

Executive

* Councillor Julia McShane (Chairman) *
Councillor Joss Bigmore (Vice-Chairman)

* Councillor Tim Anderson *
* Councillor Tom Hunt *
Councillor George Potter

* Councillor John Redpath *
* Councillor John Rigg *
* Councillor James Steel *

*Present

Councillor Fiona White was also in remote attendance.

EX65 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Joss Bigmore and George Potter.

EX66 LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTEREST

There were no declarations of interest.

EX67 MINUTES

The minutes of the meetings held on 24 November 2022 and 12 December 2022 were confirmed as a correct record. The Chairman signed the minutes.

EX68 LEADER'S ANNOUNCEMENTS

The Leader of the Council had nothing further to add to those announcements made at the extraordinary meeting of the Council on Tuesday 3 January 2023.

EX69 TO CONSIDER ANY RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY COMMITTEE

The intention of the report was to collate and track progress of all recommendations made by the Overview and Scrutiny Committee to the Executive throughout the year, and to log the Executive decisions on the submitted matters.

The Executive noted the report and that there had been no updates since the previous meeting.

EX70 INFRASTRUCTURE FUNDING STATEMENT 2021-22

The Infrastructure Funding Statement (IFS) was a factual report which summarised the amount of developer contributions that had been secured, received and spent in the reported year. Regulation 121A of The Community Infrastructure Levy Regulations 2010, as amended, required any authority receiving contributions through the Community Infrastructure Levy (CIL) and / or through planning obligations to produce

an annual Infrastructure Funding Statement to be provided to the Department for Levelling Up, Housing and Communities and to be posted on the Council's website.

The Executive would have preferred to see such funding utilised in a timelier manner, but ultimately many aspects in that regard was beyond its control.

The Executive,

RESOLVED:

1. That the Infrastructure Funding Statement 2021-22 be approved.
2. That authority to approve future Infrastructure Funding Statements be delegated to the Joint Executive Head of Planning Development.

Reason:

To ensure that the Council complies with the CIL Regulations to produce and publish an annual Infrastructure Funding Statement.

EX71 SEND HILL DISUSED SANDPIT - SUPPLEMENTARY ESTIMATE - STAGE 2 (INVASIVE) CONTAMINATION SURVEY

The land west of Winds Ridge, Send Hill, known as Send Hill Disused Sandpit, was a former landfill site. The asset had been transferred to the Council in the 1980s and was currently used as amenity land for the purposes of public recreation. It was allocated in the Local Plan as a site for housing development. If the site were to be developed, it was anticipated that a significant amount of remediation work may need to be undertaken. To inform the Executive's decision on whether to dispose of the asset it was proposed that a supplementary estimate of £25,000 be approved to pay for a Stage 2 (invasive) contamination survey.

With the knowledge gained from the results of the survey, the Council could obtain a more informed residual land valuation with which to advertise the sale of land on the open market and thereby obtain best consideration with risks and opportunities being made explicit. The risks and potential gains from both options were set out in the report.

The Executive considered there was a duty of care upon the Council to fully understand the nature of the deposits on the site. In addition, the estimate for the work acquired through the tendering process was competitive.

Consequently, the Executive,

RESOLVED:

That a supplementary estimate of £25,000 be approved from the Budget Pressures Reserve, for the purpose of commissioning a Stage 2 (invasive) contamination land survey at the Send Hill Disused Sandpit.

Reasons:

1. To inform a more accurate valuation of the land and generate a more detailed picture of the types of waste present.
2. The land may be heavily contaminated and does not support service delivery.

EX72 WEYSIDE URBAN VILLAGE FINANCIAL REVIEW

Weyside Urban Village was a major 41-hectare brownfield regeneration scheme that the Council anticipated would bring significant benefits to Guildford including approximately 1,500 homes across including 600 affordable homes, 2,000 square metres of community space and 6,500 square metres of employment space.

During the last three years the Council had committed significant funding to progress the site assembly and infrastructure construction to enable the development of the WUV site. It was intended that the funding would be fully recovered from the sale of ten land plots to housing developers and secured grant funding from Homes England and Enterprise M3 LEP. Over 44% of the site was currently in Council ownership, and 100% would be achieved on completion of land transfers with Thames Water Utilities Ltd. The Council had additionally secured £52.3m in grant funding from Homes England and signed a Grant Determination Agreement with Homes England to draw down the grant expenditure associated with the implementation of the infrastructure works, which was in progress. In October 2021, the Planning Committee issued a Resolution to Grant for the hybrid planning application for Weyside, with the decision notice to approve the application issued in March 2022.

