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Contact:

James Dearling

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29 June 2020

Dear Councillor,

Your attendance is requested at a meeting of the **OVERVIEW AND SCRUTINY COMMITTEE** on **TUESDAY, 7 JULY 2020** at **7.00 pm**. This meeting will be held virtually using Microsoft Teams.

Yours faithfully,

James Whiteman  
Managing Director

**MEMBERS OF THE OVERVIEW AND SCRUTINY COMMITTEE**

Chairman: Councillor Paul Spooner  
Vice-Chairman: Councillor James Walsh

Councillor Dennis Booth  
Councillor Colin Cross  
Councillor Graham Eyre  
Councillor Angela Goodwin  
Councillor Tom Hunt

Councillor Ramsey Nagaty  
Councillor George Potter  
Councillor Tony Rooth  
Councillor Deborah Seabrook  
Councillor Fiona White

**Authorised Substitute Members**

For the Overview and Scrutiny Committee, there is no limit on the number of substitute members for each political group on the Council.

**QUORUM: 4**

**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:

- |                     |  |
|---------------------|--|
| <b>Place-making</b> | 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   |
| <b>Community</b>    | Supporting older, more vulnerable and less advantaged people in our community  |
|                     | Protecting our environment   |
|                     | Enhancing sporting, cultural, community, and recreational facilities   |
| <b>Innovation</b>   | 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.

## AGENDA

**ITEM  
NO.**

- 1 **APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**
- 2 **LOCAL CODE OF CONDUCT AND DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS**

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 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 **MINUTES** (Pages 5 - 10)  
To confirm the minutes of the Committee meeting held on 2 June 2020.
- 4 **COVID-19 RESPONSE - UPDATE**
- 5 **NORTH DOWNS HOUSING LIMITED** (Pages 11 - 28)  
(Presentation slides are pages 17 - 27.)
- 6 **LEAD COUNCILLOR QUESTION SESSION**  
A question session with the Lead Councillor for Environment. Councillor James Steel's main areas of responsibility are: Waste, Licensing (including Health and Safety regulation), Parking, Parks and Leisure, Arts and Tourism, Bereavement, Environmental Health and Protection
- 7 **MATTERS OUTSTANDING FROM PREVIOUS MEETINGS** (Pages 29 - 30)
- 8 **OVERVIEW AND SCRUTINY ANNUAL REPORT 2019-20** (Pages 31 - 42)

**Please contact us to request this document in an  
alternative format**

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## OVERVIEW AND SCRUTINY COMMITTEE

2 June 2020

- \* Councillor Paul Spooner (Chairman)
- \* Councillor James Walsh (Vice-Chairman)

- |                             |                               |
|-----------------------------|-------------------------------|
| * Councillor Dennis Booth   | * Councillor George Potter    |
| Councillor Colin Cross      | * Councillor Tony Rooth       |
| * Councillor Graham Eyre    | * Councillor Deborah Seabrook |
| * Councillor Angela Goodwin | Councillor Patrick Sheard     |
| * Councillor Tom Hunt       | * Councillor Fiona White      |

\*Present

Councillors Joss Bigmore (Deputy Leader of the Council and Lead Councillor for Service Delivery), Angela Gunning, Gordon Jackson, Julia McShane, (Lead Councillor for Community), John Redpath (Lead Councillor for Economy), Maddy Redpath, Caroline Reeves, (Leader of the Council and Lead Councillor for Housing and Development Control), and James Steel (Lead Councillor for Environment) were also in attendance.

In accordance with Council Procedure Rule 23(j), Councillor Ramsey Nagaty attended as a substitute for Councillor Patrick Sheard.

### **OS1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

The Committee was advised of an apology for absence from Councillor Patrick Sheard and a substitute as detailed above.

### **OS2 LOCAL CODE OF CONDUCT AND DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS**

There were no declarations of Disclosable Pecuniary Interests.

### **OS3 MINUTES**

The minutes of the Overview and Scrutiny Committee meeting held on 3 March 2020 were agreed.

### **OS4 RESPONSE TO COVID-19**

The Chairman stated that the aim of the meeting was to provide Councillors and the public with an overview and update about the Council's response to COVID-19. With reference to the critical friend role of overview and scrutiny, the Chairman indicated that the Committee would provide direct support and challenge to the Executive and senior officers and aim to be a forum for Councillors to feed into and help the Council response.

The Leader of the Council introduced the Council's response to COVID-19. She praised the efforts and adjustments made by Council staff and the Borough's residents and businesses during the crisis. The Leader of the Council indicated that the financial implications of the crisis would require the Council to review all its activities. She advised the meeting that lessons for the future would be learnt from the experience of the crisis.

The Managing Director gave a presentation outlining the Council's response to COVID-19. He outlined the impact of the crisis, including its mortality rates, together with the restrictions on people's lives and the economic implications. The meeting was reminded of timelines and governance relating to COVID-19 and advised of the Council services that had been

maintained and suspended in the crisis. In addition, the Managing Director informed the meeting of the new and extended services delivered by the Council during the emergency.

