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Contact:

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1 November 2021

Dear Councillor,

Your attendance is requested at a meeting of the **OVERVIEW AND SCRUTINY COMMITTEE** to be held in Council Chamber, Millmead House, Millmead, Guildford, Surrey GU2 4BB on **TUESDAY, 9 NOVEMBER 2021 at 7.00 pm.**

Yours faithfully,

James Whiteman  
Managing Director

**MEMBERS OF THE OVERVIEW AND SCRUTINY COMMITTEE**

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

Councillor Chris Blow  
Councillor Guida Esteves  
Councillor Graham Eyre  
Councillor Angela Goodwin  
Councillor George Potter

Councillor Maddy Redpath  
Councillor Tony Rooth  
Councillor Will Salmon  
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**

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## 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 (To Follow)**

To confirm the minutes of the Committee meeting held on 19 October.

**4 RESPONSE TO COVID-19 – UPDATE**

**5 GUILDFORD AND WAVERLEY COLLABORATION – UPDATE**

**6 LEAD COUNCILLOR QUESTION SESSION**

A question session with the Deputy Leader of the Council and Lead Councillor for Climate Change. Councillor Jan Harwood's areas of responsibility include:

- Innovation
- Strategic Planning
- Sustainable Transport
- Housing Delivery
- Air Quality

**7 OPERATION OF LEISURE MANAGEMENT CONTRACT 2020-21 (Pages 5 - 40)**

**8 GUILDFORD CREMATORIUM AIR QUALITY AUDIT (Pages 41 - 74)**

**9 UPDATE ON PROJECT & PROGRAMME MANAGEMENT (PPM) GOVERNANCE (Pages 75 - 88)**

**10 OVERVIEW AND SCRUTINY WORK PROGRAMME (Pages 89 - 98)**

To agree the draft Overview and Scrutiny work programme.

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

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Overview and Scrutiny Committee Report

Ward(s) affected: whole borough

Report of Director of Services Delivery

Author: Charlotte Brindley (Leisure Contracts Officer)

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Lead Councillor responsible: James Steel

Tel: 07518995615

Email: James.Steel@guildford.gov.uk

Date: 9 November 2021

## **Operation of Leisure Management Contract 2020-21**

### **Executive Summary**

The Council entered into a 10-year Leisure Partnership Agreement (LPA) with Greenwich Leisure Ltd (GLL) with effect from 1 November 2011. GLL has subcontracted the service to Wealden Leisure Limited trading as Freedom Leisure.

Each year, a review of the Annual Report from Freedom Leisure (FL) is undertaken. This report outlines the process by which this is carried out and also gives a summary overview of the contractor's performance on its operation of the Council's leisure facilities; Guildford Spectrum, Guildford Lido and Ash Manor Sports Centre for the tenth contract period (from 1 April 2020 to 31 March 2021).

The contract year was significantly impacted by the closures and restrictions associated with the Covid-19 pandemic. The facilities (although not all) were only open for roughly four of the twelve months, and when the facilities were able to open, they were subjected to a wide range of Covid-19 restrictions. The performance of the venues was very different and therefore not comparable to previous years.

Due to the impact the pandemic has had on the leisure industry, Freedom Leisure has been in receipt of various financial support, a significant portion of which was from the Council.

During this unique year, the Spectrum played an active role in the response to the pandemic and successfully operated a food distribution hub for approximately 3 months. A significant amount of work was also undertaken during the closures to ensure the facilities were completely ready to welcome customers back upon re-opening.

The monitoring arrangements were modified to reflect the demands of the pandemic and the very different operation we were faced with. One of the main monitoring aspects throughout the year was the continuous review of each facility's Covid risk assessments, which were subject to ongoing review and changes as restrictions and guidance evolved.

The 10 Year Plan (also known as the Life Cycle Maintenance Programme or 'LCM' Programme) continues to play an important part in reflecting the level of investment that is likely to be required for plant and equipment at each site. Work on the life cycle

maintenance plan has been significantly restricted due to the closures and the direct financial impact of the pandemic, which remains a concern.

Freedom Leisure has not provided all the information that would normally be included within the Annual Report. The catering profit and loss account has recently been submitted and was not available for the presentation.

The full Annual Report for the contract period 2020/21 is shown at Appendix 1.

The table in Section 4 below shows a selection of the key performance indicators from the operator agreement. The pandemic closure and Covid support funding has impacted on the financial outturn figures for the leisure partnership agreement. At the close of the contract year, there was £261,005 of the Covid support available. This sum has been carried forward to 2021/22 to continue to provide support for the operator whilst the business recovers from the impact of Covid.

In the opinion of the Client team, the operation of the venues has been broadly within the acceptable parameters of the contract.

A sub-group of three councillors volunteered to represent the Overview and Scrutiny Committee (Scrutiny sub-group) to consider the FL Annual Report in detail. Their views are summarised below.

The Scrutiny sub-group were broadly happy with the day-to-day operation of the facilities and by the level of customer compliments received. They expressed reservations over the lack of context and detail around many of the figures that were being presented and over the customer feedback section. The sub-group requested Freedom Leisure to undertake a more detailed analysis of the reasons for complaints going forward.

The minutes of the Annual Report presentation that took place via Microsoft Teams on 23 August are included in Appendix 2.

Suggested items for Overview and Scrutiny to consider

That the committee considers and comments on:-

- (1) the performance of FL in relation to the operation of Guildford Spectrum, Guildford Lido and Ash Manor Sports Centre detailed in Appendix 1
- (2) the list of LPA objectives detailed in item 3.4

Is the report (or part of it) exempt from publication? No

## **1. Purpose of Report**

- 1.1 To provide an overview of performance of the leisure contractor operating Guildford Spectrum, Guildford Lido and Ash Manor Sports Centre for the contract year period 1 April 2020 to 31 March 2021. There has been a significant impact as a result of the Covid-19 pandemic on the leisure industry and therefore this report.

## **2. Strategic Priorities**

- 2.1 The provision of the services detailed within this report support the Corporate Plan in respect of the Community theme in enhancing sporting, leisure, cultural, community and recreational facilities;

- by attracting visitors to the Borough and making Guildford a more attractive place to live in. The venue offers a range of employment opportunities and facilities that businesses need.
- through providing an enhanced leisure offer in an attractive, vibrant town.
- through promoting physical activities and contributing to public health.

### **3. Background of the contract**

- 3.1 The Council entered into a 10 year Leisure Partnership Agreement (LPA) with Greenwich Leisure Ltd (GLL) with effect from 1 November 2011, to deliver leisure services throughout the Borough at Guildford Spectrum, Guildford Lido and Ash Manor Sports Centre. GLL has subcontracted the service to Wealden Leisure Limited trading as Freedom Leisure (FL).
- 3.2 A very detailed and complex contractual agreement, the Leisure Partnership Agreement (LPA), is in place between GLL and the Council. GLL and FL have a contractual agreement that mirrors the contents of the LPA.
- 3.3 The LPA is a substantial document which includes as one of its component elements a detailed service specification specific to each site covering all aspects of service delivery e.g. opening and closing hours, water and air temperatures, maintenance regimes, health and safety compliance requirements, staffing levels and qualifications.
- 3.4 The LPA sets out the following objectives for the service provision:-
- to improve the health and well-being of their communities through increased participation
  - to use sport and leisure to bring communities together
  - to enable access to services by specific groups with identified needs
  - to encourage and provide affordable and sustainable local facilities and services
  - to explore partnerships with other organisations where these will benefit the community
  - to work with clubs and voluntary organisations in the borough to develop their activities and skill levels
  - to encourage investment in the facilities to maintain and enhance the quality of service
  - to bear in mind the rights, needs and aspirations of facility users and staff
  - to demonstrate value for money and continuous improvement
  - to recognise and maximise commercial opportunities in the facilities
  - to improve the financial 'bottom line' of the Council.
- 3.5 This report reviews the tenth contract period from 1 April 2020 to 31 March 2021. The performance of the contractor has been monitored across the sites over a number of criteria.
- 3.6 The operation of the catering offer at Guildford Spectrum is linked to, but does not fall directly within, the LPA.

### **Overview of the existing monitoring arrangements**

- 3.7 The Council's Leisure Client team monitor the LPA. The monitoring arrangements during this period have been modified accordingly to reflect the demands of the pandemic. Monitoring included an ongoing review of each facility's Covid Risk Assessment (RA) to ensure each facility was complying with the latest government guidance, regular walk rounds of each facility (to review the Covid RA mitigations in place and ensure compliance) and regular review of all incoming customer feedback submitted to us by Freedom Leisure.
- 3.8 Normal monitoring includes regular formal meetings and monthly asset meetings, daily discussions with key FL personnel and regular visits to site, specific walk rounds to monitor service delivery, assessment of information provided by FL, regular use of the facilities as a customer, and formal and informal discussion with customers, partners and FL staff. Quarterly formal client monitoring meetings are usually diarised considering a standard agenda covering financial performance, technical issues, quality of service including customer comments, marketing development, and health and safety.

### **4. Performance of the Contractor – Key Performance Indicators**

- 4.1 Effectively, over the course of the 2020/21 year, there were only 16 weeks of trading. This makes all comparisons with previous years and targets of very limited value. The performance will have been significantly impacted as a result of the Covid closures and restrictions.
- 4.2 At the start of the pandemic, thanks to the flexibility and commitment of staff, and various partners involved, a food distribution hub was set up at Spectrum which provided over 2,300 food parcels to residents across Surrey.
- 4.3 The opportunity was also taken during the downtime for works to be undertaken to maintain the asset so that the facilities could be deep-cleaned, re-decorated and maintained. The pandemic presented obvious financial constraints, but through partnership working, work was able to be completed during the closures so that the facilities would be ready to welcome customers back to a Covid-secure setting.
- 4.4 The following tables below show a selection of the key performance indicators from the operator agreement relating to financial performance, operating performance and catering financial performance. The income reported for the Guildford venues in 2020/21 includes the various Covid support funding (from the Council, via grant funding (NNDR and NLRf) and through the Government furlough scheme.) The management fee payment to the Council was also waived during the period.

| KPI –<br>Key Financial<br>'LY' = 2019/20                        | Spectrum                        | Lido                         | Ash                        | Contract                        | Notes   |
|---|---------------------------------|------------------------------|----------------------------|---------------------------------|---|
| Income (£)<br>*combined LPA<br>and catering<br>income           | 5,456,617<br>(LY)<br>10,987,480 | 117,361<br>(LY)<br>489,103   | 161,159<br>(LY)<br>401,234 | 5,735,137<br>(LY)<br>11,877,817 | The Covid support that Freedom Leisure has received for the three leisure facilities has been declared under just Spectrum's income, with the exception of the furlough payments which have been attributed across the three sites. |
| Expenditure (£)<br>*combined LPA<br>and catering<br>expenditure | 5,103,383<br>(LY)<br>9,748,303  | 336,247<br>(LY)<br>605,665   | 213,412<br>(LY)<br>346,442 | 5,653,042<br>(LY)<br>10,700,410 | Inc. central support charges<br>Exc. management fee & repayments  |
| Management fee & repayments* (£)                                | 30,645<br>(LY)<br>1,288,637     | 51,450<br>(LY)<br>(108,337)  | 0<br>(LY)<br>40,774        | 82,095<br>(LY)<br>1,221,074     | The management fee payments to the Council were waived during the period as part of the Covid support. The figures for Spectrum and Lido for 2020/21 represent debt repayments, e.g., SALIX schemes.                                |
| Net contract surplus/ (deficit)                                 | 322,589<br>(LY)<br>(49,460)     | (270,336)<br>(LY)<br>(8,225) | (52,253)<br>(LY)<br>14,018 | (0)<br>(LY)<br>(43,667)         | The position for the individual facilities will have been distorted by Freedom's treatment of the Covid support payments (as noted above under income).   |

- 4.5 FL's approach to the chart of accounts differs to the approach used within their bid calculations. As we are now in the tenth year of the contract, the financial bid figures are no longer therefore relevant for comparative purposes.

| KPI –Key Operational LY = 2019/20    | Spectrum                  | Lido                 | Ash                   | Contract                  | Bid or previous year(s)                         | Notes  |
|--------------------------------------|---------------------------|----------------------|-----------------------|---------------------------|---|--|
| Attendances                          | 225,067<br>(LY) 1,707,671 | 1,349<br>(LY) 69,583 | 13,127<br>(LY) 84,233 | 239,543<br>(LY) 1,861,487 | Bid 1,920,399                                   | The Lido was only open for 3 days (from 29/03 to 31/03) during the period. These attendance figures are the latest figures which have been provided by FL subsequent to their original submission of the Annual Report and their presentation. The annual report at Appendix 1 has been updated with the latest figures. |
| Memberships                          | 1,669<br>(LY) 3,738       | 43<br>(LY) 110       | 395<br>(LY) 659       | 2,107<br>(LY) 4507        | (19/20) 4,507<br>(18/19) 3,206<br>(17/18) 3,456 | FL's Annual Report does not include the membership figures for each site. The figures for 2020/21 are the figures provided by FL subsequent to their presentation.   |
| Active card                          | n/a                       | n/a                  | n/a                   | 31,251                    | (LY) 26,210                                     | Increase in uptake due to Covid requirements (i.e. for pre-booking and tracking customer attendance)   |
| Green Active card (concessions)      | n/a                       | n/a                  | n/a                   | 4,523                     | (LY) 5,281                                      |  |
| Overall customer satisfaction rating | -                         | -                    | -                     | n/a                       | n/a   | Exercise not undertaken this year or last year.  |
| Compliment                           | n/a                       | n/a                  | n/a                   | 131<br>(LY) 187           |   |  |
| Complaint                            | n/a                       | n/a                  | n/a                   | 66<br>(LY) 721            |   |  |
| Comment/suggestion                   | n/a                       | n/a                  | n/a                   | 81<br>(LY) 85             |   |  |

- 4.6 Not only were the facilities open for a limited number of weeks, the facilities were also subjected to various ongoing (and ever-changing) Covid restrictions which impacted heavily on capacities, the programming and opening hours. These changes meant that the facilities have operated very differently during the period compared to how they would normally, therefore undermining some of the key aspects (e.g. high footfall) the facilities rely upon to drive success.
- 4.7 As expected, the pandemic has caused attendances and memberships to fall. The total number of customer comments received during the period has also fallen but not proportionately to attendances. The number of customer complaints and comments received during the period was 147, which is 0.61 per 1,000 visits, compared to 0.43 per 1,000 visits in the previous year.
- 4.8 It was pleasing to see a significant number of compliments received during the period. At Spectrum, almost 70% of the compliments were received in the first month of opening and demonstrated a wide appreciation of how well organised,

welcoming and safe the venue felt. The communication surrounding the new lane swim arrangements was a most frequent compliment. Compliments received in subsequent months continued to echo customers' feelings of the venue and operation feeling 'Covid-safe' and well organised.

- 4.9 The complaints and comments/ suggestions during the period were varied but there were some trends relating to customers' struggling to book onto their fitness classes, staff's policing/ management of the Covid arrangements, the cleanliness in certain areas and also how busy some of the facilities were perceived at times.

| KPI – Key Catering Financial    | 2020/21  | 2019/20   | 2018/19   | Notes  |
|---------------------------------|----------|-----------|-----------|--|
| Spectrum Catering Income        | 114,836  | 1,860,255 | 1,929,347 |  |
| Spectrum Catering Expenditure   | 147,271  | 1,508,231 | 1,422,300 |  |
| Spectrum Catering Profit/(Loss) | (33,629) | 352,024   | 507,047   | 2019/20 figure would have been affected by the early closure (of 10 days) as a result of the pandemic. |

- 4.10 Freedom Leisure has not provided all the information that would normally be included within the annual report and has only recently provided a separate catering profit and loss account. The catering outlets made a loss during the period of operation which is to be expected as some customers were reluctant to dwell after completing their activity.
- 4.11 Work on the life cycle maintenance plan has been significantly restricted due to the closures, the availability of staff, contractors, and the direct financial impact of the pandemic. The financial impact of the pandemic has created a bigger shortfall than would have otherwise been the case in the funding for the lifecycle maintenance plan. This remains a concern and discussions with Freedom Leisure in relation to the asset management of the venues is ongoing.
- 4.12 Freedom Leisure's full Annual Report for the contract period 2020/21 is shown at Appendix 1.

## 5. Health & Safety

- 5.1 In the contract year, there were 63 accidents across the Guildford contract. This equates to 0.29 accidents per 1,000 visits, against the industry threshold of 1 accident per 1,000. Last year, there were 0.43 accidents per 1,000 visits.
- 5.2 There were no incidents during the period that required reporting to the Health & Safety Executive (HSE) under RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations). Last year, there were 5 RIDDOR reportable incidents (three of which were at Spectrum and two at the Lido).
- 5.3 A significant amount of work was done to suitably Covid risk assess each facility and ensure it complied with the relevant guidance and advice. The ever-changing guidance and rules meant that this was a challenge, particularly surrounding the

ongoing communication to staff and customers that was required to ensure the changes were effectively put in place and understood. The compliments received during the period are testament to the work that has been put in by each facility manager to ensure their area was appropriately risk assessed and operated as safely as it possibly could.

## **6. Overview and Scrutiny sub group monitoring process 2020/21**

- 6.1 A sub-group of three councillors (Councillors Booth, Potter and Manning) represented the Overview and Scrutiny Committee (Scrutiny sub-group) to consider the FL Annual Report in detail.
- 6.2 The sub-group and the Lead Councillor for Environment, James Steel, received a detailed briefing on the contract from the Council's Leisure Client team in advance of the remote Annual Report Presentation by Freedom Leisure.
- 6.3 The presentation of the Annual Report took place on Monday 23 August 2021. The Freedom Leisure Managing Director, Ivan Horsfall Turner, delivered a presentation via Microsoft Teams to the Lead Councillor, Councillor James Steel, the sub-group (Councillors Booth, Potter and Manning), and the Leisure Client Team.
- 6.4 The sub-group considered the contents of the report and the infographic presentation that was presented to them. A number of the questions and comments related to customer feedback, attendance figures, membership figures, staffing arrangements and morale, with particular emphasis on the lack of context around some of the information which made the review of the performance for the period difficult. The minutes of the Annual Report Presentation can be found at Appendix 2.
- 6.5 In summary, the Scrutiny sub-group;
  - Were broadly happy with the day-to-day operation of the facilities and by the level of customer compliments received but noted that the majority of these were received during August
  - expressed reservations over the lack of context and detail around many of the figures that were being presented, i.e., comparable figures and explanatory narrative
  - expressed reservations over the customer feedback section and asked questions in efforts to obtain further clarification over the nature of complaints and reasons for these. The sub-group requested Freedom Leisure to undertake a more detailed analysis of the reasons for complaints.

## **7. Financial Implications**

- 7.1 Due to the level of closures and staff on furlough, it is difficult to draw a useful comparison with previous years or intended performance.
- 7.2 The declared position at the end of the financial year for the contract was a nil surplus/deficit position due to the various pandemic financial support measures offered by the Council and the government. Detailed financial statements are shown at appendix 1 of the Freedom Annual Report (attached at Appendix 1 to this report).



- 7.3 The leisure industry has been impacted dramatically by the pandemic and associated closures and restrictions. Freedom Leisure have therefore been in receipt of various financial support during the period;
- The management fee (of just under £1.2million p/a) which FL would (in usual circumstances) pay the Council has been waived.
  - the Council also provided Covid support funding to FL of just over £2.6m (so far).
  - a successful application for National Leisure Recovery Funding meant that just over £267k was passed on to FL.
  - FL also benefitted from NNDR (National Non Domestic Rate) relief (of approximately £150k) and the government's furlough scheme.
- 7.4 At the close of the contract year, there was £261,005 of the Covid support available, this sum has been carried forward to 2021/22 to continue to provide support for the operator whilst the business recovers from the impact of Covid.
- 7.5 Whilst the figures for the overall contract are correct, the financial performance of each of the individual facilities has been impacted by FL's treatment of the income, as the Covid support (with the exception of the furlough payments) has been declared under just Spectrum's income.

## **8. Legal Implications**

- 8.1 Section 3 of the Local Government Act 1999 requires that the Council as a best value authority "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". Reviewing and, where required, monitoring the Council's contractual approach is an important way in which that obligation can be fulfilled.
- 8.2 Any formal changes to the current contractual arrangements will have to be agreed with GLL/Freedom Leisure and varied by agreement.
- 8.3 As the Overview and Scrutiny Committee has no decision-making powers, any recommendations that may arise would need to be referred to the relevant decision-making body of the Council for a decision.

## **9. Human Resource Implications**

- 9.1 There are no HR implications arising from this report.

## **10. Equality and Diversity Implications**

- 10.1 This duty has been considered in the context of the Leisure Partnership Agreement and it has been concluded that there are no equality and diversity implications arising directly from this report. Prior to any future decision to change the Spectrum arrangements, an Equalities Impact Assessment will be required.

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

- 11.1 Section 11 of FL's Annual Report sets out the energy consumption for the last four years for the sites. Guildford Spectrum, by the nature of its facilities, is a significant energy consumer. During the course of the closures, while certain

facilities cannot be switched off completely, arrangements were put in place to 'ramp down' the plant and equipment so that each site was as energy efficient as it could be during the period of closures.

## **12. Suggested items for Overview and Scrutiny to consider**

### **12.1 Councillors may wish to consider whether:-**

- to comment on the performance of FL in relation to the operation of Guildford Spectrum, Guildford Lido and Ash Manor Sports Centre as detailed in the Annual Report at Appendix 1
- to comment on the LPA objectives detailed in 3.4 above

## **13. Conclusion**

- 13.1 The operation of the leisure facilities was very different this year and the pandemic closures has impacted on the financial outturn figures for the leisure partnership agreement.
- 13.2 Overall, the overview and scrutiny sub-group were broadly happy with the day-to-day operation of the facilities and by the level of customer compliments received. They expressed reservations over the lack of context and detail around many of the figures that were being presented and over the customer feedback section. The sub-group requested Freedom Leisure to undertake a more detailed analysis of the reasons for complaints going forward.
- 13.3 The pandemic continues to present challenges and the leisure industry is still very much in a period of recovery. In the opinion of the Client team, the operation of the venues has been broadly within the acceptable parameters of the contract.

