

OVERVIEW AND SCRUTINY COMMITTEE – SERVICES

22 July 2024

Councillor James Walsh (Chair)

* Councillor Bilal Akhtar (Vice-Chair)

* The Mayor, Councillor Sallie Barker MBE	Councillor Maddy Redpath
Councillor Geoff Davis	* Councillor Joanne Shaw
Councillor James Jones	Councillor Katie Steel
Councillor Steven Lee	* Councillor Jane Tyson
Councillor Sandy Lowry	Councillor Catherine Young

*Present

Councillors Catherine Houston (Lead Councillor for Commercial Services), Julia McShane (Leader of the Council and Lead Councillor for Housing), and Richard Mills were also in attendance, with Councillors Amanda Creese, Richard Lucas (Lead Councillor for Finance and Property), George Potter (Lead Councillor for Environment and Climate Change), Merel Rehorst-Smith (Lead Councillor for Democratic and Regulatory Services), James Walsh, Fiona White (Lead Councillor for Planning), and Catherine Young in remote attendance.

OSS9 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

The Committee was advised of apologies from Councillors Geoff Davis, Sandy Lowry, Katie Steel, James Walsh, and Catherine Young. Councillors Vanessa King and Howard Smith substituted for Councillors Katie Steel and James Walsh respectively.

OSS10 LOCAL CODE OF CONDUCT AND DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS

There were no disclosures of interests.

OSS11 MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 10 July 2024 were approved.

OSS12 THAMES WATER: GUILDFORD RESILIENCE

The Chair welcomed representatives from Thames Water: Tess Fayers, Waste and Bioresources Director, Simon Moore, Head of Planning, and Alice Keeping, Local Engagement Manager, South West London and Surrey. He advised the meeting that the item followed on from an earlier Committee discussion in January 2024 that had considered the outages of November 2023, the management of the crisis, and the measures being put in place to avoid such outages in the future.

The Waste and Bioresources Director, Thames Water, and the Head of Planning, Thames Water, gave a presentation titled 'Guildford Resilience', which updated on the November 2023 water supply interruption and advised of improvements to Guildford's water supply. The Committee was advised of progress achieved in addressing the feedback relating to the November outages, including visits to 1,479 customers. In addition, the Waste and Bioresources Director, Thames Water, informed the meeting that additional goodwill payments of £30 had been paid to all customers affected by the November outages and that 95% of customers were satisfied with the response and resolution to their feedback. She indicated that a small number of customers remained unsatisfied, and that Thames Water was working with the Consumer Council for Water to resolve these cases.

The Waste and Bioresources Director, Thames Water, informed the meeting that the November outages in Guildford had led to a reconsideration of the compensation practice for customers in challenging topographic areas where variations in water pressure could impact localities and communities differently.

The Head of Planning, Thames Water, advised the Committee on aspects of water supply and resilience in the Guildford area. He explained Guildford's water resource zone and outlined Thames Water's strategy for improving the area's resilience and preparing for future growth. The Committee was informed that Guildford was an island zone, with no connectivity with other water companies or other parts of the Thames Water area. The Head of Planning, Thames Water, indicated that there was sufficient groundwater within the Guildford area and that the aquifers in the area were considered by the Environment Agency to be low risk.

The Head of Planning, Thames Water, indicated that typical demand for the Guildford area was up to 67 megalitres per day, a volume equivalent to thirty Olympic size swimming pools. He advised that Thames Water had six treatment works and fourteen service reservoirs in the Guildford water resource zone.

The Committee was informed of efforts by Thames Water to improve water availability, through focusing on reducing both leaks and consumption. The Head of Planning, Thames Water said that approximately one third of reported leaks were losses from customers' own networks. He advised that Thames Water had a target of reducing leakage by 1.6 - 1.7 megalitres per day by 2030 and its smart metering programme had already resulted in approximately ten-thousand meters installed across the area, with a meter-coverage target of 80-85% of all properties by 2030.

The Committee was informed of AMP 7 and AMP 8 investment for the Guildford area, including two new transfer mains, and advised of operational improvements at water treatment works and the distribution of the investment across the Guildford area since 2000. The Head of Planning, Thames Water, outlined the Pewley Reservoir to Netley Mill Pipeline project and indicated that installation should be complete by Spring 2026. In addition, he advised the Committee of power monitor installs and other measures to improve power supply at water treatment works in the Guildford area.

In concluding the presentation, the Head of Planning, Thames Water, apologised for the disruption to water supply in November 2023. In addition, he indicated that immediate operational improvements had benefitted customers in Guildford already and investment to key sites would make the supply more resilient, help meet future growth needs, and reduce the impact on the environment.