The Managing Director provided details of the help and support for the Borough's vulnerable residents, including food parcels and prescriptions delivered. The meeting was advised of the communications efforts undertaken by the Council with residents during the crisis and the aid provided to local businesses, which included grants to local businesses totalling over £19 million and a business rates holiday totalling almost £41 million.

The Managing Director's presentation outlined the impact of the crisis on staff, including redeployment of 87 staff and over 300 home working. The Committee was advised that there had been no increase in sickness absence and low levels of COVID-19 symptoms amongst staff. He indicated that a staff survey would be undertaken on home working and the levels of support staff needed and other experiences.

The Director of Resources presented headline details of the financial impact of the crisis on the Council. She indicated that the Council had received £1.5 million emergency funding from central government. She informed the meeting that no further funding from government would be forthcoming in the immediate future. The Director of Resources advised that Council expenditure on the crisis was forecast to be £1.9 million by July 2020, with an additional £9.6 million projected as lost income. The presentation to the Committee showed lost income from car parking to be over £5.5 million, from planning and development control over £850k, from sports and leisure over £400k, and from tourism over £200k. The Committee was advised that the figures presented were based on a four-month lockdown period, rather than the shorter lockdown confirmed by recent government announcements. The Director of Resources indicated that the Council could need to call on reserves of £8 million in the current financial year. She advised that the Council would need to rebuild its reserves by approximately £5 million in the next few years and that significant decisions about service provision would be required.

The Managing Director updated the Committee on actions to aid the local recovery, including measures to address the Council's finances and review its strategic priorities. He advised that the Council's Future Guildford transformation programme would be shaped to address the budget shortfall and that plans would be needed to resource the Council's response to COVID-19 for a sustained period.

The Managing Director advised of proposed actions to help local businesses across the Borough recover from the crisis. He indicated that the Lead Councillor for Economy was leading on a piece of work with Experience Guildford and others to ensure support for businesses across the Borough. In addition, the Managing Director indicated that support would continue for the most vulnerable people affected by the crisis in the Borough, including the provision of accommodation for the homeless. The Committee was informed that measures to help the voluntary and community sectors included a re-assessment of the priorities for grant funding under existing schemes and the introduction of a new crowdfunding platform as a new fundraising stream.

The Chairman thanked the Managing Director and the Director of Resources for the presentation and invited members of the Committee to ask questions. During the ensuing discussion a number of points were made and clarifications offered:

- The Committee was advised that it was too early to determine the reasons for the apparently high mortality rate in Surrey.
- The Housing Advice Manager confirmed that the MHCLG (Ministry of Housing, Communities and Local Government) had requested the Council's next-step support

plans for rough sleepers housed during the pandemic. She indicated that the Council would be applying for further grant funding and that plans were being prepared to try and ensure there was no return to rough sleeping for anyone in the Borough once the crisis was past.

- The Housing Advice Manager confirmed that some hotels wanted the return of the rooms used to house the homeless during the crisis. She indicated that the suspension of evictions in the private rented sector had been helpful. The Committee was advised that twenty-three households had required rehousing during the lockdown period. The Committee was informed that it was not possible to say whether there would be a sharp increase in the number of homeless people following the end of lockdown.
- In response to a question, the Housing Advice Manager indicated that much of the Rough Sleeping Initiative funding from government was committed to supporting mental health and addiction services but a small amount might be re-purposed towards more immediate support for the homeless.
- The Community Wellbeing Manager indicated that demand for meals on wheels had doubled during the crisis. She advised that its deliveries had increased notably in rural areas, the town centre, and postcode areas GU1 and GU2.
- In response to a question, the Committee was advised that the Council's day centres would reopen when government guidance permitted.
- The meeting was advised that the Council has been co-ordinating with local foodbanks. The Committee was informed that extra help from charities and community groups had been provided to those families entitled to school meals as the free school meal voucher scheme had either not worked or proved insufficient to meet need. The Community Wellbeing Manager indicated that a long-term plan to address food poverty and related issues was required.
- In response to a question about the Council's reliance on car parking and enforcement income, the Waste, Parking, and Fleet Services Manager indicated that the annual review of the business strategy for car parking would consider such issues.
- With reference to the Family Support Programme, the Committee was advised that the Council had taken over the provision for Waverley in April as planned. The Committee was informed that while the funding levels from Surrey County Council for the programme were unchanged, the details of payment by results during the crisis were being discussed. The Community Wellbeing Manager advised that a sharp increase in family support referrals was expected when schools re-opened to all pupils (because schools were a major referral channel).
- In reply to a question, the meeting was informed by the Housing Advice Manager that domestic abuse provision was being expanded by Surrey County Council to deal with the expected increase in demand once the lockdown ended. In addition, she advised the Committee about the rate and nature of reported domestic abuse crime in the area during lockdown.
- In response to a question about people in need that were not designated officially as vulnerable and as a consequence were unable to access prioritised support, the Community Wellbeing Manager indicated that all households in the Borough had

been leafletted in April with information, including the Council's emergency telephone number, and anyone requesting support would be helped.

