

GUILDFORD BOROUGH COUNCIL



BILLINGTON MAYOR

Contact Officer:

John Armstrong,
Democratic Services and Elections Manager
Tel: 01483 444102

2 February 2021

To the Councillors of Guildford Borough Council

You are hereby summoned to attend a meeting of the Council for the Borough of Guildford on **WEDNESDAY 10 FEBRUARY 2021** commencing at 7.00 pm. The meeting can be accessed remotely via Microsoft Teams in accordance with the provisions of The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

James Whiteman
Managing Director

Millmead House
Millmead
Guildford
Surrey GU2 4BB

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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.

THE COUNCIL'S STRATEGIC FRAMEWORK

Vision – for the borough

For Guildford to be a town and rural borough that is the most desirable place to live, work and visit in South East England. A centre for education, healthcare, innovative cutting-edge businesses, high quality retail and wellbeing. A county town set in a vibrant rural environment, which balances the needs of urban and rural communities alike. Known for our outstanding urban planning and design, and with infrastructure that will properly cope with our needs.

Three fundamental themes and nine strategic priorities that support our vision:

- | | |
|---------------------|--|
| Place-making | Delivering the Guildford Borough Local Plan and providing the range of housing that people need, particularly affordable homes |
| | Making travel in Guildford and across the borough easier |
| | Regenerating and improving Guildford town centre and other urban areas |
| Community | Supporting older, more vulnerable and less advantaged people in our community |
| | Protecting our environment |
| | Enhancing sporting, cultural, community, and recreational facilities |
| Innovation | Encouraging sustainable and proportionate economic growth to help provide the prosperity and employment that people need |
| | Creating smart places infrastructure across Guildford |
| | Using innovation, technology and new ways of working to improve value for money and efficiency in Council services |

Values for our residents

- We will strive to be the best Council.
- We will deliver quality and value for money services.
- We will help the vulnerable members of our community.
- We will be open and accountable.
- We will deliver improvements and enable change across the borough.

Time limits on speeches at full Council meetings:	
Public speaker:	3 minutes
Response to public speaker:	3 minutes
Questions from councillors:	3 minutes
Response to questions from councillors:	3 minutes
Proposer of a motion:	10 minutes
Seconder of a motion:	5 minutes
Other councillors speaking during the debate on a motion:	5 minutes
Proposer of a motion's right of reply at the end of the debate on the motion:	10 minutes
Proposer of an amendment:	5 minutes
Seconder of an amendment:	5 minutes
Other councillors speaking during the debate on an amendment:	5 minutes
Proposer of a motion's right of reply at the end of the debate on an amendment:	5 minutes
Proposer of an amendment's right of reply at the end of the debate on an amendment:	5 minutes

AGENDA

1. APOLOGIES FOR ABSENCE

2. DISCLOSURES OF INTEREST

To receive and note any disclosable pecuniary interests from councillors. 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 5 - 22)

To confirm the minutes of the meeting of the Council held on 8 December 2020 and the extraordinary meeting held on 17 December 2020.

4. MAYOR'S COMMUNICATIONS

To receive any communications or announcements from the Mayor.

5. LEADER'S COMMUNICATIONS

To receive any communications or announcements from the Leader of the Council.

6. PUBLIC PARTICIPATION

To receive questions or statements from the public.

7. QUESTIONS FROM COUNCILLORS

To hear questions (if any) from councillors of which due notice has been given.

8. COUNCIL MOTION ON CLIMATE CHANGE: PROGRESS REPORT (Pages 23 - 34)

9. **PAY POLICY STATEMENT 2021-22** (Pages 35 - 50)
10. **CAPITAL AND INVESTMENT STRATEGY 2021-22 TO 2025-26** (Pages 51 - 134)
11. **HOUSING REVENUE ACCOUNT BUDGET 2021-22** (Pages 135 - 162)
12. **BUSINESS PLANNING - GENERAL FUND BUDGET 2021-22** (Pages 163 - 292)
13. **DESIGNATION OF MONITORING OFFICER** (Pages 293 - 298)
14. **MINUTES OF THE EXECUTIVE** (Pages 299 - 312)
To receive and note the attached minutes of the meeting of the Executive held on 24 November 2020 and 5 January 2021.
15. **COMMON SEAL**
To order the Common Seal to be affixed to any document to give effect to any decision taken by the Council at this meeting.

GUILDFORD BOROUGH COUNCIL

Minutes of a meeting of Guildford Borough Council held remotely via Microsoft Teams on Tuesday 8 December 2020

Councillor Richard Billington (Mayor)

* Councillor Marsha Moseley (Deputy Mayor) – in the chair

- | | |
|----------------------------------|-------------------------------|
| * Councillor Paul Abbey | * Councillor Ted Mayne |
| * Councillor Tim Anderson | * Councillor Julia McShane |
| * Councillor Jon Askew | * Councillor Ann McShee |
| * Councillor Christopher Barrass | * Councillor Bob McShee |
| * Councillor Joss Bigmore | * Councillor Masuk Miah |
| * Councillor David Bilbé | * Councillor Ramsey Nagaty |
| * Councillor Chris Blow | * Councillor Susan Parker |
| * Councillor Dennis Booth | * Councillor George Potter |
| * Councillor Ruth Brothwell | * Councillor Jo Randall |
| * Councillor Colin Cross | * Councillor John Redpath |
| * Councillor Graham Eyre | * Councillor Maddy Redpath |
| * Councillor Andrew Gomm | * Councillor Caroline Reeves |
| * Councillor Angela Goodwin | * Councillor John Rigg |
| * Councillor David Goodwin | * Councillor Tony Rooth |
| * Councillor Angela Gunning | * Councillor Will Salmon |
| * Councillor Gillian Harwood | * Councillor Deborah Seabrook |
| * Councillor Jan Harwood | * Councillor Pauline Searle |
| * Councillor Liz Hogger | * Councillor Paul Spooner |
| * Councillor Tom Hunt | * Councillor James Steel |
| * Councillor Gordon Jackson | * Councillor James Walsh |
| * Councillor Diana Jones | * Councillor Fiona White |
| * Councillor Steven Lee | * Councillor Catherine Young |
| * Councillor Nigel Manning | |

*Present

The Council observed a minute's silence in memory of Honorary Alderman Gordon Bridger who had passed away on 27 November 2020, Honorary Alderman Tony Page who had passed away on 8 October 2020, and former Councillor Jessica Page who had died shortly after Tony Page.

CO41 APOLOGIES FOR ABSENCE

An apology for absence was received from The Mayor, Councillor Richard Billington.

CO42 DISCLOSURES OF INTEREST

There were no disclosures of interest.

CO43 MINUTES

The Council confirmed, as a correct record, the minutes of the meeting held on 6 October 2020. The Deputy Mayor signed the minutes.

CO44 MAYOR'S COMMUNICATIONS

The Deputy Mayor read out a personal message from the Mayor, Councillor Richard Billington, who was convalescing following his recent surgery. The Mayor had thanked everyone who had sent so many good wishes for his speedy recovery.

The Deputy Mayor reminded the Council of the forthcoming online carol concert by the Vivace Chorus on 13 December 2020 in aid of one of the Mayor's chosen causes, the Coronavirus Response Fund.

CO45 LEADER'S COMMUNICATIONS

The Leader thanked the Borough for its continued diligence observing the Tier 2 Covid restrictions and noted that infection rates locally had been steadily falling. Whilst there had been a huge amount of optimism from the vaccines, it was important to continue to respect this deadly virus and stop our hospitals being overrun before the vaccination programme made significant inroads into the population.

The Leader also urged everyone to show their support to local shops and restaurants, by shopping locally but safely. He announced that our High Street markets had been relocated to the Portsmouth road car park so that there was more space for shoppers to browse whilst observing social distancing.

The public consultation which would help to inform the Council's spending review had been open for a week and encouraged as many people as possible to complete the online survey, and thanked the communications team for publicising the context behind our budget gap and encouraging residents to help guide our choices.

The Leader recalled the sizeable contributions from Tony and Jessica Page, and Gordon Bridger to our community and commented that he would like to mark their passing by asking the Corporate Governance Task group to look at the wording in the Constitution regarding restrictions in the rights and privileges of Honorary Aldermen, specifically the provision restricting Aldermen's speech and requiring them to be apolitical in public. The Leader looked forward to the Council considering new nominations for Honorary Aldermen or Freemen in the New Year.

Finally, the Leader wished councillors a Merry Christmas at this last Full Council Meeting for the year, and commented that 2020 would certainly be a year that lived long in memory, a year of terrible loss, but also a year where the community had repeatedly shown its strength in the face of adversity.

CO46 PUBLIC PARTICIPATION

- (a) Honorary Freeman Jen Powell, in her capacity as chairman of the Friends of Guildford Museum asked the Lead Councillor for Environment, Councillor James Steel, the following question:

"The Friends of Guildford Museum, whilst realising the financial constraints of Guildford Borough Council, have real concerns about the future of Guildford Museum. Could the Lead Councillor please assure The Friends that every possible avenue would be explored and discussed before any decision is taken?"

The Lead Councillor's response was as follows:

"The Council are currently developing and reviewing options for the way in which we deliver the full range of services, including the museum and heritage service. Following Covid, the Council's financial position is significantly compromised meaning we have to address expenditure and reduced income for 2021 and beyond

The situation has been exacerbated by the National Heritage Lottery Fund (NHLF) no longer considering funding bids, including the GBC application to refurbish and extend the museum. The NHLF's position was a nationwide approach, due to the need to redirect funding in response to Covid. This is disappointing as significant work was carried out to underpin the bid including public consultation and engagement with stakeholders/partners, including the Friends of Guildford Museum.

Guildford's heritage is valuable and intrinsic to the fabric and story of our town, but these are challenging times for the Council and the borough. I can assure you that officers within the heritage service will be discussing the future of the museum with Friends of Guildford Museum as longstanding advocates and supporters of our heritage."

Councillor James Steel
Lead Councillor for Environment

- (ii) Gavin Morgan, on behalf of Guildford Heritage Forum, asked the Lead Councillor for Environment, Councillor James Steel, the following question

"Given the letters in the press about the potential sale of Guildford Museum and collections will the Lead Councillor for Environment issue a clear, unambiguous statement that historic buildings, museum collections and borough art collected and purchased over decades and centuries and unique to Guildford will not be disposed of even if the services supporting them have to be reduced?"

The Lead Councillor's response was as follows:

"We are not in a position to issue a clear and unambiguous statement because we are currently in a consultation about where the Council's funds should be prioritised.

As I have confirmed in my response to the previous question this evening, officers are at this time developing options for the heritage service for the Council to review. As I have stressed, our heritage is important and of value to our town, but we are being faced with many difficult choices around finance for all of our services. Every part of the Council has an importance to individuals, the whole or various parts of the community. No decision will be taken lightly or without proper consideration.

Our collection is held in trust, along with Surrey Archaeological Society's own collection which we provide a home for; this prevents any disposal and would step outside the Museum Association's code of ethics."

Councillor James Steel
Lead Councillor for Environment

In response to a supplementary question arising from the written responses given, in which the Lead Councillor was asked:

- (i) whether he could ensure that, in the context of the Council's public consultation on its spending review, proper consideration is given as to what the museum could and should be offering for the benefit of the town's visitor experience rather than the contribution it currently makes; and
- (iii) given that the Council had put a lot of work into the new vision for the museum, whether he would consider possible improvements that could be made at a relatively low cost.

the Lead Councillor recognised the huge amount of work that had been done so far by the Heritage Team and Friends of Guildford Museum in terms of the new museum project and that the Covid situation and withdrawal of NHLF funding had been very unfortunate. The Lead Councillor reiterated that any decisions that are made arising from the Council's spending review, would be properly consulted on and due consideration given to the Council's current and future priorities.

CO47 QUESTIONS FROM COUNCILLORS

There were no questions from councillors.

CO48 LOCAL COUNCIL TAX SUPPORT SCHEME 2021-22

The Council received a report on its statutory duty to consider annually whether to revise its Local Council Tax Support Scheme (LCTSS), replace it with another or make no changes. The Council was obliged to consult with interested parties if it wished to revise or replace the scheme. A stakeholder consultation carried out during September to October 2020 had received a low response rate, but Surrey County Council and the Police and Crime Commissioner for Surrey supported the changes proposed for 2021.

The Council noted that the LCTSS currently helped around 4,500 households by providing £5.7 million of support. The cost of the scheme was shared with Surrey County Council, with Guildford's share being around 10%.

In 2020-21, a number of minor changes were made to the scheme. For 2021-22 the following changes with a revenue cost of £65,000 had been proposed:

- Increase Personal Allowances and Premiums to match inflation.
- Increase Non-Dependant Deductions to reflect an expectation that their contribution to the household expenses should increase each year.
- Remove the cap on Band E entitlement for 2021-22, to provide additional help during the pandemic.

It was also proposed to increase the discretionary hardship fund to support any applicant suffering adversely from the consequences of savings to the Local Council Tax Support put in place over the past eight years, in addition to the proposed changes for 2021-22. It was proposed that the fund be increased from £40,000 to £60,000 for 2021-22.

During 2020 the government had provided COVID19 Council Tax Hardship Funds allowing the Council to support taxpayers with additional Council Tax discounts. It was proposed that any funds remaining at the end of the year would be carried over into 2021.

The Council was required to approve a scheme for the 2021-22 financial year by 31 January 2021 to enable annual bills to be calculated correctly. It was noted that the review of the LCTSS for 2022-23 would be included on the work programme for the Service Delivery Executive Advisory Board in 2021.

The Executive had considered the report at its meeting on 24 November 2020 and had endorsed the recommendation therein.

Upon the motion of the Lead Councillor for Resources, Councillor Tim Anderson, seconded by the Deputy Leader of the Council, Councillor Caroline Reeves, the Council:

RESOLVED:

- (1) That the current Local Council Tax Support Scheme be amended for 2021-22, as set out in detail in Appendix 1 to the report submitted to the Council, with effect from 1 April 2021.
- (2) That the Council continues to maintain a discretionary hardship fund in 2021-22, increases it to £60,000, and carries forward any residual 2020 COVID19 Council Tax Hardship Funds.

Reasons:

- (1) To ensure that the Council complies with legislation to implement a Local Council Tax Support Scheme from 1 April 2021.

- (2) To maintain a discretionary fund to help applicants suffering from severe financial hardship.

CO49 PAY POLICY STATEMENT 2020-21

The Council was informed that the Public Sector Exit Pay Cap regulations (Restriction of Public Sector Exit Payments Regulations 2020) came into force on 4 November 2020. The regulations would apply to all exit payments that fell due on or after that date. The regulations implemented a £95,000 cap on exit payments and the Council was awaiting the publication of the Guidance and Directions documents to accompany the regulations.

Consequently, the Council considered a report on proposed amendments to the Pay Policy Statement for the current financial year that were required to reflect the new regulations.

Upon the motion of the Leader of the Council, Councillor Joss Bigmore, seconded by the Lead Councillor for Resources, Councillor Tim Anderson, the Council:

RESOLVED: That the amendments required within the Pay Policy Statement for the 2020-21 financial year, as set out in Appendix 1 to the report submitted to the Council, be approved.

Reason:

To comply with the Restriction of Public Sector Exit Payments Regulations 2020.

CO50 LICENSING ACT 2003 - REVIEW OF STATEMENT OF LICENSING POLICY

In its role as the Licensing Authority under the Licensing Act 2003, the Council had a duty to prepare and keep under review its Statement of Licensing Policy. The purpose of a policy was to set out how the Licensing Authority sought to promote the four licensing objectives during the licensing process.

The Council's current policy was due for review by January 2021 and, following a public consultation exercise, the Licensing Committee at its meeting on 25 November had recommended that the Council adopts a new Statement of Licensing Policy for the period 2021-2026, a draft copy of which was appended to the report submitted to the Council.

Upon the motion of the Lead Councillor for Environment, Councillor James Steel, seconded by the Chairman of the Licensing Committee, Councillor David Goodwin, the Council

RESOLVED: That the Statement of Licensing Policy 2021-26, attached as Appendix 1 to the report submitted to the Council, be adopted.

Reason:

To ensure the Council's Statement of Licensing Policy is revised in line with statutory timescales.

CO51 PERIODIC ELECTORAL REVIEW BY THE LOCAL GOVERNMENT BOUNDARY COMMISSION FOR ENGLAND

The Council noted that the Local Government Boundary Commission for England (LGBCE) had given notice that it would be undertaking an electoral review of the Council in its 2020-21 programme. The LGBCE intended to carry out electoral reviews of all English local authorities that had not been reviewed in twelve or more years. Guildford was last reviewed in 1998.

The purpose of an electoral review was to consider the total number of councillors elected to the council, the names, number and boundaries of the wards, and the number of councillors to be elected to each ward.

The Council considered a report which summarised the process for the review, the first stage of which was an invitation from the LGBCE to make a Council Size Submission, that is the total number of councillors to be elected to the Council. The LGBCE would consider all submissions received and decide on the Council Size number for the purpose of the second stage of the review (warding patterns) by considering three broad areas:

- The **governance arrangements** of the Council and how it takes decisions across the broad range of its responsibilities.
- The Council's **scrutiny functions** relating to its own decision making and the council's responsibilities to outside bodies.
- The **representational role of councillors in the local community** and how they engage with people, conduct casework and represent the council on local partner organisations.

The LGBCE emphasised that any submission to them on council size (whether for an increase, reduction or maintaining current arrangements), should ensure that it addressed these areas and that the view on council size is backed up by evidence.

A copy of the draft Submission, which proposed a small reduction in the number of councillors to 44, was appended to the report.

The Leader of the Council, Councillor Joss Bigmore proposed, and the Deputy Leader of the Council, Councillor Caroline Reeves seconded the following motion:

“That the Council Size Submission, attached as Appendix 2 to the report submitted to the Council, and its stated preference for a Council size of 44 Councillors, be approved and presented to the Local Government Boundary Commission for England (LGBCE).”

Under Council Procedure Rule 15 (o), Councillor Bigmore as the mover of the original motion, indicated that, with the consent of his seconder and of the meeting, he wished to alter his motion so that it read as follows (*changes shown in italics*):

- “(1) That, *subject to paragraph (2) below*, the Council Size Submission, attached as Appendix 2 to the report submitted to the Council, and its stated preference for a Council size of 44 Councillors, be approved and presented to the Local Government Boundary Commission for England (LGBCE), *subject to the inclusion of the following amendment to Part 5 of the Submission (Local Authority Profile) on page 165 of the agenda*:

*“Guildford town centre is a principal regional shopping centre, with a vibrant night-time economy, **and is the only town in Surrey to be awarded Purple Flag status**”.*

- (2) *That the Democratic Services and Elections Manager, in consultation with the Leader of the Council, be authorised to make such minor alterations to improve the clarity of the draft Submission document as they may determine.”*

The proposed alteration to the motion was put to the vote and was carried. Under the Remote Meetings Protocol, a roll call was taken to record the vote on the proposed alteration, the results of which were 21 councillors voting in favour, 7 against, and 18 abstentions, as follows:

For the alteration

Cllr Tim Anderson
Cllr Jon Askew
Cllr Joss Bigmore
Cllr Chris Blow
Cllr Colin Cross

Against the alteration

Cllr David Bilbé
Cllr Graham Eyre
Cllr Andrew Gomm
Cllr Nigel Manning
Cllr Jo Randall

Abstentions

Cllr Paul Abbey
Cllr Christopher Barrass
Cllr Dennis Booth
Cllr Ruth Brothwell
Cllr Angela Goodwin

For the alteration

Cllr Jan Harwood
Cllr Gillian Harwood
Cllr Tom Hunt
Cllr Diana Jones
Cllr Ted Mayne
Cllr Julia McShane
Cllr Ann McShee
Cllr Bob McShee
Cllr Masuk Miah
Cllr John Redpath
Cllr Maddy Redpath
Cllr Caroline Reeves
Cllr John Rigg
Cllr Will Salmon
Cllr Deborah Seabrook
Cllr James Steel

Against the alteration

Cllr Paul Spooner
Cllr James Walsh

Abstentions

Cllr David Goodwin
Cllr Angela Gunning
Cllr Liz Hogger
Cllr Gordon Jackson
Cllr Steven Lee
Cllr Marsha Moseley
Cllr Ramsey Nagaty
Cllr Susan Parker
Cllr George Potter
Cllr Tony Rooth
Cllr Pauline Searle
Cllr Fiona White
Cllr Catherine Young

The motion, as altered, therefore became the substantive motion for debate.

Following the debate on the substantive motion, Councillor Ramsey Nagaty proposed, and Councillor Tony Rooth seconded, the following amendment:

“That the Council refers this matter for further consideration by the Corporate Governance Task Group on Monday 14 December 2020 for the purpose of:

- (a) giving further consideration to the requirements of the review generally and in particular to that referred to on pages 137-138, 146, and 154 of the agenda
- (b) reviewing the contents of the Council Size Submission
- (c) consideration of the forecast increase in electorate by 2026

and reference back to an extraordinary (virtual) meeting of the Council on Thursday 17 December for final approval of the Council Size Submission”.

Following the debate on the amendment, it was put to the vote and was carried. Under the Remote Meetings Protocol, a roll call was taken to record the vote on the amendment, the results of which were 32 councillors voting in favour, 8 against, and 6 abstentions, as follows:

For the amendment

Cllr Paul Abbey
Cllr Jon Askew
Cllr Christopher Barrass
Cllr David Bilbé
Cllr Dennis Booth
Cllr Ruth Brothwell
Cllr Colin Cross
Cllr Graham Eyre
Cllr Andrew Gomm
Cllr Angela Goodwin
Cllr David Goodwin
Cllr Angela Gunning
Cllr Gillian Harwood
Cllr Liz Hogger
Cllr Gordon Jackson
Cllr Diana Jones
Cllr Steven Lee
Cllr Nigel Manning

Against the amendment

Cllr Tim Anderson
Cllr Joss Bigmore
Cllr Chris Blow
Cllr Jan Harwood
Cllr Tom Hunt
Cllr Marsha Moseley
Cllr John Redpath
Cllr John Rigg

Abstentions

Cllr Ted Mayne
Cllr Julia McShane
Cllr Maddy Redpath
Cllr Caroline Reeves
Cllr Deborah Seabrook
Cllr James Steel

Agenda item number: 3

For the amendment

Cllr Ann McShee
Cllr Bob McShee
Cllr Masuk Miah
Cllr Ramsey Nagaty
Cllr Susan Parker
Cllr George Potter
Cllr Jo Randall
Cllr Tony Rooth
Cllr Will Salmon
Cllr Pauline Searle
Cllr Paul Spooner
Cllr James Walsh
Cllr Fiona White
Cllr Catherine Young

Against the amendment

Abstentions

Following the vote on the amendment, the Council

RESOLVED: That the Council refers this matter for further consideration by the Corporate Governance Task Group on Monday 14 December 2020 for the purpose of:

- (a) giving further consideration to the requirements of the review generally and in particular to that referred to on pages 137-138, 146, and 154 of the agenda
- (b) reviewing the contents of the Council Size Submission
- (c) consideration of the forecast increase in electorate by 2026

and reference back to an extraordinary (virtual) meeting of the Council on Thursday 17 December for final approval of the Council Size Submission.

Under the Remote Meetings Protocol, a roll call was taken to record the vote on the substantive motion, as amended, the results of which were 31 councillors voting in favour, 8 against, and 7 abstentions, as follows:

For

Cllr Paul Abbey
Cllr Jon Askew
Cllr Christopher Barrass
Cllr David Bilbé
Cllr Dennis Booth
Cllr Ruth Brothwell
Cllr Colin Cross
Cllr Graham Eyre
Cllr Andrew Gomm
Cllr Angela Goodwin
Cllr David Goodwin
Cllr Angela Gunning
Cllr Gillian Harwood
Cllr Liz Hogger
Cllr Gordon Jackson
Cllr Steven Lee
Cllr Nigel Manning
Cllr Ann McShee
Cllr Bob McShee
Cllr Masuk Miah
Cllr Ramsey Nagaty
Cllr Susan Parker
Cllr George Potter

Against

Cllr Tim Anderson
Cllr Joss Bigmore
Cllr Chris Blow
Cllr Jan Harwood
Cllr Tom Hunt
Cllr Marsha Moseley
Cllr John Redpath
Cllr John Rigg

Abstentions

Cllr Diana Jones
Cllr Ted Mayne
Cllr Julia McShane
Cllr Maddy Redpath
Cllr Caroline Reeves
Cllr Deborah Seabrook
Cllr James Steel

For

Cllr Jo Randall
Cllr Tony Rooth
Cllr Will Salmon
Cllr Pauline Searle
Cllr Paul Spooner
Cllr James Walsh
Cllr Fiona White
Cllr Catherine Young

Against

Abstentions

CO52 SELECTION OF THE MAYOR AND THE DEPUTY MAYOR 2021-22

It was noted that it was the Council's normal practice for the nominees for the Mayor and Deputy Mayor for the next succeeding municipal year to absent themselves from the meeting for consideration of this item of business. As the Deputy Mayor, Councillor Marsha Moseley (who was in the chair for the meeting in the absence of the Mayor), would have to leave the meeting, the Council

RESOLVED: That Councillor Gordon Jackson be elected chairman of the meeting for this item of business.

The Deputy Mayor, Councillor Marsha Moseley and Councillor Dennis Booth both left the meeting.

Councillor Jackson in the chair.

The Council considered a report on nominations received for election of Mayor and appointment of Deputy Mayor for the municipal year 2021-22. The Executive had also considered the report at its meeting on 24 November 2020, and had commended the nominations of Councillors Moseley and Booth respectively for Mayor and Deputy Mayor in 2021-22.

Upon the motion of the Leader of the Council, Councillor Joss Bigmore, seconded by the Deputy Leader of the Council, Councillor Caroline Reeves, the Council

RESOLVED:

- (1) That the Deputy Mayor, Councillor Marsha Moseley be nominated for the Mayoralty of the Borough for the 2021-22 municipal year.
- (2) That Councillor Dennis Booth be nominated for the Deputy Mayoralty of the Borough for the 2021-22 municipal year.

Reason:

To make early preparations for the selection of the Mayor and Deputy Mayor for the municipal year 2021-22.

The Deputy Mayor, Councillor Marsha Moseley and Councillor Dennis Booth both returned to the meeting.

CO53 TIMETABLE OF COUNCIL AND COMMITTEE MEETINGS 2021-22

The Deputy Mayor, Councillor Marsha Moseley in the chair.

The Council considered a report on the proposed timetable of Council and Committee meetings for the 2021-22 municipal year. The Executive had also considered the report at its meeting on 24 November 2020, and had recommended approval of the timetable as appended to the report.

Agenda item number: 3

Upon the motion of the Leader of the Council, Councillor Joss Bigmore, seconded by the Deputy Leader of the Council, Councillor Caroline Reeves, the Council

RESOLVED: That the proposed timetable of Council and Committee meetings for the 2021-22 municipal year, as set out in Appendix 1 to the report submitted to the Council, be approved.

Reason:

To assist with the preparation of individual committee work programmes.

CO54 MINUTES OF THE EXECUTIVE

The Council received and noted the minutes of the meetings of the Executive held on 22 September and 27 October 2020.

CO55 COMMON SEAL

The Council

RESOLVED: That the Common Seal of the Council be affixed to any documents to give effect to any decisions taken by the Council at this meeting.

The meeting finished at 9.05 pm

Signed

Mayor

Date

GUILDFORD BOROUGH COUNCIL

Minutes of an extraordinary meeting of Guildford Borough Council held via Microsoft Teams on Thursday 17 December 2020

Councillor Richard Billington (Mayor)

* Councillor Marsha Moseley (Deputy Mayor) – in the chair

Councillor Paul Abbey	Councillor Ted Mayne
* Councillor Tim Anderson	Councillor Julia McShane
* Councillor Jon Askew	* Councillor Ann McShee
Councillor Christopher Barrass	* Councillor Bob McShee
* Councillor Joss Bigmore	* Councillor Masuk Miah
* Councillor David Bilbé	* Councillor Ramsey Nagaty
* Councillor Chris Blow	* Councillor Susan Parker
* Councillor Dennis Booth	* Councillor George Potter
* Councillor Ruth Brothwell	* Councillor Jo Randall
* Councillor Colin Cross	* Councillor John Redpath
Councillor Graham Eyre	* Councillor Maddy Redpath
Councillor Andrew Gomm	Councillor Caroline Reeves
* Councillor Angela Goodwin	Councillor John Rigg
* Councillor David Goodwin	* Councillor Tony Rooth
* Councillor Angela Gunning	* Councillor Will Salmon
* Councillor Gillian Harwood	* Councillor Deborah Seabrook
* Councillor Jan Harwood	* Councillor Pauline Searle
* Councillor Liz Hogger	* Councillor Paul Spooner
* Councillor Tom Hunt	* Councillor James Steel
* Councillor Gordon Jackson	* Councillor James Walsh
* Councillor Diana Jones	* Councillor Fiona White
* Councillor Steven Lee	Councillor Catherine Young
* Councillor Nigel Manning	

*Present

CO56 APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of the Mayor, Councillor Richard Billington, and from Councillors Paul Abbey, Christopher Barrass, Graham Eyre, Andrew Gomm, Ted Mayne, Julia McShane, Caroline Reeves, John Rigg, and Catherine Young.

CO57 DISCLOSURES OF INTEREST

There were no disclosures of interest.

CO58 MAYOR'S COMMUNICATIONS

On behalf of the Mayor, the Deputy Mayor expressed her gratitude to the Vivace Chorus for putting on the Mayor's Christmas Concert on Sunday 13 December, and to everyone who tuned in and donated. The current total on the Mayor's charity page was: £1,657.48 (of which £770 directly related to the concert). The concert was available to watch on YouTube and Facebook until Sunday 20 December.

CO59 LEADER'S COMMUNICATIONS

The Leader gave an update on the impact of the Coronavirus pandemic locally and the recent announcement that much of the UK, including Guildford, would be moving to tier 3 at the weekend. The Leader urged everyone to take care over the Christmas period particularly bearing in mind the proposed temporary relaxation in the restrictions.

The Council had made plans for increased staff availability over the Christmas period should we have to deal with any emergency situations or should there be further changes to the restrictions.

The Leader announced a small update to the Executive portfolios, with responsibility for heritage moving from the Environment portfolio to the Economy portfolio.

The Leader commented on two consultations running at the moment, with the online surveys to allow the public to comment on the emerging plans for the North Street development and to express their priorities for next year's budget. Councillors were asked to ensure as many residents participate in these surveys as possible.

In relation to the main business on the agenda for this extraordinary meeting, the Leader announced that a new cross-party working group would be constituted at the 5 January meeting of the Executive to consider the next stages of the electoral review.

CO60 PUBLIC PARTICIPATION

There were no questions or statements from the public.

CO61 QUESTIONS FROM COUNCILLORS

There were no questions from councillors.

CO62 PERIODIC ELECTORAL REVIEW BY THE LOCAL GOVERNMENT BOUNDARY COMMISSION FOR ENGLAND

At its last meeting on 8 December 2020, the Council had considered a draft Council Size Submission to the Local Government Boundary Commission for England (LGBCE). The Council agreed to refer the matter for further consideration by the Corporate Governance Task Group at its meeting held on 14 December 2020 for the purpose of:

- (a) giving further consideration to the requirements of the review generally and in particular to that referred to on pages 4-5, 13, and 21 of the LGBCE's guidance to councillors;
- (b) reviewing the contents of the Council Size Submission; and
- (c) consideration of the forecast increase in electorate by 2026

and reference back to this extraordinary meeting of the Council for final approval of the Council Size Submission.

At its meeting on 14 December, the Task Group was provided with details of the Council's CIPFA Nearest Neighbours and forecast increase in electorate by 2026 and had reviewed the contents of the draft Submission. The proposed revised draft Submission, as recommended by the Task Group including tracked changes, was set out in Appendix 1 to the report submitted to the Council. This now stated a preference for maintaining the current Council Size of 48 Councillors, based on the retention of all out elections every four years.

The Chairman of the Corporate Governance Task Group, Councillor Deborah Seabrook proposed, and Councillor Liz Hogger seconded, the adoption of the following motion:

- (1) That the Council Size Submission, attached at Appendix 1 to the report submitted to the Council, and its stated preference for maintaining a Council size of 48 Councillors, be approved and presented to the Local Government Boundary Commission for England.
- (2) That the Democratic Services and Elections Manager, in consultation with the Chairman of the Corporate Governance Task Group, be authorised to make such minor alterations to improve the clarity of the revised draft Submission document as the Council may determine.

Under Council Procedure Rule 15 (o), Councillor Seabrook as the mover of the original motion, indicated that, with the consent of her seconder and of the meeting, she wished to alter her motion as follows:

Alter paragraph (1) of the motion so that it reads (*changes shown in italics*):

“(1) That, *subject to the amendments below*, the Council Size Submission, attached at Appendix 1 to the report submitted to the Council, and its stated preference for maintaining a Council size of 48 Councillors, be approved and presented to the Local Government Boundary Commission for England:

- (a) On page 17 of the revised draft Submission (page 30 of the Council agenda), after “*There are no plans to introduce area planning committees.*”, add the following paragraph:

“All councillors are involved in the planning process dealing with enquiries from residents regarding planning applications. Planning Committee members will have a significantly greater involvement as they deal with those applications referred to the committee for determination, most of which are locally sensitive or controversial. Meetings of the Planning Committee often take three hours or more to complete and committee members can expect to need several hours to read and understand the plans, respond to residents’ representations, and visit particular sites. Planning applications in respect of strategic sites identified in the Local Plan, will carry even greater sensitivity and will require a significant time commitment from councillors on the Committee, in addition to the normal business.”

- (b) On page 28 of the revised draft Submission (page 41 of the Council agenda), under “Alternatives”

- (i) amend the first paragraph as follows:

*“In considering the appropriate Council size, we have looked at the implications of reducing the number of councillors to ~~44 fewer than 48~~ but feel that this would not provide sufficient Councillor capacity to undertake the range of roles set out in this proposal or offer sufficient community leadership. It is also recognised that the Borough will continue to see significant population growth *in view of the anticipated housing development, for example at the various strategic sites identified in the Local Plan.* ~~and~~ We therefore *believe that* a reduction in number of councillors would result in an increase in electorate represented by each councillor and an increase in councillor workload in terms of casework and community leadership.”*

- (ii) substitute the following in place of the second paragraph:

*“We have also looked at a comparable increase in councillor numbers (an increase of three councillors was awarded to Guildford in 1998 and the borough’s population has increased by 25% since then). An increase of, say, four to 52 councillors would still mean each councillor represents 2279 each by 2026 (128 electors per councillor more than present 2151) and more thereafter. *However, the financial implications of a general increase in councillor numbers would be hard to justify in the current difficult financial climate.* As stated above, once the warding review has been undertaken and the need for possible adjustments in councillor numbers taken into account to achieve appropriate revised ward boundaries, we reiterate that this should be by an adjustment by way of an increase in councillor numbers rather than a reduction, for the reasons articulated in this Submission.”*

- (c) On page 29 of the revised draft Submission (page 42 of the Council agenda), add the following paragraph to the “Conclusion” immediately before “*The Council also wishes to continue with all-out elections every four years*”:

“On the basis of the Commission’s expectation (as stated in their guidance) that the Council makes a submission for a council size that we believe is right for our authority and which enables the Council to “represent communities in the future and ensure that governance arrangements reflect our long term ambitions”, and takes into account future trends, we believe that the Council size should be at least 48”.

The Council agreed to accept the alteration to the original motion, as indicated above. The motion, as altered, therefore became the substantive motion for debate.

Following the debate on the substantive motion, the Council

RESOLVED:

- (1) That, subject to the amendments below, the Council Size Submission, attached at Appendix 1 to the report submitted to the Council, and its stated preference for maintaining a Council size of 48 Councillors, be approved and presented to the Local Government Boundary Commission for England:

- (a) On page 17 of the revised draft Submission (page 30 of the Council agenda), after “*There are no plans to introduce area planning committees.*”, add the following paragraph:

“All councillors are involved in the planning process dealing with enquiries from residents regarding planning applications. Planning Committee members will have a significantly greater involvement as they deal with those applications referred to the committee for determination, most of which are locally sensitive or controversial. Meetings of the Planning Committee often take three hours or more to complete and committee members can expect to need several hours to read and understand the plans, respond to residents’ representations, and visit particular sites. Planning applications in respect of strategic sites identified in the Local Plan, will carry even greater sensitivity and will require a significant time commitment from councillors on the Committee, in addition to the normal business.”

- (b) On page 28 of the revised draft Submission (page 41 of the Council agenda), under “Alternatives”

- (j) amend the first paragraph as follows:

*“In considering the appropriate Council size, we have looked at the implications of reducing the number of councillors to ~~44 fewer than 48~~ but feel that this would not provide sufficient Councillor capacity to undertake the range of roles set out in this proposal or offer sufficient community leadership. It is also recognised that the Borough will continue to see significant population growth **in view of the anticipated housing development, for example at the various strategic sites identified in the Local Plan.** ~~and~~ We therefore **believe that** a reduction in number of councillors would result in an increase in electorate represented by each councillor and an increase in councillor workload in terms of casework and community leadership.”*

- (ii) substitute the following in place of the second paragraph:

“We have also looked at a comparable increase in councillor numbers (an increase of three councillors was awarded to Guildford in 1998 and the borough’s population has increased by 25% since then). An increase of, say, four to 52 councillors would still

mean each councillor represents 2279 each by 2026 (128 electors per councillor more than present 2151) and more thereafter. However, the financial implications of a general increase in councillor numbers would be hard to justify in the current difficult financial climate. As stated above, once the warding review has been undertaken and the need for possible adjustments in councillor numbers taken into account to achieve appropriate revised ward boundaries, we reiterate that this should be by an adjustment by way of an increase in councillor numbers rather than a reduction, for the reasons articulated in this Submission.”

- (c) On page 29 of the revised draft Submission (page 42 of the Council agenda), add the following paragraph to the “Conclusion” immediately before “*The Council also wishes to continue with all-out elections every four years*”:

“On the basis of the Commission’s expectation (as stated in their guidance) that the Council makes a submission for a council size that we believe is right for our authority and which enables the Council to “represent communities in the future and ensure that governance arrangements reflect our long term ambitions”, and takes into account future trends, we believe that the Council size should be at least 48”.

- (2) That the Democratic Services and Elections Manager, in consultation with the Chairman of the Corporate Governance Task Group, be authorised to make such minor alterations to improve the clarity of the revised draft Submission document as the Council may determine.

Under the Remote Meetings Protocol, a roll call was taken to record the vote on the substantive motion, the results of which were 30 councillors voting in favour, 5 against, and 2 abstentions, as follows:

<u>For</u>	<u>Against</u>	<u>Abstentions</u>
Cllr Jon Askew	Cllr Joss Bigmore	Cllr Steven Lee
Cllr Tim Anderson	Cllr Jan Harwood	Cllr Marsha Moseley
Cllr David Bilbé	Cllr Tom Hunt	
Cllr Chris Blow	Cllr John Redpath	
Cllr Dennis Booth	Cllr James Steel	
Cllr Ruth Brothwell		
Cllr Colin Cross		
Cllr Angela Goodwin		
Cllr David Goodwin		
Cllr Angela Gunning		
Cllr Gillian Harwood		
Cllr Liz Hogger		
Cllr Gordon Jackson		
Cllr Diana Jones		
Cllr Nigel Manning		
Cllr Ann McShee		
Cllr Bob McShee		
Cllr Masuk Miah		
Cllr Ramsey Nagaty		
Cllr Susan Parker		
Cllr George Potter		
Cllr Jo Randall		
Cllr Maddy Redpath		
Cllr Tony Rooth		
Cllr Will Salmon		
Cllr Deborah Seabrook		
Cllr Pauline Searle		
Cllr Paul Spooner		
Cllr James Walsh		

Agenda item number: 3

For

Cllr Fiona White

Against

Abstentions

CO63 REVIEW OF ALLOCATION OF SEATS ON COMMITTEES: 2020-21

The Council received the report of the proper officer (Democratic Services and Elections Manager) on the review of the allocation of seats on committees, following receipt on 11 December 2020 of notice in writing from Councillors David Bilbé, Richard Billington, Graham Eyre, and Paul Spooner that they wished to be treated as members of the Conservative group and, subsequently, written notice from the leader of the Conservative group, Councillor Nigel Manning, that he would be happy to treat those four councillors as members of that group.

These notices also had the effect of simultaneously ceasing the membership of Councillors Bilbé, Billington, Eyre, and Spooner of the Conservative Independent Group on the Council.

The political balance on the Council was now:

Guildford Liberal Democrats: 17
Residents for Guildford and Villages: 16
Conservative Group: 8
Guildford Greenbelt Group: 3
Labour: 2
Independent: 1
Vacancy: 1

Under Council Procedure Rule 23, whenever there was a change in the political constitution of the Council, the Council must, as soon as reasonably practicable, review the allocation of seats on committees to political groups.

The report included a suggested numerical allocation of seats on committees to political groups that would best meet, as far as reasonably practicable, the requirements for political balance for the remainder of the 2020-21 Municipal Year.

Upon the motion of the Leader of the Council, Councillor Joss Bigmore, seconded by Councillor Nigel Manning, the Council

RESOLVED: That, in the light of the change in the political constitution of the Council described in the report submitted to the Council, the proposed revision to the calculation of the numerical allocation of seats on committees to political groups and the independent councillor for the remainder of the 2020-21 Municipal Year, as set out in the table below, be approved:

Committee	Lib Dem	R4GV	Con	GGG	Lab	Ind
Total no. of seats on the Council (1 vacancy)	17	16	8	3	2	1
% of no. of seats on the Council	36.17%	34.04%	17.02%	6.38%	4.26%	2.13%
Corp Gov & Standards Cttee (7 seats)	2	2	1	1	1	0
Employment Cttee (3 seats)	1	1	1	0	0	0
Service Delivery EAB (12 seats)	4	5	2	1	0	0
Strategy and Resources EAB (12 seats)	4	4	1	1	1	1
Guildford Joint Cttee (10 seats)	4	3	2	1	0	0
Licensing Cttee (15 seats)	6	5	2	1	0	1
Overview & Scrutiny Cttee (12 seats)	4	4	2	1	1	0
Planning Cttee (15 seats)	5	5	3	1	1	0
Total no. of seats on committees (Total: 86)	30	29	14	7	4	2

CO64 COMMON SEAL

The Council

RESOLVED: That the Common Seal of the Council be affixed to any documents to give effect to any decisions taken by the Council at this meeting.

The meeting finished at 7.53 pm

Signed
Mayor

Date

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Council Report

Ward(s) affected: All

Report of Director of Strategic Services

Author: Paul Taylor-Armstrong and Marieke van der Reijden

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Email: paul.taylor-armstrong@guildford.gov.uk /
Marieke.van.der.Reijden@guildford.gov.uk

Lead Councillor responsible: Jan Harwood

Tel: 07507 505363

Email: jan.harwood@guildford.gov.uk

Date: 10 February 2021

Council Motion on Climate Change: Progress Report

Executive Summary

On 6 October 2020, the Council considered its response to a petition requesting the Council to:

“implement a binding citizens’ assembly to formulate a plan for the council to tackle the climate emergency”.

At that meeting, the Council adopted a motion in response which declared that, given the scope and scale of the challenges the Council faces to meet its earlier climate emergency declaration set out in 2019, it should explore relevant collaborative opportunities with other local councils. It also redoubled its commitment to taking urgent action to decarbonise its assets and operations.

The Council recognised that uncertainty over the borough’s recovery from the impact of the coronavirus pandemic and discussions on possible unitary local government structures in Surrey arising from the Government’s Devolution White Paper could bring about significant change to roles and responsibilities for areas and services contributing to carbon emissions.

Consequently, the Council considered that holding a citizens’ assembly to formulate a plan to tackle the climate emergency alone was not appropriate or practicable at this time. Instead, the Council recommended the Climate Change Board should focus on work already underway to explore possible joint working arrangements to address the climate emergency, this Council being strongly placed to lead action on climate change locally and contribute meaningfully across the county.

The Climate Change Board was asked to report on possible formal joint working arrangements on climate change, seeking formal agreement that climate change policies be the leading priority for any new unitary council(s) in Surrey and further consideration of using a citizens’ assembly as a means of engaging with the community and harnessing the power of local interest in the formulation of such policies (paras 3.2 to 3.6).

The motion also required the Council to commit to taking urgent action in the short term to minimise climate change and for the Climate Change Board to report to full Council within three months on actions taken including progress on the development of policies, such policies to include:

- measures to reduce the carbon footprint of the borough council's own activities and assets (para 3.7 to 3.17)
- measures to reduce the carbon footprint of buildings within the borough, so that the carbon footprint impact is assessed on all planning applications and given substantial weight in determining those applications (paras 3.18 and 3.19); and
- new building policies, using the Council's planning and policy role including detailed planning requirements to minimise embedded carbon and impose the highest possible standards on all new building within the borough (paras 3.20 and 3.21).

Recommendation to Council

That the Council endorses the measures taken in response to the motion adopted by the Council on 6 October 2020 outlined in this progress report, while suggesting any amendments and/or additions.

Is the report (or part of it) exempt from publication? No

1. Purpose of Report

- 1.1 To request the Council to endorse measures taken following the adoption of the motion in response to a petition on 6 October 2020, in particular to explore and report on possible formal joint working arrangements and agreement on implementing robust and sustainable policies and citizen assemblies across borough and district councils within Surrey to address the Council's climate change emergency at county level; and to provide a progress report on urgent actions taken in the short term by this Council to minimise climate change.

2. Strategic Priorities

- 2.1 As a result of the Climate Emergency Declaration on 23 July 2019, responding to the climate crisis has become a strategic priority, building on our previous commitments and strategic aims regarding the protection of our environment. The Climate Emergency Declaration commits the Council to working towards making the its activities net-zero carbon by 2030.

3. Background

- 3.1 On 6 October 2020, the Council considered its response to a petition requesting it to *"implement a binding citizens' assembly to formulate a plan for the council to tackle the climate emergency"*. At that meeting, the Council adopted the following motion in response:

- (1) That the Managing Director be instructed to open discussions with all Surrey councils:
 - (a) to explore possible formal joint working arrangements on climate change;
 - (b) to seek formal agreement that the implementation of robust and sustainable policies on climate change should be the leading priority for any new unitary council(s) in Surrey with a recommendation that they explore the benefits of using a citizens' assembly as a means of engaging with the community and harnessing the power of local activism in the formulation of such policies; and
 - (c) to report the outcome of these discussions to the full Council.
- (2) That, in addition, the Council itself commits that it will take urgent action in the short term to minimise climate change, such action shall include the development of policies by the Climate Change Board, who will present a progress report to full Council within three months, such policies will include:
 - (i) measures to reduce the carbon footprint of:
 - (a) the borough's own activities (moving to a net zero-carbon position);
 - (b) the borough's assets;
 - (c) buildings within the borough, so that the carbon footprint impact is assessed on all planning applications and given substantial weight in determining those applications; and
 - (ii) new building policies, using the Council's planning and policy role including detailed planning requirements to minimise embedded carbon and impose the highest possible standards on all new building within the borough.

Our discussions with Surrey councils so far

Steps taken in the exploration of possible formal joint working arrangements on climate change with Surrey Councils

- 3.2 The Council will be aware that Surrey County Council (SCC) had signalled their intent to submit a Case for Change to Central Government, presenting their preferred option for Local Government Reorganisation as a single Surrey unitary authority. The Government's Devolution White Paper has been delayed and as a result, the SCC approach has not been progressed at this time. It is expected, however, that further discussion on this issue will resurface later this year. This means that any arrangement relating to policies and a unitary arrangement have been delayed.

In the meantime, the Surrey District and Borough Councils have been looking at opportunities for improved collaboration. The eleven District and Boroughs

- commissioned KPMG to work with us to look at this further. This work is on-going. This Council is also looking at joint working/partnership opportunities with local councils in our part of Surrey. All this work is ongoing and any opportunities for joint working within the climate change agenda will be explored.
- 3.3 Members of the senior leadership team at the Council have also held discussions with the Director of Environment at SCC. Through these high-level discussions, the Council and SCC are in the process of agreeing shared objectives on climate change and a number of related mutual-interest activities in which they are key partners, these include climate change communications to residents and businesses, transport and air pollution, and energy infrastructure. This agreed strategic direction has established an active workstream under the name 'Greener Futures Partnership'.
- 3.4 The delivery of initiatives under the Greener Futures Partnership, which is proposed to be led by a leadership group, will meet twice or quarterly (unknown at this stage) and inform regular cross-sector 'summits'. The existing Climate Change Officer Network, comprising officers from all Surrey councils, will report into the Partnership.
- 3.5 The Climate Change Officer Network, which includes officers from Guildford, will identify and progress joint delivery opportunities, as well as provide an officer forum for information sharing. This group has already convened and is seeking to initiate a number of projects.
- 3.6 The Surrey Environmental Partnership, also covering all Surrey councils, is revising its remit to focus specifically on resources and so become the Surrey Resource Partnership. It will be separate to the Greener Futures Partnership but support the relevant groups as necessary. The resources work overseen by the Surrey Environment Partnership will continue to be chaired by the Council's Head of Operational and Technical Services.

Our actions taken in the short term to minimise climate change

Measures to reduce the carbon footprint of (a) the Council's own activities and (b) its assets

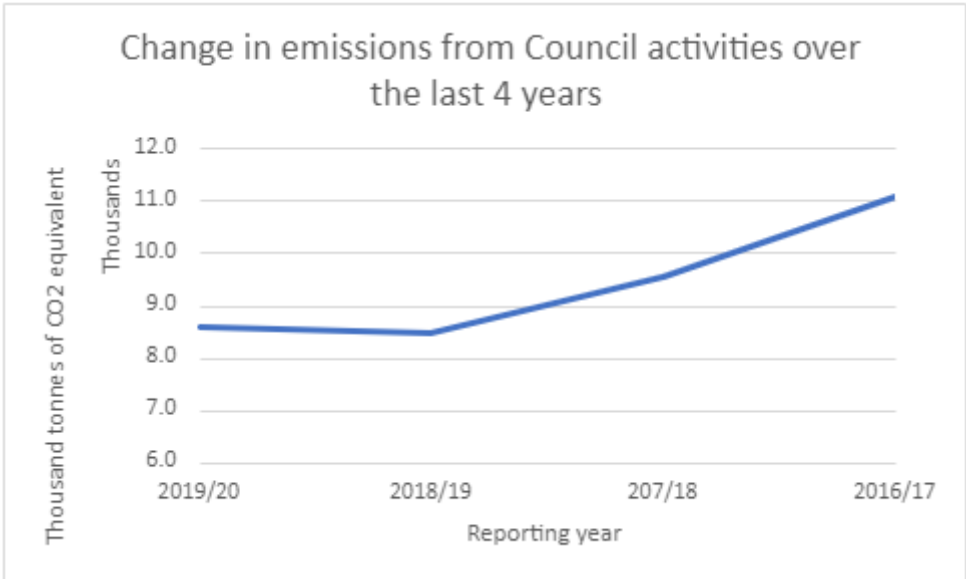
- 3.7 In July 2020, the Executive approved an Energy and Carbon Reduction High-Level Action Plan (Appendix 1) to address carbon reductions for Council assets and operations as well as across the borough as a whole. Steps to achieve this were sub-divided into three development sections, namely:
- Section 1: Carbon footprint and emissions reduction trajectory
Section 2: Development of an Energy Delivery Framework (EDF)
Section 3: Project Delivery
- 3.8 A summary of the major actions progressed in the last three months, plus next steps, insofar as they relate to the Council's own activities and its assets include:

Section 1: Carbon Footprint and emissions reduction trajectory

3.9 Compilation of Greenhouse Gas emissions reports to assess 5-year trend to 2019-20 (Appendix 1 Item 1.1)

- In September 2020, the Association for Public Service Excellence (APSE) Energy was appointed to analyse the Council’s carbon footprint and identify a base level year against which to track progress in reducing carbon emissions.
- APSE Energy will do this by calculating the greenhouse gas (GHG) emissions of the Council’s own operations based on the format of the data that was provided in the Council’s GHG Emissions Report 2015-16 using a methodology based on the international standard laid out in the GHG Protocol and in accordance with UK Government GHG Conversion Factors. This will allow a consistent approach to comparing emissions and using recognised techniques for future reporting.
- APSE Energy are due to complete their report in February 2021 calculating for the 4-year period from 2016-17 to 2019-20, the quantity of carbon emissions overall as a result of Council activity, along a breakdown of areas responsible for these emissions. Due to the timing of this report, we are only able to report on the initial findings at this stage.
- Initial draft findings show a downward trend in the volume of emissions resulting from Council activities. With net emissions falling nearly 22%, from 10,998 tCO₂e¹ in 2016-17 to 8,568 tCO₂e in 2019-20, see Figure 1 below.

Figure 1: Guildford Borough Council activity emissions 2019/20 compared back to 2016/17 - (tCO₂e)



¹ tCO₂e means the amount of greenhouse gasses emitted during a given period, measured in metric tons of carbon dioxide equivalent,

- In the most recent year, 2019-20, the Council's gross emissions were 8,613 tCO₂e and net emissions were 8,568 tCO₂e. This is a 45% reduction against the baseline year of 2008-09 but an increase of 2% from 2018-19. This increase from 2018-19 to 2019-20 is attributable to:
 - A 7% increase in gas consumption and a decrease in renewable generation by the Council,
 - The increase in gas consumption is likely caused by 2019-20 being a colder year, leading to an increase in gas used for heating. The reduction in renewable electricity generation is largely due to the Millmead Hydro system experiencing outages in this period.
 - Furthermore, electricity consumption was 10% higher in 2019-20 than the previous year, the reasons for this are not evident. Despite this increase the associated emissions fell by 0.5% due to a decrease in the carbon intensity of grid-based electricity.
- Further explanation of the change in emissions is forthcoming in the as-yet-unpublished APSE emissions report referred to in para 3.9.

3.10 Identification of gaps in emissions data and suggested data collection methodology (Appendix 1 Item 1.2)

- In order to monitor our decarbonisation progress, it is also essential that we have an effective emissions monitoring and reporting methodology.
- It is therefore critical to ensure emissions data collected is accurate. The findings of the report mentioned in para 3.9 will highlight any gaps in emissions data along with any assumptions made in the methodology.
- Data gaps also comprise the emissions that the Council does not yet include in its reporting data but may wish to in the future. The Climate Change Board will be recommending which emissions the Council should include and take responsibility for. These can then be used to set boundaries to ensure the Council is reporting consistently each year. This will include direct emissions (produced by the Council) and indirect emissions (produced by third parties facilitating the Council's activities, including staff).

3.11 Setting an emissions reduction trajectory towards 2030 (Appendix 1 Item 1.3)

- The emissions report referred to above is the first of a two part of the trajectory report. APSE Energy is now engaged to produce a Carbon Reduction Trajectory to the net zero target year, 2030. This will identify those actions the Council can take to reduce its carbon emissions by focusing on individual assets and will quantify the potential for reduction of carbon emissions over the Council's timeframe, with a view to converging on a net-zero figure as early as possible.

- APSE Energy will use the data from the carbon emissions study above to create a trajectory which shows interventions that could be incorporated to reduce energy usage, generate small/large-scale power, the transition to electric vehicles and identify the unavoidable emissions that may require offsetting.
- APSE Energy is scheduled to provide a draft of this report in the first week of February 2021. This report relies on undertaking an assessment of the Council's assets to provide the basis of a recommendation of what interventions could be incorporated, the forecast capital cost, and the forecast year on year cost and carbon savings up to 2030. The Climate Change Board will be presented with this report to make a recommendation.
- The Climate Change Board would like to emphasise that the term 'net-zero' acknowledges that the Council cannot reach 'absolute zero' in terms of carbon reductions, given that even the most environmentally friendly technologies still result in some carbon emissions. Therefore, after all reasonable carbon reduction possibilities have been exhausted, the term 'net-zero' allows for remaining hard-to-treat emissions to be offset in some way.

Section 2: Developing an Energy Delivery Framework (EDF)

- 3.12 Building on the trajectory work above, an Energy Delivery Framework will determine the criteria and policies that will be used in order to deliver the identified carbon reductions. Therefore, progress on the EDF is pending the work currently underway on establishing emissions trajectory (Appendix 1 item 1.3).
- 3.13 Determine overall approach to developing and delivering projects (Appendix 1 Item 2.4)
- In order to deliver against the net zero target there will be a need for the Council to utilise its resources effectively and ensure that the net zero objective is shared across the Council. Officers are liaising with the Corporate Governance team on the best way for ensuring programme governance arrangements are adopted.
- 3.14 Technology feasibility studies, business case and funding (Appendix 1 Item 2.5)
- The Public Sector Decarbonisation Scheme (PSDS) was announced at the start of October 2020 and provides an opportunity for local authorities and other public service providers to access funds to complete improvement works. The main focus is on heat decarbonisation and other improvements can be fully or part funded. Other interventions can be funded such as insulation, lighting, or new windows.
 - The Public Sector Low Carbon Skills Fund (PSLCSF) enables local authorities to bid for funding to pay for external support to gather information and put together business cases which will be needed to apply for grants under the PSDS. This funding can also be used for work to draw up a decarbonisation plan for the Council's estate. The Council

has submitted a bid for funding for consultants and can be followed up with a further application to obtain grant funding for the capital required to deliver energy efficiency projects.

- APSE Energy have provided the Council with the skills required to make an application for these funds. Detailed calculations are required to determine the capital cost, energy savings and carbon savings for applications to be approved. The outcome of the application has not yet been communicated.

Stage 3: Project Delivery

3.15 Building energy projects (Appendix 1 Item 3.1)

- A significant number of projects continue to be progressed under each of the areas identified in the Energy and Carbon Reduction High-Level Action Plan. Most recently, the project to install solar PV panels at Farnham Road multi-storey car park and at Millmead commenced. Being run by a project team from Portsmouth City Council, these installations are scheduled to be completed by mid-April 2021.

3.16 Electric vehicles and green travel incentives (Appendix 1 Item 3.2)

- Electric Minibuses
 - The Council has purchased ten electric minibuses for the Dial-a-ride service. Five of the electric Minibuses are due to enter service at the end of February, closely followed by a further five vehicles at the end of April/beginning of May (dependent on COVID-19 restrictions). The charging infrastructure at Park Barn has been completed and tested ready for the arrival of these vehicles.
- Electric Vehicles
 - The Council has adopted a vehicle replacement programme which aims to deliver a fully electric Light Commercial Vehicle (LCV) fleet by 2030.
 - The Council fleet currently includes 11 fully electric vehicles, 10 of which are LCVs and one is a small parks tractor.
 - This represents 10.42% of our LCV fleet or 6.1% of our road registered vehicle fleet (excluding Plant/tractors/trailers). These vehicles are used by various departments in various roles.
 - The procured electric minibuses will complement these figures and our total percentage of electric LCV's will rise to 20.84% once they are in service.
 - As part of the Council's commitment to move to greener travel, lease car drivers may only apply for Hybrid or Full EV vehicles. Full petrol or diesel vehicles will no longer be accepted.
 - The Council is actively monitoring the improvements in hydrogen and electric power for heavy vehicles, such as refuse trucks, with a view to moving away from diesel as soon as operationally and financially practicable.

3.17 Workshops and carbon literacy training (Appendix 1 Item 3.3)

- Officers facilitated a joint officer and councillor carbon literacy training workshop in October 2020. This was hosted by APSE Energy and led to accreditation status awarded to participants comprising councillor and officer members of the Climate Change Board.

Measures to reduce the carbon footprint of (c) buildings within the borough via planning application process

3.18 In 2019 the Council adopted part 1 of the Local Plan: Strategy and Sites. This plan included 'Policy D2: Climate Change, Sustainable Design, Construction and Energy'. The Council recently adopted a Supplementary Planning Document (SPD) with the same name that provides detailed guidance for the policy. Together, these provide a robust starting point to assess applications for new development.

3.19 The policy and guidance require (among other things) new buildings to achieve a carbon emission rate that is at least 20% lower than the maximum rate allowed under the national Building Regulations. Compliance with policy D2 is judged through the planning application process. Therefore, the planning application process already includes measures to reduce the carbon footprint of new buildings.

New building policies to minimise embedded carbon and impose the highest possible standards on all new building within the borough

3.20 The Council is currently producing part 2 of the Local Plan which will set out detailed Development Management Policies. It recently consulted on the Local Plan: Development Management Policies Issues and Options document which sets the preferred options for the Local Plan part 2, including policies covering low carbon and low impact development. In line with the Council's declaration, these policies will seek to provide the highest possible standards consistent with meeting legislative requirements. Councillors will be aware that the plan can only be adopted, and therefore the policies in it carry full weight, if it is found 'sound' through an examination process by a government inspector. This process is expected to be completed by September 2022.

3.21 One of the preferred options includes measures that explicitly seek to reduce the embodied (embedded) carbon present in materials used for construction. The SPD already sets out guidance that steers development towards choosing materials with low embodied carbon.

4. Consultations

4.1 The Lead Councillor for Climate Change as well as the Director of Strategic Services have been consulted on this report and its appendix.

5. Key Risks

5.1 As a progress report there are no associated risks.

6. Financial Implications

6.1 As a progress report, no financial implications apply.

7. Legal Implications

7.1 The Council will need to ensure that any new policies are in line with legislation as well as local and national planning policy.

8. Human Resource Implications

8.1 Officers with responsibilities that are relevant to the delivery of the action plan will be sourced from existing teams.

9. Equality and Diversity Implications

9.1 This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report.

10. Climate Change/Sustainability Implications

10.1 These are covered within the main body of the report.

11. Conclusion

11.1 This report responds to the request in the Climate Change Motion (6 October 2020) for an update on policies and measures introduced to reduce the carbon footprint of the Council's assets and operations, and supporting decarbonisation across the Borough in accordance with the 2019 Climate Change Emergency declaration, as set out above.

12. Background Papers

None

13. Appendices

Appendix 1: Energy and Carbon Reduction High Level Action Plan (July 2020)

Energy & Carbon Reduction - High Level Action Plan

Development Stage	Council Assets & Operations: <i>Developing a rolling programme of energy projects & carbon reduction initiatives</i>	Timescale for completion	Borough-wide Initiatives: <i>Playing our part in developing low carbon infrastructure & working in partnership</i>	Timescale for completion
1. Carbon Footprint & Emissions Trajectory	1.1 Compilation of Greenhouse Gas emissions reports to assess 5-year trend to 2019/20.	Sept 2020	1.4 Determine the carbon footprint of Guildford Borough.	Autumn 2020
	1.2 Identification of gaps in emissions data and suggested data collection methodology.	Aug 2020	1.5 Define emissions trajectory scenarios against national target.	2020
	1.3 Setting an emissions reduction trajectory towards 2030 (see also 2.5).	Sept 2020	1.6 Setting an emissions trajectory towards 2030 and beyond (see also 2.12)	2022
2. Developing an Energy Delivery Framework (EDF)	2.1 Set up Climate Change Fund.	Completed 2019/20	2.7 Map potential for standalone renewable energy with specific site recommendations.	Sept 2020
	2.2 Expansion of Salix Invest to Save Fund.	Completed 2019/20	2.8 Analyse potential for low carbon energy on sites allocated for development incl. heat networks.	Jan 2021
	2.3 Desktop surveys of our existing assets to identify key carbon reduction opportunities.	Sept 2020	2.9 Analyse potential for low carbon energy on existing developments and building clusters.	2021
	2.4 Determine overall approach to developing and delivering projects.	Dec 2020	2.10 Mapping of EV on-street charging potential vs grid constraints.	2021
	2.5 Technology feasibility studies, business case & funding. Revisit emissions trajectory (see 1.3).	2021	2.11 Stakeholder engagement processes and potential project partners.	2021/22
	2.6 10-year programme for retrofitting GBC estate and procurement arrangements.	2021	2.12 Determine viable local energy schemes and potential impact on emissions trajectory.	2022
3. Project Delivery	3.1 Building energy projects (Council assets).	Ongoing	3.4 Building energy projects (all types).	Ongoing
	3.2 Electric vehicles & green travel incentives.	Ongoing	3.5 Planning & low carbon infrastructure schemes.	Ongoing
	3.3 Workshops & carbon literacy training.	March 2021	3.6 Partnerships & low carbon incentive schemes.	Ongoing

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Council Report

Ward(s) affected: n/a

Report of Managing Director (Head of Paid Service)

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Date: 10 February 2021

Pay Policy Statement 2021-22

Recommendation to Council

That the Pay Policy Statement for the 2021-22 financial year, attached at Appendix 1 to this report, be approved.

Reasons for Recommendation:

To comply with the Localism Act 2011 (Section 39)

1. Purpose of Report

- 1.1 Under Section 39 of the Localism Act 2011, the Council is required to consider and approve a pay policy statement for the financial year ahead. This report seeks approval for a statement covering 2021-22, which is set out in **Appendix 1**.

2. Strategic Priorities

- 2.1 By setting out clearly how the Council is spending public money, the statement supports the Council's mission and values to be efficiently run and to deliver value for money while also demonstrating that we have effective governance in place to manage pay and remuneration for all our staff.

3. Background

- 3.1 The Localism Act 2011 (the Act) includes a clear expression of the Government's desire that taxpayers can access information about how public money is spent on their behalf. It translates this into a requirement for improved transparency over both senior council officers' pay and that of the lowest paid employees. To support this, the Act requires us to publish an annual pay policy statement and Council approved the first of these annual statements on 9 February 2012.

3.2 The Act sets out specific information that we must include in our pay policy statement, these are:

- the remuneration policy for our Chief Officers (these include the Managing Director, Directors and our second tier officers who are directly accountable to our first tier officers for the management and provision of individual elements of the Council's services). The Act defines remuneration widely to include not just pay but also other allowances, payments or benefits in kind
- the remuneration policy and definition of our lowest paid employees
- the relationship between the remuneration of Chief Officers and other officers
- other policies relating to specific aspects and elements of Chief Officer remuneration such as pay increases, use of performance-related pay and bonuses, remuneration on recruitment, termination payments and other pay terms for the financial year and transparency.

The Act also defines the process for a pay policy statement that:

- must be approved formally by Council
- must be approved by the end of March every year for the following financial year
- must be published on the Council's website as soon as it is approved
- must be complied with for all decisions on pay and reward for Chief Officers
- makes provision for Council to make in year amendments to the statement at any time and this function cannot be delegated.

3.3 The Managing Director has delegated authority, in consultation with the Leader of the Council, to agree any pay award for staff below Corporate Management Team so long as it is within the budget approved by Council.

4 Updates made to the current Pay Policy Statement

4.1 The Pay Policy Statement reflects the current Senior Management structure during the Future Guildford transformation programme, which consists of three Directors reporting to the Managing Director and Service Leaders reporting to either the Managing Director, Directors or Heads of Service.

4.2 We will continue to pay at the Real Living Wage, as referred to in Section 6.2, for outside London, currently £9.50 per hour, at the bottom of our pay scale. This will aid recruitment difficulties in attracting and retaining key staff.

4.3 Under section 11. Remuneration policies common to all employees, the provision of a subsidised catering facility has been removed from the table at 11.2 Element of remuneration. This facility is no longer offered as remote staff working arrangements have reduced the need for the facility and vending machine options will replace this.

5 Equality and Diversity Implications

5.1 The Council's duty under section 149 of the Equality Act 2010 is to have due regard to the matters set out in relation to equalities when considering and

making decisions. The Pay Policy Statement is designed to bring fairness and equality to the application of pay and remuneration within the Council. There are no direct equality impacts associated with agreeing the Pay Policy Statement itself.

6. Financial Implications

- 6.1 All of the financial elements of the Pay Policy Statement are included in the 2021-22 draft budget to be considered and approved by Council separately at its meeting on 10 February 2021.

7. Legal Implications

- 7.1 The Pay Policy Statement is a requirement of section 38 (1) of the Localism Act 2011 that sets a statutory duty on Local Authorities annually to publish a statement approved by Council by the end of the financial year and relating to the new financial year. Failure to comply could lead to a legal challenge to the Council and therefore it is important that the statement reflects the Act and all the associated statutory guidance.
- 7.2 During 2021-22, we will continue to monitor and review all aspects of the Pay Policy Statement in the light of relevant legislation, statutory guidance, best practice and the changing landscape of pay policy in local government and the wider public sector. This will ensure that future statements continue to meet the changing business needs and future challenges facing the Council.

8. Human Resource Implications

- 8.1 The Pay Policy Statement clearly relates to human resource management issues. We have fully considered and planned for these during 2021-22. The application of this statement and its requirements will be applied to staff consistent to the Council's HR policies and procedures and the relevant legislation applicable at the time. There are therefore no additional human resource implications to publishing the Pay Policy Statement itself.

9. Conclusion

- 9.1 The Pay Policy Statement is required to comply with legislation and also supports our long-standing approach of openness and transparency about pay.
- 9.2 The Council is fulfilling its obligation by adopting and publishing the Pay Policy Statement 2021-22.

10. Background Papers

Communities and Local Government Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5956/2091042.pdf

Agenda item number: 9

*Communities and Local Government Openness and Accountability in Local Pay:
Guidance under Section 40 of the Localism Act Supplementary Guidance*
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/85886/Final_Supplementary_Pay_Accountability_Guidance_20_Feb.pdf

11. Appendices

Appendix 1: Pay Policy Statement 2021-22



PAY POLICY STATEMENT FINANCIAL YEAR 2021-2022

1. Introduction

- 1.1 In determining pay and remuneration, the Council recognises the need to exercise the greatest care in managing scarce public resources while securing and retaining high quality employees. We believe that the principle of fair pay is important to the provision of well-managed services and are committed to ensuring fairness and equity in our remuneration practices.
- 1.2 The level of remuneration is a very important factor in both recruitment and retention. We therefore need to balance affordability and value for money with creating a remuneration framework that ensures we can recruit, retain, motivate and develop employees who have the skills and capabilities necessary to ensure the continued provision of high quality services.
- 1.3 We aim to design our pay policies, processes and procedures to ensure that pay levels are appropriately aligned with, and properly reflect, the relative demands and responsibilities of posts, together with the knowledge, skills and capabilities necessary to ensure that the post's duties are undertaken to the required standard.

2. Purpose

- 2.1 The aim behind this Pay Policy Statement is to ensure that our approach to pay is transparent, to enable local taxpayers to take an informed view of whether local decisions on all aspects of remuneration are fair and to make the best use of public funds.
- 2.2 This policy statement is in accordance with sections 38 to 43 of the Localism Act 2011 (the Act), that requires local authorities to publish an annual pay policy statement for the forthcoming financial year including:
 - the remuneration of our most senior employees (which the Act defines as the Head of Paid Service, the Monitoring Officer, Chief Officers, and Deputy Chief Officers, i.e. managers who report directly to a Chief Officer)
 - the remuneration of our lowest-paid employees and the relationship between the remuneration of our senior employees and that of other employees.

3. Legislation

3.1 The Secretary of State has produced guidance on the Act's provisions relating to openness and accountability in local pay, to which we must have regard. This statement takes full account of this guidance as well as the provisions of the Act. This includes ensuring that there is an appropriate relationship between the pay levels of our senior managers and of all other employees.

3.2 It also takes account of:

- the Local Government Transparency Code 2015 issued by the Department for Communities and Local Government in February 2015
- Openness and Accountability in Local Pay: Guidance under S40 of Localism Act 2011 issued in February 2012
- Openness and Accountability in Local Pay: Guidance under S40 of Localism Act 2011 Supplementary Guidance issued in February 2013
- guidance issued by the Joint National Council (JNC) for Local Authority Chief Executives on pay policy statements, published in November 2011 and supplementary notes published in January and March 2012
- The Restriction of Public Sector Exit Payment Regulations 2020
- Employment and equalities legislation affecting local authority employers, where relevant.

This statement also refers to information we are already required to publish under other legislation for example the information on the level of remuneration paid to senior managers, as required by The Accounts and Audit Regulations 2015.

4. Overall approach to pay

4.1 In relation to other organisations in all sectors across the UK, we are a large, complex organisation providing a very diverse range of services. Many of these services are vital to the wellbeing of individuals and groups of residents in our local community. These can be delivered in very challenging circumstances, which means the Council must take account of the levels of need and ensure the availability of resources to meet them.

4.2 We compete with other local employers to recruit and retain managers capable of meeting the challenges of delivering our services to the required standards. This has an important bearing on the levels of remuneration we offer. At the same time, as outlined in section 1.2 we are obligated to secure the best value for money for our residents and taxpayers in taking decisions on our pay levels. We believe that we achieve a fair balance between these competing pressures.

4.3 Our overall approach to remuneration for all employees, including senior management is based on:

- compliance with equal pay, discrimination and other relevant employment legislation such as the Equality Act 2010, plus
- ensuring that our overall remuneration packages align with market norms for local government and public sectors while at the same time taking account of:

1. pay levels in the local area, including neighbouring public sector employers

2. the relative cost of living in the local area, particularly housing costs
 3. the fact that responsibilities and accountabilities of particular posts may be very demanding
 4. individual performance.
- 4.4 In the application of our pay framework, the council takes into account market rates, individual performance and the need for consistency in the way pay bandings are applied. All pay differentials can be objectively justified using job evaluation mechanisms that directly establish the relative levels of posts in pay bands according to the requirements, demands and responsibilities of the post.
- 4.5 Our pay rates and grading structure are determined locally.

