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Contact:

James Dearling

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4 September 2020

Dear Councillor,

Your attendance is requested at a meeting of the **OVERVIEW AND SCRUTINY COMMITTEE** on **TUESDAY, 15 SEPTEMBER 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 Angela Goodwin
Councillor Tom Hunt
Councillor Ramsey Nagaty

Councillor George Potter
Councillor Jo Randall
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:

- | | |
|---------------------|--|
| 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.

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 - 12)

To confirm the minutes of the Committee meeting held on 7 July 2020.

4 **COVID-19 RESPONSE – UPDATE**

5 **LEAD COUNCILLOR QUESTION SESSION**

Question session with Lead Councillor for Climate Change. Councillor Jan Harwood's areas of responsibility are Innovation, Strategic Planning, Sustainable Transport, and Housing Delivery.

6 **SAFER GUILDFORD PARTNERSHIP ANNUAL REPORT** (Pages 13 - 28)

Including a short presentation.

7 **AIR QUALITY STRATEGY ACTION PLAN UPDATE** (Pages 29 - 48)

8 **EXCLUSION OF PUBLIC**

During the debate on item 9, if Councillors wish to discuss the exempt information within the 'Not for Publication' Appendix 3 the Committee is invited to pass a resolution to exclude the public from the meeting for this purpose on the grounds of the likely disclosure of exempt information, as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972; namely, information relating to the financial or business affairs of any particular person (including the authority holding that information).

Such an exclusion will involve the Committee members moving to a second (Part 2) meeting for the duration of their discussion of exempt information.

9 **PROPERTY INVESTMENT STRATEGY** (Pages 49 - 84)

10 **MATTERS OUTSTANDING FROM PREVIOUS MEETINGS** (Pages 85 - 86)

- 11 **OVERVIEW AND SCRUTINY WORK PROGRAMME** (Pages 87 - 94)
To agree the draft Overview and Scrutiny work programme.

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

OVERVIEW AND SCRUTINY COMMITTEE

7 July 2020

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

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

*Present

Councillors Angela Gunning, Julia McShane (Lead Councillor for Community), 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.

OS6 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

The Committee was advised of an apology from Councillor Dennis Booth.

OS7 LOCAL CODE OF CONDUCT AND DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS

There were no declarations of Disclosable Pecuniary Interests.

In relation to item 5, North Downs Housing Limited, four Councillors disclosed a non-pecuniary interest and indicated it would not affect their objectivity in relation to the matter: the Chairman, Councillor Paul Spooner, as Leader of the Council when North Downs Housing Limited was set up; Councillor Tony Rooth as Lead Councillor for Housing and Social Welfare when North Downs Housing Limited was set up; Councillor Angela Goodwin as a recently appointed director of North Downs Housing Limited; and Councillor Tom Hunt as a director of Guildford Borough Council Holdings Limited.

OS8 MINUTES

The minutes of the Overview and Scrutiny Committee meeting held on 2 June 2020 were agreed.

OS9 COVID-19 RESPONSE - UPDATE

The Chairman indicated that the Committee had looked at the Council's response to COVID-19 in June and requested an update for its July meeting.

The Leader of the Council introduced the item. With reference to the easing of the lockdown since the Committee's June meeting, the Leader of the Council noted the successful reopening of businesses in Guildford town centre. She identified the need to ensure vulnerable residents continued to receive help at a time when support for large numbers of people was being withdrawn, in addition to being prepared for a surge or second wave in COVID-19. The Leader of the Council advised the Committee of the desire to maintain the community spirit within the Borough as the impacts of COVID-19 changed.

The Managing Director gave a presentation recapping the initial response to COVID-19 and identifying current issues. In a summary of the response, the Managing Director provided details of the food parcels and prescriptions delivered, the operation of a vulnerable persons helpline, welfare checks for shielded and vulnerable residents, and the extension of the meals on wheels service. The Committee was advised that grants, advice, and support had been provided to local businesses. The Committee was reminded that the Council's response included the introduction of virtual meetings and the redeployment of staff alongside the maintenance of essential services.

With reference to current COVID-19 issues, the Managing Director advised the meeting of the development of the Surrey Local Outbreak Control Plan and the establishment of the Surrey Local Outbreak Engagement Board. The Committee was advised that the Council's activities were risk assessed to ensure safety for staff, visitors, and residents.

With reference to a query raised at the previous meeting of the Committee about the number of local businesses struggling and the forecast extent of redundancies, the Managing Director indicated that he was unaware of major job losses locally although there had been an impact in the retail sector. The Committee was informed that an impact was to be expected once the Coronavirus Job Retention Scheme and the Self-Employment Income Support Scheme reduced or ended. The Managing Director stated that approximately twenty percent [15,400] of the working age population in Guildford were on the furlough scheme and approximately 4,800 people in the Borough had claimed grants through the Self-Employment Income Support Scheme.

In concluding his presentation, the Managing Director noted the litter anti-social behaviour campaign launched recently in the Borough, the continuation of support and services for the most vulnerable, the review and recovery of Council services, and new ways of working.

The Chairman thanked the Managing Director for his presentation and invited questions from the Committee members.

In reply to a question about a date for the full re-opening of the Council offices to the public, the Managing Director referred to government guidance and confirmed the situation was being monitored.

In response to a question, the Managing Director undertook to arrange for details of the current homelessness situation in the Borough to be provided to Committee members.

A member of the Committee asked about the known impact of the COVID-19 emergency on voluntary and faith organisations in the Borough. The Community Wellbeing Manager updated the Committee on the situation and indicated that it was not clear where funding for the recovery of the voluntary and charity sector would come from. She advised the Committee that a more accurate assessment of the impact on the sector would be possible in 3-6 months.

RESOLVED: That regular updates on the response to COVID-19 continue to be provided to Committee meetings.

OS10 NORTH DOWNS HOUSING LIMITED

The Chairman thanked two directors of North Downs Housing Limited (NDH) for attending the meeting: Sarah Creedy, the Chair of directors, and Mike Parsons. The meeting was reminded that a member of the Committee, Councillor Angela Goodwin, had declared a non-pecuniary interest as a newly appointed director of NDH. In addition, the Chairman

welcomed the Council's Director of Operational Services and the Council's Landlord Services Manager.

The Landlord Services Manager gave a presentation outlining the purpose of NDH, its relationship with the Council, the objectives of NDH and progress to date, and its plans for 2020/21.

The Chair of directors at NDH indicated that the organisation's business plan published in 2016 had been updated in the report submitted to the Committee. She advised the Committee that NDH had not grown as fast as planned. The meeting was informed that NDH was seeking to meet the housing needs of residents in the third income quartile – people thought to be unable to access market housing in the Borough and unlikely to qualify for social housing.

The Leader of the Council, Lead Councillor for Housing and Development Control, indicated that NDH was a valuable tool to help address a particular demand for housing in the Borough.

The Chairman invited questions from the Committee members and during the ensuing discussion a number of points were made and clarifications offered:

- The Council's Landlord Services Manager indicated that until March 2020 NDH tenancies had been over ninety percent stable; since COVID-19, turnover of tenancies had increased.
- The Chair of directors of NDH indicated that the company was funded entirely by the Council through Guildford Borough Council Holdings Ltd. She advised that the income generated from NDH properties had to cover the running costs of the company and that a gross initial yield of 4.5 percent was sought on each property. She confirmed that the net yield figure for each property was established by calculating the expenditure required to enable it to be let.
- The Chair of directors of NDH indicated that the company was not subject to the Right to Buy scheme and that the properties acquired by NDH stayed within its ownership for the benefit of its tenants.
- The Council's Landlord Services Manager indicated that NDH properties were advertised on Rightmove and the company did not keep a waiting list for its properties. In addition, the Committee was advised that the Council's social housing waiting list was used to identify potential tenants for NDH properties.
- The Committee was informed that the Council's funding for NDH was currently unaffected by COVID-19 and that NDH provided a favourable financial return to the Council on its investment, that is to say, a borrowing rate of Bank of England base rate plus 5 percent.
- The Council's Landlord Services Manager advised the Committee that help and support had been offered to those people unable to pay rent due to COVID-19.
- The Council's Landlord Services Manager stated that current NDH tenants took little management and only one tenant had been evicted (and that this had been due to behaviour issues).

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- The Committee was advised that NDH had been set up to deliver 4 objectives and that these could be summarised as meeting identified housing need, generating returns for the Council, accelerating development in the Borough, and to do such other things that helped deliver the first three objectives.
- The Committee was informed that a small number of NDH properties were outside the Borough boundary and these had been let to people that worked in the Borough.
- The Committee was advised that NDH currently had 50 properties while its original business plan aimed for 125 properties by 2020 and 200 properties by 2021. The availability of suitable property, the need to let at genuinely affordable rents, and the lack of personnel at NDH were put forward as the main factors limiting the growth of the portfolio.
- In response to a question, the meeting was advised of the need for the Council to adhere to state aid rules. The meeting discussed the benefit and possibility of NDH accessing funds at a lower borrowing rate than currently agreed with the Council.
- The Committee was updated on progress with the plans to recruit a member of staff to grow the NDH portfolio.
- The meeting was informed that the effects of COVID-19 on the housing market and the consequent availability of properties to NDH was not clear, although there did not seem to be a reduction in the number of people wanting properties in the Borough. The Council's Landlord Services Manager informed the Committee that more properties were now becoming available in the Borough. A member of the Committee indicated the value in monitoring the situation to ensure opportunities to increase NDH's portfolio were developed.
- In reply to a question about brownfield development in the Borough, the Committee was informed that the scarcity of land was the main factor limiting NDH building its own properties.
- The possible involvement of NDH in providing properties for the most vulnerable in society was discussed.
- The Chair of directors of NDH offered to provide future updates on the company to the Committee.

The Chairman thanked Sarah Creedy and Mike Parsons from NDH, the Council's Director of Operational Services, and the Council's Landlord Services Manager for attending.

RESOLVED: (I) That the four objectives of North Downs Housing Limited, as set out in its 2016 - 2046 Business Plan, be supported.

(II) That the Executive be requested to explore the provision of increased resources, particularly personnel, to enable NDH to deliver its ambitions more quickly.

(In accordance with Council Procedure Rule 19(e), Councillor Angela Goodwin requested that her decision to take no part in the vote due to her position as a director of NDH be recorded in the minutes.)

OS11 LEAD COUNCILLOR QUESTION SESSION

The Chairman welcomed Councillor James Steel, the Lead Councillor for Environment.

A number of question areas were provided to the Lead Councillor for Environment in advance of the meeting: the increase in fly tipping, rubbish, and litter across the Borough; park and ride services; the parking review; procurement of the new waste fleet; service reassessments and reconfigurations; and recycling. In addressing these issues and other questions, the following information and responses were provided by the Lead Councillor for Environment:

- The Lead Councillor informed the Committee that the apparent incidence of fly-tipping in the Borough during lockdown had decreased compared with the same three-month period (April – June) in the previous year.
- The meeting was advised of the Council's seasonal litter-picking and public waste bins arrangements, including the redeployment of some staff during COVID-19. The Committee was informed that staff had been subjected to some verbal abuse or disregarded when engaging the public over the issue of littering. The Lead Councillor for Environment indicated that communication campaigns had been put in place as part of the Council's response to the increase in littering. He confirmed that the Council was not facilitating or encouraging community litter picks during the current COVID-19 situation.
- The Lead Councillor for Environment stated that littering in a public place carried a maximum fine of £2,500 and that the Council had powers to issue a Fixed Penalty Notice of £150.
- The Lead Councillor for Environment indicated that questions about the expansion of park and ride should be directed to the Lead Councillor for Regeneration. He informed the meeting that the park and ride at Onslow was likely to continue to be used as a COVID-19 test centre until October and then revert to a park and ride by Christmas. He indicated that the Merrow and Artington park and ride sites were open and that the Spectrum park and ride site would open in agreement with Surrey County Council and Stagecoach.
- The Lead Councillor for Environment stated that efforts to progress making the barriers at Onslow park and ride operational would recommence once the site was returned to the control of the Council after its use as a COVID-19 test centre.
- In response to a question, the Lead Councillor for Environment indicated that the £3 million procurement of the new waste fleet was 11 percent under budget and the vehicles were due to arrive in late autumn.
- The Lead Councillor for Environment was asked if, in addition to measures envisaged as part of Future Guildford, any service reconfigurations or reassessments of the services within his portfolio were planned. In reply, the Lead Councillor for Environment indicated that the delivery of all services was under review as part of Future Guildford. In addition, he stated that decisions about the delivery and development of services would be taken in an open and transparent manner.
- The Committee was advised that the implementation of the 2019 on-street parking review was ongoing. The Lead Councillor for Environment advised that due to COVID-19 the controlled parking zones elements would not be completed until the spring/summer of 2021.

- With reference to off-street parking, the Committee was informed that actions within the existing parking business plan were being implemented and progressed. The Lead Councillor for Environment advised the meeting a major car parking study was completed this year.
- In reply to questioning, the Lead Councillor for Environment stated that there had been a growth in all waste streams (recycling, food, garden, and refuse) during the COVID-19 crisis. The Committee was advised that the cost of reprocessing waste materials was significantly less than disposal costs.
- With reference to the correct processing of waste and recycling from the Borough, the Committee was informed that Surrey County Council was the Waste Disposal Authority and that the Environment Agency was responsible for both checking the quality of reprocessed recyclables and that recycled materials reached declared destinations.
- The Waste, Parking and Fleet Services Manager indicated that he could provide details in response to a query about increasing the provision of cycle-parking in Guildford town centre.
- The Parks and Landscape Manager indicated that information would be provided by the Countryside Manager to answer questions from a Committee member about the drainage system and a walkway renewal at Riverside Nature Reserve.

The Chairman thanked the Lead Councillor for Environment for attending and answering questions.

OS12 MATTERS OUTSTANDING FROM PREVIOUS MEETINGS

The Committee was advised of six matters outstanding from previous meetings: information relating to Future Guildford; the traveller strategy and policy; the overall decision-making on the Walnut Bridge project; businesses struggling and the forecast extent of redundancies from COVID-19; data on complaints and expressions of dissatisfaction to the Council during COVID-19; and the cancellation of the Major Projects Portfolio Board meetings.

With reference to the further information on Future Guildford, the meeting was advised that the next update to the Committee would be in January 2021.

In relation to the traveller strategy and policy, the Committee was advised that the transit site work was being progressed at Surrey Leaders and that the Council's Managing Director would provide a further update as this developed.

The Chairman reminded the Committee that information on the local businesses struggling and redundancies had been provided earlier in the meeting and data on complaints to the Council during the COVID-19 crisis had been circulated to members.

The meeting's attention was drawn to the update within the report submitted to the Committee advising of the cancellation of the Major Projects Portfolio Board and a review of Major Projects requested by the Lead Councillor for Regeneration.

RESOLVED: That the updates on matters outstanding from previous meetings be noted and taken forward.

OS13 OVERVIEW AND SCRUTINY ANNUAL REPORT 2019-20

The Chairman introduced the item and advised the meeting that Full Council would consider the Overview and Scrutiny Annual Report for 2019-20 at its meeting on 28 July 2020. He advised that the Committee was requested to consider the work of overview and scrutiny during 2019-20 and the Committee's future work programme, and review the operation of provisions relating to call-in and urgency.

With reference to the number of items scheduled for its September 2020 meeting, the Chairman confirmed that an additional Committee meeting had been scheduled for 20 October 2020.

With reference to the discussion at the Committee's pre-meet the previous day, the Chairman suggested retaining five items for the Committee's September meeting: the COVID-19 response update; the Lead Councillor question session; the Safer Guildford Partnership Annual Report 2020; the Air Quality Strategy; and the Council's Property Investment Strategy. For the Committee's October 2020 meeting, the Chairman proposed scheduling four items: the Woodbridge Road Sportsground Pavilion Refurbishment – post project review; the Crematorium – post project review; the Council's use of consultants; and the update on the Council's ICT Refresh Project. He indicated that the Evaluation of project Aspire could move to the Committee's November 2020 meeting.

With reference to the Committee's currently unscheduled items, the Chairman proposed considering the Submission of a Garden Village Bid for Wisley Airfield and the Use of the New Homes Bonus at the Committee's November 2020 meeting. In addition, he suggested that three items be added to the agenda for the Committee's January 2021 meeting: Traveller encampments/traveller strategy and policy; an update on Houses in Multiple Occupation; and Future Guildford.

The Committee agreed to amend its future work programme in accordance with the proposals put forward by the Chairman.

RESOLVED: (I) That subject to the amendments to the Overview and Scrutiny work programme agreed and detailed above, the report submitted to the Committee be commended to Full Council as the Overview and Scrutiny Annual Report, 2019-20.

(II) That the current rules relating to call in or urgency provisions remain unchanged.

The meeting finished at 9.13 pm

Signed

Date

Chairman

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Overview and Scrutiny Report

Ward(s) affected: All

Report of Director: James Whiteman

Author: Jo James, Senior Policy Officer, Strategy

Tel: 01483 444703

Email: jo.james@guildford.gov.uk

Lead Councillor responsible: Julia McShane

Tel: 01483 837736

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Date: 15 September 2020

Safer Guildford Partnership Annual Report

Executive Summary

This report sets out the annual activities and achievements of the Safer Guildford Partnership (SGP) 2019-20 and the draft priorities 2020-21.

The purpose of this report is to provide the Committee with the opportunity to examine the activities of the SGP 2019-20 and to advise and comment on the appropriateness of the draft priorities for 2020-21.

The report provides the background for the existence of, and the role and responsibilities of the Safer Guildford Partnership in the context of the statutory duties set out in the Crime and Disorder Act 1998, as amended by the Police Reform Act 2002 and the Police and Justice Act 2006.

