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Contact:

James Dearling

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12 October 2020

Dear Councillor,

Your attendance is requested at a meeting of the **OVERVIEW AND SCRUTINY COMMITTEE** to be held on **TUESDAY, 20 OCTOBER 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:

<b>Place-making</b>	Delivering the Guildford Borough Local Plan and providing the range of housing that people need, particularly affordable homes
	Making travel in Guildford and across the borough easier
	Regenerating and improving Guildford town centre and other urban areas
<b>Community</b>	Supporting older, more vulnerable and less advantaged people in our community
	Protecting our environment
	Enhancing sporting, cultural, community, and recreational facilities
<b>Innovation</b>	Encouraging sustainable and proportionate economic growth to help provide the prosperity and employment that people need
	Creating smart places infrastructure across Guildford
	Using innovation, technology and new ways of working to improve value for money and efficiency in Council services

### Values for our residents

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

## **A G E N D A**

### **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 15 September 2020.

**4      RESPONSE TO COVID 19 – 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      ICT REFRESH PROGRAMME UPDATE (Pages 13 - 22)**

**7      SPEND ON CONSULTANTS AND AGENCY WORKERS (Pages 23 - 30)**

**8      EXCLUSION OF PUBLIC**

During the debate on item 9, if Councillors wish to discuss the exempt information within the 'Not for Publication' Appendix 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      GUILDFORD SPORTSGROUND PAVILION REFURBISHMENT - AN ACCOUNT, THE ISSUES, AND THE LEARNING (Pages 31 - 64)**

- 10 **MATTERS OUTSTANDING FROM PREVIOUS MEETINGS** (Pages 65 - 66)
- 11 **OVERVIEW AND SCRUTINY WORK PROGRAMME** (Pages 67 - 74)  
To agree the draft Overview and Scrutiny work programme.

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

## OVERVIEW AND SCRUTINY COMMITTEE

15 September 2020

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

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

\*Present

Councillors Tim Anderson (Lead Councillor for Resources), Angela Gunning, Jan Harwood (Lead Councillor for Climate Change), Julia McShane (Lead Councillor for Community), John Redpath (Lead Councillor for Economy), Caroline Reeves (Leader of the Council and Lead Councillor for Housing and Development Control), and Catherine Young were also in attendance.

### **OS14 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

There were no apologies for absence.

### **OS15 LOCAL CODE OF CONDUCT AND DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS**

There were no declarations of Disclosable Pecuniary Interests.

### **OS16 MINUTES**

The minutes of the Overview and Scrutiny Committee meeting held on 7 July 2020 were agreed.

### **OS17 COVID-19 RESPONSE – UPDATE**

The Leader of the Council introduced the item. She indicated the importance of remaining attentive and the continuing communication of key messages during the current phase of the pandemic. The Leader of the Council advised that the Council was not involved in the COVID-19 local test sites. In addition, she indicated that a rethink of the Council's priorities would be required in light of the impact of COVID-19 on the organisation's finances and the Borough's residents.

The Managing Director gave a presentation updating the meeting on the Council's response to COVID-19. The Committee was advised of activities between April and July 2020, including food parcel deliveries, community helpline calls to vulnerable residents, meals on wheels, and prescription deliveries.

The Managing Director advised the meeting of the new rules on public gatherings and undertook to circulate details to Committee members.

The Managing Director stated that in Surrey the COVID-19 infection rate had increased to 16.1 per 100,000 and in Guildford the rate had increased to 10.7 per 100,000. He indicated that there had been 1,339 COVID-19 related deaths registered in Surrey as at 10 September 2020, of which 96 were in Guildford. He advised the meeting of the new rules on public

gatherings, the local COVID-19 testing arrangements, and the Surrey Local Outbreak Control Plan. In addition, the Managing Director indicated that the HIVE project had been re-opened to assist those in need of clothing and household goods.

The Managing Director indicated that service demand at the Council's offices was low and he suggested that the reception area would likely not re-open until the coronavirus alert level moved to 2. He stated that the current alert level was 3, showing the virus was in general circulation.

The Committee was informed that COVID-19 would affect Council income beyond the current financial year. The Managing Director confirmed that the Council would be submitting a claim under the local government income compensation scheme for lost sales, fees and charges.

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

In reply to a question, the Director of Resources advised the Committee of the timescale for submission and payment of claims made through the local government income compensation scheme for lost sales, fees and charges.

In response to a question, the Managing Director undertook to provide Councillors with written details of the Council's administration of Surrey County Council grants for the voluntary sector for people in need of food during the winter or second wave of COVID-19.

In answer to a question, the Corporate Public Health Co-ordinator advised that there were plans to improve the COVID-19 testing capability and that local availability should increase within two weeks. In relation to a question about the robustness of the infection rate given the difficulties of obtaining tests, the Corporate Public Health Co-ordinator indicated her confidence that people in Surrey with symptoms were able to get tested.

In reply to a Committee member's question, the Managing Director assured the Committee that Council staff had correct PPE.

#### **OS18 LEAD COUNCILLOR QUESTION SESSION**

The Chairman welcomed Councillor Jan Harwood, the Lead Councillor for Climate Change. The Chairman advised that several question areas had been identified and shared for Councillor Harwood in advance of the meeting, too many for one session. The Chairman indicated that the Lead Councillor had agreed to attend the Committee's October meeting to address climate change questions. He advised the meeting that the focus of the current session would be planning policy and the Planning for the Future White Paper.

The following information and responses were provided by the Lead Councillor for Climate Change:

- In response to a question asking for identification of the most significant impacts of the *Planning for the Future* White Paper and the *Changes to the Current Planning System* consultations, the Lead Councillor for Climate Change indicated that much of the detail for implementing the proposals was absent. He advised the meeting of the difficulty of gauging the impact of imprecise proposals. The Lead Councillor for Climate Change indicated that the proposed reform and simplification of planning policy would have more impact in areas without an adopted Local Plan than in others, such as Guildford, which had one in place.

- The Lead Councillor for Climate Change indicated that the Council's submission to the *Planning for the Future* White Paper consultation would be the response agreed by the Executive. He advised that the final version of the response could be shared with all councillors ahead of submission and noted that the government's consultation process was open to everyone.
- The Lead Councillor for Climate Change advised that it was unlikely that the Local Plan would be reviewed in response to the *Planning for the Future* White Paper and the *Changes to the Current Planning System* proposals. He advised that a Local Plan had to be reviewed every five years. The Lead Councillor for Climate Change indicated that the proposals would make the housing target within Local Plans binding. He confirmed that in the absence of detailed information from the government about the proposed planning policy changes the Council's work on its development management policies would continue.
- In reply to a question about protecting Guildford's environment given the proposed expansion of permitted development, the Lead Councillor for Climate Change indicated the probable importance of the zoning planning system proposed by the government. In addition, the Lead Councillor for Climate Change indicated that the implications of the proposed zoning system for protecting biodiversity were unclear.
- In response to a question about resourcing the development of mandatory design codes and master plans, the Lead Councillor for Climate Change advised as to the difficulty of planning and assigning resources until the nature of the change was clear. A member of the Committee suggested the merits of reacting quickly and securing suitable resources before other planning authorities did so.
- With reference to planning policy changes proposed by the government, a member of the Committee asked if existing character studies for Guildford were out of date and if so when they might be replaced. In reply, the Lead Councillor for Climate Change advised the meeting that existing development management policies had a degree of flexibility about local character considerations and that such matters could be subjective. He indicated the importance of future Council resources in this policy area.
- In reply to a question, the Lead Councillor for Climate Change informed the Committee that the Council would not waive Section 106 or Community Infrastructure Levy (CIL) payments on any strategic sites. The Lead Councillor for Climate Change undertook to confirm that no such payments had been waived in relation to the development at Manor Farm.
- In response to questions about the provision and delivery of windfall development across the Borough, the Lead Councillor for Climate Change indicated that the Council did not record the number of windfall applications. He offered to circulate details of the windfall permissions granted for previous years and indicated that the number for 2019-20 was approximately 74. He advised that the numbers of windfall permissions granted broken down by ward were not readily accessible but that such information would be available for future permissions. He cautioned against year on year comparisons of windfall development and suggested any deviations in windfall projections from those utilised in the Local Plan were minimal.
- In reply to a suggestion from a Councillor that information collated within the Annual Monitoring Report should be published quarterly, the Lead Councillor for Climate Change indicated that such a change would encourage short-termism.

- In response to a request from a Councillor for the establishment of a task group to investigate reasons for delays or non-development of approved planning applications, the Lead Councillor for Climate Change indicated this would duplicate the role of the Housing Delivery Board.

