



[www.guildford.gov.uk](http://www.guildford.gov.uk)

Contact Officer:

John Armstrong, Democratic Services &  
Elections Manager

17 January 2022

Dear Councillor

Your attendance is requested at a meeting of the **EXECUTIVE** to be held in the Council Chamber, Millmead House, Millmead, Guildford, Surrey GU2 4BB on **TUESDAY, 25 JANUARY 2022** at 7.00 pm.

Yours faithfully

Tom Horwood  
Joint Chief Executive  
Guildford & Waverley  
Borough Councils

**MEMBERS OF THE EXECUTIVE**

Chairman:

Councillor Joss Bigmore ((Leader of the Council))

Vice-Chairman:

Councillor Julia McShane, (Deputy Leader of the Council and Lead Councillor for  
Community and Housing)

Councillor Tim Anderson, (Lead Councillor for Resources)

Councillor Tom Hunt, (Lead Councillor for Development Management)

Councillor John Redpath, (Lead Councillor for Economy)

Councillor John Rigg, (Lead Councillor for Regeneration)

Councillor James Steel, (Lead Councillor for Environment)

Councillor Cait Taylor, (Lead Councillor for Climate Change)

**WEBCASTING NOTICE**

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

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

**QUORUM 3**

## THE COUNCIL'S STRATEGIC FRAMEWORK (2021- 2025)

### **Our Vision:**

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

### **Our Mission:**

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

### **Our Values:**

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

### **Our strategic priorities:**

#### Homes and Jobs

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

#### Environment

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

#### Community

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

## AGENDA

### ITEM NO.

**1 APOLOGIES FOR ABSENCE**

**2 LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTEREST**

In accordance with the local Code of Conduct, a councillor is required to disclose at the meeting any disclosable pecuniary interest (DPI) that they may have in respect of any matter for consideration on this agenda. Any councillor with a DPI must not participate in any discussion or vote regarding that matter and they must also withdraw from the meeting immediately before consideration of the matter.

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

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

**3 MINUTES (Pages 5 - 10)**

To confirm the minutes of the meeting of the Executive held on 4 January 2022.

**4 LEADER'S ANNOUNCEMENTS**

**5 YVONNE ARNAUD THEATRE GRANT FUNDING (Pages 11 - 32)**

**6 SHERE PARISH COUNCIL CAR PARK – INTRODUCTION OF CHARGES  
(Pages 33 - 38)**

**7 OFF-STREET PARKING BUSINESS PLAN 2022-23 \* (Pages 39 - 98)**

**8 CAPITAL AND INVESTMENT STRATEGY (2022-23 TO 2025-26) (Pages 99 - 246)**

**9 HOUSING REVENUE ACCOUNT (HRA) BUDGET 2022-23 (Pages 247 - 280)**

**10 GENERAL FUND BUDGET 2022-23 AND MEDIUM TERM FINANCIAL PLAN  
2023-24 TO 2025-26 (Pages 281 - 376)**

**11 DRAFT TIMETABLE OF COUNCIL AND COMMITTEE MEETINGS FOR 2022-  
23 (Pages 377 - 380)**

Key Decisions:

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

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

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

must be available for inspection by the public at the Council offices and on the Council's website at least 28 clear days before the key decision is to be made. The relevant notice in respect of the key decisions to be taken at this meeting was published as part of the Forward Plan on 23 December 2021.

\* Councillor Joss Bigmore (Chairman)

* Councillor Julia McShane	Councillor John Rigg
Councillor Tim Anderson	* Councillor James Steel
Councillor Tom Hunt	Councillor Cait Taylor
* Councillor John Redpath	

\*Present

Councillor Ramsey Nagaty was in attendance.

In remote attendance: Councillors Angela Goodwin, Tony Rooth and Paul Spooner

#### **EX49 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Tim Anderson (Lead Councillor for Resources), John Rigg (Lead Councillor for Regeneration) and Cait Taylor (Lead Councillor for Climate Change).

#### **EX50 LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTEREST**

No Disclosable Pecuniary Interests were declared.

Councillor John Redpath declared a non-pecuniary interest in respect of Item 5 (Public Conveniences Review) on the basis that he was an occasional user of some of the facilities under review but indicated that it would not affect his objectivity in considering the matter.

#### **EX51 MINUTES**

The minutes of the meeting held 23 November 2021 were confirmed as a correct record. The Chairman signed the minutes.

#### **EX52 LEADER'S ANNOUNCEMENTS**

The Leader of the Council urged anyone who had not yet been vaccinated or received a booster to do so in support of everyone returning to more normal times during the coming year. The vaccination centre at Artington remained in operation to provide vaccinations to those across the borough.

There would be three new forthcoming online sessions hosted by the Council.

The annual Economic Forum would run on Monday 17 January between 7:30 and 8:30am. The session would cover regeneration and shaping Guildford's future. It was targeted at all businesses and would be hosted by Dawn Hudd, Director for Strategic Services with guest speakers Marcus Wright from the Royal Bank of Scotland and Professor Amelia Hadfield, Head of the Dept. of Politics, University of Surrey. The Leader would introduce the session and Claire Morris, Director for Resources would be in attendance to speak and answer questions.

The second online crowdfunding workshop would take place on 12 January. Guidance and expert advice would be on hand to get local projects started.

Tuesday 18 January at 6pm was the date for the second webinar on 'Shaping Guildford'. Businesses and local residents were invited to attend and contribute to the conversation about the future of the town centre.

**EX53 PUBLIC CONVENIENCES REVIEW**

The Executive considered a report that contributed to the Council's medium term review of spending. The Lead Councillor for Environment introduced the report.

The Council was seeking to reduce revenue spend in the light of challenging financial circumstances. The process of arriving at the recommendations in the report had included two meetings of the Service Delivery Executive Advisory Board (EAB) most recently on 4 November 2021. Alongside the proposed withdrawal of grant funding from Ash and Shere Parish Councils (£14,040), it was anticipated that there would be limited closures to be undertaken following consultation with the public. The deletion of two staff posts would result in one voluntary departure and the other being transferred to another role in the Waste Team.

The Lead Councillor for the Environment acknowledged the report was putting some difficult decisions before the Executive, but these were discretionary services and stressed the financial position of the Council.

Mr David Beaman, Chairman of the South West Surrey Disability and Empowerment Network addressed the meeting speaking on behalf of disabled residents and expressed concern about the reduction of the service within the community and the timescale of the closures. It was suggested that the withdrawal of services would also negatively impact residents with young children and the elderly. Mr Beaman was also a Waverley Borough Councillor and a Farnham Town Councillor and whilst recognising the financial pressures on local government asked if there might have been revenue savings made elsewhere – such as off-street car parking charging, consideration of the introduction of charging for public conveniences or contracting out. There was a final request that closures be staggered and not implemented at the same time to reduce the impact on the community.

Councillor Ramsey Nagaty had chaired the meeting of the EAB held on 4 November and was present to comment. The EAB had suggested closer collaboration between parties to retain services such as that between the Cricket Club and the café on Woodbridge Road. Farnham Road Car Park facilities were described as requiring updating and if that were not possible then closure was suggested. Overall, despite concerns for the very young and the elderly, the EAB had agreed with the recommendations. Finally, it was suggested that some capital investment to refurbish the two parish facilities would be welcomed by the parish councils before the funding was withdrawn.

It was noted that as a part of the consultation process when determining which of the conveniences would be subject to closure, businesses local to the site might be interested in advertising their facilities as available nearby. There would also be discussions with local businesses with a view to taking over the running of the facilities themselves such as the café on Woodbridge Road.

The installation of charging meters would in itself be costly and then the payback for the investment would create a time lapse. Coupled with the reduction footfall as a result of introducing charging indicated the practice would not help the Councils revenue account in the short to medium term as was required.

Increasing car parking charges could not be viewed as a single action to meet all revenue requirements. There would be increases in off-street car parking charges to come but had to be a review of all services as a part of addressing the budget gap.

The Leader of the Council in summing up reflected that, although there were difficult decisions to be taken, the recommendations before the Executive were the best options available to the Council. Subsequently, the Executive,

**RESOLVED:**

- (1) That the closure of up to five of the Council's public conveniences be approved in principle.
- (2) That public convenience grants be withdrawn from Ash and Shere Parish Councils.
- (3) That, subject to a review of responses from a public consultation, the Head of Operational and Technical Services, in consultation with the Lead Councillor for Environment, be authorised to determine which public conveniences should be closed in March 2022.

**Reason:**

To achieve £65,000 per annum savings in the public conveniences budget starting in the 2022/23 financial year.

Post minute note: The Healthmatic report as appendix to the committee report considered by the Executive displayed the ladies and gentlemen's tags on the Bedford Road data tables the wrong way round. This error did not alter the validity or accuracy of the Executive report, or associated Equalities Impact Assessment (EIA).

**EX54 CARAVAN SITE LICENSING: FIT AND PROPER REGULATIONS**

The Executive considered a report on new legislation that required relevant and responsible persons of relevant protected caravan sites (caravan sites that require a licence to operate lawfully) to be fit and proper.

The Mobile Homes Requirement for Manager of Site to be a Fit and Proper Person (England) Regulations 2020 ("The Regulations") required those managing or in control of relevant protected sites to make application for inclusion on the Fit and Proper (F&P) Register. The Regulations also required the Council to assess Fit and Proper applications, publish and maintain a public register and to publish a fees policy (found in the Caravan licensing Fees Policy in Appendix 1 to the report) that justified the costs charged for Fit and Proper applications. The report was introduced by the Deputy Leader of the Council.

The Executive noted that those residents living in mobile home parks were often vulnerable or elderly and the Regulations provided a further layer of protection to that group by ensuring that managers needed to be Fit and Proper. This assurance would assist residents, especially when managing complaints by ensuring the process would be dealt with competently. The exceptions to the Regulations were where the site was run by the same family or run not for profit. Unless exempt, the managers of sites would be required to register with the Council every five years to be included on the Register for which there would be a fee. The formula for calculating the fee was set out in Schedule 1. Registration would include an assessment of the site by the Council and require Disclosure and Barring Service certification, adequate funding arrangements and evidence of the relevant management skills and experience needed to run the site. The Council's database was ready to receive applications and the Register would be published on the Council's website where guidance for site managers would also be available. It was noted that the site licensing fee fell outside of the Regulations. The Executive,

**RESOLVED:**

That the proposed charging structure for Fit and Proper applications, as set out in the Caravan Site Licensing Fee Policy at Appendix 1 to the report submitted to the Executive, be approved.

**Reasons:**

1. To enable the Council to approve the caravan site licensing policy so that fees are charged to managers of relevant protected sites in reflection of the legislation and the costs that will be incurred by the Council to undertake new statutory duties.

2. In addition, to approve the amended caravan site licensing annual fee that enables this fee to be charged from financial year 2022 that is more reflective of the Council's corporate fee setting methodology.

## **EX55 UNIVERSAL BASIC INCOME (UBI)**

Universal Basic Income (UBI, Citizens' Basic Income – CBI, or simply Basic Income) was an idea where a regular cash payment was made to every individual adult, without any reference to their other income or wealth and without any conditions. The core aim of the proposal was to reduce or eliminate poverty. The Welsh Government had committed to trials and the Scottish Government had invested in the feasibility of pilots. Several English cities were keen to test it out and had written letters in support of holding pilots in their areas and a number of political parties had included UBI trials in their election manifestos. There had been a Parliamentary debate on the matter on 13 October 2020 at which point the Secretary of State for Work and Pensions saw no benefit in moving from Universal Credit to UBI.

At the Council meeting on 13 April 2021, following consideration of a motion submitted by Councillor Steven Lee, the Council had agreed to ask the Executive to consider a choice of four actions to move forward the UBI proposal, one of which was potentially to seek funding for a trial in Guildford.

The report before the Executive provided further information on what UBI was, the consideration of UBI at government level to date and what the purpose of UBI labs were. The Leader of the Council introduced the report and reflected that although there had been no appetite at national level for UBI, the motion itself had received majority support by Council. The Leader felt disinclined to use council resources for what might be viewed as lobbying on a political matter.

Although there were UBI labs for Surrey and Guildford, it was unclear if these were run by the same teams and there was no contact available for the Council to research further. Such research, if undertaken, would require officer resource and there was no enthusiasm to make this commitment given the unknown amount of time this would take up. However, due to the level of support the original motion received at Council the Leader agreed to compose a hybrid version of the original letter drafted to the Government. The Executive,

### **RESOLVED:**

- (1) That approval be given for the Leader of the Council to send a letter, based on the draft letter set out in Appendix 2 to the report submitted to the Executive, to the Under-Secretary of State for Work and Pensions asking government to consider reforms to the existing benefits system and highlighting this Council's desire to investigate UBI should the opportunity arise in the future.
- (2) That the letter should:
  - (a) identify the potential for levelling up the inequalities in the borough, and in Surrey as a whole; and
  - (b) highlight that this Council would only wish to be involved in a fully funded trial of UBI.
- (3) That no engagement be made with the local UBI Lab.
- (4) That the draft letter be circulated to group leaders and that they be invited to sign the letter should they wish.

### **Reason:**



To respond to the motion adopted by the Council on 13 April 2021.

**EX56 EXCLUSION OF THE PUBLIC**

The Executive

RESOLVED: That, under Section 100A (4) of the Local Government Act 1972 (as amended) and Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting for consideration of agenda item 9 on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the 1972 Act.

**EX57 EASEMENT OVER SHALFORD COMMON AT CHINTHURST LANE**

The Executive considered a report arising from an approach made to the Council to request a deed of easement over Council owned land comprising Shalford Common at Chinthurst Lane, for the purposes of vehicular and pedestrian access to a proposed development site for five houses.

Since any development would be subject to planning consents the Executive,

RESOLVED: That approval be given to releasing restrictions on two land titles and entering into an option agreement and deed of easement over Shalford Common, as described in the report submitted to the Executive.

Reasons:

- 1. To facilitate the building of new homes.
- 2. To generate income (a capital receipt)

The meeting finished at 7.47 pm

Signed .....

Chairman

Date .....

This page is intentionally left blank

Executive Report

Ward(s) affected: Holy Trinity / All

Report of Strategic Services Director

Author: Steve Benbough

Tel: 01483 444052

Email: [stephen.benbough@guildford.gov.uk](mailto:stephen.benbough@guildford.gov.uk)

Lead Councillor responsible: Councillor James Steel

Tel: 07971 525298

Email: [james.steel@guildford.gov.uk](mailto:james.steel@guildford.gov.uk)

Date: 25 January 2022

## Yvonne Arnaud Theatre Grant Funding

### **Executive Summary**

The Yvonne Arnaud Theatre (YAT) has been supported financially by the Council for many years. Despite very substantial reductions to our own central government funding over the last decade, YAT funding has remained at the same level since 2015/16.

We are now facing a projected budget deficit of £6 million over the next four years and are having to make substantial savings across our own discretionary services. As part of our savings strategy, this report asks the Executive to consider reduced future grant funding for the YAT.

### **Recommendation to Executive**

That a phased reduction of the current annual grant funding of £310,220 to the YAT be approved as follows:

£273,000 (2022/23)  
£236,500 (2023/24)  
£200,000 (2024/25)

### **Reason(s) for Recommendation:**

To deliver financial savings to the Council.

### **Is the report (or part of it) exempt from publication?**

Yes Appendix 4 Legal implications

- (a) The content contains details of legal advice provided to the Council and is therefore exempt by virtue of paragraph 5 of Part 1 of the Schedule 12A to the Local Government Act 1972 as follows: "Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings"
- (b) The content is restricted to all councillors.

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

## **1. Purpose of Report**

- 1.1 In the context of the challenging financial position facing the Council, its corporate priorities and the outcome of consultation with residents on future spending priorities, this report asks the Executive to consider the appropriate level of future grant funding for the YAT.

## **2. Strategic Priorities**

- 2.1 The Council is facing a budget deficit of £6 million over the next four years. As part of our overall savings strategy, we have identified the need to reduce expenditure on discretionary services by £1.7 million. As reported to the Executive in November 2020, this included significant savings in cultural and heritage services. A reduction or cessation of funding to the YAT would contribute to these required savings.
- 2.2 Support for culture and heritage is not a priority in our recently adopted Corporate Plan and has been identified by residents as a low priority in budget consultations. However, the YAT does make a contribution to the local economy (particularly the visitor economy) and will, therefore, have some impact on our corporate priority of “supporting our business community and attracting new inward investment”.

## **3. Background**

- 3.1 The YAT provides a mixture of professional theatre both directly produced and received in its main house, an annual schedule of smaller productions in the Mill Studio and a term-time education programme for young people.
- 3.2 The YAT has been supported financially by the Council for many years. Following a report to the Executive in February 2015, the annual grant to the theatre was set at £310,220 for the three-year period 2015/16 to 2018/19 with no provision for inflation. At that time, it was highlighted that the annual value of this grant would face significant pressure to diminish over the following years. The YAT was expected to manage a cost reduction and additional income generation programme over time.
- 3.3 Despite very substantial reductions to our own central government funding over the last decade, YAT funding has remained at the same level since 2018/19. We are now facing a projected budget deficit of £6 million over the next four years and are having to make substantial savings across our own discretionary services.
- 3.4 As part of required savings on cultural and heritage services, the Executive Liaison Group considered a mandate on options for future grant funding of the YAT at its meeting on 3 November as follows:

- (a) Do Nothing

Continue with grant funding at existing levels of £310,220 per annum.
  - (b) Do Something (1)

Introduce a phased reduction of funding for the YAT to deliver some financial savings:

    - £275,000 (2022/23)
    - £225,000 (2023/24)
    - £200,000 (2024/25)

A further future review would be undertaken to determine funding beyond 2024/25.
  - (c) Do Something (2)

Charge a full market rent (estimated at £56,000) for the lease of the Mill Studio on renewal from December 2022 (generating additional income of £33,000 per annum), market the property for alternative uses which could deliver annual income of up to £100k or consider for heritage, gallery, museum purposes. Any change to the rental would be subject to separate negotiation as part of the renewal process.
  - (d) Do More

Withdraw or make more substantial reductions to annual revenue grant funding, whilst making capital grants towards planned improvements to the YAT. It should be noted that capital grants still have a revenue cost for Minimum Revenue Provision (MRP) and interest at a rate of about 3.5%. Any reduction to the revenue grant would need to be in excess of that cost before any savings are realised. As an example, a capital grant of £3 million would have an annual revenue cost of £105,000 over a 50 year period.
  - (e) Do Most

Discontinue all future grant funding for the YAT with effect from 2022/23. Although delivering savings of £310,000 per annum, this would place the viability of the YAT at significant risk.
- 3.5 The Executive Liaison Group agreed that the mandate should be presented to the Strategy and Resources Executive Advisory Board with a recommendation that options (b) and (c) should be pursued and requested further information on the grant as a percentage of the Theatre's turnover.
- 3.6 Additional key financial data was presented to the EAB on 6 December 2021 and this is attached as Appendix 1 to this report. In a typical year, this showed that the Council's full grant represents 7-8% of the YAT's turnover. This increased

substantially in 2020/21 to 22% due to reduced turnover caused by the pandemic.

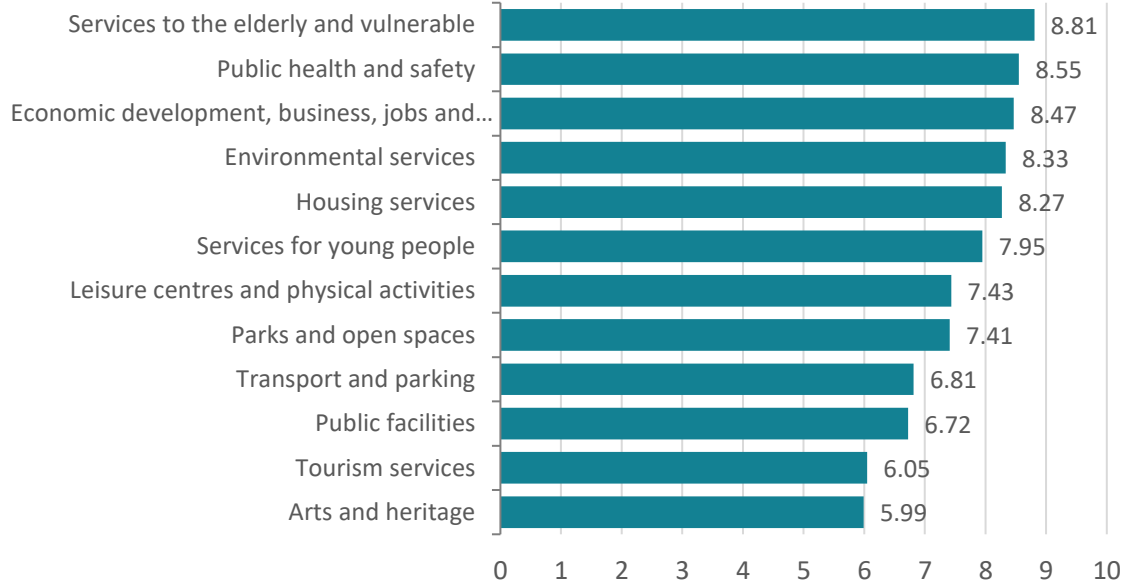
- 3.7 The YAT has received a number of Covid support grants during the pandemic, including three grants totalling £953,000 from the Cultural Recovery Fund, £92,000 from mandatory and discretionary grant schemes administered by the Council and £35,000 from the Arts Council. A Dun and Bradstreet credit check has been undertaken and this shows the theatre to be in a sound financial position.
- 3.8 The Executive Liaison Group reconsidered the options, together with the EAB's comments (Appendix 2) and the YAT's representations (Appendix 3), at its meeting on 5 January 2022. The proposed phased reduction of grant funding was endorsed, but it was considered that this should be tapered more evenly over the three-year period. It was also agreed that the various options for the YAT's lease of the Mill Studio should be considered as part of the lease renewal process.

#### **4. Consultations**

- 4.1 Residents were consulted on future spending priorities in late 2020/early 2021. To ensure the research was robust and reflected the profile of the local community, a representative sample survey of 1,100 residents was completed by telephone. This representative sample provides a confidence level of 95% to a margin of +/- 3% that the results represent the views of all residents.
- 4.2 Respondents were asked look at a series of council services and to use a scale to rate each service in terms of priority. A prompt was provided for each group of services to provide clarity on the meaning so, for example, arts and heritage included the description "Guildford Museum, Guildford House Gallery and support for arts organisations such as the Yvonne Arnaud Theatre".

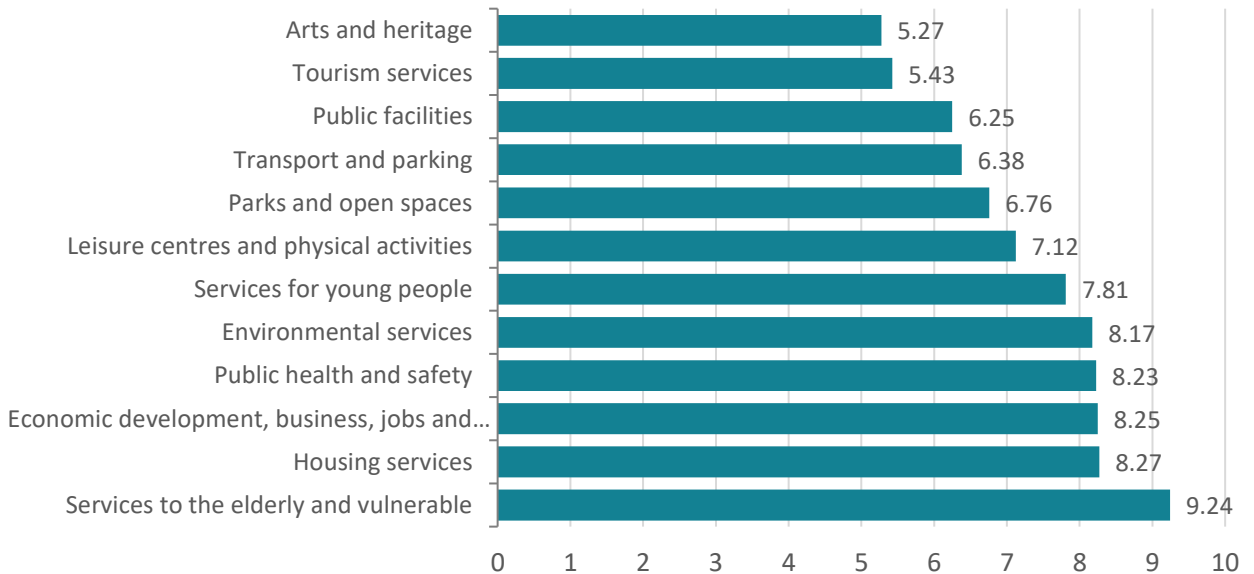
4.3 Residents views on how much they value various services are shown in the following chart:

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)



4.4 Similarly, residents were asked to use a scale of 1 to 10 to rate which services the 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)



- 4.5 Therefore, consultation with residents indicated that spending on arts and heritage was their lowest priority and the area with the least opposition to spending reductions.

## **5. Key Risks**

- 5.1 We have assumed throughout the mandate process that the Council wishes to review priorities for funding in light of current financial constraints, but that it wishes to maintain a viable, sustainable theatre. There is a risk that the viability of the YAT could be threatened if grant reductions are made beyond certain funding levels or within shorter timescales. Should the theatre cease to operate, the Council would potentially be responsible for the costs of maintaining or mothballing the building. Therefore, this report recommends a gradual, tapered reduction of grant funding over a three-year period.
- 5.2 It is also likely that any cessation or reduction of YAT funding will result in criticism from supporters of the arts, local media and some residents. However, the opportunity was taken in early 2021 to seek representative views of residents and these are set out in Section 4 of this report. There is a risk that failure to reduce funding in an area of low corporate priority and with lower support from residents may undermine other challenging decisions in higher priority areas.

## **6. Financial Implications**

- 6.1 The annual grant to the YAT is currently £310,220. The report recommends a reduction of funding over the next three years to deliver financial savings as part of the agreed saving strategy as follows:

£273,000 (2022/23)  
£236,500 (2023/24)  
£200,000 (2024/25)

- 6.3 As mentioned previously, it should be noted that one of the options which involved replacing annual funding with a capital grant would still have revenue consequences for the Council. As an example, a capital grant of £3 million would have revenue implications of around £105,000 per annum over a 50-year period. Also, capital improvements may not substantially improve the YAT's income and, therefore, viability would remain an issue.

## **7. Legal Implications**

- 7.1 We have the power to give grants to voluntary and community organisations under the general power of competence in Section 1 of the Localism Act 2011. A grant has been provided to the YAT Trust at the current level since 2015/16. The terms of this grant are somewhat unclear as no formal grant agreement appears to have been entered.
- 7.2 Prior to 2015/16 the grant was awarded on an annual basis and in 2016/17 approval was given to enter a rolling three year grant agreement, cash limited to £310,220 for the first three years, including performance indicators and efficiency measures.



- 7.3 If the Executive agrees the recommendations, the Council will need to enter into a three-year funding agreement with the YAT Trust to reflect the agreed level of future grant funding, provide clarity about the expectations and arrangements, the outcomes to be delivered (including in terms of community outreach programmes) and how these will be monitored.
- 7.4 The YAT Trust owns the theatre and the Council owns the land on which the property stands. There is a long lease of the land to the Trust at a peppercorn rent. Should the theatre cease to operate, we would potentially be responsible for the costs of maintaining the building. Any disposal of the land including the Mill Studios would need be in line with the charitable objectives of the Trust.

## **8. Human Resource Implications**

- 8.1 There are no human resources implications.

## **9. Equality and Diversity Implications**

- 9.1 When deciding whether to recommend grants and financial support to external organisations, we must have due regard to the public sector equality duty by consciously thinking about the need to:
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- (Protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.)
- 9.2 This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications.

## **10. Climate Change/Sustainability Implications**

- 10.1 There are no climate change or sustainability implications.

## **11. Executive Advisory Board comments**

- 11.1 The Strategy and Resources EAB considered the mandate on options for future YAT funding at its meeting on 6 December 2021. The draft minute from that meeting setting out the EAB's comments is attached as Appendix 2.
- 11.2 The YAT was consulted on the mandate and its comments, which were presented to the meeting of the EAB, are set out in Appendix 3.

**12. Summary of Options**

12.1 The full options are set out in paragraph 3.4 of this report.

**13. Conclusion**

14.1 The report sets out options for future funding of the YAT in the context of the challenging financial position facing the Council and the need to make savings as part of our savings strategy. It concludes that there should be a gradual, tapered reduction in funding over the next three years.

**15. Background Papers**

Yvonne Arnaud Theatre Funding Mandate  
Guildford Borough Council Budget Survey 2021

**16. Appendices**

Appendix 1: YAT Key Data and Ratios  
Appendix 2: Strategy and Resources EAB Minute  
Appendix 3: YAT's Response to Guildford Borough Council Grant Mandate  
Appendix 4: Legal Implications (Exempt)

## YVONNE ARNAUD THEATRE GRANT - KEY DATA AND RATIOS

	2016-17	2017-18	2018-19	2019-20	2020-21
<b><u>Figures from Statutory accounts</u></b>					
Council Grant	310,220	310,220	310,220	310,220	310,220
Turnover as per statutory accounts	4,010,459	3,897,836	4,288,670	4,249,187	1,400,327
Expenditure	4,009,147	4,011,386	4,283,522	4,250,256	1,392,436
Net Profit (Loss)	1,312	-113,550	5,148	-1,069	7,891
Other additions	0	239,177	0	0	0
Reserves b/f	7,680	8,992	134,619	139,767	138,698
Reserves C/F	8,992	134,619	139,767	138,698	146,559
Council grant as a % of Turnover	7.74%	7.96%	7.23%	7.30%	22.15%

This page is intentionally left blank

**STRATEGY AND RESOURCES EXECUTIVE ADVISORY BOARD  
6 DECEMBER 2021  
MINUTE EXTRACT**

**YVONNE ARNAUD THEATRE GRANT MANDATE**

The Executive Advisory Board (EAB) received an introductory presentation from the Strategy and Communications Manager regarding the mandate in respect of the Yvonne Arnaud Theatre (YAT) grant. The mandate addressed the following areas:

- Introduction
- Strategy
- Strategic options to deliver a solution
- Considerations
- Resources
- Risks, assumptions and issues
- Dependencies, constraints and opportunities
- Internal stakeholders
- Next steps
- Appendix 1 – Key Financial Data and Ratios

The presentation explained that the YAT provided a mixture of professional theatre both directly produced and received in its main house, an annual programme of small-scale touring companies and a term-time education programme for young people. In addition, the Mill Studio hosted theatre by local amateur and semi-professional companies.

The YAT had been supported financially by the Council for many years. Following a report to the Executive in February 2015, the annual grant to the Theatre had been set at £310,220 each year for the three year period from 2015/16 to 2018/19 with no provision for inflation. At that time, it was highlighted that the Council would face financial pressure to reduce the amount of the grant over following years and the YAT was expected to manage cost reduction and additional income generation programmes over time to compensate for the reduction.

Despite substantial reductions to the Council's central government funding over the last decade, YAT funding had remained at the same level since 2018/19. The Council was now facing a projected budget deficit of £6 million over the next four years and needed to make substantial savings across its discretionary services. Although grant funding to the YAT had been protected to date, this was not a sustainable position in the future owing to the amount of the grant and the Council's financial challenges.

The mandate set out five options for future funding of the YAT in the context of the Council's challenging financial position and corporate priorities. The Options consisted of (a) Do nothing, (b) Do something [1], (c) Do something [2], (d) Do more [1] or (e) Do most. Having considered the mandate at its meeting held on 3 November 2021, the Executive / Management Team Liaison Group recommended that Options (b) and (c) should be pursued and requested that further information regarding the grant as a percentage of the Theatre's turnover be provided. In response, the Group was advised that in a typical year, the Council's full grant represented 7-8% of the Theatre's turnover. This percentage increased substantially in 2020/21 to 22% due to reduced turnover caused by the Coronavirus pandemic. A credit check had been undertaken and indicated that the Theatre was in a sound financial position.

Officers met representatives of the YAT on 18 November 2021 to discuss the mandate and set out the opportunities to submit representations. The Theatre subsequently submitted a recent response and this was circulated to the EAB as a late sheet to its agenda.

The Leader of the Council advised that the mandate contained the necessary facts regarding the YAT's financial situation and the past financial support provided by the Council in order to inform a decision in respect of future grants to the Theatre, given the financial constraints currently being experienced by the Council. The EAB's views were sought in this regard to test whether it supported the Options endorsed by the Executive / Management Team Liaison Group. A consistent approach to funding reductions was welcomed.

The Resources Director declared an interest in this item as the Council's representative on the YAT Board and explained that, for this reason, she had distanced herself from this particular mandate process. The Director acknowledged that the Council's Savings Strategy posed some challenging decisions around funding reductions in relation to discretionary services in the light of the Council's projected budget deficit, which had been reported to the EAB on previous occasions.

The following points arose from related questions, comments and discussion:

1. The Council's Tourism Service had previously provided a box office service for local events and organisers that involved the provision of a ticketing facility through the Tourist Information Centre, which would receive a commission from the ticket sales. However, the YAT, which already operated its own box office function, sought to take over that service which would provide it with an additional modest income stream. When the Council was operating the box office service it was receiving income of approximately £16,000 per annum, although staffing costs would be deducted from that amount.
2. Reference was made to a presentation to councillors made by the chief executive officer of the YAT some months previously and how that might compare to the presentation given earlier in the day of this meeting.
3. Having recently attended a production at the Theatre, a councillor expressed the view that the building appeared dated and the clientele largely fell into the older age group which may require the YAT to consider offering productions which attracted an audience in a wider age range.
4. Another councillor felt that the YAT was widely valued as an artistic and cultural entertainment offering in Guildford and the rarity of touring and original theatre productions was highlighted.
5. The poor state of repair of the Mill Studio had been raised by the YAT and it was questioned whether the premises were suitable to be let at a full market rental from renewal of the lease, which was a possibility indicated in the mandate, without prior investment to improve the Studio's condition. It was envisaged that the upkeep of the main Theatre building and the Mill Studio would represent a considerable cost to the Council should it become responsible for its maintenance in the event that the YAT ceased to operate and there was a need to identify an alternative use.
6. It was highlighted that Culture and Heritage services had been identified as a low priority in recent public consultations whereas the services provided by local Citizens' Advice Bureaux had been rated as a priority. The recently approved new Corporate Plan had confirmed that the Council's priorities were homes and employment, climate change and supporting vulnerable people.
7. Although the café at the YAT had previously been let to an external provider, it had not been financially viable and therefore the offering had been re-established in-house and was achieving a modest income stream to support the Theatre.
8. The projection of films in the Theatre had occurred in the past and was suggested as an additional future use of the premises to attract income.

9. The addition of £239,177 shown in the YAT's statutory accounts for 2017/18 was a one-off amount resulting from closure of one of the Theatre's subsidiary companies in that financial year as part of a management restructure.
10. Notwithstanding Covid-19, the YAT's finances appeared to be reasonably buoyant in 2020/21 owing to its receipt of pandemic related grants, Business Rate reduction, qualification for the furlough scheme and reduced expenditure owing to fewer theatre productions being offered.
11. There was an impression that other local authorities were not in a position to offer financial support to sustain their local theatres to the same level as that provided by this Council.
12. In response to the YAT's comment that it had understood that there were certain guarantees of ongoing funding from the Council, councillors noted that the mandate stated that this was not the case. The EAB was advised that the prior three year rolling funding agreement had lapsed and the amount of and duration of future grants were at the Council's discretion. However, the YAT had requested a multi-year funding agreement in future to aid its financial planning.
13. A view was expressed that the amount of savings to be achieved by the Council in relation to the implementation of Option (b) in the mandate was a relatively small sum. Accordingly, Option (a) was favoured by the same councillor who suggested that, in the event that Options (b) or (c) were widely supported, the YAT should be consulted in respect of its preference in this regard.
14. A further councillor expressed on balance support for pursuing Option (a).
15. Another councillor expressed support for a staged reduction in the grant to the YAT, similar to that suggested in Option (b), whilst giving the Theatre an opportunity to make further representations to the Council in the event that its financial circumstances changed significantly due to the impact of the pandemic or other factors.
16. A further view preferred Option (b) implemented in a phased manner to achieve the desired saving over a three year period with the funding reduction weighted towards the latter part of the period to minimise any immediate impact on the YAT.

In summary, although there was no overall consensus amongst the EAB in respect of the Option(s) to be recommended to the Executive, two councillors favoured Option (a) and two further two councillors expressed support for Option (b). The preferences for the latter Option were on the basis that the YAT should be given an opportunity to make further representations to the Council in the event of changes to its financial circumstances and that the reductions be implemented in a phased manner weighted towards the latter part of the period to minimise any immediate impact on the YAT. As the Executive / Management Team Liaison Group had recommended that Options (b) and (c) should be pursued, under these circumstances it was felt that the YAT should be consulted in respect of its preference between these Options and that the condition of repair of the Mill Studio be borne in mind.

This page is intentionally left blank



## Yvonne Arnaud Theatre's Response to Guildford Borough Council Grant Mandate

The Yvonne Arnaud theatre hugely values its long-term close relationship with Guildford Borough Council and wants to respond positively to any suggestions made by the Council and officers. The theatre appreciates the challenges the Council faces at the current time and the pressures upon its discretionary budgets. The theatre is in an equally critical place financially as it continues to manage the effects of Covid and enforced closure periods on its audience and operations. We believe that cutting the grant to the Arnaud too quickly or too deeply will damage Guildford and, in the medium and long-term, the revenues of the Council.

As the recent economic impact survey showed, the theatre brings an average of 130,000 people into Guildford who directly contribute at least £1.5 million to the local economy. 87% of audience would not have come to Guildford if they had not been coming to the theatre. Those people pay for parking, shop before the theatre, and patronise restaurants and bars in town during their visit supporting the town economy and bringing footfall to the town.

A listed building, the theatre is an asset to the town, particularly the current council's ambition to open the river as part of the proposed town plan and to **promote its heritage assets**.

The Creative Learning Program which works with disenfranchised and low social economic groups across the Borough, directly supports the Council's priority to **tackle inequalities in Guildford's communities and support vulnerable residents**.

The theatre provides **cultural activities within walking distance for residents**, also a priority for the Council. Research has evidenced that a higher frequency of engagement with arts and culture is generally associated with a higher level of subjective wellbeing, so easy access to the theatre benefits the general health and wellbeing of Guildford residents.

The theatre would like to propose the following for the Council's consideration:

- That any grant reduction be deferred to 2023/24 to give the theatre the opportunity to rebuild audiences and box office income.
- That any reduction be phased over three years, as recommended in option B.
- That a new grant level is then agreed for five years – to give the theatre certainty in its planning, strengthen its case with other funders and demonstrate the Council's commitment to the theatre's future and its recognition of the important role the theatre plays in the economy and well-being of the Borough and its residents.
- That the Mill Studio rent remains at its current level for 2022-2024 and is reviewed only when the Council have improved the site.

As part of its funding agreement, the theatre will continue to run the Tourist Information ticketing service for the Council.

The theatre's detailed response to the GBC mandate follows below.

### **Context for the Yvonne Arnaud Theatre**

The theatre is a charity, whose purpose is to enrich the lives of the communities it serves by offering and encouraging opportunities for learning, for creativity and for personal and social development through its broad programme of theatre and arts activity. The theatre lost income of just over £3 million in the last fiscal year (20/21) from box office, hires, events, and memberships as well as a further £300k ancillary income from education, scenic workshop, and fundraising. Income from the theatre's separate catering company was decimated by the pandemic and closure periods. **We anticipate the theatre will be in a deficit position at the end of March 2022 of £151k.**

The recovery for performing arts continues to be slow and will impact on venues' income throughout 2022/23. Despite reopening fully in September 2021, the Arnaud is by no means back on its feet after Covid. All industry analysis is indicating that the recovery for theatre and performing arts will take longer than originally thought and lag behind other sectors of the economy. The theatre is not forecasting a return to pre Covid box office levels in 22-23 and will need to invest additional resources into audience retention and development throughout 2022 and 2023 to ensure it can rebuild its income.

### **Current funding position**

The theatre's annual turnover pre Covid was £4.2 million.

- GBC funding of £310,220 (7.5% of annual turnover) is the only regular source of public subsidy the theatre receives.
- Of the remaining 92.5%, 60.5% is from Box Office and 32% is revenue from: Café and Bar, Hire and Events income, and Philanthropy. These areas of income have also suffered due to the pandemic.
- We received £35k from ACE Covid Emergency funding. We have taken a CBILS loan of £240k, drawn down in November 20. We received DCMS Cultural Recovery Fund grants totalling £954k across 20/21 and 21/22 to ensure that the theatre has remained operational during Covid.

### **Significant savings have already been made to the theatre's operation due to the impact of the pandemic**

- Staffing has been reduced in all areas, from 37 at the start of the pandemic to 26 at January 2022.
- Front of House, Stage Door and Box Office have been restructured to make ongoing savings of £45k and achieve better value for money from expenditure.
- Stage Door has been permanently closed.
- Volunteer ushers have replaced a large casual staff front of house, saving £80k per year.
- Adoption of more on-line sales, ticketing and increased digital marketing resulting improved value for money on marketing expenditure.
- Senior management salaries were reduced by 20% whilst maintaining full-time hours for seven months. Other staff were furloughed on 80% salary and then continued to be partially furloughed until the scheme ended in Sep-21.

**Finding further savings of £50k in April 2022 on the back of the cuts already made this year to get through the closure period, will be challenging. We cannot assume box office income will pick up quickly. The theatre has for the last seven years achieved a break-even position in the management company, or a small deficit which has been funded by the Trust.**

### **Impact of any funding reduction on the theatre's Refurbishment and Capital plans**

The Council are aware of the theatre's urgent need to refurbish and improve accessibility in all areas of the theatre. The Director of the theatre made a presentation to full Council on the 4<sup>th</sup> August 2021 to brief them on the theatre's plans and the potential cost of the theatres masterplan. Closure has further damaged the theatre's building. The roof is leaking and will require replacement within the next three years; heating and plumbing is failing. The Theatre has begun a capital appeal to raise funds required. Support from the Borough is critical to the theatre's fundraising success. Withdrawal or reduction in Local Authority funding will substantially damage the theatre's eligibility to apply to other funders. For example, the theatre was able to apply for Round One and Two of Cultural Recovery funds because it was in receipt of local authority funding.

### **Creative Learning Programme.**

The theatre has used the closure period to establish a new Creative Learning programme that works with people across a range of age groups and backgrounds. Meeting the Council's priorities to support vulnerable residents and tackle inequalities in its communities. Targeted activities focus specifically on engaging those people who have limited access or opportunities to engage with the arts. This includes families, children and young people who have a low household income or low socioeconomic status; young carers; care leavers and those who are not in employment, education, or training. Since its establishment in May 2021, Creative Learning Programme has worked with clients from:

- The Hive, Matrix Trust
- Halow
- Surrey Choices
- BIG LEAF Foundation
- Lighthouse Specialist Centre of the Guildford Grove Primary School
- Guildford Community Wellbeing Team based at the Hive
- The YMCA Guildford Downslink Group
- Surrey Young Carers
- Army Training Centre in Pirbright
- Wey Valley College Pupil referral unit

This area of our work would need to be reviewed in the light of cuts to our funding.

### **Economic Value and Impact of YAT to Guildford**

**The mandates reference that culture and heritage were identified by residents as a low priority in both the budget and future council spending consultation.** YAT disputes the integrity of this survey on which this opinion is made. Only a low number of residents were surveyed, the phrasing of the questions encouraged arts and cultures to be placed last and no context was given as to the impact of any cut on the viability of services.

The theatre considers that the mandate does not convey the benefits delivered by the theatre that meet the Council's priorities.

Agenda item number: 5  
Appendix 3

- A listed building, the theatre is an asset to the town, particularly the current Council's ambition to open the river as part of the proposed town plan and to promote its heritage assets.
- The Creative Learning programme of activities, working with disenfranchised and low social economic groups across the borough directly supports the Council priority to **tackle inequalities in Guildford's communities and support vulnerable residents**.
- The theatre provides **cultural activities within walking distance for residents**, also a priority for the Council.
- The theatres foyer spaces, provide a refuge for numerous community groups including mums and toddlers' groups, adult learners, and those with special needs.
- Research has evidenced that a higher frequency of engagement with arts and culture is generally associated with a higher level of subjective wellbeing. Engagement in structured arts and culture improves the cognitive abilities of children and young people.
- 87% of audience would not have come to Guildford if they had not been coming to the theatre. (80% of 130,000 = 113,110). Those people pay for parking, shop before the theatre, and patronise restaurants and bars in town during their visit to the theatre.
- Over 40% of our audience spend an additional £28 per head locally on every visit directly contributing £1.5 million to local hospitality and commerce.\*
- Arts and prescription can reduce:
  - GP consultations by 37%.
  - Hospital admissions by 27%.

**Value for Money. What the current funding delivers.**

- A year round producing and presenting arts venue that provides a diverse and high-quality programme of theatre, spoken word, dance and comedy for a wide range of audiences.
- A widely respected theatre of reputation and standing in the industry. A landmark for Guildford.
- An average 130,000 audience per year. (Population of Guildford 147,800).
- 2000 engagements in seven months with the vulnerable and socially deprived through the Creative Learning Programme since its launch.
- 26 staff directly employed, the majority of whom are GBC residents.
- 140 other staff and 80 freelancers given employment during the year, again, the majority of whom are GBC residents.
- The theatre's workshop in The Billings provided commercial rental income for Guildford Borough Council and employs between 6 and 12 craftspeople and technicians during the year.
- Hosting and support of other Guildford organisations including: Book Festival, Guildford Jazz, Guildford Arts, Guildford in Bloom, Experience Guildford, Guildford Shakespeare Company, Surrey Age UK and, since the reduction of the Electric Theatre's programme by ACM, a number of local youth theatres.
- Creating employment opportunities at the theatre for young adults engaged with The YMCA and Surrey Choices.
- Partnership working with:
  - Business Improvement District/Experience Guildford.
  - University of Surrey
  - Tourist Information Office
  - Surrey Chamber of Commerce

- A home for regular users of front of house include:
  - Knit and Knatter
  - Halow
  - Drama group
  - Pop up and play for under 5's and families

**The Mill Studio programme is an entirely professional programme of work** and does not consist of amateurs and semi-professional companies. The focus is on supporting young and local artists, using the Mill to further artist development in the Borough and provide a contrasting offer to the main house aimed at the younger audiences. In addition, we have begun to host local youth theatre companies who have lost their performing space at the Electric Theatre due its take-over by ACM.

#### **YAT taking over GBC Tourist Information ticket service**

- The theatre offered to take over this service creating a saving for GBC and enabling this community service, which many local arts and community groups rely on, to continue. In addition, ensuring a flourishing arts infrastructure will further support Guildford's bid for City status.
- This is unlikely to be a significant income generator for YAT. In 2019, the GBC ticketing function delivered income of £15,700 + VAT in commission charges and an additional £4,500 in booking fees, a total of £20,200 + VAT.
- However, as the Council have run the service down, it has been handed over with no orders for Spring 2022. The pandemic has affected audiences and therefore tickets sales for all events, not just theatre

#### **Lease information**

Under the terms of the lease and the covenant of the Theatre Trust, the theatre building would return to Guildford Borough Council if the Trust was no longer occupying the building. The Council does not have the in-house expertise for running a performing arts charity.

#### **Three year rolling funding agreement**

The theatre was under the impression that a three-year rolling funding agreement was put in place in 2016 and the theatre would therefore receive two years' notice of any reduction in grant funding. The theatre notes that this view has been frequently expressed verbally at board meetings at which councillors and the Resources Director of GBC have been present and has not been disputed or corrected. This statement has been in the theatre's annual report and accounts since the year ended Apr-16 and has not been disputed by those councillors who have served as Theatre Trustees and Directors during this time or by Guildford Borough Council Officers.

**The theatre has a number of comments on Option C - Do Something (2)** which it wishes the Council to consider.

*Charge a full market rent (£56,000) for the lease of Old Mill Studio on renewal from December 2022 (generating additional income of £33,000).*

- The Mill houses the finance, fundraising, marketing and creative learning departments, in total 12 members of staff in five offices. There is no room to accommodate these departments in the main building.

Agenda item number: 5  
Appendix 3

- The Mill is sited in a flood risk area, is in a poor state of repair with no heating, inadequate lighting, rotten window frames and damp issues. Further deterioration of the building has been impeded by the theatre's occupation of the site, meeting the costs for keeping the site warm, dry, and secure.
- The theatre disputes the figure of £100k annual income potential if the building returns to the Council and would be keen to understand how this figure was arrived at. The building, which is listed, is an unlikely candidate for housing given its location and flood risk.
- Repurposing the Mill for heritage, gallery or museum occupancy is unlikely to be possible without further capital investment in the building. The challenges the theatre faces through lack of footfall and passing trade would be the same for any repurposed heritage space.
- Access is challenging to all parts of the building and non-existent in many areas.
- The public use the toilets and other facilities in the Arnaud's main house as there are no suitable facilities in the Mill.
- The Mill is listed.
- The studio space, including the seating, was refurbished with a grant from Heritage Lottery. If there is change of use, then there may need to be a partial refund of grant to HLF, further damaging the theatre's finances.

*\* "Economic and Social Impacts of Arts in Surrey" 2021 report conducted by a research team in the School of Hospitality and Tourism Management at the University of Surrey, in partnership with Yvonne Arnaud Theatre, The Lightbox and Watts Gallery – Artists' Village.*

JOR 03/12/2021

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

Agenda item number: 5  
Appendix 4

Document is Restricted

This page is intentionally left blank



Executive Report

Ward(s) affected: Tillingbourne

Report of Director of Service Delivery

Author: Chris Wheeler, Head of Operational and Technical Services

Tel: 01483 445030

Email: Chris.wheeler@guildford.gov.uk

Lead Councillor responsible: James Steel

Tel: 07971 525298

Email: James.Steel@guildford.gov.uk

Date: 25 January 2022

## Shere Parish Council Car Park – Introduction of Charges

### Executive Summary

In 2008 Guildford contributed significantly to the refurbishment of the visitor car park in Shere. As part of the agreement, the Parish and Council agreed that there would be no tariffs initially, but there was a review mechanism which set out that the Parish could seek approval to adjust tariffs in the future with our agreement. The car park is in need of some significant work and the Parish feel that it would be appropriate for the users of the car park to contribute towards the ongoing expense of maintaining the car park. In the event of any surplus revenue, this could also support the parish councils' wider activities and services for visitors and residents. The Parish are seeking approval to set parking tariffs.

### Recommendation to Executive/ Committee/ Council (*delete as appropriate*)

That the Executive/ Committee/ Council approves

1. the request by the parish to make charges for the use of their car park under the 2008 agreement.
2. That authority is delegated to the Head of Operational and Technical Services in consultation with the Lead Member for Environment to agree the tariffs that can be applied by the Parish for parking in this car park now and at any future review requested by the Parish.

### Reason(s) for Recommendation:

1. To enable the Parish to raise revenues for the ongoing upkeep of the car park and other activities of the Parish.
2. To ensure that tariffs for parking in this car park are appropriately balanced between the needs of the Parish and against the need to ensure that tariffs do not result in unintended consequences in the wider parish and neighbouring areas. To also allow future flexibility in the setting of those charges.

**Is the report (or part of it) exempt from publication? (delete as appropriate)**

No

**1. Purpose of Report**

- 1.1 To seek approval for formally agreeing to the Parishes request to set charges for car parking in their 93 space visitor car park, and the mechanism for current and ongoing review and approval.

**2. Strategic Priorities**

- 2.1 By agreeing to the request we will be delivering on the core value within our corporate plan of “We will work constructively with other councils, partners, businesses and communities to achieve the best outcomes for all.”.

**3. Background**

- 3.1 There is a popular destination for visitors with a good range of attractions as well as being a gateway to the Surrey hills and nearby Newlands Corner and Silent Pool. In 2008 we provided financial support of approximately £90,000 as well as technical assistance for a full resurfacing of the 93 space car park that provides the only off street parking facility for visitors to Shere.
- 3.2 The current condition of the car park is now poor, with significant potholes and whilst temporary repairs have been undertaken by the Parish, there is a need for a significant investment in the car park, with a further full resurfacing needed. The Parish are responsible for this but they have reported that this would be challenging financially and would like to start charging for the use of the car park so that the users of the car park contribute to the ongoing costs of maintenance. Please see letter at Appendix 1.
- 3.3 As part of the funding agreement the car park was set to be free to use unless the Council agreed to parking tariffs. The text from the agreement is within the letter from Shere at Appendix 1, and is as follows:
- From the Development Completion Date SPC shall operate and make the Car Park available to the public without charge at all times of the days or night on a first come first served basis or in accordance with any other operating terms and conditions agreed between the Parties from time to time which for the avoidance of doubt could include charging for the use of the Car Park in appropriate circumstances.*
- 3.4 It is clear that charging users of the car park to generate funds for the Parish was a potential longer-term outcome.

- 3.5 Whilst there have been no specific counts of users of the car park by the Parish, we do know that the car park is very busy, especially at the weekends and there is often displacement parking into the village centre which can cause disruption to through traffic.
- 3.6 In terms of an estimate of use even if each space was only used once per day, this would equate to over 33,000 visits per year. In reality there is likely to be many uses of each space in a day and a conservative estimate would put visits in excess of 100,000 per year.
- 3.7 As a result parking fees could bring two key benefits. Firstly, even a modest tariff will generate significant income levels. Secondly charging may encourage a greater turnover of spaces allowing more parking events, which in turn may reduce the displacement into village and alleviate some of the associated issues.
- 3.8 Equally a high parking tariff, may have the opposite effect, it may encourage further displacement and disruption into the village or beyond and reduce the income the Parish is able to achieve. It is for these reasons that it is important that the Council expressly agrees the tariffs that are being proposed by the Parish to ensure that we can take a view on the likely wider impacts of charges at this car park and have an ongoing influence on whether there are charges and what those charges are in the future.
- 3.9 It should be noted that there are some residential users within the car park and the Parish intends to operate a permit scheme for a small number of residents with properties in the vicinity of the car park.
- 3.10 The Parish would be entirely responsible for all aspects of the change including, selecting a method of stay, such as pay and display or pay on foot, the methods of payment. The installation of any equipment needed to support the tariff structures well as any maintenance. The Parish would also be responsible for managing payment, including cash receipts as well as arranging appropriate enforcement. In the spirit of cooperation, we would provide advice and support to the Parish where resources allow.

#### **4. Consultations**

None – this is a matter for the Parish to consider as part of their proposals for car parking tariffs.

#### **5. Key Risks**

- 5.1 That the charges result in significant displacement of visitors onto the public highway or into other neighbouring areas.

#### **6. Financial Implications**

- 6.1 This will allow the Parish to become more self-sufficient in its activities and may reduce requests for financial support from the Council in the future.

**7. Legal Implications**

- 7.1 The agreement from 2008 allows the Parish to apply a parking tariff subject to our agreement and for those tariffs to be reviewed from time to time. It is important that both initial as well as future terms and conditions are considered, reviewed and formally approved by this Council, to ensure that they do not result in unacceptable unforeseen consequences.

**8. Human Resource Implications**

- 8.1 There would be a limited amount of officer time involved in considering and reviewing requests for changes to the operating terms and conditions of the car park from time to time

**9. Equality and Diversity Implications**

- 9.1 None Identified

**10. Climate Change/Sustainability Implications**

- 10.1 This may result in less visits by car. In addition, we would encourage the Parish to install or allow the installation of Electric Vehicle Charging Points as part of their future plans for the car park.

**11. Summary of Options**

- 11.1 We could decline this request but doing so will place significant burdens on the Parish whilst removing a method to generate revenues to address those burdens.

**12. Conclusion**

- 12.1 The car park is nearing the end of its built life and is in need of significant work and expense over the coming years. There are also opportunities for extending the network of EV charge points at this location, subject of course to supply and funding. By allowing tariffs this will allow the Parish to be self sufficient in its management of this car park and the income may also provide additional surpluses which could support the Parish's other services and activities.
- 12.2 The recommendation is therefore to agree to parking tariffs and delegate authority to agree those initial tariffs and future tariffs to the Head of Operational and Technical Services in consultation with the Lead Member for Environment.

**13. Background Papers**

None

**14. Appendices**

Letter from Shere Parish Council



**SHERE PARISH COUNCIL**

Suzanne Hoyland  
Parish Clerk/RFO  
Telephone: 01483 203431  
clerk@shereparishcouncil.gov.uk  
www.shereparishcouncil.gov.uk

Tanyard Hall  
30 Station Road  
Gomshall  
Guildford  
Surrey  
GU5 9LF

23<sup>rd</sup> September 2021

Chris Wheeler  
Guildford Borough Council  
Millmead House,  
Millmead,  
Guildford,  
Surrey  
GU2 4BB

Dear Chris,

**Re: Shere Car Park – potential charging**

As you are aware Shere Parish Council is struggling to pay for the maintenance of Shere Car Park. The increased popularity of Shere as a tourist destination has led to significant damage to the car park surface.

With no monies forthcoming from the Borough to assist in maintenance, it has become necessary to consider charging for use of the car park, with a permit system for residents.

Under the 2008 Agreement between Guildford Borough Council, Shere Parish Council, Shere Trust Properties and Shere Recreation Ground Association it was stated *'From the Development Completion Date SPC shall operate and make the Car Park available to the public without charge at all times of the days or night on a first come first served basis or in accordance with any other operating terms and conditions agreed between the Parties from time to time which for the avoidance of doubt could include charging for the use of the Car Park in appropriate circumstances.'*

Shere Parish Council would therefore like to formally request Guildford Borough Council's written agreement to charge for use of the car park.

Details of charges are still to be determined but would be in keeping with other charges across the Borough.

I look forward to hearing from you.

Kind regards

Suzanne Hoyland  
Parish Clerk & RFO

This page is intentionally left blank

Executive Report

Ward(s) affected: Holy Trinity, Friary & St Nicolas Report  
of Director of Service Delivery

Author: Andrew Harkin

Tel: 01483 444535

Email: [andrew.harkin@guildford.gov.uk](mailto:andrew.harkin@guildford.gov.uk)

Lead Councillor responsible: James Steel Tel: 07518 995615

Email: [James.Steel@guildford.gov.uk](mailto:James.Steel@guildford.gov.uk)

JEAB: 13 January 2022 Executive: 25 January 2022

## Off-Street Parking Annual Business Plan 2022-23

### Executive Summary

The report updates the Executive on progress made in delivering the recommendations approved in November 2020, highlights improvements completed, and work being progressed to support green initiatives, the climate emergency and sustainability.

The report explains changes in service during COVID19 and the excellent work carried out by the service to support key workers, businesses and residents. However, due to the impact of the pandemic, we have reconsidered how to manage our parking resources to best suit the town's needs and bring forward decisions on pricing strategy make better use of the spare capacity within the town centre car parks, encourage use of the park and ride, and increase revenue.

### Recommendation to the Executive

The Executive is asked to approve paragraphs (1) to (12), and to note paragraph (13) below:

#### Review of parking charges

##### Shopper Tariff

- (1) **Option B** - to change the shopper tariff from **£3 for up to 3 hours, £6 for 3-6 hours and £12 for more than 6 hours**, to **£3.60 for up to 3 hours, £7.20 for 3-6 hours and £14.40 for more than 6 hours** (Bedford Rd MSCP, Castle MSCP, GLive, Millbrook, Tunsgate, York Rd MSCP\*)

##### Short-stay Tariff

- (2) **Option D** - to consolidate the tariff in the car parks charged by the hour from **£1.30 and £1.50 per hour**, and to change them to **£1.80 per hour for the first 3 hours, and £2.30 per hour for subsequent hours** (Bedford Surface, Bright Hill, Commercial Rd 2, High Street, Lawn Road (Saturday only), Leapale Road MSCP, Old Police Station, Millmead House (Saturday only), Portsmouth Rd (Saturday only), Robin Hood (Saturday only), St Josephs Church (Saturday only))

Evening Tariff

- (3) **Option C** - to change the evening charge from **£1 (6pm-10pm Mon-Sat)** to **£1.50 (6pm-10pm Mon-Sun)** (Bedford Rd MSCP, Bedford Surface, Bright Hill, Castle MSCP, Commercial Rd 2, GLive, High Street, Leapale Road MSCP, Millbrook, Old Police Station, Portsmouth Rd, Tunsgate and York Rd MSCP)

Sunday Tariff

- (4) **Option C** - to change the Sunday charge from **£1.50 for up to 3 and £2.50 for 3-6 hours**, to **£2.00 for up to 3 and £4.00 for 3-6 hours** (Bedford Rd MSCP, Bedford Surface, Bright Hill, Castle MSCP, Commercial Rd 2, GLive, High Street, Lawn Road, Leapale Road MSCP, Millmead House, Millbrook, Old Police Station, Portsmouth Rd, Hood, St Josephs Church, Tunsgate and York Rd MSCP)

Car Park Specific Tariffs

- (5) **Farnham Rd MSCP** – change pre-7am rate from **£0.90 per hour** to **£1.00 per hour**, standard rate (7am-7pm) from **£1.00 per hour** to **£1.10 per hour**, and (7pm-7am) rate from **£0.10 per hour** to **£0.20 per hour**.
- (6) **Guildford Park** – change Monday to Friday tariff from **£5.00 per day** to **£6.00 per day**, and Saturday tariff from **£1.00 per day** to **£2.00 per day**.
- (7) **Shalford Park & Walnut Tree Close** – change Monday to Friday tariff from **£3.20 per day** to **£4.00 per day**.
- (8) **Ash Vale Railway Station** - change Monday to Friday tariff from **£1.00 per day** to **£1.50 per day**.

Amend Traffic Regulation Order

To formally advertise changes to:

- (9) make the EVCP bays enforceable and available only to vehicles being charged.
- (10) replace the “Green Scheme” with a pay by phone solution that provides greater benefit for All Electric vehicle users in the pay and display car parks, equivalent to a tariff reduction of **£0.20 per hour**
- (11) make the necessary amendments, as and when required, to reflect the permanent closure of Commercial Road 2, Guildford Park and Old Police Station car parks, which are all due to close in 2022/23.

and if any representations are received, for the Parking Lead, Head of Technical and Operational Services and Director of Service Delivery to consider these in consultation with the Lead Member.

EV Strategy

- (12) that a strategy is developed to define the Council’s role in this developing sector.

Annual Report

- (13) To note the performance of Parking Services in 2020-21, as detailed in Appendix 2 to this report.



**Reason(s) for Recommendations:**

**Pricing Review**

Town centre parking:

- is an enabler to around £150-200m of retail activity within the local economy, as well as supporting a wide variety of other business needs (*Systra Parking Study 2020*),
- pricing is the primary mechanism with which to modify user behaviour, and in line with the Council’s strategic aims, encourage more sustainable transportation modes, such as the Park and Ride, public transport, cycling and walking,
- generates a significant surplus with which to maintain and improve the parking facilities, and more generally, support the Council’s budget.

Although the primary mechanism to modify behaviour, convenience is also a key factor in determining visitors’ choice of transportation mode and parking location. This is supported by the fact that, in recent years, the incremental increases in tariffs have not greatly impacted overall usage of the car parks. This is despite challenging conditions being experienced by the retail sector.

Therefore, although price increases may be perceived as being harmful for the local economy, particularly at a time when it is recovering from the pandemic, the provision of convenient and good quality parking are more important influencing factors, and something that our car park refurbishment programme has built upon in recent years.

**Tariff Options - all increases shown are based on comparisons to “2019 occupancy levels and 2021-22 charges”** (see Appendix 1 for more detail)

- A. No Change – provides no additional encouragement for visitors to consider sustainable transport alternatives and would not bring income back to 2019-20 levels, based on anticipated utilisation
- B. Minimum increase – encourages greater use of sustainable transport alternatives but would not bring income back to 2019-20 levels, based on anticipated utilisation
- C. Maximum increase - encourages greater use of sustainable transport alternatives and would bring income back to 2019-20 levels, based on anticipated utilisation, but the larger tariff increases may cause additional resistance,
- D. Recommended increase – encourages greater use of sustainable transport alternatives and provides a reasonable balance between risk and reward, bringing income back to 2019-20 levels, based on anticipated utilisation.**

**High / Low / Recommended Revenue Calculations – BEFORE USAGE FACTORING**

- |  |                              |
|--|------------------------------|
| A. Maintaining existing tariffs:                             | <b>Revenue = £9,162,639</b>  |
| B. Implementing all the minimum tariff increases:            | <b>Revenue = £10,251,437</b> |
| C. Implementing all the maximum tariff increases:            | <b>Revenue = £11,901,617</b> |
| <b>D. Implementing all the recommended tariff increases:</b> | <b>Revenue = £10,997,936</b> |

**Usage factoring - Potential impact of occupancy & resistance variables**

The actual changes in revenue will very much depend on how occupancy levels ultimately recover from the pandemic and the level of resistance to the tariff changes.

For example **Scenario D** (based on **Recommended** tariff changes):

- **95%** occupancy compared to 2019 levels
- Less **5%** resistance due to tariff changes

**Revenue = £9,898,142**

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

**1. Purpose of Report**

- 1.1** To review the pricing structure proposals and seek approval from the Executive for implementation of the proposals.
- 1.2** To review improvement works undertaken and work we intend to undertake during 2022-23.
- 1.3** To report on Parking Services' performance in 2020-21 (Appendix 2).

**2. Strategic Priorities**

- 2.1** The Parking Service contributes to all three fundamental themes of the Council's Corporate Plan. Effective parking strategies also contribute to the Surrey Transport plan and help mitigate climate change and improve air quality.
- 2.2** Town centre parking:
  - is an enabler to around £150-200m of retail activity within the local economy, as well as supporting a wide variety of other business needs (*Systra Parking Study 2020*),
  - pricing is the primary mechanism with which to modify user behaviour, and in line with the Council's strategic aims, encourage more sustainable transportation modes, such as the Park and Ride, public transport, cycling and walking,
  - (normally) generates a significant surplus with which to maintain and improve the parking facilities, and more generally, support the Council's budget.
- 2.3** The Annual report (Appendix 1) sets out how the Parking Service has operated to support and deliver the objectives detailed in the Parking Strategy. The aims of the Parking Strategy are to:
  - encourage the use of more sustainable transport modes including park and ride,
  - review the provision of car parks to encourage drivers to park and return directly along main routes using a "**drive to, not through**" approach,
  - look to maintain capacity for off-street parking in interceptor car parks which take traffic off the roads before it reaches the town centre, thereby reducing congestion and pollution,
  - provide a range of parking options to support a vibrant economy,

- annually review parking tariffs and usage in order to maintain a hierarchy of charges with on-street parking in the town centre having the highest tariff and the cost of parking reducing the further a driver parks from the centre,
- keep park and ride bus fares low compared with town centre parking charges and to promote it as an alternative to parking in or near the town centre,
- develop more park and ride sites,
- monitor external indicators to ensure that the local economy continues to be successful,
- maintain safe traffic flow,
- where necessary, prioritise space for residents and where it is supported by the local community.

**2.4** Future areas for development potentially include:

- bus lane camera enforcement using our CCTV control room is due to commence in early 2022
- explore ways to encourage utilisation of car parks during quieter periods, possibly through the provision of EVCP to encourage residents that would otherwise park on-street with electric vehicles, to instead park within the car parks and charge their vehicles overnight,
- deploying greater enforcement resource particularly in the evenings and on Sundays,
- Sunday on-street restrictions close to the town centre were introduced in November 2021 along with on-street pay-by-phone,
- using new technology and other changes to improve efficiency,
- changing restrictions to give greater priority to permit holders and reduce limited waiting bays,
- looking at the existing provision for EV Charging, disabled and parent and toddler spaces, to see how we can provide additional and better provision.

**3. Background**

**3.1 Projected Budget Position**

We have a budget requirement in 2022-23 of approximately £10m net of VAT from car parks. The COVID pandemic significantly disrupted behaviours and subsequently revenues in the car parks. The impacts are persisting in that there appears to be long term change to working practices, affecting contract parking, as well as a slow return to “normal” for other activities, such as shopping and visiting restaurants in the town. Whilst we have seen a steady improvement, and appear to be on track to exit the financial year at a level of 92% on 2019 numbers, the recovery is fragile as demonstrated by the move to “Plan B” in early-December 2021, with no financial support relating to revenue impacts being put forward by Government.

In 2021-22, we look likely to achieve a net revenue figure of between £6m and £7m. There is a significant budget gap and in the light of the fact that we have not adjusted prices since 2020, partly in order to support residents, visitors and businesses, it is now time to consider pricing.