It was agreed with the Executive that the project team would report the financial position to the Executive on an annual basis. The Executive considered a report that set out the financial forecast to the end of the programme, as well as proposed mitigation to address the potential financial deficit that has arisen because of macro-level factors.

The Executive heard that the broader economic landscape and its impact on the construction industry over the past 12 – 18 months had been profound. At the end of 2021, the Building Cost Information Service (BCIS) – which provided cost and price data for the UK construction industry - reported that the annual growth in its material cost index had reached a forty year high. Since then, pressures on supply chains had persisted and labour shortages had become more acute. Although the lifting of Covid restrictions had led to a return to high activity levels, the war in Ukraine and high rates of inflation had put the construction industry in further turmoil. The impact of these issues was being felt at a local level, with forecast construction and financing costs also increasing significantly.

The Executive noted that the report was thorough and transparent and that such detailed reporting would support sound decision making now and in the future. Officers should continue to provide a range of mitigating options for the Council going forward. The Lead Councillor for Regeneration confirmed that all councillors, not only Executive members, would be kept informed as the situation evolved. Consequently, the Executive,

RESOLVED:

- (1) To note the current forecasted (1) eventual deficit in 2033 (year 10 of the project delivery programme), as set out in exempt Appendix 1 to the report submitted to the Executive, and resulting General Fund revenue implications, noting that this is

based on a number of variables outlined within Section 4 of the report (Financial Implications).

- (2) To recommend that Full Council (at its extraordinary meeting on 16 January 2023) approves the continuation of the project until officers have completed the required due diligence described in recommendations (3) and (4) below and report back to Full Council in July 2023.
- (3) To request officers to provide alternative risk assessed option appraisals other than to proceed with the original Full Council approved scheme, including all possible mitigations and alterations to the current funding and specifications, indicating by use of a range of values where specific data is not available, and a full explanation of assumptions with reasons, sufficient to enable Members to make a fully informed decision on how it wishes to proceed at Full Council in July 2023.
- (4) To request officers to update the project with the latest assumptions, indices and valuations and report back to the July 2023 Full Council.
- (5) To approve the transfer of £72.062m from the provisional capital programme to the approved capital programme for payments which the Council is obliged to make to TWUL under the TW Agreement for 2022/23 and 2023/24, for costs necessary to meet the milestones set within the Homes England HIF agreement and design cost necessary to prepare the planning application for the SCC Waste Transfer Centre and construction of the New Council Depot.
- (6) To delegate to the Strategic Director of Place, in consultation with the Lead Councillor for Regeneration, and Lead Councillor for Finance and Planning Policy, authority to enter into such other contracts and legal agreements connected with the WUV as may be necessary in compliance with Procurement Procedure Rules and within the approved budget.

Reasons:

The projected deficit, and significantly wide variation and uncertainty of the outcome of this project, renders the project as no longer compliant with the Full Council approval to break even at zero cost to the Council, i.e. the project has greater or equal value to the receipts received. At this point Officers do not have Full Council authority to incur any further expenditure until councillors have considered their full options and implications. However, temporarily stopping expenditure is not realistic due to contractual commitments.

The recommendations would:

- Ensure that there is sufficient understanding of the projected financial forecast of the programme.
- Ensure that there is sufficient funding in the approved programme to cover the phase 1 & 2 infrastructure costs, SCC Waste Transfer Centre design cost, construction of the new Council Depot and the payments which the Council is obliged to make to TWUL under the Thames Water Agreement for 2022/23 and 2023/24.

- Ensure that statutory service agreements and construction agreements can be entered into for the delivery of services and infrastructure for the development and to ensure that Homes England Housing Infrastructure Fund (HIF) milestones are achieved.
- Support the delivery of the Council’s Corporate Plan (2021-2025) priorities, by supporting high quality development of a strategic site, creating employment opportunities through regeneration and facilitating housing that people can afford.

The meeting finished at 7.24 pm

Signed

Date

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Chairman