## **14. Background Papers**

Freedom Leisure Annual Report 'Infographic' Presentation 2020/21

## **15. Appendices**

Appendix 1 – Freedom Leisure Annual Report 2020/21

Appendix 2 – Minutes of Annual Report Presentation 23 August 2021



## **FREEDOM LEISURE ANNUAL REPORT**

**April 1<sup>st</sup> 2020 – March 31<sup>st</sup> 2021**

***AUTHOR: Lee Thomas***

***Area Manager***

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Appendix 1: Profit and Loss Account

## 1. Purpose of the report

- 1.1 The purpose of this report is to review Freedom Leisure's management of the Spectrum Leisure Complex, Ash Manor Sports Centre and the Guildford Lido against the targets and standards set out in the Leisure Partnership Agreement.
- 1.2 The report covers the period from April 1<sup>st</sup> 2020 to March 31<sup>st</sup> 2021
- 1.3 Based on the reported results it is recommended that the Council approve that
  - 1.3.1 The objectives set out in the Leisure Partnership Agreement ('LPA') are being achieved.
  - 1.3.2 A balanced service is being offered across the facilities meeting community and commercial needs.
  - 1.3.3 The overall performance of the partnership with Freedom Leisure is in line with the Council's objectives.

## 2. Introduction

- 2.1 Greenwich Leisure Limited (GLL) and the Council entered into the 10 year Leisure Partnership Agreement (LPA) on the 1st November 2011. GLL subcontracted the service to Freedom Leisure which means that Freedom Leisure provides the operational services whilst GLL is available for assistance if required.
- 2.2 Within this Guildford Contract Freedom Leisure directly employs 176 contracted staff and a further active 105 casual and coaching staff.
- 2.3 The facilities which Freedom Leisure operates on behalf of the Council comprise:

### **Spectrum Leisure Complex ('Spectrum')**

- 32-lane tenpin bowling centre
- Olympic sized ice rink with a capacity for over 2,000 spectators
- 4 swimming pools: a leisure pool, teaching pool, competition pool and a diving pool with 3 boards
- Outdoor athletics track with football pitch
- 78 station gym and spa
- 3 multi-purpose sports halls, including a main arena with 10 badminton courts
- "Rock Box" climbing facility
- A variety of restaurants including a 'Costa proud to serve' cafe and Burrito Loco
- Children's soft play area
- Crèche
- 2 sports related retail outlets – Ice Locker and Kit Kabin
- 2 squash courts

## Lido

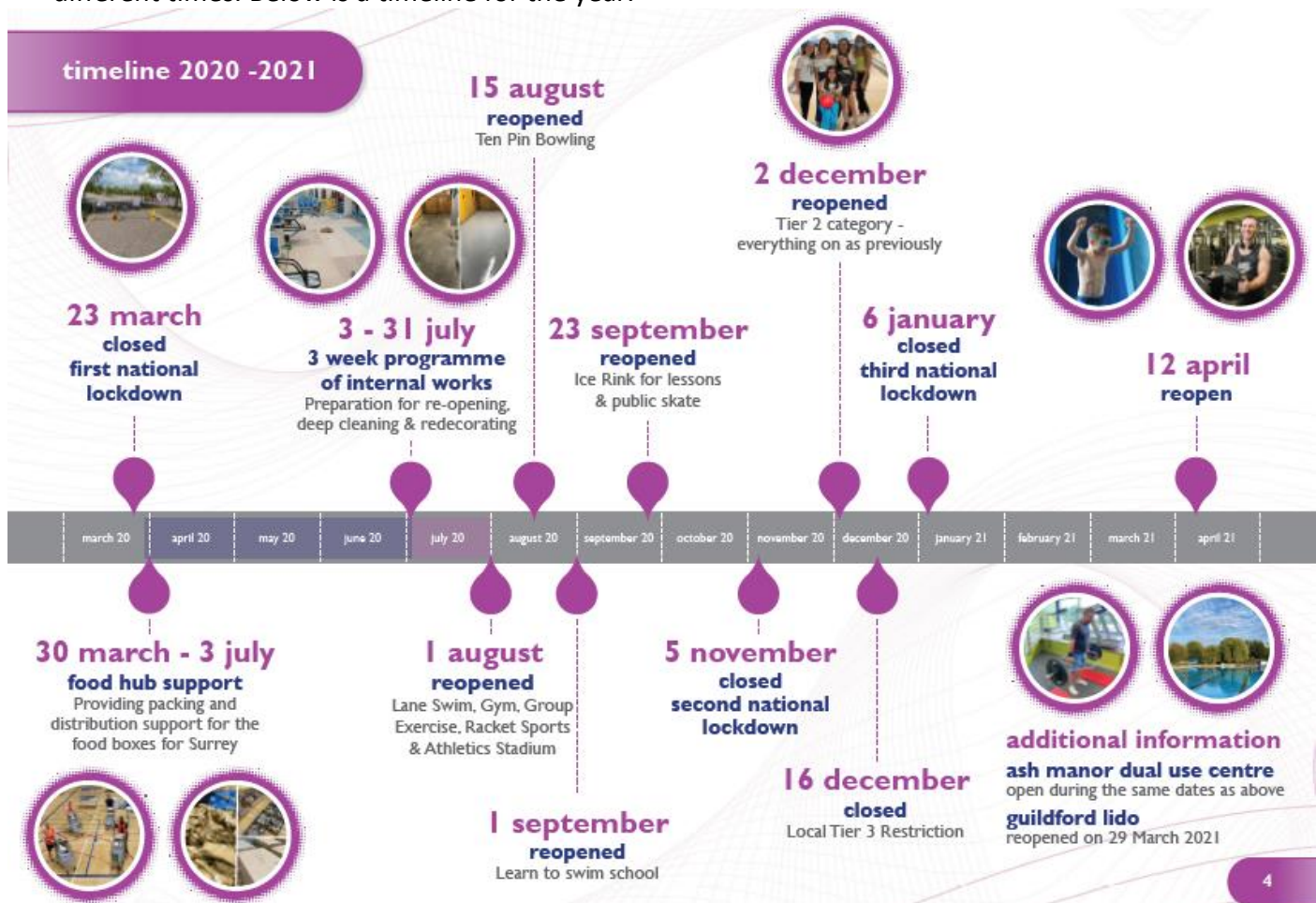
- 50 metre swimming pool, paddling pool and 4 acres of surrounding gardens and 3 water slides
- Specialised heavy weights gym

## Ash Manor Sports Centre: ('Ash Manor')

- 42 station gym
- 2 multiuse sports halls
- 3G all weather pitch
- A studio

## 3. Performance Overview

The following overview for 2020-21 demonstrates what a challenging year it was for the Guildford Leisure Contract, with 3 separate lockdown periods and different facilities being allowed to open at different times. Below is a timeline for the year.



### 3.1 Spectrum

In a year like no other the Guildford contract opened for a total of 16.5 trading weeks, the impact of the Covid pandemic is reflected in the detail below:

#### 3.1.1 Ice Rink

Ordinarily Flames would be the centre piece of the ice rink report; however, the Covid pandemic has seen an entire season wiped out with ice activity restricted to training ice and lessons with limited public skating and only in vastly reduced numbers to maintain social distancing.

Attendances across the two periods of opening in this year have been:

**August 1<sup>st</sup> – November 5<sup>th</sup> 2020** – 16,611 active participants

**December 2<sup>nd</sup> – December 19<sup>th</sup> 2020** – 7,945 active participants

Reactivation work has accelerated since the re-opening and additional learn to skate lessons for juniors have been programmed and a slight increase in public sessions capacities has also been allowed which is helping to support overall attendance in this area – albeit limited still by social distancing ratios.

##### 3.1.1.1 Ice Skating courses

|              | Number on<br>programme<br>2020/21 | Number on<br>programme<br>2019/20 |
|--------------|-----------------------------------|-----------------------------------|
| <b>Total</b> | <b>3,609</b>                      | <b>10,092</b>                     |

#### 3.1.2 Bowling

Restrictions prevented the return of the League bowling and social distancing requirements saw a reduction in lane capacity from 32 to 16 lanes with family bubbles / contained small groups very much the pattern of play.

Attendances across the two periods of opening in this year have been:

**August 1<sup>st</sup> – November 5<sup>th</sup> 2020** – 25,322 games played

**December 2<sup>nd</sup> – December 19<sup>th</sup> 2020** – 3,156 games played

#### 3.1.3 Events 2020/21

Outside of the food hub there were no events. Food hub in numbers:

- 2327 food boxes collected
- 85 days of operation between 31 March 2020 to 3 July 2020
- Working in partnership with GBC, SCC, Team Rubicon, Transport (East Surrey Rural Transport Partnership & Bustler), Army, Fire, Police.

#### 3.1.4 Catering

Please see appendix one.



## 4. Ash Manor and Lido Overview

### 4.1 Maintenance

Essential maintenance work only completed during the closures. Reactivation / statutory maintenance works completed prior to each re-opening.

### 4.2 Lido

The Lido remained closed throughout the year with no winter programme, however, reactivated on March 29<sup>th</sup> 2021. We worked closely with The Friends Of Guildford Lido (FOGL) and GBC to reactivate the site successfully.



## 5. Finance and Participation Summary

### 5.1 Finance Summary

| Guildford Finance Summary              |                    |           |                |            |
|--|--------------------|-----------|----------------|------------|
|  | Guildford Spectrum | Ash Manor | Guildford Lido | Total      |
| <b>Income</b>                          | £5,456,617         | £161,159  | £117,361       | £5,735,137 |
| <b>Expenditure</b>                     | £5,103,383         | £213,412  | £336,247       | £5,653,042 |
| <b>Management Fee &amp; Repayments</b> | £30,645            | £0        | £51,450        | £82,095    |
| <b>Net Surplus/ (Deficit)</b>          | £322,589           | -£52,253  | -£270,336      | £0         |

### 5.2 Income Performance Payment (IPP)

IPP is only payable on achieving the bid figures which was not achieved this year and thus no payment has been made.



### 5.3 Participation

|                  | <b>2020/21</b> | <b>2019/20</b> | <b>Bid</b> |
|------------------|----------------|----------------|------------|
| <b>Spectrum</b>  | 225,067        | 1,707,671      | 1,750,102  |
| <b>Ash Manor</b> | 13,127         | 84,233         | 96,872     |
| <b>Lido</b>      | 1,349          | 69,583         | 73,424     |
| <b>Contract</b>  | 239,543        | 1,861,487      | 1,920,399  |

## 6. Memberships

| <b>Site</b>           | <b>2019-20<br/>Members<br/>30.3.2020<br/>(Based on<br/>2019/20 report)</b> | <b>2020-21<br/>Members<br/>30.3.2021</b> | <b>Variance</b> | <b>Variance %</b> |
|-----------------------|--|--|-----------------|-------------------|
| <b>Spectrum</b>       | 3,738  | 1,669                                    | -2,069          | -55%              |
| <b>Guildford Lido</b> | 110  | 43                                       | -67             | -61%              |
| <b>Ash Manor</b>      | 659  | 395                                      | -264            | -40%              |
| <b>Totals</b>         | <b>4,507</b>   | <b>2,107</b>                             | <b>-2,400</b>   | <b>-53%</b>       |

On- going product augmentation activity is helping restore confidence in the offers with the new holistic area, relocated and larger spin studio and improved Group Exercise (indoor and outdoor) programme all already having a positive impact on recovery.

### 6.1 Local Community Participation

|             | <b>2020/21</b> | <b>2019/20</b> |
|-------------|----------------|----------------|
| Active Card | 31,251         | 26,210         |
| Green Card  | 4,523          | 5,281          |

| <b>Membership Type</b> | <b>Spectrum<br/>2020/21</b> | <b>2019/20</b> | <b>Ash<br/>Manor<br/>2020/21</b> | <b>2019/20</b> | <b>Lido<br/>2020/21</b> | <b>2019/20</b> |
|------------------------|-----------------------------|----------------|----------------------------------|----------------|-------------------------|----------------|
| Disabled               | 221                         | 290            | 0                                | 1              | 2                       | 0              |
| Income                 | 27                          | 62             | 0                                | 3              | 1                       | 0              |

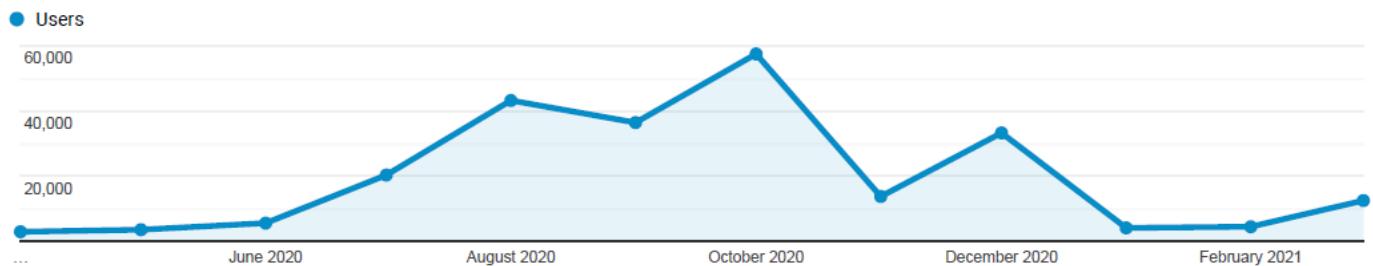
|                |              |              |            |            |            |            |
|----------------|--------------|--------------|------------|------------|------------|------------|
| Support        |              |              |            |            |            |            |
| Senior Citizen | 3712         | 4,286        | 346        | 327        | 137        | 272        |
| Student        | 56           | 266          | 4          | 26         | 0          | 0          |
| Unemployed     | 15           | 44           | 2          | 4          | 0          | 0          |
| Total          | <b>4,031</b> | <b>4,948</b> | <b>352</b> | <b>361</b> | <b>140</b> | <b>272</b> |

## 7. Marketing

Much of our marketing activity was maintaining communication with our customers throughout the lockdown & re-activation periods.

### 7.1 Website traffic

The below demonstrates website traffic. The increases in traffic are a direct relation to the reactivations.



### 7.2 Digital Overview

|                       | Totals 2020/21 | Totals 2019/20 |
|-----------------------|----------------|----------------|
| Sessions              | 340,036        | 960,950        |
| Users                 | 220,014        | 659,182        |
| Page Views            | 1,039,173      | 3,036,307      |
| Pages / Sessions      | 3.06           | 3              |
| Avg. Session Duration | 1.44           | 1.67           |
| Bounce Rate %         | 33.52%         | 38.91%         |
| New Visitor           | 81.00%         | 68.89%         |
| Returning Visitor     | 19.00%         | 31.11%         |

### 7.3 Web Enquiries by type

|                       | 2019/20<br>Totals | 2020/21<br>Totals |
|-----------------------|-------------------|-------------------|
| Ice school enquiries  | 1,851             | 307               |
| Swim school enquiries | 2,155             | 1,398             |

|                          |       |       |
|--------------------------|-------|-------|
| Contact us enquiries     | 774   | 1,518 |
| Group booking enquiries  | 129   | 6     |
| Birthday party enquiries | 1,487 | 111   |
| Total                    | 6,396 | 3,340 |

**7.4 E-mails**

A total of 39 customer emails were sent during the lockdown period with a very high open rate of 52%, this is an increase of 100% in comparison to 2019/20. Our open rate benchmark usually sits between 15-20%.

**7.5 Social media following**

| Site                      | Facebook followers | Instagram Followers | Twitter followers |
|---------------------------|--------------------|---------------------|-------------------|
| <b>Guildford Spectrum</b> | 14,053             | 2478                | 5280              |
| <b>Guildford Lido</b>     | 11498              | 1881                | 146               |
| <b>Ash Manor</b>          | 1200               | 347                 | N/A               |

## 8. Programming

### 8.1 Casual swimming

| Leisure Pool | 2020/21      | 2019/20        | Toddler Splash | 2020/21     | 2019/20      |
|--------------|--------------|----------------|----------------|-------------|--------------|
| April        | 0            | 32,062         | April          | 0           | 610          |
| May          | 0            | 23,869         | May            | 0           | 573          |
| June         | 0            | 15,233         | June           | 0           | 613          |
| July         | 0            | 26,390         | July           | 0           | 655          |
| August       | 0            | 46,028         | August         | 0           | 619          |
| September    | 4282         | 18,432         | September      | 694         | 765          |
| October      | 10079        | 20,144         | October        | 2885        | 600          |
| November     | 2557         | 14,441         | November       | 1107        | 504          |
| December     | 7182         | 14,960         | December       | 2597        | 441          |
| January      | 0            | 20,940         | January        | 0           | 710          |
| February     | 0            | 31,632         | February       | 0           | 871          |
| March        | 0            | 6,786          | March          | 0           | 454          |
|              | <b>24100</b> | <b>270,917</b> |                | <b>7283</b> | <b>7,415</b> |

\* Toddler Splash sessions increased in frequency resulting in greater footfall per day

### 8.3 Swim School

Numbers declined dramatically from the April 2020 base point of 2,023 enrolled swimmers, falling away over the course of the year to a low of 1857 by March 31st 2021. We are pleased to report that the current position of the LTS programme is that it has both recovered and surpassed the pre Covid enrolment number and is sitting in excess of 2,497 swimmers – the largest swim school in the FL portfolio.

### 8.4 Holiday Courses

Only October Half Term was run this year with 24 attendees. No other courses were able to run during the course of 2020/21 due to the restrictions on household mixing and the social distancing requirements therein.

### 8.5 Group Fitness Classes

Group exercise similarly impacted with major restrictions throughout. In total 19,342 attendees visited the facility during the periods of opening.

### 8.6 Crèche

The crèche provision was permanently removed following consultation with GBC as significantly loss making and unable to operate throughout the pandemic. The area has now been converted and is a holistic room forming part of an improved Health and fitness offer.

## 8.7 Parties

Parties were another major casualty of the government restrictions and as such no party bookings were taken during the periods of opening.

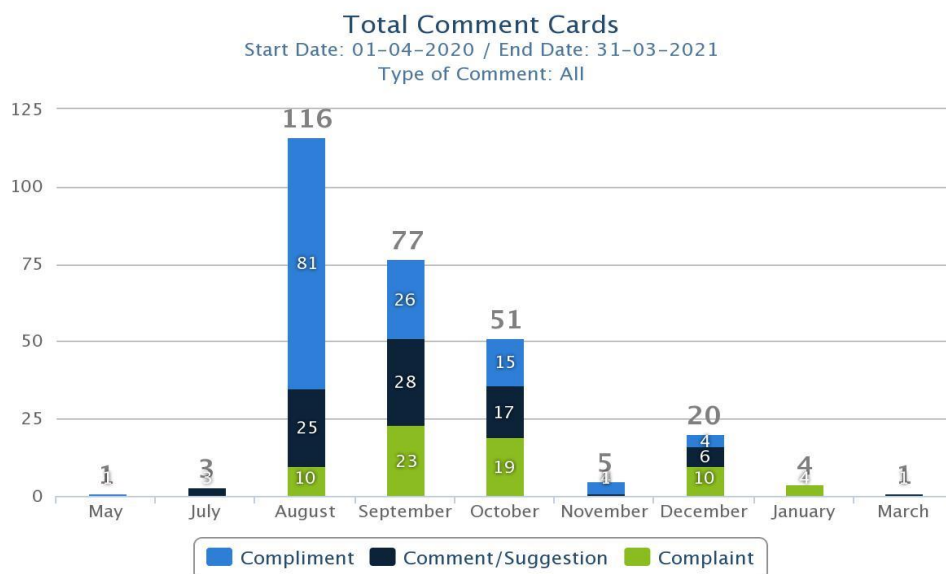
## 9. Customer Feedback

A summary of the results of our comprehensive Customer Research and Insight Programme for this reporting year are set out below.

### 9.1 Feedback Focus

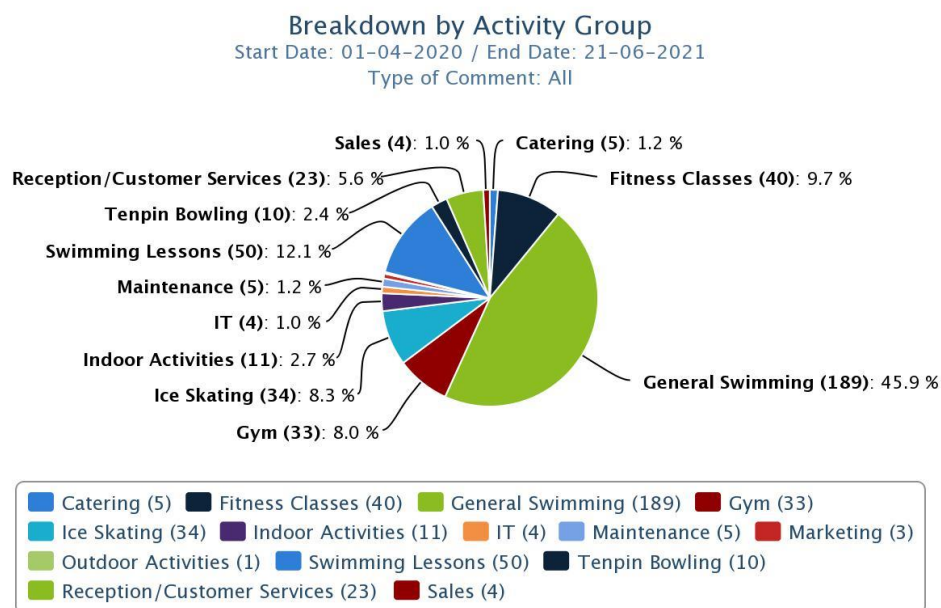
The continued use of Feedback Focus, a Leisure-net Solutions Ltd system, has enabled the gathering of more balanced qualitative feedback from customers. It has also helped with the recording, response tracking and overall management and analysis of customer feedback for each centre and department.

### 9.2 Total comment cards by type



| Number and type of comments | 2020/21 | 2019/20 | Variance 2019/20-2020/21 |
|-----------------------------|---------|---------|--------------------------|
| Compliment                  | 131     | 187     | -56                      |
| Complaint                   | 66      | 721     | -655                     |
| Comment/suggestion          | 81      | 85      | -4                       |
| Total                       | 278     | 993     | -715                     |

### 9.3 Breakdown by activity type



- Swimming and swim lesson feedback represents over 50% of the total feedback. This is not uncommon.
- Customer Service is a critical measure in supporting membership retention and repeat visit desire from non-members and work is on-going to improve on current standards.
- No NPS scoring has been conducted in this year of unusual operation as meaningful results would be difficult to establish.

## 10. Health and Safety

Health and Safety is a primary consideration for Freedom Leisure and so there are a number of checks and balances in place to ensure that a continued level of excellence is achieved. These include internal and external audits within the Guildford facilities by Freedom Leisure Area Managers, GBC client officers, GBC Environmental Health and Surrey County Council (Ice Panto and Crèche only).

These audits provide the Freedom Leisure's senior management team with a steer on how the site is performing and whether any extra assistance is required. Any weaknesses that are identified are added to the site Safety Action Plan with realistic deadlines set.

Freedom Leisure accident reporting system is called STITCH. The charts below detail the prime areas of focus for the team from this year's incident reporting. There are some natural highs relating primarily to both swimming and ice skating so the focus remains firmly on accident reduction and minimisation of risk in all areas wherever possible.