During the ensuing discussion, a number of questions were asked, and clarifications offered:

- In response to a question, the Head of Planning, Thames Water, advised that while Guildford was an island zone, there was sufficient underground water within the zone to meet demand. He indicated that the water treatment works for the Guildford area needed to be upsized to improve reliability and ensure water was supplied where it was

needed. The meeting was informed that installing a new pipeline to connect to a different water company to help bring water into the Guildford area was a long-term possibility.

- In reply to a query about reporting a water leak, the Waste and Bioresources Director, Thames Water, advised that the company's website could be used to report an incident and would show whether an issue had been reported already and the work that would be undertaken. The meeting was informed that repaired leaks were not monitored and re-occurrences should be reported again.
- The Local Engagement Manager, South West London and Surrey, Thames Water, advised the meeting that she was the point of contact for Councillors wishing to progress issues and indicated that her contact details would be circulated.
- A member of the Committee requested details of the timeframes for the further investment by Thames Water. In reply, outline slides of the AMP 7 investments for 2020-25 and proposed AMP 8 investments for 2025-30 were shared with the meeting. The Head of Planning, Thames Water, suggested that Thames Water could report back to the Committee after Ofwat's final determination for the 2025-30 spending cycle was received.
- In reply to questions on leakage rates and the financial difficulties of Thames Water, the Head of Planning, Thames Water, stated that the scale of leaks in the Guildford area was average. He advised that there was an approximate £5bn shortfall in the business plan put forward by Thames Water and the draft determination approved by Ofwat, but that Thames Water had a commitment to delivering the projects and initiatives presented to the Committee.
- In response to a query on smart meter installations, the Head of Planning, Thames Water, confirmed that smart meters were a critical part of water management plans and smart meter installations were often followed by providing customers with information on how to reduce water consumption as well as how to read the meter.

- In reply to a question on the amount of water lost through leakages in Guildford each day, the Head of Planning, Thames Water, stated that the company had recently reported a leakage rate of 570 megalitres per day, of which 16-17 megalitres was lost in Guildford.
- A Councillor noted the shortcomings of Thames Water’s communication during the November outages. In response, the Waste and Bioresources Director, Thames Water, advised the meeting of improvements to public communications, including a more proactive approach to keep customers informed when supplies were interrupted. She informed the Committee that the Guildford Incident Report published on the company’s website had a particular focus on communications [<https://www.thameswater.co.uk/media-library/home/about-us/performance/guildford/guildford-incident-report-our-action-plan.pdf>].
- The Leader of the Council and Lead Councillor for Housing thanked the representatives from Thames Water for attending the meeting and presenting information to the Committee and for offering to attend in future to provide a further update. In addition, she thanked the Local Engagement Manager, South West London and Surrey, Thames Water, for offering to be appoint of contact for Councillors.
- In response to a query from the Chair, the Local Engagement Manager, South West London and Surrey, Thames Water, confirmed that arrangements for a site visit by Councillors to a local water treatment works had been underway when disrupted by the General Election. She suggested that a surgery session with Councillors could be arranged and the Waste and Bioresources Director, Thames Water, indicated that site visits by Councillors would be welcomed. The Interim Strategic Director for Housing and Environment informed the Committee he had recently visited the Ladymead water treatment works and would encourage Councillors to undertake such visits.

The Chair thanked the representatives from Thames Water for attending to provide information and answer the Committee’s questions.

OSS13 LICENSING OF HOUSES IN MULTIPLE OCCUPATION (HMOS): A REVIEW OF HMO CONTROLS (2023)

The Private Sector Housing Manager introduced the report submitted to the Committee. He confirmed that the Assistant Director, Planning Development, had co-authored the report. The Committee was advised of the background to the report and informed that the two most common measures to control and further regulate Houses in Multiple Occupation (HMOs) were additional HMO licensing and an Article 4 Direction. The Private Sector Housing Manager reminded the meeting that Guildford Borough had mandatory HMO licensing only and that HMOs of 3-4 persons did not require a licence to operate lawfully.

The Private Sector Housing Manager informed the Committee that the data within the report did not support the introduction of additional HMO licensing or justify an Article 4 Direction in Guildford at the current time.

During the ensuing discussion a number of issues were raised and responded to:

- A member of the Committee questioned why the report had been prepared without any consultation with residents. He suggested that the views of residents be added into the report.
- In addition, the same Committee member advised the meeting that the ward he represented had numerous HMOs due to its proximity to the University of Surrey and the Royal Surrey County Hospital and he suggested the data presented in the report underplayed the number and density of HMOs. As an example, the Committee member contrasted the HMO figures in the report for Beckingham Road and the Ashenden estate with student residency information for the same areas provided to him by the University of Surrey and suggested that there were many HMOs not captured by the data used for the report.
- In reply, the Private Sector Housing Manager stated that the information within the report reflected HMOs that were known to exist. He suggested that perhaps the information provided to the Committee member by the University of Surrey was less reliable and could reflect students living with parents rather than an additional HMO. He stated

that if there was a re-writing of the report in future then new data sources could be considered.