The activities and achievements of the SGP are set out in the context of the Partnership's priorities 2019-20 under the headings:

- interventions
- community safety practices
- operational delivery group updates

The SGP response to the Coronavirus (Covid 19) outbreak is set out in the context of the work of all partners to support the impact on the safety of the local community.

The report ends by setting out the draft priorities for 2020-21, which have been developed in line with the priorities of partner agencies and the recovery response to the Coronavirus (Covid 19) outbreak. The draft priorities will be considered and approved by the Safer Guildford Partnership Executive in September.

Recommendation to Committee

- (I) That the Committee is invited to review the activities and achievements of the Safer Guildford Partnership 2019-20 as set in sections 4-7 in this annual report.
- (II) That the Committee is invited to comment on the appropriateness of the draft priorities for the Safer Guildford Partnership 2020-21 as set out in section 8 of this annual report.

Reason(s) for Recommendation:

To inform the Committee of the recent activities and draft future priorities of the Safer Guildford Partnership.

The Crime and Disorder Act 1998, as amended by the Police Reform Act 2002 and the Police and Justice Act 2006, requires responsible authorities to work together alongside the community and voluntary sector to develop and implement strategies for reducing crime and disorder in their area.

The Police and Justice Act 2006, Crime & Disorder Act 1998 and The Local Government Act 2000, requires responsible authorities to have a scrutiny committee for crime and disorder, which is fulfilled by the Council's Overview and Scrutiny Committee. The Committee is required to examine the work of the Partnership and advise on crime and disorder matters of local concern.

Is the report (or part of it) exempt from publication?

No

1. Purpose of Report

- 1.1 The purpose of this report is to provide information for the Overview and Scrutiny Committee to examine the annual actions and achievements of the Safer Guildford Partnership for the period of September 2019 to August 2020.
- 1.2 The report presents the Committee with the opportunity to advise and comment on the appropriateness of the draft Safer Guildford Partnership priorities for 2020-21.

2. Strategic Priorities

- 2.1 Safer Guildford Partnership develops and implements strategies for reducing crime and disorder, which contribute to the Council's strategic vision to be 'a town and rural borough that is the most desirable place to live, work and visit in South East England'.
- 2.2 The Partnership helps deliver the Council's 'Community' theme by designing interventions to address and reduce harm caused by crime and anti-social

behaviour, to the most vulnerable people in our community. The Partnership contributes to the protection of our environment through planned interventions to reduce the impact of crime and anti-social behaviour on specific locations within the borough.

3. Background

3.1 Statutory responsibilities and role of the Safer Guildford Partnership

3.1.1 The Crime and Disorder Act 1998, as amended by the Police Reform Act 2002 and the Police and Justice Act 2006, requires responsible authorities to work together alongside the community and voluntary sector to develop and implement strategies for reducing crime and disorder in their area.

3.1.2 In a two-tier authority area such as Surrey, there is a requirement for a county level community safety strategy group (Surrey Community Safety Board), which is supported by local community safety partnerships.

3.1.3 In March 2020, the Surrey Health and Wellbeing Board approved the formal merger of the Surrey Community Safety Board into the Health and Wellbeing Board.

3.1.4 The Safer Guildford Partnership (SGP) is the local community safety partnership which, brings together both statutory and non-statutory strategic partners. The role of the SGP is to facilitate information sharing, identify local priorities and coordinate a planned response to the prevention of crime, disorder, anti-social behaviour and reoffending, at a borough level.

3.1.5 Community safety is an area of work concerned with protecting people, individually and collectively, and their quality of life, from hazards or threats that result from the criminal or anti-social behaviour of others. The range of problems and behaviours that it covers is incredibly varied and complex.

3.1.6 The Safer Guildford Partnership Plan 2018-21 sets the framework for the SGP. The priorities of the Partnership are reviewed annually through a strategic assessment of current and possible future crime, disorder and anti-social behaviour (ASB) issues. Evidence and analysis of data is obtained through the following sources to inform the annual priorities:

- Surrey, Joint Strategic Needs Assessment
- Office of the Police and Crime Commissioner Surrey
- Surrey Police Safer Neighbourhood Team and Anti-Social Behaviour Unit
- Partner agencies

3.1.6 The role and responsibilities of the SGP do not override the priorities and day to day operation of each individual agency. It is intended that the SGP provides added value in joint working between partners to address shared local priorities.

3.2 *Partnership priorities 2019-20*

3.2.1 The SGP focussed on the strategic priorities set out in the 2019-20 partnership plan, which was developed in response to the strategic assessment of need:

- serious organised crime, including child exploitation and modern slavery
- domestic abuse
- Prevent – threat of radicalisation
- to identify and tackle anti-social behaviour hotspot locations and perpetrators
- to promote reassurance to our public to help make our communities stronger
- to retain a strategic oversight on reducing re-offending
- to facilitate and secure a robust partnership response to the emerging issue of rough sleepers and beggars in Guildford town centre
- to monitor emerging issues of cyber related crime

3.3 *Partnership interventions 2019-20*

The SGP priorities and associated action plan, sets out the planned areas of intervention. Interventions are coordinated by relevant partners and delivered through multi agency resources or funds allocated through the SGP.

An update on the SGP's intervention activities is provided in section 4 of this report.

3.4 *Community safety practices*

3.4.1 Best practice in community safety is shared at county level, led by the Surrey Community Safety Team (SCC) and the Office for the Police and Crime Commissioner and, delivered locally through the SGP.

3.4.2 The Surrey Community Safety Forum is the conduit for borough and district community safety leads to share a common approach to problem solving, the development of procedures and practices and to identify opportunities for sharing resources.

An update on community safety practices is provided in section 5 of this report.

3.5 *Operational delivery groups:*

- Community Harm and Risk Management Meeting (CHaRMM)
- Serious Organised Crime Joint Action Group (SOC JAG)
- Joint Action Group (JAG)
- Community Partnership Operation Group (CPOG).

An update on each operational delivery group is provided in section 6 of this report.

4. Safer Guildford Partnership - interventions

4.1 Needle Exchange - pilot project (Feb 2019- Feb 2020)

SGP funded pilot project (£1,500) responding to high levels of shoplifting associated with needle exchange clients. Partnership delivery provided by Guildford Action and Public Health (SCC).

4.1.1 Project aims:

- reduce the spread of HIV, hepatitis C and other diseases associated with IV drug use
- provide a safe place for the disposal of used injecting equipment
- supply health promotion/ harm reduction advice and signposting to treatment services

4.1.2 Guildford Action provided access to injecting equipment, harm reduction advice and support, safe disposal of used equipment and engagement with other treatment services.

4.1.3 Project outcomes:

- providing equipment directly to the homeless community
- diverting individuals injecting drugs away from the high street
- partners reported reduction in shoplifting / anti-social behaviour and drug litter
- 24 individuals accessed the exchange
- 1413 works dispensed
- safe disposal of equipment: 943 returned (significantly higher than those returned to pharmacies)
- 15 people referred to treatment services
- partnership with the hospital hepatitis clinic, with the aim of getting the disease under control
- worked alongside I-Access to raise awareness of treatment services
- secured a weekly drop-in service at Guildford Action to fast track prescription process

4.1.4 In March 2020, the SGP agreed to fund £1,500 for continuation of the programme for a further year (March 2020-21).

4.2 Real Change Guildford

An initiative to raise funds for those sleeping rough on the streets of Guildford to help them change their lives. Real Change is a partnership between Vaughan House, Guildford Action, and Experience Guildford.

4.2.1 The fund is administered by Voluntary Action South West Surrey in support of individuals who require items needed to end or prevent homelessness. Real

Change has raised £25,000 since it was initiated in July 2019, exceeding the target of £20,000.

4.3 *Safe Drive Stay Alive*

Safe Drive Stay Alive is a Surrey Fire and Rescue Service (SFRS) initiative, delivered primarily through an education and performance led event. The event aims to positively influence the attitudes and driving behaviours of young people, reducing the likelihood, frequency and severity of road traffic collisions and therefore, the number of deaths and injuries on Surrey's roads.

4.3.1 SGP's financial contribution to Safe Drive Stay Alive has helped SFRS and partners deliver performances for sixteen consecutive academic years:

- 10,300 people attended the 18 performances in 2019, bringing the total audience, since 2005, to 159,820
- every attendee receives a copy of the Young Driver's Guide
- students are encouraged to register their details via the RSGB Connect online platform to receive online driving and road safety information updates for 12 months
- all schools and colleges receive copies of the follow up tutor resource
- plans being developed for the 2020/21 academic year in line with government guidance- online platforms and toolkit for delivery

4.4 *Serious Organised Crime awareness videos*

The Safer Guildford Partnership jointly commissioned the production of several serious organised crime awareness raising videos in partnership with other boroughs and districts, Surrey Police and the Guildford Joint Committee. The videos will be used to raise awareness of serious organised crime including; county lines, modern day slavery and cuckooing¹.

4.5 *Cyber Crime event*

In response to the SGP highlighting cybercrime related matters, Surrey Police delivered a cybercrime awareness event in December 2019. The event was attended by over 60 multiagency representatives and included guest speaker, Neil Curtiss from Surrey and Sussex Cyber Crime Unit and consultation from Guildford Borough Council's Information Assurance Manager; Michael Hynes.

¹ Cuckooing is a practice where people take over a person's home and use the property to facilitate exploitation. It takes the name from cuckoos who take over the nests of other birds.

5. Community Safety practices

5.1 ECINS - case management system

The SGP has embraced the countywide introduction of the new online, secure case management system; ECINS and has been reported as one of the leading boroughs in Surrey with regards to ECINS usage.

The SGP are utilising the system by:

- encouraging SGP members to share intel and update active cases via ECINS
- sharing CHaRMM and CPOG meeting agendas and minutes via ECINS
- liaising with neighbouring boroughs to implement an effective process to manage CHaRMM meetings solely through ECINS.
- attending and providing a venue for ECINS training sessions for internal and external users

5.2 Community Trigger Surrey review

Introduced in the Anti-Social Behaviour, Crime and Policing Act 2014, the Community Trigger is an important safety net for victims of persistent or serious anti-social behaviour and those who may be most vulnerable.

5.2.1 A Community Trigger is a solution focussed, multi-agency case review of repeated incidents reported to main responsible agencies.

5.2.2 In 2019/20 the SGP assisted Surrey Police ASB Unit in refreshing the Community Trigger framework for Surrey. We have updated the Council's website and all related documents to meet the agreed framework. Training is being planned by Surrey Police and ASB help, to support practitioners managing Community Trigger activations.

5.2.3 The updated framework will provide all partners with clear guidance to support the aims of the Community Trigger process in:

- acting as an important safety net for victims
- giving victims a voice and helping them feel listened to
- encouraging partnership working

6. SGP operational delivery groups - updates

SGP operational groups bring together frontline professionals to share information and problem solve solutions to community safety concerns. Each group has a specific focus on either vulnerable individuals or geographic cases, although there is some cross over between groups in managing victims and perpetrators. Risk management and information sharing is facilitated by ECINS. The successful outcomes achieved by these groups are a direct result of the

commitment of all agencies to work together to reduce crime, disorder and anti-social behaviour.

6.1 As a result of partnership intervention, the following anti-social behaviour tools have been used successfully between Sept 2019 to August 2020:

- 3 Criminal Behaviour Orders
- 12 Community Protection Warnings
- 1 Community Protection Notice
- 5 Partial Closure Orders
- 2 Full Closure Orders
- 8 reactive dispersals, with one rolling dispersal every Friday and Saturday night in the town centre

6.2 *CHaRMM (Community Harm and Risk Management Meeting)*

Chaired by Inspector Andy Hill, Guildford Borough Commander at Surrey Police, the focus of CHaRMM is to engage partners in managing perpetrators of anti-social behaviour and provide wrap-around support to some of our most vulnerable residents.

6.2.1 Overview of recent activity and successful intervention:

- active caseload- no juveniles and four adults on the agenda
- no referrals received for Child Sexual Exploitation perpetrators
- engaged with Surrey County Council's Making Every Adult Matter partnership
- community protection warnings used against those looking to exploit vulnerable adults, preventing contact and ongoing exploitation

Case A - young female added to CHaRMM agenda in September 2019 following reports of ASB, theft and drugs. A warning letter was issued, and support was coordinated between Surrey Police, local charities and I-Access.

Outcome: steep decline in reports and perpetrator is reported to be looking for employment.

6.3 *CPOG (Community Partnership Operation Group)*

Chaired by Chris Wheeler, Waste, Parking and Fleet Services Manager at Guildford Borough Council, the focus of CPOG is to facilitate a programme of support for town centre rough sleepers and beggars.

6.3.1 Overview of recent activity and successful intervention:

- active caseload - 14 individuals on the agenda
- resolution of Romanian beggar issue in Guildford

Case A - male in debt with rent arrears. Following a Community Protection Warning (CPW), treatment from Catalyst and support from HOST with rent arrears, he is now residing at Vaughan House and reported to be doing well.

6.3.2 The Coronavirus (Covid 19) outbreak has transformed the way many of us work and use resources, this included a heightened level of support for those presenting as homeless. Our approach to addressing homelessness is support before enforcement. A homelessness task force was established at the very early stages of the Coronavirus (Covid 19) outbreak to address urgent and emerging support needs.

6.3.2 Despite intense work during Coronavirus (Covid 19) outbreak, the prevalence of, and problems associated with homelessness continue.

6.3.3 We are taking this opportunity to carry out a review of the CPOG group, to establish whether it continues to be relevant or has been superseded through the more intense work established through the Coronavirus (Covid 19) outbreak, which is likely to continue.

6.3.4 The review will look at challenges of the current CPOG group, including:

- fluctuating attendance and the importance of all key rough sleeper agencies being present at each meeting
- the frequency of meetings, which influences the speed at which action is taken and the group's efficiency and effectiveness
- E-CINS engagement, which influences information sharing and the documented evidence required to act

6.3.5 The review aims to ensure a robust approach to tackling ASB, and unwanted street behaviour associated with homelessness across all partners including:

- continuation of good information sharing arrangements between key partner agencies
- weekly rough sleeper update meetings between the Council's Homeless Strategy Officer, the Hub, HOST and Guildford Action
- engagement with Police (Guildford Safer Neighbourhood Team) and other relevant agencies, to help support swift action and deliver a coordinated approach

6.4 *JAG (Joint Action Group)*

Chaired by Chris Wheeler, Waste, Parking and Fleet Services Manager at Guildford Borough Council, the focus of JAG is on addressing ASB, in geographical hotspots.

6.4.1 Overview of recent activity and successful intervention:

- improvements to monitoring of town centre CCTV following resolution of staffing issues

- £250,000 Council expenditure authorised to renew CCTV equipment
- ASB in town centre over Christmas period down, compared to 2018
- extension of the University of Surrey's street marshals' scheme
- Experience Guildford currently has 41 venues signed up to undergo 'Best Bar None' accreditation
- reduction in drug related activity at Allen House Grounds
- resolution of the long standing ASB issues linked to the use of motorbikes at the old Wisley airfield site
- JET Team worked with landowner to resolve fly tipping issue at Cobbett Hill
- Joint working between Police and Children's Services to issue Criminal Behaviour Orders addressing ongoing issues caused by groups of youths congregating at Guildford Plaza.
- Joint working between Police and Town Rangers including increased joint patrols and a Dispersal Order to address ongoing Gypsy Romany Traveller (GRT) ASB in town centre.
- Guildford Business Crime Reduction Partnership (BCRP) carried out a town centre Blitz in March 2020, with the objectives to detect, deter and detain shoplifters and those causing low level ASB. Several perpetrators were apprehended and deterred on the day, followed by a decrease in shoplifting for several weeks after.
- Introduction of DISC online information sharing system for crime reduction used by town centre operation partners -2019 stats: 337 individuals with ASB profiles, 457 crimes reported, 169 thefts reported. System recently used to successfully alert businesses and apprehend a perpetrator using fake currency in Guildford town centre.

ASB intervention in Ash:

- Ash Safer Partnership launched
- use of DISC system
- introduction of CCTV
- planned Environment Assessment from Police Designing Out Crime Officer
- increased patrols from Surrey Police
- regular inclusive and universal activities are planned for young people at Ash Youth Centre through Surrey Clubs for Young People
- planned launch of Friday Night Project- partnership between Active Surrey, Sports Development Officer, Ash Manor Sports Centre and Surrey Clubs for Young People for open access to facilities and leisure activities specifically for young people

6.5 *SOC JAG (Serious Organised Crime Joint Action Group)*

Chaired by Inspector Andy Hill, Guildford Borough Commander at Surrey Police, the focus of SOC JAG is to inform partners of the current picture of SOC, share information and look at ways to prevent, protect and prepare interventions.

- 6.5.1 Partnership intel sharing is helping with the fight against drug issues and County Lines. A long-standing Gypsy Roma Traveller feud and has recently resulted in a full closure of an address with a history of drug related ASB.

7. Safer Guildford Partnership emergency response to the impact of the Coronavirus (Covid 19) outbreak

In these unprecedented times, the collaborative work of the SGP has become vital in the borough's response to the Coronavirus (Covid 19) outbreak.

