

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE EXECUTIVE - 7 MARCH 2023

SUBMITTED TO THE COUNCIL MEETING – 18 JULY 2023

(To be read in conjunction with the Agenda for the Meeting)

Present

Cllr Paul Follows (Chair)
Cllr Andy MacLeod
Cllr Mark Merryweather

Cllr Paul Rivers
Cllr Liz Townsend
Cllr Steve Williams

Apologies

Cllr Peter Clark, Cllr Penny Marriott, Cllr Kika Mirylees and Cllr Nick Palmer

Also Present

Councillor Jerry Hyman

EXE 90/22 MINUTES (Agenda item 2)

The Minutes of the Meeting held on 7 February 2023 were confirmed and signed as a correct record.

EXE 91/22 DECLARATIONS OF INTERESTS (Agenda item 3)

There were no declarations of interest raised under this heading.

EXE 92/22 QUESTIONS FROM MEMBERS OF THE PUBLIC (Agenda item 4)

There were no questions from members of the public.

EXE 93/22 QUESTIONS FROM MEMBERS OF THE COUNCIL (Agenda item 5)

There were no questions from Members of the Council.

EXE 94/22 LEADER'S AND PORTFOLIO HOLDERS' UPDATES (Agenda item 6)

The Leader and Portfolio Holders gave brief updates on current issues not reported elsewhere on the agenda:

- The Leader reported that he and Cllrs Paul Rivers, Liz Townsend and Steve Williams, and colleagues from Godalming Town Council had attend the Royal Courts of Justice on 2 March for the permission hearing to seek a Judicial Review of the decision to permit UKOG's exploratory drilling planning application in Dunsfold. The Leader was pleased to report a successful outcome to the hearing. He thanked Stephen Rix, Executive Head of Legal & Democratic Services, and the Council's legal team for their support as well as Protect Dunsfold and the Good Law project. There was more work to do, but it had been a very positive outcome.
- Cllr Andy MacLeod advised there would be a Brightwells Board meeting on Friday, and he had met with the Executive Head of Regulatory Services to discuss enforcement work and how this could be co-ordinated with the Guildford service to improve effectiveness and efficiency.

- Car parking income was increasing and approaching pre-Covid levels, and a review of the Weyhill site in Haslemere was underway.
- Cllr Rivers noted that the latest issue of Homes & People would be published imminently.
- Cllr Williams echoed the Leader's thanks to officers, Protect Dunsfold, the Good Law Project and Extinction Rebellion for their combined efforts in challenging the UKOG drilling application. Opposition which began in July 2019 had been steadfastly maintained to the point now reached of a Judicial Review of the Secretary of State's decision, not just on the grounds of impact on the landscape and AONB and AGLV, but also the impact on Greenhouse Gases. The judgement arising from such a Judicial Review could have far-reaching implications for the future of on-shore drilling and fossil-fuel extraction across the UK.

EXE 95/22 RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY COMMITTEES
(Agenda item 7)

The Leader advised that the recommendations from the Overview & Scrutiny Committee – Resources meeting on 20 February 2023 relating to the Ockford Ridge Refurbishment Phase 4 project would be considered under the following agenda item.

EXE 96/22 OCKFORD RIDGE REFURBISHMENT PHASE 4 - DEEP RETROFIT - GREEN TECHNOLOGY PILOT (Agenda item 8)

Cllr Paul Rivers, Co-Portfolio Holder for Housing (Operations), introduced the report on the Ockford Ridge Refurbishment Phase 4 project, and thanked the Overview & Scrutiny Committee – Resources for their observations and recommendations.

The full response to the Overview & Scrutiny was quite lengthy, and he would provide this for the Minutes, but in short he was largely comfortable to accept the recommendations, some of which had now been incorporated into the agenda report. With regard to the project title, and the balance of costs between refurbishment and new technology, Cllr Rivers felt that this ignored the contribution of the refurbished 'fabric' of the homes in relation to the green technology pilot. Green technology was not just heat pumps or PV panels. However, Cllr Rivers was proposing a minor change to the project title, to Ockford Ridge Refurbishment Phase 4 – Deep Retrofit with Green Technology Pilot.

