



GUILDFORD
BOROUGH

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Annie Righton

Interim Joint Chief Executive
Guildford & Waverley
Borough Councils

Contact Officer:

Carrie Anderson, Senior Democratic
Services Officer

14 February 2024

Dear Councillor,

Your attendance is requested at a meeting of the **EXECUTIVE** to be held in the Council Chamber, Millmead House, Millmead, Guildford, Surrey GU2 4BB on **THURSDAY, 22 FEBRUARY 2024** at 6.00 pm.

Yours faithfully

Annie Righton
Interim Joint Chief Executive
Guildford & Waverley
Borough Councils

Members of the Executive

Chairman:

Councillor Julia McShane, Leader of the Council
and Lead Councillor for Housing

Vice-Chairman:

Councillor Tom Hunt, Deputy Leader of the Council
and Lead Councillor for Regeneration

Councillor Angela Goodwin, Lead Councillor for Engagement
and Customer Services

Councillor Catherine Houston, Lead Councillor for Commercial Services

Councillor Richard Lucas, Lead Councillor for Finance and Property

Councillor Carla Morson, Lead Councillor for Community
and Organisational Development

Councillor George Potter, Lead Councillor for Environment
and Climate Change

Councillor Merel Rehorst-Smith, Lead Councillor for Regulatory
and Democratic Services

Councillor Fiona White, Lead Councillor for Planning



WEBCASTING NOTICE

This meeting will be recorded for live and/or subsequent broadcast on the Council's website in accordance with the Council's capacity in performing a task in the public interest and in line with the Openness of Local Government Bodies Regulations 2014. The whole of the meeting will be recorded, except where there are confidential or exempt items, and the footage will be on the website for six months.

If you have any queries regarding webcasting of meetings, please contact Committee Services.

QUORUM 3

THE COUNCIL'S STRATEGIC FRAMEWORK (2021- 2025)

Our Vision:

A green, thriving town and villages where people have the homes they need, access to quality employment, with strong and safe communities that come together to support those needing help.

Our Mission:

A trusted, efficient, innovative, and transparent Council that listens and responds quickly to the needs of our community.

Our Values:

- We will put the interests of our community first.
- We will listen to the views of residents and be open and accountable in our decision-making.
- We will deliver excellent customer service.
- We will spend money carefully and deliver good value for money services.
- We will put the environment at the heart of our actions and decisions to deliver on our commitment to the climate change emergency.
- We will support the most vulnerable members of our community as we believe that every person matters.
- We will support our local economy.
- We will work constructively with other councils, partners, businesses, and communities to achieve the best outcomes for all.
- We will ensure that our councillors and staff uphold the highest standards of conduct.

Our strategic priorities:

Homes and Jobs

- Revive Guildford town centre to unlock its full potential
- Provide and facilitate housing that people can afford
- Create employment opportunities through regeneration
- Support high quality development of strategic sites
- Support our business community and attract new inward investment
- Maximise opportunities for digital infrastructure improvements and smart places technology

Environment

- Provide leadership in our own operations by reducing carbon emissions, energy consumption and waste

- Engage with residents and businesses to encourage them to act in more environmentally sustainable ways through their waste, travel, and energy choices
- Work with partners to make travel more sustainable and reduce congestion
- Make every effort to protect and enhance our biodiversity and natural environment.

Community

- Tackling inequality in our communities
- Work with communities to support those in need
- Support the unemployed back into the workplace and facilitate opportunities for residents to enhance their skills
- Prevent homelessness and rough-sleeping in the borough

Agenda

Item No.

1 Apologies for Absence

2 Local Code of Conduct - Disclosable Pecuniary Interest

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 also withdraw from the meeting immediately before consideration of the matter.

If that DPI has not been registered, the councillor must notify the Monitoring Officer of the details of the DPI within 28 days of the date of the meeting.

Councillors are further invited to disclose any non-pecuniary interest which may be relevant to any matter on this agenda, in the interests of transparency, and to confirm that it will not affect their objectivity in relation to that matter.

3 Minutes (Pages 7 - 16)

To confirm the minutes of the meeting of the Executive held on 25 January 2024.

4 Leader's Announcements

5 O&S Recommendations to the Executive - Modern Slavery (Pages 17 - 24)

6 Freehold Disposal Of Old Manor House, East Horsley * (Pages 25 - 66)

Key Decisions:

Any item on this agenda that is marked with an asterisk is a key decision. The Council's Constitution defines a key decision as an executive decision which is likely to result in expenditure, income or savings of at least £200,000 and/or which is likely to have a significant impact on two or more wards within the Borough.

Under Regulation 9 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, whenever the Executive intends to take a key decision, a document setting out prescribed information about the key decision including:

- the date on which it is to be made,
- details of the decision makers,
- a list of the documents to be submitted to the Executive in relation to the matter,
- how copies of such documents may be obtained

must be available for inspection by the public at the Council offices and on the Council's website at least 28 clear days before the key decision is to be made. The relevant notice in respect of the key decision to be taken at this meeting was published as part of the Forward Plan on 24 January 2024.

Executive

* Councillor Julia McShane (Chairperson)

* Councillor Tom Hunt (Vice-Chair)

* Councillor Angela Goodwin

* Councillor George Potter

* Councillor Catherine Houston

* Councillor Merel Rehorst-Smith

* Councillor Richard Lucas

* Councillor Fiona White

Councillor Carla Morson

*Present

Councillors Philip Brooker, Vanessa King, Joanne Shaw, Howard Smith, Dominique Williams and Catherine Young were also in remote attendance.

EX46 Apologies for Absence

Apologies for absence were received from Councillor Carla Morson.

EX47 Local Code of Conduct - Disclosable Pecuniary Interest

There were no declarations of interest.

EX48 Minutes

The minutes of the meeting held on 4 January 2024 were confirmed as a correct record. The Chairman signed the minutes.

EX49 Leader's Announcements

The Leader made no announcements.

EX50 Review of the Guildford borough Local Plan: strategy and sites (2015-2034)

The Council was required to review the Local Plan: Strategy and Sites (LPSS) within five years of adoption to decide if an update to the Plan was required. Having considered changes in national planning policy, associated guidance and relevant legislation, as well as changes in circumstances affecting Guildford

borough since the LPSS was adopted, it was officers' view that the Local Plan should be updated.

The report was introduced by the Lead Councillor for Planning who explained that the Local Plan was not only concerned with housing need and housing numbers, but also addressed the business and employment needs of the borough as well. Workplace arrangements and shopping habits had changed greatly since the adoption of the Local Plan in April 2019, and it was anticipated the evidence base would now look quite different. There would also be a review of open spaces and recreational places. If approved, an update of the Local Plan would completely reappraise the evidence base in these key areas. The update would be a large piece of work for the Council to undertake and would take some time to complete. Should the Executive agree the recommendations in the report and forward to Full Council for approval, then a second report would be submitted to the Executive settings out in detail the timetable, process and financing for the update of the Local Plan.