- The Community Wellbeing Manager suggested that the role of local voluntary groups would be significant in the local recovery. In addition, she confirmed that the support available to vulnerable residents continued to be publicised on social media.
- In reply to a question about managing the relationship between the different tiers of local government in Surrey, the Leader of the Council indicated that the crisis had been a steep learning curve. She informed the meeting that lessons had been learnt for any subsequent COVID-19 wave. In addition, the Leader of the Council suggested that government announcements before plans were in place had caused issues for local government.
- In response to a request for information on the number of local businesses that were struggling and the forecast extent of redundancies, the Managing Director advised that the Local Enterprise Partnership was collating such information and that it could be provided to a subsequent meeting of the Committee. The Chairman indicated that the subject would be revisited by the Committee at its July meeting.
- The Customer Services and Business Improvement Manager undertook to provide data to the Committee members on the complaints and expressions of dissatisfaction received by the Council during the lockdown.
- With reference to the long-term financial impact of COVID-19 on the public sector, members commented on the potential shortfall in funding from central government. The Director of Resources confirmed that local government was lobbying for government funding to address the loss of income experienced during the lockdown. The Leader of the Council informed the meeting that the government had indicated that should there be a second or third wave of COVID-19 it would not fund the food boxes provided by local authorities.
- A member of the Committee questioned the extent to which joint working and shared services with other councils had been considered to achieve financial savings. In reply, the Director of Resources outlined the potential options to address the budget gap caused by COVID-19. She confirmed that these options included revisiting service challenge savings identified but not progressed under Future Guildford, re-assessing the capital programme, ending services, undertaking shared services or mergers with other local authorities, and progressing unitary status.
- The Director of Resources and the Deputy Leader of the Council both indicated that it was too early to determine the impact of COVID-19 on the Council's programme of major projects. The Director of Resources informed the Committee that a recession would affect factors such as borrowing costs, inflation, and the income streams for major projects (for example, the sale of land for housing). The Deputy Leader of the Council suggested that the potential benefits of some projects should be weighed against their relatively small cost to the Council.
- In response to a suggestion from Committee members that meetings about major projects had been cancelled due to COVID-19, the Leader of the Council indicated that her understanding was that only one meeting had been cancelled. The Managing Director undertook to liaise with the Lead Councillor for Regeneration and confirm the situation with Committee members.



- The Waste, Parking, and Fleet Services Manager informed the meeting that disinfecting public outdoor areas was not government guidance and its effectiveness was questionable. He indicated there was a focus on cleaning hands rather than on cleaning and disinfecting everything that might be touched. He undertook to re-examine making cleaning and disinfection in the town centre more prominent.
- The Managing Director indicated that Phase B of the Council's Future Guildford transformation programme would resume in September. He confirmed that Future Guildford would need to consider options such as alternative models of service provision.
- A member of the Committee questioned whether the Council's ability to deliver major projects would be adversely affected as a consequence of the impact of the COVID-19.
- The Director of Resources advised that government had made grants of £21 million available to small business rate payers and businesses involved in the retail, leisure, and hospitality sector locally (with £19.4 million paid out). She stated that an additional government discretionary grant scheme was launching that week. The meeting was informed that whether additional local grant schemes were provided by the Council would be a political decision. A member of the Committee suggested the value in all councillors being updated on grant schemes available to local businesses to enable them to advise and signpost constituents.
- The Committee was informed that local businesses could be encouraged to tender for work but national rules made it difficult to limit procurement to local businesses.
- The Deputy Leader of the Council indicated the importance of community spirit as the crisis looked to change to one with an economic and mental-health focus.

The Chairman thanked officers and Councillors for attending to discuss and provide information on COVID-19 issues.

RESOLVED: That a further update on COVID-19 be provided to the July 2020 meeting of the Committee.

**OS5 DATE AND TIME OF NEXT MEETING**

The Chairman advised that the next meeting of the Committee was scheduled for 7 July 2020 at 7.00pm. He suggested that if Committee members wished to move to an earlier start time then they contact himself, the Vice-Chairman, or the Senior Democratic Services Officer (Scrutiny).

RESOLVED: That the agenda for the 7 July 2020 Committee meeting include the following previously scheduled items: North Downs Housing Limited, a question session with the Lead Councillor for Environment, and the Overview and Scrutiny Annual Report.

The meeting finished at 9.34 pm

Signed .....

Date .....

Chairman

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## REPORT FOR OVERVIEW AND SCRUTINY COMMITTEE

7 July 2020

### NORTH DOWNS HOUSING LIMITED

#### **Purpose**

This report summarises the objectives, progress and operation of North Downs Housing Limited (NDH) since its formation in 2016.