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

#### **OS19 SAFER GUILDFORD PARTNERSHIP ANNUAL REPORT**

The Chairman welcomed the Lead Councillor for Community, Inspector Andy Hill, and the Council's Senior Policy Officer (Strategy and Communications), and advised that the Managing Director was attending as Chair of the Safer Guildford Partnership (SGP).

The Lead Councillor for Community introduced the item. She praised the work of the SGP over the past year and noted the impact and challenge of COVID-19 on all partners. The Lead Councillor for Community advised the meeting of the changing nature of crime, anti-social behaviour, and community safety issues over the past five months, resulting in an increase in Community Triggers. She indicated that the SGP had refocused and streamlined its priorities. The Committee was advised of the continuing importance of effective communication by the SGP, including with ward councillors.

The Council's Senior Policy Officer (Strategy and Communications) gave a presentation summarising the content of the report submitted to the Committee. She confirmed that the purpose of the report was to provide the Committee with an opportunity to examine the activities of the Partnership during 2019-20 and to comment on the appropriateness of the draft priorities for 2020-21. In addition, the Committee was advised that the draft priorities for 2020-21 had been discussed by the SGP Executive the week previously and the wording changed from the ones within the report submitted to the Committee:

- Recovery
- Domestic abuse
- Vulnerable people
- Public Spaces Protection Orders
- Junior Citizens Scheme review
- Communications
- SGP 3-year plan, 2021-24

The Senior Policy Officer (Strategy and Communications) indicated that the action plan for delivery of SGP priorities would reflect only those activities that were above and beyond the remit or resources of individual partners.

In reply to a question, the Committee was advised that the ASB interventions in Ash listed within section 6.4 of the report had been the result of a referral to the SGP's Joint Action Group (JAG) from Ash Parish Council. The Senior Policy Officer (Strategy and Communications) She indicated that the expectation was for information about such actions to be circulated by representatives attending the JAG. The Managing Director advised the meeting that communication with ward members had been identified within the Council as an area for improvement.

The meeting was informed that the Ash Safer Partnership was a community safety initiative involving the Joint Enforcement Team and Ash Parish Council.



Responding to a question about the lack of expected and achieved outcomes within the report and the difficulty of evaluating the effectiveness of SGP actions, the Senior Policy Officer (Strategy and Communications) acknowledged the difficulties of evidencing the impacts and outcomes of the SGP. She undertook to provide the Committee with more performance monitoring information in future.

The Senior Policy Officer (Strategy and Communications) advised the Committee that issues could be referred to the SGP through [communitysafety@guildford.gov.uk](mailto:communitysafety@guildford.gov.uk) and that further details of the process could be circulated to all Councillors. The Lead Councillor for Community suggested members visit the Surrey Police website to obtain further information, including details of the Safer Neighbourhood Teams. She advised that details of the SGP were available on the Council's website.

The Committee was advised that the Junior Citizens scheme was under review in terms of value for money, content, target audience, and method of delivery.

Inspector Hill confirmed that County Lines remained an issue across the Borough and the county. He indicated that Guildford town was a focus for efforts by the police.

RESOLVED: That, subject to the comments and actions agreed above, the activities and achievements of the Safer Guildford Partnership for 2019-20 be welcomed and its priorities for 2020-21 as presented to the Committee be supported.

## **OS20 AIR QUALITY STRATEGY ACTION PLAN UPDATE**

The Regulatory Services Manager introduced the item, summarising the report submitted to the Committee.

During the ensuing discussion a number of points and clarifications were made:

The Compton Air Quality Management Area, referred to in section 8 of the appendix to the report, would be monitored but it was too soon to establish the impact of banning the right turn into Down Lane. The Regulatory Services Manager undertook to progress the issue of the no-right turn signage being obscured.

A member of the Committee suggested a park and ride for Shalford would help tackle air quality in that locality. The Regulatory Services Manager indicated that such a proposal had been explored previously and the rationale for it had been judged insufficient.

The Committee asked the Regulatory Services Manager for details of the decline in levels of public transport use during COVID-19 and how its use might be encouraged and car-use discouraged. In response, the Committee was advised that confidence in the COVID measures on buses and trains would grow and changes in working from home might maintain some of the recent improvements in air quality seen during COVID.

The Regulatory Services Manager undertook to investigate the availability of data for public transport usage during the pandemic.

The Committee was advised that the £30,000 grant awarded to the Council by Highways England had been used to employ consultants to look at potential measures to improve emissions along the A3. The Regulatory Services Manager confirmed that pre-COVID-19 data was being used to inform this work.

With reference to breaches of air quality standards along the A3, the Committee was advised that Highways England would be legally required to implement measures to achieve compliance by 2021.

The Committee was advised that it was hoped the anti-vehicle idling campaign would be implemented by its target date of 2021.

RESOLVED: That the progress achieved implementing the Air Quality Strategy be noted.

#### **OS21 PROPERTY INVESTMENT STRATEGY**

The Lead Councillor for Resources introduced the item. He informed the meeting that at the end of 2019 the Council's budget projections showed a budget shortfall of £10.4m over the three-year period till 2022-23. The meeting was advised that in February 2020 the Council approved the creation of a £40m Property Acquisition Fund to help plug the budget gap. The Lead Councillor for Resources indicated that the proposed Property Investment Strategy set out investment criteria and the process for acquiring, selling, and managing properties to help reduce the Council's budget gap.

The Committee members asked if when deciding which properties to invest in the usage of the property was taken into account. The meeting was advised that the strategy aimed to provide a balanced portfolio and ensure the Council was protected from under-performance in a single sector. The Interim Deputy Head of Asset Management advocated a flexible strategy rather than one which prescribed the amount of each sector within the portfolio. The meeting was informed of the disadvantages of setting a weighting or criteria for a specific property sector within a long-term strategy.

In reply to questions, the meeting was advised that a Strategic and Operational Property Acquisition Strategy would be brought forward to address concerns other than investment return (such as town centre regeneration, development sites, and affordable housing sites).

The Chairman reminded the meeting that on 22 September 2020 the Executive would consider approving the Property Investment Strategy, the transfer of £20m from the provisional budget to the approved budget, and delegation of authority for property acquisitions within the parameters of the Strategy.

RESOLVED: That the recommendations to the Executive as laid out within the report submitted to the Committee be noted.

#### **OS22 MATTERS OUTSTANDING FROM PREVIOUS MEETINGS**

The Chairman advised the Committee of three matters outstanding from previous meetings: information relating to Future Guildford; traveller strategy and policy; and the Walnut Bridge project.

With reference to the information provided by the Chief Internal Auditor and Ignite Consulting and circulated to Councillors, the Chairman informed the meeting that the view from Committee members was that the highlight reports and business process information was a partial response. The Chairman indicated that a clearer explanation accompanying more targeted information would have been more easily understood. Committee members endorsed the Chairman's observation. In response, the Managing Director advised that a covering report would be prepared by the Chief Internal Auditor and provided to Committee members.

The Managing Director confirmed there was nothing to add at this time to the written update on the traveller strategy and policy provided to the Committee.

The Committee agreed the Chairman and Vice-Chairman consider the issue as to whether the Walnut Bridge Project remain as an outstanding matter or be moved to the Committee's work plan.

**OS23 OVERVIEW AND SCRUTINY WORK PROGRAMME**

The Chairman introduced the item and advised that the October question session with the Lead Councillor for Climate Change would be added to the work programme.

The Chairman advised the meeting that a proposal to look at Mental Health Provision in the Borough had been considered at a work plan meeting the previous week. He indicated that it was proposed in the first instance to evaluate the outcomes of an overview and scrutiny mental health task group at Surrey County Council (SCC). He advised that the task group was due to present its report and recommendations on 15 October 2020. In addition, the Chairman thanked Councillor Angela Goodwin, a member of the SCC task group, for providing an update on this. Councillor Goodwin confirmed that the report would contain numerous recommendations relating to mental health provision across the county.

The Chairman proposed, and the Committee members agreed, that following the publication of the SCC study the Committee would review the proposal for an investigation of mental health provision in the Borough further with a view to establishing a task group by the end of 2020.

The meeting finished at 9.45 pm

Signed .....

Date .....

Chairman

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Overview and Scrutiny Committee Report

Ward(s) affected: All

Report of Director of Resources

Author: James Beach, Lead Specialist for ICT

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Lead Councillor responsible: Joss Bigmore

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Date: 20 October 2020

## ICT Refresh Programme Update

### Executive Summary

The ICT Refresh Programme was discussed at Overview and Scrutiny Committee in March 2020. At the time, the programme was migrating Officers to Windows 10 devices, but was awaiting the recruitment of a new Lead Specialist for ICT, to drive the server, network and storage part of this programme forward. The committee asked for an update to be provided to them six months later, or when the programme completed, whichever was the sooner. This report is intended to provide that update.