It was noted that during the course of the update it was expected that the Government would announce some substantial changes to planning policy. In addition, a General Election would be held and it was anticipated that significant changes to national planning policy could be introduced by a new government. Officers would be closely monitoring the situation and the Council would need to be prepared to adapt as and when new policy was announced.

It was possible that some of the policies in the Local Plan could become outdated during the course of the update if legislation and/or the National Planning Policy Framework (NPPF) were to change. The adopted Local Plan would remain the primary consideration until such a time as a new plan was adopted by Full Council, but any such policy affected in this way would carry less weight.

It was explained that because the existing Local plan was adopted on 25 April 2019 and not prior to 01 April 2019, there could be an argument made at any appeal that the existing plan should remain in place with 2019 Land Availability Assessment (LAA) numbers for an additional year. However, it was to be expected that this argument might not be supported by the development industry. The matter was beyond the scope of the submitted report but would be kept under observation.

It was observed that slow progress nationally to update population statistics, NPPF and the Standard Method of the local housing need calculation meant it had not been possible to review the Local Plan at any earlier point in time. It was further suggested that the Council might need to apply the existing Standard

Method to its new evidence base if national planning policy were not updated during the period of the review.

The borough presented substantial constraints as to where new building might be located due to flood risk and designated Areas of Outstanding Natural Beauty (AONBs) alongside a challenging infrastructure picture. It was emphasised that a revised plan would be built upon the evidence base alone and that the Council should endeavour to always be clear with local people in this regard.

There was currently no time limit by which any Council should adopt a new local plan. The existing Guildford Borough Local Plan took seven years to adoption in which time the Council undertook three rounds of public consultation, including a Regulation 19 consultation, and processed around 90,000 consultation replies. The Executive heard that the Government was indicating a 30-month period to adoption in future. It was unclear if, under such circumstances, there would be a requirement for less evidence and/or public consultation process and what, if any, penalty there might be for failing to adopt within a set period.

It was commented that although plan-making was challenging here was an opportunity to collaborate with local people to make improvements in a number of areas.

The Executive, in noting all comments and questions thanked the Planning Policy team for its report and,

RESOLVED:

To recommend to Full Council, meeting on 21 February 2024:

1. That the Guildford Local Plan: strategy and sites (2015-2034) be updated following the findings of the review undertaken in accordance with Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended).
2. That a further report be submitted to the Executive at a later date to clarify the appropriate timing for and budgetary requirements of the Local Plan update, and that such report should follow the national planning reform legislation and consider its implications for the update process.

Reason(s):

1. There is a statutory requirement to review the LPSS within 5 years of its adoption. This is to assess whether it needs updating. The review findings set out in this report indicate that an update of the LPSS would be an appropriate

course of action to ensure that the Council's Local Plan remains effective into the future.

2. There are a range of uncertainties which impact on the context for the preparation of a new / updated Local Plan, some of which relate to the lack of clarity regarding the detail of proposed Government reforms to the planning system which guide plan-making. It is necessary that these are fully considered in order to set out recommendations regarding the scope and timing of a new plan-making process.

EX51 Capital and Investment Strategy 2024/25 - 2028/29

The capital and investment strategy gave an overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of local public services. The strategy also detailed how associated risks were managed and any implications for future sustainability.

The Executive considered the report that included details of the capital programme. It was noted that £96.9 million had been removed from the capital programme by Full Council in December 2023 which left around £212 million of capital investment remaining. There was just under £10 million worth of new bids/mandates submitted for approval. The report set out the requirements of the Prudential Code and the investment strategy covering treasury management investments, service investments and commercial investments.

In terms of the Housing Revenue Account (HRA), £121 million of capital investment was proposed for the next five years to support development projects to build or acquire new housing (including Weyside Urban Village).

The report also covered the requirements of the Treasury Management Code and the prevailing DLUHC Statutory Guidance. Treasury Management income for the coming year was £3 million which was slightly down on what had been expected as interest rates had fallen.

The flexible use of capital receipts had been extended for the coming year should the council wish to do so.

The Minimum Revenue Provision (MRP) remained unchanged from last year's budget.

The report had been considered by the Corporate Governance and Standards Committee on 18 January 2023 and the comments arising from that meeting were set out in the Supplementary Information Sheet. A typo (missing words

'budget process') was noted on page 9 of this supplementary paper which would be corrected before the report was submitted to Full Council. The sentence referred to an individual councillor's observational comment of the existing scrutiny process in regard to the budget. The Executive was informed that the scrutiny process for the present budget was in line with that conducted over the previous 4-5 years. There could be future recommended changes to this process as a result of the Council's ongoing close monitoring of all expenditure.

It was observed that close monitoring of expenditure and the actions undertaken by the Council to manage its budget had resulted in a significant reduction in projected expenditure of £200 million. However, the portfolio holder for Finance and Property acknowledged that there was still much work to be done to further reduce the Council's outgoings.

The Executive,

RESOLVED:

1. To approve the new bids set out in Appendix 2 to the report submitted to the Executive for inclusion in the capital programme as indicated, subject to Council approval.
2. To approve the removal of the Bright Hill scheme on the HRA approved and provisional programmes as previously reported to Councillors.
3. To recommend (to Full Council meeting on 7 February 2024):
 - (a) That the General Fund and HRA capital estimates, as shown in appendices 3 to 12, as amended to include the new bids referred to in 1. above, be approved.
 - (b) That the Minimum Revenue Provision Policy, referred to in section 9 of the report submitted to the Executive, be approved.
 - (c) That the capital and investment strategy, specifically the investment strategy and Prudential Indicators contained within the report and Appendix 1, be approved.
 - (d) That the updated flexible use of capital receipts policy, as set out in Appendix 8, be approved.

Reason(s):

To enable Council, at its budget meeting on 7 February 2024, to approve the capital and investment strategy for 2024/25 to 2028/29, and the funding required for the new capital schemes proposed.

EX52 Housing Revenue Account Budget 2024-25

The S.151 Officer introduced the report that outlined the proposed Housing Revenue Account (HRA) budget for 2024/25, which had been built on the estimates and assumptions in the updated 2023 HRA Business Plan.

It was noted that the HRA was a completely separate account to the General Fund. The surplus remained but was reducing year on year.

The Direction on the Rent Standard 2019 required the Regulator of Social Housing to set a rent standard for social housing which came into effect from 2020, which would have been CPI +1% from the preceding September rate, this equated to 7.7% and was the recommended rent increase for the year that would also apply to those in Shared ownership. The Leader reminded the meeting that around 92% of the Council's tenants were on social rent. Of those around 60% were in receipt of Housing Benefit or Universal Credit.

