

EXECUTIVE

THURSDAY, 26TH JANUARY, 2023

SUPPLEMENTARY INFORMATION SHEET

Agenda No Item

9. **Supplementary Information Sheet (Pages 1 - 12)**

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Executive

26 January 2023

Supplementary Information

Procedure for the discharge of business at this meeting

The Leader of the Council welcomes the attendance of members of the public and non-Executive councillors at this meeting.

The procedure for dealing with each item of business shall be as follows:

1. Lead Councillor to introduce report on the matter
2. Non-Executive councillors invited to ask a question or comment, for which they will have a maximum of **five** minutes each
3. Lead councillor to respond to any questions/comments
4. Executive debates the matter
5. Lead councillor to respond to any questions/comments
6. Executive to make decision on the matter

AGENDA ITEM 5: TO CONSIDER ANY RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY COMMITTEE (Pages 13 - 20)

Lead Councillor: Councillor Julia McShane, Leader of the Council

Lead Officer: Tom Horwood, Joint Chief Executive

The Executive asked to note that, at a meeting held on 17 January 2023, the Overview and Scrutiny Committee considered a report on the Stray Dog Service. The draft minute and recommendations are set out below:

OS43 STRAY DOG SERVICE

The Lead Councillor for Environment and Regulatory Services introduced the report submitted to the Committee. He advised the meeting of the Council's statutory responsibility to have measures in place to respond to stray dogs found in the Borough and the appointment of Dogbusters in 2019 to provide a stray dog collection and reception service on behalf of the Council. The Lead Councillor for Environment and Regulatory Services noted that the report set out the Council's responsibilities, details of the stray dog service, relevant statistics, contract management, complaints, and the contract review timetable and process.

The Senior Specialist for Licensing and Community Safety indicated that the Council had a duty to respond to stray dogs and no kenneling facilities of its own, hence the need to procure an outside contractor.

During the ensuing discussion a number of suggestions were made, and clarifications offered:

- In reply to a request to provide the cost to the Council of the contract with Dogbusters to aid scrutiny of the service, the Senior Specialist for Licensing and Community Safety indicated the commercial sensitivity of the cost and undertook to seek advice about sharing the information with Committee members.

- Members questioned Dogbusters' handling of communications with members of the public. With reference to another stray dog service provider operating in the county, and the lack of contact details and publicly available information for Dogbusters, a member of the Committee questioned the transparency and accountability of the Council's contractor. In addition, the specification used in the procurement process in 2019 was challenged given that the stray dog service provided by Dogbusters was apparently used by just one other council.
- In reply to questions, the Senior Specialist for Licensing and Community Safety advised the meeting that since 2019 the Council had received three complaints relating to Dogbusters and that the company had dealt with over four hundred stray dogs in the same period. He suggested that Dogbusters was careful about divulging to members of the public any details about stray dogs in its kennels due to concerns about the public accessing their facility in order to reclaim their dogs without paying the fee, as had happened with the previous contractor on a number of occasions; however, he indicated that the contractor should respond positively to finders of stray dogs contacting them to request information about whether the dog had been returned to its owner, and any matters of concern could be referred to officers to investigate.
- In response to questions raised by the Committee, the Senior Specialist for Licensing and Community Safety advised that Dogbusters facilities were inspected regularly by Council officers, there was a contract monitoring schedule with regular meetings, and the contractor was accountable to the Council. He indicated that Dogbusters was a licensed boarding kennels located in the Surrey area, rated as a five-star facility, the highest rating available under the Licensing Regulations, and with the exact location judged commercially sensitive for reasons of security.
- The Senior Specialist for Licensing and Community Safety confirmed that Dogbusters had been awarded the contract to provide the service after an open procurement exercise, with tenders scored on both cost and technical specification. He indicated that the contract was about to be re-tendered and included areas such as staff training, kennel management, rehoming unclaimed dogs, the provision of emergency medical treatment, dealing with customers, and returning dogs to owners.
- A member of the Committee questioned the quality of the Dogbusters website and the public's perception of both the service and, by association, the Council. The same member of the Committee asked how many complaints had been made direct to the contractor, besides the three formal complaints received by the Council about the service. The Senior Specialist for Licensing and Community Safety suggested that the quality of the information provided to customers could be included within the service specification when the next contract was put out to tender. He indicated that the expectation was for the contractor to manage service complaints made directly to them.
- A member of the Committee asked about the seven-day holding period, the rehoming of unclaimed dogs and the possible role of breed club rescue societies, the value of councillors viewing facilities at the stray dog service, and whether the police used the same boarding kennels. The same member of the Committee queried the number of dogs rehomed or placed in foster care (36) and the number returned to owners (7) in the current year and noted the likely usefulness of a site visit to speak to the contractor.