Recruitment of the new Lead Specialist for ICT took longer than expected, but completed in June, with James Beach joining the Council on 22nd June. Since then, ICT has reviewed the current position and identified actions to progress the refresh. Bearing in mind the priority of the Future Guildford programme delivery, the refresh works will largely use existing Business System providers, to complete migrations.

The ICT Refresh Programme is effectively made up of two distinct projects, the end-user device refresh, and the infrastructure (server, network and storage) refresh.

- The end-user device refresh has been largely completed. Only the Guildford Crematorium and Council meeting room devices remain to be migrated. Regular scanning of the Council network is being carried out to mitigate the risk of unidentified legacy hardware remaining in-use. Officers expect to complete this end-user device refresh by the end of 2020.
- The infrastructure refresh (server, network and storage) is outstanding, and requires the migration of approximately 80% of the Council's systems. This is a significant ICT undertaking, particularly in-parallel to the Future Guildford programme. Two servers run the outdated Windows Server 2003 operating system. Work is underway to migrate these services as a priority. It is expected that both servers will be powered down before the end of November 2020. Whilst resource contention with the Future Guildford programme makes it difficult to accurately predict a timeline for the remaining servers, officers estimate that all outdated servers will be powered down

before the end of June 2021.

**Recommendation to Committee**

That the Committee notes the progress of the ICT Refresh Programme as set out in this report, and comments as it feels necessary.

Reason(s) for Recommendation:

To ensure the ICT Refresh Programme is being implemented.

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

No

**1. Purpose of Report**

- 1.1 The ICT Refresh Programme was discussed at Overview and Scrutiny Committee in March 2020. At the time, the programme was migrating officers to Windows 10 devices, but was awaiting the recruitment of a new Lead Specialist for ICT, to drive the server/network part of this programme forward. The committee asked for an update to be provided to them six months later, or when the programme completed, whichever was the sooner. This report is intended to provide that update.

**2. Strategic Priorities**

- 2.1 The ICT strategy and a sustainable modern ICT infrastructure underpins all the Council's strategic priorities by enabling the Council to deliver services for the Borough, residents, and visitors. The ability to deliver Council services is dependent on the delivery of stable and secure ICT services. Migrating to more up to date hardware, and upgrading legacy operating systems will mitigate resilience and security risks, and contribute to the strategic priority of 'Using innovation, technology and new ways of working to improve value for money and efficiency in Council services'.

**3. Background**

- 3.1 The ICT Refresh Programme is effectively made up of two distinct projects, the end-user device refresh, and the infrastructure (server, network and storage) refresh. This report separates these two projects for clarity.

**End-user device refresh project**

- 3.2 This project targeted Council owned end-user devices, 'such as desktop computers, laptops, thin clients, tablets and mobile phones'. This included the Council owned end-user devices used by Councillors, as well as those used by officers. Mobile phones were specifically excluded from the scope of this

programme, as officers considered them to be up to date at the time of project initiation.

- 3.3 Under this project, the Council decided to decommission all thin client devices, moving primarily to laptops, with a small level of re-use of existing desktop computers.
- 3.4 It should be noted that the Coronavirus pandemic has meant that most desktop users have now been issued with older laptops as a fast response, to support officers being able to work from home. To better enable flexible working in the long term, the Council is now pursuing a laptop-first approach, purchasing laptops as our end-user devices reach the end of their supported lifecycle, unless a specific need exists for a desktop PC (e.g., a shared workstation need).

*Windows 10 rollout to Officer devices*

- 3.5 Most officers were migrated to Windows 10 devices prior to the Coronavirus lockdown. Only six individuals at Guildford Crematorium have yet to be migrated at the time of this update. The business system used by Guildford Crematorium requires an upgrade to make it compatible with Windows 10, and this is currently being considered together with a replacement system option. It is expected that officers will have been migrated by the end of 2020.

*Meeting room PCs*

- 3.6 There are currently PCs in many meeting rooms, to support presentation and conferencing needs. These run the outdated Windows 7 operating system. Windows 7 support ended 14th January 2020. With most officers now using laptops that can be connected to screens in meeting rooms as needed, these meeting room PCs are being considered for removal. It is expected that these devices will be decommissioned before the end of October 2020.

- 3.7 It is the view of officers that the only activities remaining under the end-user device refresh project, are as defined in paragraphs 3.5 and 3.6.

**Infrastructure (server, storage and network) refresh project**

- 3.8 This project was to target 'networks, routers, switches, servers, storage and associated operating systems'.
- 3.9 Most of the Council's business systems run on outdated hardware and operating systems, which pose both a security and resilience risk to the organisation. The Council purchased new server and network infrastructure hardware in 2018, which runs alongside the outdated hardware. This project was setup to migrate systems from the outdated hardware, either to Software-as-a-Service (SaaS) solutions, or to the newer on-premise hardware.
- 3.10 Whilst the migration of business systems is usually an ideal time to review the choice of business system, including hosting offering, officers consider the delays to migrations that would be created by such reviews to outweigh the benefits. This is due to the security and resilience risks of the outdated hardware.
- 3.11 Where Council systems will be migrated to the newer on-premise hardware, they will be reinstalled rather than copied. This will ensure that the latest Council

security standards are applied to the servers, and that the server operating system is replaced with the latest supported version.

*Out of Support Operating Systems*

- 3.12 The old infrastructure runs a mixture of Windows Server 2003, Windows Server 2008 R2, and a handful of Linux servers.

*Windows Server 2003*

- 3.13 Windows Server 2003 support ended on 14th July 2015. This means no patches have been released since this point, except for an emergency patch released by Microsoft in May 2017 in response to the worldwide spread of the WannaCry ransomware.
- 3.14 At the time of writing, the Council has two servers remaining that are running Windows Server 2003. Work is underway to migrate these services as a priority. It is expected that both servers will be powered down before the end of November 2020.

*Windows Server 2008 R2*

- 3.15 Windows Server 2008 R2 support ended 14th January 2020. This means no patches have been available to the Council since this point. At the time of writing, the Council is negotiating the cost for Microsoft Extended Support for these servers, which will provide the Council with access to Microsoft patches until the end of the year, when a further Microsoft Extended Support agreement would be possible to cover any remaining servers until the end of 2021.
- 3.16 As mentioned in paragraph 3.10, server operating systems are being replaced as part of migrating Council systems from the old server infrastructure.
- 3.17 Whilst the resource contention (see section 8. Human Resource Implications) makes it difficult to accurately predict a timeline, officers estimate all Windows Server 2008 R2 servers will be powered down before the end of June 2021.

*Linux*

- 3.18 The Council old infrastructure has five servers that run a variety of Linux versions. Two of these are maintained by a third party as part of a support arrangement. The remaining three are in-need of an operating system upgrade. These systems will be migrated or decommissioned as part of this project. Officers estimate these servers will be powered down before the end of June 2021.

**Out of scope**

- 3.19 Mobile phones - As referenced in section 3.2, mobile phones were specifically excluded from the scope of this programme, as officers considered them to be up to date at the time of project initiation.
- 3.20 Old Millmead House - Old Millmead House has been considered out of scope for this programme, as officers expected that Council officers would move out of the building into New Millmead. Given the outdated nature of the infrastructure in the building, should expectations change, a refresh of the hardware is likely to take



place outside this programme of works.

- 3.21 Appliances - The infrastructure part of this programme has targeted systems running on the Council's server. Dedicated 'appliances' are used for some specialist services (e.g. CCTV). These appliances were not scoped into this programme of works and will be reviewed as the programme identifies them. It is possible that these will be added to the scope, dependant on the age and suitability of the appliances.
- 3.22 New infrastructure improvements – This programme seeks to move services away from the outdated ICT infrastructure to a mixture of Software-as-a-Service, and the existing newer ICT infrastructure. Any improvements to the existing newer ICT infrastructure are assumed to take place outside this programme of works.

#### **Lifecycle modelling**

- 3.23 There is still significant work to complete the refresh of the ICT estate. This programme has been necessary due to the investment approach in ICT. It is the opinion of the new Lead Specialist for ICT that this approach is outdated and creates large financial and resource demand in waves (often every five years). It also leaves the organization open to security and resilience risks between waves.
- 3.24 As this programme completes, the new Lead Specialist for ICT intends to move towards a lifecycle-based approach for both end-user devices, and infrastructure (server, network and storage) devices. This means hardware will be phased out when it reaches a certain age, based on manufacturer and industry standard recommendations of when the risk of failure is elevated. This is often around three to four years for laptops, and four to five years for servers. This approach supports better security and resilience, as well as making ICT spend more predictable.

### **4. Consultations**

- 4.1 The Lead Councillor for Governance has been consulted about this report.
- 4.2 Input from Service Leaders within the Council, amongst other factors, is being used to influence the order of Business System migrations.