Executive Members also noted the thoroughness of the procurement process that had been undertaken which had resulted in two valid tender returns, which were assessed on the basis of price and quality.

The Executive RESOLVED,

- 1. To recommend to Full Council that an additional budget allocation of £784,000 be agreed for Phase 4 of the Ockford Ridge Regeneration Project, bringing the total allocated budget to £1.765m, to enable the deep retrofit of seven homes, piloting the use of green renewable energy sources and enhanced fabric, to proceed according to the previously approved specification as detailed in Exempt Annexes 1 – 4; and**
- 2. Subject to the agreement of Full Council of the additional budget allocation, approved the following:**

- i. **Entering into a contract with the preferred contractor for the delivery of the works;**
- ii. **Entering into any related contractual documentation (including collateral warranties or agreements) relating to the project; and**
- iii. **Giving delegated authority to the Executive Head of Legal and Democratic Services to approve the final form of legal agreements.**

Reason: The Council has already committed to the delivery of the regeneration of the Ockford Ridge estate which includes both regeneration and refurbishment of homes. To date, three phases of refurbishment have been completed and a budget of £981,000 was approved at full Council in February 2022 to deliver this next phase. The project will deliver modern, safe, and secure, sustainable homes and support delivery of the Council's Corporate Strategy 2020 – 2025, Climate Change and Sustainability Strategy 2020 - 2030, Carbon Neutrality Action Plan 2020 - 2030 and Housing Asset Management Strategy 2022-2030 commitments and targets. The next phase of retrofit at Ockford Ridge provides the opportunity to implement a pilot which takes the whole house retrofit approach with an enhanced fabric using external and floor insulation and replacement of the use of fossil fuels with green renewable energy sources and technology.

EXE 97/22 AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT (SPD)
(Agenda item 9)

Cllr Liz Townsend, Portfolio Holder for Planning & Economic Development, presented this item. Local Plan Part 1 required the council to have an Affordable Housing SPD, which would be a material consideration when considering planning applications. The SPD included details of how financial contributions from developers would be calculated, the type and size of affordable housing required across the borough and the mechanisms to be applied if developers challenged the council's affordability policy on viability grounds. The original SPD was published in April 2021 and an update was now required to take account of changes in national policy, including the requirement for 'First Homes', and to reflect Waverley administration's commitment to affordable rents.

The Executive RESOLVED to recommend to Full Council that the updated Affordable Housing Supplementary Planning Document be adopted.

Reason: The SPD provides further guidance on the implementation of Local Plan Part 1 (LPP1) policies relevant to affordable housing and will become a material planning consideration. It will support a transparent and efficient planning process and will ensure consistent and fair decision-making.

EXE 98/22 DRAFT UPDATED AIR QUALITY ACTION PLAN AND DRAFT CLEAN AIR STRATEGY FOR WAVERLEY (Agenda item 10)

Cllr Steve Williams, Portfolio Holder for Environment & Sustainability, introduced the updated Air Quality Action Plan (AQAP) and the new Clean Air Strategy for Waverley. An AQMA was required in any local authority where Air Quality Management Areas (AQMAs) had been designated. Waverley had two AQMAs, in Farnham and Godalming, and worked closely with partners, including Surrey County Council as the Highway Authority, to address the root problems to improve air quality in these areas.

In addition to the AQAP, a new Clean Air Strategy for Waverley had been developed with the help of consultants, addressing air quality across the borough. The Strategy had been consulted on widely, and the final version incorporated much of what had been raised through the consultation process.

Cllr Hyman had registered to speak on this item. He noted that he felt his own consultation response had been misrepresented in the summary of responses annexed to the documents. He also felt that the AQAP did not fulfil the statutory requirements of an air quality action plan, as it was not sufficiently specific about the measures and timelines to address air quality issues.

Cllr Williams advised that the AQAP and Clean Air Strategy would be going back to Overview & Scrutiny Committee for final comments before consideration by Council. He recognised that not all actions were funded but identifying the need for such actions was often a requirement for seeking funding. Cllr Williams reiterated the expert assistance from consultants in developing the Strategy, and the extensive consultation. It was also noted that the Council's AQAP would be submitted to DEFRA for approval and confirmation that it met legal requirements.