- In reply to the above questions, the Senior Specialist for Licensing and Community Safety advised that the seven-day holding period was legislated whereby dogs legally become the property of the Council after this period, however during this time every effort is made to reunite the dog with their owner. He informed the meeting that Dogbusters worked with a number of foster families and other rescue centres, including Battersea Dogs Home. In reply to a comment about Battersea Dogs Home, the Senior Specialist for Licensing and Community Safety indicated that the contractor was specifically instructed to never euthanise a healthy dog or pass one along to a charity that would. He advised that many dogs which are unclaimed are not 'pedigree' breeds which would enable the use of a charity for that breed. He suggested that the specification for the new contract would consider the rehoming arrangements. The Senior Specialist for Licensing and Community Safety advised the meeting that he was not aware whether the police used the contractor. The meeting was advised that an increase in the number of dogs being rehomed or sent to foster care in the current year was due to owners not reclaiming their dogs, possibly as a result of an increase in dog ownership during covid and dogs not being microchipped, or microchip details not being updated by owners.
- A member of the Committee suggested the merit of Councillor oversight or involvement in the contract preparation process, including consultation about the specification of the contract when it was re-tendered, and ensuring Councillors had a clear understanding of the contract management process and elements of the procurement process, together with information on the costs paid by the Council for the current service. The Chairman expressed support for these sentiments and suggested to the Lead Councillor for Environment and Regulatory Services the value in a consultation with councillors with a view to improving the specification of the next contract when put out to tender. In response, the Lead Councillor for Environment and Regulatory Services indicated his support for input from Councillors.

RESOLVED:

1. That the Executive be requested to ensure Councillor involvement in the processes for the procurement, contract preparation, and contract management of the stray dog service.
2. That the Lead Councillor for Environment and Regulatory Services ensure details of the cost and fees paid to Dogbusters for provision of the stray dog service be provided to Overview and Scrutiny Committee members.

The Executive is asked to note that in response the O&S Committee members have been advised that details of the contract value are publicly available in the Council's contract register at: [Business opportunities and tenders - Guildford Borough Council](#) (on page 5 of the Contract Register for 'Stray Dog Collection and Kennelling Services'). In addition, the draft specification for the Provision of the Stray Dog Service has been shared with O&S Committee members, who have been advised that the current procurement exercise is time sensitive.

AGENDA ITEM 6: CAPITAL AND INVESTMENT STRATEGY (2023-24 TO 2027-28) (Pages 21 - 100)

Lead Councillor: Councillor Joss Bigmore, Deputy Leader of the Council and Lead Councillor for Finance and Planning Policy

Lead Officer: Victoria Worsfold, Lead Specialist Finance

The draft HRA Capital Programme appended to this late sheet relates to **Appendix 3** of the committee report

At its meeting on 19 January 2023, the Corporate Governance & Standards Committee also considered this report and endorsed the recommendations to the Executive and Council in respect of this matter, together with the comments referred to in the debate and summarised in the bullet points below. The Lead Councillor for Finance and Planning Policy also drew attention to the impact of the interest rate rises on the capital programme, which would necessitate a review and reassessment of some business cases to make sure projects were still viable.

