee member/trustee of various public entities including Surrey County Youth Wind Orchestra, Shere PCC (Previously merchant banker with Samuel Montagu & Co. Ltd in corporate finance, chartered accountant trained with PriceWaterhouseCoopers).
Qualities	Passionate defender of the countryside and the natural world. Keen environmentalist. Love of our local countryside and committed defender of its beauty and its ecosystems.
Other comments	Have been provisionally allocated to this position pending formal appointment, and have attended one board already, been appointed to the sub-committee for appointing a new independent Chairman, and will also be attending the all day site visit scheduled for 5 July.

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EXTERNAL ORGANISATION APPOINTMENT PROFILE

ORGANISATION NAME: Watts Gallery Trust

CONTACT NAME: Alistair Burtenshaw   **ORGANISATION TYPE:** Charity

CHARITY REG. NO. 313612   **COMPANY REG. NO.** 6147572

EMAIL: director@wattsgallery.org.uk   **TEL:** 01483 813582

Appointee Role Title:	Member of the Limnerslease Advisory Committee
Responsible to:	Chair of Watts Gallery Trust
Where (Location):	Watts Gallery – Artists, Village, Down Lane, Compton, Surrey GU3 1DQ
Is full access available? (Meetings and documents - mobility/hearing or visually impaired)	Yes
Time commitment (frequency of meetings, time of day etc.):	Every six months
Role description (eg, trustee, director, advisor etc.)	Committee member
Main tasks and responsibilities (including any budgetary and financial matters)	• Review activities taking place at Limnerslease • Review the plan for the restoration and development of Limnerslease • Attend public events at Limnerslease where possible
Required skills, abilities, qualities and experience	• Interest in the arts and heritage • Understanding of charity governance
Induction, training and support available	An induction to Watts Gallery Trust and the Limnerslease project will be provided by the Director
Are safeguarding checks for vulnerable people required and provided? (DBS)	Not required
Any other requirements of the organisation from the appointee	None
Any restrictions on information sharing between the organisation and the council	There may be come confidential information

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Any personal liabilities, accountabilities or legal responsibilities involved in the role	None
Is the councillor insured/indemnified by your organisation? **If yes, please forward a copy of the insurance documentation.**	The Councillor is indemnified by Watts Gallery Trust
Is your organisation in compliance with equalities legislation?	Yes
Any additional information regarding the appointment?	None

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EXTERNAL ORGANISATION APPOINTMENT PROFILE

TO BE COMPLETED BY THE COUNCILLOR

NAME: Gordon Jackson_____ORGANISATION: Limnerslease Management Committee___

Please set out below the relevant experience, skills and qualities that you would bring to this appointment taking into account the requirements of the organisation.

Skills	Retired solicitor with extensive experience of corporate and charity law
Experience	Councillor 9 years Former Lead member for the Arts and Tourism Numerous charity boards including Surrey Hills Trust Fund, Surrey Hills Society, Ash Citizens Advice, Guildford Arts, Guildford Book Fair and Experience Guildford (Business Improvement District) Chairman Innovation Strategy Board Member Guildford Museum Review Group
Qualities	I have had a number of years of engagement with Watts Gallery and am an enthusiastic supporter of the development of the Gallery and Limnerslease and particularly the work done to bring arts to the community
Other comments	

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TO BE COMPLETED BY THE COUNCILLOR

NAME: RAMSEY NAGATY_____ORGANISATION: GBC_____

Please set out below the relevant experience, skills and qualities that you would bring to this appointment taking into account the requirements of the organisation.

Skills	I AM A COMMITTEE MEMBER OF A RESCUE SOCIETY CHARITY AND AM CONVERSANT WITH CHARITABLE STATUS RULES REGULATIONS AND REQUIREMENTS. I AM A BUSINESSMAN WITH NEGOTIATING, FINANCIAL AND ACCOUNTINGS SKILLS . SINCE A CHILD I HAVE HAD AN INTEREST IN OIL PAINTING.
Experience	I HAVE EXPERIENCE OF WORKING ON CHARITABLE ORGANISATION COMMITTEES. I AM FULLY AWARE AND EXPERIENCED WITH WATTS GALLERY AND LIMMERSLEASE WHICH IS IN MY WARD AND WITHIN THE PARISH COUNCIL ON WHICH I SERVE AS WELL AS BEING CLOSE TO MY HOME.
Qualities	I HAVE A STRONG INTEREST IN THE ARTS AND CRAFTS . MY LATE WIFE WORKED FOR THE ARTS COUNCIL AND THE V&A. IT IS THEREFORE A PASSION OF MINE TO ENSURE THE LEGACY OF THE WATTS FAMILY ARTS AND CRAFTS LIVES ON AND REACHES A WIDER AUDIENCE.
Other comments	I ATTENDED THE VIST TO SEE THE MANUFACTURE OF THE NEW "PHYSICAL ENERGY" SCULPTURE