### 3.2 Financial modelling

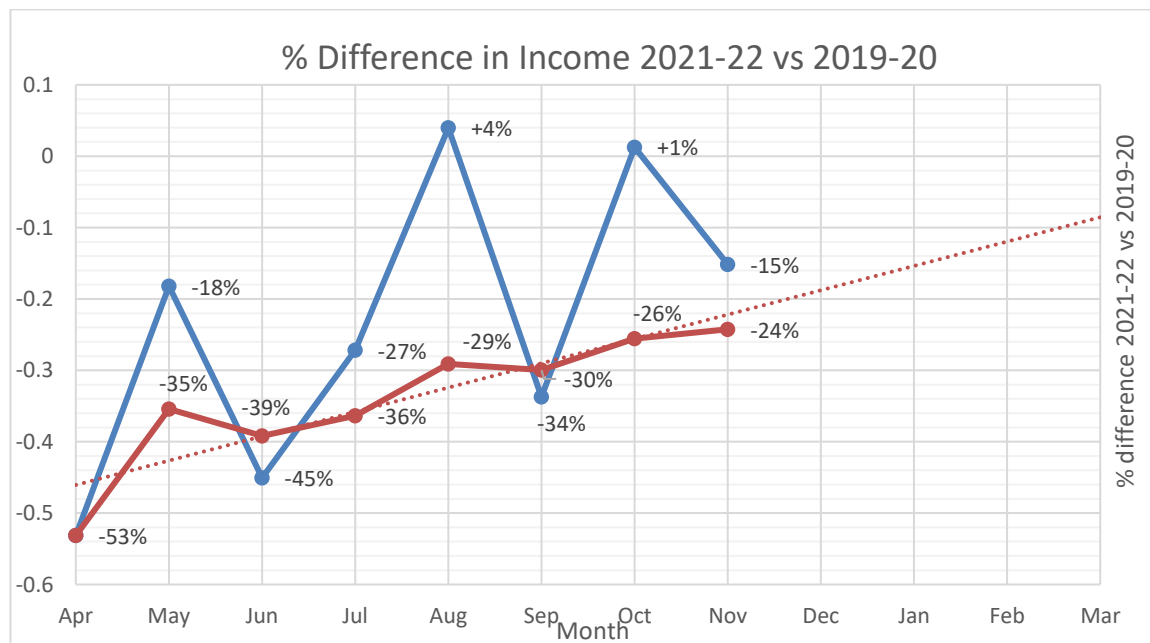
In order to try to model what the future might look like, we do look for trends in behaviours demonstrated by tickets sold and revenues, however the disruption of the last two years means that we have limited data that can be reliably used to indicate the future trends. This makes price setting and budgeting extremely challenging. Whatever we use has flaws and risks associated with the pandemic itself as well as from changing behaviours.

In addition, there are often assumptions that the cost of parking, and any increases will reduce the attractiveness of the town to the benefit of other retail centres, such as Woking, Camberley and Kingston. The evidence we have does not support this assumption and actually confirm that price is a minor deciding factor and that the parking provision is a significant revenue enabler for businesses in the town.

That said we have a major budget gap and if we aim to close this, we need to significantly raise prices from April 2022, and we have set out some recommended price rises.

Appendix 1 sets out the detailed parking charges options. This takes 2019 numbers and factors in the recommended pricing changes and gives a revised number based on 2019 usage. At first look this would indicate a significant revenue to £11m. However, we are very unlikely to get to 2019 usage numbers therefore the revenue needs to be factored down to account for the likely usage. The challenge we have is coming to a sensible place on likely usage and need to take into account the resistance in lost custom due to the new charges.

In order to define a running rate and a clear trend we have tracked the activities so far this financial year against the numbers in the same months from 2019. There are some dips and spikes, which will be in part because some months in 2019 will have 5 weekends but the same month in 2020 will have 4 weekends. The chart is on the next page:



The 0% level on the left hand side is the 2019 number and the blue (monthly) and orange (cumulative) lines are the 2021 monthly comparisons to the same month in 2019. It can be seen that whilst there have been peaks and troughs (in part to where weekends fall), the general trend is improving and cumulatively to November we are seeing a 24% reduction in income. From looking at the trend line from the revenues we appear to be on track for exiting and having a run rate of 92% on 2019 usage if there is no further interruptions to our business.

So at an optimistic level if we exit at 92% and the growth trend we are seeing continues, it is feasible to start seeing consistent usage in line with 2019 numbers at some point in 2022. However we are currently sitting at 76% cumulative and we do not know where the parking use will actually level off.

Therefore caution is advised in applying a usage level to income. I would suggest using a figure of 90% of 2019 usage made up of a trend to 95% usage and then a levelling off with a resistance factor of 5% to the new pricing resulting in a net 90% usage compared to 2019.

We then need to undertake a two-stage process to predict revenue.

Step 1 is to take the 2019 revenue and ticket sales and apply the new rates to that transactional volume.

Step 2 is to take that number and apply the usage factor at the suggested level – in this case 90% to predict the likely revenues. Appendix 2 sets out the tariff ranges and calculates the revenue position from those changes.

The table below sets out in the “90%” column the min, max and recommended scenarios we are suggesting budgeting on. The remaining columns set out the likely financial position relevant to the pricing mix chosen and the usage we actually see to allow us to understand the impact of different levels of usage in any of the pricing scenarios.

	Usage levels					
Pricing position	2019 (100%)	80%	85%	90%	75%	70%
Minimum	10,251,437	8,201,150	8,713,721	9,226,293	7,688,578	7,176,006
Maximum	11,901,617	9,521,294	10,116,374	10,711,455	8,926,213	8,331,132
Recommended	10,997,936	8,798,349	9,348,246	9,898,142	8,248,452	7,698,555

It should be noted that the cell highlighted in green represents the recommended pricing options and the suggested usage we budget for and will deliver a revenue of just under £10m.

It is clear that if usage is above where we are suggesting, then our position will be greatly improved. Whilst a usage of below 70% is possible, based on this year’s cumulative numbers it is considered unlikely outside of a wholesale and extended lockdown, and all scenarios and usages modelled will improve on the 2021/2 incomes.

The challenges are therefore:

1. Setting a realistic usage level for budgeting purposes
2. Selecting a set of tariffs that are acceptable and meet our financial needs

### 3.3 Works Undertaken

A summary of the progress made in delivering previous recommendations approved by the Executive are as follows:

2021/22 Works Update	Progress
Re-coating decking works carried out at Leapale Road MSCP	Completed
Solar PV works carried out at Farnham Road MSCP	Completed
Introduction of new 'Shopper' tariff in Bedford Rd MSCP, Castle MSCP, GLive, Tunsgate and York Rd MSCP car parks.	Completed
Introduction of 'Short-stay' tariff in Leapale Rd MSCP	Completed

-=

### 3.4 Bedford Road MSCP Replacement of Pay & Display Machines

Following the introduction of new contactless P&D equipment in Bedford Road MSCP, which allows users to pay by card as well as by coin and pay by phone, utilisation of the contactless facilities has continued to increase as a proportion of the payment options (coin, contactless and pay by phone), and now accounts for 26% of all transactions within the car park. 57% of transactions are pay by phone and 17% of transactions are coin.

### 3.5 Drive away "Regulation 10" enforcement

Shortly before the first national lockdown, in January 2020, we began issuing "Regulation 10" postal PCNs for those offences where the enforcement officer was prevented from issuing the ticket on the car. This is assisted by the team having the capability to evidence drive-aways using bodycams.

During 2020-21, 267 Reg.10 PCNs were issued by post. Although the majority of these relate to on-street contraventions, the figures for both on- and off-street locations would have been higher, were it not for the pandemic, and the impact it has had on parking activity, non-compliance and enforcement.

### Planned Improvements

- 3.6 Penalty charge notice / permit 'back office' system** – the present system is 'end-of-life' and this limits the ability to issue virtual permits and interface with handheld enforcement devices that can automatically log vehicle number plates. During 2022-23, the intention is to replace the existing software with a system(s) which provide improved functionality, customer experience and at reduced cost.

- 3.7 Pay on Foot replacement** – the present equipment is around 10 years old. Although delayed from 2020-21, the procurement of replacement equipment for a number of the car parks has recently recommenced. This could potentially be expanded to include additional car parks, that are currently pay and display. It is the intention to introduce a ticketless, automatic number plate recognition system, which will improve customer experience, the ability to analyse car park data, and reduce unserviceability and maintenance costs.
- 3.8 Pay and display equipment replacement** – the equipment within the pay and display car parks is around 10 years old. Following on from the Bedford Road MSCP pilot involving new contactless pay and display equipment, the intention is to investigate the possibility of rolling this out across all pay and display car parks in 2022-23. This will offer customers greater flexibility with which to pay to park, the opportunity to rationalise the number of machines, and the more modern, networked equipment will provide an improved ability to analyse car park data, and reduce unserviceability and maintenance costs.
- 3.9 LED lighting renewals** – as part of the cyclical 5-year replacement of the car park lighting, all lighting will be replaced with newer, more efficient LED fittings. Additionally, intelligent lighting will be used to reduce energy consumption at times that the car parks are less well used. It is estimated that this and the use of newer, more efficient fittings will generate a saving of around £56,500 per year over the 5-year life-cycle of the lighting. It will also help reduce the Council’s carbon footprint.
- 3.10 Bedford Road MSCP pedestrian ramp** – the ramp that leads to / from The Friary Shopping Centre is looking ‘tired’ and unwelcoming for users visiting the town. The ceiling has also developed a leak. Asset Management are investigating the possibility of bidding for funding from the Welcome Back Fund to repair and redecorate this area. Improving the appearance of this area may also make it more attractive to prospective advertisers, to utilize the extensive wall areas for messaging. This has the potential to generate additional revenue to the Council.
- 3.11 Refurbishment Process** – Below is an update of the current position of planned maintenance and improvements to car parks, due for completion in 2021-22. Proposed works in 2022-23 are described in section 7.1.

Car Park	Working Details	Cost	Expected Completion or other information
Bedford Road	Cleaning, decorating, minor repairs	£10k	completed
Castle Street	Cleaning, decorating, minor repairs	£5k	completed
	Stair core repair and decorate	£8k	completed
	Structural repairs - roof turret timbers	£60k	In design but this work is more expensive than originally anticipated and will require more funds to undertake during 22/23
Farnham Road	Additional barriers	£15k	completed
	Stair cores deck coating	£70k	In design, work will slip to next FY
	Structural and misc. repairs	£40k	In design, work will slip to next FY

Leapale Road	Deck coating	£600k	completed
	Structural repairs	£20k	completed
	Stair cores deck coating	£15k	completed
	Replacement signage	£30k	completed
York Road	Cleaning, decorating, minor repairs	£5k	completed
	Drainage Repairs	£17k	completed
	Structural repairs	£50k	completed

**3.12 EV Provision** –an additional two EV charging spaces are being installed in each of the following town centre car parks; -

- a. Bedford Road MSCP - completed
- b. Bedford Road Surface – pending work
- c. Castle MSCP – Locations identified, pending work
- d. Farnham Road MSCP – 4no. to be completed December 2021
- e. G-Live - completed
- f. Mary Road -Establish best locations before progress work
- g. Millbrook – completed
- h. York Road MSCP – 2no. to be completed December 2021
- i. Leapale Road – 6no. to be completed January 2022

Furthermore, all the EVCP spaces in the public car parks are now sensorred, so it is easier to identify when the spaces are occupied and potential misuse.

The recommendation to make these bays enforceable will also assist in making the more available for those wishing to charge their vehicles.

Further opportunities will be explored to increase provision, and to this end, it is recommended that a strategy is developed to define the Council’s role in this developing sector.

## 4 Parking Services Update

### 4.1 Parking Services Response to COVID-19 Pandemic

In March 2020 when the impact of COVID pandemic restrictions became apparent, parking services made significant changes to support businesses and residents, responding rapidly in providing the following support, enabling residents to follow government guidelines by staying at home and protecting the NHS and allowing key workers the freedom to continue their important duties whilst not worrying about parking.

#### Supporting Residents

- Enforcement of permit bays on-street ceased to allow residents more time and space to park whilst isolated at home,
- Enforcement ceased in car parks and free parking instituted. This allowed residents more space and key workers to continue supporting residents and the town,
- Back-office enforcement officers stopped challenges and PCN processing and created a new COVID-related cancellation policy, arranged payment plans for those experiencing difficulty and suspended appeals,



- Permit issuing ceased and during the annual renewal process a 2-month discount has been provided, as residents with permits had not benefiting from them during lockdown.
- When enforcement restarted, to assist permit holders in area A, B and D, additional parking in car parks from 6pm to 10am for £1 was offered. Where residents were coming home later into areas that were congested, rather than circuit the area trying to find a space they could easily use a space in a nearby car park.

Enforcement ceased on 23th of March 2020 and was re-instated on the 1st of July 2020, with a 2-week warning notice period allowing people time to adjust to re-instated charging.

### **Support for Businesses**

- Market rents were stopped, and once Markets were allowed to open outside, support was provided for traders on social distancing measures. The measures undertaken were provided to the Cabinet office as part of a case study on open markets. One trader gave a statement on her experiences and how well it had gone, which was well received.
- Contract parking/season ticket rates were suspended in March 2020. In August 2020 a reduction in rates was offered to hold spaces until the end of January 2021 while businesses developed plans for staff to return to the workplace,
- The Parking team also supported in other ways such as free parking at certain times during the “eat out to help out” campaign in August 2020.

### **Support for the COVID response**

- Free parking was providing to Surrey Police until July 2020 for approximately. 400 officers. From August 2020 a 50% discounted key worker pass was made available for them to use at Farnham Road MSCP and this ran until July 2021,
- Free parking was provided to BMI who were supporting NHS efforts until July 2020 at Bright Hill car park. From August 2020 a 50% discounted key worker parking was provided to BMI at Bright Hill car park and this ran until July 2021,
- In line with the national NHS scheme, SCC issued a key worker permit which is supported by GBC both on-street and in its car parks until July 2021,
- With the support of our partners, Onslow Park & Ride car park was handed over to the DHSC in June 2020 to provide a Test and Trace hub within this part of Surrey. This arrangement is ongoing until at least March 2022.
- With the support of GBC colleagues, GLive car park was handed over to the NHS in January 2021 to provide a Vaccination hub within Guildford. This arrangement continued until July 2021.
- From August 2021, and with the support of our partners, part of Artington Park & Ride car park was handed over to the NHS to provide a replacement Vaccination hub for Guildford and Waverley, replacing the facility at GLive. This arrangement is ongoing.
- The Parking team also assisted various pharmacies in the setting up and the operation of their vaccination programmes, through special permitting arrangements and modified enforcement.

### **Resourcing within Parking Services**

Those staff that could work from home did so, which allowed certain parts of the service to continue operating and react to the changes required. Those staff that were not able to work from home were redeployed where possible to help with COVID-related support such as delivering packages to the vulnerable, leaflet dropping of support services, packing of support boxes, additional cleaning and other duties.

The Parking team responded rapidly and adapted quickly to changes in support of residents, business, the town and the national effort. The enforcement team has worked in a COVID-secure environment throughout the pandemic, with measures put in place to minimise the risk of infection. Whilst this has meant that the enforcement operations have sometimes been impacted, strenuous efforts have been made to try to minimise its effect.

### **Town recovery and stabilisation**

The situation continues to be monitored and adaptations made as and when circumstances change. Although various unknowns persist, this annual business plan provides the first real opportunity to consider the post-pandemic situation with any degree of certainty.

## **4.2 Park & Ride**

Guildford has a network of Park and Ride sites. With plans to develop the town centre, and limited scope for absorbing increased traffic flows, the continued development of Park and Ride is important.

The town currently has four sites: Artington (742 spaces), Merrow (338 spaces), Spectrum (254 spaces) and Onslow (550 spaces). 9 electric buses were introduced to the service in January 2019 with a capacity of 36 passengers and one-wheelchair user. Other benefits aside from greener travel, include free Wi-Fi and USB charging.

Historically, the operation of the P&R sites has been funded by the on-street parking account, which ordinarily generates a surplus. However, there have been reductions in on-street parking revenue in recent years and balancing the budget has become more challenging. In 2019, measures were put in place to try to reduce costs by removing the permanent guards. This has resulted in a saving of around £85,000 per annum.

The impact of the pandemic on on-street parking utilisation and enforcement has been such that in 2020-21, the on-street income vs costs did not generate a surplus. However, the Government's Covid-related compensation scheme for lost revenue, provided £490,517 in funding. As a result, the account was £268,307 in surplus.

Furthermore, the suspension of the P&R bus service for periods during the pandemic, and the subsidies offered by central government to the bus operators mean that no subsidy was required for the majority of bus services during 2020-21. The central government funding for bus operators has been extended into 2021-22, and continued until the end of 2021.

As a result, the cost of operating the sites and bus services reduced from £631,597 in 2019-20, to £374,146 in 2020-21. The vast majority of these costs relate to cost of providing the parking facility (rent, rates, electricity, etc...).

<b>Funding 2019-20</b>	<b>£</b>
Bus contract price (net of fare income)	47,585
Car park running costs (rent, site maintenance, general rates and other costs)	326,561
<b>Total cost</b>	<b>374,146</b>
Guildford On-street parking surplus	0
Paid from Guildford On-street parking reserve	0
<b>Total funding</b>	<b>0</b>
<b>Shortfall of funding</b>	<b>374,146</b>

The introduction of the minimum £3 charge within the town centre ‘shopper’ car parks in December 2020 now often makes it cheaper to use the P&R service than the alternative town centre car parks for all but the shortest visits. This may encourage greater patronage of the P&R service, thereby reducing the need to subsidise the bus service and improving the financial position.

The slow return to normality, combined with changes in the operational hours of the on-street controls within the central areas of the CPZ, may generate additional income from the changes and enforcement activity, and this too may assist the financial position.

The Bus Lane Enforcement Camera schemes in Onslow Street and Woking Road in early 2022 also has the potential to generate additional revenue, and any surplus controlled by the GBC and the GJC could possibly be ring-fenced, in order to contribute towards funding the P&R operation.

Other measures the Parking team are considering, in order to reduce costs and increase revenue:

- Increased usage of the P&R sites by those visiting the town would reduce the subsidies currently paid to the bus operator, to provide the link to the town centre from the Onslow and Spectrum sites. In this regard, relaxing the planning permissions, as outlined in section 1.6, would enable the bus operator to operate the service over an extended period, and in turn, this may help improve patronage,
- the relaxation of the planning permissions at existing P&R sites may provide other opportunities to make savings / generate income and in turn, improve the financial position such as,
  - potentially relocating of a bus depot to the Artington P&R site, utilising underused space,
  - potential to utilise underused space at Onslow P&R for local business needing parking,
- consider the existing P&R sites and if there are more suitable sites to service the public’s needs, such as the Northern / North-eastern corridor, where subsidies may not be required.

Although the ticketing offer is primarily determined by the bus service operator in consultation with Surrey County Council’s Passenger Transport team, it has repeatedly

been suggested that a family / multiple occupancy bus ticket should be offered to customers, to improve value for money still further when compared to the town centre car parks. Whilst this could potentially help increase patronage, it may also require additional subsidy, which given the challenging funding position, could be difficult to justify. Nevertheless, the bus service operator and SCC have been made aware of the suggestion. It should also be noted that it is already possible for two under 16s to park and ride for free with each a fare paying adult.

If the decline in the on-street surplus is not arrested and / or savings / increase revenue generated by the P&R sites themselves, the ability of the on-street account to fully fund the P&R service, without requiring subsidy from other funding sources, is uncertain.

#### **4.3 Guildford Parking Study / Guildford Economic Regeneration Plan**

A number of the town centre surface car parks are seen as potential sites for development as part of the Local Plan. Parking Services, in partnership with our Planning and Corporate Programmes colleagues, commissioned the 2020 Systra Guildford Parking Study. This study identifies the additional demand for parking that is likely to be generated by development both from within the borough and immediately beyond, and where best to provide the appropriate parking now and in the future. The study confirmed that demand is still required and ultimately availability and flexibility is more important to visitors than pricing. Even though we currently have car parks within the town that nearly always operate with spare capacity, removing some surface car parks could have an impact on people visiting services in Guildford.

During 2022/23 the following car parks are earmarked for permanent closure:

- Bright Hill (121 spaces – currently operating at 60)
- Commercial Road 1 contract car park (12 spaces)
- Commercial Road 2 (52 spaces)
- Guildford Park (400 spaces – currently operating at 220)
- Old Police Station (62 spaces)

It is anticipated that spare capacity in other car parks will, at all but peak times, accommodate the displacement.

In total, around 20-25% of the town centre parking spaces are earmarked for redevelopment. Clearly, without re-provision in locations that meet the levels of convenience expected by our customers, this could impact the ability of car parks to act as an enabler to the local economy and also directly and indirectly impact revenues to the council.

#### **4.4 Future Guildford Transformation Programme**

During the 2020-21, Guildford Borough Council reviewed and implemented Phase B of its transformation programme. As a result, the Parking team moved from the Borough Council's Waste, Cleansing, Recycling and Parking service into its newly formed Customer, Case and Parking service.

The aim of the transformation is to create a more agile, resilient and cost-effective service. As a result, now all permit issues and general parking enquiries are, in the first instance, dealt with by the Customer Services team. More in depth parking administration functions are performed by the Caseworker team. A scaled-back

Parking team continue to oversee day-to-day operations, and the implementation of strategies, projects and reviews.

The number of enforcement officers was also reduced as part of this process, eliminating the 3 posts that were vacant at the time of the re-organisation. However, it should be noted that in order to maintain our on-street parking agency commitments to Surrey County Council, these reductions were restricted to the off-street element of our operation, and on-street enforcement operations have broadly been unaffected by these changes.

It is hoped that these changes will derive savings for both the on-street and off-street parking operations. However, the reduction in the size of the team has impacted the its ability to analyse data, progress projects and exploit commercial opportunities.

Notwithstanding, to fill vacant posts, and to cover the expanded enforcement requirements associated with the extended operational hours of the town centre parking controls, we are currently recruiting for 3 permanent and 5 temporary enforcement officer posts (1 permanent post and 1 temporary post having already been filled).

#### **4.5 Government's Breathing Space Initiative**

In May 2021 the government introduced its Breathing Space initiative. This aims to assist those with debt issues, by centralising the management of their debt and reducing the impact on their finances that trying to independently manage multiple debts can have. The Parking team have adapted its notice processing and debt recovery processes accordingly.

#### **4.6 Parking Transactions**

Ticket sales and income for 2020-21 were significantly affected by the pandemic, being around a third of pre-pandemic levels. The initial suspension of parking charges to assist with the pandemic response, coupled with various periods of partial and full lockdown, and the resultant suppressed demand, made such a reduction in use inevitable.

Furthermore, a number of the car parks were used to provide ongoing support for the NHS vaccination campaign at GLive, BMI at Bright Hill and Surrey Police at Farnham Road car parks.

Because of these variabilities, and the continued uncertainties about demand due to the pandemic, it is too early to assess how effective the introduction of the Shopper tariff and Farnham Road MSCP 'early bird' tariff have been and what effect they have had on visitor behaviour. We hope to report back on these in due course, when a degree of normality has returned.

<b>Year</b>	<b>Ticket Sales</b>	<b>Ticket Income</b>
2017-18	3,231,746	£8,259,695
2018-19	3,198,422	£8,284,819
2019-20	3,011,822	£7,992,175
2020-21	1,040,547	£7,269,140 (including £4,614,223 government grant)
<b>2021-22</b>	<b>2,770,876</b> <i>(projected at period 8)</i>	<b>£7,352,801</b> <i>(projected at period 8)</i>

The 2021-22 transactions up to and including November 2021 suggest that cumulative ticket sales are 75% of the same period in 2019-20, and cumulative ticket income is 76% of the 2019-20 figure. Furthermore, the situation is improving as the year has progressed, with an end of year projection of 92% of 2019-20 figures is a possibility, albeit that much still depends on the pandemic.

#### **4.7 Season tickets / Contract Parking**

As with ticket sale transactions, revenue from season tickets and contract parking for 2020-21 were significantly affected by the pandemic. In parallel with the initial suspension of parking charges to assist with the pandemic response, the season ticket and contract parking schemes were suspended.

To support businesses, when car park charging and the season ticket and contract parking schemes were reinstated in July 2020, significant flexibility was offered to assist customers and their much-changed working patterns. For those customers that were uncertain about their requirements, a 25% 'retainer fee' was levied for the remainder of 2020-21 for those contract spaces / season tickets that they weren't using. This also avoided a mass-cancellation of contract spaces / season tickets, with the obvious impact that this would have had on revenue. The flexibility that the pre-payment card option available to regular customers also came into its own, with many season ticket holders converting to pre-payment cards, so that they only pay for what they use, rather than paying a flat rate fee, that is charged regardless of use.

In spite of changes to working patterns resulting from the pandemic, all contract parking spaces are now occupied, and once more, we have waiting lists for those wanting to acquire a space.

#### 4.8 Enforcement

The tables below show the Penalty Charge Notices (PCNs) generated in our car parks during 2020-21. The suspension of parking charges in support of the pandemic response, coupled with 'light touch' enforcement for significant periods during the course of the year, and reduced levels of demand, resulted in a reduction in the number of PCNs issued. Government guidance and the adoption of a COVID-specific cancellation policy also influenced the number of PCNs subsequently cancelled.

##### Number of Penalty Charge Notices Issued

<b>Penalty Charge Notices issued in Guildford 2020-21</b>	<b>Off-Street Totals</b>
Number of higher level PCNs issued	907
Number of lower level PCNs issued	4,186
<b>Total number of PCNs issued</b>	<b>5,093</b>
Number paid at discount	2867
Number paid at full charge	438
<b>Total number of PCNs paid</b>	<b>3,305</b>
Number of PCNs against which informal / formal reps made	979
Number of PCNs cancelled as a result of informal / formal reps	895
Number of PCNs cancelled for other reasons	25
Number of PCNs written off	352
Number of PCNs outstanding	516
<b>Total number cancelled / written off / outstanding</b>	<b>1,788</b>

The number of off-street PCNs issued in 2020-21 were around 55% lower than the number issued in 2019-20.

Of these, 18% (895) were cancelled following a formal representation/challenge. 920 PCNs were cancelled and 78% (700) of those were due to customer error. These often relate to human errors, such as wrong registration entered on a visitor scratch-card or Pay by Phone App, or parking in a different car park for the ticket used.

**Number of Penalty Charge Notices cancelled**

PCN Cancellation Reasons 2020-2021	Off-street	
	Number	%
Motorist producing tickets which were no clearly displayed / RingGo	624	70
Mitigating and other circumstances	26	3
Contract parkers / season ticket holders and others entitled to park but not displaying valid permit	76	8
Payment machine faults and other equipment issues	15	2
CEO Error	19	2
Blue Badge Holder not parking in accordance with badge scheme / conditions	11	1
Issues with signs and / or lines	5	1
Other issues	119	13
<b>Total</b>	<b>895</b>	<b>100</b>

Reflective of the fact that fewer PCNs were issued, fewer PCNs were cancelled. The proportions of the reasons for cancellation in 2020-21 were broadly similar to those in 2019-20, with controllable reasons, such as machine faults, CEO errors and issues with signs and lines remaining very low.

The number of PCNs issued off-street for April to October 2021-22 is 4,171, which is around 65% of 2019-20 levels, over the same period.

**5 Consultations**

- 5.1 The draft report was presented to the JEAB on 13 January 2022. The minutes from that meeting appear in Appendix 5 as a late sheet, for the Executive to consider.
- 5.2 The amendment of tariff changes is completed via Notice, rather than by a full amendment order process. Therefore, there is no formal consultation period, and no requirement to report any feedback. However, if the changes via Notice, or those requiring a full amendment order process do generate significant correspondence, this will be raised with the Lead Councillor.

**6 Key Risks**

- 6.1 If ongoing funding of maintenance via our reserves is not continued this could affect the lifespan and safe operation of the car parks.
- 6.2 As part of the Guildford Economic Regeneration Plan a number of surface car parks will be redeveloped and no longer be available for parking. Even



though removing short stay options is not a bad thing, it would reduce revenue and customer choice, and could deter some visitors from coming to Guildford. Leapale road has already been converted to short stay to militate against the potential loss of parking at Commercial Road 2 and Old Police Station car parks. Appendix 4 shows a list of surface car parks under risk.

## 7 Financial Implications

- 7.1 Corporate Property Services will make a bid for Car Parks Maintenance Reserve (CPMR) funding, for the intended works programme below, for completion in 2022-23 for off- street car parks.

Car parks	Works Details	Costs	Additional Information
Bedford Rd	Misc. repairs	£18k	
	Podium level drainage repairs	£35k	
	Concrete/structural repairs	£60k	
Castle St	Structural repairs - roof turret timbers	£120k	Including £60k from 20/21
Farnham	Stair cores deck coating	£70k	Carried over from 20/21
	Structural and misc. repairs	£40k	Carried over from 20/21
	Steel frame repairs and repainting	£35k	
York Rd	Structural repairs	£50k	Carried over from 20/21
	Armco barrier repair/replacements	£80k	

- 7.2 In relation to the tariff changes proposed in section 12.4, we expect the revenue levels to be significantly greater than as we would otherwise have achieved had the tariffs been unchanged. The purpose of the new tariffs is to encourage customers to make sustainable transportation choices, fund improvements to the car parks and improve the Council's financial position.

## 8 Legal Implications

- 8.1 If changes are being made to the accessibility of car parking and park and ride services, the Council will need to consider whether a public consultation and Equalities Impact Assessment should be undertaken. If recommended option is approved, then it will be pricing that will be amended and will not affect accessibility or usage.

## 9 Human Resource Implications

- 9.1 None identified.

## 10 Equality and Diversity Implications

- 10.1 There are no equality and diversity implications as a result of this report.

## **11 Climate Change/Sustainability Implications**

### **11.1 LED relighting programme**

In line with GBC strategy to use local renewable energy sources, Parking Services is planning renew its existing 'end of life' LED lighting with newer, more efficient LEDs. Additionally, intelligent lighting will be used to reduce energy consumption at times that the car parks are less well used. It is estimated that this and the use of newer, more efficient fittings will generate a saving of around £56,500 per year over the 5-year life-cycle of the lighting. It will also help reduce the Council's carbon footprint.

### **11.2 Electric Charging Points and Green Car Scheme**

The demand for electric charging points is increasing as electric vehicles become more popular, with low emission grants available for new cars and the growing need to find ways to improve air quality and public health. GBC have installed 10 electric charging points in public car parks across Guildford with a further 5 on order. To access the charging facility, during the day, the motorist buys and displays a parking ticket while the vehicle is charging. In the evening and overnight, the motorists is charged for the electricity used, rather than for parking.

In support of electric vehicles, GBC has a green scheme, which enables owners of electric vehicles to obtain a "Green Parking Permit" free of charge, giving owners free hours of parking or discounted parking in off-street car parks. There are 137 Green Scheme permit holders signed up to the scheme, which is an increase from 121 last year.

However, to provide greater benefit for more All Electric vehicle owners (nearly 3,500 different users are known to have used our car parks in 2021), it is recommended that the Green Scheme is discontinued, and instead, a discount equivalent to £0.20 per hour is offered to users that use pay by phone to use the pay and display car parks.

### **11.3 'Shopper' tariff**

The 'Shopper' tariff was introduced in December 2020, to encourage users to dwell for longer when visiting the town, improve economic activity within Guildford town centre, and encourage medium-long stay visitors to consider sustainable transportation alternatives, such as park and ride. However, its introduction came mid-pandemic, and use of the shopper car parks has been impacted by the general changes to parking / visitor behaviour and utilisation. Therefore, it is difficult to assess the effectiveness of this initiative, relative to the pre-pandemic situation, although we intended to report upon this in due course.

### **11.4 Farnham Road 'early bird' tariff**

The 'early-bird' tariff was introduced In August 2020, primarily to encourage users to park at off-peak times, to try to improve congestion and air quality around Guildford town centre. However, its introduction came mid-pandemic, and use of Farnham Road MSCP has been significantly impacted by a reduction in rail commuters using the facility. Therefore, it is difficult to assess take up of this offer and its effectiveness, relative to the pre-pandemic situation, although we intended to report upon this in due course.

### 11.5 Systra Parking Study 2020

Parking Services conducted a parking study, in partnership with Corporate Programmes, and with priority given to measures that are most likely to deliver environmental and sustainability benefits. It is anticipated that this approach may reduce parking demand, displace parking to outer locations, encourage modal shift, promote the use of public transport and the uptake of park and ride facilities. However, it is also important that we have sufficient capacity to meet the towns needs and ensure the convenience and quality of that provision.

Recommendations from the study have been collated and listed below under short- and medium-term goals. We are already proceeding with some goals and others are pending stabilisation of COVID19. It is apparent that working through the pandemic we have had to make different decision about how we use our car parking stock, to support our town, residents and key workers. Therefore, until we are through stabilisation it is important that we wait to establish if any of those longer-term goals will be affected.

Term	Recommendations	GBC Comments	Status
Short Term	GEOmii system	GEOmii have improved provision of sensor/data. They manage the network, collect, analyse and present data through an improved dashboard. Disabled and EV spaces are now sensed.	ongoing
	Improve payment technology & back office system	POF procurement delayed due to COVID-19 which would improve POF payment methods and back office. P&D machines need replacing and would improve payment methods however, this would require funding from SCC. In the meantime, we can look to roll out pay by phone where possible	2022/23
	Implementation of strategic tariffs	Looking at strategic tariffs and offerings in relation to current circumstances and to make Guildford more attractive to shoppers and diners	ongoing
	Assessment of car parking provision	We can now show via GEOmii data how our parking provision is being used and where underutilised.	ongoing
	Review of accessible parking provision	During COVID-19 we adapted quickly to provide parking for residents under lock down and key workers parking. We also utilised spare capacity to provide keyworker discounted permits. We need to wait to see how the town responds to measures for shoppers, key workers and the planned use for surface car park redevelopment before making further decisions.	ongoing
	Review and develop marketing & communications with focus on public transport and active travel	A Marketing and Communication strategy will be looked at to keep the town viable for various visitors in conjunctions with transport plans and working with experience Guildford	Pending - await stabilisation before progress
	Refresh car park Variable Message Signing	Working with Corporate Programmes to replace the existing end-of-life equipment with more modern apparatus	Ongoing
	Installation of cycle parking	Working with Corporate Programmes where car parks are identified as the most suitable location for provision	Pending, planned review

	P&R enforcement & investigation of further measures	Look to expand usage of the P&R sites to increase utilisation and support local business such as hospital/university looking for parking provision, but we are constrained by planning and lease conditions.	Impacted by COVID and use of sites for testing and vaccinations
<b>Medium Term</b>	Encourage Parking displacement & reduce provision in town centre	Need to be part of the transport discussion	Pending
	Enhance P&R provision	Investigate potential new sites	Pending
	Increase EV charging infrastructure provision	Continue to increase provision in car parks and work in partnership with SCC to improve provision on-street. Develop Strategy and consider low emission zone.  Additional facilities introduced in Farnham Rd MSCP, Leapale Rd MSCP and York Rd MSCP during 2021/22, adding to existing provision in Bedford Rd MSCP, GLive and Millbrook car parks.	Ongoing

## 12 Summary of Options

### Review of Pricing Options & Budget projections

#### 12.1 Maintain Existing Tariffs

This option would generate revenue of **£9,162,639** if 2019-20 utilisation levels were achieved. However, it provides no additional encouragement for visitors to consider sustainable transport alternatives and would not bring income back to 2019-20 levels, based on anticipated utilisation.

#### 12.2 Minimum Tariff Increase

This option would generate revenue of **£10,251,437** if 2019-20 utilisation levels were achieved. However, although provides additional encouragement for visitors to consider sustainable transport alternatives, it would not bring income back to 2019-20 levels, based on anticipated utilisation.

#### 12.3 Maximum Tariff Increase

This option would generate revenue of **£11,901,617** if 2019-20 utilisation levels were achieved. However, although provides additional encouragement for visitors to consider sustainable transport alternatives and would bring income back to 2019-20 levels, based on anticipated utilisation, but the larger tariff increases may cause additional resistance.

#### 12.4 Recommended Tariff Changes

This option would generate revenue of **£10,997,936** if 2019-20 utilisation levels were achieved. It encourages greater use of sustainable transport alternatives and provides a reasonable balance between risk and reward, bringing income back to 2019-20 levels, based on anticipated utilisation.

### **13 Conclusion**

- 13.1 The information provided in this report and Appendices should provide the Executive with an update on how the Parking Services has performed in 2020-21, the progress made in 2021-22 and details of the proposed changes recommended for 2022-23.

### **14 Background Papers**

- Last year's Off-street Annual Business Plan report  
<https://democracy.guildford.gov.uk/documents/s18753/Item%206%20Off-street%20Parking%20Business%20Plan%202021-22%20Exec%20Comm%20Report%20JEAB%20FINAL%20v2.8.pdf>
- Parking Strategy 2016  
<https://www.guildford.gov.uk/article/17702/Parking-strategy>
- Guildford Town Centre Parking Study 2020  
<https://democracy.guildford.gov.uk/documents/s17258/Item%206%202%202020.02.11%20Guildford%20Parking%20Study%20Baseline%20Report.pdf>  
<https://democracy.guildford.gov.uk/documents/s17257/Item%206%201%202020.02.11%20Guildford%20Parking%20Study%20Baseline%20Report.pdf>

### **Appendices**

- Appendix 1: Tariff Options and Income Projections 2022-23  
Appendix 2: Guildford Parking Annual Report 2020-21  
Appendix 3: Comparison with parking charges in similar towns / cities within the region  
Appendix 4: Off-street Parking - Planned and Potential Car Park Closures  
Appendix 5 – minutes from JEAB meeting 13<sup>th</sup> January 2022 – to be provided as late sheet

Agenda item number: 7

## Appendix 1 - Tariff Options and Income Projections 2022-23

### Proposed tariff changes (2022/23) – Options & Projections (all figures net)

#### Baseline data:

- 2019 Actual Income (2019 charges and 2019 occupancy levels) – **Revenue = £8,825,159**
- 2021 Theoretical Income (2021 charges and 2019 occupancy levels) - **Revenue = £9,162,639**

\* includes £1,044,628 season ticket and contract parking revenue. Also note that, for the purpose of this exercise, 2019 calendar year figures have been used, due to the last few months of 2019/20 being impacted by the pandemic and skewing customer behaviour / utilisation figures away from 'the norm'.

#### All increases shown are based on comparisons to "2019 occupancy levels and 2021-22 charges"

##### 1. Shopper tariff (Mon-Sat 8am-6pm)

**Current pricing:** £3.00 <3hrs, £6.00 3-6hrs, £12 >6hrs

**Option A:** £3.30 <3hrs, £6.60 3-6hrs, £12.40 >6hrs **+£391,203 (+4.27%)**

**Option B:** £3.60 <3hrs, £7.20 3-6hrs, £14.40 >6hrs **+£782,406 (+8.54%)**

**Option C:** £3.90 <3hrs, £7.80 3-6hrs, £15.60 >6hrs **+£1,173,609 (+12.81%)**

**Recommendation : Option B**

##### 2. Short stay tariff

Consolidation of all 4 current short stay tariffs into one tariff (Mon-Sat 8am-6pm)

**Current pricing:** Between £1.30 and £1.50 per hour

**Option A:** £1.60 per hour <3hrs but maintain £2.00 per hour >3hrs **+£233,933 (+2.55%)**

**Option B:** £1.60 per hour <3hrs and £2.10 per hour >3hrs **+£255,896 (+2.79%)**

**Option C:** £1.80 per hour <3hrs but maintain £2.00 per hour >3hrs **+£452,944 (+4.94%)**

**Option D:** £1.80 per hour <3hrs and £2.30 per hour >3hrs **+£518,834 (+5.66%)**

**Option E:** £2.00 per hour <3hrs but maintain £2.00 per hour >3hrs **+£671,956 (+7.33%)**

**Option F:** £2.00 per hour <3hrs and £2.50 per hour >3hrs **+£781,773 (+8.53%)**

**Recommendation Option D**

##### 3. Evening tariff

**Current pricing:** £1.00

**Option A:** £1.50 throughout (Mon-Sat between 6pm and 10pm) **+£161,808 (+1.77%)**

**Option B:** £1.50 throughout (including Sundays) **+£176,417 (+1.93%)**

**Option C:** £2.00 throughout (Mon-Sat between 6pm and 10pm) **+£323,647 (+3.53%)**

**Option D:** £2.00 throughout (including Sundays) **+£352,832 (+3.85%)**

**Recommendation : Option B**

Agenda item number: 7  
Appendix 1

4. Sunday Tariff

**Current pricing:** £1.50 <3hrs, £2.50 3-6hrs

**Option A:** £2.00 <3hrs, £3.00 3-6hrs **+£119,890 (+2.18%)**

**Option B:** £2.00 <3hrs, £3.50 3-6hrs **+£147,616 (+1.61%)**

**Option C:** £2.00 <3hrs, £4.00 3-6hrs **+£175,342 (+1.91%)**

**Recommendation: Option C**

5. Car park specific changes

Farnham Rd MSCP

**Current:** pre-7am rate £0.90ph, standard rate £1.00ph, and evening rate £0.10ph

**Proposed:** pre-7am rate £1.00ph, standard rate £1.10ph, and evening rate £0.20ph

**+£103,624 (+1.1%)** *\*also includes change to max. daily charge at York Rd MSCP from £10 to £11, the latter performing a secondary function of providing long-stay parking to the east of the Bridge Street gyratory.*

**Recommendation – Proposed**

Guildford Park Rd

**Current:** Weekday rate £5pd and Sat rate £1pd

**Proposed:** Weekday rate £6pd and Sat rate £2pd

**+£53,659 (+0.58%)**

**Recommendation – Proposed**

Shalford Park & Walnut Tree Close

**Current:** Weekday rate £3.20pd

**Proposed:** Weekday rate £4.00pd

**+£10,470 (+0.11%)**

**Recommendation – Proposed**

Ash Vale Railway Station

**Current:** Weekday rate £1.00pd

**Proposed:** Weekday rate £1.50pd

**+£4,308 (+0.05%)**

**Recommendation – Proposed**



Contract Parking, Season Tickets

To mirror the changes to the car park tariffs, the season ticket rates (and contract parking rates) could also be increased. This would derive the following increases:

- + 3% tariff increase > +£31,339
- + 5% tariff increase > +£52,232
- + 10% tariff increase > +£104,463

\*Care should be taken to ensure that the increases in season ticket rate do not make it more expensive than the maximum daily tariff in the various car parks. Contract parking is less constricted by such considerations.

**Recommendation - +3%**

Alternative 'Green Scheme' provision

The green scheme currently provides users with 3 hours free parking in addition to the charged duration of stay for motorists with All Electric vehicles. This additional parking, whilst encouraging increased dwell time, often does not derive a benefit for the permit holder, who may not wish to use the additional free hours.

Therefore, as a possible alternative, it is recommended that All Electric vehicle owners are offered a 20p per hour (or equivalent in shopper car parks) discount when using RingGo in our Pay and Display car parks during daytime charging hours:

In Q3 2021 1.63% of RingGo transactions involved All Electric vehicles. Obviously, over time, this figure is likely to increase significantly. Nevertheless, based on 2% use:

-£0.20 per hour discount (or equivalent) for EVs > -£21,436 (-0.23%)

**Recommendation – Proposed**

**High / Low / Recommended Revenue Calculations – BEFORE USAGE FACTORING**

- A. Maintaining existing tariffs: **Revenue = £9,162,639**
- B. Implementing all the **minimum** tariff increases: **Revenue = £10,251,437**
- C. Implementing all the **maximum** tariff increases: **Revenue = £11,901,617**
- D. Implementing all the **recommended** tariff increases: **Revenue = £10,997,936**

**USAGE FACTORING - Potential impact of occupancy & resistance variables**

The actual changes in revenue will very much depend on how occupancy levels ultimately recover from the pandemic and the level of resistance to the tariff changes.

For example **Scenario D** (based on **Recommended** tariff changes):

- 95% occupancy compared to 2019 levels
- Additional 5% resistance due to tariff changes

**Revenue = £9,898,142**

Furthermore, demand for long stay commuter / office parking is likely to remain at reduced levels due to changes in working patterns / the increase in home working, whereas short and medium stay parking are more likely to fully recover to pre-pandemic levels.

**Additional options for modelling could include:**

- Extending the standard daily parking tariffs into the evening, and
- Converting the Sunday tariffs to the standard daily tariffs.

However, modelling these changes with any degree of accuracy would be problematic within the short-stay tariff car parks as the tickets currently issued at these times do not differentiate between the various durations of stay accurately.

**Other Assumptions**

- No displacement from one car park to another due to changes in tariffs
- No change in the proportion of the different durations of stay from 2019 levels

## **GUILDFORD PARKING ANNUAL REPORT 2020-21**

### **Structure of the Annual Report**

#### **Covid19 Pandemic**

- 1. Summary**
- 2. Introduction**
- 3. Aims**
- 4. On-Street Parking Management in Guildford**
- 5. On-Street Parking Update**
- 6. Off-Street Parking Management in Guildford**
- 7. Off-Street Parking Update**
- 8. Enforcement**

#### **Appendices**

- Appendix 1 On-Street parking spaces**
- Appendix 2 On-Street financial statement**
- Appendix 3 Off-Street parking spaces**
- Appendix 4 Off-Street financial statement**
- Appendix 5 Enforcement Data**
- Appendix 6 Schools Watch Update**

## Covid19 Pandemic

On March 23<sup>rd</sup>, 2020, following the publication of Government and British Parking Association (BPA) guidance, it was decided to stop charging and drastically curtail enforcement. This allowed residents and key workers greater flexibility to park while carrying out duties. Working from home, or self-isolating. Enforcement was generally restricted to dealing with parking that caused serious danger or obstruction on main routes.

During this time, we provided support in many different ways, these being some of them: -

- Free parking for Surrey Police at Bedford Road MSCP and Mary Road
- Free parking key workers for BMI at Bright Hill
- Free parking in car parks for key workers and residents
- Honoured the Government key worker passes
- Stopped charging and enforcing on-street bays and car parks
- Stopped charging market traders rent
- Stopped charging contract parkers and season ticket holders
- Handed over Onslow Park and Ride to the DHSC to provide a site for the COVID testing programme
- Handed over a section of Artington Park and Ride to the NHS from July 2021 to provide a site for the ongoing COVID vaccination programme

On 15<sup>th</sup> June we started charging and enforcement in on-street locations. The Borough Council's website, social media and signs were erected to let residents and other motorists know normal charging had resumed. We gave out warning notices for 2 weeks before issuing penalty charge notices. On 15<sup>th</sup> June we reinstated the issuing of resident parking permits and visitor permits. As the Millmead offices remained closed to visitors, this was done on-line or via Customer Services Centre (CSC), sending out permits via the postal service, with a 7-day turnaround target.

On 1<sup>st</sup> July we started charging in car parks, except Farnham Road MSCP which was maintained for key workers during July. We also re-started enforcement. Like on-street locations, the Borough Council's website, social media and signs were erected to notify car parks users that normal charging had resumed. We gave out warning notices for 2 weeks before issuing penalty charge notices.

During lockdown, enforcement officers put cases on hold and offered payment plans to anyone affected by Covid19. A new Covid-19 cancellation criteria was created to ensure we supported our residents and key workers as best we could during this time.

To continue to support our key workers and utilise spaces in our car parks, we started a Key worker discounted permit, trialling for 3 months at Bedford Rd MSCP for Surrey Police and for BMI at Bright Hill car park. This trial ran from August to October and was well received. As a result, support for the Police and Mt Alvernia Hospital staff continued until July 2021.

In August 2020, to help support the Government "Eat out to help out" campaign we made P&D car parks free on Mondays, Tuesday and Wednesdays after 4pm during August. This was done

to encourage people back into the High Street to eat and visit the shops and bring back confidence that it is safe.

When we were approached by the DHSC in mid-2020, we did not hesitate to offer them the Onslow Park and Ride in order allow them to set up a testing hub within Guildford. This is still in operation, and is likely to remain so into 2022.

Since the start of 2021, we have also assisted the NHS, Superdrug and Lloyds Pharmacy with their vaccination programmes by modifying access arrangements, parking and enforcement activity around various of the sites used. These have included the GLive car park, pedestrianised section of the High Street, and Madrid Road.

During this time our staff adapted well to changing demands and our IT system allowed us to function in most cases away from Bedford Road office, so our service was not interrupted. Some staff were redeployed until their duties could start again, while some continued duties like enforcement of inconsiderate parking on the main arterial routes where any parking could significantly impact safety, access and traffic movement.

We continued to monitor the situation and adapt our strategy in relation to managing our spaces, enforcement and supporting our community throughout the pandemic. The service responded rapidly to the situation and adapted well as things changed. Something approaching our normal enforcement regime only resumed in mid-July 2021, when the vast majority of the social distancing measures were removed.

## 1. Summary

1.1 Parking Enforcement Authorities are required to publish an annual report so that people can see how the service is run and is meeting policy aims. This Annual Report details how the parking service has operated in the year 2020-21. It should be read in conjunction with the following:

- On-Street 2022-23 Business Plan (Guildford Joint Committee)
- Off-Street 2022-23 Business Plan (The Executive Committee)
- The Parking Strategy 2016 and Parking Study 2020, which set out the overall strategic direction for the service

## 2. Introduction

2.1 The service has a role in all aspects of parking in Guildford, and this provides an opportunity to co-ordinate policies across different areas, and with wider transport objectives. Guildford Borough Council is also in a strong position to influence parking in the town because it runs most of the large car parks.

2.2 We manage on-street parking in Guildford through an agency agreement with Surrey County Council. This agreement was renewed for a further 5 years in April 2018. Both authorities oversee the Park and Ride network. On a day-to-day basis, Surrey County

Council oversees the bus operation and Guildford Borough Council manages the car parks.

- 2.3 This Annual Report will be presented to both the Guildford Joint Committee (GJC) in October 2021 and Guildford Borough Council's Executive Committee (The Executive) in January 2022. This report will also be published on the Transparency page of Guildford Borough Council's website as part of the Local Government Transparency Code of Practice.

### 3. Aims

- 3.1 The "A Sustainable Parking Strategy for Guildford" report sets out a strategic framework for the development of the service and changes planned for the town and Borough. This report focuses on the specific activities to achieve and support these strategic aims.

- 3.2 The high-level aims are to:

- encourage the use of more sustainable transport modes including park and ride,
- review the provision of car parks to encourage drivers to park and return directly along main routes in a "drive to, not through" approach,
- to look to maintain capacity for off-street parking but in interceptor car parks, which take traffic off the roads before it reaches the town centre, thereby reducing congestion there,
- provide a balanced mixture of parking options including park and ride, car parks and on-street parking, needed to support a vibrant economy,
- annually review parking tariffs and usage centred on the town centre in order to maintain a hierarchy of charges. On-street parking to have the highest tariff and for the cost of parking to reduce the further a driver parks from the centre,
- keep park and ride fares low compared to parking charges, and to promote it as an alternative to parking in or near the town centre,
- develop more park and ride sites subject to appropriate business cases and encourage greater use of existing sites,
- monitor all available indicators to ensure that the local economy continues to be successful and to ensure that customers and businesses continue to choose to do business in Guildford,
- use on-street parking controls to support the objectives listed above, to maintain safe traffic flow and where necessary, and where supported by the local community, prioritise space for residents.

### 4. On-street Parking Management in Guildford

The effective management of on-street parking helps to reduce congestion and supports the local economy. Parking restrictions are used to provide residents with priority parking near their homes, to provide blue badge holders with access, and to support the

economy by creating turnover of spaces around shops and areas where vehicles load and unload.

#### **On-Street parking space**

- 4.1 **Appendix 1** shows the number and distribution of designated on-street parking places in the Borough and last changes are shown in green. In areas outside the town centre, where controls are necessary, there is a mixture of yellow lines and either free parking places, or parking places subject to limited waiting.

#### **On-Street Parking Costs**

- 4.2 **Appendix 2** shows a statement of costs and income for the parking services. Under the Memorandum of Understanding (MOU) between Surrey County Council and Guildford Borough Council, the first call on any surplus made from on-street parking in Guildford is to fund Park and Ride.

#### **Residents Parking in the Guildford town centre Controlled Parking Zone**

- 4.3 Guildford town centre has a residents' parking scheme that is divided into ten catchment areas, A to J. Within these areas, a certain amount of parking space is prioritised for residents, often with the facility for non-residents to park for a limited amount of time without a permit, or longer if they obtain a visitors' permit from a resident.

- 4.4 Permit schemes are in place in residential areas where there is parking pressure from non-residents. In these areas, the parking for non-permit holders is restricted. The emphasis is on ensuring that residents who have access to off-street parking use it to reduce pressure on parking space on the streets. Households are limited to up to two permits, and the number of permits is generally reduced according to the amount of off-street parking associated with the property. In the town centre, Area D, there is a limit on the number of permits issued, and as a result, there is a waiting list. Residents who qualify and are waiting for an Area D permit are issued with a permit for an adjacent catchment area, until an Area D permit becomes available.

#### **Residents Parking Permits and Space**

- 4.5 The availability of parking space in the centre of town causes residents concern particularly in Area A. The table over page shows there are more permits than spaces available in A, B and C. The controls in these areas operate between 8.30am and 6.00pm, Monday to Saturday, when there will usually be a proportion of residents away from home in their cars, particularly during the working week.
- 4.6 The ratio of permits to spaces, shown below, has not changed significantly over a number of years. The number of shared-use spaces relevant to permit only spaces in those areas closest to the High Street and railway station are key, as their availability to permit-holders is more likely to be impacted by non-residents.

**Parking Spaces and Permits in the Controlled Parking Zone**

Area	Number of parking spaces available to Permit-holders	Number of Shared Use Bays	Number of resident Permits holders	Ratio of spaces to permits
A	798	278	1049	0.75
B	378	113	424	0.89
C	329	188	357	0.92
D	333	193	309	1.08
E	304	123	287	1.06
F	732	531	385	1.90
G	119	119	48	2.48
H	271	271	53	5.11
I	683	357 (306*)	144	4.74
J	466	400 (53*)	189	2.46

**\*unrestricted spaces in addition to the shared use spaces**

*Note: Ratio is worked out based on the spaces available to permit holders divided by the number of permit holders.*

4.7 The Parking Strategy promotes reducing the pressure on residents' parking. One way this can be done is to provide alternatives to owning a car. In partnership with Surrey County Council, we are continuing to promote and expand the car club in Guildford as mentioned in section 5.5.

4.8 As well as resident permits, we also provide Business, Carers, and Operational permits to meet other parking needs within the community.

**On-Street Pay & Display**

4.9 In the town centre, there are 463 pay and display (P&D) parking bays, which in 2020-21 accommodated 142,899 parking acts during, controlled hours. Many motorists look for a convenient parking space. On-street spaces are often the closest to a preferred destination, but they are also limited in number. Drivers searching unsuccessfully for on-street space add to congestion.

4.10 To ensure there is a regular turnover of space, the time motorists can park in a short stay on-street P&D parking space is limited. The bays closest to the centre have a maximum stay of 30 minutes. Most of the on-street P&D spaces allow up to 2 hours parking, and there are a few around Pewley Hill that allow up to 3 hours. The tariffs in these spaces are 80p and 60p per half-hour, respectively.



- 4.11 To encourage use of the most appropriate parking provision it is good practice for the most-convenient on-street parking spaces to carry a higher charge than car parks. Restricting maximum stay also encourages turnover within the most convenient on-street spaces. Recent price changes to the 30-minute maximum stay on-street spaces have brought these spaces into line with the charges in North Street car park, which is also limited to a maximum stay of 30-minutes. The charge in the most central short-stay car parks is £1.50 per hour.

**On-Street Pay & Display Usage**

- 4.12 Even prior to the COVID pandemic, on-street P&D usage had declined over the last decade by around a half. This is thought to be for a number of reasons: there has been a 6.5% reduction in the number of spaces overall since 2009, primarily due to redevelopment and pedestrianisation. The 30-minute spaces have been particularly affected, reducing in number by almost 22%. This has had the effect of deterring drivers from searching for a more limited number of on-street spaces that may no longer be as conveniently situated for their intended destination. Other reasons could be changes in the retail offerings within certain parts of the town centre and the present, limited coin-only payment option. The latter is being addressed through the introduction of on-street pay by phone payments in November 2021.

Decline in revenue has been at a slower rate than utilisation, which suggests those visitors using the spaces may be staying longer, see table below.

The strategy adopted aims to attract new visitors and shoppers who are driving through Guildford, see a space and stop, or those that have a particular need to visit one or two shops, rather than the shopper/visitor that may be staying for a longer period and may prefer to use an off-street car park.

<b>GFD On-street parking Performance</b>			
<b>Year</b>	<b>Tickets sold</b>	<b>Income £</b>	<b>Avg £ per Ticket</b>
2009-10	535,094	698,102	1.30
2010-11	521,967	692,869	1.33
2011-12	532,978	700,605	1.31
2012-13	525,299	687,639	1.31
2013-14	520,089	698,838	1.34
2014-15	503,659	753,934	1.50
2015-16	477,142	715,455	1.50
2016-17	457,577	697,244	1.52
2017-18	433,996	665,425	1.53
2018-19	388,939	610,124	1.57
2019-20	335,770	507,105	1.51
2020-21	142,899	191,826	1.34

*Note: Tickets and income do not include Park & Ride*

**No of Pay and Display Spaces**

Year	Pay & Display (P&D)	P&D Dual Use	Totals
2009	313	182	495
2020	270	193	463

- 4.13 Ticket sales / utilisation levels in 2020-21 have been significantly impacted by the effects of the pandemic. Additionally, on-street parking charges and most enforcement activity was suspended between 23<sup>th</sup> March 2020 and 14<sup>th</sup> June 2020. This allowed residents working from home, as well as those self-isolating, greater flexibility to park close to their homes. It also supported key workers providing essential services during the pandemic, particularly for the most vulnerable within the community. In line with Government guidance, the NHS permit scheme was also recognised in both on- and off-street parking locations. The nature of the businesses allowed to open and public's adherence to the 'stay at home' messaging also dramatically reduced use. As a result, over the course of 2020-21, on-street P&D ticket sales reduced by 57.4% and income reduced by 62.1%.
- 4.14 Even during periods when the lockdown measures were relaxed, restrictions on the type of premises that could open meant that utilisation of the on-street parking facilities was significantly impacted. Measures introduced to ensure social distancing (e.g. widened footways) also impacted the number of on-street parking spaces available, particularly in the upper and lower High Street.
- 4.15 We normally report on the first six months of tickets and income for on-street parking for the current financial year (2021-22), to give an indication of performance against the previous year. However, comparing either first six months of data for 2020-21 or 2021-22 with those from 2019-20, whilst indicative of the impact of the pandemic, would not really add much to the full-year 2020-21 figures, in terms of performance. Understandably, the first six months of 2020-21 incorporated the first national lockdown and a period of limited re-opening. However, subsequent lockdown periods during the remainder of 2020-21 also impacted utilisation levels. Figures for the early part of 2021-22 have also been similarly impacted, with the gradual removal of social distancing restrictions and restrictions on commercial activity only fully being lifted in mid-July 2021. It is likely we will see a truer picture of performance in the second half of 2021-22, assuming that there are no further significant pandemic impacts.
- 4.16 Works carried out by the statutory undertakers/highway authority can also result in a temporary loss of spaces, like gas and water works and resurfacing works. However, during the various lockdowns, these works were generally curtailed. House moves, which can often involve the suspension of parking bays, were also curtailed for much of the 2020-21 period. As a result, income from suspensions nearly halved.

## 5. On-Street Parking Review Update

5.1 During 2020-21, the Guildford Joint Committee met and agreed to proceed with following proposals as part of the last parking review:

Guildford town centre, controlled parking zone (CPZ)

1. Parking controls in Area A, B, D and northern section of Area C, be extended to operate 8.30am to 9pm, 7 days a week,
2. The limit on permits in Area D of the Controlled Parking Zone be increased by 10%, from 276 to 316,
3. To accompany the extended parking controls into evenings and Sundays, the annual household limit on visitor scratch cards be doubled, from 30 per annum to 60 per annum,
4. To review the retrospective exclusion of new residential developments of 6 dwellings or more, in the Controlled Parking Zone areas A, B and D,
5. Use the review as an opportunity to introduce Pay by Phone technology, providing customers more flexibility in payment options and extending visits, whilst reducing the need for as many on-street P&D machines.

Other locations

6. To address around 20 issues from the non-CPZ list,
7. Introduce two formalised disabled parking bays for specific residents.

5.2 Items 2, 3 and 7 were implemented in **November 2020**, with Items 6 implemented in **February 2021**. Item 4 was effectively dealt with by Surrey County Council's adoption of a new parking strategy in January 2020.

Items 1 and 5 were introduced in **November 2021**.

5.3 In terms of the current parking review, which commenced in late 2020, Guildford Joint Committee met and agreed to proceed with a number of 'quick win' proposals. As a result, new and amended parking controls were introduced in the following locations in **November 2021**:

- Boxgrove Park area, Guildford
- Bowers Lane, Burpham
- Mountside, Guildford (vehicle crossover)
- Chester Close, Ash
- South Hill, Guildford
- Manor Road, Stoughton (Disabled Bay)
- Winchester Road, Ash

The proposals associated with the main body of the review will be advertised towards in early 2022. This will also include the conversion of the 30-minute maximum stay P&D to 1-hour maximum stay P&D in the town centre. Whilst still ensuring high levels of turnover within these spaces, the additional flexibility provided by increasing the maximum stay period should better service the needs of a wider range of retail and business establishments within the central town centre area.

### **Schools Watch**

- 5.4 The pandemic resulted in the closure of schools for significant periods during 2020-21. Nevertheless, since September 2021, school watch patrols have resumed at normal frequencies and it is hoped that the initiative will continue to be beneficial in targeting inconsiderate parking around schools where this is more problematic. During some busy periods where PCSO's are available, they will continue to work with our enforcement officers to encourage drivers to make better choices at drop-up and pick-up times. Since January 2020, we have also been undertaking enforcement against motorists that 'drive-away' whilst the ticket is being issued, which enables us to send parking charge notices in the post. This too may assist in changing parking behaviours around schools, although the emphasis of the initiative is primarily one of driver education, rather than financial penalty.

### **Car Clubs**

- 5.5 The Guildford car club now has 12 car club spaces in the town centre; 5 of these have electric charging points to support the electric vehicles the club is using.

We continue to work with Surry County Council and the car club operator to identify additional opportunities to expand the scheme further.

## **6. Off-street Parking Management in Guildford**

- 6.1 Car parks provide access to the town and an availability of parking space absorbs traffic and reduces congestion. Guildford Borough Council's Parking team operates 24 public car parks, providing around 5,100 town centre spaces. We also manage 4 Park and Ride sites, providing around 1,850 spaces. Some of the car parks are contract car parks during the week and open to the public at weekends. We also manager contract only car park spaces, season ticket holders and garages in the town centre. A list managed by the Parking service is shown in Appendix 3.
- 6.2 The Parking Strategy promotes a "**drive to, not though**" approach with the aim of encouraging drivers to use interceptor car parks on their route into the town, rather than necessarily driving to the most convenient car park. To encourage this we have installed sensors within many of the off-street car parks, on-street pay and display spaces, disabled bays and electric charging bays. These sensors also feed data to the Experience Guildford app. This allows motorists to determine the most appropriate parking facility for their visit, helping them to find an appropriate space easily, thereby reducing queuing and congestion.
- 6.3 Once within the car park, we want visitors to have a pleasant experience and feel safe, and all our public car parks currently hold the Safer Parking Award. This award is assessed by the Association of Chief Police Officers and the British Parking Association and is awarded to car parks that meet high standards and have no or very low levels of crime.

### **Usage of the Car Parks**

- 6.4 Off-Street car parks have historically been classified as long stay or short stay. Long-stay car parks are further from the centre and are priced to attract workers, and others that intend to stay for long periods. Additionally, we offer season tickets for regular users. These are available in Farnham Road, York Road, Guildford Park and Bedford Road Multi-storey Car Park. This reduces congestion in the centre and ensures there is a supply of convenient parking available for shoppers and other short-stay visitors.
- 6.5 However, in late 2020, to try to encourage increased dwell time for those visiting the town centre, with the benefits that this could derive for the town centre's economy, we introduced a new 'Shopper' tariff within a number of the main town centre car parks. These changes effectively reduced the hourly rate to park for those wanting to visit the town for a longer periods, albeit that a minimum charge of £3 (for up to 3 hours) now applies within these car parks. However, nearly half of the town centre's on- and off-street parking spaces continued to be charged on either an hourly, or half-hourly basis, giving flexibility for those who are intending to make brief visits to the town centre.
- 6.6 The introduction of the £3 minimum-fee 'shopper' tariff now also means that the park and ride bus tickets prices are a cheaper option than nearly all but the shortest car-borne visits to the town centre. Clearly, this may encourage greater use of the park and ride. The ability of up to two under-16s to travel for free with each bus fare paying adult also assists in this regard.
- 6.7 The effectiveness of this new 'Shopper' tariff has been difficult to assess, given the significant impact of the pandemic on car park occupancy during the period that it has been in operation. There was a near full-lockdown for almost three months, shortly after the new tariff was introduced. The vast majority of lockdown and social distancing measures were only fully removed in mid-July 2021. Although one could perhaps review the relative performance of the 'shopper' car parks versus the hourly-charged car parks, attempting to reach conclusions based on only a few months-worth of meaningful data, would perhaps be premature. Therefore, we intend to provide a full review during the next year's Annual Business Plan, when it is hoped that some semblance of sustained normality has returned.

### **Car Park Usage**

- 6.8 The table over page shows how the usage for car parking spaces has performed in comparison to the same period the previous year. The impact of the pandemic is obvious.

Car Park Usage by Year	Tickets sold	Income
		(NET of VAT) (£)
2008-09	3,302,613	6,542,342
2009-10	3,064,020	6,336,955
2010-11	3,295,433	6,910,130
2011-12	3,352,018	7,304,106
2012-13	3,318,383	7,297,441
2013-14	3,221,702	7,349,431
2014-15	3,278,795	7,581,774
2015-16	3,317,582	8,039,985
2016-17	3,337,595	8,342,275
2017-18	3,231,746	8,259,695
2018-19	3,198,422	8,284,819
2019-20	3,011,822	7,992,175
2020-21	1,040,547	2,654,917

Both utilisation and income were significantly impacted during 2020-21. Charging within the car parks was suspended between 23<sup>th</sup> March 2020 and 30<sup>th</sup> June 2020, which enabled free use to residents and key workers during the first national lockdown. The nature of businesses allowed to open and public's adherence to the 'stay at home' messaging also dramatically reduced use throughout the remainder of the 2020-21. Nevertheless, the Government compensation scheme for lost revenue resulted in the receipt of £4,614,223 for 2020-21.

Car park offers were subsequently provided to support initiatives such as 'Eat out to help out', these provided free parking to car park users after 4pm during August on Mondays, Tuesdays and Wednesdays. The offer of free parking for those entering the car park after 4pm meant that no tickets were sold between 4pm and 10pm on the days affected. However, despite the lack of ticket data to assess the effectiveness of the offer, car park sensor data, and cursory observations suggested that the parking offer was a successful enabler in support of the initiative.

With reduced commuting levels and more flexible working patterns being offered by many employers, particularly to office-based businesses, the impact of the pandemic on longer-stay / all-day parking activity is likely to persist. Nevertheless, such changes in behaviour could free-up capacity within the car parks for shorter stay, shopper and visitor parking activity.

Unlike recent years, during the 2020-21 period, no major refurbishment works took place within the multi-storey car parks. The refurbishment works that were planned for Leapale Road MSCP were delayed due to the pandemic and only commenced in early 2021-22, when restrictions were finally relaxed. These works were completed on 9 October 2021. Nevertheless, Solar PV panels were installed on the roof of Farnham Road MSCP during 2020-21. Additionally, Mary Road car park was resurfaced.

### **Contract Parking and Season Tickets**

- 6.9 The council operates over 300 contract parking spaces around the town centre, which generated £379,323 income in 2020-21 and typically runs at over 95% capacity. Whilst this is significantly down on 2019-20 figures (-46.2%), the reductions can be directly attributed to the pandemic. The spaces are most suitable for business users who need to come and go, because they provide a reserved space.
- 6.10 Season tickets provide an alternative option in interceptor car parks on key routes into the town and generated £166,172 income in 2020-21 (-77.5%). Whilst this is significantly down on 2019-20 figures (, the reductions can be directly attributed to the pandemic. A season ticket provides entry and exit from larger car parks, giving the driver a parking discount but does not provide a reserved space. The spaces can be used by other drivers when the season ticket holder is away and provides a more efficient use of space.
- 6.11 Although a number of large companies, who have previously provided contract parking and season tickets and for their staff, have left Guildford in recent years, or have chosen not to continue to provide the benefit, demand for these services remains strong. This is despite the pandemic. We have assisted the relocation of a number of businesses to Guildford during 2020-21 and we continue to look at ways to reach out to new businesses to meet their needs.
- 6.12 As with much of the remainder of the Council's parking-related offer, contract parking and season tickets were impacted by the pandemic. When the first national lockdown was announced, and regular parking charges were suspended, we also suspended charges for our contract parking and season tickets customers. This continue for 3 months until normal charging resumed within the car parks in July 2020 (August 2020 in Farnham Road MSCP).

However, with the 'stay at home' message still being a central part of government guidance, many employers continued to allow their staff to work from home, or on a more limited basis within their place of work. Indeed, a number of our corporate clients had indicated that their immediate and future contract parking and season ticket needs were still in a significant state of flux. So, when normal daily parking charges were reintroduced, rather than running the risk that our strict adherence to charging could lead to many of our corporate clients simply relinquishing these spaces and season tickets, resulting in zero income, we worked closely with them, to manage their current and likely needs moving forward. As such, we provided a 75% discount for the spaces that they wished to retain, but which weren't currently being used. At the time, there was no demand from others to take these spaces. These discounts continued until the end of 2020-21.

All contract parking spaces and season tickets are now being charged at the full rate, we have retained the vast majority of our existing, pre-pandemic clients, and there are waiting lists, once more, for the contract parking spaces.

**Improving the customer experience**

6.13 All the council's public car parks hold the Park Mark Award from the Police and British Parking Association to show they exceed the standards set for car parks. It is important we maintain these standards. Where reports are received of unauthorised use of car parks by, for example, groups of young people, skate boarders, those involved in parkour and rough sleepers, we continue to look at ways of reducing this activity, by working with our multi-agency partners such as GBC's JET, the Police, Surrey County Council Social Services, the BID and others.