### **5. Key Risks**

- 5.1 *Failure to retain Public Sector Network (PSN) compliance* – The use of unsupported operating systems without an extended support agreement to cover these poses a risk to retaining PSN compliance. The Council's PSN compliance assessment is due in December 2020. The Council's use of Windows Server 2003 and Windows 7 pose a risk to such compliance. Officer conversations with our assessor in the run-up to the assessment lead us to believe that Windows 2003 is a high risk to this. As stated in paragraph 3.14, the decommissioning of

- these servers is being prioritised, and officers expect they will be powered down before the end of November 2020, prior to the PSN compliance assessment.
- 5.2 *A security breach occurs, caused by the continued use of legacy software* – The risk of a security breach can never be fully mitigated, however the continued use of out-of-support operating systems gives the Council an unnecessarily elevated risk profile. As detailed in paragraphs 3.5, 3.6 and 3.14, plans are currently in-place to decommission all out-of-support operating systems. Officers expect these operating systems to be decommissioned before the end of 2020.
- 5.3 *Lack of resource availability (ICT or business) delays the programme timeline* - The large scope of the business system migration works means that engagement will be needed with officers from most parts of the Council, to agree the approach and timing of migrations that affect their team. Other Council priorities including Future Guildford may distract key stakeholders, and delay migrations. Early engagement with Service Leaders will be used to time migrations where possible.
- 5.4 *Unknown legacy end-user devices are not identified and therefore upgraded* – Regular network scanning is taking place to identify any legacy devices connecting to the Council network, to mitigate this risk. There will also be an opportunity to identify any devices that have been missed, as legacy devices are disposed of, and older devices still in the organisation become more apparent in the Council's asset register.
- 5.5 *Unknown legacy infrastructure hardware is not identified and therefore upgraded* – the core ICT server, network and storage devices are installed in dedicated server/communications rooms in Millmead. This means a physical inspection of these rooms will help identify the majority of such hardware. Remaining infrastructure hardware is likely to be dedicated appliances, and will look to be identified by network scanning prior to the decommission of the old network infrastructure.
- 5.6 *Insufficient funding for migration/decommission activities* - Budgetary and planning estimates have been used to forecast the cost of the first phase of business system migrations. A similar process will be followed for the second phase. There remains a risk that migration costs are identified that exceed the funding available from the ICT renewals hardware/software budget.
- 5.7 *A major outage occurs, caused by the continued use of outdated hardware/operating systems* – Outdated hardware, as well as out-of-support and extended support operating systems all pose increased resilience risks. As detailed in paragraph 3.14, plans are currently in-place to decommission all out-of-support operating systems. Officers expect these operating systems to be decommissioned before the end of 2020. This risk will be mitigated for each system as it is migrated off the outdated hardware, the criticality of each system will therefore be one of the factors in determining the order systems are migrated.

## **6. Financial Implications**

- 6.1 Spend up to March 2020 on the project was £1.695million against a revised budget of £1.485million. As reported to O&S committee in March this represented an overspend against the revised budget of around £210,000. The overspend predominantly related to increased costs of the external technical contract and a higher cost acquiring the end user devices.
- 6.2 In September 2020 a virement of £55,750 was approved from the ICT renewals hardware/software budget to fund the first phase of business system migrations from legacy infrastructure. This includes the migration or decommissioning of twenty-three systems. Three systems are planned to migrate to software-as-a-service offerings, with ongoing annual charges of approximately £17,000. The on-going revenue charges will be funded through a permanent virement from the corporate inflation budget to the ICT licence fees budget. Expenditure incurred in 2020 up to period 4, in relation to the ICT refresh project has been £29,000.
- 6.3 A second phase of business system migrations will be required to complete the migrations and enable the decommission of the outdated infrastructure hardware. Eleven systems have been identified at this point that will form this phase. Options for the migrations will be considered in-parallel with the first phase delivery. Officers expect to use the ICT renewals hardware/software budget to fund this future stage, once options have been chosen and pricing negotiated.

## **7. Legal Implications**

- 7.1 Where third parties are used for the delivery of migrations, or systems are replaced as part of migrations (e.g. moving to a software-as-a-service offering), as well as purchasing of new equipment and any other goods or services, the Public Contract Regulation 2015 and the Council's internal Procurement Procedure Rules must be followed. In addition, the Council has a duty to ensure that 'best value' is being achieved when purchasing goods and services.
- 7.2 The Council's Procurement Procedure Rules require that the Council's own terms and conditions are used to contract with contractors where a framework agreement is not being used. The agreement of the Lead Legal Specialist should be obtained before contracting on the contractor's terms and conditions.

## **8. Human Resource Implications**

- 8.1 The remaining infrastructure activities in this programme have a significant resource implication for the ICT team. This includes work for the identification of all legacy systems, review of migration options, design and implementation of target architecture, and the engagement & management of implementation partners.
- 8.2 There is also a contention for specific ICT resources, with the Future Guildford programme. To minimise the potential for impact on the Future Guildford Programme, the majority of migrations will be conducted by Council system suppliers. The timing will also remain flexible, such that migrations are engaged

when officer capacity exists, to avoid resource contention with the Future Guildford Programme.

**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 migration of officers from iGel thin client devices, and the decommissioning of older server, network and storage devices will generate a quantity of unused devices. Some devices may be able to be repurposed within the Council, but the majority will effectively be considered waste by the Council. Whilst the exact plan for the disposal of these devices has not been formalised, officers expect to consider options to sell or donate devices in bulk to another authority, local school/college, or an authorised WEEE compliant recycling organisation. For example, the Council has previously sold unused iGel thin client devices to Waverley Borough Council.
- 10.2 From an energy use perspective, as both old and new server, network and storage environments are used today, an energy use reduction is expected by officers as a result of the final stage of this ICT Refresh Programme. This reduction has not been measured, as this is a positive consequence of these necessary works.

**11. Suggested issues for overview and scrutiny**

- 11.1 Overview and Scrutiny committee are asked to note this update report and ask questions and comment as necessary.

**12. Summary of Options**

- 12.1 Not applicable. This report is purely an update.

**13. Conclusion**

- 13.1 The ICT Refresh Programme has nearly completed the planned end-user device replacement, and steps are underway to decommission the last remaining Windows 7 devices from the organisation. Following this programme, expected device lifecycles will be set in-line with common industry standards, and used to budget for the ongoing replacement of end-user device replacements.
- 13.2 The majority of Council systems are currently running on outdated ICT hardware. A first phase of migrations has been planned, and will be performed alongside the Future Guildford programme, subject to ICT and business resource availability. Servers running the out-of-support Windows Server 2003 operating system are being prioritised, and officers expect they will be powered down before the end of November 2020. Migrations will continue under the programme

until all outdated servers, network and storage devices considered in-scope of this programme are powered off, and where appropriate disposed of.

**14. Background Papers**

Executive, 28 November 2017 (Agenda item 9): ICT INFRASTRUCTURE IMPROVEMENTS: APPROVAL TO SPEND CAPITAL FUNDING

<http://www2.guildford.gov.uk/councilmeetings/documents/g608/Public%20reports%20pack%2028th-Nov-2017%2019.00%20Executive.pdf?T=10>

Overview and Scrutiny Committee, 3 March 2020 (Agenda item 5: ICT Refresh Project Review)

<http://www2.guildford.gov.uk/councilmeetings/documents/g901/Public%20reports%20pack%2003rd-Mar-2020%2019.00%20Overview%20and%20Scrutiny%20Committee.pdf?T=10>

**15. Appendices**

None

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Report to Overview and Scrutiny Committee

Ward(s) affected: All wards

Report of Director of Resources

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Date: 20 October 2020

## **Spend on Consultants and Agency Workers**

### **Executive Summary**

This report outlines the extent, nature, and spend on Consultants and Agency workers within the Council over the last five years and notes some key findings.

Over the last five years the Council has spent a combined total of £34.69 million on Agency Workers and Consultants across revenue and capital.

Of that spend, £24.5 million was on Consultants and £11.97 million was on Agency Workers.

### **Recommendation to Committee**

To note the key findings and options that the Overview and Scrutiny Committee can ask CMT and the Executive to consider.

### **Reason for Recommendation:**

It is recommended for the Overview and Scrutiny Committee ask CMT and the Executive to consider the options outlined in order to better control costs and provide a more robust governance approach to this spend area.

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

No

## **1. Purpose of Report**

- 1.1 Overview and Scrutiny Committee have requested to understand the extent, nature, and spend on Consultants and Agency Workers over the last five years.