The Executive RESOLVED to recommend to Council that the draft updated Air Quality Action Plan, February 2023, and the draft Clean Air Strategy, February 2023, be adopted.

Reason: To approve the draft updated Air Quality Action Plan, February 2023, and the draft Clean Air Strategy, February 2023, prior to submitting the Air Quality Action Plan to DEFRA for approval.

EXE 99/22 COMMUNITY INFRASTRUCTURE LEVY (CIL) BIDDING CYCLE 2022/23 (Agenda item 11)

Cllr Liz Townsend, Portfolio Holder for Planning & Economic Development, introduced the report which outlined the CIL bidding process and recommendations to the Executive for allocation of Strategic CIL funds to infrastructure projects within Waverley. The report also recommended that the Community Fund, which had been created within the Strategic CIL Fund, be removed from future CIL bidding cycles, as experience showed that there was not the need for it that had been anticipated when the CIL governance arrangements were being developed.

Twenty-four bid submissions had been received, seeking just over £9m of CIL funding towards total project costs of over £24m. The quality of bids varied greatly, and three bids were considered as invalid against the bid scoring criteria. The twenty-one valid bids were scored independently by three officers, and then presented to the CIL Advisory Board for consideration. To help inform the final recommendations, the CIL Advisory Board sought additional information from a number of bidders, and invited others to attend a meeting with the Board and answer outstanding questions. As a result of the discussions across three meetings, the CIL Advisory Board agreed to recommend the six projects detailed in the report (section 4.24) totalling £3.31m.

Cllr Merryweather noted that bids were becoming increasingly competitive, and it was challenging to distinguish between good infrastructure projects and good

causes. It had been pleasing to see the improvement in the quality of the Surrey County Council bids in particular.

Cllr Townsend emphasised the level of due diligence carried out by officers in evaluating the bids and scoring them against the council's agreed criteria. She also drew attention to projects having some level of match-funding, and to be deliverable. Where projects needed planning permission to be delivered, it was important that work be in train on this, as this could take a significant amount of time out of the delivery window.

The Executive RESOLVED that,

- 1. the allocation of Strategic CIL funding to the projects as set out in the agenda report (paragraph 4.24) be approved, subject to the completion of the final relevant checks and signing of funding agreements, the details of which are delegated to the Strategic Director in consultation with the Portfolio Holder for Housing (Delivery).**
- 2. the 'Community CIL' element be removed from future Strategic CIL Bidding Cycles.**

Reason: In order to ensure robust and effective expenditure, in line with CIL Regulations 2010 (as amended) and in accordance with the Council's approved CIL governance arrangements which include detailed eligibility and assessment criteria.

EXE 100/22REQUEST FOR SUPPLEMENTARY ESTIMATE - DEVELOPMENT MANAGEMENT (Agenda item 12)

Cllr Liz Townsend, Portfolio Holder for Planning & Economic Development, introduced the report requesting a Supplementary Estimate to cover costs associated with various pending planning appeals and to fund statutory advertising costs. The additional costs would be met by releasing a planning reserve no longer required, and from general savings.

Cllr Hyman had registered to speak on this item, who claimed that the council could avoid these costs if it took a different approach at appeals with regard to the Appropriate Assessment of the mitigation of development on designated Special Protection Areas.

The Leader and Cllr Townsend noted that Cllr Hyman's arguments had been tested, by Waverley's counsel, and at many planning appeals, and had not been successful. The reason Waverley struggled to win appeals was because the council could not demonstrate a 5 Year Housing Land Supply, and therefore was subject to the Tilted Balance, which tilted the balance of the planning judgement in favour of the developers.

Cllr Merryweather added that the lack of a 5YHLS was not due to Waverley granting planning permissions but because developers were not building out the permissions that they held. He had asked the MP for Southwest Surrey, Jeremy Hunt, numerous times whether he supported the idea of borough councils having powers to penalise developers who did not build out planning permissions in a timely way, for example by levying Council Tax on unbuilt units.

Cllr MacLeod noted that the Leader had no authority to instruct officers to act against the council's own legal advice, and suggested that Cllr Hyman should seek alternative and independent legal routes to obtain a definitive judgement on his position.