Most of the information has been drawn from the original 30 year business plan, 2016 - 2046. The financial information is however updated on an annual basis. The link to the original plan is as follows:

[https://www.guildford.gov.uk/media/32230/North-Downs-Housing-Business-Plan-0717/pdf/NDH Business Plan 40717.pdf?m=637275772012470000](https://www.guildford.gov.uk/media/32230/North-Downs-Housing-Business-Plan-0717/pdf/NDH_Business_Plan_40717.pdf?m=637275772012470000)

#### **Background**

NDH was set up on 28<sup>th</sup> April 2016 to be the housing trading arm of Guildford Borough Council. The company was set up by the Council and is owned by Guildford Borough Council Holdings Ltd. The holding company is in turn wholly owned by Guildford Borough Council. NDH is a separate legal entity managed by independent directors.

The Council's Executive is the Shareholder Committee for both Guildford Borough Council Holdings Ltd and NDH. Elected Members who are appointed as either Guildford Holdings Ltd directors or NDH directors, will not be full members or substitutes of the Shareholder Committee.

The current directors of NDH are:

- Sarah Creedy (Chair)
- Gordon Jackson
- Mike Parsons
- Sue Reekie
- Angela Goodwin

#### **Purpose of NDH**

NDH exists to enable the Council to offer a range of housing solutions to those in our community who, for whatever reason, find access to purely market-based options a challenge. The company has to date focussed on the third quartile of the housing market. This activity supplements the Council's own housing offer which is aimed at providing social housing to those most in need.

Under the arrangements that have been established, the Council invests in NDH to enable it to acquire property in the ratio 60% loan and 40% equity (i.e. shares in the company). NDH rents the properties to tenants, meets all of its costs of operation and subsequently delivers a financial return to the Council in the form of interest on loans and, in the long term, operating profit.

The stated objectives of NDH are:

- to meet in such manner as the Company thinks fit, identified housing need and increase the provision of housing accessible to lower income households in the Guildford borough and surrounding areas;
- to generate returns for the Council's General Fund;
- to accelerate development of brownfield land in the Guildford borough;
- to carry on any other business or do such other things which may seem to the company capable of being conveniently carried on in connection with any of the above specified objects, or calculated to enhance the value of the Company's services, assets, property or rights.

The company therefore seeks to deliver homes for rent and homes for sale.

### **Business Plan objectives**

The company has a business plan covering the period 2016 to 2046.

The company intends to grow initially by acquiring properties. Its cumulative acquisition and development target for the 5 years period up to 2026 is:

1/4/2020	2020/21	2021/22	2023/24	2024/2025	2025/2026
48	75	100	125	150	200

The number of properties acquired has been lower than originally planned and this is due to a number of factors, including the properties available on the market at a suitable price and the resources available within the Council to support the company in their acquisition and letting.

NDH remains keen to create a development "pipeline" by constructing homes. In a market where land availability is heavily constrained, achieving this has been and continues to be challenging.

It is likely that over the next five years NDH will be heavily reliant on the Council to deliver development opportunities. It will, however, proactively seek development opportunities that do not involve reliance on the Council.

If NDH manages to expand through development, it will revise its medium term targets.

### **Funding requirements and projection**

The Business Plan anticipates that over the next 5 years the company will require access to funding of up to £50 million.

Of this, £30 million would be loan capital with the balance being an equity investment.

The Business Plan makes a series of assumptions, which have been incorporated into a financial model spanning a 30-year period. For the purposes of the financial model, it has been assumed that after 30 years, the company will be dissolved and all assets sold, debt repaid and share capital redeemed.

The company seeks to achieve a gross initial yield of 4.5% on each property. It is important to note that this is the key factor used when deciding whether to buy a property.

On the assumption that the Council continues to structure its investments on a 60:40 debt : equity basis, NDH project the Council will achieve an equity return of 7.5% (nominal, post-tax) over the 30-year period reflected in the financial model.

**Financial**

NDH operates a traditional property investment model. The company is financed through a series of loans and equity investments. Without an established track-record, the only funder in the early stages has been the Council.

The Council has provided a loan and equity investment of £13.6 million, on a 60:40 loan : equity basis. Further funds of £8.9 million are approved and ready to be drawn down when needed.

**Assumptions**

The financial model for NDH uses the assumptions set out below.

Item	Assumption
Borrowing rate*	5.1%
Repayment method	Cash sweep
Equity investment/unit	40% unit cost
Inflation - CPI	2%
Rental inflation	CPI + 1%
Expenditure inflation	2%
Annual house price inflation	5%
Av. Monthly rent 2 bed	£1,150 (house) £1,050 (flat)
Av. purchase price 2 bed	£350,000 (house) £280,000 (flat)
Void and bad debts allowance	5% (PRS)
Management fee/unit	8% of rent due
Other costs including - marketing fees, maintenance, legal, valuations, stamp duty	At cost

- \* Bank of England base rate plus 5%

## **Operations**

NDH manages its property portfolio through a series of service level agreements with the Council. These agreements cover:

- Acquisition and disposal of properties including land
- Marketing, letting and management of individual properties
- Development of new properties
- Financial management and reporting for company activities
- Legal support associated with the management of its property portfolio.