## 2. Strategic Priorities

- 2.1 Consultants and Agency staff comprise key resource to deliver projects and programmes across the organisation, supporting all the Councils Strategic Framework; placemaking, community and innovation. Both consultants and agency staff are brought where there is a lack of capacity (resource gap) or capability (skills gap).
- 2.2 Consultants in the Corporate Programmes work area in particular are delivering placemaking objectives.

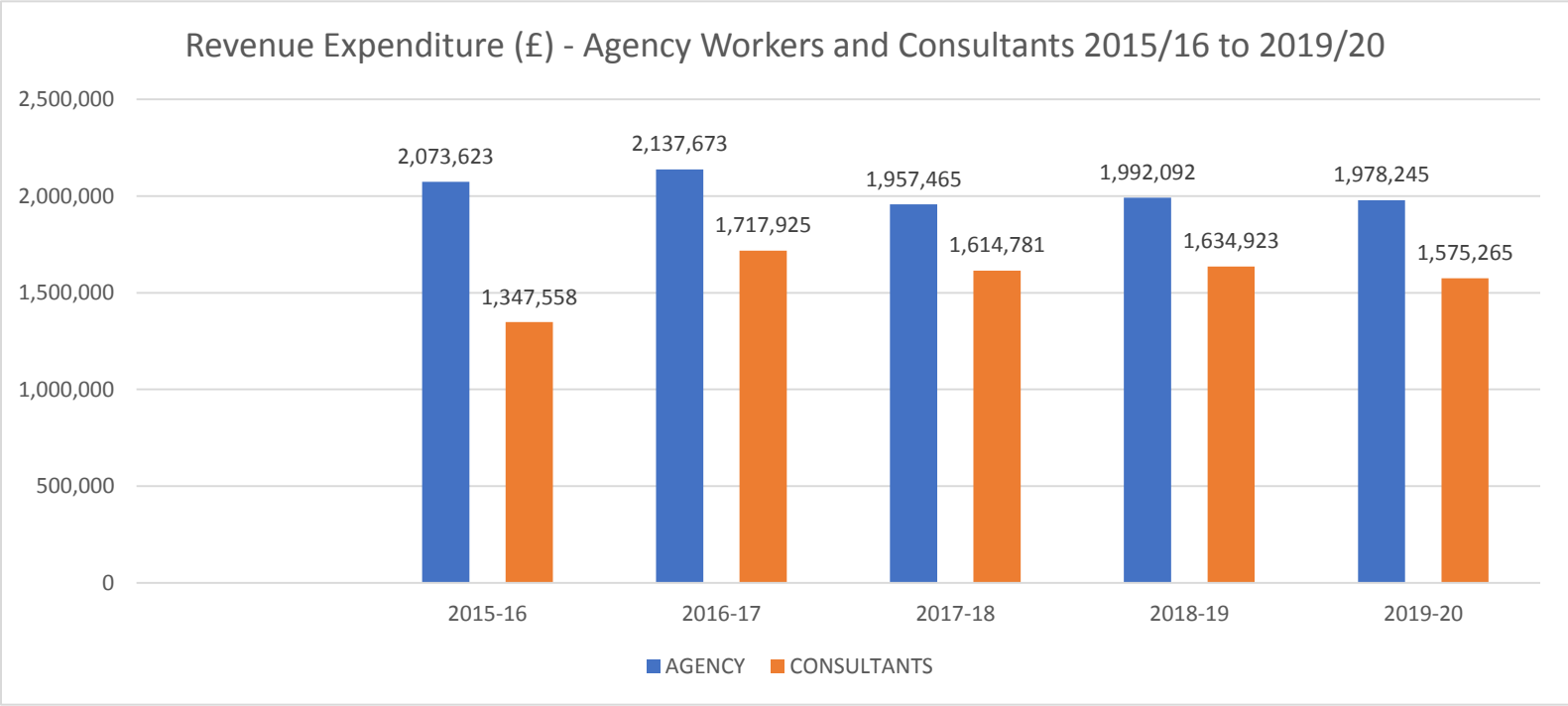
## 3. Background

- 3.1 For the purposes of this report, Consultants have been defined as 'engaged by the Council to deliver a specific piece of work'. Agency workers have been defined as 'working to cover a substantive post or ongoing post within the organisation'.
- 3.2 **Consultants** are generally engaged on an ad-hoc basis across the organisation without a formal governance process in place and/or a Procurement process. Consultants are engaged for one off pieces of work and to deliver large scale capital projects on an on-going basis. There can be a lack of knowledge transfer occurring when consultants working on major schemes within the Council move on to another assignment outside the organisation.
- 3.3 **Agency Workers** There is currently a contract in place with Comensura for the provision of agency workers. This has been in place for the five-year period that this spend report relates to. The contract was re-procured in late 2019 via the ESPO Framework MSTAR 3 so that the Council can continue to engage Comensura for the provision of agency workers.
- 3.4 Part of the re-Tender review conducted by Procurement identified that there is an issue with off contract spend (i.e. spend not via the Comensura contract) across the organisation where Service Managers are going off contract to obtain the workers they require. This is sometimes due to the inability to source quality professional service staff through the Comensura agreement but not always. There has been a pattern of engaging other recruitment agencies in the absence of ascertaining whether the main contract can supply the worker in question. Going off contract in this nature can expose the Council to inflated margins and risk where no Terms and Conditions are in place.

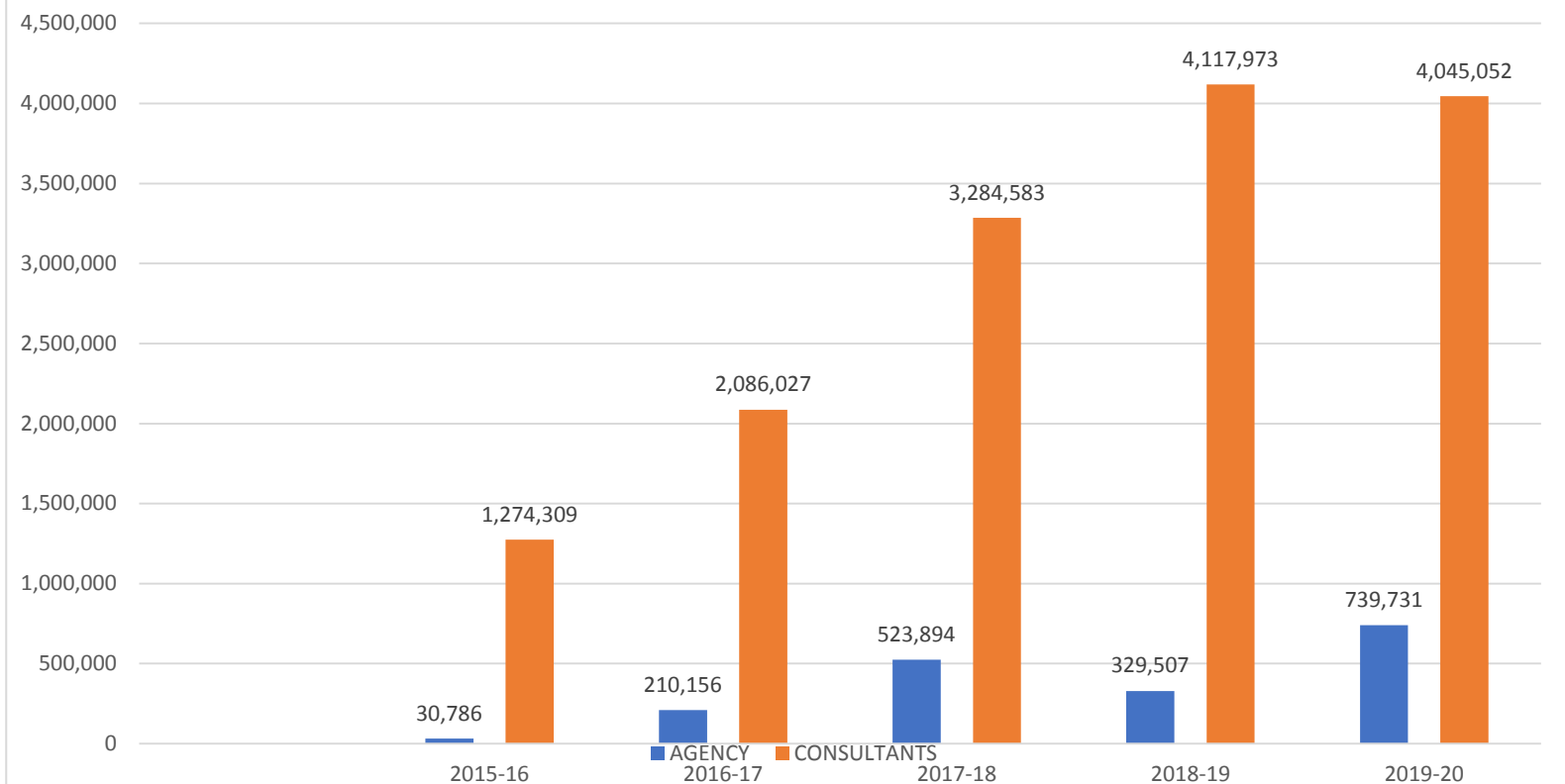
## 4. Spend on Consultants and Agency Workers

- 4.1 Over the last five years the Council has spent a combined total of £34.69 million on Agency Workers and Consultants across revenue and capital.