The Executive RESOLVED to approve a Supplementary Estimate totalling £97,990 for the following costs:

- **£15,000 for planning application advertising fee overspend (statutory requirement) and**
- **£82,990 for pending and forthcoming appeals costs.**

Reason: Whilst the Planning Service budget includes sums for legal expenses, it does not have sufficient funds to meet the costs as shown above. It is therefore necessary to seek a supplementary estimate to pay the above amounts suggested.

EXE 101/22CRANLEIGH LEISURE CENTRE - NEW BUILD TENDER (Agenda item 13)

Cllr Liz Townsend, Portfolio Holder for Planning & Economic Development, introduced the report that provided an update on the Cranleigh Leisure Centre new build project sought Executive approval to award contracts for the design team following completion of the procurement process.

This was a flagship development for Waverley, and the award of contracts for the design team was a significant step forward for the project.

The Executive RESOLVED to:

- 1. approve the award of contracts to the design team and other professional services required to reach RIBA stage 5, following completion of the procurement processes; and**
- 2. delegated authority to the Strategic Director for Transformation & Governance to complete all required contractual documentation and approve execution of the contract documentation.**

Reason: To progress the Cranleigh Leisure Centre new build project in line with the Council decision of 14 December 2021.

The meeting commenced at 6.00 pm and concluded at 6.58 pm

Chairman

All 12 properties in Phase 1 were completed in 2018 and Phases 2 and 3 were completed in 2020. Phase 2 included external works only and Phase 3, like Phase 1, involved full refurbishment of seven homes. Works included new gas central heating, kitchens, and bathroom suites along with completely re-wired electrics and a full skim of plaster and painting throughout.

Phase 4 of the council's ongoing refurbishment programme now includes a further 7 properties which will undergo a deep retrofit which looks at the properties overall energy efficiency and uses a combination of measures to improve it, together with remodelling and refurbishment as completed in phase 1 and 3.

Work completed through Phase 4 will therefore enhance the energy efficiency of our existing stock and provide an important pilot for the roll-out of more energy-efficient homes across the borough.

The concept for phase 4 and a preliminary budget of £981,000 was approved at full Council in February 2022. Following detailed tender development in the interim, the budget required for these works now totals £1,765,000. There is therefore a budget shortfall of £784,000. However, Candice Keet) our Senior Housing Accountant has advised that the Major Repairs Reserve has sufficient balances to cover this additional spend, with a balance of £1.7m. The Major Repairs Reserve is used to fund capital spend on our current dwelling stock and is monitored regularly to ensure balances are sufficient.

Consultation and engagement

Thank you to the Resources Overview and Scrutiny Committee for reviewing this Ockford Ridge Refurbishment Phase 4 Deep Retrofit – Green Technology Pilot report on 20 February 2023 and is in favour, making the following recommendations to the Executive:

<p>In relation to the data regarding the energy performance of the homes, the Committee wishes to ensure the Council's entitlement to the performance data which may necessitate an agreement be entered into with the tenant. Also, that our tenants will be supported in understanding how to make optimal use of the equipment, undertake maintenance required and otherwise engage with us to ensure we get maximum value for both tenants and the Council.</p>	<p>Agreed and already stated in the report</p> <p>Necessary agreements will be put in place with our tenants to facilitate the ability for the council to collect and analyse the performance data from the occupied property and tenants will be provided with support to ensure that they understand how the equipment in their newly refurbished home operates and how to maintain its optimal performance.</p>
<p>The title of the project is changed to make clear that the majority of the cost (70%) relates to a high-quality refurbishment project with retrofit of green technology as the minority cost (30%).</p>	<p>The focus on differentiating between the 'refurbishment' and the 'green technology' is somewhat pedantic and does not recognise the 'fabric first, energy retention' approach as being 'green technology' as well as the energy-creating technology (heat pumps/PV panels).</p>