5. Remuneration of senior management

- 5.1 This section covers the remuneration of our most senior employees, who are responsible for working with elected councillors to determine the overall strategic direction of the Council. They develop and manage a wide range of services to ensure they are economic, efficient and effective and have appropriate governance arrangements. In the context of this policy, senior management is defined as:
- the Managing Director (who is the designated Head of Paid Service)
 - the Council's Monitoring Officer (that is the officer responsible for ensuring the Council's compliance with the law in all its activities)
 - first tier officers; our Directors who report to and are directly accountable to the Head of Paid Service
 - second tier officers; our officers who are directly accountable to our first tier officers for the management and provision of individual elements of the Council's services.
- 5.2 In terms of pay differentials, we recognise that the Managing Director leads our workforce and has the greatest level of accountability, and so warrants the highest pay level in the organisation. Our Directors undertake a senior, collective and corporate responsibility for supporting the Managing Director in delivering high quality services to our communities. We have reflected this in the level of remuneration for these roles.
- 5.3 Below this level, we recognise that the demands on and accountabilities of different management roles vary considerably, and we seek to align pay levels with the relative importance and responsibilities of jobs using the Greater London Provincial Council (GLPC) job evaluation scheme.
- 5.4 Annual salary levels for our senior management are set in accordance with the overall principles set out in section 4 above. For our Managing Director, Directors and second tier officers, salaries consist of grade ranges that are determined locally. These grade ranges consists of a number of incremental salary points, through which employees may progress, subject to satisfactory performance, until they reach the top of the grade.

5.5 The salary ranges for our senior management posts are summarised in the following table. The pay award for 2021 has not yet been determined and will be implemented on 1 July 2021:

Senior role	Salary range
Managing Director	£130201 - £136384
Director	£86759 - £99686
Second tier officers as defined in section 5.1	£41978 - £77581

5.6 The following paragraphs outline the elements of remuneration that we offer to senior management in addition to those that are available to all our employees as outlined in section 11 of this statement.

Element of remuneration								
<p>Deputy Managing Director payment: Our Directors have a shared responsibility to deputise for the Managing Director in his absence. An annual payment of £3260 will be made to each Director to reflect these additional responsibilities.</p>								
<p>Acting-up or payment for additional responsibility: Where employees are required to act-up into a higher-graded post or take on additional responsibilities beyond those of their substantive post, for a temporary or time-limited period, they may receive an additional payment in recognition of the extra responsibilities. Before we make any such payment, we will assess whether the additional work entailed is sufficiently demanding to warrant an additional payment.</p> <p>Our policy is to make a payment to those senior management officers for additional responsibilities in respect of statutory roles as follows:</p> <p>Section 151 Officer (Chief Financial Officer) - £5,300 per annum Monitoring Officer - £5,300 per annum Deputy Monitoring Officer - £1,500 per annum Deputy Section 151 Officer - £1,500 per annum Data Protection Officer - £3,000 per annum Senior Information Risk Officer and Senior Authorising Officer for RIPA - £3,000 per annum</p> <p>These payments will not be reduced where there is a requirement for two officers to share the responsibilities of Deputy Monitoring Officer and/or Deputy Section 151 Officer.</p>								
<p>Car provision: We offer a subsidised lease car scheme to our senior employees at pay band 9 and above. Below shows the level of subsidy for our senior management for 2021-2022:</p> <table> <tbody> <tr> <td>Managing Director</td> <td>£6120</td> </tr> <tr> <td>Directors</td> <td>£5765</td> </tr> <tr> <td>Head of Service and Band 10</td> <td>£4671</td> </tr> <tr> <td>Band 9</td> <td>£3392</td> </tr> </tbody> </table>	Managing Director	£6120	Directors	£5765	Head of Service and Band 10	£4671	Band 9	£3392
Managing Director	£6120							
Directors	£5765							
Head of Service and Band 10	£4671							
Band 9	£3392							

We insure any vehicle provided, however, the employee is required to pay the excess should any claims be made. If senior management employees do not take up their lease car entitlement and use their own car for travel on Council business, we compensate them in the same way as other employees who are authorised to use their own car on Council business. This is in accordance with the provisions and rates for Essential Users agreed by the National Joint Council for Local Government Services.

Lump sum payments:

We pay lump sum allowances to the Managing Director, Directors, Heads of Service and employees on Band 10 level to cover travel, subsistence or other incidental costs. The sum ranges from £534 up to £1803 per annum for employees who have taken up their lease car entitlement, with adjustments made if employees choose to use their own cars as an alternative to taking up their lease car entitlement.

Health Screening

We fund biennial health checks for the Managing Director and our Directors.

6. Remuneration of our lowest paid employees

- 6.1 This section outlines our policy in relation to the remuneration of our lowest-paid employees. We define our lowest paid employees as those paid on the lowest grade, that is Band 1, of the Council's pay and grading structure, currently starting at £18,586 per annum.
- 6.2 In setting pay levels and determining any pay award, we take into account the needs of our lowest paid employees. For example, we pay a minimum of £5.00 per hour for apprentices rather than the minimum national hourly rate of £4.15.

We also pay above the National Minimum Wage (the Government's minimum rate for under 25's), the National Living Wage (the Government's minimum rate for over 25's) and above the Real Living Wage (for outside London) at the bottom of our pay scale.

7. Pay relationships

- 7.1 This section sets out our overall approach to ensuring pay levels are fairly and appropriately dispersed across the organisation including the Council's current pay multiple. The 'pay multiple' is the ratio between the highest paid salary (the Managing Director) and the median average salary of our workforce.
- 7.2 The Council's current pay multiple (as at December 2020) is 1:4.72.
- 7.3 We consider that the current pay multiple, as identified above, represents an appropriate, fair and equitable internal pay relationship between the highest salary and that which applies to the rest of the workforce.

8. Remuneration on appointment and re-employment

- 8.1 All newly appointed staff normally start on the lowest point in the pay range for their job evaluated post. Successful candidates may be appointed at a higher point, where it is considered that they already possess the skills and experience needed to justify a higher salary.
- 8.2 In certain circumstances, should a new employee, including senior management need to move house in order to take up an appointment with the Council, we will reimburse their removal, legal and other associated relocation costs. This is in accordance with the Council's Relocation Scheme that sets maximum limits on the levels of payment and requires repayment in part or in full if the employee leaves the Council within five years of appointment. Occasionally the Council may agree a more flexible arrangement if the appointment is on a fixed-term basis.
- 8.3 The Repayment of Public Sector Exit Payment Regulations are likely to be implemented during 2021. Under these regulations termination payments made to staff on salaries above £80,000 per annum will be fully or partly recovered if those staff are re-employed within the public sector within the 12 months following the date of their termination. This restriction affects the posts of Managing Director and Directors. The Council can agree to waive the recovery payment in exceptional circumstances.
- 8.4 In the event that we employed a senior manager who is already in receipt of a pension under the LGPS, the rules on abatement of pensions adopted by the Council's Administering Authority for the LGPS, pursuant to Regulations 70 and 71 of the the Local Government Pension Scheme (Administration) Regulations 2008 must be applied. These currently provide that there will be no abatement of pension in these circumstances.

9. Pay progression and award

- 9.1 The Council's pay policy is based on a locally determined pay and grading structure that comprise of pay bands with a number of incremental points. An employee's pay progression will normally be one increment (pay spine column point within a band) on 1 July each year, until the top of the grade band is reached. Pay progression is subject to satisfactory performance and behaviours that are assessed as part of the Council's performance review process. There is no scope for accelerated progression beyond one increment per annum or for progression beyond the top of the pay band.
- 9.2 We review salaries in the light of pay movements for other employees, pay movement elsewhere, and other changes in the economy, to determine whether any general or cost-of-living pay award is necessary or justified.
- 9.3 Depending on the Council's financial situation, we may agree a cost-of-living increase for all staff from 1 July each year or there may be no increase at all. The Managing Director agreed an award of 2 per cent for all staff in 2020-2021.
- 9.4 We do not pay any bonuses or non-consolidated performance contribution payments.

10. Payment upon termination of employment

- 10.1 Senior management who cease to hold office or be employed by the Council will receive payments calculated using the same principles as any other employee, based on entitlement within their contract of employment, their general terms and conditions and existing policies.
- 10.2 Any termination or severance payment we make to any of our employees (in the interests of efficiency of the service or on grounds of redundancy) will be made in accordance with the statutory terms under the Local Government Pension Scheme (LGPS) or the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, as applicable.
- 10.3 Statements of policy on the exercise of discretions within the LGPS and the Discretionary Compensation Regulations do not amount to any contractual commitment to individual employees on future severance payments.
- 10.4 Termination payments made to staff will be capped at £95,000. This figure will include all payments associated with the termination such as payments relating to pension augmentation and pension strain, redundancy payments and severance payments. (See section 12.5).

11. Remuneration policies common to all employees

- 11.1 The following elements of remuneration are determined by corporate policies or arrangements that apply to all permanent staff of the Council (including the Managing Director and Director), regardless of their pay level, status or grading within the Council:
 - **Contracts:** Our standard policy is to engage employees on standard contracts of employment and to apply pay-as-you-earn (PAYE) taxation arrangements to all remuneration under those contracts in accordance with HMRC rules, unless there are exceptional circumstances approved by the Managing Director, such as a contract for service which mean that an alternative mode of engagement is appropriate.
 - **Engagement of workers through intermediaries:** Where individuals are working for the Council through an intermediary such as their own limited company or a consultancy firm, or an employment agency, and are working in the same way as our own employees, the payer will be liable to pay associated income tax and National Insurance Contributions (NICs). Genuinely self-employed workers will not be covered by this requirement (commonly known as IR35) and will continue to make their own assessment and payment arrangements for income tax and NICs
 - **Pension Scheme:** Employees have a right to join the Local Government Pension Scheme (LGPS) in accordance with the statutory provisions of the scheme. The percentage an employee pays is based on individual earnings and ranges from 5.5 per cent to 12.5 per cent of pay. The employer's contribution rate for all staff that join the scheme is currently 17.2 per cent of salary.
 - **Flexible retirement:** The LGPS regulations permit us to offer flexible retirement to all employees aged 55 or over, so that they can reduce their hours of work and/or their level of responsibility, and receive some or all of

their pension benefits. We would expect to see a reduction of 40-50 per cent in salary through either reduced hours or responsibility.

- 11.2 The other elements of remuneration we offer to all our employees, in addition to those already outlined in section 5, are set out in the following table.

Element of remuneration
<p>Overtime or additional hours working: Employees below Band 6 who are required to work beyond the Council's normal full-time equivalent working week of 37 hours or work other non-standard working patterns, as listed below, may receive enhanced payments in accordance with the provisions of our local schemes of conditions of service covering:</p> <ul style="list-style-type: none"> • overtime or additional hours • weekend working • bank holidays (public and extra statutory holidays). <p>Conditions of service vary across services and any entitlements to enhanced payments are set out in the employee's statement of terms and conditions of employment (the contract).</p>
<p>Market rate supplements: Our job evaluation scheme does not take into account market factors such as market pay rates relating to specific jobs or fluctuating demand for skills in the marketplace. The Council recognises therefore, that there may be occasions where it is necessary to pay a market rate supplement in addition to base salary in order to recruit or retain staff.</p> <p>The Market Rate Supplement Policy ensures a clear and systematic process is followed in considering the potential for a supplement and for identifying the relevant 'market rate' for any specific post, or group of posts. The policy ensures that relevant considerations are taken into account, both initially and at every subsequent two-yearly review and ensures that a consistent approach is applied across the Council with regard to:</p> <ul style="list-style-type: none"> • the circumstances in which a market rate supplement is considered, • the monetary value of any supplement, and • the duration of the supplement and the review period that will apply.
<p>Standby and/or call-out payments: Employees who are required to be on standby at times which are outside their normal working week or who may be called-out to attend to an issue at the Council's premises or other location may receive an additional payment in accordance with the provisions of the relevant Council policy.</p>

Car travel reimbursement:

We compensate all our employees who are authorised to use their own car on Council business in accordance with the provisions and rates for Essential and Casual Users agreed by the National Joint Council for Local Government Services.

Payment of professional subscriptions or membership fees:

We will pay one professional membership fee or subscription on behalf of employees graded at Band 6 or above, up to and including the Managing Director. Below Band 6, we will pay one professional membership fee or subscription on behalf of employees where it can be shown that the membership or subscription is necessary for the effective performance of the employee in their job.

In exceptional circumstances the Council will pay two subscriptions where there is a requirement for one of the subscriptions due to the persons role.

Subsistence or other expenses allowance:

We reimburse expenditure on meals (except alcohol) and accommodation, within reasonable set limits, and any other expenses necessarily incurred by all employees on Council business if agreed in advance.

Provision of mobile telephones:

Mobile telephones are provided to employees on the basis of business need where they are necessary to enable them to undertake their duties effectively. We fund the cost of business calls only.

Fees for Election duties:

Sources of funding for elections in England vary according to the type of election.

The Managing Director is the Council's Returning Officer who has overall responsibility for the conduct of elections and is appointed under the Representation of the People Act 1983. The Ministry of Justice, who set the fees to be paid to the Returning Officer, provides the costs of running UK Parliamentary general elections and European Parliamentary elections. Elections fees are paid for these additional duties and they are paid separately to salary.

The costs of parish, borough and county elections are met through local authority budgets and vary according to the size of the electorate and number of postal voters. A scale of fees for Returning Officers, polling station and count staff is set annually in line with the Surrey wide scheme.

Child care:

A childcare salary sacrifice scheme is available to those employees who

are eligible via the HMRC-approved scheme. We make no direct subsidy towards childcare costs.

Staff loans

All employees have access to loans that are offered at preferential rates for:

- the purchase of cars/bicycles and/or
- the purchase of season tickets for the purposes of travel to work.

Private medical insurance:

We offer private medical insurance to employees who are employed in posts at Band 6 or above in our pay and grading structure. Premiums are kept to a minimum by regular tendering exercises, and individual employees can pay additional premiums to enhance the basic level of cover which the Council funds.

Other staff discount and benefits schemes:

We currently provide all employees access to an employee discount scheme. This offers employees the chance to purchase a range of goods and services at discounted rates from a variety of suppliers.

We provide access for all of our employees to an Employee Assistance Programme (EAP). EAPs are intended to help employees deal with personal problems that might adversely impact their work performance, health, and wellbeing.

The EAP offers cover for the employee and their immediate family members who reside at the same address, including children in full-time education up to the age of 24. The service provides access to:

- Stress helpline
- Structured telephone counselling
- Referral to face to face counselling
- Referral to serious illness and accident support
- Tax advice
- Legal advice (*the EAP will not provide employment law advice*)
- Eldercare
- Childcare
- Medical information

12. Decision making on pay

12.1 We recognise the importance of ensuring openness and transparency and high standards of corporate governance, with clear lines of accountability in our pay decision-making processes and procedures. Any pay-related decisions must be capable of public scrutiny, be able to demonstrate proper and appropriate use of public funds and ensure value for money. The arrangements we have in place are designed to reflect these requirements, as well as ensuring compliance with all relevant legislation and other statutory regulation.

- 12.2 Depending on the economic climate and the Council's current financial situation, we may agree a cost-of-living increase for all staff. The Managing Director in consultation with the Leader agrees the award provided it is within the available budget. The Council agrees any increase for the Managing Director and the Directors.
- 12.3 The provisions of this Pay Policy Statement will apply to any determination made by the Council in the relevant financial year in relation to the remuneration, or other terms and conditions, of our senior managers and of the lowest paid employees, as defined in this statement. We will properly apply and fully comply with the provisions of this pay policy in making any such determination.
- 12.4 Any proposal to offer a new senior appointment on terms and conditions which include a total remuneration package of £100,000 or more, including salary, fees, allowances and any benefits in kind to which the officer would be entitled as a result of their employment (but excluding employer's pension contributions), will be referred to the Council for approval. This will be before any offer is made to a particular candidate.
- 12.5 The cap on exit payments of £95,000 may be waived in some circumstances subject to Ministerial approval. Discretionary Waivers can be made where the cap will cause undue hardship, to assist workplace reform, and where the exit has been delayed by the employer. Any proposal to exercise a waiver and make a termination payment above £95,000 will be referred to the Council for approval and will only be agreed in exceptional circumstances (See section 10.4) In the event of such a payment being proposed, a detailed breakdown of the components (for example redundancy pay, pension, pension strain, severance payment) will be provided for councillors. The waiver will then require approval from the MHCLG and HMT Ministers.

13. Review and policy amendment

- 13.1 We will review the statement annually and approve a new version of the policy before the start of each subsequent financial year. If we choose, or need, to amend the statement during the course of any financial year this will be by resolution of the Council.

14. Publication of and access to information

- 14.1 As soon as is reasonably practicable following approval by full Council, we will publish this pay policy statement on our website at <http://www.guildford.gov.uk/transparencydata> Any subsequent amendments to this statement made during the financial year will be similarly published.
- 14.2 The information required to be published by the Council in accordance with the requirements of The Local Government Transparency Code 2015, and in accordance with the requirements of the Accounts and Audit (England) Regulations 2015, as referred to in this pay policy statement, is also available on our website.
- 14.3 We are also required to publish information about the remuneration of senior officers under The Accounts and Audit (England) Regulations 2015. This information is available in the annual accounts, which we publish on our website.

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Council Report

Ward(s) affected: All

Report of Director of Resources

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Date: 10 February 2021

Capital and Investment Strategy 2021-22 to 2025-26

Executive Summary

The Capital and Investment strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future sustainability.

Decisions made now, and during the period of the strategy on capital and treasury management will have financial consequences for the Council for many years into the future. This report therefore includes details of the capital programme new bids plus the requirements of the Prudential Code and the investment strategy covering treasury management investments, commercial investments plus the requirements of the Treasury Management Code and the Ministry of Housing, Communities and Local Government (MHCLG) Statutory Guidance.

Capital programme

The Council has an ambitious Corporate Plan and in order to achieve the targets within that, we need to invest in our assets, via capital expenditure.

The Council has a current underlying need to borrow for the general fund capital programme of £400 million. We are anticipating one new bid, details of which will be summarised and circulated prior to the meeting.

Some capital receipts or revenue streams may arise as a result of investment schemes, but in most cases are currently uncertain and it is too early to make assumptions. Some information has been included in the capital vision highlighting the potential income. It is likely there are cash-flow implications of the development schemes, where income will come in after the five-year time horizon and the expenditure will be incurred earlier in the programme.

All projects will be funded by general fund capital receipts, grants and contributions, reserves and finally borrowing. We do not currently know how each scheme will be funded and, in the case of development projects, what the delivery model will be – this report, shows a high-level

position. To ensure the Council demonstrates that its capital expenditure plans are affordable, sustainable and prudent, we set Prudential Indicators that must be monitored each year (shown in **Appendix 1**).

The capital programme includes several significant regeneration schemes, which we have assumed will be financed from General Fund resources. However, subject to detailed design of the schemes, there may be scope to fund them from HRA resources rather than General Fund resources in due course. Detailed funding proposals for each scheme will be considered when the Outline Business Case for each scheme is presented to the Executive for approval.

Main areas of expenditure in the capital programme are:

- £24 million – Strategic Property Acquisitions
- £32 million – town centre transport schemes
- £25 million – Ash road bridge
- £42 million – North Downs Housing / Guildford Holdings
- £14 million – Midleton redevelopment
- £265 million – Weyside Urban Village

There is one new bid received for 2021-22 which is the Guildford Economic Regeneration (GER) Programme at **Appendix 2**.

Appendices 3 to 7 show the position and profiling of the current capital programme (2020-21 to 2024-25) and **Appendix 8** the capital vision schemes.

This report also includes the Council's Minimum Revenue Provision policy and the Prudential Indicators. The details are in section 5 of this report.

Treasury Management

Treasury management is the control and management of the Council's cash, regardless of its source. It covers management of the daily cash position, investments and borrowing.

Officers carry out the treasury management function within the parameters set by the Council each year in **Appendix 1** to this report and in accordance with the approved treasury management practices.

The budget for investment income in 2021-22 is £1.278 million, based on an average investment portfolio of £77.3 million, at an average rate of 1.57%. The budget for debt interest paid is £5.637 million, of which £5.05 million relates to the HRA.

Non-financial investments and investment strategy

Councils can invest to support public services by lending to or buying shares in other organisations (service investments) or to earn investment income (commercial investments where this is the main purpose). Both are termed non-financial investments (i.e. not treasury management investments).

Investment property is valued at £153.4 million as per the 2019-20 Statement of Accounts, with rent receipts of £8.4 million and a current yield of 6.3%.

The Council has invested £14.3 million in our housing company – North Downs Housing (NDH). This is via 40% equity to Guildford Holdings Limited (£5.7 million) (who in turn pass the equity to NDH) and 60% loan direct to NDH (£8.6 million) at a rate of base plus 5% (currently 5.1%). The loan is a repayment loan in line with the NDH business plan.

Due to the specialised nature of treasury management and capital finance, there is a glossary of terms at **Appendix 12**.

This report has also been considered by the Joint Executive Advisory Board at its meeting held on 7 January 2021, and its comments are set out in paragraph 16 below. At its meeting on 14 January 2021, the Corporate Governance & Standards Committee also considered this report, and endorsed the recommendations below. The Executive, at its meeting on 26 January 2021 also considered the report and resolved as follows:

“Subject to Council approving the budget on 10 February:

- (1) That the following schemes be removed from the capital programme because the remit of the schemes, if they were to proceed, would be different to the business case that was originally approved in the programme:

- Museum £18.26 million
- Public realm £1.6 million
- Bike Share £530,000
- Town centre gateway regeneration £3.473 million

- (2) That should any of the schemes be moved forward in future, a new business case be presented to councillors.

- (3) That the affordability limit for schemes to be funded by borrowing be set as per paragraph 4.32 in **Appendix 1** to this report.

- (4) That the following new capital bid referred to in **Appendix 2** to the report:

- Guildford Economic Regeneration (GER) Programme

be added to the General Fund Capital programme provisional list and that this scheme, subject to the limits in the Financial Procedure Rules, be subject to a further report to the Executive, before being progressed.”

The Executive also endorsed the recommendation below.

Recommendation to Council

- (1) That the General Fund capital estimates, as shown in Appendices 3 and 4 (current approved and provisional schemes), as amended to include the new capital bid in respect of the Guildford Economic Regeneration Programme, Appendix 5 (schemes funded from reserves) and Appendix 6 (s106 schemes), be approved.

- (2) That the Minimum Revenue Provision policy, referred to in section 5 of this report be

approved.

- (3) That the capital and investment strategy be approved, specifically the Investment Strategy and Prudential Indicators contained within this report and in **Appendix 1**.

Reasons for Recommendation:

- To enable the Council to approve the Capital and Investment strategy for 2021-22 to 2024-25
- To enable the Council, at its budget meeting on 10 February 2021 to approve the funding required for the new capital investment proposals

Is the report (or part of it) exempt from publication? No

1. Purpose of Report

- 1.1 The Local Government Act 2003 requires the Council to have regard to the CIPFA Treasury Management Code of Practice (“TM Code”), and specifically the Prudential Code when determining how much it can afford to borrow.
- 1.2 The Capital and Investment Strategy gives an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how risk is managed and the implications for future financial sustainability.
- 1.3 As such, the report also invites the Council to consider the General Fund (GF) Capital Programme, and the new schemes the Council may wish or need to undertake in the next five years.
- 1.4 The Council must put aside resources where the Council finances capital expenditure by debt (internal or external borrowing), to repay that debt in later years. This cost is charged to the revenue account annually, and forms part of the Council Tax cost to taxpayers and is known as Minimum Revenue Provision (MRP). The annual MRP statement for 2020-21 is included in section 5 of this report.
- 1.5 The Council must have an approved investment strategy, and the implications associated with that detailed in the capital and investment strategy. This includes financial and non-financial assets, for example investment property and commercial activity.
- 1.6 The requirement to report in accordance with the CIPFA TM Code, and the MHCLG Investment Guidance is incorporated within this report. CIPFA also recommends the UK Money Markets Code to its members as good practice to which they should adhere.

2. Strategic Priorities

- 2.1 A comprehensive and well-managed capital programme supports all the fundamental themes of the Corporate Plan and the Council’s strategic priorities.

- 2.2 Treasury Management is a key function in enabling the Council to achieve financial excellence and value for money. This report, and the strategies within it, is designed to help the Council achieve the best use of its resources and it therefore underpins the Council's strategic framework and delivery of the Corporate Plan. We have an ambitious Corporate Plan in the period, and therefore the capital programme, plus aspirations for the longer-term and effective treasury management supports the financial sustainability of that.

3. Background

- 3.1 The Local Government Act 2003 requires the Council to have regard to the CIPFA Treasury Management Code of Practice ("TM Code"), and specifically the Prudential Code when determining how much it can afford to borrow.
- 3.2 The objectives of the Prudential Code are to ensure, within a clear framework, capital expenditure plans are affordable, prudent and sustainable. This then ties treasury management in with the Prudential Code ensuring that treasury management decisions are taken in accordance with good professional practice and that capital investment decisions are taken once the Council has determined how much money it can afford to borrow for capital purposes.
- 3.3 To demonstrate that the Council has fulfilled these objectives, this report details the Prudential Indicators that must be set and monitored each year.
- 3.4 We must put aside resources where the Council finances capital expenditure by borrowing (internal or external), to repay that debt in later years. This code is charged to the revenue account annually and is known as Minimum Revenue Provision (MRP). The annual MRP statement for 2021-22 is included in section 5 of this report. There is not an earmarked reserve for MRP, it is represented in the balance sheet as increased cash.
- 3.5 The Council invests its money for three broad purposes:
- because it has surplus cash as a result of day-to-day activities, for example when income is received in advance of expenditure (treasury management investments)
 - to support local public services by lending to or buying shares in other organisations (service investments)
 - to earn investment income (commercial investments where this is the main purpose)
- 3.6 Under the CIPFA TM Code and the MHCLG Investment guidance, we are required to provide details of each of these purposes in the investment strategy.
- 3.7 The UK Money Markets Code (April 2017, revised in December 2020) is a voluntary code of practice which CIPFA recommends authorities follow as good practice. It is endorsed by the Money Markets Committee (MMC) and has been developed to provide a common set of principles in order to promote the integrity and effective functioning of the UK money markets.

- 3.8 The details of the principles in the Money Markets Code can be found in **Appendix 10**.

4. Capital Expenditure and Financing

- 4.1 Capital expenditure is where the Council spends money on assets, e.g. property or vehicles that will be used for more than one year. In Local Government, this includes expenditure on assets owned by other bodies, and loans or grants to other bodies enabling them to buy assets.
- 4.2 The Council has an ambitious Corporate Plan and medium to long-term aspirations within the Borough. As such, we have an approved capital programme, and ask officers to submit bids for capital funding each year covering at least a five-year period. These bids are linked to the Corporate Plan and the Council's strategic priorities, ensuring the expenditure meets the key objectives of the Council.
- 4.3 We have adopted good practice guidance as set out in the HM Treasury Green Book for Public Sector business cases in developing bids for funding and eventual business case submission for capital expenditure. This is particularly the case for projects over £1 million.

Current capital programme (appendices 3 to 8)

- 4.4 A copy of the ¹current capital programme is attached at **Appendices 3 to 8**, together with a schedule of the latest resource availability for, and financing, of the programme.
- 4.5 The actual financing² of each financial year's capital programme is determined in the year in question as part of the preparation of the Council's statutory accounts preparation.
- 4.6 If we do not finance the expenditure from existing resources, for example capital receipts or reserves, it will create a borrowing requirement. If we take out physical loans to meet that borrowing requirement (replacing cash we have spent), then external borrowing is in place. If there are no physical loans, then the Council has internal borrowing. This means that we are using cash relating to items in the balance sheet in the interim for capital funding purposes.
- 4.7 All projections are based on the current estimates for schemes and level of resource availability. If costs increase, and/or additional capital resources are received, the methods of financing and the level of borrowing required will vary accordingly.

¹ The revised estimates for 2020-21 is the original estimate approved by Council in February 2019, plus any unspent approved expenditure from 2019-20, now planned for 2020-21, plus any amendments or additions to schemes approved during the financial year.

² Some of the schemes are funded from earmarked reserves (reserves put aside for a specific reason), and grants and contributions, for example ICT and Car Parks maintenance reserve, and s106 contributions

- 4.8 Officers calculate the interest estimates (both investment and borrowing interest) according to planned capital expenditure. We assume around actual expenditure of 50% of the provisional programme in the financial year. This also feeds into the MRP calculations, and the liability benchmark, to ensure we are not being over prudent in our budgeting.

New capital schemes

- 4.9 Service managers bid annually in September to include projects in the Council's capital programme, to be reviewed against corporate plan priorities and fundamental themes whilst having regard to our underlying need to borrow for the current capital programme and the implications for the revenue account.
- 4.10 Bids are reviewed by CMT, and the JEABBTG from a councillor perspective. Any comments from that group are detailed later in the report.
- 4.11 Bids are initially placed on the provisional capital programme. All bids are then subject to a further outline business case and further approval before expenditure can be incurred on the project.
- 4.12 There is one new bid received for 2021-22 which is the Guildford Economic Regeneration (GER) Programme at **Appendix 2**.
- 4.13 The Council has a current underlying need to borrow for the general fund capital programme of £400 million.
- 4.14 For planning purposes, we have currently assumed we will borrow internally for all schemes, but in doing so we are projecting a need to borrow externally.
- 4.15 The most economically advantageous method of financing (use of available capital resources, external borrowing or leasing) will be determined in the year(s) in which we incur the expenditure. This is part of the day-to-day treasury management activity of the Council and depends on the resources available.
- 4.16 It is important to include schemes in the provisional programme so the Council can produce a realistic five-year programme and include the financial implications in the outline budget. It also gives councillors an indication as to what schemes are being developed, and when they may be progressed.

Prudential Indicators

- 4.17 The Local Government Act 2003 requires the Council to have regard to the Prudential Code when determining how much it can afford to borrow. The objectives of the Prudential Code are:
- the expenditure plans of local authorities are affordable, prudent and sustainable
 - treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved
 - how these risks will be managed to levels that are acceptable to the organisation
 - capital investment decisions are taken once the Council has determined how much money it can afford to borrow for a capital purpose

- 4.18 The Prudential Code covers all capital expenditure and investment decisions and should consider all potential long-term liabilities relevant to the authority. This includes the consideration of investments and liabilities of subsidiary companies.
- 4.19 The responsibility for decision making and ongoing monitoring in respect of capital expenditure, investment and borrowing, including Prudential Indicators, remains with full Council. However, officers present the bids to the JEABBTG, this report to the Corporate Governance and Standards Committee, the Executive and full Council, enabling a broad range of Councillor scrutiny. Monitoring is undertaken regularly by the Corporate Governance and Standards Committee.
- 4.20 The Council's capital expenditure plans are a key driver of treasury management activity. The outputs of the capital expenditure plan are reflected in prudential indicators, which are designed to assist councillors when making decisions.
- 4.21 To demonstrate we have fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimates of capital expenditure

- 4.22 This indicator is a summary of the Council's capital programme and financing of the programme, summarised in the table below.
- 4.23 The HRA is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised by, other local services. HRA expenditure and financing is therefore recorded separately.
- 4.24 All capital expenditure must be financed either from external sources (e.g. grants and contributions), the Council's own resources (revenue, reserves or capital receipts), or debt (borrowing or leasing). Planned financing is shown in the table below.

CAPITAL EXPENDITURE SUMMARY	2020-21 Approved £000	2020-21 Outturn £000	2020-21 Variance £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000
General Fund Capital Expenditure								
- Main Programme	65,188	45,261	(19,927)	41,630	9,260	9,261	12,348	0
- Provisional schemes	102,356	1,188	(101,168)	103,593	108,096	55,853	72,978	34,881
- Schemes funded by reserves	3,984	3,005	(979)	1,975	500	500	0	0
- S106 Projects	0	243	243	0	0	0	0	0
Total Expenditure	171,528	49,697	(121,831)	147,198	117,856	65,614	85,326	34,881
Financed by :								
Capital Receipts	0	(2,086)	(2,086)	(95)	0	0	0	0
Capital Grants/Contributions	(41,368)	(12,358)	29,010	(51,415)	(10,515)	(7,650)	(5,600)	0
Capital Reserves/Revenue	(10,964)	(6,692)	4,272	(2,195)	(720)	(720)	0	0
Borrowing	(119,196)	(28,561)	90,635	(93,493)	(106,621)	(57,244)	(79,726)	(34,881)
Financing - Totals	(171,528)	(49,697)	121,831	(147,198)	(117,856)	(65,614)	(85,326)	(34,881)
Housing Revenue Account Capital Expenditure								
- Main Programme	14,930	13,966	(964)	5,525	4,025	4,075	1,400	400
- Provisional schemes	12,457	250	(12,207)	42,012	22,792	16,695	5,575	5,575
Total Expenditure	27,387	14,216	(13,171)	47,537	26,817	20,770	6,975	5,975
Financed by :								
- Capital Receipts	(6,783)	(2,498)	4,285	(12,869)	(6,653)	(4,839)	(400)	(400)
- Capital Reserves/Revenue	(20,604)	(11,619)	8,985	(24,668)	(10,164)	(5,932)	3,425	4,425
- Borrowing	0	0	0	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Financing - Totals	(27,387)	(14,117)	13,270	(47,537)	(26,817)	(20,770)	(6,975)	(5,975)

4.25 Initially we will finance capital expenditure from our own resources. If we do not have enough resources to finance all the planned expenditure, there will be an increase in the underlying need to borrow, and therefore the capital financing requirement (CFR).

4.26 The table above shows most of our capital expenditure will be financed from borrowing due to the availability of capital receipts and reserves.

Estimates of CFR and Gross Debt as shown against the CFR

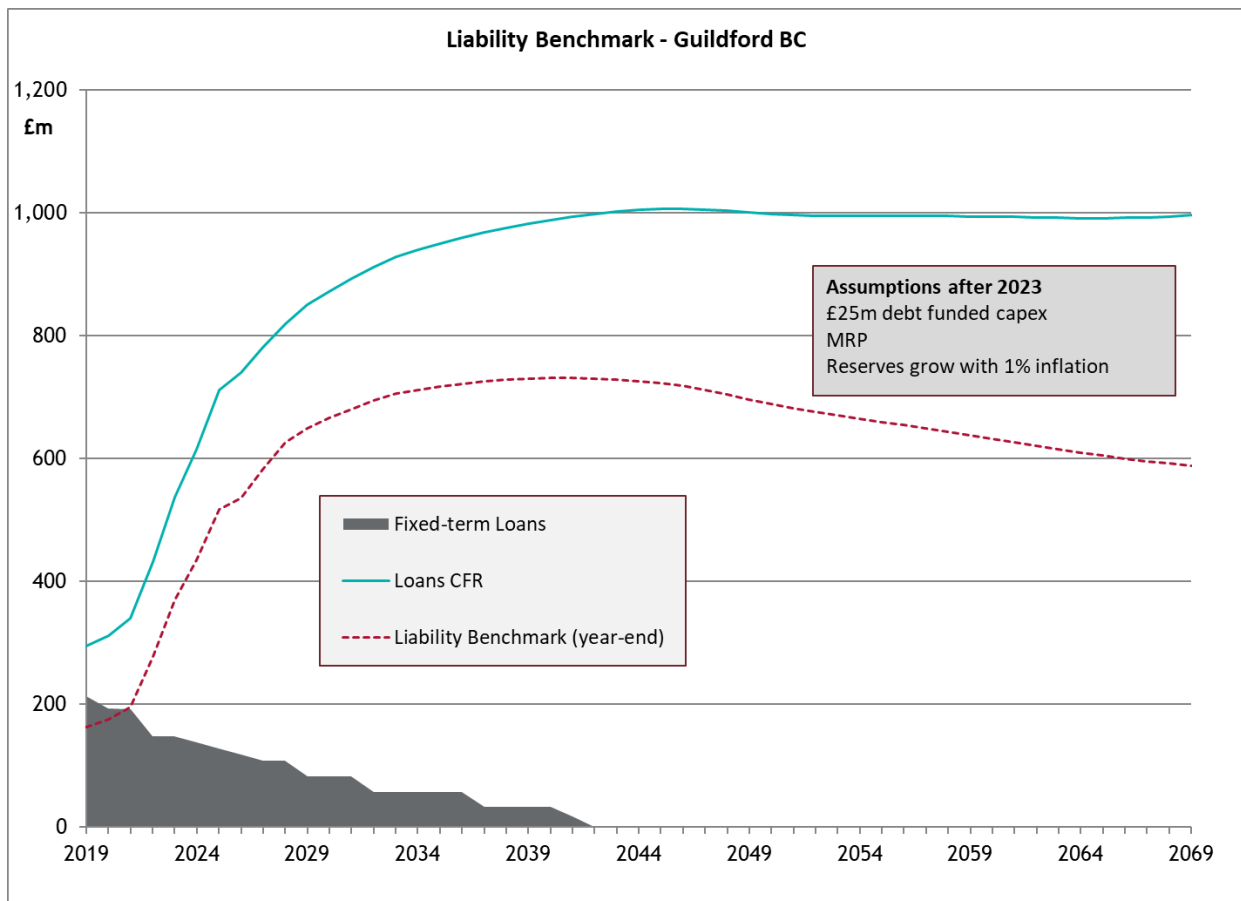
4.27 The CFR is the cumulative balance of unfinanced capital expenditure (“debt”) less provision made for repayment of the debt, known as Minimum Revenue Provision (MRP).

4.28 Debt is only a temporary source of finance (since loans and leases must be repaid), and this is, therefore, replaced over time by other financing, usually from revenue, via MRP. The Council’s MRP statement is in section 5 of this report. We can also make a voluntary revenue provision if we wish.

4.29 The Council is required to make reasonable estimates of the total CFR over at least the forthcoming year and the following two years. Any estimated capital expenditure in para 4.24 which is shown to be funded from borrowing increases the CFR. The table below shows the Council’s estimated CFR, level of reserves and borrowing to calculate the Council’s overall borrowing requirement.

Guildford BC							
Balance Sheet Summary and Projections in £'000 - last updated 6 Jan 2021							
31st March:	2019	2020	2021	2022	2023	2024	2025
Loans Capital Financing Req.	294,706	312,124	339,398	432,132	536,640	615,962	711,455
Less: External Borrowing	(212,702)	(192,665)	(192,435)	(147,435)	(147,435)	(137,435)	(127,435)
Internal (Over) Borrowing	82,004	119,459	146,963	284,697	389,205	478,527	584,020
Less: Usable Reserves	(164,974)	(168,628)	(176,489)	(186,701)	(199,100)	(213,116)	(227,031)
Less: Working Capital Surplus	(12,361)	(12,361)	(12,361)	(12,361)	(12,361)	(12,361)	(12,485)
(Investments) / New Borrowing	(95,331)	(61,530)	(41,887)	85,635	177,744	253,050	344,504
Net Borrowing Requirement	117,371	131,135	150,548	233,070	325,179	390,485	471,939
Preferred Year-end Position	45,000	45,000	45,000	45,000	45,000	45,000	45,450
Liability Benchmark (year-end)	162,371	176,135	195,548	278,070	370,179	435,485	517,389
Peak to Trough Cash Flow	(7,388)	(7,462)	(7,536)	(7,612)	(7,688)	(7,765)	(7,842)
Liability Benchmark (mid-year)	154,983	168,674	188,011	270,459	362,492	427,721	509,547
Housing Revenue Account - Summary and Projections in £000							
31st March:	2019	2020	2021	2022	2023	2024	2025
HRA Loans CFR	197,024	207,024	217,024	227,024	237,024	237,024	237,024
HRA Reserves	(116,224)	(119,420)	(127,510)	(137,593)	(151,112)	(165,935)	(179,818)
HRA Working Capital	0	0	0	0	0	0	0
HRA Borrowing	(192,895)	(192,665)	(192,435)	(147,435)	(147,435)	(137,435)	(127,435)
HRA Cash Balance	(112,095)	(105,061)	(102,921)	(58,004)	(61,523)	(66,346)	(70,229)
General Fund - Summary and Projections in £000							
31st March:	2019	2020	2021	2022	2023	2024	2025
GF Loans CFR	97,682	105,100	122,374	205,108	299,616	378,938	474,431
GF Reserves	(48,750)	(49,208)	(48,979)	(49,108)	(47,988)	(47,181)	(47,214)
GF Working Capital	(12,361)	(12,361)	(12,361)	(12,361)	(12,361)	(12,361)	(12,485)
GF Borrowing	(19,807)	0	0	0	0	0	0
GF Cash Balance	16,764	43,531	61,034	143,639	239,267	319,396	414,733

- 4.30 To compare the Council’s actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes cash and investment balances are kept to a minimum level at the end of each year. Our minimum level has been set at £45 million.
- 4.31 The GF CFR is forecast to increase by £369 million over the period (April 2021 to March 2025), as capital expenditure financed by borrowing is greater than resources put aside for debt repayment.
- 4.32 The HRA CFR is also forecast to rise and the Council undertakes its house building programme funded by borrowing.
- 4.33 Gross debt against the CFR is a key indicator of prudence. The aim is to ensure that debt does not, except in the short-term, exceed the total of the CFR in the previous year, plus the estimates of any additional CFR for the current and next two financial years. This is to ensure debt is only for a capital purpose.
- 4.34 The table above shows that debt is expected to remain below the CFR during the period shown.
- 4.35 The liability benchmark is also shown below in a graphical format:



- 4.36 This graph clearly shows that while the CFR is stable, based on future assumptions, the liability benchmark is reducing marginally taking into account assumed capital expenditure in future years and assumed increases in reserves and MRP payments.

Operational boundary and authorised limit for external debt

- 4.37 The Council is legally required to set an annual affordable borrowing limit. This is the maximum the Council can borrow. In line with statutory guidance, a lower operational boundary is also set as a warning level should debt approach that limit.
- 4.38 The operational boundary is the most likely level of borrowing in year, directly linked to capital expenditure plans and the CFR and cash-flow requirements.
- 4.39 We set a separate limit for the HRA, which is now important to monitor due to the removal of the debt cap

Operational Boundary of External Debt	2020-21 Approved £000	2020-21 Revised £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000
Borrowing - General Fund	234,166	127,376	234,166	303,386	399,686	507,776	605,856
Borrowing - HRA	217,024	217,024	217,024	227,024	237,024	237,024	237,024
Other Long Term Liabilities	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Total	477,190	370,400	477,190	556,410	662,710	770,800	868,880

- 4.40 The authorised limit gives headroom for significant cash-flow movements. We are required to set a limit for other long-term liabilities, for example finance leases. We have included £26 million for items that can be classed as a finance lease, particularly with the introduction of IFRS16³ in April 2021.

Authorised Limit for External Debt	2020-21 Approved £000	2020-21 Revised £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000
Borrowing - General Fund	220,326	186,876	288,066	362,086	463,486	578,176	682,956
Borrowing - HRA	217,024	217,024	217,024	227,024	237,024	237,024	237,024
Other Long Term Liabilities	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Total	463,350	429,900	531,090	615,110	726,510	841,200	945,980

- 4.41 Officers monitor the Council's debt level against the authorised limit on a daily basis against all items on the balance sheet (long and short-term borrowing overdrawn bank balances and long-term liabilities).

Ratio of financing costs to net revenue stream

- 4.42 This is an indicator of affordability and highlights the revenue implications of the capital programme, by identifying the proportion of the revenue budget required to meet financing costs associated with capital spending, net of investment income.

³ New lease standard which reclassifies all leases, subject to certain minimum criteria, for lessees as a finance lease, and therefore on-balance sheet. Operating leases will no longer exist for lessees.

- 4.43 Although capital expenditure is not charged directly to the revenue account, interest payable on loans and MRP are charged, offset by any investment income receivable. The net annual charge is known as financing costs and is compared to the net revenue stream (i.e. the amount funded from Council Tax, Business Rates, and general government grants, and also for the HRA its income).
- 4.44 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Director of Resources therefore needs to be satisfied that the proposed capital programme is prudent, affordable and sustainable. This will be by looking at the overall gearing ratios, local indicators and affordability ratios/indicators.
- 4.45 If there are negative figures, it means the interest receivable is higher than interest payable.
- 4.46 The table shows the financing costs as a % of net revenue stream

	2020-21 Approved	2020-21 Outturn	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
General Fund	6.47%	0.60%	8.07%	24.80%	33.03%	61.78%	67.70%
HRA	30.13%	31.46%	31.03%	31.29%	30.37%	30.35%	31.45%

- 4.47 The GF outturn is lower than estimate because investment income is anticipated to be higher than budgeted due to more cash than expected in the year and interest paid on borrowing lower due to slippage in the capital programme. The 2021-22 estimate is higher than 2020-21 outturn because of the increasing MRP and reducing cash balances. The large increase from 2021-22 relates to an increase in the MRP budget and a large increase in interest payable as external loans are taken out – a direct result of increasing capital expenditure.
- 4.48 The HRA indicator is reducing slightly because of the reducing debt interest costs as one of the Council’s loans is being repaid, and interest on HRA reserves is increasing in line with expected balances in reserves.

5. Minimum Revenue Provision (MRP)

- 5.1 Where the Council finances capital expenditure by borrowing, the CFR will increase and we must put aside resources, from revenue, to repay that debt in later years, known as MRP. MRP only applies to the GF.
- 5.2 The Local Government Act 2003 requires local authorities to have regard to the MHCLG’s Guidance on MRP, most recently revised in 2018.
- 5.3 The Guidance aims to ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.

- 5.4 The Guidance recommends a maximum useful life of 50 years for all assets, unless the Council has an opinion from an appropriately qualified professional advisor that an asset will deliver service functionality for more than 50 years.
- 5.5 MRP becomes chargeable in the financial year after the expenditure is incurred or if a scheme is not complete when the asset becomes operational.
- 5.6 Based on the Council's estimate of its CFR on 31 March 2021, and unfinanced capital expenditure in 2020-21 of £40 million, the budget for MRP for 2021-22 and future years is:

2021-22	£1.535 million
2022-23	£2.55 million
2023-24	£3.3 million

- 5.7 Profiling of capital expenditure is key in determining the impact of MRP on the revenue account.

MRP Policy

- 5.8 The Council will use the asset life method as its main method of applying MRP but will use the annuity method for investment property.
- 5.9 Where appropriate, for example in relation to capital expenditure on development, we may use an annuity method starting in the year after the asset becomes operational.
- 5.10 Where we acquire assets ahead of a development scheme, we will charge MRP based on the income flow of the asset or as service benefit is obtained. Therefore, where construction, major refurbishment or redevelopment of an asset occurs, we will not charge MRP during the period of construction, refurbishment or redevelopment. MRP will not be charged from the date a property is vacant (if the development starts within 12 months of the vacation date). MRP will be charged in the financial year after the asset has returned to operational use.
- 5.11 We will apply a life of 50 years for the purchase of land and schemes which are on land (for example transport schemes).
- 5.12 Where loans are made to other bodies for their capital expenditure, no MRP will be charged, where the other body is making principal repayments of that loan as well as interest. However, the capital receipts generated by the loan principal repayments on those loans will be put aside to reduce the CFR.
- 5.13 For investments in shares classed as capital expenditure, we will apply a life related to the underlying asset in which the share capital has been invested.
- 5.14 We will apply a prudent approach to determining which schemes are financed from capital resources and which ones will be subject to MRP. For example, we feel it is prudent to apply capital resources to those schemes that have a shorter estimated life. We will determine this annually as part of closing the accounts.

- 5.15 Generally, the asset life for MRP will be matched to the life used for depreciation purposes. Estimated life periods will be determined under delegated powers to the Chief Finance Officer.

6. Treasury Management

- 6.1 Treasury management is concerned with keeping enough but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances of overdrafts in the bank current account.
- 6.2 The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 6.3 Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance (s151 officer) and staff, as per the Treasury Management Practices (TMPs), who must act in line with the treasury management strategy approved by Council in February each year. Treasury management activity is presented to the Corporate Governance and Standards Committee as part of the Council's financial monitoring report throughout the year. Corporate Governance and Standards Committee is responsible for scrutinising treasury management decisions.
- 6.4 The Council currently has £193 million long-term borrowing which is all related to the HRA at an average rate of 3.28% and a cost of £5.08 million in interest. Short term borrowing, falling on the general fund, is expected to cost £0.365 million at an average rate of 0.52%. The Council's average investment portfolio is £108 million at an average rate of 1.57%, generating £1.9 million of interest.

Borrowing strategy

- 6.5 The Council's main objectives when borrowing is to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore needs to strike a balance between cheap short-term loans and long-term fixed rate loans where the future cost is known but higher.
- 6.6 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. The Liability benchmark in paragraphs 4.31 to 4.38 show that we are meeting the statutory guidance.
- 6.7 The detailed borrowing strategy can be found in **Appendix 1** section 5.

Investment strategy

- 6.8 Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

- 6.9 The contribution that treasury management investments make to the objectives of the Council is to support effective treasury management activities. Interest receipts of the council are budgeted to be £1.28 million in 2021-22.
- 6.10 The Council's policy on treasury management is to prioritise security over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks to minimise the risk of loss. Money that will be held for longer-terms is invested more widely, including bonds, shares and property to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external manager makes decisions on which investments to buy and the Council may request its money back at short notice.
- 6.11 The detailed investment strategy can be found in **Appendix 1** section 5.

7. Asset management / non-financial investments

Property asset management

- 7.1 To ensure that capital assets continue to be of use in the long-term, the Council has an asset strategy and asset management framework. These include the following objectives:
- for operational properties to operate at full potential in the delivery of services, assessing them against performance criteria and investing where necessary to ensure they remain fit for purpose and improve service capability
 - for investment properties to achieve a maximum return by actively managing and reviewing properties, reduce risk, and enhance income, negotiate leases on the best possible terms, invest where necessary to retain their value and sell high cost or underperforming assets
 - for all buildings to be held to a high standard of repair, by undertaking regular condition surveys and linking the output of the condition survey to an identifiable programme of works
 - for all works to provide value for money by undertaking cost analysis and options appraisals to determine whether to fund capital improvements and ensure robust procedures are followed when arranging works to encourage competitive and best value pricing
 - for all properties to be fully compliant with statutory requirements including health and safety and energy efficiency regulations.

Investments for service purposes

- 7.2 The Council makes investments to assist local public services, including loans to and buying shares in local service providers, local small businesses to promote economic growth, and the Council's subsidiary companies. Considering the public service objective, the Council is willing to take more risk than with treasury investments; however, it still plans for such investments to at least break even after all costs.

- 7.3 Opportunities on service investments are initiated by the relevant service leader and any decisions are made by the Director of Resources. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.
- 7.4 The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk and ensure that total exposure to service loans remains proportionate to the size of the Council, we will undertake independent due diligence before entering into a loan or purchasing shares.
- 7.5 Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures in the Statement of Accounts will be shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.
- 7.6 The Council invests and has purchased shares in Guildford Holdings Company (40% equity shares then transferred into North Downs Housing). A small amount has been used to purchase shares in the Guildford Credit Union (BOOM) and the Broadband for Surrey Hills (B4SH). The projected future investment in the Council's companies are detailed in the capital programme. It is not expected to increase exposure to BOOM or B4SH.
- Other non-treasury investments**
- 7.7 The Council had acquired its investment properties over several years to facilitate the economic development of the borough and generate rental income that helps support the wider financial position of the Council.
- 7.8 Compared with other investment types, property is relatively difficult to sell and convert into cash at short notice and can take a considerable amount of time to sell in certain market conditions. Therefore, the size of the investment property portfolio is compared, on a monthly basis, against the value of the Council's treasury management investments.
- 7.9 Investment property is valued at £153.4 million as per the 2019-20 Statement of Accounts, with rent receipts of £8.4 million.
- 7.10 With financial return being the main objective, the Council accepts higher risk on commercial investment properties than treasury investments. The principal risk exposures include fluctuating capital values, vacancies, tenant defaults and rising financing costs. All these factors can have an impact on the net financial return to the Council. The Council mitigates the risks through the choice of more secure property investments using the criteria described above and keeping a balanced portfolio spread across different property types. Officers prepare detailed cash flow models for each prospective investment acquisition in order to appraise the cash flow risk and the IRR of the investment.
- 7.11 In accordance with government guidance, the Council considers a property Investment to be secure if its accounting valuation is at or higher than its

- purchase cost including taxes and transaction costs. The Council values investment property annually.
- 7.12 If the fair value assessment of the portfolio in the accounts is at or above purchase cost, the underlying asset provides security for the capital investment. Should the valuation be lower than the purchase cost, the Council will report this in the capital and investment annual report, along with the consequences of the loss on security of investments and any revenue consequences arising.
- 7.13 Performance is also reviewed regularly throughout the year and an investment fund portfolio report submitted annually to the Property Review Group.
- 7.14 In accordance with the Council's Constitution, the Director of Strategic Services is authorised in consultation with the Head of Asset Management, the Director of Resources, and the relevant lead councillor with portfolio responsibility for finance and asset management, to approve land and building purchases up to a value of £5 million, where budget provision exists on the approved general fund capital programme and within the set parameters of the strategic property acquisition procedure.
- 7.15 The property investment strategy provides a robust and viable framework for the acquisition of commercial properties located within the borough. This will direct investment in assets that local businesses occupy as well as those nationally or internationally that contribute to growth in the local economy. There will be continual evaluation of the property investment portfolio to meet the Council's priorities and ensure it is fit for purpose.
- 7.16 We will also consider new opportunities as they arise. For example, the Council recognises that another major industrial site is coming to the end of its physical life where our tenants want to reinvest. The Council will support redevelopment plans by tenants to improve their sites and the estate, which again may instigate capital investment by the Council alongside income generation. We also set aside proceeds from investment property sales that are not performing, to allow us to purchase new property within the Borough.

Liabilities

- 7.17 On the face of the Council's balance sheet, there is £113.6 million of other long-term liabilities which relates to the pension fund liability.
- 7.18 The Council is committed to making future payments to cover its share of the pension fund deficit - valued at £2.9 million as per the 2019-20 statement of accounts.
- 7.19 We have also set aside £2.8 million to cover risks of Business Rates appeals plus other smaller provisions. We have not allowed for any financial guarantees but have identified one relating to the Electric Theatre.
- 7.20 The Council is also at risk of having to pay for levies relating to our liability for asbestos but has not put aside money into a provision because it is not yet certain. Details can be found in the 2019-20 Statement of Accounts.

- 7.21 Decisions on incurring new discretionary liabilities are taken by the relevant service leader and the Director of Resources.
- 7.22 A new accounting standard, IFRS16 – accounting for leases, comes into effect from 1 April 2022 (delayed from 1 April 2020). The key change is that accounting for lessees (i.e. leasing in assets) will change, and there will no longer be a distinction between finance and operating leases. The Council is currently working through the implications, but it will mean an increase in the assets and liabilities of our balance sheet.

Proportionality

- 7.23 Due to the level of non-financial investments, the Council has identified the proportion of income from these types of investments against gross service expenditure.

	2020-21 Budget £000	2020-21 Outturn £000	2021-22 Budget £000	2022-23 Budget £000	2023-24 Budget	2024-25 Budget
Gross Service Expenditure	112,634	113,426	103,101	104,447	105,863	105,863
Investment property income	7,890	8,030	7,664	7,692	7,692	7,692
Treasury management income	1,488	1,897	1,279	1,150	1,190	1,294
Investment income %	8%	9%	9%	8%	8%	8%

- 7.24 The table shows that the income from both investment property and treasury management income (“investment income”) contributes around 8% to 9% to the gross cost of services across the Council.

8. Knowledge and skills

- 8.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Director of Resources and Financial Services Manager (s151 and Deputy s151 respectively) are both qualified accountants with many years’ post qualification experience. The Deputy Head of Asset Management is a qualified chartered surveyor and member of the Royal Institution of Chartered Surveyors (RICS) as are members of the Asset Management team. The Council pays for junior staff to study towards relevant professional qualifications including CIPFA, ACT (treasury), and RICS.
- 8.2 Where Council staff do not have the knowledge and skills required, use is made of external advisors and consultants that are specialist in their field. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.
- 8.3 Under the new MiFID regulations, for the Council to be able to “opt-up” to professional status, the Council is required to state the knowledge and skills of key staff involved in the treasury decision making – this is a mandatory criterion. Financial Institutions decide whether the Council can opt-up, and there is comfort in that where the Council is accepted as a professional client; we have the

required level of skills and knowledge expected by the financial institution of key treasury staff.

9. Risks

- 9.1 Officers submit bids with a proposed timeframe for the project to be completed. This is put into the capital programme and feeds into the liability benchmark (to determine where we may need to borrow – at a high level), cash flow forecasts (projecting investment income and possible borrowing costs feeding into the medium-term financial strategy) and the MRP projections (again, feeding into the medium-term financial strategy).
- 9.2 The capital programme predicts the Council's underlying need to borrow. This is the starting point to determine whether the Council needs to borrow externally, and for what period. If the profiling of the capital programme is significantly wrong, this means the Council will have budgeted less investment income, more external borrowing interest and more MRP than it needs to. All these are a cost to the revenue budget and therefore the council taxpayer.
- 9.3 Officers are working to minimise this impact and meet on a quarterly basis to review the capital programme and adjust the profiling. The medium-term financial strategy is updated continually with the latest interest and MRP projections taking account of the latest capital programme profile to ensure the most realistic position is presented in the revenue budget.
- 9.4 Slippage in the capital programme could also mean costs are higher than originally budget because of price inflation and changing market conditions. To help mitigate this, the Council has a capital contingency fund budget of £5 million each year acting as an additional budget included in the borrowing calculations across the programme as a whole. Each scheme also has contingencies built into the individual budgets.
- Treasury management risks**
- 9.5 The effective management and control of risk are prime objectives of the Council's treasury management activities. The treasury management strategy therefore sets out the various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.
- 9.6 Overall responsibility for treasury management remains with the Council. Treasury management activity involves risk and cannot be eliminated. The effective identification and management of risks are integral to the Council's treasury management objectives.
- 9.7 Treasury management activity needs to be managed to maximise investment income and reduce debt interest whilst maintaining the Council's exposure to risk.
- 9.8 Inflation is also a key factor. Investments are made and earn a return. If inflation is high, and investment returns are low, the investment return is not keeping up with inflation and the Council is, therefore, losing money.

9.9 Risk indicators relating to treasury management are in Appendix 1 section 7.

Risks relating to non-financial assets

9.10 There are some key identifiable risks of investing in property.

9.11 A downturn in the property market could lead to falling rents or higher vacancies meaning that rental income may not cover borrowing costs.

9.12 In addition, a downturn could lead to a fall in property values which could impact capital receipts if the Council wanted to sell the property to use the receipts for other purposes.

9.13 The Council mitigates these by having a diverse investment property portfolio, a review of tenant covenant strength prior to becoming a tenant, including a review of the company finances and credit checks. The Council will also request rent deposits where appropriate. In addition, we undertake a prudent cash flow model for each prospective investment in order to appraise the cash flow risk and the internal rate of return of the investment, and we keep abreast of the latest property market information to inform decisions.

10. Consultations

10.1 The Lead Councillor for Resources supports the recommendations in this report.

11. Financial Implications

11.1 The financial implications are covered throughout the report, and in the appendices.

11.2 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by an income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream (i.e. the amount funded from Council Tax, business rates and general government grants).

11.3 The budget for treasury management investment income in 2021-22 is £1.278 million, based on an average investment portfolio of £77.3 million, at a weighted average rate of 1.57%. The budget for debt interest paid is £5.637 million, of which £5.05 million relates to the HRA. If actual levels of investments and borrowing, and actual interest rates differ from that forecast, performance against budget will be correspondingly different.

11.4 Income from investment property is estimated to be £7.664 million in 2021-22.

11.5 The MRP budget is £1.535 million in 2021-22.

11.6 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for many years into the future. The Director of Finance is comfortable that the proposed capital programme is prudent, affordable and sustainable.

Risk indicators

- 11.7 The Council has set the following quantitative indicators to allow readers to assess the total risk exposure as a result of investment decisions.

Total risk exposure

- 11.8 This indicator shows the total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down and the guarantees the Council has issued over third-party loans.

Total Investment Exposure	2019-20	2020-21	2021-22
	Actual £000	Forecast £000	Forecast £000
Treasury management investments	95,628	108,493	77,341
Service investments: Loans	8,183	13,498	20,698
Service investments: Shares	5,460	9,003	13,803
Investment property	153,413	154,071	154,071
Total Investments	262,684	285,065	265,913

How investments are funded

- 11.9 Government guidance is that we should show how these investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this is difficult to comply with. However, service investments in loans and shares could be described as being funded by borrowing. The remainder of the Council’s investments are funded by usable reserves and income received in advance of expenditure.

- 11.10 The Council is not expected to borrow externally for any of the investment exposure in the table at para 11.8, within this timeframe, other than shares (Guildford Borough Council Holdings Ltd) and loans (North Downs Housing Ltd) in the medium term.”

Rate of return achieved

- 11.11 This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Councillors should note that due to the complex nature of the local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Investments net rate of return	2019-20	2020-21	2021-22
	Actual £000	Forecast £000	Forecast £000
Treasury management investments	1.40%	1.30%	1.12%
Service investments: Loans	5.10%	5.10%	5.10%
Service investments: Shares	0.00%	0.00%	0.00%
Investment property	6.30%	5.50%	5.50%

- 11.12 Further indicators can be seen in **Appendix 1**, section 3.

12. Legal Implications

12.1 Various professional codes, statutes and guidance regulate the Council's capital and treasury management activities. These are:

- the Local Government Act 2003 ("the 2003 Act"), provides the statutory powers to borrow and invest and prescribes controls and limits on these activities, and in particular within the Local Authority (Capital Finance and Accounting) (England) Regulations 2003
- the 2003 Act permits the Secretary of State to set limits on either the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken
- Statutory Instrument (SI) 3146 2003 ("the SI"), as amended, develops the controls and powers within the 2003 Act
- the SI requires the Council to undertake borrowing activity with regard to the Prudential Code. The Prudential Code requires indicators to be set – some of which are absolute limits – for a minimum of three forthcoming years
- the SI also requires the Council to operate the overall treasury management function with regard to the CIPFA TM Code
- under the terms of the Act, the Government issued 'Investment Guidance' to structure and regulate the Council's investment activities. The emphasis of the Guidance is on the security and liquidity of investments
- Localism Act 2011

13. Human Resource Implications

13.1 where additional resources are required to deliver schemes identified within this report, officers have included this in the bid or have submitted a revenue bid.

14. Equality and Diversity Implications

14.1 This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report

15. Climate Change/Sustainability Implications

15.1 There are no specific implications as a result of the report, however, all capital schemes will take account of reducing carbon.

16. Joint Executive Advisory Board (JEAB) comments

16.1 At its meeting held on 7 January 2021, the JEAB considered this report and, indicated its endorsement of the three recommendations to the Executive therein. The following points arose from related questions and discussion:

- Notwithstanding the current economic downturn, partly due to COVID-19, the yield generated from the lease of the Council's commercial property acquisitions was favourable largely due to the portfolio's concentration on

industrial units, which remained in demand, over office and retail elements. The Commercial Property Team was thanked for its good work in this area.

- It was difficult to anticipate the impact that Brexit might have on the Council's Capital Investment Strategy and the local economy. Although recent economic forecasts and anticipated fiscal growth rates regarding the United Kingdom were optimistic, the Council would need to monitor the situation carefully and respond accordingly to safeguard its financial position.
- Significant demand from local businesses for start-up premises in the Borough from which small companies could develop and expand had been observed and it was hoped that the Commercial Property Team was aware of this market trend.
- The importance of engaging with, and supporting, local companies where possible was highlighted and acknowledged.

17. Summary of Options

17.1 Officers have detailed the options within the new capital bid.

17.2 The MHCLG Guidance and the CIPFA TM Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Finance Officer, having consulted with the Lead Councillor for Resources, believes the strategy represents an appropriate balance between risk and cost effectiveness. Some alternative strategies and risk management implications are:

Alternative	Impact on income / expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses, from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to higher impact in the event of a default; however, long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is unlikely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

18. Conclusion

- 18.1 The information included in this report shows the position of the current approved capital programme. Bids for future years that are viewed as essential projects have been submitted by officers.
- 18.2 If all schemes proceed within the timescales indicated, there will be an underlying need to borrow of £400 million by 31 March 2025.
- 18.3 The information in this report, and the Appendices, shows the Council has adopted the principles of best practice and complied with the relevant statute, guidance, and accounting standards.

19. Background Papers

None

20. Appendices

- Appendix 1: Detailed capital and investment strategy
- Appendix 2: New GF capital bid for 2021-22 to 2025-26: Guildford Economic Regeneration (GER) Programme
- Appendix 3: Schedule of approved GF capital programme
- Appendix 4: Schedule of provisional GF capital programme
- Appendix 5: Schedule of reserves funded capital schemes
- Appendix 6: Schedule of s106 funded schemes
- Appendix 7: Summary of resources and financial implications
- Appendix 8: Treasury Management Policy Statement
- Appendix 9: Money Market Code Principles
- Appendix 10: Arlingclose Economic and Interest Rate Forecast November 2020
- Appendix 11: Credit rating equivalents and definitions
- Appendix 12: Glossary

Capital, Treasury and Investment Strategy - detail

1. Introduction

- 1.1 A capital strategy is the foundation of proper long-term planning of capital investment in assets and how it is to be delivered. It needs to link into the Council's overall corporate objectives and strategic priorities.
- 1.2 Council's need to invest in their assets, as they are the most valuable resource (termed as non-financial assets throughout the report).
- 1.3 Capital expenditure is defined as:
- "Money spent on acquiring or upgrading fixed assets, to increase the life of the asset or improve its productivity or efficiency to the organisation"*
- 1.4 Capital planning is about investment in assets and is, therefore, linked to asset planning. Council assets have been acquired using public money, so they have an obligation to protect the value of those assets. Failure to do this means assets will gradually deteriorate and in the long-term this puts the Council's ability to fulfil its basic responsibilities at risk.
- 1.5 An integral part of a capital strategy is how the programme is financed. This is inexplicitly linked to treasury management and informs the resources available for treasury investments.
- 1.6 Treasury management is an important part of the overall management of the Council's finances. Council's may borrow or invest for any purpose related to its functions, under any enactment, or for the purpose of the prudent management of its financial affairs.
- 1.7 The CIPFA definition of treasury management is:
- "the management of the organisations borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks"*
- 1.8 Statutory requirements, the CIPFA Code of Practice for Treasury Management in the public services (the TM Code) and the CIPFA Prudential Code regulate the Council's treasury activities.
- 1.9 MHCLG requires authorities to prepare an investment strategy, which comprises both treasury and non-treasury investments.
- 1.10 An authority invests its money for three broad purposes:
- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (treasury management investments)

- to support local public services by lending to or buying shares in other organisations (service investments)
- to earn investment income (commercial investments where this is the main purpose)

1.11 The Local Government Act 2003, require Local Authorities to have regard to the Prudential Code. The Prudential Code, last revised in 2017, requires Local Authorities to determine a capital strategy. The strategy is to have regard to:

Capital expenditure

- an overview of the governance process for the approval and monitoring of capital expenditure
- a long-term view of capital expenditure plans
- an overview of asset management planning
- any restrictions around borrowing or funding of ongoing capital finance

Debt and borrowing and treasury management

- a projection of external debt and use of internal borrowing to support capital expenditure
- provision for the repayment of debt over the life of the underlying asset
- authorised limit and operational boundary for the following year
- the approach to treasury management including processes ,due diligence and defining the risk appetite

Commercial activity

- the Council's approach to commercial activities, including processes, ensuring effective due diligence and defining the risk appetite including proportionality in respect of overall resources

Other long-term liabilities

- an overview of the governance process for approval and monitoring and ongoing risk management of any other financial guarantees and other long-term liabilities.

Knowledge and skills

- a summary of the knowledge and skills available to the Council and confirmation that these are commensurate with the risk appetite.

1.12 Included in these regulations and codes of practice, we are required to set Prudential and Treasury Indicators for assessing the prudence, affordability and sustainability of capital expenditure and treasury management decisions. The MHCLG investment guidance also suggest some local indicators.

1.13 The following sections of the strategy outline the Council's balance sheet and treasury position, capital expenditure and treasury management strategy.

1.14 In order to understand the context of the capital and investment strategy (where we are going and how we will get there), it is important to understand where we are now.

2. External Context

Economic Background

- 2.1 The impact on the UK from Covid-19, together with the UK's exit from the EU and future trading arrangements, will remain a major influence on the Council's treasury management strategy for 2021-22.
- 2.2 UK Consumer Price Inflation (CPI) for September is 0.5% year on year. The unemployment rate rose to 4.5% and employment rate fell to 75.6%. This is expected to deteriorate due to the ongoing impact of Covid-19 on the jobs market, particularly when various government job retention schemes start to unwind in 2021 where unemployment is expected to peak at 7.75% in Q2 2021.
- 2.3 GDP growth fell by 19.8% in the second quarter of 2020. Monthly GDP figures have shown the economy is recovering but remains well below the pre-pandemic peak.
- 2.4 The Bank expects the UK economy to shrink -2% in Q4 2020 before growing by 7.25% in 2021, lower than previous forecasts of 9%. The BoE also forecasts the UK economy will take until Q1 2022 to reach its pre-pandemic level.
- 2.5 The Bank of England maintained Bank Rate to 0.1% in November 2020 and extended its QE programme by £150 million to £895 million. There was no mention of potential future negative rates.

Credit outlook

- 2.6 The credit ratings of many UK institutions were downgraded due to the sovereign downgrade.
- 2.7 The potential for bank losses to be greater than expected when government and central bank support starts to be removed remains a risk, as does the UK not achieving a Brexit deal, suggesting a cautious approach to bank deposits in 2021-22 remains advisable.

Interest rate forecast

- 2.8 Arlingclose are forecasting that BoE base rate will remain at 0.1% until at least the end of 2023.
- 2.9 Gilt yields are expected to remain very low in the medium term while short term yields are likely to remain below or at zero until such time the BoE rules out negative rates or growth/inflation prospects improve.

3. Balance sheet and treasury position

Balance Sheet

- 3.1 The Council has a strong asset backed balance sheet

	Balance at 31 March 2019		Balance at 31 March 2020		
	£'000	£'000	£'000	£'000	
Long term assets	937,854		947,265		
Short term assets	22,924		14,392		
		960,778	91%	961,657	89%
Long term investments	45,100		43,109		
Short term investments	55,691		74,418		
		100,791	9%	117,527	11%
Total assets		1,061,569		1,079,184	
Current liabilities	(37,975)		(36,915)		
Long term liabilities	(115,983)		(113,567)		
		(153,958)	42%	(150,482)	39%
Short term borrowing	(20,337)		(44,493)		
Long term borrowing	(192,665)		(192,435)		
		(213,002)	58%	(236,928)	61%
Total liabilities		(366,960)		(387,410)	
Net assets		694,609		691,774	

- 3.2 The summary balance sheet shows that cash investments make up only 11% of the Councils assets. Investment property makes up 16% of the long-term assets (being £153 million). The largest proportion of our liabilities is long-term borrowing, which is all HRA debt.

Financial Stability/Sustainability

- 3.3 Gearing is a measure of financial leverage, demonstrating the degree to which activities are funded by our own money or by debt. The higher the leverage, the more risky the company is considered to be because of the financial risk and that they must continue to service its debt regardless of the level of income or surplus. Gearing can be calculated by using the debt ratio (total debt / total assets), and is the proportion of our assets that are financed by debt.

	2019-20 Actual ('000)	2020-21 Estimate ('£000)	2020-21 Outturn ('£000)	2021-22 Estimate ('£000)	2022-23 Estimate ('£000)	2023-24 Estimate ('£000)	2024-25 Estimate ('£000)
Total debts	236,927	513,197	315,427	386,567	491,815	531,815	581,815
Total assets	1,079,184	1,425,037	1,128,881	1,276,079	1,393,935	1,459,549	1,544,875
Debt Ratio %	22%	36%	28%	30%	35%	36%	38%

- 3.4 This shows that our gearing is low, which is because of our strong asset base, and projecting forwards capital spend will continue to grow our asset base.
- 3.5 Future years' estimates are based on adding the budgeted cost of capital investment onto the assets, and adding the assumed debt funded expenditure (not external debt as shown in the liability benchmark) to the debt figure to give an idea how the financial stability of the Council will be evolving.

Local indicators

- 3.6 The Local Government Association (LGA) use a number of different financial indicators to assess the financial sustainability of Councils' as part of their financial diagnostic tool. We have chosen to use the following as local indicators:

- Total debt as a % of long term assets
- Ratio of equity by net revenue expenditure
- Un-ringfenced reserves as a % of net revenue expenditure
- Working capital as a % of net revenue expenditure
- Short term liability pressure (short term liabilities as a % of total liabilities)
- Total investments as a % of net revenue expenditure
- Investment property as a % of net revenue expenditure

3.7 Suggested MHCLG local indicators are:

Indicator	Description
Debt to net service expenditure (NSE) ratio	Gross debt as a percentage of net service expenditure
Commercial income to NSE ratio	Dependence on non-fees and charges income to deliver core services. Fees and Charges are to be netted off gross service expenditure to calculate the NSE
Investment cover ratio	The total net income from property investments, compared to the interest expense
Loan to value ratio	The amount of debt compared to the total asset value
Target income returns	Net revenue income compared to equity. This is a measure of achievement of the portfolio of properties
Benchmarking of returns	As a measure against other investments and against other Councils' property portfolios
Gross and net income	The income received from the investment portfolio at a gross level and net level (less costs) over time
Operating costs	The trend in operating costs of the non-financial investment portfolio over time, as the portfolio of non-investments expands
Vacancy levels and tenant exposures for non-financial investments	Monitoring vacancy levels (voids) ensure the property portfolio is being managed (including marketing and tenant relations) to ensure the portfolio is as productive as possible

3.8 These indicators will be calculated on an actual basis and will form part of the outturn report.

Treasury position

3.9 The following table shows the Council's current treasury position, which is the next step to moving forward from the balance sheet.