6.14 The demand for electric charging points EVCPs is increasing as electric vehicles become more popular with low emission grants available for new cars and the growing need to find ways to improve air quality and public health. GBC have previously installed 6 electric charging points in public car parks across Guildford (2 in Bedford Road MSCP, 2 at GLive and 2 at Millbrook). To charge during the day, the motorist simply buys and displays a parking ticket while the vehicle is charging. At night, they are charged for the use of the electricity, rather than for parking. GBC have a further 9 charging points to support 10 electric council vehicles. There are also 6 general use, and 1 disabled bay with EV charging points at the P&Rs.

A further 12 have been installed and are in the process of being commissioned - 6 in the newly refurbished Leapale Road MSCP, 4 in Farnham Road MSCP and 2 in York Road MSCP. Other potential sites have been identified. Additionally, in order to provide more data regarding the use of these bays, both the existing EVCPs and those in the process of being commissioned have been fitted with sensors. This will assist in our understanding of when these spaces are being used / mis-used, thereby enabling targeted enforcement, if necessary.

In support of electric vehicles, GBC has a green scheme, which enables owners of electric vehicles to obtain a "Green Parking Permit" free of charge, giving owners free hours of parking or discounted parking in off-street car parks. The number of Green Scheme users continues to increase year-on-year as electric car ownership expands. However, to try to widen the benefits of the scheme to EV users, it is recommended that the Green Scheme is discontinued and instead, a replacement discount, equivalent to £0.20 per hour, is introduced for the Shopper and Short-stay pay and display car park tariffs, made accessible via the RingGo pay by phone system.

6.15 We provide flexible methods for customers to pay:

- **notes, credit cards and coins** can still be used at our barrier-controlled car parks, Castle, Tunsgate, York Road and Farnham Road allowing the motorist to pay when they return,
- **pre-payment cards** for the barrier-controlled car parks are popular with regular users. These work like oyster cards in London. Drivers put credit on the card and can use it to park in any of the barrier-controlled car parks at a rate that is 10% less than the normal charge. These cards provide regular parkers with a convenient flexible way to pay,
- **pay by phone** continues to prove to be a popular choice and provides a more flexible way to pay. The proportion of motorist choosing to use pay by phone as the method of payment has increased from just over one-third of off-street pay and display



transactions in 2016-17, to nearly two-thirds of off-street pay and display transactions in 2020-21. Motorists who use pay by phone benefit in the following ways:

- Avoid having to carry a significant amount of change (also applies to contactless),
- Avoid having to find a P&D machine, to acquire a physical ticket and return to place it in their vehicle
- Can extend their stay without having to return to their vehicle
- Can set up optional alarms / texts (also at their cost) to remind them that their parking session is nearing its end
- Pay & display car park users can pay with **coins** at the machines, or **pay by phone** using the app, or automated call system.
- The recently upgraded P&D equipment which was introduced in Bedford Road MSCP in 2019-20, provides customers with the ability to use contactless card payments in addition to coin and pay by phone. The use in this method of payment has also increased from and now accounts for 26% of all transactions at Bedford Road MSCP.

6.16 Payments by cash continue to reduce (-12%), pay by phone payments continue to increase (+8%) and contactless card have increased (+4%). The table below shows the percentage of money taken by each payment method.

**Car Park Payment methods**

<i><b>Car Parks Payment Methods 2020-21 (as a proportion of income)</b></i>	2017-18	2018-19	2019-20	2020-21	Difference Between 2020-21 vs 2019-20
P&D Cash	65%	55%	42%	30%	-12%
P&D Pay by Phone	35%	45%	55%	63%	+8%
P&D Credit Cards (Started Aug-19 - Bedford Rd MSCP only)	N/A	N/A	3%	7%	+4%
PoF Cash	43%	33%	25%	15%	-10%
PoF Credit Cards	57%	67%	75%	85%	+10%
<b>Totals</b>					
<b>Overall Cash</b>	57%	47%	37%	25%	<b>-12%</b>
<b>Overall Pay by Phone</b>	22%	29%	35%	43%	<b>+8%</b>
<b>Overall Credit Cards</b>	20%	24%	28%	32%	<b>+4%</b>
<i>Note: POF = Pay on foot, P&amp;D = Pay &amp; Display pay</i>					

During the pandemic, the availability of the pay by phone payment method, in particular, provided users with a reduced need to congregate around and interact with the payment equipment. This has perhaps been a key driver for the continued increase in the use of this method in locations where it is available.

Although the ‘overpayment’ aspect of cash payments using pay and display machines results in cash collection and processing costs being covered by the additional revenue generated, introducing a wider range of payment methods improves flexibility for customers. Other benefits of reducing cash payments is the possibility of fewer cash collections and the reduced likelihood of thefts of significant amounts of money from the machines, were they to be vandalised.

**Park & Ride**

- 6.17 Guildford has a network of Park and Ride (P&R) sites. With plans to redevelop the town centre, and limited scope for absorbing increased traffic flows and the potential demand for parking, the continued development of P&R is important. However, in recent years, funding the provision of these facilities has becoming increasingly challenging, due to reduced P&R patronage, reducing on-street surplus and increasing costs.

The town currently has four sites: Artington (742 spaces), Merrow (338 spaces), Spectrum (254 spaces) and Onslow (550 spaces). 9 electric buses were introduced to the service in January 2019 with a capacity of 36 passengers and one-wheelchair users. Other benefits aside from greener travel, include free Wi-Fi and USB charging for passengers.

- 6.18 It is usual for a comparison of passenger journeys over the first six months of 2020-21 to be provided to allow a comparison with the previous year. However, the initial suspension of the park and ride bus services, followed by the use of the Onslow Park and Ride site as a COVID test site, and subsequent lockdowns, throughout the remainder of 2020-21, greatly impacted patronage of the services, and thereby rendered the 2020-21 comparison figures practically meaningless. Nevertheless, to provide an indication of the present situation, the 2021-22 figures are provided:

**Passenger Journey Comparison (Apr 21 – Sep 21)**

<b>Park &amp; Ride - 6 Month Comparison Apr-Sep</b>					
<b>Apr-Sept</b>	<b>Artington</b>	<b>Merrow</b>	<b>Onslow</b>	<b>Spectrum</b>	<b>Total</b>
2021-22	51,718	31,788	--	33,500	117,006
2020-21	--	--	--	--	--
2019-20	133,824	91,031	44,337	76,617	345,809
2018-19	151,366	101,517	49,173	88,394	390,450
2017-18	172,006	114,971	46,172	87,576	420,725
change %	(-) 12.06	(-) 10.89	(-) 10.34	(-) 14.27	(-) 12.13

Average patronage during the first 6 months of 2021-22 are around a third of normal levels, although usage is continuing to rebound, with the latest figures nearer 40-50% of pre-COVID trip figures.

6.19 The cost of park and ride in 2020-21 is set out below:

<b>Funding 2020-21</b>	<b>£</b>
Bus contract price (net of fare income)	47,585
Car park running costs (rent, site maintenance, general rates and other costs)	326,561
<b>Total cost</b>	<b>374,146</b>
Guildford On-street parking surplus	0
Paid from Guildford On-street parking reserve	0
<b>Total funding</b>	<b>0</b>
<b>Shortfall of funding</b>	<b>374,146</b>

6.20 The operation of the P&R sites is funded by the on-street parking account, which normally generates a surplus. However, even before the pandemic, there were reductions in on-street parking revenue. Changes to the on-street parking agency agreement with Surrey County Council in 2018, have also reduced the surplus available to the Committee by 20%.

After receiving Government compensation for lost revenue as a result of the pandemic (£490,579), the on-street account had a surplus of £268,307 in 2020-21.

Although savings of around £85,000 per annum have already been made through the removal of the permanent guards, and additional income is likely to be generated through the extension of the operational hours of the central CPZ and introduction of Bus Lane Camera Enforcement, other measures the Parking team are considering, in order to reduce costs and increase revenue, include:

- Increased usage of the P&R sites by those visiting the town would reduce the subsidies currently paid to the bus operator, to provide the link to the town centre from the Onslow and Spectrum sites. In this regard, relaxing the planning permissions would enable the bus operator to operate the service over an extended period, and in turn, this may help improve patronage,
- the relaxation of the planning permissions at existing P&R sites may provide other opportunities to make savings / generate income and in turn, improve the financial position such as,
  - potentially relocating of a bus depot to the Artington P&R site, utilising underused space, but providing compensatory parking to maintain capacity.
  - potential to utilise underused space at Onslow P&R for local businesses / organisations needing parking,
- consider the existing P&R sites and if there are more suitable sites to service the public's needs, such as the Northern / North-eastern corridor, where subsidies



may not be required.

If the decline in the on-street surplus is not arrested and / or savings / increase revenue generated by the P&R sites themselves, the ability of the on-street account to fully fund the P&R service, without requiring subsidy from other funding sources, is uncertain.

## 7. Off-street Parking Update

- 7.1 Guildford Park car park continues to operate at reduced capacity due to its impending redevelopment as a housing site. As a result, since January 2019 its capacity has been 220 spaces, instead of 400 space. Similarly, Bright Hill car park is also operating at reduced capacity due to ongoing issues with the vehicle safety barriers and its impending redevelopment as a housing site. As a result, its capacity is now 60 spaces instead of 118 spaces.
- 7.2 Additionally, the public car parks at North Street (49 spaces), Old Police Station (62 spaces), Commercial Road 2 (52 spaces) and the contract car park Commercial Road 1 (12 spaces), will be lost in the next year or so as a result of the North Street redevelopment. Looking further ahead, the Bedford Wharf development, involving the area around the Odeon Cinema site and County Court, could impact the provision of public parking at Bedford Surface (68 spaces), Mary Road (104 spaces), and the contract car park and garages at Bedford Sheds (12 spaces and 20 garages). Therefore, in the coming years, a further 359 spaces and 20 garages could be lost, if compensatory parking isn't provided, in addition to the 518 spaces that has already been agreed will be lost. Such a reduction in space would equate to 17% of all town centre public car park spaces. Clearly, this could impact the ability of the car parks to act as an enabler for the local economy and also impact Borough Council revenue streams.
- 7.3 In line with GBC strategy to use local renewable energy sources, Solar PV panels were installed on the roof of Farnham road car park during 2020-21. This generates electric, which powers the lighting within the car park, with any surplus fed into the national grid. It is also better to use locally generated electricity than to rely on large energy infrastructure to transport it across the country. There are also local community benefits through the retention of more economic value locally.
- 7.4 The following works were carried out within 2020-21 period:
- Solar PV at Farnham Road MSCP,
  - Resurfacing at Mary Road car park,
  - re-coating decking works at Leapale Road MSCP (delayed and completed in Q1&Q2 2021-22).
- 7.4 Implementation of recommendations approved in January 2020 by the GBC's Executive Committee
- Existing car park pricing held except car parks below, whose introduction was delayed until August 2020 due to COVID
    - Bedford Rd Surface, Commercial Road 2, Mary Rd, Old Police Station.

- Prices changed from £1.30 to £1.50 during the day, Mon-Sat
- Early bird discount implemented at Farnham Rd MSCP – introduction delayed until August 2020 due to COVID
- York Road Season Ticket/Pre-Payment card rose by 5% - introduction delayed until August 2020 due to COVID
- Residents offered overnight parking in town centre car parks for £1 – introduction delayed until August 2020 due to COVID
- re-coating decking works at Leapale Road MSCP (delayed and completed in Q1&Q2 2021-22).

7.5 Implementation of recommendations approved in November 2020 by the GBC's Executive Committee:

- Ultimately, the Waste Parking and Fleet Services Manager, in consultation with the relevant lead councillor and Director of Resources, decided not to proceed with the implementation of further price increases within the short-stay car parks that had originally been agreed to be introduced in April 2021 as part of the 2020-21 Off-street Business Plan and subsequently deferred in the 2021-22 Off-street Business Plan.
- Redesignated Leapale Road as “short stay” and bring prices into line with neighbouring short stay surface car parks – implemented in December 2020.
- Introduced a new ‘Shopper’ tariff, Monday to Saturday in Bedford Road MSCP, Castle MSCP, GLive, Millbrook, Tunsgate and York Road MSCP – implemented in December 2020.

## 8. Enforcement

8.1 Our enforcement priorities are set in our document Parking Policies and Procedures which are:

- Vehicles causing a safety issue,
- Vehicles restricting access and traffic flow (on carriageways or footways where restrictions apply),
- Vehicles parked in disabled parking spaces without a Blue Badge,
- Vehicles not displaying a valid permit in permit holders’ parking spaces,
- Vehicles committing other contraventions which do not comply with the parking orders.

8.2 Our enforcement is designed to deter contraventions by drivers. We will never be able to penalise every contravention, but the risk of receiving a penalty charge needs to be a deterrent to most motorists.

8.3 We can only enforce formal parking restrictions where a vehicle is actually blocking a dropped kerb or parked more than 50cm from the kerb. Formal parking restrictions like yellow lines and parking bays need to be supported by the correct signs and road markings. Unless formal restrictions are present, we cannot enforce against vehicles parked on footways, verges, or too close to junctions and bends. The Police have the power to deal with dangerous parking, or obstruction.

- 8.4 The introduction of new restrictions can confuse people, particularly if the restrictions change and they do not think to check the new signs. Depending on the change, we initially provide notice to let people know of the change and then when it will be enforced but will always consider the circumstances presented. When introducing in new areas or new restrictions, we normally issue warning notices for the first offences for a limited time while people get accustomed to the changes.
- 8.5 The Statutory Guidance issued by the Department for Transport that relates to dealing with enquiries about penalty charge notices, makes it clear that authorities have a duty to act fairly and proportionately. Authorities are encouraged to exercise discretion sensibly and reasonably and with due regard to the public interest.

**Enforcement Update**

- 8.6 Regulation 10 Penalty Charge Notices (PCNs) enable us to follow up on vehicle drive-aways. If a CEO is prevented from serving a PCN to the motorist or affixing a PCN on a vehicle, their bodycams are used to collect evidence of the vehicle offence. The PCN is then sent to the registered keeper through the post. Following their initial introduction in January 2020, and despite the various impacts of the pandemic on parking and enforcement activity, 267 Regulation 10 PCNs were issued during 2020-21.
- 8.7 The table below shows that far fewer penalty charge notices (PCNs) were issued in 2020-21 than the previous year. This clearly demonstrates the impact of the pandemic. There are two categories of penalty charge. The higher-level charge of £70 applies to contraventions where parking is generally not permitted, on yellow lines, in disabled bays and resident’s bays. A lower charge of £50 applies to contraventions where parking is generally permitted but, for example, the driver has not paid (when payment was necessary) or has stayed too long. A breakdown of penalty charges can be seen in Appendix 5.

**Number of Penalty Charge Notices Issued**

PCNs Issued (Guildford)	2017-18	2018-19	2019-20	2020-21	Diff. to prev. year %
On-street	23,885	15,572	19,219	9,094	-52.7%
Off-street	10,368	11,199	11,363	5,093	-55.2%
<b>Total Issued</b>	<b>34,253</b>	<b>26,771</b>	<b>30,582</b>	<b>14,187</b>	<b>-53.6%</b>

- 8.8 During 2020-21, CEO numbers were initially maintained at their 2019-20 levels. However, during the course of the pandemic, two long-standing, part-time CEOs decided to retire. Additionally, as part of the Borough Council’s Future Guildford transformation programme, the notional maximum enforcement establishment was reduced from 21 CEOs to 18.5 CEOs. In order to maintain the enforcement levels associated with our on-street enforcement operation, covered by the agency agreement with Surrey County Council, enforcement within the Borough Council’s car parks has been curtailed, albeit still occurring at regular frequencies.

- 8.9 The table in Appendix 5 shows the rate of appeals (15.7%) against our penalty charge notices, most favour to pay at the discounted rate without challenge (60.2%) showing that we are issuing quality penalty charge notices and cancelling (14.0%) when there are grounds to do so.
- 8.10 The data in Appendix 5 shows the reasons why PCNs have been cancelled. During this period, the vast majority were categorised as “customer error”. These often relate to human errors, like wrong registration entered on a visitor scratch-card or Pay by Phone App, or parking in a different car park for the ticket used. For those that do not display their permits, or tickets correctly the general rule is to cancel on the first occasion if we are satisfied that the person had paid or has a permit. We also cancel if we are satisfied there are sufficient mitigating circumstances. The number of cancellations due to errors by CEOs remains low.
- 8.11 CEOs have been issued with bodycams to give themselves and the public added protection during patrols. The introduction aims to reduce the anti-social behaviour officers often experience when carrying out their duties, especially during School Watch patrols. The equipment also provides evidence for Reg.10 PCNs and can be used in cases where complaints are made about the conduct of the CEOs.

**Appendices**

- Appendix 1 On-Street parking spaces**
- Appendix 2 On-Street financial statement**
- Appendix 3 Off-Street parking spaces**
- Appendix 4 Off-Street financial statement**
- Appendix 5 Enforcement Data**
- Appendix 6 Schools Watch Update (no information due to suspension of initiative during 2020-21)**

**Appendix 1 – On-Street Parking**

<b>Town Centre CPZ Parking Bay Types</b>	<b>No.</b>
Overall	4,766
Permit Only	1,480
Free Limited Waiting Shared Use	2,380
Free Limited Waiting	15
Charged P&D Dual use	193
Charged P&D Only	270
Unlimited	373
Disabled (incl. 3Hr LW)	44
Car Club permit only	12

**Note: In Areas A & D 2 disabled bays were created during 2020 at the expense of 2 permit only bays**





**Appendix 2 – Guildford On-Street parking Financial Statement**

<b>GUILDFORD ONSTREET SUMMARY</b>				
<b>2019-20</b>		<b>2020-21</b>	<b>2021-22</b>	<b>2021-22</b>
<b>Actual</b>		<b>Actual</b>	<b>Estimate</b>	<b>Projection as at period 5</b>
<b>£</b>		<b>£</b>	<b>£</b>	<b>£</b>
	<u>Expenditure</u>			
689,149	Employee Related	709,876	405,339	462,113
48,543	Premises Related	15,783	48,140	59,916
9,162	Transport Related	6,628	13,300	13,243
127,557	Supplies & Services	124,513	245,380	222,592
117,490	Support Services	117,497	117,490	117,492
991,902		974,296	829,649	875,356
	<u>Income</u>			
	Government grant	(490,579)		
(497,607)	Penalty Fees	(288,744)	(567,980)	(342,166)
(108,773)	Visitor Permits	(88,642)		
(507,105)	Meter Income	(191,826)		
(164,580)	Residents Permits	(144,403)	(835,210)	(498,512)
(66,166)	Suspension Fees	(35,485)		
(136)	Other Income	(2,924)		
(1,344,367)		(1,242,603)	(1,403,190)	(840,678)
<b>(352,465)</b>	<b>Net Expenditure/(Income)</b>	<b>(268,307)</b>	<b>(573,541)</b>	<b>34,678</b>
0	Capital Financing Costs	0	0	0
<b>(352,465)</b>	<b>Net Expenditure/(Income)</b>	<b>(268,307)</b>	<b>(573,541)</b>	<b>34,678</b>
0	Re-lining works & signage	0	0	0
<b>(352,465)</b>	<b>Total Net Exp./(Income)</b>	<b>(268,307)</b>	<b>(573,541)</b>	<b>34,678</b>

**Appendix 3 – Off-Street Parking**

<b>Public Metered Car Parks</b>			
<b>Site Location</b>	<b>No of Spaces /units</b>	<b>Type of Parking</b>	<b>Type of Structure</b>
Bedford Road MSCP	1,033	7 days a week shopper - P&D	Multi-storey
Castle MSCP	350	7 days a week shopper - Pay on Foot	Multi-storey
Leapale Road MSCP	384	7 days a week short stay - P&D	Multi-storey
Tunsgate	64	7 days a week shopper - Pay on Foot	Underground
Millbrook	244	7 days a week shopper - P&D	Surface
G Live	220	7 days a week shopper - P&D	Surface & Partially covered
Mary Road	104	7 days a week short stay - P&D	Surface
Bright Hill	60*	7 days a week short stay - P&D	Surface
Bedford Road Surface	68	7 days a week short stay - P&D	Surface
Commercial Road 2	52	7 days a week short stay - P&D	Surface
Old Police Station	62	7 days a week short stay - P&D	Surface
Upper High Street	49	7 days a week short stay - P&D	Surface
North Street	49	Sun to Thurs max stay 30 min - P&D	Surface
Lawn Road	187	Weekend short stay - P&D	Surface
Millmead House (front)	27	Weekend short stay - P&D	Surface
Robin Hood	23	Weekend short stay - P&D	Surface
St Joseph's Church	71	Weekend short stay - P&D	Surface & Partially covered
Portsmouth Road	98	Weekend short stay - P&D	Surface
Farnham Road MSCP	917	7 days a week long stay - Pay on Foot	Multi-storey
York Road MSCP	605	7 days a week shopper / long stay - Pay on Foot	Multi-storey
Guildford Park	220*	7 days a week long stay - P&D	Surface
Shalford Park	66	Mon-Fri long stay - P&D	Surface
Walnut Tree Close	17	7 days a week long stay - P&D	Surface
Ash Vale Station	29	7 days a week long stay - P&D	Surface
<b>Total</b>	<b>4,999*</b>		

\* Operating at reduced capacity

**Appendix 3 (cont.)**

<b>Contract Parking</b>			
<b>Site Location</b>	<b>No of Spaces/units</b>	<b>Type of Parking</b>	<b>Type of Structure</b>
Bedford Road MSCP	100 (50 w/ends) <i>managed through lease</i>	Mon-Sun	Covered
Bedford Sheds	35	Mon-Sat	Surface
Connaught House	26 <i>managed through lease</i>	Mon-Sat	Covered
St Joseph's Church	61	Mon-Fri	Surface & partially covered
Commercial Road	12	Mon-Sat	Surface
Eagle Road	22	Mon-Sat	Surface
Leapale Rd MSCP	5	Mon-Fri	Covered
Mill Lane	1	Mon-Sat	Surface
Millmead Court	20	Mon-Sat	Surface
Castle Square	7	Mon-Sat	Surface
Sydenham Road	5	Mon-Sat	Surface
Portsmouth Road	98	Mon-Fri	Surface
Robin Hood	22	Mon-Fri	Surface
Stoke Road	7	Mon-Sat	Surface
Stoke Fields	8	Mon-Sat	Surface
<b>Total</b>	<b>429 (379)</b>		

**Appendix 3 (cont.)**

<b>Garages</b>	<b>No of garages</b>	<b>Term type</b>
Bedford Sheds	20	Tenancy subject to notice
Gardner Road	28	
Stoke Fields	35	
Park Road	2	
<b>Total</b>	<b>85</b>	

**Appendix 4 – Guildford Off-Street Financial Statement**

<b>OFFSTREET SUMMARY</b>				
<b>2019-20</b>		<b>2020-21</b>	<b>2021-22</b>	<b>2021-22</b>
<b>Actual</b>		<b>Actual</b>	<b>Estimate</b>	<b>Projection as at period 5</b>
<b>£</b>		<b>£</b>	<b>£</b>	<b>£</b>
	<u>Expenditure</u>			
724,790	Employee Related	748,004	577,875	500,219
2,960,270	Premises Related	2,406,422	2,367,970	2,301,096
23,386	Transport Related	42,288	36,710	34,261
671,663	Supplies & Services	527,434	612,190	739,529
264,032	Support Services	300,146	312,909	311,658
<b>4,644,141</b>		<b>4,024,293</b>	<b>3,907,654</b>	<b>3,886,763</b>
	<u>Income</u>			
	Government grants	(4,614,223)		
(263,170)	Penalty Fees	(119,247)	(208,600)	(245,908)
(705,912)	Contract Parking	(379,723)		
(7,992,175)	Meter Income	(2,654,917)		
(739,177)	Season Tickets	(166,172)		
0	Suspension Fees	0	(10,026,040)	(6,964,115)
(50,509)	Garage Rents	(47,492)		
(12,547)	Other Rent	(13,132)		
(111,112)	Other Income	(48,336)		
<b>(9,611,432)</b>		<b>(7,994,906)</b>	<b>(10,234,639)</b>	<b>(7,210,023)</b>
<b>(4,967,291)</b>	<b>Net Expenditure/(Income)</b>	<b>(3,970,613)</b>	<b>(6,326,985)</b>	<b>(3,323,260)</b>
1,271,022	Capital Financing Costs	1,233,666	1,296,400	1,325,173
<b>(3,696,270)</b>	<b>Net Expenditure/(Income)</b>	<b>(2,736,947)</b>	<b>(5,030,586)</b>	<b>(1,998,087)</b>
257,362	Car Parks Maintenance Reserve Works	81,555	190,000	342,384
<b>(3,438,907)</b>	<b>Total Net Exp./(Income)</b>	<b>(2,655,392)</b>	<b>(4,840,586)</b>	<b>(1,655,703)</b>

**Appendix 5 – Enforcement (Guildford)**

PCNs Issued (Guildford)	2017-18	2018-19	2019-20	2020-21	Diff. to prev. year %
On-street	23,885	15,572	19,219	9,094	-52.7%
Off-street	10,368	11,199	11,363	5,093	-55.2%
<b>Total Issued</b>	<b>34,253</b>	<b>26,771</b>	<b>30,582</b>	<b>14,187</b>	<b>-53.6%</b>

**Appendix 5 – Enforcement (Guildford) – cont'd**

<b>Penalty Charge Notices issued in Guildford 2020-21</b>			
	<b>Off-Street Totals</b>	<b>On-Street Totals</b>	<b>Total</b>
<b>Number of higher level PCNs issued</b>	<b>907</b>	<b>5,847</b>	<b>6,754</b>
<b>Number of lower level PCNs issued</b>	<b>4,186</b>	<b>3,247</b>	<b>7,433</b>
<b>Total number of PCNs issued</b>	<b>5,093</b>	<b>9,094</b>	<b>14,187</b>
<b>Number paid at discount</b>			
	<b>2,867</b>	<b>5,670</b>	<b>8,537</b>
<b>Number paid at full charge</b>			
	<b>438</b>	<b>1,070</b>	<b>1,508</b>
<b>Total number of PCNs paid</b>	<b>3,305</b>	<b>6,740</b>	<b>10,045</b>
<b>Number of PCNs against which informal / formal reps made</b>			
	<b>979</b>	<b>1,261</b>	<b>2,240</b>
<b>Number of PCNs cancelled as a result of informal / formal reps</b>			
	<b>895</b>	<b>823</b>	<b>1,718</b>
<b>Number of PCNs cancelled for other reasons</b>			
	<b>25</b>	<b>46</b>	<b>71</b>
<b>Number of PCNs written off</b>			
	<b>352</b>	<b>0</b>	<b>352</b>
<b>Number of PCNs outstanding</b>			
	<b>516</b>	<b>1,485</b>	<b>2,001</b>
<b>Total number cancelled / written off / outstanding</b>	<b>1,788</b>	<b>2,345</b>	<b>4,142</b>

### Appendix 5 – Enforcement (Guildford) – cont'd

PCN Cancellation Reasons 2020-2021	Off-street		On-street	
	Number	%	Number	%
Motorist producing tickets which were no clearly displayed / RingGo	624	70	67	6
Mitigating and other circumstances	26	3	31	3
Contract parkers / season ticket holders and others entitled to park but not displaying valid permit	76	8	322	29
Payment machine faults and other equipment issues	15	2	12	1
CEO Error	19	2	36	3
Blue Badge Holder not parking in accordance with badge scheme / conditions	11	1	67	6
Issues with signs and / or lines	5	1	11	1
Other issues	119	13	546	50
<b>Total</b>	<b>895</b>	<b>100</b>	<b>1092</b>	<b>100</b>

### Appendix 6 – Schools Watch Update

School patrols were suspended on the 23<sup>th</sup> March 2020 in line with Government guidance for schools to be closed and everyone to stay at home due to the pandemic. Although schools re-opened for a period during the Autumn 2020 term, subsequent lockdowns, other demands placed upon the enforcement team and the need to maintain COVID-secure environments for staff, meant that the initiative was not reinstated for all but the very end of the 2020-21 school year.

Patrols only resumed following the removal of lockdown restrictions on 19 July 2021.

As such, it is not worth reporting upon the very few patrols that took place prior to the end of the summer terms. However, patrols recommenced in September 2021, at the start of the autumn term of the 2021-22 school year, and the figures for these patrols will be presented in next year's Annual Report.

**Appendix 3 - Comparison with parking charges in similar towns / cities within the region**

Town/City	On-street (typical 2-hour fee)	Off-street car parks					
		Monday to Saturday - rate	Hours Mon to Sat	Charge on Sunday - rate	Evening Rate if different	Payment Options for all car parks	Change from last year
Basingstoke (Festival Place)	£2.20	1hr £1.50, 2hrs £3.00, 3hrs £3.00, 4hrs £4.00	24 hours	same as other days	arriving after 5pm and leaving before 2am - £1.50	£ or Card	No Change
Brighton (Requency square)	£6.20	1hr £3.50, 2hrs £6.50, 4hrs £12.00	24 hours	weekend rate - 1 hr £4.00, 2 hrs £7.00, 4 hrs £12.50	6pm-Midnight £5.00, Midnight-11am £5.00	£ or Card	Yes - increased rates
Guildford (shopper)	£3.20	Up to 3hrs £3, 6hrs £6, > 6hrs £12	8am-6pm except Sunday 11am-5pm	1-3hrs £1.50, 3-6hrs £2.50	£1 applies, Sat 6pm up to 10pm, Sun 5pm to 10pm	£, RingGo & Card*	New Tariff Structure
Guildford (short-stay)		1hr £1.50, 2hrs £3.00, 3hrs £4.50, up to £18.50 for 7-24hrs	8am-6pm except Sunday 11am-5pm	1-3hrs £1.50, 3-6hrs £2.50	£1 applies, Sat 6pm up to 10pm, Sun 5pm to 10pm	£ or RingGo	No Change
Kingston (Bentalls)	£5.00	1hr £1.40, 3hrs £4.20, 4hrs £5.60, up to 10hrs £18.40	7am to 12.00pm. Not 24 hrs	same as other days	arriving after 6pm and leaving before midnight - £1.40	£ or Card	Yes - deleted 2hr £2.80 tariff
Portsmouth City Council (Isambard Brunel)	£3.10	1hr £1.60, 2hrs £3.10, 3hrs £4.10, 4 hrs £5.00, > 5hrs £12	24 hours	same as other days	n/a	RingGo or Park it Card, P&D avail in other car parks	Yes - increased rates
Portsmouth (Gunn Wharf)		Up to 2hrs £2.90, 3hrs £3.90, 4hrs £6.00, 10hrs £12.00, 24hrs £20.00	24 hours	same as other days	n/a	£ or Card	No change
Reading (Oracle Riverside)	£6.00	1hr £1.70, 2 hrs £4.00, 3 hrs £6.00, 4 hrs 8.00, > 8hrs £20.00	24 hours	same as other days	after 6pm up to 6am - 1 hr £1.50, > 1 hr £3.50	Card only	No change
Richmond (Paradise Road MSCP)	£6.30	1hr £2.30, 2hrs £4.50, 3hrs £6.90, 4hrs £8.70, > 9hrs £21.10	7.30m-Midnight	up to 2hrs £2.40, > 2hrs £5.30	6pm-Midnight £3.20	£ or RingGo	Not known - new comparator
Southampton (West Quay Podium)	£4.00	Up to 2hrs £3.00, 3hrs £4.50, 4hrs £6.00, > 4hrs £10.00	8am -1am	same as other days	after 5pm £2.00	Card only	Yes - increased rates
Woking	£3.20	1hr £1.60, 2hrs £3.20, 3hrs £4.80, up to £12.00 for 7- 24hrs (from Jan 2022)	24 hours	1hr £1.50, 2hrs £2.80, > 2hrs £3.00	after 6pm up to 6am-£1.50	£, Card or Just Park	Yes - increased rates

This page is intentionally left blank



**Appendix 4 – Off-street Parking - Planned and Potential Car Park Closures**

<b>Public Metered Car Parks</b>			
<b>Site Location</b>	<b>No of Spaces /units</b>	<b>Type of Parking</b>	<b>Type of Structure</b>
Bedford Road MSCP	1,033	7 days a week shopper - P&D	Multi-storey
Castle Car Park	350	7 days a week shopper - Pay on Foot	Multi-storey
Leapale Road	384	7 days a week short stay - P&D	Multi-storey
Tungate	64	7 days a week shopper - Pay on Foot	Underground
Millbrook	244	7 days a week shopper - P&D	Surface
G Live	220	7 days a week shopper - P&D	Surface & Partially covered
<b>Mary Road</b>	<b>104</b>	<b>7 days a week short stay - P&amp;D</b>	<b>Surface</b>
<b>Bright Hill</b>	<b>60*</b>	<b>7 days a week short stay - P&amp;D</b>	<b>Surface</b>
<b>Bedford Road Surface</b>	<b>68</b>	<b>7 days a week short stay - P&amp;D</b>	<b>Surface</b>
<b>Commercial Road 2</b>	<b>52</b>	<b>7 days a week short stay - P&amp;D</b>	<b>Surface</b>
<b>Old Police Station</b>	<b>62</b>	<b>7 days a week short stay - P&amp;D</b>	<b>Surface</b>
Upper High Street	49	7 days a week short stay - P&D	Surface
<b>North Street</b>	<b>49</b>	<b>Sun to Thurs max stay 30 min - P&amp;D</b>	<b>Surface</b>
Lawn Road	187	Weekend short stay - P&D	Surface
Millmead House (front)	27	Weekend short stay - P&D	Surface
<b>Robin Hood</b>	<b>23</b>	<b>Weekend short stay - P&amp;D</b>	<b>Surface</b>
St Joseph's Church	71	Weekend short stay - P&D	Surface & Partially covered
<b>Portsmouth Road</b>	<b>98</b>	<b>Weekend short stay - P&amp;D</b>	<b>Surface</b>
Farnham Road	917	7 days a week long stay - Pay on Foot	Multi-storey
York Road	605	7 days a week shopper / long stay - Pay on Foot	Multi-storey
<b>Guildford Park</b>	<b>220*</b>	<b>7 days a week long stay - P&amp;D</b>	<b>Surface</b>
Shalford Park	66	Mon-Fri long stay - P&D	Surface
Walnut Tree Close	17	7 days a week long stay - P&D	Surface
Ash Vale Station	29	7 days a week long stay - P&D	Surface
<b>Total</b>	<b>4,999</b>		

\* Operating at reduced capacity

Appendix 4 (cont.)

Contract Parking			
Site Location	No of Spaces/units	Type of Parking	Type of Structure
Bedford Road MSCP	100 (50 w/ends) <i>managed through lease</i>	Mon-Sun	Covered
<b>Bedford Sheds</b>	<b>35</b>	<b>Mon-Sat</b>	<b>Surface</b>
Connaught House	26 <i>managed through lease</i>	Mon-Sat	Covered
St Joseph's Church	61	Mon-Fri	Surface & partially covered
<b>Commercial Road 1</b>	<b>12</b>	<b>Mon-Sat</b>	<b>Surface</b>
Eagle Road	22	Mon-Sat	Surface
Leapale Rd MSCP	5	Mon-Fri	Covered
Mill Lane	1	Mon-Sat	Surface
Millmead Court	20	Mon-Sat	Surface
Castle Square	7	Mon-Sat	Surface
Sydenham Road	5	Mon-Sat	Surface
<b>Portsmouth Road</b>	<b>98</b>	<b>Mon-Fri</b>	<b>Surface</b>
<b>Robin Hood</b>	<b>22</b>	<b>Mon-Fri</b>	<b>Surface</b>
Stoke Road	7	Mon-Sat	Surface
Stoke Fields	8	Mon-Sat	Surface
<b>Total</b>	<b>429 (379)</b>		

Appendix 4 (cont.)

Garages	No of garages	Term type
<b>Bedford Sheds</b>	<b>20</b>	Tenancy subject to notice
Gardner Road	28	
Stoke Fields	35	
Park Road	2	
<b>Total</b>	<b>85</b>	

Key

**Imminent Closure** - 500 spaces

**Expected Closure** – 305 spaces (20 garages)

Executive Report

Ward(s) affected: All

Report of Director of Resources

Author: Vicky Worsfold

Tel: 01483 444834

Email: Victoria.worsfold@guildford.gov.uk

Lead Councillor responsible: Tim Anderson

Tel: 07710 328560

Email: tim.anderson@guildford.gov.uk

Date: 25 January 2022

## Capital and Investment strategy 2022-23 to 2026-27

### **Executive Summary**

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. The strategy also details how associated risks are 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, any new bids/mandates submitted for approval, plus the requirements of the Prudential Code and the investment strategy covering treasury management investments, service investments and commercial investments. The report also covers the requirements of the Treasury Management Code and the prevailing DLUHC 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.

Capital expenditure is split into the General Fund (GF) and Housing Revenue Account (HRA).

All projects, regardless of the fund, will be funded by capital receipts, grants and contributions, reserves, and finally borrowing. When preparing the budget reports, we do not know how each scheme will be funded and, in the case of regeneration projects, what the delivery model will be. This report shows a high-level position. The business case for each individual project will set out the detailed funding arrangements for the project.

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

To ensure the Council demonstrates that its capital expenditure plans are affordable, sustainable and prudent, we set Prudential Indicators.

#### *General Fund*

The Council has an underlying need to borrow for the GF capital programme of £298 million between 2021-22 to 2026-27. Officers have put forward bids, with a net cost over the same period of £16.5 million, increasing this underlying need to borrow to £315.5 million should these proposals be approved for inclusion in the programme.

The capital programme includes several significant regeneration schemes, which we have assumed will be financed from GF resources. However, subject to detailed design of the schemes, there may be scope to fund them from HRA resources rather than the GF 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.

The main areas of expenditure (shown gross) are:

- £218 million Weyside Urban Village (WUV)
- £63.5 million strategic property purchases – it is proposed to widen the remit of this fund to allow redevelopment opportunities (for example estate redevelopments)
- £32 million North Downs Housing (NDH)
- £28 million Ash road bridge and footbridge

As part of the savings programme and in realigning the capital programme in line with the new corporate plan, officers have been reviewing the capital programme, and are recommending some schemes be removed from the programme, and if required in future will come forward with a new mandate under the PPM governance framework – see Recommendation 1.

Appendix 2 contains a summary of the new bids submitted. Appendices 3 to 9 show the position and profiling of the current programme (2021-22 to 2025-26).

#### *HRA*

The HRA capital programme is split between expenditure on existing stock and either development of or purchase of new dwellings to add to the stock. A lot of work has started on updating the condition surveys of the existing stock and bringing in changes to legislation. This has resulted in a need to invest a far greater sum for 2022-23 than in previous years - £24.5 million. The capital programme will be funded from HRA capital receipts and reserves. There is also £142 million between 2022-23 and 2026-27 million included for development projects to build or acquire new housing (including WUV).

The main areas of major repairs and improvement expenditure are:

- refurbishment, replacement & renewal programme of existing stock, £11 million, which includes kitchen & bathroom upgrades, void property refurbishment and roof works
- works to existing stock to comply with changes to standards and legislation, £9 million, including replacement fire doors, electrical testing and fire protection works
- mechanical and electrical works £2 million, including central heating systems
- other works of £1.9 million including damp prevention works

The main development projects are:

- Guildford Park Car Park £45.7 million
- Bright Hill £17 million
- WUV £15 million
- Foxburrows £10 million

Appendix 2 contains a summary of the new bids submitted. Appendices 10 to 12 show the position and profiling of the current programme (2021-22 to 2025-26)

#### 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 (detailed in Appendix 1 to this report) and in accordance with the approved treasury management practices.

The budget for investment income for 2022-23 is £1.2 million, based on an average investment portfolio of £40 million, at a weighted average rate of 1.69%. The budget for debt interest paid is £5.74 million, of which £5.05 million relates to the HRA.

#### Service and Commercial investments

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 earning a return is the primary purpose).

Investment property is valued at £152 million, as per the 2020-21 Statement of Accounts, with rent receipts of £7.8 million, and a yield of 5.8%

The Council has invested £21.2 million in our housing company – North Downs Housing Ltd (NDH). This is via 40% equity to Guildford Borough Council Holdings Ltd (£8.5 million) (who in turn pass the equity to NDH), and 60% loan direct to NDH (£12.7 million) at a rate of BoE Base rate plus 5%. The loan is a repayment loan in line with the NDH business plan.

This report also includes the Council's Minimum Revenue Provision (MRP) policy and the Prudential Indicators (see Section 5).

Due to the specialised nature of treasury management and capital finance, there is a glossary of terms at Appendix 18.

#### Flexible use of capital receipts policy

The updated flexible use of capital receipts policy can be found in Appendix 17. This policy, if approved at Council, allows us to use any capital receipts received in year to be used to fund any service transformation costs incurred in the same year. Officers are recommending this policy be approved to allow us the flexibility to fund transformation costs if appropriate.

#### **Recommendation to Executive (25 January 2022):**

Subject to Council approving the budget on 9 February 2022, the Executive is asked to agree the following:

- 1) That the following schemes be removed from the capital programme
  - a) SMC Ph 3 - £5.895 million, keeping £150,000 on the provisional programme. The £5.895 million will move onto the capital vision
  - b) Stoke Park masterplan enabling costs – PL56(p) - £500,000 – will move to the vision and come back with an updated business case
  - c) Sports Pavilions replace water heaters (PL58(p)) £154,000 – will come back with a further bid if required
- 2) That the new bids, as shown in Appendix 2 be included in the provisional capital programmes
- 3) That £10.124 million for Foxburrows scheme be transferred from the HRA provisional programme to the HRA approved programme
- 4) That the affordability limit for schemes to be funded by borrowing be agreed as set out in paragraph 4.31 of this report and in Appendix 1
- 5) That the remit of the Strategic property fund budget be widened to allow estate redevelopments to be funded from the budget

**Recommendation to Council (9 February 2022):**

The Executive is also asked to recommend to Council

- 1) That the General Fund and HRA capital estimates, as shown in Appendices 3 to 12, as amended to include such bids as may be approved by the Executive at its meeting on 25 January 2022, 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 Appendix 1.
- 4) That the updated flexible use of capital receipts policy at Appendix 17 be approved.

Reasons for Recommendation:

- To enable the Council to approve the capital and investment strategy for 2022-23 to 2026-27
- To enable the Council, at its budget meeting on 9 February 2022, to approve the funding required for the new capital schemes proposed

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

**1. Purpose of Report**

- 1.1 The Local Government Finance Act 2003 require local authorities 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 Decisions made this year on capital expenditure and treasury management activity will have financial consequences for the Council for many years to come. They are, therefore, subject to both a national regulatory framework and to local policy framework, which is discussed through the report and the appendices.
- 1.4 This report invites the Executive and Council to consider the capital programmes, and the new schemes the Council may wish or need to undertake in the next five years.
- 1.5 For the General Fund (GF), the Council must put aside revenue resources where the Council finances capital expenditure by debt (internal or external), to repay that debt in later years, since debt is only a temporary source of borrowing. 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). MRP is essentially the equivalent of repaying the principal loan amount within a mortgage (as opposed to the interest). The annual MRP statement and policy is included in section 5 of this report. Alternatively, capital receipts may be used to replace debt finance, as well as use of revenue resources by way of a Voluntary Revenue Provision (VRP).
- 1.6 The Council must have an approved investment strategy, and the implications associated with that detailed in the capital and investment strategy. This includes treasury investments, service investments and commercial investments.
- 1.7 The requirement to report in accordance with the TM code, and the prevailing DLUHC Investment Guidance is incorporated within this report and appendices.
- 1.8 CIPFA also recommends adhering to the UK Money Markets Code to its members as good practice.

## **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.
- 2.3 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 require local authorities 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 reporting framework, that
- an authority’s capital expenditure and investment plans are affordable and proportionate
  - all external borrowing and other long-term liabilities are within prudent and sustainable levels
  - the risks associated with investments for commercial purposes are proportionate to the financial capacity and
  - treasury management decisions are taken in accordance with good professional practice.
- 3.3 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.
- 3.4 To demonstrate the Council has fulfilled these objectives, this report details the Prudential Indicators that must be set and monitored each year.
- 3.5 We must put aside resources where the Council finances capital expenditure by borrowing (internal or external) to repay that debt in later years for the GF. This is charged to the revenue account annually and called MRP. There is not an earmarked reserve for MRP; it is represented in the balance sheet as increased cash as it forms part of the Council Tax Requirement.
- 3.6 The underlying need to borrow for capital purposes is measured by the Capital Financial Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment.
- 3.7 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)
- 3.8 Under the TM Code and the prevailing DLUHC Guidance, we are required to provide details of each of these purposes in the investment strategy.



- 3.9 The UK Money Markets Code (December 2020 revision) is a voluntary code of practice which CIPFA recommends authorities follow as good practice. It is endorsed by the Bank of England's 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.

#### **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 As the HRA is a separate ring-fenced account to ensure Council housing does not subsidise, or is not subsidised, by other local services, we show the HRA capital programme separately.
- 4.3 When a capital asset is no longer needed, it may be sold so the proceeds (capital receipts) can either be spent on new assets or to repay debt. Repayment of capital grants, loans or investments can also generate a capital receipt.
- 4.4 The Council has an ambitious Corporate Plan and medium to long-term aspirations within the Borough. All schemes in the capital programme have been assessed against the Council's strategic priorities and Corporate Plan, ensuring expenditure meets the key objectives of the Council.
- 4.5 All capital expenditure must be financed, either from external sources (grants and contributions), own resources (revenue, reserves, capital receipts) or debt (borrowing or leasing).
- 4.6 Initially we will finance capital expenditure from external or our own resources. If we do not have enough to finance all the planned expenditure, there will be an increase in the underlying need to borrow (borrowing requirement) and therefore the Capital Financing Requirement (CFR). 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 The most economically advantageous method of financing will be determined in the year(s) in which we incur the expenditure, in line with the preparation of the annual Statement of Account. This is part of the day-to-day treasury management activity of the Council and depends on the resources available. For planning purposes, we have assumed we will borrow internally for all schemes, but in doing so we are projecting a need to borrow externally (borrowing requirement).
- 4.8 Officers calculate the interest estimates (both investment and borrowing) according to the planned capital expenditure. We assume actual expenditure of

50% for schemes on the provisional programmes in the financial year. This also feeds into the MRP calculations (for the GF only), and the liability benchmark to ensure we are not being over prudent in our budgeting.

- 4.9 The GF capital programme is split into income and non-income generating schemes. The income generating schemes have at least a nil impact on the Council's finances – i.e., have external capital funding, or future revenue income that will cover the borrowing costs (Interest and MRP) of the scheme.

#### **Capital Programme Governance**

- 4.10 All projects and programmes delivered across the Council are subject to corporate governance managed by the of Strategy & Communications Team.
- 4.11 Programme and Project Management (PPM) control documents, such as mandates and business cases, are enabling a single pipeline of new and current work to be managed more effectively. The pipeline is owned by the governance team and actively managed in collaboration with Finance, Procurement, Legal and ICT (all enablers) for reviews and approvals throughout the lifecycle of the project or programme.
- 4.12 A current review of governance is seeking to streamline project and programme boards going forward. Consideration will also be given to the most effective arrangements to direct and review the portfolio at strategic level.
- 4.13 Service Leaders are expected to identify future bids for funding from the Capital Programme through their Service Plans. These potential growth bids should be included in their pipeline of projects or as new operational work. Any formal request for funding must then be submitted as a new mandate in line with the budget timetable.
- 4.14 All Capital Projects delivered by Corporate Programmes are governed by the full project lifecycle (Radar, Initiation, Feasibility, Design, Procurement, Delivery, Handover, Closure, Evaluation). Capital Programmes delivered by Corporate Programmes are governed by the full programme lifecycle (Strategy, Vision, Identify, Define, Deliver, Manage, Benefits, Close).
- 4.15 Following the approval of a mandate and project brief a business case must be developed.
1. Strategic Outline Case (SOC) - the preferred way forward
  2. Outline Business Case (OBC) - the preferred option
  3. Full Business Case (FBC) - the deal
  4. Strategic Outline Programme (SOP) - umbrella for a group of projects
  5. Business Justification Case (BJC) - simple and not controversial
- 4.16 The gateway approvals for these projects will be overseen through the new enterprise portfolio management arrangements. This will include a review process by enablers. Stakeholder engagement (including councillors and EABs) will also take place as required.

- 4.17 The responsibility for decision making and ongoing monitoring in respect of capital expenditure, investment and borrowing, including the Prudential Indicators, remain with Full Council. However, there is a wide range of Councillor scrutiny in the form of Overview and Scrutiny Committee and Corporate Governance and Standards Committee as well as internal executive working groups such as the major projects portfolio board (MPPB) and its sub-boards.
- 4.18 All Strategic Outline Cases (preferred way forward) are placed on the provisional capital programme, subject to a report to the Executive. The next review/approval stage is the Outline Business Case (preferred option). A further report to the Executive, with the Full Business Case (the deal), must be submitted before next stage of expenditure can be incurred on the project.
- 4.19 Longer range, very complex, more highly uncertain or riskier proposals can be placed on the capital vision programme (radar stage) as they may take considerable time to reach consensus and gain momentum before requiring money.
- 4.20 Improved forward planning at project level will improve financial planning and forecasting centrally. Better management of project time will mitigate cost increases.
- 4.21 More transparency in the delivery of projects and programmes will help to better align stakeholder expectations, including Directors, Service Leaders, Enablers, Project Managers, Councillors and the Public.
- 4.22 A medium-term plan will be produced using baselined data from service plans, mandates and business cases. This will set out financial implications and risks.
- 4.23 The Capital Monitoring Group meets quarterly to review projections, update on delivery progress and provide revised outturn spend figures (estimated final spend at the end of the financial year).
- Current capital programme**
- 4.24 A copy of the current capital programmes is attached at appendices 4 to 12, together with a schedule of the latest resource availability for, and financing of the programme.
- 4.25 All projections are based on 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.
- 4.26 The Council is currently projecting expenditure of £15.7 million for HRA and £59.5 for GF. The underlying need to borrow for the current financial year is £36.7 million
- 4.27 The net non-income generating schemes on the approved and provisional programmes are:

	2022/23	2023/24	2024/25	2025/26	2026/27
<u>Approved Programme:</u>					
Works to council owned properties	118	-	-	-	-
CCTV	260	-	-	-	-
Parks sites	387	60	-	-	-
Traveller encampments/transit site	155	-	-	-	-
Infrastructure	970	11	-	-	-
	<b>1,890</b>	<b>71</b>	-	-	-
<u>Provisional programme:</u>					
Works to council owned properties	1,811	2,100	1,150	-	-
Flood works	-	400	-	-	-
Parks sites	892	400	404	250	250
Infrastructure	1,520	-	5,895	3,152	-
	<b>4,223</b>	<b>2,900</b>	<b>7,449</b>	<b>3,402</b>	<b>250</b>

### New capital schemes

#### General Fund

4.28 Officers have put forward 12 bids, with gross expenditure of totalling £28 million up to 2031-32 (£15.6 million up to 2026-27). Officers also recommend including £2 million per annum as the capital contingency fund to allow for unknown capital expenditure. This will increase the current underlying need to borrow to £315.5 million up to 2026-27.

4.29 The net cost each year, of the new proposals are:

Project title	GROSS ESTIMATES					TOTAL COST £000	Third party contr £000	Specific reserves £000	General reserves/ borrowing £000
	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000				
<b>Total General Fund</b>	<b>4,869</b>	<b>1,948</b>	<b>2,500</b>	<b>5,000</b>	<b>3,000</b>	<b>17,317</b>	<b>0</b>	<b>0</b>	<b>17,317</b>
<b>Total funded from reserves</b>	<b>445</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>450</b>	<b>0</b>	<b>(450)</b>	<b>0</b>
<b>Total HRA</b>	<b>32,550</b>	<b>950</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33,500</b>	<b>0</b>	<b>(33,500)</b>	<b>0</b>
<b>Gross total</b>	<b>37,864</b>	<b>2,903</b>	<b>2,500</b>	<b>5,000</b>	<b>3,000</b>	<b>51,267</b>	<b>0</b>	<b>(33,950)</b>	<b>17,317</b>
Funded by reserves or contributions	(32,995)	(955)	0	0	0	(33,950)			
<b>Cost to the Council</b>	<b>4,869</b>	<b>1,948</b>	<b>2,500</b>	<b>5,000</b>	<b>3,000</b>	<b>17,317</b>			
Already in programme	(780)	0	0	0	0	(780)			
<b>Net addition to the programme</b>	<b>4,089</b>	<b>1,948</b>	<b>2,500</b>	<b>5,000</b>	<b>3,000</b>	<b>16,537</b>			

4.30 The Council sets an affordability limit for the GF, based on what it can afford for implications of the capital programme (primarily MRP and borrowing interest). The idea is that where there are schemes that will not generate revenue savings or income there is an allowance in the revenue account to accommodate the revenue impact of those. This limit is set at 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.

4.31 The impact is that there will be a limit to the number of these schemes (i.e., 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:

	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 to 2030-31 £000
New Bids - net addition	4,089	1,948	2,500	5,000	3,000	10,600
Net non income generating approved prog	1,933	71	0	0	0	0
Net non income generating provisional prog	2,673	2,250	7,599	3,402	250	(500)
	<b>8,695</b>	<b>4,198</b>	<b>10,099</b>	<b>8,402</b>	<b>3,250</b>	<b>10,100</b>
						0
Affordability level	7,292	5,318	5,494	5,663	5,827	25,063
Less additional MRP over 21/22 base re historical exp	(165)	(101)	(34)	(36)	(37)	(137)
amount of additional cap exp the Council can afford	7,127	5,217	5,460	5,627	5,790	24,926
<b>over / (under) affordable level</b>	<b>1,568</b>	<b>(1,019)</b>	<b>4,639</b>	<b>2,775</b>	<b>(2,540)</b>	<b>(14,826)</b>

- 4.32 This limit does not apply to development capital schemes undertaken for financial reasons (i.e., those that will be undertaken for economic growth and regeneration) as these schemes are defined as those which are anticipated to have a neutral or positive impact on the GF revenue account. This means that annual savings or additional income achieved from a development capital schemes is greater than its financing costs over a range of scenarios and 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 however, in order to proceed the financial part of the business case will need to be able to demonstrate a neutral or positive direct net present value to the Council

HRA

- 4.33 The proposed capital expenditure on maintaining the existing stock is £24.5 million in 2022-23. Changes in legislation now require significant investment in the stock to bring it up to standard, and we have been carrying out and updating the condition surveys on all of our properties to bring them up to the decent homes standard in addition to which there continue to be changes in legislation and standards particularly around building safety and we are working to ensure on going compliance. This will likely result in a large investment over the next few years, with 2022-23 being the most significant. The proposed budget can be seen in Appendix 3.

- 4.34 There are four strands forming our HRA capital programme under the self-financing regime. The four strands are:

- replacing ageing components such as roofs and kitchens
- improving and enhancing existing properties – for example, installing double glazing
- stock rationalisation
- expansion – the provision of new additional affordable homes.

- 4.35 The ongoing covid situation has had an impact on the way in which the Council has been able to undertake planned investment in a number of areas for a range of reasons. In order to continue to meet targets for these planned programmes we will be expanding these programmes to ensure we remain on track with these programmes.
- 4.36 This will include work on our programmes for: -
- Kitchens and bathrooms
  - Structural works
  - Pitch roof replacement
- 4.37 In addition to these areas there is also now a need to review our approach to ensuring the safety of residents and this approach is now being influenced by new legislation and regulatory standards which include the Fire Safety Act, Building Safety Bill. The Council has already started work on the development of our approach to ensure compliance with the changing requirements and relevant standards.
- 4.38 Specific projects identified include reviewing Fire Risk Assessments for all relevant blocks that reflect both changing legislation and good practice that has developed and continues to develop over the last few years. This will be accompanied by increasing our investment over the coming year to help improve the safety of our accommodation, this will include:
- upgrading and improving fire alarms in communal blocks
  - upgrading fire doors to meet increasing standards
  - structural improvements to blocks to reflect current good practice and to meet the standards of our enhanced Fire Risk Assessments
  - Improving the provision of CCTV to help monitor fly tipping and ASB which are creating fire risks
- 4.39 We have also developed a programme to increase the frequency of our electrical testing regime to support a 5-year rolling programme of inspections and this in turn will identify work that we will need to undertake. We are also upgrading and improving the communal electrical supplies to our blocks.
- 4.40 The Government also announced on the 23 November 2021 that regulations for smoke alarms and carbon monoxide alarms are to change, in response we are accelerating our programme to provide hardwired alarms and detectors to all properties which will form part of the wider programme of improvements.
- 4.41 Remodelling of the data and planned works will mean that for a number of areas we are in fact bringing forward planned expenditure and this will mean that whilst the programme is increasing for the coming year overall levels of planned investment over the life of the Business Plan will generally remain consistent.
- 4.42 This additional investment represents a significant increase in the planned programme for next year and will mean that the homes that the Council manages

meet not only the legislative requirements but also reflect good practice in ensuring the health and safety of residents.

4.43 Work has continued to bring forward a number of affordable housing schemes and it is proposed that these are included within the approved programme. A number of these schemes had previously been included within the pipeline bid but have now progressed, and further details of these schemes are set out below:

1. *Foxburrows Av, Park Barn* – This scheme has an approved allocation of £533,000 within the approved programme, with further funds available in the provisional programme. Work has now progressed and it is proposed that the scheme moves to the approved programme with an initial allocation of £10.174 million.
2. *Roundhill Way, Park Barn* – This scheme is for the redevelopment of 2 blocks of flats which have extensive structural problems. The properties are unsuitable for occupation and work has progressed on their decanting and work can now progress on the development of the site.
3. *Rear of Manor House Flats, Tongham* – This scheme is expected to deliver 11 additional affordable and energy efficient homes on land that is adjacent to existing HRA properties. This scheme has been part of the Pipeline Bid but can now progress to the approved programme.
4. *Clover Road* – This scheme is for 8 affordable and energy efficient homes on a previous garage site. This scheme has been part of the Pipeline bid but can now progress to approved programme.
5. *Rapleys Field, Pirbright* – This scheme is for the replacement of Airey house types and for 2 additional homes. In common with other schemes this scheme has been part of the pipeline bid but it can now progress to the approved scheme.
6. *Garden Land, Dunmore* – This is an infill site and will provide for 2 new affordable homes. Previously part of the pipeline bid this scheme can now be part of the approved plan.
7. *Banders Rise, Guildford* – Redevelopment of a bedsits which are not suitable and garden area to provide new house and convert bedsit's into single dwelling. Previously part of pipeline bid this scheme can now be moved to approved plan.
8. *Land adjacent to 27 Broomfield* – Development of new 3 bedroomed affordable home, on unused land on existing development. Previously part of pipeline bid this scheme can now be moved to approved plan.
9. *Garden Land, Wharf Lane, Send* - This is an infill site and will provide a new affordable 3 bed home. Previously part of the pipeline bid this scheme can now be part of the approved plan.
10. *Garden Land, 108 Georgelands, Ripley* - This is an infill site and will provide a new affordable 3 bed home. Previously part of the pipeline bid this scheme can now be part of the approved plan.

4.44 Additional details including proposed budget details are set out within Appendix 3, and it is proposed that these schemes now be included within the approved development programme.

4.45 In addition to these schemes work is also progressing on other schemes which already form part of the programme. This includes:

- *Guildford Park* – This scheme is being delivered by the Capital Programmes Team and is one element of the wider Major Projects Portfolio Boards work.

The design team is in a place and work is progressing well. The scheme is included within the approved programme, however since original inclusion the scope of the scheme has developed and it is proposed that the number of homes to be delivered has increased. In addition to which consideration is now being given to meeting the Council's Zero carbon target and enhanced building safety standards.

Work to established revised costings is currently underway, and once available it is proposed that full details of the schemes and proposals for its development are brought to members for consideration which will also reflect revised financial projections.

- *Brighthill* – The scheme is included within the approved budget and work is progressing on scheme development and no revision to the provision is currently planned.
- *Weyside* – Provision of affordable homes on this site is included within the approved budget and work is underway to progress this scheme and no revision to the provision is currently planned.

### **Replacement Housing and Asset Management IT System**

4.46 The current housing management IT and the HRA Property Asset IT are both coming to the end of their life and will be unsupported by their developers whilst they also use outdated Microsoft support systems. In order to ensure that the suitable alternative options are considered proposals are being considered that will lead to the upgrading or replacement of these systems as part of the wider ICT Forward Plan and the ICT Capital Programme. The cost of the solution and its development are to be met by the HRA.

4.47 The new system could offer the following improvements:

- Web browser-based Cloud solution which is flexible with a spatial element to make use of the spatial data held in existing GIS systems as well as new GIS capabilities
- Mobile Application that can be used by staff to improve efficiencies but also provide resilience for the team
- A new interface for other existing systems such as Salesforce to ensure that the Council has a consistent approach to all customer web interfaces and provide self-service options



- Ability to generate workflows and easily create and amend the schedule of rates to prevent duplicating works
- Integration with wider Council and contractor systems such as Business World
- Perform a clean-up of Orchard data.

4.48 In order to progress this work and to provide resources to support this work the work need to be included within the approved programme. Estimates of Costs without procurement exercise cannot be specific on system costs, so estimates have been provided below:

- Upgrade of systems would need to be developed as part of the initial project development however, if moved soon after upgrade, then this would be an unrecoverable cost.
- ROM Startup costs for new system, to develop, establish the system costs are expected to be in excess of £1 million
- Annual license and support costs these are expected to be in the region of £150,000
- Additional Resourcing for duration of project (based on 24 months) as highlighted in section 11 - £300,000 pa
- Additional Hardware to facilitate agile working £20,000 including tablets for off-site working such as inspections, surveys
- Internal experts will be required at key points in the project which is likely to be an impact to BAU. This will be minimised to use at key points due to their knowledge and skill sets. The impact in time and estimated resource costs will be looked later in the project.

4.49 It is proposed that an initial project budget is established for £1.9 million for the next 2 years.

#### **Prudential Indicators**

4.50 The Prudential Code covers all capital expenditure and investment decisions and should consider all potential long-term liabilities relevant to the Council. This includes the consideration of investments and liabilities of subsidiary companies.

4.51 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 in the future. The CFO therefore needs to be satisfied that the proposed capital programme is prudent, affordable and sustainable. This will be by looking at the overall gearing ratio's, local indicators and affordability ratios / indicators.

4.52 Indicators we are required to calculate, and monitor are detailed below.

#### *Estimates of Capital Expenditure*

4.53 This indicator is a summary of the Council's capital programme and financing of the programme, summarised in the table below.

<b>CAPITAL EXPENDITURE SUMMARY</b>	<b>2021-22 Approved £000</b>	<b>2021-22 Outturn £000</b>	<b>2021-22 Variance £000</b>	<b>2022-23 Estimate £000</b>	<b>2023-24 Estimate £000</b>	<b>2024-25 Estimate £000</b>	<b>2025-26 Estimate £000</b>	<b>2026-27 Estimate £000</b>
<b>General Fund Capital Expenditure</b>								
- Main Programme	92,790	49,088	(43,702)	106,198	7,738	2,705	2,000	2,000
- Provisional schemes	53,533	6,937	(46,596)	40,666	110,916	40,634	38,383	24,642
- Schemes funded by reserves	1,975	3,541	1,566	910	500	0	0	0
- S106 Projects	0	171	171	58	0	0	0	0
- New Bids (net cost)	0	0	0	4,089	1,948	2,500	5,000	3,000
<b>Total Expenditure</b>	<b>148,298</b>	<b>59,736</b>	<b>(88,562)</b>	<b>151,921</b>	<b>121,102</b>	<b>45,839</b>	<b>45,383</b>	<b>29,642</b>
<b>Financed by :</b>								
Capital Receipts	(95)	(448)	(353)	0	0	0	(21,641)	(24,642)
Capital Grants/Contributions	(51,415)	(18,138)	33,277	(48,626)	(15,315)	(2,954)	0	0
Capital Reserves/Revenue	(2,195)	(4,263)	(2,068)	(1,130)	(720)	(220)	0	0
Borrowing	(94,593)	(36,887)	57,706	(102,165)	(105,067)	(42,665)	(23,742)	(5,000)
<b>Financing - Totals</b>	<b>(148,298)</b>	<b>(59,736)</b>	<b>88,562</b>	<b>(151,921)</b>	<b>(121,102)</b>	<b>(45,839)</b>	<b>(45,383)</b>	<b>(29,642)</b>
<b>Housing Revenue Account Capital Expenditure</b>								
- Main Programme	17,988	15,761	(2,227)	8,041	9,253	1,400	400	0
- Provisional schemes	34,117	0	(34,117)	19,339	54,270	24,200	18,515	49,575
- New bids	0	0	0	32,550	950	0	0	0
<b>Total Expenditure</b>	<b>52,105</b>	<b>15,761</b>	<b>(36,344)</b>	<b>59,930</b>	<b>64,473</b>	<b>25,600</b>	<b>18,915</b>	<b>49,575</b>
<b>Financed by :</b>								
- Capital Receipts	(13,914)	(2,595)	11,319	(8,472)	(11,964)	(6,288)	(400)	(13,200)
- Capital Reserves/Revenue	(38,191)	(13,166)	25,025	(41,459)	(42,509)	(9,313)	(8,515)	(26,375)
- Borrowing	0	0	0	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
<b>Financing - Totals</b>	<b>(52,105)</b>	<b>(15,761)</b>	<b>36,344</b>	<b>(59,930)</b>	<b>(64,473)</b>	<b>(25,600)</b>	<b>(18,915)</b>	<b>(49,575)</b>

4.54 The table shows that most of our GF capital expenditure at this stage will be financed from borrowing due to the availability of known capital receipts and reserves. This is the most prudent assumption. Any future capital receipts, grants or contributions will be taken account of when they are known. Regular monitoring throughout the year will identify these, and the updated underlying need to borrow will be presented to Councillors.

*Estimates of the CFR, Gross Debt and the Liability Benchmark*

4.55 The CFR is the cumulative balance of unfinanced capital expenditure ("debt") less the provision made for the repayment of debt (MRP).

4.56 The Council is required to make reasonable estimates of the total CFR over at least the forthcoming year and following two years. Because we use our CFR projections as part of our liability benchmark, we project over a longer period, and present in the report at least the five-year time frame in line with the time frame presented in the capital programme.

4.57 The following table shows the Council's estimated CFR, level of reserves and borrowing to calculate the overall borrowing requirement.

Guildford BC							
Balance Sheet Summary and Projections in £'000 - last updated 11 Jan 2022							
31st March:	2021	2022	2023	2024	2025	2026	2027
Loans Capital Financing Req.	327,847	363,915	462,885	573,609	612,637	621,932	645,520
Less: External Borrowing	(310,935)	(192,435)	(192,435)	(182,435)	(172,435)	(162,435)	(152,435)
<b>Internal (Over) Borrowing</b>	<b>16,912</b>	<b>171,480</b>	<b>270,450</b>	<b>391,174</b>	<b>440,202</b>	<b>459,497</b>	<b>493,085</b>
Less: Usable Reserves	(191,043)	(155,204)	(159,888)	(119,621)	(117,936)	(123,267)	(98,278)
Plus: Working Capital Required	15,558	15,558	15,558	15,558	15,558	15,558	15,714
<b>(Investments) / New Borrowing</b>	<b>(158,573)</b>	<b>31,834</b>	<b>126,120</b>	<b>287,111</b>	<b>337,825</b>	<b>351,789</b>	<b>410,521</b>
Net Borrowing Requirement	152,362	224,269	318,555	469,546	510,260	514,224	562,956
Preferred Year-end Position	45,000	45,000	45,000	45,000	45,000	45,000	45,450
<b>Liability Benchmark (year-end)</b>	<b>197,362</b>	<b>269,269</b>	<b>363,555</b>	<b>514,546</b>	<b>555,260</b>	<b>559,224</b>	<b>608,406</b>

4.58 The Gross Debt compared to the CFR is key in ensuring debt is only for a capital purpose. The table shows that debt is expected to remain below the CFR during the period shown.

