

OVERVIEW AND SCRUTINY COMMITTEE

12 July 2022

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

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| Councillor Chris Blow | * Councillor Maddy Redpath |
| Councillor Guida Esteves | * Councillor Tony Rooth |
| * Councillor Graham Eyre | * Councillor Will Salmon |
| * Councillor Angela Goodwin | * Councillor Deborah Seabrook |
| * Councillor George Potter | Councillor Fiona White |

*Present

Councillors Tim Anderson (Lead Councillor for Resources), Joss Bigmore (Leader of the Council), Julia McShane (Deputy Leader of the Council and Lead Councillor for Community and Housing), John Redpath (Lead Councillor for Economy), and John Rigg (Lead Councillor for Regeneration) were also in attendance, with Councillor Catherine Young in remote attendance.

In accordance with Council Procedure Rule 23(i), Councillor Ramsey Nagaty attended as a substitute for Councillor Guida Esteves.

OS9 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

The Committee was advised of apologies for absence from Councillors Chris Blow, Guida Esteves, and Fiona White and a substitution as detailed above.

OS10 LOCAL CODE OF CONDUCT AND DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS

There were no declarations of Disclosable Pecuniary Interests.

Councillor Angela Goodwin advised the meeting that, in accordance with Overview and Scrutiny Procedure Rule 2 [specifically, that 'no councillor may be involved in scrutinising a decision in which he or she has been directly involved (unless that involvement was only as a member of an EAB)'], she would withdraw from the meeting at the commencement of item 6, Review of the Council's Ownership of Liongate House. Councillor Goodwin indicated that her withdrawal was to avoid any appearance of conflict between her previous role on the Executive and her current role as a scrutineer.

OS11 MINUTES

The minutes of the Overview and Scrutiny Committee meeting held on 7 June 2022 were agreed.

OS12 LEAD COUNCILLOR QUESTION SESSION

The Chairman welcomed the Deputy Leader of the Council and Lead Councillor for Community and Housing and reminded the Committee that Councillor Julia McShane's main areas of responsibility included health, wellbeing, access and disability, safety, grants and voluntary services, Careline, handyperson, care and repair, housing, homelessness, housing standards (HMOs and the private rented sector), and human resources. The Chairman indicated that the Deputy Leader of the Council and Lead Councillor for Community and

Housing had been advised of several question areas in advance of the meeting and that other questions would naturally arise.

During the ensuing discussion a number of points were made, including:

- In reply to questions about void properties across the Council's housing stock, the Deputy Leader of the Council and Lead Councillor for Community and Housing indicated that there were 102 houses currently progressing through the void process. She advised the meeting that the timetable for each void property varied according to the work required and that delays were due to shortages of materials and staff. The Deputy Leader of the Council and Lead Councillor for Community and Housing indicated that the financial impact of each property being unoccupied could be up to a week's rent and that provision was made for this within the annual budget. The meeting was informed that relevant performance monitoring had been reviewed and would lead to a standard, benchmarked approach.
- In reply to a question on accessible home improvements, the Deputy Leader of the Council and Lead Councillor for Community and Housing advised the meeting that the respective numbers of adaptations completed via the Home Improvement Agency Care & Repair service and the handyman service, the number of self-funded private projects, and adaptations within the Council's housing stock could be provided to Committee members. She indicated that details of the types of adaptations completed in the Council's housing stock could be provided if requested by members. The Deputy Leader of the Council and Lead Councillor for Community and Housing informed the Committee of the delivery of the service during the pandemic and increasing demand for the service, including from the introduction of further grants for home adaptations.
- A member of the Committee questioned the take-up of the Council's community transport service and queried whether resources were sufficient to meet demand. The Deputy Leader of the Council and Lead Councillor for Community and Housing indicated that the community transport service was operated in accordance with licence controls and staff contracts. The Committee was advised that the scheduling of the service was centred on customer need and aimed to ensure that the journey times of the most vulnerable users were as short as possible. The Deputy Leader of the Council and Lead Councillor for Community and Housing advised that the amendment of licensing conditions to promote community use of the minibuses during weekends and evenings was being progressed.
- In response to a question, the Head of Community Services agreed that not all aspects of the community transport service were operating at full capacity and some elements could be promoted further.
- A member of the Committee asked how much social housing would be included in the Guildford Park Road, the Weyside Urban Village, and the North Street developments. In response, the Interim Head of Housing, Exchequer and Development informed the meeting that the schemes would be compliant with the Council's planning policies and aimed to deliver at least 40% affordable homes.
- In response to a question about progress with a target of building 3,000 council houses by 2029, the Deputy Leader of the Council and Lead Councillor for Community and Housing indicated the Council had delivered approximately 110