	March 20 Actual £'000	Dec 20 position £'000
Investments		
<u>Managed in-house</u>		
Call Accounts	528	1,602
Notice Accounts - UK	8,000	3,000
Money Market Funds	14,495	59,658
Temporary Fixed Deposits	20,000	34,000
Long term Fixed Deposits	28,500	22,500
Covered Bonds	18,100	16,100
Revolving credit facility	5,000	0
Total investments managed in-house	94,623	136,860
<u>Pooled Funds</u>		
CCLA	6,514	6,333
M&G	1,127	3,434
Schroders	568	635
UBS	2,018	2,235
Royal London	2,228	2,315
Fundamentum	1,960	1,980
Funding Circle	533	303
Total pooled funds investments	14,947	17,234
Total Investments	109,570	154,094
Borrowing		
Temporary borrowing	44,230	45,000
Long-term borrowing (PWLb)	192,435	193,010
Long-term borrowing (LAs)	0	0
Total borrowing	236,665	238,010
Net investments / (borrowing)	(127,095)	(83,916)

3.10 The table shows the position at the start of the financial year (included in the balance sheet), and the position at the end of December 2020 (the latest position).

3.11 The net borrowing position has decreased since March 2020 by £43 million because the Council is holding more cash. Its usual to have more cash than at the end of the financial year in March due to the majority of Council Tax being paid over a 10-month period, and precepts are still paid out in February and March.

4. Capital expenditure

4.1 To understand the movement in our balance sheet over the medium term, it is important to understand the anticipated capital expenditure and capital receipts over that time.

4.2 The Council has an ambitious Corporate Plan and medium to long-term aspirations within the Borough. There is, therefore, a number of processes in place to ensure the capital programme is approved and monitored for good governance.

4.3 The Council has the following parts to its capital programme:

- Capital vision
- Approved programme
- Provisional programme
- Reserves funded programme
- S106 funded programme

- 4.4 The Council splits the schemes into three types to enable us to review the amount of spend on statutory items against those which we are expecting a financial return from as part of our regeneration plans:
- a) development for financial reasons - those schemes that are for economic growth, regeneration, redevelopment and income generation purposes, including housing schemes
 - b) development for non-financial reasons - those schemes that are for economic growth, regeneration, redevelopment, including housing schemes and infrastructure and
 - c) non-development essential schemes (i.e. those that must be done to keep our fixed assets in an acceptable condition) - those schemes that need to be undertaken for statutory/compliance reasons, are required to maintain service provision at existing levels (or prevent cost escalation) or are infrastructure schemes
- 4.5 Type (a) 'development schemes for financial reasons' are required to provide a positive or neutral impact on the Councils' GF revenue account. It is envisaged that this is achieved by the revenue income generated by the completed scheme/project being greater than the capital financing costs on the GF revenue account.
- 4.6 Type (b) 'development schemes for non-financial reasons' are required to provide regeneration in the borough to support economic growth in the borough.
- 4.7 Type (c) 'essential schemes' often do not have cashable savings or efficiencies associated with them, but often prevent further cost escalation of services, or, in the case of infrastructure will act as a catalyst for type (b) schemes. Essential schemes often have revenue costs associated with them, particularly if funded from borrowing.
- 4.8 The capital programme covers a 5 to 10-year period, with more emphasis on the first five years.
- 4.9 Any projects that are expected to be delivered after the first five years of the programme, or those where the scheme has not yet been fully identified are placed on the Councils' Capital Vision. The vision enables us to model the potential financial impact of these schemes, and be aware of the potential schemes to be brought forward onto the GF capital programme in future.
- 4.10 Many of the bids in the capital programme are development projects, and their expenditure and income profile can span beyond the five-year timeframe. The Councils' capital programme, is therefore, a prudent one. Any income arising as a result of a development project that is outside the five years or is currently only estimated is shown in the capital vision. Any development projects will be subject to a thorough business case, which will assess the delivery model, and officers will ensure that they are financially viable before they can proceed.
- 4.11 The Council maintains a provisional programme to be able to produce a realistic five year programme, and include the financial implications in the outline budget. It also gives Councillors an indication as to what schemes are being investigated, and an indication as to when these schemes may be progressed.
- 4.12 Under the financial regulations, schemes that are fully funded by s106 receipts or grants and contributions can be added to the capital programme, where they have

Agenda item number: 10
Appendix 1

been approved by the relevant Lead Councillor and relevant Director in consultation with the Financial Services Manager.

- 4.13 During the year, the Capital Monitoring Group (CMG) meets on a quarterly basis to review the scheduling of the capital programme. The group consists of officer representatives across the Council from different departments to give a joined up approach.
- 4.14 The capital programme is also reviewed by CMT and Corporate Governance and Standards Committee (CGSC) as part of the regular financial monitoring for months 2, 4, 7, 10 and 11 and then as part of the final accounts report.
- 4.15 The proposed financing of the capital programme assume available resources will be used in the following order:
- capital receipts from the sale of assets (after applying the flexible use of capital receipts policy if applicable)
 - capital grants and contributions
 - earmarked reserves
 - the general fund capital schemes reserve
 - revenue contributions
 - internal borrowing
 - external borrowing
- 4.16 The actual financing of each years' capital programme is determined in the year in question, as part of the preparation of the Councils' statutory accounts.
- 4.17 Capital expenditure is split between the General Fund (GF) (incorporating non-HRA housing) and HRA housing. This strategy focusses on the GF capital programme. The HRA produces its 30-year business plan that is approved by Council in February each year, shown in a separate report.
- 4.18 Our current approved capital programme, revised in year for updates in the programme and for any changes approved by the Executive is as follows:

CAPITAL EXPENDITURE SUMMARY	2020-21 Approved £000	2020-21 Outturn £000	2020-21 Variance £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000
General Fund Capital Expenditure								
- Main Programme	65,188	45,261	(19,927)	41,630	9,260	9,261	12,348	0
- Provisional schemes	102,356	1,188	(101,168)	103,593	108,096	55,853	72,978	34,881
- Schemes funded by reserves	3,984	3,005	(979)	1,975	500	500	0	0
- S106 Projects	0	243	243	0	0	0	0	0
Total Expenditure	171,528	49,697	(121,831)	147,198	117,856	65,614	85,326	34,881
Financed by :								
Capital Receipts	0	(2,086)	(2,086)	(95)	0	0	0	0
Capital Grants/Contributions	(41,368)	(12,358)	29,010	(51,415)	(10,515)	(7,650)	(5,600)	0
Capital Reserves/Revenue	(10,964)	(6,692)	4,272	(2,195)	(720)	(720)	0	0
Borrowing	(119,196)	(28,561)	90,635	(93,493)	(106,621)	(57,244)	(79,726)	(34,881)
Financing - Totals	(171,528)	(49,697)	121,831	(147,198)	(117,856)	(65,614)	(85,326)	(34,881)
Housing Revenue Account Capital Expenditure								
- Main Programme	14,930	13,966	(964)	5,525	4,025	4,075	1,400	400
- Provisional schemes	12,457	250	(12,207)	42,012	22,792	16,695	5,575	5,575
Total Expenditure	27,387	14,216	(13,171)	47,537	26,817	20,770	6,975	5,975
Financed by :								
- Capital Receipts	(6,783)	(2,498)	4,285	(12,869)	(6,653)	(4,839)	(400)	(400)
- Capital Reserves/Revenue	(20,604)	(11,619)	8,985	(24,668)	(10,164)	(5,932)	3,425	4,425
- Borrowing	0	0	0	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Financing - Totals	(27,387)	(14,117)	13,270	(47,537)	(26,817)	(20,770)	(6,975)	(5,975)

- 4.19 The programme has slipped in 2020-21 – estimated expenditure on the GF of £171.5 million, has been reduced to £82.2 million. The majority of this relates to expenditure on regeneration schemes and has been moved into later years.
- 4.20 We split expenditure on housing services between the HRA and GF housing. Any expenditure that relates to the Council's own stock, or its role as a landlord, is accounted for in the HRA capital programme. All other housing related expenditure is accounted for in the GR capital programme.
- 4.21 Where direct development is concerned, we normally account for site preparation and feasibility costs in the GF programme, but construction costs, most enabling works and other costs incurred after planning approval are accounted for in the HRA capital programme. This is because we bear the preparation costs regardless of who builds the structure. Once we know a scheme will be delivered by the HRA, the site preparation costs will be transferred to the HRA and can be used against the Government's 141 receipts under the sale of Right to Buy housing.

New capital schemes

- 4.22 To ensure good governance, the Council has the following process for the capital programme.
- 4.23 Each year, as part of the budget cycle, officers are asked to submit bids for capital funding covering at least a five-year period, and also for the capital vision.
- 4.24 Any projects that are expected to be delivered after the five-year period, of those where a scheme has not yet been fully identified are placed on the Councils' Capital Vision ¹(see Appendix 8). This allows us to model the potential financial impact of these schemes, and be aware of schemes that are likely to be brought forward onto the GF capital programme in future, and start planning potential funding streams for those schemes.
- 4.25 Many of the bids in the programme are development projects, and their expenditure and income profile could span beyond the five-year timeframe in this report. This report, therefore, shows a prudent capital programme and any income arising as a result of a development project (either revenue or capital) that is outside of the five years or is currently only estimates, is shown on the capital vision.
- 4.26 Some capital receipts or revenue streams may arise as a result of investment in particular schemes, but in most cases are currently uncertain and it is too early to make assumptions. Some information has been included in the capital vision highlighting the potential income. It is likely there are cash-flow implications of the development schemes, where income will come in after the five-year time horizon and the expenditure will be incurred earlier in the programme.
- 4.27 Each project will require a business case, in line with guidance set out in the HM Treasury Green Book ('Green book'), and the Council's new Project and Programme Governance process. The following applies:"
- Projects up to £200,000 – a simple business justification case will be required to justify the spending proposal

¹ Long-term schemes identified in documents such as the Corporate Plan SCC Local Transport Plan, the Councils' Regeneration Strategy, Local Plan and the emerging Infrastructure Delivery Plan.

- Projects £200,000 and over – will require a 3-stage business case consisting of:
 - a strategic outline case (i.e. the capital bid)
 - a detailed outline business case evaluating the strategic case, economic case (including options appraisal), commercial viability, financial affordability and management case for change – this will be reported to the Executive at the point a project is asking for approval to be moved from the provisional to the approved capital programme
 - a final business case – setting out the procurement process and evaluation of tenders prior to the contractual commitment of expenditure

4.28 The Council has a limited amount of resources and needs to have regard to the overall affordability of the capital programme in future years. Each scheme, therefore, needs to be evaluated to ensure it meets the Councils' objectives. The criteria is as follows:

- a) Each project must meet one of the five spending objectives:
 - a. Economy (invest to save, i.e. to reduce cost of services)
 - b. Efficiency (i.e. to improve throughput and unit costs)
 - c. Effectiveness (improving outcomes for the community)
 - d. Retendering to replace elements of the existing service
 - e. Statutory or regulatory compliance (i.e. H&S)
- b) Each scheme must be assessed against the fundamental themes within the Councils' Corporate Plan to show how well it contributes towards achieving the strategic objectives of the Council
- c) Each scheme must have a cost benefit analysis, detailing the Net Present Value calculation (NPV) of both cash-flows and quantifiable economic benefits, payback period, Internal Rate of Return (IRR), Peak Debt and the assessment of its Revenue impact.
- d) NPV is to be the most important criteria and must remain positive over a range of sensitivities for the Council to invest
- e) NPV calculation must use the recommended treasury discount rate in the Green Book, currently at 3.5%
- f) The revenue impact must be neutral or positive on the GF for all investment projects
- g) All projects should assess the qualitative benefits

4.29 All new bids are subject to the new Project and Programme Governance framework. A mandate is prepared for all bids and are reviewed by the strategy team to ensure they meet corporate objectives. Officer meetings are then held to ensure the key areas across the Council have the opportunity to input into the bid. CMT will then review the updated bids, along with the financial impacts and NPV scores. Once CMT are fully supportive of the bids the relevant Lead Councillor will be given a copy, and they will be presented to Councillors in the JEABBWG for review and scrutiny in November/December before being passed through the Committee Cycle and ultimately being approved at Full Council in February.

- 4.30 The Council may set an affordability limit based on what the GF can afford for implications of the capital programme (primarily MRP and borrowing interest). The idea is that where there are some essential schemes that will not generate income there is an allowance in the revenue account to accommodate the revenue impact of those.
- 4.31 This local limit is based on the maximum increase in financing costs on the GF revenue account each year to £5 per Band D property, which is the maximum amount by which the Council can raise its Band D council tax.
- 4.32 The impact is that there will be a limit to the number of Essential capital schemes (ie those that need to be undertaken for statutory/compliance reasons, are required to maintain service provision at existing levels or prevent cost escalation, or are infrastructure schemes). Based on an average asset life of 25 years for MRP purposes, the limit for new essential schemes to be funded by borrowing for each financial year in the capital programme will be:

	2021-22 Projection	2022-23 Projection	2023-24 Projection	2024-25 Projection	2025-26 Projection
Affordable increase in financing costs	288,229	285,797	204,240	211,474	101,689
Maximum limit on non-development capital schemes	7,205,720	7,144,925	5,105,993	5,286,842	2,542,224

- 4.33 This limit does not apply to development capital schemes (i.e. those that will be undertaken for economic growth, regeneration, redevelopment or income generation purposes, titled development/infrastructure – non financial benefit and development – financial benefit) as these schemes are defined as those which are anticipated to have a neutral or positive impact on the GF revenue account or on the town. This means that annual savings or additional income achieved from an investment capital schemes is greater than its financing costs over a range of scenarios will generate a positive benefit to the financial sustainability of the Council. The approval of these schemes will be made on a case-by-case basis following submission of an outline business case.
- 4.34 One new capital bid has been received for 2021-22, details of which are set out in Appendix 2.
- 4.35 Once Councillors have approved the new bids, they will be added to the provisional capital programme, unless the business case specifically recommends the scheme be implemented immediately, explaining in detail why.
- 4.36 Most projects over £200,000 require a further outline business case to be approved by the Executive before a project can be moved from the provisional to the approved programme, and authority is provided for officers to start implementing the project. Any project under £200,000 can be moved under delegation.
- 4.37 The net addition of the new bids for the GF is assumed to be funded by borrowing. The HRA new bids are assumed to be funded 1/3 capital receipts, 1/3 borrowing and 1/3 capital reserves.

5. Treasury management, borrowing and investment strategy

- 5.1 Treasury management is the management of the Councils' cash flows, borrowing and investments and the associated risks. The Council both borrows and invests substantial amounts of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The

successful identification, monitoring and control of financial risk are therefore central to the Councils' prudent financial management.

- 5.2 Treasury risk management at the Council is conducted within the framework of the CIPFA Treasury Management in the Public Services: Code of Practice 2017 ('TM Code') which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Councils' legal obligation under the Local Government Act 2003 to have regard to the TM Code.

Capital Financing Requirement (CFR)

- 5.3 With the current treasury position, and future capital expenditure plans known, we can prepare a table showing the extent of our need to borrow for capital purposes (the CFR), and what we have borrowed, compared to our level (and projected level) of reserves. We split this between the HRA and the GF.
- 5.4 The CFR is derived from unfinanced capital expenditure, which arises when there are no capital receipts or reserves available to fund the capital programme.
- 5.5 The Councils' investments consist of usable reserves and working capital and are the underlying resources available for investment. In the table below, we are also showing a minimum investment balance of £45 million. This represents the minimum level of cash / investments we will hold at any point in time, to maintain sufficient liquidity.
- 5.6 The liability benchmark assumes:
- an allowance for currently known capital expenditure, until 2025-26, and then an assumed level of £25 million per annum for general capital bids, plus anticipated capital programme and capital vision items where the costs and timings can be estimated
 - MRP has been allowed for based on the underlying need to borrow for the GF capital programme until 2024-25, and then projected forward based on the assumed level of capital expenditure with MRP over 25 years' repayment period
 - income, expenditure and reserves are updated until 2029-30, based on estimated income and expenditure and then projected forward by using 1% inflation adjustment each year to allow for transfers to reserves each year.

Guildford BC							
Balance Sheet Summary and Projections in £'000 - last updated 18 Nov 2020							
31st March:	2019	2020	2021	2022	2023	2024	2025
Loans Capital Financing Req.	294,706	312,124	380,754	452,131	556,666	640,216	703,774
Less: External Borrowing	(212,702)	(192,665)	(192,435)	(147,435)	(147,435)	(137,435)	(127,435)
Internal (Over) Borrowing	82,004	119,459	188,319	304,696	409,231	502,781	576,339
Less: Usable Reserves	(164,974)	(168,628)	(176,489)	(186,701)	(199,100)	(213,116)	(227,031)
Less: Working Capital Surplus	(12,361)	(12,361)	(12,361)	(12,361)	(12,361)	(12,361)	(12,485)
(Investments) / New Borrowing	(95,331)	(61,530)	(531)	105,634	197,770	277,304	336,823
Net Borrowing Requirement	117,371	131,135	191,904	253,069	345,205	414,739	464,258
Preferred Year-end Position	45,000	45,000	45,000	45,000	45,000	45,000	45,450
Liability Benchmark (year-end)	162,371	176,135	236,904	298,069	390,205	459,739	509,708
Peak to Trough Cash Flow	(7,388)	(7,462)	(7,536)	(7,612)	(7,688)	(7,765)	(7,842)
Liability Benchmark (mid-year)	154,983	168,674	229,367	290,457	382,517	451,975	501,866

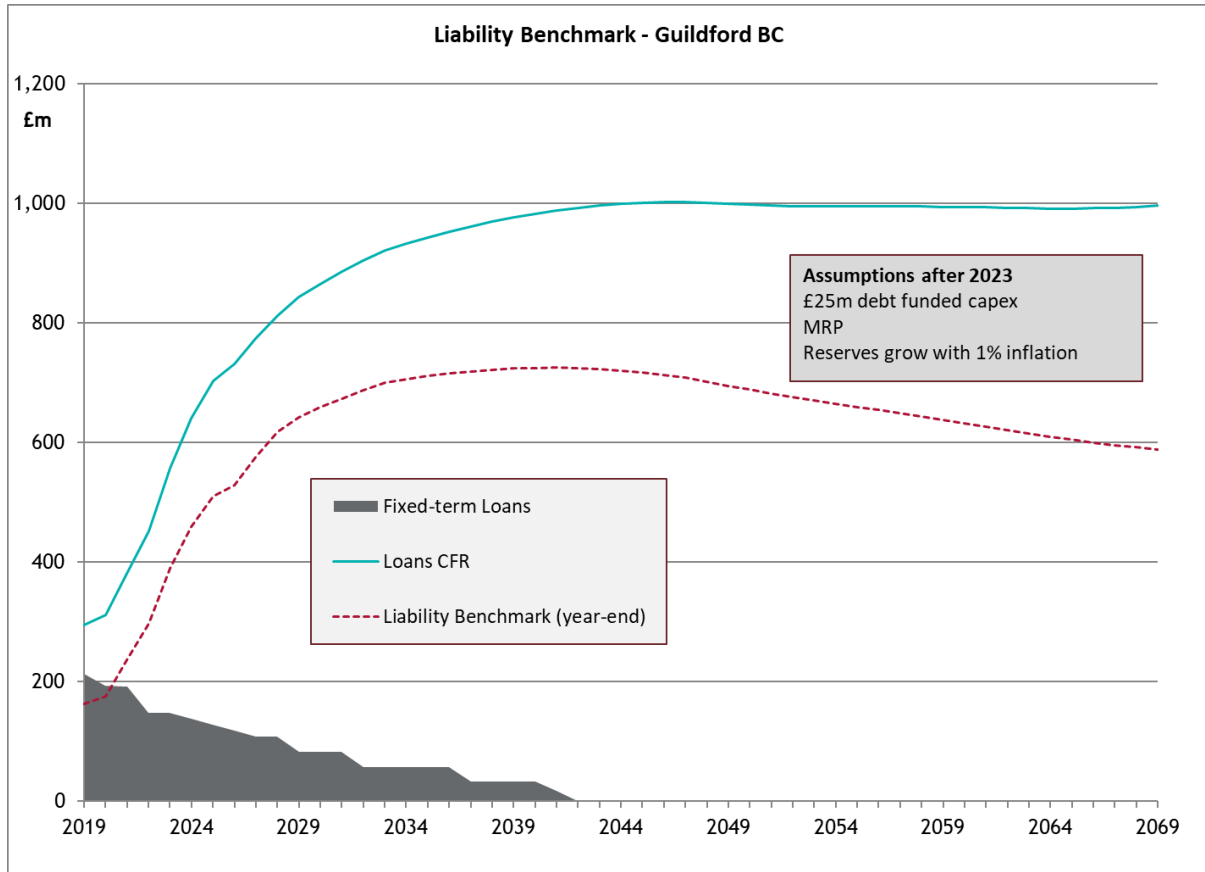
Housing Revenue Account - Summary and Projections in £000							
31st March:	2019	2020	2021	2022	2023	2024	2025
HRA Loans CFR	197,024	207,024	217,024	227,024	237,024	237,024	237,024
HRA Reserves	(116,224)	(119,420)	(127,510)	(137,593)	(151,112)	(165,935)	(179,818)
HRA Working Capital	0	0	0	0	0	0	0
HRA Borrowing	(192,895)	(192,665)	(192,435)	(147,435)	(147,435)	(137,435)	(127,435)
HRA Cash Balance	(112,095)	(105,061)	(102,921)	(58,004)	(61,523)	(66,346)	(70,229)

General Fund - Summary and Projections in £000							
31st March:	2019	2020	2021	2022	2023	2024	2025
GF Loans CFR	97,682	105,100	163,730	225,107	319,642	403,192	466,750
GF Reserves	(48,750)	(49,208)	(48,979)	(49,108)	(47,988)	(47,181)	(47,214)
GF Working Capital	(12,361)	(12,361)	(12,361)	(12,361)	(12,361)	(12,361)	(12,485)
GF Borrowing	(19,807)	0	0	0	0	0	0
GF Cash Balance	16,764	43,531	102,390	163,638	259,293	343,650	407,052

- 5.7 The liability benchmark shows the lowest risk level of borrowing – i.e. using the Councils’ overall cash to fund the capital programme, and only externalising the borrowing when our minimum liquidity requirement is reached.
- 5.8 The differential between the CFR and the level of reserves is the Councils’ overall external borrowing need. Where the external borrowing amount is lower than the CFR, it means we have internally borrowed and used non-capital receipts and reserves to initially finance capital expenditure (i.e. the Councils’ overall cash). Items on the capital vision are currently excluded, mainly because the cost and/or timings of the schemes are unknown.
- 5.9 The Prudential Code recommends that the Councils’ total debt (external borrowing) should be lower than its forecast CFR over the next three years – in other words, not over borrowing. The table shows the Councils’ internal / (over) borrowing position and shows that we are expecting to comply with this recommendation.
- 5.10 The table shows our gross debt position against our CFR. This is one of the Prudential Indicators, and is a key indicator of prudence. This indicator aims to ensure that, over the medium-term, debt will only be for a capital purpose. We monitor this position and demonstrate prudence by ensuring that medium to long-term debt does not exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years (2019-20 to 2021-22). The liability benchmark is expected to increase to £510 million by March 2025.
- 5.11 The Council has an increasing CFR due to the increasing need to borrow for the GF capital programme. The increase in estimated capital spend is more than the annual MRP. We are projecting the cash balance of the Council to reduce, whilst maintaining a good level of (core) reserves over the period shown in the table.
- 5.12 HRA reserves are decreasing over the early part of the period because of the HRA plans to build new social housing. Our priority is to build new homes rather than reduce debt, although moving forward the table does not include any new borrowing, to show the true cash position of the HRA, and, therefore, the requirement to refinance borrowing.
- 5.13 GF reserves are projected to remain stable (our core cash). The CFR is increasing sharply due to the proposed capital programme. We are projecting a small need to borrow for the Council as a whole from 2021-22, based on the current profile of the capital programme. We have taken out short-term loans in the year to cover cash flow.

5.14 Working capital is the net of debtors and creditors we have at the end of the financial year, and will vary during the year. If we owe more money to creditors than we are owed by debtors, the working capital is a negative figure (as in the table above).

5.15 The liability benchmark can also be presented graphically:



5.16 The red solid line is the liability benchmark (the lowest risk strategy). If the liability benchmark line rises above the amount of loans we have (shaded area), we need to borrow externally and no longer have any internal borrowing capacity.

Borrowing strategy

5.17 The Council's chief objective when borrowing money is to strike an appropriately low risk between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Councils' long term plans change is a secondary objective.

5.18 Given the significant cuts to public expenditure and in particular local government funding, our borrowing strategy continues to focus on affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources or to borrow short-term instead.

5.19 We will not automatically externally borrow for the GF when the cash balance is negative, although we will review the position in line with our borrowing strategy and the cash position for the Council as a whole.

5.20 When making decisions about longer-term borrowing, we will review the liability benchmark, as opposed to just the CFR, to assess the length of time we need to

borrow for, according to our projections on the level of reserves we may have, as well as other factors detailed in our borrowing strategy. This helps to limit a number of treasury risks of holding large amounts of debt and investments. We will also assess borrowing based on individual projects.

- 5.21 By doing this, we are able to reduce net borrowing costs (despite forgone investment income) and reduce overall treasury risk.
- 5.22 We will undertake some modelling taking into account the projects listed in the Corporate Plan and capital vision, for example, which will tell us the potential impact on our borrowing requirement.
- 5.23 We will continue to monitor our internal borrowing position against the potential of incurring additional interest costs if we defer externalising borrowing into the future when long-term borrowing costs are forecast to rise modestly. Arlingclose will assist us with this 'cost of carry' and breakdown analysis in line with our capital spending plans. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2021-22 with a view to keeping future interest costs low, even if this causes additional cost in the short term.
- 5.24 PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council needs to avoid this activity in order to retain access to PWLB funding.
- 5.25 The Council may decide to externalise our current internal borrowing, or to pre-fund future years' requirement, providing this does not exceed the authorised borrowing limit and the highest level of the CFR in the next three years (to ensure we do not over borrow).
- 5.26 Its output may determine whether we arrange forward stating loans during 2021-22, where the interest is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
- 5.27 We may continue to borrow short-term for cash flow shortages.

Sources of borrowing

- 5.28 We have previously borrowed our long-term HRA borrowing from the PWLB. We will review all borrowing sources moving forwards and may explore the possibility of issuing bonds and similar instruments in order to lower interest costs and reduce over reliance on one source of funding, in line with the CIPFA Code.
- 5.29 We will consider, but are not limited to, the following long- and short-term borrowing sources:
 - HM Treasury's PWLB lending facility
 - any institution approved for investments
 - any other bank or building society authorised to operate in the UK
 - any other UK public sector body
 - UK public and private sector pension funds (except the local pension fund)
 - capital market bond investors
 - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

5.30 We may also raise capital finance by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- sale and leaseback

Municipal Bond Agency (MBA)

5.31 UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB because:

- a) borrowing authorities will be required to provide bonds investors with a guarantee to refund their investment in the event that the agency is unable to for any reason and
- b) there will be a lead time of several months between committing to borrow and knowing the interest rate payable.

Short-term and variable rate loans

5.32 These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the following interest rate exposure limits indicator, which is set to control the Councils' exposure to interest rate risk. Financial derivatives may be used to manage this interest rate risk (see below).

5.33 The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

5.34 We are also required to present the maturity structure of borrowing. This indicator is set to control the Councils' exposure to refinancing risk, in terms of loans being unavailable. The upper and lower limits of on the maturity structure of borrowing will be:

Maturity Structure of borrowing		
	2021-22	
	Lower	Upper
Under 12 months	0%	50.00%
1 year to 2 years	0%	50.00%
3 years to 5 years	0%	60.00%
6 years to 10 years	0%	75.00%
11 years and above	0%	100.00%

5.35 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Debt Rescheduling

5.36 The PWLB allows local authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk and where we have enough money in reserves to fund the repayment.

Investment strategy

- 5.37 The CIPFA TM code requires the Council to invest its treasury funds prudently, and to have regard to the security (protecting capital sums from loss) and liquidity (keeping money readily available for expenditure when needed or having access to cash) of investments before seeking the highest rate of return, or yield. The Council’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 5.38 Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal to or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
- 5.39 The Covid-19 pandemic has increased the chance that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of the investment. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.
- 5.40 Given the increasing risk and very low returns from short-term unsecured bank investments, the Council aims to continue to diversify into more secure and, where possible, higher yielding asset classes during 2021-22. This is especially the case for our longer-term investments. This diversification will represent a continuation of the new strategy adopted in 2015-16.
- 5.41 The Council has had a review undertaken, and as such, linked to the profile of the capital programme, the optimum asset allocation is:

Overnight liquidity	5%
Long-term fixed deposits (1-3years)	21%
Unsecured bonds (1-4years)	21%
Covered bonds (1-5 years)	23%
External funds	5%
Revolving credit facility	2%
Asset backed securities	10%
Private bonds	13%

This will be reviewed annually.

- 5.42 Diversification is key. All investments can earn extra interest, but not all investments will default. Also, to highlight the need for security and diversification it takes a long time of earning an extra 1% of interest cover to cover the 20% to 50% loss from a default. It is unlikely we will be able to move away from unsecured deposits entirely, but the less in this category and the more diversified the portfolio is the better the spread of risk.
- 5.43 Under the new IRFS 9 accounting standard, the accounting of certain investments depends on the Councils’ ‘business model’ for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and, therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Counterparty limits

5.44 Limits per counterparty on investments are shown in the table below:

Sector	Time limit	Counterparty limit	Sector limit
UK Government	50 yrs	unlimited	n/a
Local authorities and other Government entities	25 yrs	£10 million	unlimited
Secured investments	25 yrs	£10 million	unlimited
Banks (unsecured)	13 mths	£6 million	unlimited
Building Societies (unsecured)	13 mths	£6 million	£15 million
Registered providers (unsecured)	5 yrs	£6 million	£20 million
Money Market Funds	n/a	£20 million	unlimited
Strategic pooled funds	n/a	£10 million	£50 million
Real estate investment trusts	n/a	£10 million	£20 million
Other investments	5 yrs	£10 million	£20 million

5.45 The time limits shown are the maximum from the start of an investment, and operationally we could have a shorter duration.

5.46 We have set limits to try and avoid default on our investments, although this may not always be successful. By setting realistic, but prudent limits we are forcing diversification which aims to help reduce the value of a default if we are exposed to one.

5.47 Credit rating: investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

5.48 Secured investments: investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

5.49 Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

5.50 Government: loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of

insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

- 5.51 Registered providers (unsecured): loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formally known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.
- 5.52 Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- 5.53 Pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.
- 5.54 Bond, equity and property funds offer enhanced returns over the longer-term, but are more volatile in the short-term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting our investment objectives will be monitored regularly.
- 5.55 Real estate investment trusts: shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with the property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.
- 5.56 Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.
- 5.57 Operational bank accounts: the Council may incur operational exposures, for example, through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the change of the Council maintaining operational continuity.

- 5.58 HSBC are our bankers. We may place investments with them, and on occasions we may be in a position where we have received some unexpected cash, and we may, therefore, breach the unsecured limit. We would aim for this to be for as short a duration as possible.
- 5.59 In addition, we may make an investment that is defined as capital expenditure by legislation, such as company shares.
- 5.60 We may invest in investments that are termed 'alternative investments'. These include, by way of example, but are not limited to, things such as renewable energy bonds (solar farms) and regeneration bonds. These are asset backed bonds, offering good returns, and will enable the Council to enter new markets, thus furthering the diversification of our investment portfolio with secured investments and enhancing yield. Any investments entered into of this type will be subject to a full due diligence review.

Risk and credit ratings

- 5.61 Arlingclose obtain and monitor credit ratings and they notify us with any changed in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made
 - any existing investments that can be recalled or sold at no cost will be, and
 - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty
- 5.62 Where credit rating agencies announce that a credit rating is on review for possible downgrade ("rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, we will limit new investments with that organisation to overnight until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
- 5.63 The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the institutions in which we invest, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management and investment advisors.
- 5.64 We will not make investments with any organisation if there are substantive doubts about its credit quality, even if it meets the above criteria.
- 5.65 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of our investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to meet the Councils' cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or

invested in government treasury bills for example or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

5.66 We will measure and manage our exposure to treasury management risk by using the following indicators:

- **Security:** we have adopted a voluntary measure of our exposure to credit risk by monitoring the value-weighted average credit rating of our investment portfolio. This is calculated by applying a score to each investment based on credit ratings (AAA=1, AA+=2 etc) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk. The average portfolio credit rating target is set for A for 2021-22.
- **Liquidity:** we monitor our liquidity for a given financial year using an online cash-flow system. We project forward for the financial year, and enter all known cash transactions at the beginning of the financial year and then update the position on a daily basis. This forms the basis of our investment decisions in terms of duration and value of investments made. We have set £40 million as our minimum liquidity requirement. We also have a high-level cash flow projection over four years.

5.67 Principal sums invested for periods longer than a year: the purpose of this indicator is to control the Councils' exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

	2020-21 Approved	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
Upper limit for total principal sums invested for longer than a year	£50m	£50m	£50m	£50m

5.68 Where we invest longer-term we strike a balance between tradeable and fixed term investments. Whilst we do not enter into the tradeable deposits with the intention of selling, we are helping mitigate the risk exposure by using these types of investments so if we have a liquidity problem we can liquidate these investments prior to maturity at nil or minimal cost.

6. Other items

6.1 There are a number of additional items the Council is obliged by CIPFA and/or MHCLG to include in our strategy.

Policy on the use of Financial Derivatives

6.2 Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits).

6.3 The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

6.4 The Council will only use standalone derivatives (such as swaps, forwards, futures, and options) where they can be clearly demonstrated to reduce the overall level of

the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

- 6.5 We may arrange financial derivative transactions with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
- 6.6 In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Markets in Financial Instruments Derivative

- 6.7 The Council has opted up to professional client status with its providers of financial services, allowing it to access a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of our treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

Policy on apportioning interest to the HRA

- 6.8 The Council operates a two-pooled approach to its loans portfolio, which means we separate long-term HRA and GF loans.
- 6.9 Interest payable and other costs or income arising from long-term loans (for example premiums and discounts on early redemption) will be charged or credited to the respective account. Differences between the value of the HRA loans pool and the HRAs underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance, which may be positive or negative.
- 6.10 We will charge long-term loan interest on an actual basis, as incurred.
- 6.11 For notional cash balances we will apply the average DMO rate for the year. This rate is the lowest credit risk investment. We apply this because if there are any investment defaults it will be a charge to the GF, regardless of whether it was HRA cash that was lost.

Bid for Funding

Project Name:	Guildford Economic Regeneration (GER) Programme		
Project Code:		TBA	
Project Description:	The delivery of a proactive strategy incorporating a constraint led town centre master plan for the comprehensive economic and physical regeneration of Guildford town centre.		
Project / Programme Manager:	Michael Lee-Dickson	Ward:	Holy Trinity Friary & St Nicolas
Senior Responsible Officer:	James Whiteman	Directorate:	Managing Director
Lead Councillor:	Cllr John Rigg	Service:	Corporate Programmes
Corporate Plan Theme:	Place-Making	Confidential:	No
Expected Start Date:	01/03/2021 (Stage 2)	Exempt VAT Implications:	Yes
Target Completion Date:	30/03/2022 (Stage 2)		

Section A – Strategic Content

<p>A01. What is the project trying to achieve?</p>	<p>Failure to prepare and implement a strategy for Guildford town centre is likely to lead to a terminal decline in its attractiveness to residents and visitors. The implementation of the GER programme will arrest the economic decline and counter the effects of Covid-19, leading to a positive impact and economic benefit to the town centre and Guildford’s community and businesses.</p> <p>The Council ‘s aim is to improve the positioning of the town economically within the South East, UK and Europe through the creation of a leading economic location that enables its businesses, institutions, and its community to thrive through the regeneration of a town so that it can capture the opportunities and meet the challenges of the 21st Century</p>
<p>A02. Which strategic priorities in the Council’s Corporate Plan is the project trying to achieve?</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Delivering the Guildford Borough Local Plan and providing the range of housing that people need, particularly affordable homes. <input checked="" type="checkbox"/> Making Travel in Guildford and Across the borough easier. <input checked="" type="checkbox"/> Regenerating and improving Guildford town centre and other urban areas. <input type="checkbox"/> Supporting older, more vulnerable and less advantaged people in our community. <input checked="" type="checkbox"/> Protecting our environment. <input checked="" type="checkbox"/> Enhancing sporting, cultural, community and recreational facilities. <input checked="" type="checkbox"/> Encouraging sustainable and proportionate economic growth to help provide the

prosperity and employment that people need.

- Creating smart places infrastructure in Guildford.
- Using innovation, technology and new ways of working to improve value for money and efficiency in Council Services.

A03. How does it meet the strategic priorities outlined?

The funding of the programme and the delivery of the Guildford Economic Regeneration Programme will meet the Strategic Priorities by;

- Leading to a positive impact on the supply of housing and a significant provision of affordable residential accommodation within the regeneration area
- Improvement of the quality of the mix of Commercial and Community Uses in Guildford including retail, employment, tourism, cultural and leisure to increase the vitality and attractiveness of the town as a destination to visitors
- Enabling Flood Alleviation / Defence Solutions that enables developable land to be created within the existing flood zones within the town centre
- Improvement of Transportation with more balance towards walking, cycling, bus, pedestrian and rail with good inter modal interconnection and hub(s)
- Provision of Highways solutions for routing to minimise pedestrian interface, reduction in accidents and improvements in air and noise quality without creating traffic issues in other areas within the town
- Creation of a smart digital platform that is fit for the first half of the 21st Century
- Delivering significant improvement in the Town Centre environmental quality for pedestrians and non-car users

A04. Explain the problem that is being addressed and why the project is necessary.

Guildford is a popular destination but is not achieving its potential and is experiencing economic decline. The immediate and longer-term impacts of the Covid 19 pandemic will need to be addressed.

Traffic congestion has a detrimental impact on the vitality and economic success of the centre and “arrival” by car or public transport is a mixed experience. Guildford has a xxx-accident rate in Surrey ([source](#))

The pedestrian environment is poor; pedestrians are marginalised due to car dominance/priority and pedestrian/cyclist safety is compromised. Guildford town centre Environmental Air Quality is xxxx in Surrey ([source](#)). The Council declared a climate emergency on 23rd July 2019 and the programme will prioritise environmental impact throughout the process.

The town centre experiences low residential delivery rates, particularly in relation to Affordable Homes and this is exacerbated by the inability to bring forward developable housing land in the flood zone. The River Wey remains an under - exploited asset compared with Richmond on Thames or Cambridge.

The town centre has a wide mix of retail however, North Street persistently underperforms with retail vacancy rates reaching 20% ([source](#)). Modern office space remains vacant requiring the Council to question economic projects and re position employment opportunities.

A05. What are the critical success factors or KPI's of the project? ie which measures will you use to determine success?

- Stage 2 Milestone report presented to Executive
- Completion of Business Case
- Grant funding applications submitted

A06. What are the expected benefits or outcomes for local residents and businesses?

Guildford Borough Council has recognised for some time that it needs to prepare and implement a strategy Page 98
 Guildford's Economic Regeneration otherwise it is very

	<p>likely that there will be continued decline in its attractiveness to residents, business and visitors/shoppers due to the emergence of competition from local / other regional centres, the established changing pattern of retail and likely changes in economic activity trends which have started to emerge as a consequence of the Covid 19 pandemic</p> <p>The Council 's aim is to improve the positioning of the town economically within the South East, UK and Europe through the creation of a leading economic location that enables its businesses, institutions, and its community to thrive through the regeneration of a town so that it can capture the opportunities and meet the challenges of the 21st Century</p> <p>Additionally, significant new home development is already planned and the Council wishes to regenerate its centre so that it can sustain and improve provision of amenity and services for its existing and new communities</p> <p>In July 2019 the Council declared a Climate Emergency. The Regeneration Strategy will need to address the causes and solutions of this emergency and set out a raft of actions that will be identified to start reverse this situation within the Economic Regeneration area</p> <p>The Council plans to undertake a proactive role in the regeneration of Guildford Town centre. It will develop a viable deliverable plan for its Economic Regeneration underpinned by a constraints informed master plan, technical studies and financial model that will provide its route map for Economic Regeneration over the next 15 years for the benefit of local residents and businesses.</p>
<p>A07. Outline options considered or that will be considered for delivery of the project.</p>	<ol style="list-style-type: none"> 1. Cease current work thereby delaying the delivery of a strategy for the Economic Regeneration of Guildford town centre. 2. Continue with the establishment of the Guildford Economic Regeneration Programme to enable the production of a constraint led pro-active delivery strategy for Guildford's town centre to assist in achieving the objectives of the Councils Corporate Plan.
<p>A08. Outline project dependencies eg with other projects or partner organisations.</p>	<p>The delivery of an Economic Regeneration Programme is dependent on the consideration of all constraints and interdependencies. The plan needs to be evidence based and fully informed and validated by flood and highway infrastructure solutions and strategies relevant to current prevailing conditions (current traffic, climate change, sustainable communities, retail downturn, economic resilience) and land ownerships.</p> <p>Council Projects including Walnut tree Bridge, Sustainable Movement Corridor, Guildford Park Road and Bright Hill are well established and are interdependent to the main programme. Town centre initiatives including smart data, public realm and parking will be coordinated with this programme. The North Street project including the bus station is currently at Heads of Terms stage with St Edward and implications of its delivery is integral to the GER master plan.</p> <p>It is envisaged a Partnership will be entered into with the One Estate in relation to the County and Crown Courts and Surrey Police. Close cooperation will be required with Surrey County Council in respect of highways infrastructure and the Environment Agency in respect of Flood solutions.</p>
<p>A09. Legal / statutory requirement?</p>	<p>No</p>
<p>A10. Legislative / statutory implications?</p>	<p>No</p>
<p>A11. Planning permission required?</p>	<p>No</p>
<p>A12. Building regulation required?</p>	<p>No</p>

A13. Land acquisition required?	No Appendix 2
A14. Environmental consents?	No
A15. Highways / traffic consents?	No
A16. Details of other required consents.	None

Section B – The Financial Case

B01. Costs

Year	Description	Capital Value (£)	Revenue Cost Centre Code	Revenue Cost Centre Name	Revenue Account Code	Revenue Account Name	Revenue Value (£)
2021/22	Stage 2a – Feasibility works through to Concept Design of Selected Option	£0.0m					£0.48m
2021/22	Stage 2b – Concept Design and Funding Submission for Selected Option	£1.1m					£0.00m
Choose an item.							
Choose an item.							
Choose an item.							
Choose an item.							
Choose an item.							

B02. Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2021/22	1.10m	0.48m
Choose an item.		
Choose an item.		
Choose an item.		
Choose an item.		

B03. Outline the assumptions used to cost the project.	Use of Consultants fee rates procured for Stage 1 and assessment of work streams for stage 2, based on the Councils experience of the successful Weyside Urban Village model.
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B04. Financial Benefits eg savings or additional income

Year	Description	Capital Value (£)	Revenue Value (£)
Choose an item.			
Choose an item.			
Choose an item.			
Choose an item.			
Choose an item.			

B05. Funding

Year	GBC Funding Request (£)	Third Party Contributions (£)	Sources of Third Party Contributions
TOTAL REVENUE FUNDING	£0.48m		
2021/22	£0.33m Funding already approved		
2021/22	£0.15m Funding requested		
TOTAL CAPITAL FUNDING	£1.10m		
2021/22	£1.10m Funding requested	0.250m (not secured)	Note: One Estate Partnership anticipated but subject to next funding round
		0.250m (not secured)	Note: M3 LEP bid anticipated but not yet identified and subject to Central Government provision

B06. Non Financial Benefits

Title	Category	Measure	Expected Delivery Date
Car Park Revenue	Improved Income Generation	Re provision of car parks and improved park & ride facilities	2030
Transport Initiatives	Reduced Carbon	Environmental Improvements	2030
	Improved Social Benefits	xxxxxxxxxxxxxxxx	2030

	Choose an item.		
	Choose an item.		
	Choose an item.		
	Choose an item.		
	Choose an item.		

Section C – The Economic Case

C01. Expected number of homes brought forward.	3,000
C02. Expected number of jobs created.	500 temp 1,000 perm
C03. Expected amount of employment floor space delivered.	20,000 sq. m

C04. Outline your assumptions in determining the economic benefits.	<p>Estimated number of new homes on Council owned sites and employment floor space based on initial assessment by David Leonard Design and JLL.</p> <p>Construction jobs and permanent jobs estimated in relation to Weyside Urban Village Business Case.</p>
C05. Describe any other economic benefits.	<p>Economic Regeneration benefits include;</p> <ul style="list-style-type: none"> • Indirect benefit of programme acting as catalyst for employment opportunities and inward investment • Direct Benefit of improved place making in town centre with increased visitor attractiveness and dwell time • Direct Benefit of improved provision of leisure, tourism and culture amenity • Direct Benefit of improved green / blue environment by opening up of River Wey • Direct benefit of transportation modal shift and better access for pedestrians and cyclists • Direct benefit of addressing flood risk • Direct benefit in reduction of impact of gyratory and traffic routes on town centre users

Section D – The Commercial Case

D01. Outline any procurement requirements.	The Councils Procurement team have advised on the most appropriate routes to market for the procurement of the external professional team to ensure compliance and value for money. Consultants have been procured by Framework Competitions and Non -OJEU Invitations to tender.
D02. Outline preferred procurement route / strategy.	Compliance and best value for money will be continually reviewed throughout the 3 stages.
D03. Outline key procurement risks.	None for Stage 2. Stage 3 will require Procurement Exemptions.

Section E – The Management Case

E01. High Level Project Timetable

Item	Stage of Project	Start Date	Finish Date
GER Stage 1 - Current	Gateway 1	01/11/2020	30/03/2021
GER Stage 2 – subject bid	Gateway 2	01/03/2021	30/03/2022
GER Stage 3	Gateway 3	01/04/2022	31/03/2023

E02. High Level Project Milestones

Milestone	Description	Indicative Date
Infrastructure Funding	Secure external funding from Government agencies	31/03/2023
Infrastructure Planning Applications	Applications relating to Flood & Highways Infrastructure	31/12/2022
Planning Policy change	Agreement to basis of masterplan within policy structure	01/04/2022

E03. Project Risks

Title	Description
Flood Defence / Alleviation	Failure to agree solutions with Environment Agency to enable significant residential development
Highways	Failure to agree solutions with Surrey County Council to enable proposed highways solutions
One Estate	Failure to agree partnership with One Estate
Non-Council owned sites	Failure to agree land/ property agreements for Casino, Odeon Cinema, LGIM, Electric Theatre, Arriva
Infrastructure capacity	Failure to agree and fund solutions with Utility providers
Delivery Delay	Delays to delivery caused by projects outside of GBC control including North St (bus station car park), Debenhams redevelopment and Station Redevelopment
Planning Policy	Failure to agree principles to amend Town Centre policy

E04. Provide high level details of proposed project management arrangements & project team (please use post names / titles rather than naming individuals).

The approved Strategy sets out a timeline for taking forward a deliverable Economic Regeneration Programme for Guildford incorporating three (3) Gateways with Full Council sign-off and approval at each gateway as shown below;

Gateway 1

Procurement of professional team
High Level Strategic Appraisal of constraints & opportunities

Consideration of Development Plan document process
Report to Executive

Gateway 2

Development of options and concepts
Preparation of Business Case
Submission of Grant applications

Gateway 3

Grant Funding Award
Infrastructure detail design
Infrastructure Planning applications

The GER project should be consider as a Major Programme and the Delivery Plan established to date reflects this. The Council will use its own land and expertise to expand the delivery of affordable new homes and other commercial uses and in time work with ambitious partners to remove barriers to deliver the proposed regeneration

The Council have established a Portfolio Board to oversee the governance of the programme with the day to day management being controlled by a team of Senior Officers responsible for the progressing of activities on the programme. The Senior Management will report to the Portfolio board on a quarterly basis. The Council's resource allocation is shown on the GER Structure Chart ([insert link](#))

The SRO role is anticipated to be carried out by the Strategic Services Director, supported by the Regeneration Lead. Support will be provided by a Full best in class Professional team comprising senior consultant advisors from the professional practices engaged to provide the various roles;

Master Planner; David Leonard Design

Development Advisor; JLL

Flood Advisor; Ove Arup

Project Manager; Gleeds

Cost Consultant; Gardener & Theobald

Strategic Transport; Markides

Infrastructure; Aecom

Highways; Ove Arup

Planning Consultant; tba

Lawyer; tba

The project will follow the principles of a gateway methodology for the delivery of the programme in line and has been broken down into a number of sub project workstreams as set out in the GER Structure Chart ([provide link](#))

Each project/workstream will be led by a sub project lead manager who will be responsible for control of the project and reporting back to the Full Team in respect of;

Appendix 2

- Establishing the detail of Scope
- Control of Change
- Timescale
- Cost, Benefits and Quality.

The Sub project team will be responsible for all monitoring and evaluations which will feed back into the core team to enable a full Project Monitoring report to be developed for review as part of the Governance process for the project

The Scope of the Regeneration Lead Role within the Senior Management Team will include;

- Setting the Project Plan
- Review of the progress by Exception
- Agreeing the Objectives, Scope, Quality, Timescale and Cost Controls for the Sub Project Work Streams
- Procurement of the Sub Project Teams
- Review and advise on the adherence to the objectives of the Project Plan and the delivery of Critical Success Factors
- Strategic Advice and Recommendations regarding land transactions, revenue opportunities, stakeholder communications and Business Case financial management

The Scope of the Project Management Role within each sub Project Workstream will cover;

- Professional Team Management
- Project Monitoring and Evaluation Reporting
- Sub Project Issues and Risk Reporting
- Project Controls; Budget/Cost
- Change & Programme
- Weighted Risk

<p>E05. Provide a brief outline of key stakeholders eg who they are and how they will be engaged.</p>	<p>A Stakeholder matrix and an initial programme of consultation with stakeholder groups will be established. Key Stakeholders include The Environment Agency, Surrey County Council, Surrey University, Guildford Vision Group, the One Estate, National Trust, Guildford Residents Association and the Civic Society.</p>
<p>E06. Will any public consultations be required? If so, provide a brief outline.</p>	<p>Public Consultations will be undertaken as the programme progresses. A Stakeholder matrix and an initial programme of consultation with stakeholder groups will be established.</p>
<p>E07. How will the project be evaluated post implementation?</p>	<p>As part of the Financial Case within the Business plan to be delivered in Stage 2 the expectations of budget for future costs and incomes along with targets in respect of grant funding will be clearly identified and provide a baseline for the development of the target areas defined within the masterplan and business case.</p> <p>This financial model developed will become part of the grant funding agreements and along with agreements entered into with land owners and stakeholders, will clearly define the intent of the plan and its parameters for successful delivery</p>

E08. Outline any expected formal Council / Committee / Board decisions or consultations and expected timescales.

Committee / Board	Type of Decision	Expected Date
Council		
Executive	<ul style="list-style-type: none"> - Endorsement of Stage 1 Report and Approval to commence Stage 2 - Endorsement of Stage 2 Report and Business Case 	<p>March 2021</p> <p>March 2022</p>
Borough, Economy and Infrastructure Executive Advisory		
Society, Environment and Council Development Executive Advisory		
Overview and Scrutiny		
Planning		
Licensing		
Corporate Governance and Scrutiny		

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2020-21 to 2025-26

Ref	Verbo ref	Code	Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-20	2020-21										Projected expenditure total	Grants / Contributions towards cost of scheme	Funded from Reserves	Net cost of scheme
						Estimate approved by Council in February	Revised estimate	Expenditure at end P8	Projected exp est by project officer	2021-22 Est for year	2022-23 Est for year	2023-24 Est for year	2024-25 Est for year	2025-26 Est for year	Future years est				
				(a)	(b)	(c)	(d)	(e)	(f)	(ii)	(iii)	(iv)	(v)	(v)	(g)	£000	£000	£000	
APPROVED SCHEMES																			
COMMUNITY DIRECTORATE																			
General Fund Housing																			
PR381		N51008	Disabled Facilities Grants		annual	605	605	169	605	605	605	605	605	-	2,420	3,025	(806)	-	2,219
		N51019	Better Care Fund		annual	-	-	122	-	-	-	-	-	-	-	-	-	-	-
PR381		N51020	Home Improvement Assistance		annual	-	-	10	-	-	-	-	-	-	-	-	-	-	-
PR381		N51021	Solar Energy Loans		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		N51023	BCF TESH Project		annual	-	-	3	-	-	-	-	-	-	-	-	-	-	-
		N51024	BCF Prevention grant		annual	-	-	15	-	-	-	-	-	-	-	-	-	-	-
		N51030/32	SHIP		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			General Grants to HAs		annual	100	100	-	100	100	100	100	100	-	400	500	-	-	500
		N55*	General feasibility, site preparation costs for affordable		annual	120	120	-	120	120	120	120	120	-	480	600	-	-	600
		N55011	Bright Hill Car Park Site			43	-	33	-	-	-	-	-	-	-	-	-	-	-
		N55014	Garage Sites-General			161	-	2	-	-	-	-	-	-	-	-	-	-	-
		N55017	Guildford Park feasibility				-	8	-	-	-	-	-	-	-	-	-	-	-
		N55020	Shawfield				-	0	-	-	-	-	-	-	-	-	-	-	-
		N55021	Site B10b feasibility			2	-	0	-	-	-	-	-	-	-	-	-	-	-
		N55022	Redevelopment bid 13			109	-	48	-	-	-	-	-	-	-	-	-	-	-
			Corporate Property				-	-	-	-	-	-	-	-	-	-	-	-	-
ED14(e)	PR159	P72**	Void investment property refurbishment works			570	324	170	191	-	-	-	-	-	-	570	-	-	570
		P74077	Unit 2 The Billings void works			-	-	36	22	-	-	-	-	-	-	-	-	-	-
ED14		P72031	5 High Street void works			-	-	19	8	11	-	-	-	-	11	-	-	-	-
ED14		P72047	10 Midleton void works			230	7	223	68	223	-	-	-	-	-	230	(100)	-	130
ED21		P72022	Methane gas monitoring system			100	45	51	-	0	51	-	-	-	51	100	-	-	100
ED21a		P72046	Methane gas monitoring Depots			-	-	4	-	4	-	-	-	-	-	-	-	-	-
ED22		P74058	Energy efficiency compliance - Council owned properties			245	82	137	163	0	163	-	-	-	163	245	-	-	245
ED26		P51*	Bridges -Inspections and remedial works			317	197	-	120	-	20	100	-	-	100	317	-	-	317
ED35			Electric Theatre - new boilers			120	-	120	-	120	-	-	-	-	-	120	-	-	120
ED41	PR162	P74064	The Billings roof			200	27	175	173	2	3	170	-	-	170	200	-	-	200
ED44	PR210 &	P05012	Broadwater cottage			319	93	-	226	122	226	-	-	-	-	319	-	-	319
ED45	PR257	P18190	Gunpowder mills - scheduled ancient monument			222	9	52	212	182	212	-	-	-	-	222	-	-	222
ED51(p)	PR424	P10010	Guildford House Exhibition lighting			50	-	50	-	50	-	-	-	-	-	50	-	-	50
ED47	PR385	P74070	Cladding of Ash Vale units (no longer reqd)			145	5	92	140	-	-	-	-	-	-	5	-	-	5
ED53	BID97	P74072	Tyting Farm Land-removal of barns and concrete			200	8	-	192	54	192	-	-	-	-	200	-	-	200
ED56	2-1920	P74073	Foxenden Tunnels safety works			110	22	-	88	5	88	-	-	-	-	110	-	-	110
ED57	3-1920	P74074	Holy Trinity Church boundary wall			63	8	-	55	43	47	2	-	-	2	57	-	-	57
CP1	1-2021	P18414	SMP Ph1 Calorifer replacement			28	-	28	-	28	-	-	-	-	28	28	-	-	28
CP2	2-2021	P18415	SMP Main pavilion amenity club			50	-	50	-	50	-	-	-	-	50	50	-	-	50
CP3	3-2021	P18416	SMP cricket pavilion			120	-	120	120	3	4	116	-	-	-	120	-	-	120
			Office Services																
BS4	BID205	P50016	Hydro private wire - Tollhouse to Millmead			4	3	-	1	-	1	-	-	-	-	4	-	-	4
COMMUNITY DIRECTORATE TOTAL				3,092	1,146	1,699	3,086	920	2,299	1,466	825	825	825	0	3,941	7,071	(906)		6,166
ENVIRONMENT DIRECTORATE																			
Operational Services																			
OP1/OP		P66*	Flood resilience measures (use in conjunction with grant)			445	324	21	121	-	0	121	-	-	121	445	-	-	445
OP5	PR275	P35017	Mill Lane (Pirbright) Flood Protection Scheme			71	55	-	16	-	-	16	-	-	16	71	(19)	-	52
OP6	PR304	P58012	Vehicles, Plant & Equipment Replacement Programme			10,665	6,099	4,220	4,566	57	4,000	566	-	-	566	10,665	(26)	-	10,639
OP22		P53005	Litter bins replacement (complete)			265	112	153	153	-	-	-	-	-	-	112	-	-	112
OP26	PR264	P35022	Merrow lane grille & headwall construction			60	3	57	57	-	-	57	-	-	57	60	-	-	60
OP27	PR271		Merrow & Burpham surface water study			15	-	-	15	-	-	15	-	-	15	15	-	-	15
OP28	PR284		Crown court CCTV			10	-	-	10	-	-	10	-	-	10	10	-	-	10
OP22	5-1920		Town Centre CCTV upgrade			250	-	-	250	-	-	250	-	-	250	250	-	-	250
			Parks and Leisure																
PL11	PR141	P22062	Spectrum Roof replacement			4,000	1,680	-	271	72	120	151	-	-	151	3,100	-	-	3,100
		P22063/P2	Spectrum roof - steelwork ph2			-	409	-	-	-	-	-	-	-	-	-	-	-	-
		P22065	Spectrum roof - steelwork ph3			-	740	-	-	-	-	-	-	-	-	-	-	-	-
PL15			Infrastructure works: Guildford Commons			150	3	-	3	1	3	-	-	-	-	6	-	-	6
PL15(a)		P18183	Infrastructure works: Guildford Commons: Merrow			-	15	-	-	-	-	-	-	-	-	15	-	-	15
PL15(b)		P18184	Infrastructure works: Guildford Commons: Shalford			-	129	-	-	-	-	-	-	-	-	129	-	-	129
PL20(b)		P18208	Westnye Gardens play area			125	122	-	3	5	3	-	-	-	-	125	(3)	-	122
PL20(c)		P18224	Redevelopment of Westborough and Park barn play area			320	-	295	320	-	-	320	-	-	320	320	-	-	320
PL34	PR186		Stoke cemetery re-tarmac			47	-	47	-	-	-	47	-	-	47	47	-	-	47
PL35	PR211	P18194	Woodbridge rd sportsground replace fencing(complete)			280	262	-	19	15	19	-	-	-	-	280	-	-	280
PL42		P20001	Pre-sang costs			100	51	-	49	5	49	-	-	-	-	100	-	-	100
PL57	BID211	P18215	Parks and Countryside - repairs and renewal of paths,roads			165	121	-	44	16	44	-	-	-	-	165	-	-	165
PL24	PR212	P18219	Kings college astro turf			547	494	-	53	3	18	-	-	-	-	512	(401)	-	111
PL58	1-1920	P18220	Shalford Common - regularising car parking/reduction of			121	22	99	99	-	-	99	-	-	99	121	-	-	121
		P18223	Allen House Pavillion - Roof Works			30	-	30	-	30	-	-	-	-	-	30	-	-	30
PL60	7-1920	P18222	Traveller encampments - Bellfields Green			82	62	10	20	15	20	-	-	-	-	82	-	-	82
PL60	7-1920	P18226	Traveller encampments - Shalford Common			48	-	48	-	-	48	-	-	-	48	48	-	-	48
PL60	7-1920	P18231	Traveller encampments - Christchurch Spectrum			5	-	5	-	-	5	-	-	-	5	5	-	-	5
ENVIRONMENT TOTAL DIRECTORATE				17,801	10,702	4,907	6,199	189	4,311	1,700	-	-	-	-	1,700	16,713	(448)		16,265
FINANCE DIRECTORATE																			
Financial Services																			
FS1	PR303		Capital contingency fund		annual	-	5,000	4,900	-	900	5,000	5,000	5,000	5,000	-	20,900	-	-	20,900
RESOURCES DIRECTORATE TOTAL				0	0	5,000	4,900	0	900	5,000	5,000	5,000	5,000	0	20,000	20,900	0		20,900
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																			
Development / Infrastructure																			
ED54	BID129	P74069	Rodboro Buildings - electric theatre through road and parking			450	17	280	433	6	11	422	-	-	-	422	-	-	450

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2020-21 to 2025-26

Ref	Verto ref	Code	Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-20	2020-21										Projected expenditure total	Grants / Contributions towards cost of scheme	Funded from Reserves	Net cost of scheme
						Estimate approved by Council in February	Revised estimate	Expenditure at end P8	Projected exp est by project officer	2021-22 Est for year	2022-23 Est for year	2023-24 Est for year	2024-25 Est for year	2025-26 Est for year	Future years est exp				
				(a)	(b)	(c)	(d)	(e)	(f)	(ii)	(iii)	(iv)	(v)	(v)	(g)	(b)+(g) = (h)	(i)	(h)-(i) = (j)	
				£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
ED18	PR367	P15011	Museum and castle development	1,652	188	1,020	1,464	14	14	-	-	-	1,450	-	1,450	1,652	-	1,652	
ED52	PR437	P74067	Public Realm Scheme (Chapel Street/Castle	2,627	1,011	-	1,616	6	16	-	-	-	1,600	-	1,600	2,627	-	1,012	
P5	PR354	P79027/P7	Walnut Bridge replacement	5,098	1,667	1,593	3,414	108	3,414	17	-	-	-	-	17	5,097	(2,482)	1,665	
ED32	PR028	P79026	Internal Estate Road - CLLR Phase 1	11,139	10,571	-	568	111	568	-	-	-	-	-	-	11,139	(5,107)	6,032	
P9c		P79030	Town Centre Gateway Regeneration	3,523	50	3,480	3,473	-	-	-	-	-	3,473	-	3,473	3,523	-	3,523	
		P79032	SMC(West) Phase 1	4,403	1,192	2,975	3,211	252	1,553	1,658	-	-	-	-	1,658	4,403	(3,228)	1,175	
P16	BID111	P79033	A331 hotspots	3,930	269	3,146	3,661	25	3,161	500	-	-	-	-	500	3,930	(2,939)	991	
P14	PR402	P79034	Town Centre Approaches	1,033	7	816	1,026	9	603	400	-	-	-	-	400	1,010	(700)	310	
P22		P79036	Ash Bridge Land acquisition	120	104	-	16	-	16	-	-	-	-	-	-	120	-	120	
P21		P79037	Ash Road Bridge	4,060	1,803	2,214	2,257	412	1,000	1,257	-	-	-	-	1,257	4,060	(4,060)	-	
P11	PR364 &		Guildford West (PB) station	500	-	-	500	-	-	500	-	-	-	-	500	500	-	500	
			Development Financial																
	PR130	P79996	Investment in North Downs Housing (60%)	15,180	8,183	4,500	5,315	414	5,315	1,682	-	-	-	-	1,682	15,180	-	15,180	
	PR130	P79997	Equity shares in Guildford Holdings Ltd (40%)	10,120	5,460	3,000	3,543	277	3,543	1,117	-	-	-	-	1,117	10,120	-	10,120	
ED25	PR233	P79025 /	Guildford Park - Housing for Private and infrastructure works	6,500	3,444	3,462	3,056	-	(0)	-	-	-	-	-	-	3,444	-	3,444	
ED49	PR395	P72037	Middleton Ind Est Redevelopment	9,350	1,895	5,500	7,455	1,268	3,755	3,700	-	-	-	-	3,700	9,350	-	9,350	
P12	PR371	P72045	Strategic property acquisitions	8,520	7,024	-	1,496	638	1,496	-	-	-	-	-	-	8,520	-	8,520	
DF1	4-2021		Property acquisition	20,000		20,000	20,000		-	20,000	-	-	-	-	20,000	20,000	-	20,000	
PL9	PR136	P05009	Rebuild Crematorium	11,822	10,381	-	1,441	394	1,441	-	-	-	-	-	-	11,822	-	11,822	
ED27		P79023	North Street Development / Guild Town Centre regeneration	1,477	861	736	616	65	616	-	-	-	-	-	-	1,477	(50)	1,427	
ED6	PR350	P74039 /	Slyfield Area Regeneration Project (SARP)	31,259	5,202	700	8,750	4,992	8,750	2,211	3,435	3,436	-	-	9,082	31,459	(1,677)	29,782	
ED6	PR350	P79100/P1	WUV - Allotment relocation	200	158	160	-	99	-	-	-	-	-	-	-	-	-	-	
ED6	PR350	P79101	WUV - Int roads, Site clearance	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	
ED6	PR350	P79102	WUV - New GBC Depot	2,480	0	-	2,480	5	2,480	-	-	-	-	-	-	2,480	-	2,480	
ED6	PR350	P79104	WUV - Thames Water relocation	-	8,267	-	-	436	-	-	-	-	-	-	-	-	-	-	
ED6	PR350	P79106	WUV - Land Purchase	-	-	-	-	1,091	-	-	-	-	-	-	-	-	-	-	
			DEVELOPMENT/INCOME GENERATING/COST REDUCTION	155,443	67,755	53,582	75,790	10,623	37,751	33,464	3,435	3,436	6,523	0	46,858	152,364	(20,243)	(2,565)	129,556
			APPROVED SCHEMES TOTAL	176,336	79,603	65,188	89,975	11,732	45,261	41,630	9,260	9,261	12,348	0	72,499	197,049	(21,597)	(2,565)	172,887
			non-development projects total	20,893	11,848	11,606	14,185	1,109	7,510	8,166	5,825	5,825	5,825	0	25,641	44,685	(1,354)	0	43,331
			development/infrastructure - non-financial benefit	38,535	16,879	15,524	21,639	943	10,356	4,754	0	0	6,523	0	11,277	38,512	(18,516)	(2,565)	17,430
			development- financial benefit	116,908	50,876	38,058	54,151	9,680	27,395	28,710	3,435	3,436	0	0	35,581	113,853	(1,727)	0	112,126
			TOTAL	176,336	79,603	65,188	89,975	11,732	45,261	41,630	9,260	9,261	12,348	0	72,499	197,049	(21,597)	(2,565)	172,887

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2020-21 to 2025-26

Ref	Verto ref	Code	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive	Cumulative spend at 31-03-20	2020-21 Estimate approved by Council in February										Future years estimated expenditure	Projected expenditure total	Grants or Contributions towards cost of scheme	Net cost of scheme to the Council	
						Revised estimate	Expenditure at end P8	Projected exp est by project officer	2021-22 Est for year	2022-23 Est for year	2023-24 Est for year	2024-25 Est for year	2025-26 Est for year	2026-27 Est for year	2027-28 Est for year					2027-28 est for yr and SARP to 2023
						(a) £000	(b) £000	(c) £000	(d) £000	(e) £000	(f) £000	(g) £000	(h) £000	(i) £000	(j) £000					(k) £000
PROVISIONAL SCHEMES (schemes approved in principle; further report to the Executive required)																				
COMMUNITY DIRECTORATE																				
General Fund Housing																				
CM1(p)	BID264		Old Manor House - replacement windows (no longer reqd)	193	-	193	193	-	-	-	-	-	-	-	-	-	-	-		
Corporate Property																				
ED21(P)			Methane gas monitoring system	150	-	150	150	-	-	-	150	-	-	-	-	-	150	150		
ED22(P)			Energy efficiency compliance - Council owned properties	950	-	950	950	-	-	-	950	-	-	-	-	-	950	950		
ED26(P)			Bridges	370	-	370	370	-	-	-	370	-	-	-	-	-	370	370		
ED48(D)	PR390		Westfield/Moorfield rd resurfacing	3,152	-	3,152	3,152	-	-	-	3,152	-	-	-	-	-	3,152	3,152		
ED53(p)	BID97		Tyning Farm Land-removal of barns and concrete hardstanding	50	-	50	50	-	-	-	-	-	-	-	-	-	-	-		
ED56(p)	BID261		Land to the rear of 39-42 Castle Street	10	-	10	10	-	-	-	10	-	-	-	-	-	10	10		
CP4	6-2021		New House works	416	-	416	416	-	-	-	-	-	-	-	-	-	-	-		
CP5	6-2021		Energy & CO2 reduction in Council non HRA properties	2,268	-	2,268	2,268	-	-	-	788	500	500	-	-	-	2,268	2,268		
Office Services																				
CD8(P)			Renewables (no longer reqd)	65	-	65	65	-	-	-	-	-	-	-	-	-	-	-		
BS3(D)	BID201		Millmead House - M&E plant renewal	33	-	33	33	-	-	-	33	-	-	-	-	-	33	33		
BS4(p)	BID205	P50016	Hydro private wire - Tollmead	82	-	82	82	-	-	-	82	-	-	-	-	-	82	82		
COMMUNITY DIRECTORATE TOTAL																				
				7,739	-	5,499	5,706	-	-	-	1,138	543	4,752	582	-	-	7,015	7,015		
ENVIRONMENT DIRECTORATE																				
Operational Services																				
OP5(P)			Mill Lane (Pitbright) Flood Protection Scheme	200	-	200	200	-	-	-	200	-	-	-	-	-	200	200		
OP6(P)			Vehicles, Plant & Equipment Replacement Programme	780	-	780	780	-	-	-	780	-	-	-	-	-	780	780		
OP21(P)	PR281		Surface water management plan	200	-	200	200	-	-	-	200	-	-	-	-	-	200	200		
Parks and Leisure																				
PL16(P)	PR348	P04006	New burial grounds - acquisition & development	7,834	38	50	20	30	-	-	-	-	-	-	-	-	30	88		
PL18(P)			Refurbishment / rebuild Sutherland Memorial Park Pavilion	150	-	-	-	-	-	-	150	-	-	-	-	-	150	150		
PL41(P)	PR231		Stoke pk office accommodation & storage buildings	665	-	665	665	-	-	-	-	-	-	-	-	-	665	665		
PL45(D)	PR388		Stoke Pk gardens water feature refurb	81	-	81	81	-	-	-	40	-	-	-	-	-	40	40		
PL55(p)	BID198		Sutherland Memorial Park - electrical works COMPLETE	39	-	39	39	-	-	-	-	-	-	-	-	-	-	-		
PL56(p)	BID210		Stoke Park Masterplan enabling costs	500	-	100	100	-	50	200	100	150	-	-	-	-	450	500		
PL57(p)	BID211	P18215	Parks and Countryside - repairs and renewal of paths, roads and	1,572	-	400	772	-	50	1,122	400	-	-	-	-	-	1,522	1,572		
PL58(p)	BID213		Sports pavilions - replace water heaters	154	-	28	28	-	28	42	42	42	-	-	-	-	126	154		
PL59(p)	BID228		Millmead fish pass	60	-	60	60	-	-	-	-	-	-	-	-	-	60	60		
PL60(p)	7-1920		Traveller encampments	115	-	115	115	-	40	75	-	-	-	-	-	-	75	115		
ENVIRONMENT DIRECTORATE TOTAL																				
				12,350	38	2,088	3,090	-	188	2,349	542	742	665	-	-	-	4,298	4,524		
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																				
Development / Infrastructure																				
ED18(P)	PR367		Guildford Museum	16,810	-	16,810	16,810	-	-	-	-	-	-	-	-	-	16,810	16,810		
PR130	P79996		Investment in North Downs Housing	30,100	-	-	-	-	5,518	12,538	-	-	-	-	-	-	18,057	18,057		
PR130	P79997		Equity shares in Guildford Holdings Ltd	-	-	-	-	-	3,683	8,360	-	-	-	-	-	-	12,043	12,043		
P10(p)	PR316		Sustainable Movement Corridor	6,045	-	-	-	-	-	-	3,023	3,022	-	-	-	-	6,045	6,045		
P11(p)	PR364		Guildford West (PB) station	4,700	-	1,700	1,700	-	1,000	2,000	1,700	-	-	-	-	-	4,700	4,700		
P14(p)	PR402		Guildford Gyrotron & approaches	10,967	-	3,500	3,500	-	-	-	-	-	-	-	-	-	10,967	10,967		
P15(p)	BID139		Guildford bike share	530	-	530	530	-	-	100	430	-	-	-	-	-	530	530		
P17(p)	BID169		Bus station relocation	500	-	500	500	-	500	-	-	-	-	-	-	-	500	500		
P21(p)			Ash Road Bridge	18,440	-	18,440	18,440	-	-	18,440	-	-	-	-	-	-	18,440	18,440		
P21(p)			Ash Road Footbridge	4,800	-	4,800	4,800	-	-	4,800	-	-	-	-	-	-	4,800	4,800		
Development Financial																				
ED25(P)	PR233		Guildford Park - Housing for Private and infrastructure works	23,125	-	4,380	4,380	-	-	-	-	-	-	-	-	-	-	-		
ED49(p)	PR395		Redeveloping Miditon industrial estate	5,557	-	5,557	5,557	-	-	-	5,557	-	-	-	-	-	5,557	5,557		
PL51(D)	PR416		Stoke Park - Home Farm Redevelopment	4,000	-	-	-	-	-	-	-	-	-	-	-	-	4,000	4,000		
ED16(P)	PR350		Styfield Area Regeneration Project (SARP) (GBC share)	289,869	-	-	7,499	-	26,136	69,012	34,206	40,112	34,881	24,342	22,271	38,909	289,869	289,869		
ED38(P)	PR041		North Street development	1,500	-	29,090	500	-	500	1,000	-	-	-	-	-	-	1,000	1,500		
HC4(p)	PR248		Bright Hill Development	13,500	-	500	880	-	880	5,000	7,000	820	-	-	-	-	13,500	13,500		
P12(p)	PR371		Strategic property acquisitions	23,292	-	9,492	9,492	-	-	23,292	-	-	-	-	-	-	23,292	23,292		
DF1	4-2021		Property acquisition	20,000	-	-	-	-	10,000	10,000	-	-	-	-	-	-	20,000	20,000		
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS TOTAL																				
				473,735	-	94,769	74,388	-	1,000	100,106	107,011	50,359	71,731	34,881	24,342	22,271	38,909	449,610		
PROVISIONAL SCHEMES - GRAND TOTALS																				
				493,823	38	102,356	83,184	-	1,188	103,593	108,095	55,853	72,978	34,881	24,342	22,271	38,909	460,923		
non development projects																				
				20,089	38	7,587	8,796	-	188	3,487	1,085	5,494	1,247	-	-	-	11,313	11,539		
development/infrastructure - non-financial benefit																				
				92,892	0	45,750	46,280	0	500	33,441	22,999	5,153	30,799	0	0	0	92,392	92,892		
development - financial benefit																				
				380,843	0	49,019	28,108	0	500	66,665	84,012	45,206	40,932	34,881	24,342	22,271	38,909	357,218		
TOTAL																				
				493,823	38	102,356	83,184	0	1,188	103,593	108,095	55,853	72,978	34,881	24,342	22,271	38,909	460,923		