4.59 The CFR is then further split between the GF and the HRA

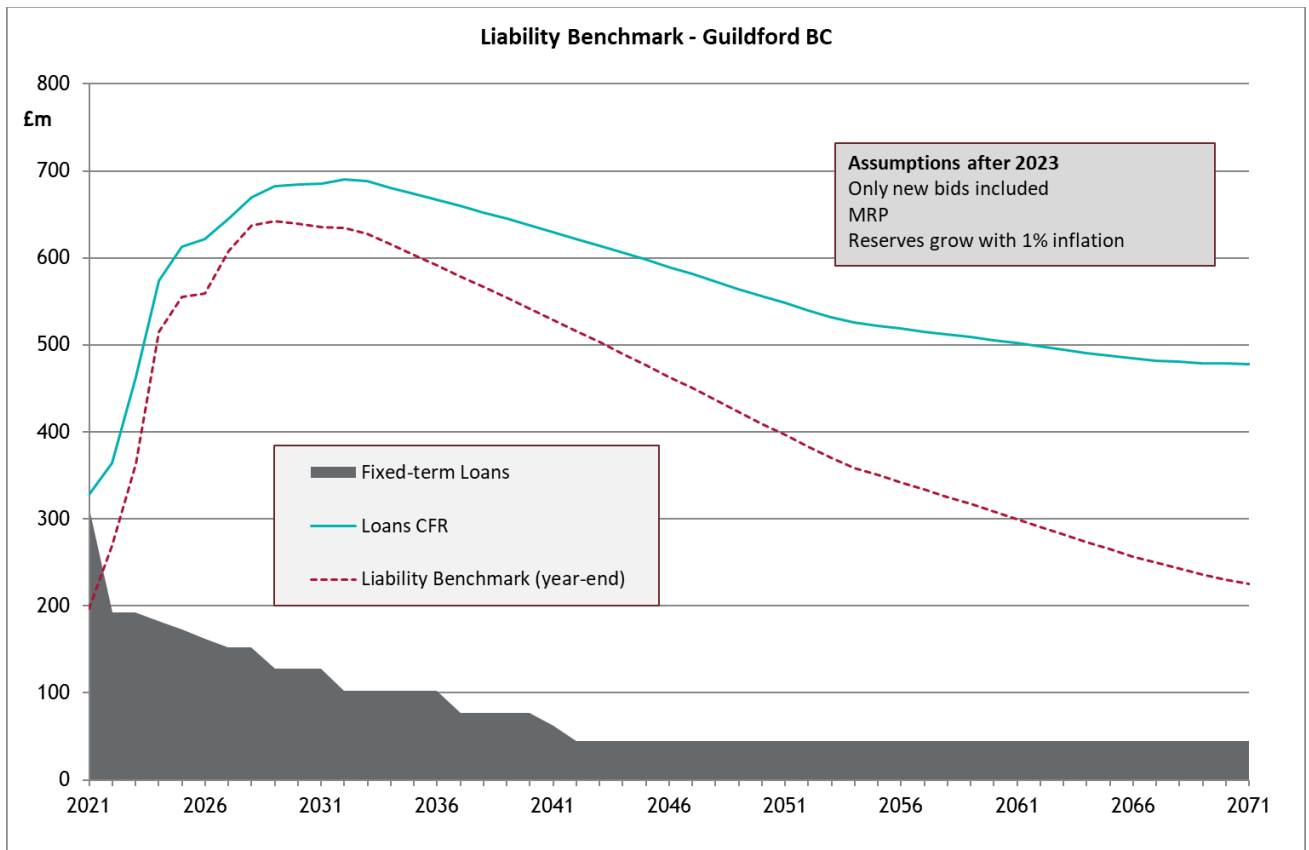
Housing Revenue Account - Summary and Projections in £000							
31st March:	2021	2022	2023	2024	2025	2026	2027
HRA Loans CFR	199,204	207,024	217,024	227,024	237,024	237,024	237,024
HRA Reserves	(120,991)	(85,023)	(90,827)	(51,367)	(49,649)	(54,947)	(29,925)
HRA Working Capital	0	0	0	0	0	0	0
HRA Borrowing	(192,435)	(192,665)	(192,665)	(182,665)	(172,665)	(162,665)	(152,665)
<b>HRA Cash Balance</b>	<b>(114,222)</b>	<b>(70,664)</b>	<b>(66,468)</b>	<b>(7,008)</b>	<b>14,710</b>	<b>19,412</b>	<b>54,434</b>

General Fund - Summary and Projections in £000							
31st March:	2021	2022	2023	2024	2025	2026	2027
GF Loans CFR	128,643	156,891	245,861	346,585	375,613	384,908	408,496
GF Reserves	(70,052)	(70,181)	(69,061)	(68,254)	(68,287)	(68,320)	(68,353)
GF Working Capital	15,558	15,558	15,558	15,558	15,558	15,558	15,714
GF Borrowing	(118,500)	230	230	230	230	230	230
<b>GF Cash Balance</b>	<b>(44,351)</b>	<b>102,498</b>	<b>192,588</b>	<b>294,119</b>	<b>323,114</b>	<b>332,376</b>	<b>356,087</b>

4.60 The GF CFR is forecast to increase by £318 million over the period, as capital expenditure financed by borrowing is greater than resources put aside for debt repayment.

4.61 The HRA CFR is also forecast to rise as the Council undertakes its house building programme funded by borrowing. We are currently only showing the refinancing of the loan maturing in 2021-22 to show the most prudent position in terms of not refinancing the remaining HRA loans that are maturing. This shows that there is an underlying need to borrow for the HRA capital programme as a result of the development schemes they are undertaking.

4.62 This is then shown in graphical format identifying the liability benchmark. The liability benchmark is the lowest risk level of borrowing – borrowing only when your reserves reach your set minimum level (we have set at £45 million). We have adopted this policy for a number of years and propose to continue doing so.



4.63 The graph shows that while the CFR is stable, the liability benchmark reducing. It is worth pointing out that in the past, we have assumed a £25 million level of GF capital expenditure in future years. The guidance in the draft prudential (or treasury) code is that only known expenditure should be included in the liability benchmark, so therefore only the expenditure shown in app 2 to 12 are included.

*Operational boundary and authorised limit for external debt*

4.64 The Council is legally obliged to set an annual affordable borrowing limit (termed authorised limit for external debt). 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.

4.65 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.

4.66 We set a separate limit for the HRA, which is now important to monitor due to the removal of the debt cap.

4.67 We are required to set a limit for other long-term liabilities, for example finance leases. We have included £26 million for items that could be classed as finance leases, particularly with the introduction of IFRS16 in April 2022.

Operational Boundary of External Debt	2021-22 Approved £000	2021-22 Revised £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000
Borrowing - General Fund	234,166	161,886	250,856	351,586	380,616	389,906	413,496
Borrowing - HRA	217,024	207,024	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
<b>Total</b>	<b>477,190</b>	<b>394,910</b>	<b>493,880</b>	<b>604,610</b>	<b>643,640</b>	<b>652,930</b>	<b>676,520</b>

4.68 The authorised limit gives headroom for significant cash-flow movements. 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).

Authorised Limit for External Debt	2021-22 Approved £000	2021-22 Revised £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000
Borrowing - General Fund	288,066	214,786	309,556	412,286	448,116	460,606	485,996
Borrowing - HRA	217,024	207,024	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
<b>Total</b>	<b>531,090</b>	<b>447,810</b>	<b>552,580</b>	<b>665,310</b>	<b>711,140</b>	<b>723,630</b>	<b>749,020</b>

*Ratio of financing costs to net revenue stream*

4.69 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.

4.70 Although capital expenditure is not charged directly to the revenue account, interest payable on loans and MRP are charged. 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 for the GF and for the HRA its income).

4.71 The table below shows the financing costs as a % of net revenue stream

	2021-22 Approved	2021-22 Outturn	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
General Fund	6.47%	0.60%	8.42%	20.26%	25.24%	53.75%	74.41%
HRA	30.13%	31.46%	32.49%	32.63%	31.64%	31.65%	32.83%

4.72 The HRA is remaining consistent due to the stable income, and assumption there will be interest costs on the whole £193 million PWLB debt.

4.73 For the GF external borrowing costs and MRP costs are increasing due to the cost of the capital programme, with stable investment income.

**5. Minimum Revenue Provision**

5.1 The Local Government Finance Act 2003 requires local authorities to have regard to the former MHCLG's Guidance on MRP, most recently issued in 2018.

- 5.2 The Guidance requires local authorities to approve an annual MRP statement each year and recommends options but does not preclude locally determined prudent methods.
- 5.3 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 GF.
- 5.4 The aim of the guidance is to ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.
- 5.5 It 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.
- 5.6 MRP becomes chargeable in the financial year after the expenditure is incurred or when the asset becomes operational – whichever is the latter.
- 5.7 Based on the Council's estimate of its CFR on 31 March 2022, and unfinanced capital expenditure in 2021-22 of £363.915 million, the budget for MRP for 2022-23 and future years is:

2022-23	£1.545 million
2023-24	£2.246 million
2024-25	£4.136 million
2025-26	£4.294 million

- 5.8 Profiling of capital expenditure is key in determining the impact of MRP on the revenue account because it forms part of the annual Council Tax Requirement.

#### **MRP Policy**

- 5.9 The Council will use the asset life method as its main method of applying MRP but will use the annuity method for investment property.
- 5.10 Where appropriate, for example in relation to capital expenditure on regeneration schemes, we may use an annuity method starting in the year after the asset becomes operational.
- 5.11 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.
- 5.12 We will apply a life of 50 years for the purchase of land and schemes which are on land (for example transport schemes).

- 5.13 Where loans are made to other bodies for their capital expenditure, where the loans are repaid in at least annual instalments of principal, there will be no MRP, but we will apply the capital receipts to reduce the CFR. Where there is no repayment, MRP will be charged in accordance with the MRP policy for assets funded by the loan.
- 5.14 For investments classed as capital expenditure, we will apply a life related to the underlying asset in which the share capital has been invested.
- 5.15 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.
- 5.16 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 CFO.
- 5.17 Where former operating leases have been brought onto our balance sheet on 1 April 2022, due to the adoption of IFRS16 leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and / or discounts, then the annual MRP charge will be adjusted so the total charge to revenue remains unaffected by new standard.

## **6. Treasury Management**

- 6.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, which a shortage of cash will be met by borrowing, to avoid excessive credit balances or 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 decisions are made daily and therefore delegated to the CFO 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 and are responsible for scrutinising treasury management decisions.
- 6.4 The Council currently has £192.4 million long-term borrowing which is all related to the HRA at an average rate of 3.32% with a cost of £5 million in interest. Short-term borrowing, falling on the GF, is expected to cost £0.36 million at an

average rate of 0.16%. The Council's average investment portfolio is £200 million at an average rate of 1.3%, generating £1.4 million of interest.

**Borrowing strategy**

6.5 The Council's main objective when borrowing is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which the funds are required.

6.6 Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The liability benchmark in paragraphs 4.55 to 4.63 show we are meeting the statutory guidance.

6.7 The detailed borrowing strategy can be found in Appendix 1, Section 5.

**Investment strategy**

6.8 The CIPFA Code requires local authorities to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the higher rate of return, or yield.

6.9 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.

6.10 Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

6.11 The detailed investment strategy can be found in Appendix 1, section 5

6.12 The Council has identified the proportion of income from these types of investments against gross service expenditure. This income is part of the net service cost and therefore makes a positive contribution to the Council Tax Requirement. We have an interest rates movement earmarked reserve to cover any loss in investment income in the year, and for lower investment property income we have an earmarked reserve.

	<b>2022-23 Budget £000</b>	<b>2023-24 Budget £000</b>	<b>2024-25 Budget</b>	<b>2025-26 Budget</b>
Gross Service Expenditure	105,878	105,681	105,499	107,589
Investment property income	7,664	7,692	7,692	7,692
Treasury management income	1,141	1,074	1,174	1,228
Investment income %	8%	8%	8%	8%

6.13 The table shows that the income from both investment property and treasury management income ("investment income") contributes around 8% to the gross cost of services across the Council.



## 7. Service and Commercial 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 of underperforming assets
- for all buildings to be held to a high standard of repair, by undertaking regular conditions 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 for 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 CFO. Most loans and shares are capital expenditure and purchases will therefore be approved as part of the capital programme and PPM Governance framework.

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 in and has purchased shares in Guildford Holdings Company (40% equity then transferred into North Downs Housing). A small amount has been used to purchase shares in the Surrey and Sussex 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.

**Commercial Activities**

- 7.7 The Council has 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 Investment property is valued at £152 million as per the 2020-21 statement of accounts, with rent receipts of £7.8 million.
- 7.9 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, in order to ensure proportionality of investments across the Council.
- 7.10 With financial return being the main objective, the Council accepts higher risk on commercial investment 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 in para 7.1, 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 Internal Rate of Return (IRR) of the investment, in line with the approved asset investment strategy.
- 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 costs, 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 the purchase cost, the underlying asset provides security for the capital investment. Should the valuation be lower than 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 and as part of the Capital and Investment Strategy annual report.
- 7.14 In accordance with the Council's Constitution, the Director of Strategic Services is authorised to acquire property up to £1 million, in consultation with the relevant

lead councillor, where budget provision exists in the approved capital programmes. Purchases must be in consultation with the CFO in line with the criteria set in the asset investment strategy. Where there isn't an approved budget in the capital programme, committee approval will be sought in line with the financial regulations.

- 7.15 The asset investment strategy provides a robust 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 that 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 development 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.
- 7.17 The, then MHCLG, when it published the latest investment guidance, suggests indicators authorities can calculate, these will be included in a future version of the report.

#### **Liabilities**

- 7.18 Although not strictly counted as investments, since no money has changed hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness.
- 7.19 The Council is committed to making future payments to cover its share of the pension fund deficit, on the face of the Council's balance sheet, there is £143 million of other long-term liabilities which relates to the Pension Fund liability.
- 7.20 We have also put aside £6 million to cover risks of Business Rates appeals plus other smaller provisions. We have not allowed for any financial guarantees but have identified two. One relates to the Electric Theatre pension payments, and another is a tax guarantee we have provided to Thames Water for the WUV project.
- 7.21 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.
- 7.22 Decisions on incurring new discretionary liabilities are taken by the relevant service leader and the CFO.
- 7.23 A new accounting standard, IFRS16 – accounting for leases, comes into effect from 1 April 2022. The key change is that accounting for leases (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 on our balance sheet.

## **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 Lead Specialist Finance (s151 and deputy s151 respectively) are both qualified accountants with many years' post qualification experience, and other senior members of the finance team have good operational experience. The Head of Asset Management, and Deputy Head are qualified chartered surveyors and members of the Royal Institution of Chartered Surveyors (RICS) as are other 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 MiFID regulations, for the Council 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. Consultations**

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

## **10. Key Risks**

- 10.1 Officers submit bids with a proposed timeframe for the project to be completed. This is put into the capital programme and feeds into the liquidity 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).
- 10.2 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 tax-payer.

- 10.3 Officers work together 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 and profile to ensure the most realistic position is presented in the revenue budget.
- 10.4 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 £2 million each year (reduced from £5 million to reflect the improved governance procedures we have now introduced) 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.
- 10.5 Many of the larger schemes in the programme have external funding attached to them. Generally, as part of this funding, when the bids for funding are made, a time frame for spend needs to be agreed. If schemes are delayed, there is a risk that the funding will either have to be repaid or the funding will no longer be available to us. This will increase the cost of borrowing to the Council.
- 10.6 If we do not deliver new housing schemes, we are at risk of having to repay housing capital receipts back to the Government. It is therefore important we have a planned programme of development schemes to be able to monitor future expenditure with reasonable certainty to help avoid the risk of having to return money plus interest.

#### **Treasury Management Risks**

- 10.7 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.
- 10.8 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.
- 10.9 Treasury management activity needs to be managed to maximise investment income and reduce debt interest whilst maintaining the Council's exposure to risk.
- 10.10 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.
- 10.11 Risk indicators relating to treasury management are in Appendix 1.

#### **Risks relating to Commercial investments**

- 10.12 There are some identifiable risks of investing in property.

- 10.13 A downturn in the property market could lead to falling rents or higher vacancies meaning that rental income may not cover borrowing costs.
- 10.14 In addition, a downturn could lead to a fall in property valued which could impact capital receipts if the Council wanted to sell the property to use the receipts for other purposes.
- 10.15 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.

## **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 new 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 2022-23 is £1.14 million, based on an average investment portfolio of £70 million, at a weighted average rate of 1.69%. The budget for debt interest paid of £5.74 million, of which £5 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 £8 million in 2022-23.
- 11.5 The MRP budget is £1.7 million in 2022-23.
- 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 CFO is comfortable that the proposed capital programme is prudent, affordable and sustainable.

### **Flexible use of capital receipts**

- 11.7 The Government has extended the ability for Council's to use capital receipts to fund revenue costs of transformation programmes, and officers are recommending to Councillors the policy is approved to enable the flexibility to fund the costs relating to the Guildford and Waverley Collaboration and any other transformations, restructures or efficiency changes that may be incurred during 2022-23. The policy can be found at appendix 17.

**Risk Indicators**

- 11.8 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*

- 11.9 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	2020-21	2021-22	2022-23
	Actual £000	Forecast £000	Forecast £000
Treasury management investments	95,628	54,783	38,498
Service investments: Loans	11,142	14,107	20,698
Service investments: Shares	7,433	9,410	13,803
Investment property	152,130	152,130	152,130
<b>Total Investments</b>	<b>266,333</b>	<b>230,430</b>	<b>225,129</b>

*How investments are funded*

- 11.10 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, investments in loans and shares (North Downs Housing and Guildford Holdings) could be described as being funded by borrowing – as they are part of the Capital programme and therefore forms part of the underlying need to borrow for a capital purpose. The remainder of the Council’s investments are funded by usable reserves and income received in advance of expenditure.

*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	2020-21	2021-22	2022-23
	Actual £000	Forecast £000	Forecast £000
Treasury management investments	1.89%	0.82%	0.94%
Service investments: Loans	5.10%	5.10%	5.25%
Service investments: Shares	0.00%	0.00%	0.00%
Investment property	6.30%	5.50%	5.50%

**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 issues “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 this report, however, capital bids have been made for some schemes relating to reducing carbon.

**16. Executive Advisory Board comments**

16.1 The Joint Executive Advisory Board considered the report and the new bids at its meeting on 10 January 2022. They had the following comments on the bids:

<b>Name of bid</b>	<b>JEAB comments</b>
GER	Supportive of the bid, lots of work already gone into the initial phase, and important for the borough for the scheme to continue. Councillors were keen to understand more about potential grants and contributions that may be available to help fund the scheme
Stoke Park Paddling Pool	Supportive of the bid – important for the community
Albury closed burial grounds	Can this be delayed? Question over the cost – is it enough?



	Is there any opportunity for funding from interested parties?
Chilworth Gunpowder mills	Discussion around the site and its use. Supportive if it's a pure H&S issue
Fleet replacement programme	Can this be delayed? Uncertainty around the future requirements coming out of Government Would like more information around cost of maintaining vehicles as oppose to purchasing in the short term Query over best type of fuel moving forwards – more research and understanding required Collaboration opportunities? More recycling promotion required? Recognised it could be a positive for climate change agenda
YMCA lighting	Supportive – public access and H&S issue
Millmead house lifts	Supportive if H&S and helps promote external tenants
Yorkies bridge lighting	Heavily used, and there have been H&S concerns in the past – supportive
Crematorium memorial wall	Supportive – recognised as an important service that is also paid for by the public
Cemetery tarmacking	Supportive as H&S
Castle MSCP	Supportive as funded by reserve
Car Park lighting	Supportive as funded by reserve
HRA major repairs	Supportive – investment in the stock is needed and will have a positive impact for tenants
HRA development projects	Supportive – increasing stock helps spend the capital 141 receipts and replace those houses lost to RTB. Will help with the waiting list. Very important scheme to fund
HRA – ICT – Housing management system	Supportive – need to have an up-to-date system. Keen to make sure that more systems integrate with each other

## 17. Summary of Options

- 17.1 Officers have detailed the options within each new capital bid / mandate
- 17.2 The CIPFA TM Code does not prescribe any particular treasury management strategy for local authorities to adopt. The CFO, having consulted with the Lead Councillor for Finance and Asset Management, believes the strategy represents an appropriate balance between risk and cost effectiveness. Some alternative strategies and risk management implications are:

<b>Alternative</b>	<b>Impact on Income / Expenditure</b>	<b>Impact on risk management</b>
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 £315 million by 31 March 2026.
- 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.

## 15. Background Papers

None

## 16. Appendices

- Appendix 1: Detailed capital and investment strategy
- Appendix 2: Schedule of new GF capital bids for 2022-23 to 2026-27
- Appendix 3: Detailed bids
- Appendix 4: Schedule of approved GF capital programme
- Appendix 5: Schedule of provisional GF capital programme

- Appendix 6: Schedule of reserves funded capital schemes
- Appendix 7: Schedule of s106 funded schemes
- Appendix 8: Summary of resources and financial implications
- Appendix 9: Capital vision
- Appendix 10: HRA approved capital programme
- Appendix 11: HRA provisional capital programme
- Appendix 12: HRA summary of resources
- Appendix 13: Treasury Management Policy Statement
- Appendix 14: Money Market Code Principles
- Appendix 15: Arlingclose Economic and Interest Rate Forecast
- Appendix 16: Credit rating equivalents and definitions
- Appendix 17: Flexible use of capital receipts policy
- Appendix 18: Glossary

This page is intentionally left blank

## 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 we 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 requires Local Authorities to have regard to the Prudential Code. The Prudential Code, last revised in 2021, 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 See appendix 15

**Credit outlook**

2.2 See appendix 15.

**Interest rate forecast**

2.3 See appendix 15.

**3. Balance sheet and treasury position**

**Balance Sheet**

3.1 The Council has a strong asset backed balance sheet

	Balance at 31 March 2020		Balance at 31 March 2021	
	£'000	£'000	£'000	£'000
Long term assets	948,801		966,201	
Short term assets	28,574		92,938	
		977,375	1,059,139	89%
Long term investments	42,170		27,022	
Short term investments	59,189		100,969	
		101,359	127,991	11%
<b>Total assets</b>		<b>1,078,734</b>	<b>1,187,130</b>	
Current liabilities	(36,915)		(61,265)	
Long term liabilities	(113,567)		(143,258)	
		(150,482)	(204,523)	40%
Short term borrowing	(44,493)		(163,772)	
Long term borrowing	(192,435)		(147,435)	
		(236,928)	(311,207)	60%
<b>Total liabilities</b>		<b>(387,410)</b>	<b>(515,730)</b>	
<b>Net assets</b>		<b>691,324</b>	<b>671,400</b>	

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 £152 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 riskier the organisation 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.

	<b>2020-21 Actual ('000)</b>	<b>2021-22 Outturn ('£000)</b>	<b>2022-23 Estimate ('£000)</b>	<b>2023-24 Estimate ('£000)</b>	<b>2024-25 Estimate ('£000)</b>	<b>2025-26 Estimate ('£000)</b>
Total debts	311,207	256,935	374,289	480,997	516,110	526,159
Total assets	1,187,130	1,246,866	1,394,698	1,513,852	1,557,191	1,597,574
Debt Ratio %	26%	21%	27%	32%	33%	33%

3.4 This shows that our gearing is low, but increasing and remaining steady, 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:

<b>Indicator</b>	<b>Description</b>
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 Council's 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 21 Actual £'000	Nov 21 position £'000
<b>Investments</b>		
<u>Managed in-house</u>		
Call Accounts	330	3,942
Notice Accounts - UK	3,000	3,000
Money Market Funds	39,220	35,438
Temporary Fixed Deposits	57,500	92,300
Long term Fixed Deposits	18,500	19,500
Cash plus	5,000	5,000
Short term bonds	2,000	5,800
Gilts	0	8,000
Covered Bonds	16,100	19,500
<b>Total investments managed in-house</b>	<b>141,650</b>	<b>192,480</b>
<u>Pooled Funds</u>		
CCLA	6,490	7,103
M&G	3,530	3,758
Schroders	700	714
UBS	2,220	2,185
Royal London	2,330	2,313
Fundamentum	1,980	2,049
Funding Circle	500	209
<b>Total pooled funds investments</b>	<b>17,750</b>	<b>18,332</b>
<b>Total Investments</b>	<b>159,400</b>	<b>210,812</b>
<b>Borrowing</b>		
Temporary borrowing	163,772	196,500
Long-term borrowing (PWLb)	147,435	147,435
<b>Total borrowing</b>	<b>311,207</b>	<b>343,935</b>
<b>Net investments / (borrowing)</b>	<b>(151,807)</b>	<b>(133,123)</b>

- 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 November 2021 (the latest position).
- 3.11 Investment balances are higher, due to more temporary borrowing. The net borrowing position has decreased since March 2021 due to an increase in cash investments.

#### **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 (radar stage)
  - Approved programme (outline & final business case stage)
  - Provisional programme (strategic outline case stage)
  - 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 and redevelopment (including housing schemes) which have a neutral or positive direct financial benefit to the council
  - b) development for non-financial reasons - those schemes that are for economic growth, regeneration, redevelopment, including housing schemes and infrastructure which have no direct financial benefit to the Council 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)
- 4.5 Type (a) 'development schemes for financial reasons' are required to provide a positive or neutral impact on the Council's 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 or by the capital receipts generated from the scheme being sufficient to repay any debt used to finance the scheme such that there are no borrowing costs on the 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 but may not have any direct financial benefit to the Council
- 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. 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 Council's 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 Council's 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 under delegation.
- 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. Under the PPM Governance framework, the Major Project Portfolio Board, and its sub groups, meet monthly, and they receive highlight reports on the progress of all the major projects in the capital programme.
- 4.15 The proposed financing of the capital programme assume available resources will be used in the following order:
  - a) capital receipts from the sale of assets (after applying the flexible use of capital receipts policy if applicable)
  - b) capital grants and contributions
  - c) earmarked reserves
  - d) the general fund capital schemes reserve
  - e) revenue contributions
  - f) internal borrowing
  - g) 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 Council's statutory accounts.

- 4.17 Capital expenditure is split between the GF (incorporating non-HRA housing) and HRA housing.
- 4.18 Our current approved capital programme, revised in year for updates in the programme and for the new bids to be submitted for approval by the Executive is as follows:

CAPITAL EXPENDITURE SUMMARY	2021-22 Approved £000	2021-22 Outturn £000	2021-22 Variance £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000
<b>General Fund Capital Expenditure</b>								
- Main Programme	92,790	49,088	(43,702)	106,198	7,738	2,705	2,000	2,000
- Provisional schemes	53,533	6,937	(46,596)	40,666	110,916	40,634	38,383	24,642
- Schemes funded by reserves	1,975	3,541	1,566	910	500	0	0	0
- S106 Projects	0	171	171	58	0	0	0	0
- New Bids (net cost)	0	0	0	4,089	1,948	2,500	5,000	3,000
<b>Total Expenditure</b>	<b>148,298</b>	<b>59,736</b>	<b>(88,562)</b>	<b>151,921</b>	<b>121,102</b>	<b>45,839</b>	<b>45,383</b>	<b>29,642</b>
<b>Financed by :</b>								
Capital Receipts	(95)	(448)	(353)	0	0	0	(21,641)	(24,642)
Capital Grants/Contributions	(51,415)	(18,138)	33,277	(48,626)	(15,315)	(2,954)	0	0
Capital Reserves/Revenue	(2,195)	(4,263)	(2,068)	(1,130)	(720)	(220)	0	0
Borrowing	(94,593)	(36,887)	57,706	(102,165)	(105,067)	(42,665)	(23,742)	(5,000)
<b>Financing - Totals</b>	<b>(148,298)</b>	<b>(59,736)</b>	<b>88,562</b>	<b>(151,921)</b>	<b>(121,102)</b>	<b>(45,839)</b>	<b>(45,383)</b>	<b>(29,642)</b>
<b>Housing Revenue Account Capital Expenditure</b>								
- Main Programme	17,988	15,761	(2,227)	8,041	9,253	1,400	400	0
- Provisional schemes	34,117	0	(34,117)	19,339	54,270	24,200	18,515	49,575
- New bids	0	0	0	32,550	950	0	0	0
<b>Total Expenditure</b>	<b>52,105</b>	<b>15,761</b>	<b>(36,344)</b>	<b>59,930</b>	<b>64,473</b>	<b>25,600</b>	<b>18,915</b>	<b>49,575</b>
<b>Financed by :</b>								
- Capital Receipts	(13,914)	(2,595)	11,319	(8,472)	(11,964)	(6,288)	(400)	(13,200)
- Capital Reserves/Revenue	(38,191)	(13,166)	25,025	(41,459)	(42,509)	(9,313)	(8,515)	(26,375)
- Borrowing	0	0	0	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
<b>Financing - Totals</b>	<b>(52,105)</b>	<b>(15,761)</b>	<b>36,344</b>	<b>(59,930)</b>	<b>(64,473)</b>	<b>(25,600)</b>	<b>(18,915)</b>	<b>(49,575)</b>

- 4.19 The programme has slipped in 2021-22 – estimated expenditure on the GF of £148 million, has been reduced to £60 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 GF capital programme. Where there are mixed use schemes, we will split the expenditure based on the proposed percentage of social/affordable housing to be developed.

### New capital schemes

- 4.21 To ensure good governance, the Council has the following process for the capital programme.
- 4.22 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 radar projects for the capital vision.
- 4.23 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 Council's Capital

Vision <sup>1</sup>(see Appendix 9). 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.

- 4.24 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.
- 4.25 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.
- 4.26 Each project will require a business case, in line with guidance set out in the HM Treasury Green Book ('Green book'). The following applies:
- Simple non-complex projects (e.g., BAU R&M) – a simple business justification case will be required to justify the spending proposal
  - All other projects 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
- 4.27 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 Council's objectives. The criteria is:
- 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 Council's Corporate Plan to show how well it contributes towards achieving the strategic objectives of the Council

---

<sup>1</sup> 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.

- c) Each scheme must have some or all of a cost benefit analysis, including but not limited to 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 development schemes for financial reasons
- g) All projects should assess the qualitative benefits

4.28 The Council has 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.

4.29 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.

4.30 The impact is that there will be a limit to the number of Essential capital schemes (i.e., 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) and the number of development schemes that are undertaken for non-financial reasons. Based on an average asset life of 25 years for MRP purposes, the limit for new essential and non-financial development schemes to be funded by borrowing for each financial year in the capital programme will be:

	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 to 2030-31 £000
New Bids - net addition	4,089	1,948	2,500	5,000	3,000	10,600
Net non income generating approved prog	1,933	71	0	0	0	0
Net non income generating provisional prog	2,673	2,250	7,599	3,402	250	(500)
	<b>8,695</b>	<b>4,198</b>	<b>10,099</b>	<b>8,402</b>	<b>3,250</b>	<b>10,100</b>
						0
Affordability level	7,292	5,318	5,494	5,663	5,827	25,063
Less additional MRP over 21/22 base re historical exp	(94)	(159)	(33)	(34)	(35)	(130)
amount of additional cap exp the Council can afford	7,198	5,159	5,462	5,629	5,791	24,933
<b>over / (under) affordable level</b>	<b>1,497</b>	<b>(961)</b>	<b>4,637</b>	<b>2,773</b>	<b>(2,541)</b>	<b>(14,833)</b>

4.31 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 – nonfinancial 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.

- 4.32 The bids submitted by officers for both the GF and HRA can be found in appendices 2 and 3.
- 4.33 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.
- 4.34 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.
- 4.35 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 (RTB 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 Council's 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 Council's 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 2021 ('TM Code') which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's 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 Council's 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 is included, with no future allowance for unknown schemes
- MRP has been allowed for based on the underlying need to borrow for the GF capital programme until 2032-33
- 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 11 Jan 2022							
31st March:	2021	2022	2023	2024	2025	2026	2027
Loans Capital Financing Req.	327,847	363,915	462,955	573,692	612,735	622,046	645,652
Less: External Borrowing	(310,935)	(192,435)	(192,435)	(182,435)	(172,435)	(162,435)	(152,435)
<b>Internal (Over) Borrowing</b>	<b>16,912</b>	<b>171,480</b>	<b>270,520</b>	<b>391,257</b>	<b>440,300</b>	<b>459,611</b>	<b>493,217</b>
Less: Usable Reserves	(191,043)	(155,204)	(159,888)	(119,621)	(117,936)	(123,267)	(98,278)
Plus: Working Capital Required	15,558	15,558	15,558	15,558	15,558	15,558	15,714
<b>(Investments) / New Borrowing</b>	<b>(158,573)</b>	<b>31,834</b>	<b>126,190</b>	<b>287,194</b>	<b>337,923</b>	<b>351,903</b>	<b>410,653</b>
Net Borrowing Requirement	152,362	224,269	318,625	469,629	510,358	514,338	563,088
Preferred Year-end Position	45,000	45,000	45,000	45,000	45,000	45,000	45,450
<b>Liability Benchmark (year-end)</b>	<b>197,362</b>	<b>269,269</b>	<b>363,625</b>	<b>514,629</b>	<b>555,358</b>	<b>559,338</b>	<b>608,538</b>

Housing Revenue Account - Summary and Projections in £000							
31st March:	2021	2022	2023	2024	2025	2026	2027
HRA Loans CFR	199,204	207,024	217,024	227,024	237,024	237,024	237,024
HRA Reserves	(120,991)	(85,023)	(90,827)	(51,367)	(49,649)	(54,947)	(29,925)
HRA Working Capital	0	0	0	0	0	0	0
HRA Borrowing	(192,435)	(192,665)	(192,665)	(182,665)	(172,665)	(162,665)	(152,665)
<b>HRA Cash Balance</b>	<b>(114,222)</b>	<b>(70,664)</b>	<b>(66,468)</b>	<b>(7,008)</b>	<b>14,710</b>	<b>19,412</b>	<b>54,434</b>

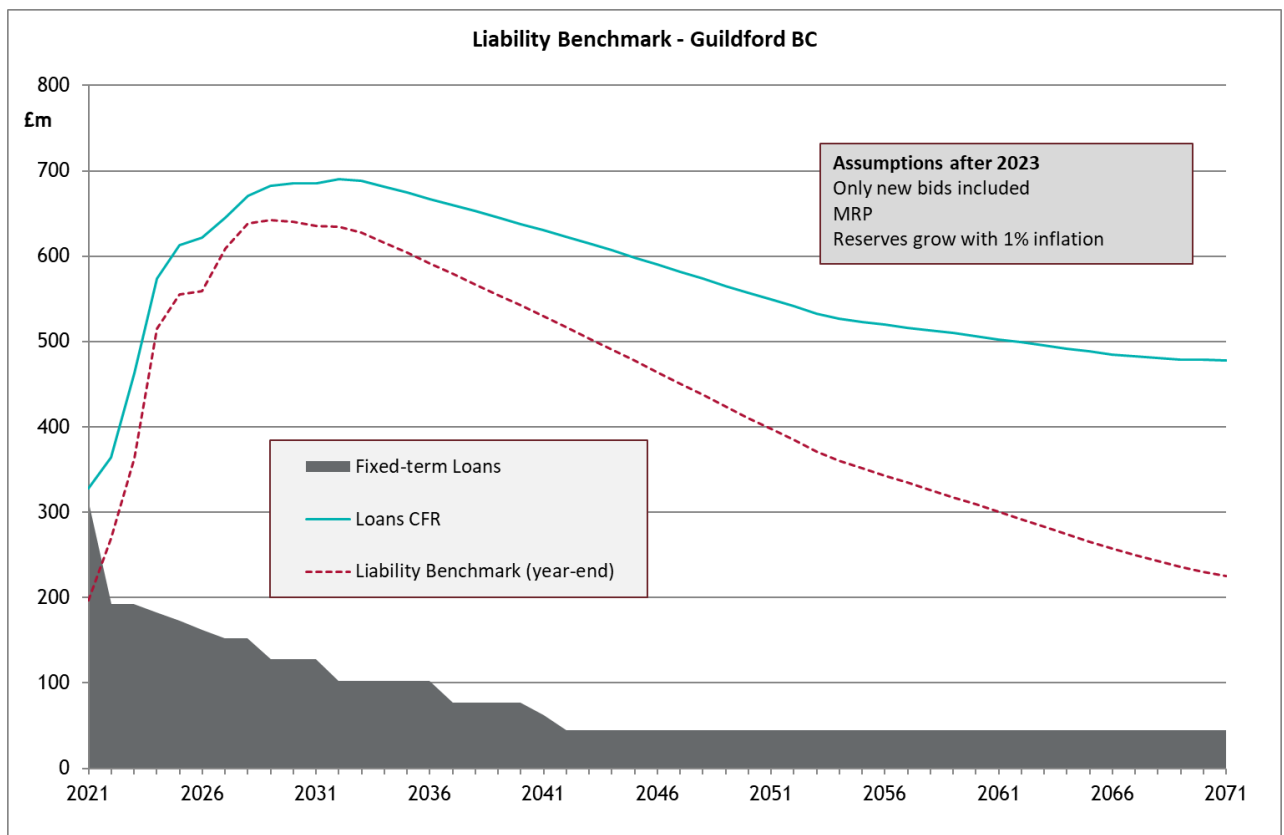
General Fund - Summary and Projections in £000							
31st March:	2021	2022	2023	2024	2025	2026	2027
GF Loans CFR	128,643	156,891	245,931	346,668	375,711	385,022	408,628
GF Reserves	(70,052)	(70,181)	(69,061)	(68,254)	(68,287)	(68,320)	(68,353)
GF Working Capital	15,558	15,558	15,558	15,558	15,558	15,558	15,714
GF Borrowing	(118,500)	230	230	230	230	230	230
<b>GF Cash Balance</b>	<b>(44,351)</b>	<b>102,498</b>	<b>192,658</b>	<b>294,202</b>	<b>323,212</b>	<b>332,490</b>	<b>356,219</b>

- 5.7 The liability benchmark shows the lowest risk level of borrowing – i.e., using the Council's 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 Council's 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 Council's 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 Council's 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 Council's 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 (2021-22 to 2023-24). The liability benchmark is expected to increase to £460 million by March 2026.

- 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 primary 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 Council's 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 2022-23 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 starting loans during 2022-23, 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.
- 5.28 We have an agreement with Homes England on the WUV project, whereby we have been successful in being granted a loan at the local infrastructure rate. Borrowing will be taken out from the PWLB in line with the agreed timetable.

*Sources of borrowing*

- 5.29 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.
- 5.30 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
- 5.31 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)*

- 5.32 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*

- 5.33 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 Council's exposure to interest rate risk. Financial derivatives may be used to manage this interest rate risk (see below).

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

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

<b>Maturity Structure of borrowing</b>		
	<b>2021-22</b>	
	<b>Lower</b>	<b>Upper</b>
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%

5.36 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*

5.37 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**

5.38 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.

5.39 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.

5.40 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.

- 5.41 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 strategy adopted in 2015-16.
- 5.42 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.

- 5.43 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.
- 5.44 Under the IRFS 9 accounting standard the accounting of certain investments depends on the Council's '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*

- 5.45 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

- 5.46 The time limits shown are the maximum from the start of an investment, and operationally we could have a shorter duration.
- 5.47 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.
- 5.48 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.
- 5.49 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.
- 5.50 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.
- 5.51 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. Local Authorities are statutory bodies and have access to the PWLB for borrowing, and any of these loans would be transferred to a successor body. There has not been a Local authority default, despite some s114 notices being put in place, instead Government has stepped in so the risk of a local authority defaulting is very low.
- 5.52 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.
- 5.53 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.

- 5.54 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.
- 5.55 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.
- 5.56 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.
- 5.57 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.
- 5.58 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.
- 5.59 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.
- 5.60 In addition, we may make an investment that is defined as capital expenditure by legislation, such as company shares.
- 5.61 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*

- 5.62 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
- 5.63 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.
- 5.64 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.
- 5.65 We will not make investments with any organisation if there are substantive doubts about its credit quality, even if it meets the above criteria.
- 5.66 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 Council’s 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.
- 5.67 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 2022-23.



- **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 £45 million as our minimum liquidity requirement. We also have a high-level cash flow projection over four years.

5.68 **Principal sums invested for periods longer than a year:** the purpose of this indicator is to control the Council's 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:

	2021-22 Approved	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
Upper limit for total principal sums invested for longer than a year	£50m	£50m	£50m	£50m

5.69 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 loan's 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.

SCHEDULE OF GENERAL FUND CAPITAL BIDS 2022-23 TO 2026-27

Bid number	Project title	GROSS ESTIMATES											TOTAL COST £000	Third party contr £000	Specific reserves £000	General reserves/ borrowing £000	
		2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000	2029-30 £000	2030-31 £000	2031-32 £000						
	<b>General fund</b>																
1	GER	1,530	1,540	0	0	0	0	0	0	0	0	0	3,070	0	0	3,070	
2	Stoke Pk paddling pool	170	0	0	0	0	0	0	0	0	0	0	170	0	0	170	
3	Albury Closed Burial Grounds	57	3	0	0	0	0	0	0	0	0	0	60	0	0	60	
4	Chilworth Gunpowder Mills	175	5	0	0	0	0	0	0	0	0	0	180	0	0	180	
5	Fleet replacement programme	2,500	400	2,500	5,000	3,000	6,500	1,500	2,000	600	0	0	24,000	0	0	24,000	
6	YMCA Lighting	24	0	0	0	0	0	0	0	0	0	0	24	0	0	24	
7	Millmead House Lifts	200	0	0	0	0	0	0	0	0	0	0	200	0	0	200	
8	Yorkies Bridge lighting	20	0	0	0	0	0	0	0	0	0	0	20	0	0	20	
9	Memorial Wall	100	0	0	0	0	0	0	0	0	0	0	100	0	0	100	
10	Cemetary tarmacing (£150k)	93	0	0	0	0	0	0	0	0	0	0	93	0	0	93	
	<b>Total</b>	<b>4,869</b>	<b>1,948</b>	<b>2,500</b>	<b>5,000</b>	<b>3,000</b>	<b>6,500</b>	<b>1,500</b>	<b>2,000</b>	<b>600</b>	<b>5,000</b>	<b>27,917</b>	<b>0</b>	<b>0</b>	<b>27,917</b>		
	<b>For reserves programme (approved)</b>																
11	Castle MSCP	145	5	0	0	0	0	0	0	0	500	0	150	0	(150)	0	
12	Car Park lighting (Salix / CPMR)	300	0	0	0	0	0	0	0	0	0	0	300	0	(300)	0	
	<b>Total funded from reserves</b>	<b>445</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500</b>	<b>0</b>	<b>450</b>	<b>0</b>	<b>(450)</b>	<b>0</b>	
	<b>HRA (For information only)</b>																
13	Maintenance programme	24,500	0	0	0	0	0	0	0	0	0	0	24,500	0	(24,500)	0	
14	ICT - Housing management system	950	950	0	0	0	0	0	0	0	0	0	1,900	0	(1,900)	0	
	Development projects	7,100	0	0	0	0	0	0	0	0	0	0	7,100	0	(7,100)	0	
	<b>Total HRA</b>	<b>32,550</b>	<b>950</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33,500</b>	<b>0</b>	<b>(33,500)</b>	<b>0</b>	
	<b>Gross total</b>	<b>37,864</b>	<b>2,903</b>	<b>2,500</b>	<b>5,000</b>	<b>3,000</b>	<b>6,500</b>	<b>1,500</b>	<b>2,000</b>	<b>600</b>	<b>5,500</b>	<b>61,867</b>	<b>0</b>	<b>(33,950)</b>	<b>27,917</b>		
	Funded by reserves or contributions	(32,995)	(955)	0	0	0	0	0	0	0	0	0	(33,950)				
	<b>Cost to the Council</b>	<b>4,869</b>	<b>1,948</b>	<b>2,500</b>	<b>5,000</b>	<b>3,000</b>	<b>6,500</b>	<b>1,500</b>	<b>2,000</b>	<b>600</b>	<b>5,500</b>	<b>27,917</b>					
	Already in programme	(780)	0	0	0	0	0	0	0	0	0	0	(780)				
	<b>Net addition to the programme</b>	<b>4,089</b>	<b>1,948</b>	<b>2,500</b>	<b>5,000</b>	<b>3,000</b>	<b>6,500</b>	<b>1,500</b>	<b>2,000</b>	<b>600</b>	<b>5,500</b>	<b>27,137</b>					

This page is intentionally left blank

<b>Project Name:</b>	Guildford Economic Regeneration (GER) Programme		
<b>Project Code:</b>	10049	F5530	
<b>Project Description:</b>	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.		
<b>Project / Programme Manager:</b>	Michael Lee-Dickson	<b>Ward:</b>	Holy Trinity Friary & St Nicolas
<b>Senior Responsible Officer:</b>	Dawn Hudd	<b>Directorate:</b>	Strategic Services
<b>Lead Councillor:</b>	Cllr John Rigg	<b>Service:</b>	Corporate Programmes
<b>Corporate Plan Theme:</b>	To revitalise the town centre with affordable living, sustainable travel and high quality public spaces.	<b>Confidential:</b>	No
<b>Expected Start Date:</b>	01/08/2022 (Stage 3)	<b>Exempt VAT Implications:</b>	Yes
<b>Target Completion Date:</b>	31/12/2023 (Stage 3)		

## Section A – Strategic Content

<p><b>A01. What is the project trying to achieve?</b></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><b>A02. Which strategic priorities in the Council's Corporate Plan is the project trying to achieve?</b></p>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Delivering the Guildford Borough Local Plan and providing the range of housing that people need, particularly affordable homes.</li> <li><input checked="" type="checkbox"/> Making Travel in Guildford and across the borough easier.</li> <li><input checked="" type="checkbox"/> Regenerating and improving Guildford town centre and other urban areas.</li> </ul>

	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Supporting older, more vulnerable and less advantaged people in our community.</li> <li><input checked="" type="checkbox"/> Protecting our environment.</li> <li><input checked="" type="checkbox"/> Enhancing sporting, cultural, community and recreational facilities.</li> <li><input checked="" type="checkbox"/> Encouraging sustainable and proportionate economic growth to help provide the prosperity and employment that people need.</li> <li><input checked="" type="checkbox"/> Creating smart places infrastructure in Guildford.</li> <li><input type="checkbox"/> Using innovation, technology and new ways of working to improve value for money and efficiency in Council Services.</li> </ul>
<p><b>A03. How does it meet the strategic priorities outlined?</b></p>	<p>The funding of the programme and the delivery of the Guildford Economic Regeneration Programme will meet the Strategic Priorities by;</p> <ul style="list-style-type: none"> <li>• Leading to a positive impact on the supply of housing and a significant provision of affordable residential accommodation within the regeneration area</li> <li>• 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</li> <li>• Enabling Flood Alleviation / Defence Solutions that enables developable land to be created within the existing flood zones within the town centre</li> <li>• Improvement of Transportation with more balance towards walking, cycling, bus, pedestrian and rail with good inter modal interconnection and hub(s)</li> <li>• 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</li> <li>• Creation of a smart digital platform that is fit for the first half of the 21<sup>st</sup> Century</li> <li>• Delivering significant improvement in the Town Centre environmental quality for pedestrians and non-car users</li> </ul>
<p><b>A04. Explain the problem that is being addressed and why the project is necessary.</b></p>	<p>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.</p> <p>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. The pedestrian environment is poor; pedestrians are marginalised due to car dominance/priority and pedestrian/cyclist safety is compromised. The Council declared a climate emergency on 23<sup>rd</sup> July 2019 and the programme will prioritise environmental impact throughout the process.</p> <p>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.</p> <p>The town centre has a wide mix of retail however, North Street persistently underperforms with retail vacancy rates currently reaching over 20%. Modern office space remains vacant requiring the Council to question economic projects and re position employment opportunities.</p>

<p><b>A05. What are the critical success factors or KPI's of the project? ie which measures will you use to determine success?</b></p>	<ul style="list-style-type: none"> <li>• Stage 3 Milestone report presented to Executive</li> <li>• Completion of Business Case</li> <li>• Grant funding applications submitted</li> </ul>
<p><b>A06. What are the expected benefits or outcomes for local residents and businesses?</b></p>	<p>Guildford Borough Council has recognised for some time that it needs to prepare and implement a strategy for Guildford's Economic Regeneration otherwise it is very 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 Guilford 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><b>A07. Outline options considered or that will be considered for delivery of the project.</b></p>	<ol style="list-style-type: none"> <li>1. Cease current work thereby delaying the delivery of a strategy for the Economic Regeneration of Guildford town centre.</li> <li>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.</li> </ol>
<p><b>A08. Outline project dependencies eg with other projects or partner organisations.</b></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 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 partnerships will be formed with the One Estate in relation to feasibility studies and agreements will be structured with 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>

Appendix 3

<b>A09. Legal / statutory requirement?</b>	No
<b>A10. Legislative / statutory implications?</b>	No
<b>A11. Planning permission required?</b>	No
<b>A12. Building regulation required?</b>	No
<b>A13. Land acquisition required?</b>	No
<b>A14. Environmental consents?</b>	No
<b>A15. Highways / traffic consents?</b>	No
<b>A16. Details of other required consents.</b>	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 (£)
2022/23	Stage 3 GER Professional fees & surveys	1.53m					
2023/24	Stage 3 GER Professional fees & surveys	1.54m					
Choose an item.							
Choose an item.							
Choose an item.							
Choose an item.							
Choose an item.							

### B02. Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2022/23	1.53m	



2023/24	1.54m	
Choose an item.		
Choose an item.		
Choose an item.		

<b>B03. Outline the assumptions used to cost the project.</b>	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.
---	---

**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
2022/23	1.33m	0.200m	SCC Growth Bid, EA Funding
2023/24	1.34m	0.200m	SCC Growth Bid, EA Funding

**B06. Non Financial Benefits**

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

Social Value	<b>Improved Social Benefits</b>	Social and community improvements	2030
	Choose an item.		
	Choose an item.		
	Choose an item.		
	Choose an item.		
	Choose an item.		

## Section C – The Economic Case

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

<b>C04. Outline your assumptions in determining the economic benefits.</b>	<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>
<b>C05. Describe any other economic benefits.</b>	<p>Economic Regeneration benefits include;</p> <ul style="list-style-type: none"> <li>• Indirect benefit of programme acting as catalyst for employment opportunities and inward investment</li> <li>• Direct Benefit of improved place making in town centre with increased visitor attractiveness and dwell time</li> <li>• Direct Benefit of improved provision of leisure, tourism and culture amenity</li> <li>• Direct Benefit of improved green / blue environment by opening up of River Wey</li> <li>• Direct benefit of transportation modal shift and better access for pedestrians and cyclists</li> <li>• Direct benefit of addressing flood risk</li> <li>• Direct benefit in reduction of impact of gyratory and traffic routes on town centre users</li> </ul>

## Section D – The Commercial Case

<b>D01. Outline any procurement requirements.</b>	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.
<b>D02. Outline preferred procurement route / strategy.</b>	Compliance and best value for money will be continually reviewed throughout the 3 stages.
<b>D03. Outline key procurement risks.</b>	Stage 3 requires Procurement Exemptions.

---

## Section E – The Management Case

### E01. High Level Project Timetable

Item	Stage of Project	Start Date	Finish Date
GER Stage 1	Gateway 1	01/11/2020	30/07/2021
GER Stage 2 -current	Gateway 2	01/08/2021	30/06/2022
GER Stage 3– subject bid	Gateway 3	01/07/2022	31/12/2023

### 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, Green King.

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, Debenhams redevelopment and Station Redevelopment
Planning Policy	Failure to agree principles to amend Town Centre policy
Funding	Failure to produce robust Business Case and achieving Government grant awards

<p><b>E04. Provide high level details of proposed project management arrangements &amp; project team (please use post names / titles rather than naming individuals).</b></p>	<p>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;</p> <p><b>Gateway 1</b>  Procurement of professional team  High Level Strategic Appraisal of constraints &amp; opportunities</p> <p>Consideration of Development Plan document process  Report to Executive</p> <p><b>Gateway 2</b>  Communications/Stakeholder engagement plan  Development of options and concepts  Preparation of Business Case  Submission of Grant applications</p> <p><b>Gateway 3</b>  Grant Funding Award  Land &amp; relocation agreements  Transportation/Traffic initiatives  Planning Strategy  Pre- Planning application design for flood &amp; Highways</p> <p>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.</p> <p>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 in Appendix 1.</p> <p>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;</p> <p>Master Planner; David Leonard Design  Development Advisor; JLL  Flood Advisor; Ove Arup  Project Manager; Gleeds  Cost Consultant; Gardener &amp; Theobald  Strategic Transport; Markides  Infrastructure; Aecom</p>
---	---

	<p>Highways; Ove Arup          Planning Consultant; Carter Jonas          Lawyer; Trowers &amp; Hamlins          Sustainability; Aecom (tba)</p> <p>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 in Appendix 1.</p> <p>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;</p> <ul style="list-style-type: none"> <li>• Establishing the detail of Scope</li> <li>• Control of Change</li> <li>• Timescale</li> <li>• Cost, Benefits and Quality.</li> </ul> <p>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</p> <p>The Scope of the Regeneration Lead Role within the Senior Management Team will include;</p> <ul style="list-style-type: none"> <li>• Setting the Project Plan</li> <li>• Review of the progress by Exception</li> <li>• Agreeing the Objectives, Scope, Quality, Timescale and Cost Controls for the Sub Project Work Streams</li> <li>• Procurement of the Sub Project Teams</li> <li>• Review and advise on the adherence to the objectives of the Project Plan and the delivery of Critical Success Factors</li> <li>• Strategic Advice and Recommendations regarding land transactions, revenue opportunities, stakeholder communications and Business Case financial management</li> </ul> <p>The Scope of the Project Management Role within each sub Project Workstream will cover;</p> <ul style="list-style-type: none"> <li>• Professional Team Management</li> <li>• Project Monitoring and Evaluation Reporting</li> <li>• Sub Project Issues and Risk Reporting</li> <li>• Project Controls; Budget/Cost</li> <li>• Change &amp; Programme</li> <li>• Weighted Risk</li> </ul>
<p><b>E05. Provide a brief outline of key stakeholders eg who they are and how they will be engaged.</b></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><b>E06. Will any public consultations be required? If so, provide a brief outline.</b></p>	<p>Public Consultations will be undertaken as part of the Engagement process. A Stakeholder matrix and an initial programme of consultation with stakeholder groups will be implemented.</p>
<p><b>E07. How will the project be evaluated post implementation?</b></p>	<p>As part of the Financial Case within the Business plan to be delivered in Stage 3 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>

This financial model development will become part of the grant funding documentation and along with agreements entered into with landowners and stakeholders, will clearly define the intent of the plan and its parameters for successful delivery

**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"> <li>- <b>Endorsement of Stage 2 Report and Approval to commence Stage 3</b></li> <li>- <b>Endorsement of Stage 3 Report and Business Case</b></li> </ul>	<p><b>August 2022</b></p> <p><b>December 2023</b></p>
Borough, Economy and Infrastructure Executive Advisory		
Society, Environment and Council Development Executive Advisory		
Overview and Scrutiny		
Planning		
Licensing		
Corporate Governance and Scrutiny		

**Mandate Proposal – capital bid for Stoke Park Paddling Pool 8 October 2022**

**Introduction and background**

We are seeking capital funding to replace the Stoke Park paddling pool rubber crumb surface. The surface is now five years old, and the crumb is delaminating and blocking the pool filters. This is causing significant operational difficulties and we are not certain that we can operate the pool for a further season without a breakdown occurring. We need to install a new surface during April 2022 to be able to open the paddling pool for next year.

**1. Why should a project be started now?**

This is a bid for capital funding and the project will then need to be tendered before it can be implemented on site. We need to start the project now to have any chance of completing all stages in time for the first week of May 2022, when the paddling pool traditionally opens. There remain several risks with this programme, including speed of procurement, legal input, and availability of materials, including marquess needed to keep the pool dry while the work is carried out.

**2. What is the good idea or problem to be solved?**

The wetpour paddling pool surface is near the end of its life and needs replacing. It is causing problems with the two filters in the pool plant room by blocking the sand filter media with blue rubber pieces from the pool wetpour surface. This leads to frequent backwashing of the filters to dislodge some of the rubber crumb, using lots of water, and reducing the effectiveness of the filtration process for several hours until the sand in the filters settles again. Ideally backwashing should only happen once a day, but we are now backwashing every few hours to keep the water in a hygienic state. The only way to completely remove the rubber crumb from the filters is to change the sand in them to new sand and dispose of all the old sand. This is not possible while the pool is operating, it would have to be closed, and is expensive and wasteful.

**3. What is the purpose of the project? What will be delivered? What are the success criteria?**

The purpose is to replace the surface on the Stoke Park paddling pool, allowing it to continue to operate and provide a popular free facility to residents. Ideally, we are seeking to find a surface that will not delaminate in the future, but we are also mindful of the public experience of changing the surface to something that is perceived to be 'less child friendly'.

The priorities have been established as financial and environmental. We have chosen to replace the wetpour with a fiberglass surface that will seal the pool. This surface does not delaminate and will stop all problems with rubber crumb polluting the pool filters and can include the existing attractive and child friendly seascape design. It has a 5-year guarantee and an estimated life span of 25 years. Initially, it is more expensive to install than replacing the current wetpour surface with a new wetpour surface, but wetpour has been shown to only last a few years before it starts to shed rubber pieces. By year 6, we would be looking to replace it once again, and rubber is not environmentally friendly to dispose of.

The fiberglass requires no maintenance other than repairs if vandalism occurs (as does wetpour). It also seals the surface in a way wetpour does not, helping to prevent the risk of leaks.

In terms of cost, we have estimated that fiberglass will cost around twice as much to install as wetpour. However, it will reduce the operational time and cost of frequent backwashing (saving water, chemicals and freeing up staff time caused by the rubber crumb in the filters) caused by rubber in the filters, it will not require the staff resource to tender a surface every 5 to 6 years, it will not create a huge volume of rubber

Agenda item number: 8  
Appendix 3

to be taken to landfill every 5 to 6 years and it will be less expensive over the course of 20 years than replacing wetpour 3 or 4 times in that time.

The disadvantages are that it is a hard surface, so from the public's use point of view, it will not feel as comfortable for small children to use. It has a slightly rough texture to prevent slippiness rather than the slightly cushioned feel of wetpour. It should be noted though that fiberglass has been used at another site at Cuckfield Recreation Ground in West Sussex, where they report no problems during the first season. The majority of public paddling pools seem to have bare concrete surfaces. This surface has been dismissed as an option for reasons of customer satisfaction, aesthetics and has no advantages in terms of sealing potential leaks.

4. What priority, corporate objective or strategy is fulfilled by this project?

This project ensures that a popular leisure facility continues to operate and therefore fulfills the 'Community' vision to enhance recreational facilities.

5. What are the strategic options available to GBC to deliver a solution?

- 1 – capital fund a new surface
- 2 – do nothing - continue to run the paddling pool as it is, leading to increasingly poor water quality, high water use, closure during the summer months if the filters become too clogged to cope or the water fails hygiene tests.
- 3 – close the paddling pool and save the revenue cost of running it, estimated to be around £20,000 per annum.

6. Who are the lead Director and Service Manager and portfolio Holder (Cllr) who will lead and direct the project and use the products in live service

Service Director, Ian Doyle; Service Manager, Jonathan Sewell; Lead Cllr, Cllr James Steel.

7. What impact assessments have been undertaken? What are the impacts on other service leaders or projects?

No impacts on other services

8. What general approach will be taken to deliver?

A design and build specification will need to be written and tender will need to be prepared. I have already asked for the tender documents to start to be drafted. The tender will need to be advertised as soon as the budget is confirmed, or sooner preferably. If we must wait for the budget to be confirmed before advertising the tender, this will only leave us with two to three months to tender, agree and sign a contract with the awarded contractor, mobilise the contractor and carry out the work (February to April).

The project will need to be project managed and communications with residents managed, especially in the event of any delay resulting in a delay to the pool opening date.

9. When and why must the project start?

The works must take place during April 2022 or the pool opening will be delayed into the summer with resulting public criticism at the loss of access to a very popular facility.



10. What stakeholders will need to be involved?
Parks staff including the Ranger Team, ward/lead councilors, PR and Comms, and appointed contractor.
11. What resources (internal and external) are needed to consider this mandate and to develop the business case?
<ul style="list-style-type: none"> <li>• Capital bid process (Finance)</li> <li>• Draft spec and evaluation documents and review and agree tender documents (Parks)</li> <li>• Draft the tender documents, advertise and process the tender (Procurement)</li> <li>• Production of a contract for the chosen contractor (Legal Services)</li> <li>• Selection of a contractor and project management of the works (Parks)</li> <li>• Communications with stakeholders (Comms Team and Parks)</li> </ul>
12. What Rough Order of Magnitude (ROM) are the likely Whole Life Costs (WLC) of the project and live service? What are the potential resource costs to progress to the next stage/gate?
The cost is estimated to be £170,000 for the fiberglass surface, based on a quotation from one supplier. Note: suppliers are limited as this is a relatively new way of surfacing pools. There are no other capital costs. There are no additional maintenance costs, nor are there any savings on maintenance. There is no budget in place for the surface and maintenance is reactive, according to issues like vandalism.
13. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks
Issues – we are seeking funding from the Council’s capital program for 2022/23
Assumptions – There is an assumption that... <ul style="list-style-type: none"> <li>• The Stoke Park paddling pool is considered an important leisure facility that needs to be maintained rather than closed</li> <li>• We wish to minimise the revenue costs and the environmental issues of running the pool where we can.</li> </ul>
Dependencies – <ul style="list-style-type: none"> <li>• The paddling pool attracts a large footfall into Stoke Park Gardens. If the pool is not maintained or closed, there will be a reduction in visitors to other facilities such as the mini golf and the café and possibly further afield into the town centre.</li> </ul>
Constraints – <ul style="list-style-type: none"> <li>• There is a time constraint. The funding and procurement must complete in time for the contractor to mobilise and complete the work in time for a May opening, when residents will expect to have access to the operating pool.</li> <li>• There is a weather constraint as the surfacing is likely to require the temperature to be at a certain level, not too cold or hot, and dry conditions to progress on site. We have included the cost of erecting marquees to deal with the issue of keeping the pool dry while the fiberglass is installed.</li> </ul>
Opportunities – <ul style="list-style-type: none"> <li>• To choose a surface that will not lead to further filter problems or further material wastage or require as frequent replacement as the current surface.</li> </ul>

Risks –

- In choosing an option that prevents further rubber in the filters, users of the pool will be disappointed and unhappy, seeing the replacement surface as harder and less 'safe' than the current wetpour surface.
- the work will not be completed in time for an early May opening causing considerable public criticism of the Council. The paddling pool is very popular and there is little understanding of the time and resource needed to operate it and open it each season. **This risk could be minimised if the capital funding is agreed from the contingency budget now, so the tender can proceed sooner.**

14. Reviewer List:

Involved or sighted so far and to be updated on changes:

- Procurement is already instructed to prepare tender documents

Next to be consulted

- CMT
- Councillors – Lead and ward Cllrs
- Head of Culture, Heritage and Leisure – Jonathan Sewell
- Finance – Victoria Worsfold
- Legal – Diane Owens
- Procurement – Faye Gould
- Service Delivery Director - Ian Doyle
- Head of Operational and Technical Services – Chris Wheeler

15. CMT Direction

Next steps: Dependent on capital funding

<b>Mandate Proposal</b> <b>St Peter and St Paul’s Church, Albury</b>	
<b>Introduction and background</b>	
<p>The old parish church of St Peter and St Paul is a Grade 1 listed structure located within the Albury Estate to the south east of Guildford. It is set within a burial ground that is enclosed by a substantial brick and flint boundary wall.</p> <p>The Council does not own the wall or the land that it surrounds but, as the cemetery is closed to further burials and following a formal request to do so, it has a statutory obligation to maintain it under the Local Government Act 1972.</p>	
<b>1. Why should a project be started, or growth bid considered now?</b>	
To fulfil the Council’s statutory obligations to maintaining closed burial grounds by substantially repairing a dilapidated boundary wall.	
<b>2. What is the good idea or problem to be solved?</b>	
The boundary wall to the cemetery of the church is dilapidated and in need of repair.	
<b>3. What will be delivered? What are the success criteria? What is the purpose of the project?</b>	
The purpose of this project is to design an appropriate repair to the dilapidated boundary wall, seek Listed Building consent for the repair, engage a suitably experienced specialist contractor and implement the repair work to return the structure to a safe condition.	
<b>4. What priority, corporate objective or strategy is fulfilled by this project?</b>	
The proposed work does not specifically address a corporate objective or strategy. It does, however, fulfil a statutory obligation to maintain closed burial grounds under the Local Government Act 1972.	
<b>5. What are the strategic options available to GBC to deliver a solution?</b>	
<p>As a project designed to repair and maintain an existing structure, there are few alternatives to affecting an approved repair in the manner described.</p> <p>Whilst the option of doing nothing always exists, in this case there is a significant risk to the Council’s legal position as it has an obligation to maintain this structure.</p>	
<b>6. Who are the lead Director and Service Manager and portfolio Holder (CIr) who will lead and direct the project and use the products in live service</b>	
<p>Whilst responsibility for closed burial grounds lies with Bereavement Services, the work will be managed and undertaken by building surveyors of the Asset Management team. As such, the relevant leads for that team are as follows:</p> <p>Dawn Hudd –Strategic Services Director Marieke van der Reijden –Head of Asset Management</p>	
<b>7. What impact assessments have been undertaken? What are the impacts on other service leaders or projects?</b>	
Not applicable.	

Agenda item number: 8  
Appendix 3

<b>8. What general approach will be taken to deliver?</b>			
<p>The proposal will be to employ a conservation architect to design the necessary repair work and obtain the necessary Listed Building consent.</p> <p>The project will be managed in-house by a member of the Building Surveying team.</p>			
<b>9. When and why must the work/project start?</b>			
<p>The nature of the work and the materials involved dictates that it must be undertaken between spring and autumn. It is not yet known how long the work itself will take but we know from experience that the design work and obtaining Listed Building consent can be a lengthy process. To that end, we are proposing to procure the specialist consultants in the spring so that the design work can commence.</p>			
<b>10. What stakeholders will need to be involved?</b>			
<p>We will co-ordinate the work with the custodians of the burial ground, the Friends of Albury Old Saxon Church.</p> <p>The site is located wholly within the grounds of the Albury Estate and, as such, we will have to seek their permission and arrange access to undertake the work.</p>			
<b>11. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?</b>			
<p>The work will be managed by a building surveyor in the Asset Management team.</p> <p>Input will be required from our colleagues in Procurement to assist with tendering for the work and our Legal colleagues for putting the necessary contracts in place.</p> <p>Externally, we will require the input of a specialist conservation architect in connection with the design and management of the project. We will also require the services of an external CDM coordinator to oversee compliance with the Construction (Design and Management) Regulations 2015.</p>			
<b>12. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.</b>			
<p>The following breakdown represents the design of the repair work, undertaking the work itself and release of retention 12 months after completion. We don't have specific quotes as yet, but is based on experience with similar projects in the last three years.</p>			
<b>Year</b>	<b>Capital Total (£)</b>	<b>Revenue Total (£)</b>	<b>Income Total (£)</b>
2022/23	57,000		
2023/24	3,000		

<p>12a. For projects, what are the potential resource costs to progress to the next stage/gate?</p>
<p>Subject to financial approval, the next stage of this project is to design the repair works and seek the necessary approval to proceed. For that we will require the input of external consultants together with officer time to manage the process. We estimate the cost of this exercise to be in the region of £5-£10k.</p>
<p>13. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks</p>
<p>Assumptions –</p> <p>It is assumed that GBC will fulfill its obligations to maintain closed burial grounds as required by the Local Government Act 1972.</p> <p>Legal are reviewing ownership of the site.</p>
<p>Constraints –</p> <ul style="list-style-type: none"> <li>• Undertaking work of this nature is very weather dependent because of the lime mortar to be used. Significant rainfall or very low temperatures will have a detrimental impact on the ability to complete the work and it is for this reason that it must be undertaken during the summer and autumn months.</li> <li>• The site is located entirely within the grounds of the Albury Estate and the wall forms the boundary between their property and the church. We must liaise with them to gain the necessary access to undertake the works.</li> </ul>
<p>Risks –</p> <p>There are a number of broad risks associated with the project beyond those normally attributed to construction work:</p> <ul style="list-style-type: none"> <li>• The boundary walls may deteriorate to the point that they become unsafe. Whilst the site is a restricted location and poses no risk to the general public, it may impact on the ability of the site custodians to undertake their normal activities.</li> <li>• It is difficult to determine the exact extent of the work required until the structure is dismantled. This is mitigated by contingency allowances in this proposal.</li> <li>• The work is very susceptible to the effects of poor weather. This is mitigated by project planning to take advantage of the typically drier months but also by contingency allowances in this proposal.</li> </ul>
<p>14. Reviewer List:</p>
<p>Involved or sighted so far and to be updated on changes:</p> <ul style="list-style-type: none"> <li>• Marieke van der Reijden, Head of Asset Management</li> </ul> <p>Next to be consulted:</p> <ul style="list-style-type: none"> <li>• Vicky Worsfold, Lead Specialist (Finance) &amp; Deputy s151 Officer</li> <li>• Chris Wheeler, Head of Operational &amp; Technical Services</li> </ul>
<p>15. CMT Direction</p>
<p>Next steps: Not applicable</p>

## **Mandate Proposal Chilworth Gunpowder Mills**

### **Introduction and background**

Chilworth Gunpowder Mills is a 27 acre site on the edge of the village of Chilworth in the Tillingbourne Ward. Spread across the site are the ruins of numerous features that comprised gunpowder mills from the 17<sup>th</sup> century until it's closure in 1920. It is one of the best remaining examples of this type of industry and has been designated as a Scheduled Ancient Monument by Historic England.

During 2019 and 2020 we undertook substantial renovation and repair work to various structures and features across the site. During that work, a significant defect was discovered with a stone culvert and spillway beneath the main access path into the site.

### **1. Why should a project be started, or growth bid considered now?**

The problem identified by this proposal is a health and safety risk to members of the public and our own staff. It has the potential to prevent access to a site which is both an important local amenity and of national significance.

### **2. What is the good idea or problem to be solved?**

A significant defect has been identified with a stone culvert and spillway beneath the main access path into the site. Both features have failed structurally with the potential for the path above to collapse. As well as being used by members of the public walking into the site, this path is the only point of vehicular access and is used in that capacity by our Parks team when undertaking general site maintenance.

Because of the scale of the work that will be required to affect a repair and the need to obtain the permission of Historic England for that work, temporary measures have been put in place to reduce the burden on the structure and protect users of the site. These include a sandbag dam to divert water away from the structure and prevent further soil erosion, Heras fencing to prevent public access to the spillway and roadway matting to better spread vehicular loads when crossing the structure.

### **3. What will be delivered? What are the success criteria? What is the purpose of the project?**

The purpose of this project is to design an appropriate repair to the failed structures, seek approval to do so from Historic England, engage a suitably experienced specialist contractor and implement the repair work to return the structures to a safe condition.

### **4. What priority, corporate objective or strategy is fulfilled by this project?**

The proposed work does not specifically address a corporate objective or strategy. It does, however, resolve a potential health and safety concern and meet our legal obligation to maintain historic structures that are in our care.

### **5. What are the strategic options available to GBC to deliver a solution?**

As a project designed to repair and maintain an existing asset, there are few alternatives to affecting an approved repair in the manner described.

Whilst the option of doing nothing always exists, in this case there are significant risks to both health and safety and to the Council's legal position as it has an obligation to maintain its historic assets. Not undertaking this work will ultimately lead to compromising access to the site and as it is a Scheduled Ancient Monument, may leave the Council open to legal challenge.