The following comments were made by the Committee during the debate:

- In response to a request for clarification as to whether
 - (a) it was still correct to assume actual expenditure of 50% for schemes on the provisional programmes in the financial year (paragraph 4.7 of the report) given that projects were being more actively managed and that some schemes had been removed from the programme, and
 - (b) provision should be made for inflation in the cost projections for schemes in the capital programme (paragraph 4.9)

the Lead Specialist – Finance confirmed that the 50% assumption reflected the need to minimise the impact on the Minimum Revenue Provision, and that although no provision was made for inflation the capital contingency fund was used as a source of funding for topping up capital budgets following receipt of tenders. It was noted that where inflation impacts on larger capital schemes, these were subject to separate reports back to councillors.

- In response to a request for information as to the nature of the estimated expenditure on the provisional capital programme on the North Street development, which would be £1.35 million by 2030, the Lead Specialist – Finance confirmed that details would be circulated to the Committee.
- In relation to the detailed investment strategy in Appendix 1, and in view of the Council's stated priority on environmental leadership, it was suggested that a watching brief was kept as to the appropriate time at which the framework for evaluating investment opportunities should be extended to include environmental, social and governance (ESG) criteria.
- In response to a question as to whether any consideration had been given by the Executive to rebuilding those HRA properties that were in very poor condition, the Committee noted that such decisions would be informed by the outcome of the stock condition survey and resulting asset management plan. Consideration would also need to be given as to where displaced residents would be housed.
- In response to concerns expressed over the relatively low provision set aside for energy projects, and for Special Protection Areas, the Committee noted that these were projects to be funded by specific reserves. It was anticipated that the energy projects would come before the Executive for approval in due course.

- Request for clarification as to the level of risk of having to pay for levies relating to liability for asbestos and whether the health of residents was at risk. In response, officers confirmed that there no specific, known risks to residents and that this was a very long-term liability.
- Concerns over the operation of North Downs Housing (NDH) and the apparent lack of communication between NDH and the holding company.
- Whilst acknowledging the need to invest in the maintenance of the housing stock, there was concern as to whether it was really necessary to replace kitchens, bathrooms, and heating systems that were still fully functional every ten years.
- In relation to new schemes, clarification was sought in respect of whether any reports had been prepared in relation to Spectrum upgrades. It was noted that this would be subject of a meeting of the Joint EAB in the next few weeks.
- Request for consistency in naming of capital schemes, for example there was reference in the capital programmes to “Slyfield Area Regeneration Project” and to “Weyside Urban Village.

At its meeting on 24 January 2023, the Joint Executive Advisory Board also considered this report

CAPITAL AND INVESTMENT STRATEGY 2023-24 TO 2027-28 – EXTRACT FOR EXECUTIVE

At its meeting held on 24 January 2023, the Joint Executive Advisory Board (JEAB) considered a report concerning the Council’s Capital and Investment Strategy 2023-24 to 2027-28. The Lead Specialist Finance introduced the Strategy to inform the JEAB’s deliberations.

The following points arose from the ensuing discussion, comments and questions for forwarding to the Executive:

1. The Strategy was intended to represent an appropriate balance between risk and cost effectiveness in relation to new capital bids and mandates. Although some alternative borrowing / investment strategies and risk management implications were highlighted in the report for comparative purposes, none were recommended for adoption as the present approach of a mixture of policies was felt to be the most appropriate. It was acknowledged that, owing to constraints within its reserves, the Council was now entering a period where it would increasingly rely on external borrowing to fund schemes which would lead to increased exposure to risk, such as interest rate rises.
2. With regard to the proposed North Street redevelopment scheme, the Council had received £500,000 on exchange of contracts for its land forming part of the site with a significant capital receipt expected at a later stage. However, as planning permission in respect the current proposal had been refused, the future of the scheme and associated financial implications were now uncertain and under review. It was hoped that a similar scheme for the site could be pursued.
3. It was clarified that HRA capital programme expenditure in respect of existing and new housing stock included works to improve the energy efficiency of homes. The Council was working towards meeting the Government’s zero carbon targets which

would require further investment in the future. There was some uncertainty as to the costs associated with the necessary green technology and, with the assistance of consultants, the Council was seeking to identify the correct balance between early adoption of technology at a higher cost or delaying installation until costs had reduced and systems became more efficient and effective.