### 10.1 Spectrum

|                         | Number of Reports<br>2020/21 | RIDDOR | Number of Reports<br>2019/20 | RIDDOR |
|-------------------------|------------------------------|--------|------------------------------|--------|
| Ice Rink                | 16                           | 0      | 328                          | 0      |
| Swimming Pool - Leisure | 13                           | 0      | 184                          | 0      |

|                          |           |          |            |          |
|--------------------------|-----------|----------|------------|----------|
| Diving Board             | 4         | 0        | 57         | 0        |
| Swimming Pool - Main     | 14        | 0        | 43         | 0        |
| Sports Hall              | 6         | 0        | 42         | 0        |
| Bowling Alley            | 2         | 0        | 22         | 1        |
| Swim Pool - Teaching     | 0         | 0        | 15         | 0        |
| Crèche                   | 0         | 0        | 14         | 0        |
| Flume                    | 1         | 0        | 11         | 0        |
| Changing Rooms - Village | 2         | 0        | 11         | 0        |
| Gym                      | 0         | 0        | 1          | 1        |
| Café Area                | 0         | 0        | 1          | 1        |
| External grounds         | 1         | 0        | 0          | 0        |
| Main Entrance            | 2         | 0        | 0          | 0        |
| Soft Play                | 2         | 0        | 0          | 0        |
| <b>TOTAL</b>             | <b>63</b> | <b>0</b> | <b>729</b> | <b>3</b> |

## 10.2 Ash Manor

|                      | Number of Reports 2020/21 | Number of Reports 2019/20 | RIDDOR   |
|----------------------|---------------------------|---------------------------|----------|
| Fitness Studio (Gym) | 0                         | 5                         | 0        |
| 3G Pitch             | 2                         | 4                         | 0        |
| Sports Hall          | 0                         | 3                         | 0        |
| Offsite              | 0                         | 1                         | 0        |
| Grass Pitches        | 0                         | 1                         | 0        |
| Unknown              | 0                         | 1                         | 0        |
| Gymnasium            | 0                         | 1                         | 0        |
| <b>Total</b>         | <b>2</b>                  | <b>16</b>                 | <b>0</b> |

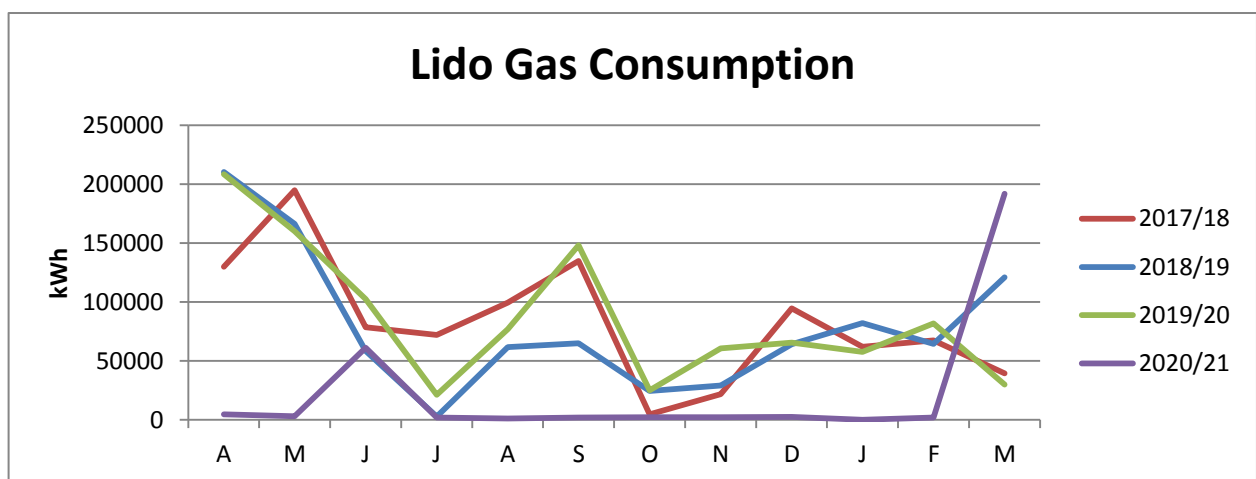
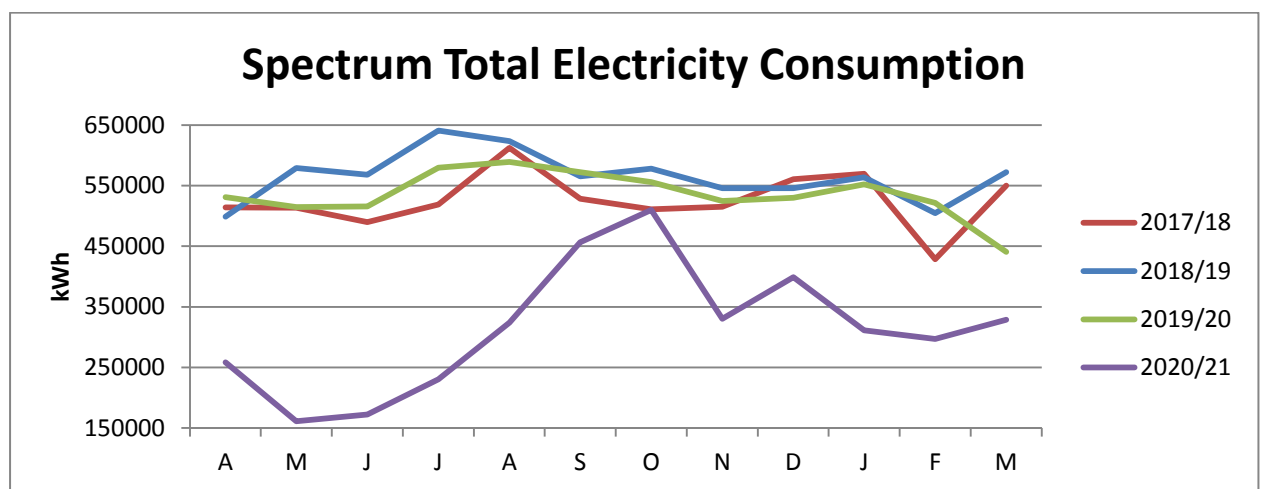
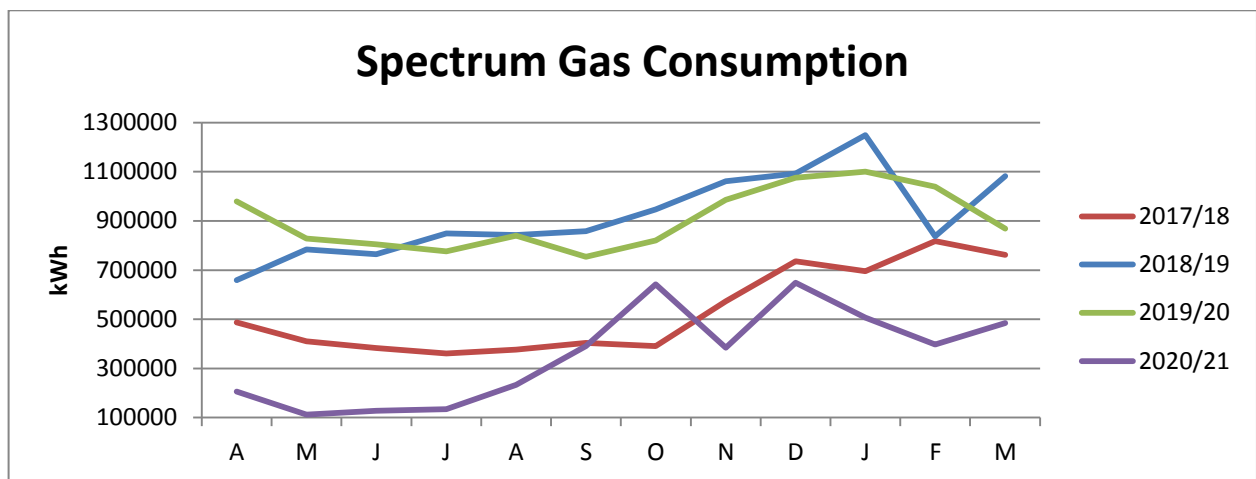
## 10.3 Lido

Facility closed and no reported accidents or incidents during the closure period – including any staff related.

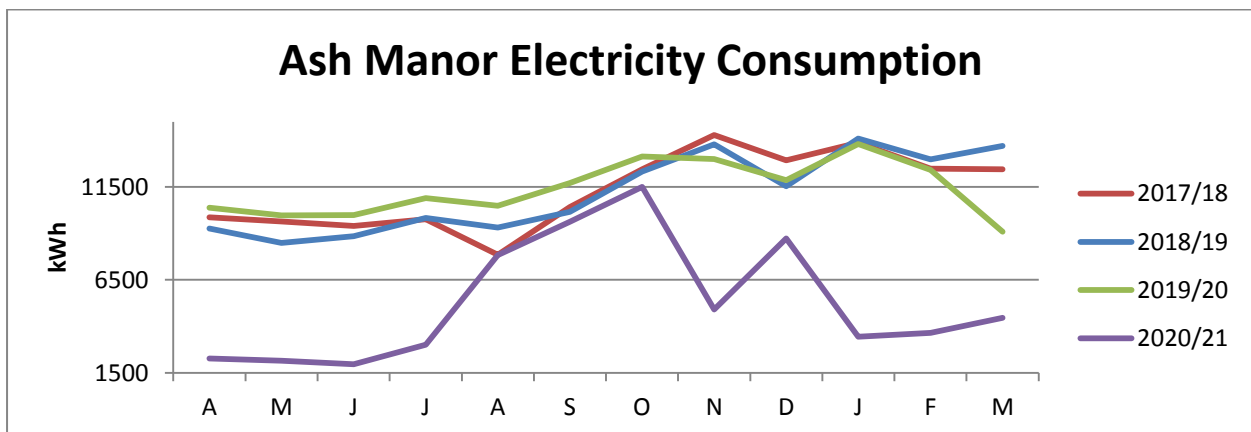
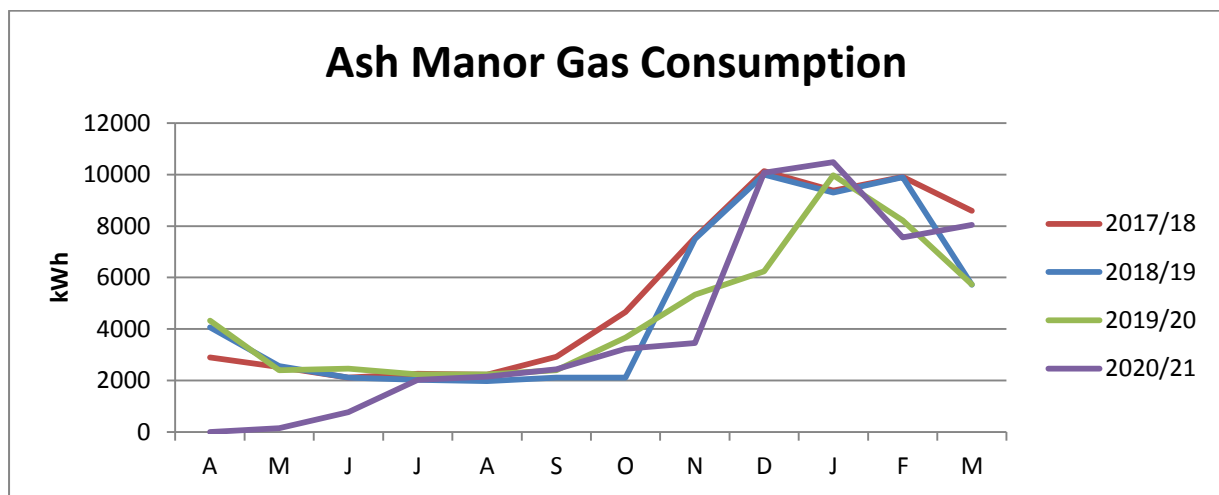
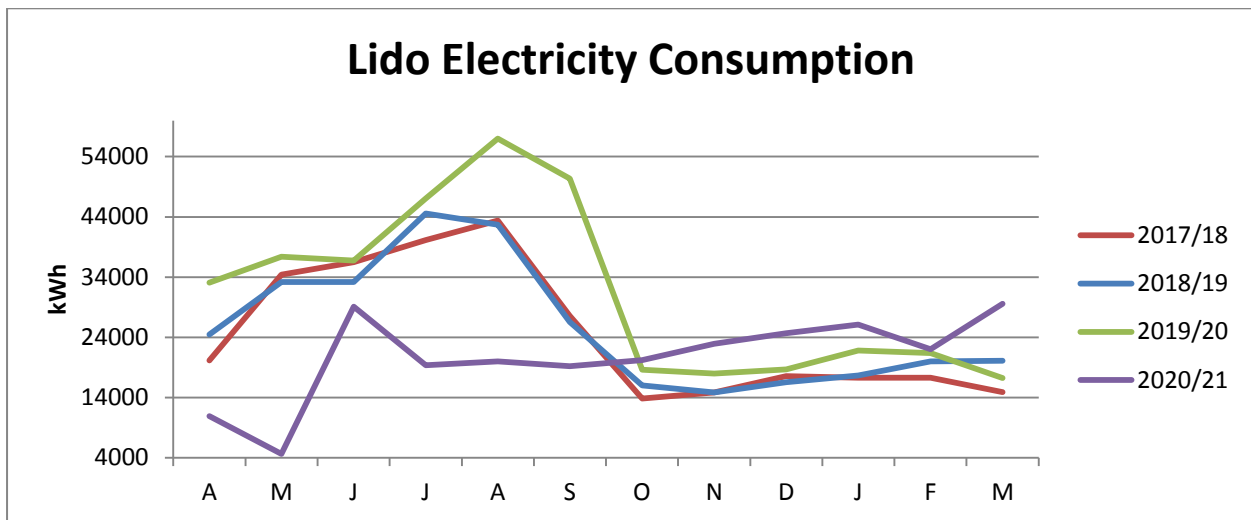
Freedom Leisure remains committed to a focus on reducing risk and shrinking the likelihood of accident in all areas as a key driver in managing on-site Health and Safety.

## 11. Environmental

Overall gas and electricity consumption tracked below prior years' levels as would be expected for an operation that was ramped down for 70% of the financial year – some slight peaks during the period which are aligned to pre-reactivation activity generally.







## 12. Asset Management and 10 Year Plan Update

The 10 Year Plan sets out the longer term asset management plan - it generally relates to the maintenance and replacement of plant room equipment or service facilities. There was no capital spend in 2020-21, however capital expenditure has been identified and proposed within the contract extension negotiations but not formally agreed.

----- **END OF REPORT** -----

MONITORING TEMPLATE  
PROJECTED OUTTURN

| DETAILS                      | CURRENT<br>YEAR<br>CUMULATIVE<br>PERIOD<br>BID | CURRENT<br>YEAR<br>CUMULATIVE<br>PERIOD<br>ACTUAL | PREVIOUS<br>YEAR<br>FULL<br>YEAR<br>ACTUAL | CURRENT<br>YEAR<br>FULL<br>YEAR<br>BID | CURRENT<br>YEAR<br>FULL<br>YEAR<br>PROJECTED | VARIANCE<br>CUMULATIVE<br>ACTUAL TO<br>FULL YEAR<br>BID | VARIANCE<br>CUMULATIVE<br>ACTUAL TO<br>FULL YEAR<br>LAST YEAR |
|------------------------------|--|---|--|--|--|---|---|
|                              | £  | £   | £  | £                                      | £  | %   | %   |
| <b>SPECTRUM</b>              |  |   |  |  |  |   |   |
| <b>Income</b>                |  |   |  |  |  |   |   |
| Administration               | 132,862  | 4,537   | 24,305                                     | 132,862                                | 4,537  | 3%  | 19%   |
| Marketing                    | 165,291  | 1,133   | 9,653                                      | 165,291                                | 1,133  | 1%  | 12%   |
| Pools                        | 2,425,119                                      | 546,015   | 3,117,115                                  | 2,425,119                              | 546,015                                      | 23%   | 18%   |
| Bowl                         | 1,112,213                                      | 154,933   | 1,133,284                                  | 1,112,213                              | 154,933                                      | 14%   | 14%   |
| Ice Rink                     | 2,528,326                                      | 282,616   | 2,368,514                                  | 2,528,326                              | 282,616                                      | 11%   | 12%   |
| Arena                        | 834,120  | 44,357  | 368,141                                    | 834,120                                | 44,357                                       | 5%  | 12%   |
| Energy Level                 | 728,260  | 184,711   | 1,015,981                                  | 728,260                                | 184,711                                      | 25%   | 18%   |
| Athletics                    | 38,173   | 14,798  | 38,844                                     | 38,173                                 | 14,798                                       | 39%   | 38%   |
| Catering & Shops             | 488,212  | 114,836   | 1,860,255                                  | 488,212                                | 114,836                                      | 24%   | 6%  |
| Other                        | 42,199   | 4,108,681   | 1,051,388                                  | 42,199                                 | 4,108,681                                    | 9736%   | 391%  |
| <b>TOTAL INCOME</b>          | <b>8,494,775</b>                               | <b>5,456,617</b>                                  | <b>10,987,480</b>                          | <b>8,494,775</b>                       | <b>5,456,617</b>                             | <b>64%</b>  | <b>50%</b>  |
| <b>Expenditure</b>           |  |   |  |  |  |   |   |
| Employees                    |  |   |  |  |  |   |   |
| Salaries                     | 1,964,866                                      | 2,358,294   | 2,735,403                                  | 1,964,866                              | 2,358,294                                    | 120%  | 86%   |
| Wages                        | 858,636  | 422,800   | 916,342                                    | 858,636                                | 422,800                                      | 49%   | 46%   |
| Self Employed Instructors    | 644,235  | 75,188  | 504,320                                    | 644,235                                | 75,188                                       | 12%   | 15%   |
| NI & Pension                 | 380,899  | 249,099   | 316,426                                    | 380,899                                | 249,099                                      | 65%   | 79%   |
| Training                     | 18,000   | 1,227   | 34,138                                     | 18,000                                 | 1,227  | 7%  | 4%  |
| Other Employee Expenses      | 16,164   | 995   | 35,190                                     | 16,164                                 | 995  | 6%  | 3%  |
| Premises Related Expenses    |  |   |  |  |  |   |   |
| Building & Plant Maintenance | 529,515  | 335,765   | 580,899                                    | 529,515                                | 335,765                                      | 63%   | 58%   |
| Plant Replacement            | 268,900  | 268,900   | 268,900                                    | 268,900                                | 268,900                                      | 100%  | 100%  |
| General Rates                | 114,264  | 0   | 128,016                                    | 114,264                                | 0  | 0%  | 0%  |
| Electricity                  | 408,322  | 316,096   | 385,594                                    | 408,322                                | 316,096                                      | 77%   | 82%   |
| Gas                          | 176,089  | 111,460   | 276,958                                    | 176,089                                | 111,460                                      | 63%   | 40%   |
| Water                        | 69,074   | 74,138  | 121,042                                    | 69,074                                 | 74,138                                       | 107%  | 61%   |
| Cleaning                     | 92,579   | 34,801  | 106,142                                    | 92,579                                 | 34,801                                       | 38%   | 33%   |
| Insurance                    | 60,000   | 51,450  | 85,500                                     | 60,000                                 | 51,450                                       | 86%   | 60%   |
| Other Premises Expenses      | 0  | 0   | 0  | 0                                      | 0  | 0%  | #DIV/0!   |
| Transport Related Expenses   |  |   |  |  |  |   |   |
| Travel & subsistence         | 15,568   | 25  | 685  | 15,568                                 | 25   | 0%  | 4%  |
| Supplies and Services        |  |   |  |  |  |   |   |
| Marketing                    | 176,889  | 7,205   | 127,477                                    | 176,889                                | 7,205  | 4%  | 6%  |
| Licences & Fees              | 35,209   | 13,619  | 33,634                                     | 35,209                                 | 13,619                                       | 39%   | 40%   |
| ICT                          | 49,377   | 54,571  | 69,128                                     | 49,377                                 | 54,571                                       | 111%  | 79%   |
| Equipment maintenance        | 46,553   | 36,821  | 65,736                                     | 46,553                                 | 36,821                                       | 79%   | 56%   |
| Equipment replacement        | 157,423  | 110,982   | 217,981                                    | 157,423                                | 110,982                                      | 70%   | 51%   |
| Events                       | 52,682   | 24,364  | 571,292                                    | 52,682                                 | 24,364                                       | 46%   | 4%  |
| Admin & postage              | 30,408   | 7,689   | 23,992                                     | 30,408                                 | 7,689  | 25%   | 32%   |
| Bank charges                 | 54,793   | 19,992  | 117,061                                    | 54,793                                 | 19,992                                       | 36%   | 17%   |
| Catering & resale            | 15,211   | 27,893  | 745,527                                    | 15,211                                 | 27,893                                       | 183%  | 4%  |
| Other supplies & services    | 495,770  | 143,651   | 732,680                                    | 495,770                                | 143,651                                      | 29%   | 20%   |
| Central Support Services     | 424,739  | 356,359   | 548,241                                    | 424,739                                | 356,359                                      | 84%   | 65%   |
| <b>TOTAL EXPENDITURE</b>     | <b>7,156,165</b>                               | <b>5,103,383</b>                                  | <b>9,748,303</b>                           | <b>7,156,165</b>                       | <b>5,103,383</b>                             | <b>71%</b>  | <b>52%</b>  |
| Management Fee               | 1,018,886                                      | 30,645  | 1,288,637                                  | 1,018,886                              | 30,645                                       |   |   |
| <b>NET PROFIT</b>            | <b>319,724</b>                                 | <b>322,589</b>                                    | <b>(49,460)</b>                            | <b>319,724</b>                         | <b>322,589</b>                               |   |   |

Agenda item number: 7

MONITORING TEMPLATE Appendix 1  
PROJECTED OUTTURN #REF!