The Council is also open to criticism where it fails to protect its assets that have historic value.

<p>6. Who are the lead Director and Service Manager and portfolio Holder (Cllr) who will lead and direct the project and use the products in live service</p>
<p>Whilst the asset forms part of the Culture, Heritage &amp; Leisure Services portfolio, the work will be managed and undertaken by building surveyors of the Asset Management team. As such, the relevant leads for that team are as follows:</p> <p>Dawn Hudd –Strategic Services Director Marieke van der Reijden –Head of Asset Management</p>
<p>7. What impact assessments have been undertaken? What are the impacts on other service leaders or projects?</p>
<p>Not applicable.</p>
<p>8. What general approach will be taken to deliver?</p>
<p>As with the earlier work on the site, the proposal is to employ a structural engineer that specialises in work to ancient structures to design the necessary repair work. That will also include submission of a Scheduled Ancient Monument application to gain the required approval of Historic England.</p> <p>The unpredictable nature of the work also requires the services of a suitably experienced Quantity Surveyor.</p> <p>Project management will be dealt with in-house by a member of the Building Surveying team.</p>
<p>9. When and why must the work/project start?</p>
<p>We are monitoring the site for signs of deterioration, but it is impossible to predict when the structures may fail. There are ongoing influences from the weather, particularly the significant rainfall instances that we have experienced over the last few years. In that context, we can only recommend that the work is undertaken as soon as possible.</p> <p>The nature of the work and the materials involved dictates that it must be undertaken in the spring and summer months. It is not yet known how long the work itself will take but we know from experience that the design work and obtaining approval from Historic England can be a lengthy process. To that end, we are proposing to procure the specialist consultants in the new year so that the design work can commence.</p>
<p>10. What stakeholders will need to be involved?</p>
<p>We will co-ordinate the work our Parks colleagues.</p> <p>As undertaking the work will severely restrict access to the site, we will have to arrange for the public to be advised of the restriction and likely duration once the construction plan has been developed.</p>
<p>11. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?</p>
<p>The work will be managed by a building surveyor in the Asset Management team.</p> <p>Input will be required from our colleagues in Procurement to assist with tendering for the work and our Legal colleagues for putting the necessary contracts in place.</p> <p>Externally, we will require the input of a specialist structural engineer and a quantity surveyor in connection with the design and management of the project. We will also require the services of an external CDM coordinator to oversee compliance with the Construction (Design and Management) Regulations 2015.</p>

Agenda item number: 8  
Appendix 3

12. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.

The following breakdown represents the design of the repair work, undertaking the work itself and release of retention 12 months after completion. It is based on an estimate from QS from two years ago adjusted for inflation and is an all in cost – unable to break down further at the minute.

Year	Capital Total (£)	Revenue Total (£)	Income Total (£)
2022/23	175,000		
2023/24	5,000		
Choose an item.			
Choose an item.			

12a. For projects, what are the potential resource costs to progress to the next stage/gate?

Subject to financial approval, the next stage of this project is to design the repair works and seek the necessary approval to proceed. For that we will require the input of external consultants together with officer time to manage the process. We estimate the cost of this exercise to be in the region of £15-£20k.

13. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks

Assumptions –

It is assumed that GBC wishes to maintain the site as a public amenity and fulfill its obligations to maintain its historic assets.

Constraints –

Undertaking work of this nature is very weather dependent. This is partly because of the materials to be used but mainly because it involves excavations in a low-lying area adjacent to a river. Significant rainfall or very low temperatures will have a detrimental impact on the ability to complete the work and it is for this reason that it must be undertaken during the spring and summer months.

Risks –

There are a number of broad risks associated with the project beyond those normally attributed to construction work:

- The failed structures may deteriorate to the point that they become unsafe, which will in turn, severely restrict access to the site. If this occurs before work can commence then it may result in premature closure of the site.
- It is extremely difficult to determine the exact extent of the work until the failed structures have been exposed by excavation. This is mitigated by contingency allowances in this proposal and the engagement of a QS to accurately assess to costs associated with any variations.
- The work is very susceptible to the effects of poor weather. This is mitigated by project planning to take advantage of the typically drier months but also by contingency allowances in this proposal.



<b>14. Reviewer List:</b>
Involved or sighted so far and to be updated on changes: <ul style="list-style-type: none"><li>• Marieke van der Reijden, Head of Asset Management</li></ul> Next to be consulted: <ul style="list-style-type: none"><li>• Vicky Worsfold, Lead Specialist (Finance) &amp; Deputy s151 Officer</li><li>• Jonathan Sewell, Head of Culture, Heritage &amp; Leisure Services</li></ul>
<b>15. CMT Direction</b>
Next steps: Not applicable

<b>Mandate Proposal - Vehicle Capital Programme 2022/23</b>
<b>Introduction and background</b>
<p>We need to undertake vehicle purchases every year. Currently we are developing a 9 year vehicle by vehicle transition plan to a decarbonised fleet which is heavily dependant on a new depot with appropriate facilities from 2024. We intend to take this through a formal EAB and Exec process in the coming months. As such this programme is likely to be backloaded with significant expenditure from 2024 to 2030. Unfortunately, not all of our vehicles will last to 2024/05 reliably and in every year we always have an approved contingency fund to allow for changing/developing needs and emergency replacements. This is considered good practice to comply with the need to have sufficient funding to support our operator's licence.</p> <p>We have 9 dustcarts that are nearing 8 years old and replacing four of these and partially refurbishing the best of these 9 is likely to see our waste fleet into 2024/5 when we can be more ambitious with decarbonised dustcarts as the power infrastructure will be improved.</p> <p>We operate an EV by default policy and unlike 3 years ago when we were looking at a larger fleet of 14 dustcarts, there is increased supply and operation of EV dustcarts. We believe this is a viable option for part of our work and believe we can adequately power 4 of these from the current depot with a limited amount of investment. They are up to 75% more expensive than standard dustcarts but do generate an 80% reduction on energy/fuel costs and of course reduce carbon emissions and crucially start our journey in decarbonising our most polluting vehicles.</p> <p>The current plan is to purchase four EV dustcarts and undertake selective refurbishment of the remaining aged fleet. In addition, we are seeking to buy a small number of vans for operations, including toilet cleaning and street cleaning, again aiming for full EV.</p> <p>Budget estimates for all these changes and a contingency budget are set out below.</p>
<b>1. Why should a project be started now?</b>
This is an annual programme
<b>2. What is the good idea or problem to be solved?</b>
Replacement of ageing fleet
<b>3. What is the purpose of the project? What will be delivered? What are the success criteria?</b>
Replacement Vehicles
<b>4. What priority, corporate objective or strategy is fulfilled by this project?</b>
The vehicles are critical to service delivery
<b>5. What are the strategic options available to GBC to deliver a solution?</b>
Replace the vehicles or seek to extend those planned for replacement
<b>6. Who are the lead Director and Service Manager and portfolio Holder (Cllr) who will lead and direct the project and use the products in live service</b>
Ian Doyle, Chris Wheeler and James Steel respectively
<b>7. What impact assessments have been undertaken? What are the impacts on other service leaders or projects?</b>
N/A
<b>8. What general approach will be taken to deliver?</b>

Standard specification and procurement process using appropriate frameworks where possible.
<b>9. When and why must the project start?</b>
January 2022 to ensure replacement vehicles are purchased to replace fleet vehicles identified for replacement in late 2022
<b>10. What stakeholders will need to be involved?</b>
Procurement, Legal and relevant services
<b>11. What resources (internal and external) are needed to consider this mandate and to develop the business case?</b>
All internal – Fleet, Procurement, Legal and relevant services
<b>12. What Rough Order of Magnitude (ROM) are the likely Whole Life Costs (WLC) of the project and live service?</b>
What are the potential resource costs to progress to the next stage/gate?
£2.5m – allowing £1.4m for 4 Electric dustcarts, £100k for associated infrastructure, £100k for refuse vehicle modifications £150k for general fleet vehicles – mainly vans and any balance to sit with any carry over as an approved contingency fund for emerging needs or vehicle failure requiring urgent purchase. It is intended to incorporate the current provisional budget of £780k from 2021/22 into this approved sum of £2.5m for 2022/3
<b>13. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks</b>
Issue – We have 9 dustcarts that are 8 years old and needing replacement and a small number of vans that need replacing in 22/23, we want to move to EV but have limited power infrastructure. We want to extend existing fleet life as far as possible to allow time for the new depot to be built with the appropriate infrastructure. By buying 4 EV dustcarts and adjusting the remaining fleet we will be able to extend the life of the remaining fleet and therefore shift investment into more EVs in 24/25 when we are in a new depot with improved power infrastructure.
Assumptions – There is sufficient power to recharge these vehicles in our current depot. That available EV dustcarts are fit for purpose – if they are not we will revert to standard diesel on a 7 year life.
Dependencies - Build of appropriate infrastructure – this infrastructure to be moveable to new depot if possible.
Constraints – Depot power infrastructure, vehicle operational outputs
Opportunities – There is an opportunity to introduce more EV vehicles and make a strong step towards a decarbonised fleet
Risks – There is a risk that there are power failures resulting in operational failure, that the vehicles do not have sufficient range to complete the scheduled work.
<b>14. Reviewer List:</b>
Involved or sighted so far and to be updated on changes: <ul style="list-style-type: none"> <li>• Waste Services, Fleet</li> </ul>
Next to be consulted <ul style="list-style-type: none"> <li>• Procurement, legal and other services needing replacment vehicles in 2022/23</li> </ul>
<b>15. CMT Direction</b>
Next steps:

## Mandate Proposal – YMCA area Lighting

### Introduction and background

1. Why should a project be started, or growth bid considered now?

As a council we required to provide safe environment, the present lighting by the YMCA steps is poor (over 30 years old).

2. What is the good idea or problem to be solved?

It is a good idea in that we can improve on the existing to improve the lighting by upgrading to LED colour changing fittings. Also, it is a problem solved as the present lights are failing and we need to ensure safety of the public. The Council owns these lights and pays for the electricity to the lights.

3. What will be delivered? What are the success criteria? What is the purpose of the project?

The project will deliver new more energy efficient and better lighting. The success criteria and the purpose of the project is to provide safe environment for public, this well used walk through from the railway station.

4. What priority, corporate objective or strategy is fulfilled by this project?

This project will meet our requirement to provide a safe environment.

5. What are the strategic options available to GBC to deliver a solution?

The option could be to try maintaining the existing lights and replace them on as they fail. However, in the long run it will cost more and we also could a mixture of different lights not helping to improve the environment.

6. Who are the lead Director and Service Manager and portfolio Holder (Cllr) who will lead and direct the project and use the products in live service

Service Lead is Chris Wheeler, Head of Operational and Technical Services. Director is Ian Doyle and Lead Councillor is James Steel.

7. What impact assessments have been undertaken? What are the impacts on other service leaders or projects?

Impact of unlit or poorly lit amenity make the area unsafe, and there is an associated reputational and possible anti-social behaviour.

8. What general approach will be taken to deliver?

Works will be tendered via the Councils normal procurement route using JCT form tender/contract. The successful contractor will upgrade lights as per specification.

9. When and why must the work/project start?

We propose the work on scheme is started in April 2022 with new lights installed by end of July 2022.

10. What stakeholders will need to be involved?

General Public

11. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?

Review from Legal, Finance, Procurement and Assets

12. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.

Year	Capital Total (£)	Revenue Total (£)	Income Total (£)
2022/23	24,000		

<b>12a. For projects, what are the potential resource costs to progress to the next stage/gate?</b>
Electrical Engineers, procurement and legal team in producing procuring document for tender, plus other staff input
<b>13. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks</b>
Issue – There is an issue that works will need to be arranged in a busy public area which provides all H & S risk that are associated with this. Proper H & S plan with comprehensive risk assessments and method statements will be required by the successful contractor
Assumptions – There is an assumption that we will be able upgrade the lighting that will provide better environment.
Dependencies – There is a dependency on successful external contractor performing and delivering, this can mitigate by being diligent at procurement stage
Constraints – A constraint of working in a busy public area as already highlighted.
Opportunities – There is an opportunity to improve the environment with new lights and providing safe thoroughfare
Risks – There is a risk that present lights fail leading to issues of complaints from public and unsafe area
<b>14. Reviewer List:</b>
Involved or sighted so far and to be updated on changes: <ul style="list-style-type: none"> <li>• Operational and Technical Services</li> <li>• Finance</li> <li>• Strategy and Communications</li> </ul> Next to be consulted <ul style="list-style-type: none"> <li>• Assets</li> <li>• Legal</li> <li>• Procurement</li> </ul>
<b>15. CMT Direction</b>
Next steps: Capital Bid Funding approval

## Mandate Proposal – Millmead House lifts

### Introduction and background

1. Why should a project be started, or growth bid considered now?

Under our DDA requirements we need to provide a safe and reliable lifts

2. What is the good idea or problem to be solved?

It is a problem solved. The present lifts with upgrade are nearly 40 years old. We now have lifts failing and they are in need of an upgrade.

3. What will be delivered? What are the success criteria? What is the purpose of the project?

The project will deliver new more reliable lifts. The success criteria and the purpose of the project is to provide safe and reliable lifts meeting our DDA obligation as well

4. What priority, corporate objective or strategy is fulfilled by this project?

This project will meet our requirement to provide safe and reliable lifts complying the DDA requirements.

5. What are the strategic options available to GBC to deliver a solution?

The option could be to try maintaining the existing lifts and repair them on as they fail. However, in the long run, it will cost more as lift industry is very expensive market for repairs.

Also, the failure of one lift also increases the workload on the second lift this could lead to both lift being out for a period of time.

6. Who are the lead Director and Service Manager and portfolio Holder (Cllr) who will lead and direct the project and use the products in live service

Service Lead is Chris Wheeler, Director is Ian Doyle. Lead Councillor is Cllr James Steel.

7. What impact assessments have been undertaken? What are the impacts on other service leaders or projects?

The impact of no lift working for a period of time could mean we are not complying our DDA requirements

8. What general approach will be taken to deliver?

Works will be tendered via the Councils normal procurement route using JCT form tender/contract. The successful contractor will renew the lifts as per specification.

9. When and why must the work/project start?

We propose the work on scheme is started in April 2022 with new lifts installed by end of March 2023, previous experience has shown that lift industry lead-in time are long.

10. What stakeholders will need to be involved?

Millmead House staff and members.

External tenants of Millmead house

11. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?

Capital growth bid funding

Review from Finance, Procurement, Legal and Assets teams

12. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.

Year	Capital Total (£)	Revenue Total (£)	Income Total (£)
2022/23	200,000		
Choose an item.			
Choose an item.			

Choose an item.				
The cost is based on previous works inflated to bring up to current prices				
<b>12a. For projects, what are the potential resource costs to progress to the next stage/gate?</b>				
Electrical Engineers, procurement and legal team in producing procuring document for tender, plus other staff input.				
<b>13. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks</b>				
Issue – There is an issue that works will need to be arranged in a busy public office which provides all H & S risk that are associated with this. Proper H & S plan with comprehensive risk assessments and method statements will be required by the successful contractor				
Assumptions – There is an assumption that we will be able renew the lifts that help the council to meet its obligations to Millmead House staff.				
Dependencies – There is a dependency on successful external contractor performing and delivering, this can mitigate by being diligent at procurement stage				
Constraints – A constraint of working in a busy public office as already highlighted.				
Opportunities – There is an opportunity to improve our asset and provide safe reliable lifts				
Risks – There is a risk that present lifts failing leading to long lead-in time to arrange the lifts to be repaired at high costs.				
<b>14. Reviewer List:</b>				
Involved or sighted so far and to be updated on changes: <ul style="list-style-type: none"> <li>• Operational and Technical Services</li> <li>• Finance</li> <li>• Strategy and Communications</li> </ul> Next to be consulted <ul style="list-style-type: none"> <li>• Legal</li> <li>• Procurement</li> <li>• Assets</li> </ul>				
<b>15. CMT Direction</b>				
Next steps: Capital Growth bud funding approval				

## Mandate Proposal - Yorkies Bridge lighting

### Introduction and background

1. Why should a project be started, or growth bid considered now?

As a council we required to provide safe environment. The present lighting on Yorkies Bridge and leading to it is poor (nearly 30 years old) and constantly failing.

2. What is the good idea or problem to be solved?

It is a good idea in that we can improve on the existing to improve the lighting by upgrading. Also, it is a problem solved as the present lights are failing and we need to ensure safety of the public. This area is heavily used by University students, recently we even had MP enquiry on the failure of the lights. These lights were installed by the Council some time ago, and we have therefore maintained them.

3. What will be delivered? What are the success criteria? What is the purpose of the project?

The project will deliver new more energy efficient and better lighting. The success criteria and the purpose of the project is to provide safe environment for public, this well used walk through by University students.

4. What priority, corporate objective or strategy is fulfilled by this project?

This project will meet our requirement to provide a safe environment.

5. What are the strategic options available to GBC to deliver a solution?

The option could be to try maintaining the existing lights and replace them on as they fail. However, in the long run it will cost more. We also could a mixture of different lights but this wouldn't help improve the environment.

6. Who are the lead Director and Service Manager and portfolio Holder (Cllr) who will lead and direct the project and use the products in live service

Service Lead is Chris Wheeler, Head of Operational and Technical Services. Director is Ian Doyle and Lead Councillor is James Steel.

7. What impact assessments have been undertaken? What are the impacts on other service leaders or projects?

Impact of unlit or poorly lit amenity make the area unsafe and there is an associated reputational risk.

8. What general approach will be taken to deliver?

Works will be tendered via the Councils normal procurement route using JCT form tender/contract. The successful contractor will upgrade lights as per specification.

9. When and why must the work/project start?

We propose the work on scheme is started in April 2022 with new lights installed by end of July 2022.

10. What stakeholders will need to be involved?

General Public

11. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?

Review from Finance, Legal, Procurement and Assets

12. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.

Year	Capital Total (£)	Revenue Total (£)	Income Total (£)
2022/23	20,000		
Choose an item.			
Choose an item.			
Choose an item.			



<b>12a. For projects, what are the potential resource costs to progress to the next stage/gate?</b>
Electrical Engineers, procurement and legal team in producing procuring document for tender, plus other staff input
<b>13. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks</b>
Issue – There is an issue that works will need to be arranged in a busy public area which provides all H & S risk that are associated with this. Proper H & S plan with comprehensive risk assessments and method statements will be required by the successful contractor
Assumptions – There is an assumption that we will be able upgrade the lighting that will provide better and safer environment.
Dependencies – There is a dependency on successful external contractor performing and delivering, this can mitigate by being diligent at procurement stage
Constraints – A constraint of working in a busy public area as already highlighted.
Opportunities – There is an opportunity to improve the environment with new lights and providing safe thoroughfare
Risks – There is a risk that present lights fail leading to issues of complaints from public and unsafe area
<b>14. Reviewer List:</b>
Involved or sighted so far and to be updated on changes: <ul style="list-style-type: none"> <li>• Operational and Technical Services</li> <li>• Finance</li> <li>• Strategy and Communications</li> </ul> Next to be consulted <ul style="list-style-type: none"> <li>• Assets</li> <li>• Legal</li> <li>• Procurement.</li> </ul>
<b>15. CMT Direction</b>
Next steps: Capital Growth Bid Funding approval

<b>Capital Bid Mandate Proposal - Bereavement Services (Memorial Wall)</b>
<b>Author: Ann Carroll on behalf of Natasha Precious</b>
<b>Introduction and background</b>
<p>This Mandate is to request <b>Capital bid</b> to complete a Memorial walls and garden, landscaping, and associated ground works.</p> <p>When the New Crematorium was planned, part of the funding was to include a memorial wall and garden, where all the existing plaques and tablets (170) would be replaced. However, the costs of the redevelopment for the Crematorium were more than planned and the money set aside for the Memorial wall/garden was used.</p> <p>When removing the plaques from the existing structure the Council made a commitment to families that the Council would provide new options for their plaques/tablets. Already the Council have had to provide refunds while their plaques are not displayed.</p> <p>The existing structure cannot be used especially for heavier plaques as the contractors won't guarantee as water is coming up through the ground which makes the wall unsafe for this purpose.</p> <p>Therefore, the purpose of this Capital Bid is to ask for funding to</p> <ul style="list-style-type: none"> <li>• Implement memorial structures to accommodate the different types of existing plaques/tables and new ones going forward</li> <li>• Landscaping of grounds around the memorial structures</li> <li>• Some Tarmacking and works to make safe the existing structure</li> </ul>
<b>1. Why should a project be started, or a growth bid be considered now?</b>
<ul style="list-style-type: none"> <li>• This work was an integral part of the Crematorium Redevelopment plan but was not carried through.</li> <li>• The Council need to be sensitive to our families who we made a commitment to providing a memorial to display their existing plaques/tablets</li> <li>• If we have the correct structure it can be a Potential income generator for new plaques/tablets</li> <li>• We also aim to follow industry ICCM standards which this will allow us to work towards</li> </ul>
<b>2. What is the good idea or problem to be solved?</b>
<p>The Council will relocate the memorials for families who can then start to visit their plaques/tablets again It could provide income generation for a number of years for new plaques/tablets</p>
<b>3. What will be delivered? What are the success criteria? What is the purpose of the project?</b>
<p>Memorial garden extension to accommodate old style memorial plaques and tablets (approx. 170) &amp; provide additional modern memorial options for future families</p>
<b>4. What priority, corporate objective or strategy is fulfilled by this project?</b>
<p>Providing customer service delivery &amp; potential revenue opportunities</p>

<p>5. What are the strategic options available to GBC to deliver a solution?</p>
<p><b>Memorial Structures &amp; garden</b>  <b>Option 1</b> – Implement as planned (memorial structures and garden and landscaping and ground works) which we committed to do with existing families  <b>Option 2</b> – Scale project back to just build a structure to accommodate existing tablets and plaques but will still require works and funding  <b>Option 3</b> – The Council do nothing – renege on agreement with families &amp; would have to be compensated, also a loss of confidence in service, potential PR issues which could have further knock on to future business.   <b>Option 1 is our preferred option.</b></p>
<p>6. Who is the lead Director and Service Manager and portfolio Holder (Cllr) who will lead and direct the project and use the products in live service</p>
<p>Ian Doyle – Director of Service Delivery  Chris Wheeler – Head of Operations and Technical Services  Natasha Precious - Bereavement Services Lead  Joss Bigmore – Lead Cllr  Darren Burgess – Assets/Surveyor</p>
<p>7. What impact assessments have been undertaken? What are the impacts on other service leaders or projects?</p>
<p>No Impact assessments yet undertaken for this project</p> <p>Input will be required from the following teams/responsible persons at various stages of the project:</p> <ul style="list-style-type: none"> <li>• Assets</li> <li>• Planning</li> <li>• Engineering</li> <li>• Communication/Web Teams</li> </ul>
<p>8. What general approach will be taken to deliver?</p>
<p>Utilise existing resources used in the Council to fulfil the build and implementation otherwise the Council will have to look at procurement.</p>
<p>9. When and why must the work/project start?</p>
<p>April 2022 if funding available as there has been significant delays already.</p>
<p>10. What stakeholders will need to be involved?</p>
<p>Natasha Precious: Bereavement Services Lead  Chris Wheeler: Head of Operations and Technical Services  Victoria Worsfold – Lead Finance Specialist  Michelle Rogers – Finance Specialist (Capital)  Darren Burgess – Assets  Planning -TBC</p>

Agenda item number: 8  
Appendix 3

11. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?

Internal resource required

- Assets
- Planning
- Engineering
- Project Management resource to assist with planning/design stages

External resource required

- Building and Design contractor

12. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.

Year	Capital Total (£)	Revenue Total (£)	Income Total (£)
2020/21			
2021/22			
2022/23	100k		
23/24			
24/25			

12a. For projects, what are the potential resource costs to progress to the next stage/gate?

The ROM for the whole life costs is estimated at approx. £75k-£100k

13. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks

Issue – There is an issue that:

- if funding is not provided, then we could not fulfil the commitment made to families for existing plaques/tablets to be displayed
- we don't know if the drainage of the site area is suitable for these works to be completed
- if relevant resources are not available to manage the works that will pose further delays

Assumptions – There is an assumption that:

- the land is suitable for development as drainage works completed in area previously as part of the initial development.
- we should be working towards the industry ICCM Charter standards, that this improvement could contribute to

Dependencies – There is a dependency on:

- having sufficient funding agreed to enable the project to be completed
- on limited Internal resources to fulfil design and completion of project.

<p>Constraints – A constraint is...</p> <ul style="list-style-type: none"><li>• if the area where the planed work to be carried out is not suitable and we cannot achieve the correct aesthetic of the design</li><li>• if relevant resources are not available to manage the works that will pose further delays</li></ul>
<p>Opportunities – There is an opportunity to...</p> <ul style="list-style-type: none"><li>• generate income for new plaques/tablets installed on a new wall until at capacity and this would also assist in working towards industry standard in the ICCM Charter.</li><li>• there is an opportunity for expanded memorial choice which is a requirement of our ICCM charter for the bereaved.</li></ul>
<p>Risks – There is a risk that...</p> <ul style="list-style-type: none"><li>• If the Council does not fulfil their obligation then families may lose confident in service, potential PR concerns and due to this a loss of future business/confidence.</li></ul>
<p><b>14. Reviewer List:</b></p>
<p>Involved or sighted so far and to be updated on changes:</p> <ul style="list-style-type: none"><li>• Chris Wheeler</li><li>• PPM Group</li><li>• Victoria Worsfold/Michelle Rogers</li></ul> <p>Next to be consulted</p> <ul style="list-style-type: none"><li>• Planning</li><li>• Assets</li><li>• Procurement if the Council cannot utilise existing resources.</li></ul>
<p><b>15. CMT Direction</b></p>
<p>Next steps: to be confirmed</p>

<b>Capital Bid Mandate Proposal -Bereavement Services (Cemetery Tarmacking &amp; Curbing)</b>
<b>Author: Ann Carroll on behalf of Natasha Precious</b>
<b>Introduction and background</b>
<p>This Mandate is to request <b>Capital bid</b> for the following works Tarmacking and curbing in two cemeteries (The Mount and Stoke Cemetery).</p> <p>Within these cemeteries they have Vehicular roads which have cross sections. The Criss cross sections where not meant for vehicles but as coffins cannot be carried over graves, hearses have to use to transport the deceased to the area of burial. This has caused these areas to ware down and slope at edges, causing firstly a health and safety risk and undignified journey for loves ones in the hearses.</p> <p>The Council are required by law to keep cemetery in good working order and good state of repair. (Local Authority Order per 1977).</p>
<b>1. Why should a project be started, or a growth bid be considered now?</b>
<p>This has been requested before, due to long standing health and safety concerns which include degradation of pathways and curbing, and not progressed.</p> <p>Should a visitor hurt themselves we would leave ourselves open to a claim and bad publicity. The Council have an obligation to ensure that the areas used but visitors to visit their loved ones is safe and in good order. When hearses are carrying coffins, it is not the safe and smooth journey through the cemetery the Council want it should be.</p>
<b>2. What is the good idea or problem to be solved?</b>
<p>Unsafe pathways contributing to unsafe and unsuitable environments for hearses to travel over and public to use due to health and safety concerns.</p>
<b>3. What will be delivered? What are the success criteria? What is the purpose of the project?</b>
<p>Safe roads and pathways which are safe for the public and hearses to vehicular standards so that this does not pose a problem in the future, apart normal wear, and tear</p>
<b>4. What priority, corporate objective or strategy is fulfilled by this project?</b>
<p>Maintaining community/Corporate assets and obligation to the Public</p>
<b>5. What are the strategic options available to GBC to deliver a solution?</b>
<p><b>Tarmacking &amp; re-curb at Stoke &amp; Mount Cemeteries</b></p> <p><b>Option 1</b> – Implement as planned through planned works via engineering programme</p> <p><b>Option 2</b> – The Council do nothing – This would be a health and safety concern and the Council are not fulfilling our legal obligation to maintain site in good order and good state of repair which is a health safety risk.</p> <p><i>Note: The Council are required by law to keep cemetery in good working order and state of repair. (Local Authority Order per 1977).</i></p> <p><b>Option 1 is our preferred option.</b></p>

<p>6. Who is the lead Director and Service Manager and portfolio Holder (Cllr) who will lead and direct the project and use the products in live service</p>
<p>Ian Doyle – Director of Service Delivery Chris Wheeler – Head of Operations and Technical Services Natasha Precious - Bereavement Services Lead Joss Bigmore – Lead Cllr Darren Burgess – Assets/Surveyor</p>
<p>7. What impact assessments have been undertaken? What are the impacts on other service leaders or projects?</p>
<p>No Impact assessments yet undertaken for this project</p> <p>Input will be required from the following teams/responsible persons at various stages of the project:</p> <ul style="list-style-type: none"> <li>• Engineering</li> <li>• Bereavement Ground Staff</li> </ul>
<p>8. What general approach will be taken to deliver?</p>
<p>Speak to engineering if can utilise agreed resource otherwise will need to look at procurement via engineering to add to their programme of works.</p>
<p>9. When and why must the work/project start?</p>
<p>April 2022 if funding available as there has been significant delays already and to ensure Health and Safety risks are mitigated.</p>
<p>10. What stakeholders will need to be involved?</p>
<p>Natasha Precious: Bereavement Services Lead Chris Wheeler: Head of Operations and Technical Services Victoria Worsfold – Lead Finance Specialist Michelle Rogers – Finance Specialist (Capital) Simon Tarrant - Engineering Communications/Web Team Joss Bigmore – Lead Cllr</p>
<p>11. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?</p>
<p>Internal resource required</p> <ul style="list-style-type: none"> <li>• Engineering</li> <li>• B.S ground team</li> <li>• Comms/Web Teams</li> </ul> <p>External resource required</p> <ul style="list-style-type: none"> <li>• Engineering</li> </ul>
<p>12. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.</p>

Agenda item number: 8  
Appendix 3

Year	Capital Total (£)	Revenue Total (£)	Income Total (£)
2020/21			
2021/22			
2022/23	100k		
23/24			
24/25			

Note: There is currently £47k available to spend on tarmacking so the overall bid can be brought down to 100k. This is a good estimate at this point and can be more accurate when actuals are known.

**12a. For projects, what are the potential resource costs to progress to the next stage/gate?**

The ROM for the whole life costs is estimated at approx. £100k-£150k

**13. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks**

Issue – There is an issue that..

- we are not meeting our obligation to health and safety
- Internal resource is restricted, and we cannot fulfil the requirements of the works required
- If we don't have the correct resources involved to manage how closures of the cemeteries are managed, this may cause problems, as this needs to be for minimal time and conducted with sensitivity.

Assumptions – There is an assumption that...

- due to Local Authority Order, work is required and must be completed.

Dependencies – There is a dependency on...

- sufficient funding agreed to enable the project to be realised
- internal resources to fulfil design and completion of project

Constraints – A constraint is...

- operation of cemetery closure for minimal amount of time to allow works to be completed. This will be required, and it will need to be planned carefully with the assistance of Comms Team.

Opportunities – There is an opportunity to...

- to provide a safe place for visitors and those working in them.

Risks – There is a risk that...

- if a member of the public had an accident then the Council will be liable to a claim related to Health and Safety, especially as these are known problems.



- If the Council do not fulfil our obligation then families may lose confident in service, potential PR concerns and loss of future business.

14. Reviewer List:

Involved or sighted so far and to be updated on changes:

- Chris Wheeler
- PPM Group
- Victoria Worsfold/Michelle Rogers
- Engineering
- Churchyard groups

Next to be consulted

- engineering
  - Chapel consultants/ministers to be notified

15. CMT Direction

Next steps:

## Mandate Proposal - Castle MSCP

### Introduction and background

Castle multi-story car park is located on Sydenham Road in Guildford. It features a roof-top restaurant and a number of architectural 'turrets' on each corner of the structure.

A routine condition survey identified an issue with the timber cladding to the steel framed turrets. Rectifying this was the subject of a capital bid from the Car Park Maintenance Reserve in 2019 for implementation during last financial year.

More detailed investigations determined that gaining access to the turrets to undertake repairs is going to be much more complicated and expensive than originally envisaged, which has effectively stalled the project.

### 1. Why should a project be started, or growth bid considered now?

The problem identified by the condition survey remains and presents a potential health and safety risk to the public.

### 2. What is the good idea or problem to be solved?

The top of the car park structure features five 'turrets', which comprise steel frames finished with timber cladding. Four of the turrets are enclosed to form various useable spaces whilst one is an open frame around a generator enclosure.

A routine condition survey described some areas of rot to the timber cladding, which prompted a concern that it may fall from the structure. More detailed investigations during 2020 revealed that the extent of the rot is not currently so severe as to present an immediate risk but that it will require attention to prevent that situation arising in the near future.

Access to the turrets is extremely difficult, being located either six or seven stories above ground level. The external faces of the car park structure also form the site boundaries on all sides. Where space permits, some areas can be accessed from large mobile working platforms, but others will require scaffolding, and all will require permission from either private landowners or the Highways Authority.

### 3. What will be delivered? What are the success criteria? What is the purpose of the project?

The purpose of this project is to eliminate the potential risk of rotten timber cladding falling from the top of the car park structure. The cladding forms part of the aesthetic of the roof-top restaurant and so can't be removed completely, and so it is proposed to replace it with a maintenance free substitute. This will eliminate the need for expensive and complicated temporary access arrangements in the future.

### 4. What priority, corporate objective or strategy is fulfilled by this project?

The proposed work does not specifically address a corporate objective or strategy. It does, however, resolve a potential health and safety concern.

### 5. What are the strategic options available to GBC to deliver a solution?

As a project designed to repair and maintain an existing structure, there are few alternatives to affecting a repair in the manner described.

Whilst the option of doing nothing always exists, there would be an increasing risk of failure and given the height of the structure, the resulting potential for injury or death to members of the public.

6. Who are the lead Director and Service Manager and portfolio Holder (Cllr) who will lead and direct the project and use the products in live service
Whilst the asset forms part of the Customer, Case and Parking portfolio, the work will be managed and undertaken by building surveyors of the Asset Management team. As such, the relevant leads for that team are as follows:  Dawn Hudd –Strategic Services Director Marieke van der Reijden –Head of Asset Management
7. What impact assessments have been undertaken? What are the impacts on other service leaders or projects?
Not applicable.
8. What general approach will be taken to deliver?
The project will be delivered in-house by the Building Surveying team.
9. When and why must the work/project start?
We are monitoring the cladding for signs of deterioration, but it is impossible to predict with certainty when any of it may fail. There are ongoing influences from the weather, particularly the significant rainfall instances that we have experienced over the last few years. In that context, we can only recommend that the work is undertaken as soon as possible.  The exposed nature of the work dictates that it must be undertaken between the spring and autumn months.
10. What stakeholders will need to be involved?
We will co-ordinate the work with our Parking team colleagues and the tenants of the roof-top restaurant.  We will liaise with adjacent landowners and the Highways Authority to obtain the necessary permissions to erect temporary access equipment.
11. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?
The work will be designed and managed by a building surveyor in the Asset Management team.  Input will be required from our colleagues in Procurement to assist with tendering for the work.  Input will be required from our Legal colleagues in connection with arranging access equipment permits and for putting the necessary works contracts in place.  We will require the services of an external CDM coordinator to oversee compliance with the Construction (Design and Management) Regulations 2015.

Agenda item number: 8  
Appendix 3

12. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.

The following breakdown represents the design of the repair work, undertaking the work itself and release of retention 12 months after completion.

The figures include the £60k previously agreed via capital bid in 2019.

Year	Capital Total (£)	Revenue Total (£)	Income Total (£)
2022/23	145,000		
2023/24	5,000		
Choose an item.			
Choose an item.			
<b>TOTAL</b>	150,000		

This estimate has been arrived at following preliminary discussions with contractors about how to approach the project. The actual repair work is probably only in the region of £30-40k but gaining access to do so is extremely complex. We have had some scaffold design work undertaken to inform the likely cost but have also allowed a reasonable contingency to cover unforeseen obstacles and rising construction costs.

12a. For projects, what are the potential resource costs to progress to the next stage/gate?

Subject to financial approval, the next stage of this project is to design the repair works and seek the necessary approvals to enable the work to proceed. For that we will require officer time together with some input from external consultants. We estimate the cost of this exercise to be in the region of £5-£10k.

13. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks

Issue –

One of the five turrets to be repaired lies within the demise of the roof-top restaurant and its repair is the responsibility of the tenant. The complex nature of the repair makes it impractical to undertake this work alone and we have provisional agreement for them to contribute to the total cost of these works.

Assumptions –

- That permission to erect access equipment will be forthcoming from the various adjacent landowners.
- That funding for this work will be available from the Car Park Maintenance Reserve rather than the General Fund.

Constraints –

- Because of the height of the structure and the exposed nature of the working areas, this work will be very weather dependent. Significant wind or rain will have a detrimental impact on the ability to complete the work and it is for this reason that it must be undertaken during the summer and autumn months.
- The constrained nature of the site makes the work more difficult to implement.

Risks –

There are a number of broad risks associated with the project beyond those normally attributed to construction work:

- The cladding may deteriorate to the point that it becomes unsafe. Whilst we consider this to be unlikely in the short term, we are periodically monitoring the structure and will implement temporary measures should the need arise.
- It is difficult to determine the exact extent of the work required until it is possible to more closely access all areas of work. This is mitigated by contingency allowances in this proposal.
- The work is very susceptible to the effects of poor weather. This is mitigated by project planning to take advantage of the typically drier months but also by contingency allowances in this proposal.

14. Reviewer List:

Involved or sighted so far and to be updated on changes:

- Marieke van der Reijden, Head of Asset Management

Next to be consulted:

- Vicky Worsfold, Lead Specialist (Finance) & Deputy s151 Officer
- Edward Meyrick, Head of Customer, Case and Parking

15. CMT Direction

Next steps: Not applicable

<b>Mandate Proposal – car park lighting</b>
<b>Introduction and background</b>
<b>1. Why should a project be started, or growth bid considered now?</b>
The work needs to start to ensure car parks have adequate lighting to operate safely. The project is for the following Car Parks: <ol style="list-style-type: none"> <li>1. Castle Car Park</li> <li>2. York Road MSCP</li> <li>3. Leapale Road MSCP</li> <li>4. Farnham Road MSCP</li> </ol>
<b>2. What is the good idea or problem to be solved?</b>
It is a good idea and problem solved as the new lights will provide safety for the car park users and reduce energy cost in turn reducing carbon emission, the new proposed lights energy reduction will give payback on the capital cost in just over 5 years. To keep carbon emission and cost down to we are proposing to keep the outer body of the existing light and only replace internal new LED body.
<b>3. What will be delivered? What are the success criteria? What is the purpose of the project?</b>
The existing expected life of the lights is about 5 years which we are now reaching. Therefore, the new lights will provide continuity for keeping the car park well lit and safe. The criteria of the project is to ensure safe and adequate lighting for the car park users. The first 2 points all give reason for the purpose of the project but additionally the new lights will have more flexibility in its operation such only working to full capacity when people in the vicinity otherwise lights would dim down to an agreed pre-set level (10% would be good recommendation as this is required level required for emergency lights). All the points mentioned also provide good energy saving as the new LED lights are more efficient the existing so for like for like bases there is a 30% energy saving without taking into account the new dimming function that would give further savings. In the proposed tender we include item for the successful contractor provide a five year comprehensive maintenance where the light will be inspected monthly to meet the requirement of the emergency lights being tested.
<b>4. What priority, corporate objective or strategy is fulfilled by this project?</b>
Following items will help the Council meet its priority, objectives and strategy: <ol style="list-style-type: none"> <li>1. Provide safe a well-lit car park meeting the Home Office safe car park scheme</li> <li>2. Comply with health safety requirement by meeting required light levels</li> <li>3. Provide energy and carbon reduction, in turn also reducing our energy cost</li> <li>4. Ensuring emergency lights are being tested monthly and functioning</li> </ol>
<b>5. What are the strategic options available to GBC to deliver a solution?</b>
To do nothing is not a real option as in the long run it will cost more to maintain the existing lights and we could be subject to claims if any incidents occurred due to poor lighting.
<b>6. Who are the lead Director and Service Manager and portfolio Holder (Cllr) who will lead and direct the project and use the products in live service</b>
Service Lead is Chris Wheeler, Head of Operational and Technical Services. Director is Ian Doyle and Lead Councillor is James Steel.
<b>7. What impact assessments have been undertaken? What are the impacts on other service leaders or projects?</b>
Impact of unlit or poorly lit car park could mean closing the car park down as could be deemed unsafe leading loss of revenue plus more importantly the reputational risk
<b>8. What general approach will be taken to deliver?</b>
Works will be tendered via the Councils normal procurement route using JCT form tender/contract. The successful contractor will upgrade lights as per specification and then maintain the lights for five years. Five

years maintenance is relevant as the lights will come with 5-year warranty to the contractor as they will purchase the lights.																											
<b>9. When and why must the work/project start?</b>																											
We propose to start the works in April 2022, In discussion with car park we agree a program of works with the contractor of in which order the car parks are done. We expect all the lighting upgrade works to be completed with first 5 months.																											
<b>10. What stakeholders will need to be involved?</b>																											
Car parks and its users Parking Services Comms service – to keep users aware																											
<b>11. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?</b>																											
Finance, Legal, Procurement																											
<b>12. What are your best estimates for the Whole Life Costs of this request or investment proposed? Split by capital, revenue and income stream/savings for this and future years.</b>																											
<table border="1"> <thead> <tr> <th>Year</th> <th>Capital Total (£)</th> <th>Revenue Total (£)</th> <th>Income Total (£)</th> </tr> </thead> <tbody> <tr> <td>2022/23</td> <td>300,000</td> <td></td> <td></td> </tr> <tr> <td>2023/24</td> <td></td> <td>5,000, this cost is already included in revenue budget for maintain the existing lights.</td> <td>We expect to see energy saving of £56.5k per year</td> </tr> <tr> <td>2024/25</td> <td></td> <td>5,000, , this cost is already included in revenue budget for maintain the existing lights. plus this will apply additional 2 years</td> <td>We expect to see energy saving of £56.5k per year</td> </tr> <tr> <td>Choose an item.</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>				Year	Capital Total (£)	Revenue Total (£)	Income Total (£)	2022/23	300,000			2023/24		5,000, this cost is already included in revenue budget for maintain the existing lights.	We expect to see energy saving of £56.5k per year	2024/25		5,000, , this cost is already included in revenue budget for maintain the existing lights. plus this will apply additional 2 years	We expect to see energy saving of £56.5k per year	Choose an item.							
Year	Capital Total (£)	Revenue Total (£)	Income Total (£)																								
2022/23	300,000																										
2023/24		5,000, this cost is already included in revenue budget for maintain the existing lights.	We expect to see energy saving of £56.5k per year																								
2024/25		5,000, , this cost is already included in revenue budget for maintain the existing lights. plus this will apply additional 2 years	We expect to see energy saving of £56.5k per year																								
Choose an item.																											
<b>12a. For projects, what are the potential resource costs to progress to the next stage/gate?</b>																											
Electrical Engineers, procurement and legal team in producing procuring document for tender, plus car park staff input																											
<b>13. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks</b>																											
Issue – There is an issue that works will need to be arranged in operational car park which provides all H & S risk that are associated with this. Proper H & S plan with comprehensive risk assessments and method statements will be required by the successful contractor																											
Assumptions – There is an assumption that our estimate for energy saving based on the hours of dimming is correct, though our estimate is more on the under cautious side, but we could further mitigate this by carrying out trial to ensure our projections are correct.																											
Dependencies – There is a dependency on successful external contractor performing and delivering, this can mitigate by being diligent at procurement stage																											

Constraints – A constraint of working in a fully operational car park as already highlighted.
Opportunities – There is an opportunity to...to upgrade the existing lighting using Salix funding as the new lights would pay for themselves in just our 5 years (see separately attached payback calculation)
Risks – There is a risk that...existing car park lights will not meet the required level
<b>14. Reviewer List:</b>
Involved or sighted so far and to be updated on changes: <ul style="list-style-type: none"><li>• Operational and Technical Services</li><li>• Finance</li><li>• Strategy and Communications</li></ul> Next to be consulted <ul style="list-style-type: none"><li>• Assets</li><li>• Legal</li><li>• Procurement</li></ul>
<b>15. CMT Direction</b>
Next steps: Capital Bid Funding approval



<b>2022/23 DRAFT HRA Capital Programme</b>			
<b>Project &amp; Category</b>	<b>Description</b>	<b>Estimate</b>	<b>Notes</b>
		£	
<b>Retentions &amp; minor carry-forward</b>	Retentions and minor carry forward from projects in progress up to 31 March 2022	50,000	
<b>Refurbishment, Replacement &amp; Renewal Programme</b>			
<b>Kitchen, bathroom and electrical upgrades</b>	Renew kitchens, bathrooms and electrical installations where existing are life expired and in poor condition	4,000,000	Cyclical modernisation to maintain GBC decent housing standard and modern facilities. Replacements scheduled for 2022/23 plus catch up programme from Keystone asset management data. Properties pre-surveyed to ensure asset requires replacement.
<b>Void Properties - major refurbishment</b>	Refurbishment of individual properties to enable them to be relet	2,000,000	Estimated - major void properties requiring extensive work throughout based on current demand. Average cost of a major void in 21/22 -£34,000. Estimated number to the end of 21/22 financial year - 60
<b>Structural works - various properties</b>	Structural works including structural investigation and remedial works due to foundation subsidence or other structural issues.	800,000	Repairs and major works to structurally defective properties which includes underpinning and decant costs where necessary due the extent of works required.
<b>Renewal of doors and door entry systems</b>	Replacement of external main entrance doors and side screens and installation of new door entry systems	200,000	Doors life expired. Additional security will be provided by door entry systems to reduce ASB and link in to fire alarm (Friary House & Supported Housing) & allow fire brigade access.
<b>Replacement of windows and doors</b>	Replace life expired and unserviceable windows & doors with double glazed UPVC	500,000	Keystone asset information plus previously delayed programme
<b>Pitched roof replacement including chimneys, fascias, soffits &amp; rainwater gutters/downpipes</b>	Renew life expired roof coverings and associated works	3,000,000	includes asbestos fascia/soffit replacement. Keystone asset data information plus maintenance team input - see separate spreadsheet

Agenda item number: 8

Appendix 3

<b>Replacement of external canopies to blocks of flats</b>	Phased replacement programme of defective canopies to block entrance doors with lightweight grp canopies	150,000	phase 2 to identified blocks and walkway
<b>External wall insulation system to solid wall properties</b>	Provision of external wall insulation to solid wall properties to address poor thermal insulation (year 4 of 4 year programme)	400,000	year 4 of programme - properties tbc
<b>Compliance</b>			
<b>Front Entrance Door replacement to blocks of flats/supported housing</b>	Undertake critical Fire safety front entrance door replacement	2,500,000	Replacement of front entrance doors to flats which whilst providing protection do not comply with current increased spec fire standards
<b>Electrical testing and smoke detectors</b>	Electrical testing including remedial work and wired in smoke detector installation where required	2,400,000	Includes testing & associated repairs to communal areas in blocks of flats. Year 2 initial programme to be followed by a 5 year of rolling programme,
<b>Fire and CO detector servicing and upgrade programme</b>		500,000	To undertake a fire and CO detection testing programme to meet new Govt regulatory guidance
<b>Fire protection works following 21/22 FRAs</b>	Prioritised repair non-urgent remedial works comprising of containment, doors upgrades/replacement, signage, etc	3,500,000	works resulting from current FRA programme
<b>Mechanical &amp; Electrical</b>			
<b>Central heating boiler upgrades. Various locations</b>	Upgrading existing central heating installations with high efficiency systems	1,200,000	Annual programme of domestic gas boiler replacement to modernise the system in preparation for new energy fuels
<b>Domestic Air Source Heat Pump heating systems Various locations</b>	Replacement of aging electric heating systems with high efficiency air source heat pump central heating systems	200,000	properties tbc
<b>Lift refurbishment.</b>	Continuation of phased programme to replace obsolete lift controllers	400,000	To replace end of life obsolete lift systems where maintenance no longer feasible due to parts being no longer available - tbc

<b>CCTV</b>	Upgrade the ability to monitor fly tipping and ASB issues that are creating a fire risk	150,000	Security provision to supported housing schemes with part time on site management
<b>General</b>			
<b>Asbestos Removal - general</b>	Removal, disposal and replacement of finishes under fully controlled asbestos removal conditions	200,000	various sites
<b>Garage forecourt resurfacing programme</b>	Resurfacing of forecourt areas to garage blocks where existing surface in poor condition.	200,000	Various sites - continuation of rolling annual planned maintenance programme.
<b>Resurfacing of Access Roads</b>	Resurfacing of road and access ways	350,000	tbc
<b>Condition Appraisals</b>	Annual programme of condition appraisal surveys	100,000	Annual programme budget allowance for Keystone asset data condition surveys
<b>Damp &amp; condensation control programme</b>	new programme	1,000,000	Following EPC survey programme, inc for ventilation & monitoring systems . Estimated cost proposed - review being commissioned 21/22
	<b>Sub Total</b>	<b>23,800,000</b>	
<b>Other Capital</b>			
<b>Environmental improvements</b>	General environmental improvements at sites to be agreed & subject to resident consultation.	50,000	confirm remains as per 21/22
<b>Disabled adaptations Various locations</b>	Works to alter, adapt Council owned dwellings for the benefit of people with disability.	650,000	confirm remains as per 21/22
<b>Software systems</b>	Provision to upgrade essential business software	?	additional & separate to BC review
<b>Programme support.</b>	Programme support & development to support HRA Business Plan	?	additional & separate to BC review
	<b>Total</b>	<b>24,500,000</b>	

## **Mandate Proposal to upgrade or replace Housing Management & Asset Software Management Systems**

### **1. Introduction and background**

Orchard, the current and main Housing Management System, has been used by the Council for more than 20 years. Keystone (by Civica) is used in tandem to Orchard as the housing property asset management system (full details in dependencies, section 13). This mandate covers both systems which work independently of one another.

Both systems are internally hosted and currently reside on the old Guildford network and prior to any upgrade or replacement a lift and shift to the new network is planned by IT, as part of the IT Refresh Programme, timescales within 3-4 months.

Orchard and Keystone are coming to the end of their life and the providers will no longer update them which pose a problem to support internally. A short-term fix will be to move them over to the new network. There will still be a support issue related to the products being retired. Civica have retired Keystone as a product and introduced Cx Asset management.

If it is not possible to merge both systems in one solution the options with Keystone are:

1. To move Keystone to the new network and to upgrade to the latest version, however this would still use the outdated Microsoft Silverlight (which is also coming to end of its life and will not provide a suitable solution).
2. A new installation of Cx Asset Management on the new network and the migration of data from Keystone could be progressed.

This situation presents a need to move to a new modern system that fits with the corporate direction of cloud first and can provide all functionality in one system, including interfaces with existing systems such as Business World and Sales Force.

This proposal was considered by CMT Strategic Session on 3rd November, ICT Digital Board on 9th November and Executive Liaison, in case of comment, and is now being brought to JEAB for support in progressing work to upgrade or replace the systems as part of the ICT forward plan for next financial year and into the ICT Capital programme.

The funds for this would come from the Housing Revenue Account. Option 1 in section 5 is proposed which is for a new combined Solution.

### **2. Why should a project be started now?**

The Council has used the system for over 20 years and a review is well overdue to understand if there is a more productive system which offers a better solution and aligns with corporate goals. The current software does not allow for the progression such as self-service, improving processes and efficiencies and is labour intensive.

Manual work arounds have also had to be developed for integration with other Council systems, and much of the system configuration for specifications and costings dates back to

1996 and do not meet current or planned needs, and would improve the way in which data is managed with improved security.

A new or upgraded system would provide a robust financial basis for the delivery of services with integration and workflow capabilities, facilitating mobile working and improved customer care and support. Making some internal processes more streamlined and flexible, would stop duplication of works (due to process) and time savings to utilise elsewhere, it will also facilitates compliance with forthcoming building safety legislation.

### **3. What is the good idea or problem to be solved?**

The Orchard system is a database against which costs, income and services are mapped and integrated. The structure does not allow this information to be used effectively due to the structural inadequacies of the system. Both systems are aging legacy systems and will no longer be fit for purpose. The Council needs an integrated, reliable, and interactive housing management and asset system which can develop with the business as it adapts, while fulfilling all current and new business requirements.

The new system could offer the following improvements:

- Web browser-based Cloud solution which is flexible with a spatial element to make use of the spatial data held in existing GIS systems as well as new GIS capabilities
- Mobile Application that can be used by staff to improve efficiencies but also provide resilience for the team
- A new interface for other existing systems such as Salesforce to ensure that the Council has a consistent approach to all customer web interfaces and provide self-service options
- Ability to generate workflows and easily create and amend the schedule of rates to prevent duplicating works
- Integration with wider Council and contractor systems such as Business World
- Perform a clean-up of Orchard data.

### **4. What is the purpose of the project? What will be delivered? What are the success criteria?**

The purpose of the project is to provide the Council with modern cloud hosted reliable system, to suit our business needs and the security requirements of the management of the Councils housing stock. Either through upgrade or replacement the system needs to not only provide the daily management but also provide for areas as set out previously. In addition to which this type of system can provide further benefits as information is in real time and can improve reporting, audits, and tracking especially linking to the risk management framework, including health & safety, fire regulations compliance.

Main Scope/coverage (Database, Workflows, Modules & interfaces):-

- Housing Management functions (Tenancy, ASB)
- Income (Rents and service charges)
- Housing Repairs management (Both R&M and minor works/voids)
- Planned capital programme
- Asset Management
- Surveying and related links to scheduled compliance visit/certification software
- Customer flows (including any links to or through Salesforce) this should include customer feedback, job tracking, customer interaction and complaints
- Workflows
- Leaseholder management
- Voids
- KPI reporting outputs across the disciplines
- Interface with other Council systems
- Contractors' interfaces.

If the business achieved the desired outcome, customers would benefit by feeling empowered by selfservice options and understanding the status of requests at their fingertips. Staff would have easier to use, reliable systems which could provide real time updates and links especially to those in the field, enabling them to work with more agility in the delivery of services. Interfaces with internal systems for easier billing/invoicing and charging. The project would deliver improved business continuity and resilience, improve business efficiencies and improved interaction with customers.

#### **5. What priority, corporate objective or strategy is fulfilled by this project?**

This is a business-critical system and high priority to be compliant in line with Corporate objectives.

An upgrade or replacement system would support corporate objectives/strategies in cloud hosted system, in providing self-service options, improved processes, and for mobile and agile working which link with other goals related to greener initiatives.

In line with Procurement guidelines, the Council needs to re-tender to ensure that the service get the best available system, for the best value to meet business requirements.

#### **6. What are the strategic options available to GBC to deliver a solution?**

##### **Option 1**

New combined Solution Procurement exercise to progress with successful change of systems and either replace with a new combined housing and asset system or undertake full upgrade for both existing systems with innovative solutions.

The new system will require new system build work including financial and contractor updates, data review, workflow build, schedule of rates. The current operation of the system will continue to have security and support risks during this time.

In order to achieve this most Housing systems do not have a combined workflow functionality and may require a bolt on. In addition to which most systems do not provide storage and if not combined in new system will need to be investigated as part of this solution should a corporate solution not be in place.

The work would need to dovetail into the Councils IT Strategy regarding Workflow and storage management systems,

In conjunction with Option 1 the Council need to consider economies of scale by partnering with Waverley as part of the wider opportunities for collaboration.

Overall it is expected that this project will take 18-24 months until the new systems are in place.

## **Option 2**

Upgrade systems Upgrade Orchard system in the short term and Keystone to Cx Asset management and both onto the new network. Even though this is an upgrade only this will still require data clean-up data and information, and further updates/upgrades which will make ready the system in preparation for any future procurement exercise to update the system later.

This will require extensive rebuilding of a number of elements of file structure, building schedule of rates and will take an extended period and support from the IT providers at a time when support is ending, and systems are being retired.

This work would need to be undertaken through a competitive tender and not a simple upgrade. Therefore, for the time being an update to the new network will be undertaken, but the system will need to continue to use Silverlight.

A solution for workflows and storage would still need to be sourced as mentioned in option 1. It is thought that under 365 that storage would not be GDPR compliant. The expected timescale for this work would be 12-18 months

## **Option 3 – Do nothing**

This option would be least favourable as it would mean that:-

- The system would become unsupported
- Compliance with GDPR regulation would be unachievable

- Work orders would remain a manual process and not self-service as planned and continue to be labour intensive
- System structures would become increasingly obsolete with increased reliance and use of spreadsheets and manual systems
- The recommendation by procurement and company guidance related to end of contract terms and when to carry out procurement exercises would be ignored.

Therefore based on consideration of the information available Option 1 is recommended as the Option to be progressed.

### **7. What general approach will be taken to deliver?**

Procurement will support the purchasing of a new system or upgrade via the procurement process, with input from Legal related to contract terms. Programme/Project manager to lead the project on behalf of housing -all sign offs by Housing Manager, Technical Services Manager, or service Lead

### **8. When and why must the project start?**

The project timeline is estimated to be 18-24 months from start, due to the complexity of the housing systems, channels involved and the complex data matching requirements.

Before any transfer can happen, significant internal works are required by a data specialist to get them into the best possible shape to enable a successful data transfer.

In addition to which internal systems, process including Customer contact, finance, data along with those with housing and Technical Services will require considerable development to allow the benefits of the new system to be achieved. It is estimated that this would start at the beginning of the next financial year utilising funding from the Housing Revenue Account.

### **9. What resources (internal and external) are needed to consider this mandate and to develop the business case?**

*Stakeholder (internal)* resource required Adhoc during project

- Housing Manager
- Housing data/admin resources
- Technical services knowledge
- ICT Specialist resources

There is likely to be an impact to BAU when using the internal resources required but this will be minimised where possible to use at key points due to their knowledge and skill sets.



*Additional specialist resources required for the period of project*

Existing teams do not have the capacity, knowledge, or experience to run/manage this project, it will need to be supported using additional specialist resources to minimise the impact to the business and the project timing.

*Programme/project Manager*

A dedicated Project Manager is required to oversee the development of this project and will need to be resourced. This post will have responsibility/oversight of overall project and ensure success criteria, deliverables, timeline, and cost are all met and different strands kept on track. It will also oversee application of knowledge, skills, tools, resources used in correct areas/activities to meet objectives. Be link between supplier and the Council and to report back on progress or any critical issues. Involvement in business analysis with other experts to ensure outputs are as planned.

*Options Assessment*

It is proposed to engage the services of a specialist housing IT and architecture experts to assist with the development of options for the next system.

*Data Specialists*

There are different modules, streams, rates of works, schedules of works that are complex which will include recoding, address matching, data mapping, formats of work, technical testing and testing of outputs, integration and interfaces, schedules and rates of works, GIS, and workflow mapping. Looking at business processes and Business Analysis.

*IT Specialists with Housing and IT Architecture experience*

Assist to develop technical specification required for changes, assessments, and reviews at different stages, assist with identifying need on data collection, technical support throughout in relation to the scope of the project and support of teams, looking at business processes and testing plans and output. The IT specialist will be steered by our internal IT sources (JB/DS) and PM in relation to works carried out and support the Data Specialist as some work will cross over.

*Test Manager*

As this is complex it will require a lot of testing across systems/functions. A Test manager will be required to manage all testing, risks and reporting during the testing phase. (A lesson from Salesforce implementation was this is a resource that is needed in complex implementations).

*Other* - Potential back fill for housing, Technical Services, and finance specialist during peak times such as discovery, data, and testing, as required. In addition, there will need to be resources identified by the Council's contractors to facilitate development and implement the systems.

**10. What Rough Order of Magnitude (ROM) are the likely Whole Life Costs (WLC) of the project and live service? What are the potential resource costs to progress to the next stage/gate?**

Estimates of Costs without procurement exercise cannot be specific on system costs, so estimates have been provided below:-

- Upgrade of systems would need to be developed as part of the initial project development however, if moved soon after upgrade, then this would be an unrecoverable cost.
- ROM Startup costs for new system, to develop, establish the system costs are expected to be in excess of £1m
- Annual license and support costs these are expected to be in the region of £150kpa
- Additional Resourcing for duration of project (based on 24 months) as highlighted in section 11 - £300pa
- Additional Hardware to facilitate agile working £20k including tablets for off-site working such as inspections, surveys
- Internal experts will be required at key points in the project which is likely to be an impact to BAU. This will be minimised to use at key points due to their knowledge and skill sets. The impact in time and estimated resource costs will be looked later in the project.

Summary of estimated costs for option 1

- Project set up costs £1.9m (2yrs), spend 50% yr. 1 & 50% yr. 2
- Contract value over 5yrs in excess of £2.35m

**11. Recommendation**

- a. That Option 1 is developed and brought forward through the Councils Mandaite and Business Case Framework.
- b. Provision is made with the HRA Budget to support the development of this work.
- c. This project is included as part of the Council ICT and Digital Programme Board.