- The Assistant Director, Planning Development acknowledged that the report was a snapshot pulled together from various sources and was not the definitive position on the concentration of HMOs across the Borough. She suggested that if controls were to be explored further then a completely reliable source of data to identify HMOs would need to be established and maintained going forward.
- With reference to section 12.1 (iv) of the report, entitled ‘HMO Decline (2022-2023)’, members of the Committee questioned why a slowing of applications for new HMOs had been presented within the report as a decline, especially since the overall number of licensed HMOs had continued to increase. In response, the Private Sector Housing Manager indicated that the report was intending to show that the annual rate of HMO applications was returning to pre-2018 levels. He advised that Figure 4 within the report was intended to show that the potential impact of an Article 4 Directive had become less significant over time as fewer new HMOs were being created each year.
- A Committee member noted that the report classified some streets as at high risk of HMO densification whereas the data within the report showed over half of the properties in the same streets were known to be HMOs. He suggested that these areas could be better described as having reached saturation point rather than as being at high risk. He asked what could be done to address the high density of HMOs recognised in the report.
- The Assistant Director, Planning Development, suggested that the fundamental question to consider was whether HMOs were a form of tenure needed within the Borough and whether they contributed to the needs of the community and supported the economy of the Borough. She told the meeting that the available evidence showed HMOs were needed and did support the local economy, and that they were likely to increase due to rising property prices and the pressures caused by the cost of living. A Committee member asked whether there was evidence to show turning homes into HMOs did support the economy.

- A member of the Committee queried why the key risks section of the report focused on the Council's resourcing and financing of the Article 4 Direction and additional HMO licensing schemes and did not discuss the impact on communities of high concentrations of HMOs. With reference to the resourcing of additional HMO licencing, the Private Sector Housing Manager stated that the Council would need more resources to be able to deliver proactive full property inspections, undertake licensing and documentation checks, and ensure compliance.
- A Committee member suggested that the report should have included consideration of the problems caused from high densities of HMOs and how they might be addressed, rather than restricting its focus to whether two ways to limit HMOs would work; he stated that the main issue was not one of HMO mismanagement, but of how high densities of HMOs with higher levels of transient residents and fewer long term households and established families impacted communities. The Private Sector Housing Manager advised that the merit of introducing additional licensing could only be assessed against evidence of HMO mismanagement. The Assistant Director, Planning Development, advised that creating and maintaining mixed and balanced communities was a planning measure and not relevant to additional licensing of HMOs. She indicated that whether there was a need to limit the number of HMOs could be looked at through the mechanism of the Local Plan Review.
- The Lead Councillor for Planning attended the meeting remotely. She indicated the need for evidence to support any decision on changing HMO licencing, introducing an Article 4 Direction, or amending policies through the updated Local Plan. The Lead Councillor for Planning stated that to obtain this evidence required resources and suggested the Committee might wish to make a recommendation on the matter. She indicated that there would be a resource issue if officers were to gather further sources of information.
- The Lead Councillor for Democratic and Regulatory Services attended the meeting remotely. She spoke of young professionals requiring HMOs and the broader need to deliver affordable housing in the

Borough. The Lead Councillor for Democratic and Regulatory Services noted that not all problems associated with HMOs were caused by them and observed that HMO tenants were also residents. She concluded by asking the Private Sector Housing Manager and the Assistant Director, Planning Development how much additional resource would the Council need to allocate to be able to address this issue appropriately and in more detail.

- The Private Sector Housing Manager indicated that extra resources would be required to explore other information sources and that a significant amount of resource would be needed to deliver an additional licensing scheme involving two-phase licensing documentation, compliance checks, and enforcement. He indicated that quantifying the resources required for additional licensing of HMOs would not be possible until the number of HMOs across the Borough was established.
- The Assistant Director, Planning Development, stated that an Article 4 Direction would likely lead to an increase in planning applications and that there would not be a planning fee attached to such applications. She advised the meeting that there would be a cost and resource issue arising from the additional work of supporting and delivering an HMO Article 4 Direction.
- A member of the Committee advised the meeting that the University of Surrey representative on the HMO Stakeholder Group had recently left their post and the post had not been filled.
- With reference to the resources needed to gather information on HMOs in the Borough, a member of the Committee suggested the value in using social media to engage with communities and collect relevant data. The Private Sector Housing Manager welcomed the suggestion and agreed it would be worthwhile exploring social media in future. He indicated that a difficulty of online surveys was analysing responses and ensuing data was robust.
- In reply to a question, the Private Sector Housing Manager, confirmed that there was no mechanism to regulate landlords buying properties to

create HMOs and that as a Council it would be injudicious to seek to influence the market.