additional affordable homes each year recently and was not working to a particular delivery date. The Deputy Leader of the Council and Lead Councillor for Community and Housing indicated that the Council anticipated that approximately 700 affordable homes would be built over the next five years, with additional affordable homes also expected to be delivered by developers and housing associations. The Interim Head of Housing, Exchequer and Development informed the meeting that in terms of a legal definition, social housing and affordable housing were considered the same. In reply to questions, the Interim Head of Housing, Exchequer and Development stated that affordable housing and social housing were essentially the same thing.

- In reply to a question, the Interim Head of Housing, Exchequer and Development outlined the affordable housing requirements of the Council's planning policies.
- In reply to questions, the Deputy Leader of the Council and Lead Councillor for Community and Housing updated the Committee on implemented and planned improvements to the Number 5 night shelter and indicated that options for further development would be shared with Councillors.
- In response to a question, the Head of Community Services advised the meeting that the third tranche of the Household Support Fund had come through from Surrey County Council and its distribution to families and pensioners would be administered by the Council's community services team. She advised the Committee of efforts to ensure that people most in need were identified and supported.
- The response to a request, the Deputy Leader of the Council and Lead Councillor for Community and Housing advised the meeting that the Council's social housing consisted of 5,281 homes, while housing associations had a further 2,281 social homes in the Borough. She indicated that there were 1,491 households on the housing needs register. The Committee was advised that a recent review of the housing needs register had reduced the number significantly. The Deputy Leader of the Council and Lead Councillor for Community and Housing informed the meeting that in the last year 15 homes had been sold under the Right to Buy scheme, with Right to Buy funds used to purchase 22 homes. The Deputy Leader of the Council and Lead Councillor for Community and Housing indicated that members of the Committee could be provided with the number of new build homes on former garage sites, on vacant land on estates, and on sites in West Horsley and elsewhere.
- The Deputy Leader of the Council and Lead Councillor for Community and Housing thanked the former directors of North Downs Housing Ltd for their time, effort, and expertise. In reply to a question, the Interim Head of Housing, Exchequer and Development informed the meeting that North Downs Housing Limited would look to develop sites in future when possible.
- The value in providing Councillors with a summary of the different types of affordable and social housing was agreed by the Deputy Leader of the Council and Lead Councillor for Community and Housing and the Interim Head of Housing, Exchequer and Development undertook to provide the details and definitions of affordable housing for circulation to Councillors. In addition, he referred members to the glossary at the back of Guildford's Local Plan.

The Chairman thanked the Deputy Leader of the Council and Lead Councillor for Community and Housing and officers for attending and answering questions.

OS13 GUILDFORD AND WAVERLEY COLLABORATION – UPDATE

The Joint Chief Executive of Guildford and Waverley Councils advised the meeting that the Joint Appointments Committee had met in June and agreed to recommend appointments to the joint strategic director roles in the joint management team. The meeting was advised the appointments were to be considered by full Council on 26 July and that if agreed the directors would commence in their roles on 1 August. The meeting was informed that a formal consultation had commenced with the joint heads of service and it was envisaged that new heads of service would start in their roles on 1 October.

The Joint Chief Executive of Guildford and Waverley Councils advised the meeting that the previous week he had provided Councillors with a detailed briefing on the progress of the Guildford and Waverley collaboration. He advised the Committee of the benefits of collaborative working to date, including sharing of learning and information on Ukrainian resettlement, on leisure service contracts, and for climate change action plans.

The Committee was informed that it would be proposed that the post of Section 151 Officer for Guildford Council be agreed as an interim joint appointment with the current Section 151 Officer within Waverley Council.

There were no questions or comments from Councillors. The Chairman thanked the Joint Chief Executive for his attendance.

OS14 REVIEW OF THE COUNCIL'S OWNERSHIP OF LIONGATE HOUSE

[At this juncture, Councillor Angela Goodwin withdrew from the meeting in accordance with Overview and Scrutiny Procedure Rule 2.]