A 5% increase in garage rents was proposed which was in line with the wider Council policy on fees and charges.

The report included the overall details of the proposed investment programme for the properties that were managed within the HRA.

The comments arising from the meeting of the Joint Executive Advisory Board held on 9 January 2024 were set out in the Supplementary Information Sheet.

The Executive received those comments and,

RESOLVED:

To recommend to the Council meeting on 7 February 2024:

1. That the proposed HRA revenue budget for 2024/25, as set out in Appendix 1 to the report submitted to the Executive, be approved.
2. That a rent increase of 7.7%, be implemented.

3. That the fees and charges for HRA services for 2024/25, as set out in Appendix 2 to the report, be approved.
4. That a 5% increase be applied to garage rents which is in line with the wider Council policy on fees and charges.

Reason(s):

To enable the Council to set the rent charges for HRA property and associated fees and charges, along with authorising the necessary expenditure to implement a budget, this is consistent with the objectives outlined in the HRA Business Plan

EX53 General Fund Revenue Budget 2024-25 and Medium-Term Financial Plan 2024-25 to 2026-27

The S.151 officer introduced the report that set out the draft General Fund Budget for 2024/25 and Medium-Term Financial Plan (MTFP) 2024-25 to 2026/27. The Executive was reminded that all of the proposed actions to achieve a balanced budget for next year were set out in the appendices to the report.

An underspend of just under £1.1 million was projected for the current year and this would be directed towards a number of actions to achieve a balanced budget for next year. It was confirmed that the Council was currently no longer at risk of declaring a S.114 notice.

The detail of the Local Government funding settlement was yet to be announced, but it was estimated that Guildford would receive an additional £165,000. Nationally, it was thought that higher awards would be directed towards upper tier authorities with responsibilities for schools and social care.

The Executive was referred to the S.25 report and heard that workstreams had been continuing on the 2024-25 budget and the £18.3m MTFP gap as part of the Financial Recovery Plan agreed in August 2023, including the capital expenditure review and the proposed asset disposal programme. The outputs from the various workstreams had reduced the budget gap by £15.9m. The MTFP set out the key work streams for the Council to focus on over this period which, aimed to address the remaining £2.4m budget gap across the MTFP period and to prepare for future capital financing costs and funding risks.

The Executive was advised that strengthened financial reporting and processes needed to be embedded to form the foundations of a financially resilient council.

The Executive noted that considerable progress had been made since reporting to Council in July 2023, but the agreed savings plans needed to be delivered and the remaining budget gap still needed to be addressed.

The Executive thanked the Financial Services team and officers across the Council who had worked collaboratively to reduce the budget gap, and

RESOLVED:

To recommend the following to Council (at its Budget Meeting on 7 February 2024):

1. That the General Fund Budget for 2024/25 as summarised in Appendix 1, incorporating the budget variations included at Appendix 2, be approved.
2. That a 2.99% increase in Guildford Council's Band D Council Tax Charge for 2024/25, be approved with resultant increases to the other council tax bands.
3. That the Council's existing Local Council Tax Support Scheme, with uprating as set out in Appendix 6 and the £40,000 discretionary hardship fund that runs alongside it, be continued.
4. That, from 1 April 2025, the Council varies its determination of 26 February 2019 under Section 11B of the Local Government Finance Act 1992, so that the long-term empty dwelling levy starts after a property has been empty and unfurnished for one year.
5. That, from 1 April 2025, the Council will charge a premium (levy) of 100% on periodically used dwellings as defined by section 11C of the Local Government Finance Act 1992.
6. That the schedule of Fees and Charges, as set out in Appendix 3 to this report, be approved.
7. That the use of the 2023-24 underspend as set out in paragraph 8.5 of this report, be approved.

Reason(s):

1. The General Fund Budget is a major decision for the Council and setting a balanced budget is a statutory requirement.
2. Scrutiny of these MTFP and Budget proposals demonstrate transparency and good governance.
3. The Council has been well positioned to respond to these challenges and whilst the latest MTFP for the subsequent years ending 2026/27 continues to project future financial pressures, and opportunities, the Council is able to

take action to ensure sufficient funding is in place to deliver and maintain services.

EX54 Guildford Borough Council Whistleblowing Policy

The Lead Councillor for Regulatory and Democratic Services introduced the report.

Guildford Borough Council encouraged staff and others to report any cases of suspected wrongdoing or misconduct, illegal acts, or failure to act within the council as part of its commitment to act with integrity and openness in the best interest of its residents and communities. To govern any such disclosures, the council had a Whistleblowing Policy. That Policy had been reviewed and updated and was set out in Appendix 1 of the report.

The Executive heard that it was proposed Guildford Borough Council and Waverley Borough Council attempt to align their respective Whistleblowing Policies as far as it was appropriate to do so, whilst accepting there might be local differences. Proposals similar to those contained in the report were due to be considered at Waverley Borough Council shortly.

The report had been considered by the Corporate Governance and Standards Committee on 18 January 2024 and the comments and recommendations arising from that meeting were set out in the Supplementary Information Sheet at Appendix 2. Those recommendations included correcting two factual errors in the draft policy and to propose a delegation to the Monitoring Officer to make minor amendments as appropriate for the purpose of keeping it up to date.

The Executive agreed that the council must be an open and transparent organisation and the Joint Chief Executive, in particular, was commended for his work in developing this approach. An annual report was proposed. The revised Whistleblowing Policy was considered fit for purpose with the changes recommended by the Corporate Governance and Standards Committee incorporated. Consequently, the Executive:

RESOLVED:

To adopt the policy set out in Appendix 1 to the report incorporating the recommended amendments from the Corporate Governance and Standards Committee.

Reason(s):

- 1. It was right and proper to uphold the principles of transparency to encourage individuals to make any disclosures and raise any concerns where they suspect wrongdoing.
- 2. It is important that the Council has a policy in place to govern such disclosures and that such policy is kept under regular review.

The meeting finished at 7.02 pm

Signed

Date

Chairman

Recommendations to the Executive from the Overview and Scrutiny Committee

Document Purpose

The intention of this document is 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's agreed response to the recommendations will be fed back to the Overview and Scrutiny Committee, and relevant officers.

Explanatory note:

Progress Status: This column indicates individual progress status for each recommendation and will present one of three options:

- Awaiting Executive Consideration
- Accepted or Approved by the Executive
- Rejected by the Executive

Suggested Response to Recommendation and Reasons: This column indicates what action, if any, the Executive proposes to take or may already have been taken in response to the recommendation and the reasons) for the action, or no action.