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2021-22 to 2026-27

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate (a) £000	Cumulative spend at 31-03-21 (b) £000	2021-22		Expenditure at P8 (e) £000	Projected exp est by project officer (f) £000	2022-23 Est for year (ii) £000	2023-24 Est for year (iii) £000	2024-25 Est for year (iv) £000	2025-26 Est for year (v) £000	2026-27 Est for year (v) £000	Future years est exp (g) £000	Projected expenditure total (b)+(f)+(g)= (h) £000	Grants / Contributions towards cost of scheme (i) £000	Funded from Reserves (j)	Net cost of scheme (h)-(i)-(j)= (k) £000
				Estimate approved by Council in February (c) £000	Revised estimate (d) £000												
<b>APPROVED SCHEMES</b>																	
<b>COMMUNITY DIRECTORATE</b>																	
<b>General Fund Housing</b>																	
	Disabled Facilities Grants		annual	605	605	417	605	605	605	605	-		1,815	2,420	(806)	-	1,614
	Better Care Fund		annual	-	-	253	-	-	-	-	-	-	-	-	-	-	-
	Home Improvement Assistance		annual	-	-	13	-	-	-	-	-	-	-	-	-	-	-
	Solar Energy Loans		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BCF TESH Project		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BCF Prevention grant		annual	-	-	26	-	-	-	-	-	-	-	-	-	-	-
	SHIP		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	General Grants to HAs		annual	100	100	-	100	100	100	100	-		300	400	-	-	400
	General feasibility, site preparation costs for affordable housing		annual	120	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bright Hill Car Park Site			79	-	-	-	-	-	-	-	-	-	-	-	-	-
	Garage Sites-General			163	-	-	-	-	-	-	-	-	-	-	-	-	-
	Guildford Park feasibility																
	Shawfield			2	-	-	-	-	-	-	-	-	-	-	-	-	-
	Site B10b feasibility			2	-	-	-	-	-	-	-	-	-	-	-	-	-
	Redevelopment bid 13			193	-	-	-	-	-	-	-	-	-	-	-	-	-
	Asset Management			-	-	-	-	-	-	-	-	-	-	-	-	-	-
ED14(e)	Void investment property refurbishment works	570	383	-	47	-	47	-	-	-	-	-	-	560	-	-	560
	Unit 2 The Billings void works (complete)	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-
ED14	5 High Street void works	-	-	11	13	-	13	-	-	-	-	-	-	-	-	-	-
ED15	1 Midleton void works				2	-	2										
	C4 41 Moorfield Road Slyfield void works				124	10	114	10									
ED14	10 Midleton void works	230	222	-	8	-	8	-	-	-	-	-	-	230	(100)	-	130
ED21	Methane gas monitoring system	100	45	51	55	-	4	51	-	-	-	-	51	100	-	-	100
ED22	Energy efficiency compliance - Council owned properties	245	82	163	163	1	-	163	-	-	-	-	163	245	-	-	245
ED26	Bridges -Inspections and remedial works	317	201	100	116	2	116	-	-	-	-	-	-	317	-	-	317
ED41	The Billings roof	200	29	170	171	9	171	-	-	-	-	-	-	200	-	-	200
ED44	Broadwater cottage	319	300	-	19	46	19	-	-	-	-	-	-	319	-	-	319
ED45	Gunpowder mills - scheduled ancient monument	222	196	-	26	0	6	-	-	-	-	-	-	202	-	-	202
ED51(p)	Guildford House Exhibition lighting	50	-	-	50	51	50	-	-	-	-	-	-	50	-	-	50
ED53	Tyting Farm Land-removal of barns and concrete hardstanding	200	143	-	57	1	(0)	57	-	-	-	-	57	200	-	-	200
ED56	Foxenden Tunnels safety works	110	28	-	82	16	82	-	-	-	-	-	-	110	-	-	110
ED57	Holy Trinity Church boundary wall	63	52	2	11	1	11	-	-	-	-	-	-	63	-	-	63
CP1	SMP Ph1 Calorifer replacement	28	-	28	28	-	-	-	-	-	-	-	-	-	-	-	-
CP2	SMP Main pavilion amenity club	50	3	-	47	70	47	-	-	-	-	-	-	50	-	-	50
CP3	SMP cricket pavilion	120	4	116	116	139	116	-	-	-	-	-	-	120	-	-	120
<b>COMMUNITY DIRECTORATE TOTAL</b>		<b>2,824</b>	<b>2,126</b>	<b>1,466</b>	<b>1,841</b>	<b>1,058</b>	<b>1,512</b>	<b>986</b>	<b>705</b>	<b>705</b>	<b>0</b>	<b>0</b>	<b>2,386</b>	<b>5,586</b>	<b>-906</b>		<b>4,680</b>
<b>ENVIRONMENT DIRECTORATE</b>																	
<b>Operational Services</b>																	
OP1/OP	Flood resilience measures (use in conjunction with grant	445	324	121	121	-	121	-	-	-	-	-	-	445	-	-	445
OP5	Mill Lane (Pirbright) Flood Protection Scheme	71	55	16	16	-	16	-	-	-	-	-	-	71	(19)	-	52
OP6	Vehicles, Plant & Equipment Replacement Programme	10,665	9,242	566	1,423	917	1,423	-	-	-	-	-	-	10,665	(26)	-	10,639
OP26	Marrow lane grille & headwall construction	60	3	57	57	-	57	-	-	-	-	-	-	60	-	-	60
OP27	Marrow & Burpham surface water study	15	-	15	15	-	15	-	-	-	-	-	-	15	-	-	15
OP28	Crown court CCTV	10	-	10	10	-	-	10	-	-	-	-	10	10	-	-	10
OP22	Town Centre CCTV upgrade	250	-	250	250	-	-	250	-	-	-	-	250	250	-	-	250
<b>Parks and Leisure</b>																	
P	PL11 Spectrum Roof replacement	4,000	1,783	151	168	8	168	-	-	-	-	-	-	3,100	-	-	3,100
	Spectrum roof - steelwork ph2	-	409	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Spectrum roof - steelwork ph3	-	740	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	PL15 Infrastructure works: Guildford Commons	150	4	-	2	-	2	-	-	-	-	-	-	6	-	-	6
	PL15(a) Infrastructure works: Guildford Commons: Marrow	-	15	-	-	-	-	-	-	-	-	-	-	15	-	-	15
	PL15(b) Infrastructure works: Guildford Commons: Shalford	-	129	-	-	-	-	-	-	-	-	-	-	129	-	-	129
	PL20(c) Redevelopment of Westborough and Park barn play area	320	-	320	320	-	-	320	-	-	-	-	320	320	-	-	320
	PL34 Stoke cemetery re-tarmac	47	-	47	47	-	47	-	-	-	-	-	-	47	-	-	47
	PL35 Woodbridge rd sportsground replace fencing(complete)	280	278	-	3	4	3	-	-	-	-	-	-	280	-	-	280
	PL42 Pre-sang costs	100	57	-	43	43	43	-	-	-	-	-	-	100	-	-	100
	PL57 Parks and Countryside - repairs and renewal of paths,roads	295	150	130	145	43	108	37	-	-	-	-	-	295	-	-	295
	PL58 Shalford Common - regularising car parking/reduction of	121	26	99	95	3	5	30	60	-	-	-	90	121	-	-	121
	PL60 Traveller encampments	53	-	48	53	-	25	28	-	-	-	-	28	53	-	-	53
	PL60 Traveller transit site provision	127	-	75	127	-	-	127	-	-	-	-	127	127	-	127	127
<b>ENVIRONMENT TOTAL DIRECTORATE</b>		<b>17,009</b>	<b>13,216</b>	<b>1,905</b>	<b>2,895</b>	<b>1,017</b>	<b>2,033</b>	<b>802</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>825</b>	<b>16,111</b>	<b>(45)</b>		<b>15,939</b>
<b>FINANCE DIRECTORATE</b>																	
FS1	Capital contingency fund	annual	-	5,000	5,000	-	45	2,000	2,000	2,000	2,000	2,000	10,000	10,045	-	-	10,045

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2021-22 to 2026-27

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate (a) £000	Cumulative spend at 31-03-21 (b) £000	2021-22		Expenditure at P8 (e) £000	Projected exp est by project officer (f) £000	2022-23 Est for year (ii) £000	2023-24 Est for year (iii) £000	2024-25 Est for year (iv) £000	2025-26 Est for year (v) £000	2026-27 Est for year (v) £000	Future years est exp (g) £000	Projected expenditure total (b)-(f)+(g) = (h) £000	Grants / Contributions towards cost of scheme (i) £000	Funded from Reserves (j)	Net cost of scheme (h)-(i) -(j) = (k) £000
				Estimate approved by Council in February (c) £000	Revised estimate (d) £000												
<b>RESOURCES DIRECTORATE TOTAL</b>		<b>0</b>	<b>0</b>	<b>5,000</b>	<b>5,000</b>	<b>0</b>	<b>45</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>10,000</b>	<b>10,045</b>	<b>0</b>		<b>10,045</b>
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS</b>																	
<b>Development / Infrastructure</b>																	
ED54	Rodboro Buildings - electric theatre through road and parking	450	27	422	423	6	128	250	11	-	-	-	261	416	-		416
P5	Walnut Bridge replacement	5,098	2,947	17	2,151	1,132	2,151	-	-	-	-	-	-	5,098	(2,456)	(950)	1,691
	SMC(West) Phase 1	4,403	1,567	1,658	2,836	106	300	100	-	-	-	-	100	1,967	(914)		1,052
P16	A331 hotspots	3,930	351	500	3,579	1	3,579	-	-	-	-	-	-	3,930	(2,939)		991
P14	Town Centre Approaches	1,033	453	400	580	384	580	-	-	-	-	-	-	1,033	(700)		333
P22	Ash Bridge Land acquisition	120	104	-	16	7	16	-	-	-	-	-	-	120	-		120
P21	Ash Road Bridge	33,770	2,780	19,697	10,525	2,049	7,700	21,800	1,490	-	-	-	23,290	33,770	(30,400)		3,370
P21	Ash Road Footbridge	500	29	279	180	6	180	255	36	-	-	-	291	500	-	-	500
P11	Guildford West (PB) station	500	-	500	500	-	-	500	-	-	-	-	500	500	-		500
<b>Development Financial</b>																	
	Investment in North Downs Housing (60%)	15,180	11,142	1,682	4,038	1,605	2,965	1,073	-	-	-	-	1,073	15,180	-		15,180
	Equity shares in Guildford Holdings Ltd (40%)	10,120	7,433	1,117	2,687	1,074	1,977	710	-	-	-	-	710	10,120	-		10,120
ED49	Middleton Ind Est Redevelopment	9,350	5,319	3,700	4,031	3,444	4,031	-	-	-	-	-	-	9,350	-		9,350
P12	Property acquisitions	33,520	8,309	25,000	25,211	219	219	24,992	-	-	-	-	24,992	33,520	-		33,520
PL9	Rebuild Crematorium	11,822	10,909	-	127	16	127	-	-	-	-	-	-	11,036	-		11,036
ED27	North Street Development / Guild Town Centre regeneration	1,477	1,137	-	340	171	340	-	-	-	-	-	-	1,477	(150)		1,327
P22	Guildford Economic Regeneration (GER) Programme	1,100	-	1,100	-	-	1,100	-	-	-	-	-	-	1,100	-		1,100
ED32	Internal Estate Road - CLLR Phase 1	11,139	10,913	-	226	32	226	-	-	-	-	-	-	11,139	(5,107)		6,032
P	ED6 Slyfield Area Regeneration Project (SARP)	98,444	8,420	28,347	17,460	6,682	17,460	52,730	3,436	-	-	-	56,166	98,644	(42,674)		55,970
	ED6 WUV - Allotment relocation	200	612	-	-	1,758	-	-	-	-	-	-	-	-	-		-
	ED6 WUV - Int roads, Site clearance	-	1	-	-	-	-	-	-	-	-	-	-	-	-		-
	ED6 WUV - New GBC Depot	2,480	59	-	2,421	813	2,421	-	-	-	-	-	-	2,480	-		2,480
	ED6 WUV - Thames Water relocation	-	14,895	-	-	738	-	-	-	-	-	-	-	-	-		-
	ED6 WUV - Land Purchase	-	1,091	-	-	-	-	-	-	-	-	-	-	-	-		-
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION</b>		<b>244,636</b>	<b>88,497</b>	<b>84,419</b>	<b>78,430</b>	<b>20,244</b>	<b>45,499</b>	<b>102,410</b>	<b>4,973</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>107,383</b>	<b>241,379</b>	<b>-85,340</b>	<b>-950</b>	<b>155,089</b>
<b>APPROVED SCHEMES TOTAL</b>		<b>264,468</b>	<b>103,839</b>	<b>92,790</b>	<b>88,165</b>	<b>22,319</b>	<b>49,088</b>	<b>106,198</b>	<b>7,738</b>	<b>2,705</b>	<b>2,000</b>	<b>2,000</b>	<b>120,594</b>	<b>273,120</b>	<b>-86,291</b>	<b>-950</b>	<b>185,752</b>
non-development projects total		19,833	15,342	8,371	9,735	2,075	3,589	3,788	2,765	2,705	2,000	2,000	13,211	31,741	-951	0	30,663
development/infrastructure - non-financial benefit		49,804	8,258	23,473	20,790	3,692	14,634	22,905	1,537	0	0	0	24,442	47,333	-37,409	-950	8,974
development- financial benefit		194,832	80,240	60,946	57,640	16,552	30,865	79,505	3,436	0	0	0	82,941	194,046	-47,931	0	146,115
<b>TOTAL</b>		<b>264,468</b>	<b>103,839</b>	<b>92,790</b>	<b>88,165</b>	<b>22,319</b>	<b>49,088</b>	<b>106,198</b>	<b>7,738</b>	<b>2,705</b>	<b>2,000</b>	<b>2,000</b>	<b>120,594</b>	<b>273,120</b>	<b>-86,291</b>	<b>-950</b>	<b>185,752</b>
<b>SUMMARY</b>																	
<b>APPROVED SCHEMES - TOTAL</b>		<b>264,468</b>	<b>103,839</b>	<b>92,790</b>	<b>88,165</b>	<b>22,319</b>	<b>49,088</b>	<b>106,198</b>	<b>7,738</b>	<b>2,705</b>	<b>2,000</b>	<b>2,000</b>	<b>120,594</b>	<b>273,120</b>	<b>(86,291)</b>		<b>185,752</b>
<b>GRAND TOTAL</b>		<b>264,468</b>	<b>103,839</b>	<b>92,790</b>	<b>88,165</b>	<b>22,319</b>	<b>49,088</b>	<b>106,198</b>	<b>7,738</b>	<b>2,705</b>	<b>2,000</b>	<b>2,000</b>	<b>120,594</b>	<b>273,120</b>	<b>(86,291)</b>		<b>185,752</b>

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2021-22 to 2026-27

Ref	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive (a) £000	Cumulative spend at 31-03-21 (b) £000	2021-22		Expenditure at P8 (f) £000	Projected exp est by project officer (g) £000	2022-23 Est for year (i) £000	2023-24 Est for year (ii) £000	2024-25 Est for year (iii) £000	2025-26 Est for year (iv) £000	2026-27 Est for year (v) £000	Future years estimated expenditure (h) £000	Projected expenditure total (b)+(g)+(h)=(i) £000	Grants or Contributions towards cost of scheme (j) £000	Net total cost of scheme to the Council (i) - (j) = (k) £000
				Estimate approved by Council in February (c) £000	Revised estimate (e) £000											
<b>PROVISIONAL SCHEMES (schemes approved in principle; further report to the Executive required)</b>																
<b>COMMUNITY DIRECTORATE</b>																
<b>Corporate Property</b>																
ED21(P)	Methane gas monitoring system	150	-	-	-	-	-	-	150	-	-	-	150	150	-	150
ED22(P)	Energy efficiency compliance - Council owned properties	950	-	-	-	-	-	-	950	-	-	-	950	950	-	950
ED26(P)	Bridges	370	-	370	370	-	370	-	-	-	-	-	370	370	-	370
ED48(P)	Westfield/Moorfield rd resurfacing	3,152	-	-	-	-	-	-	-	-	3,152	-	3,152	3,152	-	3,152
ED56(P)	Land to the rear of 39-42 Castle Street	10	-	-	-	-	-	10	-	-	-	-	10	10	-	10
CP5	Energy & CO2 reduction in Council non HRA properties -	2,268	-	768	768	-	768	500	500	500	-	-	1,500	2,268	-	2,268
<b>Office Services</b>																
BS3(p)	Milmead House - M&E plant renewal	33	-	-	-	-	-	33	-	-	-	-	33	33	-	33
<b>COMMUNITY DIRECTORATE TOTAL</b>		<b>6,933</b>	<b>-</b>	<b>1,138</b>	<b>1,138</b>	<b>-</b>	<b>1,138</b>	<b>543</b>	<b>1,600</b>	<b>500</b>	<b>3,152</b>	<b>-</b>	<b>5,795</b>	<b>6,933</b>	<b>-</b>	<b>6,933</b>
<b>ENVIRONMENT DIRECTORATE</b>																
<b>Operational Services</b>																
OP5(P)	Mill Lane (Pirbright) Flood Protection Scheme	200	-	-	-	-	-	-	200	-	-	-	200	200	(20)	180
OP6(P)	Vehicles, Plant & Equipment Replacement Programme	780	-	780	780	-	-	780	-	-	-	-	780	780	-	780
OP21(P)	Surface water management plan	200	-	-	-	-	-	-	200	-	-	-	200	200	-	200
<b>Parks and Leisure</b>																
PL16(P)	New burial grounds - acquisition & development	88	38	30	50	-	50	-	-	-	-	-	-	88	-	88
PL18(P)	Refurbishment / rebuild Sutherland Memorial Park Pavilion	150	-	-	-	-	-	-	-	150	-	-	150	150	-	150
PL45(p)	Stoke Pk gardens water feature refurb	40	-	40	40	-	-	40	-	-	-	-	40	40	(29)	11
PL56(p)	Stoke Park Masterplan enabling costs - to come out	500	-	200	250	-	-	350	150	-	-	-	500	500	-	500
PL57(p)	Parks and Countryside - repairs and renewal of paths,roads	1,442	-	992	1,042	-	192	250	250	250	250	250	1,250	1,442	-	1,442
PL58(p)	Sports pavilions - replace water heaters	154	-	42	70	-	-	-	-	154	-	-	154	154	-	154
PL59(p)	Milmead fish pass	60	-	60	60	-	-	60	-	-	-	-	60	60	-	60
<b>ENVIRONMENT DIRECTORATE TOTAL</b>		<b>3,614</b>	<b>38</b>	<b>2,144</b>	<b>2,292</b>	<b>-</b>	<b>242</b>	<b>1,480</b>	<b>800</b>	<b>554</b>	<b>250</b>	<b>250</b>	<b>3,334</b>	<b>3,614</b>	<b>(49)</b>	<b>3,565</b>
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS</b>																
<b>Development / Infrastructure</b>																
Investment in North Downs Housing		30,100	-	5,518	5,518	-	-	5,518	12,539	-	-	-	18,057	18,057	-	18,057
Equity shares in Guildford Holdings Ltd		-	-	3,683	3,683	-	-	3,683	8,360	-	-	-	12,043	12,043	-	12,043
P10(p)	Sustainable Movement Corridor	6,045	-	-	-	-	-	-	-	6,045	-	-	6,045	6,045	-	6,045
P11(p)	Guildford West (PB) station	4,700	-	1,000	1,000	-	-	1,000	3,700	-	-	-	4,700	4,700	(3,700)	1,000
P17(p)	Bus station relocation	500	-	-	-	-	-	-	-	500	0	-	500	500	-	500
P21(p)	Ash Road Footbridge	4,521	-	4,521	4,521	-	-	-	183	4,288	50	-	4,521	4,521	(2,500)	2,021
<b>Development Financial</b>																
ED49(p)	Redevelop Middleton industrial estate	5,557	-	5,557	5,557	-	5,557	-	-	-	0	-	-	5,557	-	5,557
ED16(P)	Styfield Area Regeneration Project (SARP) (GBC share)	222,684	-	-	-	-	-	-	73,584	28,697	34881	24,342	216,594	216,594	(52,300)	164,294
ED38(P)	North Street development	1,500	-	1,000	1,000	-	-	150	150	50	50	50	1,500	1,500	-	1,500
HC4(p)	Bright Hill Development (to HRA)	13,500	-	680	680	-	-	-	-	-	-	-	-	-	-	-
P12(p)	Property acquisitions	38,292	-	28,292	28,292	-	-	28,292	10,000	-	0	-	38,292	38,292	-	38,292
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS TOTAL</b>		<b>327,399</b>	<b>-</b>	<b>50,251</b>	<b>50,251</b>	<b>-</b>	<b>5,557</b>	<b>38,643</b>	<b>108,516</b>	<b>39,580</b>	<b>34,981</b>	<b>24,392</b>	<b>302,252</b>	<b>307,809</b>	<b>(58,500)</b>	<b>249,309</b>
<b>PROVISIONAL SCHEMES - GRAND TOTALS</b>		<b>337,946</b>	<b>38</b>	<b>53,533</b>	<b>53,681</b>	<b>-</b>	<b>6,937</b>	<b>40,666</b>	<b>110,916</b>	<b>40,634</b>	<b>38,383</b>	<b>24,642</b>	<b>311,381</b>	<b>318,356</b>	<b>(58,549)</b>	<b>259,807</b>
non development projects		10,547	38	3,282	3,430	-	1,380	2,023	2,400	1,054	3,402	250	9,129	10,547	(49)	10,498
development/infrastructure - non-financial benefit		45,866	0	14,722	14,722	0	0	10,201	24,782	10,833	50	0	45,866	45,866	-6,200	39,666
development- financial benefit		281,533	0	35,529	35,529	0	5,557	28,442	83,734	28,747	34,931	24,392	256,386	261,943	-52,300	209,643
<b>TOTAL</b>		<b>337,946</b>	<b>38</b>	<b>53,533</b>	<b>53,681</b>	<b>0</b>	<b>6,937</b>	<b>40,666</b>	<b>110,916</b>	<b>40,634</b>	<b>38,383</b>	<b>24,642</b>	<b>311,381</b>	<b>318,356</b>	<b>(58,549)</b>	<b>259,807</b>
<b>SUMMARY</b>																
<b>PROVISIONAL SCHEMES - TOTAL</b>		<b>337,946</b>	<b>38</b>	<b>53,533</b>	<b>53,681</b>	<b>-</b>	<b>6,937</b>	<b>40,666</b>	<b>110,916</b>	<b>40,634</b>	<b>38,383</b>	<b>24,642</b>	<b>311,381</b>	<b>318,356</b>	<b>(58,549)</b>	<b>259,807</b>
<b>GRAND TOTAL</b>		<b>337,946</b>	<b>38</b>	<b>53,533</b>	<b>53,681</b>	<b>-</b>	<b>6,937</b>	<b>40,666</b>	<b>110,916</b>	<b>40,634</b>	<b>38,383</b>	<b>24,642</b>	<b>311,381</b>	<b>318,356</b>	<b>(58,549)</b>	<b>259,807</b>

Page 213

Agenda item number: 8  
Appendix 5

This page is intentionally left blank

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

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-21	2021-22 Estimate approved by Council in February	Revised estimate	Expenditure at P8	Projected exp est by project officer	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	Future years est exp	Projected expenditure total
		(a)	(b)	(c)	(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(f)+(g) = (h)	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
	<b>COMMUNITY DIRECTORATE</b>													
	<u>ENERGY PROJECTS per SALIX RESERVE:(PR220)</u>			-	-	-	-	-	-	-	-	-	-	-
R-EN12	LED lighting	44		-	44	-	44	-	-	-	-	-	-	44
R-EN13	ASHP CAB ( no longer reqd)	28		28	28	-	28	-	-	-	-	-	-	28
R-EN14	MILLMEAD HOUSE & FARNHAM ROAD CP - PV	192	70		122	84	122	-	-	-	-	-	-	192
R-EN15	FARNHAM ROAD CP- PV													
	<u>ENERGY PROJECTS per GBC INVEST TO SAVE RESERVE: GBC 'Invest to Save' energy projects (to be repaid in line with savings)</u>			-	-	-	-	-	-	-	-	-	-	-
R-EN14	SMP - air source heat pump	28	1	27	27	-	27	-	-	-	-	-	-	28
	<b>ENERGY RESERVES TOTAL</b>	<b>292</b>	<b>71</b>	<b>55</b>	<b>221</b>	<b>84</b>	<b>221</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>292</b>
	<b>FINANCE DIRECTORATE</b>													
	<u>INFORMATION TECHNOLOGY - IT Renewals Reserve (PR265) : approved annually</u>													
	Hardware / software budget	500		500	320	-	320	303	440	-	-	-	743	1,063
R-IT2	Hardware	annual	annual	-	-	7	-	-	-	-	-	-	-	-
R-IT5	Software	annual	annual	-	-	388	-	-	-	-	-	-	-	-
	ICT Refresh Phase 2				180		180	197	60				257	437
R-IT3	IDOX Acolaid to Uniform	275		-	275		275	-	-	-	-	-	-	275
R-IT4	LCTS alternative	56		-	56		56	-	-	-	-	-	-	56
	<b>IT RENEWALS RESERVE TOTAL</b>	<b>831</b>	<b>-</b>	<b>500</b>	<b>831</b>	<b>395</b>	<b>831</b>	<b>500</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>1,831</b>
	<b>ENVIRONMENT DIRECTORATE</b>													
	<b>SPECTRUM RESERVE</b>													
R-S14	Spectrum schemes (to be agreed with Freedom Leisure)	516	168	-	348	-	348	-	-	-	-	-	-	516
	Spectrum - Retaining Wall	184			184	83	184							184
	<b>SPECTRUM RESERVE TOTAL</b>	<b>700</b>	<b>168</b>	<b>-</b>	<b>532</b>	<b>83</b>	<b>532</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>700</b>
	<b>CAR PARKS RESERVE</b>													
R-CP1	Car parks - install/replace pay-on-foot equipment	1,170	240	930	930	-	930	-	-	-	-	-	-	1,170
	<u>Car Parks - Lighting &amp; Electrical improvements:</u>													
R-CP14	Lift replacement (PR000293)	841	676	-	165	40	165	-	-	-	-	-	-	841
R-CP17	Leapale rd MSCP drainage (PR000433)	90	26	-	64	-	8	-	-	-	-	-	-	34
R-CP19	Structural works to MSCP	300	50	100	250	-	250	250	-	-	-	-	250	300
R-CP20	MSCP- Deck surface replacement & barriers	652	526	-	126	-	126	-	-	-	-	-	-	652
R-CP21	Additional barriers Farnham Rd	15		-	15	-	-	15	-	-	-	-	15	15
R-CP22	Deck surface replacement (stair cores)Farnham Rd	70		-	70	-	-	70	-	-	-	-	70	70
R-CP23	Deck surface replacement Leapale Rd	600	8	390	593	549	577	15	-	-	-	-	15	600
R-CP25	Structural repairs roof turret timbers Castle St	60		-	60	-	-	60	-	-	-	-	60	60

Appendix 6  
Agenda item number: 8

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

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-21	2021-22 Estimate approved by Council in February	Revised estimate	Expenditure at P8	Projected exp est by project officer	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	Future years est exp	Projected expenditure total
		(a)	(b)	(c)		(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(f)+(g)
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
	<b>CAR PARKS RESERVE TOTAL</b>	<b>3,798</b>	<b>1,526</b>	<b>1,420</b>	<b>2,272</b>	<b>589</b>	<b>1,805</b>	<b>410</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>410</b>	<b>3,742</b>
	<b>SPA RESERVE :</b>													
	SPA schemes (various)	100	annual	-	151	-	151	-	-	-	-	-	-	151
R-SPA1	Chantry Woods					-	-						-	
R-SPA2	Effingham					-	-						-	
R-SPA3	Lakeside					-	-						-	
R-SPA4	Riverside					-	-						-	
R-SPA5	Parsonage					-	-						-	
	<b>SPA RESERVE TOTAL</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>151</b>	<b>-</b>	<b>151</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>151</b>
	<b>GRAND TOTALS</b>	<b>5,721</b>	<b>1,765</b>	<b>1,975</b>	<b>4,008</b>	<b>1,151</b>	<b>3,541</b>	<b>910</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,410</b>	<b>6,716</b>

Agenda item number: 8  
Appendix 6

Page 216



GENERAL FUND CAPITAL PROGRAMME - S106 ESTIMATED EXPENDITURE 2021-22 to 2025-26

Ref	Service Units / Capital Schemes	Approved gross estimate	Cumulative spend at 31-03-21	2021-22 Estimate approved by Council in February	Revised estimate	Expenditure at P8	Projected exp est by project officer	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	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Net cost of scheme
		(a)	(b)	(c)	(d)	(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(f)+(g) = (h)	(i)	(h)-(i)
		£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>APPROVED SCHEMES (fully funded from S106 contributions)</b>																
<b>ENVIRONMENT DIRECTORATE</b>																
<b>Operational Services</b>																
<b>Parks and Leisure</b>																
S-PL36	Gunpowder mills - signage, access and woodland imp	36	22	-	14	-	5	9	-	-	-	-	9	36	(36)	-
S-PL38	Chantry Wood Campsite	36		-	36	-	-	36	-	-	-	-	36	36	(36)	-
S-PL51	Foxenden Quarry	101	3		98	-	98							101	(101)	
S-PL47	Fir Tree Garden	28	4	-	24	-	-		-	-	-	-	-	4	(4)	-
S-PL48	Boardwalk Heathfield Nature Reserve	13			13	-	-	13					13	13	(13)	
S-PL49	Waterside Playarea Muti Unit	30			30	28	30						-	30	(30)	
S-PL50	Albury Playground Equip (PC)	23	17		5	-	5						-	23	(23)	
S-PL51	Lido Road Car Par	5			5	3	5						-	5	(5)	
S-PL52	West Horsley (PC) Playground	10			10	10	10						-	10	(10)	
S-PL53	Pirbright (PC) Drainage Works/Playground surfacing	10			10	10	10							10	(10)	
S-PL54	West Horsley (PC) Noticebaords	7			7	7	7							7	(7)	
	<b>ENVIRONMENT DIRECTORATE TOTAL</b>	<b>299</b>	<b>46</b>	<b>-</b>	<b>252</b>	<b>58</b>	<b>171</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58</b>	<b>275</b>	<b>(275)</b>	<b>-</b>
	<b>APPROVED S106 SCHEMES TOTAL</b>	<b>299</b>	<b>46</b>	<b>-</b>	<b>252</b>	<b>58</b>	<b>171</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58</b>	<b>275</b>	<b>(275)</b>	<b>-</b>

<b>SUMMARY</b>	
APPROVED S106 SCHEMES - TOTAL	46
GRAND TOTAL	46

46	-	252	58	171	58	-	-	-	-	58	275	(275)	-
46	-	252	58	171	58	-	-	-	-	58	275	(275)	-

This page is intentionally left blank

## 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 2020-21 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)

Page 29

**Balance after funding capital expenditure as at 31 March**

	2020-21 Actuals £000	2021-22 Budget £000	2021-22 Est Outturn £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000
Balance as at 1 April	95	95	112	0	0	0	0	0
Add estimated usable receipts in year	2,571	0	336	0	0	0	21,641	27,117
Less applied re funding of capital schemes	(2,554)	(95)	(448)	0	0	0	(21,641)	(24,642)
<b>Balance after funding capital expenditure as at 31 March</b>	<b>112</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,475</b>

## 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

	2020-21 Actuals £000	2021-22 Budget £000	2021-22 Est Outturn £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000
	27,710	92,790	49,088	106,198	7,738	2,705	2,000	2,000
	0	53,533	6,937	40,666	110,916	40,634	38,383	24,642
	81	0	171	58	0	0	0	0
	1,649	1,975	3,541	910	500	0	0	0
	0	0	0	0	0	0	0	0
<b>Total estimated capital expenditure</b>	<b>29,440</b>	<b>148,298</b>	<b>59,736</b>	<b>147,832</b>	<b>119,154</b>	<b>43,339</b>	<b>40,383</b>	<b>26,642</b>
<b>To be funded by:</b>								
Capital receipts (per 2.above)	(2,554)	(95)	(448)	0	0	0	(21,641)	(24,642)
Contributions	(7,070)	(51,415)	(18,138)	(48,626)	(15,315)	(2,954)	0	0
R.C.C.O. :								
Other reserves	(6,164)	(2,195)	(4,263)	(1,130)	(720)	(220)	0	0
	0	0	0	0	0	0	0	0
	(15,787)	(53,705)	(22,849)	(49,756)	(16,035)	(3,174)	(21,641)	(24,642)
Balance of funding to be met from (i) the Capital Reserve, and (ii) borrowing	(13,653)	(94,593)	(36,887)	(98,076)	(103,119)	(40,165)	(18,742)	(2,000)
<b>Total funding required</b>	<b>(29,440)</b>	<b>(148,298)</b>	<b>(59,736)</b>	<b>(147,832)</b>	<b>(119,154)</b>	<b>(43,339)</b>	<b>(40,383)</b>	<b>(26,642)</b>

### 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

	2020-21 Actuals £000	2021-22 Budget £000	2021-22 Est Outturn £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000
Balance as at 1 April	600	0	0	0	0	0	0	0
Add: General Fund Revenue Budget variations	0	0	0	0	0	0	0	0
Contribution from revenue	0	0	0	0	0	0	0	0
	600	0	0	0	0	0	0	0
Less: Applied re funding of capital programme	(600)	0	0	0	0	0	0	0
<b>Balance after funding capital expenditure etc.as at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Estimated shortfall at year-end to be funded from borrowing

	<b>13,053</b>	<b>94,593</b>	<b>36,887</b>	<b>98,076</b>	<b>103,119</b>	<b>40,165</b>	<b>18,742</b>	<b>2,000</b>
--	---------------	---------------	---------------	---------------	----------------	---------------	---------------	--------------

## GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

	2020-21 Actuals £000	2021-22 Budget £000	2021-22 Est Outturn £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	
<b>5.0 Housing capital receipts (pre 2013-14) - estimated availability/usage for Housing, Affordable Housing and Regeneration projects - GBC policy</b>									
Balance as at 1 April (T01008)	3,618	0	(0)	(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	(3,618)	0	0	0	0	0	0	0	
	(0)	0	(0)	0	0	0	0	0	
Less: Applied on regeneration schemes	0	0	0	0	0	0	0	0	
<b>Housing receipts - estimated balance in hand at year end</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>5.1 Housing capital receipts (post 2013-14) - estimated availability/usage for Housing, Affordable Housing and Regeneration projects only (statutory (impact CFR))</b>									
Balance as at 1 April (T01012)	0	0	0	0	0	0	0	0	
Add: Estimated receipts in year	544	289	0	289	292	295	298	301	
Less: Applied re Housing (General Fund) capital programme	(123)	(220)	(100)	(220)	(220)	(220)	(220)	(220)	
Less: Applied re Housing Improvement programme	(421)	(69)	100	(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	
<b>Housing receipts - estimated balance in hand</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
									<b>Total £'000s</b>
<b>6.1 Estimated annual borrowing requirement</b>	<b>13,053</b>	<b>94,593</b>	<b>36,887</b>	<b>98,076</b>	<b>103,119</b>	<b>40,165</b>	<b>18,742</b>	<b>2,000</b>	<b>298,990</b>

This page is intentionally left blank

**Capital vision items**

Ref	Project	Verto ref	Date entered on Verto	Date Verto last updated	Verto Gateway	timescale	Estimated gross cost	Local growth fund bid	Other funding	S106/CIL	GBC cost	Notes
CV2	Stoke Park drainage and water features						77,000				77,000	
CV3	Castle valley gardens automated watering system					2020 likely timescale	30,000				30,000	
CV4	North side drainage scheme						130,000				130,000	
CV10	Transport - Yorkies bridge part of Sustainable Movement Corridor					2024-2029	10,000,000	5,000,000	1,250,000	#####	1,250,000	SCC other funding
CV22	Stoke Park Masterplan Implementation	PR418	08.08.16	11.08.16	CV	2021-2022	3,000,000		1,500,000		1,500,000	external funding to be identified
CV23	Lakeside Nature Reserve Visitor Facility	PR419	08.08.16	11.08.16	CV	2020	500,000			250,000	250,000	
CV24	Stoughton Recreation ground Landscape Improvements	PR421	08.08.16	10.08.16	CV	2023	150,000		75,000		75,000	external funding to be identified (possible HLF)
P6(p)	Guildford Riverside Phase 2&3					unknown	2,400,000					
P13(p)	Bedford Wharf	PR372					23,000,000				23,000,000	
<b>Town centre masterplan (heading not related to schemes below)</b>												
CV12	A3 Interim intervention schemes (inc.Beechcroft Drive safety scheme)					2018-2020	unknown				unknown	
CV13	Gosdon Hill P&R					2021-2023	7,500,000				unknown	
CV14	Merrow station					2024-2029	10,000,000				unknown	
CV17	Redevelopment of woodbridge meadows industrial estate					6-10 years	unknown				unknown	
<b>Corporate plan</b>												
CV18	Leisure centre replacement/multi use sports centre	PR464	13.02.17	13.02.17	CV	15-20 years	£80m-£100m				100,000,000	
CV19	Set up community energy scheme/heat network						2020 unknown				unknown	
CV20	Set up a water discharge system						2017 unknown				unknown	

This page is intentionally left blank



GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2021-22 to 2026-27: HRA APPROVED PROGRAMME

	Project Budget £000	2020-21 Actual £000	Project Spend at 31-03-21 £000	2021-22 Estimate £000	Carry Forward	2021-22 Revised Estimate £000	Expenditure as at P8 £000	2021-22 Projected Outturn £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	Total Project Exp £000
<b>Acquisition of Land &amp; Buildings</b>	15,900	5,276	7,414	4,800	86	4,886	3,427	4,886	1,800	1,800	0	0	0	15,900
<b>New Build</b>														
Appletree pub site	3,200	18	3,502	0	0	0	62	62	0	0	0	0	0	3,564
Fire Station/Ladymead	2,000	17	1,917	0	83	83	41	41	0	0	0	0	0	1,957
Guildford Park	75	0	75	0	0	0	0	0	0	0	0	0	0	75
Guildford Park (from GF)	6,500	3,148	3,148	2,806	546	3,352	182	792	888	1,672	0	0	0	6,500
Bright Hill	500	0	0	0	500	500	11	85	415	0	0	0	0	500
Foxburrows Redevelopment	533			0	533	533	0	0	533					533
Shawfield Redevelopment	300	4	4	0	296	296	0	0	296					300
Various small sites & feasibility/Site preparation	1,000		0	0	0	0	0	0	0	0	1,000	0	0	1,000
Pipeline projects:	9,425	61	115	3,325	2,285	5,610		0	0	5,381	0	0	0	5,496
Manor House Flats							31	76	1,530					
Banders Rise							1	6	130					
Station Road East							2	7	112					
Dunmore Garden Land							1	5	159					
Clover Road Garages							42	70	1,032					
Rapleys Field							14	32	415					
Georgelands 108							1	7	118					
27 Broomfield							4	8	109					
17 Wharf Lane							3	8	104					
<b>Schemes to promote Home-Ownership</b>								0						
Equity Share Re-purchases	annual	458	annual	400	0	400	0	400	400	400	400	400	0	annual
<b>Major Repairs &amp; Improvements</b>				6,582	2,618	9,200		0						
Retentions & minor carry forwards	annual	0	annual				0	0						annual
Modern Homes - Kitchens, Bathrooms & Void refurb	annual	971	annual				1,122	3,191						annual
Doors and Windows	annual	241	annual				254	856						annual
Structural/Roof	annual	307	annual				103	1,053						annual
Energy efficiency: Central heating/Lighting	annual	1,262	annual				767	1,351						annual
General	annual	880	annual				849	2,749						annual
<b>Grants</b>														
Cash Incentive Scheme	annual	0	annual	75	0	75	0	75						annual
<b>TOTAL APPROVED SCHEMES</b>	<b>39,433</b>	<b>12,643</b>	<b>16,174</b>	<b>17,988</b>	<b>6,948</b>	<b>24,936</b>	<b>6,915</b>	<b>15,761</b>	<b>8,041</b>	<b>9,253</b>	<b>1,400</b>	<b>400</b>	<b>0</b>	<b>35,825</b>

This page is intentionally left blank

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2020-21 to 2026-27: HRA PROVISIONAL PROGRAMME

	Project Budget	2020-21 Actual	Project Spend at 31-03-21	2021-22 Estimate	Carry Forward	2021-22 Revised Estimate	2021-22 Projected Outturn	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	Total Project Exp
	£000	£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000
<b>Acquisition of Land &amp; Buildings</b>	7,000	0	0	0		0	0	3,000	4,000	0	0	0	7,000
<b>New Build</b>													
Guildford Park	16,000	0	1,225	14,499	250	14,749	0	26	14,749	0	0	0	16,000
Guildford Park (from GF)	23,125			4,380		4,380	0	0	4,380	11,625	7,120		23,125
Bright Hill	3,000	0	0	3,000	0	3,000	0	3,000	0	0	0	0	3,000
Bright Hill Development (from GF)	13,500	0	0	680	0	680	0	680	5,000	7,000	820	0	13,500
Slyfield (25/26 £5m; 26/27 £44m)	1,000	0	0	0	0	0	0	1,000	0	0	5,000	44,000	50,000
Foxburrows Redevelopment	10,124			9,058		9,058	0	9,058	1,066	0	0	0	10,124
Shawfield Redevelopment	3,000			2,500		2,500	0	2,500	500	0	0	0	3,000
<b>Major Repairs &amp; Improvements</b>													
Major Repairs & Improvements	annual		annual	0		0	0	0	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
<b>Grants</b>													
Cash Incentive Scheme	annual		annual	0		0	0	75	75	75	75	75	annual
<b>Total Expenditure to be financed</b>	<b>76,749</b>	<b>0</b>	<b>1,225</b>	<b>34,117</b>	<b>250</b>	<b>34,367</b>	<b>0</b>	<b>19,339</b>	<b>35,270</b>	<b>24,200</b>	<b>18,515</b>	<b>49,575</b>	<b>125,749</b>

This page is intentionally left blank

**GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2021-22 to 2026-27: HRA RESOURCES AND FUNDING STATEMENT**

	2020-21 Actual £000	2021-22 Estimate £000	2021-22 Projected Outturn £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000
<b>EXPENDITURE</b>								
Approved programme	12,685	17,988	15,761	8,041	9,253	1,400	400	0
Provisional programme	0	34,117	0	19,339	35,270	24,200	18,515	49,575
<b>Total Expenditure</b>	<b>12,685</b>	<b>52,105</b>	<b>15,761</b>	<b>27,380</b>	<b>44,523</b>	<b>25,600</b>	<b>18,915</b>	<b>49,575</b>
<b>FINANCING OF PROGRAMME</b>								
Capital Receipts	421	400	0	400	400	400	400	0
1-4-1 receipts	2,186	13,514	2,595	8,072	11,564	5,888	3,882	13,200
Contribution from Housing Revenue a/c (re cash incentives)	0	75	75	75	75	75	75	75
Future Capital Programme reserve	0	0	0	0	0	0	0	0
Major Repairs Reserve	3,662	6,582	9,201	0	5,500	5,500	5,500	5,500
New Build Reserve	4,818	31,534	3,891	18,834	26,984	13,738	9,058	30,800
Grants and Contributions	1,599	0	0	0	0	0	0	0
<b>Total Financing (= Total Expenditure)</b>	<b>12,685</b>	<b>52,105</b>	<b>15,761</b>	<b>27,380</b>	<b>44,523</b>	<b>25,600</b>	<b>18,915</b>	<b>49,575</b>

**RESERVES - BALANCES**

	2020-21 Actual £000	2021-22 Estimate £000	2021-22 Projected Outturn £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000
<b>Reserve for Future Capital Programme (U01035)</b>								
Balance b/f	35,829	38,329	38,329	40,829	43,329	45,829	48,329	50,829
Contribution in year	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Used in year	0	0	0	0	0	0	0	0
Balance c/f	<b>38,329</b>	<b>40,829</b>	<b>40,829</b>	<b>43,329</b>	<b>45,829</b>	<b>48,329</b>	<b>50,829</b>	<b>53,329</b>
<b>Major Repairs Reserve (U01036)</b>								
Balance b/f	9,852	8,526	11,876	8,311	13,946	13,946	13,946	13,946
Contribution in year	5,686	5,500	5,635	5,635	5,500	5,500	5,500	5,500
Used in Year	-3,662	-6,582	-9,200	0	-5,500	-5,500	-5,500	-5,500
Balance c/f	<b>11,876</b>	<b>7,444</b>	<b>8,311</b>	<b>13,946</b>	<b>13,946</b>	<b>13,946</b>	<b>13,946</b>	<b>13,946</b>
<b>New Build Reserve (U01069)</b>								
Balance b/f	56,112	54,634	59,383	63,733	53,305	34,896	29,904	29,766
Contribution in year	8,088	8,406	8,241	8,406	8,574	8,746	8,921	9,099
Used in Year	-4,818	-31,534	-3,891	-18,834	-26,984	-13,738	-9,058	-30,800
Balance c/f	<b>59,383</b>	<b>31,506</b>	<b>63,733</b>	<b>53,305</b>	<b>34,896</b>	<b>29,904</b>	<b>29,766</b>	<b>8,065</b>
<b>Usable Capital Receipts: 1-4-1 receipts (T01011)</b>								
Balance b/f	6,004	7,657	4,526	3,579	-1,884	-10,564	-13,690	-14,731
Contribution in year	708	2,609	1,646	2,609	2,884	2,762	2,841	2,898
Repayment in year	0	0	0	0	0	0	0	0
Used in Year	-2,186	-13,514	-2,594	-8,072	-11,564	-5,888	-3,882	-13,200

Balance c/f	4,526	-3,248	3,579	-1,884	-10,564	-13,690	-14,731	-25,033
-------------	-------	--------	-------	--------	---------	---------	---------	---------

Note: a contribution to this reserve is dependent on the number of RTB sales in the year determined in the HRA self financing model. There are many variables to the calculation of the 1:4:1 contribution. As an estimate, I have used a model provided by Sector which is based on our assumption of RTB sales

**Usable Capital Receipts - HRA Debt Repayment (T01010)**

Balance b/f	4,216	4,243	4,262	4,308	4,969	5,652	6,357	7,085
Contribution in year	46	661	46	661	683	705	728	752
Used in Year	0	0	0	0	0	0	0	0
Balance c/f	4,262	4,904	4,308	4,969	5,652	6,357	7,085	7,837

Note: each RTB sale generates a contribution to this reserve toward debt repayment determined in the HRA self financing model. A small number of sales are anticipated each year.

**Usable Capital Receipts - pre 2013-14 (T01008)**

Balance b/f	3,618	2,260	-0	-0	0	0	0	0
Contribution in year	0	0	0	0	0	0	0	0
Used in Year (HRA = above)	0	0	0	0	0	0	0	0
Used in Year (GF Housing Co)	-3,618	0	0	0	0	0	0	0
Used in Year (GF Housing - DFG)	0	0	0	0	0	0	0	0
Balance c/f	-0	2,260	-0	0	0	0	0	0

Note: Can only be used for HRA capital expenditure, affordable housing and regeneration schemes as set by GBC policy

**Usable Capital Receipts - post 2013-14 (T01012)**

Balance b/f	0	0	-0	-0	-0	-0	-0	-0
Contribution in year	542	289	0	289	292	295	298	298
Used in Year (HRA = above)	-419	-69	0	-69	-72	-75	-78	-475
Used in Year (GF Housing)	-123	-220	0	-220	-220	-220	-220	-220
Balance c/f	-0	0	-0	-0	-0	-0	-0	-397

Note: Can only be used for HRA capital expenditure, affordable housing and regeneration schemes as set by the Government

## 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

Agenda item number: 8  
Appendix 13

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.



### **Arlingclose economic background**

**Economic background:** The ongoing impact on the UK from coronavirus, together with higher inflation, higher interest rates, and the country's trade position post-Brexit, will be major influences on the Authority's treasury management strategy for 2022/23.

The Bank of England (BoE) increased Bank Rate to 0.25% in December 2021 while maintaining its Quantitative Easing programme at £895 billion. The Monetary Policy Committee (MPC) voted 8-1 in favour of raising rates, and unanimously to maintain the asset purchase programme.

Within the announcement the MPC noted that the pace of the global recovery was broadly in line with its November Monetary Policy Report. Prior to the emergence of the Omicron coronavirus variant, the Bank also considered the UK economy to be evolving in line with expectations, however the increased uncertainty and risk to activity the new variant presents, the Bank revised down its estimates for Q4 GDP growth to 0.6% from 1.0%. Inflation was projected to be higher than previously forecast, with CPI likely to remain above 5% throughout the winter and peak at 6% in April 2022. The labour market was generally performing better than previously forecast and the BoE now expects the unemployment rate to fall to 4% compared to 4.5% forecast previously, but notes that Omicron could weaken the demand for labour.

UK CPI for November 2021 registered 5.1% year on year, up from 4.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 4.0% y/y from 3.4%. The most recent labour market data for the three months to October 2021 showed the unemployment rate fell to 4.2% while the employment rate rose to 75.5%.

In October 2021, the headline 3-month average annual growth rate for wages were 4.9% for total pay and 4.3% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 1.7% while regular pay was up 1.0%. The change in pay growth has been affected by a change in composition of employee jobs, where there has been a fall in the number and proportion of lower paid jobs.

Gross domestic product (GDP) grew by 1.3% in the third calendar quarter of 2021 according to the initial estimate, compared to a gain of 5.5% q/q in the previous quarter, with the annual rate slowing to 6.6% from 23.6%. The Q3 gain was modestly below the consensus forecast of a 1.5% q/q rise. During the quarter activity measures were boosted by sectors that reopened following pandemic restrictions, suggesting that wider spending was flat. Looking ahead, while monthly GDP readings suggest there had been some increase in momentum in the latter part of Q3, Q4 growth is expected to be soft.

GDP growth in the euro zone increased by 2.2% in calendar Q3 2021 following a gain of 2.1% in the second quarter and a decline of -0.3% in the first. Headline inflation has been strong, with CPI registering 4.9% year-on-year in November, the fifth successive month of inflation. Core CPI inflation was 2.6% y/y in November, the fourth month of successive increases from July's 0.7% y/y. At these levels, inflation is above the European Central Bank's target of 'below, but close to 2%', putting some pressure on its long-term stance of holding its main interest rate of 0%.

The US economy expanded at an annualised rate of 2.1% in Q3 2021, slowing sharply from gains of 6.7% and 6.3% in the previous two quarters. In its December 2021 interest rate announcement, the Federal Reserve continue to maintain the Fed Funds rate at between 0% and 0.25% but outlined its plan to reduce its asset purchase programme earlier than

previously stated and signalled they are in favour of tightening interest rates at a faster pace in 2022, with three 0.25% movements now expected.

**Credit outlook:** Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and had steadily edged down throughout the year up until mid-November when the emergence of Omicron has caused them to rise modestly. However, the generally improved economic outlook during 2021 helped bank profitability and reduced the level of impairments many had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.

The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial institutions, revising them from negative to stable and even making a handful of rating upgrades.

Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.

**Interest rate forecast:** The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will continue to rise in calendar Q1 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates.

Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise again, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks become more balanced.

Yields are expected to remain broadly at current levels over the medium-term, with the 5, 10 and 20 year gilt yields expected to average around 0.65%, 0.90%, and 1.15% respectively. The risks around for short and medium-term yields are initially to the upside but shifts lower later, while for long-term yields the risk is to the upside. However, as ever there will almost certainly be short-term volatility due to economic and political uncertainty and events.

#### **Underlying assumptions:**

- The global recovery from the pandemic has entered a more challenging phase. The resurgence in demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. The advent of the Omicron variant of coronavirus is affecting activity and is also a reminder of the potential downside risks.
- Despite relatively buoyant activity survey data, official GDP data indicates that growth was weakening into Q4 2021. Other data, however, suggested continued momentum, particularly for November. Retail sales volumes rose 1.4%, PMIs increased, and the labour market continued to strengthen. The end of furlough did not appear to have had a significant impact on unemployment. Wage growth is elevated.
- The CPI inflation rate rose to 5.1% for November and will rise higher in the near term. While the transitory factors affecting inflation are expected to unwind over time, policymakers' concern is persistent medium term price pressure.

- These factors prompted the MPC to raise Bank Rate to 0.25% at the December meeting. Short term interest rate expectations remain elevated.
- The outlook, however, appears weaker. Household spending faces pressures from a combination of higher prices and tax rises. In the immediate term, the Omicron variant has already affected growth – Q4 and Q1 activity could be weak at best.
- Longer-term government bond yields remain relatively low despite the more hawkish signals from the BoE and the Federal Reserve. Investors are concerned that significant policy tightening in the near term will slow growth and prompt the need for looser policy later. Geo-political and coronavirus risks are also driving safe haven buying. The result is a much flatter yield curve, as short-term yields rise even as long-term yields fall.
- The rise in Bank Rate despite the Omicron variant signals that the MPC will act to bring inflation down whatever the environment. It has also made clear its intentions to tighten policy further. While the economic outlook will be challenging, the signals from policymakers suggest their preference is to tighten policy unless data indicates a more severe slowdown.
- Forecast:
- The MPC will want to build on the strong message it delivered this month by tightening policy despite Omicron uncertainty.
- Arlingclose therefore expects Bank Rate to rise to 0.50% in Q1 2022, but then remain there. Risks to the forecast are initially weighted to the upside, but becoming more balanced over time. The Arlingclose central forecast remains below the market forward curve.
- Gilt yields will remain broadly flat from current levels. Yields have fallen sharply at the longer end of the yield curve, but expectations of a rise in Bank Rate have maintained short term gilt yields at higher levels.
- Easing expectations for Bank Rate over time could prompt the yield curve to steepen, as investors build in higher inflation expectations.
- The risks around the gilt yield forecasts vary. The risk for short and medium term yields is initially on the upside but shifts lower later. The risk for long-term yields is weighted to the upside.

Agenda item number: 8  
Appendix 14

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
<b>Official Bank Rate</b>													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
<b>3-month money market rate</b>													
Upside risk	0.05	0.05	0.25	0.35	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.55	0.55	0.60	0.60	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65
Downside risk	0.00	-0.25	-0.25	-0.30	-0.30	-0.30	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35
<b>5yr gilt yield</b>													
Upside risk	0.00	0.35	0.45	0.55	0.55	0.55	0.55	0.55	0.55	0.50	0.50	0.45	0.45
Arlingclose Central Case	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.65	0.70	0.75	0.75
Downside risk	-0.10	-0.20	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.40
<b>10yr gilt yield</b>													
Upside risk	0.10	0.25	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	0.80	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.90	0.90	0.95	0.95
Downside risk	-0.10	-0.25	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.40	-0.40	-0.40	-0.40
<b>20yr gilt yield</b>													
Upside risk	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	1.00	1.05	1.10	1.10	1.10	1.10	1.15	1.15	1.15	1.20	1.20	1.20	1.20
Downside risk	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45
<b>50yr gilt yield</b>													
Upside risk	0.25	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.70	0.75	0.80	0.85	0.90	0.95	1.00	1.05	1.05	1.10	1.10	1.15	1.15
Downside risk	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%  
PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%  
PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

### Credit Rating Equivalents and Definitions

	Fitch	Moody's	Standard & Poor's
<b>Long Term Investment Grade</b>	AAA	Aaa	AAA
	AA+	Aa1	AA+
	AA	Aa2	AA
	AA-	Aa3	AA-
	A+	A1	A+
	A	A2	A
	A-	A3	A-
	BBB+	Baa1	BBB+
	BBB	Baa2	BBB
	BBB-	Baa3	BBB-
<b>Sub Investment Grade</b>	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

Fitch	Moody's	Standard & Poor's
<b>AAA</b> 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.	<b>Aaa</b> Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.	<b>AAA</b> An obligator rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by Standard & Pooers.
<b>AA</b> 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.	<b>Aa</b> Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.	<b>AA</b> 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.
<b>A</b> 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.	<b>A</b> Obligations rated A are considered upper-medium grade and are subject to low credit risk.	<b>A</b> 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.
<b>BBB</b> 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.	<b>Baa</b> Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.	<b>BBB</b> 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.



**Guildford Borough Council**  
**Flexible Use of Capital Receipts Strategy 2022-23**

When a capital asset is no longer needed, it may be sold to generate a capital receipt. Capital receipts are normally ringfenced to finance the capital programme such as purchasing or developing new assets or to repay debt.

On 6 February 2018 the Secretary of State issued a direction under Section 16(2)(b) of the Local Government Act 2003 and guidance under section 15(1)(a) of the Local Government Act 2003 to allow local authorities to spend capital receipts on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility. The direction applies to the financial years that being on 1 April 2016, 1 April 2017, 1 April 2018, 1 April 2020, 1 April 2021 and has now been extended for financial year from 1 April 2022.

The set up and implementation costs of any new processes or arrangements are classified as qualifying expenditure which can apply for the flexible use of capital receipts.

Examples of projects include:

- Sharing back-office and administrative services with one or more other council or public sector bodies;
- Investment in service reform feasibility work, e.g. setting up pilot schemes;
- Collaboration between local authorities and central government departments to free up land for economic use;
- Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation;
- Sharing Chief-Executives, management teams or staffing structures;
- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible;
- Aggregating procurement on common goods and services where possible, either as part of local arrangements or using Crown Commercial Services or regional procurement hubs or Professional Buying Organisations;
- Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training;
- Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, through selling services to others); and
- Integrating public facing services across two or more public sector bodies (for example children’s social care, trading standards) to generate savings or to transform service delivery.

A policy on the flexible use of capital receipts was previously approved by Council as part of the Capital and Investment strategy in February 2019 to help finance the transformation costs of the Future Guildford transformation project (should it be required), and again in November 2021 for the Collaboration costs with Waverley BC. As the Government has now extended the scheme further, we can take advantage of

this flexibility to help fund transformation, service redesign costs and any costs associated with our savings programme in 2022-23.

The recommendation in this report is to request Councillors to approve the flexible use of capital receipts strategy, for the transformation costs incurred in 2022-23.



## 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

Author: Claire Morris and Matt Gough

Tel: 01483 444827 / 01483 444772

Email: [claire.morris@guildford.gov.uk](mailto:claire.morris@guildford.gov.uk)

Lead Councillors responsible: Julia McShane and Tim Anderson

Tel: 01483 837736

Email: [julia.mcshane@guildford.gov.uk](mailto:julia.mcshane@guildford.gov.uk) and [tim.anderson@guildford.gov.uk](mailto:tim.anderson@guildford.gov.uk)

Date: 25<sup>th</sup> January 2022

## **Housing Revenue Account (HRA) Budget 2022-23**

### **Executive Summary**

The Council owns over 5,200 Council Houses which it rents to tenants who qualify for social housing. The Housing Revenue Account (HRA) is the ring-fenced account within which the Council records the income and expenditure for its operations as landlord to its tenants and for the day-to-day management, repairs and maintenance of the council housing stock. This report outlines the proposed Housing Revenue Account (HRA) budget for 2022-23, which has been built on the estimates and assumptions in the updated 2022 HRA Business Plan that is to be found in appendix 3. The business plan has been reviewed to reflect changes in relevant legislation and guidance, along with consideration of the Council's declaration of a Climate Emergency and the ongoing challenges of the pandemic as it affects our operating environment.

It is proposed that the rents for 2022-23 should increase by (4.10%) being the annual September 2020 to September 2021 Consumer Price Index (CPI) of 3.10% plus 1%. This approach is in line with the Rent Standard set by the Regulator of Social Housing and the Direction made by the Secretary of State on the 25 February 2019. The Rent Standard was introduced following a four year period (between April 2016 and April 2020) where rents were reduced by 1% per annum under the Welfare Reform and Work Act 2016.

A 3% increase in garage rents is proposed which is in line with the wider council policy on fees and charges.

The report includes overall details of the proposed investment programme for the properties that are managed within the HRA, additional details of this work are set out within the Capital & Investment Strategy which is to be considered separately on this agenda.

The HRA annual budget and HRA business plan set a lower priority to the repayment of debt principal inherited as part of the self-financing HRA settlement. As such, surplus' on the HRA are used to build reserves to invest in redevelopment and upgrading of the existing

stock as well as investing in new build affordable housing to be retained and rented by the Council within the HRA.

This report has also been considered by the Joint Executive Advisory Board at its meeting on the 10 January 2021. The Board's comments are set out in section 10 of the report.

The Executive is asked to approve:

- (1) That the initiatives, services and budgets as set out in this report and Appendix 1 to this report, be approved.
- (2) That the Director of Service Delivery be authorised, in consultation with the Lead Councillor for Community and Housing:
  - (a) to reallocate funding between approved schemes to make best use of the available resources; and
  - (b) to set rents accordingly.

**The Executive is also asked to make the following Recommendations to Council:**

- (1) That the proposed HRA revenue budget for 2022-23, as set out in **Appendix 1** to this report, be approved.
- (2) That a rent increase of 4.10%, comprising the September 2021 CPI (3.10%) plus 1%, in line with the Direction on the Rent Standard 2019 and as set out within Guidance provided by the Regulator of Social Housing, be implemented.
- (3) That the fees and charges for HRA services for 2022-23, as set out in **Appendix 2** to this report, be approved.
- (4) That a 3% increase is applied to garage rents which is in line with the wider council policy on fees and charges.

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 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 2022-23 draft budget and makes recommendations to the Council on the HRA revenue budget. Details of the HRA capital programme are set out within the Capital & Investment Strategy which is to be considered separately on this agenda.

**2. Corporate Plan**



- 2.1 The HRA Budget reflects the Council's vision as set out within the 2021-2025 Corporate Plan to support residents to have access to the homes and jobs they need by providing and facilitating housing that people can afford, helping to protect our environment and empowering communities and supporting people who need help.

### **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.
- 3.2 The Secretary of State made a Direction on the 25 February 2019 under powers set out within section 197 of the Housing and Regeneration Act 2008(a) which requires the Regulator of Social Housing to set a new Rent Standard for social housing including that owned and managed by local authorities with effect from the 1 April 2020. This approach has been reflected in the development of this budget and the plan sets out our ambitions and priorities for the service, in line with this and other requirements

### **4. Housing Revenue Account Business Plan**

- 4.1 The objective of the Business Plan is to optimise HRA resources to ensure quality, tenable accommodation for residents, stock growth to address the increasing demand for affordable housing and to transfer surpluses to the various reserves for future investment in pursuance of its business. It is not limited to management of the 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 On the 17 November 2020 the Government published a white paper "The Charter for Social Housing Residents" which sets out key areas of service and involvement that every social housing tenant should expect, the revised Business Plan and the HRA budget has been developed having consideration to these issues. The budget also brings forward plans to ensure compliance with new legislation and guidance for the stock.
- 4.4 The proposed changes will strengthen existing services and will support the Council in improving the safety and quality of our homes, improve local communities and to create increased opportunities for residents to become involved. It also looks to help reduce anti-social behaviour and help support vulnerable tenants to sustain their tenancies.
- 4.5 The Council has declared a Climate Emergency and it is essential that we continue to develop and improve our housing and services to meet the targets that the Council has set, and this budget builds on existing work by increasing investment to increase energy efficiency whilst also looking to reduce carbon emissions.
- 4.5 Universal Credit as currently structured continues to cause concern and challenges both for residents and for the Council. Some of these concerns are increasingly shared at a national

level, and in order to support tenants through transition, we have increased the support and advice that we are able to provide whilst also increasing our resources to help vulnerable households.

- 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 over the last couple of years, and this means that for some of our residents being able to access the support they need to live a healthy life can be a challenge. This in turn can effect a households ability to sustain their tenancy and we are increasingly working to support tenants to manage the consequences of this, whilst we understand that this can have a wider impact for neighbourhoods and communities, which is proving increasingly challenging.
- 4.7 These announcements and issues 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. It is to reflect these changes that the HRA Business Plan has been subject to significant review and has helped inform the proposed budget.

## **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 and providing services 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 Following the tragic events at Grenfell, the Government has rightly continued to focus on the health and safety of residents and has introduced new legislation and guidance in range of areas. To ensure compliance with new legislation and guidance the Council is undertaking its widest ranging programme of works to improve the health and safety of residents that will exceed current statutory requirements. To achieve this will require a substantial increase in the capital programme for major works to its existing stock, with work covering fire safety and precautions delivered in partnership with Surrey Fire and Rescue.
- 5.4 The funding framework available to meet the cost of supported housing remains fragile. Last year we received just £207,607 in Supporting People Grant funding with a further likely reduction due in 2022-23.
- 5.5 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, not only have housing issues but also have 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 and their residents.
- 5.6 The wider social housing sector is becoming increasingly commercial. Some housing associations are focusing on minimising risk by being selective as to who they house and they are also moving to rents that are higher than those charged by the Council despite their

large portfolio of properties. The Council is fortunate to have retained its stock, which gives us greater flexibility in helping those in housing need. It does, however, create a cost pressure.

- 5.7 Shared ownership properties enable residents to join the home ownership ladder, but for some the reality 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 in most cases will contribute to the overall viability of large developments and does assist many households in meeting their housing need.
- 5.8 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 and increase the investment in housing stock.
- 5.9 The last couple of years have presented unique challenges for managing our housing stock and as a result we have been unable to undertake all of the work that we would have expected to the homes we manage. This budget seeks to help redress that issue.

## **6. Preparation of the revenue and capital programme budget for 2022-23**

- 6.1 The 2022-23 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 The Capital and Investment Strategy (separate item on the agenda) sets out the approved and provisional HRA capital programme along with a financing strategy (HRA Resources). The programme reflects the latest information we have on the condition of the stock following surveys completed during 2021-22 and the developing asset management framework for our housing stock.
- 6.3 In preparing the HRA revenue budget, officers continue strategies undertaken in previous years to ensure we provide value for money for our residents. In particular:
- We will continue to evaluate all staff posts that fall vacant to determine whether it is appropriate to recruit to the role or whether an alternative approach could be considered.
  - The Covid-19 pandemic has changed the way we work with an increased use of IT, remote working, and virtual meetings. These new working practices have brought benefits which we aim to continue.
  - The Allpay system and mobile payment App has being useful, particularly with remote working, in our drive for rent collection.
  - Rent collection analytics technology has helped colleagues focus and manage rent collection.
  - Introduction of new technologies such as Salesforce and the Choice Based lettings system as part of our Future Guildford Programme continues to deliver service efficiencies and benefits to tenants.

- As part of the ICT and Digital change programme for the Council, officers will look to upgrade or replace the Orchard Housing Management System and Keystone asset management system over the medium-term period.

## 7. HRA Revenue Budget 2022 - 23

### Assumptions

- 7.1 The total HRA debt stands at £197 million. It is projected that the interest charge for 2022-23 will be £5,052,225. No provision is included in the budget for the repayment of debt during 2022-23 in line with the overall HRA business plan strategy that debt repayment is not a priority.
- 7.2 The revenue budget for 2022-23 is predicated around a number of key assumptions. The most important of which are set out in the table below:

Item	Assumption
Opening stock	5,254 units of accommodation
HRA Debt	£197 million
Average cost of capital for 2022-23	2.60%
September CPI	3.10%
Recommended Rent increase CPI + 1%	4.10%
Garage rent increase	3%
Bad debt provision 2022-23	£477,402
Void rate	0.50%
Service charge increases	Linked to contractual arrangement with suppliers
Housing units lost through Right to Buy (RTB)	25 per annum
Retained Right to Buy receipts	Held in reserves to fund new build housing and acquisitions within timeframes allowed
HRA ring fence	Policy of strong ring fence continues
Debt repayment	No provision made for the repayment of debt
Operating balance	£2.5 million

- 7.3 The proposed budget set out in Appendix 1 is based on a 52-week rent year.

7.4 In line with the Rent Standard and the Secretary of States Direction rents will increase by CPI plus 1% per annum in 2022-23 which will be 4.1% overall and will result in additional income of approximately £1.2m.

**Summary of Revenue Account Budget 2022-23**

7.5 The table below summarises the proposed 2022-23 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.

<b>Gross Expenditure alternatively analysed as:</b>	<b>£000</b>
Management and maintenance	12,693
Depreciation	5,525
Other	824
Interest payable	5,052
Transfer to reserves	10,958
	<u>35,053</u>

<b>Received From:</b>	<b>£000</b>
Council House Rents	31,677
Interest receivable	54
Rent income	1,232
Fees, charges and miscellaneous income	2,090
	<u>35,053</u>

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 £10.958million for 2022-23 which is reflected in the tables above by the proposed transfer to reserves. The reserves will be used to fund the capital programme for major repairs and investment in existing stock as well as the development of new build housing.

**Expenditure**

7.7 The main headings are summarised below:

Subjective Heading	2021-22 Budget	2021-22 Projection	2022-23 Budget
	£	£	£
General Management	6,324,632	5,880,714	6,950,510
Responsive and planned maintenance	5,857,920	5,820,762	6,304,026
Interest payable	5,142,230	5,675,260	5,052,225
Depreciation	5,528,730	5,525,000	5,525,000
Cost of democracy	256,800	251,530	263,219

7.8 **General Management:** Budgeted expenditure on delivering continuing HRA services is around a 10% increase on the previous year’s budget, reflecting growth in services in

response to the Governments Housing White paper and changes in the regulatory and legal framework. A number of initiatives have been identified such as:-

- Increased support for vulnerable tenants to help maintain their tenancies and to co-ordinate the services safeguarding role for those households at risk
- Increased support to work with tenants and partners in dealing with and preventing increasingly complex Antisocial behaviour (ASB) and criminal behaviour
- Increased support for the number of households who continue to move to Universal Credit and to support tenants to avoid rent arrears whilst increasing rent collection
- Increase in capacity to ensure compliance with evolving regulatory and compliance framework
- Improve complaints response and feedback support to allow us to learn from increased feedback and respond more effectively particularly for issues around health and safety
- To help increase capacity and create opportunities with new apprenticeship roles within the service
- Expanded building safety and compliance roles to meet current and planned legislative and regulatory changes
- Increase in capacity to deliver both additional housing and also the redevelopment of existing properties

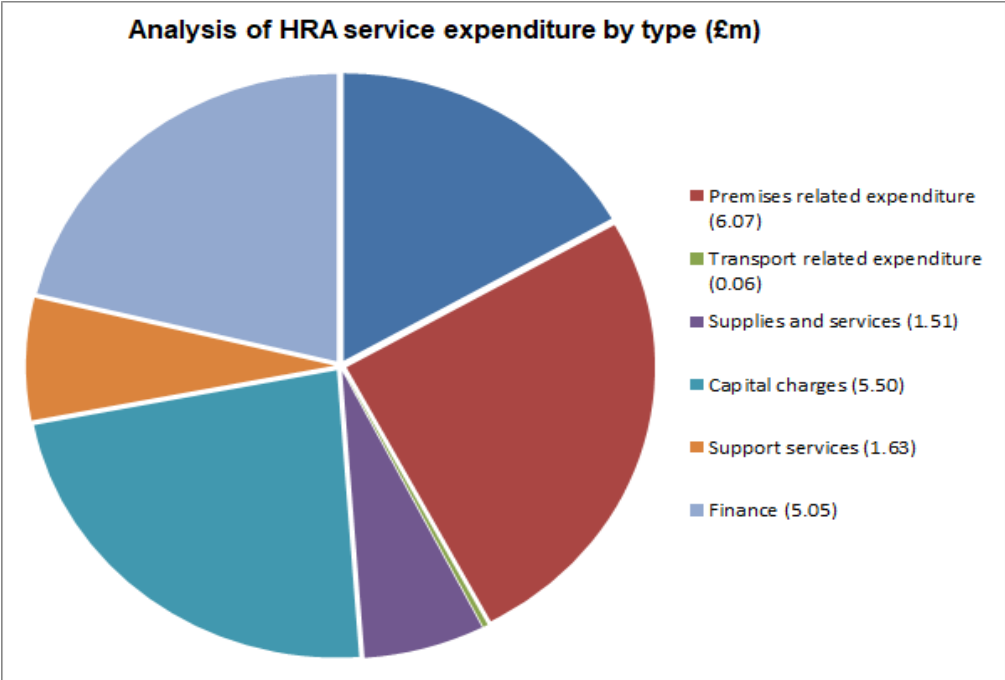
7.9 **Repairs and maintenance:** An increase in planned repairs and maintenance expenditure is proposed to catch up works which have not been able to be undertaken due to the pandemic.

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.

<b>Maturity</b>	<b>Principal</b>	<b>Proportion</b>	<b>Type</b>
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
	<b>£192,435,000</b>		

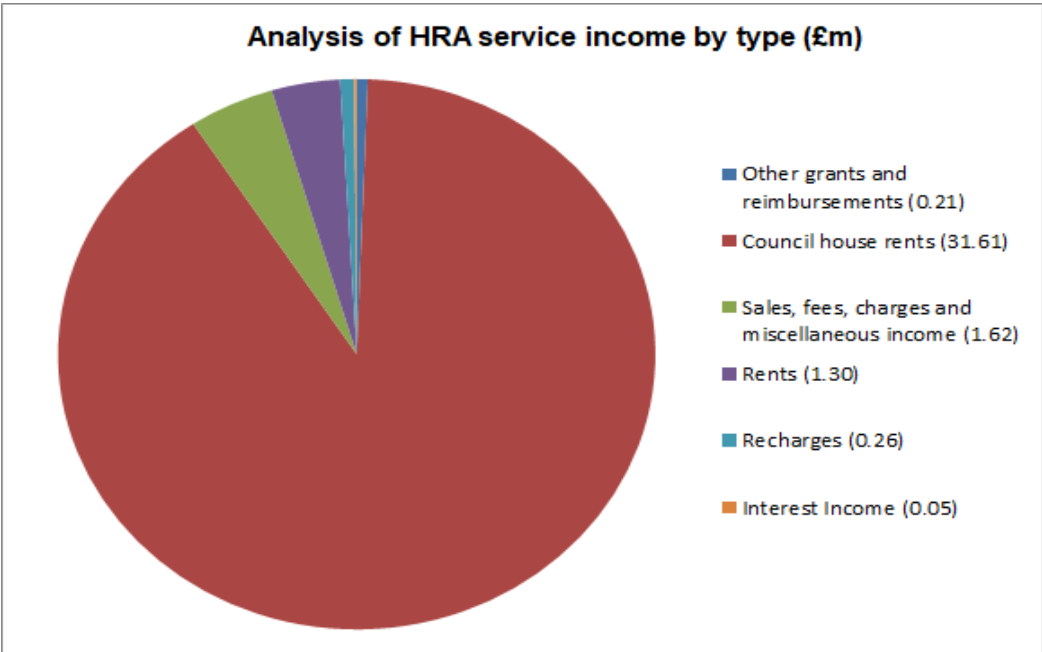
7.11 **Depreciation:** To safeguard future rental streams, we need to ensure our properties and assets are adequately maintained. This will involve the replacement of ageing components at the appropriate time. In order to do so, it is important that we set aside adequate funds each year to meet future liabilities. The depreciation charge is one of the key mechanisms we use to do this. The proposed 2022-23 charge represents, in officers' view, a realistic amount having regard to the outcome of the stock condition survey. A charge of £5,525,000 is considered both appropriate and affordable.

7.12 Subjective analysis of the expenditure and graphical summary below, excluding other charges.



**Income**

7.13. A graphical summary of 2022 -23 budgeted income analysis below:



### **Rent Increase**

- 7.14 The Secretary of State made a Direction on the 25 February 2019 under powers set out within section 197 of the Housing and Regeneration Act 2008(a) which requires the regulator of Social Housing to set a new Rent Standard for social housing including that owned and managed by local authorities with effect from the 1 April 2020.
- 7.15 Registered providers including the Council are expected to comply with the requirements and expectations set out in this Rent Standard. Guidance provided by Regulator of Social Housing published on the 15 November 2021 contains adjusted tables to help providers ensure that they use the correct annual percentage to inflate their rents. For the year 2022-23 this confirms that the limit is calculated by using CPI +1%, with the Consumer Price Index level to be used from the proceeding September which as the Guidance confirms would be 3.1% + 1% giving a level of increase of 4.1%.
- 7.16 Currently 59% of Council tenants are in receipt of either Housing Benefit or Universal Credit the majority will have their rent covered in full by these benefits, whilst 41% will have had their income assessed and will not be eligible for any assistance as their income will have been considered sufficient to be able to meet their housing costs. For those eligible the proposed increase will have the additional cost covered by their benefits.
- 7.17 More than 97% of tenants are on social rents and the expected change to their weekly rent on average will be £3.95 for those in 1 bed roomed properties, £4.73 for those in 2 bed and £5.36 for this in 3 bedroomed properties.
- 7.18 Arrears levels for Council are generally low with about 1% in arrears which is well below levels in most social housing. This would indicate that for most households their rents remain affordable. The majority of arrears cases are associated with households who have moved to UC and they make up 68% of arrears although again in most instances these arrears are at relatively low levels of arrears with just 13 accounts with arrears in excess of £2k. The September CPI plus 1% rent increase gives an additional income of approximately £1.2m for the coming year
- 7.19 The previous stated formula up to 2019 was set out within the Welfare Reform and Work Act 2016, which required the Council to reduce our social housing rents by 1% a year for four years from April 2016 to March 2020. The changes made in rent policy introduced in 2019 revert to that included within the pre-2016 HRA business plan, where annual rent increases were expected to follow a formula of CPI + 1% each year.
- 7.20 A provision for bad debt charge of £477,402 is included in the estimates. This charge will remain under review, but it is considered appropriate - it represents 1.5 % of the annual tenanted income.

### **Right to Buy sales (RTB)**

- 7.21 RTB activity remained steady during 2021-22, although the Government has now amended the rules regarding the use of the capital receipts arising from the sale of Right to Buy properties and the Council has entered into a new retention agreement that reflects these changes
- 7.22 The table below outlines activity as at December 2021.



Activity	Number
Properties sold since 1 April 2021	10
Applications being processed	32

- 7.23 Under the new rules receipts will be accounted for annually rather than quarterly and the Council is able to fund up to 40% of new property costs from the receipts. The time limit for using the funds has increased from 3 to 5 years. However, going forward a limit has been introduced for buying existing properties on the open market and this is being phased in over the next 3 years. Whilst up to 40% 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.
- 7.24 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 and property acquisition 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.
- 7.25 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.