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GENERAL FUND CAPITAL PROGRAMME - S106 ESTIMATED EXPENDITURE 2020-21 to 2024-25

Ref	Project Officer	Code	Service Units / Capital Schemes	Approved gross estimate	Cumulative spend at 31-03-20	2020-21 Estimate approved by Council in February	Revised estimate	Expenditure at end P8	Projected exp est by project officer	2021-22 Est for year	2022-23 Est for year	2023-24 Est for year	2024-25 Est for year	2025-26 Est for year	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Net cost of scheme	Total net cost approved by Executive
				(a) £000	(b) £000	(c) £000	(d)	(e) £000	(f) £000	(i) £000	(ii) £000	(iii) £000	(iv) £000	(v) £000	(g) £000	(b)+(g) = (h) £000	(j) £000	(h)-(j) = (i) £000	(k) £000
APPROVED SCHEMES (fully funded from S106 contributions)																			
ENVIRONMENT DIRECTORATE																			
Operational Services																			
Parks and Leisure																			
S-PL36	HJ	P18177	Gunpowder mills - signage, access and woodland imps	36	20	-	16	1	16	-	-	-	-	-	-	36	(36)	-	-
S-PL38	HJ	P18192	Chantry Wood Campsite	36		-	36	-	36	-	-	-	-	-	-	36	(36)	-	-
S-PL47	SA	P18229	Fir Tree Garden	28	4	-	24	1	24	-	-	-	-	-	-	28	(28)	-	-
S-PL48	HJ	P18230	Boardwalk Heathfield Nature Reserve	13			13	-	13							13	(13)		
S-PL49	SA	P18232	Waterside Playarea Muti Unit	30			30	-	30							30	(30)		
S-PL50	SA	P18233	Albury Playground Equip (PC)	23			23	17	23							23	(23)		
ENVIRONMENT DIRECTORATE TOTAL				166	24	-	142	19	142	-	-	-	-	-	-	166	(166)	-	-
APPROVED S106 SCHEMES TOTAL				166	24	-	142	19	142	-	-	-	-	-	-	166	(166)	-	-

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GENERAL FUND CAPITAL SCHEMES - PROJECTS FUNDED VIA RESERVES: ESTIMATED EXPENDITURE

Item No.	Project Officer	Code	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-20	2020-21 Estimate approved by Council in February	Revised estimate	Expenditure at end P8	Projected exp est by project officer	2021-22 Est for year	2022-23 Est for year	2023-24 Est for year	2024-25 Est for year	2025-26 Est for year	Future years est exp	Projected expenditure total
				(a) £000	(b) £000	(c) £000	£000	(e) £000	(f) £000	(i) £000	(ii) £000	(iii) £000	(iv) £000	(v) £000	(g) £000	(b)+(g) = (h) £000
COMMUNITY DIRECTORATE																
		P59...	ENERGY PROJECTS per SALIX RESERVE:(PR220)			-	-	-	-	-	-	-	-	-	-	-
R-EN10	CR	P59034	LED Lighting replacement (complete)	80	61	-	19	-	(0)	-	-	-	-	-	-	61
R-EN11	CR		WRD energy reduction (no longer reqd)	70	-	-	70	-	-	-	-	-	-	-	-	-
R-EN12	7-2021		LED lighting	44		44	44	-	44	-	-	-	-	-	-	44
R-EN13	8-2021		ASHP CAB	28				-		28	-	-	-	-	28	28
ENERGY PROJECTS per GBC INVEST TO SAVE RESERVE: GBC 'Invest to Save' energy projects (to be repaid in line with savings)																
R-EN12	CR	P59102	PV/energy efficiency projects	100	2	-	98	-	98	-	-	-	-	-	-	100
R-EN13	BID200	P59107	Park Barn Day Centre - air source heat pump	143	110	-	-	3	10	-	-	-	-	-	-	110
R-EN14	BID207	P59108	SMP - air source heat pump	28	1	28	27	-	0	27	-	-	-	-	27	28
ENERGY RESERVES TOTAL				493	174	72	258	3	152	55	-	-	-	-	55	371
BUDGET PRESSURES RESERVE																
	09-1920		Future Guildford implementation team	2,600		1,600	2,600	-	-	-	-	-	-	-	-	-
BUDGET PRESSURES RESERVE TOTAL				2,600	-	1,600	2,600	-	-	-	-	-	-	-	-	-
FINANCE DIRECTORATE																
INFORMATION TECHNOLOGY - IT Renewals Reserve (PR265) : approved annually																
Hardware / software budget						500	500	-	500	500	500	500	-	-	1,500	2,000
R-IT1	SW-M	P81002	Hardware	annual	annual	-	-	3	-	-	-	-	-	-	-	-
R-IT2	SW-M	P81002	Software	annual	annual	-	-	301	-	-	-	-	-	-	-	-
	AH	P81034	ICT infrastructure improvements	1,485	1,695	-	-	30	-	-	-	-	-	-	-	1,695
R-IT3	09-1920		IDOX Acolaid to Uniform	275		-	275	-	275	-	-	-	-	-	-	275
R-IT4	09-1920		LCTS alternative	56		50	56	-	56	-	-	-	-	-	-	56
R-IT5	09-1920	P81035	Future Guildford ICT	1,200	656	-	544	-	544	-	-	-	-	-	-	1,200
IT RENEWALS RESERVE TOTAL				3,016	2,350	550	1,376	334	1,376	500	500	500	-	-	1,500	5,226
ENVIRONMENT DIRECTORATE																
SPECTRUM RESERVE																
R-S14			Spectrum schemes (to be agreed with Freedom Leisure)	700	168	-	532	-	532	-	-	-	-	-	-	700
SPECTRUM RESERVE TOTAL				700	168	-	532	-	532	-	-	-	-	-	-	700
CAR PARKS RESERVE																
P1R-CP2	KMc	P37503	Car parks - install/replace pay-on-foot equipment	1,170	240	-	930	-	-	930	-	-	-	-	930	1,170
Car Parks - Lighting & Electrical improvements:																
R-CP8	KMc/KS	P37520	- Castle car park (PR000299) deck surfacing	325	251	-	6	-	6	-	-	-	-	-	-	257
R-CP18	BID177	P37525	- Deck Millbrook car park	2,000	-	1,000	1,000	-	-	-	-	-	-	-	-	-
R-CP14	KMc/RH	P37514	Lift replacement (PR000293)	841	307	187	534	158	534	-	-	-	-	-	-	841
R-CP17	KMc/RH	P37522	Leapale rd MSCP drainage (PR000433)	90	26	-	64	-	16	-	-	-	-	-	-	42
R-CP19	BID194	P37523	Structural works to MSCP	300	50	-	250	-	-	100	-	-	-	-	100	150
R-CP20	10-1920	P37524	MSCP- Deck surface replacement & barriers	652	526	-	126	0	83	-	-	-	-	-	-	609
R-CP21	08-2021	P37526	Additional barriers Farnham Rd	15		15	15		15							15
R-CP22	08-2021	P37527	Deck surface replacement (stair cores)Farnham Rd	70		70	70		70							70
R-CP23	08-2021	P37529	Deck surface replacement Leapale Rd	400		400	400		10	390					390	400
R-CP24	08-2021	P37528	Signage replacement Leapale Rd(no longer reqd)	30		30	30		-						-	-
R-CP25	08-2021	P37530	Structural repairs roof turret timbers Castle St	60		60	60		60						-	60

GENERAL FUND CAPITAL SCHEMES - PROJECTS FUNDED VIA RESERVES: ESTIMATED EXPENDITURE

Item No.	Project Officer	Code	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-20	2020-21 Estimate approved by Council in February	Revised estimate	Expenditure at end P8	Projected exp est by project officer	2021-22 Est for year	2022-23 Est for year	2023-24 Est for year	2024-25 Est for year	2025-26 Est for year	Future years est exp	Projected expenditure total
				(a) £000	(b) £000	(c) £000	(d) £000	(e) £000	(f) £000	(i) £000	(ii) £000	(iii) £000	(iv) £000	(v) £000	(g) £000	(b)+(a)-(d) £000
			CAR PARKS RESERVE TOTAL	5,953	1,401	1,762	3,485	158	794	1,420	-	-	-	-	1,420	3,613
			SPA RESERVE :													
			P20... SPA schemes (various)	100	annual	-	151	-	151	-	-	-	-	-	-	151
R-SPA1		P201..	Chantry Woods					-	-							
R-SPA2		P202..	Effingham					-	-							
R-SPA3		P203..	Lakeside					-	-							
R-SPA4		P204..	Riverside					-	-							
R-SPA5		P205..	Parsonage					-	-							
			SPA RESERVE TOTAL	100	-	-	151	-	151	-	-	-	-	-	-	151
			GRAND TOTALS	12,862	4,093	3,984	8,402	494	3,005	1,975	500	500	-	-	2,975	10,063

Agenda item number: 10 Appendix 6

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

1.0 AVAILABILITY OF RESOURCES - NOTES :

1.1 The following balances have been calculated taking account of estimated expenditure on the approved capital schemes

1.2 The actuals for 2019-20 have not been audited.

1.3 Funding assumptions:

1. All capital expenditure will be funded in the first instance from available capital receipts and the General Fund capital programme reserve.

2. Once the above resources have been exhausted in any given year, the balance of expenditure will be financed from borrowing, both internally and externally, depending upon the Council's financial situation at the time.

1.4 These projections are based on estimated project costs, some of which will be 'firmed up' in due course. Any variations to the estimates and the phasing of expenditure will affect year on year funding projections.

2.0 Capital receipts - Balances (T01001)

	2019-20 Actuals £000	2020-21 Budget £000	2020-21 Est Outturn £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000
Balance as at 1 April	40	0	95	95	0	0	0	21,641
Add estimated usable receipts in year	12,087	0	2,086	0	0	0	21,641	27,117
Less applied re funding of capital schemes	(12,032)	0	(2,086)	(95)	0	0	0	0
Balance after funding capital expenditure as at 31 March	95	0	95	0	0	0	21,641	48,758

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

during year = outturn (col v, actual = col u)

3.0 Capital expenditure and funding - summary

Estimated capital expenditure

Main programme - approved
Main programme - provisional
s106
Reserves
GF Housing

Total estimated capital expenditure

To be funded by:

Capital receipts (*per 2.above*)

Contributions

R.C.C.O.:

Other reserves

Balance of funding to be met from (i) the Capital Reserve, and (ii) borrowing

Total funding required

2019-20 Actuals £000	2020-21 Budget £000	2020-21 Est Outturn £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000
45,685	65,188	45,261	41,630	9,260	9,261	12,348	0
0	102,356	1,188	103,593	108,096	55,853	72,978	34,881
86	0	142	0	0	0	0	0
2,300	3,984	3,005	1,975	500	500	0	0
0	0	0	0	0	0	0	0
48,071	171,528	49,596	147,198	117,856	65,614	85,326	34,881
(18,111)	0	(2,086)	(95)	0	0	0	0
(8,421)	(41,368)	(12,257)	(51,415)	(10,515)	(7,650)	(5,600)	0
(2,300)	(4,204)	(6,692)	(2,195)	(720)	(720)	0	0
0	0	0	0	0	0	0	0
(28,832)	(45,572)	(21,035)	(53,705)	(11,235)	(8,370)	(5,600)	0
(19,239)	(125,956)	(28,561)	(93,493)	(106,621)	(57,244)	(79,726)	(34,881)
(48,071)	(171,528)	(49,596)	(147,198)	(117,856)	(65,614)	(85,326)	(34,881)

4.0 General Fund Capital Schemes Reserve (U01030)

Balance as at 1 April

Add: General Fund Revenue Budget variations

Contribution from revenue

Less: Applied re funding of capital programme

Balance after funding capital expenditure etc.as at 31 March

Estimated shortfall at year-end to be funded from borrowing

2019-20 Actuals £000	2020-21 Budget £000	2020-21 Est Outturn £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000
894	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
894	0	0	0	0	0	0	0
(894)	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
18,346	125,956	28,561	93,493	106,621	57,244	79,726	34,881

Page 116

Agenda item number: 10
Appendix 7

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

	2019-20 Actuals £000	2020-21 Budget £000	2020-21 Est Outturn £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	
5.0 Housing capital receipts (pre 2013-14) - estimated availability/usage for Housing, Affordable Housing and Regeneration projects - GBC policy									
Balance as at 1 April (T01008)	9,559	6,760	3,618	(0)	0	0	0	0	
Add: Estimated receipts in year	0	0	0	0	0	0	0	0	
Less: Applied re Housing (General Fund) capital programme	0	0	0	0	0	0	0	0	
Less: Applied re Housing company	(5,941)	(6,760)	(3,618)	0	0	0	0	0	
	3,618	0	(0)	0	0	0	0	0	
Less: Applied on regeneration schemes	0	0	0	0	0	0	0	0	
Housing receipts - estimated balance in hand at year end	3,618	0	(0)	0	0	0	0	0	
5.1 Housing capital receipts (post 2013-14) - estimated availability/usage for Housing, Affordable Housing and Regeneration projects only (statutory (impact CFR))									
Balance as at 1 April (T01012)	0	0	0	0	0	0	0	0	
Add: Estimated receipts in year	520	289	520	289	292	295	298	301	
Less: Applied re Housing (General Fund) capital programme	(139)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	
Less: Applied re Housing Improvement programme	(381)	(69)	(299)	(69)	(72)	(75)	(78)	(81)	
	0	0	0	0	0	0	0	0	
Less: Applied on regeneration schemes	0	0	0	0	0	0	0	0	
Housing receipts - estimated balance in hand	0	0	0	0	0	0	0	0	
								Total £'000s	
6.1 Estimated annual borrowing requirement	18,346	125,956	28,561	93,493	106,621	57,244	79,726	34,881	400,527
Bids for funding (net)		0	0	0	0	0	0	0	0
Total estimated borrowing requirement if all bids on Appendix 1 approved		125,956	28,561	93,493	106,621	57,244	79,726	34,881	400,527

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Treasury management policy statement

Background

The Council adopts the key recommendations of the CIPFA's Treasury Management in the Public Services: Code of Practice (the TM Code), as described in Section 5 of the TM Code.

The Council will create and maintain, as the cornerstones for effective treasury management:

- a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
- suitable treasury management practices (TMP's), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities

CIPFA requirement

The Council is required to adopt the following to define the policies and objectives of its treasury management activities.

1. The Council defines its treasury management activities are:

“the management of the Council’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”

2. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on the Council's risk implications, and any financial instruments entered into to manage these risks
3. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

The Council's requirements

The Council is also required to detail its high-level policies for borrowing and investments

1. The Council (i.e. full council) will receive reports on its treasury management policies, practices and objectives including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its closed, in the form prescribed in the TMPs
2. The Council delegates responsibility for the
 - a. implementation and monitoring of its treasury management practices and policies to the Corporate Governance and Standards Committee and
 - b. execution and administration of treasury management decisions, along with changes to the TMP's to the Chief Finance Officer, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
3. The Council nominates the Corporate Governance and Standards Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies
4. The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk, refinancing risk and maturity risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt
5. The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Council's investments followed by the yield earned in investments remain important but are secondary considerations.

Money Market Code Principles

The money market code has been developed to provide a common set of principles in order to promote the integrity and effective functioning of the UK money markets.

It is intended to promote a fair, effective and transparent market in which a diverse set of UK market participants, supported by resilient infrastructure, are able to confidently and effectively transact in a manner that is consistent with the highest standards of behaviour.

The code is based on six underpinning principles in order to promote an open, fair and effective market:

Ethics

1. UK Market Participants are expected to behave in an appropriate and professional manner

Governance and Risk Management

2. UK Market Participants should have an applicable governance framework that facilitates responsible participation in the UK Markets and provides for comprehensive oversight of such activity at an appropriately senior level of management. There should be clear and defined internal escalation routes
3. UK Market Participants are expected to maintain a vigorous control environment to effectively identify, measure, monitor, manage and report on the risks associated with their engagement in the UK market

Information Sharing, Confidentiality and Communications

4. UK Market Participants are expected to be clear, accurate, professional, and not misleading in their communications, and to protect relevant confidential information to support effective communication

Execution, Surveillance, Confirmations and Settlement

5. UK Market Participants are expected to exercise appropriate care when negotiating, executing and settling transactions
UK Market Participants are expected to put in place effective and efficient processes to promote the secure, smooth, and timely settlement of transactions

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Arlingclose Economic forecast

Economic background: The impact on the UK from coronavirus, together with its exit from the European Union and future trading arrangements with the bloc, will remain a major influence on the Authority's treasury management strategy for 2021/22.

The Bank of England (BoE) maintained Bank Rate at 0.10% in November 2020 and also extended its Quantitative Easing programme by £150 billion to £895 billion. The Monetary Policy Committee voted unanimously for both, but no mention was made of the potential future use of negative interest rates. Within the latest forecasts, the Bank expects the UK economy to shrink -2% in Q4 2020 before growing by 7.25% in 2021, lower than the previous forecast of 9%. The BoE also forecasts the economy will now take until Q1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast.

UK Consumer Price Inflation (CPI) for September 2020 registered 0.5% year on year, up from 0.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 1.3% from 0.9%. The most recent labour market data for the three months to August 2020 showed the unemployment rate rose to 4.5% while the employment rate fell to 75.6%. Both measures are expected to deteriorate further due to the ongoing impact of coronavirus on the jobs market, particularly when the various government job retention schemes start to be unwound in 2021, with the BoE forecasting unemployment will peak at 7.75% in Q2 2021. In August, the headline 3-month average annual growth rate for wages were 0% for total pay and 0.8% for regular pay. In real terms, after adjusting for inflation, total pay growth fell by -0.8% while regular pay was up 0.1%.

GDP growth fell by -19.8% in the second quarter of 2020, a much sharper contraction from -2.0% in the previous three months, with the annual rate falling -21.5% from -1.6%. All sectors fell quarter-on-quarter, with dramatic declines in construction (-35.7%), services (-19.2%) and production (-16.3%), and a more modest fall in agriculture (-5.9%). Monthly GDP estimates have shown the economy is recovering but remains well below its pre-pandemic peak. Looking ahead, the BoE's November Monetary Policy Report forecasts economic growth will rise in 2021 with GDP reaching 11% in Q4 2021, 3.1% in Q4 2022 and 1.6% in Q4 2023.

GDP growth in the euro zone rebounded by 12.7% in Q3 2020 after contracting by -3.7% and -11.8% in the first and second quarters, respectively. Headline inflation, however, remains extremely weak, registering -0.3% year-on-year in October, the third successive month of deflation. Core inflation registered 0.2% y/y, well below the European Central Bank's (ECB) target of 'below, but close to 2%'. The ECB is expected to continue holding its main interest rate of 0% and deposit facility rate of -0.5% for some time with further monetary stimulus expected later in 2020.

The US economy contracted at an annualised rate of 31.7% in Q2 2020 and then rebounded by 33.1% in Q3. The Federal Reserve maintained the Fed Funds rate at between 0% and 0.25% and announced a change to its inflation targeting regime to a more flexible form of average targeting. The Fed also provided strong indications that interest rates are unlikely to change from current levels over the next three years.

Former vice-president Joe Biden won the 2020 US presidential election. Mr Biden is making tackling coronavirus his immediate priority and will also be reversing several executive orders signed by his predecessor and take the US back into the Paris climate accord and the World Health Organization.

Credit outlook: After spiking in late March as coronavirus became a global pandemic, credit default swap (CDS) prices for the larger UK banks have steadily fallen back to almost pre-pandemic levels. Although uncertainly around COVID-19 related loan defaults lead to banks provisioning billions for potential losses in the first half of 2020, drastically reducing profits, reported impairments for Q3 were much reduced in some institutions. However, general bank profitability in 2020 is likely to be significantly lower than in previous years.

The credit ratings for many UK institutions were downgraded on the back of downgrades to the sovereign rating. Credit conditions more generally though in banks and building societies have tended to be relatively benign, despite the impact of the pandemic.

Looking forward, the potential for bank losses to be greater than expected when government and central bank support starts to be removed remains a risk, as does the UK not achieving a Brexit deal, suggesting a cautious approach to bank deposits in 2021/22 remains advisable.

Interest rate forecast: The Authority's treasury management adviser Arlingclose is forecasting that BoE Bank Rate will remain at 0.1% until at least the end of 2023. The risks to this forecast are judged to be to the downside as the BoE and UK government continue to react to the coronavirus pandemic and the Brexit transition period ends. The BoE extended its asset purchase programme to £895 billion in November while keeping Bank Rate on hold. However, further interest rate cuts to zero, or possibly negative, cannot yet be ruled out but this is not part of the Arlingclose central forecast.

Gilt yields are expected to remain very low in the medium-term while short-term yields are likely remain below or at zero until such time as the BoE expressly rules out the chance of negative interest rates or growth/inflation prospects improve. The central case is for 10-year and 20-year to rise to around 0.5% and 0.75% respectively over the time horizon. The risks around the gilt yield forecasts are judged to be broadly balanced between upside and downside risks, but there will almost certainly be short-term volatility due to economic and political uncertainty and events.

A more detailed economic and interest rate forecast provided by Arlingclose is below

Arlingclose Economic & Interest Rate Forecast - November 2020

Underlying assumptions:

- The medium-term global economic outlook remains weak. Second waves of Covid cases have prompted more restrictive measures and further lockdowns in Europe and the UK. This ebb and flow of restrictions on normal activity will continue for the foreseeable future, at least until an effective vaccine is produced and importantly, distributed.
- The global central bank and government responses have been significant and are in many cases on-going, maintaining more stable financial, economic and social conditions than otherwise.
- Although these measures supported a sizeable economic recovery in Q3, the imposition of a second national lockdown in England during November will set growth back and likely lead to a fall in GDP in Q4.
- Signs of a slowing economic recovery were already evident in UK monthly GDP and PMI data, even before the latest restrictions. Despite some extension to fiscal

support measures, unemployment is expected to rise when these eventually come to an end in mid-2021.

- This situation will result in central banks maintaining low interest rates for the medium term. In the UK, Brexit is a further complication. Bank Rate is therefore likely to remain at low levels for a very long time, with a distinct possibility of being cut to zero. Money markets continue to price in a chance of negative Bank Rate.
- Longer-term yields will also remain depressed, anchored by low central bank policy rates, expectations for potentially even lower rates and insipid inflation expectations. There is a chance yields may follow a slightly different path in the medium term, depending on investor perceptions of growth and inflation, the development of a vaccine or if the UK leaves the EU without a deal.

Forecast:

- Arlingclose expects Bank Rate to remain at the current 0.10% level.
- Additional monetary loosening through increased financial asset purchases was delivered as we expected. Our central case for Bank Rate is no change, but further cuts to zero, or perhaps even into negative territory, cannot be completely ruled out.
- Gilt yields will remain low in the medium term. Shorter term gilt yields are currently negative and will remain around zero or below until either the Bank expressly rules out negative Bank Rate or growth/inflation prospects improve.
- Downside risks remain in the near term, as the government continues to react to the escalation in infection rates and the Brexit transition period comes to an end.

	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Official Bank Rate													
Upside risk	0.00	0.00	0.00	0.15	0.15	0.15	0.15	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Downside risk	-0.10	-0.20	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
3-month money market rate													
Upside risk	0.05	0.05	0.05	0.10	0.10	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Downside risk	-0.40	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
5yr gilt yield													
Upside risk	0.40	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70
Arlingclose Central Case	0.00	0.00	0.05	0.10	0.15	0.15	0.20	0.20	0.25	0.25	0.25	0.25	0.25
Downside risk	-0.30	-0.40	-0.50	-0.55	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60
10yr gilt yield													
Upside risk	0.40	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70
Arlingclose Central Case	0.30	0.30	0.35	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.55	0.55	0.55
Downside risk	-0.30	-0.40	-0.50	-0.55	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
20yr gilt yield													
Upside risk	0.40	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70
Arlingclose Central Case	0.70	0.70	0.70	0.75	0.75	0.75	0.80	0.80	0.85	0.85	0.85	0.85	0.85
Downside risk	-0.20	-0.20	-0.25	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30
50yr gilt yield													
Upside risk	0.40	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70
Arlingclose Central Case	0.60	0.60	0.60	0.65	0.65	0.65	0.70	0.70	0.75	0.75	0.75	0.75	0.75
Downside risk	-0.20	-0.20	-0.25	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 1.80% PWLB HRA Rate = Gilt yield + 0.80%

PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

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Credit Rating Equivalents and Definitions

	Fitch	Moody's	Standard & Poor's	Fitch	Moody's	Standard & Poor's
Long Term Investment Grade	AAA	Aaa	AAA	AAA Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in the case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.	Aaa Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.	AAA An obligator rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by Standard & Pooers.
	AA+	Aa1	AA+	AA Very high credit quality. 'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.	Aa Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.	AA An obligator rated 'AA' has very strong capacity to meets its financial commitments. It differs from the highest rated obligators only to a small degree.
	AA	Aa2	AA			
AA-	Aa3	AA-				
	A+	A1	A+	A High credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.	A Obligations rated A are considered upper-medium grade and are subject to low credit risk.	A An obligator rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligators in higher rated categories.
	A	A2	A			
	A-	A3	A-			
	BBB+	Baa1	BBB+	BBB Good credit quality. 'BBB' ratings indicate that there are currently expectations of low credit risk. The capacity for payment of financial commitments is considered adequate but adverse changes in circumstances and economic conditions are more likely to impair this capacity. This is the lowest investment grade category.	Baa Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.	BBB An obligator rated 'BBB' has adequate capacity to meets its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligator to meet its financial commitments.
	BBB	Baa2	BBB			
	BBB-	Baa3	BBB-			
Sub Investment Grade	BB+	Ba1	BB+			
	BB	Ba2	BB			
	BB-	Ba3	BB-			
	B+	B1	B+			
	B	B2	B			
	B-	B3	B-			
	CCC+	Caa1	CCC+			
	CCC	Caa2	CCC			
	CCC-	Caa3	CCC-			
	CC+	Ca1	CC+			
	CC	Ca2	CC			
	CC-	Ca3	CC-			
	C+	C1	C+			
	C	C2	C			
	C-	C3	C-			
	D		D or SD			

Glossary

Affordable Housing Grants – grants given to Registered Providers to facilitate the provision of affordable housing.

Arlingclose – the Council’s treasury management advisors

Authorised Limit – the maximum amount of external debt at any one time in the financial year

Bail in risk – Following the financial crisis of 2008 when governments in various jurisdictions injected billions of dollars into banks as part of bail-out packages, it was recognised that bondholders, who largely remained untouched through this period, should share the burden in future by making them forfeit part of their investment to “bail-in” a bank before taxpayers are called upon.

A bail in takes place before a bankruptcy and under current proposals, regulators would have the power to impose losses on bondholders while leaving untouched other creditors of similar stature, such as derivatives counterparties. A corollary to this is that bondholders will require more interest if they are to risk losing money to a bail-in.

Balances and Reserves – accumulated sums that are maintained either earmarked for specific future costs or commitments or generally held to meet unforeseen or emergency expenditure

Bank Rate – the Bank of England base rate

Banks – Secured – covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the banks assets, which limits the potential losses in the unlikely event of insolvency and means they are exempt from bail in.

Banks – Unsecured – accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. Subject to the risk of credit loss via a bail in should the regulator determine that the bank is failing or likely to fail.

Bonds – Bonds are debt instruments issued by government, multinational companies, banks and multilateral development banks. Interest is paid by the issuer to the bond holder at regular pre-agreed periods. The repayment date of the principal is also set at the outset.

Capital expenditure – expenditure on the acquisition, creation or enhancement of capital assets

Capital Financing Requirement (CFR) – the Council's underlying need to borrow for a capital purpose, representing the cumulative capital expenditure of the Council that has not been financed

Certainty rate – the government has reduced by 20 basis points (0.20%) the interest rates on loans via the Public Works Loan Board (PWLB) to principal local authorities who provide information as specified on their plans for long-term borrowing and associated capital spending.

Certificates of deposit – Certificates of deposit (CDs) are negotiable time deposits issued by banks and building societies and can pay either fixed or floating rates of interest. They can be traded on the secondary market, enabling the holder to sell the CD to a third party to release cash before the maturity date.

CIPFA - the Chartered Institute of Public Finance and Accountancy. The institute is one of the leading professional accountancy bodies in the UK and the only one which specialises in the public sector. It is responsible for the education and training of professional accountants and for their regulation through the setting and monitoring of professional standards. Uniquely among the professional accountancy bodies in the UK, CIPFA has responsibility for setting accounting standards for a significant part of the economy, namely local government. CIPFA's members work, in public service bodies, in the national audit agencies and major accountancy firms.

CLG – Department for Communities and Local Government

Corporates – loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent.

Corporate bonds – Corporate bonds are those issued by companies. Generally, however, the term is used to cover all bonds other than those issued by governments. The key difference between corporate bonds and government bonds is the risk of default.

Cost of Carry - Costs incurred as a result of an investment position, for example the additional cost incurred when borrowing in advance of need, if investment returns don't match the interest payable on the debt.

Counterparty – the organisation the Council is investing with

Covered bonds – a bond backed by assets such as mortgage loans (covered mortgage bond). Covered bonds are backed by pools of mortgages that remain on the issuer's balance sheet, as opposed to mortgage-backed securities such as collateralised mortgage obligations (CMOs), where the assets are taken off the balance sheet.

Credit default swaps (CDS) – similar to an insurance policy against a credit default. Both the buyer and seller of a CDS are exposed to credit risk. The buyer effectively pays a premium against the risk of default.

Credit Rating – an assessment of the credit worthiness of an institution

Creditworthiness – a measure of the ability to meet debt obligations

Derivative investments – derivatives are securities whose value is derived from the some other time-varying quantity. Usually that other quantity is the price of some other asset such as bonds, stocks, currencies, or commodities.

Diversification / diversified exposure – the spreading of investments among different types of assets or between markets in order to reduce risk.

Derivatives – Financial instruments whose value, and price, are dependent on one or more underlying assets. Derivatives can be used to gain exposure to, or to help protect against, expected changes in the value of the underlying investments. Derivatives may be traded on a regulated exchange or traded ‘over the counter’.

DMADF – Debt Management Account Deposit Facility operated by the DMO where users can place cash in secure fixed-term deposits. Deposits are guaranteed by the government and therefore have the equivalent of the sovereign credit rating.

DMO – debt management office. An Executive Agency of Her Majesty’s Treasury (HMT) with responsibilities including debt and cash management for the UK Government, lending to local authorities and managing certain public sector funds.

EIP Loans – Equal Instalments of Principal. A repayment method whereby a fixed amount of principal is repaid with interest being calculated on the principal outstanding

European Investment Bank (EIB) – The European Investment Bank is the European Union’s non-profit long-term lending institution established in 1958 under the Treaty of Rome. It is a “policy driven bank” whose shareholders are the member states of the EU. The EIB uses its financing operations to support projects that bring about European integration and social cohesion.

Finance Lease - a finance lease is a lease that is primarily a method of raising finance to pay for assets, rather than a genuine rental. The latter is an operating lease. The key difference between a finance lease and an operating lease is whether the lessor (the legal owner who rents out the assets) or lessee (who uses the asset) takes on the risks of ownership of the leased assets. The classification of a lease (as an operating or finance lease) also affects how it is reported in the accounts.

Floating rate notes – Floating rate notes (FRNs) are debt securities with payments that are reset periodically against a benchmark rate, such as the three month London inter-bank offer rate (LIBOR). FRNs can be used to balance risks incurred through other interest rate instruments in an investment portfolio.

Government – loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail in, and there is an insignificant risk of insolvency.

Gilts – long term fixed income debt security (bond) issued by the UK Government and traded on the London Stock Exchange

Housing Grants – see Affordable Housing Grants

Illiquid – cannot be easily converted into cash

Interest rate risk – the risk that unexpected movements in interest rates have an adverse impact on revenue due to higher interest paid or lower interest received.

Liability benchmark – the minimum amount of borrowing required to keep investments at a minimum liquidity level (which may be zero)

LIBID – London Interbank BID Rate – the interest rate at which London banks are willing to borrow from one another

LIBOR - London Interbank Offer Rate – the interest rate at which London banks offer one another. Fixed every day by the British Bankers Association to five decimal places.

Liquidity risk – the risk stemming from the inability to trade an investment (usually an asset) quickly enough to prevent or minimise a loss.

Market risk – the risk that the value of an investment will decrease due to movements in the market.

Mark to market accounting – values the asset at the price that could be obtained if the assets were sold (market price)

Maturity loans – a repayment method whereby interest is repaid throughout the period of the loan and the principal is repaid at the end of the loan period.

Minimum Revenue Provision (MRP) - the minimum amount which must be charged to an authority's revenue account each year and set aside towards repaying borrowing

Money Market - the market in which institutions borrow and lend

Money market funds – an open-end mutual fund which invests only in money markets. These funds invest in short-term debt obligations such as short-dated government debt, certificates of deposit and commercial paper. The main goal is the preservation of principal, accompanied by modest dividends. The fund's net asset value remains constant (e.g. £1 per unit) but the interest rates does fluctuate. These are liquid investments, and therefore, are often used by financial institutions to store money that is not currently invested. Risk is extremely low due to the high rating of the MMFs; many have achieved AAA credit status from the rating agencies:

- Constant net asset value (CNAV) refers to funds which use amortised cost accounting to value all of their assets. They aim to maintain a net asset value (NAV), or value of a share of the fund, at £1 and calculate their price to two decimal places known as “penny rounding”. Most CNAV funds distribute income to investors on a regular basis (distributing share class), though some may choose to accumulate the income, or add it on to the NAV (accumulating share class). The NAV of accumulating CNAV funds will vary by the income received.
- Variable net asset value (VNAV) refers to funds which use mark-to-market accounting to value some of their assets. The NAV of these funds will vary

by a slight amount, due to the changing value of the assets and, in the case of an accumulating fund, by the amount of income received.

This means that a fund with an unchanging NAV is, by definition, CNAV, but a fund with a NAV that varies may be accumulating CNAV or distributing or accumulating VNAV.

Money Market Rates – interest rates on money market investments

Multilateral Investment banks – International financial institutions that provide financial and technical assistance for economic development

Municipal Bonds Agency – An independent body owned by the local government sector that seeks to raise money on the capital markets at regular interval to on-lend to participating local authorities.

Non Specified Investments - all types of investment not meeting the criteria for specified investments.

Operational Boundary – the most likely, prudent but not worse case scenario of external debt at any one time

Pooled Funds – investments are made with an organisation who pool together investments from other organisations and apply the same investment strategy to the portfolio. Pooled fund investments benefit from economies of scale, which allows for lower trading costs per pound, diversification and professional money management.

Project rate – the government has reduced by 40 basis points (0.40%) the interest rates on loans via the Public Works Loans Board (PWLB) for lending in respect of an infrastructure project nominated by a Local Enterprise Partnership (LEP).

Prudential Code – a governance procedure for the setting and revising of prudential indicators. Its aim is to ensure, within a clear framework, that the capital investment plans of the Council are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good practice.

Prudential Indicators – indicators set out in the Prudential Code that calculates the financial impact and sets limits for treasury management activities and capital investment

PWLB (Public Works Loans Board) - a central government agency which provides long- and medium-term loans to local authorities at interest rates only slightly higher than those at which the Government itself can borrow. Local authorities are able to borrow to finance capital spending from this source.

Registered Providers (RPs) – also referred to as Housing Associations.

Repo - A repo is an agreement to make an investment and purchase a security (usually bonds, gilts, treasuries or other government or tradeable securities) tied to an agreement to sell it back later at a pre-determined date and price. Repos are secured investments and sit outside the bail-in regime.

Reserve Schemes – category of schemes within the General Fund capital programme that are funded from earmarked reserves, for example the Car Parks Maintenance reserve or Spectrum reserves.

Sovereign – the countries the Council are able to invest in

Specified Investments - Specified investments are defined as:

- a. denominated in pound sterling;
- b. due to be repaid within 12 months of arrangement;
- c. not defined as capital expenditure; and
- d. invested with one of:
 - i. the UK government;
 - ii. a UK local authority, parish council or community council, or
 - iii. a body or institution scheme of high credit quality

Stable Net Asset Value money market funds – the principle invested remains at its invested value and achieves a return on investment

Subsidy Capital Financing Requirement – the housing capital financing requirement set by the Government for Housing Subsidy purposes

SWAP Bid – a benchmark interest rate used by institutions

Temporary borrowing – borrowing to cover peaks and troughs of cash flow, not to fund spending

Treasury Management – the management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risk associated with those activities and the pursuit of optimum performance with those risks.

Treasurynet – the Council's cash management system

Treasury Management Practices – schedule of treasury management functions and how those functions will be carried out

Treasury Management Strategy Statement – also referred to as the TMSS.

Voluntary Revenue Provision – a voluntary amount charged to an authority's revenue account and set aside towards repaying borrowing.

Working capital – timing differences between income and expenditure (debtors and creditors)

Council Report

Ward(s) affected: n/a

Report of Director of Resources

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Date: 10 February 2021

Housing Revenue Account Budget 2021-22

Executive Summary

This report outlines the proposed Housing Revenue Account (HRA) budget for 2021-22, which has been built on the estimates and assumptions in the 2019-2049 HRA business plan that was approved by the Council in February 2019 to be reviewed in the light of the current pandemic and Brexit as it affects our operating environment.

It is proposed that the rents for 2021-22 should increase by (1.8%) being the annual (0.8%) September 2019 to September 2020 Consumer Price Index (CPI) plus 1% prescription. This being the second-year anniversary since the end of reduction in social rents by 1% per annum for the four years that started on 1 April 2016, as prescribed in the Welfare Reform and Work Act 2016.

A 3.4% increase in garage rents is proposed from April 2021.

The report includes a proposed investment programme in tenants' homes.

The estimates are on the premise of a lower priority to the repayment of debt principal inherited as part of the self-financing HRA settlement as proposed in the business plan.

This report has also been considered by the Joint Executive Advisory Board at its meeting on 7 January 2021. The Board's comments are set out in paragraph 10 below. At its meeting held on 26 January 2021, the Executive considered this report and resolved, subject to Council approving the budget on 10 February 2021:

- (1) That the projects forming the HRA major repairs and improvement programme, as set out in **Appendix 3** to this report, be approved.
- (2) That the Director of Service Delivery be authorised, in consultation with the Lead Councillor for Housing and Development Control:
 - (a) to reallocate funding between approved schemes to make best use of the

available resources; and

(b) to set rents for new developments.

The Executive also endorsed the recommendations below:

Recommendation to Council:

- (1) That the proposed HRA revenue budget for 2021-22, as set out in **Appendix 1** to this report, be approved.
- (2) That a rent increase of 1.8%, comprising the September 2020 CPI (0.8%) plus 1%, as required by the Welfare Reform and Work Act 2016, be implemented.
- (3) That the fees and charges for HRA services for 2021-22, as set out in **Appendix 2** to this report, be approved.
- (4) That a 3.4% increase in garage rents be approved for 2021-22.
- (5) That the Housing Investment Programme as shown in **Appendix 4** (current approved and provisional schemes), be approved.

Reasons for Recommendation:

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

Is the report (or part of it) exempt from publication? No

1. Purpose of Report

1.1 This report provides a position statement on the 2021-22 draft budget and makes recommendations to the Council on both the HRA revenue and capital programme budget.

2. Corporate Plan

2.1 Through the provision of new homes and supporting the less advantaged, this budget delivers on the Place-making and Community themes of our Corporate Plan.

3. Background

3.1 The ongoing regime of self-financing arrangements introduced in 2012, empowers the Council to optimise its resources in management of its social housing services. The Housing Revenue Account Business Plan sets the framework upon which the revenue budget and proposed Housing Investment Programme are prepared. This plan sets out our ambitions and priorities for the service.

4. Housing Revenue Account Business Plan

- 4.1 The objective of the Business Plan is to optimise its resources in ensuring quality tenable accommodation for residents, stock growth to address the increasing demand for affordable housing and surpluses to the various reserves in pursuance of its business. It is not limited to housing stock, but also wider issues such as community development and improving the environment.
- 4.2 The Business Plan not only concentrates on the financial related strategy and objectives, but also the service priorities of the Council's Landlord function to its tenants and leaseholders. The longer-term perspective is crucial to ensure that the service and its primary assets, the housing stock, are fit for purpose for the whole period of the plan and beyond.
- 4.3 Brexit and lately the Covid-19 pandemic has been a challenging period for the government, local government, residents, and the economy. The Government has made a few policy announcements that recognise the important role social housing has across our communities, especially in these challenging times. There also appears to be a renewed desire to see local authorities play an increased role in the delivery of new homes to kick start the economy.
- 4.4 The announcements are resetting the landscape in which the HRA business operates and are very much in line with the ambitions this Council has for its communities. The HRA Business Plan is scheduled for a significant review during 2021-22 which will take the latest economic situation and Council plans in to account.
- 4.5 Universal Credit as currently structured continues to cause concern. Some of these concerns are increasingly shared at a national level.
- 4.6 Housing is fundamental to an individual's health and wellbeing. The HRA operates within an increasingly stressed public sector financial environment and we see the impact daily. The intervention threshold for mental health and social services have steadily increased, especially in this period of lock down measures to curtail the spread of coronavirus. We are trying to manage the consequences of this, on both tenants and neighbourhoods, which is proving increasingly challenging.
- 4.7 North Downs Housing Ltd (NDH) accounts were, for the first time grouped, with the Council's Statement of Accounts in the preceding financial year ended 31 March 2020. The accounts are in line with the business plan to break-even in 2023-24. Whilst NDH's role is to provide an alternative range of tenures, it offers the opportunity through partnership working to consider a wider range of development opportunities.
- 4.8 The Council has, through the Community Wellbeing Team and Project Aspire, provided greater support in less advantaged areas. They work closely with Landlord Services.

5. Potential Pressures

- 5.1 As mentioned, the Covid-19 pandemic has played a major impact on the social and healthcare services on tenants. The cost of managing tenancies is likely to see upward pressure as we are forced to deal with situations we are less well equipped to manage.

- 5.2 The pandemic has led to several business closures, despite government support, with resultant increase on demand for social housing, putting pressure on our limited resources and time expediency in responding to this new demand.
- 5.3 The funding framework available to meet the cost of supported housing remains fragile. Last year we received just £136,000 in Supporting People Grant funding with a further likely reduction.
- 5.4 The Homeless Reduction Act 2017 has placed greater obligations on the Council. This is coinciding with a steady rise in the number of households at risk. Many of those at greatest risk have not only housing issues but a range of complex needs. Together they are placing greater demands on the Housing Service that in turn flows through to the teams managing our properties.
- 5.5 The wider social housing sector is becoming increasingly commercial. Some housing associations are focusing on minimising risk by being very selective on who they house, also their move to market rent that is 80% of commercial rent for their new build and lettings, despite their large portfolio of properties. We are fortunate in having a retained stock, which gives us greater flexibility in helping those in housing need. It does, however, create a cost pressure.
- 5.6 The affordability of shared ownership properties is an issue for many. Whilst it enables a resident to join the home ownership ladder, the reality for many is that they are unable to staircase (acquire further equity shares) or move to a larger property as their household grows. Expanding this stock is not currently a priority for the Business Plan; however, this will be revisited when the opportunity arises, to develop larger sites. In such cases, shared ownership brings down the overall cost of a large development.
- 5.7 The estimates, consistent with the business plan, continue to attach a lower priority to the repayment of debt principal inherited as part of the self-financing HRA settlement, reflecting the Council's determination to provide new additional affordable homes.
- 5.8 For the first time in a long period we have underspent in our responsive repairs budget as a result of the pandemic as both staff and contractors are limited to mainly urgent and essential repairs. This may have an impact on our housing stock and future repair bills, in the long run.

6. Preparation of the revenue and capital programme budget for 2021-22

- 6.1 The 2021-22 budgets have been prepared having regard to the recent policy announcements and the positive impact they might have. At the same time, we are conscious of various cost pressures along with the implications of our debt financing profile.
- 6.2 **Capital expenditure:** The proposed investment in our existing property base takes account of the downward pressure on our income stream since 2016. It also reflects the latest information we have on the condition of the stock.

Revenue expenditure: We have already taken several steps to limit our ongoing revenue commitments until we fully understand the implications of the challenges we face.

- We will continue to evaluate all posts that fall vacant to determine whether it is appropriate to reappoint or whether an alternative approach is considered.

- The Covid-19 pandemic has changed the way we work with an increased use of IT, remote working and virtual meetings.
- The Allpay system and mobile payment App has being useful in this trying period, in our drive for rent collection.
- Rent collection analytics technology introduced earlier has helped colleagues focus and strategise their rent collection.

7. HRA Revenue Budget 2021 - 22

Assumptions

- 7.1 The total HRA debt stands at £197 million. It is projected that the interest charge for 2021-22 will be £5,142,230. No provision is included in the budget for the repayment of debt during 2021-22 in line with the Executive’s decision that debt repayment is not a priority.
- 7.2 The revenue budget for 2021-22 is predicated around a number of key assumptions. The most important of which are set out in the table below:

Item	Assumption		
Opening stock	5,206 units of accommodation		
HRA Debt	£197 million		
Average cost of capital for 2021 - 22	2.60%		
September CPI	0.8%		
Rent increase CPI + 1%	1.8%		
Garage income increase	3.4%		
Bad debt provision 2021-22	£500,000		
Void rate	1%		
Service charge increases	Linked to contractual arrangement with suppliers		
Housing units lost through Right to Buy (RTB)	2019-20 19	2020-21 10 +32	2021-22 15
Retained receipts	Held in reserves		
HRA ring fence	Policy of strong ring fence continues		
Debt repayment	No provision made for the repayment of debt		

- 7.3 The proposed budget set out in **Appendix 1** is based on a 52-week rent year.
- 7.4 Due to the requirement under the Welfare Reform and Work Act 2016, rents will increase by CPI plus 1% per annum in 2021-22, which will result in additional income of approximately £630,000.

Summary of Revenue Account Budget 2021-22

- 7.5 The table below summarises the proposed 2021-22 revenue budget, which reflects our current Treasury Management Strategy – in effect an interest only mortgage rather than a repayment mortgage. The timing of debt repayment will largely be a treasury management decision aligned to the overarching objectives of the HRA Business Plan.

Gross Expenditure alternatively analysed as:	£000
Management and maintenance	8,736
Depreciation	5,529
Other	3,629
Interest payable	5,142
Transfer to reserves	11,295
	<u>34,331</u>

Received From:	£000
Council House Rents	30,507
Interest receivable	598
Rent income	1,320
Fees, charges and miscellaneous income	1,905
	<u>34,331</u>

7.6 Based on the assumptions as contained in paragraph 7.2 and as summarised in 7.5 above it is estimated that the HRA will have an operating surplus of £11.295 million for 2021-22. This is as a result of a number of factors some of which are identified below

- the prevailing borrowing variable rate
- the impact of Covid-19 on maintenance expenditure
- the impact of historically high levels of investment in the stock over past years maintaining stock condition
- good income collection performance
- the 1.8% increase in regulated rent
- strong rental stream with many properties at or close to target rent levels

Expenditure

7.7 The main headings are summarised below:

Subjective Heading	2020-21 Budget	2020-21 Projection	2021-22 Budget
	£	£	£
General Management	5,933,810	6,090,631	6,324,322
Responsive and planned maintenance	5,857,920	3,793,321	5,857,920
Interest payable	5,142,230	5,675,260	5,142,230
Depreciation	5,525,000	5,528,730	5,528,730
Cost of democracy	256,800	251,530	256,800

7.8 **General Management:** Budgeted expenditure on delivering continuing HRA services is less than 5% increase on previous year's budget, reflecting the review of revenue commitments outlined in paragraph 6.2 above.

7.9 **Repairs and maintenance:** Budgeted expenditure on revenue-funded works remains at previous year's budget due to the restrictive access and less physical contact as a result of

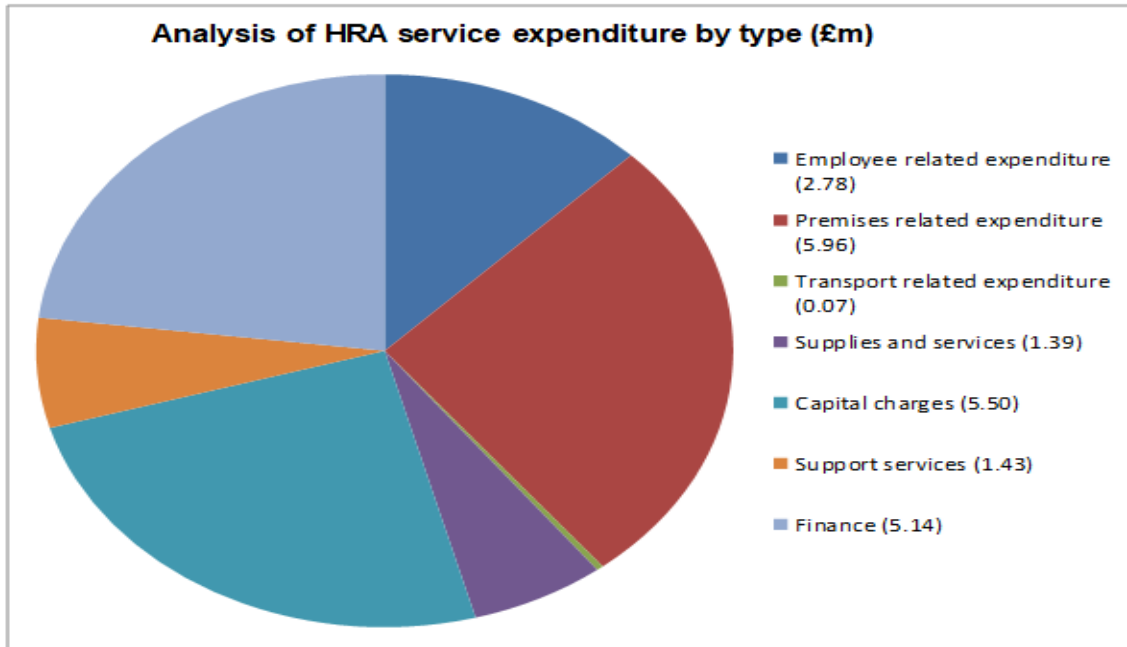
the Covid-19 pandemic. We are hoping the vaccination programme will lead to a resumption of activities to manageable levels.

- 7.10 **Interest payable:** Approximately 77% of the loan portfolio consists of fixed interest loans, whilst the remaining portfolio is on a variable rate arrangement. Although the variable rate loans are subject to prevailing market conditions, it is likely that interest rates will remain low in the short to medium term, in some quarters they are predicting a negative base rate. The table below sets out our current loan portfolio, after recent renegotiations, with a bullet payment option or renegotiate at the end of their various terms.

<u>Loan Type</u>	<u>Principal</u>	<u>Remaining years</u>	<u>Rate</u>
<u>Variable</u>	<u>£45,000,000</u>	<u>10</u>	<u>0.48%</u>
<u>Fixed</u>	<u>£10,000,000</u>	<u>12</u>	<u>2.70%</u>
<u>Fixed</u>	<u>£10,000,000</u>	<u>13</u>	<u>2.82%</u>
<u>Fixed</u>	<u>£10,000,000</u>	<u>14</u>	<u>2.92%</u>
<u>Fixed</u>	<u>£10,000,000</u>	<u>15</u>	<u>3.01%</u>
<u>Fixed</u>	<u>£25,000,000</u>	<u>17</u>	<u>3.15%</u>
<u>Fixed</u>	<u>£25,000,000</u>	<u>20</u>	<u>3.30%</u>
<u>Fixed</u>	<u>£25,000,000</u>	<u>15</u>	<u>3.44%</u>
<u>Fixed</u>	<u>£15,000,000</u>	<u>29</u>	<u>3.49%</u>
<u>Fixed</u>	<u>£17,435,000</u>	<u>30</u>	<u>3.50%</u>

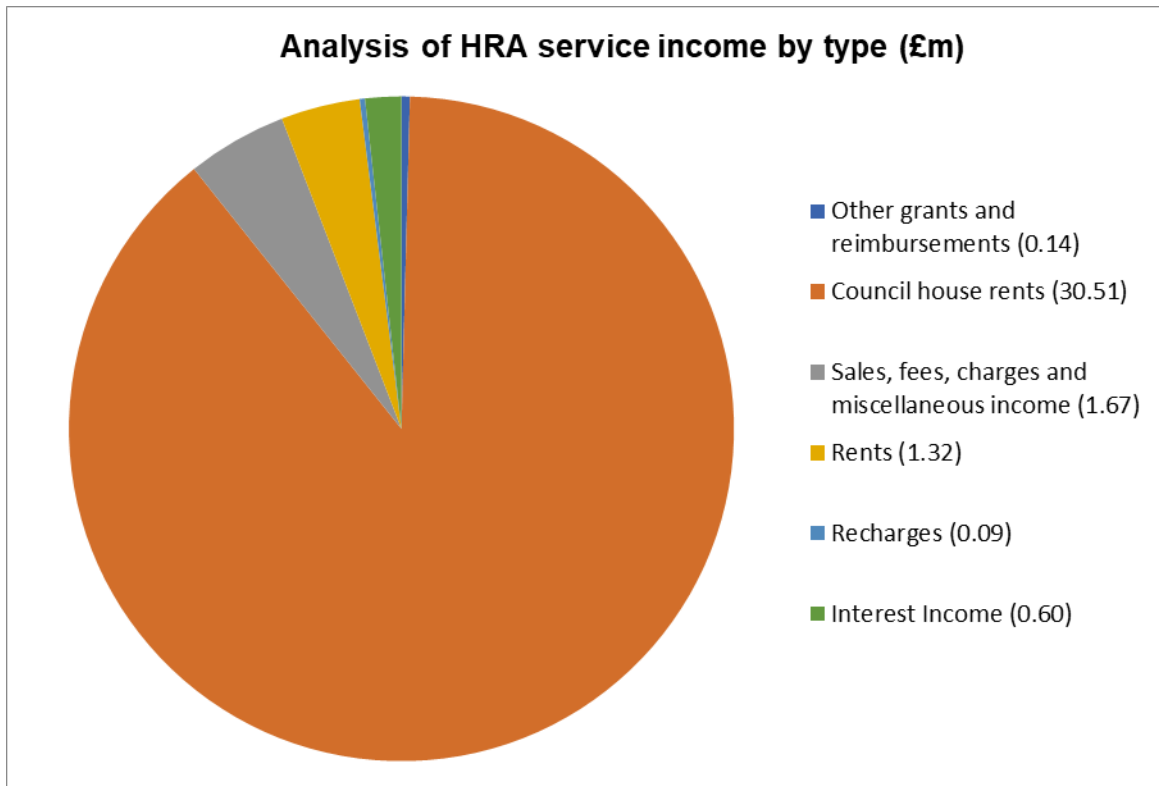
<u>Maturity</u>	<u>Principal</u>	<u>Proportion</u>	<u>Type</u>
10yrs	£45,000,000	23%	Variable
>10 - 15yrs	£65,000,000	34%	Fixed
>15 - 25yrs	£50,000,000	26%	Fixed
>25 - 35yrs	£32,435,000	17%	Fixed
	£192,435,000		

- 7.11 **Depreciation:** To safeguard future rental streams, we need to ensure our properties and assets are adequately maintained. This will involve the replacement of ageing components at the appropriate time. In order to do so, it is important that we set aside adequate funds each year to meet future liabilities. The depreciation charge is one of the key mechanisms we use to do this. The proposed 2021-22 charge represents, in officers' view, a realistic amount having regard to the outcome of the stock condition survey. A charge of £5,528,730 is considered both appropriate and affordable.
- 7.12 Subjective analysis of the expenditure and graphical summary below, excluding other charges of £890,000.



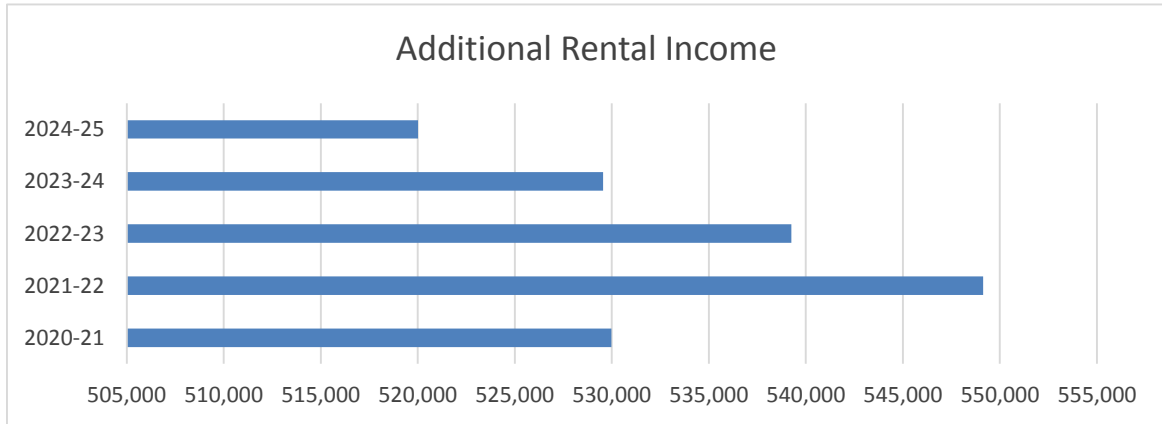
Income

7.13. A graphical summary of 2021 -22 budgeted income analysis below:



Rent Increase

7.13 The September CPI plus 1% rent increase gives an additional income of roughly £0.5m, yearly as demonstrated in the graph below:



7.14 The previous stated formula in the last four years as per the Welfare Reform and Work Act 2016 requires us to reduce our social housing rents by 1% a year for four years from April 2016, which ended in April 2020. The policy reverts to the original business plan of annual increase in rents of CPI inflation + 1% each year. The result of this policy means that in five years, there will be cumulative rental income surplus of £2.67m at our disposal.

7.15 A provision for bad debt charge of £500,000 is included in the estimates. This charge will remain under review, but it is considered appropriate - it represents 1% of the annual tenanted income.

Right to Buy sales (RTB)

7.16 RTB activity remains steady during 2020-21. However, as a result of Brexit and Covid-19, we are expecting a significant drop in take-up.

7.17 The table below outlines activity as at December 2020.

Activity	Number
Properties sold since 1 April 2020	10
Applications being processed	32

7.18 The Government’s one-for-one replacement scheme enables the Council to retain the majority of the capital receipt provided it is re-invested in additional affordable housing or regeneration schemes within three years. Only a third of the cost of a development can be financed from this source - we must finance the balance from capital receipts or other sources including reserves accruing from the appropriation of revenue account surpluses. Our current development plan fully commits the one-for-one retained receipts we have accumulated to date. The ambition remains to utilise the receipts we are anticipating in future years.

7.19 On current levels of activity, we project a loss of units to be in the region of 15-25 units per year. Our new build programme is mitigating the impact of the ongoing right-to-buy programme, but it is unfortunate there are, to date, no proposals to amend the scheme in

order to prevent the ongoing loss of much needed social housing in the area. There is also the added pressure of property investment companies and bigger registered social landlords with a bigger purse to compete on land acquisition and land banking.

7.20 Increasing sales has three negative impacts. It:

- reduces the number of affordable homes
- removes the long-term positive contribution each property makes to our operating costs
- increases the unit costs of managing and maintaining properties. Invariably tenants buy the better properties.

HRA Borrowing Cap

7.21 The removal of HRA borrowing restrictions gives greater flexibility on borrowing additional funds and dexterity in treasury management to maximise investment, reduce cost and risk.

7.22 We hope to carry out adequate investment appraisal weighing up various options and ensuring each scheme and investment add value to our business, by choosing the best return against our benchmark. We expect to fund schemes using:

- capital receipts retained under the 1 for 1 replacement scheme
- HRA reserves
- HRA borrowing

7.23 HRA borrowing will be within the Prudential Borrowing framework – it must be affordable by the HRA and not place our existing services and stock investment programmes at risk. Each development scheme will be appraised individually to ensure it is viable and affordable as is currently the case.

8. HRA Capital Programme and Reserves

8.1 We will continue to assess a range of different delivery mechanisms for new homes. Whilst these will introduce a greater degree of complexity, the indications are that they will provide additional freedoms. The housing market in the borough does not work for many and a wider range of interventions are needed, beyond those that the HRA is able to make. The section below sets out what the HRA can do over the coming year.

8.2 Currently, there are four potential strands forming our HRA capital programme under the self-financing regime. In the past, not all have been viable options, but that position has changed. The four strands are:

- replacing ageing components such as roofs and kitchens
- improving and enhancing existing properties – for example, installing double glazing
- stock rationalisation – the most common example to date being the decommissioning of outdated sheltered units
- expansion – the provision of new additional affordable homes.

8.3 The funding sources enabling us to deliver a capital programme are as follows:

- HRA rental stream
- Capital receipts generated from the disposal of HRA assets including land
- HRA reserves
- HRA borrowing

- 8.4 The HRA has built up significant revenue reserves and as at 31 March 2021 are estimated to be in the region of £122m,— excluding capital receipts. These can be used for specific HRA related purposes. It is proposed that these reserves are set aside to support the major repairs and improvements and new build programme. The HRA also has usable capital receipts, generated from the sale of HRA land and housing assets.
- 8.5 The table below shows the available reserves that can support the HRA Business Plan and they reflect only the schemes currently included in programme, and the treasury strategy not to repay debt. The contribution into the reserve for future capital programmes is maintained.

Yr Ended 30/03	RFFCW	MRR	NBR	TOTAL	Usable Cap Rec	141	HRA Debt Mgt	Total Cap Rec	Total Rec
2018/19	35,829	9,234	50,686	95,749	4,216	6,968	3,952	15,136	110,885
2019/20	38,329	9,851	56,112	104,291	4,216	6,004	4,216	14,436	118,727
2020/21	40,829	10,760	55,788	107,377	4,216	5,356	5,428	15,000	122,377
2021/22	43,329	11,289	52,000	106,617	4,216	559	5,778	10,553	117,171

- 8.6 The business plan is most sensitive to the following assumptions:
- income trends
 - legislative changes
 - inflation rates
 - cost of debt
 - capital investment
 - right-to-buy sales
 - Covid-19
- 8.7 The degree to which a development programme can be financed will in part be determined by a continued willingness to attach a lower priority to debt repayment coupled with the release of land for such purposes under the provisions of the Local Plan.
- 8.8 One-for-one receipts are being applied to current and proposed new build schemes to minimise the risk of repayment of such receipts. This will enable the retention of future one-for-one receipts, with a reduced risk of repayment, pending the identification of new sites¹
- 8.9 A combination of usable one-for-one receipts, and the new build reserve will be used to fund a number of schemes on the approved capital programme. Where appropriate, investment will be supplemented by appropriate borrowing.
- 8.10 **Development Projects:** An update of our current development projects shall be provided during the year.
- 8.11 **Existing housing stock:** Based on an analysis of our stock condition data and the detailed knowledge that the Property Manager has of the stock, a proposed investment programme is set out in **Appendix 3**. An update of Schemes completed during 2020-21 was given

¹ The Council has entered into an agreement with the Secretary of State whereby it is allowed to retain an element of the capital receipts that it receives from Right to Buy sales. Under the terms of the agreement these receipts must be used to finance up to 30% of the cost of replacement social housing within three years, otherwise the retained receipts must be repaid to the MHCLG with interest.

during the year and hopefully the same strategy of continuous update will be applied in the 2021-22 financial year.

Years	Houses	Flats	Bungalows	Total
Opening Bal 2019-20	2635	2255	319	5209
RTB	-12	-7	0	-19
Additions	26	14	0	40
Opening Bal 2020 -21	2649	2262	319	5230
RTB	-10	-32	0	-42
Additions	13	5	0	18
Opening Bal 2021 -22	2652	2235	319	5206
RTB	-7	-8	0	-15
Additions	13	5	0	18
Opening Bal 2021 -22	2658	2232	319	5209

9. Robustness of the Budget and Adequacy of Reserves

- 9.1 Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of the budget and adequacy of the proposed financial reserves.
- 9.2 Paragraph 7.2 above details the assumptions used in the preparation of the 2021-22 budget.
- 9.3 Staffing costs have been included based on the Full Time Equivalent (FTEs) included in the approved establishment of 62.5
- 9.4 Throughout the budget process, the Corporate Management Team, the Leader and relevant lead councillors have been involved in what is considered to be a deliverable budget.
- 9.5 A prudent assessment of income has been made and only income that has a high level of certainty of being received is included within the budget. The 2021-22 budget includes a bad debt provision of £500,000. This provision reflects the economic climate and continuing welfare reform changes. The level of operating balance remains unchanged at £2.5 million.
- 9.6 Service level risk assessments have been undertaken for both existing major areas of the budget and mitigating actions have been taken and monitored in the course of the year.
- 9.7 The corporate risks will be included in the corporate risk register, whilst service risk registers are prepared having regard to the comprehensive guidance available about how to identify and score risks.
- 9.8 The overarching HRA business plan reflects the changing financial environment in which it needs to operate and to ensure the business plan remains fit for purpose. The HRA will continue to need to balance tenant needs and expectations in the context of its financial situation.
- 9.9 The housing related reserves are adequately funded and are projected to be around £122m as at April 2021. The estimated value of all HRA reserves for the period up to 31 March 2022 is £117m. The HRA reserves shall be engaged on value adding expenditure to maintain earnings growth and business stability.

9.8 The overarching HRA business plan reflects the changing financial environment in which it needs to operate and to ensure the business plan remains fit for purpose. The HRA will continue to need to balance tenant needs and expectations in the context of its financial situation.

10. Joint Executive Advisory Board – 7 January 2021

10.1 The Joint EAB considered also considered this report and made the following comments for submission to the Executive and Council:

- Having recognised the unmet need for social and affordable rented accommodation, the Board agreed that it would be beneficial for a team of relevant Guildford Borough councillors and officers to meet the Secretary of State for Housing, Communities and Local Government, local MPs, and councillor and officer representatives of the other councils in Surrey with a view to requesting the Government to promote the funding and delivery of social and affordable rented accommodation whilst reducing the current emphasis on the Right to Buy scheme. This initiative could include discussions with the two councillors who were members of the Board of North Downs Housing Ltd when the company had progressed its ambition to develop homes in addition to purchasing existing property to rent.
- The Housing Team should be thanked and congratulated for providing an excellent service to tenants and homeless people during the extremely challenging circumstances presented by the Coronavirus pandemic.

11. Legal Implications

11.1 The HRA is a separate account that all local authorities with housing stock are required to maintain. This account contains all transactions relating to local authority owned housing. The Local Government and Housing Act 1989 prohibits the Council operating its HRA at a deficit. The proposed balanced budget meets this obligation.

11.2 Notices of any increase in rent have to be sent to tenants 28 days in advance of the new charges coming into effect.

12. Human Resource Implications

12.1 The decision to review and where necessary to freeze or delete vacant posts is outlined in paragraph 6.2.

13. Conclusion

13.1 The proposed HRA revenue budget not only meets our obligation to deliver a balanced budget but also delivers opportunities to improve services to tenants. It also enables the Council to provide new affordable homes at a time when access to housing is increasingly difficult.

13.2 The proposed HRA capital programme sets out to maintain and improve our existing assets. It is essential we do so, not only to meet our regulatory obligations but also to safeguard future income streams.