	<p>However, the Executive note this recommendation and although they are content with the wording of the title of this report are happy to change the title to</p> <p>Ockford Ridge Refurbishment Phase 4 Deep Retrofit – including Green Technology Pilot</p>
<p>All opportunities for grants be sought on the basis that this is a learning opportunity, and opportunities for shared learning should also be explored.</p>	<p>Agreed - and already stated in the report. Officers will use the pilot and lessons learned to inform future programmes and assist when bidding for future funding programmes.</p> <p>Officers will continue to seek opportunities for grant funding and have recently submitted a bid for funding which supports focus on delivering net zero activities relating to heat, power, mobility, or manufacturing, identifying, and addressing human, process and non-technical barriers, and demonstrating the impact of these alternative approaches can make through application in new projects.</p>
<p>An indication of expected annual CO₂ savings (i.e., current CO₂ output from equivalent dwellings minus expected CO₂ output from the refurbished dwelling (recognising the CO₂ footprint of grid electricity used to power the heat pump)) should be included as well as the expected payback period in years (i.e. the CO₂ emitted in the refurbishment exercise divided by the expected annual CO₂ savings).</p>	<p>Agreed</p> <p>Our sustainable building services consultants have calculated the carbon emission savings per year by comparing the existing kg/m²/year for the existing homes and as a result of the proposed work.</p> <p>Based on these initial assessments and across the range of property types the CO₂ savings of kg/m²/year is between 50.96 and 58.7 or a reduction of carbon emissions per year between 3368 to 6411 kg CO₂.</p> <p>In terms of calculation of expected payback period in years, this will require further information so of which is currently unknown. For example, confirmation of the embodied carbon within the products specified and capture of direct and indirect carbon emissions through delivery of the project.</p>

Greater clarity is needed regarding how much of the cost is for the refurbishment (as opposed to the new technology) and how these refurbishment costs compare with previous refurbishment phases 1 and 3.

Phase 3, like Phase 1, involved full refurbishment and some reconfiguration of seven homes. Works included new gas boiler and central heating, kitchens and bathroom suites along with window replacement as required, completely re-wired electrics, new ceilings and wall finish (as stripped back to brick and chimneys removed), and painting throughout. This did not give full consideration to the overall energy efficiency of the homes as the proposed deep retrofit does. Work completed through Phase 4 will therefore enhance the energy efficiency of our existing stock and provide an important pilot for the roll-out of more energy-efficient homes across the borough.

Phase 1 – £649k (12 homes completed 2018)

Phase 3 - £727k (7 homes completed 2020)

Renewable technology e.g. PV/Waste water heat recovery/ASHP including pre-lims and O/H&P

% Total scheme budget 11.1%

Fabric – insulation (floor and wall) including pre-lims and O/H&P

% Total scheme budget 9.1%

Renewable and fabric

%Total scheme budget 20.2%

In addition, the Committee expressed its concern that only two tender responses were received, of which only one was considered suitable, which casts doubt on the ability to find contractors to scale up this project should funds be available to do so.

As set out in the tender report, two fixed price tender returns were received both were valid and considered suitable however following the detailed tender submission analysis and evaluation one contractor was recommended as the preferred contractor due to their comparatively high standard in terms of quality and technical ability.

The Most Economically Advantageous Tender criteria was used to enable the Council to take account of the qualitative, technical and sustainability aspects of the tender submission as well as price when reaching an award decision.

The tender evaluations were undertaken on the basis of 50% quality and 50% price.

Six qualitative and technical questions used related to:

- How **quality control** procedures are operated and monitored from pre-construction to completion including snagging and pro-active management
- Provision of information about **project resources and programme**, for example an organisational chart and curriculum vitae of the key personnel employed to deliver the project and critical path and how works are delivered on-time and risk in terms of supply and how this could affect the programme and assessment and mitigation of risk
- Management and control of the **design process** with specific reference to the pre-construction phase to ensure the finalisation of the designs does not adversely impact on the project delivery.
- **Previous experience** – provision of three recent examples of ‘deep’ retrofit projects related to social housing (Passivhaus retrofit or Enerphit equivalent scheme)
- **Design and employers requirements** = Demonstration of areas of innovation the firm has developed an expertise and experience in.
- **Carbon neutrality** – demonstration/explanation of how the company would minimise their carbon impact when delivering the project, including management of their supply chain from pre-construction to post completion.

To ensure that the tenderers responses were given equal consideration, the evaluation of the quality and technical questions were measured using a series of comprehensive descriptors. This approach ensured, as far as possible, there was less reliance on subjectivity on behalf of the evaluators.