7.1 Specifically, the Partnership's efforts have been focussed on supporting our most vulnerable residents through:

1. Effective communication and partnership working:

- CHaRMM meetings have continued using MS Teams, to ensure the vital management of and support for some of the borough's most vulnerable residents continues
- JAG meetings have resumed to ensure the continued management of ASB hotspots, including those arising as a result of Coronavirus (Covid 19)
- distribution of intel from Surrey Police ASB team, including Op Apollo insight-addressing gathering hot spots in the County
- homeless task force set up to support rough sleepers in the borough at the beginning of Coronavirus (Covid 19) outbreak
- weekly COVID-19 update meetings between the Council's community safety lead officer and the Borough Commander at Surrey Police
- multi agency use of intervention tools to address ASB including closure orders
- individual agencies adapting to ensure continuous delivery of core services to vulnerable people

2. Coordinated external communication with residents:

- multi-agency communications planning and social media messages in response to ASB, noise, odours, domestic abuse, bonfires, use of parks and countryside sites and fraud activity

3. Managing Community Trigger applications

Applications for Community Triggers received by the Council have increased significantly during lockdown. This has required intensive input from the borough team to communicate with residents and agencies to coordinate panel meetings with the relevant agencies, collect victim impact statements and to agree action plans to address anti-social behaviour. Given the circumstances of Coronavirus (Covid 19), all cases have been treated with great sensitivity, with advice and support being offered to all potential victims and complainants.

- Significant rise in applications- impact of isolation and people spending more time at home
- 17 cases received and reviewed since March 2020 (29 applications)
- 5 referred to panel meetings (and additional 3 being reconsidered after a specific period)

- Partial Closure Order implemented as a result of Community Trigger case.

We currently have 4 cases open to ongoing and regular review and continue to receive new applications on a weekly basis.

7.2 *Postponed activities*

The delivery of a small number of activities is postponed in line with government guidance and whilst valuable partner resources are redirected to the immediate and continued operational response to the Coronavirus (Covid 19) outbreak:

- Inter-agency training
- Junior Citizens event 2019

8. **Safer Guildford Partnership Priorities 2020-21 (draft, subject to SPG Executive discussion and approval on 9 September)**

The Safer Guildford Partnership is considering its 2020-21 priorities in line with the wider priorities of all partners and in response to the Coronavirus (Covid 19) outbreak.

8.1 The SGP will deliver its priorities in the context of its roles relating to crime and anti-social behaviour:

- prevention
- reduction
- increase in public awareness of reporting and support services
- increase in enforcement

8.2 The mechanisms for delivering the SGP priorities are:

- commitment of partners
- multi agency problem solving through operational delivery groups and Community Trigger panels
- selecting and effectively using ASB tools to address local issues
- funding targeted intervention projects and events in response to local issues
- SGP communications plan
- coordinating the delivery of training
- effective information sharing

8.3 The following draft priorities will inform discussions and development of the 2020-21 action plan in September:

8.3.1 Recovery, community impact and emerging changes to the crime, disorder and ASB landscape in response to Coronavirus (Covid 19):

- analysis of Surrey Community Impact Assessment and Coronavirus (Covid 19) Vulnerability Index data

- ongoing management of risk to respond to possible subsequent spikes of Coronavirus (Covid 19)
- 8.3.2 Responding to priorities as a result of the integration of the Surrey Community Safety Board with the Health and Wellbeing board:
- Community Safety Agreement 2020-21 priorities
 - Health and Wellbeing Board priorities and action plan
 - emerging priorities for the Office for the Police and Crime Commissioner
- 8.3.3 Responding to the new Surrey domestic abuse framework and anticipated increased needs in response to the Coronavirus (Covid 19) outbreak
- 8.3.4 Continued need to reduce and prevent ASB and crime affecting vulnerable people including:
- impact of homelessness and related ASB behaviours
 - drug and alcohol behaviours contributing to ASB
 - suicide prevention
 - PREVENT- threat of radicalisation
- 8.3.5 Renewal, review, consultation and development of Public Spaces Protection Orders (PSPO's) under the statutory guidance:
- renewal of existing PSPO (October 2020)- evidence based
 - analysis of current issues, consultation and evidence building
 - development of new PSPO to meet needs against evidence base
- 8.3.6 Participation in the countywide review and delivery planning of Junior Citizens scheme:
- digitalisation of services
 - integration with serious youth violence programme and PSHE curriculum
- 8.3.7 Continued delivery of SGP communications plans:
- internal partner communications- continued drive on agencies engagement in, and training on ECINS
 - external communications- to promote reassurance to the public, campaigns and services to help make our communities stronger
- 8.3.8 Review and produce Safer Guildford Partnership three year plan 2021-2024
- strategic assessment of needs
 - strategic priorities
 - year 1 action plan
- 8.3.9 The core functions of the SGP will continue to be delivered primarily through the SGP operational delivery groups:

- serious organised crime, including child exploitation and modern slavery (SOC JAG)
- to identify and address anti-social behaviour hotspot locations and perpetrators and support victims (JAG, CHaRMM, Community Triggers)
- to retain a strategic oversight on reducing re-offending (SGP Executive)
- to retain strategic oversight of safeguarding through the work of the SGP

8.3.10 The work of the SGP will support the Council's Covid 19 Recovery Planning through the following workstreams:

- Vulnerable People, Voluntary and Community Sectors
- Guildford Town Centre, Plan Ahead Team

8.3.11 The following indicators are reported monthly through the Council's Covid 19 Recovery Plan:

- Number of Community Trigger applications received (ASB)
- Total number of notifiable offences (Crime)
- Number of outreach referrals received (Domestic Abuse)

9. Consultation

9.1 The SGP Executive is responsible for developing and agreeing the annual priorities for the Partnership's plan. The Partnership is chaired by the Council's Managing Director and supported by the Strategy and Communications Team. The following partners are represented:

Lead Councillor for Community (Cllr Julia McShane GBC)
Guildford Joint Committee (Cllr Matt Furniss SCC)
Surrey Police
Office of the Police and Crime Commissioner for Surrey
Surrey Fire and Rescue Service
SCC Adult Social Care
SCC Targeted Youth Support
SCC Strategic Commissioning (Serious Youth Violence)
SCC Community Safety
Surrey Heartlands CCG
University of Surrey
Surrey Domestic Outreach Service
Kent, Surrey and Sussex Rehabilitation Company
Experience Guildford
Applied Resilience
Surrey Chamber of Commerce

9.1.1 The SGP operational delivery groups are attended by several cross-party councillors.

10. Key Risks

- 10.1 The resources to deliver interventions aligned to the priorities of the SGP are additional to the day to day functions of each partner agency. The capacity to deliver these interventions is determined by multi agency partnership working which may be impacted by individual agency contributions.
- 10.2 The impact of the Coronavirus (Covid 19) outbreak continues to be uncertain and the priorities set out by the SGP will require agility to respond appropriately to the changing needs of the community.

11. Financial Implications

- 11.1 The actions and interventions delivered by the Safer Guildford Partnership are contained within the existing revenue budget for the Partnership.

12. Legal Implications

- 12.1 The Crime and Disorder Act 1998, as amended by the Police Reform Act 2002 and the Police and Justice Act 2006, requires responsible authorities to work together alongside the community and voluntary sector to develop and implement strategies for reducing crime and disorder in their area.
- 12.2 The content of this report sets out the work undertaken to meet this statutory duty.
- 12.3 In accordance with Section 19 of the Police and Justice Act 2006 the Committee has the power to review and scrutinise decisions made and actions taken in connection with the discharge of the Council's crime and disorder functions and may make reports and recommendations with respect to the discharge of those functions.

13. Human Resource Implications

- 13.1 The Safer Guildford Partnership Executive is chaired by the Managing Director.
- 13.2 The Council's lead officers supporting the work of the Partnership are the Senior Policy Officer and Policy Officer for Strategy (Strategy and Communications).
- 13.3 Officers from Housing, Regulatory Services, Environment and Street Scenes and Parks and Leisure, support the wider remit of the Safer Guildford Partnership, working alongside voluntary and community partners in the operational groups.

14. Equality and Diversity Implications

- 14.1 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.

15. Climate Change/Sustainability Implications

- 15.1 In the context of this report there are no climate change/sustainability implications arising directly.

16. Suggested issues for overview and scrutiny

- 16.1 The Committee is required to consider and comment on the appropriateness of the draft priorities set out in this report.

17. Conclusion

- 17.1 This report provides information for the committee to review the actions and achievements of the Safer Guildford Partnership in 2019-20.
- 17.2 This report sets out the draft priorities for the SGP for Committee to consider and comment on their appropriateness.

18. Background Papers

None.

19. Appendices

None.

Overview and Scrutiny Committee Report

Ward(s) affected: all

Report of Director of Service Delivery

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Date: 15 September 2020

Air Quality Strategy Action Plan Update

Executive Summary

This report provides the Committee with an update on the implementation of the action plan within the Air Quality Strategy 2017-2022 adopted by Executive on 28 November 2017 and an update on emerging air quality actions since the adoption of the policy.

Recommendation to Committee

That the Committee notes the progress made implementing the Air Quality Strategy 2017-2022 adopted by Executive on 28 November 2017.

Reason for Recommendation:

To ensure the Air Quality Strategy 2017-2022 action plan is being implemented.

Is the report (or part of it) exempt from publication?

No

1. Purpose of Report

1.1 The report aims to provide the Committee with an update on progress with the air quality action plan and emerging air quality priorities.

2. Strategic Priorities

2.1 Implementing the air quality action plan supports three key priorities of the Council:

- Climate Change and Environment particularly: working with residents and businesses towards becoming a carbon neutral borough, protecting our environment and making travel easier and more sustainable

- Housing and Community by keeping the community active and well
- Economy and Regeneration particularly: encouraging sustainable and clean economic growth

3. Background

- 3.1 On the 28 November 2017, Executive approved an Air Quality Strategy drafted in consultation with the Air Quality Executive Working Group and departments across the Council.
- 3.2 On the 9 January 2018 the Committee agreed to annually monitor progress with implementation of the Air Quality Strategy work plan. This report follows previous updates to the Committee on 10 July 2018 and 15 January 2019.
- 3.3 The report focuses on reviewing progress with the existing air quality action plan and provides an update on emerging issues. The impact of COVID-19 on air quality is a significant emerging issue but has not been covered within the report as its long-term impact is unknown at this stage. It is too early to know if the reduced use of public transport and vehicle use due to increased home working and less travel for social and business purposes will be sustained. The Council will continue to monitor air quality within the borough to determine the long-term impact and where appropriate identify new priorities and propose changes to the action plan in future years.

4. Update on action plan

- 4.1 There has been good progress with the short-term measures (2017-2018) in the action plan with 11 of targets completed, 2 in progress or 1 ongoing. The most significant being the introduction of easitGUILDFORD, the schools' educational campaign and completing air quality modelling for Surrey. Below is an update on these three measures.
- 4.2 An update on all the measures in the action plan is in Appendix 1.

Schools Air Quality programme – Measure 5

- 4.3 Hundreds of local primary school children learnt how they can all make a difference in the fight against air pollution, after they watched a play which toured local schools across the Borough. In conjunction with Guildford Borough Council and Surrey County Council, Performance in Education's production of 'Abbie Ayre and the Shed of Science' toured six local primary schools (Ash Grange Primary School, Queen Eleanor's Junior School, Tillingbourne Junior School, Holy Trinity Pewley Down School, Rydes Hill Prep School and Worplesdon Primary School) during February 2020.
- 4.4 The show told the story of two children, Abbie and Charlie, who visit a top-secret laboratory, hidden inside a garden shed, where Abbie's grandmother spends her time working on inventions. The audience help Charlie to learn whether cars or factories are worse for the environment and discover the many ways he can

reduce air pollution by making small changes to his own lifestyle – such as walking to school or reducing the hours playing video games.

- 4.5 Guildford Borough Council contributed £7,000 towards the staging of the tour, plus provided officer support in making arrangements with the schools.
- 4.6 Further workshops with schools are planned but all activities associated with the Schools Air Quality programme have been postponed until further notice due to the ongoing school closures.

Surrey Air Quality Modelling – Measure 11

- 4.7 Following analysis of the Surrey air quality modelling report, 12 diffusion tube monitoring locations have been installed where modelling predicted potential exceedance of NO₂ at the relevant receptor locations and further air quality management areas need to be designated.

easitGUILDFORD – Measure 10 and 19

- 4.8 easitGUILDFORD, launched in March 2019, gives businesses and organisations across Guildford the opportunity to secure travel discounts for their staff. Working with the easitNETWORK – easitGUILDFORD offers discounts on train and bus travel, as well as reductions on other initiatives. The aim is to make public transport and cycling realistic alternatives for commuters – and the discounts can be used for leisure as well as work trips, making the offers even more attractive. Businesses across the borough are invited to sign up, so as many people as possible can benefit by getting cars off the road and reducing air pollution.
- 4.9 As Guildford Borough Council is a member of easitGUILDFORD all Council Officers have access to the discounts available which has been promoted by Human Resources and Communications.

5. Emerging priorities

Shalford Air Quality Management Area and Action Plan

- 5.1 On the 3 July 2019, Guildford Borough Council designated an Air Quality Management Area (AQMA) in an area of Shalford due to a breach of the national annual mean level of nitrogen dioxide air quality standard (National Air Quality Objectives and European Directive limit and target value for the protection of Human Health).
- 5.2 On the 11 December 2019, following consultation the Guildford Joint Committee adopted an Action Plan to reduce nitrogen dioxide concentrations making the area compliant with the air quality standard. The measures include: school intervention programme, promoting easitGUILDFORD (green travel network) and increasing electric vehicles in the fleet locally.
- 5.3 The impact of the measures in reducing nitrogen dioxide levels will be monitored throughout the year by the diffusion tube data followed by a formal review in 2021 and each subsequent year which will be reported in Guildford Borough Council's

Annual Status Report to DEFRA. The effectiveness of the measures will be reviewed if nitrogen dioxide levels are not reducing sufficiently and an update report will be presented to Guildford Joint Committee to allow them to monitor progress.

- 5.4 When there is no longer an exceedance of the air quality standard for nitrogen dioxide the Council can revoke the AQMA.

A3 – through Guildford

- 5.5 Where the A3 passes through Guildford there is a higher level of congestion due to the merging of strategic and local traffic. Defra's Pollution Climate Mapping (PCM) model shows exceedances of the annual mean EU limit value for nitrogen dioxide (NO₂). Highways England are required to address the breaches by implementing measures to achieve compliance by 2021 of EU air quality targets.
- 5.6 The Council have been awarded a grant of £30,000 by Highways England to assist with the development of measures to improve air quality in specified locations along the A3 as it passes through Guildford. The grant will offset expenditure incurred by the Council which will include commissioning Air Quality consultants to help analyse the options available.
- 5.7 The project will consider options to improve air quality around the A3 as it passes through Guildford that can be delivered by March 2021. The initial work will be high level options analysis to understand what could be delivered by 2021/22.

Guildford Town Centre and approach roads

- 5.8 The Council is currently in the process of conducting a detailed air quality assessment as the monitoring results of nitrogen dioxide have shown that the annual air quality objective is at risk of being exceeded at a number of sensitive locations on a number of main roads leading into the Guildford town centre gyratory system.
- 5.9 Whilst assumptions cannot be made without the completion of a detailed assessment, the Council's air quality monitoring results indicate that air quality standards are not being achieved in a number of locations on the approach roads into Guildford town centre. Therefore, it is likely that an AQMA will be declared for the whole or part of the study area resulting in a requirement to produce an Air Quality Action Plan (AQAP).
- 5.10 The assessment has required particular attention to be paid to any street canyons with residential or locations of public exposure in close proximity.

6. Consultations

- 6.1 The Lead Councillor has approved the report and will continue to monitor progress with implementation throughout the year.

7. Key Risks

- 7.1 Insufficient human and financial resource to fully implement the Air Quality Strategy action plan, emerging priorities and Air Quality Action Plans to achieve compliance with air quality standards within existing and future Air Quality Management Areas.

8. Financial Implications

- 8.1 The current action plan can be delivered within existing resources but any additional funding required would have to come from grants, other organisations or we would need to put in a growth bid/supplementary estimate.

9. Legal Implications

- 9.1 The provisions of Part IV of the Environment Act 1995 established a national framework for air quality management, which requires all local authorities in England, Scotland and Wales to conduct local air quality reviews. Whilst an Air Quality Strategy is not a legal requirement, it is good practice and helps provide a clear pathway for improving air quality.

10. Human Resource Implications

- 10.1 There are no human resource implications arising from the report.

11. Equality and Diversity Implications

- 11.1 There are no equality and diversity implications arising from the report.

12. Climate Change/Sustainability Implications

- 12.1 Implementing actions within the action plan will improve air quality and reduce carbon emissions across the Borough and the wider area as residents, workers and visitors to the Borough change their behaviours.

13. Conclusion

- 13.1 Progress continues to be made implementing the air quality strategy action plan contributing towards improved air quality across the Borough. In addition, further measures are being adopted as new issues arise.