# Capital Expenditure (£) - Agency Workers and Consultants 2015/16 to 2019/20



- 4.2 Of that spend, £11,973,172 was on Agency Workers and £24,547,053 was on Consultants.
- 4.3 The capital spend on Agency Workers has increased over the last five years but is much smaller, totalling £1,834,074.
- 4.4 As referenced in point 3.4 there is a significant level of off contract spend, as much as 50% where the Temporary Staffing contract with Comensura is not utilised for agency workers. This is partly due to the inability of Comensura to be able to source quality professional service staff. There may be a continued need for additional agencies to be on formal contracts for those areas where suitable staff cannot be obtained, however tighter governance would be beneficial in order to maintain value for money and protect the Council by way of formal Terms and Conditions in place, in the event that poor advice is given.
- 4.5 **Consultants:** Revenue expenditure on Consultants has been consistent over the last five years totalling £7.89 million, but the capital spend has been much higher, nearly twice as much at £14.82 million. The trend of increasing capital spend seen with Agency Workers can also be seen with Consultants, but is much more significant given the fact that capital expenditure makes up a much higher proportion of Consultant spend overall.

- 4.6 Over the last five years the main areas for Consultants (advice under the revenue budget) are:

Infrastructure Management (Corporate Programmes):	£2.247 million
Policy and Planning:	£1.23 million
Internal Audit/Future Guildford:	£1.23 million

- 4.7 After these three service areas, the spend figures drop off significantly.
- 4.8 In terms of capital expenditure on consultants there are 171 unique cost centres used. The ones that stand out in terms of high spend are SARP (now Weyside Urban Village), Walnut Tree Bridge, Ash Road Bridge, ICT Infrastructure Improvement and the Crematorium.
- 4.9 It should be noted that the Council has undertaken some extraordinary projects which are captured within this spend such as Future Guildford, Local Plan High Court Challenge, and Weyside Urban Village. These projects all use consultants heavily however they have followed the necessary Governance including a robust Business Case and each have been budgeted for via a Capital bid.
- 4.10 There are risks around where consultants are engaged and provide bad advice when they haven't been procured correctly and lack Terms and Conditions. The Professional indemnity and insurance standard clauses in a GBC consultancy contract are required to protect the Council in the event that the consultant is negligent, this is particularly important where their advice and designs are part of a high value project.
- 4.11 **Agency Workers:** Spend on Agency Workers has been predominantly revenue expenditure and has been consistent over last five years totalling £10.13 million, amounting to approximately £2 million per annum. Of this £2 million per annum average spend, the top five spend areas over the five year period are listed below. It should be noted that the top expenditure, £3.66 million (over five years) is to staff some of the Councils front line services: fleet and waste management.

Fleet and Waste Management	£3.66 million
Building Control Management	£0.71 million
Infrastructure Management	£0.67 million
Environmental Control, Food/safety	£0.64 million
Housing Benefits Management	£0.63 million

## 5. Options that Overview and Scrutiny Committee can ask CMT and the Executive to consider

- 5.1 There are several options which could be considered which would enable better control of consultant and Agency worker spend;

- 5.2 **Consultants:** Look to bring opportunities where possible in-house. There is a historic practice of engaging consultants on occasion to deliver work which could be conducted in-house within existing job roles.
- 5.3 If consultants are still required there is an opportunity for better cost control. In this regard, the Council is currently implementing new Programme and Project Governance arrangements, which will involve all new projects having a controlled start through a mandate process, a common lifecycle aligned to robust business case development and approvals through central governance gates. This will introduce a number of benefits including a common understanding of the problem the Council are trying to solve by starting a project and a robust evaluation of options for solving the problem.
- 5.4 The main cause of project over-runs and delay, historically, has been the lack of common understanding of what projects are trying to deliver, lack of clear strategic direction or consensus which has inflated project costs, including those of the consultants trying to deliver. The new mandate and business case templates add more rigour to the options evaluation, and both include cost breakdowns for the whole life cost of a project (not just delivery costs) and staged costs for business case development and feasibility. By introducing this approach justification and approval of consultancy costs (and internal resource costs) can be understood, and approved, as part of the appropriate gate and consultancy deliverables can be explicitly agreed and monitored through the business case as part of the gate approval and project reporting process
- 5.5 It is recommend that a skills transfer is a mandatory element of every consultant brought in to ensure there is a plan for not becoming dependant on them and that the valuable skills are transferred into the organisation where possible.
- 5.6 **Agency Workers:** Implement a Governance procedure around off contract spend on Agency Staff, initially directing all Service Managers to the Corporate Temporary Staffing contract with Comensura as a default and a Procurement exemption be required if the commission is off contract and another recruitment agency engaged.
- 5.7 As Procurement is moving forwards within the Council and the Procurement Strategy was formally adopted by Executive in May 2020 there is an opportunity to align this work area with Procurement adopting the Category Management approach. Taking a holistic approach to consultancy spend across the organisation will result in better cost control; the category approach and sharing of information and procuring joint contracts where possible will enable more strategic sourcing decisions to be made resulting in savings.

## 6 Key Risks

- 6.1 If current practises continue in relation to consultants, expenditure will remain at the current high rate and as identified.
- 6.2 The further risks around consultants and lack of knowledge transfer may also continue. Working without Terms and Conditions in place could leaving the

Council exposed in the event of bad advice. However, it should be noted this is infrequent and the quality of consultants engaged by the Council is of a high standard generally.

- 6.3 The ongoing risk of non-compliance is two-fold, firstly consultants are engaged initially for a minimal fee below the threshold requiring a tender process, the work then increases as they are further engaged in the project, the aggregate value takes the spend on the consultant above threshold upon when they are first engaged. Secondly, consultants are engaged for one off pieces of work of a similar nature and the aggregate value of the pieces of work takes the spend above the threshold requiring a tender (or even OJEU) process.
- 6.4 These risks could both be mitigated by the implementing more robust Governance measures as outlined in section 5.
- 6.5 The continuation of off-contract spend on Agency workers will supply the worker required however at potentially a greater cost to the Council and at higher risk due to contracts not always being exchanged. There is a planned re-launch of the Agency worker contract in Autumn 2020 which will guide the organisation back to the Comensura contract as the first port of call, it is anticipated this will have a positive impact in reducing some of the off contract spend.
- 6.6 The ongoing requirement for agency staff is anticipated to reduce over time as Future Guildford draws to a conclusion and permanent staff are largely in place.

## **7 Financial Implications**

- 7.1 The financial implications are discussed throughout the report.

## **8 Legal Implications**

- 8.1 The Council as a public body has a duty of achieving 'Best Value' and ensuring continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness under Section 3 of the Local Government Act 1999.
- 8.2 The Council must comply with the Public Contract Regulations 2015 and the Council's own Procurement Procedure Rules when procuring goods, services and works, this includes consultants.
- 8.3 The Council has standard consultancy agreement terms and conditions which protect the Council for example by ensuring it is indemnified against losses caused by the consultant, the consultant has adequate insurances in place, any personal data shared with a consultant is protected, the Council's equalities and other duties are passed onto the consultant and the Council has redress if the consultant does not provide the services to the required standard.
- 8.4 The Local Government Transparency Code 2015 Rule 31 provides that all contracts over £5,000 should be published in a way which is accessible to the general public, this applies to consultancy contracts. The Procurement Team

should be made aware of all of these contracts so they can be published quarterly on the contracts register.

## **9 Human Resource Implications**

9.1 This duty has been considered in the context of this report and it has been concluded that there are no HR implications arising directly from this report

## **10 Equality and Diversity Implications**

10.1 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

## **11 Climate Change/Sustainability Implications**

11.1 This duty has been considered in the context of this report and it has been concluded that there are no climate change and sustainability implications arising directly from this report

## **12 Conclusion**

12.1 It is recommended that the Overview and Scrutiny Committee note the key findings outlined in this report and ask CMT and the Executive to consider this spend area further.