NDH use other suppliers to support those provided by the Council where it is more cost-effective to do so. Examples include conveyancing and specialist development expertise.

Whilst NDH is wholly owned by the Council, it falls outside the provisions of the Public Contract Regulations. It is therefore free to procure services from the market in a manner that is in the best interests of the company.

In terms of the people that NDH has been able to offer homes to, these are a mixture of singles, couples and families with a household income of between £30,000 and £50,000. Occupations of NDH tenants include those from healthcare, Local Government, National Rail and tradespersons.

Properties sought are those within commuting distance of Guildford and with good transport links that reduce the need for travel by car.

## **Progress to date**

As at 1<sup>st</sup> April 2020:

48 properties have been acquired: 23 Houses and 25 Flats

Number of voids: 0

The supply of new homes in the area has been relatively low over the last five years reflecting the local planning environment. The adoption of the Local Plan, which includes an ambitious new build target, should see a step change in the pace of development over the next 5 years. However, the market will dictate the rate at which sites are built out and this is difficult to predict.

## **Next steps/Future areas for development**

Further work is being undertaken to develop the resource to purchase more properties. This is based on the terms of the SLA's agreed with the Council and will form part of the annual service plan process.

NDH wish to further explore the potential to build properties rather than just acquire existing properties and discussions are to be arranged with representatives from the Council.

NDH focusses its activity within the borough of Guildford as the local housing market tends to be more resilient and Guildford remains a very popular area to live. However, where there are acquisition and development opportunities that meet the

company's criteria immediately outside the borough, these will be pursued. To date NDH has acquired four properties located immediately outside the borough.

End

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# Who is North Downs Housing Limited (NDH)

North Downs Housing is a Company set up by Guildford Borough Council and is owned by Guildford Borough Council Holdings Limited.

North Downs Housing Limited is a separate legal entity managed by independent Directors.

# What is its purpose

- To offer a range of housing solutions to those living and working in Guildford
- To compliment Social and Affordable Housing already offered by Guildford Borough Council
- To generate returns for the General Fund



# What is NDH's relationship with GBC

Although a legal entity in its own right, NDH is owned by Guildford Borough Council Holdings, who in turn is owned by Guildford Borough Council

# Who are NDH's Directors

- Sarah Creedy (Chair)
- Gordon Jackson
- Mike Parsons
- Sue Reekie
- Angela Goodwin

# What are NDH's objectives

- ▶ Identify housing need in the borough of Guildford
- ▶ Increase provision for lower income households
- ▶ Generate a return for the General Fund
- ▶ Accelerate development of brownfield land in the borough of Guildford
- ▶ Deliver homes for rent & sale



# How is NDH currently operating

- Guildford Borough Council provides NDH with the money to purchase properties
- Guildford Borough Council acquires properties on NDH's behalf and provides other services under a Service Level Agreement
- NDH use other suppliers where it is cost effective to do so

# Progress to date

- ▶ NDH currently owns 49 Properties:
  - 24 Houses
  - 25 Flats
- ▶ The plan for the next five years is to acquire another 125 properties
- ▶ Current arrears as of 16/6/2020 are £3,000





# Next Steps 2020/21

- Finalise Service Plan
- Recruit resource to enable portfolio to grow
- Explore the potential to build





# Some feedback from those we housed



I moved from an awful ground floor flat with no heating, full of mould and dirt, to a beautiful house with heating. Although I had a poor credit score, North Downs gave me and my children a chance to be happy and we have never been happier, and my children's health has improved. Thank you so much



I could easily write an essay on how blessed I am to be a tenant of North Downs Housing, and how fabulous you and your team are. Exceptional service in every way, incredible team, amazing property

# Some feedback from those we housed



North Downs Housing have been supportive and genuine and have gone above and beyond to ensure my needs are met



The service is exceptional, I have received ongoing support in such a genuine way, they have been able to advise and support me with any questions or issues and have gone above and beyond to get me extra support in such a genuine, caring yet professional way



They have put measures in to safeguard and support me throughout any crisis.