| DETAILS                      | CURRENT<br>YEAR<br>CUMULATIVE<br>PERIOD<br>BID | CURRENT<br>YEAR<br>CUMULATIVE<br>PERIOD<br>ACTUAL | PREVIOUS<br>YEAR<br>FULL<br>YEAR<br>ACTUAL | CURRENT<br>YEAR<br>FULL<br>YEAR<br>BID | CURRENT<br>YEAR<br>FULL<br>YEAR<br>PROJECTED | VARIANCE<br>PROJECTED<br>TO<br>BID | VARIANCE<br>PROJECTED<br>TO<br>LAST<br>YEAR |
|------------------------------|--|---|--|--|--|------------------------------------|---|
|                              | £  | £   | £  | £                                      | £  | %                                  | %   |
| <b>LIDO</b>                  |  |   |  |  |  |                                    |   |
| <b>Income</b>                |  |   |  |  |  |                                    |   |
| Swimming - Casual            | 213,949  | 15,641  | 316,951                                    | 213,949                                | 15,641                                       | 7%                                 | 5%  |
| Swimming - Memberships       | 18,528   | 0   | 42,063                                     | 18,528                                 | 0  | 0%                                 | 0%  |
| Fitness - Casual             | 7,230  | 7   | 3,857                                      | 7,230                                  | 7  | 0%                                 | 0%  |
| Fitness - Memberships        | 47,518   | 1,082   | 26,203                                     | 47,518                                 | 1,082  | 2%                                 | 4%  |
| Catering & Vending           | 9,306  | 179   | 25,295                                     | 9,306                                  | 179  | 2%                                 | 1%  |
| Goods For Resale             | 0  | 0   | 3,966                                      | 0                                      | 0  | 0%                                 | 0%  |
| Car Parking                  | 0  | 35,005  | 36,012                                     | 0                                      | 35,005                                       | 0%                                 | 97%   |
| Other Income                 | 17,243   | 65,447  | 34,756                                     | 17,243                                 | 65,447                                       | 380%                               | 188%  |
| <b>TOTAL INCOME</b>          | <b>313,774</b>                                 | <b>117,361</b>                                    | <b>489,103</b>                             | <b>313,774</b>                         | <b>117,361</b>                               | <b>37%</b>                         | <b>24%</b>                                  |
| <b>Expenditure</b>           |  |   |  |  |  |                                    |   |
| Employees                    |  |   |  |  |  |                                    |   |
| Salaries                     | 117,738  | 53,171  | 110,092                                    | 117,738                                | 53,171                                       | 45%                                | 48%   |
| Wages                        | 69,873   | 16,580  | 93,126                                     | 69,873                                 | 16,580                                       | 24%                                | 18%   |
| Self Employed Instructors    | 0  | 0   | 15,793                                     | 0                                      | 0  | 0%                                 | 0%  |
| NI & Pension                 | 22,515   | 5,026   | 12,678                                     | 22,515                                 | 5,026  | 22%                                | 40%   |
| Training                     | 2,000  | 0   | 1,400                                      | 2,000                                  | 0  | 0%                                 | 0%  |
| Other Employee Expenses      | 874  | 0   | 2,327                                      | 874                                    | 0  | 0%                                 | 0%  |
| Premises Related Expenses    |  |   |  |  |  |                                    |   |
| Building & Plant Maintenance | 48,303   | 52,999  | 72,866                                     | 48,303                                 | 52,999                                       | 110%                               | 73%   |
| Plant Replacement            | 30,000   | 30,000  | 30,000                                     | 30,000                                 | 30,000                                       | 100%                               | 100%  |
| General Rates                | 5,862  | 0   | 12,000                                     | 5,862                                  | 0  | 0%                                 | 0%  |
| Electricity                  | 12,590   | 22,548  | 31,138                                     | 12,590                                 | 22,548                                       | 179%                               | 72%   |
| Gas                          | 20,714   | 7,865   | 28,382                                     | 20,714                                 | 7,865  | 38%                                | 28%   |
| Water                        | 22,500   | 80,274  | 57,678                                     | 22,500                                 | 80,274                                       | 357%                               | 139%  |
| Cleaning                     | 9,122  | 7,234   | 15,441                                     | 9,122                                  | 7,234  | 79%                                | 47%   |
| Insurance                    | 5,000  | 3,630   | 2,600                                      | 5,000                                  | 3,630  | 73%                                | 140%  |
| Other Premises Expenses      | 0  | 0   | 0  | 0                                      | 0  | 0%                                 | #DIV/0!                                     |
| Transport Related Expenses   |  |   |  |  |  |                                    |   |
| Travel & subsistence         | 273  | 17  | 0  | 273                                    | 17   | 6%                                 | #DIV/0!                                     |
| Supplies and Services        |  |   |  |  |  |                                    |   |
| Marketing                    | 5,058  | 0   | 5,499                                      | 5,058                                  | 0  | 0%                                 | 0%  |
| Licences & Fees              | 3,230  | 955   | 2,812                                      | 3,230                                  | 955  | 30%                                | 34%   |
| ICT                          | 4,020  | 2,693   | 2,782                                      | 4,020                                  | 2,693  | 67%                                | 97%   |
| Equipment maintenance        | 4,603  | 0   | 3,615                                      | 4,603                                  | 0  | 0%                                 | 0%  |
| Equipment replacement        | 6,000  | 5,735   | 14,440                                     | 6,000                                  | 5,735  | 96%                                | 40%   |
| Events                       | 5,973  | 0   | 0  | 5,973                                  | 0  | 0%                                 | #DIV/0!                                     |
| Admin & postage              | 1,174  | 1,026   | 1,505                                      | 1,174                                  | 1,026  | 87%                                | 68%   |
| Bank charges                 | 826  | 99  | 3,004                                      | 826                                    | 99   | 12%                                | 3%  |
| Catering & resale            | 7,475  | (158)   | 16,019                                     | 7,475                                  | (158)  | -2%                                | -1%   |
| Other supplies & services    | 40,670   | 31,203  | 46,857                                     | 40,670                                 | 31,203                                       | 77%                                | 67%   |
| Central Support Services     | 15,689   | 15,350  | 23,611                                     | 15,689                                 | 15,350                                       | 98%                                | 65%   |
| <b>TOTAL EXPENDITURE</b>     | <b>462,082</b>                                 | <b>336,247</b>                                    | <b>605,665</b>                             | <b>462,082</b>                         | <b>336,247</b>                               | <b>73%</b>                         | <b>56%</b>                                  |
| Management Fee               | (162,134)                                      | 51,450  | (108,337)                                  | (162,134)                              | 51,450                                       |                                    |   |
| <b>NET PROFIT</b>            | <b>13,827</b>                                  | <b>(270,336)</b>                                  | <b>(8,225)</b>                             | <b>13,827</b>                          | <b>(270,336)</b>                             |                                    |   |

MONITORING TEMPLATE  
PROJECTED OUTTURN

#REF!

| DETAILS                         | CURRENT<br>YEAR<br>CUMULATIVE<br>PERIOD<br>BID | CURRENT<br>YEAR<br>CUMULATIVE<br>PERIOD<br>ACTUAL | PREVIOUS<br>YEAR<br>FULL<br>YEAR<br>ACTUAL | CURRENT<br>YEAR<br>FULL<br>YEAR<br>BID | CURRENT<br>YEAR<br>FULL<br>YEAR<br>PROJECTED | VARIANCE<br>PROJECTED<br>TO<br>BID | VARIANCE<br>PROJECTED<br>TO<br>LAST<br>YEAR |
|---------------------------------|--|---|--|--|--|------------------------------------|---|
|                                 | £  | £   | £  | £                                      | £  | %                                  | %   |
| <b>ASH</b>                      |  |   |  |  |  |                                    |   |
| <b>Income</b>                   |  |   |  |  |  |                                    |   |
| Gym Casual                      | 30,147   | 1,725   | 24,972                                     | 30,147                                 | 1,725  | 6%                                 | 7%  |
| Gym Classes                     | 26,057   | 2,464   | 13,170                                     | 26,057                                 | 2,464  | 9%                                 | 19%   |
| Gym Memberships                 | 173,165  | 47,227  | 214,180                                    | 173,165                                | 47,227                                       | 27%                                | 22%   |
| Sport Hall Casual               | 37,873   | 1,858   | 8,223                                      | 37,873                                 | 1,858  | 5%                                 | 23%   |
| Sport Hall Courses              | 7,859  | 0   | 2,671                                      | 7,859                                  | 0  | 0%                                 | 0%  |
| Sport Hall Childrens Activities | 4,148  | (450)   | 3,995                                      | 4,148                                  | (450)  | -11%                               | -11%  |
| Sport Hall Bookings             | 5,928  | 5,121   | 30,360                                     | 5,928                                  | 5,121  | 86%                                | 17%   |
| Outdoor Casual                  | 119,835  | 6,453   | 35,806                                     | 119,835                                | 6,453  | 5%                                 | 18%   |
| Outdoor Bookings                | 0  | 17,920  | 53,240                                     | 0                                      | 17,920                                       | 0%                                 | 34%   |
| Catering & Vending              | 24,985   | 663   | 9,598                                      | 24,985                                 | 663  | 3%                                 | 7%  |
| Other Income                    | 2,989  | 78,178  | 5,019                                      | 2,989                                  | 78,178                                       | 2616%                              | 1558%                                       |
| <b>TOTAL INCOME</b>             | <b>432,986</b>                                 | <b>161,159</b>                                    | <b>401,234</b>                             | <b>432,986</b>                         | <b>161,159</b>                               | <b>37%</b>                         | <b>0%</b>                                   |
| <b>Expenditure</b>              |  |   |  |  |  |                                    |   |
| Employees                       |  |   |  |  |  |                                    |   |
| Salaries                        | 119,195  | 84,396  | 92,650                                     | 119,195                                | 84,396                                       | 71%                                | 91%   |
| Wages                           | 45,138   | 27,373  | 58,551                                     | 45,138                                 | 27,373                                       | 61%                                | 47%   |
| Self Employed Instructors       | 1,500  | 294   | 1,251                                      | 1,500                                  | 294  | 20%                                | 24%   |
| Ni & Pension                    | 18,104   | 7,118   | 7,476                                      | 18,104                                 | 7,118  | 39%                                | 95%   |
| Training                        | 2,000  | 0   | 1,400                                      | 2,000                                  | 0  | 0%                                 | 0%  |
| Other Employee Expenses         | 350  | 0   | 867  | 350                                    | 0  | 0%                                 | 0%  |
| Premises Related Expenses       |  |   |  |  |  |                                    |   |
| Building & Plant Maintenance    | 32,254   | 19,787  | 27,153                                     | 32,254                                 | 19,787                                       | 61%                                | 73%   |
| Plant Replacement               | 5,000  | 5,000   | 5,000                                      | 5,000                                  | 5,000  | 100%                               | 100%  |
| General Rates                   | 8,000  | 0   | 12,096                                     | 8,000                                  | 0  | 0%                                 | 0%  |
| Electricity                     | 20,329   | 10,874  | 20,560                                     | 20,329                                 | 10,874                                       | 53%                                | 53%   |
| Gas                             | 9,084  | 11,585  | 16,120                                     | 9,084                                  | 11,585                                       | 128%                               | 72%   |
| Water                           | 7,775  | 2,049   | 2,501                                      | 7,775                                  | 2,049  | 26%                                | 82%   |
| Cleaning                        | 3,023  | 9,891   | 12,691                                     | 3,023                                  | 9,891  | 327%                               | 78%   |
| Insurance                       | 5,290  | 2,473   | 3,804                                      | 5,290                                  | 2,473  | 47%                                | 65%   |
| Other Premises Expenses         | 0  | 0   | 0  | 0                                      | 0  | 0%                                 | #DIV/0!                                     |
| Transport Related Expenses      |  |   |  |  |  |                                    |   |
| Travel & subsistence            | 223  | 0   | 60   | 223                                    | 0  | 0%                                 | 0%  |
| Supplies and Services           |  |   |  |  |  |                                    |   |
| Marketing                       | 5,499  | 0   | 6,544                                      | 5,499                                  | 0  | 0%                                 | 0%  |
| Licences & Fees                 | 5,055  | 1,764   | 5,206                                      | 5,055                                  | 1,764  | 35%                                | 34%   |
| ICT                             | 7,889  | 3,126   | 3,234                                      | 7,889                                  | 3,126  | 40%                                | 97%   |
| Equipment maintenance           | 1,000  | 0   | 5,807                                      | 1,000                                  | 0  | 0%                                 | 0%  |
| Equipment replacement           | 24,280   | 6,249   | 7,448                                      | 24,280                                 | 6,249  | 26%                                | 84%   |
| Events                          | 1,127  | 222   | 4,941                                      | 1,127                                  | 222  | 20%                                | 4%  |
| Admin & postage                 | 1,320  | 332   | 729  | 1,320                                  | 332  | 25%                                | 46%   |
| Bank charges                    | 1,280  | 367   | 2,744                                      | 1,280                                  | 367  | 29%                                | 13%   |
| Catering & resale               | 12,124   | 490   | 5,780                                      | 12,124                                 | 490  | 4%                                 | 8%  |
| Other supplies & services       | 26,974   | 7,035   | 21,845                                     | 26,974                                 | 7,035  | 26%                                | 32%   |
| Central Support Services        | 21,651   | 12,987  | 19,985                                     | 21,651                                 | 12,987                                       | 60%                                | 65%   |
| <b>TOTAL EXPENDITURE</b>        | <b>385,464</b>                                 | <b>213,412</b>                                    | <b>346,442</b>                             | <b>385,464</b>                         | <b>213,412</b>                               | <b>55%</b>                         | <b>62%</b>                                  |
| Management Fee                  | 39,485   | 0   | 40,774                                     | 39,485                                 | 0  |                                    |   |
| <b>NET PROFIT</b>               | <b>8,037</b>                                   | <b>(52,253)</b>                                   | <b>14,018</b>                              | <b>8,037</b>                           | <b>(52,253)</b>                              |                                    |   |

## Spectrum Catering Profit and Loss Report

|                                      |            |                         |          |
|--------------------------------------|------------|-------------------------|----------|
| Freedom                              |            |                         | YTD      |
|                                      | MARCH 2021 |                         | Actual   |
|                                      |            | TOTAL INCOME            | 113,643  |
|                                      |            | TOTAL EXPENDITURE       | 147,271  |
|                                      |            | Stock                   | 28,159   |
|                                      |            | Consumables             | 817      |
|                                      |            | Equipment & Maintenance | 1,400    |
|                                      |            | Staff                   | 87,772   |
|                                      |            | Staff NI & Pension      | 7,636    |
|                                      |            | Utilities               | 10,000   |
|                                      |            | Insurance               | 4,667    |
|                                      |            | Bank charges            | 1,136    |
|                                      |            | Overhead recovery       | 5,682    |
| TOTAL CATERING PROFIT/LOSS           |            | -                       | 33,629   |
|                                      |            |                         |          |
| CAFE                                 |            |                         |          |
|                                      |            | Income                  | 86,523   |
|                                      |            | Expenditure             | 58,097   |
| TOTAL CAFE                           |            |                         | 28,426   |
|                                      |            |                         |          |
| BAR                                  |            |                         |          |
|                                      |            | Income                  | 1,125    |
|                                      |            | Expenditure             | 2,976    |
| TOTAL BAR                            |            |                         | - 1,851  |
|                                      |            |                         |          |
| WIMPY                                |            |                         |          |
|                                      |            | Income                  | -        |
|                                      |            | Expenditure             | -        |
| TOTAL WIMPY                          |            |                         | -        |
|                                      |            |                         |          |
| BOWL EATERY                          |            |                         |          |
|                                      |            | Income                  | 14,933   |
|                                      |            | Expenditure             | 32,767   |
| TOTAL BOWL EATERY                    |            |                         | - 17,835 |
|                                      |            |                         |          |
| HARVEYS                              |            |                         |          |
|                                      |            | Income                  | 1,162    |
|                                      |            | Expenditure             | 296      |
| TOTAL HARVEYS                        |            |                         | 865      |
|                                      |            |                         |          |
| SATELLITES AND HOSPITALITIES         |            |                         |          |
|                                      |            | Income                  | 3,339    |
|                                      |            | Expenditure             | 5,432    |
| TOTAL SATELLITES AND HOSPITALITIES   |            |                         | - 2,094  |
|                                      |            |                         |          |
| VENDING                              |            |                         |          |
|                                      |            | Income                  | 6,561    |
|                                      |            | Expenditure             | 1,673    |
| TOTAL VENDING                        |            |                         | 4,888    |
|                                      |            |                         |          |
| EQUIPMENT AND MANAGEMENT COSTS       |            |                         |          |
|                                      |            | Expenditure             | 46,029   |
| TOTAL EQUIPMENT AND MANAGEMENT COSTS |            |                         | - 46,029 |

## Annual Report Presentation Meeting Minutes

Monday 23 August 2021 at 14:00

(Microsoft Teams Meeting)

### Present;

From GBC:

Jonathan Sewell (JBS)  
Charlotte Brindley (CB)  
Cllr James Steel (JS)  
Cllr George Potter (GP)  
Cllr Dennis Booth (DB)  
Cllr Nigel Manning (NM)

From Freedom Leisure;

Ivan Horsfall Turner (IHT)  
Matt Wickham (MW)  
Emma Beavis (EB)

| Ref:       | ITEM  | Action |
|------------|---|--------|
| <b>1.0</b> | <b>Apologies for absence &amp; introductions</b>  |        |
| 1.1        | Apologies were received from Ian Doyle, Kevin Hopkins, Kara Anderson and Lee Thomas.  |        |
| 1.2        | Everyone introduced themselves.   |        |
| <b>2.0</b> | <b>Presentation of the Annual Report by Ivan Horsfall Turner</b>  |        |
| 2.1        | IHT began by confirming that the period of review covered 1 April 2020 to 31 March 2021. IHT explained that this was a very different year and therefore a different approach has been taken in terms of the presentation of Freedom Leisure's (FL) Annual Report in that an infographic report is being used for this presentation. The Annual Report has also been circulated. IHT confirmed he was happy to receive questions at any time throughout the presentation.   |        |
| 2.2        | IHT confirmed that Lee Thomas, who has been Area Manager throughout the period in question, is on annual leave but that he and Matt Wickham (MW) would provide the corporate background, with Emma Beavis (EB), who has very recently been appointed as General Manager at Spectrum (but has 20 years' experience of the facilities), can assist in answering any operational questions.  |        |
| 2.3        | IHT referred to the 10-year contract that is in place and how both he and MW have been involved in the contract since it began in November 2011.  |        |
| 2.4        | FL recognise the support from customers and partners throughout this difficult period. FL have 24 Local Authority partnerships and IHT commented how supportive Guildford Borough Council (GBC) have been. IHT touched upon the regular meetings that have taken place throughout the year and believes the Council's and Freedom's objectives have collectively been the same, which is to get through the year, and have the facilities completely ready and in the right state to deliver a service upon re-opening. |        |
| 2.5        | The next slides set out the scale of FL (a not-for-profit leisure trust) in terms of no. of employees, leisure centres etc. IHT explained that the figure of 'over 3500 employees' has reduced as a result of the pandemic, but FL are busy gearing back up as demand and numbers increase as the facilities begin to bounce back.  |        |

**Annual Report Presentation Meeting Minutes**

| <b>Ref:</b> | <b>ITEM</b>   | <b>Action</b> |
|-------------|---|---------------|
| 2.6         | <p>IHT then took the meeting through the timeline of 2020/21 which demonstrates how challenging the year has been. The facilities were only open for four months of the twelve, and the start of the period began with a lockdown from late March through to July.</p> <p>Many of the facilities re-opened on 1 August 2020 but sadly, another lockdown on 5 November meant more closures until re-opening on 2 December. This was short lived, as the local tier restrictions meant that the facilities had to shut again on 16 December, and this was followed by another lockdown imposed on 6 January.</p> <p>Many of the facilities that were allowed to re-open did so on 12 April, with some outdoor facilities opening earlier than this, such as the Guildford Lido which opened on 29 March after a significant closure.</p> <p>IHT then summarised the lockdown activities that took place during the period. FL were pleased to be able to support the food hub operation which operated out of Spectrum from 31 March through to 3 July. The venue played an important role during those early months of the first lockdown, particularly when it was very difficult to know where we were heading as a country and what the requirements would be. Staff were retained as a result, which also meant that other activities such as deep cleans, re-decoration and remedial works could take place to get the facility in a better state for when it was allowed to re-open.</p> |               |
| 2.7         | <p>IHT then provided a summary of the finances for the period. IHT confirmed that customer receipts across the FL portfolio have been significantly impaired and that only 14% of the total customer income was taken; £11.1m against a budget of £84m.</p> <p>A similar performance was seen within the Guildford contract, this was offset by a number of mitigating actions, such as cancelling contracts, making use of the government furlough scheme, reducing the workforce, applying for government grants and NLRF funding, and most importantly the financial support that has been given by Local Authority partners across the country. IHT confirmed that this has meant that FL did end up with a surplus on the Guildford contract, which has been carried forward in to 2021/22.</p> <p>IHT added that overall as a business, FL has been subjected to a £1m operating loss, and a cash loss of £1.5m. Although this has been a very tough year, FL has come through very strong as a business and IHT re-iterated his thanks to partners for their financial support.</p>  |               |
| 2.8         | <p>Attendance figures were then presented, which are a fraction of what would have been achieved during normal operation, with just under 240k visitors across the contract.</p> <p>IHT then touched upon the customer comments received during the period and noted that customer compliments, which usually follow a ratio of 1:4 (compliments to complaints), improved dramatically during this period. IHT confirmed that many customers were</p>   |               |



**Annual Report Presentation Meeting Minutes**

| Ref: | ITEM  | Action     |
|------|---|------------|
|      | <p>pleased to see the facilities re-opening and were complimentary of how safe the facilities were operated.</p> <p>GP commented that while it is great to see so many customers happy with the re-opening of the facility, there is lack of context in the presentation and within the annual report which makes it very difficult to understand what the customer feedback relates to and how this compares with previous years and therefore it's difficult to understand or get a clear picture of the feedback received. GP would like to know what the themes were in the feedback and what sort of things could be / were improved upon as a result of the feedback. GP referred to the ratio mentioned earlier, which appears to apply for the first month of opening but that it levels off in subsequent months.</p> <p>IHT stated that copy customer comments are sent to the client team regularly but that he would be happy to provide a summary narrative to the comments received. IHT confirmed that the compliments were fundamentally around re-opening. GP confirmed that he'd be grateful to receive this detail as the current data provided is very difficult to draw any conclusion or understanding from. GP would have liked to have seen this detail within the Annual Report.</p> <p>Likewise, GP confirmed that the visitor statistics lack context and so while it is known that this has been an unprecedented year, there is no comparison of visitor figures or narrative to accompany this.</p> <p>IHT confirmed that the 238k visitors for the year compares with around 2.5m visitors the venues see each year.</p> | <b>IHT</b> |
| 2.9  | IHT then presented the figures for the Aquatics activities. IHT is mindful that these figures do not have context either but is happy to provide this if required. IHT explained that income was between 10 and 15% of what it normally would be, and throughput would have matched this. IHT was pleased to report that the Learn to Swim programme has had a very successful reactivation following a lot of hard work from the teams, with 2497 on the programme (as at July 2021). The scheme continues to grow and the Spectrum is taking full advantage of the pent-up demand.  |            |
| 2.10 | The next slide showed a number of snap-shot figures for other facilities within the building, such as no. of gym visits (4787), ice skating visits (18,115), group exercise visits (17,598) etc. IHT confirmed that the Annual Report contains more detail and context to these figures but this infographic demonstrates that despite the venues being closed for 8 of the 12 months, the throughput was strong and the facilities were well used when they were able to be open.  |            |
| 2.11 | IHT touched upon the staffing, who are absolutely key to a successful delivery of the service. IHT confirmed that staff are often positively reported upon by customers and a significant number of the customer compliments reflect what a great job the staff have done and continue to do. IHT added that FL have worked hard to   |            |