14. Background Papers

Guildford Joint Committee – 12 December 2018

<https://mycouncil.surreycc.gov.uk/ieListDocuments.aspx?CId=751&MId=6884&Ver=4>

Guildford Joint Committee – 19 September 2018

<https://mycouncil.surreycc.gov.uk/ieListDocuments.aspx?CId=751&MId=6883&Ver=4>

Overview and Scrutiny Committee – 15 January 2019

<https://www2.guildford.gov.uk/councilmeetings/ieListDocuments.aspx?CId=262&MId=772&Ver=4>

Overview and Scrutiny Committee – 10 July 2018

<http://www2.guildford.gov.uk/councilmeetings/ieListDocuments.aspx?CId=262&MId=769&Ver=4m>

Overview and Scrutiny Committee – 9 January 2018

<http://www2.guildford.gov.uk/councilmeetings/ieListDocuments.aspx?CId=262&MId=634&Ver=4>

Executive – 28 November 2017

<http://www2.guildford.gov.uk/councilmeetings/ieListDocuments.aspx?CId=132&MId=608&Ver=4>

Local Air Quality Management, Policy Guidance (PG 16) Defra

https://consult.defra.gov.uk/communications/laqm_changes/supporting_documents/LAQM%20Policy%20Guidance%202016.pdf

Local Air Quality Management, Technical Guidance (TG 16) Defra

<https://laqm.defra.gov.uk/documents/LAQM-TG16-April-16-v1.pdf>

15. Appendices

Appendix 1 – Update on Air Quality Action Plan measures

Appendix 1: Air Quality Action Plan Measures

Key

	Initiative type
	Guildford Borough Council – existing project
	Guildford Borough Council – new
	Guildford Borough Council and partner - existing project
	Guildford Borough Council and partner – new

Measure No.	Measure	EU Category	EU Measure Classification	Lead Department	Implementation Phase	Key Performance Indicator	Costs	Progress to Date	Estimated Completion Date	Comments
Short term (2017-2018)										
Page 35	Air quality is consideration at pre-application and application stage to allow effective use of planning conditions.	Policy Guidance and Development Control	Air Quality Planning and Policy Guidance	Planning Services and Regulatory Services	2017		Within current resource	<ul style="list-style-type: none"> Service Level Agreement between Planning Development and Regulatory Services from March 2017 with quarterly monitoring meetings including an air quality update In areas where air quality is a concern Regulatory Services recommend an air quality assessment as a pre-application condition and across the borough electric charging points in developments of 10 or more properties Completed – ongoing	2017 - completed	

Measure No.	Measure	EU Category	EU Measure Classification	Lead Department	Implementation Phase	Key Performance Indicator	Costs	Progress to Date	Estimated Completion Date	Comments
2	Work with other local authorities, land managers, and highway authorities to develop a framework to monitor forecast improvements in roadside air quality around the Thames Basin Heaths Special Protection Area to confirm that forecast improvements are being delivered and, if required, to identify and deliver supplementary measures.	Policy Guidance and Development Control	Air Quality Planning and Policy Guidance	Planning Services	Ongoing	Establishment of a framework for monitoring forecast improvements in roadside air quality	Within current resource	<ul style="list-style-type: none"> The target is a requirement stemming from the Habitats Regulations Assessment for the Local Plan: strategy and sites 2015-2034. The plan was adopted in April 2019. (Dan Knowles) Not commenced	2021	
Page 36	Green scheme parking fees for electric vehicles in GBC car parks	Traffic Management	Emission based parking or permit charges	Parking Services	2016			<ul style="list-style-type: none"> Owners of electric vehicles can apply for a parking permit to obtain reduced fees There are 6 operationally charging points in Guildford car parks (Chris Wheeler/Andy Harkin) Completed – ongoing	2019 - completed	https://www.guildford.gov.uk/car parks
4	Parking App to direct users to closest and cheapest spaces	Traffic Management	Other	Parking Services	2016			<ul style="list-style-type: none"> The App is operational and available to download Completed – ongoing	2019 - completed	Chris Wheeler/Andy Harkin https://www.guildford.gov.uk/parkingapp

Measure No.	Measure	EU Category	EU Measure Classification	Lead Department	Implementation Phase	Key Performance Indicator	Costs	Progress to Date	Estimated Completion Date	Comments
5	Education in communities to change behaviours	Promoting Travel Alternatives	Promotion of cycling, Promotion of walking, Workplace Travel Planning	Community Development	Ongoing		Within current resource	<ul style="list-style-type: none"> In conjunction with Guildford Borough Council and Surrey County Council, Performance in Education's production of 'Abbie Ayre and the Shed of Science' toured six local primary schools (Ash Grange Primary School, Queen Eleanor's Junior School, Tillingbourne Junior School, Holy Trinity Pewley Down School, Rydes Hill Prep School and Worplesdon Primary School) during February 2020. <p>In progress</p>	2021	The project was paused due to COVID-19 restrictions and a series of workshops will follow permitted.
Page 37	Bringing services to the communities to reduce car journeys	Promoting Travel Alternatives	Other	Community services	Ongoing		Within current resource	<ul style="list-style-type: none"> Project Aspire encouraging partners to increase use of local facilities within communities to reduce journeys <p>Completed – ongoing</p>	2019 - completed	Paused due to COVID-19 restrictions but will recommence when permitted.
7	GBC Air Quality Strategy	Policy Guidance and Development Control	Other policy	Regulatory Services	2017	Strategy adopted by Executive November 2017	Within current resources	<ul style="list-style-type: none"> Air Quality Strategy adopted on 28 November 2017. •Implementation monitored by Overview and Scrutiny Committee <p>Completed</p>	2017 - completed	
8	Declaration of Air Quality Management Area in Compton	Traffic Management	Other – defined in action plan	Regulatory Services	2017	<p>AQMA to be declared by Executive November 2017</p> <p>Compliance with Action Plan</p>		<ul style="list-style-type: none"> Air Quality Management Air declared on 28 November 2017 Consultation conducted on action plan and feedback reviewed Officer steering group established Action plan to be presented to 20 March 2019 Guildford Joint Committee for approval <p>Completed</p>	2017-completed	Air Quality Action Plan measure of banning the right hand turn into Down Lane has been implemented and impact will be reviewed.

Measure No.	Measure	EU Category	EU Measure Classification	Lead Department	Implementation Phase	Key Performance Indicator	Costs	Progress to Date	Estimated Completion Date	Comments
6	Facilitate and promote home, mobile, remote and flexible working within the Council	Promoting Travel Alternatives	Encourage / Facilitate home-working	HR & IT	2018	<p>Adopt and implement 'Home, Mobile, Remote and Flexible Working Policy' 2019</p> <p>Reduction in mileage claims, increase public transport claims</p>		<ul style="list-style-type: none"> •ICT support all staff to work remotely •ICT refresh programme with over £1 million financial investment •Regulatory Services and Licensing – local procedure implemented (Darren Spice) <p>Completed</p>	2020 - completed	<p>Roll out of new devices and Microsoft 365 completed in February 2020.</p> <ul style="list-style-type: none"> - 605 staff issued with new devices. - 540 MiCollab softphones deployed to devices allowing desk phone capability from the laptop. - All staff with laptops added to VPN allowing them to work from home. - 254 mobile phones refreshed. - All staff have access to Microsoft Teams. <p>Covid-19 response:</p> <ul style="list-style-type: none"> - 30 laptops deployed to previously deployed desktop users to enable homeworking for these staff. - Enabled remote Committee Meetings - Customer Contact Centre setup to work remotely.

Measure No.	Measure	EU Category	EU Measure Classification	Lead Department	Implementation Phase	Key Performance Indicator	Costs	Progress to Date	Estimated Completion Date	Comments
10	Promote alternative travel to work at the Council	Promoting Travel Alternatives	Workplace Travel Planning	HR	2018	Adopt and implement a 'Staff Travel Plan' by December 2018	Initial start up fee within current resource from savings in other areas in 19/20 budget.	<ul style="list-style-type: none"> easitGUILDFORD, launched in March 2019, gives businesses and organisations across Guildford the opportunity to secure travel discounts for their staff. The Council is a member of the scheme. https://www.easit.org.uk/network/easitGUILDFORD-23 Alternative transport to work promoted: bike to work scheme (salary sacrifice scheme to buy bike) and provision of lockers, changing and shower facilities to support cyclists, runner, walkers. Completed and ongoing	2020 – completed	<p>Up to Friday 20th March we had 15 organisations signed up to easitGUILDFORD representing approx 10,500 staff in total with 2,731 staff registered. This equates to approx 26% using the various initiatives on offer through easitGUILDFORD.</p> <p>However, due to the current situation with COVID-19, usage will have dropped off considerably post 20th March to date due to the Lockdown measures.</p>
11	Air quality modelling of Surrey for PM10, PM2.5, NO2	Policy Guidance and Development Control	Regional Groups Co-ordinating programmes to develop Area wide Strategies to reduce emissions and improve air quality	All Surrey Local Authorities	2017	Model delivered by December 2017	£4,000 per Local Authority (already in budget)	<ul style="list-style-type: none"> The final report was received in November 2019. 12 Diffusion tube monitoring locations have been instated where modelling predicted potential exceedance of NO₂ at the relevant receptor locations. (Anjana Papnai) Completed	2019 – completed	New monitoring locations instated for Local Air Quality Management monitoring and will be reviewed.

Measure No.	Measure	EU Category	EU Measure Classification	Lead Department	Implementation Phase	Key Performance Indicator	Costs	Progress to Date	Estimated Completion Date	Comments
12	Compliance with nitrogen dioxide air quality limits on A331 – straight line exceedance as identified in 'UK plan for tackling roadside nitrogen dioxide concentrations'	Traffic Management	Other – unknown at this time	Regulatory Services	2017-19	A331 compliant with nitrogen dioxide air quality limits by 2020	Initial Defra grant to Guildford Borough Council of £50,000 to conduct feasibility study proposal. £600,000 grant to all three Local Authorities from Defra to conduct Outline Business Case.	<ul style="list-style-type: none"> The Council worked in partnership with Rushmoor BC, Surrey Heath BC, Surrey CC and Hampshire CC to submit the Strategic Outline Case by 31 March 2018 and the Outline Business Case by 31 December 2018. The Council were not required to submit the Full Business Case due in May 2019 with other partners as no measures could be implemented before the section of A331 within the boundary of Guildford borough would be become compliant without any measure. Completed	2019 - completed	
13	Participate in the University of Surrey iSCAPE Living Lab project. Guildford Living Lab aims to raise citizen awareness about air quality and the impact of green infrastructure to reduce air pollution and improve health and well-being.	Public Information	Via other mechanisms	Regulatory Services	2017		Within current resources	<ul style="list-style-type: none"> Behaviour Study completed in partnership with the University of Surrey. Review to improve and repeat in the future Assist with research projects e.g. site locations for testing new technologies Interactive display located in Council reception during the summer months of 2019. Completed and ongoing	2020 – completed	Continue to work in partnership with the University of Surrey. More information on the project https://www.iscapeproject.eu/

Measure No.	Measure	EU Category	EU Measure Classification	Lead Department	Implementation Phase	Key Performance Indicator	Costs	Progress to Date	Estimated Completion Date	Comments
14	Anti vehicle idling, for example at level crossings, taxi ranks, the station, bus stops and outside schools.	Traffic Management	Other	GBC and SCC	2017	Reducing emissions	£3,000 for signs.	• Plan being drafted for signage and campaign to promote. Not started	2021	Three level crossings in the Borough (Ash and Chilworth X 2) have been identified for the potential scheme.
Medium Term (2019-20)										
15	Adopt GBC Policy lease car and fleet vehicles procurement	Promoting Low Emission Transport and Vehicle Fleet Efficiency	Company Vehicle Procurement - Prioritising uptake of low emission vehicles Procuring alternative Refuelling infrastructure to promote Low Emission Vehicles, EV recharging, Gas fuel recharging	Operational Services	2019	GBC adopt Policy on procuring lease case and fleet vehicles		<ul style="list-style-type: none"> • There are 10 electric vehicles in the Council fleet, with another 10 electric Mini Buses imminent • Currently there are 12 charging points across Council sites with 10 more planned at Park Barn including 2 rapid charge points • Revised lease car scheme to allow reduced emissions vehicles only. Scheme now limited to Electric, PHEV and Hybrid • Fleet vehicles under 2000kg now electric by default (Chris Wheeler/Andy Mintram) Completed 	2020 - completed	The lease car policy has now been changed to reflect reduce emission vehicles only, and that both lease car and fleet reduced emission are documented in the transport policy statement currently under review.

Measure No.	Measure	EU Category	EU Measure Classification	Lead Department	Implementation Phase	Key Performance Indicator	Costs	Progress to Date	Estimated Completion Date	Comments
16	Review/Create GBC policy for travelling to meetings, seminars and training courses	Promoting Travel Alternatives	Workplace Travel Planning	HR	2019	Revised policy implemented in 2019		<ul style="list-style-type: none"> •There are examples of good practice around the Council but no consistency or formal policy. Not formally commenced	2021	<p>Implement Travel Policy for training courses, seminars and meeting – to include increase e-learning, in house provision, use of public transport when travelling. Incentivise non-car use.</p> <p>The COVID-19 restrictions have resulted in positive changes such as video conferencing for meetings and training becoming normal practice.</p>
17	Service delivery review to reduce public journeys to Council properties where appropriate	Promoting Travel Alternatives	Personalised travel planning	Regulatory Services	2019	Policy adopted and implemented		<ul style="list-style-type: none"> •The Council does not have a formal policy but the Future Guildford model has implemented these principle to reduce journeys to the Council offices by providing services remotely and online. Implementation of Phase B will deliver more change in this area. • COVID-19 restrictions have also lead to the closing many Council receptions and buildings. In progress	2021	<p>Identify reasons for members of the public journeys to council offices and if the journey is necessary. e.g. dropping off documents, making a booking, attending a meeting and consider a different way to deliver the service e.g. online booking, officers travelling to venue.</p>

Measure No.	Measure	EU Category	EU Measure Classification	Lead Department	Implementation Phase	Key Performance Indicator	Costs	Progress to Date	Estimated Completion Date	Comments
18	Adopt GBC Electric Vehicle Charging Strategy	Promoting Low Emission Transport	Procuring alternative Refuelling infrastructure to promote Low Emission Vehicles, EV recharging, Gas fuel recharging	Regulatory Services	2019			Whilst the Council does not have an electric vehicle charging strategy the Council, as reported above have installed a number of electric charging points across the Council estate. Not formally commenced	2021	Actions could include: -Increase in: GBC sites, GBC car parks, GBC assets, GBC major projects -require as part of the planning process Encourage businesses and residents to provide charging points Apply for grants if available
Page 43 19	To encourage employers to introduce travel plans.	Promoting Travel Alternatives	Workplace Travel Planning	Regulatory Services	2019	Target for number of companies with travel plans		easitGUILDFORD, launched in March 2019, gives businesses and organisations across Guildford the opportunity to secure travel discounts for their staff. https://www.easit.org.uk/network/easitGUILDFORD-23 In progress	2020	Up to Friday 20th March we had 15 organisations signed up to easitGUILDFORD representing approx 10,500 staff in total with 2,731 staff registered. This equates to approx 26% using the various initiatives on offer through easitGUILDFORD. However, due to the current situation with COVID-19, usage will have dropped off considerably post 20th March to date due to the Lockdown measures.

Measure No.	Measure	EU Category	EU Measure Classification	Lead Department	Implementation Phase	Key Performance Indicator	Costs	Progress to Date	Estimated Completion Date	Comments
20	Work in partnership with local bus companies to bid to Defra for grant from the 'Low emissions bus scheme' to increase number of low and ultra-low emission buses in Guildford or Clean Bus Technology Fund 2017-2019	Vehicle Fleet Efficiency	Promoting Low Emission Public Transport	Regulatory Services	2017	Reducing emissions		<ul style="list-style-type: none"> Initial scoping discussions with one operator and desk top review of grants available Currently BC unable to progress due to state aid conflicts Completed	2020 - completed	

Agenda item number: 7
Appendix 1

Measure No.	Measure	EU Category	EU Measure Classification	Lead Department	Implementation Phase	Key Performance Indicator	Costs	Progress to Date	Estimated Completion Date	Comments
Long term (2020-onwards)										

Measure No.	Measure	EU Category	EU Measure Classification	Lead Department	Implementation Phase	Key Performance Indicator	Costs	Progress to Date	Estimated Completion Date	Comments
21	Improve sustainable transport opportunities in line with the Guildford Borough Transport Strategy	Policy Guidance and Development Control	Other policy	Planning and Regeneration	Present – 2035+	<p>1. Increased rail patronage / Annual entries and exits at rail stations in Guildford borough / Office of Rail and Road – annual</p> <p>2. Increased rail modal share / Rail modal share for travel to work journey in Guildford borough / Census – every 10 years</p> <p>3. Increased bus modal share / Bus modal share for travel to work journey in Guildford borough / Census – every 10 years</p> <p>4. Increased walking and cycling modal share / Walking and cycling modal share for travel to work journey in Guildford borough / Census – every 10 years</p>	Existing and future bids	<p>Progress with respect to Key Performance Indicators:-</p> <ul style="list-style-type: none"> • 1: Increased rail patronage, based on Annual entries and exits at rail stations in Guildford borough: 2014/15: 11,128,084 entries and exits: 2018/19: 10,845,312 entries and exits. • Census data used for indicators 2, 3 and 4 – next collected in 2021. <p>Progress with respect to delivering schemes providing capacity or quality improvements for rail, public transport and active modes, 2016/17-2019/20:-</p> <p>Schemes completed/ operational:</p> <ul style="list-style-type: none"> • Improvement of River Wey towpath around Parsonage Water meadows (linking A25 to A320) • North Downs Line (Great Western Railway) service frequency and timetable improvements (scheme NR6) • Tunsgate public realm scheme • Electric bus fleet operating on the Guildford Park and Ride network – part of Guildford Quality Bus Corridors project, itself part of Unlocking Guildford Package • Majority of A25 cycle corridor scheme – part of Guildford Town Centre Transport Package • Sustainable Movement Corridor: West – phase 1 Pedestrian/ cycle route across Bannisters Field and phase 2a Pedestrian/ cycle route between Ashenden Road and Guildford Park Road – part of Unlocking Guildford Package <p>Schemes under construction/ not yet operational:</p> <ul style="list-style-type: none"> • Walnut Tree Close 	Ongoing	

Measure No.	Measure	EU Category	EU Measure Classification	Lead Department	Implementation Phase	Key Performance Indicator	Costs	Progress to Date	Estimated Completion Date	Comments
22	Taxi and Private Hire Licensing Policy	Promoting Low Emission Transport	Taxi and Private Hire Licensing Policy	Licensing	2022	Low emission taxi fleet		The Council's Taxi and Private Hire Licensing Policy is currently being reviewed and is due to be presented to Licensing Committee for Public Consultation in September 2020. (Mike Smith) In progress	2021, 2025 and 2030.	<p>The Policy proposed a two-stage plan to introduce an emissions standard in the licensed vehicle fleet:</p> <p>Firstly, from 1st April 2021 all newly licensed vehicles, and all renewal applications from 1 January 2025, must meet or exceed Euro 6 emission standards (Euro 6 compliant being registered on or after 6 Feb 2014).</p> <p>From 1 January 2030 the Council will only licence hackney carriage and private hire vehicles (new and renewal) which are Ultra Low Emission Vehicles.</p> <p>Please note these are draft proposals and details and/or any implementation dates are subject to change by Licensing Committee/Full Council.</p>

Measure No.	Measure	EU Category	EU Measure Classification	Lead Department	Implementation Phase	Key Performance Indicator	Costs	Progress to Date	Estimated Completion Date	Comments
23	Revise Green Scheme Parking to introduce differential charging according to emissions Extend policy to on-street parking permits	Traffic Management	Emission based parking or permit charges	Parking Services	2020	Uptake in reduced rate permits		GBC do not have authority to extend scheme to on street and whilst GBC have raised this with SCC as part of a consultation of changes to permit schemes county wide, they have decided not to use this type of approach. (Chris Wheeler) Completed	2020 - completed	
24	To encourage freight and delivery companies to introduce travel plans	Freight and Delivery Management	Route Management Plans/ Strategic routing strategy for HGVs/Delivery and Service plans	Regulatory Services	2020			None – new initiative	2022	
Page 48	Research road configuration best practice to achieve improvements in air quality	Traffic Management	Strategic highway improvements, Re-prioritising road space away from cars, inc Access management, Selective vehicle priority, bus priority, high vehicle occupancy lane	Regulatory Services	2020			Ongoing		Learn from best practice and up to date research when proposing new schemes.