The Chairman invited the Lead Councillor for Resources to comment on the report submitted to the Committee. The Lead Councillor for Resources introduced the item.

The Lead Councillor for Resources suggested that the report submitted to the Committee was produced in response to two complaints that were politically driven. He referred to the Council's decision to purchase Liongate House for £13 million in 2013 and the process leading to the decision to dispose of the property for £10.1 million in 2020. The Lead Councillor for Resources suggested delaying the sale in 2020 would have been inadvisable and reminded the Committee that the disposal of Liongate House had been audited as part of the audit of the 2019-20 statement of accounts for the Council and no issues or concerns had been raised with the valuation or the disposal.

With reference to a Royal Institution of Chartered Surveyors (RICS) investigation as to the merit of the complaints about the advice given to the Council for both the acquisition and disposal of Liongate House [the outcome of which was circulated as supplementary information shortly before the meeting], the Lead Councillor for Resources informed the meeting that RICS had concluded there was insufficient evidence to show a failure to comply with RICS rules or professional standards and that there was no case to answer. He stated that there was no evidence to suggest Liongate House was not marketed effectively or was worth more than £10 million at its time of disposal in 2020.

The Director of Resources summarised the acquisition, sale, and rental income of Liongate House as detailed within the report submitted to the Committee. She indicated that since the disposal of the property the Council had received complaints relating to its sale and one

complaint relating to its acquisition. The Director of Resources advised the meeting that the terms of reference for the overview and scrutiny review were drafted by her and approved by the Chairman of the Overview and Scrutiny Committee. She confirmed that the report submitted to the Committee contained the evidence the Council held relating to the acquisition and disposal of Liongate House and the decision-making processes followed by the Council. The Director of Resources invited the Committee to consider each of the questions posed in the terms of reference for the review and the evidence presented in the report.

In accordance with the Council's Public Speaking Procedure Rules, Mr Geoff Davis addressed the meeting.

Mr Davis advised the Committee that he was a former Guildford Borough Councillor and had no current or prospective personal or financial interest in the subject. He stated he was a Fellow of the RICS, with extensive experience in the property profession, including 47 years in Guildford, and had a degree in planning and development. He suggested that, if handled differently, the disposal of Liongate House could have resulted in an additional £5 million or so for the Council.

Mr Davis commented on the time taken to address his queries and the importance of exploring the issues raised. He suggested that Liongate House was a trophy building and that it had been sold at an undervalue. Mr Davis questioned why the building had not been offered to the Council's housing department for affordable or social housing. He indicated that he would not be commenting on the purchase of the building in 2013.

Mr Davis suggested the merit in the Council holding the property after the break clause was exercised by the tenant and questioned whether dilapidations had been collected. He suggested that at the time of the Council's disposal of Liongate House there was a strong market for large office buildings with permitted development rights. He queried whether the proceeds from the disposal of Liongate House had been reinvested as indicated.

Mr Davis noted that the 2019-20 valuation of Liongate House was £12.15 million. He indicated that if the building had been offered to the market correctly, as the circumstances in relation to permitted development rights changed, then a higher price could have been achieved from the disposal. He suggested there were inaccuracies in the pre-application enquiry. In addition, Mr Davis highlighted the period taken to complete the sale with the cash buyer of Liongate House. He suggested the permitted development rights should have been put into place by the Council before the marketing of the site, not after. Mr Davis criticised the omission of an overage clause in the sales contract.

Mr Davis suggested that Liongate House should have been valued at approximately £15 million. With reference to the report submitted to the Committee, he suggested that the Council's Property Review Group identified the value in obtaining permitted development rights in September 2019 and that the options appraisal commissioned by the Council noted the need to ensure an overage agreement to cover off any additional consented space, such as accommodation in the roof space.

In concluding his statement, Mr Davis summarised his concerns threefold: not offering the building to the Council's housing department for affordable or social housing; not seeking permitted development rights prior to marketing the property; and not ensuring an overage clause was in place.