Some more  
pictures of what  
we have  
purchased so far

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Appendix 1



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## Matters outstanding from previous meetings

Item	Action	Status / response / update
An Update on the Implementation of Future Guildford, 3 March 2020, Minute OS48.	Provide Committee members with details of the new business processes, including relevant business process flowcharts, and issues logs and workstream dependencies shared with the Committee. (The Chairman indicated that the additional details requested by the Committee should be within the next Future Guildford update to the Committee.)	Further update on Future Guildford to be provided to the Committee once Phase B transition complete.
Overview and Scrutiny Work Programme, 14 January 2020, Minute OS39.	With reference to the issue of traveller strategy and policy, the Managing Director confirmed that information sessions for Councillors were in the process of being arranged. In addition, he indicated that following a meeting of Surrey Chief Executives on 17 January he would be able to provide further information about the viability of a local review of traveller strategy and policy.	At the Committee's March meeting, the Managing Director indicated that a discussion of traveller strategy and policy was scheduled for a meeting of Surrey Council Leaders and Chief Executives later that month. In addition, he undertook to liaise with the Deputy Leader of the Council and Lead Councillor for Personal Health, Safety and Wellbeing, and provide information to Committee members.
Call-In of Proposed Executive Decision: Walnut Bridge – Application for additional funding, 4 February 2020, Minute OS42.	Committee members indicated a wish to review the project in future / decision-making of the overall project.	–
Response to COVID-19, 2 June 2020, Minute OS4.	<p>Provide to July OSC information (being collated by the Local Enterprise Partnership) on the number of local businesses struggling and the forecast extent of redundancies.</p> <p>Provide data to Committee members on the complaints and expressions of dissatisfaction received by the Council during the lockdown.</p>	<p>–</p> <p>–</p>

	<p>Provide information on the number of meetings about Major Projects that had been cancelled.</p>	<p>Response from Corporate Programmes:</p> <p>“Following discussion with the Chairman of the Major Projects Portfolio Board and the Councils Managing Director, Major Projects Portfolio Board monthly meetings have been deferred until further notice. This decision was taken on 30<sup>th</sup> April 2020 and an email was circulated to all Board members on the day. The next meeting was scheduled for 5<sup>th</sup> May 2020.</p> <p>The last Major Projects Portfolio Board meeting was held at the Council offices on 3<sup>rd</sup> March 2020 and as a substitute for the 1<sup>st</sup> April meeting a briefing paper with relevant documentation were circulated to the Board.</p> <p>This is a result of the unprecedented situation we find ourselves in – due to the COVID 19 Pandemic - and its impact on projects and the Councils reserves. This will require a review of its priorities both currently and for the future once we are through the crisis.</p> <p>The Lead Councillor for Regeneration has requested a holistic review of Major Projects to determine the prioritisation, requirement for and best delivery vehicle for each project - under the current situation – taking into consideration where each project is in its programme, available budget and the level of risk it exposes the Council to.</p> <p>Following the review a paper on the proposed way forward is due to be submitted to the Executive on 21 July 2020.”</p>
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Report to Overview and Scrutiny Committee

Report of Director of Strategy

Author: James Dearling, Senior Democratic Services Officer (Scrutiny)

Tel: 01483 444141

Email: [james.dearling@guildford.gov.uk](mailto:james.dearling@guildford.gov.uk)

Date: 7 July 2020

## Overview and Scrutiny Annual Report, 2019-20

### **Executive Summary:**

This report outlines the work undertaken by overview and scrutiny (O&S) during the past municipal year and its future work programme in the current circumstances.

Decisions taken during the past municipal year under the 'urgency' provisions and the use of 'call-in' are listed within the report and detailed at Appendix 2. In 2019-20, four decisions were taken under the Constitution's urgency provisions, while there was one call-in.

### **Recommendations to Council (28 July 2020)**

- (I) That this report be commended as the annual report of the Overview and Scrutiny Committee; and
- (II) That the current rules relating to call in or urgency provisions remain unchanged.

### 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.

## **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 (OSC) 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.<sup>1</sup>
- 1.3 Accordingly, this report asks the Overview and Scrutiny Committee to:

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<sup>1</sup> 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.



- (a) note the issues and topics considered by O&S during 2019-20;
- (b) consider and approve the future work programme for the OSC as developed thus far;
- (c) review the operation of provisions relating to 'call-in' and 'urgency'.

## **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 services and helps to ensure we are open and accountable to our residents.

## **3. Work of the OSC in 2019-20**

- 3.1 Overview and Scrutiny Procedure Rule 7 requires the chairmen and vice-chairmen of the OSC and the Executive Advisory Boards (EABs) to hold joint work programme meetings. The purpose of these meetings is to exchange, discuss, and agree work programmes for submission to the OSC and EABs respectively. Joint work programme meetings were held on three occasions in 2019-20 (26 May 2019, 11 November 2019, and 3 February 2020).
- 3.2 The O&S work programme has principally been prepared and progressed through frequent meetings between the O&S Chairman, Vice-Chairman, and Senior Democratic Services Officer (Scrutiny).
- 3.3 Lead Councillor question sessions continued at OSC meetings in 2019-20, with three members of the Executive attending such individual sessions, including the Leader of the Council (twice). These sessions gave an opportunity for non-Executive Councillors (and members of the public<sup>2</sup>) 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.
- 3.4 The formal issues and topics considered by the OSC in 2019-20 include:
- The Council's Future Guildford transformation programme
  - The Call-in of the Executive's Decision: Walnut Bridge – Application for additional funding
  - Final report of the Food Poverty task and finish group<sup>3</sup> and monitoring of its recommendations
  - Safer Guildford Partnership Annual Report 2019
  - Support for Care Leavers
  - Review of the Joint Enforcement Team (JET)
  - Review of Grants
  - Review of the Council's ICT refresh project
  - Operation of the Leisure Management Contract 2018-19
  - Review of the Annual Report and Monitoring arrangements for the operation of the G Live contract, 2018-19

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<sup>2</sup> The Committee 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.