Overview and Scrutiny Report

Ward(s) affected: All

Report of Director of Strategy

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Date: 15 September 2020

Property Investment Strategy

Executive Summary

At the end of 2019 the Council's budget projections showed that there was a budget shortfall of £10.4m over the next three years (2020-21 to 2022-23). The capital outturn report 2018-19 reported that for the financial year the Council's total investments of £97.32m achieved a return of 1.42%. The Council's direct property investments of £161m, however, achieved a return (net of finance costs) of 6.3%.

At its meeting on 5 February 2020 the Council approved £40million for a new Property Acquisition Fund. The objective of creating the Fund was to help bridge the funding shortfall with the financial aim of investing in property in order to increase the rental income stream for the Council and to stimulate and encourage business growth and sustainable development by investing in key strategic sites.

The Property Investment Strategy ('the Strategy') shown in Appendix 1 provides a robust and viable framework for the acquisition of commercial properties. The strategy sets out the Council's objectives, investment criteria and the process which will be followed when acquiring, disposing and managing property assets for investment purposes.

Recommendation to Overview and Scrutiny Committee

That the Committee considers and comments on the proposed Property Investment Strategy.

Recommendation to Executive [on 22 September 2020]

That the Executive approves:

1. the Property Investment Strategy attached to this report;
2. the transfer of £20,000,000 from the provisional budget to the approved budget; and
3. the delegation of authority for property acquisitions to the Head of Asset Management in consultation with the Director of Strategic Services, the Chief Financial Officer, and the Lead Member for Resources within the set parameters of the strategy.

Reasons for Recommendation to Executive:

To provide a framework and governance that allows acquisition decisions to be delegated to officers within the set parameters of the strategy enabling the timely and decisive decision making that is essential in this type of market to respond to opportunities as they arise.

Is the report (or part of it) exempt from publication?

Yes, Appendix 3 of the Property Investment Strategy [appendix 3 to this report].

- (a) The content is to be treated as exempt from the Access to Information publication rules because it is commercially sensitive and is therefore exempt by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 as follows: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)."
- (b) The content is restricted to all councillors.
- (c) The exempt information is not expected to be made public because it will continue to be commercially sensitive.
- (d) The decision to maintain the exemption may be challenged by any person at the point at which the Committee is invited to pass a resolution to exclude the public from the meeting to consider the exempt information.

1. Purpose of Report

- 1.1 The purpose of this report is to ask the Committee to consider and comment on the proposed Property Investment Strategy. The strategy provides the framework and governance for all future investment acquisitions.

2. Strategic Priorities

- 2.1 Developing a property investment strategy will contribute to the Council's Capital and Investment Strategy 2020/21 – 2024/25 and as such, help the Council achieve financial excellence and value for money. It will enable the Council to make the best use of its resources and it therefore underpins the Council's strategic framework and the delivery of the corporate plan. It was also identified as part of the Future Guildford service challenge.
- 2.2 The strategy allows for the continual evaluation of the investment portfolio to meet the Council's priorities and to ensure that our property asset portfolio is fit for purpose.

3. Background

- 3.1 At the end of 2019 the Council's budget projections showed that there was a budget shortfall of £10.4m over the next three years (2020-21 to 2022-23). The capital outturn report 2018-19 reported that for the financial year the Council's total investments of £97.32m achieved a return of 1.42%. The Council's direct

property investments of £161m, however, achieved a return (net of finance costs) of 6.3%.

- 3.2 At its meeting on 5 February 2020 the Council approved £40million for a new Property Acquisition Fund. The objective of creating the Fund was to help bridge the funding shortfall with the financial aim of investing in property in order to increase the rental income stream for the Council and to stimulate and encourage business growth and sustainable development by investing in key strategic sites. A larger and more balanced portfolio will help achieve the Council's aim of increasing income to support the delivery of services throughout the borough.
- 3.3 Officers often become aware of key potential acquisitions but, with no approved budget or agreed strategy for acquisitions, cannot act quickly enough to compete with institutional investors to secure opportunities. Having a property investment strategy and budget already approved will enable the timely and decisive decision making that is essential in this type of market to respond to opportunities as they arise.
- 3.4 The strategy provides a robust and viable framework for the acquisition of commercial properties located within the borough (or, exceptionally, the wider LEP regions).
- 3.5 The strategy also provides for continual evaluation of the property investment portfolio to meet the Council's priorities and ensure it is fit for purpose.

4. Consultations

- 4.1 The Investment Property Fund Management Group and the Property Review Group (which includes the Leader of the Council and the Lead Member for Resources as well as the Director of Resources) have been consulted on this report and its appendices.

5. Key Risks

Investment Risk

- 5.1 Investment properties have a very different balance of security, liquidity and yield from most financial investments – the potential volatility of income will be particularly important when balancing the revenue budget on an annual basis. Property acquisitions should, therefore, be subject to enhanced decision making and scrutiny as a result of the additional risk being taken on and the potential impact on the sustainability of the authority.
- 5.2 The strategy provides a robust and viable framework for the selection of investment properties that will help to mitigate the risks involved.

Risk of project

- 5.3 Lack of properties available - Demand for good quality, income producing assets is very high. Officers will try to overcome this by maintaining strong relationships with external agents, building credibility as a good performing purchaser and paying introductory fees on successful acquisitions. Officers have considered the use of a retained investment consultant, but this would prevent the Council from hearing about deals from introductory agents unless it is willing to pay a double fee.
- 5.4 Inability to act quickly enough - Many acquisitions are completed on very tight timescales. By having approvals and resources already in place, officers hope that the Council will be able to compete with institutional investors to take advantage of opportunities.
- 5.5 Lack of resource to asset manage portfolio – Additional resource will be required to deliver the Property Investment Strategy if the Council is to take advantage of opportunities. Subsequently, increasing the Council's investment portfolio will also have an impact on workloads within the Asset Management service. All assets need to be managed and maintained correctly in order to protect the Council's investment.

6. Legal Implications

- 6.1 Guildford Borough Council has a long history of land ownership. Acquisitions have been made for a wide range of reasons including projects relating to urban regeneration, planning enforcement, economic development and to generate rental income that helps support the wider financial position of the Council.
- 6.2 In 2012, the Council implemented and organised a programme of investing, which included acquiring properties or re-purchasing long leases on properties where the Council held the freehold title.
- 6.3 In the last five years other local authorities have also entered the market and there has been an increasing trend to purchase property solely to make an investment return. Often these acquisitions have been supported by borrowing cheaply from the Public Works Loan Board (PWLB).
- 6.4 The Ministry of Housing, Communities and Local Government's (MHCLG) Statutory Guidance on Local Government Investments and CIPFA's Prudential and Treasury Management codes have all been updated recently to address the implications of investment in property. In addition, CIPFA has issued guidance on *Prudential Property Investment*. The scope of the guidance extends to all acquisitions of land and/or buildings where rental income and/or capital appreciation are a substantial consideration in the decision whether to enter into the transaction.

6.5 The guidance provides a helpful framework in which to consider the legal implications, and the matters relevant to an authority prior to a decision on acquiring commercial property. There are three basic questions that need to be addressed:

- Can we acquire? The identification of the legal powers that support the proposed transactions
- Should we acquire? Demonstration that the exercise of these powers would be reasonable
- Will we acquire? Confirmation that the authority wishes to take the proposed course of action

Can we acquire a property for commercial or investment purposes?

6.6 Any action taken by a local authority must be in accordance with an express legal power. Those legal powers may have express restrictions, limiting the circumstances in which they can be applied. Specific legal powers all have restrictions on the circumstances in which they can be applied.

6.7 The power to invest exists in section 12 of the Local Government Act 2003, which provides that a local authority may invest *for any purpose relevant to its functions, or for the purposes of the prudent management of its financial affairs*. Relevant (and recently revised) CIPFA guidance advises against borrowing in advance of need: this is widely interpreted as guiding against the utilisation of Public Works Loan Board funding for the purpose of property investment.

6.8 Other relevant powers include section 120 of the Local Government Act 1972, which allows the Council to acquire land for any of its functions or for the benefit, improvement or development of its area.

6.9 The general power of competence, under section 1 of the Localism Act 2011 gives local authorities power to do anything that individuals generally may do, subject to certain constraints. anything done for a commercial purpose must be done through a company (Section 4). Clearly, in the instance of property investment, the company would need to hold the property interest, and the Council would be required to consider the source of its funding: the restrictions on borrowing in advance of need would continue to apply whether funds were raise to use by the Council directly, or by a company owned by it, on a loan facility provided by the Council.

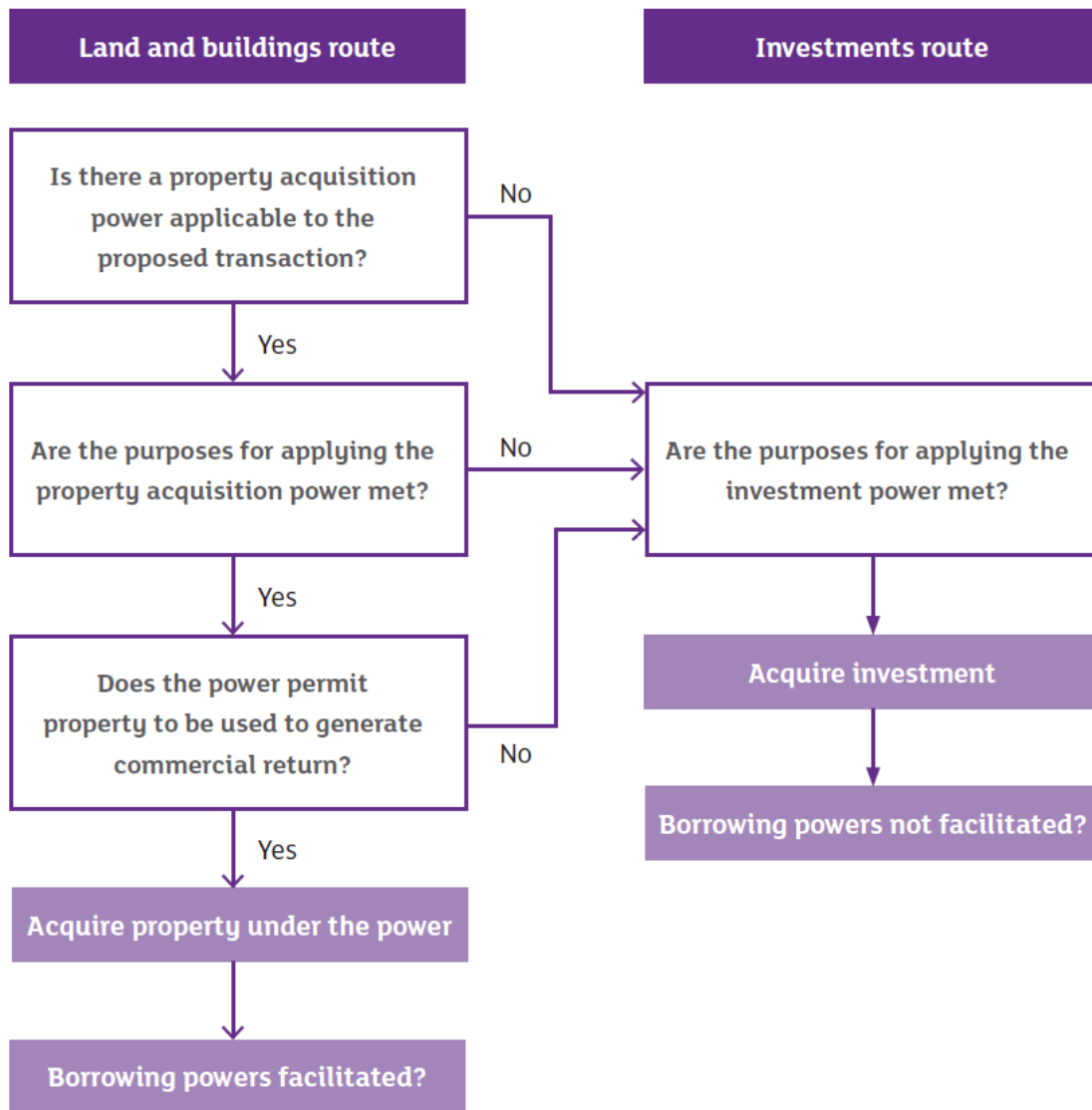


Figure 1: CIPFA Prudential Investment 2019

Should we acquire a property for commercial or investment purposes?

6.10 As with all decisions, the Council must not act ultra vires. I.e. in addition to the relevant legal power, it must act reasonably, on full information, and under appropriately expert advice.

This involves:

- consideration of the Wednesbury principles of reasonableness, i.e.that it had regard to relevant considerations, disregarded irrelevant ones, and was not *so unreasonable that no reasonable authority could ever have come to it*. This includes, therefore, regard to guidance (including statutory guidance), and the advice of expert officers, and consultants:
- regard to the MHCLG’s Statutory Guidance on Local Government Investments, including:
 - not borrowing more than or in advance of need

- transparent reporting about the implications of an acquisition for the security, liquidity and proportionality of the investment and the authority's risk exposure
- the need for appropriate capacity, skills and culture
- regard to the CIPFA Prudential Code, which requires any acquisition to be:
 - affordable – taking into account the extent to which expenses will be covered by income, including any need to make provision for capital expenditure consistently with the MHCLG's Statutory Guidance on Minimum Revenue Provision¹
 - prudent – maximising the reliability of the elements of the affordability analysis and ensuring risk is controllable within acceptable limits
 - proportional – ensuring that the authority's revenue budget is not over-reliant on income from commercial property and that property does not constitute an inappropriate proportion of the overall investment portfolio.
- acting on appropriately expert advice, and ensuring that provision is in place to properly manage the investment asset (including maintenance, and or the marketing and selection of tenants (where appropriate))

6.11 These matters are covered in the Council's Capital and Investment Strategy 2020/21 – 2024/25.

Will we acquire a property for commercial or investment purposes?

6.12 Where a proposal to acquire property as an investment is confirmed to be reasonable, an authority will determine whether the plans are consistent with its strategies and policies.

Particular attention will be paid to the following areas:

- corporate strategy – managing the expectations of interested parties in relation to the transactions being undertaken
- capital and investment strategy – ensuring that the longer-term nature of property investment and the different balance of security, liquidity and yield fit into the authority's overall strategy for making investments
- property strategy – ensuring that the property can be managed effectively and sustainably with the correct resources made available
- competence to take effective decisions – ensuring that the experience and expertise available to the authority (internal and external) is robust enough to support decisions about acquisition and continuing management of property and allow appropriate scrutiny.

6.13 The property investment strategy seeks to cover the above matters.

Procurement

6.14 The strategy allows for the Council to pursue opportunities introduced by external property agents. The Council will be expected to pay the normal introductory fee on successful completion equating to 1% or less of the agreed purchase price. In

¹ The Council must make provision for the repayment of such loans by establishing a Sinking Fund Reserve which will be credited with the statutory annual Minimum Revenue Provision ("MRP") in respect of each unfunded capital decision. Each MRP will be an annual revenue charge to the General Fund and form part of the annual funding cost used to calculate the net return on each investment.

addition, solicitors, independent external Valuers and building surveyors will be appointed to undertake valuations and conditions surveys as part of the due diligence. In order to react quickly enough to opportunities a blanket exemption to the procurement rules will be required.

Inquiry on local authority commercial investment

- 6.15 The National Audit Office has commissioned a report on local authorities' investments in commercial property, the outcome of which is that the Commons public accounts committee has launched an inquiry into the issues raised.