Approved Recommendations:

O&S Meeting Date /O&S Minute No.	O&S Agenda Item/Report reference no	O&S Recommendation	Considered by Executive on	Progress Status	Suggested Response to Recommendation and Reasons	Key Officer responsible for the item
19/12/2023 OS21	Annual Report: Modern Slavery Motion FY22/23 7.5	That consideration should also be made of some emerging policy from the home office published in September 2020 which requires certain organisations with a turnover exceeding £36million to produce a modern slavery statement for each financial year. The Government have outlined the intention to roll this out within Local Government and for organisations of the same financial standing.	22/02/2024	Awaiting Executive Consideration	Procurement service will produce an annual report for review by OSC. Reason: Ethical and legal reasons such as combating modern slavery, ensuring compliance with UK law and Council Authority reputation Management. This also encourages consistent efforts and facilitates benchmarking progress against previous years and industry standards.	Adrian Swift, Senior Procurement Specialist (Interim)
19/12/2023 OS21	Annual Report: Modern Slavery Motion FY22/23 7.6	The Council should consider further training to teams responsible for contract management to assist identification of Modern slavery when services are	22/02/2024	Awaiting Executive Consideration	Southern Internal Audit Partnership are delivering contract management training for services, and we have requested that Modern Slavery is	Adrian Swift, Senior Procurement Specialist (Interim)

O&S Meeting Date /O&S Minute No.	O&S Agenda Item/Report reference no	O&S Recommendation	Considered by Executive on	Progress Status	Suggested Response to Recommendation and Reasons	Key Officer responsible for the item
		being delivered for the council.			<p>included in this training.</p> <p>Reason: Trained staff can better recognise red flags indicative of modern slavery like unreasonable recruitment fees, worker restrictions or unsafe working conditions. Proactive identification improves due diligence during procurement and contract management ensuring ethical supplier practices.</p>	
19/12/2023 OS21	Annual Report: Modern Slavery Motion FY22/23 7.7	The Government have now released a modern slavery statement registry over 6,000 statements have been submitted covering over 20,000 organisations on a voluntary basis. The council should publish the	22/02/2024	Awaiting Executive Consideration	The Council will publish the Modern Slavery 2023 report and future reports in accordance with the published guidance.	Adrian Swift, Senior Procurement Specialist (Interim)

O&S Meeting Date /O&S Minute No.	O&S Agenda Item/Report reference no	O&S Recommendation	Considered by Executive on	Progress Status	Suggested Response to Recommendation and Reasons	Key Officer responsible for the item
		2023 statement on the registry.			Reason: Publishing the modern slavery statement is a legal requirement for organisations exceeding £36 million turnover under the UK modern slavery act 2015. Non- compliance can lead to fines and reputational damage. This also allows the Council to showcase efforts to combat this issue and demonstrate accountability to stakeholders.	
19/12/2023 OS21	Annual Report: Modern Slavery Motion FY22/23 7.8a	<p>The Council should review the Home Office developments listed in 7.8a-d.</p> <p>A modern slavery risk prioritisation tool which aims to help departments risk assess their contracts in accordance with the</p>	22/02/2024	Awaiting Executive Consideration	<p>The Council have started the risk prioritisation tool registration process and will review the position.</p> <p>Reason: Staying updated on the latest tools and guidance</p>	Adrian Swift, Senior Procurement Specialist (Interim)

O&S Meeting Date /O&S Minute No.	O&S Agenda Item/Report reference no	O&S Recommendation	Considered by Executive on	Progress Status	Suggested Response to Recommendation and Reasons	Key Officer responsible for the item
		Cabinet Office Procurement Policy Note – Tackling Modern Slavery in Government Supply Chains Action Note PPN 05/19 September 2019 guidance more easily.			from the Home Office ensures the Council authority approach aligns with current best practices and legal requirements.	
19/12/2023 OS21	Annual Report: Modern Slavery Motion FY22/23 7.8b	An induction pack for anti-slavery advocates to ensure senior commercial directors are better equipped to oversee how their department is tackling modern slavery.	22/02/2024	Awaiting Executive Consideration	To be incorporated as an element of contract management training. Reason: Equipped advocates are key to combatting modern slavery within the Council. Updating the induction pack ensures we have the latest information, resources and best practices needed to fulfil their roles effectively.	Adrian Swift, Senior Procurement Specialist (Interim)

O&S Meeting Date /O&S Minute No.	O&S Agenda Item/Report reference no	O&S Recommendation	Considered by Executive on	Progress Status	Suggested Response to Recommendation and Reasons	Key Officer responsible for the item
19/12/2023 OS21	Annual Report: Modern Slavery Motion FY22/23 7.8c	Guidance on modern slavery statements to ensure departments have a clear understanding of key information they must include in their first statements.	22/02/2024	Awaiting Executive Consideration	To be incorporated as an element of contract management training. Reason: Updated guidance ensures compliance with the modern slavery act 2015 and promotes consistency across all departments.	Adrian Swift, Senior Procurement Specialist (Interim)
19/12/2023 OS21	Annual Report: Modern Slavery Motion FY22/23 7.8d	Guidance on developing modern slavery KPIs to help departments measure the effectiveness of the measures they are taking to combat modern slavery.	22/02/2024	Awaiting Executive Consideration	To be incorporated as an element of contract management training. Reason: Measuring the effectiveness of the Council effort is crucial for demonstrating progress and informing future actions. KPIs provide a quantifiable way to track improvements and	Adrian Swift, Senior Procurement Specialist (Interim)

O&S Meeting Date /O&S Minute No.	O&S Agenda Item/Report reference no	O&S Recommendation	Considered by Executive on	Progress Status	Suggested Response to Recommendation and Reasons	Key Officer responsible for the item
					identify areas for further focus.	

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Guildford Borough Council

Report to: Executive committee

Date: 22 February 2024

Ward(s) affected: Clandon and Horsley

Report of Director: Strategic Director – Place, Dawn Hudd

Author: Marieke van der Reijden – Executive Head for Assets and Property

Tel: 07890 591989

Email: Marieke.van.der.Reijden@guildford.gov.uk

Lead Councillor responsible: Richard Lucas

Tel: 07834 020422

Email: Richard.Lucas@guildford.gov.uk

Report Status: Part Exempt

Freehold Disposal of Old Manor House, East Horsley

1. Executive Summary

Old Manor House comprises a large, detached Grade II Listed building providing eight residential flats that were previously leased to persons of state pensionable age that are now vacant. The building is unoccupied and requires complete refurbishment and modernisation including fabric replacement and renewal. Occupation of the property is not possible in its current condition therefore the property would need to remain vacant in the absence of any refurbishment or upgrade works.

The capital cost to refurbish the property to bring it into occupational use for housing is significant which is further exacerbated by the necessary reconfiguration of the existing internal layout and the energy performance upgrades required. In view of the financial impact to the Council, both Housing services and the Housing Revenue Account (HRA) have determined it is not suitable for development and they do not require the property to support their

service. The property is therefore considered surplus to Council requirements and alternative options for property have been explored. On review of the options available, officers recommend the Council proceeds with a freehold disposal of the property on the open market.