**Annual Report Presentation Meeting Minutes**

| Ref: | ITEM  | Action     |
|------|---|------------|
|      | <p>ensure staff were kept on board and supported. This has been particularly important through reactivation and multiple lockdowns and re-opening. FL have kept in touch with staff via WhatsApp Groups, Newsletters etc. and staff on the whole have been very keen to get back to work and deliver a service they believe in.</p> <p>GP asked for information regarding the proportion of staff on furlough. IHT confirmed that these details are sent to the client team through the monthly reporting, and confirmed that the majority of staff were furloughed, with the exception of the staff who worked at the food hub and that staff were brought back in phases, according to which facilities could open and what each facility demanded in terms of resources. EB confirmed that the technicians also remained, and attended site 7 days per week to look after the building and undertake essential maintenance activities and monitoring/checks.</p> <p>GP asked FL what the staff morale was like during this difficult period and for when the staff returned to work. EB confirmed that staff were very keen to get back to work, and to meet their colleagues and customers as well as being excited to get back to exercise. There was no reluctance from staff about returning to work, however there was quite a juggle for some staff members who had to deal with childcare arrangements when schools were closed. It was recognised that it would be very difficult to come back to work after several months of not working and being away from work, however regular communication with staff was maintained and activities such as quizzes were undertaken to engage with staff and everyone came back really positively.</p> |            |
| 2.12 | IHT then presented the membership information slide, which shows the total members as of 31/03/21 and number of active card users. IHT explained that the reason for the 19.23% increase in active card users against the previous year is because the loyalty card scheme was a key tool to track attendances as a Covid safety measure.   |            |
| 2.13 | The marketing information slide was then presented. IHT commented how essential it was to keep customers engaged, involved and updated throughout.  |            |
| 2.14 | <p>IHT then reported the growth since re-opening on 12 April; the Learn To Swim Programme, as touched upon earlier, has grown by 21% and Guildford is one of the leaders in terms of swim school programme performance.</p> <p>Fitness memberships at Spectrum and Ash are currently at 75% of their pre-covid memberships figures which IHT explained is broadly consistent with other FL sites and within the industry. Extra work is needed in terms of bringing these figures back up.</p> <p>GP asked for comparative figures so that these can be compared to with previous years. IHT agreed to provide these.</p> <p>IHT was pleased to report that casual swimming was 73% up and that Spectrum is on target to beating last year's performance. The</p>   | <b>IHT</b> |

**Annual Report Presentation Meeting Minutes**

| <b>Ref:</b> | <b>ITEM</b>   | <b>Action</b> |
|-------------|---|---------------|
|             | Lido is also doing very well and is showing a good recovery, particularly during the current school holiday period.<br>IHT iterated that the industry is still in recovery mode and that it is likely to take the rest of the financial year to get back to where FL was before March 2020 but that the figures were promising.   |               |
|             |   |               |
| <b>3.0</b>  | <b>Questions</b>  |               |
| 3.1         | IHT welcomed further questions / comments.<br><br>GP thanked FL for their presentation and for the useful infographics. GP would like to be provided with more information and context so that it can be understood how the facilities have performed, how this compares with previous years and also how this compares with what the leisure industry expected and with other leisure facilities. GP was surprised that the Annual Report lacked detail and reiterated his comments about the customer feedback summary overview as discussed earlier. |               |
| 3.2         | There were no further questions and the meeting closed.   |               |

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## Overview and Scrutiny Committee Report

### Report of Director of Service Delivery

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Date: 9 November 2021

# Guildford Crematorium Air Quality Audit

## Executive Summary

This report follows the Guildford Crematorium Redevelopment post project review item, which was considered by this Committee on 2 March 2021, the report stated:

*3.2.19 Following enquiries received from member of the public in regard of the emissions stack and subsequent internal investigation by the Council, the emissions stack had to be extended from 8.1m to 9.0m. This included identification of the error to Regulatory Services on 24 April 2020 and a revised permit being issued by Regulatory Services on 11 June 2020 with a condition for stack height to be amended by 9 October 2020. The extended stack received planning consent on 16 September 2020 and was installed on 26 September 2020.*

*3.2.20 This investigation into the error concluded a human error in calculating the stack height in accordance with HMIP D1 guidance and interpretation of the architectural drawings. The Council is also undertaking an external audit of this issue.*

The external audit referred to above has now been completed and is contained at Appendix 1 of this report and the conclusions are set out in Section 3. The internal review into the error referred to in the 2 March 2021 report is contained at Appendix 2.

## Recommendations to the Committee:

- (1) That the Committee notes the SLR audit.
- (2) That the Committee considers the conclusions of SLR as set out in Section 3 of the audit and endorses the recommendations therein.

## Reasons for recommendations:

- (1) It is appropriate that the Committee are made aware of and note the audit carried out by SLR and its outcome
- (2) SLR set out its conclusions for the Council to consider and this is set out in Section 4 of this report.

**Is the report (or part of it) exempt from publication? No**

**1. Purpose of Report**

- 1.1 The purpose of this report is to place before Members the outcome of the external audit by SLR relating to the Guildford Crematorium so they can note and consider the recommendations of SLR.

**2. Strategic Priorities**

- 2.1 The effective delivery of projects such as the Guildford Crematorium Redevelopment are fundamental to the Council's strategic framework. When issues are then raised in relation to the delivery of projects, it is important they are properly investigated. This is what the Council did. Therefore, although this report does not directly impact upon the Council's strategic priorities, indirectly it is significant given the importance of effective delivery of major projects to the realisation of the Council's vision.

**3. Background**

- 3.1 The background to the reasons and delivery of the Guildford Crematorium Redevelopment project is contained in the report to this Committee on 2 March 2021. The Guildford Crematorium achieved practical completion on 20 March 2020.
- 3.2 Following enquiries received from a member of the public in regard to the emissions stack and subsequent internal investigation by the Council, the emissions stack had to be extended from 8.1m to 9.0m. This included identification of the error to Regulatory Services on 24 April 2020 and a revised permit being issued by Regulatory Services on 11 June 2020 with a condition for stack height to be amended by 9 October 2020. The extended stack received planning consent on 16 September 2020 and was installed on 26 September 2020.
- 3.2 An internal investigation into the error took place in September 2020 and concluded a human error in calculating the stack height in accordance with HMIP D1 guidance and interpretation of the architectural drawings. The internal investigation is contained at Appendix 2 of this report.
- 3.3 An external audit by SLR was commissioned by the Council February 2021, due to the original auditor moving companies the final audit was not completed until 14 October 2021 and this is contained at Appendix 1.

**4. Conclusions and recommendations of the SLR Audit**

- 4.1 The SLR Audit's conclusions and recommendations are as follows:
- The D1 calculation submitted with the tender submissions was not considered in scoring of the submissions and it was not material in the eventual commissioning of the contractor.
  - The planning application process for the replacement crematorium dealt with the potential conflict of interest in accordance with LGA guidance, i.e., by referral to planning committee.

- The approach to requirements for air quality impact assessment to support the planning application accorded with the NPPF, i.e., given the existing crematorium was an established land-use with an existing environmental permit, emissions to air would be dealt with through the pollution control regime. As such, in this case, a detailed review of flue height in terms of impacts on air quality (i.e., D1 calculation), was not required for consideration within the planning decision.
- The Council's Regulatory Services contracted a company to provide a technical review of the environmental permit variation application, given the Council were both the applicant and the regulator to address any potential conflict of interest.
- The Council's internal review describes the errors in the D1 calculations with regards to the building width input parameter, that were used to inform the planning and environmental permit variation submissions. The error is not disputed by the parties involved. The error, as described in the internal audit is a combination of misinterpretation of the D1 guidance and not verifying the correct dimensions from design drawings.
- There is no detailed evidence, either within the internal audit, or presented by any parties for the purposes of this audit, demonstrating the technical review undertaken by a company, that led to the decision to issue the environmental permit Variation.
- The complaints procedure response appeared slow, this is attributed by the Council to the Covid-19 pandemic with both Regulatory Services and Parks and Countryside who operate the crematorium significantly involved in the response.
- It is recommended that measures or procedures are reviewed and where necessary improved, to allow Regulatory Services to satisfy themselves that work undertaken on their behalf has been undertaken in a comprehensive and technically robust manner, such as:
  - requiring evidence of the audit procedure, and documented audit trail; and
  - requiring contractors to have a quality assurance system certified to a recognised standard (e.g., ISO 9001).

4.2 Officers concur with and support the above conclusions and recommendations.

## **5. Consultations**

5.1 SLR consulted with all parties involved in as part of the audit process.

## **6. Financial Implications**

6.1 There are no financial implications arising from this report.

## **7. Legal Implications**

7.1 There are no legal implications arising from this report.

**8. Human Resource Implications**

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

**9. Equality and Diversity Implications**

9.1 There are no equality and diversity implications arising from this report.

**10. Climate Change/Sustainability Implications**

10.1 These are detailed in the external audit.

**11. Summary of Options**

11.1 The Committee are asked to note the reports which set out the findings of the audit carried out by SLR. The Committee are also invited to reflect upon the conclusions contained in the audit and if they agree with SLR, consider how best they may be taken forward.

**12. Conclusion**

12. SLR's conclusions are detailed in the audit and in Section 4 above.

**13. Background Papers**

Guildford Crematorium Development post project review report dated 2 March 2021 [Item 06 - Guildford Crematorium OSC Report for publication.pdf](#)

**14. Appendices**

Appendix 1: SLR Air Quality Assessment Audit dated 14 October 2021  
Appendix 2: Internal review in the crematorium stack height error dated September 2020



# AIR QUALITY ASSESSMENT AUDIT

**Guildford Crematorium**  
Prepared for: Guildford Borough Council

## BASIS OF REPORT

This document has been prepared by SLR with reasonable skill, care and diligence, and taking account of the manpower, timescales and resources devoted to it by agreement with Guildford Borough Council (the Client) as part or all of the services it has been appointed by the Client to carry out. It is subject to the terms and conditions of that appointment.

SLR shall not be liable for the use of or reliance on any information, advice, recommendations and opinions in this document for any purpose by any person other than the Client. Reliance may be granted to a third party only in the event that SLR and the third party have executed a reliance agreement or collateral warranty.

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The copyright and intellectual property in all drawings, reports, specifications, bills of quantities, calculations and other information set out in this report remain vested in SLR unless the terms of appointment state otherwise.

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### APPENDICES

Appendix A: MCAL response to GBC, dated 23rd October 2019

Appendix B: MCAL responses to GBC, dated 22nd November 2018

## 1.0 Introduction

SLR Consulting Ltd (SLR) has been commissioned by Guildford Borough Council (GBC) to undertake an audit of the approach to air quality in any work undertaken as part of the planning application and subsequent Environmental Permit (EP) variation application to GBC from the redevelopment of the Guildford Crematorium. In addition, a review of GBC response to a complaint raised by a member of the public on the robustness of the air quality work submitted as part of the EP application is also presented.

The aim of the audit is to identify potential issues with the approach followed, and provide recommendations where appropriate.

### 1.1 Project Background

GBC has been operating a crematorium at their site in New Pond Road (the Site), Godalming since 1967 when the original chapel was built. GBC has also acted as the regulatory authority for the Crematorium, as it falls under Part B of the Environmental Permitting Regulations (EPR) (2016) and therefore is regulated by GBC.

GBC began the process of redeveloping the Site with a view to install a new crematorium in 2014 with the process completed in 2020. An overview of the tendering and design process is presented in an internal report<sup>1</sup> compiled by [REDACTED] (PS), the project manager for the new Crematorium Planning and EP applications and at the time a GBC officer.

A planning application was submitted in July 2017 (planning application reference: 17/P/01389) and approved by the planning committee in October 2017. The planning validation lists that were applied do not require an air quality assessment report. During planning determination, advice was sought from Regulatory Services (RS) to determine whether an air quality report should be sought for the replacement crematorium facility. It was deemed that one was not required on the primary basis this was a replacement facility. RS advised that as there was an existing EP and the plant was a replacement, air quality should be considered as part of the EP variation application and therefore there was no requirement to consider air quality during the planning application.

The EP variation application was prepared by [REDACTED] (EHRC), commissioned by Councils Bereavement Service, and submitted to RS. RS outsources, as required, monitoring of emissions and review of air quality work submitted as part of Planning and EP applications to [REDACTED] (MCAL).

The EP variation application was reviewed by MCAL, including relevant technical work, which in this case included a calculation to identify a minimum stack discharge height for the Crematorium. This approach is detailed in Her Majesty's Inspectorate of Pollution (HMIP) Technical Guidance Note D1 "*Guidelines on Discharge Stack Heights for Polluting Emissions Calculation*" and is in line with the requirement set in Process Guidance Note – Statutory Guidance for Crematoria (PG5/2 (2012)), applicable to this project. The EP variation application was subsequently issued in July 2019.

Following the submission of the EP variation, a complaint was raised through the Council's Corporate Complaint Procedure by [REDACTED] (DH) and [REDACTED] (MW) in the first quarter of 2019, regarding the robustness of the submitted D1 calculation. MW, first requested a copy of the D1 calculation after the Planning Application was submitted, in April 2018. The concerns raised were discussed through e-mail communication, telephone conversations and at a meeting held on the 2<sup>nd</sup> March 2020 at GBC offices. As a result, the D1 calculation, prepared by [REDACTED] (FT), the technology provider for the Crematorium, were revised and a new minimum stack height of 9m was identified. An external consultant ([REDACTED]) was commissioned by RS to independently check the revised D1 calculation to validate if it aligned with the calculations provided by DH/MW. The review concluded that following the D1 methodology, the minimum stack

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<sup>1</sup> [REDACTED] (2020), Guildford Crematorium Stack Discharge Height Error Internal Investigation

height for the crematorium should be 9m. Subsequently a planning application was prepared for the increased stack height (ref: 20/P/01026), referred to and decided by planning committee, with approval granted 16<sup>th</sup> September 2020.

## 1.2 Approach to Audit

The audit included the review of relevant documents and discussions with key individuals involved in the preparation of the Planning application, the determination of the EP variation application and the complainants (DH/MW).

The following key documents were reviewed:

- [REDACTED] (DH) and [REDACTED] (MW) (2019), Guildford Crematorium, 'An independent review of the stack calculation by [REDACTED] (FT)', Dated 27 March 2019 for Guildford Borough Council; and
- [REDACTED] (PS) (2020), 'Guildford Crematorium Stack Discharge Height Error Internal Investigation' and associated appendices.

A series of e-mails between GBC and DH/MW was also reviewed with regard to the complaints' procedure.

In addition, discussions were held with the following:

- [REDACTED] (TD), Planning Development Manager, GBC
- [REDACTED] (PS), Applicant, Parks and Landscape Manager, GBC
- [REDACTED] (JF), Regulatory Service Manager, GBC
- [REDACTED] (GD), Environmental Control, Team Leader, GBC
- [REDACTED] (DH), Member of the public

The audit has addressed the following:

- Tendering process
- Planning application
- Environmental Permit and D1 Calculation; and
- Complaint procedure.

## 2.0 Air Quality Audit

### 2.1 Tendering Process

The tendering process, according to the evidence provided in the internal report compiled by PS, followed a formal Invitation to Tender (ITT). Discussions with PS on the process indicated that submissions were reviewed by a panel with a subsequent session where tender scores were adjusted by moderators. The scope of this audit does not extend to reviewing in detail the tender applications and subsequent scoring, however it has been indicated that those documents are available for review.

As part of the ITT, the applicants were required to submit an indicative D1 calculation, based on the conceptual design available at the time. FT, that were awarded the contract, submitted a D1 calculation with a minimum stack height of 11m (Appendix 10 of PS report). This is higher than the minimum stack height of 8m presented as part of the EP variation application. According to PS the height of the stack was not a criterion in awarding the contract to FT. In addition, reducing the height of the stack by a few metres, does not translate into a substantially reduced capital expenditure (Capex) for the crematorium, as such there was no significant benefit to GBC in awarding the contract to FT on the basis of their initial D1 calculation.

DH, during the complaint procedure raised the issue around potential competitive gains by FT around potentially presenting a reduced stack height in their tender when compared to other submissions. It should be noted that DH did not have access to FT's tender submission and D1 calculation when the issue was raised. Following the internal review and investigations during this audit, FT does not appear to have gained a commercial advantage through their indicative D1 calculation submitted during the tendering process.

A detailed review of the tender submissions and subsequent assessment and scoring, would clarify DH questions around the indicative stack heights presented by other submissions. However, given that a slightly reduced stack height does not translate to a substantial reduction in Capex, and the fact the remit of this audit is to address potential shortcoming in addressing air quality impacts from the proposals, a detailed review of the tender documents was not taken forward.

### 2.2 Planning Process

#### 2.2.1 Introduction

An overview of the Planning Application process, in relation to this project, as well as overall processes at the Council were discussed with TD. The planning application was submitted by PS, considered the applicant for the purpose of this project. During the Planning Application process, the design of the crematorium, as discussed in PS's report, evolved up to RIBA Stage 3. The option to include a pop-up roof was explored further during the EP variation process. The planning application was referred to members of the planning committee at the discretion of the Planning Development Manager on the basis that GBC were the applicant and approval was granted by GBC Planning committee. After the Planning permission was granted, design changes were made, to the crematory flues, pop-up roof and removal of louvres on the flue shroud (during RIBA Stage 4), these were applied for as a Non-Material Amendment and approved under delegated authority<sup>2</sup>.

#### 2.2.2 Conflict of interest

The potential for a conflict of interest in the planning system where a local authority is both applicant and planning authority is recognised in the 'Nolan Committee's Third Report on Standards in Public Life'<sup>3</sup>. Guidance

<sup>2</sup> 19/N/00032 | Non-material amendment to application number 17/P/01389 approved 05/10/2017 to allow changes to the crematory flues, fenestration and louvres. | Guildford Crematorium, New Pond Road, Peasmarsh, Guildford

<sup>3</sup> Standards of Conduct in Local Government in England, Scotland and Wales Summary of the Nolan Committee's Third Report on Standards in Public Life (July 1997)

from the Local Government Association<sup>4</sup> recommends that “such proposals should be reported to the planning committee and not dealt with by officers under delegated powers”. The planning application process, in this case (ref: 17-P-01389 and 20/P/1026), accorded with this principle with the application being referred to and decided by committee.

It was noted in discussions with TD, after the issues raised by DH, the then Legal Lead Specialist (██████████) prepared a template structure for projects that GBC has a potential conflict of interest through their role as applicant, determining authority, and regulator. It is understood this has now been rolled out to officers in the development management teams.

### 2.2.3 Validation process

During the validation of the planning application for this replacement crematorium, replacing with newer cremators operating to a higher standard on the existing footprint, which was already operating under an EP, local planning validation lists used by GBC did not require an air quality assessment report. Therefore, the application was validated without an air quality report. Following validation, the decision on whether to require an air quality report was further considered during the planning stage. The planning department were advised, according to GD in RS, that as this was a replacement plant, air quality did not need to be considered during the Planning Application process and would be considered under the pollution control regime. The advice relied on the fact that there was an existing EP in place, and any air quality issues associated with the replacement plant to be addressed through the EP variation application. The 2019 National Planning Policy Framework<sup>5</sup> states that:

*“The focus of planning policies and decisions should be on whether proposed development is an acceptable use of land, rather than the control of processes or emissions (where these are subject to separate pollution control regimes). Planning decisions should assume that these regimes will operate effectively.”*

### 2.2.4 Air quality and planning guidance

GBC did not have specific guidance documentation that dictates how projects and proposals by developers can be classified in relation to the level of air quality assessment required to support planning applications. There are numerous examples of such guidance in use by other Planning Authorities that provide a clear and transparent way in which air quality should be considered during planning. The guidance examples available do not consider whether a proposal is covered by an existing EP or whether a project is a replacement, but rather rely on the potential changes in emissions as well as stipulating that specific projects (e.g. a biomass boiler) and specific circumstances would always require a level of air quality assessment.

### 2.2.5 Conclusion

The planning application process for the replacement crematorium dealt with the potential conflict of interest in accordance with LGA guidance, i.e. by referral to planning committee. The approach to requirements for air quality impact assessment to support the planning application accorded with the NPPF, i.e. given the existing crematorium was an established land-use with an existing EP, emissions to air would be dealt with through the pollution control regime. As such, in this case, a detailed review of flue height in terms of impacts on air quality (i.e. D1 calculations), was not a requirement for consideration within the planning decision.

<sup>4</sup> Local Government Association ‘Probity in planning for councillors and officers’ (April 2013)

<sup>5</sup> Ministry of Housing, Communities and Local Government (2019). National Planning Policy Framework, February 2019.

## 2.3 Environmental Permit Application

### 2.3.1 Introduction

The preparation of the EP variation application was undertaken by EHRC on behalf of GBC, with MCAL instructed by RS to complete the technical review in relation to the EP process. After planning was approved, the design evolved during RIBA stage 4 with changes that removed the louvred shroud (or wind shield), changed the dimensions of the pop-up roof, and increased the height of crematory flues. E-mail communication between RS and the architect discuss the potential need for dispersion modelling, given the potential issues around dispersion with the use of louvred shroud (Appendix A). The louvred shroud element of the design was removed on the advice by MCAL, as the louvres were not compatible with Para 6.1.2 of the D1. As a result, dispersion modelling was no longer considered to be required. Therefore, the flue height design was to be informed by the D1 calculation which accords with Process Guidance Note<sup>6</sup> 5/2 (12). During this period a number of D1 calculations were prepared by EHRC and FT as the detailed design progressed, these are discussed below.