This inquiry will focus on certain questions:

- Is commercial property a safe investment?
- Have local authorities fully considered the potential risks involved in such acquisitions?
- Are local authorities receiving value for money? Are local authorities meeting their Best Value Duty?
- Do local authorities have the commercial skills and abilities to properly manage these investments in a way that yields a decent return? Local authorities are increasingly appointing consultants and agents to manage their property portfolios.
- In the light of COVID-19, will local authorities be able to meet their borrowing obligations, or will the Government need to bail them out? In addition, will the pandemic impact on the markets they have invested in?
- Concerns over out of area (or LEP region) acquisitions for purely commercial purposes.

- 6.16 As the COVID-19 pandemic takes hold, the effects on the economy bring into even more focus the potential pitfalls of local authority commercial property investment being investigated by the inquiry.

- 6.17 While we await with interest the outcome of the inquiry, a pragmatic and sensible approach to managing the recommendations from the inquiry will need to be taken as part of the nationwide battle to keep public services running at the required level.

7. Financial Implications

- 7.1 A £40 million Property Acquisition Fund was approved by full Council on 5 February 2020.
- 7.2 Allowing for costs and potential capital expenditure of refurbishments, etc, a service challenge target has been set to achieve an additional £850,000 per annum in rental income by 2023.
- 7.3 The Council's Capital and Investment Strategy 2018-19 to 2021-22 outlines the Council's strategy for overall investments and treasury management. The Property Investment Strategy is in line with the aspirations set out in that strategy.

8. Human Resource Implications

- 8.1 To deliver the Asset Investment Strategy and associated service challenge will require the provision of an additional Asset and Property Manager, there is an allowance for this already provided in Reserves.
- 8.2 All assets need to be managed and maintained correctly, increasing the Council's portfolio will have an additional impact on workloads within the team.
- 8.3 There will be also be a resource implication for the legal team. Whilst it is anticipated that the legal work will be outsourced the internal legal services will be required to instruct the external solicitors.

9. Equality and Diversity Implications

- 9.1 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 The Council declared a climate emergency on 23 July 2019. This strategy supports the Council's position regarding this. Consideration will be given to the ethical position and impact on climate change of any acquisition or disposal. In addition, an assessment of any strategic value contribution will be considered, i.e. if the acquisition will contribute to the Council's strategic objectives or add other strategic value (economic, social or environmental). Examples are:
- Economic propositions - (jobs, business, community, etc.)
 - Social Value - (health, wellbeing, sustainability, community, etc.)
 - Environmental measures - (carbon footprint/emission impact, recycle/reuse profile, air quality, etc)

11. Conclusion

- 11.1 This report outlines the strategy for investing in property in line with the Council's Corporate and Regulatory Framework.
- 11.2 The report details the criteria required for selecting properties and additional conditions to purchase.

12. Background Papers

[Capital and Investment Strategy 2020-21 to 2024-25](#)

13. Appendices

Appendix 1 – The Property Investment Strategy (excluding selection criteria)
Appendix 2 – The 2019/20 Funding Bid for the Property Investment Fund
Appendix 3 – The Property Investment Strategy's selection criteria NOT FOR PUBLICATION


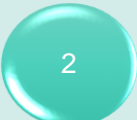

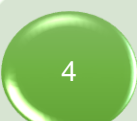
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COMMERCIAL PROPERTY INVESTMENT STRATEGY 2020

PURPOSE OF THE STRATEGY

The purpose of the Commercial Property Investment Strategy 2020 “the strategy” is to provide a robust and viable framework for the acquisition of commercial properties. This strategy sets out the Council’s objectives, investment criteria and the process which will be followed when acquiring, disposing and managing property assets for investment purposes. It replaces the previous Asset Investment Strategy and business case – September 2014.

KEY OBJECTIVES

-  To invest in properties that provide a sustainable income in accordance with the Councils corporate and financial objectives
-  To maximise return whilst balancing risk through the management processes outlined in this strategy
-  To acquire investment grade properties possessing characteristics that retain liquidity and preserve capital (notwithstanding market movement)
-  To develop a governance framework that enables the Council to move at a timely pace in line with the market

STRATEGIC DRIVERS

A larger and more balanced property portfolio supports all the fundamental themes of the Corporate Plan and the Council’s strategic priorities and will help achieve the Council’s aim of increasing income to support the delivery of services. The acquisitions search will concentrate on properties within the Borough of Guildford (and exceptionally the wider LEP region), particularly on assets that would provide a longer-term strategic benefit as well as financial return.

The types of assets that are likely to meet the Council’s criteria include leased properties let to local businesses as well as national or international firms that contribute to growth in the local economy. The acquisition of property interests in order to consolidate leasehold and freehold ownerships (i.e. buy back in long leaseholds) will also qualify. In such cases, the Council will buy the asset, refurbish and upgrade them, where appropriate, and lease them to good quality tenants.



FIGURE 1: CORPORATE AND REGULATORY FRAMEWORK

Where rental income and/or capital appreciation are a substantial consideration in the decision whether to enter into the transaction attention must be given to the Council’s investment objectives contained in the capital and investment strategy.

This strategy, therefore, sits in conjunction with the Council’s Capital and Investment Strategy 2020/21 – 2024/25 as well as satisfying the requirements of the Prudential Code and Statutory Framework with regard to property investments.

GOVERNANCE

SOURCING ACQUISITIONS

The Council may either approach a vendor directly or through third party agents to notify its interest in a property investment / proposal. The Council will also accept unsolicited introductions from agents in respect of individual properties.

If the Council receives an initial introduction from an agent and wishes to pursue the opportunity further, it will expect to pay an introductory fee on successful completion. Introductory fees are usually 1% of the agreed purchase price.

It is also possible that an opportunity may arise for the Council to enter into a joint venture with another local authority, developer or investor.

In order to ensure the Council is made aware of the latest and best opportunities, officers will need to maintain relationships with external agents and build credibility as a good performing purchaser / vendor and an excellent organisation to do business with.

The Council's main point of contact for all acquisitions / disposals will be the Deputy Head of Asset Management.

PORTFOLIO STRUCTURE / DIVERSIFICATION

The Prudential Code states that a Council must invest its funds prudently and have regard to the security (protecting capital sums from loss) and liquidity (keeping money readily available for expenditure when needed or having access to cash) of investments before seeking the highest rate of return, or yield.

The Capital and Investment strategy sets out the Council's risk appetite and states that the Council's objective 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 unsuitably low investment income.

Investment properties have a very different balance of security, liquidity and yield from most financial investments – the potential volatility of income will be particularly important when balancing the revenue budget on an annual basis. Property acquisitions should, therefore, be subject to enhanced decision making and scrutiny as a result of the additional risk being taken on and the potential impact on the sustainability of the authority.

A major objective of the property investment strategy is to invest in assets that support the strategic priorities set out in the Corporate Plan or provide sustainable income, whilst balancing a portfolio diversified enough to provide protection against underperformance in any one sector.

From a strategy point of view, it is generally considered to be most advantageous to have criteria as wide as possible to identify the most suitable investments to form the constituent parts of the portfolio jigsaw and be able to react to structural changes in the market. This is particularly true in strong market conditions when demand for good quality, income producing assets is very high. As such, this strategy has not set target weightings for any specific asset sectors although sector diversification will be monitored.

Diversification by risk will also be considered (within the guidelines of the Council's Capital and Investment Strategy). In general terms, risk and return have a direct correlation in that the greater the risk, the greater the expected return should be. The last 20 years has seen a significant reduction in lease length and the increasing prevalence of break options. This represents a significant shift of risk from tenant to landlord. By having a net initial yield target that increases as the matrix criteria score decreases allows us to appropriately price the risk around lease length and covenant strength exposure (as well as other criteria) (see Appendix 3 for more details).

In addition, to limit the risks arising from other factors the following guidelines will be considered when selecting properties for investment:

- Lot size - No single asset should be over 20% of the portfolio value to limit the risk arising from individual assets.
- Income risk – No single tenant should account for more than 20% of total income once full invested to limit the exposure of tenant failure.

SELECTION OF INVESTMENTS / DISPOSALS

To enable the Council sufficient scope to identify suitable properties and to build and maintain a portfolio which can achieve the desired objectives and aims of the strategy, properties will be assessed against a set of financial and qualitative criteria. To summarise this will include:

FINANCIAL	
Lease Classification	The lease should be classified, for accounting purposes, as an operating lease rather than a finance lease, to ensure that rental income can be treated as revenue ¹
Internal Rate of Return (IRR);	The internal rate of return (IRR) should exceed a minimum level of minimum IRR is 3.5% or 2% above projected borrowing cost (incl. interest + MRP ²) whichever is the higher. The internal rate of return is typically higher than the initial yield, since it gives an overall level of return over the holding period of the investment. This is calculated using a discounted cash flow and can allow for rental growth, void periods, refurbishment expenditure and so on.
Net Yield (NIY)	Due to the Council's requirement to generate income through a satisfactory level of return, whilst still reducing the level of risk, a minimum net initial yield that we could expect to achieve on the investment will be set and increase on a sliding scale as the risk return matrix score reduces.
QUALITATIVE	
Location	Dictated by the opportunities available but concentrating on properties located in prime or near-prime locations
Tenancy strength	Preference will be given to single occupancy investments let or lettable to financially secure tenants with a good covenant, although multi-let properties will be considered.
Tenure	Freehold or long-leasehold
Occupiers lease length	Longer lease length - lease length will be determined by market forces, but the premise will be to maximise
Repairing terms	Preference for strong tenant repairing obligations shifting the risk from Landlord to Tenant
Lot size	The main target will be lot sizes representing 5 – 15% of the over portfolio.
Building condition	Good quality, sustainable buildings in good condition or that can be put into good condition Low maintenance and low obsolescence.
Strategic Value	Contribution to the Council's strategic priorities identified in the corporate plan or other strategic value (economic, social or environmental). Economic propositions (jobs, business, community etc) Social Value (health, wellbeing, sustainability, community etc) Environmental measures (carbon footprint / emission impact, recycle / reuse profile, etc)

¹ Operating leases are those where the risks and rewards of ownership are retained by the lessor (the Council) and must meet certain criteria. The main criteria being that the lease term should not be for the major part of the property's economic life and at the start of the lease, the total value of minimum lease payments (rents) should not amount to a significant proportion of the value of the property.

² Minimum Revenue Provision

Full details are in Appendix 3.

CONDITIONS TO PURCHASE

Further conditions to purchase will be:

- the investment is in line with the Council's strategies and policies;
- the ethical position of the investment is strong;
- the investment or disposal is within the Council's legal powers;
- the investment or disposal is reasonable³;
- it has properly considered advice from its professional advisors, whether internal or external;
- the business case is sufficiently strong;
- proper consideration has been given to the balance between risk and reward;
- making the investment or disposal would not be a breach of the Council's fiduciary duty;
- making the investment or disposal will represent value for money; and
- the proposed funding method provides the best value for money after considering all relevant financial considerations, including taxation.

APPROVAL PROCESS TO PURSUE OPPORTUNITY

All acquisitions / disposals are to be approved by the Investment Property Fund Management Group (IPFMG) which includes the Director of Resources, Lead Specialist (Finance), Head of Asset Management, Deputy Head of Asset Management and Asset & Property Managers.

The IPFMG (which meets monthly) will review each proposal in respect of each of the conditions to purchase and decide if the business case in favour of investment / disposal is sufficiently strong. If the group are happy with the proposed acquisition disposal it will be referred to the member and officer represented Property Review Group (PRG) for approval.

If either group cannot meet in time then the matter will be approved by the Lead Member for Finance, Asset Management and Customer Service, Director of Resources, and Head of Asset Management.

All investments will be approved on the basis of a robust business case which will give due consideration to the balance between risk and reward, an assessment of the underlying security of the investment. As a minimum this will include:

- a basic purchase report (including details of the opportunity, location, age, tenure, tenant covenant, lease terms, exit strategy, etc.);
- an investment risk and return matrix (a score matrix based on the chosen criteria);
- a financial analysis (a cashflow analysis demonstration the long-term income and costs based on a number of different risk scenarios); and
- the percentage of total income of the portfolio against covenant strength
- potential exit strategies.

See Appendix 1 – Acquisition Flow Chart

³ The exercise of the powers must be 'reasonable'. Consideration must be given to the Wednesbury principles. CIPFA, *Prudential Property Investment* (2019), pg. 17.

RISK MANAGEMENT MEASURES

Property has some significant different characteristics and risks compared to other types of investment. Mitigation proposed for these risks include diversifying the portfolio (portfolio mix) to include investments that perform differently over the economic cycle.

The evaluation criteria, approval processes, due diligence tests, and internal / external advice are also proposed to address property specific risks.

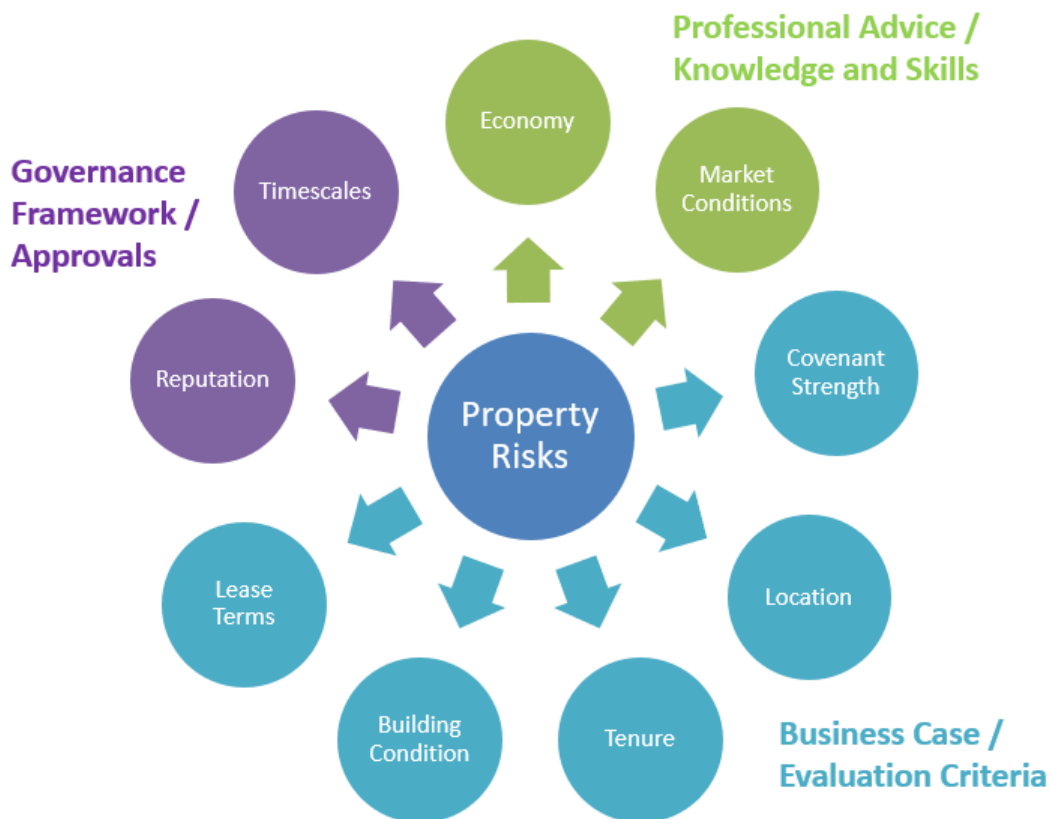


FIGURE 2: PROPERTY RISK GROUPS

Business Case / Evaluation Criteria

Officers will seek to mitigate the risk by preparing robust business cases including detailed cash flow models for different risk scenarios and scoring matrices.

Governance Frameworks / Approvals

Clear governance arrangements and scrutiny procedures for the acquisition, disposal, management of commercial property and decision-making powers will enable the timely and decisive decision making that is essential in this type of market to respond to opportunities as they arise. This will also enhance the Council's reputation as a good performing purchaser / vendor.

Due Diligence

Acquisitions will also be conditional on full due diligence, including:

- full title report and legal pack to be produced by external solicitors;
- a review of the tax implications;

- an independent surveyor's valuation of the property and detailed purchase report to support the purchase price; and
- satisfactory surveys.

Profession Advice / Knowledge and Skills

The complexities of investment in property mean that it is vitally important for the Council to be competent to take decisions to acquire, hold and dispose of land and buildings. This does not require all the expertise and experience to be in-house, but members and officers must have sufficient competence to understand and evaluate the advice they are given and make reasonable decisions in relation to it or to overseeing the decisions taken by others.

The Council is satisfied that we currently have internal staff with the requisite skills and experience to undertake these investments. The Council will also engage the services of professional property, legal and financial advisors, where appropriate, to access specialist skills and resources to inform the decision-making process associated with this strategy.

The Council recognises it is responsible for property investment decisions at all times and will ensure that undue reliance is not placed upon external service providers and will maintain sufficient in-house expertise to manage the procurement of investments through the Asset Management Team.

PORTFOLIO MANAGEMENT / REVIEW

A larger and more balanced portfolio will help achieve the Council's aim of increasing income to support the delivery of services throughout the Borough. However, the acquisition of property is only the first step in achieving the objectives of the strategy. It is essential that the portfolio is correctly managed, and value added. This will take the form of:

- Negotiating leases on the best possible terms.
- Preparing for and having an action plans for all lease critical dates, break options, rent reviews and expires.
- Enforcing tenant covenants (e.g. repairing obligations).
- Investing where necessary to retain property value.
- Reducing risk by requesting rent deposits / guarantees and undertaking continual analysis of covenant strength.
- For all buildings to be sustainable and held to a high standard of repair, by undertaking regular condition surveys and linking the output of the condition survey to an identifiable programme of works.
- For all properties to be fully compliant with statutory requirements including health and safety and energy efficiency regulations.
- Continual evaluation of properties against the evaluation criteria and the Council's priorities and ensure it is fit for purpose and categorising into Retain / Retain with improvements / Dispose.
- Pursuing individual strategies for top 5 properties by value or high-risk properties, as necessary.
- Selling high cost or underperforming assets (see Appendix 2 – Disposal Decision Tree).