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EXECUTIVE

21 May 2019

* Councillor Caroline Reeves (Chairman)
* Councillor Fiona White (Vice-Chairman)

* Councillor Joss Bigmore	* Councillor Julia McShane
Councillor Angela Goodwin	* Councillor Susan Parker
* Councillor David Goodwin	* Councillor Pauline Searle
Councillor Jan Harwood	* Councillor James Steel

*Present

Councillors Steven Lee, John Redpath, John Rigg, Maddy Redpath, Tony Rooth, and Paul Spooner were also in attendance.

EX1   APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Angela Goodwin and Jan Harwood.

EX2   LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTEREST

There were no disclosures of interest.

EX3   LEADER'S ANNOUNCEMENTS

There were no announcements from the Leader.

EX4   STRUCTURAL REPAIRS TO 48 QUARRY STREET, GUILDFORD

The Executive noted that 48 Quarry Street, Guildford formed part of Guildford Museum and that a survey of the property had revealed that there was a significant structural defect, which needed to be remedied to allow the property to be used safely as part of the Museum.

The Council had set aside £250,000 on the provisional capital programme to fund the repairs and associated design work. The sum of £30,000 had been transferred to the approved capital programme in July 2018 to fund the necessary investigations and design work.

The Executive now considered a report which sought agreement to transfer the remaining £220,000 from the provisional to the approved capital programme to enable the works to be carried out.

The Executive therefore

RESOLVED: That the transfer of capital funds in the sum of £220,000 from the provisional programme to the approved capital programme to enable the structural repairs to 48 Quarry Street, Guildford to be carried out, be approved.

Reason:
As a Grade II listed building, the Council has a duty to maintain it in good order and these funds will allow this necessary repair works to proceed.

EX5   REVIEW OF EXECUTIVE WORKING GROUPS

The Executive considered a report asking it to review the work carried out by the current councillor working groups over the previous twelve months and the work they were likely to undertake over the next twelve months. The Executive was asked whether the groups for which it was responsible should continue as presently constituted and, if so, to determine their respective composition.

Having considered the report, the Executive

RESOLVED:

(1)   That the Transformation Board be disbanded, as it had been succeeded by the new Future Guildford Board.

(2)   That the working groups listed below continue with their work:

- Climate Change Task Group
- The Electric Theatre Monitoring Group
- The Grants Panel
- Guildford Community Covenant Panel
- Innovation Board
- Major Projects Portfolio Board
- Museum Working Group
- Planning Policy and Housing Delivery Board
- Property Review Group
- Slyfield Area Regeneration Project Councillor Forum
- Slyfield Area Regeneration Project Governance Board
- Town Twinning Working Group

(3)   That political group leaders be requested:

(a) to discuss within their respective groups nominees for appointment to the working groups listed in paragraph (2) above, and the Future Guildford Board, for the 2019-20 municipal year;

(b) to submit nominations, and the reason for their nomination, to the Democratic Services Manager as soon as possible; and

(c) to meet as soon as possible thereafter to discuss nominations received.

(4)   That, following the meeting of political group leaders referred to in paragraph (3) (c) above, the Leader of the Council to determine the appointments to the various working groups for the 2019-20 municipal year.

(5)   That a new health and well-being board, to be called the 'Project Aspire Health and Wellbeing Board' with terms of reference as set out in Appendix 6 to the report submitted to the Executive, be established.

Reason:
To comply with the requirement on the part of the Executive to periodically review the continuation of the various Working Groups, in accordance with Council Procedure Rule 24 (j).

EX6   SURREY LEADERS' GROUP - NOMINATIONS FOR APPOINTMENT TO OUTSIDE BODIES 2019-20

The Executive considered a report on the proposed submission of nominations to the Surrey Leaders' Group (SLG) in respect of the appointment of a district representative to the Surrey County Council Health and Wellbeing Scrutiny Board, and the Surrey and Borders Partnership NHS Foundation Trust (Mental Health Foundation Trust).

Having considered the nomination received, the Executive

RESOLVED:

(1)   That the nomination of Councillor Deborah Seabrook be submitted to the Surrey Leaders' Group in respect of the appointment of a district council representative to the Surrey County Council Health and Wellbeing Scrutiny Board.