**1. Background Papers – none**

**2. Appendices – none**

Overview and Scrutiny Committee Report

Report of Director of Service Delivery

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Date: 2 October 2020

## **Guildford Sportsground Pavilion Refurbishment – an account, the issues, and the learning**

### **Executive Summary**

The Council as Trustee identified the need for a refurbishment of the Pavilion in 2016 followed by feasibility work and a planning application. Following design work and estimates, a budget of £1,900,000 was approved in July 2016. Artelia were appointed as Quantity Surveyors and Project Managers, and Rolfe Judd as the Design Team. The project was tendered and four tenders were returned. Beard was appointed as the most economically advantageous tender in terms of both price and quality. The refurbishment commenced in October 2016 and was completed in April 2018.

Additional works were instructed as part of the construction contract, which included the boundary fence and car park resurfacing. Additional costs arose during the project, including non-achievement of identified savings, additional fees, variations, and internal recharges, adding up in total to £325,969.

A number of learning points have been identified in this report, many of which have now been addressed in the Council's governance and approach to projects. It does highlight the issue of ensuring adequate resourcing of projects, the problems that can occur with contractors, the issues with value engineering and being responsive to what the market indicates in tender returns.

### **Recommendation to Committee:**

That the Committee

1. Note the *account* of the recent refurbishment of Guildford Sportsground Pavilion,
2. Consider *the range of issues* that arose which contributed to the overspend or variance, and
3. Recommend to the Executive the *schedule of learning* for its application to other construction related projects.

Reason(s) for Recommendation:

The Council is a learning organisation and the beneficial learning from this project has a direct application to other Council construction related contracts, which will improve contract management performance and resilience to financial exposure.

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

Yes – in part. Sections where stated 'Exempt' and Appendix 1.

- (a) The content is to be treated as exempt from the Access to Information publication rules because of its commercial sensitivity 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 is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- (d) The decision to maintain the exemption may be challenged by any person at the point at which the Council 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 enable Overview and Scrutiny Committee to explore the learning points arising from the Council's experience in delivering the project to refurbish the Guildford Sportsground Pavilion.

**2. Strategic Priorities**

- 2.1 The redevelopment of Guildford Sportsground Pavilion delivered on two key strategic priorities from the corporate plan of the time:
  - *Our Borough:* The redevelopment of Woodbridge Road Sportsground was contained in the Corporate Plan for delivery in 2018, through working with our partners Surrey County Cricket Club and Guildford Cricket Club.
  - *Your Council:* The project would contribute to improving value for money and providing efficient services through financial savings through enhancing use.

**3. Background**

**3.1 Pre Construction**

- 3.1.1 The Council is the sole trustee of the Woodbridge Road Sportsground Charitable Trust created in 1912 (Charity Number 305056). The Council subsidises this charity through funding its management and upkeep, including the ground and



associated buildings to meet the objects of the charity and the Council's obligations as the sole trustee. The previous condition of the Pavilion was recognised in 2016 as an impediment to its wider community use, and the need for its refurbishment became a priority.

- 3.1.2 From 2013, Guildford Cricket Club (GCC) and Surrey County Cricket Club (SCCC) had been considering plans to redevelop the Guildford Sportsground Pavilion to support the use of the site for cricket as the previous facilities had a number of issues, for example being life expired, unfit for purpose and not compliant with current accessibility standards.
- 3.1.3 In 2015, SCCC funded feasibility work in consultation with GCC up to RIBA (Royal Institute of British Architects) stage 3, and the plans were presented to the then Leader of the Council and Officers in 2015. SCCC went on to apply for planning permission which was duly approved on 21 July 2015.
- 3.1.4 Following this the Council agreed to take on the next phase of technical design and to prepare to tender the project. The Council utilised the East Shires Procurement Organisations (ESPO) framework to appoint the existing design team. This route was chosen to maintain continuity of the design team, ensure that the fees charged represented value for money, to avoid a further time delay in re-procuring these services in an open tender and to try to maintain a programme where works could take place in the cricket off season. The decision taken by the then Managing Director to support this was made under urgency provisions. This decision was reported to the Executive on 31 May 2016;

*“to move £200,000 from the provisional capital programme to the approved programme for the Woodbridge Road Sportsground pavilion redevelopment (scheme reference PL29(p)) to enable and keep on schedule the redevelopment of Woodbridge Road Sportsground Pavilion”.*

- 3.1.5 Following this technical design was undertaken to prepare for tender and a revised cost estimate prepared. This formed the basis of a budget of £1.9M which was approved by the Executive on 19 July 2016 in order to proceed to tender. The report considered the need to undertake the works and the partnership opportunity. Part of this decision evaluated whether it would be better to refurbish and extend (£1.9M) or demolish and rebuild (2.3M)
- 3.1.6 The building works were estimated at £1,489,772 plus a contingency sum of £172,653 and professional fees of £236,757.
- 3.1.7 The budget was comprised of £496,432 in Section 106 contributions, £300,000 in grants (from SCCC and GCC), £575,000 in future capital receipts generated through a capital disposal and £529,000 of capital funding from the Council.

## **3.2 Delivery – Mobilisation**

Following the Executive decision the project was taken on by two project officers (prior to the creation of the major projects team) to tender, appoint, and manage the actual build.

The project was tendered in accordance with the Council's procurement procedure rules and public contract regulations and four tenders were returned after a pre-qualification process. These are listed in Appendix 1 which is confidential and exempt under paragraph 3 of Part 1 of Schedule 12A to the LGA 1972).

### **3.2.1 Exempt**

- 3.2.2 Beard were appointed to this construction contract with tender price of £1671,913. The tenders were evaluated on a combination of Price (30%) and Quality (70%). As well as being the lowest tender, Beard was also the highest scoring tender in relation to quality. Their contract sum was then value engineered to a contract sum of £1,563,614. Beard were appointed under a Joint Contracts Tribunal (JCT) contract.
- 3.2.3 As part of their appointment, a further target for value engineering of £180,299 was agreed and felt deliverable by Beard to contain the project within the agreed budget and estimates.
- 3.2.4 The tender required that the contractor achieved the refurbishment and extension as far as possible within the cricket off season from October 2016 to April 2017. Beard deemed that broadly feasible within their tender submission whereas other contractors had indicated this would not be possible.
- 3.2.5 The project commenced in October 2016 and was completed in April 2018 some 12 months behind schedule. A number of issues arose during construction, and the actual cost of construction exceeded the budget.

### **3.3 Exempt**

- 3.3.1 Additional works, which were originally out of scope, were instructed as part of the construction contract to:
- replace the boundary fence to the rear of the pavilion due to the works required to bring in new utility services and the existing fence was not economical or feasible to repair and,
  - resurface the car park, this was omitted at tender as a value engineering saving, but again nearing end of life and affected by construction works therefore it was necessary to resurface.

These were funded from other capital budgets as the works were planned for future years, specifically the Woodbridge Road fence replacement fund and the Parks car parks and footpaths repair/resurfacing fund. These had a combined value of £84,835.

### **3.3.2 Exempt**

### 3.4

#### 3.4.1 – 3.4.5 Exempt

- 3.4.6 Financial Implications: Following the process of settling the final account, it has had the following impact on the overall budget for which additional monies were vired from the capital contingency fund:

Professional Fees	£ 286,415
Internal Staff Costs	£ 21,388
Works Contract	£ 1,998,000
Cottage Sale Impact (Lower than estimated sale price)	£ 5,000
<b>Total</b>	<b>£ 2,310,803.91</b>
Other budget funding (From schemes PL57 and PL35)	£ 84,835.00
Project budget	£ 1,900,000.00
<b>Total Budget</b>	<b>£ 1,984,835.00</b>
<b>Variance over budget</b>	<b>£ 325,968.91</b>

- 3.4.7 The scheme has been funded by £496,432 in Section 106 contributions, £300,000 in grants (from SCCC and GCC) and £570,000 in future capital receipts generated through a capital disposal. This will make the Council's net capital contribution £875,969 or 38% of the total project cost.

## 4.0 Learning Points

### 4.1 Governance and Business Case:

- 4.1.1 **Business case:** A robust process was not in place at the time of the project to examine the business case or cases for this project. The need to refurbish or rebuild the pavilion was clear because of its inadequate and poor existing condition but other scales and options of redevelopment should have been considered. The decisions focussed around one scheme developed by the Cricket clubs. Arguably some wider community consultation should have been undertaken in relation to the charitable objects of the site to underpin the decision on the facilities needed.

- 4.1.2 **Project Management Governance:** The project would have benefited from going through various gateways common in project management approaches. The Council was not party to early discussions on the need to rebuild or refurbish the pavilion and the early feasibility work looking at need and demand for the extent of the refurbishment. While all relevant decisions were taken in accordance with the constitution, consideration of the full range of options early on would have been beneficial to help determine if the scheme was the right thing to do. There was not a consistent established project board in place at the time of inception of the project or throughout the project now as is common practice throughout the Council.