Management of the Council's assets is covered more in the council's asset strategy and framework

PERFORMANCE REPORTING

To ensure the assets are being correctly managed performance monitoring will be reported initially through the IPFMG, the PRG and then the Executive as part of the Capital Investment Outturn Report.

Annual performance reporting will include:

- A market update on investment trends, activity and forecasts
- An update on the occupational markets
- A review of current investment strategy
- Benchmarking the existing portfolio and asset level investment returns
- Reporting on performance of the portfolio and individual assets
- Provision of a review of portfolio activity and the added value created over the previous 12 months
- An update on individual asset reviews and Keep/Improve/Sell asset designation

The IPFMG will also consider the following, as and when required:

- Re-confirmation of investment criteria;
- identification of any re-alignment required to match market changes and forecasts;
- advice on all critical lease dates, break options, rent reviews and lease expiries (especially in relation to the top 5 assets); and
- any health and safety incidents and insurance claims.

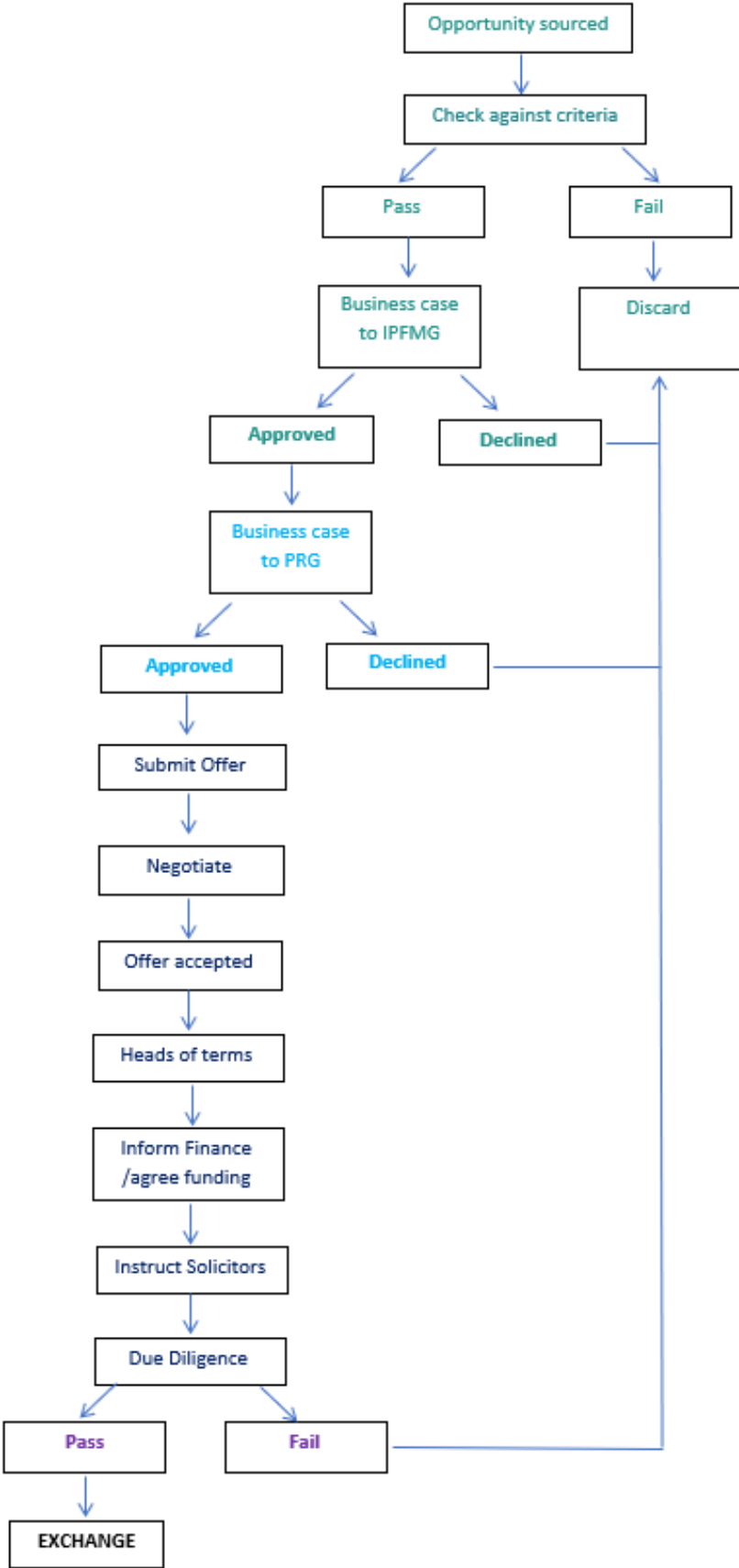
This will provide a clear understanding of the portfolio's position and management, its risk and return profile and any latent value that can be driven out through strategic asset management.

PORTFOLIO VALUATION

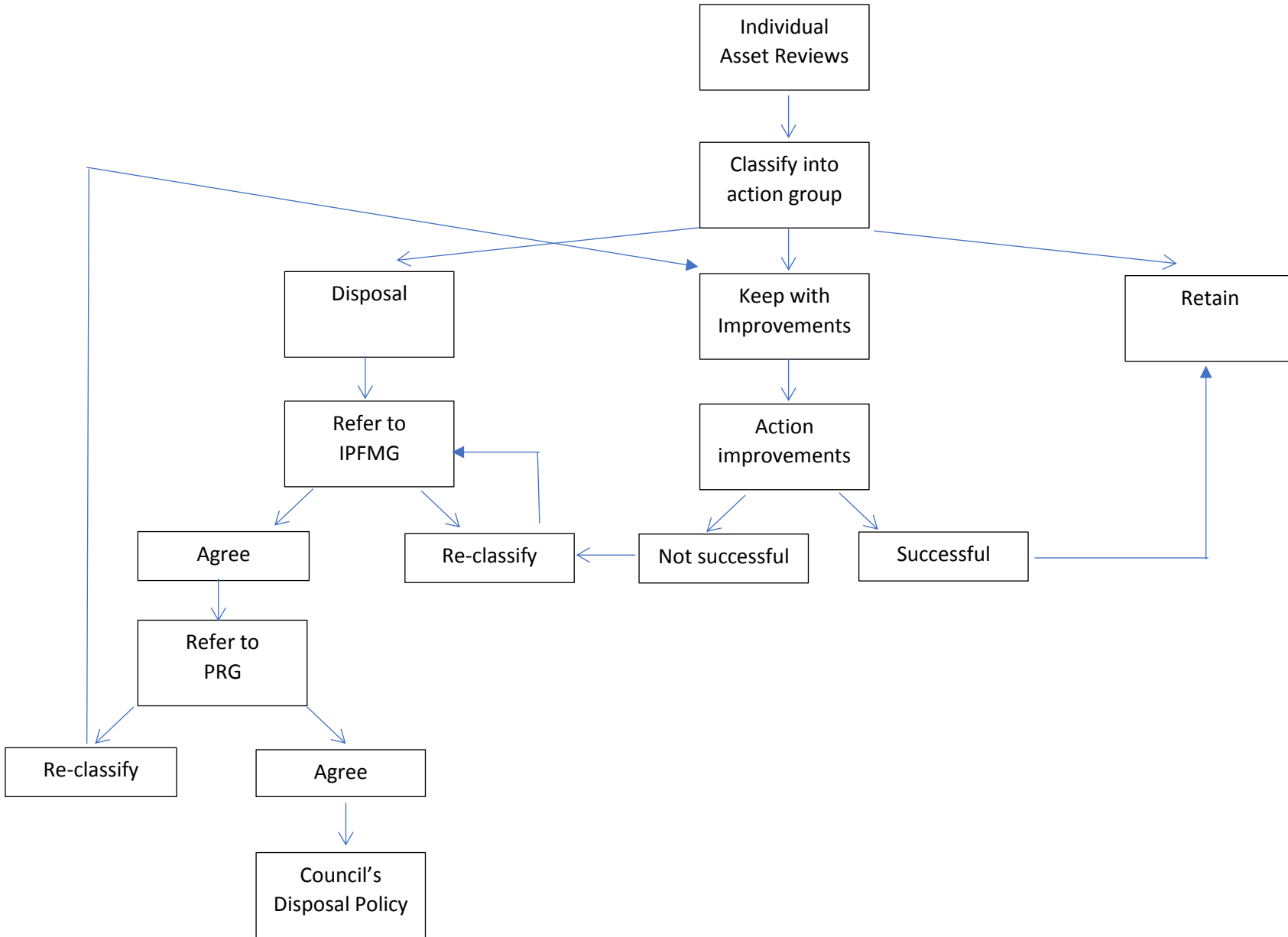
In accordance with the International Financial Reporting Standards the investment portfolio is externally valued every year in accordance with the RICS Red Book and the International Valuation Standards.

Annual valuations are important not only for regulatory purposes but also to ensure that current book values are in line with the prevailing market and this enables individual assets or the wider portfolio to be benchmarked against wider performance of the commercial property sector or the market as a whole.

APPENDIX 1 – ACQUISITION FLOWCHART



APPENDIX 2 – DISPOSAL DECISION TREE



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Bid for Funding

Project Name:	Property Acquisition Fund		
Project Code:	2019	TBA	
Project Description:	To set up a strategy for buying new and investing in existing assets within the Guildford borough to increase income generated and stimulate and encourage business growth and sustainable development by investing in key strategic sites.		
Project / Programme Manager:	Melissa Bromham	Ward:	N/A
Senior Responsible Officer:	Marieke van der Reijden	Directorate:	Community Services
Lead Councillor:	Joss Bigmore	Service:	Corporate Property
Corporate Plan Theme:	Innovation	Confidential:	No
Expected Start Date:	01/04/2020	Exempt VAT Implications:	Yes
Target Completion Date:	31/03/2022		

Section A – Strategic Content

A01. What is the project trying to achieve?	<p>INTRODUCTION</p> <p>The Council's updated budget projections show that there is a budget shortfall of £10.4m over the next three years (2020-21 to 2022-23).</p> <p>The capital outturn report 2018-19 reported that for the financial year the Council's total investments of £97.32m achieved a return of 1.42%. The Council's direct property investments of £161m, however, achieved a return (net of costs) of 6.3%</p> <p>This bid proposes the creation of a property investment fund of £40million to be invested as outlined in a new property investment strategy, which will allow decisions to be delegated to officers (in consultation with the Lead Member for Finance and Asset Management) within set parameters.</p> <p>The objective of creating a new property investment strategy/fund is to help bridge the funding shortfall with the financial aim of investing in property in order to increase the rental income stream for the Council and to stimulate and encourage business growth and sustainable development by investing in key strategic sites.</p> <p>The Council's Capital and Investment Strategy 2018-19 to 2021-22 outlines the Council's strategy for overall investments and treasury management. This proposal is in line with the aspirations set out in that strategy.</p> <p>Since the conclusion of the previous Asset Investment Strategy and Business Case in 2016, with a final spend of £57 million, the Council have continued to acquire properties on an ad-hoc basis including the following:</p>
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Property	Interest	Date of completion	Price paid	Previous rent pa	Current/ projected rent pa
Midleton 9	Leasehold (to merge Freehold)	24/03/2017	£500,000	£16,920	£60,000
Slyfield, Moorfield Road, 41 (Moorfield Point)	Leasehold (to merge Freehold)	04/12/2018	£1,459,000	£221,000	£357,534
Woodbridge Meadows, 23 (Argol House)	Leasehold (to merge Freehold)	05/02/2019	£829,806	£7,225	£65,000
1 & 2 Thornberry Way (The Hub & the Rock)	Leasehold (to merge Freehold)	13/08/2019	£6,550,000	£51,570	£515,000
			£9,338,806	£296,715	£997,534

CURRENT PROPERTY FUND PERFORMANCE

The current Fund comprises 159 assets in the principal commercial property sectors: office, retail, industrial and alternatives (hotels, car showrooms, petrol stations, leisure, etc.).

The current fund size is £161 million with rental income of over £9.2 million pa. This produces a very high yield of 6.3% net of costs/voids.

The fund has performed better than the UK benchmark in every sector.

The Investment Property Fund aims to provide an above average and secure income return 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 rates low (current vacancy rate of 0.78%) 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.

Please see [Appendix 1 – GBC Investment Portfolio Annual Report](#)

PROPOSAL

The proposal is to set up a fund of £40 million to be invested in property as outlined in a new property investment strategy, which will allow decisions to be delegated to officers within set parameters.

Officers often become aware of key potential acquisitions but, because there is currently no budget or agreed strategy for acquisitions, cannot act quickly enough to compete with institutional investors to secure opportunities. Having a property investment strategy and budget already approved will enable the timely and decisive decision making that is essential in this type of market to respond to opportunities as they arise.

The proposed 2020 property investment strategy will provide a robust and viable framework for the acquisition of commercial properties located within the borough. This will direct investment in assets that local businesses occupy as well as those nationally or internationally that contribute to growth in the local economy.

The property investment strategy will provide continual evaluation of the property investment portfolio to meet the Council’s priorities and ensure it is fit for purpose. A larger and more balanced portfolio will help achieve the Council’s aim of increasing income to support the delivery of services throughout the borough.

The investment strategy will have a framework for determining which properties should be invested in and over the following main areas (in more extensive detail):

1. Methods of acquisition

The Council can increase its exposure to property investments in a variety of ways.

The Council may hold property assets directly or indirectly. Direct property investment gives the Council full control over the property and responsibility for its management. Indirect property investment would take the form of either setting up a wholly owned local authority trading company or forming a joint venture with another property investment company.

The holding of property assets in a wholly owned property company would enable greater freedom and flexibility of the decision making process and the ability to trade assets. This could potentially deliver higher levels of net returns. However, there are significant risks and set up costs involved, the company would be subject to corporation tax and incur higher financing costs than if the asset investment programme is undertaken directly. The Council would also need to be aware of state aid issues in relation to the funding of the company. Although there is potential for higher returns, there is also the potential for significant losses.

Officers recommend that direct property acquisition gives the Council the optimum balance of return, risk and control, subject to available funding and will contribute the strategic properties set out in our corporate plan for Economy.

2. Criteria for Selection

Investment property acquisitions need to be subject to the agreed parameters of the property investment strategy. This will be set by the Council’s ‘Investment Property Fund Management Group’ (IPFMG) which includes the Director of Finance, Financial Services Manager, Corporate Property Manager, Investment Property Manager and Property Surveyors. There will be pass and fail criteria as below:

- A minimum net Initial yield (NIY) (return less purchase costs including SDLT);
- A minimum internal rate of return (IRR), which will allow for rental growth, void periods, refurbishment costs, financing costs, etc.
- The lease should also be classified, for accounting purposes, as an operating lease rather than a finance lease to ensure that all rental income can be treated as revenue income.

Other criteria will be in the form of a matrix and be similar to those agreed by the Executive in July 2014 (below), although Building Condition/required capital expenditure may become an additional criteria.

SCORING CRITERIA	Score	4	3	2	1	0
	Weighting Factor	Excellent / very good	Good	Acceptable	Marginal	Unacceptable
Location	12	Major prime	Micro prime	Major secondary	Micro secondary	Tertiary
Tenancy strength	10	Single tenant with strong financial covenant	Single tenant with good financial covenant	Multiple tenants with strong financial covenant	Multiple tenants with good financial covenant	Tenants with poor financial covenant strength
Tenure	9	Freehold	Lease 125 years plus	Lease between 50 & 125 years	Lease between 20 & 50 years	Lease less than 20 years
Occupiers lease length	5	Greater than 10 years	Between 7 and 10 years	Between 4 & 7 years	Between 2 & 4 years	Less than 2 years; vacant

Repairing terms*	4	Full repairing & insuring	Internal repairing - 100% recoverable	Internal repairing - partially recoverable	Internal repairing - non recoverable	Landlord
Lot size	2	Between £6m and £12m	Between £4m & £6m or £12m & £18m	Between £2m & £4m or £18m & £20m	Between £1m & £2m or £20m & £25m	Less than £1m or more than £25m

In addition to the above criteria, the IPFMG will also have consideration to the Council's policies in terms of climate change and ethical investments.

3. Conditions to purchase

All investments will be approved on the basis of a robust business case which will give due consideration to the balance between risk and reward, an assessment of the underlying security of the investment, and potential exit strategies. As a minimum this will include:

- a purchase report (including details of the opportunity, location, age, tenure, lettings, etc.);
- an investment matrix (a score matrix based on the chosen criteria); and
- a financial analysis (a cashflow analysis demonstration the long term income and costs based on a number of scenarios).

Acquisitions will also be conditional on full due diligence, including:

- full title report;
- an independent surveyor's valuation of the property and detailed purchase report to support the purchase price; and
- satisfactory surveys.

4. Knowledge and skills

The Council recognises that investing in properties to generate yield and capital returns is a specialist and potentially complex area. However, the Council is satisfied that we currently have internal staff with the requisite skills and experience to undertake these investments. The Council will also engage the services of professional property, legal and financial advisors, where appropriate, to access specialist skills and resources to inform the decision-making process associated with this Strategy.

The Council recognises that is responsible for property investment decisions at all times and will ensure that undue reliance is not placed upon external service providers and will maintain sufficient in-house expertise to manage the procurement of investments through the Corporate Property team.

5. Risk Management

The Council considers security, liquidity and yield when making treasury investment decisions, across the portfolio as a whole.