(2)   That, subject to the agreement of the chairman of the Overview and Scrutiny Committee, the call-in procedure shall not apply in respect of the decision in paragraph (1) above.

Reason:
To ensure that the nomination submitted by this Council is considered by the Surrey Leaders' Group.

Reason for urgency:
A small working group of the SLG will consider all the nominations received in respect of this appointment and make a recommendation to the SLG at its meeting in June. The deadline for receipt of completed nomination forms was Friday 24 May 2019.

The meeting finished at 7.21 pm

Signed   ....   Date   ....
                            Chairman

EXECUTIVE

18 June 2019

* Councillor Caroline Reeves (Chairman)
* Councillor Fiona White (Vice-Chairman)

* Councillor Joss Bigmore	* Councillor Julia McShane
* Councillor Angela Goodwin	* Councillor Susan Parker
* Councillor David Goodwin	* Councillor Pauline Searle
Councillor Jan Harwood	* Councillor James Steel

*Present

Councillors Angela Gunning and John Rigg were also in attendance.

EX7   APOLOGIES FOR ABSENCE

An apology for absence was submitted on behalf of Councillor Jan Harwood.

EX8   LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTEREST

There were no disclosures of interest.

EX9   MINUTES

The Executive approved, as a correct record, the minutes of the meetings held on 23 and 25 April, and on 21 May 2019. The Chairman signed the minutes.

EX10   LEADER'S ANNOUNCEMENTS

There were no announcements from the Leader.

EX11   CAPITAL AND INVESTMENT OUTTURN REPORT 2018-19

The Executive considered the Capital and Investment Outturn Report for 2018-19, which had included:

- a summary of the economic factors affecting the approved strategy and counterparty update
- a summary of the approved strategy for 2018-19
- a summary of the treasury management activity for 2018-19
- compliance with the treasury and prudential indicators
- non-treasury investments
- capital programme
- risks and performance
- Minimum Revenue Provision (MRP)
- details of external service providers
- details of training

The Executive was informed that total expenditure on the General Fund capital programme in 2018-19 had been £37.7 million, which was less than the revised budget by £99.6 million. Details of the revised estimate and actual expenditure in the year for each scheme were set out in Appendix 3 to the report. Although the budget for Minimum Revenue Provision (MRP) had been £1.2 million, the outturn had been £795,190, due to slippage in the capital programme in 2017-18.

Councillors noted that the Council's investment property portfolio stood at £161 million as at 31 March 2019. Rental income had been £9 million, and income return was 6.3% against the benchmark of 4.8%.

The Council's cash balances had built up over a number of years, and reflected the strong balance sheet, with considerable revenue and capital reserves. Officers carried out the treasury function within the parameters set by the Council each year in the Capital and Investment Strategy. As at 31 March 2019, the Council held £97.3 million in investments.

The Council had borrowed short-term from other local authorities for cash flow purposes, but did not take out any additional long-term borrowing during the year. The Council had £212.9 million borrowing at 31 March 2019, of which £20 million was short-term borrowing for cash purposes.

The report confirmed that the Council had complied with its prudential indicators, treasury management policy statement, and treasury management practices for 2018-19.

The Executive noted that the slippage in the capital programme had resulted in a lower Capital Financing Requirement than estimated. Interest paid on debt had been lower than budget, due to less long-term borrowing taken out on the General Fund because of slippage in the capital programme.

The yield returned on investments had been lower than estimated, but the interest received had been higher due to more cash being available to invest in the year – a direct result of the capital programme slippage.

The report had also been considered by the Corporate Governance and Standards Committee at its meeting on 13 June 2019. The Committee's comments on this matter were included on the Supplementary Information Sheet circulated at the meeting. The Committee had commended the adoption of the recommendation in the report by the Council on 23 July 2019.

Discussion on the report queried whether the Council had a policy on Ethical, Social and Governance (ESG) in relation to investments and, in particular, whether the holding of a petrol station with the Investment property portfolio was appropriate.

Having considered the report, the Executive

RECOMMEND:

(1)   That the Treasury Management Annual Report for 2018-19 be noted.

(2)   That the actual prudential indicators reported for 2018-19, as detailed in Appendix 1 to the report submitted to the Executive, be approved.

Reason:
To comply with the Councils' treasury management policy statement, the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on treasury management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

EX12   REVENUE OUTTURN REPORT: 2018-19

The Executive received a report setting out the final position on the General Fund and the Collection Fund revenue accounts, for the 2018-19 financial year.