#### **4.1.3 Partnership Governance:**

The project has been undertaken in partnership with SCCC and GCC which has yielded £300,000 in contributions and some significant goodwill from SCCC in funding early feasibility work and other investments at the ground. Partnerships bring stakeholder pressure, expectations, needs, conflicts and compromise. Some early terms of reference or memorandum of understandings would have benefitted the project to set some governance arrangements/rules of engagements between the partners and the charitable restrictions on the site.

- 4.1.4 Whilst these are concerns, the Council now has established project governance in place and better processes to oversee projects. This includes project boards, working groups, utilising the HM Treasury Green Book principles on developing business cases, reporting to the major projects board and the development of the major projects/programmes team and programme governance as part of the Future Guildford programme

#### **4.2 Exempt**

#### **4.3 Managing Contractor Performance**

##### **4.3.1 Clerk of Works**

A Clerk of Works provides a check and balance on construction progress, workmanship, and technical details. Initially a member of the asset management team agreed to take this role on in part but soon left the authority without replacement. This left a gap and there was insufficient monitoring of the contractors' performance.

Best practice in future construction related contracts should be to budget for the employment of a Clerk of Works, present on site at all critical moments of the contract, and reporting all faults or non-compliances directly to the Client and Contract Administrator as well as to the Contractor. It is also recommended that they are appointed at RIBA stage 4 to input/challenge/check on the technical design to assist with design issues to limit on site technical issues and further expenditure.

##### **4.3.2 Part Exempt**

Overall there was insufficient officer and technical resource to manage this project effectively from within GBC. Consideration of having resilient project management in place is needed; for example deputies and project files and records.

Where Service Leaders/Managers take on major projects it places a considerable workload on that service comprising either service delivery or project management. Service Leader roles should cover a client function on a major project but day to day project management be covered elsewhere. Major projects need to be properly resourced to ensure effective delivery.

##### **4.3.3 Exempt.**

#### **4.3.4 Exempt**

#### **4.4 Budget:**

##### **4.4.1 Internal Recharges**

Bringing another service leader to run the project brought the additional cost of internal salaries which were unanticipated and for which there was no budgetary provision. A consistent approach to capital recharges to Council projects is needed across all projects as some services cross charge and others do not. The early identification and inclusion in budgetary estimates are essential for dealing with any internal recharges.

##### **4.4.2 Variations**

Client variations were minimal for this scale of contract indicating that the design and specification was broadly right at the outset and there no significant change in scope. It is inevitable that additional works will occur in a scheme, sometimes these are items that have been overlooked, are additional enhancements that are deemed beneficial as the project progresses, represent the opportunity to deliver value for money or respond to matters that arise during construction that were not known, forecast or planned for.

##### **4.4.3 Contingency Sum**

The contingency sum was easily expended early on in this project dealing with the unexpected issues and the unforeseen problems on site. A 10 % (£172,000) value of the works was allowed for the scheme and broadly covered the unforeseen issues that arose. However, given that it was a refurbishment and extension of an old building built by volunteers, the tenders returned and the value engineering targets it should have been reviewed and assessed as to whether it catered for the project risks.

Council projects should consider the approach towards the provision and scale of contingency sums and the risks present. Some good examples are now present within the Council for example the former proposed museum redevelopment where a costed and weighted risk register has been put together to determine the estimated contingency sum required.

#### **4.5 Rebuild or refurbishment/extension**

At the end of the project it is also important to reflect on whether refurbishment and extension was the right choice at the time of tender. Based on the information known and the relevant professional advice the refurbishment and extension option offered a £400,000 budget advantage to the Council as well as a shorter programme which suited budget and the operational impact on the site. A new build may well have been more effective; however we would likely still incur issues around variations, programme, statutory utilities adding some additional cost. The extent and impact of those issues may have been significantly less than the refurbishment/extension option. Overall, it is considered that the route chosen was more cost effective. Refurbishment was also more sustainable from a materials perspective.

**5.0 Financial Implications**

- 5.1 The financial implications are set out in the body of this report.

**6. Legal Implications**

- 6.1 Closer alignment between project governance and compliance with the Public Contract Regulations 2015 will assist the Council achieve more robust outcomes for the Council. It is therefore suggested that Legal Services are engaged at the outset of the project to ensure compliance with the Local Government Act 1999 (Best Value Duty).

- 6.2 Robust contracts and on-going contract management are essential to ensure the Council's interests are protected. Officers should obtain advice on governance, contract terms and possible contractual enforcement from the Council's Legal Services Team to ensure legal and commercial compliance. The Legal Services Team also has access to a framework of external lawyers if further specialist advice required.

**7. Human Resource Implications**

- 7.1 There are no human resource implications arising from this report

**8. Key Risks**

- 8.1 There are no risks arising from this report

**9. Consultation**

- 9.1 Consultation has occurred with Artelia, and other professional colleagues involved.

**10. Suggested issues for overview and scrutiny**

- 10.1 The Overview and Scrutiny committee is asked to consider the following
- a) To note the account of the project from start to finish
  - b) To consider and progress the learning from this project set out in section 4
  - c) To make any recommendations to the Executive it considers appropriate.

**11. Conclusions**

- 11.1 **Exempt**

- 11.2 **Exempt**

- 11.3 The Council needs also to address the inevitability of additional works in major construction related contracts, as well as the need to provide adequate risk assessed contingency sums to cope with the unforeseen and the unexpected.

- 11.4 The Committee is asked to ensure that the learning from this project forms part of the on-going consideration for other Projects, and especially construction related Projects, for which the Council is responsible into the future.

- 11.5 Artelia represented the Council's interests effectively to deliver and close out the scheme despite the difficult circumstances.

**12. Background Papers**

[Executive report: Woodbridge Road Sportsground Pavilion Refurbishment Approval of Capital Funding, \(Item 7\) 19 July 2016](#)

[Executive Shareholder and Trustee Committee report: Woodbridge Road Sportsground, varying of the Trust to remove designated land,\(Item 3\) 26 September 2017.](#)

[Executive Shareholder and Trustee Committee report: Consultation: Making the most of Guildford Sports Ground at Woodbridge Road \(Item 4\). 25 September 2018](#)

[Executive report: Guildford Sportsground Management Company, 19 March 2019.](#)

**13. Appendices**

Appendix 1: Contains this report with exempt sections included, plus the tender sums and the 7 January 2020, Executive report: 'Woodbridge Road Sportsground Settlement of Final Account' (Part 2 exempt report) appended.  
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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.)	In response to the information circulated to Committee members (in September 2020), the Committee indicated that a clearer explanation accompanying more targeted information would have been more easily understood. The Managing Director advised that a covering report would be prepared by the Chief Internal Auditor and provided to Committee members.
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.	<p>Update provided by Managing Director, 21 August 2020:</p> <p>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.</p> <p>(The Managing Director confirmed at the Committee's September meeting that there was nothing to add to the above update.)</p>
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.	At its September 2020 meeting, the Committee agreed the Chairman and Vice-Chairman consider whether the Project remain as an outstanding matter or be moved to the Committee's work plan.

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## Overview and Scrutiny Committee Report

### Report of Director of Resources

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Date: 20 October 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 11 September 2020. Subsequent meetings are scheduled for 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	
<b>10 November 2020</b>	<ul style="list-style-type: none"> <li>• COVID-19 response – update</li> <li>• Lead Councillor Question Session – Councillor Julia McShane, Lead Councillor for Community</li> <li>• Evaluation of project Aspire</li> <li>• Use of the New Homes Bonus</li> <li>• Submission of a Garden Village bid for Wisley Airfield</li> </ul>
<b>1 December 2020</b>	<ul style="list-style-type: none"> <li>• Guildford &amp; Waverley Integrated Care Partnership - Primary Care Update</li> </ul>
<b>19 January 2021</b>	<ul style="list-style-type: none"> <li>• Lead Councillor Question Session – (Lead Councillor tbc)</li> <li>• Food Poverty – update</li> <li>• Traveller encampments / Traveller strategy &amp; policy</li> <li>• Annual report and monitoring arrangements for operation of the G-Live contract, 2018-19</li> <li>• Houses in Multiple Occupation</li> <li>• Operation of the Leisure Management contract, 2018-19 (scheduled provisionally, tbc)</li> <li>• Future Guildford [update following implementation of Phase B]</li> </ul>
<b>2 March 2021</b>	<ul style="list-style-type: none"> <li>• Lead Councillor Question Session – (Lead Councillor tbc)</li> </ul>
<b>19 April 2021</b>	<ul style="list-style-type: none"> <li>• Lead Councillor Question Session (Lead Councillor tbc)</li> <li>• Crematorium: post project review (scheduled provisionally, tbc)</li> </ul>

### Currently unscheduled items

- Mental Health Provision in the Borough [potential task and finish group]
- 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**

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

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

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

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

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

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