14. Background Papers

None

15. Appendices

Appendix 1: HRA Revenue Budget 2021-22

Appendix 2: HRA Fees and Charges 2021-22

Appendix 3: HRA Investment Programme (Major repairs and improvements)

Appendix 4: Housing Investment Programme, resources and funding statement

HOUSING REVENUE ACCOUNT - BUDGET SUMMARY

2018-19 Actual £	2019-20 Actual £	Analysis	2020-21 Estimate £	2020-21 Projection £	2021-22 Estimate £
		Borough Housing Services			
738,104	793,019	Income Collection	689,140	668,787	684,649
1,036,217	1,164,320	Tenants Services	888,840	1,230,913	1,259,070
81,030	122,998	Tenant Participation	148,880	114,599	117,245
69,865	107,717	Garage Management	101,690	94,367	95,099
59,064	41,744	Elderly Persons Dwellings	75,280	43,280	43,779
584,036	575,851	Flats Communal Services	513,510	601,168	611,716
423,867	414,254	Environmental Works to Estates	444,460	429,677	430,894
5,676,678	6,265,983	Responsive & Planned Maintenance	5,857,920	3,793,321	5,857,920
121,665	137,128	SOCH & Equity Share Administration	139,780	147,322	150,489
8,790,527	9,623,015		8,859,500	7,123,434	9,250,861
		Strategic Housing Services			
419,543	485,497	Advice, Registers & Tenant Selection	715,830	665,119	681,991
217,026	201,203	Void Property Management & Lettings	212,220	181,031	184,820
9,700	5,120	Homelessness Hostels	5,120	5,120	5,248
155,194	175,717	Supported Housing Management	159,700	153,752	157,954
426,311	527,717	Strategic Support to the HRA	382,340	467,493	476,346
1,227,774	1,395,255		1,475,210	1,472,515	1,506,359
		Community Services			
938,878	883,927	Sheltered Housing	904,640	734,460	872,642
		Other Items			
5,638,889	5,640,147	Depreciation	5,525,000	5,528,730	5,528,730
(45,515)	5,059,974	Revaluation and other Capital items	0	0	0
163,276	160,590	Debt Management	150,000	150,000	150,000
343,578	36,359	Other Items	402,380	403,543	402,380
17,057,407	22,799,267	Total Expenditure	17,316,730	15,412,682	17,710,972
(31,991,396)	(32,532,978)	Income	(33,136,660)	(33,484,159)	(33,732,537)
(14,933,989)	(9,733,711)	Net Cost of Services(per inc & exp a/c)	(15,819,930)	(18,071,476)	(16,021,566)
258,720	251,530	HRA share of CDC	256,800	251,530	256,800
(14,675,269)	(9,482,181)	Net Cost of HRA Services	(15,563,130)	(17,819,946)	(15,764,766)
(456,206)	(598,260)	Investment Income	(598,260)	(598,260)	(598,260)
5,159,240	5,131,995	Interest Payable	5,142,230	5,675,260	5,142,230
(9,972,235)	(4,948,446)	Deficit for Year on HRA Services	(11,019,160)	(12,742,946)	(11,220,796)
0	67,919	REFCUS - Revenue funded from capital	75,000	75,000	75,000
2,500,000	2,500,000	Contrib to/(Use of) RFFC	2,500,000	2,500,000	2,500,000
7,849,699	2,380,528	Contrib to/(Use of) New Build Reserve	8,433,504	8,530,888	8,433,504
(421,229)	0	Tfr (fr) to Pensions Reserve	0	0	0
0	0	Tfr (from)/to CAA re: Voluntary Revenue Provision	10,656	1,637,058	212,292
76,058	0	Tfr (from)/to CAA re: Revaluation	0	0	0
0	0	Tfr (from)/to CAA re: REFCUS	0	0	0
(30,543)	0	Tfr (from)/to CAA re: Intangible assets	0	0	0
(1,750)	0	Tfr (from)/to CAA re: rev. inc. from sale of asset	0	0	0
0	0	HRA Balance	0	(0)	0
(2,500,000)	(2,500,000)	Balance Brought Forward	(2,500,000)	(2,500,000)	(2,500,000)
(2,500,000)	(2,500,000)	Balance Carried Forward	(2,500,000)	(2,500,000)	(2,500,000)

2018-19 Actual £	2019-20 Projection £	Analysis	2020-21 Estimate £	2020-21 Projection £	2021-22 Estimate £
		Borough Housing Services			
(29,236,342)	(29,570,473)	Rent Income - Dwellings	(29,977,450)	(29,967,996)	(30,507,420)
(208,349)	(208,349)	Rent Income - Rosebery Hsg Assoc	(208,350)	(159,003)	(212,100)
(206,530)	(225,551)	Rents - Shops, Buildings etc	(316,830)	(316,830)	(322,533)
(718,083)	(753,058)	Rents - Garages	(759,740)	(759,740)	(785,571)
(30,369,304)	(30,757,431)	Total Rent Income	(31,262,370)	(31,203,569)	(31,827,625)
(140,122)	(113,577)	Supporting People Grant	(144,180)	(144,180)	(144,180)
(1,023,033)	(1,098,353)	Service Charges	(1,116,020)	(1,114,559)	(1,136,108)
(9,144)	(15,339)	Legal Fees Recovered	(28,840)	0	(28,840)
(51,614)	(53,277)	Service Charges Recovered	(57,730)	(506,317)	(58,769)
(398,179)	(495,001)	Miscellaneous Income	(527,520)	(515,534)	(537,015)
(31,991,396)	(32,532,978)	Total Income	(33,136,660)	(33,484,159)	(33,732,537)

Appendix 2

	2018-19	2019-20	2020-21	2021-22	Change
	£	£	£	£	%
	From 1 April 2018	From 1 April 2019	From 1 April 2020	From 1 April 2021	
To be approved by Council					
Sheltered Units					
<u>Guest Room Fees (per night):</u>					
Dray Court	18.50	19.05	20.19	21.40	6.0%
Japonica Court	20.15	20.75	22.00	23.31	6.0%
St Martin's Court	22.70	23.35	24.75	26.24	6.0%
St Martha's Court	22.40	23.05	24.43	25.90	6.0%
Tarragon Court	21.85	22.50	23.85	25.28	6.0%
Millmead Court	19.40	20.00	21.20	22.47	6.0%
<u>Function Room Hire</u>					
Voluntary /Charity Organisations	- P/H 13.50	13.90	14.46	15.18	5.0%
	- P/D 67.00	69.00	71.76	75.35	5.0%
Education/Social Services	- P/H 16.00	16.50	17.16	18.02	5.0%
	- P/D 100.00	103.00	107.12	112.48	5.0%
Social/Private Hire	- P/H 20.15	20.75	21.58	22.66	5.0%
	- P/D 107.50	110.75	115.18	120.94	5.0%
<u>Service charge (per week):</u>					
Dray Court	57.71	59.20	66.79	68.00	1.8%
Japonica Court	61.43	65.20	71.62	72.91	1.8%
St Martha's Court	67.04	64.48	72.00	73.30	1.8%
Millmead Court	52.36	53.78	60.93	62.02	1.8%
St Martin's Court	57.66	61.33	68.96	70.20	1.8%
Tarragon Court	52.61	54.09	61.58	62.69	1.8%
Friary House (61 flats)					
Heating, Electricity, Cleaning, Caretaking and Security Services (per wk)	16.39	16.81	17.65	17.97	1.8%
Garages (on Housing Estates) (VAT is applied at the standard rate on private lets only)					
High demand area (non residents) (per week)	19.00	19.65	20.63	21.33	3.4%
High demand area (per week)	11.56	11.95	12.55	12.97	3.4%
Elsewhere (per week)	9.50	9.82	10.31	10.66	3.4%
Castle Cliffe					
Gas and Electricity Charges (per week)	9.08	12.10	12.71	12.93	1.8%
Malthouse Court					
Gas and Electricity Charges (per week)	12.94	9.79	10.28	10.46	1.8%
Pound Court					
Electricity; Grounds Maintenance (per week)	6.49	5.41	5.68	5.78	1.8%
Flats					
<u>Where cleaning provided to communal areas:</u>					
Sandmore (Laundry and Communal Facilities, per week)	4.50	4.37	4.59	4.67	1.8%
Decorating charge (Note: charge is per room)	1.58	1.63	1.71	1.74	1.8%
Supported Housing					
<u>Service charge per week:</u>					
William Swayne House:					
- Self Contained bedsits	110.78	111.41	115.31	117.38	1.8%
- Self Contained flat	112.79	113.62	117.60	119.71	1.8%
William Swayne Place	43.93	43.63	45.16	45.97	1.8%
Dene Road	73.46	69.30	71.73	73.02	1.8%
79 York Road	39.38	39.13	40.50	41.23	1.8%
Caxtons	60.86	60.49	62.61	63.73	1.8%
Dene Court	82.75	81.27	84.11	85.63	1.8%
Sold Flats Service Charges - Solicitors' Enquiry					
Sales/purchases	132.50	136.50	142.64	151.20	6.0%
Remortgages	68.20	70.20	73.36	77.76	6.0%
Sold Flats Service Charge Management Fee	173.00	178.50	186.53	197.72	6.0%
Consent Fees					
Consent - Application in Advance	103.00	106.00	110.77	117.42	6.0%
Consent - Retrospective Application	176.00	181.00	189.15	200.49	6.0%

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2021/22 Capital Programme - HRA			
Project & Category	Description	Estimate	Notes
		£	
Retentions & minor carry-forward	Retentions and minor carry forward from projects in progress up to 31 March 2021	40,000	
Modern Homes			
Kitchen, bathroom and electrical upgrades	Renew kitchens, bathrooms and electrical installations where existing are life expired and in poor condition	1,650,000	Cyclical modernisation to maintain decent housing and modern facilities. Replacements scheduled for 2021/22 from our asset management data. Properties pre-surveyed to ensure asset requires replacement.
Void Properties - refurbishment	Refurbishment of individual properties to enable them to be relet	660,000	Estimated allowance for 40 major void properties requiring extensive work throughout based on current demand
Structural			
Structural works - various properties	Structural works including structural investigation and remedial works due to foundation subsidence or other structural issues.	420,000	Repairs and major works to structurally defective properties which includes underpinning and decant costs where necessary due the extent of works required
Doors & Windows			
Renewal of doors and door entry systems to three storey flats: 29-39 Rye Close 41-51 Rye Close 193-203 Park Barn Drive 221-231 Park Barn Drive	Replacement of external main entrance doors and side screens and installation of new door entry systems	30,000	Doors life expired. Additional security will be provided by door entry systems
Replacement of windows and doors	Replace life expired and unserviceable windows & doors with double glazed UPVC	355,000	Includes Palmers Lodge - 28 flats Collens Field - 8 houses Friars Croft - 12 flats

Agenda item number: 11
Appendix 3

Roof Renewal			
Pitched roof replacement including chimneys, fascias, soffits & rainwater gutters/downpipes	Renew life expired roof coverings and associated works	305,000	Various properties including - Georgelands (flats) Burnt Common Cottages (3) Send Rd (1) Quarry Rd (5) Rickford Hill (6) Thatchers Lane (5)
External Wall Insulation			
External wall insulation system to solid wall properties	Provision of external wall insulation to solid wall properties to address poor thermal insulation (year 3 of 4 year programme)	332,000	2021/22 programme mainly for "Swedish style" properties with single skin external walls - Glebe Cottages (6 no) and masonry built properties in Stag Hill (4 no)
Mechanical & Electrical			
Central heating boiler upgrades. Various locations	Upgrading existing central heating installations with high efficiency systems	500,000	Annual programme of domestic gas boiler replacement
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	100,000	Budget allows for installations in void property where previous tenant has declined system
Lift refurbishment.	Continuation of phased programme to replace obsolete lift controllers	50,000	Upgrade 1 No lift controller at Bedford House (year 3 of 5 year programme) plus door closers on all lifts (following insurance recommendations)
Lift replacement	St Marthas Court - stairlift installaton	50,000	4 no stairlifts which provide an access contingency when main lifts have failed or are out of use

Lift replacement	Friary House - replace lift controller and associated works	35,000	Replacement of life expired lift components
CCTV	Installation of CCTV at St Marthas Court, St Martins Court, Millmead Court and Tarragon Court	20,000	Security provision to supported housing schemes with part time on site management
Electrical testing and smoke detectors	Electrical testing including remedial work and wired in smoke detector installation where required	435,000	Includes testing & associated repairs to communal areas in blocks of flats. Start of rolling annual programme
General			
Replacement of external canopies to blocks of flats	Phased replacement programme of defective canopies to block entrance doors with lightweight grp canopies	90,000	Phase 1 - 2021/22
Asbestos Removal - Hazel Court	Removal, disposal and replacement of ceiling beneath tank room under fully controlled asbestos removal conditions	20,000	Required to ensure safe tanks inspection & contractor access. Temporary protection currently in place but long term solution required.
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. Concentrating on highest use sites in high density residential estates

35 & 35 A The Mount	Repairs to the external fabric of listed block comprising two leasehold flats. Recommendation by independent survey.	40,000	Remedial works to include the following : repair roof coverings, chimney stacks, high level joinery, windows and replace vertical tile hangings. Leasehold full cost recoverable.
Resurfacing of Access Roads	Resurfacing of access roads at Munday's Borough, Riverside and Wodehouse Place	130,000	Works will include improvements to access road, part of car park and bin stores at Wodehouse Place
Condition Appraisals	Annual programme of condition appraisal surveys	50,000	Annual programme budget allowance
Fire protection works	Prioritised repair non-urgent remedial works comprising of containment, doors upgrades/replacement, signage, etc	150,000	
Mobility Scooter Enclosures	Purchase of additional mobile scooter enclosures for installation on bases prepared in 2020/21.	100,000	Dray Court, Japonica Court, St Marthas Court Works to address Fire Risk Assessment recommendation to prevent obstruction.
Condition Appraisal works	Prioritised repair plus non-urgent remedial works recommended by Condition appraisal assessment	150,000	
	Sub Total	5,812,000	

Other Capital			
Environmental improvements	General environmental improvements at sites to be agreed & subject to resident consultation.	50,000	
Disabled adaptations Various locations	Works to alter, adapt Council owned dwellings for the benefit of people with disability.	650,000	
Software systems	Provision to upgrade essential business software	30,000	
Programme support.	Programme support & development to support HRA Business Plan	40,000	
	Total	6,582,000	

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GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2019-20 to 2023-24: HRA PROVISIONAL PROGRAMME

	Project Budget £000	2019-20 Actual £000	Project Spend at 31-03-19 £000	2020-21 Estimate £000	Carry Forward	2020-21 Projected Outturn £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	Total Project Exp £000
Acquisition of Land & Buildings	10,000	0	0	0		0	3,000	3,000	4,000	0	0	10,000
New Build												
Guildford Park	16,000	318	1,225	6,760	788	250	14,499	26	0	0	0	16,000
Guildford Park (from GF)	23,125						4,380	11,625	7,120			23,125
Bright Hill	3,000	0	0	1,500	0	0	3,000	0	0	0	0	3,000
Slyfield (25/26 £5m; 26/27 £44m)	1,000	0	0	0	0	0	0	1,000	0	0	0	1,000
Redevelopment bid 13	10,124			3,197		0	9,058	1,066	0	0	0	10,124
Redevelopment bid 14	3,000			1,000		0	2,500	500	0	0	0	3,000
Major Repairs & Improvements												
Major Repairs & Improvements	annual		annual	0		0	6,582	5,500	5,500	5,500	5,500	annual
Retentions & minor carry forwards	annual		annual									annual
Modern Homes: Kitchens and bathrooms	annual		annual									annual
Doors and Windows	annual		annual									annual
Structural	annual		annual									annual
Energy efficiency: Central heating	annual		annual									annual
General	annual		annual									annual
Grants												
Cash Incentive Scheme	annual		annual	0		0	75	75	75	75	75	annual
Total Expenditure to be financed	66,249	318	1,225	12,457	788	250	43,094	22,792	16,695	5,575	5,575	66,249

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2020-21 to 2025-26: HRA RESOURCES AND FUNDING STATEMENT

	2019-20 Actual	2020-21 Estimate	2020-21 Projected Outturn	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	£000	£000	£000	£000	£000	£000	£000	£000
EXPENDITURE								
Approved programme	8,888	14,930	13,966	5,525	4,025	4,075	1,400	400
Provisional programme	0	12,457	250	43,094	22,792	16,695	5,575	5,575
Total Expenditure	8,888	27,387	14,216	48,619	26,817	20,770	6,975	5,975
FINANCING OF PROGRAMME								
Capital Receipts	381	400	300	400	400	400	400	400
1-4-1 receipts	1,110	6,383	2,198	12,469	6,253	4,439	300	0
Contribution from Housing Revenue a/c (re cash incentives)	0	75	75	75	75	75	75	75
Future Capital Programme reserve	0	0	99	0	0	0	0	0
Major Repairs Reserve	5,023	5,635	6,416	6,582	5,500	5,500	5,500	5,500
New Build Reserve	2,373	14,894	5,129	29,093	14,589	10,357	700	0
Grants and Contributions	0	0	0	0	0	0	0	0
Total Financing (= Total Expenditure)	8,888	27,387	14,216	48,619	26,817	20,770	6,975	5,975

Agenda item number: 11
Appendix 4

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2020-21 to 2025-26: HRA APPROVED PROGRAMME

	Project Budget £000	2019-20 Actual £000	Project Spend at 31-03-20 £000	2020-21 Estimate £000	Carry Forward	Expenditure as at P8 £000	2020-21 Projected Outturn £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	Total Project Exp £000
Acquisition of Land & Buildings	10,700	1,218	2,138	1,800	1,362	2,962	3,162	1,800	1,800	1,800	0	0	10,700
New Build													
Guildford Park	75	0	75	0	0	213	0	0	0	0	0	0	75
Guildford Park (from GF)	6,500	0	3,444	3,462	(406)	197	250	2,806	0	0	0	0	6,500
Appletree pub site	3,200	719	3,483	0	(283)	15	(283)	0	0	0	0	0	3,200
Slyfield Green (Corporation Club)	2,448	61	2,437	0	11	0	11	0	0	0	0	0	2,448
Willow Way	1,000	2	954	0	46	0	46	0	0	0	0	0	1,000
Garage sites-	2,500		0	0	110			0	0	0	0	0	0
Pond Meadow		9	571	0	0	0	110						681
Rowan Close		9	558	0	0	0	0						558
Great Goodwin Drive		57	1,002	0	0	1	0						1,002
The Homestead	500	4	760	0	0	0	0	0	0	0	0	0	760
Fire Station/Ladymead	2,000	1,257	1,900	25	75	11	100	0	0	0	0	0	2,000
Bright Hill	500	0	0	500	0	0	500	0	0	0	0	0	500
Various small sites & feasibility/Site preparation	1,000		0	0	0	0	0	0	0	0	1,000	0	1,000
Pipeline projects	9,425	55	55	2,250	95	27	2,345	3,325	1,825	1,875	0	0	9,425
Redevelopment bid 13	533			533	0	0	533						533
Redevelopment bid 14	300			250	50	3	300						300
Schemes to promote Home-Ownership													
Equity Share Re-purchases	annual	155..397	annual	400	0	126	400	400	400	400	400	400	annual
Major Repairs & Improvements													
Retentions & minor carry forwards	annual	0	annual	40		0	40						annual
Modern Homes - Kitchens, Bathrooms & Void refurb	annual	1,649	annual	1,900		477	1,900						annual
Doors and Windows	annual	76	annual	300	370	89	670						annual
Structural/Roof	annual	260	annual	525	295	107	820						annual
Energy efficiency: Central heating/Lighting	annual	1,146	annual	1,000		495	1,000						annual
General	annual	1,891	annual	1,870	116	360	1,986						annual
Grants													
Cash Incentive Scheme	annual	0	annual	75	0	0	75						annual
TOTAL APPROVED SCHEMES	40,681	8,414	17,375	14,930	1,842	5,084	13,966	5,525	4,025	4,075	1,400	400	40,681

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Council Report

Wards affected: All

Report of Chief Finance Officer

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Date: 10 February 2021

Business Planning – General Fund Budget 2021-22

Executive Summary

This report outlines the proposed budget for 2021-22, which includes a Council Tax requirement of **£10,392,720** and a Council Tax increase of £5 per year (2.83%), resulting in a Band D charge of £181.82. As set out in the report, the Council is required to set a balanced budget for 2021-22.

We received the provisional Local Government Finance Settlement (LGFS) for 2021-22 on 17 December 2020. The figures included in the budget presented reflect the information contained in the settlement.

The Settlement Funding Assessment (SFA) consists of the local share of business rates, and revenue support grant and is set out in the provisional LGFS. The settlement was in line with our expectation which enables us to retain £2.929 million of business rates in 2021-22, which is the same amount as we retained in 2020-21. Core Spending Power has also stayed the same as 2020-21 at £14.090m; however, within the core spending power calculation, the Government has assumed that we will raise the Council Tax by the maximum amount (£5 or 3% whichever is the higher).

Overall, the LGFS was positive for the Council as it included additional funding of:

- £153,000 grant to compensate the Council for the Business Rates Multiplier not increasing in line with inflation
- £237,000 lower tier services grant (this is a one-off new grant to support services)
- £623,000 additional COVID 19 funding to help fund the impact of COVID 19 into the new year
- £100,000 Section 31 grant for local council tax support
- £192,000 New Homes Bonus grant for 2021-22 only
- The ability to raise council tax by a maximum of £5 (2.83%) rather than maximum of 2.0%, this additional increase will generate a further £90,000 in council tax income

The Joint Executive Advisory Board (JEAB) considered the outline budget at its meeting

held 11 November 2020. The Executive approved the Outline Budget on 24 November 2020.

The Chief Finance Officer's statutory report is included at **Appendix 1**. This gives information about the strategic context within which our budget has been prepared, the medium term financial plan, the robustness of the estimates, adequacy of reserves and budget risks. **Appendix 2** provides the General Fund Summary showing a balanced budget for 2021-22, but that the Council has a budget gap of £1.6million in 2022-23 which will rise to £5.9million by 2025-26. **Appendix 3** lists the growth and savings which have been included in the General Fund Summary. **Appendix 4** details the financial risk register, Council is asked to note that the level of reserves are currently sufficient to meet the Council's risks.

The financial monitoring report for the first eight months of 2020-21 was reported to the Corporate Governance and Standards Committee on 14 January 2021. The projected net expenditure on the General Fund for the current financial year is estimated to be £8.1million more than the original estimate due mainly to the COVID19 pandemic. Any ongoing variances between actual expenditure and budget identified in 2020-21 have been taken into account when preparing the budget for 2021-22.

Following the Executive approval of the outline budget in November 2020, the Council has undertaken a public consultation exercise on its priorities for spending. The results of the consultation are set out in section 11 of the report with the detailed findings from the consultation set out in **Appendix 5**.

Appendix 6 details a list of fees and charges for approval as part of the budget. The fees and charges for 2021-22 have been frozen at the same levels approved by Council in February 2020. As part of the spending review, the Government has confirmed that the compensation scheme for Sales, Fees and Charges income will extend in to 2021-22 by 3 months.

At its meeting held on 26 January 2021, the Executive considered this report and resolved to approve:

- (1) the transfers to/from reserves as set out in Section 8 and Appendix 2 to the report;
- (2) the growth and savings items included in the General Fund Summary at Appendix 2 and set out in detail in Appendix 3;
- (3) the financial risk register set out in Appendix 4 and to note that the level of reserves are currently sufficient to meet the Council's risks.

The Executive also noted the findings of the consultation response set out in Appendix 5 and endorsed the recommendation to Council below.

Recommendation to Council

Council is asked to approve:

- (1) That the budget, as set out in the General Fund Summary in **Appendix 2** be approved, and specifically that the Council Tax requirement for 2021-22 be set at **£10,392,720**

(2) That the proposed fees and charges for 2021-22 relating to General Fund services and attached at **Appendix 6** to this report be adopted with effect from 1 April 2021.

(3) That the Band D Council Tax for 2021-22 be set at £181.82, an increase of £5 (2.83%)

Reason for Recommendation:

To enable the Council to set the Council Tax requirement and council tax for the 2021-22 financial year.

Is the report (or part of it) exempt from publication? No

1. Purpose of report

1.1 This is the final report in the 2021-22 budget process and the Council is asked to approve the General Fund budget for 2021-22.

1.2 The financial implications of proposals contained in the Capital and Investment Strategy, to be considered as part of this agenda are included in this report.

1.3 The report also sets out the proposed transfers to/from earmarked reserves, which the Executive approved on 26 January.

2. Strategic Priorities

2.1 The budget underpins the Council's strategic framework and delivery of the Corporate Plan.

3. Background

3.1 At its meeting on 24 November 2020 the Executive received a report on the outline budget, which indicated that there was a gap between the projected net expenditure for 2021-22 and our estimated resources of £2.0million and a draft projection for 2021-22 to 2024-25 showing a medium term budget shortfall (gap) of £4.38million.

3.2 The November report assumed a 1.94% increase in Council Tax. This has changed to £5 following the announcement of the Local Government Finance Settlement (LGFS) in December 2020. The report included the comments of the Joint Executive Advisory Board (JEAB) which considered the outline budget at its meeting on 11 November 2020.

3.3 This report will cover the main changes since the outline budget was presented to the Executive.

4. Outline budget parameters

4.1 The outline budget has been prepared on the factors approved by the Executive at its meeting on 24 November 2020. Following the announcement of the Spending Review and LGFS by government, the assumptions have been updated as follows:

- (a) The council tax increase has been amended from 1.94% to £5 (2.83%) as announced in the LGFS

- (b) Additional funding and the SFA has been included at the amounts set out in the LGFS
- (c) An assumption that the Government's Sales, Fees and Charges compensation scheme will continue in to 2021-22 for 3 months has been made. This means that the Council needs to cover the first 5% of any income loss but the government will then compensate the Council for 75% of the losses above 5%, and that the Council will need to fund the remaining 25% of losses above 5%

5. Revenue Support Grant (RSG) New Homes Bonus (NHB) and Business Rates Income under the Business Rates Retention Scheme (BRRS)¹

- 5.1 We received the provisional Local Government Finance Settlement (LGFS) for 2021-22 on 17 December 2020. Full details and commentary regarding the settlement are set out in the Chief Finance Officer's report at **Appendix 1**.
- 5.2 The Settlement Funding Assessment (SFA) consists of the local share of business rates, and revenue support grant and is set out in the provisional LGFS. Our baseline funding level was set at £2.929 million, a nil increase from 2020-21.
- 5.3 The provisional award of New Homes Bonus (NHB) for 2021-22 totalling £192,000, is higher than the nil award assumed in the outline budget reported to Executive in November. Other grants announced as part of the LGFS, which were unexpected are:
 - £153,000 grant to compensate the Council for the Business Rates Multiplier not increasing in line with inflation
 - £237,000 lower tier services grant (this is a one-off new grant to support services)
 - £623,000 additional COVID 19 funding to help fund the impact of COVID 19 into the new year
 - £100,000 Section 31² grant for local council tax support
- 5.4 Officers have now completed and submitted the annual business rates estimate return to government, called the NNDR1 form. This return estimates the business rates income and section 31 grant in respect of business rates due for 2021-22. It also estimates the surplus or deficit on the collection fund in respect of business rates. The estimated business rate income for 2021-22 is £33.7 million which is £0.986 million lower than the £34.7 million income received in 2020-21, but £1.1 million higher than the income estimated in the November Executive report. The Section 31 grant has been estimated as £1.3 million which is £0.5 million lower than the estimate presented to Executive on 24 November 2020. The changes relate to updated estimates of bad debt, appeals and reliefs. The transfer to the business rates equalisation reserve has been adjusted accordingly for the changes.

¹ Within the BRRS, all authorities are either top-up or tariff. Where the authorities' share of Business Rates is more than the government believes it needs, it pays the excess to the government as a tariff. Conversely, if the income from business rates is less than the government's need assessment, a top-up is paid. Generally, district councils are tariff authorities and county councils and single tier authorities are top-up.

² Local Government Act 2003

- 5.5 Following completion of the NNDR1 form, the estimated deficit on the collection fund for 31 March 2021 in relation to business rates is £50.3 million of which, Guildford Borough Council's share is **£20.1 million**. The deficit consists of £11.7 million deficit relating to the prior year and a £38.5 million deficit relating to 2020-21. The 2020-21 deficit arises due to significant business rate relief granted during 2020-21 under the Government's small business rate relief and extended retail, leisure and hospitality rate relief schemes. The reliefs were not budgeted as part of the 2020-21 NNDR1 form or budget because they relate to the Covid-19 pandemic and the financial support measures the government has introduced for businesses in response. The Council has received a £42million Section 31 grant during 2020-21 which offsets these reliefs, of which **£20million** is the Council's share. As the £42million Section 31 grant for 2020-21 is higher than the £38million deficit relating to 2020-21, there is a £3.6million underlying business rate surplus on the collection fund in 2020-21 if the impact of Covid-19 is removed from the accounts.
- 5.6 The underlying surplus means the Council cannot therefore take advantage of the Government's offer to spread exceptional collection fund deficits relating to Covid-19 in 2020-21, over three years. The Council's policy is to transfer the surplus or deficit to the business rates equalisation reserve to equalise the impact of the business rates system on council tax payers and to provide revenue resources for specific regeneration and economic growth projects. As a result, the Council's £20million share of the Section 31 grant will be transferred to the business rates equalisation reserve as part of closing the accounts for 2020-21 to fund the Council's £20million share of the business rate deficit on the Collection fund in 2021-22. As these transactions are material but relate to cashflow timing differences they are not shown as part of the estimated level of available reserves in section 10 of Appendix 1 because they would present a misleading picture as to the level of the Council's reserves.

6. Council Tax, tax base and collection fund³

- 6.1 The proposed budget assumes that council tax will increase by £5 (approximately 3.0%) This means that the band D tax will go up from £176.82 to £181.82. The increase will generate approximately £288,000 based on the 2020-21 tax base.
- 6.2 At present, the government sets a limit each year above which increases in council tax have to be supported by a referendum. In the past, this limit has been 2%. However, as part of the final local government finance settlement issued in February 2016, for Shire District Councils this was changed to allow increases of less than 2% or up to and including £5 per Band D property, whichever is higher. The provisional local government finance settlement issued by government proposes that this rule remains the same for 2021-22. We expect that the government will return to the referendum limit of 2% for future years. The three-

³ The collection fund is a separate account that we must keep, which collects all the income from council tax and business rates and pays it out to other bodies. For council tax, the recipients are Surrey County Council, the Police and Crime Commissioner for Surrey and Guildford Borough Council. For business rates, the recipients are the Government, Surrey County Council and Guildford Borough Council. We have to predict the surplus or deficit on each part of the fund and that is paid out to (or recovered from) the relevant precepting authority in proportion to their original share. The surplus or deficit arises because of movements in the amounts collectable (i.e. the total amount of the bills we have sent out) and provisions for bad debts and business rates appeals.

year financial projections for the period to 2024-25 assume a council tax increase of 1.94%.

- 6.3 The Director of Resources, in consultation with the Lead Councillor for Resources, has agreed the council tax base for 2021-22 at 57,159.40. This is 0.84% lower than the 2020-21 figure, and has reduced the available resources by approximately £85,000.
- 6.4 Any surplus or deficit on the Collection Fund in the current financial year (2020-21) feeds into the 2021-22 budget. We currently estimate that there will be a deficit on the collection fund of £530,413 at 31 March 2021. The deficit consists of a brought forward surplus on the collection fund of £697,116 as at 31 March 2020 and an in-year deficit of £1,227,528. The in-year deficit has arisen due to a reduction in tax collection and an anticipated increase in bad debt arising from the Covid-19 pandemic. The deficit is shared between Guildford Borough Council, the Police and Crime Commissioner for Surrey, and Surrey County Council. The Government has allowed councils to spread the in-year deficit for 2020-21 over three years. As such the deficit will be spread as follows:

	Deficit for 20/21						Deficit for Ctax Demand 2021/22
	Total	2020/21		Spreading 2020/21			
		Pre 2020/21	ONLY	2021/22	2022/23	2023/24	
	£	£	£	£	£	£	£
Guildford BC	55,767	- 73,294	129,060	43,020	43,020	43,020	- 30,274
Surrey Police	72,067	- 94,716	166,783	55,594	55,594	55,594	- 39,122
Surrey County Council	402,579	- 529,106	931,685	310,562	310,562	310,562	- 218,544
Total	530,413	- 697,116	1,227,528	409,176	409,176	409,176	- 287,940

- 6.5 As the table above shows, the ability to spread the in-year deficit for 2020-21 means that £818,352 of the deficit will be recovered in 2022-23 and 2023-24 and as such in 2021-22 we will distribute a net surplus from the collection fund. The Council's share of the surplus included in the general fund summary at Appendix 2 is £30,274.

7. Capital expenditure and minimum revenue provision

- 7.1 The Council has a single capital programme for the General Fund that we finance from the Capital Schemes reserve, capital receipts and revenue contributions towards specific schemes. Unless we generate significant capital receipts, the Council needs to borrow from either its own resources (earmarked for other uses) or from the market; at the current time borrowing is internal as it is more financially advantageous.
- 7.2 Because the capital programme shows an underlying need to borrow, represented at the year-end by the capital-financing requirement (CFR), there is a requirement to make a debt charge to the revenue account called the minimum revenue provision (MRP). This charge is based on the value and life of the assets funded by borrowing (internal or external). The estimated minimum revenue provision for 2021-22 is £1.5 million, which is based on an estimated General Fund CFR at 31 March 2021 of £122.3million and debt funded capital expenditure of £28.5 million. This figure is included in the proposed budget.

- 7.3 There is a separate report on this agenda relating to the Capital and Investment Strategy for 2021-22 to 2025-26.

8. Use of Reserves and interest earnings

8.1 An important element of the Council's budget is the income it receives from investment of the cash held in reserves. The balances held at the end of 2019-20 and the projected balances at the end of 2020-21 and 2021-22 are presented in Section 10 of **Appendix 1**. As stated in paragraph 5.5, the projected balances exclude the exceptional movements relating to business rate section 31 grant and collection fund deficit. We expect that the Council will hold £154.2 million of reserves as at 31 March 2021, of which £119.5 million relate to the HRA and £34.7 million relate to the General Fund.

8.2 HRA reserves are considered as part of the HRA budget. The general fund earmarked revenue reserves includes £16.6 million of projected earmarked reserves which are not available for general spending because they are contingent in nature (for example the insurance reserve). The Council is also required, under accounting practice, to hold endowment funds received as developer planning contributions in earmarked reserves for the long term repairs and maintenance expenditure on Special Protection Areas (SPAs) or Suitable Alternative Natural Greenspaces (SANGs); these reserves are required to fund the revenue costs of SPA / SANGS in perpetuity. Earmarked reserves for SPAs and SANGS are projected to be £5.4million at 31 March 2021. The level of projected earmarked reserves available for general purposes, to support the revenue or capital budgets is therefore £8.5 million, this is around £8 million lower than the £16.7 million that was available as at 31 March 2020 due to the impact of the Covid-19 pandemic. The £8.5 million is predominantly earmarked for the Future Guildford transformation programme and as such the Council is advised to refrain from any further use of reserves in 2021-22.

8.3 In the 2020-21 budget, we anticipated a net interest charge of £1.172 million. The estimate for net interest receipt included in the outline budget for 2021-22 is £682,726. Interest payable to the Housing Revenue Account (HRA) is estimated at £481,700 reflecting the level of balances and investment returns consistent with the application of a risk free rate of return. The Bank of England base rate is currently 0.1%. We will continue to keep under review the timing of possible base rate changes as the estimates process proceeds.

Proposed Use of Key Earmarked Reserves

The Budget Pressures Reserve

8.4 The budget pressures reserve was established in 2015 to manage the financial challenges the Council faces over the medium term and in particular, allow us to carry forward underspends on the general fund at the end of each financial year to offset future growth pressures. Revenue costs associated with the Future Guildford transformation programme will continue to be funded from either the budget pressures and/or invest to save reserve.

Business Rate Equalisation Reserve

- 8.5 The underlying balance on the business rate equalisation fund is anticipated to be a deficit of £407,000 as at 31 March 2021; however, it is anticipated that there will be a transfer of £20 million Section 31 grant relating to the Covid-19 business rate relief to the reserve as part of closing the 2020-21 accounts as described in paragraph 5.5. The main reason for the underlying deficit is that the Council made a one-off lump sum contribution to the Surrey Pension fund in lieu of the Council's annual backfunding superannuation contribution for the period 2020-21 to 2022-23 which was funded from this reserve. The reserve will be repaid in 2021-22 and in 2022-23 through budgeted contribution of £2.0 million per annum to the reserve to replenish it to former levels. It is the Council's policy that the reserve is used to even out fluctuations in the business rate retention scheme including the business rates element of the surplus or deficit on the Collection Fund. As a result, the Executive has agreed to make a contribution from the reserve of £17.6 million (which represents the 2021-22 Section 31 grant, the Council's share of the business rates levy, the business rates income above SFA funding level and the Council's share of the business rates deficit on the collection fund in 2020-21) from the reserve in 2021-22. The money will be set aside to fund future business rate losses and specific economic growth and regeneration projects.

New Homes Bonus Reserve

- 8.6 The Council adopted a new homes bonus policy in February 2016. The policy assumed that the first £1 million of NHB grant would be available to support the general fund revenue budget. Changes to the scheme in 2020-21 removed this funding stream from the budget and as a result of the Future Guildford transformation programme savings in the Council's expenditure were made to compensate for the income loss. The balance on the NHB reserve at 31 March 2021 is anticipated to be £0.6 million as the Council intends to use around £2.4 million of the NHB reserve in 2020-21 to fund the Covid19 pandemic costs. The Executive agreed to transfer the £192,000 NHB due to be received in 2021-22 to the reserve and then use the remaining balance on this reserve to fund a £460,000 contribution towards the Guildford Economic Regeneration Programme in 2021-22 and to fund the Council's contribution to the rebuild of Ripley Village Hall as previously agreed by the Executive in January 2020. The Outline Budget report proposed that this reserve be closed during 2021-22; however, it is now anticipated that the Council will receive a further £113,000 of NHB in 2022-23 and so closure of the reserve will be delayed until 2022-23.

Invest to Save Reserve

- 8.7 The invest to save reserve exists to pump prime the upfront costs of service transformation and efficiency projects, including staff redundancy costs. The Council has previously agreed to fund the implementation costs associated with the Future Guildford transformation programme from this reserve. The costs of Future Guildford are anticipated to predominantly fall in 2020-21 leaving a balance of just under £2 million on the reserve as at 31 March 2021. Over recent years, the Council has made a contribution to the Invest to Save reserve of £250,000 per annum. The Executive agreed not to make the annual contribution of £250,000 and it is not anticipated that there will be any further use of the reserve in 2021-22. A contribution of £250,000 per annum to the invest to save

reserve is included within the forward projections for 2022-23 to 2024-25 so that the reserve is rebuilt to support further transformation of Council services.

The Car Parks Maintenance Reserve

- 8.8 The balance on the car parks maintenance reserve as at 31 March 2021 is anticipated to be £1.5 million due to officers anticipating having to use this reserve during 2020-21 to fund the costs of COVID 19 and the Future Guildford Transformation Programme. This reserve was originally established to fund repairs, maintenance, and improvement of car parks. The Council normally budgets to contribute around £500,000 per annum to the reserve from parking income and then budgets for annual expenditure of around £187,000 on capital projects and repairs and maintenance of car parks which is taken from the reserve, meaning that there is an annual net contribution of £313,000. The Executive agreed to make a net contribution to the reserve of £63,000 in 2021-22 and then gradually to increase the annual budget contribution to the reserve back up to around £300,000 per annum over the three year period up to 2024-25. This will rebuild the reserve to a level that can be used for future repairs and maintenance of the car parks.

IT Renewals

- 8.9 The anticipated balance on the ICT renewals fund as at 31 March 2021 is £0.283 million. The reserve has been used in the last two years to fund the investment in technology required under the ICT refresh and Future Guildford Programmes to aid new ways of working and improve value for money and efficiency in the delivery of Council services. The Executive has agreed to make a contribution of around £542,000 to the ICT renewals reserve in the period 2021-22 to 2024-25 to replenish the reserve to fund ongoing annual ICT renewals.

Other Reserves

- 8.10 The Executive also agreed contributions to the Election costs reserve, on-street parking reserve, spectrum reserve and 'other' reserves as set out in **Appendix 2**.

9. Projected outturn for 2020-21 (based on period 8 monitoring) and the 2021-22 Budget

- 9.1 The financial monitoring report for the first eight months of 2020-21 was reported to the Corporate Governance and Standards Committee on 14 January 2021. The projected net expenditure on the General Fund for the current financial year is estimated to be £8.1 million more than the original estimate. The main reason for this is due to the impact of the COVID-19 Pandemic.
- 9.2 At the time the outline budget was presented to Executive on 24 November 2020, officers were anticipating a gap between net expenditure and estimated resources of £2.0 million. This position now is a balanced budget. The changes are summarised in the table below.

	Executive (24 Nov 2020)	Proposed Budget Appendix 2	Movement	Comment
Total Directorate Level	20,319,000	20,319,000	0	
Provisional Savings & Growth	-1,959,328	-1,726,073	233,255	Amendment to split of Future Guildford savings between General Fund and HRA, inclusion of revised growth for GERP and traveller transit site, reduction in service challenge savings following assessment of deliverability
Depreciation	-8,791,000	-8,791,000	0	
Directorate Level excl. depreciation	9,568,672	9,801,927	233,255	
Net external interest receivable	-200,000	-682,726	-482,726	Updated following finalisation of the capital and investment strategy and Period 8 Financial Monitoring of the Capital Programme
Interest payable HRA	481,700	481,700	0	
Minimum Revenue Provision (MRP)	2,410,000	1,534,915	-875,085	Updated following finalisation of the capital and investment strategy and Period 8 Financial Monitoring of the Capital Programme
Revenue Contribution to Capital (RCCO)	537,000	537,000	0	
Transfers to/(from) reserve	5,251,459	-16,974,563	-22,226,022	Amendment to Business Rates Equalisation fund transfer following LGFS and NNDR 1 form completion
Total after transfers to/(from) reserve	18,048,831	-5,301,747	-23,350,578	
Net Retained Business Rates	-5,701,300	17,028,939	22,730,239	Amended as per LGFS and NNDR1 form completion
Other Grants	0	-1,112,236	-1,112,236	Additional funding set out in the LGFS
New Homes Bonus (NHB)	0	-192,251	-192,251	Additional funding set out in the LGFS
Collection fund deficit – council tax	0	-30,274	-30,274	Amended as per collection fund estimates, paragraph 6.4
Parish Precept	0	1,935,225	1,935,225	As per final parish council precept notifications
Council Tax Requirement	12,347,531	12,327,656	-19,875	
Max Council Tax income available	-10,303,000	-10,392,720	-89,720	Increase in council tax income due to ability to raise by £5 (2.83%) rather than 1.94%
Budget Gap (Council Tax requirement less parish precepts less max council tax income)	2,045,000	-289	2,045,289	

- 9.3 The proposed budget includes the financial implications of the Capital and Investment Strategy which councillors will also consider on this agenda.
- 9.4 The estimated directorate level expenditure, excluding depreciation charges for 2021-22, is £9.8 million, which is £6.9 million lower than the 2020-21 directorate level expenditure estimate of £16.67 million. The main reason for this is removal of the one-off lump sum payment to the pension fund agreed as part of the 2020-21 budget and the additional growth savings included in the 2021-22 budget.
- 9.5 The long-term projections still indicate that a saving of around £5.9 million is needed over the period to 2025-26 as highlighted in the graph below and as shown in paragraph 8.5 of **Appendix 1**. Officers continue to work towards identifying the necessary savings over the medium term. Revenue growth and savings from the Future Guildford transformation programme have been included in the outline budget and forward projections as set out in **Appendix 3**.

10. Fees and Charges

- 10.1 Fees and charges for 2021-22 have been frozen at the level agreed by Council in February 2020. The fees and charges schedule is presented as **Appendix 6**.

11. Consultations

- 11.1 The Joint Executive Advisory Board (JEAB) have been consulted about the outline budget for 2021-22, the medium term financial position and the savings strategy. Their comments were reported to the Executive at its meeting on 24 November 2020. At the meeting of JEAB in January 2021, the project mandates for some of the savings set out in Appendix 3 were discussed and supported.
- 11.2 Officers have consulted the Lead Councillor for Resources about assumptions to be used on the level of council tax increase and the proposed budget (including balancing the budget) and he agrees with the approach taken in this report.
- 11.3 At its meeting on 24 November 2020, the Executive agreed to carry out a public consultation on the Council's priorities for its services and spending for 2021-22 and beyond. The public consultation started on 30 November 2020 and finished on 8 January 2021. To ensure the research was robust and reflected the profile of the local community, a representative sample of 1,100 residents was completed via telephone methodology which included members of the Guildford Borough Council Citizens' Panel. The telephone interviews were conducted using random quota sampling to maximise representation across the borough. A total of 1,100 residents participated by telephone; and a further 381 residents completed the questionnaire online. The results of the on-line survey support the view of the telephone survey and so the Council can be 95% certain that the results of the consultation represent the views of the whole borough (all residents) to within +/- 3%.
- 11.4 When asked to consider council services in terms of importance, priority and spending, residents across both consultations were almost unanimous in rating services to the elderly and vulnerable highest for each aspect. On average, telephone respondents attributed a score of 8.90 out of 10 to this service in terms of importance whereas online respondents agreed on an average of 8.33, placing

environmental services as slightly more important (8.90). Both cohorts rated services to the elderly and vulnerable their highest priority on average when scoring on a scale of ten (telephone 9.10, online 8.68) and also felt funding for this service area should be most protected when scoring on a scale of ten (telephone 9.24, online 8.68).

- 11.5 Other services that scored highly in terms of the three aspects of importance, priority and spending were public health and safety, economic services and environmental services, the latter being more prevalent amongst online respondents.
- 11.6 Arts and heritage and tourism services were consistently attributed the lowest scores on average by respondents who participated in the survey, the two provisions making up the lowest ranked services for each aspect of importance, priority and spending within both strands of the consultation. Transport and parking and public facilities were also perceived as less important services by residents across both consultations.
- 11.7 The Executive will consider the results of the survey and its impact on the proposed savings strategy at its meeting in March 2021.

12. Equality and diversity implications

- 12.1 There are no equality or diversity implications arising from this report. Where changes to services are included within the budget, the service managers will carry out the relevant equality impact assessments as part of the changes.

13. Financial implications

- 13.1 The financial implications are considered throughout the report.

14. Legal implications

- 14.1 The Council is required to set a Council Tax for the financial year 2021-22 before 11 March 2021. It may not be set before all precepts have been issued or before 1 March 2021 whichever is the earlier. The decision is reserved to Council and cannot be taken by the Executive or delegated to officers, although the Executive has to recommend a budget to Council. Before setting the level of the tax, the Council must have agreed a balanced budget, differentiated by services, which is sufficient to meet estimated revenue expenditure, levies, contingencies, any deficit estimated to be brought forward from previous years and any amounts required to be transferred between funds. The tax itself must be sufficient to cover the difference between the agreed budget less government grants credited to the consolidated revenue account and any other expenditure which must be met from the Collection Fund less any surplus (or plus any deficit) brought forward from previous years.
- 14.2 These legal duties are set out in the Local Government Finance Act 1992, as amended, and requires various specific calculations and decisions to be made by the Council:

- (a) First, it must calculate its budget requirement in accordance with section 32 of the Act;
 - (b) Second, it must calculate the Borough Council element of the Council Tax – first for Band D and then for all bands in accordance with sections 33 to 36; and
 - (c) Third, it must set the overall Council Tax for each band in accordance with section 30
- 14.3 A note of the amount set must be published in at least one newspaper circulating in the Council's area within 21 days of the decision.

Section 25 Report

- 14.4 The Chief Finance Officer is required by the Local Government Act 1972 section 151 and by the Accounts and Audit Regulations 2015 to ensure that the Council's budgeting; financial management and accounting practices meet relevant statutory and professional standards.
- 14.5 In addition, the Local Government Act 2003, section 25, provides that the Council's Chief Finance Officer (the Local Government Act 1972 section 151) is required to report to the Council on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves. The Council must have regard to the report when making decisions about the calculations in connection with which it is made. The Chief Finance Officer's advice on those requirements is set out in **Appendix 1** to this report.

Administrative law/consultations

- 14.6 In reaching decisions on these matters, councillors are bound by the general principles of administrative law. Lawful discretions must not be abused or fettered and all relevant considerations must be taken into account. No irrelevant considerations may be taken into account and any decision made must be one which only a reasonable authority, properly directing itself, could have reached. Councillors must also balance the interests of the service users against those who contribute to the Council's finances. The resources available to the Council must be deployed to their best advantage. Councillors must also act prudently.
- 14.7 Amongst the relevant considerations, which councillors must take into account in reaching their decision, are the views of business ratepayers and the advice of officers. The duty to consult representatives of non-domestic ratepayers on the Council's expenditure plans is contained in the Local Government Finance Act 1992, section 65.
- 14.8 In considering, the advice of officers and the weight to be attached to that advice, councillors should have regard to the personal duties placed upon the Chief Finance Officer. The Council may take decisions, which are at variance with her advice provided that there are reasonable grounds to do so. However, councillors may expose themselves to risk if they disregard clearly expressed advice, for example as to the level of provision required for contingencies, bad debts and future liabilities.

Referendum requirement

- 14.9 The government no longer has power to cap local authority budgets under the Local Government Act 1999. However, the Localism Act 2011 introduced limits each year above which any increase in Council Tax would need to be supported by a referendum. In setting the Council Tax for the next financial year, and in agreeing the Council's budgetary requirements, the Council will need to take into account these limits. The local government financial settlement allows for an increase of less than 3% or up to and including £5 per Band D property, whichever is the higher.

Constitutional arrangements

- 14.10 The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 provide that votes at key budget decision meetings must be recorded. The Council's Constitution provides in Part 4 – Council Procedure Rule 19 (d) that a recorded vote shall be taken at a meeting of the Council in respect of any motion or amendment to approve the budget or set council tax.

Restrictions on voting

- 14.11 Councillors should be aware of the provisions of the Local Government Finance Act 1992, section 106, that applies where:
- (a) they are present at a meeting of the Council, the Executive or a committee and at the time of the meeting an amount of council tax is payable by them and has remained unpaid for at least two months, and
 - (b) any budget or council tax calculation or recommendation or decision, which might affect the making of such calculation, is the subject of consideration at the meeting
- 14.12 In these circumstances any such councillors shall at the meeting and as soon as practicable after its commencement disclose the fact that section 106 applies to them and shall not vote on any question concerning the matter referred to in (b) of paragraph 14.11 above. It should be noted that councillors are not debarred from speaking on these matters.
- 14.13 Failure to comply with these requirements constitutes a criminal offence unless a councillor can prove they did not know that section 106 applied to them at the time of the meeting or that a matter in question was the subject of consideration at the meeting. Councillors should be aware that the responsibility for ensuring that they act within the law at all times rests solely with the individual councillor concerned. All councillors were reminded of these requirements by email dated 30 December 2020.

15. Human Resource implications

- 15.1 There are no immediate human resource implications because of this report. Officers will address any changes in the level of resources because of growth or savings initiatives as the changes are implemented.

16. Conclusion

- 16.1 The proposed budget includes a Council Tax requirement of £10,392,720 resulting in a Council Tax increase of £5 per annum (2.83%)
- 16.2 The Chief Finance Officer's report, attached at **Appendix 1**, covers the medium term financial plan, the robustness of the estimates, adequacy of reserves and budget risks. The medium term financial plan position remains challenging and we estimate that we will need to find savings of approximately £5.9 million over the period to 2025-26.

17. Background Papers

None

18. Appendices

- Appendix 1: Chief Finance Officer's statutory report
- Appendix 2: General Fund Summary
- Appendix 3: Summary of Growth and Savings
- Appendix 4: Financial Risk Register
- Appendix 5: Guildford Borough Council Budget Survey 2021 report
- Appendix 6: Proposed 2021-22 Fees and Charges

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CHIEF FINANCE OFFICER'S STATUTORY REPORT

Introduction

- 1.1 The Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of the estimates and adequacy of proposed financial reserves. The report below provides a strategic overview of the Council's financial position before making specific considerations on the 2021-22 budget. The report covers the Council's General Fund, Housing revenue Account (HRA) and Capital and Investment Strategy.

Strategic Overview

Local Government Funding

- 2.1 The overall financial climate continues to be severe and is expected to remain so for a number of years. Up to 2020-21 Local Government had continued to play its part in helping to address the national funding deficit, and each Council had been required to contribute accordingly by continuing to deliver services with fewer resources. As a result, the Council had experienced a reduction in government grants and taken on significant responsibilities in relation to council tax benefits and business rates over the last 7 years.
- 2.2 In 2020-21 the Covid-19 pandemic has had a seismic impact on both the Council's finances and the National Government's finances. In the short term, the government has provided welcome financial support but given the level of national debt that has been acquired to support the economy during the pandemic, it is inevitable that in the medium to long term further public sector spending reductions will need to be made as part of a package of measures the government will need to pursue to reduce the public sector debt to pre-covid-19 levels. This will mean that in the medium to long term local authorities will need to play a further part in reducing public expenditure. Although the additional financial support from Government in 2020-21 and for the first 3 months of 2021-22 is welcome to help mitigate the impact of the pandemic, the Council is still facing an unprecedented overspend during 2020-21 which will have a significant impact on the level of reserves and the future financial sustainability of the Council.
- 2.3 The announcement of the provisional local government finance settlement (LGFS) for 2021-22 on 17 December 2020 was positive news for the Council. In addition to the Settlement Funding Assessment (explained below) the Council received notification of:
- a. Ability to increase the level of Council tax by up to £5 (2.83%) before needing to hold a referendum
 - b. That the business rates multiplier for 2021-22 would be frozen at 2020-21 levels and a section 31 grant of £153,000 would be received to compensate the Council for the lost income
 - c. That a one-off New Homes Bonus of £192,000 would be provided
 - d. That a new one-off 'lower tier services grant' of £237,000 would be provided to support the Council's services
 - e. That additional funding of £633,000 will be received to help mitigate the impact of the COVID-19 pandemic in the first 3 months of 2021-22
 - f. That the Sales, Fees and Charges Covid compensation scheme would operate for the first 3 months of 2021-22

- g. That a Section 31 grant of £100,000 will be received to compensate the Council for a reduction in the tax base as a result of increasing claimant numbers for local council tax support
- h. That the council will be able to spread over 3 years, any deficit arising on the Collection fund as a result of lower tax collection due to Covid

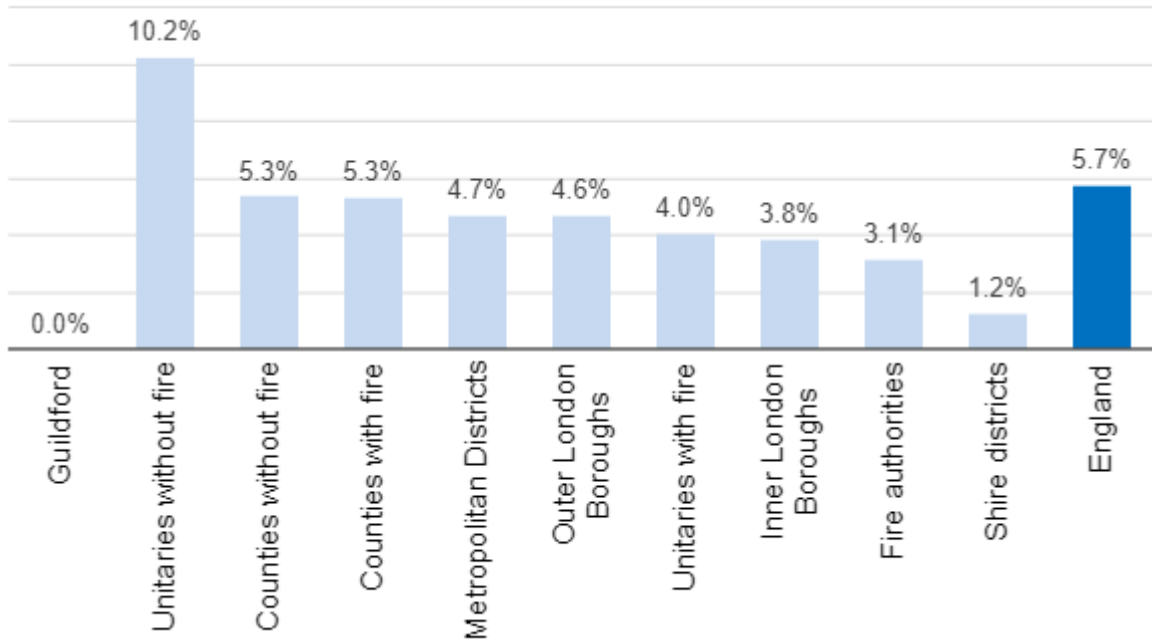
Other announcements that may impact on the council were an increase in Social Care funding for upper tier authorities which will go to Surrey County Council but some of which may come to this Council as part of the better care funding for disabled adaptations.

Business rates, Revenue Support Grant and New Homes Bonus

- 3.1 From 2013-14 local authorities have retained a proportion of their collected Business Rates, based on central shares (a proportion returned to the Government) and local shares (retained by the authority). As an incentive, the Government allows local authorities to retain a proportion of any increase in business rates collected because of increased growth. Under the standard scheme, the Council will benefit by 25p in the £1 on any net growth but will be liable for 50p in the £1 on any net reduction.
- 3.2 As stated above, the draft LGFS for 2021-22, was issued on 17 December 2020. The 2021-22 LGFS is a one-year settlement before, hopefully, a new multi-year settlement is provided from April 2022. The figures provided by the government are in the table below:

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Settlement Funding Assessment	3.8	3.1	2.8	2.9	2.9	2.9
of which:						
Revenue Support Grant	1.1	0.3	0.0	0.0	0.0	0.0
Baseline Funding Level	2.7	2.7	2.8	2.9	2.9	2.9
Tariff/Top-Up ²	-28.3	-30.2	-22.3	-31.3	-31.8	-31.8
2017-18 Tariff and Top-up reconciliation			0.5			
Safety Net Threshold	2.5	2.5	2.7	2.7	2.7	2.7
Levy Rate	0.5	0.5	0.0	0.5	0.5	0.5

- 3.3 For 2021-22, Guildford's settlement funding assessment (SFA) has been frozen at the same level as 2020-21. The government has only issued a one-year settlement for 2021-22 due to the Covid-19 pandemic and Brexit. It is the second year in a row that there has been a one-year settlement. A comparison has been made for core spending power (which is defined as the SFA, council tax and other grants) between local authorities, as shown in the graph below. The graph shows that the change in core spending power for Guildford is lower than most other types of Council's and the shire district average.

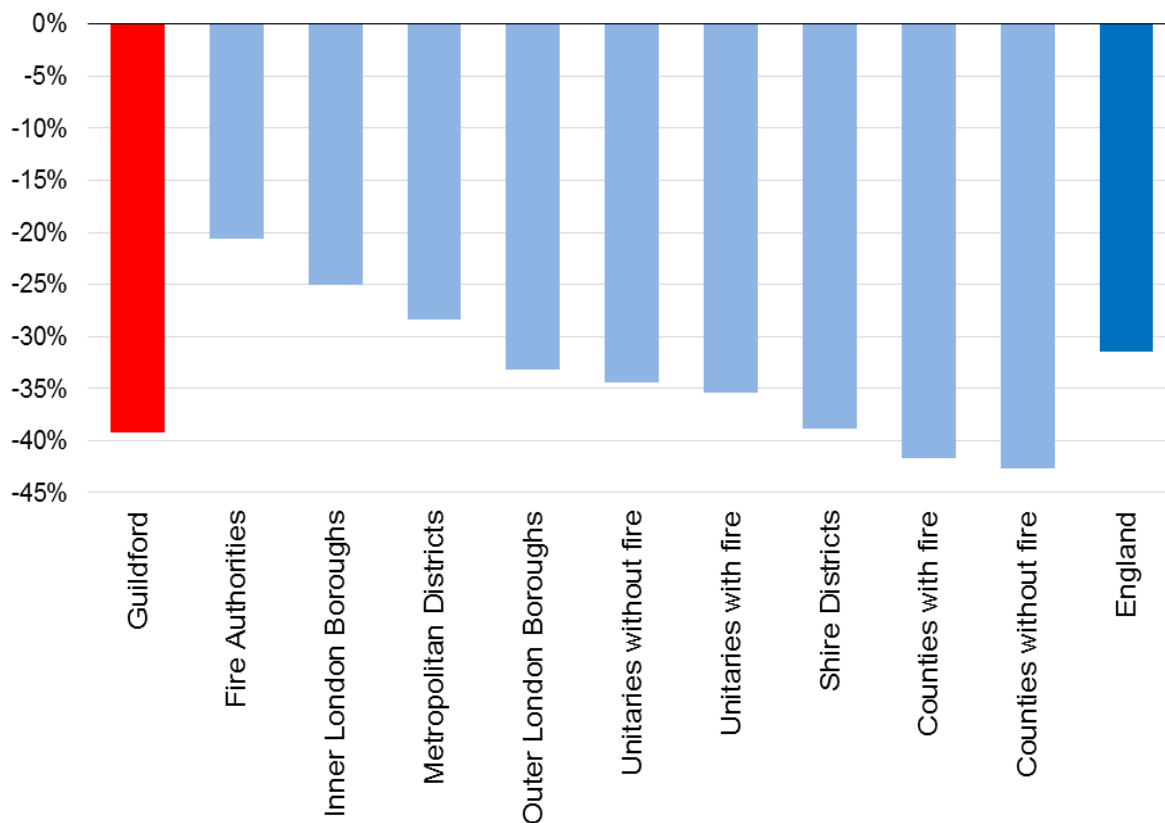


3.4 Due to the variable nature of the business rates element of local authority funding, the draft settlement no longer sets the absolute funding level for local authorities, but gives a baseline funding level. The actual level of funding the Council receives will depend on the business rate income for the year, any section 31 grants and whether the Council is part of a business rate pilot or pool. At the start of the year, we estimate the business rate income, but the actual amount is unknown until after the year ends. For 2021-22, we estimate our net business rate income will be an increase of £3000,000 more than in 2020-21. The table below shows the volatility of our net business rate income over the last three year period along with the proportion of total business rates collected and the estimates for 2021-22.

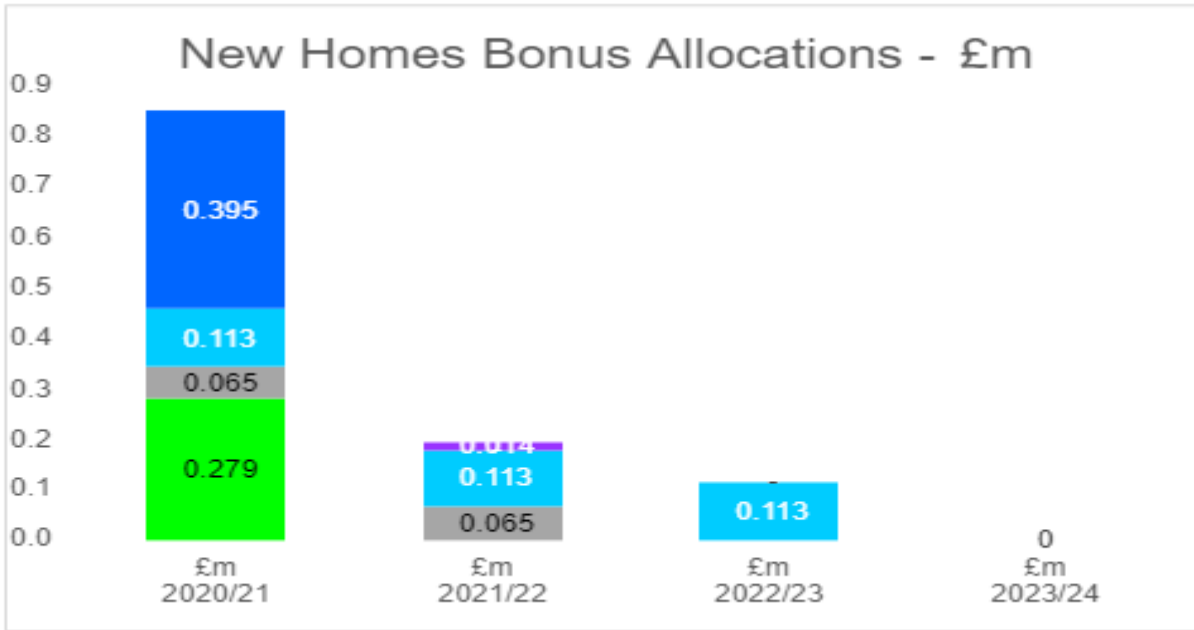
Year	Actual 2017-18 £million	Actual 2018-19 £million	Actual 2019-20 £million	Estimate 2020-21 £million	Estimate 2021-22 £million
GBC Share of Business Rate Income (NNDR1/3)	35.2	26.1	34.9	34.7	33.7
S31 Grant	1.1	1.2	2.4	1.9	1.3
Business rate tariff	-29.7	-21.8	-31.3	-33.1	-31.8
Levy / Safety Net payment	0	0	-1.4	-0.8	-0.1
Pilot or pooling gain	0.5	1.0	0	0	0
Net BRRS Income	7.1	6.5	4.6	2.7	3.0
Total Business Rates Collected	88.1	87.2	90.5	86.8	84.3
% Business Rates Retained	8.0%	7.4%	5.0%	3.1%	3.5%

3.5 The graph below shows the cumulative changes in SFA over the 4 years (2016-17 to 2019-20) and the comparative reduction in central government support for Guildford in relation to the average of other local authorities. Our local government finance advisors, LGFutures, who are able to benchmark data across different local authority classes nationally, produced this graph. It shows that the cumulative reduction in Guildford's SFA over the period 2016-17 to 2019-20 has been more than other classes of authority but in line with the shire district average. The SFA has been frozen at the 2019-20 level for the two years 2020-21 and 2021-22.

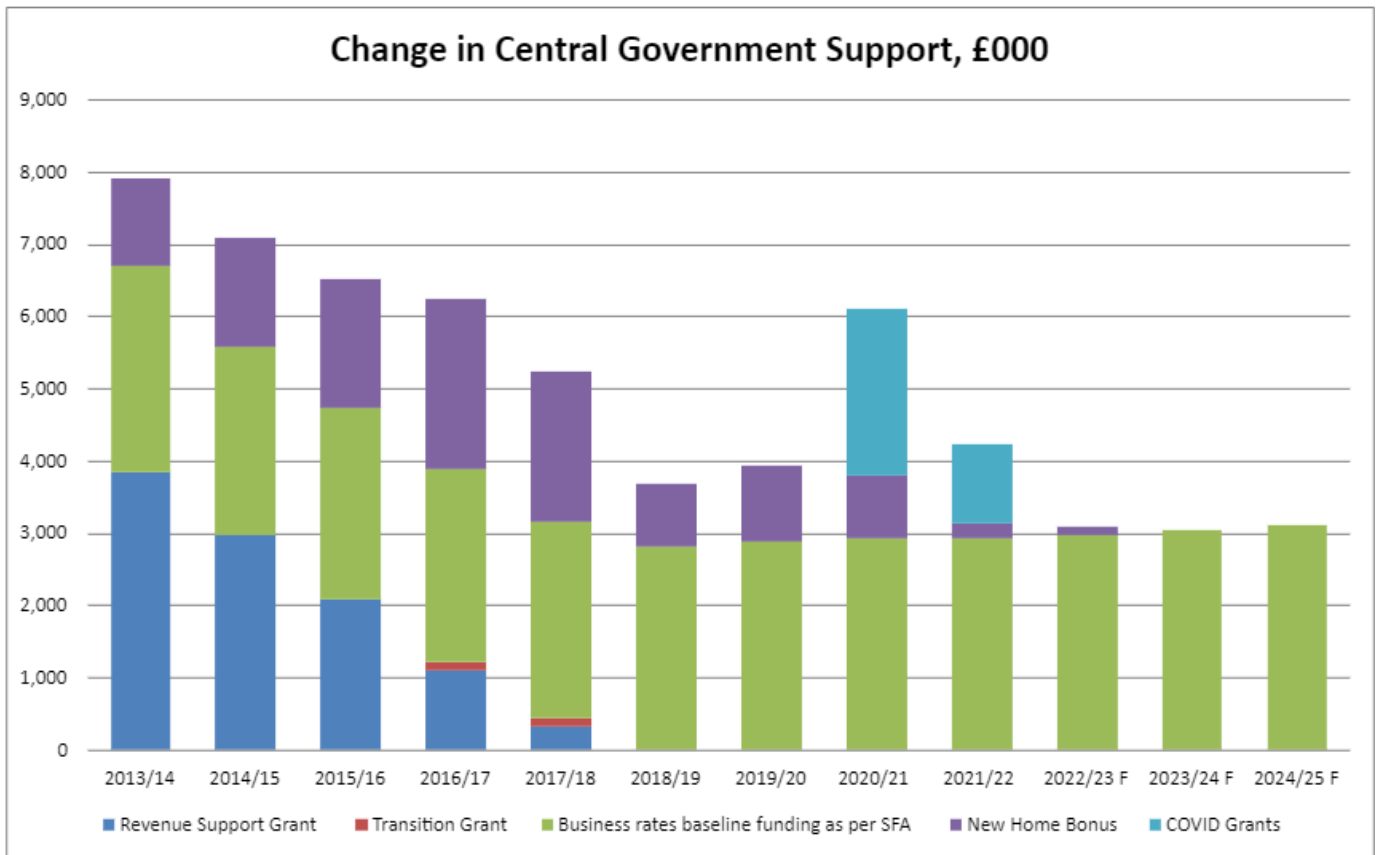
Agenda item number: 12
Appendix 1



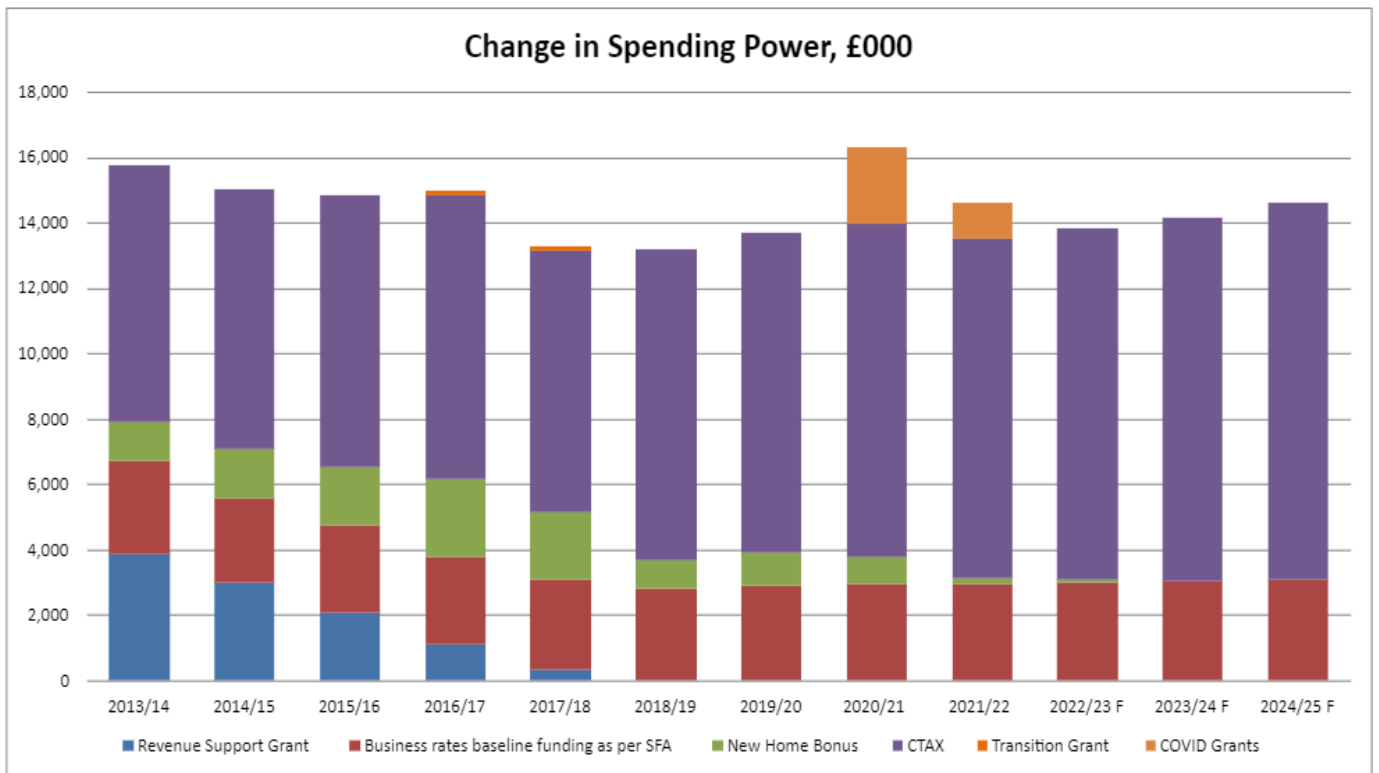
- 3.6 Since 2018-19, the Council has not received Revenue Support Grant (RSG) from Government. As a result the SFA for Guildford is now entirely related to the business rates baseline funding level.
- 3.7 The Council's new homes bonus (NHB) in 2021-22 will be £192,000 which is a reduction of £659,000 or 77% from the 2020-21 allocation of £851,000. This is despite an increase in the number of properties added to the Council tax system in the year. The reduction is due to the implementation of changes to the NHB in recent years, which mean that award of NHB is only made if housing growth exceeds a 0.4% baseline and legacy allocations of funding being phased out. Although the Government continues to pay the legacy payments from New Homes Bonus Grant awarded since 2018-19 for a period of 4 years, the awards in respect of 2020-21 and 2021-22 are both for one year only.



- 3.8 Our budget and medium term financial plan assumes that any NHB received is transferred to reserves to finance one-off short to medium term revenue projects or capital projects in line with the New Homes Bonus Policy adopted by the Council in February 2016 and therefore does not affect the council tax calculation or the budget gap identified below. This is because NHB funding is not on-going and so it would not be prudent to rely on the income as a permanent source of finance to fund on-going revenue expenditure.
- 3.9 Taken together, the settlement funding assessment (business rates and RSG) and new homes bonus (NHB) are the key elements of central government support the Council receives. In total, the three elements have seen a reduction in recent years, however the Government has provided additional support in the form of Covid-19 grants during 2020-21 and will continue to provide support for the first 3 months of 2021-22.
- 3.10 The chart below shows the change in Central Government funding since 2013-14. The forecast for the next three years are based on analysis of recent consultations for the delayed fair funding review (see below).



3.11 The comparative graph showing the Council's estimate of the change in our spending power (which includes council tax) and the cumulative impact since 2013-14 is shown in the chart below. The chart shows the change in balance of core spending power between Council Tax, Business Rates and Government grants.