4. A range of options were available regarding the future of the Spectrum. A significant investment in the existing facility would be required for it to meet the Council's 2030 carbon neutral target. The capital programme included a sum of approximately £7m with was the estimated amount required to prolong the life of the existing building until a new facility could be provided. The Council was committed to continuing to provide this sports and leisure service which supported the health and wellbeing and the fitness of its many users.
5. It was recognised that the projected amount of £145 million included in the capital programme to spend between 2022-23 and 2027-28 in respect of development projects to build or acquire new housing, including Weyside Urban Village (WUV), may require revision when delivery options were known. Further information concerning measures to mitigate the deficit in relation to the WUV project would be reported in due course.
6. The cost associated with the provision of Walnut Bridge was anticipated to be £5-6m and discussions with the contractor were taking place to establish the final cost.
7. Capital programme project ED32 related to the construction of an internal estate road at Slyfield Industrial Estate to facilitate the WUV development whilst project OP6(P) Replacement Programme referred to refuse and recycling collection vehicles.

AGENDA ITEM 7: HOUSING REVENUE ACCOUNT BUDGET 2023-24 (Pages 101 - 120)

Lead Councillors: Councillor Julia McShane (Leader of the Council and Lead Councillor for Housing and Community) and Councillor Joss Bigmore (Deputy Leader of the Council and Lead Councillor for Finance and Planning Policy)

Lead Officer: Victoria Worsfold, Lead Specialist Finance and Matt Gough, Head of Housing

At its meeting on 24 January 2023, the Joint Executive Advisory Board also considered this report and made the following comments:

HOUSING REVENUE ACCOUNT (HRA) BUDGET 2023-24 – EXTRACT FOR EXECUTIVE

The Joint Executive Advisory Board (JEAB) was invited to consider a report outlining the HRA budget for 2023-24 at its meeting held on 24 January 2023. The report was introduced by the Lead Specialist for Finance and the Head of Housing.

The following points arose from the related discussion, comments and questions for forwarding to the Executive:

1. Although the Government had set a social rent increase cap of 7%, the report was proposing an increase of 5% in the Borough to reflect balances in the HRA and the impact of the cost of living situation on tenants. There was no risk that levying a

lower rent increase in 2023/24 would lead to more significant compensatory increases in the future as rent levels were currently governed by the Secretary of State and Regulator of Social Housing. It was understood that the Government would be consulting in respect of a new rent setting strategy in the future.

2. In line with Government guidance and the findings of the National Housing Federation, it was proposed that people living in shared ownership properties should receive the same level of rent increase as tenants of social housing as they were facing the same cost of living challenges.
3. All tenants would be advised of the proposed rent increase and offered support and advice if required. The aid would be provided by two new postholders who would identify where assistance was required and offer the appropriate support liaising with third parties such as job centres and social care where necessary. Technology enabled tenants' rent accounts to be closely monitored to identify those possibly in need of assistance. This method enabled the Council to achieve a low level of rent arrears.
4. With regard to garage rent levels, a 3% increase was proposed. The approach that had been adopted in recent years was that garage rental amounts should fall in line with fees and charges set in the wider Council budget. Although some garages fell within the HRA, others were included in the General Fund and it was felt that there should be consistency in rent increases across both areas. There was currently a national level debate as to whether any garages should be held within the HRA. A more significant increase in garage rents was likely to deter people from renting them leading to vacant garages. The associated licence agreement clearly stated that garages should be utilised for parking, which would relieve parking pressure in residential estates, and not for storage purposes.
5. A further factor relating to garages was that they were not sufficiently large to accommodate modern vehicles and occupied land which could otherwise be utilised for housing provision. Although some house building on garage plots had taken place and some more was expected to follow, it did present some challenges such as access issues.
6. The intention to allocate a further sum of £20 million towards housing stock repairs and improvements was welcomed. There was confidence that this amount was adequate to meet the Council's anticipated maintenance responsibilities, although possible changes instigated by the Government could lead to the need to review the funding situation.
7. The Council continued to pursue a programme of replacing traditional boilers with air source heat pumps in a number of properties. However, financing was an issue as the installation of heat pumps cost in the region of £9,000 whereas the price of replacement conventional boilers was approximately £1,800. Future options, such as utilising traditional boilers to burn alternative green fuel which did not emit carbon dioxide, were possibilities.
8. The Right to Buy initiative had been reviewed by the Government on a number of occasions. A positive factor of the scheme was that when tenants opted to purchase their home, it provided the Council with funding to invest in providing alternative accommodation for people unable to purchase a home.
9. It was highlighted that unhealthy living conditions involving factors such as damp, mould and lack of ventilation were not limited to social housing. The Council's approach was to expedite related repairs without delay in line with regulators'