## 8. HRA Capital Programme and Reserves

- 8.1 Full details of the Capital Programme are set out within the Councils Capital and Investment Strategy which is to be considered separately on this agenda. This strategy and the Business Plan is based around four stands which are:
- replacing ageing components such as roofs and kitchens
  - improving and enhancing existing properties – for example, installing double glazing
  - stock rationalisation – Replace or redeveloping properties
  - expansion – the provision of new additional affordable homes.
- 8.2 Key issues that have been considered as part of the overall development of the budget have included the ongoing covid situation which has had an impact on the way in which the Council has been able to undertake planned investment including the replacement of aging components, improving and enhancing of existing properties. In order to continue to meet targets for these planned programmes we will be expanding these programmes to ensure we remain on track with maintaining existing homes.
- 8.3 In addition to these areas and with additional background and detail being provided within the Capital and Investment Strategy we have reviewed our approach to ensuring the safety

of residents and this approach is now being influenced by the Fire Safety Act, Building Safety Bill and further guidance and good practice.

- 8.4 The Council has already started work on the development of our approach to ensure compliance with the changing requirements and relevant standards and we are reviewing all Fire Risk Assessments for relevant blocks. The risk assessments reflect both changing legislation and good practice that has developed and continues to develop over the last few years.
- 8.5 This additional investment represents a significant increase in the planned programme for next year and will mean that the homes that the Council manages meet not only the legislative requirements but also reflect good practice in ensuring the health and safety of residents.
- 8.6 The council continues with its programme of delivering additional affordable homes with full details of the proposed programme again set out within the Capital and Investment Strategy.
- 8.7 In addition this year it is proposed that the Council will invest in the replacement or upgrading of the systems to manage both the housing asset and housing management systems. The current systems will no longer be supported by the companies that developed them and they also use aging systems which are also moving out of support. The current system has been in use for 20years and is now in need of enhancement or replacement.
- 8.8 Full details of the work to replace the systems will be set out within a separate report however consideration to the costs of replacement have been included within the overall budget development process.
- 8.9 The funding sources that will enable us to deliver the expanded capital programme are as follows:
- HRA rental stream
  - Capital receipts generated from the disposal of HRA assets including land and right to buy sales
  - HRA reserves
  - HRA borrowing
- 8.5 The HRA has built up significant revenue reserves and as at 31 March 2022 are estimated to be in the region of £117m. 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 as set out within the Capital and Investment Strategy. 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.

8.6	Yr Ended 30/03	RFFCW	MRR	NBR	TOTAL	Usable Cap Rec	141	HRA Debt Mgt	Total Cap Rec	Total Rec
	2019/20	38,329	9,851	56,112	<b>104,291</b>	4,216	6,004	4,216	<b>14,436</b>	<b>118,727</b>
	2020/21	40,829	10,760	55,788	<b>107,377</b>	4,216	5,356	5,428	<b>15,000</b>	<b>122,377</b>
	2021/22	40,829	11,376	26,498	<b>78,703</b>	4,216	6,971	4,967	<b>16,154</b>	<b>94,857</b>
	2022/23	37,500	0	34,784	<b>72,284</b>	0	1,261	4,262	<b>5,523</b>	<b>77,807</b>

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 Right to buy 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 sites<sup>1</sup>.

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, as outlined above and within the Capital and Investment Strategy the budget reflects the proposed investment programme.

Years	Houses	Flats	Bungalows	Total
<b>Opening Bal 2019-20</b>	<b>2635</b>	<b>2255</b>	<b>319</b>	<b>5209</b>
RTB	-12	-7	0	-19
Additions	26	14	0	40
<b>Opening Bal 2020 -21</b>	<b>2649</b>	<b>2262</b>	<b>319</b>	<b>5230</b>
RTB	-10	-32	0	-42
Additions	13	5	0	18
<b>Opening Bal 2021 -22</b>	<b>2652</b>	<b>2235</b>	<b>319</b>	<b>5206</b>
RTB	-7	-8	0	-15
Additions	13	5	0	18
<b>Opening Bal 2022 -23</b>				<b>5254</b>

<sup>1</sup> 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 40% of the cost of replacement social housing within five years, otherwise the retained receipts must be repaid to the MHCLG with interest.

**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 2022-23 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 2022-23 budget includes a bad debt provision of £477,402. 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 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.
- 9.8 The housing related reserves are adequately funded and are projected to be around £121m as at April 2022. The HRA reserves shall be engaged on value adding expenditure to maintain earnings growth and business stability.
- 9.9 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. Consultation**

- 10.1 The Council remains committed to working cooperatively with council tenants and leaseholders to shape, strengthen and improve council housing services and sets out a range of options to enable housing customers to be involved.
- 10.3 All tenants will be notified of changes to their rent and service charges in February/March 2022.

**11. Joint Executive Advisory Board –**

- 11.1 The Joint EAB considered this report at its meeting on 10<sup>th</sup> January 2022. The comments of the JEAB will be reported to the Executive at its meeting once the minutes of the JEAB are available.

**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 within the report and where appropriate additional roles are set out within the report and all relevant decisions and actions will be undertaken in line with the appropriate Council HR policies and procedures.

**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 2022-23
- Appendix 2: HRA Fees and Charges 2022-23
- Appendix 3: HRA Business Plan

This page is intentionally left blank

HOUSING REVENUE ACCOUNT - BUDGET SUMMARY					
2019-20 Actual £	2020-21 Actual £	Analysis	2021-22 Estimate £	2021-22 Projection £	2022-23 Estimate £
		<b>Borough Housing Services</b>			
793,019	605,026	Income Collection	684,648	629,624	661,144
1,164,320	1,021,278	Tenants Services	1,259,070	1,091,564	1,321,575
122,998	91,737	Tenant Participation	117,245	137,277	167,561
107,717	95,956	Garage Management	95,099	101,760	103,626
41,744	20,474	Elderly Persons Dwellings	43,779	47,580	48,243
575,851	424,443	Flats Communal Services	612,026	455,932	490,269
414,254	452,607	Environmental Works to Estates	430,894	453,360	454,677
6,265,983	919,038	Responsive & Planned Maintenance	5,857,920	5,820,762	6,304,026
137,128	131,919	SOCH & Equity Share Administration	150,489	137,095	166,571
<b>9,623,015</b>	<b>3,762,480</b>		<b>9,251,171</b>	<b>8,874,954</b>	<b>9,717,692</b>
		<b>Strategic Housing Services</b>			
485,497	679,229	Advice, Registers & Tenant Selection	681,991	716,800	746,257
201,203	170,837	Void Property Management & Lettings	184,820	212,360	245,019
5,120	5,120	Homelessness Hostels	5,248	5,121	5,252
175,717	148,663	Supported Housing Management	157,954	160,730	167,927
527,717	307,344	Strategic Support to the HRA	476,346	382,440	982,105
<b>1,395,255</b>	<b>1,311,194</b>		<b>1,506,359</b>	<b>1,477,451</b>	<b>2,146,560</b>
		<b>Community Services</b>			
883,927	737,102	Sheltered Housing	872,642	796,691	829,236
		<b>Other Items</b>			
5,640,147	5,686,291	Depreciation	5,528,730	5,525,000	5,525,000
5,059,974		Revaluation and other Capital items		0	0
160,590	217,061	Debt Management	150,000	150,000	150,000
36,359	3,570	Other Items	402,380	402,380	411,048
<b>22,799,267</b>	<b>11,717,697</b>	<b>Total Expenditure</b>	<b>17,711,282</b>	<b>17,226,476</b>	<b>18,779,536</b>
(32,532,978)	(32,264,967)	Income	(33,732,537)	(33,840,778)	(34,999,509)
<b>(9,733,711)</b>	<b>(20,547,270)</b>	<b>Net Cost of Services(per inc &amp; exp a/c)</b>	<b>(16,021,255)</b>	<b>(16,614,302)</b>	<b>(16,219,974)</b>
<b>251,530</b>	<b>251,530</b>	HRA share of CDC	<b>256,800</b>	<b>251,530</b>	<b>263,219</b>
<b>(9,482,181)</b>	<b>(20,295,740)</b>	<b>Net Cost of HRA Services</b>	<b>(15,764,456)</b>	<b>(16,362,772)</b>	<b>(15,956,754)</b>
(598,260)	(598,260)	Investment Income	(598,260)	(598,260)	(53,930)
5,131,995	5,131,995	Interest Payable	5,142,230	5,675,260	5,052,225
<b>(4,948,446)</b>	<b>(15,762,005)</b>	<b>Deficit for Year on HRA Services</b>	<b>(11,220,485)</b>	<b>(11,285,772)</b>	<b>(10,958,459)</b>
67,919	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
2,380,528	13,194,087	Contrib to/(Use of) New Build Reserve	8,133,194	7,073,714	8,383,459
0	0	Tfr (fr) to Pensions Reserve	0	0	0
0	0	Tfr (from)/to CAA re: Voluntary Revenue Provision	200,000	1,324,766	0
0	0	Tfr (from)/to CAA re: Revaluation	0	0	0
0	0	Tfr (from)/to CAA re: REFCUS	0	0	0
0	0	Tfr (from)/to CAA re: Intangible assets	0	0	0
0	0	Tfr (from)/to CAA re: rev. inc. from sale of asset	312,292	312,292	0
<b>0</b>	<b>0</b>	<b>HRA Balance</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>
(2,500,000)	(2,500,000)	Balance Brought Forward	(2,500,000)	(2,500,000)	(2,500,000)
<b>(2,500,000)</b>	<b>(2,500,000)</b>	<b>Balance Carried Forward</b>	<b>(2,500,000)</b>	<b>(2,500,000)</b>	<b>(2,500,000)</b>

2019-20 Projection £	2020-21 Actual £	Analysis	2020-21 Estimate £	2020-21 Projection £	2022-23 Estimate £
		<b>Borough Housing Services</b>			
(29,570,473)	(28,996,032)	Rent Income - Dwellings	(30,507,420)	(30,507,420)	(31,607,818)
(208,349)	(66,251)	Rent Income - Rosebery Hsg Assoc	(212,100)	(67,576)	(68,759)
(225,551)	(456,414)	Rents - Shops, Buildings etc	(322,533)	(465,543)	(473,690)
(753,058)	(731,091)	Rents - Garages	(785,571)	(745,713)	(758,763)
<b>(30,757,431)</b>	<b>(30,249,789)</b>	<b>Total Rent Income</b>	<b>(31,827,625)</b>	<b>(31,786,252)</b>	<b>(32,909,029)</b>
(113,577)	(202,608)	Supporting People Grant	(144,180)	(206,660)	(210,276)
(1,098,353)	(1,106,317)	Service Charges	(1,136,108)	(1,128,443)	(1,148,191)
(15,339)	45	Legal Fees Recovered	(28,840)	46	47
(53,277)	(253,517)	Service Charges Recovered	(58,769)	(258,136)	(262,653)
(495,001)	(452,782)	Miscellaneous Income	(537,015)	(461,333)	(469,407)
<b>(32,532,978)</b>	<b>(32,264,967)</b>	<b>Total Income</b>	<b>(33,732,537)</b>	<b>(33,840,778)</b>	<b>(34,999,509)</b>

This page is intentionally left blank



Agenda item number: 9  
Appendix 2

Housing Revenue Account - Fees and Charges 2022-23

	2019-20	2020-21	2021-22	2022-2023	Change
	£	£	£	£	%
	From 1 April 2019	From 1 April 2020	From 1 April 2021	From 1 April 2022	
<b>To be approved by Council</b>					
<b>Sheltered Units</b>					
<b>Function Room Hire</b>					
Voluntary /Charity Organisations	Per Hour	13.90	14.46	15.18	15.64 3.0%
	Per Day	69.00	71.76	75.35	77.61 3.0%
Education/Social Services	Per Hour	16.50	17.16	18.02	18.56 3.0%
	Per Day	103.00	107.12	112.48	115.85 3.0%
Social/Private Hire	Per Hour	20.75	21.58	22.66	23.34 3.0%
	Per day	110.75	115.18	120.94	124.57 3.0%
<b>Service charge (per week):</b>					
Dray Court		59.20	66.79	68.00	70.04 3.0%
Japonica Court		65.20	71.62	72.91	75.10 3.0%
St Martha's Court		64.48	72.00	73.30	75.50 3.0%
Millmead Court		53.78	60.93	62.02	63.88 3.0%
St Martin's Court		61.33	68.96	70.20	72.31 3.0%
Tarragon Court		54.09	61.58	62.69	64.57 3.0%
<b>Friary House (61 flats)</b>					
Heating, Electricity, Cleaning, Caretaking and Security Services (per wk)		16.81	17.65	12.96	13.35 3.0%
<b>Garages (on Housing Estates) (VAT is applied at the standard rate on private lets only)</b>					
High demand area (non residents) (per week)		19.65	20.63	20.86	21.49 3.0%
High demand area (per week)		11.95	12.55	12.69	13.07 3.0%
Elsewhere (per week)		9.82	10.31	10.43	10.74 3.0%
<b>Castle Cliffe</b>					
Gas and Electricity Charges (per week)		12.10	13.04	18.92	19.49 3.0%
<b>Malthouse Court</b>					
Gas and Electricity Charges (per week)		9.79	11.58	9.40	9.68 3.0%
<b>Pound Court</b>					
Electricity; Grounds Maintenance (per week)		5.41	5.24	5.33	5.49 3.0%
<b>Flats</b>					
<b>Where cleaning provided to communal areas:</b>					
Sandmore (Laundry and Communal Facilities, per week)		4.37	4.84	4.73	4.87 3.0%
Decorating charge (Note: charge is per room)		1.63	1.71	1.74	1.79 3.0%
<b>Supported Housing</b>					
<b>Service charge per week:</b>					
William Swayne House:					
- Self Contained bedsits		111.41	115.31	117.38	120.91 3.0%
- Self Contained flat		113.62	117.60	119.71	123.30 3.0%
William Swayne Place		43.63	45.16	45.97	47.35 3.0%
Dene Road		69.30	71.73	73.02	75.21 3.0%
79 York Road		39.13	40.50	41.23	42.47 3.0%
Caxtons		60.49	62.61	63.73	65.65 3.0%
Dene Court		81.27	84.11	85.63	88.20 3.0%
<b>Sold Flats Service Charges - Solicitors' Enquiry</b>					
Sales/purchases		136.50	142.64	151.20	155.74 3.0%
Remortgages		70.20	73.36	77.76	80.09 3.0%
Sold Flats Service Charge Management Fee		178.50	186.53	197.72	203.66 3.0%
<b>Consent Fees</b>					
Consent - Application in Advance		106.00	110.77	117.42	120.94 3.0%
Consent - Retrospective Application		181.00	189.15	200.49	206.51 3.0%

This page is intentionally left blank

---

# Housing Revenue Account Business Plan Commentary

---

Draft Report.v1  
January 2022



## HRA Business Plan and Capacity Review

---

### Contents

<b>1.</b>	<b>Introduction</b>	<b>1</b>
1.1.	Background .....	1
1.2.	Approach .....	1
<b>2.</b>	<b>Business plan model</b>	<b>2</b>
2.1.	Introduction .....	2
2.2.	Overview of methodology and assumptions .....	2
2.3.	HRA Business Plans Projections .....	5
<b>3.</b>	<b>Sensitivity &amp; Scenario Modelling</b>	<b>8</b>
3.1.	Sensitivity Modelling .....	8
3.2.	Scenario Modelling .....	8
<b>4.</b>	<b>Summary</b>	<b>10</b>
<b>5.</b>	<b>Appendix- Financial Tables</b>	<b>1</b>



# HRA Business Plan and Capacity Review

---

## 1. Introduction

### 1.1. Background

Guildford Borough Council (GBC, the Council) have appointed Savills to support officers in the production of the HRA Business Plan and associated training.

This builds upon the past changes such as the abolition of the HRA debt cap, and the introduction of greater flexibilities around the reinvestment of Right to Buy receipts. GBC, like many authorities, has adopted a new approach to setting out the financial capacity and capability of the HRA to deliver on its objectives towards refurbishment, investment, and new supply.

Savills have therefore worked with officers to produce the HRA business plan, that projects the cashflows over the next 30 years, forecasting of reserve balances and repayment of loans originally taken out in March 2012 to fund the self-financing settlement.

It is based on the latest 2021.22 forecasts and anticipated budget for 2022.23 for both capital and revenue.

### 1.2. Approach

This report sets out our findings as follows:

1. The results of the latest HRA business plan model in the light of market conditions, policy initiatives and other factors.
2. Outputs from financial modelling and sensitivity testing (where appropriate) to establish alternative delivery scenarios for the business plan.
3. The impact to the metrics and indicators which can form the basis of future management and planning for the HRA.

## HRA Business Plan and Capacity Review

---

## 2. Business plan model

### 2.1. Introduction

The latest version of our HRA Business Plan model has been provided and populated for officers in order to progress the 2022.23 budget process and forms the basis of this report, alongside the projected outturns for 2021.22.

The model has been presented via a workshop with officers from the finance and management team to agree the methodology and assumptions.

It will continue to have revisits in respect of the new development schemes as details become more apparent and investment strategy for the existing stock.

### 2.2. Overview of methodology and assumptions

#### *Overall*

The plan is based on the following overarching principles:

- 30 year projections from 2021.22 based on most recent forecasts, including those for 2022.23
- Core inflation projected at 2.0% thereafter with exemptions as detailed below;
- Rents increasing at CPI+1% per annum up to and including April 2024 in-line with the current social policy and then CPI thereafter. No provision has been made for re-lets at formula rent levels
- Depreciation provision increasing at CPI throughout
- Maintenance of the existing tenanted stock (subject to Right to Buy sales) is modelled at a total of £228million over the 30 years from 2021.22 equating to £45,040 per unit, based on indicative modelling and 2021.22 and 2022.23 forecasts
- Inclusion of a range of new development schemes totalling £80.2million as per below:
  - Guildford Park
  - Bright Hill
  - Slyfield Weyside urban Village)
  - Other Redevelopment Bids
- The inclusion of 10 loans directly attributable to the HRA totalling £192.4million.
- Opening reserve balances totalling £112.1million.

The overall methodology within the plan is also founded on the following key approaches:

- Annual surpluses (or deficits) within the HRA are vired to holding reserves, whilst maintaining a minimum of £2.5million within the HRA itself.
- The holding reserve balances will be used to finance capital expenditure on existing stock, net expenditure (after subsidies) on new developments and the repayments of the 10 loans as they fall due.



## HRA Business Plan and Capacity Review

We have set out below some more details in respect of some of the key inputs and assumptions.

### Rents

For both social and affordable rented properties, the rents contained within the modelling are consistent with the latest social rent policy where a CPI plus 1% have been applied and will be until April 2024. With September's CPI standing at 3.1% a 4.1% rent increase has been modelled for April 2022. Beyond April 2024 we have modelled rents to increase by CPI only. Void rates of 0.5% and Bad Debt provision of 1.5% have been modelled throughout the plan.

Shared Equity rents will increase on the same basis, but without the provision for void loss, and stair-casing of 5% assumed.

### Right to Buy sales volumes

The level of sales is initially modelled at 35 per annum and then reduce gradually to 30 per year over the next 30 years which accounts for a stock loss of 18.3% over the plan period. It might be expected that GBC will see further reductions in sale volumes but the approach taken is prudent. We have made adjustments to both rents, repairs and future investment expenditure to reflect these stock losses.

### Capital Works to Existing Properties

The model has been populated with the latest estimates from the Keystone Asset Management Database as below:

*Table 2.1 – Stock Investment Requirements*

	Yrs 1-5	Yrs 6-10	Yrs 11-15	Yrs 16-20	Yrs 21-25	Yrs 26-30	TOTAL
External Works	16,186,019	9,321,209	8,079,103	10,521,852	7,241,631	9,012,843	<b>60,362,657</b>
Windows	2,599,281	1,605,611	1,549,172	1,997,736	288,641	658,682	<b>8,699,123</b>
Common Parts	1,696,389	1,752,044	750,177	1,392,926	1,337,445	1,044,449	<b>7,973,431</b>
Internal Works	935,574	616,085	553,222	595,763	351,198	417,844	<b>3,469,686</b>
Bathrooms	2,177,116	1,847,231	3,064,753	4,760,889	2,860,589	947,969	<b>15,658,547</b>
Kitchens	5,964,892	7,130,760	5,289,159	1,777,378	5,879,344	7,063,970	<b>33,105,503</b>
Heating	7,930,244	5,630,305	1,793,712	11,411,537	5,985,554	2,979,006	<b>35,730,358</b>
Electrical Works	3,397,522	1,790,814	3,462,007	3,569,200	2,094,300	622,956	<b>14,936,799</b>
Disabled Adaptations	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	<b>19,500,000</b>
<b>TOTAL</b>	<b>44,137,037</b>	<b>32,944,059</b>	<b>27,791,306</b>	<b>39,277,281</b>	<b>29,288,702</b>	<b>25,997,720</b>	<b>199,436,103</b>

Year 1 of the above table is modelled as 2022.23, although we have factored in the actual forecast programme which will contain items not listed above. In addition, the above values will be inflated, allowing for inflation for their introduction into the plan.

There above figures are caveated in that an extensive check is currently being undertaken on the database in terms of accuracy of the data, the values used for key components and their associated life-cycles.

Furthermore, whilst the above should cover building safety works following the changes in most recent guidance, clarity is also being sought.



## HRA Business Plan and Capacity Review

---

The above costs make no allowance for energy efficiency works in moving the stock to being zero-carbon. Again, this is currently being evaluated, but a provisional figure has been modelled as a scenario further on in this commentary.

Other capital expenditure includes a provision for the cash incentives scheme of £75,000 per annum for the first 5 years of the plan.

### New Development Assumptions

The plan has a significant amount of expenditure built into in respect of various sites within the Borough.

We have modelled a total of 170 social properties have been modelled based on initial expectations on account of the tenure that is yet to be established for the schemes.

The plan will be updated once there are firm proposals in place, but the £80.2million development expenditure represents a fair view on the costs for these sites.

1-4-1 receipts have been modelled to part subsidise the cost of the developments, but may change according to final proposals in terms of tenure.

### Interest Rates

The model incorporates a treasury function that models both the interest and repayment schedules for the 10 loans that were undertaken to finance the self-financing settlement. All bar one of the loan facilities are at a fixed rate, thus providing certainty in respect of the interest charges with the one variable rate facility of £45million maturing at the conclusion of 2021.22.

This loan has not been refinanced within these baseline projections and the reduction in reserve balances are shown in chart 2.6 below. We have modelled a scenario where this loan is refinanced.

### Holding Reserves

The HRA is modelled to retain a balance of £2.5million each year. Appropriations have been annually in the past split over three reserves with the following opening balances:

- Provision for Capital Expenditure Reserve: £38.329million
- New Build Reserve: £59.383

From 2023.24 onwards the model ensure the HRA reserves remains at £2.5million and automatically appropriates to (or from) the reserves above to maintain this minimum position. Whilst the reserves are separated within the model we have assumed the New Build reserve is the core reserve for these transactions. However, if the balance of the New Build reserve is fully utilised then the Provision for Capital Expenditure is then used and finally the Other Capital (Debt Repayment Reserve).





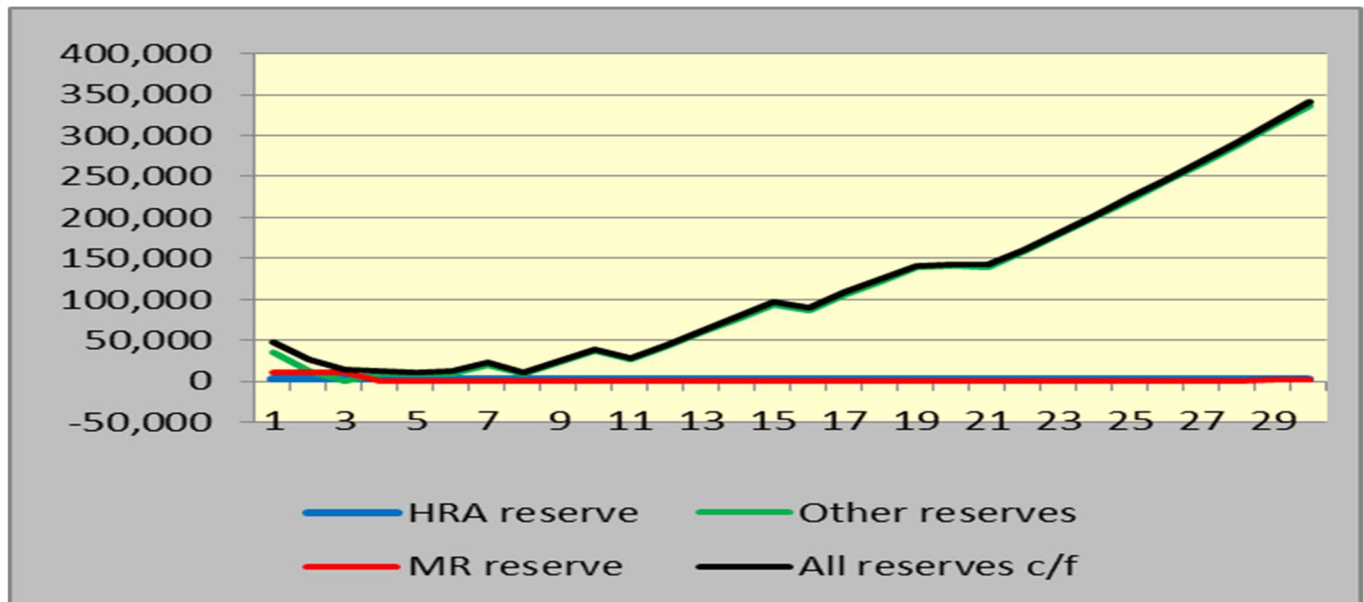
## HRA Business Plan and Capacity Review

There are other calls for utilising these reserves within the model, namely funding the new build programme, to avoid newly arising debt, repayment of loans maturing and finally, if required, financing capital expenditure on existing properties.

### 2.3. HRA Business Plans Projections

As detailed above we have modelled the business plan to retain the HRA reserves balance at £2.5million whilst utilising the holding reserves to fund net new build expenditure, debt repayment and

Chart 2.2 – Projected HRA reserve balances



This demonstrates the accumulation of all the reserves that make up the black line for projected balances. The core HRA reserve balance is maintained at the pre-set limit of £2.5million in all years, whilst the Major Repairs Reserve is fully utilised, each year, with the exception of the early years.

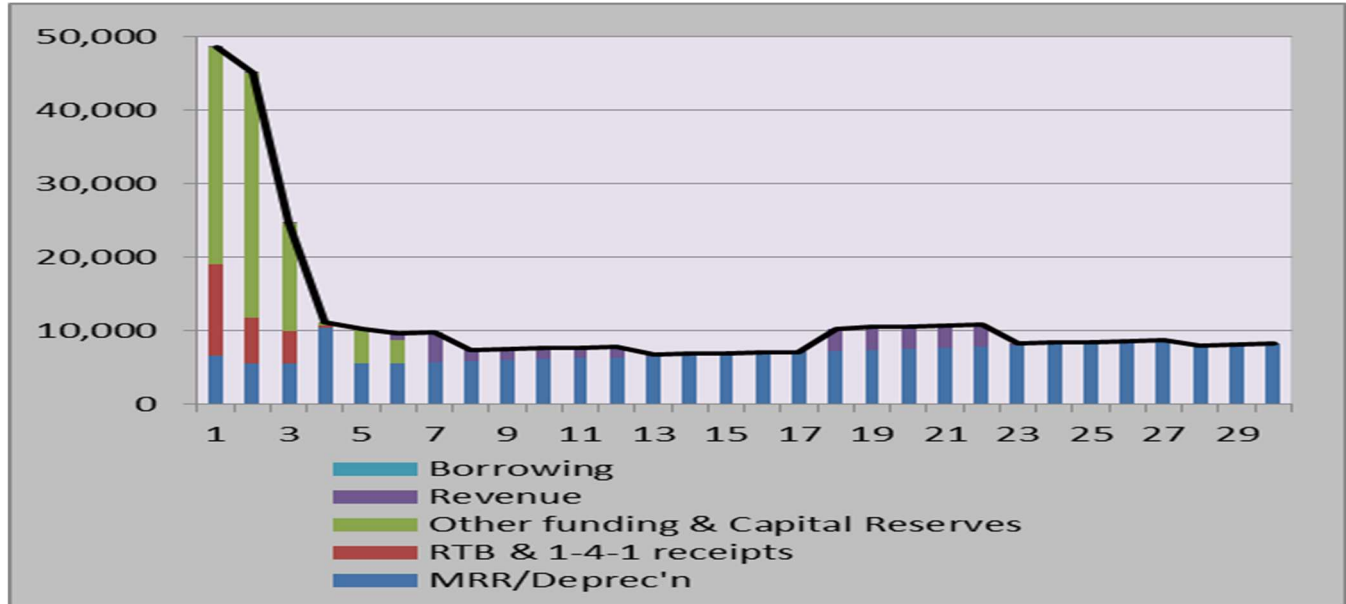
The majority of the reserves are contained within the ‘other reserves’ line that consist of the total balances of:

- Provision for Capital Expenditure Reserve
- New Build Reserve
- Other Capital (Debt Repayment Reserve)

As previously detailed, the model seeks to add or utilise these reserves depending on available surpluses for each year for the HRA and the required contributions to ensure a fully financed annual capital programme. In total, projected reserves are estimated at £340.6million at year 30.

## HRA Business Plan and Capacity Review

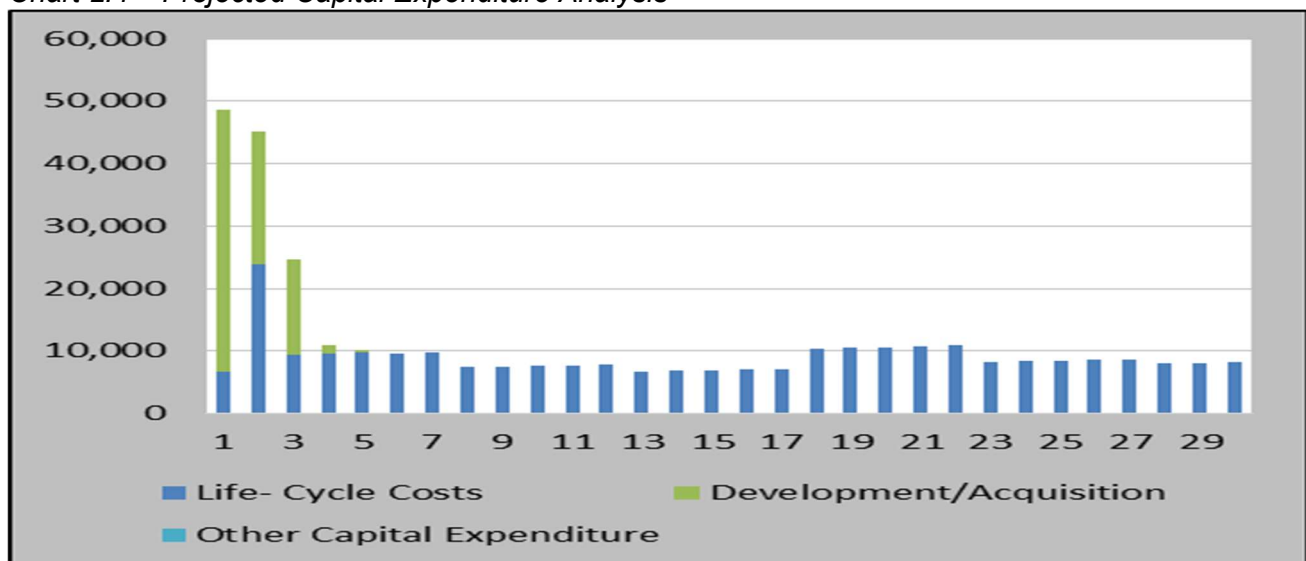
Chart 2.3 – Projected capital expenditure and financing



Capital expenditure remains fully funded throughout the 30 years demonstrated by the horizontal black line. The capital expenditure comprises of both the investment in the existing stock, reflecting the outputs from table 1 (allowing for inflation and stock sensitivities), future investment in new stock and the development of the new properties.

It is important to note that the life-cycle costs relating to the existing stock do not include a provision for energy efficiency works nor the full cost for achieving zero-carbon.

Chart 2.4 – Projected Capital Expenditure Analysis

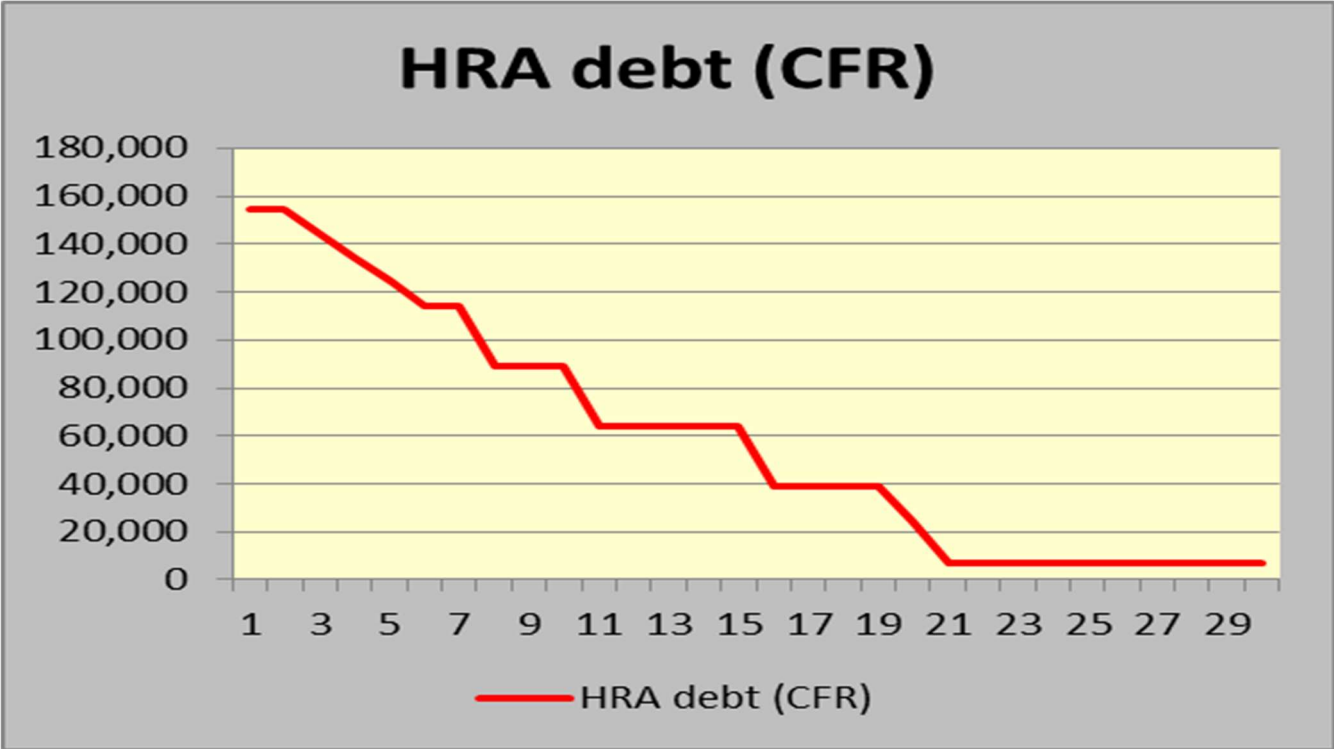




# HRA Business Plan and Capacity Review

This graphs explains the reasons for the high levels of capital expenditure in the early years, on account of the expenditure for development and acquisition of new homes.

Chart 2.5 – Projected debt profile (HRACFR)



This chart reflects the current loan portfolio and as demonstrated, in chart 2.3, no further borrowing is required to finance capital expenditure due to the availability of reserves.

## HRA Business Plan and Capacity Review

### 3. Sensitivity & Scenario Modelling

#### 3.1. Sensitivity Modelling

We have modelled a range of scenarios that demonstrate the impact to the plan as per the table below.

Scenario £'m	HRA Balances Yr 30	Minimum Reserve Balance (Year)	Debt Yr 30
<b>BASE</b>	<b>341.128</b>	<b>11.165 (8)</b>	<b>6.769</b>
Inflation +0.5% pa	384.125	12.156 (5)	6.769
Inflation -0.5% pa	301.770	9.618 (8)	6.769
Interest on balances -0.5% pa	324.920	10.690 (8)	6.769
Rents CPI +1% all years	514.223	12.093 (5)	6.769
Rent Freeze (Yrs 5-6)	295.780	6.301 (8)	6.769
Capital Expenditure +10%	314.695	5.822 (8)	7.047
Capital Expenditure Inf +1% 5 Years	328.836	9.317 (8)	6.769
Repairs Expenditure Infl +1% 5 Years	328.561	9.873 (8)	6.769
Right to Buys (NIL Yr 6+)	422.087	11.755 (5)	6.769
Voids +0.5% Bad Debts +1%	322.494	8.065 (8)	6.769
Inflation -0.5%, Interest on balances -0.5%, Rent Freeze 2 years, Capital Expenditure +10%, Repairs and Capital Inflation +1% (5 Years) Voids +0.5%, Bad Debts +1%	199.406	2.500	15.504

The plan shows a varied impact to both positive and negative sensitivities. Given balances remain positive the plan shows great resilience to external factors.

#### 3.2. Scenario Modelling

The sensitivity table above demonstrates the impact to the plan for areas that will be primarily outside of the control of GBC.

This section models the impact of one area of sensitivity.

##### Refinancing of the £45million loan facility

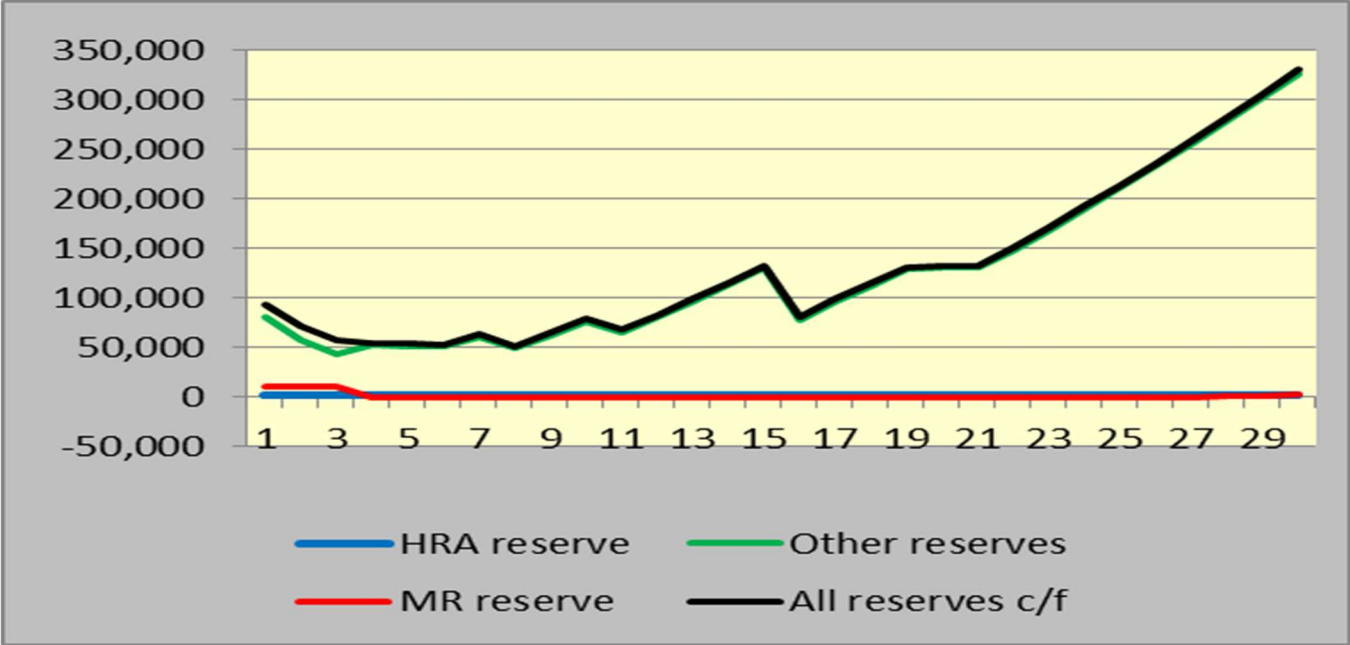
As stated the base position for the model assumes that the £45million variable interest rate loan that matures in March 2022 is repaid utilising the balances available and currently does not have a negative impact on the plan for doing so as the lowest combined reserve balances are due to fall to are £11.2million.



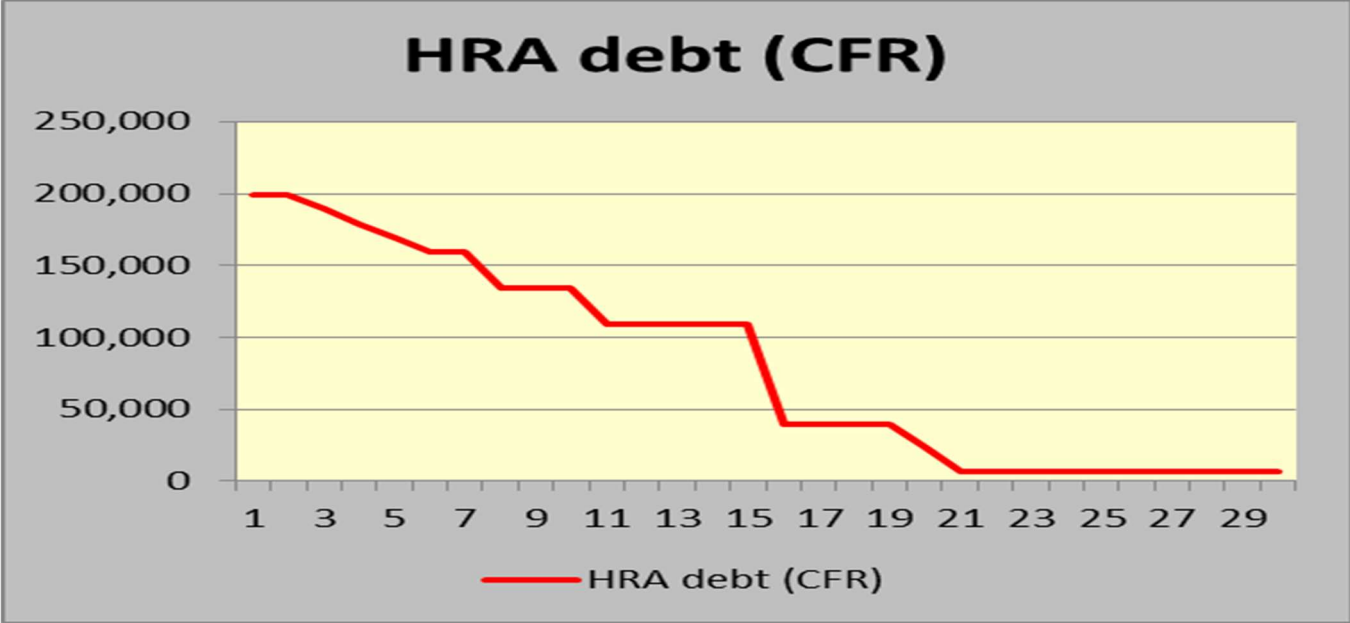
**HRA Business Plan and Capacity Review**

We have demonstrated the impact of re-financing the £45million loan based on a fixed rate of 2.29% on a maturity basis for 15 years.

*Chart 3.1 – Projected Balances based on refinancing of £45million loan*



*Chart 3.2 – Projected HRACFR based on refinancing of £45million loan*





## HRA Business Plan and Capacity Review

---

The forecast combined reserves balances are projected at £330.155million, some £10.973million less than the baseline position. This is on account of the additional interest charge, offset in part by increased interest on reserve balances.

### 4. Summary

1. The HRA business plan forecast as set out in our modelling for Guildford Borough Council shows that there is capacity in both forecast reserves and in borrowing to increase investment in existing stock and new properties.
2. By substantially increasing the investment in existing stock, for example to assist with meeting the de-carbon agenda, would still likely result in a viable business plan although at the expense of reserves balances and increase borrowing.
3. This report should provide a sound basis for the Council to inform its future approach to establishing a decision making framework for its HRA investment and development strategies, and also inform the work to be undertaken to adopt Prudential Indicators for the HRA. This needs to be set against the backdrop of considering the repayment of debt as it falls, the potential to use reserves rather than borrow to deliver the initial development programme. However, this needs to be considered in the context of GBC's treasury management strategy.

Steve Partridge & Simon Smith  
Savills  
January 2022

# HRA Business Plan and Capacity Review



## 5. Appendix- Financial Tables

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Year	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34	2034.35	2035.36
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
<b>HRA 30 YEAR SUMMARY</b>															
Dwelling rents	30,975	32,092	32,850	34,353	35,080	35,516	35,960	36,410	36,865	37,325	37,793	38,271	38,754	39,242	39,736
Non-dwelling rents	1,211	1,232	1,257	1,282	1,308	1,334	1,361	1,388	1,416	1,444	1,473	1,502	1,532	1,563	1,594
Service charge income	1,387	1,411	1,439	1,468	1,497	1,527	1,558	1,589	1,621	1,653	1,686	1,720	1,754	1,789	1,825
Other income and contributions	736	748	763	779	794	810	826	843	860	877	894	912	931	949	968
<b>Total income</b>	<b>34,309</b>	<b>35,483</b>	<b>36,310</b>	<b>37,882</b>	<b>38,679</b>	<b>39,187</b>	<b>39,705</b>	<b>40,230</b>	<b>40,761</b>	<b>41,299</b>	<b>41,847</b>	<b>42,405</b>	<b>42,971</b>	<b>43,544</b>	<b>44,123</b>
Repairs & maintenance	5,821	6,304	6,420	6,579	6,717	6,835	6,944	7,133	7,295	7,442	7,592	7,745	7,902	8,061	8,223
Management (incl RRT)	5,982	7,064	7,205	7,349	7,496	7,646	7,799	7,955	8,114	8,276	8,442	8,611	8,783	8,959	9,138
Bad debts	468	484	495	518	529	535	542	549	556	563	570	577	584	592	599
Depreciation	5,525	5,525	5,520	5,523	5,477	5,542	5,607	5,863	5,980	6,100	6,222	6,346	6,473	6,603	6,735
Debt management	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150
<b>Total costs</b>	<b>17,946</b>	<b>19,526</b>	<b>19,791</b>	<b>20,119</b>	<b>20,369</b>	<b>20,708</b>	<b>21,042</b>	<b>21,650</b>	<b>22,095</b>	<b>22,531</b>	<b>22,976</b>	<b>23,430</b>	<b>23,892</b>	<b>24,364</b>	<b>24,845</b>
<b>Net income from services</b>	<b>16,363</b>	<b>15,957</b>	<b>16,519</b>	<b>17,763</b>	<b>18,310</b>	<b>18,479</b>	<b>18,663</b>	<b>18,580</b>	<b>18,666</b>	<b>18,767</b>	<b>18,871</b>	<b>18,976</b>	<b>19,079</b>	<b>19,179</b>	<b>19,278</b>
Interest payable	-5,142	-5,052	-5,039	-4,769	-4,487	-4,195	-3,896	-3,889	-3,109	-3,109	-3,102	-2,284	-2,284	-2,284	-2,284
Interest income	598	56	200	64	122	118	120	228	112	253	398	295	450	620	793
<b>Net income/expenditure before appropriations</b>	<b>11,819</b>	<b>10,960</b>	<b>11,680</b>	<b>13,059</b>	<b>13,945</b>	<b>14,402</b>	<b>14,888</b>	<b>14,918</b>	<b>15,669</b>	<b>15,912</b>	<b>16,167</b>	<b>16,987</b>	<b>17,246</b>	<b>17,516</b>	<b>17,787</b>
Revenue contributions to capital	-75	-75	-75	-75	-75	-1,000	-4,169	-14,918	-1,501	-1,479	-16,167	-1,434	-248	-236	-194
Allocation to/from other reserves	-11,744	-10,885	-11,605	-12,984	-13,870	-13,402	-10,719	0	-14,168	-14,433	0	-15,553	-16,998	-17,280	-17,594
<b>Net HRA Surplus/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>HRA Balance brought forward</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>
HRA surplus/(deficit)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>HRA Balance carried forward</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>
<b>Other reserves brought forward</b>	<b>97,712</b>	<b>35,363</b>	<b>13,318</b>	<b>646</b>	<b>9,709</b>	<b>9,255</b>	<b>9,550</b>	<b>20,268</b>	<b>8,665</b>	<b>22,833</b>	<b>37,266</b>	<b>26,976</b>	<b>42,529</b>	<b>59,527</b>	<b>76,808</b>
Appropriation from HRA	11,744	10,885	11,605	12,984	13,870	13,402	10,719	0	14,168	14,433	0	15,553	16,998	17,280	17,594
Release of reserve	-74,093	-32,931	-24,277	-3,920	-14,324	-13,107	0	-11,603	0	-10,290	0	0	0	0	0
<b>Other reserves carried forward</b>	<b>35,363</b>	<b>13,318</b>	<b>646</b>	<b>9,709</b>	<b>9,255</b>	<b>9,550</b>	<b>20,268</b>	<b>8,665</b>	<b>22,833</b>	<b>37,266</b>	<b>26,976</b>	<b>42,529</b>	<b>59,527</b>	<b>76,808</b>	<b>94,401</b>
<b>HRA CAPITAL PROGRAMME</b>															
Stock capital investment	6,582	23,842	9,421	9,609	9,802	9,649	9,776	7,384	7,481	7,579	7,679	7,780	6,721	6,839	6,929
Development/acquisition	41,962	21,242	15,195	1,400	400	0	0	0	0	0	0	0	0	0	0
<b>Capital programme</b>	<b>48,619</b>	<b>45,159</b>	<b>24,691</b>	<b>11,084</b>	<b>10,277</b>	<b>9,649</b>	<b>9,776</b>	<b>7,384</b>	<b>7,481</b>	<b>7,579</b>	<b>7,679</b>	<b>7,780</b>	<b>6,721</b>	<b>6,839</b>	<b>6,929</b>
<b>Scheduled Loan Repayment</b>	<b>45,000</b>	<b>0</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>0</b>	<b>25,000</b>	<b>0</b>	<b>0</b>	<b>25,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Financed by...</i>															
Major Repairs Reserve	-6,582	-5,500	-5,500	-16,389	-5,477	-5,542	-5,607	-5,863	-5,980	-6,100	-6,222	-6,346	-6,473	-6,603	-6,735
1-4-1 receipts	-12,469	-6,253	-4,439	-300	0	0	0	0	0	0	0	0	0	0	0
Other receipts and grants	-29,493	-14,989	-10,757	-1,100	-400	0	0	0	0	0	0	0	0	0	0
Revenue contributions	-75	-75	-75	-75	-75	-1,000	-4,169	-14,918	-1,501	-1,479	-16,167	-1,434	-248	-236	-194
HRA borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Release of Capital Reserves	-45,000	-18,342	-13,920	-3,220	-14,324	-13,107	0	-11,603	0	-10,290	0	0	0	0	0
<b>Capital financing</b>	<b>-93,619</b>	<b>-45,159</b>	<b>-34,691</b>	<b>-21,084</b>	<b>-20,277</b>	<b>-19,649</b>	<b>-9,776</b>	<b>-32,384</b>	<b>-7,481</b>	<b>-7,579</b>	<b>-32,679</b>	<b>-7,780</b>	<b>-6,721</b>	<b>-6,839</b>	<b>-6,929</b>
<b>Net balance on capital programme</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Major Repairs Reserve b/fwd</b>	<b>11,878</b>	<b>10,821</b>	<b>10,846</b>	<b>10,866</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
HRA depreciation (net)	5,525	5,525	5,520	5,523	5,477	5,542	5,607	5,863	5,980	6,100	6,222	6,346	6,473	6,603	6,735
Financing for capital programme	-6,582	-5,500	-5,500	-16,389	-5,477	-5,542	-5,607	-5,863	-5,980	-6,100	-6,222	-6,346	-6,473	-6,603	-6,735
Debt Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Major Repairs Reserve c/fwd</b>	<b>10,821</b>	<b>10,846</b>	<b>10,866</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# HRA Business Plan and Capacity Review



Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Financial Year	2036.37	2037.38	2038.39	2039.40	2040.41	2041.42	2042.43	2043.44	2044.45	2045.46	2046.47	2047.48	2048.49	2049.50	2050.51
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
<b>HRA 30 YEAR SUMMARY</b>															
Dwelling rents	40,238	40,751	41,269	41,792	42,321	42,860	43,410	43,965	44,526	45,093	45,670	46,259	46,854	47,454	48,061
Non-dwelling rents	1,626	1,659	1,692	1,726	1,760	1,795	1,831	1,868	1,905	1,943	1,982	2,022	2,062	2,104	2,146
Service charge income	1,862	1,899	1,937	1,976	2,015	2,055	2,096	2,138	2,181	2,225	2,269	2,315	2,361	2,408	2,456
Other income and contributions	987	1,007	1,027	1,048	1,069	1,090	1,112	1,134	1,157	1,180	1,204	1,228	1,252	1,277	1,303
<b>Total income</b>	<b>44,714</b>	<b>45,316</b>	<b>45,925</b>	<b>46,542</b>	<b>47,166</b>	<b>47,802</b>	<b>48,450</b>	<b>49,106</b>	<b>49,769</b>	<b>50,441</b>	<b>51,126</b>	<b>51,823</b>	<b>52,529</b>	<b>53,244</b>	<b>53,966</b>
Repairs & maintenance	8,389	8,558	8,731	8,906	9,086	9,269	9,456	9,646	9,840	10,038	10,240	10,446	10,656	10,871	11,090
Management (incl RRT)	9,320	9,507	9,697	9,891	10,089	10,291	10,496	10,706	10,920	11,139	11,362	11,589	11,821	12,057	12,298
Bad debts	607	615	623	630	638	647	655	663	672	680	689	698	707	716	725
Depreciation	6,870	7,007	7,147	7,290	7,436	7,585	7,736	7,891	8,049	8,210	8,374	8,542	8,712	8,887	9,064
Debt management	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150
<b>Total costs</b>	<b>25,336</b>	<b>25,837</b>	<b>26,347</b>	<b>26,868</b>	<b>27,399</b>	<b>27,941</b>	<b>28,493</b>	<b>29,056</b>	<b>29,631</b>	<b>30,217</b>	<b>30,815</b>	<b>31,425</b>	<b>32,046</b>	<b>32,681</b>	<b>33,327</b>
<b>Net income from services</b>	<b>19,378</b>	<b>19,479</b>	<b>19,578</b>	<b>19,674</b>	<b>19,767</b>	<b>19,861</b>	<b>19,957</b>	<b>20,049</b>	<b>20,138</b>	<b>20,224</b>	<b>20,311</b>	<b>20,399</b>	<b>20,483</b>	<b>20,563</b>	<b>20,639</b>
Interest payable	-2,276	-1,424	-1,424	-1,424	-1,419	-895	-290	-290	-290	-290	-290	-290	-290	-290	-290
Interest income	969	898	1,087	1,248	1,411	1,427	1,425	1,605	1,815	2,028	2,246	2,466	2,695	2,931	3,172
<b>Net income/expenditure before appropriations</b>	<b>18,070</b>	<b>18,954</b>	<b>19,241</b>	<b>19,498</b>	<b>19,759</b>	<b>20,393</b>	<b>21,092</b>	<b>21,364</b>	<b>21,663</b>	<b>21,963</b>	<b>22,267</b>	<b>22,575</b>	<b>22,888</b>	<b>23,205</b>	<b>23,521</b>
Revenue contributions to capital	-18,070	-107	-3,127	-3,165	-18,158	-20,393	-3,141	-358	-296	-246	-194	-141	0	0	0
Allocation to/from other reserves	0	-18,847	-16,114	-16,333	-1,601	0	-17,951	-21,006	-21,367	-21,717	-22,073	-22,434	-22,888	-23,205	-23,521
<b>Net HRA Surplus/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>HRA Balance brought forward</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>
HRA surplus/(deficit)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>HRA Balance carried forward</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>
<b>Other reserves brought forward</b>	<b>94,401</b>	<b>87,321</b>	<b>106,168</b>	<b>122,282</b>	<b>138,614</b>	<b>140,215</b>	<b>140,024</b>	<b>157,975</b>	<b>178,980</b>	<b>200,347</b>	<b>222,064</b>	<b>244,137</b>	<b>266,571</b>	<b>289,459</b>	<b>312,664</b>
Appropriation from HRA	0	18,847	16,114	16,333	1,601	0	17,951	21,006	21,367	21,717	22,073	22,434	22,888	23,205	23,521
Release of reserve	-7,080	0	0	0	0	-192	0	0	0	0	0	0	0	0	0
<b>Other reserves carried forward</b>	<b>87,321</b>	<b>106,168</b>	<b>122,282</b>	<b>138,614</b>	<b>140,215</b>	<b>140,024</b>	<b>157,975</b>	<b>178,980</b>	<b>200,347</b>	<b>222,064</b>	<b>244,137</b>	<b>266,571</b>	<b>289,459</b>	<b>312,664</b>	<b>336,185</b>
<b>HRA CAPITAL PROGRAMME</b>															
Stock capital investment	7,020	7,114	10,274	10,455	10,594	10,734	10,878	8,250	8,345	8,455	8,568	8,683	7,940	8,086	8,194
Development/acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Capital programme</b>	<b>7,020</b>	<b>7,114</b>	<b>10,274</b>	<b>10,455</b>	<b>10,594</b>	<b>10,734</b>	<b>10,878</b>	<b>8,250</b>	<b>8,345</b>	<b>8,455</b>	<b>8,568</b>	<b>8,683</b>	<b>7,940</b>	<b>8,086</b>	<b>8,194</b>
<b>Scheduled Loan Repayment</b>	<b>25,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,000</b>	<b>17,435</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Financed by...</i>															
Major Repairs Reserve	-6,870	-7,007	-7,147	-7,290	-7,436	-7,585	-7,736	-7,891	-8,049	-8,210	-8,374	-8,542	-7,940	-8,086	-8,194
1-4-1 receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other receipts and grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue contributions	-18,070	-107	-3,127	-3,165	-18,158	-20,393	-3,141	-358	-296	-246	-194	-141	0	0	0
HRA borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Release of Capital Reserves	-7,080	0	0	0	0	-192	0	0	0	0	0	0	0	0	0
<b>Capital financing</b>	<b>-32,020</b>	<b>-7,114</b>	<b>-10,274</b>	<b>-10,455</b>	<b>-25,594</b>	<b>-28,169</b>	<b>-10,878</b>	<b>-8,250</b>	<b>-8,345</b>	<b>-8,455</b>	<b>-8,568</b>	<b>-8,683</b>	<b>-7,940</b>	<b>-8,086</b>	<b>-8,194</b>
<b>Net balance on capital programme</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Major Repairs Reserve b/fwd</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>772</b>	<b>1,573</b>
HRA depreciation (net)	6,870	7,007	7,147	7,290	7,436	7,585	7,736	7,891	8,049	8,210	8,374	8,542	8,712	8,887	9,064
Financing for capital programme	-6,870	-7,007	-7,147	-7,290	-7,436	-7,585	-7,736	-7,891	-8,049	-8,210	-8,374	-8,542	-7,940	-8,086	-8,194
Debt Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Major Repairs Reserve c/fwd</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>772</b>	<b>1,573</b>	<b>2,443</b>



Executive/Council Report

Wards affected: All

Report of Chief Finance Officer

Author: Claire Morris

Tel: 01483 444827

Email: [claire.morris@guildford.gov.uk](mailto:claire.morris@guildford.gov.uk)

Lead Councillor responsible: Tim Anderson

Tel: 07710 328560

Email: [tim.anderson@guildford.gov.uk](mailto:tim.anderson@guildford.gov.uk)

Date: 25 January 2022 and xx February 2022

## **General Fund Budget 2022-23 and Medium Term Financial Plan 2023-24 to 2025-26**

Please note sections in yellow are provisional and will need updating with final figures for Budget Council

### **Executive Summary**

This report outlines the proposed budget for 2022-23, which includes a Council Tax requirement of **£10,898,310** and a Council Tax increase of £5 per year (2.75%), resulting in a Band D charge of £186.82. As set out in the report, the Council is required to set a balanced budget for 2022-23.

We received the provisional Local Government Finance Settlement (LGFS) for 2021-22 on 16 December 2021. 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 enables us to retain £2.929 million of business rates in 2022-23 the same amount as we retained in 2021-22 and 2020-21. Core Spending Power has increased to £15million, within the core spending power calculation, the Government has assumed that we will raise the Council Tax by the maximum amount (£5 or 2% whichever is the higher).

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

- £240,000 grant to compensate the Council for the Business Rates Multiplier not increasing in line with inflation
- £131,000 lower tier services grant (this grant was £237,000 in 2021-22 but was meant to have been a one-off grant)
- £202,000 services grant which is a one-off grant for 2022-23 (to partly offset the National Insurance increase)
- £766,000 New Homes Bonus grant for 2022-23 only
- The ability to raise council tax by a maximum of £5 (2.75%) rather than 2.0%, this additional increase will generated a further £86,000 in council tax income

The Joint Executive Advisory Board (JEAB) considered the outline budget at its meeting held 11 November 2021. The Executive approved the Outline Budget on 23 November 2021.

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** provide the General Fund Summary showing a balanced budget for 2022-23 but that the Council has a budget gap of £1.5million in 2023-24 which will rise to £3.3million by 2025-26. **Appendix 3** shows the budget movement summary of growth and savings which have been included in the General Fund Summary. **Appendix 4** details progress made against the Council's Savings Strategy. **Appendix 5 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 2021-22 was reported to the Corporate Governance and Standards Committee on 20 January 2022. The projected net expenditure on the General Fund for the current financial year is estimated to be £0.2million less than the original estimate due mainly to actions undertaken as part of the voluntary non-essential expenditure freeze which was put in place a previously projected overspend due to the on-going impact of the COVID19 pandemic. Any ongoing variances between actual expenditure and budget identified in 2021-22 have been taken into account when preparing the budget for 2022-23.

**Appendix 6 details a list of fees and charges for approval as part of the budget.**

The fees and charges for 2022-23 have increased by 3% from 2021-22 where the market allows however, as identified in the budget movement summary and the parking business plan, some fees have been increased more than 3%.

#### **Recommendation to Executive**

The Executive is asked to approve:

- (1) the transfers to/from reserves as set out in Section 8 and **Appendix 2**
- (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 savings identified in the updated savings strategy at **Appendix 4** to be delivered over the medium term plan period
- (4) the financial risk register set out in **Appendix 5** and note the level of reserves are currently sufficient to meet the Council's risks

#### **Recommendation to Council**

Executive is asked to recommend to 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 2022-23 be set at **£10,898,310**
- (2) That the proposed fees and charges for 2022-23 relating to General Fund services and attached at **Appendix 6** to this report be adopted with effect from 1 April 2022.
- (3) That the Band D Council Tax for 2022-23 be set at £186.82, an increase of £5 (2.75%)

Reason for Recommendation:

To enable the Council to set the Council Tax requirement and council tax for the 2022-23 financial year.

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

**1. Purpose of report**

- 1.1 This is the final report to the Executive in the 2022-23 budget process and the Executive is asked to approve a budget for presentation to Council.
- 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 proposes the transfers to/from earmarked reserves.

**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 23 November 2021 the Executive received a report on the draft budget, which indicated that there was a gap between the projected net expenditure for 2022-23 and our estimated resources of £1.2million and a draft projection for 2022-23 to 2025-26 showing a medium term budget shortfall (gap) of £5.5million.
- 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 2021.
- 3.3 This report will cover the main changes since the draft budget was presented to the Executive.

**4. Draft budget parameters**

- 4.1 The draft budget has been prepared on the factors approved by the Executive at its meeting on 23 November 2021. 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 (2.75%) as announced in the LGFS
  - b. Additional funding and the SFA has been included at the amounts set out in the LGFS
  - c. Unison have amended their three-year pay claim request following a rise in inflation and this is subject to negotiation
  - d. The additional impact of the governments 'Plan B' covid restrictions of requiring office based workers to work from home where possible on the

recovery of our income streams to pre-covid levels (particularly parking) has been included in the budget for 2022-23

- e. In autumn 2021, the government announced an increase of 1.25% on national insurance, a re-occurring growth of £353,000 has been included within the general fund budget to account for the cost. The increase is partially, but not fully, offset by the services grant announced in the LGFS (see 5.3 below)

## **5. Revenue Support Grant (RSG) New Homes Bonus (NHB) and Business Rates Income under the Business Rates Retention Scheme (BRRS)<sup>1</sup>**

- 5.1 We received the provisional Local Government Finance Settlement (LGFS) for 2022-23 on 16 December 2021. 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 2021-22.
- 5.3 The provisional award of New Homes Bonus (NHB) for 2022-23 totalling £766,000, is higher than the £113,000 award assumed in the draft budget reported to Executive in November. Other grants announced as part of the LGFS, which were unexpected are:
  - £240,000 grant to compensate the Council for the Business Rates Multiplier not increasing in line with inflation
  - £131,000 lower tier services grant (this grant was introduced in 2021-22 supposedly as a one-off grant to support services, the grant was £237,000 in 2021-22)
  - 202,000 services grant for 2022-23 which is reported to be a one-off grant; this grant is in part to offset the rise in National insurance contributions referred to in paragraph 4.1(e) above
- 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 2022-23. It also estimates the surplus or deficit on the collection fund in respect of business rates. The estimated business rate income for 2022-23 is £34.2 million which is £0.5 million higher than the £33.7 million income received in 2021-22. The Section 31 grant has been estimated as £1.3 million which is £xx million lower than the estimate presented to Executive on 23 November 2021. The changes relate to updated estimates of bad debt, appeals and reliefs. The multiplier compensation grant announced as part of the LGFS has been included in the budget. The transfer to the business rates equalisation reserve has been adjusted accordingly for the changes.
- 5.5 Following completion of the NNDR1 form, the estimated deficit on the collection fund for 31 March 2022 in relation to business rates is £xx million of which,

---

<sup>1</sup> 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.

Guildford Borough Council's share is £xx million. The deficit consists of £xx deficit relating to the prior year and a £xx million deficit relating to 2021-22. The 2021-22 deficit arises due to significant business rate relief granted during 2021-22 under the Government's small business and covid relief schemes. The reliefs were not budgeted as part of the 2021-22 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 £xxmillion Section 31 grant during 2021-22 which offsets these reliefs, of which £xxmillion is the Council's share. As the £xxmillion Section 31 grant for 2021-22 is higher than the £xxmillion deficit relating to 2021-22, there is a £xxmillion underlying business rate surplus on the collection fund in 2021-22 if the impact of Covid-19 is removed from the accounts. 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 2021-22, 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 £xxmillion share of the Section 31 grant will be transferred to the business rates equalisation reserve as part of closing the accounts for 2021-22 to fund the Council's £xxmillion share of the business rate deficit on the Collection fund in 2022-23. 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 fund<sup>2</sup>

- 6.1 The proposed budget assumes that council tax will increase by £5 (approximately 2.75%) This means that the band D tax will go up from £181.82 to £186.82. The increase will generate approximately £292,000 based on the 2021-22 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 2022-23. We expect that the government will return to the referendum limit of 2% for future years. The three-year financial projections for the period to 2025-26 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 2022-23 at 58,335.91. This is

---

<sup>2</sup> 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.

2% high than the 2021-22 figure and has increased the available resources by approximately £214,000.

- 6.4 Any surplus or deficit on the Collection Fund in the current financial year (2021-22) feeds into the 2022-23 budget. We currently estimate that there will be a surplus on the collection fund of £374,000 at 31<sup>st</sup> March 2022. The surplus consists of a brought forward deficit on the collection fund of £2.09million as at 31<sup>st</sup> March 2021, and a projected in year surplus for 2021-22 of £2.4million. The 2020-21 the deficits arose due to a reduction in tax collection and an increase in bad debt arising from the Covid-19 pandemic. The deficit is shared between the Guildford Borough Council, Surrey Police and Surrey County Council. The Government has allowed council's to spread the estimated 2020-21 deficit over 3 years. As such the deficit will be spread as follows:

	Deficit for 21/22	2021-22 Only	Prior Year	Prior Year	2020-21 Estimated	Deficit / (Surplus) for 2022-23
	Total	Deficit / (Surplus)	Actual Deficit	Deficit not Spread	Exceptional Deficit spread 2022/23	CTAX Demand
	£	£	£	£	£	£
Guildford BC	(39,415.06)	(260,164.57)	220,749.51	91,690	43,020	(125,455.06)
Surrey Police	(52,313.21)	(345,300.61)	292,987.39	126,204	55,594	(163,502.21)
Surrey County Council	(283,095.55)	(1,868,611.30)	1,585,515.75	653,831	310,562	(904,218.55)
<b>Total</b>	<b>(374,823.83)</b>	<b>(2,474,076.47)</b>	<b>2,099,253</b>	<b>871,725</b>	<b>409,176</b>	<b>(1,193,175.83)</b>

- 6.5 The Council's share of the deficit included in the general fund summary at Appendix 2 is £125,455.

## 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 2022-23 is £1.5 million, which is based on an estimated General Fund CFR at 31 March 2022 £102million and debt funded capital expenditure of £37.4 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 2022-23 to 2026-27.