Overall, the outturn on the General Fund had been £1,851,116 less than originally budgeted, which reflected the Council's continued sound financial management.

The report had set out the major reasons for the variance. At service level after adjustment for movements to and from reserve, the projected outturn was £168,000 higher than the latest estimate.

Net income from interest receipts had been £1,641,694 more than estimated and the minimum revenue provision (MRP) for debt repayment had been £405,453 lower than estimated.

In accordance with the authority delegated to the Chief Finance Officer, in consultation with the Leader of the Council and the Lead Councillor for Finance and Asset Management, the underspent balance had been used to make a transfer to the Invest to Save Reserve to support the transformation agenda.

Details of the closing balance on all the Council reserves were set out in the report, together with the ongoing policy for each.

The Executive noted that 2018-19 had been the fourth year of the Business Rates Retention Scheme (BRRS) and it had continued to cause volatility in the Council's accounts. The Business Rates balance on the Collection Fund was particularly susceptible to movements in the number and value of appeals that businesses had made against their rateable values. The Council had no control over these appeals, and had limited information from the Valuation Office to help assess the potential impact.

The Executive was advised that there was an overall deficit on the Collection Fund of £4.9 million, as detailed in the report.

The outturn position had been included in the Statement of Accounts signed by the Chief Finance Officer on 31 May 2019, which would be subsequently audited by the Council's external auditor, Grant Thornton. The Executive noted that the draft Statement of Accounts had been posted on the Council's website, and that the audited accounts would be reviewed by the Corporate Governance and Standards Committee at its next meeting on 25 July 2019.

The report had also been considered by the Corporate Governance and Standards Committee at its meeting on 13 June 2019. The Committee's comments on this matter were included on the Supplementary Information Sheet circulated at the meeting.

Having noted that the Corporate Governance and Standards Committee had supported the adoption of the recommendation in the report, the Executive

RESOLVED: That the Council's final revenue outturn position on the General Fund for 2018-19 be noted, and that the decision, taken under delegated authority, to transfer £1.85 million to the Invest to Save reserve to support the delivery of the Future Guildford Transformation Programme, be endorsed.

Reasons:
- To note the final outturn position and delegated decisions taken by the Chief Finance Officer, which have been included within the statutory accounts the Chief Finance Officer signed at the end of May.

- To facilitate the on-going financial management of the Council.

EX13   HOUSING REVENUE ACCOUNT: FINAL ACCOUNTS 2018-19

The Executive received a report setting out the final position on the Housing Revenue Account (HRA) for the 2018-19 financial year. The HRA recorded all the income and expenditure associated with the provision and management of Council owned residential dwellings in the Borough.

The report had set out the actual level of revenue spending on day-to-day services provided to tenants recorded in the HRA in 2018-19.

Rental income from dwellings had been £80,070 below the estimate. The actual net cost of revenue services in 2018-19 had been £369,394 lower than the budget of £14,406,490. This variation represented 1.15% of the total turnover of £31.991 million. The final outturn (subject to audit) had shown a surplus for the year of £10.35 million, compared to a budgeted surplus of £9.746 million, after taking into account various accounting adjustments. The HRA working balance at year-end remained at £2.5 million.

In accordance with the authority delegated to the Chief Finance Officer, in consultation with the Lead Councillors with responsibility for Housing and Finance, the surplus had been used to make a transfer of £2.5 million to the reserve for future capital programmes, with the balance of £7.85 million being transferred to the new build reserve.

During consideration of this matter, Mr Alex Stuart asked the following question:

"*The Government has recently announced changes to Section 21 of the Housing Act which currently allows landlords to evict tenants without any just cause just simply give two months' notice to evict them. Will the Council commit to not using this procedure against its own tenants and will they commit to enforcing this against private landlords ensuring they don't use this measure in the future*?"

The Chairman indicated that a written response to Mr Stuart's question would be sent to him in due course.

Having noted that the report had also been considered by the Corporate Governance and Standards Committee at its meeting on 13 June 2019, and that Committee had supported the adoption of the recommendation in the report, the Executive

RESOLVED: That the final outturn position on the Housing Revenue Account for 2018-19 be noted and that the decision, taken under delegated authority, to transfer £2.5 million to the reserve for future capital programmes, and £7.85 million to the new build reserve from the revenue surplus of £10.35 million in 2018-19, be endorsed.

Reason:
To allow the Statutory Statement of Accounts to be finalised and subject to external audit, prior to approval by the Corporate Governance and Standards Committee, on behalf of the Council.

The meeting finished at 7.30 pm

Signed .... Date ....

Chairman

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Agenda item number: 14

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