guidance and recommendations and also offer tenants advice if their lifestyle appeared to be contributing to unhealthy living conditions.

AGENDA ITEM 8: GENERAL FUND BUDGET 2023-24 AND MEDIUM-TERM FINANCIAL PLAN 2024-25 TO 2026-27 (Pages 121 - 198)

Lead Councillor: Councillor Joss Bigmore, Deputy Leader of the Council and Lead Councillor for Finance and Planning Policy

Lead Officer: Peter Vickers, Chief Finance Officer

At its meeting on 24 January 2023, the Joint Executive Advisory Board also considered this report and made the following comments:

GENERAL FUND BUDGET 2023-24 AND MEDIUM-TERM FINANCIAL PLAN 2024-25 TO 2026-27 – EXTRACT FOR EXECUTIVE

A report regarding the General Fund Budget 2023-24 and Medium-Term Financial Plan 2024-25 to 2026-27 was before the Joint Executive Advisory Board (JEAB) for consideration at its meeting held on 24 January 2023. The report was introduced by the Lead Councillor for Finance and Planning Policy who sought councillors' views thereon.

The following points arose from related discussion, comments and questions for forwarding to the Executive:

10. The JEAB was reassured that the Council's financial position was sound and it had not overextended its borrowing capability in order to fund capital projects. In terms of projects, the Weyside Urban Village scheme represented the greatest risk. A governance audit of the scheme had been undertaken and resulted in some recommendations to strengthen the governance arrangements. There was an intention to keep councillors informed of the financial projections relating to the scheme.
11. During the last year, the Council's asset base had been revalued and found to have increased in value by £60 million. During the same timeframe, debt in the region of £40 million had been repaid, increasing the value of the authority's asset position by £100 million to reach a total of £750 million. This was a strong asset base compared to many other local authorities.
12. The majority of assets held by the Council were revenue generating and if sold would reduce income to the revenue account, therefore there was no intention to sell such properties. There was a need to identify the correct balance to be achieved between selling assets to release cash and incurring the cost of borrowing funds.
13. There were opportunities to consolidate services and operational buildings to free properties for sale and the Assets Team was undertaking a review to identify under utilised or surplus property or land which could be sold to generate income.
14. There was no guarantee that the New Homes Bonus would be paid to the Council by the Government in future years and the Medium-Term Financial Plan made an assumption that this funding would not be received. In the absence of the Bonus, it was felt that the Government should identify an alternative incentive to encourage the delivery of housing. The Revenue Settlement Grant could play a role in this area.