2. Recommendation to Executive

That the Executive authorises the Executive Head for Assets and Property to auction sale the property or negotiate terms for a disposal at best consideration on the open market via private treaty, and to enter into all relevant legal documentation required to complete the transaction of the Council owned land comprising Old Manor House in return for a capital receipt.

3. Reason(s) for Recommendation

- 3.1 To generate a capital receipt and remove void property costs from future revenue budgets.
- 3.2 The property requires complete refurbishment and modernisation, the value of which may depreciate further as it continues to fall into disrepair. A disposal in its current condition prevents both value depreciation and the need to undertake any revenue or capital works requiring significant expenditure.
- 3.3 The site is not considered appropriate for use by other Council services and the property is therefore considered surplus to requirements.

4. Exemption from publication

Yes, part of the report (Appendix 1 – Independent External Valuation, Appendix 2 – Annual Costs, and Appendix 4 – Estimated Renovation Costs).

(a) The content is to be treated as exempt from the Access to Information publication rules because it contains information relating to the financial or business affairs of any person and information which is subject to legal professional privilege and is therefore exempt by virtue of paragraphs 3 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972 as follows:

“3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)”.

“5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.”

(b) The content is restricted to all councillors.

(c) The exempt information is not expected to be made public.

(d) The decision to maintain the exemption may be challenged by any person at the point at which the Executive is invited to pass a resolution to exclude the public from the meeting to consider the exempt information.

5. Purpose of Report

The purpose of this report is to seek Executive approval to authorise the Executive Head for Assets and Property to auction sale the property or negotiate terms for a disposal at best consideration on the open market via private treaty, and to enter into all relevant legal documentation required to complete the transaction of the Council owned land comprising Old Manor House in return for a capital receipt.

6. Strategic Priorities

A freehold disposal of the property will generate a capital receipt at best consideration for the General Fund. Asset Disposals are defined as a critical workstream within the Financial Recovery Plan endorsed by Full Council at its meeting on the 30 August 2023. A disposal would bring a depreciating property back into use and deliver a corporate priority of providing and facilitating housing.

7. Background

- 7.1 Old Manor House was built in circa 1800 and rebuilt in 1868 by the Lovelace Estate. The house includes a private car park and block of four garages. The property is located at the junction of Ockham Road South and Martins Close in the village of East Horsley. Guildford town centre is approximately six miles away.
- 7.2 H.M Land Registry lists Old Manor House on a Freehold Title by the Council under Title SY404679. The Ordnance Survey extract within Appendix 1 shows the total extent of the Freehold Title which extends to approximately 0.656 acres. The property is a Listed building under List Entry number 1029419 and the wall to the front of the Manor House is also Listed under List Entry number 1188222.
- 7.3 Its Grade II Listed status means there are planning restrictions and no alternative planning uses beyond residential. It also means there is a requirement for the property to be properly maintained to prevent a Repairs Notice being served on the Council by Historic England. Such notices are normally served under Section 54 of the Planning (Listed Building and Conservation Areas) Act 1990 which enables Local Authorities to secure any works that are urgent and necessary for the preservation of a Listed Building in the area.
- 7.4 There are no recent or outstanding planning applications relating to the property. The property is within the Green Belt, a Conservation Area, and an Area of High Archaeological Potential. The report has

considered section 52 of Planning (Listed Buildings and Conservation Areas) Act 1990 and Section 72 of the Act.

- 7.5 The property is built of brick and flint elevations, timber casement windows and a pitched slate roof. It is arranged as eight self-contained apartments with a communal entrance and sitting room. Each of the eight flats were held under long leasehold interests at various start dates for 125 years. The leases were subject to an occupancy restriction with the lessees required to be of state pensionable age, ideally 60 years or over. The Council has since bought the leases back and now has vacant possession of the property.
- 7.6 The property is currently vacant and officers note there is a potential security and health and safety risk of trespassers or other incursions such as squatters. The insurance premium payable by the Council reflects the current vulnerability of the site. The Council incurs additional void property costs including regular grounds maintenance works and security patrols to monitor any incursions onto the land.
- 7.7 Officers have inspected the property numerous times over the last 12 months and noted extensive damp penetration causing fungal spread across the entire ground floor including in walls, ceilings, floors, the communal staircase and stairwell leading to the first floor. The property is also in need of complete rewiring, replumbing, roof works, internal and external joinery, new floorboards, replastering and new ceilings. Photos evidencing the current condition are provided in Appendix 3.
- 7.8 Occupation of the property is not possible in its current condition and the property would need to remain vacant in the absence of any refurbishment or upgrade works. Complete refurbishment and modernisation are required to put the property into a habitable state of repair and the estimated expenditure to update the property is in Appendix 4.

- 7.9 The units do not meet the national space standards (NSS) therefore it is unlikely the eight flats would remain in their current form in any redevelopment proposal due to the limited space within the existing internal configuration. The eight dwellings would need to be reconfigured into fewer, larger units. Housing services do not recommend development or use by the HRA due to the renovation and reconfiguration costs.
- 7.10 Due to its Listed status, there is an opportunity for the freeholder of the property to apply for grant funding from Historic England to contribute towards the refurbishment costs or towards demolition of the existing garages and construction of an additional wing. This option would be subject to gaining satisfactory Planning and Listed Building Consent. The Council examined this option in 2017 and ascertained that whilst redevelopment may be possible with vacant possession, its Grade II Listed status and situation within a Conservation area and Green Belt may limit its redevelopment potential.

8. Options Considered

The options available to the Council are:

- 8.1 **Do nothing** – where the Council retains the land and property as is. If the council were to continue doing nothing, the value of the site may depreciate as it continues to fall into disrepair. This may generate negative public perception in a challenging financial environment. The Council would continue to incur revenue costs including council tax and security patrols at an average yearly cost of £24,000 as set out in paragraph 11.1. This option is not recommended.
- 8.2 **Sell the eight flats in their current condition on age-restricted long leases** – the Council has worked over many years to acquire the eight long leases in order to gain vacant possession of the building. Vacant possession allows the Council to either sell the property in its entirety or redevelop the site itself. It would therefore not be prudent to put the Council back in its former, restricted position. Furthermore, the

Council can only sell the leases to persons of state pensionable age which reduces the sale value of those leases by 50% to reflect the limited market audience. Lastly, a purchaser would reflect the significant works required to bring the units back into a habitable state of repair in the purchase price. The total value of disposing of the long leases is therefore far less than the disposal value of the building in its entirety with vacant possession. This option is not recommended.