### 2.3.2 D1 Calculations

The PS internal review describes the timeline of D1 calculations undertaken by FT and EHRC on behalf of the operator. PS's internal review acknowledges that there was an error with the calculations, which is also audited in detail in the DH/MW report. The available documents present the calculation methodology in D1 and identify the fact that the building dimensions (the width in this case) used in the FT D1 calculation submitted as part of the EP variation application was incorrect. DH's report also questions a number of other decisions on how the D1 methodology was applied in relation to similar crematoria applications, involving FT, MCAL and the appointed architects. Given the existing evidence around the calculation error, it has not been subject to further as part of this audit. A summary of key points is as follows:

- There were numerous iterations of building design and consequently stack height calculation, with the design requiring a collaborative process between client, architect, technology supplier, and consultant.
- EHRC undertook calculations (set out within Appendix 16<sup>7</sup> of PS report) identifying stack heights of 8.01m to 8.10m, which if rounded up would result in a 9.0m flue, in November 2018. These calculations are based on a series of monitoring data provided to EHRC by FT, whereas the FT spreadsheet calculations were based on stack emission parameters derived from in-house heat and mass balance calculations. A review of the stack emission parameters used in the EHRC calculations do not match exactly the FT emission data submitted with the EP variation application. This according to the PS report, relates to misinterpretation of the test data by EHRC, identified after the EHRC calculations were reviewed by FT. The flue height of 8.1 was stated on drawings submitted as part of the NMA to planning application 17/P/01389.
- The report by PS (Section 2.2), lists the D1 calculations that were produced as part of this project by FT and EHRC. It includes the timeline of D1 calculations undertaken and references errors identified in EHRC calculations (November 2018 report) by FT. Although it references an e-mail by FT where the heights were recalculated and communicated to EHRC, this was not provided as evidence within the report. PS report does acknowledge that the eventual building dimensions used in the FT calculations were taken from the EHRC report, FT did not review the drawings to confirm that the interpretation by EHRC was correct. FT did though identify that EHRC calculations interpreted the test data incorrectly, leading to a revised D1 being issued in March 2019 by FT.
- The e-mail evidence available (Appendix B), indicates that there were checks by MCAL (on behalf of RS as the Regulator) on the EHRC calculations from November 2018. Within the e-mail chain it is evident

<sup>6</sup> DEFRA, Process Guidance Note 5/2 (12) Statutory Guidance for Crematoria (September 2012)

<sup>7</sup> EHRC, Chimney Height Calculation Supporting information document (November 2018)



that drawings were provided to MCAL before the EHRC calculations were signed off by MCAL. Within the correspondence there are comments on the requirements set in paragraph 5.4.7 (specifying that the minimum stack height should be rounded up to the nearest metre) and later concludes that there should be no concerns in rounding to the nearest metre. It has been assumed that this approach was followed as the submitted EP variation supplementary information<sup>8</sup> by EHRC in April 2019 (Appendix 2.2 of PS report), states an 8.0m flue height (with FT's D1 calculation of 27<sup>th</sup> March 2019 stating minimum height requirement of 8.0m included as an appendix).

- The PS internal report identifies that EHRC had applied an incorrect approach in the consideration of buildings in the D1 calculations (Refer to section 2.2 of the PS report) and not just identified the incorrect width. The FT and EHRC approaches were therefore different, although both utilised the same incorrect building width. The resultant minimum stack height calculated by FT and EHRC (based on the November 2018 report that appears to have included errors) were comparable.

There is no detailed evidence, presented for the purposes of this audit, indicating how the calculations deriving an 8.0m flue height submitted as part of the EP variation application, were checked and validated by MCAL. The evidence on email (Appendix B) implies checks were undertaken, but there is no documented audit trail.

### 2.3.3 Conclusion

The PS internal audit report has been reviewed by the parties involved (RS, FT, EHRC and MCAL), and its findings do not appear to be disputed<sup>9</sup>. The error in the D1 calculation, with regard to the input parameter concerning building width, as discovered by DH is agreed on by all parties.

It is understood, GBC RS contracted MCAL to provide technical review of the EP variation application given that GBC were both the applicant and the regulator in order to address any potential conflict of interest, although the details of the contract with MCAL and scope of delegated responsibility have not been reviewed in this audit.

There is no detailed evidence, either within the PS internal audit, or presented by any parties for the purposes of this audit, demonstrating the technical review undertaken by MCAL, that led to the decision to issue the EP variation with a flue height based on an erroneous calculation. It is stated within the PS internal audit that *"MCAL have not checked the building dimensions and used the building dimensions as previously used in relation to figure 6 of the D1 guidance submitted as part of the application to vary the sites permit submitted on 13th May 2019"*.

In conclusion with regard to the EP process, GBC RS have contracted an independent consultant to provide technical support, to avoid a potential conflict of interest. There has been a technical failing attributed to the contactor MCAL for not checking all inputs and source data to the D1 calculation. It was not reasonable for RS to undertake a detailed audit themselves of MCAL's work, however there should be measures or procedures in place to allow RS to satisfy themselves that the work undertaken on their behalf has been undertaken in a comprehensive and technically robust manner, such as:

- requiring evidence of the audit procedure, and documented audit trail; and
- requiring contractors to have a quality assurance system certified to a recognised standard (e.g., ISO 9001).

## 2.4 Complaints Procedure

MW first requested a copy of the D1 calculation from GBC in October 2017. It is noted from the evidence that a D1 calculation was prepared by FT as part of the tendering process. It was not until November 2017 in the period

<sup>8</sup> EHRC, Guildford Crematorium: Permit Variation (April 2019)

<sup>9</sup> Documents: Draft Private and Confidential Stack Discharge Height Investigation 23.09.20, Draft Private and Confidential Stack Discharge Height Investigation MCAL 23.09.20 (003) GD Additions 30-09-20, JSP & TR comments on Draft Private and Confidential Stack Discharge Height Investigation 01.10.20

where the design was evolving, when FT provided GBC with options in regard to the acceptable chimney height. As air quality was not a material consideration during planning and the design was evolving, a D1 calculation would not become publicly available until the EP variation application was submitted. This illustrates that when air quality was scoped out during planning, it removed the ability for the public to meaningfully comment on the application.

It was only after DH's Freedom of Information (Fol) request that the D1 calculation was provided in September 2019 for comment. A meeting took place on the 2<sup>nd</sup> March 2020 between FT, GBC, DH/MW and follow up questions were submitted to PS in March 2020, with responses provided in April 2020, after the submission of the DH/WC report to GBC. Timely responses to DH/MW concerns, according to GBC, were hampered by the GBC response to the Covid-19 pandemic with both RS and Parks and Countryside who operate crematorium significantly involved in the response.

It is considered that during the complaint procedure, any responses to comments would have been better managed by someone within the Council that was not involved in preparing or commissioning the submitted documentation, given the conflict of interest issues and to avoid giving the impression of lack of transparency. PS should have been responsible in feeding through the responses to comments via the nominated representative. Following the meeting of the 2<sup>nd</sup> March, GBC acknowledges the shortcomings of the submitted technical work and implements clear steps in rectified the issue (i.e. increasing the stack to 9m).

## 3.0 Conclusions

In conclusion:

- The D1 calculation submitted with the tender submissions was not considered in scoring of the submissions and it was not material in the eventual commissioning of FT.
- The planning application process for the replacement crematorium dealt with the potential conflict of interest in accordance with LGA guidance, i.e. by referral to planning committee.
- The approach to requirements for air quality impact assessment to support the planning application accorded with the NPPF, i.e. given the existing crematorium was an established land-use with an existing EP, emissions to air would be dealt with through the pollution control regime. As such, in this case, a detailed review of flue height in terms of impacts on air quality (i.e. D1 calculation), was not required for consideration within the planning decision.
- GBC RS contracted MCAL to provide technical review of the EP variation application given that GBC were both the applicant and the regulator in order to address any potential conflict of interest.
- PS's internal review describes the errors in the D1 calculations with regards to the building width input parameter, that were used to inform the planning and EP variation submissions. The error is not disputed by the parties involved. The error, as described in the internal audit is a combination of misinterpretation of the D1 guidance and not verifying the correct dimensions from design drawings.
- There is no detailed evidence, either within the PS internal audit, or presented by any parties for the purposes of this audit, demonstrating the technical review undertaken by MCAL, that led to the decision to issue the EP Variation.
- The complaints procedure response appeared slow, this is attributed by GBC to the Covid-19 pandemic with both RS and Parks and Countryside who operate crematorium significantly involved in the response.

It is recommended that measures or procedures are reviewed and where necessary improved, to allow RS to satisfy themselves that work undertaken on their behalf has been undertaken in a comprehensive and technically robust manner, such as:

- requiring evidence of the audit procedure, and documented audit trail; and
- requiring contractors to have a quality assurance system certified to a recognised standard (e.g., ISO 9001).

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**From:**  
**Sent:** 23 October 2019 08:34  
**To:**  
**Subject:** Re: 1100 Guildford Crem\_Cremator Flue height [UNC]

We flagged earlier that the shroud needed to be removed and it has been, this was shown in Fay's revised calculation.

So not sure why you want to commission any further modelling?

Regards

---

**Sent:** 27 September 2018 09:22

**Subject:** FW:1100 Guildford Crem\_Cremator Flue height [UNC]

This chap was very helpful. Obviously the dispersion modelling will be an extra cost to the Council, however I have a nagging feeling that the originator of the topic may have a point.  
Are you happy with this approach?  
Regards

---

**Sent:** 25 September 2018 16:27

**Subject:** 1100 Guildford Crem\_Cremator Flue height

Thanks for speaking with me earlier.

As discussed the approved planning scheme shows the flue to the proposed new crematorium finishing level with the top of a surrounding metal shroud, we have been advised that the D1 calcs would regard the shroud as having a potentially influencing effect on the dispersion of flue gases. Hence under D1 calc guidance the flue would either be required to terminate above the shroud or remain at the same height with the shroud removed.

A more informed understanding of the effect the shroud design may have upon flue gases can be established through dispersion modelling, from our conversation I understand that you would accept the findings of such a study to take precedent over the general guidance given in D1 calcs.

I would be grateful if you could confirm your position with regards to dispersion modelling noted above is correct.  
Kind regards,

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**From:**  
**Sent:** 22 November 2018 08:46  
**To:**  
**Cc:**  
**Subject:** RE:Guildford Chimney Height Report [UNC]

Thank you.  
I will catch up with you next week sometime.  
Kind regards

---

**From**  
**Sent:** 21 November 2018 18:53  
**To:**  
**Cc:**  
**Subject:** FW: Guildford Chimney Height Report [UNC]

I think this satisfies the stack height requirements. The lip will cause some turbulence round the stack but the revised stack should be acceptable. I am not overly concerned re rounding up to the nearest metre.  
I am working away in Cannock and North Yorkshire for the rest of this week and next but you should be able to contact me  
Via email if there is any queries?

Regards

---

**From:**  
**Sent:** 21 November 2018 16:32  
**To:**  
**Cc:**  
**Subject:** RE: Guildford Chimney Height Report [UNC]

Sorry this took a little longer than anticipated.

A fresh drawing has been received from the architect, and planners appear to be at their limits of NMA with changes to design. I've included these drawings in addition to answers to your questions.

Ultimately, you and Gary will have to decide and confirm if you think the proposed design is acceptable. If not acceptable, then please confirm your requirements, and I will liaise with the Crem.

Kind regards,

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**From**  
**Sent:** 16 November 2018 10:05  
**To:**  
**Cc:**  
**Subject:** RE: Guildford Chimney Height Report [UNC]

Thanks for the comprehensive D1 calculations.

Just a couple of points.

Can you confirm the “pop up” is the roof cowl and that the proposed stack extends 1.1metres above the shroud?  
(sectional diagram would help here?)

And that the stack arrangement complies fully with Para 6.1.2 of D1?

I assume you have chosen not to address para 5.4.7 ?

Regards

---

**From:**  
**Sent:** 15 November 2018 15:17  
**To:**  
**Cc:**  
**Subject:** RE: Guildford Chimney Height Report [UNC]

Hello

Absolutely no problem, I've got so much work on at the moment.

Revised report attached.

I've done six D1 runs in total, using data from two crematoria operating a 2 x FTIII abated configuration. All stack heights come out within 9cm of each other. I would recommend that the minimum stack height be no less than 8.10m above ground level, which was the tallest stack height generated.



Any questions, please let me know.

Kind regards,

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**From:**  
**Sent:** 15 November 2018 12:13  
**To:**  
**Cc:**  
**Subject:** RE:Guildford Chimney Height Report [UNC]

Hello  
Please don't think I am chasing, but any update?  
Thanks

---

**From:**  
**Sent:** 26 October 2018 06:49  
**To:**  
**Cc:**  
**Subject:** Guildford Chimney Height Report  
**Importance:** High

Please accept my apologies, I would like to withdraw the D1 report I sent you yesterday, I am not happy with one element of the report and want to check the component again.

– sorry about this.

Kind regards,

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**Guildford Crematorium Stack Discharge Height Error Internal Investigation**

**Date: September 2020**

**Author: [an officer]**

**1.0 Background**

**1.1 Design Process:**

The redevelopment of Guildford Crematorium took place between 2014 and 2020 by Guildford Borough Council (GBC). The design team, led by [a company] were appointed in Spring 2016 following a competitive procurement process. This included the appointment of the lead Architect [a company], Structural and Civil Engineer [an individual], M&E Engineer [a company], Landscape Architect [a company], CDM consultant [a company], Crematoria Consultant [an individual], Combustion Consultant [a company].

The initial phases of the project covered feasibility work determining whether to rebuild or refurbishing the crematorium (RIBA – Stages 0-2). Following this in November 2016, the Councils Executive approved a decision to rebuild Guildford Crematorium and install temporary facilities to ensure services could continue whilst the rebuild took place on the existing footprint.

Following this decision concept designs were taken to the developed design stage (RIBA 3) and as part of this procurement of the cremator supplier took place to support the building design process prior to submitting a planning application. This included a supplier engagement day to inform the development of the Cremator, Abatement and Associated Equipment specification, building design and a formal procurement process.

The appointment covered three contracts (Appendix 1),

- 1) Pre contract Service Agreement to inform the technical design
- 2) Supply, installation and commissioning which would then be novated to the main construction contractor when appointed
- 3) On going maintenance and support term contract for the anticipated lifecycle of the cremators. (15 +5 years)

Within this contract aside from an overarching requirement to comply with the Secretary of States Process Guidance Note – Statutory Guidance for Crematoria (PG5/2 (2012)) and associated legislation, was a requirement to input to the design of the chimney and emissions stacks as follows;

*3.2.30 Chimney/Emissions Stack Detailed drawings of the proposed chimney/emissions stack must be provided with the tender submission, along with a supporting D1 calculation. Iterations of design will be required, in collaboration with the Design Team, to understand the interface between the stack and surrounding cladding and/or louvres.*

Tenders were returned from three suppliers with the contract being awarded to [a company] in July 2017 as the Most Economically Advantageous Tender using an 80:20 Quality to Price ratio.

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Post tender **[a company]** offered an option to include NO<sub>x</sub> abatement which the Council accepted and varied the contract accordingly to voluntarily improve emissions from the crematorium, and not as required by PG5/2 (2012).

The design was developed with an eventual planning application submitted in July 2017 and approval received on 5<sup>th</sup> October 2017 from the Councils Planning Committee. The planning application included stacks protruding from a pop up roof surrounded by louvres to limit stack presence. The louvres were introduced through discussion between GBC as the client for the project and the architect to minimise the visual appearance of the stack as a visible chimney, a sight that mourners can find distressing.

Following submission to the Local Planning Authority the project then went on to Technical Design (RIBA 4) where the stack height and roof design was further examined bringing in the process of environmental permitting to ensure compliance as set out below.

### **1.2 Permit to Cremate**

Local Authorities regulate crematoria under the Environmental Permitting (England and Wales) Regulations 2010 following guidance from DEFRA. In GBC the monitoring of emissions and emissions stacks is outsourced to **[a company]** by the Environmental Health service.

Aside from the planning process an application was made for a variation to the 'permit to cremate' from the Environmental Health Service as it involved the installation of new cremators and abatement plant.

The application was for the Variation of a Part B Permit under the Pollution Prevention and Control Act and 1999 Environmental Permitting (England and Wales) Regulations 2016. The regulatory process determines whether a crematorium is compliant in terms of stack height and emissions.

To prepare the variation the Councils Bereavement Service appointed **[a company]** to submit the application to Environmental Health taking account of the proposed design and operation and undertake a D1 Calculation to ensure legislative compliance as per HMIP Technical Guidance Note (Dispersion) D1; Guidelines on Discharge Stack Heights for Polluting Emissions (HMIP D1).

In preparing the application discussions took place between the operator and regulator as the introduction of the louvres presented some challenges in terms of building design versus the technical requirements of stack design and dispersal of emissions. **[a company]** provided GBC options to ensure a correct stack height in relation to the building and stack design (Appendix 1a) on 6 November 2017. Discussions were then held between the regulator, design team, operator, and, **[a company]** on the options and as to whether Air Dispersion Modelling would be accepted as an alternative to D1 to assess whether the louvres had any impact, this was declined by the regulator as the louvres as proposed could not comply with Para 6.1.2 of D1 and as such it was not consistent with D1 for stack height calculations for crematoria. Therefore, the louvres were removed and the pop up roof design (where the roof structures extend from the single storey building) amended which required a Non Material Amendment (NMA) to be submitted to the local planning authority.

The pop up roofs were one element of Contractor Design Portions (CDP's) awarded as part of the main contractor package which commenced in May 2018. This was consequently awarded to **[a company]** by the main contractor giving rise to further design development with the design team in 2018 to 2019.

Upon completion of the design process for this part of the building the NMA was submitted on 26 March 2019 to the local planning authority. The NMA was approved on 18 April 2019 under delegated authority.

This also led to a part B variation application being submitted by **[a company]** following a period of design development on behalf of the Council. This application was submitted on 13 May 2019 (Appendix 2). The application was then reviewed by the regulator using the consultant **[a company]** and a revised permit issued on 11 July 2019 (Appendix 3).

The wording of this permit in relation to Nitrogen dioxide emissions was contested by **[an individual]** at a meeting with Guildford Borough Council on 2 March 2020 and the permit was varied on 31 March 2020 (Appendix 4) in relation to how Nitrogen dioxides were expressed in the permit; (From Nitrogen dioxide to Nitrogen oxides [NO+NO<sub>2</sub>] expressed as Nitrogen dioxide equivalent) Table B - Emissions Limits and Controls.

On the 17 March 2020 Regulatory Services requested legal advice from Counsel via the Council's Solicitor. The advice was received on the 23 March 2020 and implemented as follows:

- Decision Notice A dated 4 May 2020
- Environmental Permitting Regulations 2016, Permit reference GD6P4, Installation Type PG5/2 Crematoria, Guildford Crematorium, New Pond Road, Godalming, Surrey, GU7 3DB
- Conditions relating to Permit GD6 P4 issued 31-03-2020
- Decision Notice B dated 11 June 2020
- Environmental Permitting Regulations 2016, Permit reference GD6P4, Installation Type PG5/2 Crematoria, Guildford Crematorium, New Pond Road, Godalming, Surrey, GU7 3DB
- Issue of new permit Permit GD6 P5 and variation GD V5 dated 10-06-2020 to replace Permit GD6 P4 issued 31-03-2020

The Council as operator formally notified a possible error in the stack height calculation on the 23 April 2020 to the Council's Environmental Health service (Appendix 5) following enquiries from **[an individual]**, regarding the input data in the D1 Calculation. The potential error identified related to a dimension used from the pop up roof on top of the crematory which is used to derive the T<sub>m</sub> value in the D1 calculation. The T<sub>m</sub> figure is part of the D1 calculation which relates to buildings that are taller than they are wide to provide a corrected discharge height.

The T<sub>m</sub> figure is part of the D1 calculation which relates to the basic dimensions of buildings. The value of T is calculated for each relevant building.

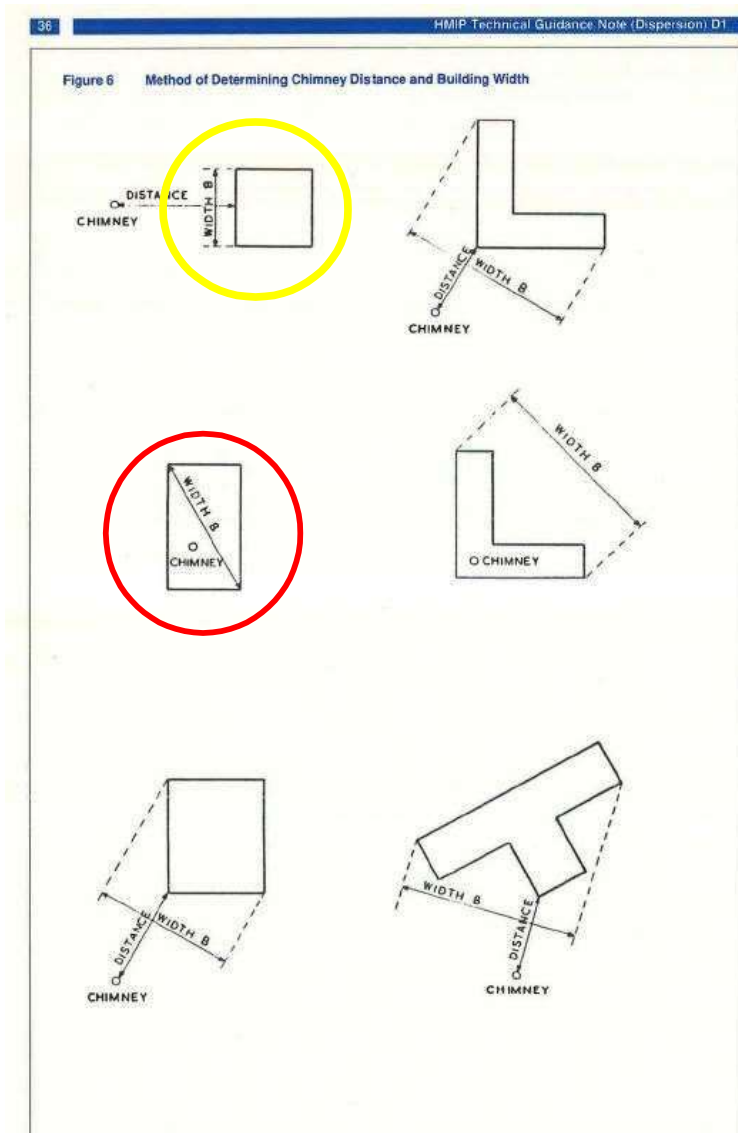
$T = \text{building height} + 1.5 \times \text{the smaller of the building height and its width.}$

T<sub>m</sub> is the maximum value of T for the relevant buildings.

For single buildings, wider than their height, the value of T<sub>m</sub> is simply  $2.5 \times \text{building height.}$

A dimension referred to as 'width' in figure 6 in the HMIP D1 guidance used a value of 3.17 metres to determine the width of the pop up roof (highlighted yellow below), whereas upon reviewing the guidance, the hypotenuse dimension across the pop up roof should have been used instead (highlighted red below), which equates to 4.672 metres.