There are some key identifiable risks of investing in property which were highlighted in the Council's Capital and Investment Strategy 2018-19 to 2021-22. A downturn in the property market could lead to falling rents or higher vacancies meaning that rental income may not cover the borrowing costs. In addition, a downturn could lead to a fall in property values which could impact capital receipts if the Council wanted to sell property to use the receipt for other purposes.

Officers will seek to mitigate the risk by:

- preparing detailed cash flow models for each prospective investment in order to appraise the cash flow risk and the internal rate of return of the investment;
- keeping abreast of the latest property market information and using it to inform decisions;
- having a diverse investment property portfolio;
- reviewing tenant covenant strength prior to contract (including a review of the company finances and credit checks);
- requesting rent deposits where appropriate.

	<p>CURRENT PROPERTY MARKET</p> <p>There is uncertainty in the current property market due to the current political environment and changing consumer spending patterns.</p> <p>Cluttons IM ‘Commercial Property Examiner’ published in Q2 2019, explores the latest underlying economic and financial market drivers that help shape our real estate portfolio strategies.</p> <p>In the medium to long-term, they continue to expect the UK’s exit from the EU to reinforce the current slowdown in economic growth that will restrain rental growth and cause yields to soften. As a result, they are anticipating a gradual weakening in property values over the next three years with an average annualised total return of 4%. However, these returns should still compare favourably to both UK equities and gilts on a relative basis.</p> <p>The report states that:</p> <p><i>“the current pricing in UK real estate remains attractive relative to other asset classes.</i></p> <p><i>The forward looking public real estate markets indicate that private direct property investors should be looking to sell down their exposure to retail and buy student accommodation, healthcare and logistics assets.</i></p> <p><i>MSCI data indicates that All Property values contracted in Q2 for the third consecutive quarter. The capital values of all retail segments are falling. Only Industrials are benefitting from an uplift in capital values.</i></p> <p><i>Rental value growth for South East Industrials is weakening but it is still strong by historical standards. However, rental values for Shopping Centres, Retail Warehouses and Shops have decreased sharply.</i></p> <p><i>May’s IPF Consensus forecast round continues to indicate that 2019 is expected to represent a cyclical trough.</i></p> <p><i>All property performance expectations for 2019 weakened from 2.4% to 1.8% and expectations for were reduced to 3.1% from 3.5% in February. Capital values are now expected to shrink by 2% or more in both 2019 and 2020.</i></p> <p><i>In the medium to long-term we continue to expect the UK’s exit from the EU to entrench the current slow-down in economic growth that will restrain rental growth and cause yields to soften. Consequently, we expect a gradual weakening in property values over the next three years.”</i></p> <p>Please see the attached GBC Investment Property Fund Portfolio Annual Report for further analysis on the local property market sectors.</p>
<p>A02. Which strategic priorities in the Council’s Corporate Plan is the project trying to achieve?</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Delivering the Guildford Borough Local Plan and providing the range of housing that people need, particularly affordable homes. <input type="checkbox"/> Making travel in Guildford and across the borough easier. <input checked="" type="checkbox"/> Regenerating and improving Guildford town centre and other urban areas. <input type="checkbox"/> Supporting older, more vulnerable and less advantaged people in our community. <input type="checkbox"/> Protecting our environment. <input type="checkbox"/> Enhancing sporting, cultural, community and recreational facilities. <input checked="" type="checkbox"/> Encouraging sustainable and proportionate economic growth to help provide the prosperity and employment that people need.

Appendix 2

	<p><input type="checkbox"/> Creating smart places infrastructure in Guildford.</p> <p><input checked="" type="checkbox"/> Using innovation, technology and new ways of working to improve value for money and efficiency in Council Services.</p>
<p>A03. How does it meet the strategic priorities outlined?</p>	<p>Developing a property investment fund and strategy will contribute to the capital and investment strategy and as such, help the Council achieve financial excellence and value for money. It will enable the Council to make the best use of its resources and it therefore underpins the Council's strategic framework and the delivery of the corporate plan. It was also identified as part of the future Guildford service challenge.</p> <p>The proposed 2020 property investment strategy will focus on buying new assets located within the borough. This will direct investment in assets that local businesses occupy as well as those nationally or internationally that contribute to growth in the local economy.</p> <p>The property investment strategy will provide continual evaluation of the investment portfolio to meet the Council's priority to ensure that our property asset portfolio is fit for purpose. A larger and more balanced portfolio will help achieve the Council's aim of increasing income to support the delivery of services throughout the borough.</p> <p>The Council's strategic priorities include aspirations to regenerate and improve Guildford town centre and other urban areas, and encourage sustainable and proportionate economic growth to help provide the prosperity and employment that people need. Therefore, another major objective of the property investment strategy is to invest in assets that support the strategic priorities set out in the Corporate Plan. The strategy will recommend that officers concentrate our investment search within the borough of Guildford, particularly on assets that would provide a longer-term strategic benefit as well as financial return.</p> <p>The types of assets that are likely to meet the Council's criteria include leased properties let to local businesses, whilst being mindful of the need to retain a wide exposure to property types. The acquisition of property interest in order to consolidate leasehold and freehold ownerships (i.e. buy back in long leaseholds) will also qualify as part of the property investment strategy. In such cases, the Council will buy the asset, refurbish and upgrade them where appropriate and lease them to good quality tenants.</p>
<p>A04. Explain the problem that is being addressed and why the project is necessary.</p>	<p>The Council's updated budget projections show that there is a budget shortfall of £10.4m over the next three years (2020-21 to 2022-23).</p> <p>The objective of creating a new property investment strategy/fund is to help bridge the funding shortfall with the financial aim of investing in order to increase the rental income stream for the Council.</p>
<p>A05. What are the critical success factors or KPI's of the project? ie which measures will you use to determine success?</p>	<p>Investment property acquisitions will need to be subject to the agreed parameters of our property investment strategy. As detailed in section A01.</p>
<p>A06. What are the expected benefits or outcomes for local</p>	<p>The objective of creating a new property investment strategy/fund is to help bridge the funding shortfall with the financial aim of investing in order to increase the rental income stream for the Council which will enable services to continue.</p>

residents and businesses?	
A07. Outline options considered or that will be considered for delivery of the project.	See A01. In addition, officers did consider procuring an investment consultant to act on the Council's behalf. However, it was decided that this would prevent the Council from hearing about deals early or off-market through introductions unless we were to pay a double fee.
A08. Outline project dependencies eg with other projects or partner organisations.	Increasing the Council's investment portfolio will have an impact on workloads within the Corporate Property team. All assets need to be managed and maintained correctly in order to protect the Council's investment this will have a resource impact that will need to be addressed.
A09. Legal / statutory requirement ?	No
A10. Legislative / statutory implications ?	No
A11. Planning permission required?	No
A12. Building regulation required?	No
A13. Land acquisition required?	Yes
A14. Environmental consents?	No
A15. Highways / traffic consents?	No
A16. Details of other required consents.	

Section B – The Financial Case

B01. Costs

Year	Description	Capital Value (£)	Revenue Cost Centre Code	Revenue Cost Centre Name	Revenue Account Code	Revenue Account Name	Revenue Value (£)
2020/21 – 2022/23	Acquisitions and associated costs	40,000,000	N/A	N/A	N/A	N/A	N/A
Choose an item.							
Choose an item.							
Choose an item.							
Choose an item.							
Choose an item.							
Choose an item.							

B02. Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2020-2023	40,000,000	/
Choose an item.		
Choose an item.		
Choose an item.		
Choose an item.		

B03. Outline the assumptions used to cost the project.	Acquisitions + standard costs of 6% (including stamp duty, legal fees, surveys SDLT, etc.)
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B04. Financial Benefits eg savings or additional income

Year	Description	Capital Value (£)	Revenue Value (£)
2021/22	If the criteria allows for acquisitions at an NIY of above 4.5% there will be additional rental income in excess of £1.8. If we achieve an average NIY of 4.75% this will increase to £1.9m.		2,700,000

B05. Funding

Year	GBC Funding Request (£)	Third Party Contributions (£)	Sources of Third Party Contributions
2020/21	40,000,000	N/A	N/A

B06. Non Financial Benefits

Title	Category	Measure	Expected Delivery Date
Increased rental income	Improved Income Generation	Based on NIY	By 2023
Investing in good quality property - Less expenditure on R&M	Reduced Asset Costs	Surveys	By 2023

Section C – The Economic Case

C01. Expected number of homes brought forward.	0
C02. Expected number of jobs created.	Not quantifiable
C03. Expected amount of employment floor space delivered.	Not quantifiable

C04. Outline your assumptions in determining the economic benefits.	The Council will be directly investing in property held for employment use. This will be in assets that local businesses occupy as well as those held nationally or internationally that contribute to growth in the local economy and employment.
C05. Describe any other economic benefits.	N/A

Section D – The Commercial Case

D01. Outline any procurement requirements.	The strategy will allow for the Council to use introductory agents and pay them the normal fee (1%) or less.
D02. Outline preferred procurement route / strategy.	Exemption to procurement rules to enable the Council to take advantage of off-market deals and introductions.
D03. Outline key procurement risks.	If the Council cannot instruct an agent quickly it may lose the opportunity.

Section E – The Management Case

E01. High Level Project Timetable

Item	Stage of Project	Start Date	Finish Date
To obtain full Council approval of capital bid	Approval	25/02/2020	
To obtain sign-off of the for the Council's new property investment strategy from the Investment Property Fund Management Board	Approval	Sept 2020	Jan/Feb 2020
To obtain Executive Liaison Approval for the Council's new property investment strategy	Approval	04/03/2020	
To obtain Executive approval for the Council's new property investment strategy	Approval	24/03/2020	
To start pursuing available investments	Main project	01/04/2020	31/03/2023

E02. High Level Project Milestones

Milestone	Description	Indicative Date
N/A		

E03. Project Risks

Title	Description
Lack of properties available	Officers will try to overcome this by ensuring they maintain relationships with external agents and pay introductory fees on successful acquisitions. It has considered the use of an investment consultant but this would prevent the Council from hearing about deals from introductory agents unless it s willing to pay a double fee.
Lack of resource to asset manage portfolio	There is a concern that there may be a lack of resource in the existing team to manage the portfolio and take advantage of opportunities. Increasing the Council's investment portfolio will have an impact on workloads within the Corporate Property team. All assets need to be managed and maintained correctly in order to protect the Council's investment this will have a resource impact that will need to be addressed.
Inability to act quickly enough	Many acquisitions are completed on very tight timescales. It is hoped by having approvals already in place that the Council will be able to compete with institutional investors to take advantage of opportunities. The Council will also need to address the resource impact as above.

E04. Provide high level details of proposed project management arrangements & project team (please use post names / titles rather than	All matters are to be approved by the Lead Member for Finance and Asset Management and the IPFMG which includes the Director of Finance, Financial Services Manager, Corporate Property Manager, Investment Property Manager and Property Surveyors. If the group cannot meet in time then the matter will be signed off by the Lead Member for Finance and Asset Management, the Director of
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Appendix 2

naming individuals).	Finance, Financial Services Manager and Corporate Property Manager. The Council will also consult with the Director of Community Services and the Council's Solicitor and Monitoring Officer
E05. Provide a brief outline of key stakeholders eg who they are and how they will be engaged.	As above
E06. Will any public consultations be required? If so, provide a brief outline.	N/A
E07. How will the project be evaluated post implementation?	By successfully investing the capital in to strong investment properties that will obtain a net return above a certain percentage (to be set by the new property investment strategy).

E08. Outline any expected formal Council / Committee / Board decisions or consultations and expected timescales.

Committee / Board	Type of Decision	Expected Date
Council	To approve bid	25/02/2020
Executive	To approve the Council's new property investment strategy	Early 2020-21
Community Executive Advisory Board	N/A	
Place making and Innovation Executive Advisory Board	N/A	
Overview and Scrutiny	N/A	
Planning	N/A	
Licensing	N/A	
Corporate Governance and Standards	N/A	

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Appendix 3

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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.)	Information from Chief Internal Auditor and Ignite Consulting circulated to Committee members on 1 September 2020.
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.	Update provided by Managing Director, 21 August 2020: A report was presented to the Surrey Leaders on 31 July 2020 by Surrey County Council's Executive Director for Environment Transport and Infrastructure. Surrey Leaders have agreed to a small group of councillors working with the Executive Director for Environment Transport and Infrastructure and the Surrey Chief Executive's lead on developing this project. A further report will be produced for the Surrey Leaders for September. A further update will be provided as this progresses.
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 / the decision-making of the overall project.	–

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Overview and Scrutiny Committee Report

Report of Director of Resources

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Date: 15 September 2020

Overview and Scrutiny Work Programme

Recommendation

That the Committee consider the overview and scrutiny work programme attached at Appendix 1 and determine its work plan.

Reason for Recommendation

To enable the Committee to review and agree its work programme for the coming months.

1. Purpose of Report

- 1.1 As approved by Council, the remit of the Overview and Scrutiny Committee (OSC) includes the specific responsibility to approve the overview and scrutiny work programme to ensure that the Committee's time is used effectively and efficiently.
- 1.2 A well-planned overview and scrutiny function will help both officers and members plan their workloads as well as providing a clear picture to the public of planned activity. An effective work programme is the foundation for a successful overview and scrutiny function.
- 1.3 This report sets out the overview and scrutiny work programme as developed thus far for the period 2020-21.

2. Work Programme Meetings

- 2.1 In addition, Council has agreed that the OSC is responsible for setting its own work programme in accordance with the following procedure:

The chairmen and vice-chairmen of the OSC and the Executive Advisory Boards and relevant officers shall normally meet at least bi-monthly to exchange, discuss and agree proposed rolling 12-18 month work programmes for submission periodically to the OSC (in respect of the OSC work programme) and to the Executive Advisory Boards (in respect of the EAB work programmes) for approval. The proposed work programme for the OSC will be determined with reference to the P.A.P.E.R. selection tool, attached as Appendix 2 to these procedure rules [and as Appendix 2 to this report].

The chairman and vice-chairman of the OSC will ensure that all councillors are able to submit requests for alterations to the work programme for consideration at each of these work programme meetings.

- 2.2 A work programme meeting of the chairmen and vice-chairmen of the OSC and the EABs was held on 30 June 2020. Subsequent meetings are scheduled for 11 September 2020, 9 November 2020, 14 January 2021, and 18 March 2021.
- 2.3 Councillors are encouraged to attend a work programme meeting to explain in more detail their proposal, including how it fulfils the criteria outlined in the mnemonic P.A.P.E.R. (Public interest; Ability to change; Performance; Extent; and Replication).
- 2.4 In addition to the work programme meetings in section 2.2 above, Councillors can discuss and submit proposals to the OSC Chairman and Vice-Chairman.

3. Financial Implications

- 3.1 There are no specific financial implications arising from this report.
- 3.2 The Council's governance arrangements review of 2015 led to the introduction of a discretionary budget for overview and scrutiny, set at £5,000 per annum. It is envisaged that the work programme, as drafted, is achievable within the existing financial resource.

4. Human Resource Implications

- 4.1 There are no specific human resources implications. It is envisaged that the work programme, as drafted, is achievable within the existing resources.
- 4.2 Overview and scrutiny will call on relevant officers during the conduct of its reviews. Individual scoping reports will seek to take additional resource requirements into account when drafted.

5. Equality and Diversity Implications

- 5.1 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.
- 5.2 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. Future overview and scrutiny reviews will consider equality implications on a case-by-case basis.

6. Legal Implications

- 6.1 There are no specific legal implications.

7. Conclusion

- 7.1 Developing a work programme for the overview and scrutiny function is an essential stage in the scrutiny process. An effective overview and scrutiny work programme identifies the key topics to be considered over the coming months. In addition, it is suggested that a

well-developed programme ensures that the views of councillors, partners, the public, and external organisations are represented effectively in the process.

7.2 The Committee is requested to consider the work programme attached at Appendix 1 and determine its work plan.

8. Background papers

None

9. Appendices

1. Overview and scrutiny work programme
2. P.A.P.E.R. selection tool

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Overview & Scrutiny work programme, 2020-21

Overview and Scrutiny Committee Meetings
<p>20 October 2020</p> <ul style="list-style-type: none"> • COVID-19 response – update • Crematorium: post project review • Woodbridge Road Sportsground Pavilion Refurbishment: post project review • ICT Refresh Project – update • Spend on consultants and agency workers
<p>10 November 2020</p> <ul style="list-style-type: none"> • Lead Councillor Question Session – Councillor Julia McShane, Lead Councillor for Community • Evaluation of project Aspire • Operation of the Leisure Management contract, 2018-19 (tbc) • Use of the New Homes Bonus • Submission of a Garden Village bid for Wisley Airfield
<p>19 January 2021</p> <ul style="list-style-type: none"> • Lead Councillor Question Session – (Lead Councillor tbc) • Food Poverty – update • Traveller encampments / Traveller strategy & policy • Annual report and monitoring arrangements for operation of the G-Live contract, 2018-19 • Houses in Multiple Occupation • Future Guildford [update following implementation of Phase B]
<p>2 March 2021</p> <ul style="list-style-type: none"> • Lead Councillor Question Session – (Lead Councillor tbc)
<p>19 April 2021</p> <ul style="list-style-type: none"> • Lead Councillor Question Session (Lead Councillor tbc)

Currently unscheduled items

- Access to GP surgeries within the Borough
- Post COVID-19 Homelessness strategy, housing strategy/policies
- Spectrum 2.0
- Visitor and Tourism Strategy
- Impact of Brexit

Task and finish groups (on hold)

Title	Update
Social Housing – how to ensure truly affordable homes	–
Governance of Major Projects	–

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Overview and Scrutiny Committee

P.A.P.E.R. 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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