- 8.3 **Transfer the asset to the HRA** – The property has been managed and used by Housing for many years. When vacant possession for the property was achieved. The HRA has reviewed and assessed the property and has deemed it unsuitable for HRA accommodation. The current condition of the property, costs to undertake the renovation, internal layout, size of the units do not meet National Space Standards (NSS), Energy Performance Rating (EPC) and ongoing maintenance and repair costs do not make the property viable for the HRA and its ongoing housing programme. This option is not recommended.
- 8.4 **Submit a planning application and develop the site** – Due to nature of the property (Grade II Listed status, disrepair and area of archaeological potential), lack of funding currently available, lengthy planning process and lack of internal resources within Guildford Borough Council, the site is not considered suitable for development by the General Fund. This option is not recommended.
- 8.5 **Sell the asset in its current condition** – A disposal would generate a capital receipt to contribute towards the £50 million of capital receipts required by March 2027 as set out in the Council’s Financial Recovery Plan. The estimated sales value is located at Appendix 1 – Independent Valuation Report. Furthermore, a disposal will save future void property costs and officers recommend a sale at the earliest possible opportunity to prevent the Council incurring unnecessary revenue expenditure to manage incursions and

squatters and prior to the winter months when the property will be at greater risk of further deterioration. This option is recommended.

- 8.6 Officers have considered the route to market for a disposal. Options include by private treaty, by auction, or to a Heritage or specialist archaeological organisation. External advisors believe there is a strong possibility the asset sale will create interest from builders, speculators and developers. The competition created should force a premium price to be paid and will ensure the building is redeveloped and brought back into residential use. The preservation and reinstatement of the property provides social and cultural benefits within the local community. Officers therefore recommend the route to market be by private treaty or auction.
- 8.7 The sale will require prospective purchasers to bid and purchase the property in its current condition and status without the benefit of planning consent. A developer is likely to acquire the property and undertake the necessary refurbishment, repairs and modernisation to return the property into a habitable state to provide three or four luxury bespoke apartments.

9. Consultations

- 9.1 The Lead Councillor for Assets and Property, Councillor Richard Lucas was consulted and supports the officer recommendations laid out in this report.
- 9.2 Ward Councillors were consulted who noted the difficult decision the Executive needs to make between disposal for a capital receipt and the risks associated with continuing ownership of the land. Concerns were also raised over continuing public use and the Council's liability under the Occupiers' Liability Act 1957.

10. Key Risks

- 10.1 The general condition of the property is a liability. The building requires fabric replacement and renewal to the windows, external doors and roof. The property requires complete refurbishment and modernisation to put it into a habitable state of repair for occupational use. The value of the site may depreciate further as the site continues to fall into disrepair due to water ingress and damp penetration.
- 10.2 There is a risk of incursions and squatters entering the building which could result in the Council incurring higher insurance premiums. The Council currently maintains the land and conducts regular grounds maintenance works and security checks to ensure there are no incursions. The Council will remain responsible for maintenance, Council Tax, insurance premiums and other statutory requirements whilst freeholder of the building.
- 10.3 The property is Grade II Listed which means the Council is obliged to ensure it is properly maintained. If it is not, the Council risks a Repairs Notice being served by Historic England. Its Listed status means there are greater planning restrictions and no alternative planning use beyond residential.

11. Financial Implications

- 11.1 Old Manor House is held in the General Fund. In its existing use, the 2018/19 book valuation of the property was £1.87 million. The property is vacant therefore the Council incurs ongoing void property costs without receiving an income. The operational costs to own and manage the property are set out in the table below. The Council would save these costs every year if it were to sell the property.

Expenditure	Actual 2022/23 (£)	Actual 2023/24 to date (£)
Asset maintenance	40	240
Utilities	2,410	850
Council Tax	27,980	15,777
Cleaning	660	130
TOTAL	31,090	16,997

11.2 The general condition of the building is a liability and there is an elevated risk of squatters and higher insurance premiums. There may be future costs associated with unauthorised encampments, squatters and fly tipping. The value of the site may depreciate as the site continues to fall into further disrepair leading to a decline in value.

11.3 The July Council General Fund Budget update report explained that the Council's ambitious capital programme had resulted in a significant need for the Council to provide for a debt repayment programme. The July report stated that the Council's debt must be reduced to achieve a sustainable financial position and that this could be supported through the sale of assets. Asset Disposals are a critical workstream within the Financial Recovery Plan endorsed by Full Council at its meeting of 30 August 2023. As part of the Financial Recovery Plan, there is a target to sell £50 million of General Fund property assets. The net proceeds from the sale of Old Manor House will be a General Fund capital receipt which will offset the Council's underlying need to borrow, thereby contributing to a reduction in Minimum Revenue Provision (MRP) and debt interest charges.

11.4 Terms for a sale are not agreed and therefore any final purchase price will be subject to negotiations and subject to contract.

12. Legal Implications

12.1 The land forms part of the Green Belt; development restrictions relating to Green Belt land will continue to apply which may affect

the market value. Officers considered the Green Belt (London and Home Counties) Act 1938 which would require consent from the Secretary of State to dispose of the land. However, a 1971 conveyance shows that the land came into the Council's possession from Surrey County Council under the Town and Country Planning Act 1959. Therefore, Secretary of State consent is not required to dispose of the land. There are no restrictions to disposal in the 1971 transfer from Surrey County Council to Guildford Borough Council.

- 12.2 A deed of grant affects the property which gives an electricity company the right to lay wires under the land. There is no provision that could require the company to move these wires and therefore any relocation of the wires would require consent from the company. This would not prevent disposal but may affect the market value of the land.
- 12.3 Part of the land has been appropriated as open space under the Open Spaces Act 1906 by a memorandum dated 5 February 1999. Section 123 (2A) of the Local Government Act 1972 should be followed to dispose of this part of the land which requires the Council to publish a notice of the intention to dispose of the land for at least two consecutive weeks and consider any objections that have been made. A failure to comply with these requirements could lead to a legal challenge.
- 12.4 Part of the land has been adopted as public highways and will therefore be excluded from the sale.
- 12.5 Best value need not be limited to financial consideration but the need to consider securing social, economic, or cultural benefits for the community, as outlined in paragraph 8.6.
- 12.6 The report refers to Section 52 of Planning (Listed Buildings and Conservation Areas) Act 1990 but considering the nature of the property, Section 72 of the Act should also be mentioned, which again requires a balancing of the financial benefits with the heritage nature of the asset.

13. Human Resource Implications

Lead Specialist for Human Resources, Francesca Chapman was consulted and confirmed there would be no Human Resources implications.

14. Equality and Diversity Implications

Lead Specialist for Human Resources, Francesca Chapman was consulted and confirmed there would be no Equality and Diversity implications.

15. Climate Change/Sustainability Implications

Any future planning consents for development will reflect current policies in this regard and dictate the outcomes.