Based on a finished pop up roof height of 7m, excluding the raised lip of 300mm on three sides of the pop up as less than 1% of the roof area as used by **[a company]**, this increases the value of T<sub>m</sub> from 11.755m to 14.008m. Inclusion of the raised lip, increasing the pop up roof height to 7.3m, further increases the value of T<sub>m</sub> to 14.308m



This has the effect of increasing the final corrected discharge height to 8.58 metres, or when rounded up takes the height up to 9 metres. This adds a further 0.9 metres to the current stack height.

**[a company]** issued a revised D1 calculation, dated 18 March 2020, to support the increased stack height. The calculation was submitted in **[a company]**'s normal format with parallel results issued in the formats used by both **[an individual]** and **[a company]** to allow easier checking by all parties. The revised D1 calculation was submitted to the Environmental Health Team (Appendix 6) **[a company]**'s calculation is shown in parallel to **[an individual]**'s format to show differences arising with a view to seeking clarity on the error. **[a company]**'s calculation was not submitted as a stand alone calculation because of this.

Environmental Health used an external consultancy **[a company]** (Appendix 7) for an independent review of the calculation. The calculations were agreed as corrected and a varied permit was issued on 10 June 2020 with a condition to see the stack height increased to 9 metres (Appendix 8)

Following this a planning application was registered on 25 June 2020 for the amended stack height.



On 15 September 2020 prior to the planning application being heard at the committee, advice was sought by the Environmental Health Service from **[an individual]**, Advisor Local Authority Unit, Environment Agency, regarding the appropriate course of action if the permit condition 53 was not met by the due date. **[an individual]** replied on the 16 September 2020.

The application was approved by the planning committee on 16 September 2020 (Appendix 9).

## **2.0 Where did the error occur in the D1 Calculation**

### **2.1 HMIP D1**

The D1 calculation requires the following of the HMIP Technical Guidance Note (Dispersion) D1; Guidelines on Discharge Stack Heights for Polluting Emissions (HMIP D1). There are a number of inputs required and some variable factors to assess to make the calculation. For example, the dimensions of the building, proximity of other buildings, air quality and geographical factors. It is not unusual that some of these factors change as the design process happens and input data is updated and issued by relevant authorities for example DEFRA.

2.9 of HMIP D1 guidance states '*Heights determined using the method should be regarded as a guide rather than a mathematically precise definition of discharge stack height. The conclusion may need to be modified in the light of particular local circumstances or of practical experience*'.

### **2.2 [a company]**

**[a company]** were appointed as the successful "Specialist/sub-contractor to the Main Contractor" to supply the cremation and abatement equipment as defined in the Scope of Works section of the GBC- 013093 – Invitation to Tender. **[a company]** produced the initial D1 Calculation as part of their tender response. The invitation to tender and subsequent contract required **[a company]** to assist in the design iteration regarding the interface between the stack and surrounding cladding and/or louvres. This went through various iterations as the design developed in the lead up to submission of the permit to cremate. **[a company]** produced several D1 calculations, five of which were issued to GBC. One of the five was not issued directly to GBC, but passed on to GBC by **[a company]**. An example was provided at tendersubmission dated 5 June 2017 (Appendix 10), revised calculations (post contract award to **[a company]**) on 16 October 2017, (Appendix 1a) 15 March 2019 (Appendix 11), 27 March 2019 – issued indirectly by **[a company]** (Appendix 12) and 18 March 2020 (Appendix 6).

A representative of **[a company]** has reviewed the issue of D1 Calculations by **[a company]** (Appendix 18), the observations were as follows:

- 1) The first D1 calculation was issued with the tender response and is dated 05 June 2017.
  - It showed 11 metre discharge height.
  - A building width of 30 metres was used scaled from building plans
  - The building was treated as a simple block in relation to figure 6 of D1. The assumption that the building is a large block, wider than its height, is the worst-case scenario as it produces the tallest discharge height in the calculation as it was done at that time. Because the building width, when treating it as simple blocks, has no influence on the calculated stack height once the building is wider than it is tall, accuracy was not of concern regarding the building width. The second block, the chapel, is outside 5Um and did not influence the calculation.
  - At that time NO<sub>x</sub> and SO<sub>x</sub> were not included in the D1 calculation.

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- Only pollutants included in the Process Guidance Note were considered.
  - Building dimensions used were from information provided with the tender.
- 2) The second D1 calculation was the result of discussions with **[a company]** regarding revisions to the building design and is dated 16 October 2017
- Again, at that time NO<sub>x</sub> and SO<sub>x</sub> were not included in the D1 calculation.
  - It showed an 8 metre discharge height due to a substantially lowered building roof.
  - A building width of 29 metres was used
  - The building was treated as a simple block in relation to figure 6 of D1 (as per bullet point 3 of (1) above)
  - **[a company]** followed on by notifying GBC of the changed stack height and issues to consider in relation to the building design (Appendix 1a)
- 3) The third D1 calculation is dated 15 March 2019.
- The calculated discharge height was 8 metres, based on a 7 metre building height.
  - A building width of 3.17 metres was used. Until receipt of a copy of the **[a company]** calculations, dated November 2018, on 14 March 2019 the pop up concept had not been considered by **[a company]**. (**[a company]** had considered the pop up roof to be a building in its own right altering the way building width was determined and the subsequent D1 calculation).
  - This calculation was produced following **[a company]** checking of **[a company]** calculations using emissions test results from **[a company]**.
  - The **[a company]** calculations contained errors in interpretation of the emissions test data by **[a company]**.
  - Recalculated heights, using the correct interpretation of the emissions test data were later given as a list to **[a company]** within a series of comments on an **[a company]** email of 25 March 2019.
  - The D1 dated 15 March 2019 was to update previous calculations using the building dimensions provided by **[a company]**.
  - This calculation is the first occurrence of the “pop up” in **[a company]** calculations and used the same building dimensions provided by **[a company]**.
  - The calculation included DeNO<sub>x</sub> and assumed 35% conversion NO<sub>x</sub> to NO<sub>2</sub>.
- 4) The fourth D1 calculation, dated 27 March 2019, was sent to **[an officer] [a company]** on that date as a result of the **[a company]** checking of **[a company]** calculations.
- This calculation included a revision of the gas flows from the stack to bring the calculated gas flows closer to those experienced in emissions tests.
  - The calculation included DeNO<sub>x</sub> and assumed 50% conversion NO<sub>x</sub> to NO<sub>2</sub>, as recommended by the Environment Agency for short term basis screening calculations.
  - The discharge height calculated is 8 metres.
  - A building width of 3.17 metres is used
  - The calculation was produced solely to apply the revised flue gas conditions and NO<sub>x</sub> conversion consideration to the building with dimensions as provided by **[a company]**.
  - The calculation dated 27<sup>th</sup> March 2019 was issued to **[a company]** as the final part of the **[a company]** checking of the **[a company]** D1 calculations using emissions test results from Perth and

Gedling crematoria and to assist **[a company]** prepare the Permit to Cremate and supporting D1 calculation.

- 5) The fifth, and final D1 calculation, dated 18 March 2020, was the result of a meeting on 2 March 2020 and subsequent communications between **[an individual]** and **[a company]**.
- It was produced following a checking of the calculation methods, data input and building dimensions.
  - The calculation also used updated pollutant background information from DEFRA.
  - This calculation showed a discharge height of 9 metres, which was used to determine the revised discharge height.
  - A building width of 4.672 metres was used

Of the 5 calculations listed, only the first, second and fifth have used building width dimensions determined by **[a company]** examinations of the drawings provided.

**[a company]**'s initial calculations used a different methodology to **[a company]** in determining building width, an approach that would generate the tallest stack height required. The approach does not appear to be wrong.

**[a company]** are of the view the incorrect pop up roof dimension originated from **[a company]** in a document issued November 2018 (Appendix 2). This document appears to have altered the method for determining building width from previous **[a company]** calculations as the pop up roofs were deemed as individual buildings and multiple buildings in their own right. The method of considering multiple buildings and for buildings taller than they are wide does not appear to be wrong, however the method to determine the building width by **[a company]** in accordance with HMIP D1 figure 6 upon review is incorrect. **[a company]** did not receive a copy of this document (Appendix 2) until 14 March 2019 in the lead up to submitting the variation to the Permit. The **[a company]** calculation dated 27<sup>th</sup> March 2019 was issued to **[a company]** as a part of the checking **[a company]** were doing of the **[a company]** calculations. There was no stated intent that it could be used for any other purpose. **[a company]** admit they did not check the building dimensions and relied upon the information from **[a company]** (Appendix 13) which had already been approved by GBC's Environmental Health Service.

**[a company]** accepted that due to the various building iterations the stack height of 8.1m needs to be extended to 9m. As manufacturer of the equipment, **[a company]** are best placed to undertake the modifications to the stack liners and to mitigate any future warranty claims that may be raised due to unauthorised changes to the stack have offered to undertake the work at no additional cost to the council.

### **2.3 [a company]**

**[a company]** were appointed to prepare the variation of the permit to cremate for the site and undertake a D1 Calculation to ensure legislative compliance. **[a company]** worked with the data supplied from 2018 as the design developed;

- 1) The dimensions used for the roof area were derived from the architects plans by **[a company]**. Some dimensions used are detailed within the Variation application and supplementary information submitted on 13 May 2019 (Appendix 2). However, there is no dimensioned drawing of the pop up roof structure surrounding the stack within the application, specifically the values needed to calculate  $T_m$  in D1.

- 2) To validate the proposed stack discharge height following on from **[a company]**'s recalculation of the stack height in 2017 and development of the roof design, submissions were sent in by **[a company]** on behalf of GBC as the operator to the Environmental Health Team for checking. **[a company]** produced D1 calculations to support this as a check and balance on the proposed design, the first was submitted on 25 October 2018 (Appendix 14) with a calculated height of 7.9 metres. This submission was withdrawn the next day (Appendix 15) as they weren't happy with some components of the report and replaced by another calculation on the 15 November 2018 (appendix 16). This resubmitted information showed a calculated stack height of 8.1 metres. Further supplementary information on the revised roof design was submitted on 21<sup>st</sup> November 2019 related to the upstands on the roof and the D1 Calculation (Appendix 16). Within this submission is stated;

*'The D1 calculation is a highly conservative assessment, meaning that it generally results in a taller stack than would be provided for via dispersion modelling. The client desires a stack height in keeping with the design, and as the maximum stack height calculated is less than the next half metre, the overall stack height has not been rounded up to the nearest whole metre.*

*If rounded up, overall chimney height would be 9 metres above ground level. Environmental Health should confirm the required chimney height with the Operator.'*

- 3) To achieve this calculation **[a company]** stated in their submission they had;
- 'undertaken six D1 runs in total, (these are within the appendices of the above submissions) using data from two crematoria operating a 2 x FTIII abated configuration. All stack heights come out within 9cm of each other. I would recommend that the minimum stack height be no less than 8.10m above ground level, which was the tallest stack height generated.'*
- 4) Upon review and while the dimensions have been taken from the architects plans, the wrong dimension has been used in the D1 calculation.
- 5) **[a company]** validated the calculation and submission on 21 November 2018 to GBC's Environmental Health service and **[a company]** and to the operator on 7<sup>th</sup> December 2018 (Appendix 18), the response states;
- 'I think this satisfies the stack height requirements. The lip will cause some turbulence round the stack but the revised stack should be acceptable. I am not overly concerned re rounding up to the nearest metre.'*

This confirmation was then taken on to develop the technical design by the design team.

- 6) The D1 submitted in the variation application dated 13 May 2019 (Appendix 2) was produced by **[a company]** (Appendix 12) as a part of the checking **[a company]** were doing of the **[a company]** calculations. It had a minimum stack discharge height of 8.0 metres but the building design took the higher value determined by **[a company]** of 8.1 metres from earlier in the design process and checking by Environmental Health to meet the approved planning permission. **[a company]** did not submit any calculation of their own in the final variation application, **[a company]**'s calculation was submitted as part of the application (Appendix 17) following various revisions and reviews as stated above (section 2.2). **[a company]** checked the calculation with their own spreadsheet and the calculations agreed. This check however was not provided to GBC (Appendix 17).
- 7) As stated in section 2.2 **[a company]** did not check the building dimensions in the D1 submitted on 13 May 2019 (Appendix 13) but relied upon **[a company]**'s information which had already been approved as per points 4 and 5 above.

- 8) **[a company]** reviewed the variation application dated 13 May 2019 and issued a varied permit on 11 July 2019.
- 9) Upon identification of the error and notification to the Environmental Health Service **[a company]** reviewed the error and agreed that there had been confusion on the width of the building. **[a company]** also agreed that they had no issue in increasing the stack height to 9 metres (Appendix19).

### 3.0 Summary Conclusion

**[a company]** and **[a company]** have not checked the building dimensions and used the building dimensions as previously used in relation to figure 6 of the D1 guidance submitted as part of the application to vary the sites permit submitted on 13<sup>th</sup> May 2019. **[a company]** appear to have misinterpreted the guidance in producing D1 calculations that informed the design process in 2018 and the subsequent D1 calculations by **[a company]** submitted as part of the application to vary the sites permit.

3.18 metres was used as the width on **[a company]**'s calculations dated in October 2018 and 3.17 metres in November 2018 which was the incorrect width.

29 metres width was used in **[a company]**'s calculations dated 16 October 2017, 3.17 metres was used in calculations dated 15 March 2019 and 27<sup>th</sup> March 2019. 4.672 metres was used on 18 March 2020.

No party has stated how they determined the building width in the D1 calculations. In **[a company]**'s early calculations the building width, when assuming it as a simple block, has no influence on the calculated stack height since the building is wider than it is tall. The building width became an issue when the pop up roof is considered as a building in its own right as per **[a company]**'s methodology.

While the supplementary information submitted as part of the application to vary the permit was comprehensive, having no dimensioned plan which directly relates to the values required and used to calculate the stack does not provide the ability for sufficient independent validation or checking by others.

However, each party should not only be checking the calculation but the input data and variable parameters as well. Future calculations should refer to the method used for determining building width and any other variable parameters, and why, along with dimensioned plans to ensure that the rules by which a calculation is being undertaken is clear.

The Council is reliant on expertise to advise it on matters relating to stack design and it is difficult to suggest further reasonable controls that should be in place. The Council appointed two parties to check and balance this technical role in the design of the building and the regulatory team utilised a consultant as a further check.

As the Council appointed competent and qualified persons and contractors this outcome is disappointing. **[a company]**, **[a company]** and **[a company]** have accepted that the error has occurred. This appears to be human error on interpretation of the architectural drawings and oversight rather than any intent to deceive or manipulate the technical requirements of HMIP D1 guidance.

It is important to reflect on the impact of the error in relation to para 2.9 of the HMIP D1 Guidance:

*Heights determined using the (D1) method should be regarded as a guide rather than a mathematically precise definition of discharge stack height. The conclusion may need to be modified in the light of particular local circumstances or of practical experience.*

The Council was made aware of an error in the method of calculation and took steps to remedy it by informing the Environmental Health Service who have required a revised stack height of 9 metres as part of the sites permit to cremate. This has now been addressed and the matter rectified.

We do acknowledge and are grateful to **[an individual]** for questions on this specific issue. His enquiry did lead to identification of an error.

DRAFT & CONFIDENTIAL

# Overview and Scrutiny (O&S)

## **Update on Project & Programme Management (PPM) Governance**

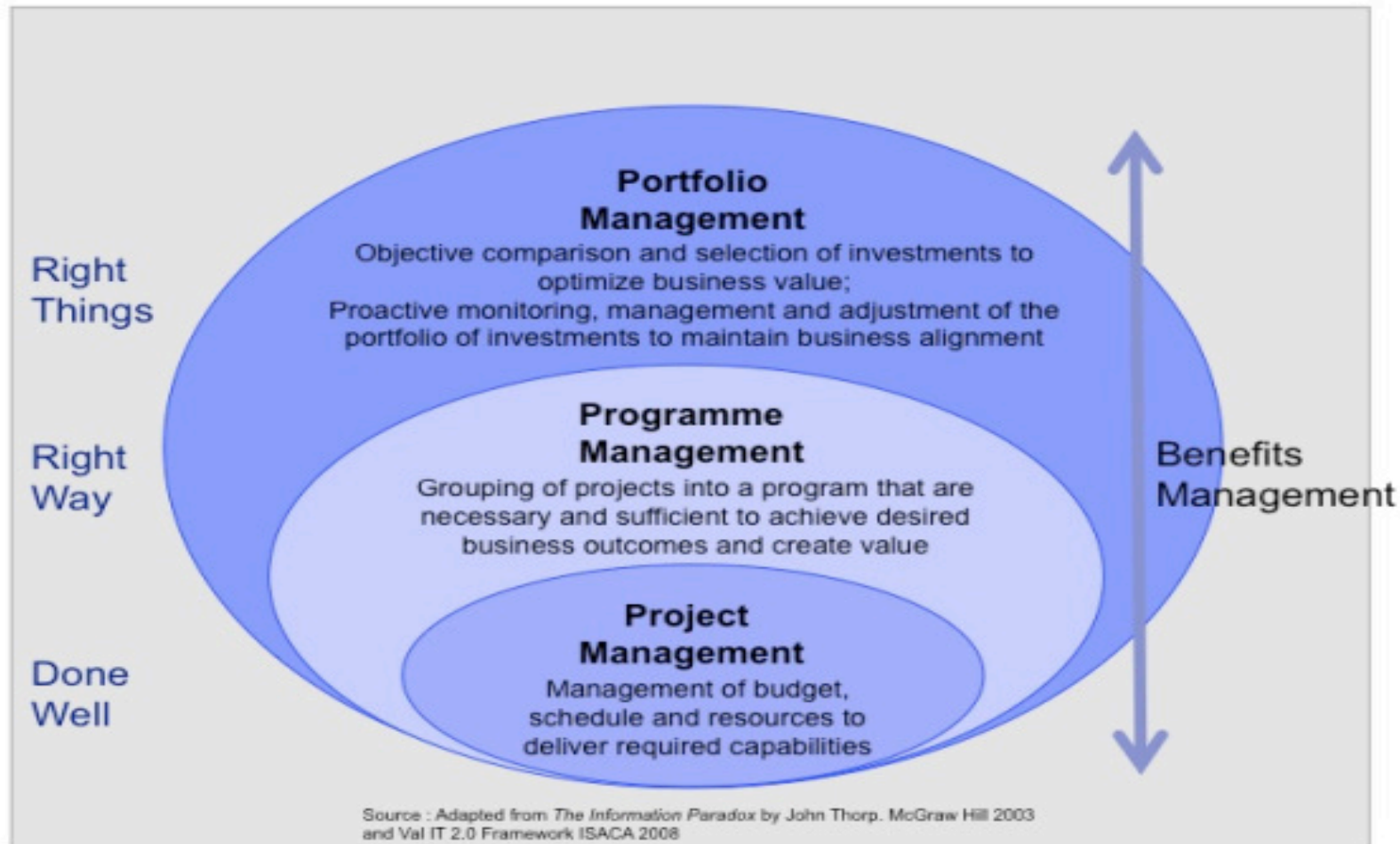
9 November 2021

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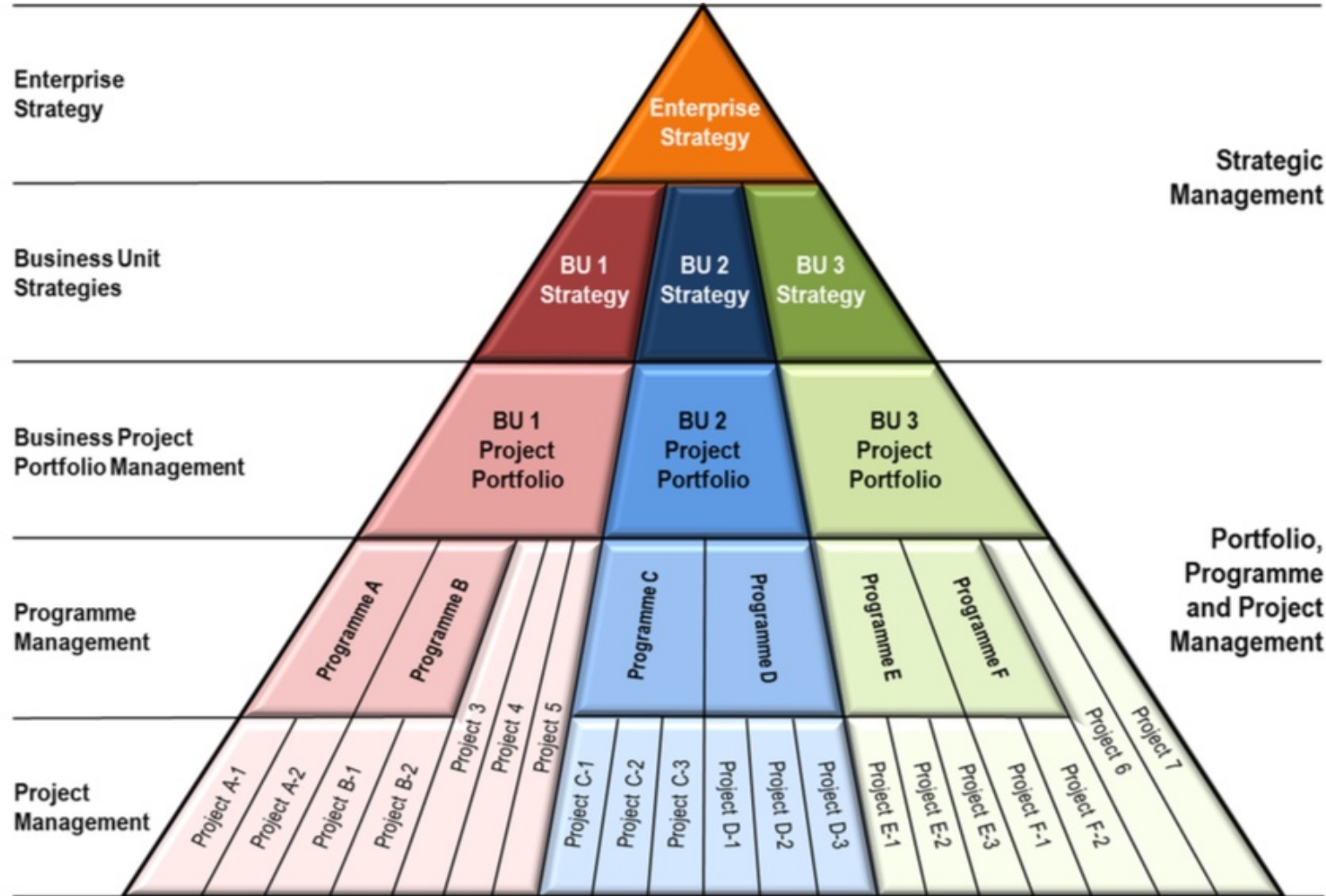


# What is Portfolio, Programme and Project (PPM) Governance?



# What is a Portfolio Hierarchy?

Page 78



| Planning Level 0   | Corporate Plan, Inc. Local Plan |
|--|---------------------------------|
| Council Strategies/Themes  |                                 |
| Regeneration, Housing and Jobs.<br>Communities & Vulnerable People<br>Climate Change & Environment |                                 |
| Planning Level 1   | Service Plans                   |
| Planning Level 2   | Programmes/<br>Sub Portfolios   |
| Planning Level 3   | Projects                        |
| Planning Level 4   | Supplier Plans                  |

Agenda item number: 9

# PPM Governance Issues in 2020

| Issue  | Impact  |
|--|---|
| Absence of mandates  | Unclear problem definition, outcomes required, scope, strategic alignment or priority   |
| Absence of unified Lifecycle inc. start-up process and stage gates | Lack of ability to direct and control the project   |
| Absence of robust business case including 'Whole Life Costs' (WLC) | Absence of robust rationale for proceeding. No baseline to manage delivery, change or resources. Inability to know longer term cost implications. |
| Absence of audit trail for decision making                         | Misdirection & misunderstanding   |
| Absence of strategic context, direction or consensus               | Stakeholder challenge, friction & delays  |
| Absence of standardised methodologies                              | Project manager frustration & low morale  |
| Absence of a clear pipeline of work                                | Inability for 'enablers' like finance and procurement to engage sufficiently early in the lifecycle   |

# New PPM governance and control products

- GBC Enterprise Portfolio Structure
- Project Lifecycle & Approval Gates
- Start-up Process & Approval Workflow
- Mandates & Business Case Development
- Templates, Guidance & Training
- Highlight Reporting (MPPB 20 Sep)
- Delivery Plans (MPPB & Savings Programme)
- Baselineing against Capital Programme

Issue: whilst **affordability** of the portfolio is being addressed through baselining against the Capital Programme and prioritisation, **deliverability** based on further analysis of GBC resource capacity and capability needs to be considered before commitments to deliver are made.