<sup>3</sup> 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 June 2019.



- 3.5 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. In 2019 the Committee decided to establish separate working groups with different memberships to undertake this role.
- 3.6 Three issues were identified in 2019-20 for progression through an in-depth, task and finish group approach: Sustainable Transport; Social Housing – how to ensure truly affordable homes; and Governance of Major Projects. It needs to be noted that the OSC removed the Sustainable Transport task and finish group from its work plan in early 2020 to avoid duplicating the work of the Executive's Climate Change and Innovation Board.

#### **Impact of COVID-19 on O&S work programme**

- 3.7 The Social Housing and the Governance of Major Projects task groups were halted due to the COVID-19 crisis, in particular because it was felt that between the scoping and the delivery of the reviews the world will likely have changed in unpredictable ways and any recommendations put forward are invariably going to be subject to the impact from the COVID-19 crisis.
- 3.8 The OSC meeting scheduled for mid-April 2020 was one of the Council meetings cancelled due to COVID-19.

#### **4. Current and future O&S work programme**

- 4.1 Attached at Appendix 1 is the overview and scrutiny work programme for 2020-21 as developed thus far. It should be pointed out that the work programme scheduled prior to COVID-19 was effectively suspended, with all Councillors invited to an online discussion in May 2020 to start re-prioritising potential work programme items. (The business scheduled for the June 2020 OSC meeting was suspended to enable the Committee to focus on the Council's response to the COVID-19 crisis.)
- 4.2 The intention is for a long-term work programme that focuses on items that can make a tangible difference, but one flexible enough to accommodate urgent, short term issues that arise. The extent to which the OSC re-prioritises and adjusts its work plan to concentrate on COVID-19 issues, or holds additional Committee meetings, is for Councillors to determine.
- 4.3 A programme of Lead Councillor question sessions will be scheduled for 2020-21.
- 4.4 The working groups drawn from non-Executive Councillors to scrutinise the Council's Leisure Partnership Agreement and G-Live contracts monitoring are scheduled to report back to the OSC in November 2020 and January 2021 respectively.
- 4.5 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 3).

#### **Resourcing of O&S**

- 4.6 Research suggests the resource allocated to scrutiny is fundamental in determining how effective the function is. The Council has a Senior Democratic Services Officer post dedicated largely to scrutiny and a separate scrutiny budget (of £5,000 p.a.) for external advice and expertise.

### **Training for O&S councillors**

- 4.7 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 anticipated during 2020-21.
- 4.8 In addition, Councillors are able to attend external O&S courses remotely (for example, with the Centre for Public Scrutiny and the Local Government Association).

### **5. Call-In Procedure and Urgency Provisions**

- 5.1 The provisions relating to 'call-in' and 'urgency' are monitored on an annual basis and recommendations for changes will be submitted to the Council for consideration if necessary.

#### **Call-in procedure**

- 5.2 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 decision made by an officer with delegated authority from the Leader/Executive.
- 5.3 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.
- 5.4 The call-in procedure has been exercised at the Council once in 2019-20, in February to review the 'Walnut Bridge – Application for additional funding'. This is the first time since November 2012.
- 5.5 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.
- 5.6 Having considered the statutory guidance on scrutiny<sup>4</sup>, the call-in enacted in February 2020, and the current and previously considered approaches to scrutiny at the Council, there are no changes proposed to the call-in procedure at this time.

#### **Urgency provisions**

- 5.7 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

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<sup>4</sup> Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities issued in May 2019: <https://www.gov.uk/government/publications/overview-and-scrutiny-statutory-guidance-for-councils-and-combined-authorities>

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.

5.8 During 2019-20, the urgency provisions were used on four occasions:

- Surrey Leaders' Group – Nominations for appointment to outside bodies 2019-20. Executive decision, May 2019.
- Acquisition of an Industrial Holding on Slyfield Industrial Estate Decision taken by Managing Director (under delegated authority), July 2019.
- Ash Road Bridge – Funding Report. Executive decision, September 2019.
- Lease of property in town centre. Executive decision, November 2019.

5.9 Further details of the four occasions during 2019-20 are attached at Appendix 2. This compares to five occasions in the 2018-19 municipal year.<sup>5</sup>

5.10 There are no changes proposed to the urgency provisions.

## **6. Legal Implications**

6.1 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 and 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.

6.2 The Council must 'have regard' to statutory guidance on O&S when exercising and reviewing its O&S function.<sup>6</sup> 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.