In accordance with the Council's Public Speaking Procedure Rules, Councillors then questioned Mr Davis and a number of points were made:

- A member of the Committee suggested that the Council explored obtaining permitted development rights for Liongate House prior to disposal and that an overage clause was not available. In addition, he queried the accuracy of the £15 million valuation of the site. In response, Mr Davis suggested the permitted development rights should have been in place by the Council before the site was marketed, rather than being put in place by the purchaser.
- In response to a question from a member of the Committee about the acquisition of Liongate House by the Council in 2013, Mr Davis advised that he did not become a Guildford Borough Councillor until 2015.
- Members of the Committee suggested that Liongate House was not a trophy building due to its proximity to the A3, the A320, and Ladymead retail park. With reference to air quality, a Committee member questioned the desirability of the Council using the site for affordable housing. In addition, Mr Davis's assessment of the value of obtaining permitted development rights for the site was questioned. In response, Mr Davis referred to the apparent sales of apartments at the site and the advantages to the Council of securing permitted development rights ahead of marketing the site.
- In reply to questioning, Mr Davis defended his valuation of the site at approximately £15 million. He suggested the Council had not achieved the immediate, unconditional sale it had agreed with the purchaser. He confirmed that his £15 million valuation was at current prices.
- The Lead Councillor for Regeneration asked if Mr Davis agreed with him that the original purchase of Liongate House in 2013 was a poor investment by the Council. In reply, Mr Davis indicated that he would not have recommended its purchase in 2013.
- In reply to a question, Mr Davis stated that the site was not marketed with the information that the flooding risk had been removed.

The Chairman thanked the public speaker for his attendance and for answering questions from Councillors.

During the ensuing discussion a number of issues were raised:

- In response to a question, the Director for Resources confirmed that all information relating to the acquisition of Liongate House in 2013 was included in the report and appendices submitted to the Committee.
- In reply to questions about his statement introducing the item, the Lead Councillor for Resources reiterated that he believed the acquisition of Liongate House in 2013 was a poor decision.
- The Lead Councillor for Resources suggested the review of the Council's ownership of Liongate House was a poor use of both his time and that of the Director of Resources.

- In reply to a query about the declining rental income from Liongate House, the Director of Resources confirmed that the Council was bound by the terms of the lease agreed before its acquisition of the property.
- In response to a question about the actions the Council took after identifying the likelihood that the tenant would exercise the break clause, the Director of Resources indicated that the process that resulted in the decision not to pursue permitted development rights occurred between the autumn of 2018 and April 2019, with the property marketed from May/June 2019 onwards.
- In reply to questions, the Head of Asset Management advised that the valuations of Liongate House during the Council's period of ownership were provided externally.
- The Director of Resources confirmed that the RICS investigation had considered concerns raised over the advice provided to the Council for both the acquisition and the disposal of Liongate House.
- A member of the Committee questioned whether during its disposal of Liongate House the Council as an organisation had the ability to react once the implications of the Environment Agency's decision relating to the flood zone became clear.
- The Director of Resources indicated that the Council received interest payments because the purchaser delayed completion. In addition, she confirmed that the Council received the dilapidations payment.
- A member of the Committee indicated that due to rental income the Council's ownership of Liongate House had resulted in a net profit of £3 million. He suggested that the Council's decision-making processes had been clear and rational. Another member of the Committee suggested that the Council took and followed professional advice for both the acquisition and disposal of Liongate House.

RESOLVED: That the report submitted to the Committee and the comments of Committee members be noted.

OS15 OVERVIEW & SCRUTINY ANNUAL REPORT 2021-22

The Senior Democratic Services Officer (Scrutiny) introduced the report submitted to the Committee. He advised the meeting that the report stated the work of Overview and Scrutiny over the past year and its future work plan, reported on the use of call-in, and detailed the use of urgency provisions during the past municipal year.

The Senior Democratic Services Officer (Scrutiny) advised the Committee of changes to the draft Overview and Scrutiny work plan since the publication of the papers for the meeting; namely, confirmation of the date of the October Overview and Scrutiny Committee meeting; the re-scheduling of the Borough's Response to Refugees from January 2023 to October 2022; the re-scheduling of the Safer Guildford Partnership Annual Report from September 2022 to October 2022; the addition of Corporate Performance Monitoring to the September 2022 and January 2023 meetings of the Committee, and scheduling the update on the Children and Young People's Emotional Wellbeing and Mental Health Service for January 2023.

RESOLVED: (I) That, subject to the addition of the updates in the work plan as detailed above, the report submitted to the Committee be commended to Full Council as the Overview and Scrutiny Annual Report, 2021-22.

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

The meeting finished at 9.27 pm

Signed

Date

Chairman