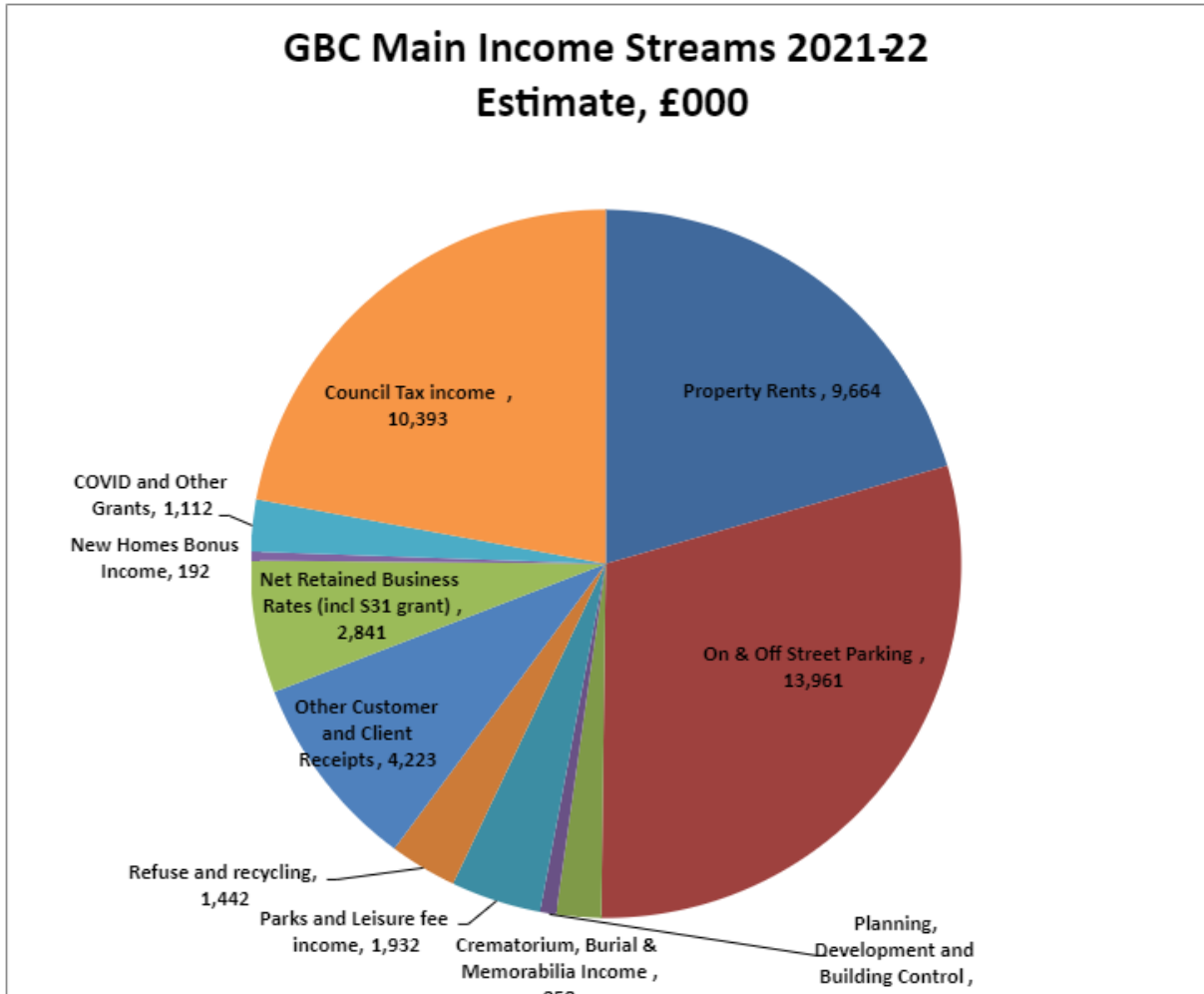


Fair Funding Review and Business Rates Retention (BRR)

- 3.12 During recent years, the government have consulted on local government funding reform with a view to introducing a new system. The consultations have had two elements:
- a. a Fair Funding Review and
 - b. Business Rates Reform (implementation of 75% business rates retention)
- 3.13 Initially the reform was scheduled to be implemented in April 2020, it was then delayed until April 2021 due to Brexit and then due to the current pandemic, has been further delayed until at least April 2022. The Council has responded to the consultations issued so far and will continue to respond to current and future consultations. The fair funding review will set the baseline need to spend for the implementation of the new 75% BRR system in 2021.
- 3.14 Initial review of the latest fair funding consultations identify that the Council's level of funding in future will be driven by a formula based on population with an area cost adjustment to reflect the cost of providing services in different parts of the Country. A population based cost driver is felt to be the most common and accurate driver of cost incurred by Shire District Council's across all services. In terms of resources, the government has indicated that it will assess the ability of each Council to raise income using an indicative Council Tax calculation which will assess the council tax base at a point in time (adjusted for non-discretionary discounts and exemptions) multiplied by a notional council tax rate. The consultation sets out that the government is minded not to take sales, fees and charges into account when calculating relative resources but has indicated that it might take surplus car parking income into account. The Council's SFA from implementation onwards will be the difference between its relative need to spend and its relative resources. The SFA will then represent the amount of business rates the Council can keep under the proposed 75% BRR System. At present our best estimates of the impact on the reform on the Council's budget are included in the medium term financial projections from 2022-23 onwards.
- 3.15 The reform of business rates was intended to sit alongside a revaluation of business rates originally scheduled for 2021 but has now been delayed until April 2023. At this point it is envisaged that there will be a full reset of the business rates system in 2023 and thus all growth within the business rates system that has been retained by the authority since 2013 will be lost.

General Fund Main Income Streams

- 4.1 As a result of the reduction in the level of government grant support and switch to retention of business rates, the Council is becoming increasingly reliant on its locally raised income. Risk awareness and management of local income risks have become increasingly important to ensure the on-going financial sustainability of the Council. A graph showing the main sources of income, which the Council uses to fund services, is set out below. Parking income which represents 25% of the council's income is the largest income stream, this is followed by Council Tax which represents 21% of our income. Property rent is the third largest income stream at 20% whilst net retained business rates represents 9% of the Council's income.



4.2 The reliance on local income streams set out above has meant that Guildford Borough Council has been particularly impacted by the Covid-19 pandemic restrictions, possibly more so than other similar District and Borough Council's. Analysis of the Covid financial returns which Council's provide to Government by the Local Government Association in August 2020 identified that Guildford was in the top five of council's most impacted in the south east when looking at both the impact of additional covid-19 expenditure and therefore the total deficit as a percentage of net revenue expenditure.

Economic Outlook

5.1 The economic situation continues to pose a risk. Although the risk due to Brexit seems to have been partially mitigated with the agreement of a trade deal with the EU, the Covid-19 Pandemic has forced the government to take on significant levels of public borrowing. The slow down in the national recovery experienced during 2020-21 has been deemed to be the deepest recession since records began. The pace of the recovery from the pandemic and the impact of our new trading relationship with the EU and other countries is yet to be determined and will be a key risk going forward. It is anticipated that to help re-pay the significant public sector debt, further reductions in public spending will need to be made as part of a package of measures. Local Government will no-doubt need to take a share of any public sector spending reductions in the future.

- 5.2 Interest earnings will not form a significant source of income to the Council due to decreasing investment balances over the medium term and continued low interest rates. The Council will still continue to hold investments. The preservation of our capital whilst maximising our income is of paramount importance when managing the investments.
- 5.3 Interest payable on debt and minimum revenue provision for debt repayment will start to feature as a significant cost to the Council over the medium term. In managing our debt portfolio we aim to strike a balance between securing low interest costs and achieving cost certainty over the period for which the borrowing is required.
- 5.4 The adoption of the Capital and Investment Strategy is designed to mitigate these risks.

Guildford Borough Council Medium Term Financial Plan

Corporate Plan

- 6.1 The Council's Corporate Plan was developed for the 5-year period April 2018 to March 2023 and includes bold ambitions for service delivery for the future. Following the local election in May 2019, the Corporate Plan is currently undergoing a review to reflect the political priorities of the new Council, however, this has been delayed due to the covid-19 pandemic. The budget for 2021-22 includes projects proposed as part of the existing corporate plan and some new projects to address the Council's new priorities. Many of the priorities within the plan involve significant investment in services to address climate change, housing and infrastructure to deliver the outcomes.
- 6.2 The capital and investment strategy has been developed with the aims of realising the Council's Corporate Plan and the political priorities of the new Council, raising the quality of life for residents and improving the long term financial planning process. The capital strategy demonstrates that the Council takes capital expenditure and investment decisions in line with the corporate plan and Council priorities and takes account of stewardship, value for money, prudence, sustainability, and affordability in the decision-making process. The first five years of the capital strategy are the capital programme. The capital programme (both general fund and HRA) is significant and includes potential investment in key projects to support our corporate plan such as:-
- Investment in new mixed-housing schemes at various sites such as Guildford Park, Bright Hill, Weyside Urban Village (Slyfield) and various infill sites
 - Increased investment in acquiring land and property for affordable housing development
 - HRA property regeneration and intensification
 - Investment in residential accommodation for rent (through the Council's subsidiary company, North Downs Housing Ltd)
 - Improvements to the Council's assets to improve energy efficiency and address the impact of climate change
 - Regeneration schemes in the Town Centre and Weyside Urban Village
 - Provision of a new railway station at Guildford West (Park Barn)
 - Investment in transport infrastructure & sustainable transport routes (town centre, west guildford & cycling)
- 6.3 The capital and investment strategy splits the capital programme between 'income generating and redevelopment schemes' which will be required to meet a target level of return to proceed, 'infrastructure schemes' which will contribute to economic

growth and development but may not necessarily have a direct income stream to the Council, and 'essential schemes' that are necessary to maintain the Council's assets and deliver services. To ensure the affordability of the capital programme, we have suggested a limit on the total number of essential and infrastructure schemes that can be undertaken in any one year to ensure that the revenue implications of the schemes can be afforded by the Council's general fund revenue account. The income generating and redevelopment schemes are anticipated to provide a net overall increase in income or reduction in cost to the Council's general fund revenue budget and therefore positively contribute towards the Council's future financial sustainability.

- 6.4 To finance the capital strategy, a variety of funding sources, such as capital receipts, capital reserves, revenue contributions, S106 contributions and borrowing will be required. Unless the Council is able to generate capital receipts it will need to borrow from its own internal resources, or the market. Any borrowing will have a direct impact on the revenue budget, as there is a requirement to charge a minimum revenue provision (MRP) for the use of borrowing as well as interest payments. The impact of MRP is included within the general fund revenue budget. Whilst the 5-year capital programme is ambitious, the capital strategy assumes that there will be some capital receipts or revenue income arising, particularly from the redevelopment schemes that will offset some of the expenditure in the long-term.

General Fund Savings and Income

- 7.1 As part of the drive to continue to deliver services with fewer resources, the Council is undertaking a transformation programme to remodel services, achieve savings and increase income to achieve a sustainable financial future. Since 2013-14, the Council has generated a total of £7.5 million in savings and £6.8 million in additional income.
- 7.2 The budget assumes a further £3.4m savings can be achieved between 2021-22 to 2023-24, most of these savings are because of the Future Guildford transformation programme.

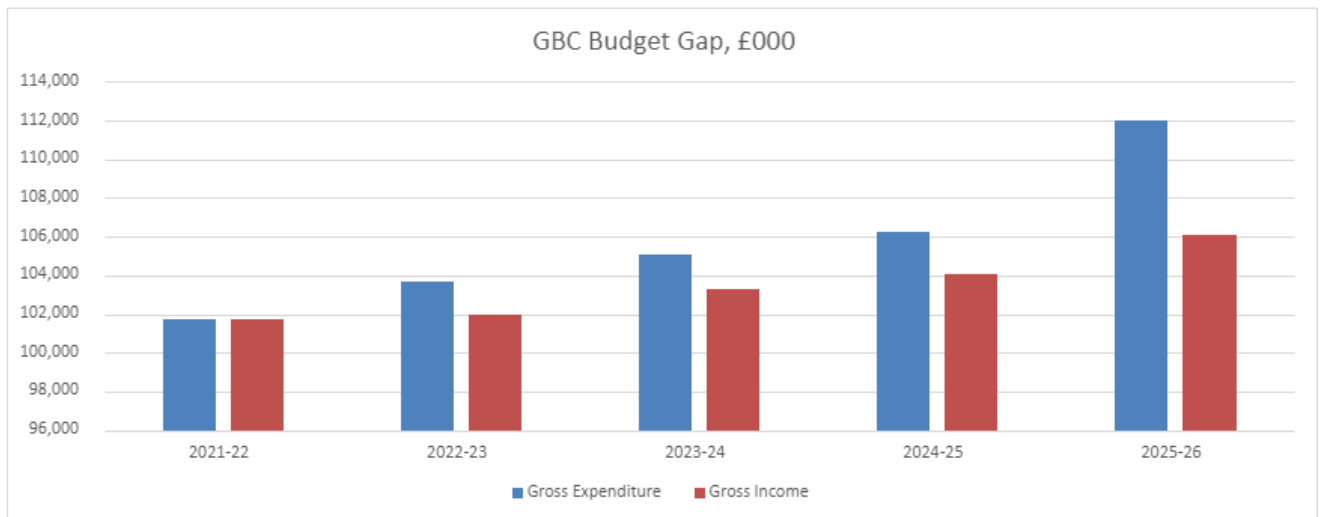
General Fund Medium Term Financial Strategy

- 8.1 The medium-term financial strategy (MTFS) and new capital and investment strategy provide a framework within which we will prepare annual spending plans. In essence, it sets a framework for our spending plans and use of resources over the medium term, ensuring that we have a sustainable financial future.
- 8.2 We have reworked the financial projections to 2025-26 at a summary level, but many of the assumptions (for example, interest rate movements and MRP) could be significantly different.
- 8.3 Officers prepared the medium term figures using the assumptions in the table below. The Executive approved the assumptions at its meeting on 24 November 2020. These assumptions are for outline planning purposes only and have been reviewed and updated throughout the budget process. They will be subject to further review and update before detailed estimates are prepared for each financial year.

	2021-22 %	2022-23 %	2023-24 %	2024-25 %	2025-26 %
General inflation	0.0	2.0	2.0	2.0	2.0
Pay award	0.0	2.0	2.0	2.0	2.0
Pay Increments	2.0	2.0	2.0	2.0	2.0
Increases in fees and charges	0.0	3.0	3.0	3.0	3.0
Income reduction due to COVID19	-5.0	-2.0	-2.0	-1.0	0.0
Council Tax	2.83	1.94	1.94	1.94	1.94
Housing rents	0.0	2.0	2.0	2.0	2.0
Council Tax Base	-0.84	1.3	1.57	1.52	1.24
Vacancy Factor	2%	2%	2%	2%	2%
Government Settlement Funding Assessment (SFA)	nil	£442k Reduction	£588k Reduction	£735k Reduction	£735k Reduction

8.4 Approved capital project expenditure and a percentage of provisional capital expenditure is built into the cash flow projections. The statutory MRP relating to the capital-financing requirement (the underlying need to borrow) has been built in with reference to the life of the assets involved, in accordance with the MRP policy within the Capital Strategy.

8.5 Given these assumptions, our projections show that there is a gap between projected income and expenditure over the period 2021-22 to 2025-26 as demonstrated below.



Year	GBC Budget, £000				
	2021-22	2022-23	2023-24	2024-25	2025-26
Gross Expenditure	101,724	103,658	105,105	106,241	112,026
Gross Income	101,724	101,973	103,278	104,064	106,096
Budget Gap (difference between Expenditure and Income)	(0)	1,685	1,828	2,177	5,930

- 8.6 We estimate that the funding gap totals approximately £5.9 million over the plan period (to 2025-26). However, sensitivity analysis shows this could be within the range £0.5 million to £7.5 million.
- 8.7 A budget gap of £1.6 million is currently projected for 2022-23. The gap arises due to
- a projected £1.4 million decrease in net retained business rates following the fair funding review and business rate reform,
 - a projected £1.0million increase in the minimum revenue provision due to the increase in the Council's capital programme and the need to borrow to finance this expenditure,
 - A projected increase of £1.1million in interest payments as a result of the need to borrow to finance the Council's capital programme.
 - The above points are offset by additional £1.6million savings of from the Future Guildford programme and an increase in council tax income of around £400,000.
- 8.8 Senior Officers are acutely aware of the need to retain a firm grasp on controlling expenditure, efficiency programmes and budget monitoring. In particular, controlling the impact of the Council's capital programme on the general fund revenue account.
- 8.9 As outlined in paragraph 7.2, the medium-term budget gap already assumes that further savings and additional income identified as part of the Future Guildford Programme and shown in the list of savings and growth at **Appendix 3** can be achieved. There is a risk that if the savings and income proposals are not achieved then the budget gap will be higher.
- 8.10 For some years, the Council has identified a gap between available resources and projected expenditure over the medium term. During 2018-19, to address the shortfall, the Managing Director, in consultation with the Leader of the Council, launched the Future Guildford Transformation Programme. The review is a detailed cross-organisational review of business processes, systems and operating structures. The Future Guildford transformation programme is currently being implemented. Phase A was completed in 2019-20 and Phase B in 2020-21 although the transition period will run into 2021-22.
- 8.11 There further savings identified as part of the Future Guildford programme that have not currently been included in the Council's medium-term financial plan as further assessment of their achievability and plans for their implementation need to be put in place. These savings along with other actions were set out in a savings strategy discussed with the Joint EAB and then agreed by Executive in November 2020. The savings strategy includes several work streams: -
- a. Review and potential reduction of the Council's discretionary services

- b. Review of the Council's capital programme and Major projects to reduce debt and interest costs
 - c. Review the Council's need for operational assets
 - d. Consideration of merging the Council with a neighbouring borough
 - e. Consideration of merging the Council with several other neighbouring boroughs and part of the County Council to create a Unitary Council (one of multiple unitary Council's in Surrey)
- 8.12 Many of the savings identified in the savings strategy will need to be actioned to balance the Council's budget over the medium term to 2025-26.

Housing Revenue Account (HRA)

- 8.13 The HRA business plan and budget report sets out the changing legislative framework within which the we operate the council's HRA.
- 8.14 Since HRA self-financing in 2012, the Council has maintained a policy of not re-paying its HRA debt. This has enabled significant surplus' to be accumulated on the HRA which have been transferred to earmarked reserves to finance new build affordable housing and on-going investment in existing housing stock. In addition, the Council ring fences all capital receipts from the sale of council houses under the right to buy (RTB) scheme for re-investment into new build affordable housing and regeneration.
- 8.15 The Council has ambitions to significantly expand its HRA capital programme across a range of sites. The Government's decision to remove the HRA borrowing cap in 2018-19, along with the use of RTB receipts and HRA earmarked reserves offers the Council substantial capacity to deliver new homes across its 30-year business plan.

Robustness of Estimates

- 9.1 The budget process was started in November 2020 and the inflation assumptions outlined in paragraph 8.3 above were used in the preparation of the 2021-22 estimates outlined in the budget report.
- 9.2 Staffing costs have been included based on the Full Time Equivalent (FTEs) included within the establishment and charged to the General Fund (approximately 720).
- 9.3 A composite loss allowance of 2.5% has been assumed within the calculation of the council tax base.
- 9.4 The effects of the capital programmes have been considered both in the revenue budget and in predicting cash flow for investment purposes.
- 9.5 Service level risk assessments are in place as part of the service plan for each service area. The corporate risks are included in the corporate risk register. We complete a financial risk register, which is reported as **Appendix 4**. This outlines the main financial risks the Council will face in terms of operating within its budget for 2021-22. In addition to assessing the risks, as set out in paragraph 8.6, we carry out a sensitivity analysis of the budget gap against changes in the key assumptions.
- 9.6 The Joint Executive Advisory Board (at its meeting in November 2020) and the Executive (at its meeting in November 2020) considered the outline budget in detail.

The Joint EAB considered the Capital and Investment Strategy report and the Housing Revenue Account Budget at its meeting in January 2021 and Executive considered the final reports on 26 January 2021. The main actions included in the list of Savings in Appendix 3 have previously been considered by the Joint EAB. Further actions set out in the savings strategy approved by Executive in November 2020 will be considered by the Executive Advisory Boards in the future.

Financial Resilience and the adequacy of reserves and balances

- 10.1 Since 2018-19, the Chartered Institute of Public Finance and Accountancy (CIPFA) has produced a financial resilience index in response to concerns within the local government sector and central government about the financial resilience of some local authorities following the significant funding reductions incurred by the sector since 2013-14.
- 10.2 The financial resilience index shows how the Council compares to other similar authorities across a basket of financial indicators based on its 2018-19 accounts and a trend analysis of changes since 2017-18. The analysis can be found on the CIPFA Website (<https://www.cipfa.org/services/financial-resilience-index/financial-resilience-index>). Guildford compares well on the analysis to other authorities with the majority of indicators showing that the Council is at low risk of financial stress. Key determinants of the Council's position are its comparatively high level of reserves, a low reliance on government grant, and a high reliance on council tax, net retained business rates and other locally raised revenue to finance expenditure on delivery of services. It is worth noting that this analysis has not been updated yet for 2019-20 accounts and does not reflect the impact of the Covid-19 pandemic.
- 10.3 There are two indicators within the financial resilience index which currently show as just above average risk, they are the 'ratio of interest payable to net revenue expenditure' and the 'overall level of gross external debt'. The indicators are slightly skewed for Guildford at present as they do not distinguish between the HRA and the General Fund. At present the external debt and the majority of the interest payable relates to the HRA and is comfortably funded from Council Housing tenant rents rather than by Council tax. In addition, looking solely at the overall level of debt without looking at the value of assets held by the Council only provides part of the picture. However, given the Council's ambitious capital programme, these indicators are forecasted to deteriorate as external debt and therefore interest payable will increase over time and the percentage of interest funded by the Council tax rather than Housing rent will also increase, creating pressure on the Council's general fund and therefore Council tax. Whilst I prefer to look at the gearing ratio (see below) rather than the overall level of debt, I will be keeping the indicators under review, particularly the 'ratio of interest payable to net revenue expenditure', and will advise Councillors accordingly on the financial sustainability of the Council.
- 10.4 In addition to the CIPFA financial resilience indicators, as part of the capital and investment strategy we have introduced a series of local indicators which look at:
- Gearing ratio (total debt / total assets)
 - Total debt as a % of long term assets
 - Ratio of equity by net revenue expenditure
 - Un-ringfenced reserves as a % of net revenue expenditure
 - Working capital as a % of net revenue expenditure
 - Short term liability pressure (short term liabilities as a % of total liabilities)
 - Total investments as a % of net revenue expenditure
 - Investment property as a % of net revenue expenditure

Other indicators have also been proposed by government. The indicators will be included in the statement of accounts, the capital and investment strategy and the Council's financial monitoring reports.

- 10.5 The indicators currently show that the council is in a relatively healthy financial position compared to the local government sector and its gearing ratio is projected to remain between 30% and 38% over the medium-term period. However, as with the CIPFA resilience index, the indicators do not currently show the impact of the Covid-19 pandemic.
- 10.6 The value of General Fund revenue reserves, as at 1 April 2020 was £48.1 million. The estimated value of all revenue reserves over the plan period is:

Reserve	Actual 2019-20 Balance £ million	Projected 2020-21 Balance £ million	Projected 2021-22 Balance £ million
General Fund Reserves	3.7	3.7	3.7
Housing Revenue Account (HRA) Reserve	2.5	2.5	2.5
Earmarked GF Reserves	44.4	30.8	23.0
Earmarked HRA Reserves	101.6	102.8	112.1
Capital Contributions	0.5	0	0
Useable Capital Receipts Reserve (General)	0	0	0
Useable Capital Receipts Reserve (housing related)	13.9	14.2	15.0
Total Useable Reserves	166.6	154.2	156.4

- 10.7 The earmarked GF revenue reserves include some earmarked reserves held for specific purposes (for example, Insurance) and SPA contributions. The service specific reserves and SPA contributions would need to be replaced if used to support the general budget. This approach, which enables the Council to even out the impact of significant costs, is considered prudent.
- 10.8 The earmarked HRA revenue reserves and usable capital receipts reserves are substantial, which as described in paragraphs 8.12 to 8.14, affords the Council significant finance for its existing HRA capital programme and offers an opportunity to significantly expand its housing development and regeneration programme.
- 10.9 The General Fund revenue balance (working balance) is maintained at £3.75 million, and the HRA working balance is maintained at £2.5 million which are considered adequate levels. The level of available reserves held by the Council's general fund will significantly decrease between April 2020 and March 2022 however, they are still considered sufficient to cover the financial risks identified on the financial risk register shown at **Appendix 4** and are also sufficient to cover the medium term projected budget gap if the actions identified at paragraph 8.11 are not progressed.

Budget risks

- 11.1 The Council faces many risks to the successful delivery of a balanced budget. The Financial Risk Register at **Appendix 4** quantifies the risks and demonstrates that the general reserves and those held for risk management purposes are adequate to cover the risks. The major risks are explained in more detail below.
- 11.2 **National economic volatility.** Particular consideration will need to be given to the following in the budget proposals:
- Loss of rental income on investment properties
 - Loss of interest from investments arising from bank base rates remaining at a low level for longer than expected
 - Increase in housing benefit claimants and bad debts
 - Potential increase in homelessness
 - Loss of income from Fees and Charges, particularly parking
- 11.3 **Delivery of savings and income.** The Council has embarked on transformation programme to deliver savings and income generation required to balance the budget over the medium term. If the programme is not be delivered on target it will affect the Council's ability to contain expenditure within budget in year, thus potentially reducing reserves and will increase the budget gap in future years of the medium term financial plan.
- 11.4 **Regeneration.** The Council is likely to promote regeneration of parts of the town centre where we are a landowner, in order to promote better use of our assets and better transportation links. All will necessitate the identification and acceptance of an appropriate level of risk and return. There are three major capital regeneration schemes during the medium-term budget period: North Street, Weyside Urban Village, and parts of the town centre along the river corridor. These schemes are schemes that only happen once in a generation and we would not normally expect the Council's on-going capital programme to include schemes of this size under normal operating cycles. Taking these schemes forward will have significant financial risks for the Council but are expected to deliver significant benefits in terms of housing, economic growth and potential income for the Council. Officers are currently looking at alternative legal structures and delivery mechanisms to help us manage those risks. In particular, the Weyside Urban Village Scheme will carry significant financial risk to the Council. The scheme requires the Council to undertake significant upfront investment and the time lag between the investment and the eventual sale of land or property will be a number of years meaning that inflation and interest costs have a significant impact on the scheme viability. The Council will seek to understand the level of risk and mitigate wherever possible.
- 11.5 **Capital Programme.** As a consequence of the corporate plan, the Council has an ambitious capital programme, in order to invest in the Borough, and Council services, to deliver the targets within the corporate plan. The decision on how each individual scheme is funded will be taken as part of a further, more detailed, business case for each scheme, than that submitted as part of the bids included within the capital programme report.

- 11.6 The capital programme for 2021-22 to 2025-26 shows the Council has an underlying need to borrow of £400 million. The revenue impact of borrowing includes:
- borrowing costs
 - interest
 - on-going operating costs and
 - where known, income associated with each scheme.
- 11.7 The revenue implications of the capital programme are included within the Council's general fund revenue budget and contribute towards its medium term financial plan budget gap.
- 11.8 To meet its medium to long-term financial commitments, the Council will need to generate further capital receipts, transformation efficiencies, additional revenue income and capital grant income and contributions.
- 11.9 **Business rates retention scheme.** There continues to be volatility in our business rate income due to voids, appeals, revaluations and bad debts. This uncertainty makes it difficult to accurately budget for business rate income and close monitoring through the year is crucial to identify any shortfalls at an early stage. If a large business chose to close or relocate away from Guildford, it would adversely affect our income.
- 11.10 As outlined in Section 3, the government are proposing to introduce significant changes to local government finance in future which adds considerable uncertainty in projecting the medium-term financial position for the Council. I expect that the Council's settlement funding assessment will be reduced by government as part of the fair funding review, as government will look to re-allocate resources into high demand services such as social care and will continue to expect local authorities to contribute towards meeting national austerity targets. This is likely to mean that the baseline need to spend for the Council will reduce and the tariff payable by the Council under the business rates retention scheme could increase. In addition, on implementation of business rate reform all previous business rate growth which the Council has benefitted from since 2013-14 will be lost as part of 'resetting' the business rate baseline. The impact of increasing the tariff adjustment is that Guildford will retain less business rates locally than it does now. The Council currently keeps approximately 3-5% of the business rates collected.

Conclusion

- 12.1 The Council faces many challenges over the medium term. We have an exciting and ambitious corporate plan and will continue to have a high demand for some of our services, particularly relating to welfare and environmental services. Continued reductions in Government funding mean that we have a gap between projected expenditure and funding that we will have to address and which we intend to address through continuing to implement our future guildford transformation programme and savings strategy presented agreed by Executive in November 2020.
- 12.2 The Council started the 2020-21 financial year in a good financial position, we have a strong balance sheet, with a high asset base, significant level of reserves, good diversity in our income streams, significant level of liquidity and a reasonable gearing ratio. However, Covid-19 has had a significant impact on the Council's level of reserves during the year and those reserves are significantly lower as we move into 2021-22. In order to maintain our strong financial position and financial stability into the future the Council needs to ensure that it pushes forward with the remainder of

Agenda item number: 12

Appendix 1

the future guildford transformation project and its newly adopted savings strategy to deliver the efficiencies necessary to balance our budget in the medium term. I recommend that the Council seeks to avoid any further reduction in general fund reserves over the medium term.

Claire Morris, BEng (Hons), FCPFA, Cert IPSFR
Director of Resources and Chief Finance Officer

Council (5 Feb 2020)

Council 10 Feb 2021

GENERAL FUND SUMMARY	Estimate 2020-21 £	Projection 2021-22 £	Projection 2022-23 £	Projection 2023-24 £	Projection 2024-25 £	Projection 2025-26 £
Directorates - Net Expenditure						
Strategy Directorate						
Services Directorate						
Resources Directorate						
Community Services	(314,990)	(791,000)	(890,000)	(896,000)	(931,840)	(969,114)
Corporate Services	0	0	0	0	0	0
Development	0	0	0	0	0	0
Planning and Regeneration	3,142,170	3,518,000	3,525,000	3,583,000	3,726,320	3,875,373
Environment	11,556,920	11,788,000	11,581,000	11,390,000	11,845,600	12,319,424
Managing Director	783,410	(560,000)	(555,000)	(549,000)	(570,960)	(593,798)
Resources	0	0	0	0	0	0
Finance	11,820,880	6,364,000	6,395,000	8,404,000	8,740,160	9,089,766
Total Directorate Level	26,988,390	20,319,000	20,056,000	21,932,000	22,809,280	23,721,651
<i>Provisional Growth bids not yet included in Directorate budgets</i>	964,000	3,114,327	2,072,206	2,300,792	1,964,168	1,964,168
<i>Provisional savings not yet removed from Directorate budgets</i>	(2,471,425)	(4,840,400)	(5,523,650)	(6,034,550)	(6,627,300)	(6,627,300)
<i>Potential increase in Pension contributions following valuation</i>		0	0	0	0	0
<i>Prepayment of Secondary pension Fund contributions</i>						
Depreciation (contra to directorate budgets)	(8,813,830)	(8,791,000)	(8,791,000)	(8,791,000)	(8,791,000)	(8,791,000)
Directorate level excluding depreciation	16,667,135	9,801,927	7,813,556	9,407,242	9,355,148	10,267,519
External interest (receivable)/payable (net)	(1,172,935)	(682,726)	497,515	465,649	355,909	127,824
Interest payable to Housing Revenue Account	531,550	481,700	450,450	450,450	450,450	450,450
Minimum Revenue Provision	1,639,171	1,534,915	2,553,942	3,340,805	4,134,636	7,632,947
Revenue income from sale of assets	0	0	0	0	0	0
Revenue Contributions to Capital Outlay (RCCO)						
Met from: Capital Schemes reserve	0	0	0	0	0	0
Other reserves	537,000	537,000	537,000	537,000	537,000	537,000
General Fund	0	0	0	0	0	0
Total before transfers to and from reserves	18,201,921	11,672,816	11,852,463	14,201,146	14,833,143	19,015,740
Transfers to and from reserves						
Capital Schemes reserve						
<i>Funding of Revenue Contribution to Capital Outlay</i>	0	0	0	0	0	0
<i>Contribution in year</i>	0	0	0	0	0	0
Budget Pressures Reserve	0	0	0	0	0	0
Business Rates Equalisation reserve	(946,454)	(17,640,563)	2,005,920	68,094	7,456	7,456
Car Park Maintenance reserve	272,950	63,000	168,000	225,000	283,000	283,000
Election Costs reserve	62,500	63,000	63,000	63,000	63,000	63,000
Insurance reserve	0	0	0	0	0	0
IT Renewals reserve	542,710	543,000	543,000	543,000	543,000	543,000
Invest to Save reserve	(10,000)	250,000	250,000	250,000	250,000	250,000
Energy Management reserve	0	0	0	0	0	0
New Homes Bonus reserve	351,019	(298,000)	113,000	0	0	0
On Street Parking reserve	(260,070)	(260,000)	(260,000)	(260,000)	(260,000)	(260,000)
Pensions Reserve (Statutory)	0	0	0	0	0	0
Recycling Reserve	0	0	0	0	0	0
Spectrum reserve	188,843	193,000	196,000	200,000	204,000	204,000
Carry Forward Items	0	0	0	0	1	1
Other reserves	(477,090)	112,000	115,000	118,000	118,000	118,000
Total after transfers to and from reserves	17,926,329	(5,301,747)	15,046,383	15,408,240	16,041,600	20,224,197
Business Rates Retention Scheme payments						
Business Rates tariff payment	33,119,290	31,844,000	31,200,000	31,800,000	32,500,000	33,150,000
Business Rates - levy / (safety net) payment to/ (From) MHCLG	810,933	100,000	0	0	0	0
Non specific government grants						
s31 grant re BRR scheme	(1,959,000)	(1,308,138)	0	0	0	0
s31 grant re Council Tax	0	(100,000)	0	0	0	0
Reduction to SFA following fair funding review	0	0	441,460	588,641	735,760	735,760
COVID Funding	0	(622,690)	0	0	0	0
Other grant - SFA multiplier compensation & lower tier services	0	(389,546)	0	0	0	0
New Homes Bonus grant	(851,019)	(192,251)	(113,000)	0	0	0
GUILDFORD BOROUGH COUNCIL NET BUDGET	49,046,533	24,029,628	46,574,843	47,796,881	49,277,360	54,109,957
Parish Council Precepts	1,876,544	1,935,225	0	0	0	0
TOTAL NET BUDGET	50,923,077	25,964,853	46,574,843	47,796,881	49,277,360	54,109,957
Business Rates - retained income	(34,713,245)	(33,727,000)	(34,200,000)	(34,900,000)	(35,600,000)	(36,312,000)
Revenue support grant	0	0	0	0	0	0
Collection Fund (surplus)/deficit - Business Rates	(4,140,430)	20,120,077	0	0	0	0
Collection Fund (surplus)/deficit - Council Tax	0	(30,274)	43,020	43,020	0	0
COUNCIL TAX REQUIREMENT	12,069,402	12,327,656	12,417,863	12,939,901	13,677,360	17,797,957
Council tax requirement excluding Parish Precepts	10,192,858	10,392,431	12,417,863	12,939,901	13,677,360	17,797,957
Tax base	57,645.39	57,159.40	57,902.44	58,812.32	59,706.72	60,446.32
Band D Tax (Borough Only)	176.82	181.81	214.46	220.02	229.08	294.44
% Increase	2.91%	2.82%	17.96%	2.59%	4.12%	28.53%
Band D Tax (incl Parishes)	209.37	215.67	214.46	220.02	229.08	294.44
Target increase per annum	1.90%	2.83%	1.94%	1.94%	1.94%	1.94%
Council tax @ target increase	176.82	181.82	185.35	188.94	192.61	196.35
Borough Council demand for target tax rise	10,192,858	10,392,431	10,732,060	11,112,180	11,500,020	11,868,340
Current demand	10,192,858	10,392,431	12,417,863	12,939,901	13,677,360	17,797,957
Cumulative Budget Gap	-0	0	1,686,000	1,828,000	2,177,000	5,930,000
In year budget gap	-0	0	1,686,000	142,000	349,000	3,753,000

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APPENDIX 3 - SUMMARY OF GROWTH AND SAVINGS INCLUDED ON THE GENERAL FUND SUMMARY

		Revenue Costs	Revenue Savings	Revenue Costs	Revenue Savings	Revenue Costs	Revenue Savings	Revenue Costs	Revenue Savings	Revenue Costs	Revenue Savings
NAME	DESCRIPTION	2020/21	2020/21	2021/22	2021/22	2022/23	2022/23	2023/24	2023/24	2024/25	2024/25
River Control flood emergencies (B8111 D9437)	The saving was discussed as part of the FG process and was agreed the Director - emergency budget to be viewed as revenue contingency		(10,000)		(10,000)		(10,000)		(10,000)		(10,000)
Snow and Ice- salt (K1555 B1296)	The saving was discussed as part of the FG process and was agreed by the Director - budget to be viewed as revenue contingency		(10,000)		(10,000)		(10,000)		(10,000)		(10,000)
Future Guildford - phase A	Savings from the staff restructure under taken in FG Phase A		(1,300,000)		(1,300,000)		(1,300,000)		(1,300,000)		(1,300,000)
Future Guildford - Phase B	Savings from the staff restructure undertaken in FG Phase B. 90% of saving assumed to impact on the general fund rest has been allocated to HRA		(1,110,625)		(2,656,300)		(2,656,300)		(2,656,300)		(2,656,300)
Reduce vacancy factor	An adjustment of -4% is made to staff establishment budgets to account for vacancies during the year, following the FG restructure this has been reduced to 2% as anticipate lower vacancy levels			177,000		177,000		177,000		177,000	
Legal Services	From FG service challenge process. Reduce external Legal Services costs		(42,000)		(42,000)		(42,000)		(42,000)		(42,000)
Traveller Transit Site	Growth bid to contribute an annual contribution to Surrey Wide transit site - report to be agreed by Executive in Feb 2021			7,000		7,000		7,000		7,000	
Street Cleansing	Reduced Transport related expenditure of £20,000 as a result of service challenge /service plan review / work done for the TECKAL.				(20,000)		(20,000)		(20,000)		(20,000)
Hard to reach properties	From service challenge process. Relates to reducing waste collection costs through changing service to hard to reach properties		(45,000)		(45,000)		(45,000)		(45,000)		(45,000)
Reduction in Printing costs	Service Challenge Saving - reduction in printing costs as a result of removing printed version of About Guildford (£40k saving) and a reduction in printing committee agendas (£45k saving)				(85,000)		(85,000)		(85,000)		(85,000)
Mayoralty Service Challenge Review	Removal of budgets for Mayors Car & Chauffeur (net £25k savings after additional mileage claim accounted for) and removal of mayor's theme budget				(45,000)		(45,000)		(45,000)		(45,000)
Park and Ride Service Challenge Review	Savings resulting from removing the weekend service at Spentrum P&R site and corresponding reduction in Bus Subsidy. Further £300k savings to be achieved in 2022-23 onwards as per project mandate				(40,000)		(340,000)		(340,000)		(340,000)
Asset Management Strategy & Plan	Part of FG Commercial income saving - additional Investment property income from new asset investment strategy approved in 2020-21				(350,100)		(544,350)		(677,250)		(826,000)

		Revenue Costs	Revenue Savings	Revenue Costs	Revenue Savings	Revenue Costs	Revenue Savings	Revenue Costs	Revenue Savings	Revenue Costs	Revenue Savings
NAME	DESCRIPTION	2020/21	2020/21	2021/22	2021/22	2022/23	2022/23	2023/24	2023/24	2024/25	2024/25
Strategy and Communiactions	Staff restructure as per paper to CMT on 24th November 2020; Deletion of Senior Policy Officer (Performance and Programme Governance) and regrading of two other Senior POlicy officerss from Band 8 to Band 9 & PMO officer from Band 5 to Band 6.				(46,000)		(46,000)		(46,000)		(46,000)
Gypsy Site management	Transfer site management to SCC		(1,000)		(2,000)		(2,000)		(2,000)		(2,000)
Procurement savings	FG Procurement Strategy & Plan savings		(37,800)		(189,000)		(378,000)		(756,000)		(1,200,000)
Procurement temp staff	Temp Staff costs to implement the procurement savings action plan as per procurement strategy		150,000	150,000		150,000		150,000		150,000	
Town Centre Management Master plan	Growth bid approved as part of 2020-21 Budget relating to work on the TCMP - funded from New Homes Bonus reserve	500,000		460,000							
Carbon Emissions Footprint & zero emissions trajectory	Growth bid approved as part of 2020-21 Budget	186,000		131,000		115,000		115,000		115,000	
Drinking water filling points	Growth bid approved as part of 2020-21 Budget	58,000								0	
Oak Processionary Moth	Growth bid approved as part of 2020-21 Budget	30,000		30,000		30,000		30,000		30,000	
ICT annual license fees	Increase in the ICT annual revenue licensing budget for the technology brought in under FG - eg, Salesforce, BusinessWorld, Open Revenues. As per FG Blueprint business case approved by Council in Feb 2019.			393,707		631,000		631,000		631,000	
Car Parks Maintenance reserve	One-off reduction as per 2020-21 Budget	190,000									
Salary increments	growth for salary increments (assume 1% pay). Need to keep in budget until detailed salaries budget completed for each year then can be removed to ensure not double counted.					299,573		305,562		305,562	
COVID Contingency Budget - income loss	Assume income losses will continue to be covered by SFC scheme in 2021-22 based on 2020-21 budgets but that GBC needs to cover the first 5% income loss (excl property rents) for the first 3 months. Assume 2% ongoing loss 2022-23 reducing to 1% in 2024-25 as per budget assumptions approved by Executive November 2020.			1,142,930		662,633		673,248		336,624	

		Revenue Costs	Revenue Savings	Revenue Costs	Revenue Savings	Revenue Costs	Revenue Savings	Revenue Costs	Revenue Savings	Revenue Costs	Revenue Savings
NAME	DESCRIPTION	2020/21	2020/21	2021/22	2021/22	2022/23	2022/23	2023/24	2023/24	2024/25	2024/25
COVID - ongoing pandemic costs contingency budget	Figure matches the COVID grant announcement from government - contingency budget to deal with additional service costs as a result of COVID 19. Anticipate needing to use most of it to continue to fund support for the Leisure management Contract, COVID marshalls and food parcels etc			622,690							
Leisure Partnership Agreement Contingency budget	The LPA is due to be retendered in Nov 21. Current working assumption is that the current arrangement will be extended by 2 years. With revised arrangements to be put in place for 2023-24			0		0		211,982		211,982	
Total		964,000	(2,406,425)	3,114,327	(4,840,400)	2,072,206	(5,523,650)	2,300,792	(6,034,550)	1,964,168	(6,627,300)

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FINANCIAL RISK REGISTER 2021-22

Appendix 4

	Category	Risk Score	Action	Action Owner	TOTAL Financial Risk Estimate
	Finance				
	Funding delayed or unavailable, income reduced or costs increased or reserves used because ...				
O 01	Unable to achieve additional meter income built into Budget in respect of Off Street Parking Charges.	112.00	<ul style="list-style-type: none"> • Monitor income against budget and consider other charging options to meet potential shortfall. • Reduce operating costs • Town centre development, business development 	Waste, Parking and Fleet Services Manager	£ 1,502,333
O 02	Unable to recover arrears from investment property and industrial estates tenants.	120.00	<ul style="list-style-type: none"> • Review rents • Agree payment plans • Actively pursue recovery of all arrears. Take swift action against non-payers to prevent large arrears building up. 	Head of Assets	£ 519,980
O 03	Business Rates liabilities for investment assets exceed estimates	32.00	<ul style="list-style-type: none"> • Market vacant properties quickly. Look at alternative lettings for void properties, e.g. short term lets, charity lets etc., to avoid rates liability • 	Head of Assets	£ 20,000

	Category	Risk Score	Action	Action Owner	TOTAL Financial Risk Estimate
	Finance				
O 04	Underachievement of Future Guildford Transformation savings	72.00		Director of Resources	£ 339,999
O 05	Serious case reviews on behalf of other authorities. Risk of incurring the costs of investigation regarding a serious case review. It is difficult to predict if and when this may occur	64.00	•unable to mitigate	Director of Service Delivery	£ 16,667
O 06	Collapse of major contractor eg, Leisure Services, Parking Services (Pay by Phone) or Cultural Services	16.00	Due diligence and credit checking of major contractors. Contract monitoring. Step in rights on the Leisure contract by GLL. Officer step in rights on Glive contract. Weekly cash transfer on pay by phone contract	Leisure Services Manager	£ 1,194,214

	Category	Risk Score	Action	Action Owner	TOTAL Financial Risk Estimate
	Finance				
O 07	SCC provision and funding of Park and Ride, both existing and new sites or termination of the agency agreement with SCC for on-street parking enforcement in Waverley.	48.00	Effective liaison with local committee. Seek bus contract savings and alternative income sources	Waste, Parking and Fleet Services Manager	£ 524,246
O 08	Risk of additional administration costs of new legislation and fines arising as a result of breaches in legislative duties (eg, data protection, information management, corporate manslaughter, air quality management)	16.00	The Board is moving on with GDPR preparations, no costs have been planned for this during 2018-19. Civica will certainly charge for changes and if we multiply this across all the GBC systems it could be a substantial sum.	Director of Resources	£ 1,255,254
O 09	Loss of external funding from Enterprise M3 or Homes and Community Agency (HCA) due to project slippage or government reducing funding to EM3 / HCA - revenue impact of capital schemes	32.00	Monthly budget monitoring of capital grant claim income by accountants and project managers. Representation at LEP board and working groups. Regular Liaison meetings with HCA.	Director of Resources	£ 514,781

	Category	Risk Score	Action	Action Owner	TOTAL Financial Risk Estimate
	Finance				
O 10	Loss of income from external grounds maintenance contracts with SCC highways and Kings College	8.00	SCC contract renewed for another 4 years, Kings college contract being reviewed in 2016	Parks and landscape manager	£ 8,071
O 11	Housing benefit processing errors leading to DWP claim qualification	14.00	Have extra checking in place since 2014-15, and we are being very careful and checking the work of resources from Civica OnDemand. New assessors will be trained and will have their work checked	Exchequer services manager	£ 5,381
O 12	Increased risk of judicial reviews and the legal costs associated with defending the council. Risk of JR due to opposition to strategic development sites within local plan.	60.00	<ul style="list-style-type: none"> Detailed project planning and following due process, use of legal planning expertise 	Director of Service Delivery	£ 33,333

	Category	Risk Score	Action	Action Owner	TOTAL Financial Risk Estimate
	Finance				
O 13	Reduction in the council's baseline need to spend following the fair funding review and introduction of 75% business rates retention in 2021	12.00	<ul style="list-style-type: none"> •Medium term financial plan that is based on prudent assumptions, sensitivity testing of future budget assumptions to be introduced , consider targetting transformation programme to overachieve by 20% 	Director of Resources	£ 6,667
O 14	Treasury Management Counter Party Bail in	16.00	Effective treasury management strategies, policies and controls. Use of Professional Advisors.	Financial Services Manager	£ 20,000
O 15	S106 Clawback and/or collection risk	54.00	we don't tend to add a claw back clause on monies for applicants on new section 106 agreements and where these types of clauses do exist there tends to be wording along the lines of where the monies is unallocated, committed or unspent	Financial Services Manager	£ 83,333

	Category	Risk Score	Action	Action Owner	TOTAL Financial Risk Estimate
	Finance				
O 16	Increased cost of planning appeals due to applications arising on unplanned sites in the Local Plan	54.00		Planning Development Manager	£ 16,667
O 17	Major Emergency / Civil Incident or Severe Weather event	256.00	Effective Emergency Planning and Government Bellwin Scheme. Adequate general fund balances.	Director of Service Delivery	£ 3,834,295
O 18	Capital programme & Regeneration schemes - unavoidable scheme costs that can't be met by capital contingency fund or cost escalation due to complexity of regeneration schemes (revenue implications due to low capital balances)	64.00	Business planning process and training of Budget / Capital Project managers. Effective capital programme monitoring and oversight group.	Financial Services Manager	£ 666,665

	Category	Risk Score	Action	Action Owner	TOTAL Financial Risk Estimate
	Finance				
O 19	Capital Programme & Regeneration scheme - impact of projects on capital vision coming forward earlier than expected (revenue implications due to low capital balances)	8.00	•Business planning process and training of Budget / Capital Project managers. Effective capital programme monitoring and oversight group.	Financial Services Manager	£ 100,000
O 20	Capital programme & Regeneration schemes - revenue impact of slippage in programme by 12 months (MRP / Interest cost reduction)	64.00	Business planning process and training of Budget / Capital Project managers. Effective capital programme monitoring and oversight group.	Financial Services Manager	£ 166,666

	Category	Risk Score	Action	Action Owner	TOTAL Financial Risk Estimate
	Finance				
O 21	Implementation of the Community Infrastructure Levy - impact of reduced S106 income	72.00	Draft scheme consulted on during 2014.15 but implementation delayed along with local plan. Seek identification of alternate funding options for openspace, sports and recreation space or play spaces prior to implementation. CIL may produce more money than S106 and it does provide greater flexibility in terms of what it can be spent on but the vast majority will go to highways, schools.	Planning Policy Manager	£ 18,832
O 22	SCC Financial Sustainability; possible impact of local government re-organisation should SCC not be sustainable beyond 2020.	48.00	Representation on work streams to ascertain early warning of changes and cost pressures. Process requires political support.	Director of Resources	£ 66,666
O 23	Increase in benefit claimants and bad debts	84.00	•unable to mitigate	Exchequer services manager	£ 188,318

	Category	Risk Score	Action	Action Owner	TOTAL Financial Risk Estimate
	Finance				
O 24	Potential increase in homelessness	84.00	<ul style="list-style-type: none"> •Review homelessness management and consider outsourcing •Consider buying properties to increase housing stock •Investigating alternative methods of provision for emergency accommodation to reduce cost 	Housing Advice Manager	£ 33,333
O 25	Loss of interest from investments arising from bank base rates remaining at a low level for longer than expected	256.00	<ul style="list-style-type: none"> •Treasury Management Strategy focussed on investment diversification, risk management and control of investments and borrowing 	Financial Services Manager	£ 126,119
O 26	1 % Loss of income from Fees and Charges	48.00	<ul style="list-style-type: none"> •Budget monitoring and corrective action 	Director of Resources	£ 350,096
O 27	Inability to achieve savings required to close the medium term budget gap	256.00	Tight Monitoring of savings strategy and plans	Director of Resources / CMT	£ 390,532

	Category	Risk Score	Action	Action Owner	TOTAL Financial Risk Estimate
	Finance				
O 28	Business Rates Retention Scheme (BRRS) volatility; impact of higher than anticipated appeals	48.00	•Use of BRRS reserve	Director of Resources	£ 433,834

Level of Reserves required as per risk register	£ 12,436,281
--	---------------------

Level of Expected Reserves Available 31st March 2021

General Fund (GF) reserve	£ 3,748,000
GF earmarked reserves available to manage financial risks (and would not necessarily have to be replaced)	£ 8,811,000
GF earmarked reserves that would need to be replaced if used (eg, sinking funds, SPA endowments, renewals & maintenance funds etc)	£ 21,997,000
	£ 34,556,000

Guildford Borough Council

Budget Survey 2021

Report (V02)
January 2021



Prepared by



Contents

Headline Findings.....	3
Introduction	4
Background	4
Report structure.....	4
Sample / Methodology	5
Telephone Methodology – Breakdown	5
Online Methodology – Breakdown.....	6
Main Findings.....	8
Concerns and support.....	8
Council Services	12
Appendices.....	19
Questionnaire	19
Quota Targets – Telephone Consultation	25
Confidence level and interval overview.....	26

Headline Findings

As local authorities and people respond and adapt to the current Coronavirus pandemic, residents across Guildford are most concerned about its impact on the wider economy. More than 9 in every 10 residents responding to a telephone consultation, representative of the Borough, stated they are worried to some degree about this impact together with 8 in every 10 respondents who responded to an online consultation, open to all residents across Guildford.

Residents revealed they are also worried about the impact of the pandemic on the health and wellbeing of family and friends with more than two-thirds of telephone respondents (71%) and 65% of online respondents showing concern for this aspect. Residents also harbour anxieties about the effect on the local community; a concern shared by more than three-fifths (63%) of telephone respondents and three-quarters (79%) of online respondents.

Residents across both cohorts tended to be less worried, overall, about the personal impact of the pandemic with less than a fifth (17%) of telephone respondents and a third (36%) of online respondents stating they were worried about their own mental health and wellbeing.

When taking into account all residents who responded to the consultation, 4% said that either themselves or their family had accessed support provided by Guildford Borough Council during the pandemic (3% telephone respondents and 5% online respondents). Residents who accessed support tended to be older or identified as having a disability; the main form of support accessed tended to be food parcels and deliveries, advice and financial support.

When asked to consider council services in terms of importance, priority and spending, residents across both consultations were almost unanimous in rating services to the elderly and vulnerable highest for each aspect. On average, telephone respondents attributed a score of 8.90 out of 10 to this service in terms of importance whereas online respondents agreed on an average of 8.33, placing environmental services as slightly more important (8.90). Both cohorts rated services to the elderly and vulnerable their highest priority on average when scoring on a scale of ten (telephone 9.10, online 8.68) and also felt funding for this service area should be most protected when scoring on a scale of ten (telephone 9.24, online 8.68).

Other services that scored highly in terms of the three aspects of importance, priority and spending were public health and safety, economic services and environmental services, the latter being more prevalent amongst online respondents.

Arts and heritage and tourism services were consistently attributed the lowest scores on average by respondents who participated in the survey, the two provisions making up the lowest ranked services for each aspect of importance, priority and spending within both strands of the consultation. Transport and parking and public facilities were also perceived as less important services by residents across both consultations.

Introduction

Background

Guildford Borough Council are committed to providing high quality and good value services to meet the needs of the local community.

Guildford Borough Council have been working for some years to make sure they deliver these services in the most cost-effective way. This has already resulted in efficiency savings of £9million and £6.8 million of additional income since 2013-14 and further efforts will continue to reduce the cost of services. However, reductions in central government funding and the coronavirus pandemic have had a major impact on the Council's finances and will continue to do so.

Guildford Borough Council are currently working on the basis that another £3 million needs to be saved next year, rising to £4.2 million by 2023-24. As part of that process, the Council would like to understand residents' views on where they think savings should be made and what the Council's priorities for spending should be. Guildford Borough Council wants to find out which services are important to residents and which are not so important.

The Council would also like to understand how the coronavirus pandemic has impacted on residents, so that they can continue to support those in need and plan for the recovery of the local community and economy.

In addition to an online consultation, hosted on the council's website, SMSR Ltd, an independent research company was commissioned to undertake a telephone survey with residents to help the Council understand their views.

Report structure

This report includes headline findings for each question combined with insight on differences between the two strands of the consultation – telephone and online. It should be noted that when the results are discussed within the report, often percentages will be rounded up or down to the nearest one per cent. Therefore, occasionally figures may add up to 101% or 99%. Due to multiple responses being allowed for the question, some results may exceed the sum of 100%.

Trends identified in the reporting are statistically significant at a 95% confidence level. This means that there is only 5% probability that the difference has occurred by chance (a commonly accepted level of probability), rather than being a 'real' difference. Unless otherwise stated, statistically significant trends have been reported on.

Sample / Methodology

It was important that the methodological approach to the consultation was robust and wide-reaching and therefore it was decided that a combination of methodologies would be utilised to ensure representation and inclusivity.

An interviewer led, CATI telephone questionnaire was designed by SMSR in conjunction with staff from Guildford Borough Council. The survey script was mirrored and adapted for an online consultation open to all residents in the Borough via an online link located on the council's website. A copy of the survey can be found in the appendices.

A total of 1,100 residents participated by telephone; a further 381 residents completed the questionnaire online. The breakdown for each sample is as follows:

Telephone Methodology – Breakdown

To ensure the research was robust and reflected the profile of the local community, a representative sample of 1100 residents was completed via telephone methodology which included members of the Guildford Borough Council Citizens' Panel. This representative sample provides a confidence level of 95% with a confidence interval of +/- 3%. An explanation of confidence intervals can be found in the appendices.

Telephone interviews were conducted using random quota sampling to maximise representation across the borough. Sample data was drawn from several, GDPR compliant sources, including the Council's Citizens' Panel, to extend the scope of potential participants as much as possible. Target quotas for age, gender and ethnicity were set using the most recent ONS figures available and the sample included representation from each of the wards within the borough. Telephone interviewing took place between November 2020 and January 2021. The full breakdown of the sample is set out below:

Gender	Number	Percentage
Male	535	49%
Female	565	51%
Transgender	0	0%
Other	0	0%

Age	Number	Percentage
16-24	164	15%
25-34	191	17%
35-44	187	17%
45-54	195	18%
55-64	156	14%
65+	207	19%

Ethnicity	Number	Percentage
White	1053	96%
BAME	45	4%
Prefer not to say	2	0%

Disability	Number	Percentage
Yes	108	10%
No	990	90%
Prefer not to say	2	0%

Online Methodology – Breakdown

An online version of the questionnaire was also made available to local residents, with the council promoting the link via its website and various social media platforms. A total of 381 residents participated in the online consultation, this sample provides an overall confidence level of 95% with a confidence interval of +/- 5%. However, the consultation was open to all residents and is less robust statistically and representative of the Borough than the telephone consultation. The results of the online consultation have been presented separately in the report. The online survey link was open from November 2020 to January 2021. The full breakdown of the sample is set out below:

Gender	Number	Percentage
Male	190	50%
Female	172	45%
Transgender	2	1%
Other	1	0%
Prefer not to say	16	4%

Age	Number	Percentage
16-24	7	2%
25-34	28	7%
35-44	78	20%
45-54	66	17%
55-64	79	21%
65+	105	28%
Prefer not to say	18	5%

Ethnicity	Number	Percentage
White	334	88%
BAME	6	2%
Prefer not to say	41	11%

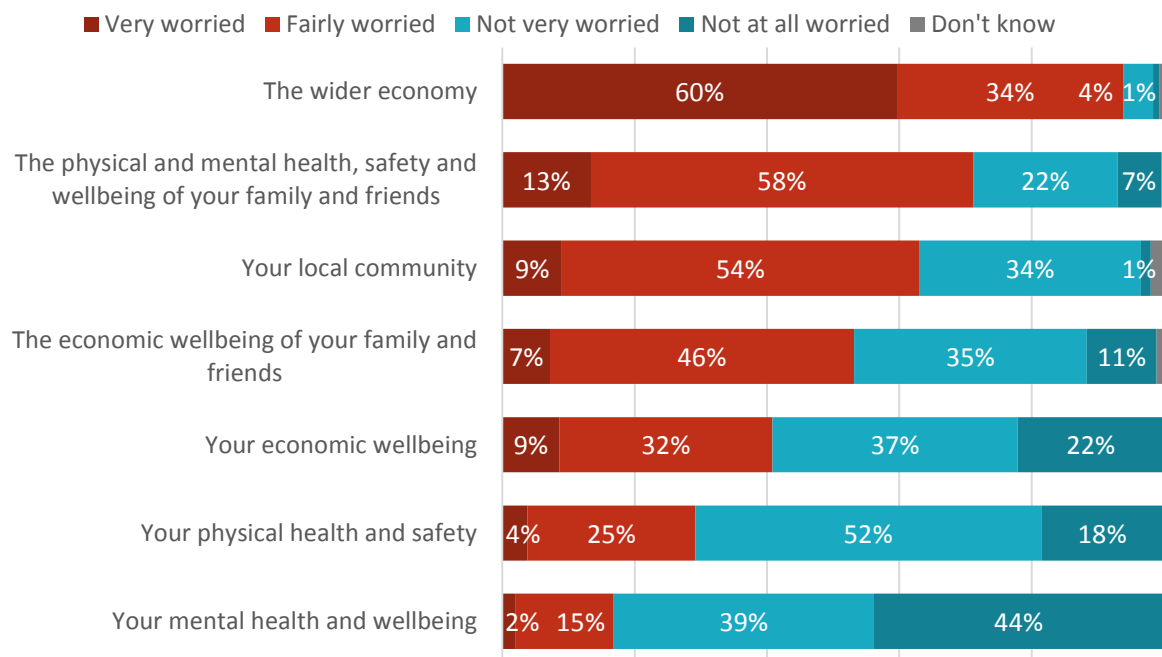
Disability	Number	Percentage
Yes	54	14%
No	303	80%
Prefer not to say	24	6%

Main Findings

Concerns and support

Respondents were initially asked to state how worried they feel personally about the coronavirus pandemic and its ongoing impact upon a number of important issues.

As we recover from the coronavirus pandemic, how worried, if at all, do you feel personally about its ongoing impact upon the following issues? (Telephone n=1100)



Those interviewed as part of the representative telephone survey felt most worried about the wider economy with 9 in every 10 stating they were worried to some degree and three-fifths (60%) revealing they were very worried. More than two-thirds (71%) admitted they were worried about the health, safety and wellbeing of family and friends and more than three-fifths (63%) had concerns about their local community.

Despite concerns about family and friends, less than a fifth (17%) said they were worried about their own mental health and wellbeing. A slightly higher percentage (29%) felt worried about their own physical health and safety and two-fifths (41%) had fears about their economic wellbeing. In general, residents tended to show more concern for the wider community and family and friends as opposed to personally.

Similar findings were extracted from the sample of residents who responded online:

As we recover from the coronavirus pandemic, how worried, if at all, do you feel personally about its ongoing impact upon the following issues? (Online n=381)



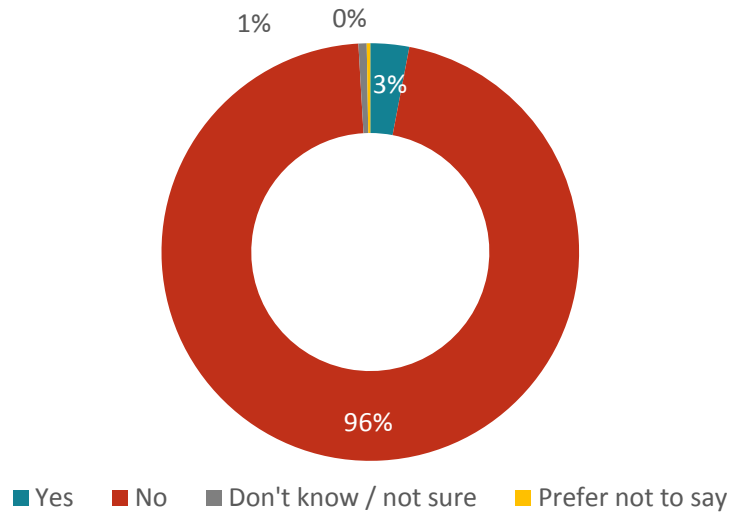
The vast majority of those who responded to the online consultation said they were worried about the impact of Coronavirus on the wider economy with more than 8 in every 10 sharing these concerns. More emphasis on concerns about the impact on the local community was recorded amongst this cohort with more than three quarters (79%) stating they were worried about this aspect.

Moreover, personal concerns were again outweighed by fears for the wider impact of the pandemic and family and friends amongst online respondents. However, slightly higher levels of concern were recorded for mental health and wellbeing (36%), economic wellbeing (42%) and physical health and safety (45%) amongst this group.

Agenda item number: 12
Appendix 5

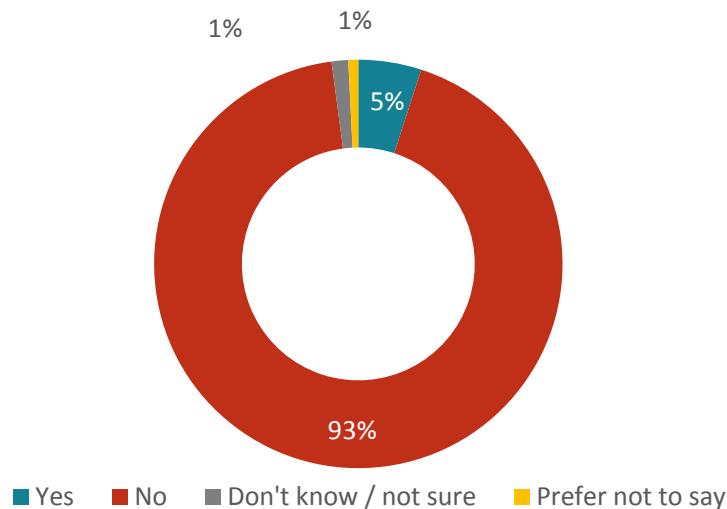
Respondents were asked if they had accessed any support provided by Guildford Borough Council during the pandemic:

Have you or your family accessed any support provided by the Council during the pandemic? (Telephone n=1100)



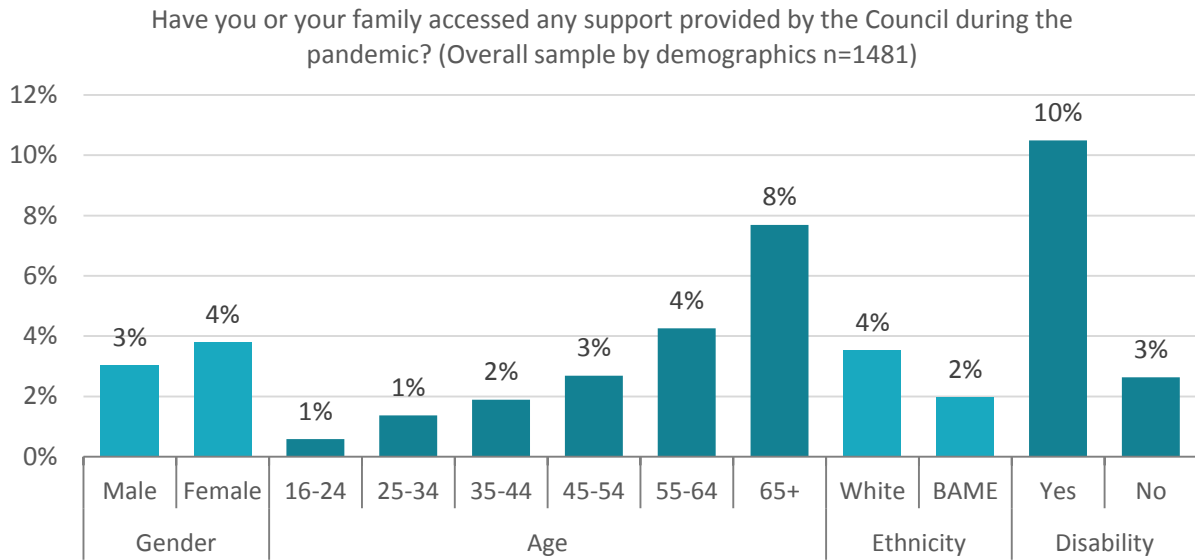
Just 3% of those who participated in the representative telephone survey confirmed they or their family had accessed support provided by the Council during the pandemic; the vast majority stating they had not accessed help.

Have you or your family accessed any support provided by the Council during the pandemic? (Online n=381)



A slightly higher percentage of online participants said they had sought support from Guildford Borough Council during the pandemic, however, access was still low at just 5%.

The two samples were compiled to view any relationships between specific demographics and accessing support:



Although the overall sample of those accessing support was relatively low, it was found that older residents were more inclined to have accessed support from the Council during the pandemic (65+, 8%) together with respondents who identified as having a disability (10%).

Prevalent sources of support from the Council included food parcels and deliveries, advice, financial support, and prescription deliveries.

Council Services

Respondents were then asked look at a series of council services and to use a scale to rate each service in terms of importance, priority, and spending, starting with importance:

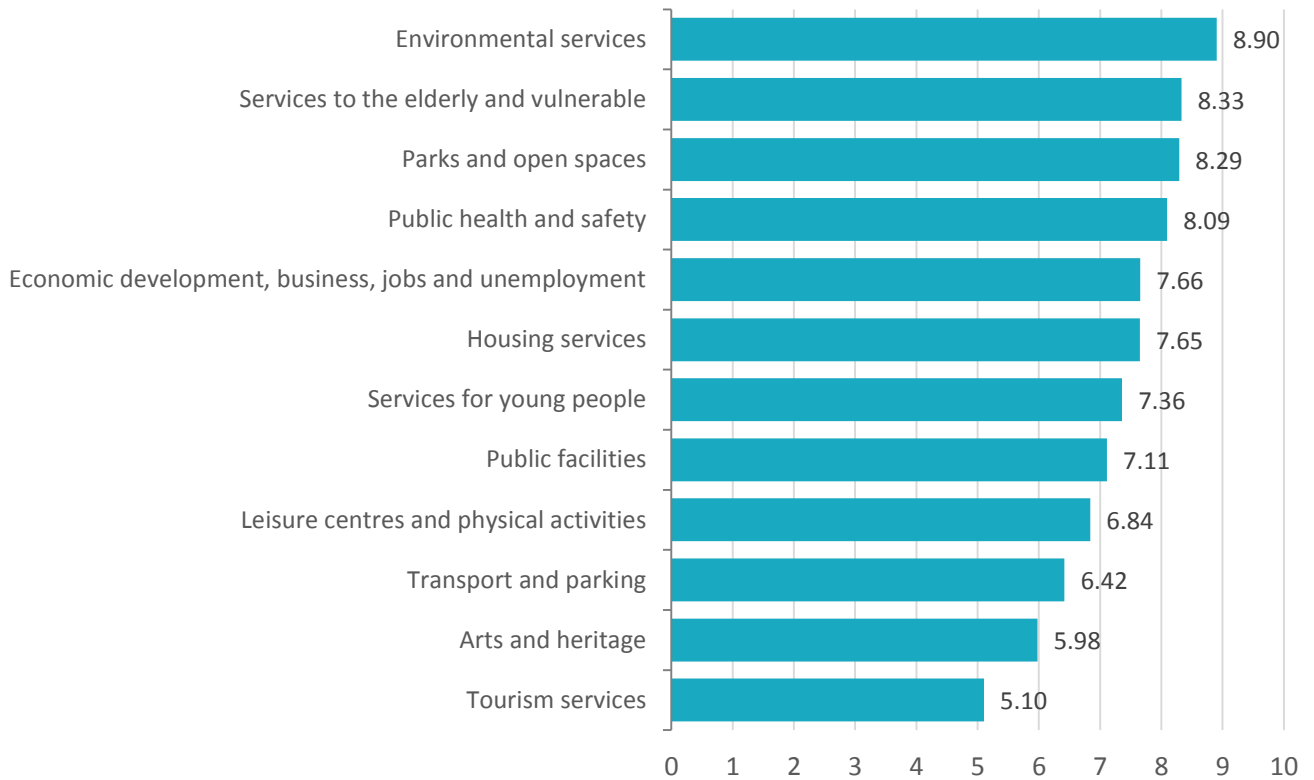
Please tell us how much you value the following services, using a scale of 1-10 with 1 being not important at all and 10 being extremely important. Mean Scores (Telephone n=1100)



On average, respondents who participated in the representative telephone consultation valued services to the elderly and vulnerable (8.81), public health and safety (8.55) and economic development (8.47) as most important. Furthermore, environmental and housing services also scored higher than 8 (8.33 and 8.27 respectively). The levels of value placed on the top three services are, perhaps, foreseeable in light of the current pandemic and do seem to mirror concerns expressed earlier in the questionnaire around the economy and wellbeing.

The least value was placed upon arts and heritage (5.99) and tourism services (6.05), which perhaps could be considered less pertinent provisions amidst the current circumstances, together with public facilities (6.72) and transport and parking (6.81).

Please tell us how much you value the following services, using a scale of 1-10 with 1 being not important at all and 10 being extremely important. Mean Scores (Online n=381)



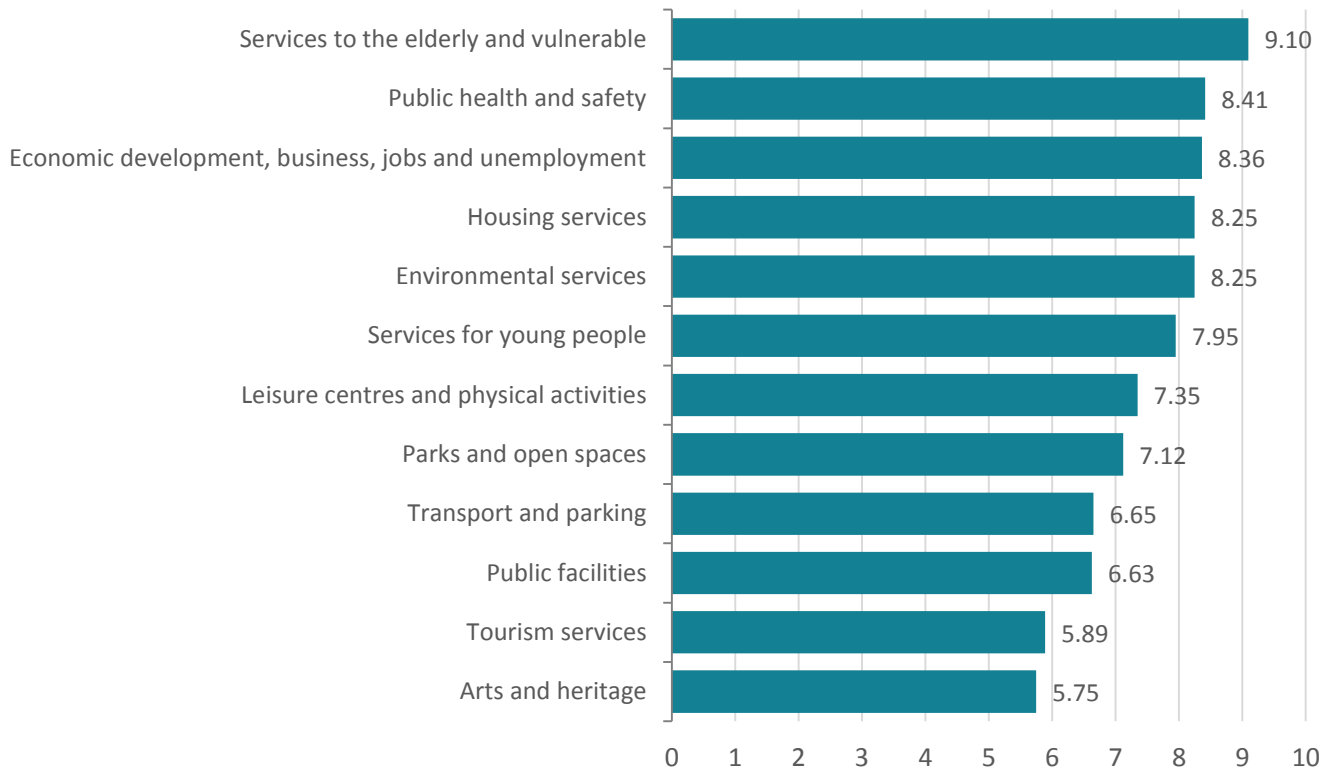
When observing results from the online consultation, services to the elderly and vulnerable (8.33) and public health (8.09) also scored highly, however, most importance was placed on environmental services (8.90). The provision of parks and open spaces also scored highly (8.29) at the expense of economic services (7.66).

Tourism services (5.10) together with arts and heritage services (5.98) were seen to be the least important by online respondents as also seen in the representative sample.