# GBC Enterprise Change Portfolio

Hierarchy of Programmes and Sub Portfolios  
Owner - James Whiteman

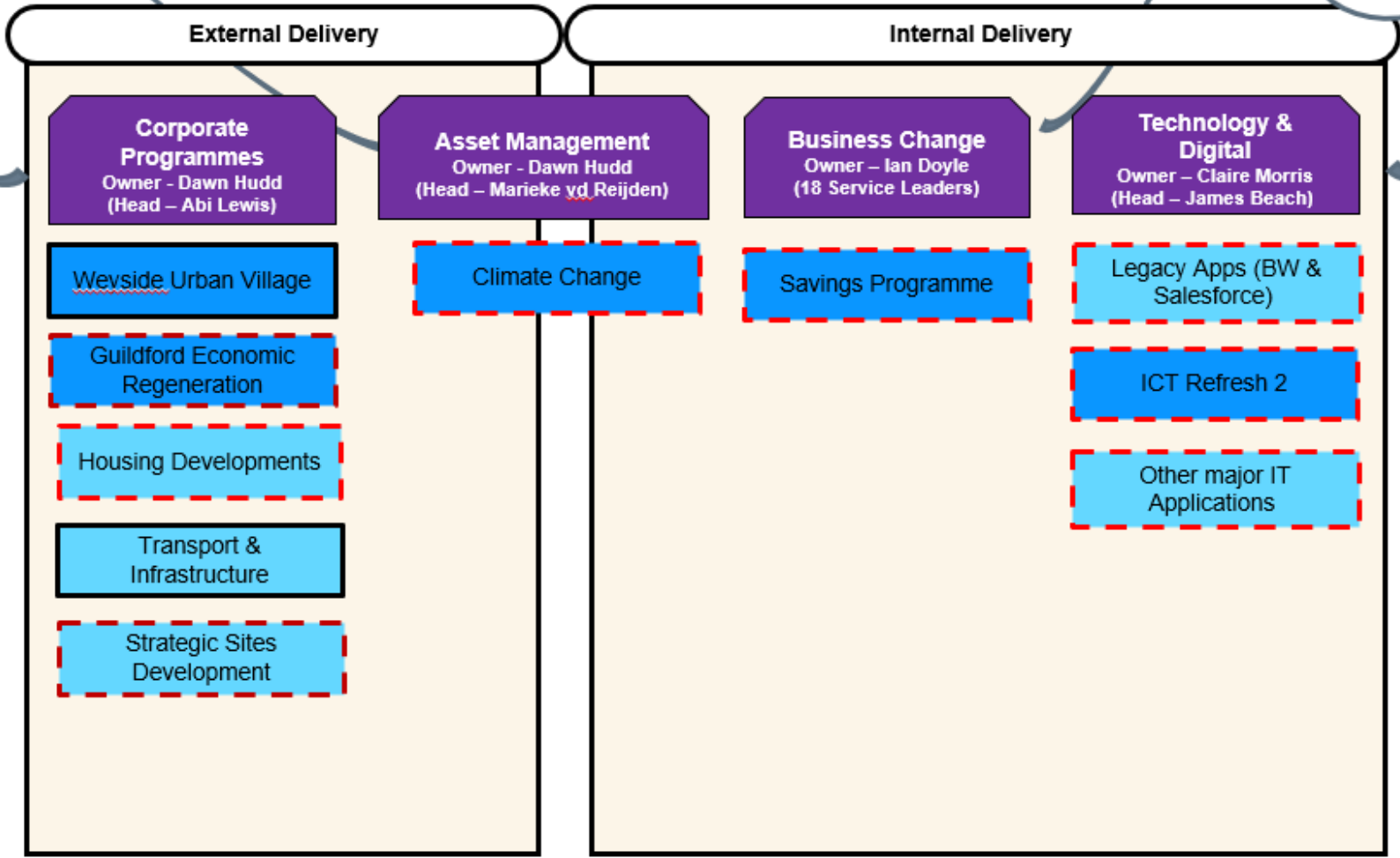
Climate change,  
Cllr Harwood

Services – efficiencies,  
affordability, income & value  
for money  
Cllr Redpath

Digital Services - internal  
& external  
Cllr Bigmore

Homes, infrastructure  
& regeneration  
Cllrs Rigg & Harwood &  
McShane

This diagram illustrates  
the proposed enterprise  
portfolio hierarchy for  
programmes and sub  
portfolios. Key below



Strategic  
Priorities

- Area
- Programme
- Emerging Programme
- Sub Portfolio
- Emerging Sub Portfolio



# Project Lifecycle - Approval & Assurance Gates

| Project Lifecycle Stage | Definition of Stage   | Approval Document                        | Assurance Review                 | Approval Gate     |
|-------------------------|---|--|----------------------------------|-------------------|
| <b>Radar</b>            | An awareness of the need for a project but nothing initiated.<br>A clear statement of the problem to be solved and strategic direction to solving it. A baseline to assess any Business Case against.   | <b>Mandate</b>                           | <b>Project Validation Review</b> | <b>Start Gate</b> |
| <b>Initiation</b>       | A refined statement of the problem to be solved and the strategic outcomes desired (success criteria). Establishing clear ownership of the problem. Broad financial estimates. Narrowing of options to short list. Indication of preferred way forward. | <b>Strategic Outline Case (SOC)</b>      | <b>Strategic Assessment</b>      | <b>Gate 0</b>     |
| <b>Feasibility</b>      | Evaluating the short-listed options in more detail. Fuller financial appraisal and a recommended preferred way forward based on value for money.  | <b>Outline Business Case (OBC)</b>       | <b>Business Justification</b>    | <b>Gate 1</b>     |
| <b>Design</b>           | Development of the preferred solution option. Testing all earlier assumptions. Refining costs and benefits.   | <b>Full Business Case (FBC)</b>          | <b>Delivery Strategy</b>         | <b>Gate 2</b>     |
| <b>Procurement</b>      | In light of tenders and supplier input establish whether the preferred solution is affordable and deliverable.  | <b>Revised FBC</b><br>in light of change | <b>Investment Decision</b>       | <b>Gate 3</b>     |
| <b>Delivery</b>         | Execute delivery of the solution.<br>Limit changes. Manage suppliers, costs and risks. Unblock issues.  | <b>Revised FBC</b><br>in light of change | <b>Readiness for Service</b>     | <b>Gate 4</b>     |
| <b>Handover</b>         | Hand asset or output to BAU owner   | <b>Closure Report</b>                    | <b>Operations Review</b>         | <b>Gate 5</b>     |
| <b>Closure</b>          | Formally close project  | <b>Lessons Learned Report</b>            |                                  |                   |
| <b>Evaluation</b>       | Evaluate effectiveness of delivery  | <b>Post Project Evaluation</b>           |                                  |                   |

# What is a Business Case?

Strategic Case

Is there a compelling case for change?

Economic Case

Are we providing the best value for money?

Commercial Case

How will suppliers be selected and managed?

Financial Case

Can we afford it?

Management Case

How will the project/programme be delivered?

# How does a Business Case evolve from SOC to OBC to FBC?

Agenda item number: 9

Start Gate

Gate 0

Gate 1

Gates 2 & 5

## Mandate

Problem statement  
& strategic  
direction

Englist of options  
and direction of  
travel

Rough Order of  
Magnitude (ROM)  
of Whole Life  
Costs (WLC)

## HMT 5 Case Model

Strategic Case

Economic Case

Commercial Case

Financial Case

Management Case

## Strategic Outline Case (SOC)

Demonstrable case for  
change

Confirm the shortlist of  
options

Early market engagement &  
legal advice

Broad financial estimates

Proposed delivery approach

## Outline Business Case (OBC)

Confirm case for change

Identify preferred way  
forward

Procurement strategy &  
planning

Financial appraisal

Proposed plan for delivery

## Full Business Case (FBC)

Confirm the case for change

Confirm preferred way  
forward

Procurement outcomes

Confirm affordability &  
budgets

Comprehensive delivery  
plan

Alignment to GBC Financial  
Management Process

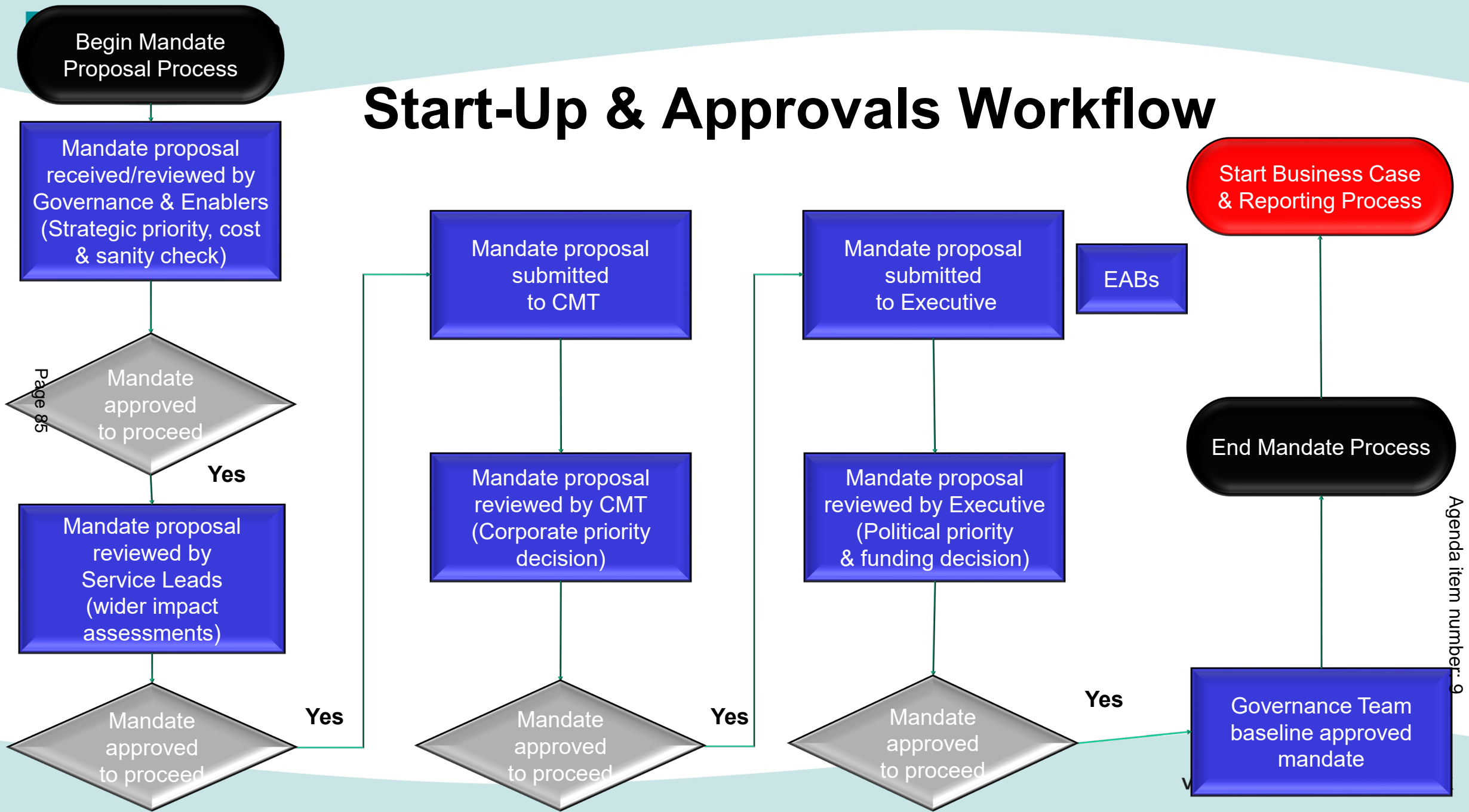
Capital Vision  
Bid

Provisional  
Capital Bid

Approved  
Capital Bid



# Start-Up & Approvals Workflow



# Benefits

- 'Say it once' reporting for PM's saving time and money
- Widest common understanding of rationale, scope, costs and benefits reducing change requests and scope creep
- Clear baselines and approvals, driving accountability
- Standard reporting format helping Councillors, CMT and finance team to have visibility and confidence
- Pipeline management helping all enablers to engage earlier in the process
- Better joined up understanding of the scale and complexity of delivery
- Better and more consistent information will translate to quicker and better decisions
- Start-up process enabling high priorities to move forward. It has also prevented low priority projects from gaining momentum and diverting resources without wider support and formal approval

# Next Steps

- Baseline the Corporate Programmes Delivery Plans (scope) with the financial allocations in the Capital Programme budget held by Finance (financial alignment)
- Undertake a detailed resource review to map current resources to highest priorities and identify the gaps (resource alignment)
- Continue to consult to define processes, templates and workflow
- Consider options for an Enterprise Portfolio Management (EPM) toolset to support more effective delivery, reporting and governance of portfolios, programmes and projects across GBC, but focusing first on Corporate Programmes.

# Strategic Route to O&S

CMT – 14 September 2021

MPPB – 20 September 2021

Executive Liaison – 6 October 2021

Overview and Scrutiny – 9 November 2021

## Overview and Scrutiny Committee Report

### Report of Director of Strategic Services

Author: James Dearling

Tel: 01483 444141

Email: james.dearling@guildford.gov.uk

Date: 9 November 2021

# 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 2021-22.

## 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 The next work programme meeting of the chairmen and vice-chairmen of the OSC and the EABs is scheduled for 10 November 2021 with subsequent meetings on 19 January 2022 and 16 March 2022.
- 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. Climate Change/Sustainability Implications**

- 7.1 There are no specific climate change / sustainability implications.

### **8. Conclusion**

- 8.1 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.
- 8.2 The Committee is requested to consider the work programme attached at Appendix 1 and determine its work plan.
- 8.3 For information, attached at Appendix 3 is the procedure which task and finish groups are expected to operate and report their findings in accordance with.

**9. Background papers**

None

**10. Appendices**

- 1. Overview and scrutiny work programme, September 2021
- 2. P.A.P.E.R. selection tool
- 3. Task group procedure [Appendix 4 of the Overview and Scrutiny Procedure Rules within the Council's Constitution].

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## Overview & Scrutiny work programme, 2021-22

| Overview & Scrutiny Committee items |   |
|-------------------------------------|---|
| <b>18 January 2022 meeting</b>      | <ul style="list-style-type: none"> <li>• Lead Councillor Question Session – Councillor Tim Anderson, Lead Councillor for Resources</li> <li>• COVID-19 response: update</li> <li>• Guildford &amp; Waverley Collaboration: update</li> <li>• Implementation of Future Guildford</li> <li>• Annual report and monitoring arrangements for operation of the G-Live contract, 2020-21</li> <li>• Update on unauthorised gypsy and traveller encampments and Surrey's transit site</li> </ul> |
| <b>1 March 2022 meeting</b>         | <ul style="list-style-type: none"> <li>• Lead Councillor Question Session – Councillor John Rigg, Lead Councillor for Regeneration</li> <li>• Lead Councillor Question Session – Councillor Tom Hunt, Lead Councillor for Development Management</li> <li>• Guildford &amp; Waverley Collaboration: update</li> <li>• Impact of Brexit</li> </ul>   |
| <b>Monday 25 April 2022 meeting</b> | <ul style="list-style-type: none"> <li>• Lead Councillor Question Session – Councillor John Redpath, Lead Councillor for Economy</li> <li>• Guildford &amp; Waverley Collaboration: update</li> </ul>   |
| <b>June 2022</b>                    | <ul style="list-style-type: none"> <li>• Lead Councillor Question Session – Councillor tbc</li> <li>• Guildford &amp; Waverley Collaboration: update</li> <li>• Annual Report: Charter Against Modern Slavery</li> <li>• Spend on consultants and agency workers, 2021-22</li> </ul>  |
| <b>July 2022</b>                    | <ul style="list-style-type: none"> <li>• Lead Councillor Question Session – Councillor tbc</li> <li>• Guildford &amp; Waverley Collaboration: update</li> <li>• Overview and Scrutiny Annual Report, 2021-22</li> </ul>   |

### Currently unscheduled items

- Update on Mental Health Improvement Programme [[Minute OS36, 19 October 2021, refers – date in late spring or early summer of 2022 to be confirmed]
- New emotional wellbeing and mental health services for children, young people, and families [Minute OS36, 19 October 2021, refers – date to be confirmed]
- Post COVID-19 Homelessness strategy, housing strategy/policies. [Housing Strategy 2020-2025 is an item on Service Delivery EAB work plan]
- Visitor and Tourism Strategy

### Task and finish groups

| Title              | Update   |
|--------------------|--|
| Affordable Housing | Membership: Cllrs Angela Gunning, Tony Rooth (Chair), Jo Randall, Ruth Brothwell, Cait Taylor, George Potter (Vice-Chair), and Ramsey Nagaty. Evidence sessions with Housing Association and with developers to be arranged. |

## 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

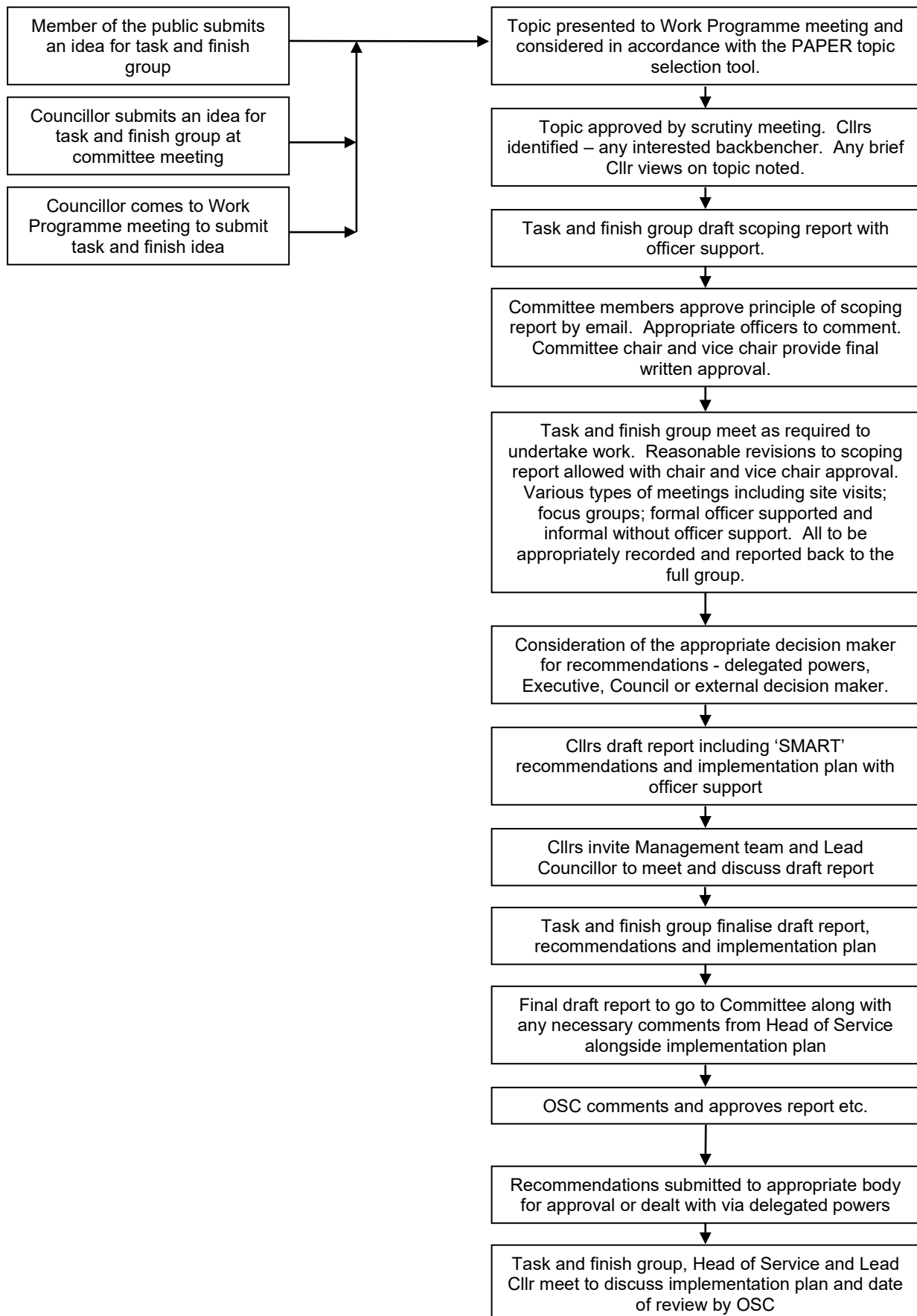
**P**erformance: priority should be given to areas in which the Council and Partners are not performing well

**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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## TASK AND FINISH GROUP FLOWCHART



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