16. Summary of Options

The options available to the Council are:

16.1 **Do nothing** – the Council retains the land and property in its current state. The Council will continue to incur revenue costs associated with owning and managing a large vacant property. The value of the site may depreciate as it continues to fall into disrepair.

16.2 **Sell the long leases** – the Council sells the eight flats individually on eight long leases for 125 years to persons of state pensionable age at 50% less than the market value plus a further reduction to reflect the inhabitable state of repair.

16.3 **Transfer the asset to the HRA** – for use within the HRA housing programme. The HRA has reviewed and assessed the property and has deemed it unsuitable for HRA accommodation. The associated costs to undertake the renovation, internal reconfiguration and

energy performance upgrades do not make the property viable for the HRA and its ongoing housing programme.

- 16.4 **Submit a planning application, develop the site and sell** – Due to a lack of internal resource and the lengthy planning application process due to its Grade II Listed status, the site is not considered suitable for development by the General Fund. Furthermore, the General Fund is not in a financial position to undertake a redevelopment to put the property into a habitable state of repair for occupational use.
- 16.5 **Sell the asset in its current condition** – A disposal via private treaty or auction would generate a capital receipt to contribute towards the £50 million of capital receipts required by March 2027 as set out in the Council’s Financial Recovery Plan. Furthermore, a disposal will save future void property costs. This option is recommended.

17. **Conclusion**

Old Manor House is surplus to both the General Fund and the HRA. The property does not support the delivery of housing nor the Council’s Corporate Plan.

The property continues to decay and depreciate alongside rising maintenance costs and Council Tax charges. There is a risk that Heritage England could serve a Repairs Notice on the Council. The remediation, renovation, energy upgrades and internal reconfiguration works are cost prohibitive, whilst a lengthy and costly planning application process for redevelopment is resource intensive and unviable.

The Council is required to generate £50 million of capital receipts from the sale of General Fund property assets as set out in the Financial Recovery Plan. The Council has an opportunity to realise a significant capital receipt to contribute towards the Council’s Financial Recovery Plan.

The recommendation to Executive is to dispose of the property to generate a significant capital receipt and save on future ongoing revenue costs. A disposal would bring a depreciating asset back into use and deliver the Council's corporate priorities by providing and facilitating housing, subject to the necessary planning consents. Disposal of the freehold interest should be via the open market by way of private treaty or auction sale.

18. Background Papers

None.

19. Appendices

Appendix 1 - Independent External Valuation (RESTRICTED)

Appendix 2 - Annual Costs (RESTRICTED)

Appendix 3 – Internal, External Photos and further property information. Site Visit in July 2023

Appendix 4 - Estimated Renovation Costs (RESTRICTED)

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Appendix 1

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Old Manor House, Ockham Road, East Horsley, KT24 6RN