Agenda item number: 12
Appendix 5

Respondents were then asked to prioritise the same list of services, using a similar scale of 1 to 10 with 10 being a high priority:

Which Council services do you think it is most important to prioritise? Please rate each service using a scale of 1-10 with 1 being not a priority at all and 10 being a high priority.
Mean Scores (Telephone=1100)



Services for the elderly and vulnerable were again deemed paramount, being the highest rated priority amongst the representative sample (9.10). Public health (8.41), economic services (8.36), housing services (8.25) and environmental services (8.25) were all perceived to be high priority services amongst residents.

Arts and heritage (5.75) and tourism services (5.89) were again rated lowest for this aspect (priority) compared with the previous question with public facilities (6.63) and transport and parking (6.65) also thought to be lower priorities.

The ranking of services in terms of priority was seen to be almost identical to the order in which residents responding to the telephone surveys valued each service.

Which Council services do you think it is most important to prioritise? Please rate each service using a scale of 1-10 with 1 being not a priority at all and 10 being a high priority.
Mean Scores (Online n=381)



Services to the elderly and vulnerable were also deemed to be the top priority from the list by online respondents (8.68), reinforcing this provision as the highest priority amongst residents across the Borough. Environmental services (8.27) were also seen as a top priority amongst online respondents, reflecting the value placed on this issue amongst this cohort.

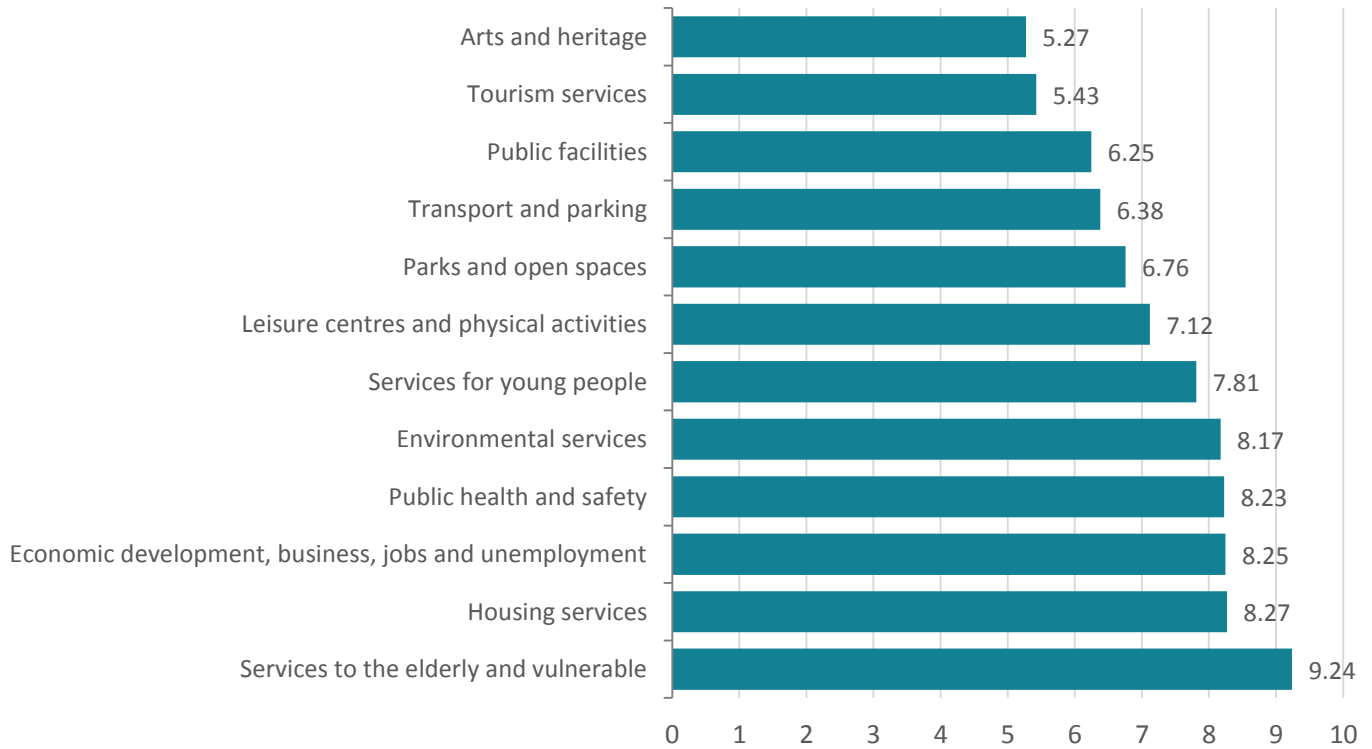
In line with previous trends, less emphasis was placed on tourism services (4.62), arts and heritage (5.47), transport and parking (6.18) and leisure centres and physical activity (6.50).

As found in the representative sample, the amount of value placed on each service amongst online respondents was reflected in the ranking of services as a priority. Online respondents tended to place more priority on services related to natural resources (environmental and open spaces) than residents responding via the telephone survey.

Agenda item number: 12
Appendix 5

Lastly, residents were again asked to use a scale of 1 to 10 and rate to what extent, which services Guildford Borough Council should consider stopping or reducing spending on:

What services should the council consider stopping or reducing spending on? Please rate each service using a scale of 1-10 with 1 being stopping spending completely and 10 continuing to fully fund the service. Mean Scores (Telephone n=1100)



In keeping with lower levels of importance and prioritisation placed on arts and heritage and tourism services, residents responding to the representative consultation felt that spending could be retracted the most for these services. Where 10 represented fully funding a service, arts and heritage scored, on average, the lowest figure of 5.27, followed by tourist services (5.43). Public facilities (6.25) and transport and parking (6.38) also rated lower amongst this cluster of respondents.

Together with being ranked most important and the highest priority amongst telephone respondents, services to the elderly and vulnerable was rated highest in terms of funding, scoring 9.24 on average. Other services that residents felt deserved more funding protection were housing services (8.27), economic services (8.25), public health and safety (8.23) and environmental services (8.17).

The services that residents felt Guildford Borough Council could reduce spending on were largely reflective of earlier ratings attributed to services in terms of importance and priority.

What services should the council consider stopping or reducing spending on? Please rate each service using a scale of 1-10 with 1 being stopping spending completely and 10 continuing to fully fund the service. Mean Scores (Online n=381)



Furthermore, online respondents further supported a reduction in spending on tourism services (4.33) and arts and heritage (5.17) together with transport and parking (5.95) and leisure centres and physical activities (6.39).

Services to the elderly and vulnerable were judged to be worthy or near full funding (8.68) with environmental services (8.15), public health and safety (7.81) and parks and open spaces (7.58) all receiving higher ratings.

When considering the overall sample of respondents, a clear steer emerges. Services to the elderly and vulnerable are considered vital by residents across the Borough for all aspects (importance, priority, spending) whereas arts and heritage and tourism services are perceived as least critical.

The table below sets out the combined results of the telephone and online consultation into rankings, based on the mean score provided for each service for each aspect. The services are ordered by the overall ranking – based on the total score in rank for each aspect. The lowest score being the highest ranked service, overall.

Service	Importance	Priority	Spending	OVR
Services to the elderly and vulnerable	1	1	1	1
Environmental services	2	3	2	2
Public health and safety	3	2	3	3
Economic development, business, jobs, and unemployment	4	4	5	4
Housing services	5	5	4	5
Services for young people	6	6	6	6
Parks and open spaces	7	7	7	7
Leisure centres and physical activities	8	8	8	8
Public facilities	9	9	9	9
Transport and parking	10	10	10	10
Arts and heritage	11	11	11	11
Tourism services	12	12	12	12

Appendices

Questionnaire

Guildford Borough Council

Budget Survey 2020

Introduction

Good afternoon / evening. My name's (use full name) I'm calling on behalf of Guildford Borough Council from SMSR Ltd who have been commissioned to conduct an important survey about local service priorities in your area.

Guildford Borough Council are committed to providing high quality and good value services to meet the needs of the local community.

Guildford Borough Council have been working for some years to make sure that we deliver these services in the most cost-effective way. This has already resulted in efficiency savings of £9million and £6.8 million of additional income since 2013-14 and further efforts will continue to reduce the cost of our services. However, reductions in central government funding and the coronavirus pandemic have had a major impact on the Council's finances and will continue to do so.

Guildford Borough Council are currently working on the basis that we need to save another £3 million next year, rising to £4.2 million by 2023-24. As part of that process, The Council would like your views on where you think savings should be made and what our priorities for spending should be. They want to find out which services are important to you and which are not so important.

The Council would also like to understand how the coronavirus pandemic has impacted on you, so that we can continue to support those in need and plan for the recovery of the local community and economy.

In compliance with GDPR you are able to withdraw your consent at any point during or after the interview and we can provide contact details for both Guildford Borough Council and SMSR at any point if you so wish. The data is being collected in accordance with the MRS Code of Conduct and will only be used by Guildford Borough Council. Data collected will not be used for marketing purposes and the interview will take around ... minutes.

If respondent wishes to check validity of research, offer the following contact details: SMSR Ltd - Freephone 0800 1380845 and speak to Lee Atkinson (Project manager) or call the Market Research Society freephone on 0800 975 9596.

If you wish to speak to confirm the validity of this research with Guildford Borough Council - please contact during office hours.

Rec Interviews are recorded for monitoring and training purposes. Do you give your consent for this interview to be recorded?

Yes

No.....

Agenda item number: 12
Appendix 5

Q1 As we recover from the coronavirus pandemic, how worried, if at all, do you feel personally about its ongoing impact upon the following issues?

	Very worried	Fairly worried	Not very worried	Not at all worried	Don't know
Your physical health and safety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your mental health and wellbeing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The physical and mental health, safety and wellbeing of your family and friends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your economic wellbeing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The economic wellbeing of your family and friends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The wider economy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your local community	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q2a Have you or your family accessed any support provided by the Council during the pandemic? This could include a community helpline, welfare calls, food parcels, meals on wheels, information or guidance.

- Yes
- No.....
- Don't know / not sure
- Prefer not to say

Q2b If yes, please state which services you or your family have accessed:

We're now going to ask for your views on a series of Council services, such as support for the elderly, waste and recycling, parks, public health, arts, heritage, physical activity and housing.

Q3 Please tell us how much you value the following services, using a scale of 1-10 with 1 being not important at all and 10 being extremely important.

	1	2	3	4	5	6	7	8	9	10
<u>Services to the elderly and vulnerable</u> (Prompt: community transport, meals on wheels and day centres)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Environmental services</u> (Prompt: waste collection, recycling, street cleansing and dealing with litter)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Public facilities</u> (Prompt: public conveniences, street furniture, bus shelters, bins and signs)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Parks and open spaces</u> (Prompt: parks, countryside, open spaces and sports pitches)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Public health and safety</u> (Prompt: protecting public health, food standards, pollution and environmental control, pest control and animal welfare)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Economic development, business, jobs and unemployment</u> (Prompt: support for the local economy, business, jobs, unemployment and the town centre)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Tourism services</u> (Prompt: support for tourism, including the tourist information centre)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Arts and heritage</u> (Prompt: Guildford Museum, Guildford House Gallery and support for arts organisations such as the Yvonne Arnaud Theatre)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Housing services</u> (Prompt: housing advice, homelessness and emergency housing accommodation and managing council housing)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Leisure centres and physical activities</u> (Prompt: Guildford Spectrum, Ash Manor Sports Centre and Guildford Lido)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Services for young people</u> (Prompt: play areas, events and activities for young people, youth and community centres)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Transport and parking</u> (Prompt: park and ride services, car parks and parking)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Agenda item number: 12
Appendix 5

Q4 Which Council services do you think it is most important to prioritise? Please rate each service using a scale of 1-10 with 1 being not a priority at all and 10 being a high priority.

	1	2	3	4	5	6	7	8	9	10
Services to the elderly and vulnerable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environmental services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and open spaces	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public health and safety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development, business, jobs and unemployment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tourism services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and heritage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Housing services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leisure centres and physical activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Services for young people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transport and parking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q5 What services should the council consider stopping or reducing spending on? Please rate each service using a scale of 1-10 with 1 being stopping spending completely and 10 continuing to fully fund the service.

	1	2	3	4	5	6	7	8	9	10
Services to the elderly and vulnerable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environmental services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and open spaces	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public health and safety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development, business, jobs and unemployment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tourism services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and heritage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Housing services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leisure centres and physical activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Services for young people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transport and parking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

About you

Finally, a couple of questions about yourself, so that we can understand the views of a whole range of people...

- Q6 What is your gender?
 - Male
 - Female
 - Transgender
 - Other
 - Prefer not to say

- Q7 To which of the following age groups do you belong?
 - 16-24
 - 25-34
 - 35-44
 - 45-54
 - 55-64
 - 65+
 - Prefer not to say

- Q8 Which of these activities best describes what you are doing at present?
 - Employee in full-time job (30 hours or more a week)
 - Employee in part-time job (under 30 hours a week)
 - Self-employed
 - In full-time or part time education/training
 - Not currently working/unemployed (including if on long-term sickness or disability or looking after the home or family)
 - Retired.....
 - Doing something else.....
 - Prefer not to say

- Q9 Do you have any long-standing illness, disability or infirmity (long-standing means anything that has troubled you over a period of time or that is likely to affect you over a period of time)?
 - Yes
 - No.....
 - Prefer not to say

Agenda item number: 12
Appendix 5

- Q10 What is your ethnic group? Are you Asian, Black, or of a mixed background, White, or of another ethnic group?
- Asian or Asian British – Indian
 - Asian or Asian British – Pakistani.....
 - Asian or Asian British – Bangladesh
 - Asian or Asian British - Any other Asian background
 - Black or Black British - Caribbean.....
 - Black or Black British – African
 - Black or Black British – Any other Black background
 - Asian or Asian British – Chinese
 - Mixed –White and Black Caribbean
 - Mixed – White and Black African.....
 - Mixed – White and Asian.....
 - Mixed – Any other mixed background.....
 - White – English / Welsh / Scottish / Northern Irish.....
 - White – Irish
 - White – Any other white background
 - White – Gypsy or Traveller.....
 - Other
 - Prefer not to say

Q11 What is your postcode

Thank you for completing this survey

Quota Targets – Telephone Consultation

As part of the telephone consultation, quota targets were set, based on the latest Office of National Statistics data for the population of Guildford. Data for those aged 16 and under was removed before calculating the targets. Targets were set for Gender, Age and Ethnicity to ensure results were based on a sample, representative of the Borough.

The targets are set out below:

Gender	Number	Percentage
Male	544	49%
Female	556	51%

Age	Number	Percentage
16-24	180	17%
25-34	180	16%
35-44	191	17%
45-54	184	17%
55-64	152	14%
65+	210	19%

Ethnicity	Number	Percentage
White	1000	91%
BAME	100	9%

Respondents were selected by means of *stratified random sampling* alternatively known as *random quota sampling*. This method of sampling that involves the division of a population into smaller sub-groups known as strata. In stratified random sampling, or stratification, the strata are formed based on the population's shared attributes. Sample data was drawn from several, GDPR compliant sources, including the Council's Citizens' Panel, and randomised in a telephone dialler system to ensure each potential respondent in the data had an equal chance of being selected for interviewing.

Confidence level and interval overview

The confidence interval (also called margin of error) is the plus-or-minus figure usually reported in newspaper or television opinion poll results. For example, if you use a confidence interval of 4 and 47% percent of your sample picks an answer you can be "sure" that if you had asked the question of the entire relevant population between 43% ($47-4$) and 51% ($47+4$) would have picked that answer.

The confidence level tells you how sure you can be. It is expressed as a percentage and represents how often the true percentage of the population who would pick an answer lies within the confidence interval. The 95% confidence level means you can be 95% certain; the 99% confidence level means you can be 99% certain. Most researchers use the 95% confidence level.

When you put the confidence level and the confidence interval together, you can say that you are 95% sure that the true percentage of the population is between 43% and 51%. The wider the confidence interval you are willing to accept, the more certain you can be that the whole population answers would be within that range.

For example, if you asked a sample of 1000 people in a city which brand of cola they preferred, and 60% said Brand A, you can be very certain that between 40 and 80% of all the people in the city actually do prefer that brand, but you cannot be so sure that between 59 and 61% of the people in the city prefer the brand.

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SMSR
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**GUILDFORD BOROUGH COUNCIL
GENERAL FUND BUDGET 2021-22**

FEES AND CHARGES

	2020-21 from 1 April 2020 £	2021-22 from 1 April 2021 £	Increase %
To be approved by Council			
Gypsy Caravan Sites - Pitch Rental			
Ash Bridge & Cobbetts Close Sites (per week)	82.50	82.50	0.00%
Home Farm	85.50	85.50	0.00%
Stray Dogs			
A £25.00 statutory fee is included within the charge.			
1st day or part of day	120.00	120.00	0.00%
2nd day or part of day	140.00	140.00	0.00%
3rd day or part of day	161.00	161.00	0.00%
4th day or part of day	189.00	189.00	0.00%
5th day or part of day	218.00	218.00	0.00%
6th day or part of day	247.00	247.00	0.00%
7th day or part of day	285.00	285.00	0.00%
Microchipping of Dogs (England) Regulations 2015			
Microchipping of dog - seizure of dog, microchipping by vet and return to owner			
Fee no longer applicable			
Registration – Acupuncture, tattooing, etc.			
Premises and/or One Practitioner	245.00	245.00	0.00%
Per Additional Practitioner	93.00	93.00	0.00%
Food Hygiene Revisits	305.00	305.00	0.00%
Pest Control			
(The charges shown are based on the cost of labour, transport plus materials)			
Domestic Premises			
Wasps (max 1 nest per premise)	70.00 *	70.00 *	0.00%
Wasps (extra nest at same visit)	38.00 *	38.00 *	0.00%
Other Treatments	85.00 *	85.00 *	0.00%
Other Treatments (houses of multiple occupation)	120.00 *	120.00 *	0.00%
Rodents	Free of Charge	Free of Charge	
Domestic Premises where the main occupier is receiving income support or benefits			
Wasps (max 1 nest per premise)	38.00 *	38.00 *	0.00%
Wasps (extra nest at same visit)	38.00 *	38.00 *	0.00%
Other Treatments	55.00 *	55.00 *	0.00%
Rodents	Free of Charge	Free of Charge	

* = includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21	2021-22	Increase
	from 1 April 2020	from 1 April 2021	%
	£	£	
Services of Environmental Health Officer - per hour or part thereof	63.00 *	63.00 *	0.0%
Due to the England Local Authority review of fees and charges these may be subject to change			
Miscellaneous Extracts from Registers - Food Safety Act, per page. Under the Freedom of Information Act 2000 the charge is waived as the cost of collecting the fee is more than the charge.	Free of Charge	Free of Charge	
Sex Establishments - Fixed by Council Application fee	1,522.00	1,522.00	0.0%
Fee of Grant	155.00	155.00	0.0%
Contaminated Land & Air Quality Responding to enquiries about contaminated land – report with plan - First hour with administration Each additional hour <i>Note: for more extensive enquiries the fee is based on the hourly rate of the EHO added to the basic fee</i>	86.00 82.00	86.00 82.00	0.0% 0.0%
Private water supply Private water supply with a distribution network - investigation when a sample fails Large private water supply - risk assessment Large Private water supply - investigation when a sample fails Large Private water supply - analysing a sample taken during check monitoring group A parameters Large Private water supply - analysing a sample taken during check monitoring group B parameters Other private water supply not covered by regulation 8 and 9 supplies - risk assessment Other private water supply not covered by regulation 8 and 9 supplies - investigation when a sample fails Analysing a sample – Taken under regulation 10 Analysing a sample –Taken during check monitoring Analysing a sample –Taken during audit monitoring	Hourly rate £82.00 maximum £100 Hourly rate £82.00 maximum £500 Hourly rate £82.00 maximum £100 Hourly rate £82.00 maximum £100 Hourly rate £82.00 maximum £100 Hourly rate £82.00 maximum £500 Hourly rate £82.00 maximum £500 Hourly rate £82.00 maximum £100 Cost as charged by labs not exceeding £25 Cost as charged by labs not exceeding £100 Cost as charged by labs not exceeding £500	Hourly rate £82.00 maximum £100 Hourly rate £82.00 maximum £500 Hourly rate £82.00 maximum £100 Hourly rate £82.00 maximum £100 Hourly rate £82.00 maximum £100 Hourly rate £82.00 maximum £500 Hourly rate £82.00 maximum £500 Hourly rate £82.00 maximum £100 Cost as charged by labs not exceeding £25 Cost as charged by labs not exceeding £100 Cost as charged by labs not exceeding £500	0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%
Extracts from Registers Environmental Protection Act - per page	Free of Charge	Free of Charge	
Miscellaneous Reports to Solicitors on the circumstances relating to workplace accidents (excl. cost of photographs) - up to 2 hours, extra charged at the hourly rate From April 2017 this will be charged at the hourly rate	63.00	63.00	0.0%

* = includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21 from 1 April 2020 £	2021-22 from 1 April 2021 £	Increase %
Animal Activities Licensing			
The law has changed as of 1 October 2018 and the Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018 are now in force.			
Premises already licensed under the old legislation will continue to be licensed until such time as their licence expires. They will then have to apply for a new licence under the new regulations.			
Animal Boarding			
Application Fee	672.00	672.00	0.0%
Fee for Grant	271.00	271.00	0.0%
<i>Any vet fees will be payable upon application and as required for licence duration</i>			
Home Boarding			
Application Fee	672.00	672.00	0.0%
Fee for Grant	271.00	271.00	0.0%
<i>Any vet fees will be payable upon application and as required for licence duration</i>			
Dog Day Care			
Application Fee	672.00	672.00	0.0%
Fee for Grant	271.00	271.00	0.0%
<i>Any vet fees will be payable upon application and as required for licence duration</i>			
Dog Breeding			
Application Fee	777.00	777.00	0.0%
Fee for Grant	213.00	213.00	0.0%
<i>Any vet fees will be payable upon application and as required for licence duration</i>			
Keeping Animals for Exhibition			
Application Fee	283.00	283.00	0.0%
Fee for Grant	142.00	142.00	0.0%
<i>Any vet fees will be payable upon application and as required for licence duration</i>			
Selling Animals as Pets			
Application Fee	446.00	446.00	0.0%
Fee for Grant	223.00	223.00	0.0%
<i>Any vet fees will be payable upon application and as required for licence duration</i>			
Hiring out Horses			
Application Fee	545.00	545.00	0.0%
Fee for Grant	273.00	273.00	0.0%
<i>Any vet fees will be payable upon application and as required for licence duration</i>			

* = includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21 from 1 April 2020 £	2021-22 from 1 April 2021 £	Increase %
Dangerous Wild Animals			
-New	408.00	408.00	0.0%
-Renewal	213.00	213.00	0.0%
Zoo Licence			
-New	2,375.00	2,375.00	0.0%
-Renewal	2,375.00	2,375.00	0.0%
Each Additional Licence Activity			
Application Fee	83.00	83.00	0.0%
Fee for Grant	91.00	91.00	0.0%
Each Additional Inspection	101.00	101.00	0.0%
Advisory Visit			
Variation to Licence	224.00	224.00	0.0%
Re-evaluation of Rating	224.00	224.00	0.0%
Variations to reduce the licensable activities or numbers of animals	92.00	92.00	0.0%
Transfer due to death of Licensee	92.00	92.00	0.0%
Street Trading			
Street Trading Total Fee	359.00	359.00	0.0%
Street Trading Community Event	40.00	40.00	0.0%
Charges for issue of a consent under the provisions of the Local Government (Miscellaneous) Provisions Act 1982			
Day Centres			
Price per meal:			
Member	4.40	4.40	0.0%
Non member	6.20	6.20	0.0%
Main course only - member	3.10	3.10	0.0%
Main course only - non member	4.30	4.30	0.0%
Dessert only - member	1.40	1.40	0.0%
Dessert only - non member	2.00	2.00	0.0%
Theme Meal - member	6.00	6.00	0.0%
Theme Meal - non member	7.50	7.50	0.0%

TBC to be set as part of a wider charging for advice regime

TBC to be set as part of a wider charging for advice regime

* = includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21 from 1 April 2020 £	2021-22 from 1 April 2021 £	Increase %
Membership Fees:			
Day Centre only	13.00	13.00	0.00%
Day Centre and Dial a Ride (50% is for Community Transport)	20.00	20.00	0.00%
Membership Top Up Transport	6.80	6.80	0.00%
Membership Top Up Transport	6.80	6.80	0.00%
Day Centre Activities**	3.40	3.40	0.00%
Income from other services*** e.g. hairdressing and chiropody (% of takings)	20%	20%	0.00%
<i>**These are activities such as Tai Chi and Line Dancing provided by external facilitators</i>			
<i>*** These charges were previously retained by the centre welfare funds</i>			
Meals on Wheels Service			
Price per meal	4.40	4.40	0.00%
Hire of Halls			
Voluntary and Not for Profit Providers per Hour	25.00	25.00	0.00%
Educational Activities	26.00	26.00	0.00%
Private hire	35.00	35.00	0.00%
Half Day	110.00	110.00	0.00%
Full Day	220.00	220.00	0.00%
Community Transport Service			
Single Membership Fees:			
Dial a Ride only	13.00	13.00	0.00%
Community Transport to Day Centre	13.00	13.00	0.00%
Day Centre and Dial a Ride (half this fee relates to Day Centres)	20.00	20.00	0.00%
Group Membership Fees:			
Vehicle Hire per 1/2 hr	60.00	60.00	0.00%
Charge per mile	10.00	10.00	0.00%
Passenger charge (min 5 people)	1.00	1.00	0.00%
	6.00	6.00	0.00%

* = includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21 from 1 April 2020 £	2021-22 from 1 April 2021 £	Increase %
Single Journey			
1 mile	2.90	2.90	0.0%
2 miles	3.40	3.40	0.0%
3 miles	3.90	3.90	0.0%
4 miles	4.40	4.40	0.0%
5 miles	4.90	4.90	0.0%
6 miles	5.50	5.50	0.0%
7 miles	6.00	6.00	0.0%
8 miles	6.50	6.50	0.0%
9 miles	7.00	7.00	0.0%
10 miles	7.50	7.50	0.0%
11 miles	8.00	8.00	0.0%
12 miles	8.50	8.50	0.0%
13 miles	9.50	9.50	0.0%
14 miles	10.00	10.00	0.0%
15 miles.	10.50	10.50	0.0%
Journeys above 15 miles are not undertaken.			
Handyperson Service - Available for the over 60's, disabled and vulnerable			
General Services (per hour incl VAT)	25.00 *	25.00 *	0.0%
General Services for those on benefits (per hour incl VAT)	15.00 *	15.00 *	0.0%
Safe and Secure Works for those on benefits	Free of Charge	Free of Charge	
Approved under Delegated Authority			
Private Sector Housing			
HMO Licences	885.00	885.00	0.0%
(Discount of £25 if applicant is a member of a recognised landlord organisation)			
(Discount of £50 if applicant is an accredited Landlord of the Guildford Letting Scheme)			
(Both discounts can not be applied at the same time)			
Late application fee	No longer applicable	No longer applicable	
Careline			
Weekly Charges			
Sheltered accommodation clients	0.60	0.60	0.0%
Elderly Persons dwellings clients	3.25	3.25	0.0%
Private Sector Clients (dispersed alarms)	4.60	4.60	0.0%
Responder Services (out of hours)	1.40	1.40	0.0%

* = Includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21 from 1 April 2020 £	2021-22 from 1 April 2021 £	Increase %
Caravan Licence			
New Licence Application			
Number of Pitches 1 - 5	375.00	375.00	0.0%
Number of Pitches 6 - 15	391.00	391.00	0.0%
Number of Pitches 16 - 45	516.00	516.00	0.0%
Number of Pitches 46 and greater	563.00	563.00	0.0%
Transfer of Existing Licence			
Number of Pitches 1 - 5	136.00	136.00	0.0%
Number of Pitches 6 - 15	136.00	136.00	0.0%
Number of Pitches 16 - 45	136.00	136.00	0.0%
Number of Pitches 46 and greater	136.00	136.00	0.0%
Application to vary a Site Licence			
Number of Pitches 1 - 5	236.00	236.00	0.0%
Number of Pitches 6 - 15	252.00	252.00	0.0%
Number of Pitches 16 - 45	283.00	283.00	0.0%
Number of Pitches 46 and greater	330.00	330.00	0.0%
Annual Licence Fee			
Number of Pitches 1 - 5	446.00	446.00	0.0%
Number of Pitches 6 - 15	514.00	514.00	0.0%
Number of Pitches 16 - 45	634.00	634.00	0.0%
Number of Pitches 46 and greater	682.00	682.00	0.0%
Deposit of Site Rules			
Number of Pitches 1 - 5	35.00	35.00	0.0%
Number of Pitches 6 - 15	35.00	35.00	0.0%
Number of Pitches 16 - 45	35.00	35.00	0.0%
Number of Pitches 46 and greater	35.00	35.00	0.0%
Scrap Metal			
Site Licence	204.00	204.00	0.0%
Mobile Collector	187.00	187.00	0.0%

* = includes VAT at 20%

	2020-21	2021-22	Increase
	from 1 April 2020	from 1 April 2021	
	£	£	%

Local Authority Pollution Protection Control
Fees are set by Statute and are available on request from the Environmental Control service.

Hackney Carriages and Private Hire Vehicles

Hackney Carriage Vehicle (new/renew)	#	#	
Private Hire Vehicle (new/renew)	#	#	
Hackney Licence Vehicle Change	#	#	
Vehicle Licence Plates	#	#	
Private Hire Vehicle Change	#	#	
Test Fee	#	#	
Hackney carriage temporary vehicle licence (3 months)	#	#	
Private hire temporary vehicle licence (3 months)	#	#	
Private hire vehicle signs (two signs)	#	#	

Hackney Carriage and Private Hire Drivers

Hackney Drivers Licence Fee (new/renew)	#	#	
Private Hire Drivers Licence Fee (new/renew)	#	#	
Hackney Drivers Knowledge Test	#	#	
Private Hire Drivers Knowledge Test	#	#	
Private Hire Replacement Badge	#	#	
Convert from Private Hire Driver to Hackney Carriage Driver	#	#	

Private Hire Operators Licence

#

#

subject of a report to Licensing Committee date tbc, and a further period of statutory consultation.

* = includes VAT at 20%

	2020-21 from 1 April 2020 £	2021-22 from 1 April 2021 £	Increase %
Statutory Permits			
Unlicensed Family Entertainment Centre			
- new application	300.00	300.00	0.0%
- fast track application	100.00	100.00	0.0%
- renewal	300.00	300.00	0.0%
- change of name	25.00	25.00	0.0%
- copy permit	15.00	15.00	0.0%
Club Gaming Permit			
- new application	200.00	200.00	0.0%
- fast track application	100.00	100.00	0.0%
- renewal	200.00	200.00	0.0%
- vary permit	100.00	100.00	0.0%
- annual fee	50.00	50.00	0.0%
- copy permit	15.00	15.00	0.0%
Club Machine Permit			
- new application	200.00	200.00	0.0%
- fast track application	100.00	100.00	0.0%
- renewal	200.00	200.00	0.0%
- vary permit	100.00	100.00	0.0%
- annual fee	50.00	50.00	0.0%
- copy permit	15.00	15.00	0.0%
Premises Licensed to sell alcohol			
- notification (automatic entitlement)	50.00	50.00	0.0%
- new application	150.00	150.00	0.0%
- fast track application	100.00	100.00	0.0%
- change of name	25.00	25.00	0.0%
- vary permit	100.00	100.00	0.0%
- annual fee	50.00	50.00	0.0%
- copy permit	15.00	15.00	0.0%
- transfer permit	25.00	25.00	0.0%
Prize Gaming Permit			
- new application	300.00	300.00	0.0%
- fast track application	100.00	100.00	0.0%
- renewal	300.00	300.00	0.0%
- change of name	25.00	25.00	0.0%
- copy permit	15.00	15.00	0.0%
Lotteries			
- registration of society	40.00	40.00	0.0%
- renewal (annual fee)	20.00	20.00	0.0%

* = includes VAT at 20%

Approved by the Government
Environmental Protection Act 1990-Fees for authorisation of industrial process Note: these fees are prescribed nationally by regulation and are reviewed annually by DCLG.

Statutory Maximum

Classes of Premises licence	Non-conversion application fee in respect of other premises	Annual fee	Maximum fee for application to vary licence	Fee for application to transfer a licence	Fee for application for reinstatement of a licence	Fee for application for provisional statement	Fee for Licence Application (provisional Statement Holders)	Fee for Copy Licence	Fee for Notification of Change
Regional casino premises licence	£ 15,000.00	£ 15,000.00	£ 7,500.00	£ 6,500.00	£ 6,500.00	£ 15,000.00	£ 8,000.00	£ 25.00	£ 50.00
Large casino premises licence	10,000.00	10,000.00	5,000.00	2,150.00	2,150.00	10,000.00	5,000.00	25.00	50.00
Small casino premises licence	8,000.00	5,000.00	4,000.00	1,800.00	1,800.00	8,000.00	3,000.00	25.00	50.00
Bingo premises licence	3,500.00	1,000.00	1,750.00	1,200.00	1,200.00	3,500.00	1,200.00	25.00	50.00
Adult gaming centre premises licence	2,000.00	1,000.00	1,000.00	1,200.00	1,200.00	2,000.00	1,200.00	25.00	50.00
Betting premises (track) licence	2,500.00	1,000.00	1,250.00	950.00	950.00	2,500.00	950.00	25.00	50.00
Family entertainment centre premises licence	2,000.00	750.00	1,000.00	950.00	950.00	2,000.00	950.00	25.00	50.00
Betting premises (other) licence	3,000.00	600.00	1,500.00	1,200.00	1,200.00	3,000.00	1,500.00	25.00	50.00

Guildford Borough Council Fee

Classes of Premises licence	Non-conversion application fee in respect of other premises	Annual fee	Maximum fee for application to vary licence	Fee for application to transfer a licence	Fee for application for reinstatement of a licence	Fee for application for provisional statement	Fee for Licence Application (provisional Statement Holders)	Fee for Copy Licence	Fee for Notification of Change
Regional casino premises licence	£ 2,513.21	£ 845.84	£ 2,513.21	£ 926.87	£ 926.87	£ 2,513.21	£ 2,513.21	£ 15.00	£ 30.00
Large casino premises licence	2,513.21	845.84	2,513.21	926.87	926.87	2,513.21	2,513.21	15.00	30.00
Small casino premises licence	2,513.21	845.84	2,513.21	926.87	926.87	2,513.21	2,513.21	15.00	30.00
Bingo premises licence	2,449.78	724.23	1,449.78	864.29	864.29	2,449.78	958.94	15.00	30.00
Adult gaming centre premises licence	1,984.12	590.37	493.28	273.53	764.36	1,984.12	493.28	15.00	30.00
Betting premises (track) licence	1,984.12	590.37	984.12	273.53	764.36	1,984.12	493.28	15.00	30.00
Family entertainment centre premises licence	1,984.12	590.37	493.28	273.53	764.36	1,984.12	493.28	15.00	30.00
Betting premises (other) licence	1,984.12	590.37	493.28	273.53	764.36	1,984.12	764.36	15.00	30.00

Agenda item number: 12
Appendix 6

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	Increase %
To be approved by Council			
Off Street Car Park Charges			
Contract Car Parking			
Main car parks - Monday to Friday only - Per year	2,528.19 *	2,528.19 *	0.0%
Main car parks - Saturday only - Per year	505.76 *	505.76 *	0.0%
Main car parks - Monday to Saturday only - Per year	3,033.64 *	3,033.64 *	0.0%
Stoke Fields, Stoke Road, and Eagle Road car parks - Resident rate - Per year	607.47 *	607.47 *	0.0%
Season Ticket Parking			
Farnham Road car park - Monday to Friday only - Per year	1,964.70 *	1,964.70 *	0.0%
Farnham Road car park - Monday to Saturday only - Per year	2,357.62 *	2,357.62 *	0.0%
York Road car park - Monday to Friday only - Per year	2,166.08 *	2,166.08 *	0.0%
York Road car park - Monday to Saturday only - Per year	2,599.27 *	2,599.27 *	0.0%
Bedford Road car park - Monday to Friday only - Per year	2,210.65 *	2,210.65 *	0.0%
Guildford Park car park - Monday to Friday only - Per year	1,030.00 *	1,030.00 *	0.0%
Garages			
Gardner Road, Stoke Fields, Bedford Sheds - Residents only - Per year	764.72 *	764.72 *	0.0%
Gardner Road, Stoke Fields, Park Road - Non-residents - Per year	1,284.96 *	1,284.96 *	0.0%
Bedford Road Sheds - Non-resident - Per year	1,841.03 *	1,841.03 *	0.0%
Penalty Fee Notice			
Pay and display space	25.00	25.00	0.0%
Permit space	35.00	35.00	0.0%
On Street Car Park Charges			
Parking Meter Charges			
Town centre - charge per 30 minutes	1.00	1.00	0.0%
Town centre - charge per 30 minutes, 2 hr bays	0.80	0.80	0.0%
Other on-street parking bays, 3 hr bays	0.60	0.60	0.0%
Resident Permit			
First permit - per year	50.00	50.00	0.0%
Second permit - per year	80.00	80.00	0.0%
Vehicles under 1200cc or powered by an alternative fuel source are entitled to a 20% discount			

*= includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	Increase %
Visitor Permit Per permit	2.00	2.00	0.0%
Business Permit First permit - per year Second permit - per year Vehicles under 1200cc or powered by an alternative fuel source are entitled to a 20% discount	40.00 80.00	40.00 80.00	0.0% 0.0%
Carers Permit Per permit - Per year	5.00	5.00	0.0%
Penalty Fee Notice Pay and display space Permit space	25.00 35.00	25.00 35.00	0.0% 0.0%
Markets North Street - Market Stall per day per metre, stall frontage	15.00	15.00	0.0%
Refuse Collection Service Special Collection of Household Refuse For a single item For 2 to 5 items	Price on application Price on application Price on application	Price on application Price on application Price on application	
For the collection of large quantities with charges being assessed by a Council Inspector Domestic Waste per hour or part thereof (Minimum charge 1 hour) Commercial Waste per hour or part thereof (Minimum 2 hours)	Price on application Price on application	Price on application Price on application	
Duty of care certificate	28.20 *	28.20 *	0.0%
Dog Fouling Fixed Penalty Charge Replaced by public spaces protection orders (Anti Social Behaviour, Crime and Policing Act 2014) - fines of up to £100 on the spot or up to £1,000 if the matter goes to court	not applicable	not applicable	

*= Includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21	2021-22	Increase
	From 1 April 2020	From 1 April 2021	%
	£	£	
Approved under Delegated Authority			
Cleansing			
Provision of bins to housing developments & redevelopments			
Initial supply and delivery of one refuse and one recycling standard 140ltr, 240ltr or 360ltr bins to new or refurbished properties	60.00	60.00	0.0%
Initial supply and delivery of 770ltr bins to new properties	290.00	290.00	0.0%
Initial supply and delivery of 1100ltr bins to new properties	295.00	295.00	0.0%
<i>Charges for 770ltr and 1100ltr bins are subject to change to reflect the cost to the Council of purchasing the bins from our supplier.</i>			
Recycling - Green Waste Bins			
Per Bin	41.00	41.00	0.0%
Replacement Bin	30.00	30.00	0.0%
1 Set of 4 - 60 litre sacks	41.00	41.00	0.0%
Refuse			
Replacement Bin	30.00	30.00	0.0%
Miscellaneous for Small Businesses			
Sharps collection - service agreement for 6 months delivery and removal of 25 x 7cl Sharps boxes on monthly collection.	Price on application	Price on application	
Food Waste			
Trade collection (per 120 litre container)	Price on application	Price on application	
School collection (per 120 litre container)	Price on application	Price on application	
Abandoned Vehicles			
Recovery and Release of vehicle	108.00	108.00	0.0%
Daily Charge (Monday to Friday)	12.00	12.00	0.0%
Approved by Government			
Public			
MOT	54.80	54.80	0.0%
Re-test within 24 hours on minor items	free of charge	free of charge	
Re-test within 10 days	27.40	27.40	0.0%
Thereafter full cost			

*= includes VAT at 20%

	2020-21	2021-22	Increase
	From 1 April 2020	From 1 April 2021	%
	£	£	%
Taxi			
Vehicle Inspection Fee	58.00	58.00	0.0%
MOT carried out as part of the Taxi Inspection (to be booked at the same time)	27.40	27.40	0.0%

For a full list of charges please contact the MOT bay

*= Includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	Increase %
To be approved by Council			
Parks and Open Spaces			
Tennis-Stoke Park and Sutherland Memorial Park			
Adult per court, per hour	6.90	6.90	0.0%
Junior (under 18) & concession price, per court, per hour	5.90	5.90	0.0%
Coaching	6.90	6.90	0.0%
Burpham Tennis Club	5.90	5.90	0.0%
Mini Golf - Stoke Park			
Adults	4.60	4.60	0.0%
Children	3.10	3.10	0.0%
Family Ticket (2 adults and 3 under 16's)	12.80	12.80	0.0%
Cricket: All sites			
Evening 17:00 hrs onwards - Adults (up to 4 hours)	100.00	100.00	0.0%
Full Day - Adults (22 yrs)	135.00	135.00	0.0%
Standard Pitch - Under 18's	43.50	43.50	0.0%
Small Pitch - Junior teams under 15's	33.00	33.00	0.0%
Football - All sites			
Grass football pitch 3 hours - U18's 11-a-side football	49.00	49.00	0.0%
Grass football pitch 3 hours - Adult 11-a-side football	89.00	89.00	0.0%
Grass football pitch 90 minutes - 9v9 football	33.50	33.50	0.0%
Grass football pitch 90 minutes - 7v7 football	32.50	32.50	0.0%
Grass football pitch 90 minutes - 5v5 football	30.50	30.50	0.0%
Grass football training (no pitch use) 2 hours - Football training area	30.50	30.50	0.0%
Rugby:			
Rugby pitch 2 hours - U18's rugby	49.00	49.00	0.0%
Rugby pitch 2 hours - Adult rugby	89.00	89.00	0.0%
Rugby training (no pitch use) 2 hours - Rugby training area	30.50	30.50	0.0%
Touch rugby 2 hours - U18's touch rugby	49.00	49.00	0.0%
Netball - Stoke Park (Adult)			
Netball - Stoke Park (School usage and U18)	35.50	35.50	0.0%
Softball/Rounders - (Adult)			
Softball/Rounders - (School and U18)	43.50	43.50	0.0%
	24.50	24.50	0.0%

*= includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	Increase %
Grass Athletics Track - Stoke Park (Adult groups/Organisations) 2 hours	88.00	88.00	0.0%
Grass Athletics Track - Stoke Park (Schools and U18 groups) 2 hours	49.00	49.00	0.0%
Lacrosse:			
Stoke Park - Adults	88.00	88.00	0.0%
Stoke Park - School usage and youth (Under 18's)	49.00	49.00	0.0%
Table Tennis - All Per 30 minutes	1.00	1.00	0.0%
Frisbee pitch 2 hours (All)	34.00	34.00	0.0%
Event all Sites			
Price on application (minimum charge £50 per day)	Price on application	Price on application	
Community events receive a 50% discount			
Charity and 100% fundraising events receive a 60% discount			
Circuses and Fun Fairs			
Per day on site including set up/dismantle (Shalford Common only)	Price on application	Price on application	
Per day on site (all other sites) if onsite longer than 6 days receive a 5% discount			
Set up/dismantle fee per day			
Filming all Sites: -			
Per Event - Per Day on Site (Negotiable) Minimum £50 - Maximum £1,000 per day	Price on application	Price on application	
Fitness Sessions			
Forest school use of site - per child per visit	2.00	2.00	0.0%
Car Parking Only All Sites:			
Per Day on Site (not in conjunction with event hire)	Price on application	Price on application	
Commemorative Benches (All sites)			
Shalford Park:			
Camping and Caravanning (Club Use) - per unit per night	9.70 *	9.70 *	0.0%
Chuntries Camp Site: per person per day/night	5.00 *	5.00 *	0.0%
Minimum charge for groups of 3 persons or under	15.00 *	15.00 *	0.0%

*= Includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	Increase %
Sutherland Memorial Park			
Astro Pitch 5-a-side			
All - per court per hour before 4pm (Weekdays and weekend)	11.00	11.00	0.0%
5-a-side Football per court per hour including floodlights - Adults	50.00	50.00	0.0%
5-a-side Football per court per hour including floodlights - Youth (Under 18s)	25.50	25.50	0.0%
Balloon Flights			
Seasonal annual agreement paid in advance for take off rights per site	645.00	645.00	0.0%
Greenark			
Commercial - Each hour or part	20.00	20.00	0.0%
Community - Each hour or part	17.00	17.00	0.0%
For regular users book 10 and receive 10% discount			
Approved under Delegated Authority			
Guildford Crematorium			
Cremation Fees			
For the cremation of a child whose age at death did not exceed 18 years (incl medical referee fees)	free of charge	free of charge	0.0%
For the cremation of a person whose age at the time of death exceeded 18 years (incl medical referee fees)	895.00	895.00	0.0%
Saturday cremation (09:00 am - 12 noon)	1,060.00	1,060.00	0.0%
Direct cremation	495.00	495.00	0.0%
Cancellation of diary booking with less than 48 hours notice and late delivery of papers	135.00	135.00	0.0%
Service of double or additional length; per 45 minutes additional fee of:	218.00	218.00	0.0%
Service which exceeds the allocated timeslot of 30 minutes	285.00	285.00	0.0%
Cremation of a child on a Saturday (9am - 12 noon)			
Cremation of Non Viable Foetus (NVF) (up to 24 weeks gestation)	free of charge	free of charge	
Fee for exhuming ashes if not for re-interment within the grounds	free of charge	free of charge	0.0%
	115.00	115.00	

NOTE: The cremation fee includes:
The use of the organ and the provision of a plastic urn if required or interment in the grounds.
Use of Chapel - service time of 30 minutes, waiting room, etc. and all attendances after coffin is placed on catafalque by funeral director. Use of Wesley music system not including CD/DVD copies or visual tribute
Laying to rest of ashes in Garden of Remembrance
Certificate of cremation for burial of ashes elsewhere.

*= includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	Increase %
Wesley Music			
Audio recording of funeral service - 1st copy	50.00 *	50.00 *	0.0%
Audio recording of funeral service - additional copies	20.00 *	20.00 *	0.0%
DVD recording of funeral service - 1st copy	60.00 *	60.00 *	0.0%
DVD recording of funeral service - additional copies	25.00 *	25.00 *	0.0%
Wesley Tributes			
Wesley Visual Tribute (up to 30 images)	83.00 *	83.00 *	0.0%
Wesley Visual Tribute, per image after 30 images	1.80 *	1.80 *	0.0%
DVD copy of funeral service incorporating visual tribute	72.00 *	72.00 *	0.0%
DVD copy of funeral service incorporating visual tribute additional copy	25.00 *	25.00 *	0.0%
Urns and Containers			
Ashes Container	24.00	24.00	0.0%
Wooden Casket	75.00	75.00	0.0%
Decorative Urns	122.00	122.00	0.0%
Decorative keepsake urns	38.00	38.00	0.0%
Scatter tubes	45.00	45.00	0.0%
Child Scatter tubes	16.00	16.00	0.0%
Deposit of Ashes			
For the scattering of ashes in the Garden of Remembrance when cremation has taken place elsewhere	110.00	110.00	0.0%
Split of ashes to include 2x cremation certificate and 2x ashes containers for separate scattering elsewhere.	50.00	50.00	0.0%
Memorials and Inscriptions			
Entries in the Book of Remembrance			
2 line entry	105.00 *	105.00 *	0.0%
5 line entry	140.00 *	140.00 *	0.0%
5 line entry with motif	220.00 *	220.00 *	0.0%
8 line entry	170.00 *	170.00 *	0.0%
8 line entry with motif	250.00 *	250.00 *	0.0%
Motif	80.00 *	80.00 *	0.0%
Additional Lines	18.00 *	18.00 *	0.0%
Replicas of entries in Book of Remembrance Memorial Cards			
2 line entry	40.00 *	40.00 *	0.0%
5 line entry	63.00 *	63.00 *	0.0%
5 line entry with motif	143.00 *	143.00 *	0.0%
8 line entry	80.00 *	80.00 *	0.0%
8 line entry with motif	160.00 *	160.00 *	0.0%
Motif	80.00 *	80.00 *	0.0%
Additional Lines	18.00 *	18.00 *	0.0%

*= Includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	Increase %
Miniature Books of Remembrance			
2 line entry	92.00 *	92.00 *	0.0%
5 line entry	130.00 *	130.00 *	0.0%
5 line entry with motif	210.00 *	210.00 *	0.0%
8 line entry	145.00 *	145.00 *	0.0%
8 line entry with motif	225.00 *	225.00 *	0.0%
Motif	80.00 *	80.00 *	0.0%
Additional Lines	18.00 *	18.00 *	0.0%
Adoption of Rose Trees (including nameplate)			
Standard Roses (5 years) with aluminium plaque	580.00	580.00	0.0%
Renewals after initial period:			
(a) 5 years	325.00	325.00	0.0%
(b) 1 year	106.00	106.00	0.0%
Trees 5 years with aluminium plaque	795.00	795.00	0.0%
Trees 10 years with aluminium plaque	1,400.00	1,400.00	0.0%
Renewals after initial period:			
(a) 5 years	565.00	565.00	0.0%
(b) 1 year	160.00	160.00	0.0%
Plaques			
Aluminium Plaque with existing memorial	120.00 *	120.00 *	0.0%
Granite Plaque (6 x 4) with existing memorial	280.00 *	280.00 *	0.0%
Granite Plaque (7 x 5) with existing memorial	335.00 *	335.00 *	0.0%
Additional artwork on granite plaque	Price on application *	Price on application *	
Additional artwork on an aluminium plaque	Price on application *	Price on application *	
Photo plaque on granite plaque	Price on application *	Price on application *	
Wall plaque with design for 5 years	Price on application *	Price on application *	
Double plaque for 5 years with design	Price on application *	Price on application *	

*= includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21	2021-22	Increase
	From 1 April 2020	From 1 April 2021	%
	£	£	
Seats			
Seats wooden 5 feet length (for a period of 10 years)	Price on application *	Price on application *	
Seats Granite Columbaria (for a period of 10 years)	Price on application *	Price on application *	
Replacement or additional seat plaque 6" x 2"	101.00 *	101.00 *	0.0%
Photo plaque on a granite seat plaque	Price on application *	Price on application *	
Non standard motif on a granite seat plaque	Price on application *	Price on application *	
Standard motif on a granite seat plaque	Price on application *	Price on application *	
Restraining Charge	17.00 *	17.00 *	0.0%
Memorial Vault - Sanctum including wooden casket			
(a) 10 year adoption	1,450.00	1,450.00	0.0%
(b) 20 year adoption	2,075.00	2,075.00	0.0%
(c) 30 year adoption	2,800.00	2,800.00	0.0%
(d) 40 year adoption	3,450.00	3,450.00	0.0%
(e) 50 year adoption	4,200.00	4,200.00	0.0%
Per Letter after first 80 letters	3.40	3.40	0.0%
Standard motif	230.00	230.00	0.0%
Non standard motif	Price on application	Price on application	
Photo plaque	140.00	140.00	0.0%
Replacement Vault Tablet - Sanctum 2	385.00	385.00	0.0%
Sanctum Replacement Vault Tablet (up to 80 letters) Sanctum 2000	385.00	385.00	0.0%
Memorial Vault - Renewal 5 years	360.00	360.00	0.0%
Memorial Vault - Renewal 10 years	715.00	715.00	0.0%
Memorial Vault - Renewal 20 years	1,425.00	1,425.00	0.0%
Vase Blocks - 10 years			
Standard motif on a vase block	650.00	650.00	0.0%
Non standard motif on a vase block	230.00	230.00	0.0%
Photo plaque on a vase block	Price on application	Price on application	
Renewal of Vase Block for 5 years	100.00	100.00	0.0%
Replacement of Vase in memorial vaults	300.00	300.00	0.0%
Replacement of Vase in vase blocks	17.00	17.00	0.0%
Replacement vase for vaseblock vault	17.00	17.00	0.0%

*= includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	Increase %
Sundials			
Sundial Tablets Older style- Lower Tablet (when available)	660.00	660.00	0.0%
Sundial Tablets Older style- Middle Tablet (when available)	620.00	620.00	0.0%
Sundial Tablets Older style- Top Tablet (when available)	570.00	570.00	0.0%
Renewal of a Sundial Tablets Older style- Lower Tablet - 5 years	307.00	307.00	0.0%
Renewal of a Sundial Tablets Older style- Middle Tablet - 5 years	307.00	307.00	0.0%
Renewal of a Sundial Tablets Older style- Top Tablet - 5 years	307.00	307.00	0.0%
Replacement sundial tablet	257.00	257.00	0.0%
New Sundial Tablet first row for a period of 10 years	570.00	570.00	0.0%
New Sundial Tablet second row for a period of 10 years	570.00	570.00	0.0%
New Sundial Tablet third row for a period of 10 years	620.00	620.00	0.0%
New Sundial Tablet forth row for a period of 10 years	630.00	630.00	0.0%
New Sundial Tablet fifth row for a period of 10 years	670.00	670.00	0.0%
Standard motif on a sundial tablet	225.00	225.00	0.0%
Photo plaque on a sundial tablet	Price on application	Price on application	
Photo plaque under Sundial Tablets for 10 years - Newer style	Price on application	Price on application	
Non standard motif on a sundial tablet	Price on application	Price on application	
Children's Memorial Garden			
Rockery Boulder for 5 years	240.00	240.00	0.0%
Memorial mushroom plaque for 5 years	275.00	275.00	0.0%
Private gardens	870.00	870.00	0.0%
Use of Chapel for Memorial Service (no cremation)	510.00	510.00	0.0%
Reproduction of cremation certificate	25.00	25.00	0.0%
Assistance with bearing of a coffin into the chapel	45.00	45.00	0.0%
Assistance with bearing of a coffin into the chapel with no notice	60.00	60.00	0.0%
Cemeteries			
Guildford, Stoke New and Old Cemeteries - Interments			
For the interment in a grave in respect of which an exclusive right of burial has not been granted:-			
Unpurchased grave for a child	free of charge	free of charge	
Unpurchased grave for an adult	510.00	510.00	0.0%
Resident			
For the interment in a grave which has already been purchased - the body of a person exceeding 18 years	900.00	900.00	0.0%
To a single depth (5ft)	995.00	995.00	0.0%
To a double depth (7ft)	385.00	385.00	0.0%
Interment of cremated remains in a grave	385.00	385.00	0.0%
Interment of cremated remains in cremated remains plots at Stoke Cemetery	385.00	385.00	0.0%

*= includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	Increase %
For the interment in a grave which has already been purchased – the body of a child not exceeding 18 years To a single depth (5ft) To a double depth (7ft) Interment of cremated remains in a grave Interment of cremated remains in cremated remains plots at Stoke Cemetery	free of charge free of charge free of charge free of charge	free of charge free of charge free of charge free of charge	
The fee for interment apply only between the hours of 10am and 5pm on a weekday. Should the interment take place outside the stipulated times than an additional fee is payable of: For every hour after 5pm	485.00 105.00	485.00 105.00	0.00% 0.00%
Exclusive Rights of Burial in Earthen Graves: Traditional and Lawn Section	2,020.00	2,020.00	0.00%
In an earthen grave 7ft 6 ins x 3ft 6 ins	925.00	925.00	0.00%
In an earthen grave 6ft x 3ft - Children's section	340.00	340.00	0.00%
Extension of Exclusive Right of Burial for additional five years	600.00	600.00	0.00%
Garden of Remembrance (Cremated remains) The fees indicated for the various heads of this section include the Deed of Grant and all the expenses thereof for a period of 30 years.			
Memorials			
Permit to erect a memorial	240.00	240.00	0.00%
Additional inscription on an existing memorial	116.00	116.00	0.00%
Permit to erect a vase with inscription	116.00	116.00	0.00%
Permit to erect a vase without inscription	Free of charge	Free of charge	
Permit to clean a memorial	15.00	15.00	0.00%
Permit for added inscription which requires removal of stone	225.00	225.00	0.00%
Permit for added inscription (done on site)	112.00	112.00	0.00%
Permit for remedial repair	45.00	45.00	0.00%
Memorial Vault - Sanctum			
(a) 10 year adoption	1,450.00	1,450.00	0.00%
(b) 20 year adoption	2,075.00	2,075.00	0.00%
(c) 30 year adoption	2,800.00	2,800.00	0.00%
(d) 40 year adoption	3,450.00	3,450.00	0.00%
(e) 50 year adoption	4,200.00	4,200.00	0.00%
Per Letter after first 80 letters	3.40	3.40	0.00%
Standard motif	230.00	230.00	0.00%

*= includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21	2021-22	Increase
	From 1 April 2020	From 1 April 2021	%
	£	£	
Non standard motifs			
Photo plaque	Price on application 140.00	Price on application 140.00	0.0%
Sanctum Replacement Vault Tablet (up to 80 letters) Sanctum 2000	385.00	385.00	0.0%
Memorial Vault - Renewal 5 years	360.00	360.00	0.0%
Memorial Vault - Renewal 10 years	715.00	715.00	0.0%
Memorial Vault - Renewal 20 years	1,425.00	1,425.00	0.0%
Miscellaneous Charges			
Exhumation of a coffin or ashes casket: Fees to be assessed by the Registrar:	Price on application 24.00	Price on application 24.00	0.0%
Certified Copy of title deed of burial	98.00	98.00	0.0%
Transfer of grant of right of burial			
Cemeteries - Non Residents of Guildford Borough Fees			
Guildford, Stoke New and Old Cemeteries - Interments			
For the interment in a grave in respect of which an exclusive right of burial has not been granted:-			
Unpurchased grave for a child	free of charge	free of charge	0.0%
Unpurchased grave for an adult	510.00	510.00	0.0%
For the interment in a grave in which a grave has already been purchased the body of a person exceeding 18 years			
To a single depth (5ft)	1,800.00	1,800.00	0.0%
To a double depth (7ft)	1,990.00	1,990.00	0.0%
Interment of cremated remains in a grave	770.00	770.00	0.0%
Interment of cremated remains in the Garden of Remembrance	770.00	770.00	0.0%
The fee for interment apply only between the hours of 10am and 5pm on a weekday. Should the interment take place outside the stipulated times than an additional fee is payable of:			
For every hour after 5pm	485.00	485.00	0.0%
	105.00	105.00	0.0%
Exclusive Rights of Burial in Earthen Graves:			
Traditional and Lawn Section			
In an earthen grave 7ft 6 ins x 3ft 6 ins	4,040.00	4,040.00	0.0%
In an earthen grave 6ft x 3ft - Children's section	1,850.00	1,850.00	0.0%
Extension of Exclusive Right of Burial for additional five years	680.00	680.00	0.0%
Garden of Remembrance (Cremated remains)	1,200.00	1,200.00	0.0%
The fees indicated for the various heads of this section include the Deed of Grant and all the expenses thereof for a period of 30 years.			
Miscellaneous Charges			
Exhumation of a coffin or ashes casket: Fees to be assessed by the Registrar:	Price on application 24.00	Price on application 24.00	0.0%
Certified Copy of title deed of burial	98.00	98.00	0.0%
Transfer of grant of right of burial			

*= includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	Increase %
Guildford Spectrum - To be approved by Council			
Standard Social Charges			
Concessionary Charges - the rates shown below relate to the following groups:-			
Senior Citizens			
Benefit Recipients			
Unemployed			
Students			
Disabled			
Main Pool			
Adult swim (16 years of age and over) - Peak	4.90 *	4.90 *	0.0%
Adult swim (16 years of age and over) - Off Peak	4.60 *	4.60 *	0.0%
Junior, concessions	3.50 *	3.50 *	0.0%
Showers			
Shower (senior citizen)	2.30 *	2.30 *	0.0%
Special Activities			
Badminton Court per hour - super saver	7.70 *	7.70 *	0.0%
Group Games per hour - super saver	37.50 *	37.50 *	0.0%
Squash/Racquetball, per half hour - super saver	5.60 *	5.60 *	0.0%
Squash/Racquetball, per hour - super saver	8.60 *	8.60 *	0.0%
Table Tennis	5.70 *	5.70 *	0.0%
Off Peak Charges - Concessions			
Competition Pool	3.50 *	3.50 *	0.0%
Leisure Pool	4.90 *	4.90 *	0.0%
Ice Rink	4.70 *	4.70 *	0.0%
Ten Pin (single game) - now includes shoe hire	5.60 *	5.60 *	0.0%
Health Suite: relaxation area	4.60 *	4.60 *	0.0%
Fitness Area	5.10 *	5.10 *	0.0%
Athletics	3.90 *	3.90 *	0.0%

*= includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	Increase %
Guildford Lido - To be approved by Council			
Standard			
Adult	6.90 *	6.90 *	0.0%
Junior	5.20 *	5.20 *	0.0%
Concessions	5.20 *	5.20 *	0.0%
Family	22.00 *	22.00 *	0.0%
Off Peak			
Adult	5.70 *	5.70 *	0.0%
Junior	4.10 *	4.10 *	0.0%
Concessions	4.10 *	4.10 *	0.0%
Family	17.50 *	17.50 *	0.0%
Season Tickets			
Adult	150.00 *	150.00 *	0.0%
Junior	115.00 *	115.00 *	0.0%
Student	115.00 *	115.00 *	0.0%
Senior citizen	95.00 *	95.00 *	0.0%
Concessionary Groups - All Times	4.10 *	4.10 *	0.0%
The concessionary rate applies to admission for groups from registered charities, schools and non profit organisations.			
These only apply if the booking was made in advance.			
Deck Chair Hire	2.00 *	2.00 *	0.0%
Crazy Golf	1.00 *	1.00 *	0.0%
Gym			
Pay as You Train - Peak			
Adult Fitness Session	6.50 *	6.50 *	0.0%
Student/Senior/Concessionary Fitness Session	4.50 *	4.50 *	0.0%
Enhanced Induction Course	29.50	29.50	0.0%
Fast Track/Concessionary Induction	17.50	17.50	0.0%
Pay as You Train - Off Peak			
Adult Fitness Session	5.30 *	5.30 *	0.0%
Student/Senior/Concessionary Fitness Session	3.30 *	3.30 *	0.0%
Enhanced Induction Course	29.50	29.50	0.0%
Fast Track/Concessionary Induction	17.50	17.50	0.0%

*= includes VAT at 20%

	2020-21	2021-22	Increase
	From 1 April 2020	From 1 April 2021	%
	£	£	
Membership			
Annual Membership - Concessions	308.00 *	308.00 *	0.0%
Monthly Membership - Concessions	27.70 *	27.70 *	0.0%
Ash Manor Sports Centre - To be approved by Council			
Main Sports Hall			
Badminton per hour - peak	9.80 *	9.80 *	0.0%
Badminton per hour - off-peak	7.80 *	7.80 *	0.0%
Group Games per hour - peak	44.50 *	44.50 *	0.0%
Group Games per hour - off-peak	37.50 *	37.50 *	0.0%
Fitness & Group Exercise Classes (min price)	5.50 *	5.50 *	0.0%
Badminton - Junior	3.50 *	3.50 *	0.0%
Gymnasium			
Group Games per hour - peak	28.50 *	28.50 *	0.0%
Group Games per hour - off-peak	21.00 *	21.00 *	0.0%
Table tennis - per hour - peak and off peak	6.50 *	6.50 *	0.0%
Equipment Hire - Adults only (£10.00 deposit)			
Badminton Racquet/Table Tennis bat	2.50 *	2.50 *	0.0%
Football	4.00 *	4.00 *	0.0%
Outside Court (Playground) - per hour			
With floodlights	21.00 *	21.00 *	0.0%
Without floodlights	13.00 *	13.00 *	0.0%
Artificial Pitch			
1 hour without lights	73.00 *	73.00 *	0.0%
1 hour with lights	95.00 *	95.00 *	0.0%
2 hours without lights	144.00 *	144.00 *	0.0%
2 hours with lights	188.00 *	188.00 *	0.0%
1/4 with lights, per hour	39.00 *	39.00 *	0.0%
1/4 without lights, per hour	30.00 *	30.00 *	0.0%
Health & Fitness			
Annual Membership - Junior	220.00 *	220.00 *	0.0%
Annual Membership - Concessions	251.00 *	251.00 *	0.0%
Monthly Membership - Junior	20.00 *	20.00 *	0.0%
Monthly Membership - Concessions	25.00 *	25.00 *	0.0%

*= includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	Increase %
Pay as you Train - Peak			
Adult Fitness Session	6.70 *	6.70 *	0.0%
Student/Senior/Concessionary Fitness Session	6.70 *	6.70 *	0.0%
Enhanced Induction Course	30.00	30.00	0.0%
Concessionary Induction	19.00	19.00	0.0%
Pay as you Train - Off Peak			
Off Peak Fitness Sessions - Adult	6.00 *	6.00 *	0.0%
Off Peak Fitness Sessions - Junior & Concessions	4.50 *	4.50 *	0.0%
Enhanced Induction Course	19.00	19.00	0.0%
Induction - Juniors & Concessions			
GP Referral			
Off Peak	4.50 *	4.50 *	0.0%

*= includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	Increase %
To be approved by Council			
Education Sessions, 39.5 Castle Street			
Cost per child ¹	6.80	6.80	0.0%
Victorian schoolroom	6.50	6.50	0.0%
Victorian playroom			
¹ A minimum charge equivalent to 25 child places is payable for all bookings			
Adult education, History of Guildford class			
Charge for two term programme	112.00	112.00	0.0%
Exhibition Space Hire, Heritage Buildings			
Guildford House			
Brew House - one week hire	170.00	170.00	0.0%
Main House - three week hire	370.00	370.00	0.0%
Main House - First Floor: Pine Room, Study, Landing, Powell Room - three week hire	835.00	835.00	0.0%
Main House exhibitions are open to the public for a minimum of three weeks, with the first and last day of the exhibition normally being on a Saturday.			
Private View of Exhibitions			
Main House, Daytime 12.00pm - 2.00pm	200.00	200.00	0.0%
Main House, Evening 7.00pm - 9.00pm	350.00	350.00	0.0%
Brew House, Saturdays 12.00pm - 2.00pm	80.00	80.00	0.0%
Venue Hire, Heritage Buildings			
The Brew House, Guildford House			
These rates include use of VCR, OHP, slide projector, etc.			
Weekdays and Saturdays			
Half Day, 9.00am -12.00pm or 1.00pm - 4.00pm	110.00	110.00	0.0%
Full Day, 9.00am - 4.00pm	210.00	210.00	0.0%

*= includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21	2021-22	Increase
	From 1 April 2020	From 1 April 2021	%
	£	£	
Guildford Castle			
Day Hire			
(a) Weekdays			
Half day, 9.00am - 1.00pm or 1.00pm - 5.00pm	220.00	220.00	0.0%
Full day, 9.00am - 5.00pm	395.00	395.00	0.0%
Evenings, 5.00pm - 9.30pm	420.00	420.00	0.0%
Available October - March			
(b) Weekends			
Saturday or Sunday, 9am - 1pm or 1pm - 5pm	240.00	240.00	0.0%
Saturday or Sunday, 9am - 5pm	440.00	440.00	0.0%
Evenings, 5.00pm - 9.30pm	450.00	450.00	0.0%
Available November - March			
Guildford Museum			
Daily rates (Museum Classroom)			
Half Day 9.00am -12.00pm or 1.00pm - 4.00pm	55.00	55.00	0.0%
Full day 9.00am - 4.00pm	100.00	100.00	0.0%
Guildhall			
Guildhall whole building			
(a) Weekdays			
Morning, 9.00am - 1.00pm	330.00	330.00	0.0%
Afternoon, 1.00pm - 5.00pm	330.00	330.00	0.0%
Whole Day, 9.00am -5.00pm	550.00	550.00	0.0%
Evening, 5.00pm - 9.30 pm	450.00	450.00	0.0%
(b) Weekends			
Saturday 9.00am - 5.00pm	590.00	590.00	0.0%
Saturday 5.00pm - 12.00am	590.00	590.00	0.0%
Sunday 9.00am - 5.00pm	590.00	590.00	0.0%
Sunday 5.00pm - 12.00am	590.00	590.00	0.0%
Guildhall Court Room			
Weekdays			
Morning, 9.00am - 1.00pm	240.00	240.00	0.0%
Afternoon, 1.00pm - 5.00pm	240.00	240.00	0.0%
Whole Day, 9.00am -5.00pm	450.00	450.00	0.0%
Evening, 5.00pm - 9.30pm	350.00	350.00	0.0%

*= includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21	2021-22	Increase
	From 1 April 2020	From 1 April 2021	%
	£	£	
Guildhall Council Chamber			
Weekdays			
Morning, 9.00am - 1.00pm	240.00	240.00	0.0%
Afternoon, 1.00pm - 5.00pm	240.00	240.00	0.0%
Whole Day, 9.00am - 5.00pm	450.00	450.00	0.0%
Evening, 5.00pm - 9.30 pm	350.00	350.00	0.0%
All rooms excess charge for evening hire after 9.30 pm (per hour)	75.00	75.00	0.0%
Admission Charges, Guildhall (new)			
Adult admission	2.00	2.00	0.0%
Child admission	1.00	1.00	0.0%
Admission Charges, Guildford Castle			
Adult admission	3.50	3.50	0.0%
Child admission	2.00	2.00	0.0%
Joint admission ticket Guildhall and Guildford Castle			
Adult admission	N/A	N/A	*
Child admission	N/A	N/A	*
Family ticket Guildford castle			
Family ticket to cover 2 adults and 2 children	10.00	10.00	0.0%
Image licensing and reproductions			
Reproduction fees for the use of images from Guildford Borough Council's heritage collections. These fees are for the use of the image, not for the costs of producing it. The fees are for the reproduction of one image.			
Academic, journals and research publications that are not for profit	10.00	10.00	0.0%
Commercial publications with print runs up to 1,000 copies, one country / language	30.00	30.00	0.0%
Commercial publications with print runs up to 10,000 copies, one country / language	50.00	50.00	0.0%
Commercial publications with print runs over 10,000 copies, one country / language	70.00	70.00	0.0%
Books and magazine covers	100.00	100.00	0.0%
Television, one production, one country and one language	100.00	100.00	0.0%
Digital use for academic use that is not for profit	10.00	10.00	0.0%
Digital use commercial	10.00	10.00	0.0%

All requests are subject to a £10 administration fee. 20% discount will be applied where more than five images are used.