## **7. Financial Implications**

7.1 There are no financial implications arising directly from this report.

## **8. Human Resources Implications**

8.1 There are no human resources implications arising from this report.

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<sup>5</sup> 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.

<sup>6</sup> Statutory guidance for 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. {Note 4 above refers}.

**9. Equality and Diversity Implications**

9.1 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.

9.2 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.

**10. Climate change / sustainability implications**

10.1 There are no climate change / sustainability implications arising directly from this report.

**11. Conclusion**

11.1 Having considered the statutory guidance on scrutiny, the work undertaken during 2019-20 and its future work programme, together with current and previously considered approaches to scrutiny at the Council, officers recommend no change to O&S at this time.

11.2 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 2020-21, June 2020.

Appendix 2 – Key decisions taken by Executive in 2019-20 under urgency provisions / call-in waived.

Appendix 3 – P.A.P.E.R. selection tool.

## Overview & Scrutiny work programme, 2020-21

<b>Overview and Scrutiny Committee</b>
<b>7 July 2020 meeting</b> <ul style="list-style-type: none"><li>• COVID-19 response – update</li><li>• North Downs Housing Ltd</li><li>• Lead Councillor Question Session – Councillor James Steel, Lead Cllr for Environment</li><li>• Overview and Scrutiny Annual Report, 2019-20</li></ul>
<b>15 September 2020 meeting</b> <ul style="list-style-type: none"><li>• COVID-19 response – update</li><li>• Lead Councillor Question Session – Councillor Jan Harwood, Lead Cllr for Climate Change</li><li>• Safer Guildford Partnership Annual Report 2020</li><li>• Air Quality Strategy (tbc)</li><li>• Evaluation of project Aspire (tbc)</li><li>• ICT Refresh Project – update (tbc)</li><li>• Use of consultants (tbc)</li><li>• Property Investment Strategy (tbc)</li><li>• Crematorium: post project review (tbc)</li><li>• Woodbridge Road Sportsground Pavilion Refurbishment: post project review (tbc)</li></ul>
<b>20 October 2020 meeting (additional, tbc)</b>
<b>10 November 2020 meeting</b> <ul style="list-style-type: none"><li>• Lead Councillor Question Session – Councillor Julia McShane, Lead Cllr for Community</li><li>• Operation of the Leisure Management contract, 2018-19</li></ul>
<b>19 January 2021 meeting</b> <ul style="list-style-type: none"><li>• Lead Councillor Question Session – (Lead Cllr tbc)</li><li>• Annual report and monitoring arrangements for operation of the G-Live contract, 2018-19</li><li>• Food Poverty – update</li></ul>
<b>2 March 2021 meeting</b> <ul style="list-style-type: none"><li>• Lead Councillor Question Session – (Lead Cllr tbc)</li></ul>
<b>19 April 2021 meeting</b> <ul style="list-style-type: none"><li>• Lead Councillor Question Session (Lead Cllr tbc)</li></ul>

### Currently unscheduled items

- Post COVID-19 Homelessness strategy, housing strategy/policies
- Submission of a Garden Village bid for Wisley Airfield
- Use of the New Homes Bonus
- Spectrum 2.0
- Access to GP surgeries within the Borough
- Visitor and Tourism Strategy
- Traveller encampments / Traveller strategy & policy
- Houses in Multiple Occupation – update
- Future Guildford – update
- Impact of Brexit

### Task and finish groups (on hold)

<b>Title</b>	<b>Update</b>
Social Housing – how to ensure truly affordable homes	–
Governance of Major Projects	–

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
21 May 2019	Surrey Leaders' Group – Nominations for appointment to outside bodies 2019-20	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	✓
31 July 2019 (Decision taken by Managing Director, under delegated authority)	Acquisition of an Industrial Holding on Slyfield Industrial Estate	(K) To agree (a) to the proposed purchase of an industrial holding located within the borough and the submission of a Council bid up to a specified maximum price; (b) to the transfer of a specified sum from the provisional to approved capital programme (scheme no. P12p – strategic property acquisitions) in order to facilitate the purchase; and (c) to authorise the Corporate Property Manager to take all necessary steps to complete the purchase, in consultation with the Chief Finance Officer and the Lead Councillor.	n/a	✓	✓

24 September 2019	Ash Road Bridge – Funding Report	(K) To enter into an agreement for the Housing Infrastructure Fund with Homes England in connection with a major project.	n/a	✓	✓
26 November 2019	Lease of property in town centre	(K) To agree terms of lease of a property in Guildford Town Centre.	✓	n/a	Call-in not waived



## **P.A.P.E.R. topic selection tool**

**P**ublic interest: concerns of local people should influence the issues chosen

**A**bility to change: priority should be given to issues that the Committee can realistically influence

**P**erformance: priority should be given to areas in which the Council and Partners are not performing well

**E**xtent: priority should be given to issues that are relevant to all or a large part of the Borough

**R**eplication: work programme must take account of what else is happening to avoid duplication or wasted effort

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