External Photos



Old Manor House, Ockham Road, East Horsley, KT24 6RN





Old Manor House, Ockham Road, East Horsley, KT24 6RN

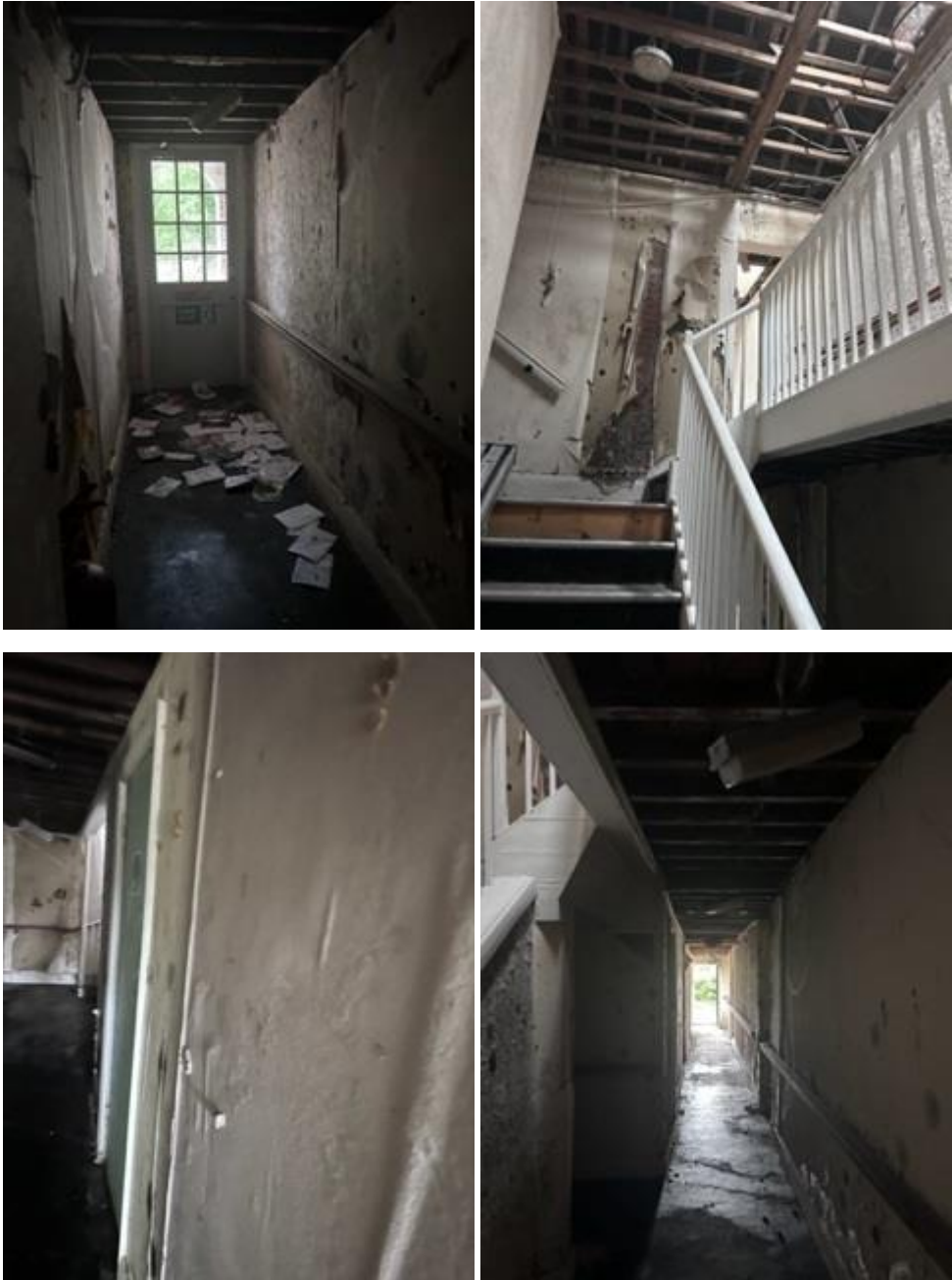


Old Manor House, Ockham Road, East Horsley, KT24 6RN

Internal Photos

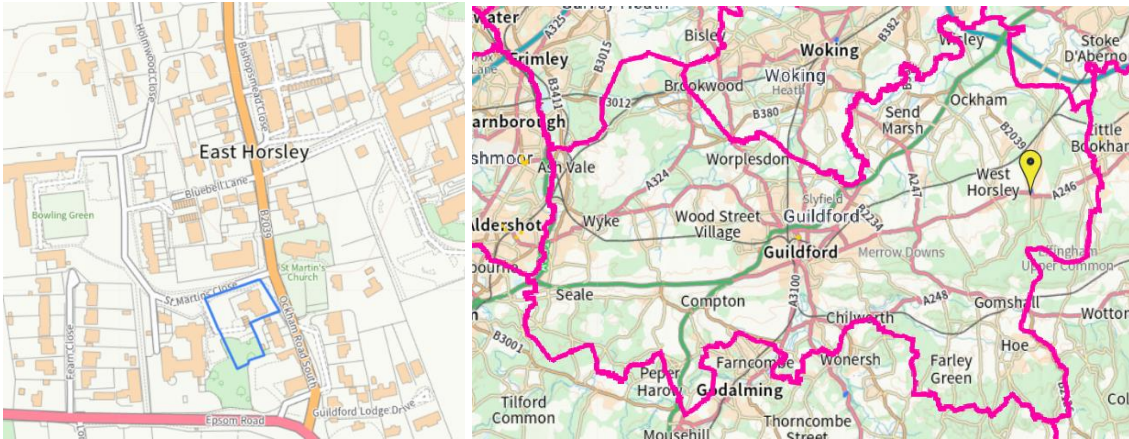


Old Manor House, Ockham Road, East Horsley, KT24 6RN



Old Manor House, Ockham Road, East Horsley, KT24 6RN

Site Location



Site Boundaries





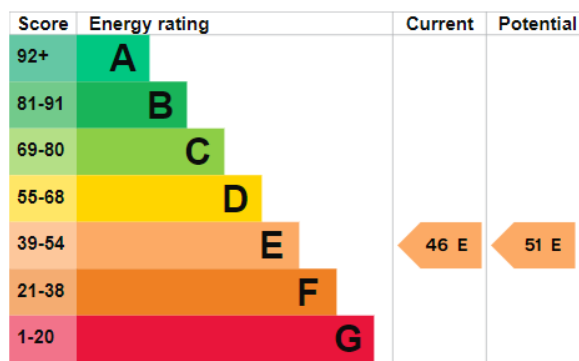
Old Manor House, Ockham Road, East Horsley, KT24 6RN

Energy Performance Rating (EPC)

Energy rating and score

This property's current energy rating is E. It has the potential to be E.

[See how to improve this property's energy efficiency.](#)



The graph shows this property's current and potential energy rating.

Properties get a rating from A (best) to G (worst) and a score. The better the rating and score, the lower your energy bills are likely to be.

For properties in England and Wales:

- the average energy rating is D
- the average energy score is 60

Breakdown of property's energy performance

Features in this property

Features get a rating from very good to very poor, based on how energy efficient they are. Ratings are not based on how well features work or their condition.

Assumed ratings are based on the property's age and type. They are used for features the assessor could not inspect.

Feature	Description	Rating
Wall	Solid brick, as built, no insulation (assumed)	Very poor
Window	Single glazed	Very poor
Main heating	Electric storage heaters	Poor
Main heating control	Automatic charge control	Average
Hot water	Electric immersion, off-peak	Poor
Lighting	Low energy lighting in 40% of fixed outlets	Average
Roof	(another dwelling above)	N/A
Floor	Suspended, no insulation (assumed)	N/A
Secondary heating	Room heaters, electric	N/A

Flat 1 Old Manor House
Ockham Road South
East Horsley
LEATHERHEAD
KT24 6RN

Energy rating

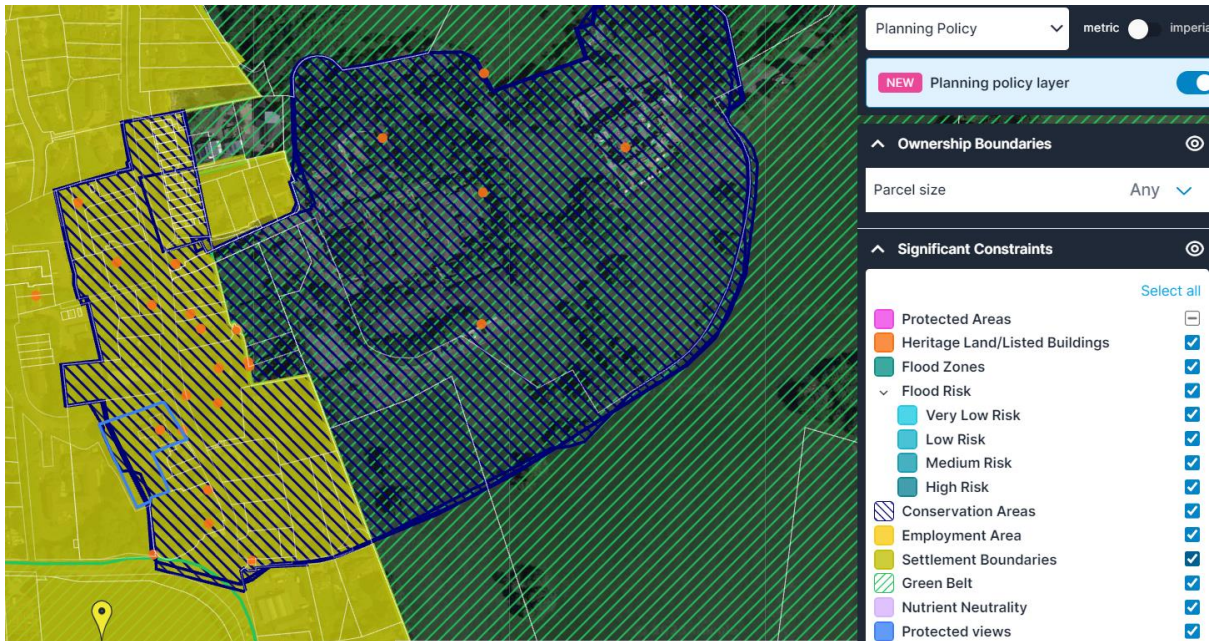
E

This certificate expired on
7 October 2019

Certificate number
0588-3945-6240-6881-4074

Old Manor House, Ockham Road, East Horsley, KT24 6RN

Property Information (Conservation Area)



By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Agenda item number: 6
Appendix 4

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