*= includes VAT at 20%

Agenda item number: 12
Appendix 6

Off-street car parking meter charges from 1st April 2021

Multi Storey = M

Surface level = S

Pay on Foot = P

CAR PARK TYPE	CAR PARKS	SPACES	DAYTIME- MONDAY TO SATURDAY				EVENINGS		SUNDAY	
			1st hour	2nd hour	3rd hour	Each subsequent hour	Per Visit	Per Visit	Per Visit	Per Visit
M	Bedford Road	1033	price on application	price on application	price on application	price on application	Mon-Sat 6pm-10pm	price on application	price on application	price on application
S	Millbrook	244	price on application	price on application	price on application	price on application	price on application	price on application	price on application	price on application
S	G Live	220	price on application	price on application	price on application	price on application	price on application	price on application	price on application	price on application
S	Mary Road	107	price on application	price on application	price on application	price on application	price on application	price on application	price on application	price on application
S	Bright Hill	121	price on application	price on application	price on application	price on application	price on application	price on application	price on application	price on application
S	Bedford Road Surface	68	price on application	price on application	price on application	price on application	price on application	price on application	price on application	price on application
			Mon-Sat incl Bank Holidays 8am-6pm				Mon-Sat 6pm-10pm	Sun 5pm-10pm	Sun 11am-5pm Per Visit	
M / P	Castle Car Park	350	price on application	price on application	price on application	price on application	price on application	price on application	price on application	price on application
M	Leapale Road	384	price on application	price on application	price on application	price on application	price on application	price on application	price on application	price on application
S	Commercial Rd 2	52	price on application	price on application	price on application	price on application	price on application	price on application	price on application	price on application
S	Old Police Station	62	price on application	price on application	price on application	price on application	price on application	price on application	price on application	price on application
S	Upper High Street	49	price on application	price on application	price on application	price on application	price on application	price on application	price on application	price on application
P	Tunggate	62	price on application	price on application	price on application	price on application	price on application	price on application	price on application	price on application
			Mon-Sat incl Bank Holidays 7am-7pm				Mon-Sat 7pm-7am & Sun 12.01-11am & Sun 5pm-Mon 7am (per hour)	Sun 5pm-10pm (Per Visit)	Sun 11am-5pm Per Visit	
M / P	Farnham Road	917	price on application	price on application	price on application	price on application	price on application	price on application	price on application	price on application
			Mon-Sat incl Bank Holidays 8am -6pm				Mon-Sat 6pm-10pm (Per Visit)	Sun 5pm-10pm (Per Visit)	Sun 11am-5pm Per Visit	
M / P	York Road	605	price on application	price on application	price on application	price on application	price on application	price on application	price on application	price on application
S	Millmead House (Front)	27	Mon-Fri - For Visitors to Council only			price on application	price on application	price on application	price on application	price on application
S	Lawn Road	87	Mon-Fri - Contract Car Park (unavailable to public)			price on application	Closed	Closed	price on application	price on application
S	Robin Hood	23				price on application	Closed	Closed	price on application	price on application
S	St Josephs	71				price on application	Closed	Closed	price on application	price on application
S	Portsmouth Road	98				price on application	price on application	price on application	price on application	price on application
			Mon-Fri incl Bank Holidays 8am - 6pm				Mon-Sat 6pm-10pm	Sun 5pm-10pm	Sun 11am-5pm Per Visit	
S	Guilford Park	220	price on application	price on application	price on application	price on application	Free	Free	Free	Free
S	Shalford Park	66	price on application	price on application	price on application	price on application	Free	Closed	Closed	Closed
S	Walnut Tree Close	17	price on application	price on application	price on application	price on application	Free	Free	Free	Free
S	Ash Vale Station	29	price on application	price on application	price on application	price on application	Free	Free	Free	Free
			Mon-Thurs 8am-6pm				Mon-Thurs 6pm - 10pm & Sat 8pm-10pm	Sun 5pm-10pm	Sun 11am-5pm	
S	North Street	49	price on application	price on application	price on application	price on application	price on application	price on application	price on application	price on application

All of the above charges include VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21	2021-22	Increase
	From 1 April 2020 £	From 1 April 2021 £	
To be approved by Council			
Farmers Market			
Stall Charge (per market, per linear metre of frontage)	9.90	9.90	0.0%
Fee Supplement	4.00	4.00	0.0%
Car Parking	9.00 *	9.00 *	0.0%
Standard charges			
Poster Boards			
All poster boards are A4 sheet poster size			
- Rental per space - Rental per week	12.60 *	12.60 *	0.0%
Banner Boards			
- Rental per space - Rental per week			
Large 9ft banners	70.20 *	70.20 *	0.0%
A0 & A1 - category A (all except Nightingale Rd, Shalford Park (wall mounted), Bedford Rd 1-6)	61.20 *	61.20 *	0.0%
A0 & A1 - category B (Nightingale Rd, Shalford Park (wall mounted), Bedford Rd 1-6)	49.20 *	49.20 *	0.0%
A2 & A3	24.60 *	24.60 *	0.0%
Concessionary charges			
Poster Boards			
All poster boards are A4 sheet poster size			
- Rental per space - Rental per week	10.20 *	10.20 *	0.0%
Banner Boards			
- Rental per space - Rental per week			
Large 9ft banners	57.00 *	57.00 *	0.0%
A0 & A1 - category A (all except Nightingale Rd, Shalford Park (wall mounted), Bedford Rd 1-6)	46.80 *	46.80 *	0.0%
A0 & A1 - category B (Nightingale Rd, Shalford Park (wall mounted), Bedford Rd 1-6)	44.40 *	44.40 *	0.0%
A2 & A3	19.80 *	19.80 *	0.0%
High Street Banner			
- Rental per space - Rental per week			
Upper High Street - Rental per space - Rental per week	390.00 *	390.00 *	0.0%
Upper High Street - Rental per space - Rental subsequent weeks (maximum rental 3 weeks)	142.80 *	142.80 *	0.0%
Lower High Street - Rental per space - Rental per week	390.00 *	390.00 *	0.0%
Lower High Street - Rental per space - Rental subsequent weeks (maximum rental 3 weeks)	142.80 *	142.80 *	0.0%

*= includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	Increase %
North Street Rotunda			
Standard charges for full day			
-Weekday	125.00	125.00	0.0%
- Saturday	200.00	200.00	0.0%
- Sunday	165.00	165.00	0.0%
Concessionary charges for full day			
-Weekday	60.00	60.00	0.0%
- Saturday	100.00	100.00	0.0%
- Sunday	80.00	80.00	0.0%

* = Includes VAT at 20%

	2020-21 from 1 April 2020 £	2021-22 from 1 April 2021 £	Increase %
To be approved by Council			
House Purchase Fees			
Right to Buy	88.00	88.00	0.0%
Engrossment Fee			
Leasehold Enquires	132.00	132.00	0.0%
(b) Equity Share	113.00	113.00	0.0%
Lease Surrender			
Road Closure Application Fee	150.00	150.00	0.0%

This is the minimum standard charge which includes the cost of basic laminated signage only. The actual amount payable is subject to any additional signage costs incurred.

Council Minutes Booklet and Committee Agendas - Annual Subscription

- All available on line free of charge - Hard copies available but will charged at cost to GBC

Business organisations (per committee)	Free of Charge	Free of Charge
Amenity organisations and private individuals	Free of Charge	Free of Charge
Parish Councils (first copy free)	Free of Charge	Free of Charge
Individual Agendas	Free of Charge	Free of Charge
Constitution	Free of Charge	Free of Charge
Annual Report and Statement of Accounts - supply to Borough Residents	Free of Charge	Free of Charge
Annual Report and Statement of Accounts - supply to organisations and individuals outside the Borough	Individually determined	Individually determined

Section 106 Agreements

Suitable Access to Natural Green Space (SANGS) Section 106 agreement or Unilateral Undertaking	750.00	750.00	0.0%
Section 106 agreement or Unilateral Undertaking (development up to 25 dwellings)	1,145.00	1,145.00	0.0%
Section 106 agreement or Unilateral Undertaking (development exceeding 25 up to 50 dwellings)	2,275.00	2,275.00	0.0%
Section 106 agreement or Unilateral Undertaking (development exceeding 51 up to 100 dwellings)	Minimum of £2,275 **	Minimum of £2,275 **	0.0%
Section 106 agreement or Unilateral Undertaking (development exceeding 101 up to 199 dwellings)	Minimum of £2,275 **	Minimum of £2,275 **	0.0%
Section 106 agreement (Major applications, small scale, large scale)	Minimum of £2,275 **	Minimum of £2,275 **	0.0%

**this is presented as a general guide, in each instance the Council will provide a pre-estimate of the likely time and costs, and will seek its costs in relation to actual work completed on the basis of an officer fee of £180 per hour.

Agenda item number: 12
Appendix 6

	2020-21 from 1 April 2020 £	2021-22 from 1 April 2021 £	Increase %
Property Transactions – Legal Charges			
Grant of new lease up to 100 sq. m	Minimum £555**	Minimum £555**	0.0%
Grant of new lease 101 to 300 sq. m	Minimum £760**	Minimum £760**	0.0%
Grant of new lease 301 – 700 sq. m	Minimum £875**	Minimum £875**	0.0%
Grant of new lease over 700 sq. m	Minimum £1,320**	Minimum £1,320**	0.0%
Renewal of lease up to 100 sq. m	Minimum £430**	Minimum £430**	0.0%
Renewal of lease 101 to 300 sq. m	Minimum £555**	Minimum £555**	0.0%
Renewal of lease 301 – 700 sq. m	Minimum £660**	Minimum £660**	0.0%
Renewal of lease over 700 sq. m	Minimum £875**	Minimum £875**	0.0%
Deed of Variation	Minimum £575**	Minimum £575**	0.0%
Rent Deposit Deed	Minimum £220**	Minimum £220**	0.0%
Licence to Assign/Alter	Minimum £555**	Minimum £555**	0.0%
Licence to Underlet	Minimum £660**	Minimum £660**	0.0%
Grant of new Licence for grazing/garden/access	Minimum £495**	Minimum £495**	0.0%
Renewal of Licence for grazing/garden/access	Minimum £280**	Minimum £280**	0.0%
Grant of new Licence for scaffolding/development compound	Minimum £495**	Minimum £495**	0.0%
Renewal of Licence for scaffolding/development compound	Minimum £380**	Minimum £380**	0.0%
Grant of Easement/wayleave	Minimum £555**	Minimum £555**	0.0%
Sale of freehold	Minimum £760**	Minimum £760**	0.0%

** These are the minimum standard charges. Protracted or complex cases can exceed these figures in which case the Council's reasonable legal costs are payable.

Approved by the Government

Electoral Register Sales

Fees are set by Statute and are available on request.

*= Includes VAT at 20%

	2020-21	2021-22	Increase
	From 1 April 2020 £	From 1 April 2021 £	%
To be approved by Council			
Local Taxation			
Court Costs - Council Tax*	100.50	100.50	0.0%
Court Costs - Business Rates*	120.50	120.50	0.0%
Court Costs - BID Levy*	10.5	10.50	0.0%
**these amounts includes £20.00 payable for Liability Order			
Letting of Council Accommodation for Meetings (Charges for other uses subject to negotiation)			
Council Chamber			
Morning	252.00	252.00	0.0%
Afternoon	252.00	252.00	0.0%
Evening to 9.00 pm	325.00	325.00	0.0%
<u>Room 1 (Charities) - previously Committee Room 1</u>			
Morning	175.00	175.00	0.0%
Afternoon	175.00	175.00	0.0%
Evening to 9.00 pm	252.00	252.00	0.0%
<u>Room 2 (Newlands) - previously Committee Room 2</u>			
Morning	175.00	175.00	0.0%
Afternoon	175.00	175.00	0.0%
Evening to 9.00 pm	257.00	257.00	0.0%
<u>Room 3 (Sheepheas)</u>			
Morning	125.00	125.00	0.0%
Afternoon	125.00	125.00	0.0%
Evening to 9.00 pm	180.00	180.00	0.0%
<u>Room 4 (Chinthurst)</u>			
Morning	87.50	87.50	0.0%
Afternoon	87.50	87.50	0.0%
Evening to 9.00 pm	128.00	128.00	0.0%
<u>Room 5 (Whitmoor)</u>			
Morning	87.50	87.50	0.0%
Afternoon	87.50	87.50	0.0%
Evening to 9.00 pm	128.00	128.00	0.0%
<u>Room 6 (Hurtmore)</u>			
Morning	175.00	175.00	0.0%
Afternoon	175.00	175.00	0.0%
Evening to 9.00 pm	257.00	257.00	0.0%

*= includes VAT at 20%

	2020-21 From 1 April 2020	2021-22 From 1 April 2021	Increase
Room 7 (Loseley)			
Morning	54.50	54.50	0.0%
Afternoon	54.50	54.50	0.0%
Evening to 9.00 pm	76.50	76.50	0.0%
Room 8 (Hatchlands)			
Morning	105.00	105.00	0.0%
Afternoon	105.00	105.00	0.0%
Evening to 9.00 pm	153.50	153.50	0.0%

House Purchase Fees

Consent - Application in Advance
Consent - Retrospective Application

Approved under Delegated Authority

Other meeting rooms

May be made available for smaller groups, please direct enquiries to Office Services for details of applicable rates.

Millmead Staff Restaurant

Catering requirements to be arranged with Office Services. Menus/Tariffs available on request.

*= includes VAT at 20%

Agenda item number: 12
Appendix 6

To be approved by Council

	2020-21	2021-22	Increase
	From 1 April 2020	From 1 April 2021	%
	£	£	

Statutory Planning Fees can be found by referring to current government legislation.

The Planning Portal is the UK online planning and building regulations resource-
<http://www.planningportal.gov.uk/planning/planningpolicyandlegislation/currentlegislation/statutoryinstruments>

Decision Notices

Planning Decisions (TP3s) - post 2005 on website	20.50 *	20.50 *	0.0%
Planning Appeal Decisions - post 2005 on website	20.50 *	20.50 *	0.0%
Planning Legal agreements (Section 106 etc.) - if available on website (New)	20.50 *	20.50 *	0.0%
Tree Preservation Orders (if available on website)	20.50 *	20.50 *	0.0%
BC Completion Certificate pre 2001	20.50 *	20.50 *	0.0%
BC Completion Letter pre 1991	20.50 *	20.50 *	0.0%

Section 106 Agreements monitoring fee

	750.00	750.00	0.0%
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Self-build and Custom Housebuilding Register

Initial entry on the register	27.00	27.00	0.0%
Initial entry fee for additional members of an Association	11.00	11.00	0.0%
Initial entry onto Part 2 of the register	11.00	11.00	0.0%
Annual fee for remaining on Part 1 and Part 2 the register	11.00	11.00	0.0%

All charges are per document
If the above information is not available on our website the photocopying charges listed below will apply:-

Photocopy Charges

Plan Copying(A2-A0)	14.00	14.00	0.0%
Photocopying Charges (black and white A0)	0.36 *	0.36 *	0.0%
Photocopying Charges (black and white A4)	0.36 *	0.36 *	0.0%
Photocopying Charges (black and white A3)	0.62 *	0.62 *	0.0%
Photocopying Charges (colour A4)	0.62 *	0.62 *	0.0%
Photocopying Charges (colour A3)	0.62 *	0.62 *	0.0%

Supply of information to professional organisations

General enquiries (one off charge)	74.00 *	74.00 *	0.0%
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Tables A,B, C, (domestic) D and E (commercial) for Building Control fees are available on the web site or from the Building Control office

*= includes VAT at 20%

Agenda item number: 12
Appendix 6

Pre Application Advice		2020-21	2021-22	Increase
		From 1 April 2020	From 1 April 2021	%
		£	£	
Householder and new dwellings				
Category: BRONZE				
Householder		80.00 *	80.00 *	0.0%
1-4 dwellings		250.00 *	250.00 *	0.0%
5-9 dwellings		500.00 *	500.00 *	0.0%
10-49 dwellings		750.00 *	750.00 *	0.0%
Category: SILVER				
Householder		180.00 *	180.00 *	0.0%
1-4 dwellings		450.00 *	450.00 *	0.0%
5-9 dwellings		700.00 *	700.00 *	0.0%
10-49 dwellings		1,000.00 *	1,000.00 *	0.0%
50+ dwellings		2,500.00 *	2,500.00 *	0.0%
Category: GOLD				
Householder		1,200.00 *	1,200.00 *	0.0%
1-4 dwellings		1,750.00 *	1,750.00 *	0.0%
5-9 dwellings		5,000.00 *	5,000.00 *	0.0%
10-49 dwellings				
50+ dwellings				
Category: PLATINUM				
Householder		Not applicable	Not applicable	
1-4 dwellings		Not applicable	Not applicable	
5-9 dwellings		Not applicable	Not applicable	
10-49 dwellings		Price on application *	Price on application *	
50+ dwellings		Price on application *	Price on application *	
Extras				
Additional plans				
Householder		84.00 *	84.00 *	0.0%
1-4 dwellings		168.00 *	168.00 *	0.0%
5-9 dwellings		335.00 *	335.00 *	0.0%
10-49 dwellings		565.00 *	565.00 *	0.0%
50+ dwellings		845.00 *	845.00 *	0.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)		168.00 *	168.00 *	0.0%

*= includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21	2021-22	Increase
	From 1 April 2020	From 1 April 2021	%
	£	£	
Additional meetings			
Householder	Not applicable	Not applicable	
1-4 dwellings	335.00 *	335.00 *	0.0%
5-9 dwellings	450.00 *	450.00 *	0.0%
10-49 dwellings	675.00 *	675.00 *	0.0%
50+ dwellings	900.00 *	900.00 *	0.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	335.00 *	335.00 *	0.0%
Commercial and other development			
Category: BRONZE			
Commercial up to 250 sq metres	168.00 *	168.00 *	0.0%
Commercial up to 500 sq metres	280.00 *	280.00 *	0.0%
Commercial up to 1000 sq metres	450.00 *	450.00 *	0.0%
Commercial up to 2500 sq metres	565.00 *	565.00 *	0.0%
Commercial over 2500 sq metres	845.00 *	845.00 *	0.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	Not applicable	Not applicable	
Category: SILVER			
Commercial up to 250 sq metres	280.00 *	280.00 *	0.0%
Commercial up to 500 sq metres	400.00 *	400.00 *	0.0%
Commercial up to 1000 sq metres	735.00 *	735.00 *	0.0%
Commercial up to 2500 sq metres	845.00 *	845.00 *	0.0%
Over 2500 sq metres	1,150.00 *	1,150.00 *	0.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	400.00 *	400.00 *	0.0%
Category: GOLD			
Commercial up to 250 sq metres	845.00 *	845.00 *	0.0%
Commercial up to 500 sq metres	965.00 *	965.00 *	0.0%
Commercial up to 1000 sq metres	1,700.00 *	1,700.00 *	0.0%
Commercial up to 2500 sq metres	2,250.00 *	2,250.00 *	0.0%
Over 2500 sq metres	900.00 *	900.00 *	0.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	Not applicable	Not applicable	
Category: PLATINUM			
Commercial up to 250 sq metres	Not applicable	Not applicable	
Commercial up to 500 sq metres	Not applicable	Not applicable	
Commercial up to 1000 sq metres	Not applicable	Not applicable	
Commercial up to 2500 sq metres	Not applicable	Not applicable	
Over 2500 sq metres	Price on application *	Price on application *	
Other (listed building, advertisements, agricultural, telecommunications and trees)	Not applicable	Not applicable	

*= includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21	2021-22	Increase
	From 1 April 2020	From 1 April 2021	%
	£	£	
Extras			
Additional plans			
Commercial up to 250 sq metres	84.00 *	84.00 *	0.0%
Commercial up to 500 sq metres	168.00 *	168.00 *	0.0%
Commercial up to 1000 sq metres	335.00 *	335.00 *	0.0%
Commercial up to 2500 sq metres	565.00 *	565.00 *	0.0%
Commercial over 2500 sq metres	845.00 *	845.00 *	0.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	168.00 *	168.00 *	0.0%
Meeting			
Commercial up to 250 sq metres	335.00 *	335.00 *	0.0%
Commercial up to 500 sq metres	450.00 *	450.00 *	0.0%
Commercial up to 1000 sq metres	675.00 *	675.00 *	0.0%
Commercial up to 2500 sq metres	900.00 *	900.00 *	0.0%
Commercial over 2500 sq metres	335.00 *	335.00 *	0.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	335.00 *	335.00 *	0.0%
Duty Officer service			
	58.00 *	58.00 *	0.0%
No charge will be made for:			
- advice given during the process of a planning application			
- advice given to non-profit making organisations/ charities/ hospitals/ *statutory bodies (up to the point where professional agents are appointed)			
- advice on proposals relating to disabled living			
- Parish councils will receive 50% off the fee			
* a statutory body is based on the definition set out in the General Development Order			
Planning performance agreements			
For major applications only (residential or commercial)			
Deposit	500.00 *	500.00 *	0.0%
Subsequent costs	Price on application *	Price on application *	
Charges for tree advice- for a site visit and written response			
Pre- application advice on works to trees (TPO and conservation area)			
First hour	88.00 *	88.00 *	0.0%
Per subsequent hours	58.00 *	58.00 *	0.0%
General tree advice			
First hour	88.00 *	88.00 *	0.0%
Per subsequent hours	58.00 *	58.00 *	0.0%
Tree survey on proposed development site			
Per hour	88.00 *	88.00 *	0.0%
High Hedges			
	600.00	600.00	0.0%

*= includes VAT at 20%

Conservation Area Character Appraisals and Landscape Character Assessments are available to download for free on our website- price on application for printed copies

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	Increase %
Local Plan Documents			
Examination Documents			
Guildford borough Local Plan Strategy and Sites Adopted 25th April 2019	47.50	47.50	0.0%
Submission Local Plan: strategy and sites - Main Modifications (2018)	43.50	43.50	0.0%
Schedule of Main Modifications to the Plan (2018)	15.00	15.00	0.0%
Schedule of Minor Modifications to the Plan (2018)	15.00	15.00	0.0%
Submission Documents			
Submission Local Plan: strategy and sites (2017)	43.50	43.50	0.0%
Guildford borough Proposed Submission Local Plan: strategy and sites (2016)	43.50	43.50	0.0%
Schedule of proposed minor modifications to Submission Local Plan (2017)	15.00	15.00	0.0%
Track changed version of Submission Local Plan (2017)	43.50	43.50	0.0%
Sustainability Appraisal (SA) and Non-technical Summary (2017)	26.50	26.50	0.0%
Habitat Regulations Assessment (HRA) (2017)	16.50	16.50	0.0%
Equalities Impact Assessment (EIA) Screening (2014)	3.00	3.00	0.0%
Local Development Scheme (LDS) (2017)	3.00	3.00	0.0%
Consultation Statement (2017)	135.00	135.00	0.0%
Community Involvement in Planning (2013)	9.00	9.00	0.0%
Monitoring Report 2016/17 (2017)	9.00	9.00	0.0%
Housing			
West Surrey Strategic Housing Market Assessment (SHMA) (2015)	33.00	33.00	0.0%
West Surrey SHMA - Guildford Addendum Report (2015)	9.00	9.00	0.0%
West Surrey SHMA- Guildford Addendum Report 2017 (2017)	15.50	15.50	0.0%
Review of Housing Needs Evidence across West Surrey HMA (2017)	9.00	9.00	0.0%
Traveller Accommodation Assessment (TAA) (2017)	16.50	16.50	0.0%
Land Availability Assessment (LAA) (2017)	74.00	74.00	0.0%
Land Availability Assessment (LAA) (2016)	74.00	74.00	0.0%
Employment			
Employment Land Needs Assessment (ELNA) (2017)	16.50	16.50	0.0%
West Surrey Functional Economic Market Area (FEMA) (2016)	3.00	3.00	0.0%
Retail and Leisure Update Study (2014)	31.00	31.00	0.0%
Guildford Retail and Leisure Study Addendum (2017)	9.00	9.00	0.0%
Protecting and Design			
Historic Environment Information (2016)	45.00	45.00	0.0%
Environmental Sustainability and Climate Change Study (2013)	12.00	12.00	0.0%
Assessment of the Viability of Carbon Emission Targets for New Builds (2017)	26.00	26.00	0.0%
Guildford Renewable Energy Mapping Study (2015)	15.00	15.00	0.0%

*= includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21	2021-22	Increase
	From 1 April 2020	From 1 April 2021	%
	£	£	
Green Belt and Countryside Study , Volumes I – VI	345.00	345.00	0.0%
Green Belt and Countryside Study - volume I	29.00	29.00	0.0%
Green Belt and Countryside Study - volume II	67.00	67.00	0.0%
Green Belt and Countryside Study - volume II appendix III	127.50	127.50	0.0%
Green Belt and Countryside Study - volume III	57.50	57.50	0.0%
Green Belt and Countryside Study - volume III appendix VI	50.50	50.50	0.0%
Green Belt and Countryside Study - volume IV	45.50	45.50	0.0%
Green Belt and Countryside Study - volume V	129.00	129.00	0.0%
Green Belt and Countryside Study - volume VI	5.00	5.00	0.0%
Landscape Character Assessment (4 volumes) (2007):			
- Volume 1 - Rural Assessment	26.00	26.00	0.0%
- Volume 2 - Rural-Urban Fringe Assessment	21.00	21.00	0.0%
- Volume 3 - Townscape Assessment	21.00	21.00	0.0%
- Volume 4 - Countryside Character Areas	5.00	5.00	0.0%
Surrey Hills AONB Areas of Search Natural Beauty Evaluation Report (2013)	10.50	10.50	0.0%
Thames Basin Heaths Special Protection Area Avoidance Strategy Supplementary Planning Document (2017)	10.50	10.50	0.0%
Sites of Nature Conservation Importance (SNCI) Surveys 2004-2007	9.00	9.00	0.0%
SNCI Survey Report – Former Wisley airfield (2016)	10.50	10.50	0.0%
SNCI Survey Report – Little Flexford (2016)	9.00	9.00	0.0%
Strategic Flood Risk Assessment (SFRA)			
- Level 1 SFRA: Summary Report (2016)	5.50	5.50	0.0%
- Level 1 SFRA: Volume 1 - Final Decision Support	12.50	12.50	0.0%
- Level 1 SFRA: Volume 2 - Technical Report (2016)	11.00	11.00	0.0%
- Level 1 SFRA: Flood risk Sequential and Exception Test (2017)	9.50	9.50	0.0%
- Level 2 SFRA (2016)	24.00	24.00	0.0%
- Level 2 SFRA: 2017 Addendum (2017)	9.00	9.00	0.0%
Surface Water Management Plan (Six documents)	21.00	21.00	0.0%
Infrastructure and Delivery			
Guildford borough Infrastructure baseline (Guildford Borough Council, July 2013)	25.00	25.00	0.0%
Guildford borough Infrastructure Delivery Plan (IDP) (Guildford Borough Council, December 2017)	15.50	15.50	0.0%
Local Plan and CIL Viability Study (2016)	15.50	15.50	0.0%
Local Plan Viability Update (2017)	9.00	9.00	0.0%
Guildford Education Review (2016)	9.00	9.00	0.0%
Open Space, Sports and Recreation Assessment (2017)	5.50	5.50	0.0%
Guildford Assessment of Sites for Amenity Value (2017)	52.00	52.00	0.0%
Settlement Hierarchy Study (2014)	19.00	19.00	0.0%
Settlement Profiles (2013)	23.00	23.00	0.0%
Water Quality Assessment (2017)	20.00	20.00	0.0%
Water Quality Assessment (2017)	9.00	9.00	0.0%

*= Includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	Increase %
Transport			
Guildford Borough Transport Strategy 2017 (December 2017)	10.50	10.50	0.0%
Strategic Highway Assessment for the Guildford borough Proposed Submission: strategy and sites (various years)	18.50	18.50	0.0%
Study of performance of A3 trunk road interchanges in Guildford urban area to 2024 under development scheme	15.50	15.50	0.0%
Study of performance of A3 trunk road interchanges in Guildford urban area to 2024 under development scheme	15.50	15.50	0.0%
Guildford Town and Approaches Movement Study (2015)	62.00	62.00	0.0%
Guildford Town Centre Parking Strategic Review (2013)	15.50	15.50	0.0%
A Sustainable Parking Strategy for Guildford 2016 (Guildford Borough Council, 2016)	10.50	10.50	0.0%
Parking Business Plan 2017 (Guildford Borough Council, 2017)	10.50	10.50	0.0%
Draft Guildford Town Centre Vision (Allies and Morrison Urban Practitioners, June 2014)	15.50	15.50	0.0%
Guildford Town Centre and Hinterland Masterplan Report: Final draft report for consultation (various years)	26.00	26.00	0.0%
Guildford Town Centre Regeneration Strategy 2017 (Guildford Borough Council, January 2017)	15.50	15.50	0.0%
Guildford Local Cycling Plan (Surrey County Council, undated circa 2015) [Accessed 6/12/2017]	15.50	15.50	0.0%
Other Supporting Documents			
Habitat Regulations Assessment (HRA) Screening (2013)	10.00	10.00	0.0%
Sustainability Appraisal (SA) Scoping Report (2013)	10.50	10.50	0.0%
SA site assessment criteria	5.00	5.00	0.0%
Guildford borough Local Plan Strategy and Sites Issues and Options (2013)	31.00	31.00	0.0%
Community Engagement Statement (Issues and Options) (2014)	10.50	10.50	0.0%
Initial Sustainability Appraisal (SA) (2013)	25.50	25.50	0.0%
Statement of Community Engagement (draft Local Plan) (2014)	5.00	5.00	0.0%
Interim Sustainability Appraisal (SA) Report (2014)	15.50	15.50	0.0%
Sustainability Appraisal (SA) of the Guildford borough Local Plan (2016)	25.50	25.50	0.0%
Sustainability Appraisal (SA) non-technical summary (2016)	3.00	3.00	0.0%
Guildford Local Plan HRA update May 2018	15.50	15.50	0.0%
Neighbourhood Plans			
Burpham Neighbourhood Plan	15.50	15.50	0.0%
Effingham Neighbourhood Plan	15.50	15.50	0.0%
East Horsley Neighbourhood Plan	15.50	15.50	0.0%
Topic Papers			
Topic paper: Duty to Cooperate (2017)	69.00	69.00	0.0%
Topic paper: Transport (2017)	22.00	22.00	0.0%
Topic paper: Green Belt and Countryside (2017)	14.50	14.50	0.0%
Topic paper: Housing Delivery (2017)	12.00	12.00	0.0%
Topic paper: Employment (2017)	12.50	12.50	0.0%
Topic paper: Retail and Town Centre (2017)	4.50	4.50	0.0%
Topic paper: Leisure and Tourism (2017)	17.00	17.00	0.0%

*= includes VAT at 20%

Agenda item number: 12
Appendix 6

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	Increase %
Topic paper: Housing Type Tenure and Mix (2017)	2.00	2.00	0.0%
Topic paper: Flood Risk (2017)	14.50	14.50	0.0%
Topic paper: Environmental Sustainability and Climate Change (2017)	4.00	4.00	0.0%
Topic paper: Green and Blue Infrastructure (2017)	3.50	3.50	0.0%
Supplementary Planning Guidance			
Residential Extensions and Alterations SPD	20.00	20.00	
Thames Basin Health Special Protection Area Avoidance Strategy (2017) SPD	10.00	10.00	
Guildford Town Centre Views SPD (2019)	23.00	23.00	
Development Briefs and Other Strategies			
Thames Basin Health Special Protection Area Avoidance Strategy (2017)	10.00	10.00	0.0%
Postage and packing			
Small documents	1.60 *	1.60 *	0.0%
Large documents	4.00 *	4.00 *	0.0%
Draft Local Plan- first class	16.75 *	16.75 *	0.0%
Draft Local Plan- second class	14.75 *	14.75 *	0.0%
The above Local Plan documents are available to download for free on our website			
Land Charges Search Fees -(VAT introduced on 31st March 2017)			
Basic Fee- domestic	187.00 *	188.00 *	0.5%
LLC1 Only- domestic	40.00	40.00	0.0%
Con 29R Only- domestic	147.00 *	148.00 *	0.7%
Basic Fee- commercial	254.00 *	255.00 *	0.4%
LLC1 Only- commercial	60.00	60.00	0.0%
Con 29R Only- commercial	194.00 *	195.00 *	0.5%
Con29 Additional Questions- Surrey County Council	20.00 *	20.40 *	2.0%
Con29 Additional Questions- Guildford Borough Council	12.00 *	12.00 *	0.0%
Assisted Personal Search	32.00	32.00	0.0%
Assisted Con29R Search (Per Question)	7.20 *	7.20 *	0.0%
Additional Parcels of Land	16.80 *	16.80 *	0.0%
Additional Questions	48.00 *	48.00 *	0.0%

*= includes VAT at 20%

Council Report

Ward(s) affected: n/a

Report of the Head of Paid Service

Author: John Armstrong

Tel: 01483 444102

Email: john.armstrong@guildford.gov.uk

Date: 10 February 2021

Designation of Monitoring Officer

Executive summary

Councillors will be aware that Sarah White, the Council's Monitoring Officer will be officially leaving the Council on 24 February 2021.

Consequently, it will be necessary to designate an officer as the Monitoring Officer. In accordance with Officer Employment Procedure Rule 4 (a), the formal designation of the Monitoring Officer is undertaken by full Council on the recommendation of the Employment Committee.

The Committee met on 1 February to consider this matter and endorsed the recommendation below.

Recommendation to Council:

That, in accordance with Section 5 of the Local Government and Housing Act 1989 (as amended), Diane Owens (Lead Specialist – Legal) be designated as the Monitoring Officer for the Council with effect from 25 February 2021.

Reason for Recommendation:

As a qualified solicitor with many years of local government experience carrying out both legal services and monitoring officer duties at a number of different councils, Diane Owens is currently the Senior Deputy Monitoring Officer and already holds the post of Lead Legal Specialist. Diane Owens is therefore considered to be the most suitable officer to be designated as Monitoring Officer.

Is this report (or part of it) exempt from publication? No

1. Purpose of Report

- 1.1 To ask the Council to designate an officer of the Council as the officer responsible for performing the duties imposed by Section 5 of the Local Government and Housing Act 1989 (as amended), that is, the Monitoring Officer.

2. Background

- 2.1 Under Section 5 of the Local Government and Housing Act 1989 (as amended) ("the 1989 Act"), the Council has a duty to designate one of its officers as Monitoring Officer.

2.2 The Monitoring Officer has a number of statutory duties and responsibilities relating to the Council's Constitution and our arrangements for effective governance. These duties include maintaining the Constitution, ensuring that no decision or omission of the Council is likely to give rise to unlawfulness or maladministration and promoting high standards of conduct. A full list of the Monitoring Officer's responsibilities and delegated powers is included within the Council's Constitution (see Part 2 (Article13)).

3. Designation of Monitoring Officer

3.1 A local authority has general flexibility to appoint whatever officers it thinks fit. Despite this general flexibility, there are a number of statutory exceptions.

3.2 The 1989 Act (Section 5) provides that the Council must designate one of its officers to be the Monitoring Officer to check on the correctness and propriety of the authority's decisions. The Monitoring officer may not also be the Head of Paid Service or the Council's Chief Finance Officer. The Monitoring Officer has power, under Section 5A of the 1989 Act, to nominate deputies.

3.3 Sarah White, the Council's Monitoring Officer will be leaving the Council on 24 February 2021. Sarah shared the post of Lead Legal Specialist with Diane Owens who is currently one of the Council's Deputy Monitoring Officers, as part of a job-sharing arrangement. Officers are currently consulting with legal services staff on restructuring the legal services team. The proposed structure predominantly reverts back to the structure proposed and consulted upon as part of Future Guildford Phase A. The Future Guildford Phase A structure of the legal services team can be found in Appendix 1, the current structure of the service can be found at Appendix 2 and the proposed structure currently being consulted on can be found in Appendix 3.

3.4 Under the Council's staffing structure, the post of Lead Legal Specialist is the post which Officer's deem most appropriate to be designated as the Council's Monitoring Officer as the role is the Council's most senior legal officer and solicitor. Whilst there is no specific requirement for the most senior solicitor or legal officer of any Council to be the Monitoring Officer it is common practice for the monitoring officer to be a fully qualified solicitor given that part of the role of the monitoring officer is to ensure the Council's compliance with laws and regulations. The monitoring officer has three main duties:

- 1) To report on matters he or she believes are, or are likely to be, illegal or amount to maladministration
- 2) To be responsible for matters relating to the conduct of councillors and officers; and
- 3) To be responsible for the operation of the Council's constitution

3.5 The role of Lead Legal Specialist requires the post holder to be a qualified solicitor with significant post qualification experience and experience of working in a public sector environment. The Lead Legal Specialist is the 'head of profession' for legal services at the Council. Whilst it is common for the Monitoring Officer to be a Council's most senior solicitor, it is not an absolute requirement. At Guildford Borough Council in the past, the role has normally been held by the Council's most senior legal officer with the exception of the period of time, between September 2011 and December 2014 when the then, Head of Corporate Development, Martyn Brake, held the role of Acting Monitoring Officer. Practice at other councils has found that other roles sometimes designated as Monitoring Officer can be roles such as Director of Corporate Services, Director of Governance & Democratic services (where the role is at Director Level then tends to sit with the Director responsible for Legal Services and often Democratic Services as well), or Head of Democratic & Elections Services. The Council

does not have a Director of Corporate Services or Director of Governance & Democratic Services. The Director currently responsible for legal services is the Director of Resources, who is the Council's Section 151 Officer and therefore cannot legally hold both statutory roles.

- 3.6 It is recommended that Diane Owens (Lead Specialist – Legal) be designated as the Monitoring Officer for the Council with effect from 25 February 2021 on the basis that she is currently the Senior Deputy Monitoring Officer and already holds the post of Lead Legal Specialist. Diane is a qualified solicitor with many years of local government experience at a number of different councils in relation to both legal services and monitoring officer duties. The other Deputy Monitoring Officers at the council have stated that they are not interested in taking on more responsibility and becoming the Monitoring Officer themselves and in at least one case, is likely to retire soon.
- 3.7 Under Section 5 (7) of the 1989 Act, the duties of the Monitoring Officer may, whenever he or she is unable to act owing to absence or illness, be performed by a nominated deputy or deputies. Joan Poole and Bridget Peplow will continue in their current Deputy Monitoring Officer roles.
- 3.8 In accordance with Officer Employment Procedure Rule 4 (a), the formal designation of the Monitoring Officer is undertaken by full Council on the recommendation of the Employment Committee. The Employment Committee met on 1 February and endorsed the recommendation to designate Diane Owens as the Council's Monitoring Officer.

4. Financial Implications

- 4.1 The Monitoring Officer and Deputy Monitoring Officer are paid honoraria of £5,300 and £1,500 per annum respectively, which are met from existing budgets.

5. Legal Implications

- 5.1 These are set out in the report.

6. Human Resource Implications

- 6.1 There are no further human resource implications.

7. Background Papers

None

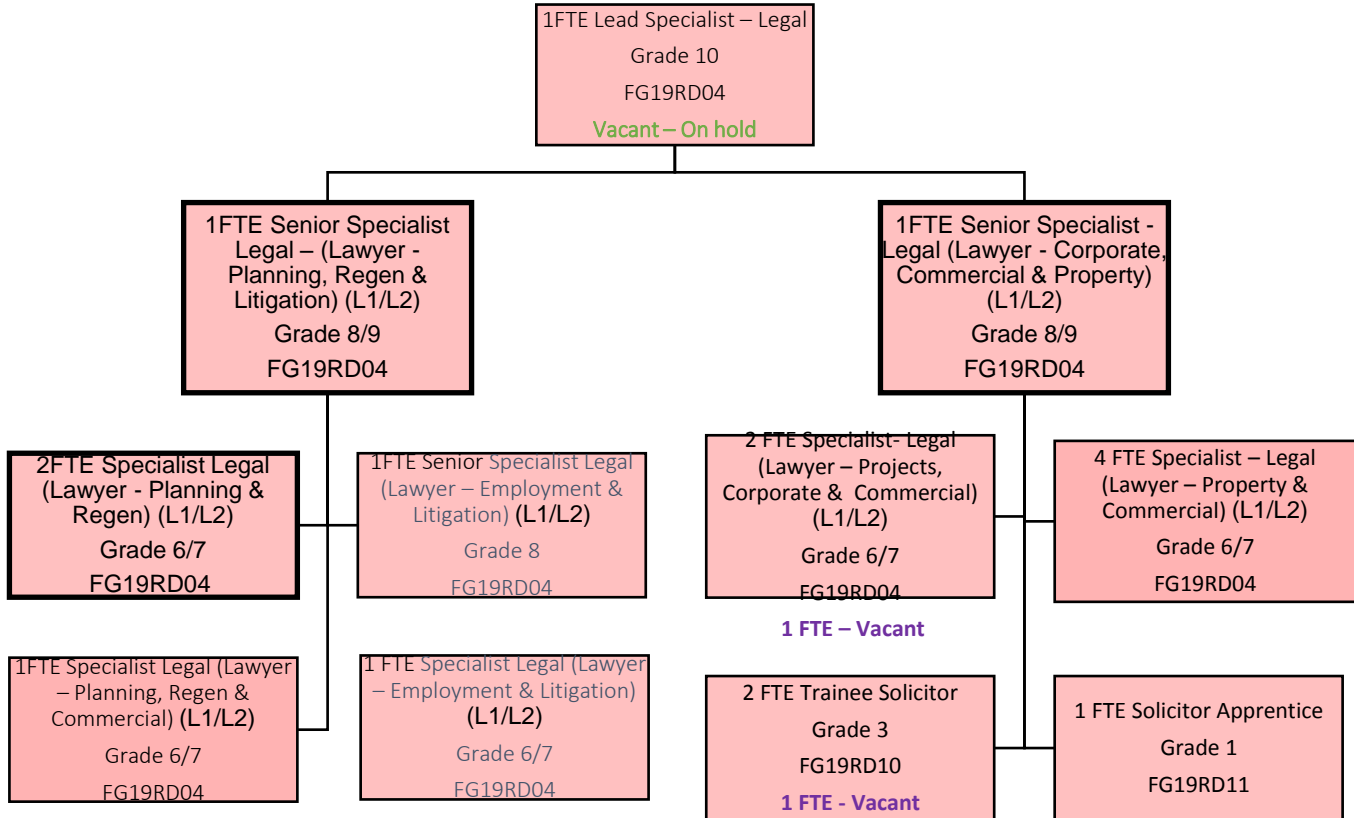
8. Appendices

Appendix 1: Future Guildford Phase A – Legal Services Structure

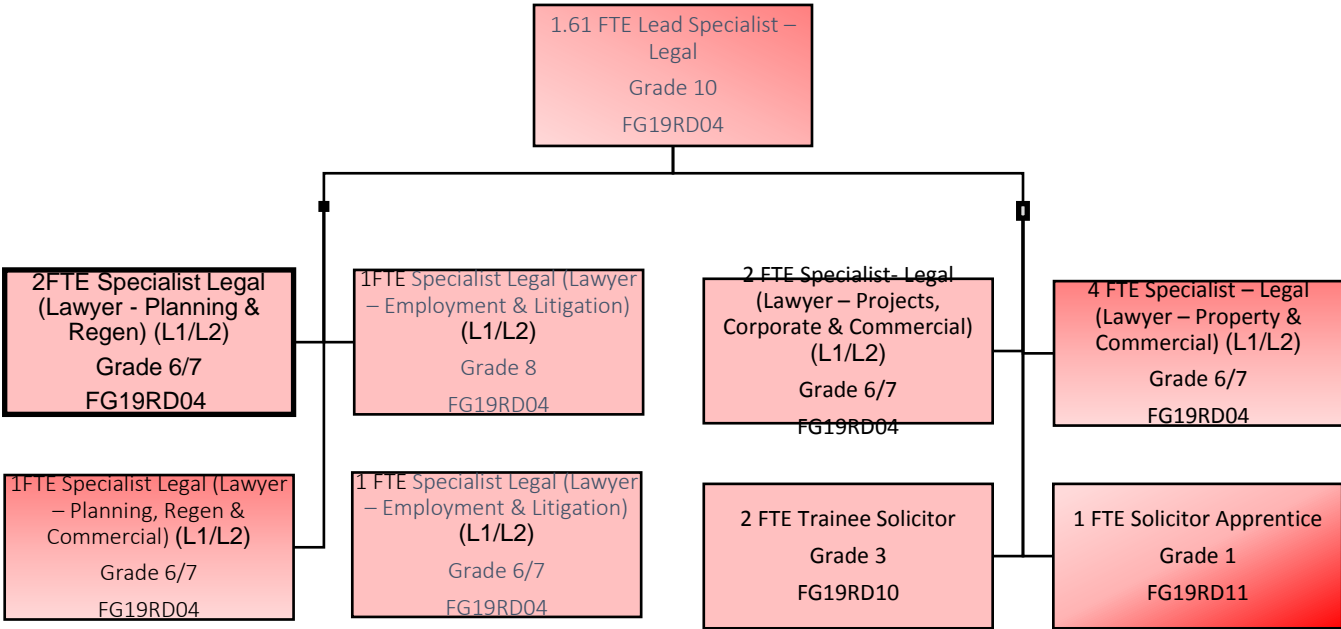
Appendix 2: Current legal services structure

Appendix 3: Proposed Legal Services structure – currently being consulted on with staff

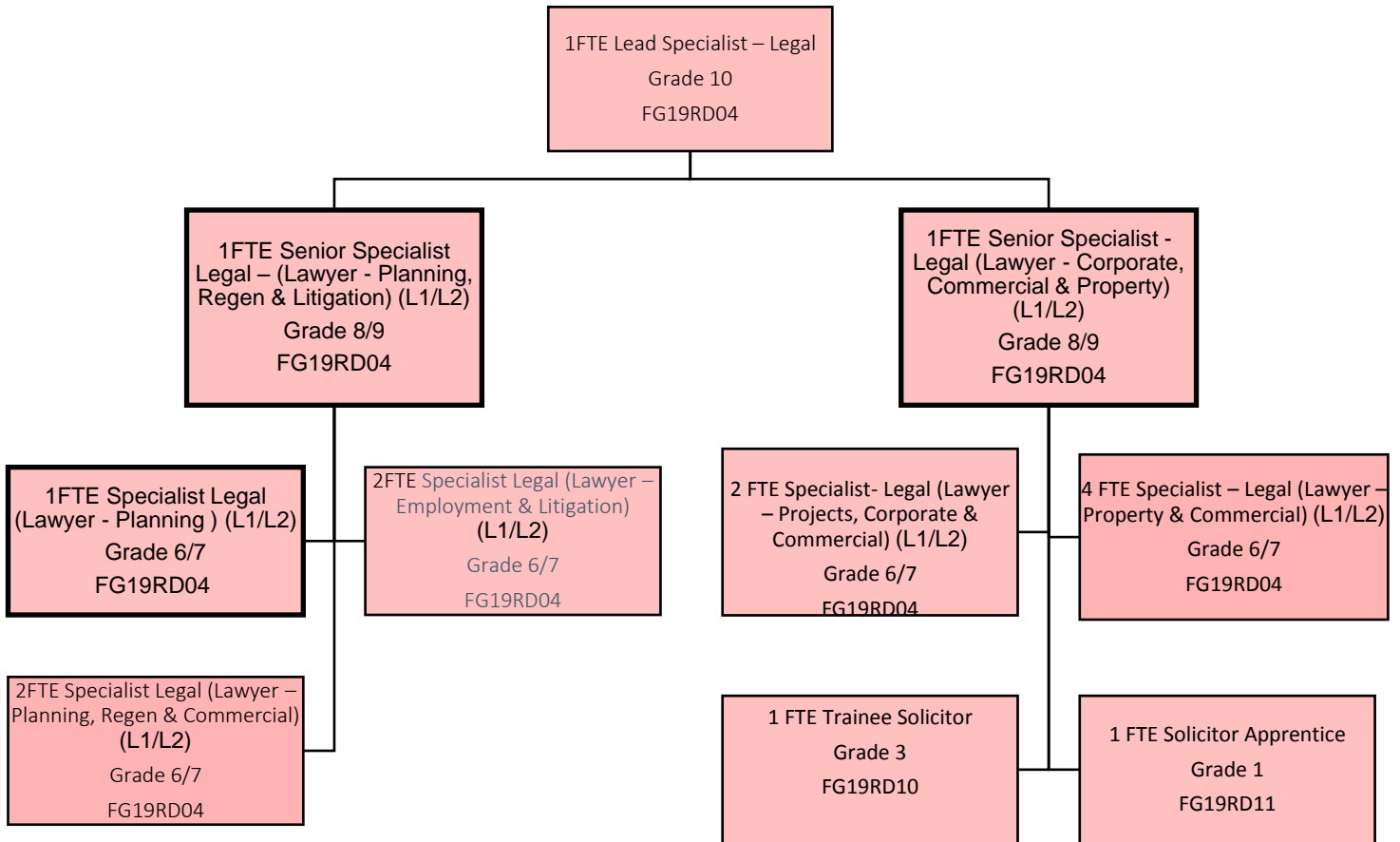
Appendix 1 - Future Guildford Phase A – Legal Services Structure



Appendix 2 – Current legal services structure



Appendix 3 – Proposed Legal Services structure – currently being consulted on with staff



EXECUTIVE

24 November 2020

- * Councillor Joss Bigmore (Chairman)
- * Councillor Caroline Reeves (Vice-Chairman)

- | | |
|----------------------------|---------------------------|
| * Councillor Tim Anderson | * Councillor John Redpath |
| * Councillor Jan Harwood | * Councillor John Rigg |
| * Councillor Julia McShane | * Councillor James Steel |

*Present

Councillors Chris Blow, Angela Goodwin, Angela Gunning, Ramsey Nagaty, Deborah Seabrook, Tony Rooth, Paul Spooner, James Walsh and Catherine Young were also in attendance.

EX50 APOLOGIES FOR ABSENCE

There were no apologies for absence.

EX51 LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTEREST

There were no declarations of interest.

EX52 MINUTES

The minutes of the meeting held on 27 October 2020 were confirmed as a correct record. The Chairman signed the minutes.

EX53 LEADER'S ANNOUNCEMENTS

The Leader thanked all residents of the Borough, including Council employees for their commitment to abide by the lockdown restrictions. He reflected that the lockdown had been hard on residents and local business, but at least there was an end in sight on this occasion. Whilst it was unclear at this stage into which Tier the Borough would emerge next week; Guildford case numbers had been showing a steady decline and the Leader was hopeful there would be significant easing of the restrictions locally.

The temporary lane closures on Bridge Street put in place by Surrey County Council were expected to be removed next week. The Leader considered that the traffic impact outweighed any benefit from increased pavement width and that Guildford should be as welcoming as possible to support retailers.

Future Guildford, the Council's transformation project was in its final stage. This fundamental review of the Council's organisational structure and ways of working was on track to deliver almost £9m of annual savings to the budget. The Leader considered the next challenge would be to demonstrate that the Council would maintain the high quality of service provision that Guildford residents expected.

In reference to the Christmas lights turned on last week, the Leader hoped that everyone who had not been able to enjoy the event in person had been able to via the GBC Christmas video available through social media channels, and any funds raised would be directed to the Mayor's Charities.

The Leader provided an update on the recovery of the Mayor, Cllr Richard Billington. The Mayor had informed the Leader that his operation had been successful in removing the majority

Agenda item number: 14

of his tumour and that he had an appointment with specialists this week to discuss further treatment.

The Leader relayed a personal message from the Mayor as follows,

“I knew I had good friends, but I was surprised by just how many, Lynda and I have been overwhelmed with your messages of support and they helped us get through some of the darker times. I was especially touched by my family at Guildford Borough Council, officers and councillors across the political spectrum you have been a big part of my convalescence and we will be forever grateful for the kindness you have shown us.”

EX54 WEYSIDE URBAN VILLAGE PROGRAMME - FINANCIAL GATEWAY REVIEW

The Executive considered a report setting out the current financial position and updated business assumptions of the Weyside Urban Village development (WUV) at the point of the planning application gateway. At this stage in the development the Executive was asked to note an overall reduction in anticipated costs of £24.8 million and an estimated end of project deficit reduction of £1.6 million to just £400,000.

Approval was also sought for the transfer of £10.2 million from the provisional capital programme budget to the approved capital programme budget to cover infrastructure fees and payments that the Council was obliged to make to Thames Water (TW) under the TW Agreement.

The Council's Legal Team would assess the planning application prior to submission and Deloitte's would be undertaking an independent financial audit. It was noted that there would be project updates to the Executive and the community at the point of every project gateway.

The increasing momentum of the project after such a long period of assembly was welcomed. The need for additional housing of all different types in the Borough was noted. The Executive

RESOLVED:

- (1) That the current financial position of Weyside Urban Village at the planning application gateway as outlined in the report submitted to the Executive, be endorsed.
- (2) That £10.2m be transferred from the provisional capital programme to the approved capital programme for infrastructure fees and payments which the Council is obliged to make to Thames Water under the TW Agreement.

Reasons:

- (1) To report to councillors the financial position of the WUV at the planning application gateway.
- (2) To ensure that there is sufficient funding in the approved programme to cover the phase 1 Infrastructure fees and the payments which the Council is obliged to make to Thames Water under the Thames Water Agreement in the current year.

EX55 OFF-STREET PARKING BUSINESS PLAN 2021-22

The Executive considered a report updating on progress made in delivering the recommendations approved in January 2020, highlighting the improvements completed and the work being progressed to support green initiatives with regard to the climate emergency and sustainability.

Since March, the town centre had seen a reduction in footfall due to the impact of the Covid19 pandemic. Consequently, a rethink of parking services management was considered appropriate by bringing forward decisions on pricing strategy to increase confidence, footfall and revenue. It was proposed that new 'Shopper' car parks be designated with rates adjusted to provide greater value for those visitors spending longer periods in the town centre to shop and eat, whilst at the higher price point discouraging commuters from using the spaces all day. Commuter designated car parks would have a more appropriate pricing strategy. Approval was sought for changes to pricing from mid-December 2020.

The impact of the Covid-19 pandemic alongside changing commuting behaviours including increased home-working on the Park and Ride service was noted. However, it was further noted that the Park and Ride service provided the least expensive of all parking options for commuters and those visiting the town centre. Longer term plans for the Park and Ride service would be a matter for all stakeholders including Stagecoach and Surrey County Council and it was acknowledged that current circumstances were extraordinary and not a basis upon which to make long term decisions. Park and Ride services would play a part in the regeneration plans of the Borough Council.

It was noted that the report had been considered by the Joint Executive Advisory Board and the comments and recommendations arising from that meeting were set out in the Supplementary Information Sheet. The Board had recommended the adoption of Option 3. The Executive

RESOLVED:

- (1) To continue with the proposed short stay car park price increase as set out in option 2, but to authorise the Waste Parking and Fleet Services Manager, in consultation with the relevant lead councillor and Director of Resources, to review the charge in January 2021 and to cancel the increase if the recovery from Covid is likely, in their view, to be negatively affected by this increase.
- (2) To make no changes to Sunday tariffs for all car parks.
- (3) To reallocate Leapale Road as "short stay" and bring prices into line with neighbouring short stay surface car parks.
- (4) To introduce a new shopper offer, Monday to Saturday, based on the flat rate option 3 in paragraph 12.3 of the report submitted to the Executive.
- (5) To note the performance of Parking Services in 2019-20, as detailed in Appendix 1 to the report.
- (6) To continue with cash car park payments for the present but keep under review as part of ongoing developments in this area.

Reasons:

- To respond to the impact of the Covid-19 pandemic;
- To support local business and residents
- To support the recovery and stabilisation of the town

EX56 SPEND UPDATE ON CONSULTANTS AND AGENCY STAFF

The Executive considered a report outlining the extent, nature, and spend on consultants and agency workers within the Council over the past five years and set out some key findings. It was noted that over the past five years the Council had spent a combined total of £36.5 million on agency workers and consultants across both revenue and capital budgets. Of that spend,

Agenda item number: 14

£24.5 million was on engaging consultants and £11.97 million employing agency workers. Expenditure on consultancy recruitment had increased twenty-four fold over the time period covered by the report and were generally employed to cover specialist placements on capital projects. Agency workers were usually employed to fill temporary gaps or shortages and recruitment had increased by over three-fold. Comensura had been the Council's usual provider of agency staff, although use of other agencies had become more commonplace and less controlled than previously. Recruitment had occasionally been undertaken without a formal governance process being applied.

The report advocated that there should be a thorough assessment of in-house expertise including a mandate with a full business case set out for approval prior to recruiting external consultants. It was proposed that consultant recruitment should be subject to a rigorous procurement process that would include tendering. It was further proposed that a formal agreement with Comensura to include set costs, terms and conditions be relaunched for agency staff. Any exceptions to using Comensura staff would be put to the Corporate Procurement Board. There would be reported updates in six and twelve-months.

This report had previously been considered by the Overview and Scrutiny Committee on 20 October 2020 and the matter would also be referred back for updating on progress.

An additional recommendation to implement all of the proposals set out in the report was included on the Supplementary Information Sheet.

Accordingly, the Executive

RESOLVED:

- (1) That the key findings in the report submitted to the Executive be noted.
- (2) That the options in section 6 of the report be implemented.

Reason:

To better control costs and provide a more robust governance approach to spend in this area.

EX57 LOCAL COUNCIL TAX SUPPORT SCHEME 2021-22

Households with an income too low to cover household costs were helped by the Council to pay their Council Tax with a support scheme. The Executive noted that the Local Council Tax Support (LCTS) scheme helped around 4,500 households by providing £5.7 million of support. The cost of the LCTS was shared with Surrey County Council, Guildford's share being around 10%.

The Council had a statutory duty to annually consider if it should make any changes to the LCTS scheme. To make any changes the Council was obliged to consult with interested parties, but it was good practice to consult even if there were no changes proposed. A stakeholder consultation carried out during September to October received a low response rate, but Surrey County Council and the Police supported the changes proposed for 2021.

In 2020-21 there were minor changes to the scheme. For 2021-22 the following changes with a revenue cost of £65,000 were proposed:

- Increase Personal Allowances and Premiums to match inflation.
- Increase Non-Dependant Deductions to reflect an expectation that their contribution to the household expenses should increase each year.
- Remove the cap on Band E entitlement for 2021-22, to provide additional help during the pandemic.

There would be an increased discretionary hardship fund to support any applicant suffering adversely from the consequences of savings to the Local Council Tax Support put in place over the past eight years, in addition to the proposed changes for 2021-22. It was proposed that the fund be increased from £40,000 to £60,000 for 2021-22.

During 2020 the government had provided COVID19 Council Tax Hardship Funds allowing the Council to support taxpayers with additional Council Tax discounts. It was proposed that any funds remaining at the end of the year would be carried over into 2021.

The Council was required to approve a scheme for the 2021-22 financial year by 31 January 2021 to enable annual bills to be calculated correctly. It was noted that the review of the LCTS scheme for 2022-23 would be included on the work programme for the Service Delivery Executive Advisory Board in 2021.

The Executive

RECOMMEND (to Council: 8 December 2020):

- (1) That the current Local Council Tax Support scheme be amended for 2021-22, as set out in detail in Appendix 1 to the report submitted to the Executive, with effect from 1 April 2021.
- (2) That the Council maintains a discretionary hardship fund in 2021-22, increases it to £60,000, and carries forward any residual 2020 COVID19 Council Tax Hardship Funds.

Reasons:

- (1) To ensure that the Council complies with government legislation to implement a LCTS scheme from 1 April 2021.
- (2) To maintain a discretionary fund to help applicants suffering from severe financial hardship.

EX58 PARISH COUNCILS: CONCURRENT FUNCTIONS GRANT AID - APPLICATIONS FOR ASSISTANCE 2021-22

The Executive considered a report setting out details of the applications received from parish councils for financial assistance through the Concurrent Functions Grant Aid Scheme for 2021-22, for which a base budget of £90,000 had been recommended.

The Executive had been asked to approve the budget for 2021-22 at this time because the parish councils needed to be aware of the level of grant aid available to them so that they could build the sums into their budget calculations for the coming year. They would fix their budgets and precept requirements for 2021-22 in December and early January, enabling this information to be included in the Borough Council's final budget approval process in February 2021.

Parishes had been asked to complete a detailed application form and written estimate for each project and to identify how the project meets at least one of the fundamental themes within the Council's Corporate Plan. A total of 40 requests had been received from 17 of the 23 parish councils totalling £83,314, and a panel of officers had evaluated each of the bids. One bid had subsequently been retracted, which had brought the total for approval down to £80,814.

Having considered the report, the Executive

RESOLVED:

Agenda item number: 14

- (1) That the Concurrent Functions Grant budget for 2021-22 of £80,814 be approved, subject to final confirmation at budget Council in February 2021.
- (2) That the parish council requests for grant aid for 2021-22, as set out in Appendix 3 to the report, be approved.

Reasons:

- to assist parish councils with expenditure on concurrent function schemes in 2021-22.
- to enable parish councils to take account of financial assistance from Guildford Borough Council when calculating their precept requirements for 2021-22.

EX59 SELECTION OF THE MAYOR AND THE DEPUTY MAYOR 2021-22

The Council would be asked at its meeting on 8 December to consider nominations for the Mayoralty and Deputy Mayoralty of the Borough for the municipal year 2021-22.

In February this year the Council had agreed to nominate Cllr Dennis Booth as Deputy Mayor for 2020-21. However, due to the coronavirus outbreak, the Government passed Regulations that permitted councils to continue with appointments that would otherwise have to be made at an annual meeting until the next annual meeting in 2021. Following consultations with Cllrs Billington, Moseley, and Booth and political group leaders, the Council agreed on 19 May that Cllrs Billington and Moseley would continue in their respective roles as Mayor and Deputy Mayor of Guildford for the municipal year 2020-21.

Councillor Andrew Gomm had formally nominated the current Deputy Mayor, Councillor Marsha Moseley for the Mayoralty of the Borough for 2021-22. The Council will therefore be requested to consider formally that nomination.

Following an invitation to Group leaders to submit nominations for the Deputy Mayoralty for 2021-22, the Executive noted that the only nominee was Councillor Dennis Booth.

The Executive

RECOMMEND (to Council 8 December 2020):

- (1) That the Deputy Mayor, Councillor Marsha Moseley be nominated for the Mayoralty of the Borough for the 2021-22 municipal year.
- (2) That Councillor Dennis Booth be nominated for the Deputy Mayoralty of the Borough for the 2021-22 municipal year.

Reason:

To make early preparations for the selection of the Mayor and Deputy Mayor for the municipal year 2021-22.

EX60 TIMETABLE OF COUNCIL AND COMMITTEE MEETINGS 2021-22

The Executive, having considered a report setting out the proposed calendar of meetings for the next municipal year.

RECOMMEND (to Council on 8 December 2020):

That the proposed timetable of Council and Committee meetings for the 2021-22 municipal year, as set out in Appendix 1 to the report submitted to the Executive, be approved.

Reason:

To assist with the preparation of individual committee work programmes.

EX61 GENERAL FUND OUTLINE BUDGET 2021-22 AND BUSINESS PLANNING 2021-22 TO 2024-25

The Executive considered a report that set out the current position of the 2021-22 outline General Fund budget and the business planning assumptions for 2021-22 to 2024-25. The report asked the Executive to note the position and to agree the proposed strategy for savings and efficiencies in order to set a balanced budget in the medium term.

In order to prepare both the General Fund and Housing Revenue Account (HRA) outline budgets for 2021-22, it was necessary to understand the parameters. Setting parameters for the whole term of the plan was beneficial in the calculation of projections over the medium term. It was proposed that working assumptions were used in the preparation of projections for the following three years. The Council would make the final decision on the estimates for 2021-22 at its meeting on 10 February 2021.

It was usual in terms of building the budget to use the current year as a base for moving forward and then adjust for known changes from growth and savings. The current financial year was likely to generate a net overspend of around £7million (this will be confirmed as the year progresses) due to the Covid-19 pandemic and the shortfall in additional expenditure incurred and the loss of income received when compared with support from Central Government. Reserves would need to be utilised to address this position requiring the Council to replenish its reserves over the next three years.

The report explained that best assumptions had been made about the level of Government funding, but that the Council would not know the amount of retained business rates until Central Government released the provisional local government finance settlement which was provisionally indicated to be December 2020. An 1.94% increase in Council Tax had been assumed which was the maximum increase the Council could levy without being required to set a referendum.

The draft Council Tax base had been set at 57,159.40, which was 0.84% lower than 2020-21. The reduction was due to the collection rate figures and a rise in bad debt that had also been affected by the pandemic. This had reduced the resources available by approximately £85,000 and would have an impact on the Collection Fund for 2021.

The current position on the 2021-22 outline budget showed a shortfall between the likely resources and the proposed net expenditure of £2 million. In addition, the draft projection for 2021-22 to 2024-25 showed a medium-term budget shortfall (gap) of £4.38 million. Due to the shortfall between the Council's likely income and its current anticipated expenditure no new growth bids had been invited for increases in service provision for 2021-22. This was consistent with the Council undergoing a programme of transformation under 'Future Guildford' which was seeking to reduce expenditure. However, some assumptions had been included to allow for loss of income within the 2021-22 budget with regard to the on-going impact of COVID19. Any Capital and investment bids would be considered as part of the capital and investment strategy report in January 2021.

The financial monitoring report for the first six months of 2020-21 would be reported to the Corporate Governance and Standards Committee on 26 November 2020. The projected net expenditure on the General Fund for the current financial year was estimated to be £6.8 million more than the original estimate. The main factor contributing to the forecasted position in 2020-21 was the cost and loss of income arising from the COVID19 pandemic. The Council had approved an emergency budget in May 2020 to allow the net cost of the COVID19 pandemic to be taken from the Council's reserves. It was anticipated that at the end of March 2021, the

Agenda item number: 14

Council would need to draw down £7 million of reserves and that this would require the Council to plan to replenish some of its reserves in the medium term over the three years to 2024-25.

A pay inflation rate of 0% had been assumed as it was expected the Government would announce a public sector pay freeze. A 0% increase was also assumed for sales, fees and charges income due to Covid-19, aside from an increase in fees for the crematorium and parking charges as set out in an earlier report to the Executive.

The Government had given little indication of its intentions and the outcome of the Spending Review was awaited, albeit the Local Government spending announcements would be slightly later, expected around 15 December. A 'rollover' one-year settlement for 2021 was expected that was similar to that of 2020. It was expected that the Fair Funding Reviewing and the Business Rate Retention Scheme would be delayed again until April 2022.

There had been little information from Government regarding the New Homes Bonus (NHB) and it was assumed in the budget that there would be no award for 2021. Previously around £1 million was taken by the NHB into the base budget. The savings from Future Guildford would compensate for the loss of the NHB for 2021. There were also funds available through the Housing Revenue Account to fund new and affordable homes. It was possible that additional funding might be available from Homes England.

The Capital Programme had been reviewed and updated. The revised figures were included in the Supplementary Information Sheet. Re-profiling of the Capital Programme had resulted in £700,000 less budget gap than that originally estimated.

The proposed use of reserves had not been specified in the emergency budget passed in May. For 2021 the use had been specified in the report. Reserves from the General Fund would drop from £44 million to £27 million but underlying reserves that had to be legally maintained or ring fenced (SPA/SANG) would mean that the actual level of reserves would be £17 million. It was recommended not to use further reserves during 2021-22 but try to rebuild. It was proposed that there be contributions to the Car Parks Maintenance Reserve, IT Reserve and Business Rates Equalisation Reserve (BRE). Funds from the BRE would then be transferred to the Collection Fund.

A savings strategy had been included in the report, which had also been presented to the Joint Executive Advisory Board (JEAB) its meeting on 11 November and the advice from the JEAB had been included in the Supplementary Information Sheet.

Public consultation on the budget had been discussed at the JEAB. It was confirmed that an external polling company had been commissioned at a cost of around £10,000 to undertake a telephone survey of a representative sample of residents to provide guidance of residents' prioritisation of services. The consultation would also be available to all residents online available from 30 November until the New Year.

It was noted that a significant cost to the Council was the suspension of leisure services delivered by the Spectrum due to Covid-19 and that this was not sustainable and had a serious impact on the Council's finances.

Having considered the report, the Executive

RESOLVED:

- (1) That the budget assumptions used in the preparation of the 2021-22 outline budget and three year forward projections, be approved.
- (2) That the current position on the outline budget for 2021-22 and the budget shortfall anticipated over the 3 years to 2024-25, be noted.

- (3) That the savings strategy for 2021-22 through to 2024-25 (referred to in Section 13 of the report and Appendix 3) be approved.
- (4) That the proposal to Council to make the contributions to/from the Council's various earmarked reserves for specific purposes as set out in section 9 of the report be approved as part of the budget report in February 2021.
- (5) That the use of the Council's earmarked reserves as set out in section 10 of the report to fund the cost of the COVID19 Pandemic be approved, in line with the supplementary estimate agreed by Council in May 2020.

Reason:

To assist the Executive in the preparation of the General Fund estimates for 2021-22.

The meeting finished at 8.50 pm

Signed

Chairman

Date

EXECUTIVE

5 January 2021

* Councillor Joss Bigmore (Chairman)
* Councillor Caroline Reeves (Vice-Chairman)

* Councillor Tim Anderson
* Councillor Jan Harwood
* Councillor Julia McShane

* Councillor John Redpath
* Councillor John Rigg
* Councillor James Steel

*Present

The Mayor, Councillor Richard Billington and Councillors Paul Abbey, Chris Blow, Colin Cross, Angela Goodwin, Angela Gunning, Diana Jones, Nigel Manning, Ramsey Nagaty, Tony Rooth and Paul Spooner were also in attendance.

EX62 APOLOGIES FOR ABSENCE

There were no apologies for absence.

EX63 LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTEREST

There were no declarations of interest.

EX64 MINUTES

The minutes of the meeting held 24 November 2020 were confirmed as a correct record. The Chairman signed the minutes.

EX65 LEADER'S ANNOUNCEMENTS

The Leader expressed deep regret for the circumstances resulting in the current lockdown measures, whilst stressing the need for positivity and his continued confidence in the strong community spirit in Guildford that would face the challenges as it had in the previous periods of restrictions. The need for everyone to respect the restrictions was underlined in order to support services and to prevent the NHS becoming overwhelmed by the pandemic.

The Leader set out the Government's statistics following the sharp rise of Covid hospitalisations over recent weeks:

- 1 Sept 2020: 496
- 1 November: 9,623
- Christmas Day: 17,701
- 4 January 2021: 26,626

It was noted that in Surrey case numbers were amongst the worst in the country approaching nearly 700 per 100,000 people. It was suggested that given 1 in 3 people displayed no symptoms and that probably 1% of the Borough currently had Covid.

The Leader reiterated the support offered to residents and businesses by Guildford Borough Council. The website provided details of the support available. Council staff were praised for their continued efforts and achievements.

The new Director of Strategic Services, Dawn Hudd was welcomed.

EX66 STRATEGIC PROPERTY ACQUISITION PROCEDURE AND REQUEST FOR TRANSFER OF FUNDS

The Executive considered a report requesting the transfer of £5 million from the provisional capital programme to the approved capital programme to allow for strategic operational property acquisitions.

The sum was a part of the £30 million Strategic Property Acquisition Fund approved by full Council as part of the 2016-17 capital programme. The objective of creating the Fund was to acquire property that enabled site assembly for future potential re-development projects in the area of the town covered by the unadopted Town Centre Masterplan and also in support of the Council's emerging regeneration strategy.

The decision to acquire property assets for operational and strategic purposes currently rested in all cases with proposals approved either by delegated authority or by the Executive. The report proposed a new delegated authority process to be applicable in such circumstances that would speed up the acquisition process.

The report also proposed the Council adopt a new procedure to be followed in these circumstances in order to provide a consistent approach to decision-making. This procedure set out a series of challenges to be applied as well as a number of scoring mechanisms resulting in a decision that was represented as a numerical value. The Executive noted the correction to the 'Affordability' criterion within the scoring mechanism, details of which were set out on the Supplementary Information Sheet.

The Executive

RESOLVED:

- (1) That a new procedure for the Council to follow when considering and, where appropriate, approving the acquisition of strategic and/or operational property assets, as set out in Appendix 1 to the report submitted to the Executive, be adopted, subject to the amendment to the 'Affordability' criterion set out in the Supplementary Information Sheet.
- (2) That the transfer of £5 million from the provisional capital programme (scheme no. PR371 – strategic property acquisitions) to the approved capital programme be approved.
- (3) That the Director of Strategic Services be authorised, in consultation with the Head of Asset Management, the Director of Resources, and the relevant Lead Councillor with portfolio responsibility for finance and asset management, to approve strategic and/or operational property acquisitions within the set parameters of the new procedure.

Reason:

To secure the funding of various prospective property acquisition for strategic/ operational purposes and apply a robust and streamlined approach for future acquisition of operational and strategic property assets.

EX67 REVIEW OF EXECUTIVE WORKING GROUPS

The Executive considered an annual report to review the work carried out over the previous twelve months by the various working groups (including boards and panels) that had been established by either the Executive or the Leader/Lead Councillor, together with the work they were likely to undertake over the next twelve months. As part of the review the Executive was asked to determine if those working groups should continue as constituted and, if so, to make or confirm appointments to them. The requirement to submit this annual report to the Executive was in accordance with Council Procedure Rule 24 (j).

The report was usually delivered every May but had been delayed this year due to the impact of the Coronavirus pandemic. The last reporting of the Review of Executive Working Groups was to the Executive on 19 May 2019. For the first time an earlier draft of the report had been considered by the Service Delivery EAB on 10 December 2020.

It was recommended that two new working groups be established to consider in detail the recommendations of the recent LGA Planning Committee Peer Review and an Electoral Review Working Group to work up proposals for the future warding of Guildford borough, including the names, number and boundaries of wards, and the number of councillors to be elected to each of them for submission to the Local Government Boundary Commission for England as part of their periodic electoral review.

Having considered the report, the Executive

RESOLVED:

(1) That the working groups listed below continue with their work:

- Arts Development Strategy & Public Art Strategy Board
- Aspire Health and Wellbeing Board
- Climate Change Board
- Electric Theatre Monitoring Group
- Future Guildford Board
- Guildford Community Covenant Panel
- Housing Delivery Board
- Innovation Board
- Local Plan Panel
- Major Projects Portfolio Board
- Museum Working Group
- Play Development Strategy & Fixed Play Equipment Group
- Property Review Group
- Sports Development Strategy Group
- Town Twinning Working Group
- Weyside Urban Village Development Governance Board

(2) That no changes be made to the terms of reference of the working groups referred to in paragraph (1) above, with the exception of the Museum Working Group whose terms of reference will now be as follows:

1. To guide the future direction of the Museum service.
2. To consider the future of the Council's art collection in order to inform decisions around its future management and display.
3. To report directly to the Executive in respect of 1. and 2. above.

(3) That the current membership of each of the working groups referred to in paragraph (1) be confirmed for the remainder of the 2020-21 municipal year and for the 2021-22 municipal year, including the appointment of Councillor Angela Gunning as one of the local ward members on the Weyside Urban Village Development Governance Board, and subject to any changes requested by the political groups, which shall be referred to the Leader of the Council to approve.

(4) That political group leaders be requested to submit nominations for consideration by the Leader of the Council in respect of the vacancies on the Electric Theatre Monitoring Group and the Guildford Community Covenant Panel.

- (5) That the proposed Planning Committee Review Working Group and the Electoral Review Working Group be established in accordance with their respective terms of reference and composition, as set out in the report submitted to the Executive, and that the councillors nominated from the political groups be appointed for the remainder of the 2020-21 municipal year and for the 2021-22 municipal year.
- (6) That Councillor Tony Rooth be appointed as chairman of the Electoral Review Working Group.

Reasons:

- (1) To comply with the requirement on the part of the Executive to periodically review the continuation of the various Working Groups in accordance with Council Procedure Rule 24 (j).
- (2) To consider the recommendations of the recent LGA Planning Committee Peer Review.

EX68 SURREY LEADERS' GROUP: NOMINATION TO SURREY & BORDERS PARTNERSHIP NHS FOUNDATION TRUST

No nominations for submission to the Surrey Leaders' Group in respect of the appointment of Governor to sit on the Surrey & Borders Partnership NHS Foundation Trust (Mental Health Foundation Trust) had been received.

Any councillor with an interest in the vacancy should contact the Leader of the Council prior to the deadline for receipt of nominations, which was Tuesday 12 January 2021.

The meeting finished at 7.30 pm

Signed

Chairman

Date

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