- The Chair suggested that the extra costs to landlords from introducing discretionary licensing of smaller HMOs would likely be passed on to tenants.
- The Chair suggested the Committee might consider recommending additional HMO licensing on some wards close to the University of Surrey and the Royal Surrey County Hospital. With reference to other local authorities, he informed the meeting that the numeric threshold for introducing an Article 4 Direction varied markedly between localities. In reply, the Private Sector Housing Manager advised that Council committees could act against officers' recommendations about additional HMO licensing but that such action would risk the Secretary of State refusing the application due to a lack of evidence of HMO mismanagement. The Assistant Director, Planning Development noted that if the Council directed serving an Article 4 Direction, then relevant planning applications would have to be assessed against adopted policy, and that the relevant policy in Guildford's Local Plan was subjective rather than numeric.
- A Lead Councillor suggested that it was desirable to have mixed communities in all parts of our Borough, and that a high density of HMOs tended to lead to separate communities. He proposed the advantages to tenants of introducing an additional licensing regime for smaller HMOs to bring them up to the standard of the larger, mandatory-licensed HMOs. The Councillor spoke of the importance of students to the Borough and cautioned against perceived student-bashing in discussions of HMOs.
- A Lead Councillor suggested that the nature of HMOs meant that regulation was widely agreed to be necessary, but it was important that regulation was proportionate and targeted.

The Chair indicated he did not support additional HMO licensing or making an Article 4 Direction at that time but felt there was a need to actively plan to gather further data to definitively establish the location of unlicensed, 3-4

bedroom HMOs in the Borough. He suggested the possibility of a task force as one method to advance this piece of work. In response, the Private Sector Housing Manager agreed the value in determining the number of HMOs in the Borough and updating the Committee. He advised the meeting that he would look to progress measures, including a possible funding bid, to find the number of HMOs in the Borough.

A Committee member proposed that the Committee members be updated by email on what further data would be required to investigate Article 4 Directive options. The Private Housing Sector Manager agreed the value in such an update and indicated that residents' groups, the University of Surrey, and targeted door knocking were potential data sources. He suggested the findings from all data sources be reported to the Committee.

RESOLVED: (I) That the Executive be recommended to support further measures necessary to establish the number of HMOs in the Borough.

(II) That the Executive ensure that for subsequent HMO reports the public are consulted on the impact and ongoing issues associated with HMOs in the Borough.

(III) That Committee members be provided with an update on what further data would be required to explore Article 4 Directive options.

OSS14 COMMITTEE WORK PROGRAMME

The Senior Democratic Services Officer (Scrutiny) advised of changes to the draft work plan attached as Appendix One to the report submitted to the Committee; namely, a request to defer consideration of the Safer Guildford Partnership Annual Report, 2023-24 and the Safeguarding Children and Adults at Risk Policy to the February 2025 meeting of the Committee. The Committee indicated its agreement to re-schedule the items as requested.

The Lead Councillor for Commercial Services outlined a request for the Committee to establish a task and finish group to review the Heritage Service and Tourist Information Centre. She advised that a range of reports had been considered by various committees over the years, but the Council's Heritage Service had remained static. The Lead Councillor for Commercial Services reminded the meeting of funding constraints facing for all local authorities in England and noted that the Heritage Service was not a statutory service. She

suggested the value in developing proposals for the service that did not need additional resources. The Lead Councillor for Commercial Services noted that the proposed review was to consider a strategy for the Council's Heritage Service, rather than the wider heritage offering of the Borough.

In response to queries from a member of the Committee about updating assets such as the museum and a previous bid to the National Lottery Heritage Fund, the Heritage Lead indicated the merit in developing a strategy and allocating resources in a manner that freed up capacity to explore funding options not reliant solely on Council funding.

The Council's Historic Environment and Design Champion welcomed the proposed review and indicated the financial benefit of the heritage offer, as well as its social and cultural benefits to Guildford. In addition, he praised the consultation outlined within the proposed review.

A member of the Committee indicated the importance of exploring and developing the Heritage Service's engagement with schools and children.

The Leader of the Council and Lead Councillor for Housing suggested the importance of the review considering the accessibility of the Heritage Service, particularly whether some buildings were accessible to the whole community. She indicated the value in obtaining views on the Heritage Service from stakeholders.

RESOLVED: (I) That the Committee's work programme as attached at Appendix 1 of the report submitted to the Committee and updated in the meeting be approved.

(II) That the establishment of a task and finish group to review the Council's Heritage Service and Tourist Information Centre be approved.

The meeting finished at 9.40 pm

Signed

Date

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22 JULY 2024

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Chair