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DRAFT HRA Capital Programme			2023/24
Project & Category	Description	Estimate	Notes
		£	
Refurbishment, Replacement & Renewal Programme			
Kitchen, bathroom and electrical upgrades	Renew kitchens, bathrooms and electrical installations where existing are life expired and in poor condition	2,200,000	Cyclical modernisation to maintain GBC decent housing standard and modern facilities. Replacements scheduled for 2023/24 plus catch up programme from Keystone asset management data. Properties pre-surveyed to ensure asset requires replacement. Based on 239 Kitchens, 82 baths and WC's
Void Properties - major refurbishment	Refurbishment of individual properties to enable them to be relet	1,750,000	Estimated - major void properties requiring extensive work throughout based on current demand. Based on 150 major voids.
Structural works - various properties	Structural works including structural investigation and remedial works due to foundation subsidence or other structural issues.	700,000	Repairs and major works to structurally defective properties which includes underpinning and decant costs where necessary due the extent of works required. Including further work in Westborough area.
Renewal of doors and door entry systems	Replacement of property external main entrance doors, side screens and installation of new door entry systems	800,000	Doors life expired. Additional security will be provided by door entry systems to reduce ASB and link in to fire alarm (Friary House & Supported Housing) & allow fire brigade access.
Replacement of windows and doors	Replace life expired and unserviceable windows & doors with double glazed UPVC	1,000,000	Based on 135 properties or 1290 windows
Pitched roof replacement including chimneys, fascias, soffits & rainwater gutters/downpipes	Renew life expired roof coverings and associated works	450,000	includes asbestos fascia/soffit replacement. Keystone asset data information plus maintenance team input.
Replacement of external canopies to blocks of flats	Phased replacement programme of defective canopies to block entrance doors with lightweight grp canopies	50,000	phase 2 to identified blocks and walkway
External wall insulation system to solid wall properties	Provision of external wall insulation to solid wall properties to address poor thermal insulation (year 4 of 4 year programme)	400,000	year 4 of programme
Compliance			
Front Entrance Door replacement to blocks of flats/supported housing	Undertake critical Fire safety front entrance door replacement	4,000,000	Year 2 of 2 year programme to replace front entrance doors to flats which whilst providing protection do not comply with current increased spec fire standards
Electrical testing and Remedial works	Electrical testing including remedial work and wired in smoke detector installation where required	1,900,000	Includes testing & associated repairs to communal areas in blocks of flats. Year 2 initial programme to be followed by a 5 year of rolling programme,
Fire and CO detector servicing and upgrade programme	Continued improvement and upgrading required as identified through new FRA work.	500,000	To undertake a fire and CO detection testing programme to meet new Govt regulatory guidance
Fire protection works following 21/22 FRAs	Prioritised repair non-urgent remedial works comprising of containment, communal doors upgrades/replacement, signage, etc	2,500,000	Works resulting from current FRA programme
Mechanical & Electrical			

Central heating boiler upgrades. Various locations	Upgrading existing central heating installations with high efficiency systems	800,000	Annual programme of domestic gas boiler replacement to modernise the system in preparation for new energy fuels
Domestic Air Source Heat Pump heating systems Various locations	Replacement of aging electric heating systems with high efficiency air source heat pump central heating systems	150,000	properties tbc
Lift refurbishment.	Continuation of phased programme to replace obsolete lift controllers	400,000	To replace end of life obsolete lift systems where maintenance no longer feasible due to parts being no longer available
Millmead Court	boiler replacement	800,000	
General			
Asbestos Removal - general	Removal, disposal and replacement of finishes under fully controlled asbestos removal conditions	200,000	various sites
Garage forecourt resurfacing programme	Resurfacing of forecourt areas to garage blocks where existing surface in poor condition.	100,000	Various sites - continuation of rolling annual planned maintenance programme.
Resurfacing of Access Roads	Resurfacing of road and access ways	200,000	reviewed as part of hard surface inspection programme
Condition Appraisals	Annual programme of condition appraisal surveys	100,000	Annual programme budget allowance for Keystone asset data condition surveys
Damp & condensation control programme	new programme	800,000	Following EPC survey programme, inc for ventilation & monitoring systems . Estimated cost proposed - review in progress
	Sub Total	19,800,000	
Other Capital			
Environmental improvements	General environmental improvements at sites to be agreed & subject to resident consultation.	50,000	confirm remains as per 21/22
Disabled adaptations Various locations	Works to alter, adapt Council owned dwellings for the benefit of people with disability.	750,000	This include a one year increase of £100k to support cases currently being progressed.
	Total	20,600,000	