**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 2020-21 and the projected balances at the end of 2021-22 and 2022-23 are presented in Section 9 of **Appendix 1**. We expect that the Council will hold £121.9 million of reserves as at 31 March 2022, of which £84.9 million relate to the HRA and £36.9 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 £10.8million 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 £11.5million at 31 March 2022. The level of projected earmarked reserves available for general purposes, to support the revenue or capital budgets is therefore £10.6million, this is lower than in previous years due to the unplanned use of reserves to finance the impact of the Covid-19 pandemic and the planned use of reserves to fund the Future Guildford transformation project during 2019-20 to 2021-22. As such, the Council is advised to refrain from any further unplanned use of reserves in 2022-23.
- 8.3 In the 2021-22 budget, we anticipated net interest income of £682,726. The estimate for net interest receipt included in the budget for 2022-23 is £552,300. Interest payable to the Housing Revenue Account (HRA) is estimated at £53,900 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 0.25%. 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***

Business Rate Equalisation Reserve

- 8.4 The balance on the business rate equalisation fund is anticipated to be £7.8million at the 31<sup>st</sup> March 2022. A contribution of £1.98million to the reserve is required to be made in 2022-23 as the final contribution to repay the three year pre-payment of the superannuation backfunding to the pension fund (as determined by the 2019 triennial) which was paid from the reserve in 2019-20. It is the Council's policy that the reserve is used to even out fluctuations in the business rate retention scheme (BRRS) arising from annual changes in the levy, S31 grant and the business rates element of the surplus or deficit on the Collection fund. The Council budgets for the net impact of the BRRS on the general fund to be equal to the settlement funding assessment provided by

government. Any BRRS income above this has been transferred to the reserve in previous years and any shortfall in income is taken from the reserve. As a result, officers recommend making a contribution of £7.9million from the reserve to fund the projected collection fund deficit for 2021-22.

#### New Homes Bonus Reserve

- 8.5 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. Due to the changes to the scheme, the 2020-21 budget 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 council's current policy is that any NHB award is transferred to the NHB reserve to finance one-off costs associated with items set out in the NHB policy adopted in 2016. The balance on the NHB reserve at the 31<sup>st</sup> March 2022 is anticipated to be £0.2million. The budget assumes that the NHB grant of £766,000 is transferred to the reserve in line with policy

#### Invest to Save Reserve

- 8.6 The invest to save reserve exists to pump prime the upfront costs of service transformation and efficiency projects, including staff redundancy costs. The Council partially funded the implementation costs associated with the Future Guildford transformation programme from this reserve during the period 2019-20 to 2021-22. Following the funding of remaining Future Guildford costs incurred during 2021-22 it is anticipated that there will be a balance of £92,000 on this reserve at 31<sup>st</sup> March 2022. Over recent years, the Council has made a contribution to the Invest to Save reserve of £250,000 per annum which allowed us to build the reserve in order to fund the transformation programme. Officers recommend making a contribution of £586,000 in 2022-23 and £250,000 in each of the years in the medium term plan to 2025-26. Rebuilding the reserve will enable the Council to support further transformation of Council services, which will be necessary, particularly as part of the Guildford-Waverley Collaboration.

#### The Car Parks Maintenance Reserve

- 8.8 The balance on the car parks maintenance reserve as at 31<sup>st</sup> March 2022 is anticipated to be £1.3 million due to financing repairs to council car parks included in the Council's capital programme. This reserve was established to fund repairs, maintenance and improvement of car parks. Building up and using the reserve mitigates the need to fund such capital expenditure from borrowing. However £860,000 of the reserve was used in 2020-21 to fund the impact of the covid pandemic and in particular the loss of parking income. In previous years, the Council budgeted to make an annual contribution of £500,000 to the reserve from parking income and then expenditure on capital projects and repairs and maintenance of car parks is taken from the reserve. Officers propose that the Council budgets to rebuild this reserve by £355,000 in 2022-23 and then gradually increase the annual budget contribution to the reserve back up to £500,000 per annum over the three year period up to 2025-



26. 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<sup>st</sup> March 2022 is £0.256million. The reserve has been used in the last three 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. Officers recommend that the Council budgets to make a contribution of around £543,000 to the ICT renewals reserve in 2022-23 to enable the completion of phase 2 of the ICT refresh Programme which involves the migration of remaining software applications to cloud based solutions and enables the decommissioning of old on-premise applications. The annual contribution to the fund can then be reduced to around £290,000 per annum to fund on-going annual ICT renewals such as the lifecycle replacement of laptops, mobile equipment and ICT application upgrades.

Other Reserves

8.10 Officers propose contributions to the Election costs reserve, spectrum reserve and 'other' reserves as set out in **Appendix 2**.

**9. Projected outturn for 2021-22 (based on period 8 monitoring) and the 2022-23 Budget**

9.1 The financial monitoring report for the first eight months of 2021-22 was reported to the Corporate Governance and Standards Committee on 20 January 2022. The projected net expenditure on the General Fund for the current financial year is estimated to be £0.2 million less than the original estimate. The main reason for this is due to the expenditure non-essential expenditure freeze and savings action plan put in place to offset the income losses arising from the on-going impact of the COVID19 Pandemic.

9.2 At the time the outline budget was presented to Executive on 23 November, Officers were anticipating a gap between net expenditure and estimated resources of £1.2 million. This position now balanced. The changes are summarised in the table below.

	Executive (23 Nov 2021 )	Proposed Budget Appendix 2	Movement	Comment
<b>Total Directorate Level</b>	<b>18,875,957</b>	<b>18,596,875</b>	<b>(279,082)</b>	Removal of inflation from car park income budgets
Provisional Savings & Growth	(2,272,541)	(1,013,361)	1,259,180	Revision of unison pay claim, GBC-WBC collaboration costs and savings, car park income reduction (due to utilisation only returning to

Agenda item number: 10

	<b>Executive (23 Nov 2021 )</b>	<b>Proposed Budget Appendix 2</b>	<b>Movement</b>	<b>Comment</b>
				90% of pre-covid levels as per parking business plan), costs associated with climate change and north street bus station.
Depreciation	(8,790,570)	(8,790,570)	0	
<b>Directorate Level excl. depreciation</b>	<b>7,812,846</b>	<b>8,742,943</b>	<b>980,097</b>	Revision of growth/savings and loss of parking income
Net external interest receivable	497,515	(551,090)	(1,048,605)	Revised as per the capital and investment strategy following review of capital programme
Interest payable HRA	84,340	53,930	(30,410)	Revised as per the capital and investment strategy
Minimum Revenue Provision (MRP)	2,460,833	1,545,213	(915,620)	Revised as per the capital and investment strategy following review of capital programme
Revenue Contribution to Capital (RCCO)	500,000	500,000	0	Transfer of NHB grant to capital programme
Transfers to/(from) reserve	(4,679,667)	(3,226,857)	1,452,810	Reduced transfer from the Business rates equalisation reserve following LGFS, increased transfer to invest to save reserve and New Homes Bonus Reserve
<b>Total after transfers to/(from) reserve</b>	<b>6,675,867</b>	<b>7,114,139</b>	<b>438,272</b>	
Net Retained Business Rates	5,451,434	5,008,705	(442,729)	Updated as per the provisional LGFS
Other Grants	0	(333,250)	(333,250)	Updated as per the provisional LGFS
New Homes Bonus (NHB)	(113,000)	(766,155)	(653,155)	Updates as per the provisional LGFS
Collection fund deficit – council tax	43,020	(125,455)	<b>(168,475)</b>	Updated for collection fund surplus / deficit calculation
Parish Precept	0	0	<b>0</b>	
<b>Council Tax Requirement</b>	<b>12,057,321</b>	<b>10,897,984</b>	<b>(1,159,337)</b>	
<b>Max Council Tax income available</b>	<b>(10,812,400)</b>	<b>(10,898,310)</b>	<b>(85,910)</b>	Ability to increase council tax by £5 rather than 2% as per provisional LGFS
<b>Budget Gap (Council Tax requirement less parish precepts less max council tax income)</b>	<b>1,244,921</b>	<b>(326)</b>	<b>(1,245,247)</b>	

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 2022-23 is £8.8 million, which is £1.0 million lower than the 2021-22 directorate level expenditure estimate of £9.8 million. The main reason for this is progress is being made in delivering the Council's savings strategy approved by Executive in June 2021.
- 9.5 The long-term projections still indicate that a saving of around £3.3 million is needed over the period to 2025-26 as highlighted in the graph below as shown in paragraph 7.7 of **Appendix 1**. Officers continue to work towards identifying the necessary savings over the medium term. Revenue savings from the approved savings strategy have been included in the budget and forward projections as set out in **Appendix 3 and 4**.
- 9.6 **Appendix 4** shows that significant progress is being made against the savings strategy. Officers have so far identified £7.6million of savings over the medium term plan period. The majority of the savings identified have included within the budget and medium term financial plan with the exception of the following savings which are subject to forthcoming decisions by the Executive:-
- Community services; £170,000 savings related to review of day centres
  - Culture, Heritage and Leisure grants; £110,000 savings relating to the reduction of the grant to the Yvonne Arnaud Theatre.
- 9.7 In July 2021, Guildford Borough Council and Waverley Borough Council agreed to a long term collaboration and approved the first stages of appointing a joint Chief Executive and a joint senior management team. Further collaboration opportunities will be identified once this platform is in place. In total, the collaboration report from July 2021 identified a potential opportunity for each council to save in the region of £700,000 from the collaboration over and above what would be achievable individually. These savings have been reflected in the budget movement summary at Appendix 3 and will be monitored through reports to Overview and Scrutiny and Executive over the coming years. In order to set up the collaboration, some one-off upfront costs are necessary. These include costs of preparing the Inter-Authority Agreement, undertaking the necessary HR work to deliver the senior management team, initial IT adaptation and additional resource required to support the ongoing governance process. Some of these costs will fall in Quarter 4 of 2021/22, and these will be met from existing budgets. Those costs that can be identified with certainty at this stage in 2022/23, have been included in the growth proposals in the budget movement summary in Appendix 3. There is likely to be further one-off costs that could include redundancy costs and these will be subject to a separate approval process, supported by a business case.
- 9.8 Whilst good progress is being made against the savings strategy, cost pressures arising from the national insurance increase, the unison pay claim, the national waste minimisation strategy and the on-going effects of the Covid-19 pandemic and the north street development on our car parking income have placed additional pressure on the council's medium term financial plan which were not known about at the time of setting the savings strategy. Despite identifying and including about £7.3million of savings in the medium term financial plan, the Council still has a projected budget gap of £3.3million over the medium term. Officers are continuing to work to identify a further of savings from proposals set

out in the savings strategy from the discretionary services review, operational assets review and the Guildford-Waverley collaboration.

## **10. Fees and Charges**

- 10.1 Fees and charges for 2022-23 are presented as **Appendix 6**. The charges have been increased by 3% where market factors allow in line with the assumptions set by Executive. Where market factors allow, additional increases have been made.

## **11. Consultations**

- 11.1 The Joint Executive Advisory Board (JEAB) have been consulted about the budget for 2022-23, the medium term financial position and the savings strategy. Their comments were reported to the Executive at its meeting on 23 November 2021. The capital and investment strategy was considered by the JEAB in January 2022. In addition, the project mandates the savings projects set out in the savings strategy have been discussed with EAB throughout the year as shown in **Appendix 4**.
- 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.

## **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 2022-23 before 11 March 2022. 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 and in agreeing the Council's budgetary requirements the Council will need to take into account these limit. 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 in (2) 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.

**15. Human Resources implications**

- 15.1 There are no immediate human resources 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 £10,898,310 resulting in a Council Tax increase of £5 per annum (2.75%)
- 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 £3.3 million over the period to 2025-26.

**17. Background Papers**

None

**18. Appendices**

Appendix 1: Chief Finance Officer's statutory report  
Appendix 1a: Long term financial strategy  
Appendix 2: General Fund Summary  
Appendix 2a: Budget Service detail  
Appendix 3: Budget Movement Summary  
Appendix 4: Savings strategy update  
Appendix 5: Financial Risk Register (to follow for budget council)  
Appendix 6: Fees and Charges Schedule for 2022-23

This page is intentionally left blank



## **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 2022-23 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 and 2021-22 the Covid-19 pandemic had a seismic impact on both the Council's finances and the National Government's finances. In the short term, the government 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 was welcome to help mitigate the impact of the pandemic, the Council still incurred an unprecedented overspend of around £6million in 2020-21 which had a significant impact on the level of reserves. For 2021-22, the Council has been forecasting a year end overspend against its budget of between £1million and £2million. As a result an in-year savings action plan of a series of one-off items was approved by Executive in November 2021 which it is hoped will contain the overspend and bring the Council's financial position back in line with its budget by the end of the financial year, thus avoiding the need for any further unplanned use of reserves in 2021-22.
- 2.3 The announcement of the provisional local government finance settlement (LGFS) for 2022-23 on 16 December 2021 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 (2.75%) 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 £240,000 would be received to compensate the Council for the lost income
  - c. That a one-off New Homes Bonus of £766,000 would be provided
  - d. That the 'lower tier services grant' would be paid for a second year to support the Council's services but at a reduced level of £131,00 (£237,000 in 2020-21)

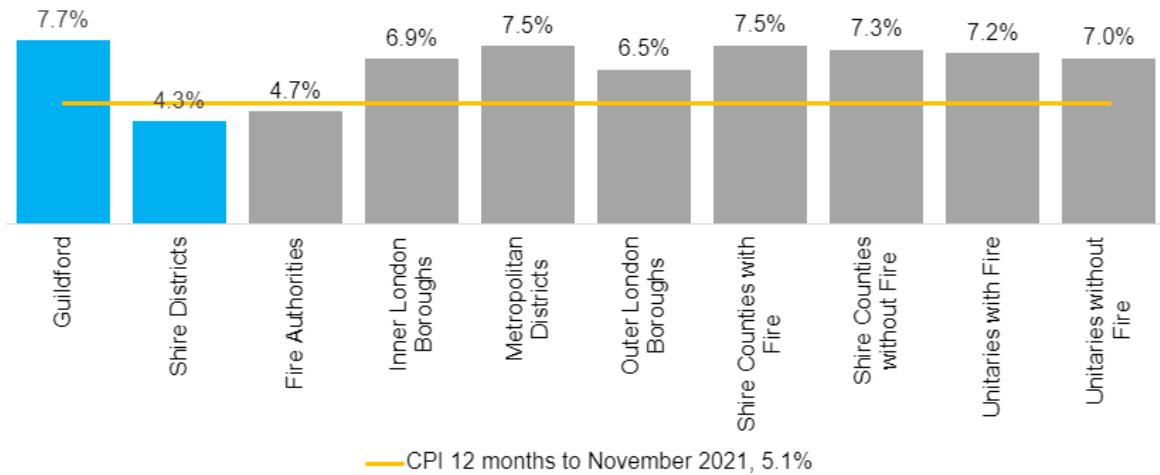
- e. That a new 'services grant' of £202,000 would be received to help offset the cost of national insurance increase (note the cost of the increase is £343,000). This grant is for one year only and will not be subject to any transition arrangement in any funding reform for local government

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 2022-23, was issued on 16 December 2021. The 2022-23 LGFS was, disappointingly another one-year settlement. It is the first time that during a multi-year spending review period, that local government has been provided with a single year settlement. There is hope that a new multi-year settlement is provided from April 2023. The figures provided by the government are in the table below:

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Settlement Funding Assessment	3.8	3.1	2.8	2.9	2.9	2.9	2.9
of which:							
Revenue Support Grant	1.1	0.3	0.0	0.0	0.0	0.0	0.0
Baseline Funding Level	2.7	2.7	2.8	2.9	2.9	2.9	2.9
Tariff/Top-Up <sup>2</sup>	-28.3	-30.2	-22.3	-31.3	-31.8	-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	2.7
Levy Rate	0.5	0.5	0.0	0.5	0.5	0.5	0.5

- 3.3 For 2022-23, Guildford's settlement funding assessment (SFA) has been frozen at the same level as 2021-22 and 2020-21. The government has only issued a one-year settlement for 2022-23 due to significant funding reform being anticipated. It is the third 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, for the first time, the change in core spending power for Guildford is higher than most other types of Council's and the shire district average. This increase is due to the significant increase in new homes bonus grant.



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 2022-23, we estimate our net business rate income will be an increase of **£1.3million less** than in 2021-22. The table below shows the volatility of our net business rate income over the last six years along with the proportion of total business rates collected and the estimates for 2022-23. The figures for 2020-21 are distorted by the exceptional level of rate reliefs awarded to businesses during the Covid pandemic.

Year	Actual 2017-18 £million	Actual 2018-19 £million	Actual 2019-20 £million	Actual 2020-21 £million	Estimate 2021-22 £million	Estimate 2022-23 £millions
GBC Share of Business Rate Income (NNDR1/3)	35.2	26.1	34.9	15.4	33.7	<b>34.2</b>
S31 Grant	1.1	1.2	2.4	20.2	2.9	1.3
Business rate tariff	-29.7	-21.8	-31.3	-33.1	-31.8	-31.8
Levy / Safety Net payment	0	0	-1.4	-0.8	-0.1	-0.3
Pilot or pooling gain	0.5	1.0	0	0	0	0
<b>Net BRRS Income</b>	<b>7.1</b>	<b>6.5</b>	<b>4.6</b>	<b>1.7</b>	<b>4.7</b>	<b>3.4</b>
Total Business Rates Collected	88.1	87.2	90.5	38.6	84.3	<b>85.5</b>
% Business Rates Retained	8.0%	7.4%	5.0%	4.4%	5.6%	<b>4.0</b>

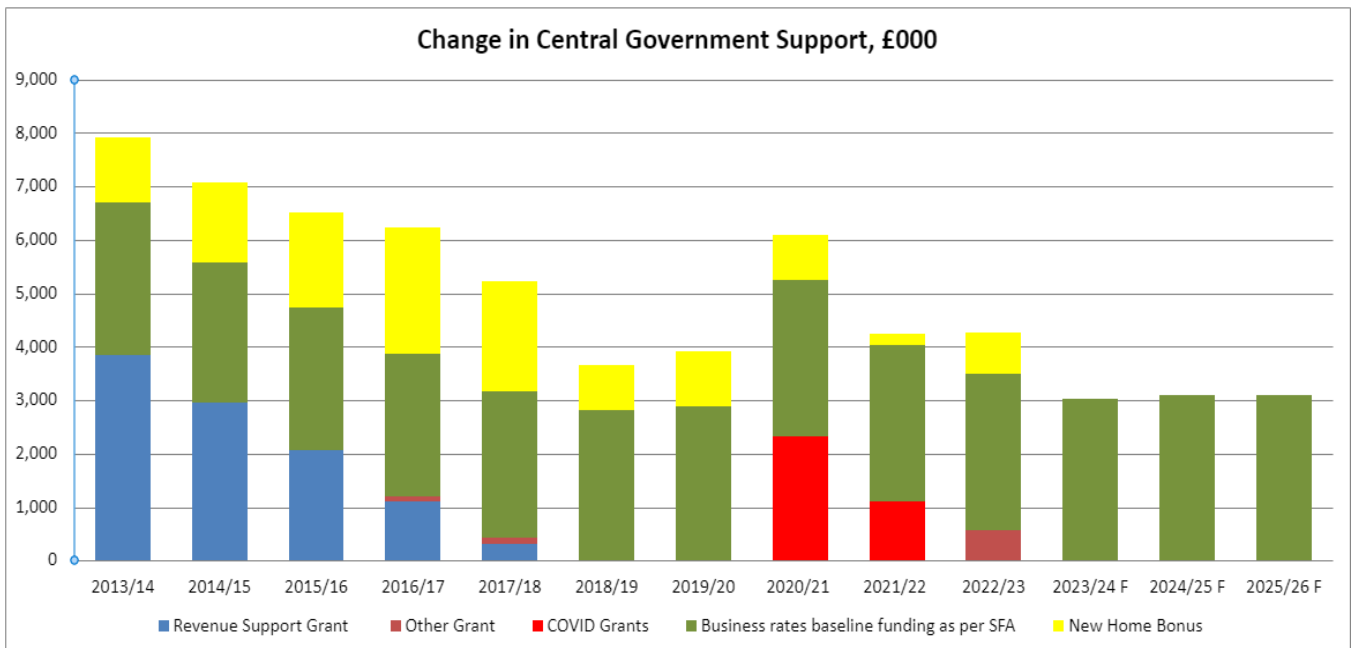
3.5 Since 2018-19, the Council has not received Revenue Support Grant (RSG) from Government. As a result the SFA for Guildford is now entirely related to the business rates baseline funding level.

3.6 The Council's new homes bonus (NHB) in 2022-23 will be £766,000 which is a significant increase from the 2021-22 allocation of £192,000. The implementation of

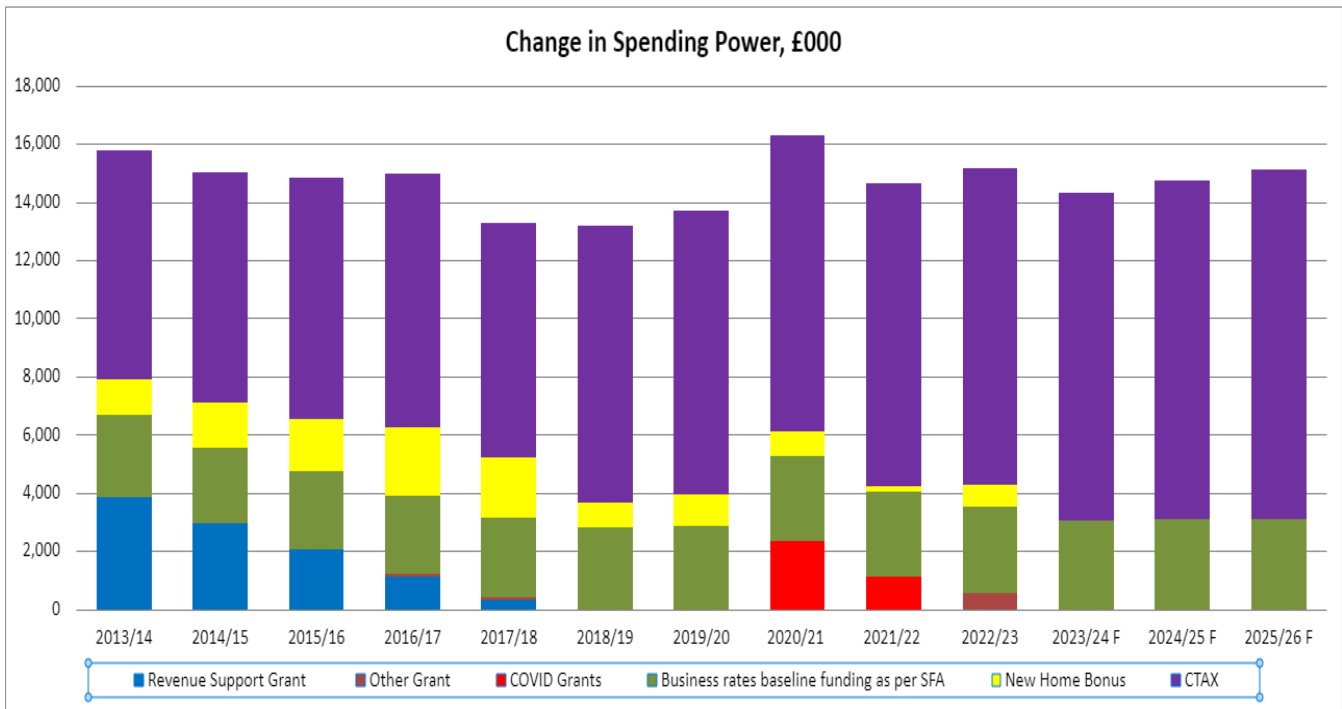
Agenda item number: 10  
Appendix 1

changes to the NHB in recent years, means that award of NHB is only made if housing growth exceeds a 0.4% baseline and legacy allocations of funding are 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, 2021-22 and 2022-23 are all for one year only.

- 3.7 Our budget and long term financial strategy assumes that any NHB received is transferred to the new homes bonus reserve to finance one-off feasibility work and provide match funding for strategic regeneration and infrastructure projects for the borough. The NHB grant 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.
- 3.8 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 the first 3 months of 2021-22.
- 3.9 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).



- 3.10 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)*

3.11 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)

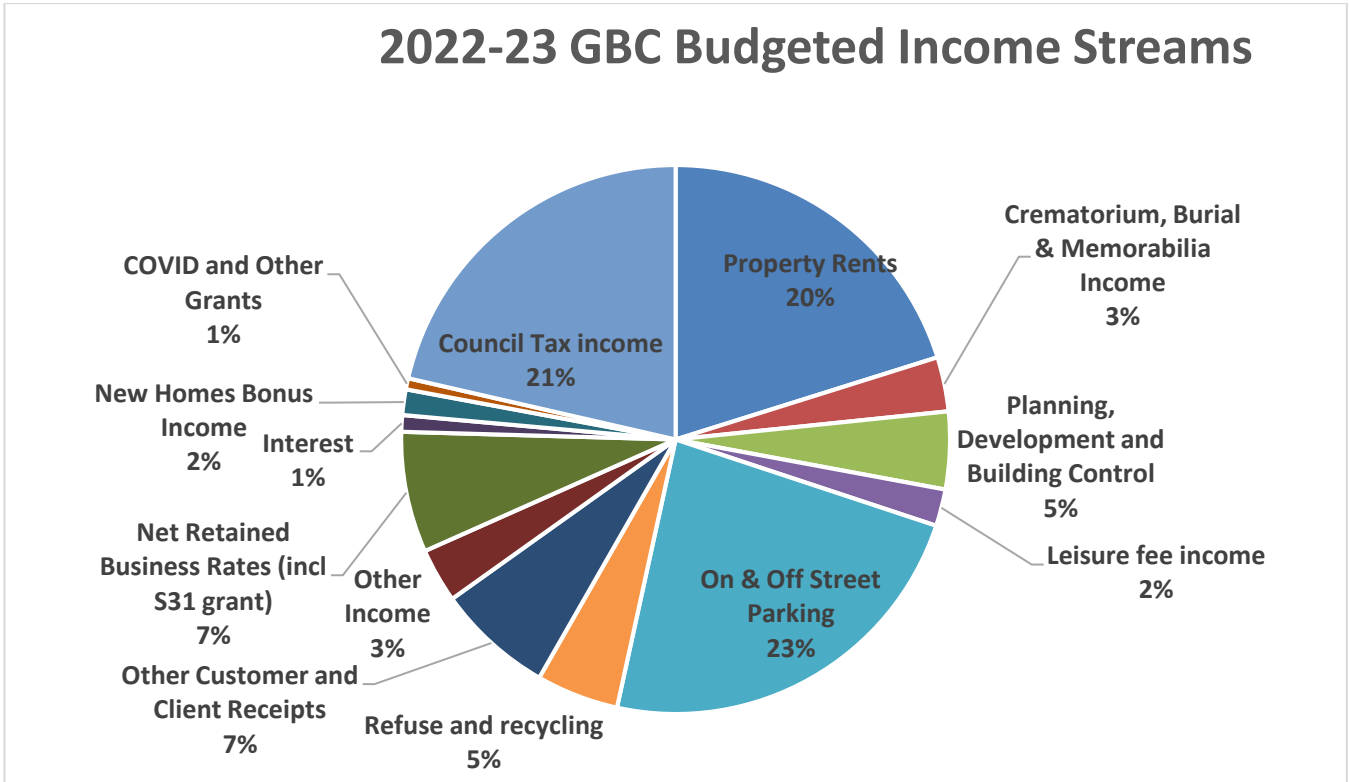
3.12 Initially the reform was scheduled to be implemented in April 2020, it was then delayed initially due to Brexit and then due to the current pandemic, and is now anticipated to be implemented by April 2023. The Council has responded to the consultations issued so far and will continue to respond to current and future consultations. The fair funding review will set the baseline need to spend for all authorities and then the business rates reform will determine how this is implemented. It is believed that the fair funding review will be replaced by ‘Levelling up’ and that implementation of 75% business rate retention has now been abandoned however, this has not yet been confirmed by Government. It is understood that the ‘Levelling Up White Paper’ is due to be issued in Spring 2022 and this will outline the reform of local government finance. Until the white paper is announced, it is incredibly difficult to predict what the reforms may hold for the Council.

3.13 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.

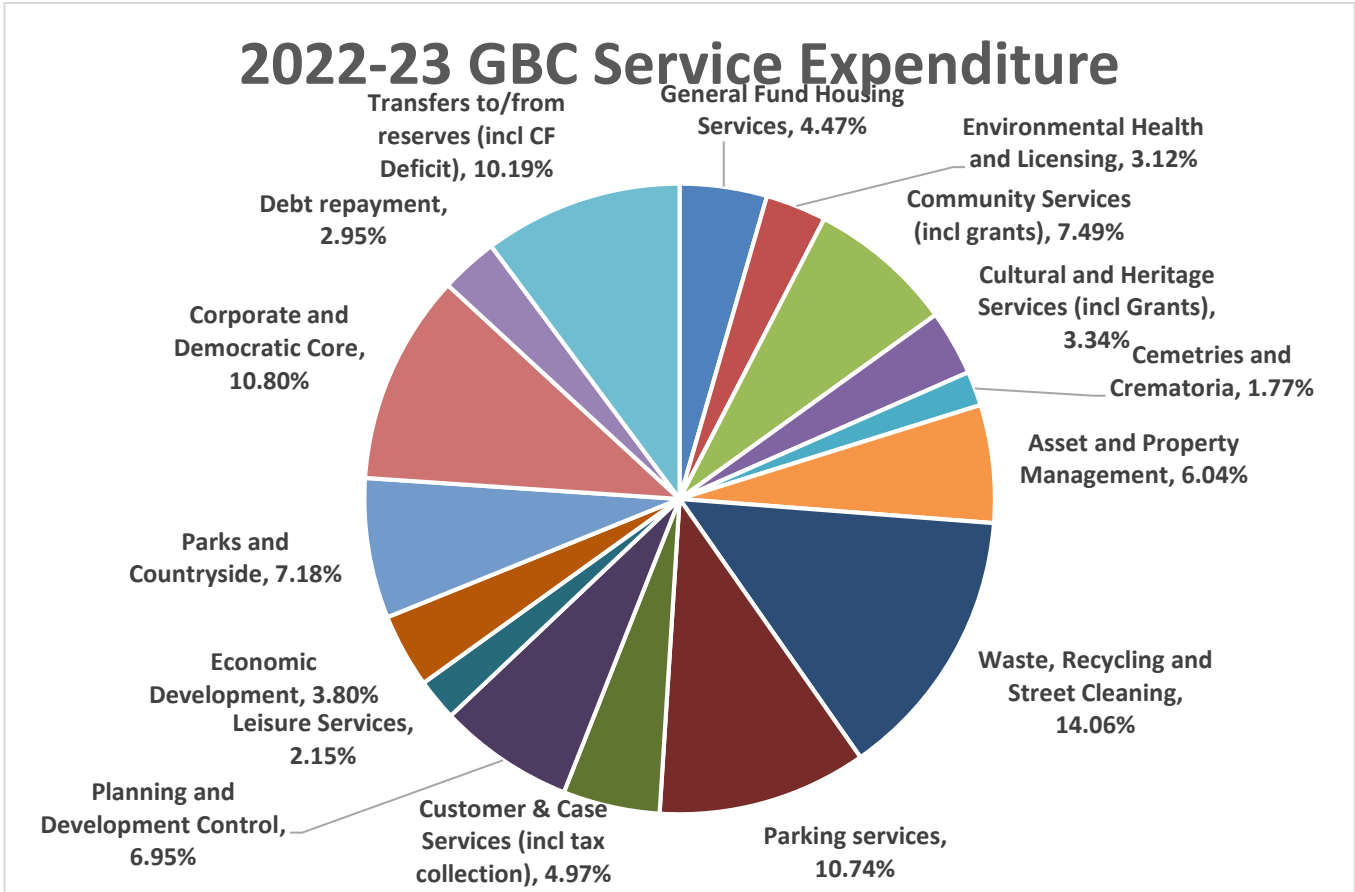
General Fund Main Income Streams and Expenditure

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 (excluding housing benefits), which the Council uses to fund services, is set out below. Parking income represents 23% of the council's income (down from 25% in previous years) but remains 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 7% 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. This is because of the significance of fees and charges to our overall budget but also because the Spectrum Leisure Centre is the largest leisure centre in the South East of England.
- 4.3 The main areas of general fund expenditure (excluding housing benefits) are shown in the chart below:



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. 2020-21 was deemed to be the deepest recession since records began however, the economic recovery has also exceeded initial expectations as the country moved out of pandemic restrictions. The continued pace of the recovery from the pandemic and the impact of our new trading relationship with the EU and other countries is 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, which are currently around 1% of income, will not form a significant source of income to the Council due to decreasing investment balances (linked to spending the money on the capital programme) 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 to long 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 2021 to March 2025 and includes bold ambitions for service delivery and investment in the borough for the future. The general fund, HRA budgets and capital programme for 2022-23 includes projects proposed as part of the new corporate plan and provides 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, 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 (ash road railway bridge, town centre, west guildford & cycling)
- 6.3 The capital and investment strategy splits the capital programme between 'income generating development 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 and be contained within the amount the council can increase council tax. The income generating development 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 Medium to Long Term Financial Strategy (Appendix 1a)

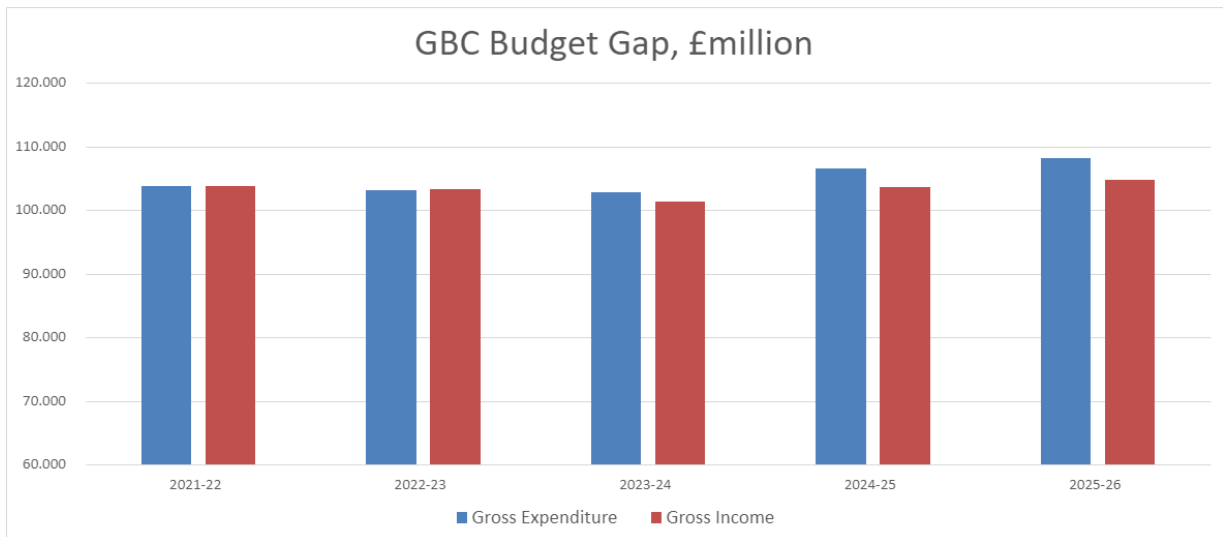
- 7.1 The medium to long-term financial strategy (LTFS) (set out in Appendix 1a) and capital and investment strategy provide a framework within which we will prepare annual spending plans and medium term financial plans. In essence, it sets a framework for our spending plans and use of resources over the long term, ensuring that we have a sustainable financial future and the council will be financially resilient moving forward.
- 7.2 We have made financial projections to 2025-26 at a summary level and high-level projections through to 2050-51, but many of the assumptions (for example, inflation, interest rate movements and MRP) could be significantly different.
- 7.3 Officers prepared the medium term figures using the assumptions in the table below. The Executive approved the assumptions at its meeting on 23 November 2021. These assumptions are for outline planning purposes only and have been reviewed and updated throughout the budget process (items changed are in italics). They will be subject to further review and update before detailed estimates are prepared for each financial year.

	<b>2022-23</b> %	<b>2023-24</b> %	<b>2024-25</b> %	<b>2025-26</b> %
General inflation	2.0	2.0	2.0	2.0
Pay award	3.1	3.0	3.0	2.0
Pay Increments	1.0	1.0	1.0	1.0
Increases in fees and charges	3.0	3.0	3.0	3.0
Council Tax	<i>£5 (2.75%)</i>	1.94	1.94	1.94
Housing rents	4.1	3.0	3.0	3.0
Council Tax Base	2.0	1.4	1.3	1.1
Vacancy Factor	2%	2%	2%	2%
Government Settlement Funding Assessment (SFA)	nil	£503k Reduction (17%)	£650k Reduction (21%)	£663k Reduction (21%)

- 7.4 As part of the drive to continue to deliver services with fewer resources, the Council has recently undertaken the 'Future Guildford' 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 £9.6 million in savings and £7.1 million in additional income.
- 7.5 The budget and medium term financial plan assumes a further £2.5m savings can be achieved between 2022-23 to 2025-26, the savings relating to asset investment and procurement are savings relating to the on-going implementation of Future Guildford. The remaining savings are set out in the Council's Medium Term Financial Strategy (Appendix 4) which was approved by Executive in June 2021 (formerly called the savings strategy).

7.6 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.

7.7 Given these assumptions, our projections show that there is a gap between projected income and expenditure over the period 2022-23 to 2025-26 as demonstrated below.



Year	GBC Budget, £m				
	2021-22	2022-23	2023-24	2024-25	2025-26
Gross Expenditure	103.732	103.277	102.728	106.473	108.132
Gross Income	103.732	103.277	101.265	103.681	104.825
<b>Budget Gap (difference between Expenditure and Income)</b>	<b>0.000</b>	<b>(0.000)</b>	<b>1.463</b>	<b>2.792</b>	<b>3.307</b>

7.8 We estimate that the funding gap totals approximately £3.3 million over the plan period (to 2025-26). However, sensitivity analysis shows this could be within the range £2.9 million to £6.3 million.

7.9 A budget gap of £1.4 million is currently projected for 2023-24. The gap arises principally due to increased costs of borrowing to fund the capital programme (MRP and interest).

7.10 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.

7.11 As outlined in paragraph 7.2, the medium-term budget gap already assumes that further savings and additional income shown in the budget movement summary 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.

- 7.12 For some years, the Council has identified a gap between available resources and projected expenditure over the medium term. During 2021-22, to address the shortfall, the Executive approved a strategy for savings. This is now reflected in as the Council's medium term financial strategy at Appendix 1a and Appendix 4. 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. Collaboration with and sharing services with Waverley BC
- 7.13 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.
- 7.14 In July 2021, Guildford Borough Council and Waverley Borough Council agreed to a long term collaboration and approved the first stages of appointing a joint Chief Executive and a joint senior management team. Further collaboration opportunities will be identified once this platform is in place. In total, the collaboration report from July 2021 identified a potential opportunity for each council to save in the region of £700,000 from the collaboration over and above what would be achievable individually. These savings have been reflected in the budget movement summary at Appendix 3.

#### Housing Revenue Account (HRA)

- 7.15 The HRA business plan and budget report sets out the changing legislative framework within which we operate the council's HRA.
- 7.16 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 to meet new legislative requirements. 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.
- 7.17 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

- 8.1 The budget process was started in June 2021 with the identification and Executive adoption of the savings strategy. The inflation assumptions outlined in paragraph 8.3 above were used in the preparation of the 2022-23 estimates outlined in the budget report.
- 8.2 Staffing costs have been included based on the Full Time Equivalent (FTEs) included within the establishment and charged to the General Fund.
- 8.3 A composite loss allowance of 2.0% has been assumed within the calculation of the council tax base.

- 8.4 The effects of the capital programmes have been considered both in the revenue budget and in predicting cash flow for investment purposes.
- 8.5 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 5**. This outlines the main financial risks the Council will face in terms of operating within its budget for 2022-23. 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.
- 8.6 The Joint Executive Advisory Board (at its meeting in November 2021) and the Executive (at its meeting in November 2021) considered the draft budget in detail. The Joint EAB considered the Capital and Investment Strategy report and the Housing Revenue Account Budget at its meeting in January 2022 and Executive considered the final reports on 25 January 2022. The main actions included in the list of Savings in Appendix 4 have previously been considered by the Joint EAB and as projects come forward, individual savings project mandates have been presented to EABs during the course of the year. Further actions set out in the medium term financial strategy approved by Executive in June 2021 will be considered by the Executive Advisory Boards in the future.

Financial Resilience and the adequacy of reserves and balances

- 9.1 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.
- 9.2 The financial resilience index shows how the Council compares to other similar authorities across a basket of financial indicators based on its 2019-20 accounts and a trend analysis of changes since 2017-18. The analysis can be found on the CIPFA Website ([Financial Resilience Index | CIPFA](#)). Guildford compares well on the analysis to other authorities with the majority of indicators showing that the Council is at low to average 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 low percentage of fees and charges income to service expenditure ratio. It is worth noting that this analysis has not been updated yet for 2020-21 accounts and does not therefore, reflect the impact of the Covid-19 pandemic.
- 9.3 There are three indicators within the financial resilience index which show the council to be above average risk, they are the 'ratio of council tax requirement to net revenue expenditure, 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 debt attributable to 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.

9.4 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:

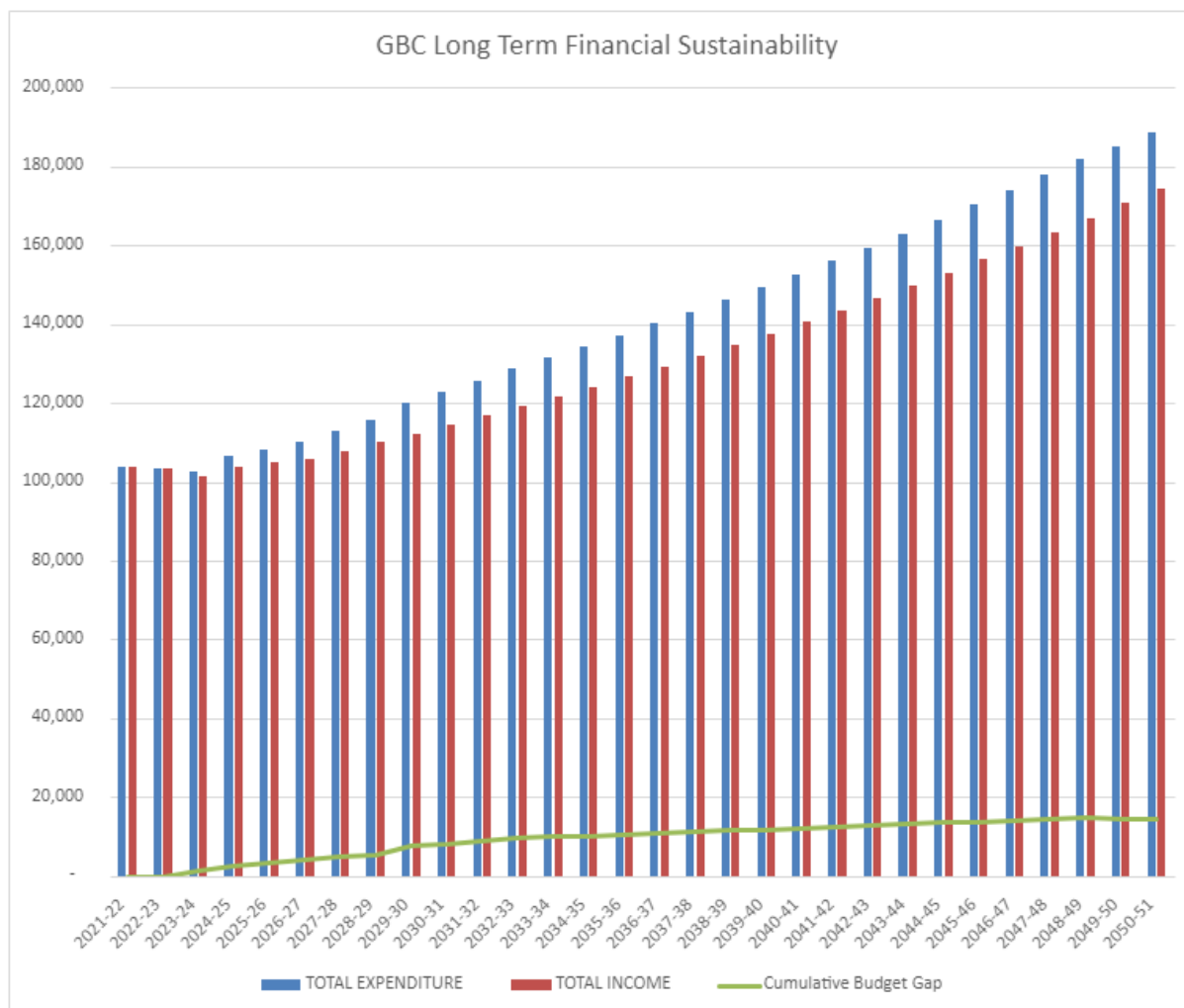
- Gearing ratio (total debt / total assets)
- Total debt as a % of long term assets
- Ratio of equity by net revenue expenditure
- Un-ringfenced reserves as a % of net revenue expenditure
- Working capital as a % of net revenue expenditure
- Short term liability pressure (short term liabilities as a % 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, and the capital and investment strategy.

9.5 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 27% and 33% over the medium-term period. However, as with the CIPFA resilience index, the indicators do not currently show the full impact of the Covid-19 pandemic.

9.6 In order to assess financial resilience it is useful to look at the long term prospects for the Council. A high level 30 year budget projection has been produced. The long term budget projection extrapolates core income and expenditure lines by inflation (using the target Bank of England rate of 2%) and the revenue impact of the capital programme as measured by the liability benchmark set out in the capital and investment. A high level allowance for growth in costs due to growth in the numbers of residential properties set out in the local plan has also been included for years beyond the current medium term plan period. The following graph sets out the high level projected position over the long term and shows a rising budget gap as a % of expenditure. The cause of the rising budget gap is partially down to borrowing costs, which as a percentage of council tax income rise from around 15% in 2021-22 up to around 47% by 2031-32 before reducing to 32% by 2050-51.

Agenda item number: 10  
Appendix 1



9.7 The value of General Fund revenue reserves, as at 1 April 2021 was £69 million however this was artificially high as it included the carry forward of a range of Covid-19 related grants that must be used or repaid. The underlying level of general fund reserves excluding the COVID grants was £38million. The estimated value of all revenue reserves over the plan period is:

Reserve	Actual 2020-21 Balance £ million	Projected 2021-22 Balance £ million	Projected 2022-23 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	65.7	33.1	27.9
Earmarked HRA Reserves	109.5	78.7	89.4
Capital Contributions	0.7	0	0
Useable Capital Receipts Reserve (General)	0.1	0.1	0.1

Useable Capital Receipts Reserve (housing related)	8.8	3.7	0
<b>Total Useable Reserves</b>	<b>191.0</b>	<b>121.9</b>	<b>123.6</b>

- 9.8 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.
- 9.9 The earmarked HRA revenue reserves and usable capital receipts reserves are substantial, which as described in paragraphs 7.15 to 7.17, affords the Council significant finance for its existing HRA capital programme and offers an opportunity to significantly expand its housing development and regeneration programme.
- 9.10 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 2021 and March 2022 however, they are still considered sufficient to cover the financial risks identified on the financial risk register shown at **Appendix 5** and are also sufficient to cover the medium term projected budget gap if the actions identified at paragraph 7.12 are not progressed.

Budget risks

- 10.1 The Council faces many risks to the successful delivery of a balanced budget. The Financial Risk Register at **Appendix 5** 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.
- 10.2 **National economic volatility.** Particular consideration will need to be given to the following in the budget proposals:
- Loss of rental income on investment properties
  - Inflation
  - Increased costs of borrowing from rising interest rates
  - Increase in housing benefit claimants and bad debts
  - Potential increase in homelessness
  - Loss of income from Fees and Charges, particularly parking
- 10.3 **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.
- 10.4 **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 Guildford Economic Regeneration Programme. 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 continue to consider whether alternative legal structures and delivery mechanisms will 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.

- 10.5 **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.
- 10.6 The capital programme for 2021-22 to 2025-26 shows the Council has an underlying need to borrow of £551 million. The revenue impact of borrowing includes:
- borrowing costs
  - interest
  - on-going operating costs and
  - where known, income associated with each scheme.
- 10.7 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.
- 10.8 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.
- 10.9 **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.
- 10.10 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. 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 medium term financial strategy agreed by Executive in June 2021.
- 12.2 The Council started the 2021-22 financial year in a weakened financial position following a £6million overspend due to Covid in 2020-21, we continue to have a strong balance sheet, with a high asset base, good diversity in our income streams, significant level of liquidity and a reasonable gearing ratio. The Council's underlying level of reserves during the year are significantly lower than we have been used to in previous years. In order to maintain our strong financial position and financial stability into the future the Council needs to ensure that it pushes forward with its medium term financial strategy to deliver the efficiencies necessary to balance our budget in the medium term. I recommend that the Council seeks to avoid any further unplanned reduction in general fund reserves over the medium term.

**Claire Morris, BEng (Hons), FCPFA, Cert IPSFR**  
**Director of Resources and Chief Finance Officer**

This page is intentionally left blank

## Long Term (10-year) Financial Strategy 2022/23 to 2031/32

### General Fund Revenue

1. To prepare the budget and direct resources to meet council priorities as set out in the Corporate Plan, and to only consider bids for investment in services or capital projects that contribute to achieving the Council's strategic priorities set out in the corporate plan.
2. To ensure the sustainability of the council and maintain its tax base the Council will seek to raise council tax at the maximum level achievable without incurring a referendum
3. The detailed budget will be prepared with an allowance for a pay award, but with no allowance for general inflation unless there is a contractual agreement. Each year, members will determine a guideline increase for fees and charges.
4. To produce an outline budget for a rolling 4 year medium term plan period and a 10-year high level strategic forecast.
5. Recognising that there will always be a need to achieve savings as part of the budget process to undertake a continuous review of:
  - (a) Discretionary services and benchmark council expenditure against our peer council's to identify appropriate areas for savings
  - (b) Review of fees and charges and options for income generation
  - (c) Review of the capital programme to align the programme to the corporate plan
  - (d) Review of operational assets to in line with the asset management framework to ensure all assets provide value for money in delivery of council services
  - (e) Explore opportunities for collaboration and sharing of services with neighbouring councils (most notably Waverley BC)
6. Supplementary estimates will only be approved in exceptional circumstances; we will firstly seek to identify savings as a means of meeting additional costs or bids for additional expenditure and then look to utilise virements if we cannot find savings.
7. To transfer the majority of any underspend achieved at the end of each financial year to a combination of the invest to save earmarked reserve, the budget pressures earmarked reserve and capital schemes reserves to offset future service growth pressures and pump prime transformation and regeneration projects.
8. To undertake a financial risk analysis of the budget and ensure that appropriate earmarked reserves are maintained to cover identified risks.
9. Subject to the financial risk assessment, to maintain a minimum general fund working balance at £3.75 million.
10. All items of expenditure, even if funded by a grant from a third party must have an approved capital or revenue budget. Where a specific grant is received, the expenditure must be approved; any under spending is returned to the general reserve and not left as a contingency in the service budget.
11. Any under spending on grants will be treated as an under spend and not carried forward for spending in the following year unless the grant has a specific condition attached to it. To transfer the majority of any underspend achieved at the end of each financial year to a combination of the invest to save earmarked reserve, the budget pressures earmarked reserve and capital schemes reserves to offset future service growth pressures and pump prime transformation and regeneration projects.
12. To spend the New Homes Bonus grant on match funding strategic investment in regeneration and infrastructure projects as set out in the Council's Corporate Plan.

## **Long Term (10-year) Financial Strategy 2022/23 to 2031/32**

13. To utilise the Council's invest to save earmarked reserve to pump prime any investment required under the Council's transformation programme to achieve savings. The Council will also investigate the flexible use of capital receipts should the resources available in the invest to save reserve be insufficient to pump prime investment.
14. To use the Business Rates equalisation earmarked reserves to mitigate the volatility of the business rates retention system on the Council's general fund budget and to match fund strategic investment in regeneration and infrastructure projects as set out in the Council's corporate plan.
15. To commit to joint or match funding infrastructure, regeneration and housing development projects with partners such as EM3 Local Enterprise Partnership, Surrey County Council, National Rail and Highways England where those projects contribute to the achievement of the Council's strategic priorities as set out in the Corporate Plan.
16. To ensure the affordability of the capital programme by ensuring that the revenue implications of borrowing for essential and non-income generating development schemes can be managed within the additional income from a rise in Council tax each year.

### **Capital**

17. The Council will prepare a combined capital and investment strategy to bring together its financial and non-financial investments and align them to the Council's strategic objectives as set out in the Council's corporate plan. The capital and investment strategy will set out a vision which includes the impact of some of our long term strategic projects.
18. Alongside the Capital and Investment Strategy, a single capital programme will be prepared each year over a 5 year rolling period as part of the detailed budget process, so that the impact of capital investment decisions will be considered as part of the revenue budget process and medium to long term financial plan.
19. The five year capital programme will include both approved and provisional schemes so that we can clearly see the impact of our future capital requirements on the revenue budget. It will also distinguish between essential schemes to maintain service delivery and infrastructure improvements and investment schemes in service development, economic development, and regeneration.
20. We will review each year how the capital programme is to be financed in relation to capital receipts, revenue or earmarked reserves.
21. The council will consider whether it is appropriate to borrow to fund large capital schemes: in doing so it will consider the impact on the budget and the cost of early repayment in line with point 15.
22. In planning our capital expenditure we will only take account of future capital receipts where there is a reasonable degree of certainty about their receipt.
23. In line with point 4(d) the Council will conduct a rolling review of its assets under its Asset Management Framework and identify and dispose of operational assets that may be surplus to requirements to raise capital receipts for re-investment in essential capital schemes to maintain service delivery or to flexibly finance corporate and service transformation costs in line with the flexible use of capital receipts policy.
24. The Council will review the performance of its investment property assets in line with its Asset Management Framework and seek to identify any under-performing assets for improvement or disposal. Capital receipts achieved on disposal of investment property

## **Long Term (10-year) Financial Strategy 2022/23 to 2031/32**

assets will be recycled to finance replacement investment property assets or the Council's capital investment programme.

25. The Council will consider the option of discounting general fund land disposals to facilitate marginally viable regeneration projects as part of the business case for individual projects.

### **Housing**

26. The Council will utilise its housing reserves to fund new build affordable housing schemes and regeneration projects that include an element of affordable housing.
27. The Council will consider the option of discounting Housing land disposals to facilitate marginally viable regeneration projects as part of the business case for individual projects.
28. The Council will consider providing capital grant funding to appropriate affordable housing schemes.
29. The council will seek to retain capital receipts generated under Right to Buy and to use those receipts in line with its Use of Right to Buy receipts policy

This page is intentionally left blank

Budget Council Feb 21  
Revised Estimate

2021-22		GENERAL FUND SUMMARY			
£		Projection 2022-23 £	Projection 2023-24 £	Projection 2024-25 £	Projection 2025-26 £
<b>Directorates - Net Expenditure</b>					
1,810,804	Strategy Directorate	1,207,529	1,390,993	1,578,069	1,768,829
14,652,320	Services Directorate	13,416,241	13,447,222	13,189,667	13,012,461
2,129,803	Resources Directorate	3,973,104	3,689,286	3,867,770	4,049,772
<b>18,592,927</b>	<b>Total Directorate Level</b>	<b>18,596,875</b>	<b>18,527,501</b>	<b>18,635,506</b>	<b>18,831,062</b>
	<i>Provisional Growth bids not yet included in Directorate budgets</i>	355,660	561,649	1,294,649	1,294,649
	<i>Provisional savings not yet removed from Directorate budgets</i>	(1,369,021)	(2,065,771)	(3,101,521)	(3,340,271)
	<i>Pensions Backfunding contribution as per Triennial Valuation</i>		2,000,000	2,000,000	2,000,000
(8,791,000)	Depreciation (contra to directorate budgets J8848 and J8858)	(8,790,570)	(8,730,770)	(8,789,970)	(8,789,970)
<b>9,801,927</b>	<b>Directorate level excluding depreciation</b>	<b>8,792,943</b>	<b>10,292,609</b>	<b>10,038,664</b>	<b>9,995,470</b>
(682,726)	External interest (receivable)/payable (net)	(551,090)	686,636	653,891	1,338,971
481,700	Interest payable to Housing Revenue Account	53,930	42,650	35,830	36,750
1,534,915	Minimum Revenue Provision	1,545,213	2,246,812	4,136,779	4,294,854
0	Revenue income from sale of assets	0	0	0	0
<b>Revenue Contributions to Capital Outlay (RCCO)</b>					
0	Met from: Capital Schemes reserve	0	0	0	0
537,000	Other reserves	500,000	500,000	500,000	500,000
0	General Fund	0	0	0	0
<b>11,672,816</b>	<b>Total before transfers to and from reserves</b>	<b>10,340,996</b>	<b>13,768,707</b>	<b>15,365,164</b>	<b>16,166,045</b>
<b>Transfers to and from reserves</b>					
Capital Schemes reserve					
0	Funding of Revenue Contribution to Capital Outlay	0	0	0	0
0	Contribution in year	0	0	0	0
0	Budget Pressures Reserve	0	0	0	0
(15,981,580)	Business Rates Equalisation reserve	(5,958,857)	(298)	14	56,457
63,000	Car Park Maintenance reserve	355,000	412,000	470,000	530,000
63,000	Election Costs reserve	63,000	63,000	63,000	63,000
0	Insurance reserve	0	0	0	0
543,000	IT Renewals reserve	543,000	293,000	293,000	293,000
250,000	Invest to Save reserve	586,000	250,000	250,000	250,000
0	Energy Management reserve	0	0	0	0
(298,000)	New Homes Bonus reserve	766,000	0	0	0
(260,000)	On Street Parking reserve	0	0	0	0
0	Pensions Reserve (Statutory)	0	0	0	0
0	Recycling Reserve	0	0	0	0
193,000	Spectrum reserve	196,000	200,000	204,000	208,000
0	Carry Forward Items	0	0	1	2
112,000	Other reserves	223,000	223,000	223,000	223,000
<b>(3,642,764)</b>	<b>Total after transfers to and from reserves</b>	<b>7,114,139</b>	<b>15,209,409</b>	<b>16,868,179</b>	<b>17,789,504</b>
<b>Business Rates Retention Scheme payments</b>					
31,844,000	Business Rates tariff payment	31,844,000	31,848,000	32,465,000	33,114,000
100,000	Business Rates - levy / (safety net) payment to/ (From) MHCLG	297,024	0	0	0
<b>Non specific government grants</b>					
(2,966,832)	s31 grant re BRR scheme	(1,317,698)	0	0	0
	SFA Multiplier compensation	(240,621)			
(100,000)	s31 grant re Council Tax	0	0	0	0
0	Impact of BRRS Reset and Fair Funding Review	0	503,597	650,749	663,764
(622,690)	COVID Funding	0	0	0	0
(389,546)	Other grants - lower tier services & 2022-23 services grant	(333,250)	0	0	0
(192,251)	New Homes Bonus grant	(766,155)	0	0	0
<b>24,029,917</b>	<b>GUILDFORD BOROUGH COUNCIL NET BUDGET</b>	<b>36,597,439</b>	<b>47,561,005</b>	<b>49,983,929</b>	<b>51,567,269</b>
1,935,225	Parish Council Precepts	0	0	0	0
<b>25,965,142</b>	<b>TOTAL NET BUDGET</b>	<b>36,597,439</b>	<b>47,561,005</b>	<b>49,983,929</b>	<b>51,567,269</b>
(33,727,000)	Business Rates - retained income	(34,200,000)	(34,876,000)	(35,552,000)	(36,263,000)
0	Revenue support grant	0	0	0	0
20,120,077	Collection Fund (surplus)/deficit - Business Rates	8,626,000	0	0	0
(30,274)	Collection Fund (surplus)/deficit - Council Tax	(125,455)	43,020	0	0
<b>12,327,945</b>	<b>COUNCIL TAX REQUIREMENT</b>	<b>10,897,984</b>	<b>12,728,025</b>	<b>14,431,929</b>	<b>15,304,269</b>
10,392,720	<b>Council tax requirement excluding Parish Precepts</b>	10,897,984	12,728,025	14,431,929	15,304,269
57,159	Tax base	58,335.91	59,153.51	59,957.51	60,622.31
181.82	Band D Tax (Borough Only)	186.81	215.17	240.70	252.45
	% Increase	2.74%	15.18%	11.87%	4.88%
	Band D Tax (incl Parishes)	186.81	215.17	240.70	252.45
	<b>Target increase per annum</b>	<b>2.75%</b>	<b>1.94%</b>	<b>1.94%</b>	<b>1.94%</b>
	Council tax @ target increase	186.82	190.44	194.14	197.91
	<b>Borough Council demand for target tax rise</b>	<b>10,898,310</b>	<b>11,265,450</b>	<b>11,640,090</b>	<b>11,997,470</b>
	Current demand	10,897,984	12,728,025	14,431,929	15,304,269
	<b>Cumulative Budget Gap</b>	<b>0</b>	<b>1,463,000</b>	<b>2,792,000</b>	<b>3,307,000</b>
	In year budget gap	0	1,463,000	1,329,000	515,000

This page is intentionally left blank



## 2022-23 Budget - Service Detail

APPENDIX 2a

Version	BUDGET YR 2
Fund	GENERAL

Sum of Unapproved B	Column Labels									
Row Labels	Depreciation and Impairment Losses	Employees	Income	Premises-Related Expenditure	Supplies & Services	Support Services	Third Party Payments	Transfer Payments	Transport-Related Expenditure	Grand Total
<b>Resources Directorate</b>	<b>919,300</b>	<b>5,675,923</b>	<b>-8,733,255</b>	<b>1,750</b>	<b>4,235,467</b>	<b>1,605,500</b>	<b>14,800</b>		<b>253,620</b>	<b>3,973,104</b>
Audit Management		-625	-149,610		116,400	7,150				-26,685
Business Improvement		-2,318	-249,120		-10,665	30,910			0	-231,193
Corporate Financial		-75	-150,000		134,578	249,660			730	234,893
Corporate Services		696,019	-121,200		403,170	413,980			8,256	1,400,225
Feasibility Studies					40,800	470				41,270
ICT Investment and Renewal Fund	913,900		-893,250			540				21,190
Insurance Revenue Account		838,175	-832,710		4,845	6,220				16,530
Lead Specialist - Finance		959,934	-1,056,230		12,168	133,220			22,877	71,969
Lead Specialist - HR		366,861	-702,210		51,602	98,170			9,041	-176,536
Lead Specialist - ICT		1,034,311	-1,526,790	1,750	955,295	143,670			16,094	624,331
Lead Specialist - Legal		541,207	-1,409,015		112,800	226,420			15,855	-512,733
Miscellaneous Expenses			-15,604		1,930,549	450				1,915,395
Other Employee Costs		277,230	-467,630		2,721	49,520	14,800		178,132	54,772
Parish Liaison		555			187,586	8,010			200	196,351
Resources Caseworker	5,400	739,864	-1,159,886		293,618	211,599			2,435	93,030
Unallocatable Central Overhead		224,784				25,510				250,294
<b>Service Delivery Directorate</b>	<b>7,590,350</b>	<b>17,961,490</b>	<b>-67,423,168</b>	<b>7,196,314</b>	<b>10,200,091</b>	<b>5,333,545</b>	<b>2,290</b>	<b>27,800,000</b>	<b>4,755,328</b>	<b>13,416,241</b>
Affordable Housing		3,254			12,775	23,810			424	40,264
Building Control		329,059	-518,530	1,020	63,741	117,550			22,083	14,923
Building Maintenance		1,170,595	-4,062,987	76,540	2,771,358	80,050			173,886	209,442
Business Rates		219,584	-258,910		34,108	39,850			5,656	40,288
Case Services		1,387,192			8,160					1,395,352
Cemeteries	12,200	142,792	-80,297	21,971	36,938	59,560			20,714	213,877
Civil Emergencies		16,422		1,170	34,494	3,090			426	55,602
Community Meals and Transport		514,991	-248,502		96,170	104,160			211,874	678,693
Corporate Health and Safety		141,182	-156,330		16,958	18,090			2,834	22,734
Council Tax		35,600	-290,000	580	234,083	135,680			2,283	118,226
Countryside and Parks Services	297,600	1,433,669	-1,011,438	137,092	243,640	429,589			272,075	1,802,228
Crematorium	31,800	283,500	-1,747,541	171,373	120,406	49,540			18,910	-1,072,013
Customer Services		711,693	-453,570	80	5,612	79,890				343,705
Day Services	94,700	288,501	-163,584	135,146	104,959	90,730			1,173	551,626
Development Control		904,053	-1,805,981		158,452	575,150			52,425	-115,901
Digital Services		62,821			68,482	27,170			194	158,667
Emergency Communications		133,379	-461,309		80,497	68,470			11,220	-167,743
EMI Services		194,978	-130,420	10,651	2,019	47,050			184	124,463
Engineering and Transportation Services	700	114,149	-398,170	8,060	2,149	52,320			38,452	-182,340
Environmental Health		461,498	-23,734	9,692	126,042	105,890			43,119	722,508
Family and Refugee Support Programme		313,461	-421,900		5,805	91,260			19,472	8,098
Fleet Management	1,428,080	25,142	-2,529,371	83,700	68,056	241,010			756,720	73,336
Food Safety		171,763	-1,627		16,592	57,820			8,417	252,965
G Live	1,327,100	16,388	-50,280	24,740	315,070	30,030			2,197	1,665,244
Guildford House	33,600	128,618	-85,405	56,679	52,434	84,500			1,652	272,078
Guildford Museum	59,800	433,731	-32,000	90,570	37,818	89,820			1,099	680,838
Guildhall	13,300	26,364	-40,203	22,626	9,188	51,970				83,246

Row Labels	Sum of Unapproved B		Column Labels							
	Depreciation and Impairment Losses	Employees	Income	Premises-Related Expenditure	Supplies & Services	Support Services	Third Party Payments	Transfer Payments	Transport-Related Expenditure	Grand Total
Homelessness Support		266,590	-35,000	5,100	415,236	101,730			7,436	761,092
Housing Advice		10			350,090					350,100
Housing Benefits		205,164	-28,374,100	4,500	193,911	206,140		27,800,000	2,428	38,043
Housing Surveying		515,526	-781,550		26,926	102,740			31,290	-105,068
Land Charges		113,788	-274,042		92,041	32,730			444	-35,039
Land Drainage				133,330	324	163,700				297,354
Leisure and Community	47,600	2,298	-9,580	15,945	5,365	43,700			594	105,922
Leisure Management Contract	1,941,000	28,375	-2,103,258	1,295,906	21,411	35,100			5,940	1,224,474
Leisure Rangers		137,204			3,294	10,930			19,719	171,147
Licensing		176,659	-199,809		35,037	91,510			5,776	109,171
Millmead House	298,100	315,384	-1,995,699	745,167	160,719	200,390			17,036	-258,904
MOT Bay	5,640	44,646	-158,692	24,740	8,007	26,030			393	-49,237
Off Street Parking	1,296,400	404,321	-10,401,347	2,583,945	644,431	318,340			37,349	-5,116,561
On Street Parking		523,542	-1,880,617	57,089	407,257	148,710			33,824	-710,195
Ordnance Survey and Mapping					3,606	4,530				8,136
Park and Ride Service	248,100	-118	-38,250	312,658	67,163	16,080			192,040	797,673
Parks Countryside Management	117,900	376,495	-284,532	321,965	678,299	55,078			332,223	1,597,427
Pest Control		5,406	-55,300		40,612	6,000			756	-2,527
Private Sector Housing		124,039	-118,656		29,014	67,430			11,382	113,209
Private Sector Housing Maintenance		226,460	-300,679		48,990	48,480			16,346	39,597
Public Conveniences	53,800	111,651	-12,050	57,453	21,782	42,710			18,245	293,591
Public Health		57,416			23,534	6,680			1,051	88,681
Refuse and Recycling	112,500	2,419,016	-767,324	119,034	301,748	241,720			1,459,946	3,886,641
River Control	2,500	0		5,518	16,500	2,440			20	26,978
Roads and Footpaths				37,414	918	72,110				110,441
Snow and Ice		0	-55,140	16,980	41	1,230			14,002	-22,888
SPA Sites	23,610		-53,000	50,000		2,440				23,050
Street Cleansing	3,000	1,259,582	-182,951	54,310	264,462	135,020			381,540	1,914,963
Street Furniture	11,800	-28		28,672	46,653	18,480	2,290		542	108,409
Taxi Licensing		71,160	-127,926		30,088	67,420			3,059	43,801
Tourist Information Centre		187,023	-60,089	2,254	38,065	50,690			153	218,096
Town Centre CCTV	3,420	1,295			80,082	16,910				101,707
Traveller Caravan Sites		-9	-210,090	101,489	7,332	3,889			71	-97,318
Vehicle Maintenance	2,500	280,571	-774,430	11,830	282,886	46,620			154,774	4,751
Waste and Fleet Business Development	49,600	290,432	-2,478,850	22,780	1,073,902	99,530			311,043	-631,562
Woking Road Depot	73,400	130,584	-623,668	324,205	40,202	80,940			27,949	53,611
Woking Road Depot Stores	600	22,628	-94,450	12,340	14,160	11,320			469	-32,933
<b>Strategy Directorate</b>	<b>280,920</b>	<b>4,078,051</b>	<b>-11,505,446</b>	<b>1,987,582</b>	<b>4,007,569</b>	<b>2,249,328</b>			<b>109,525</b>	<b>1,207,529</b>
About Guildford		119	-4,635		10,240	3,110			153	8,987
Business Forum		20	-30		24,183	1,570				25,743
Citizens Advice Bureau					289,088	1,290				290,378
Civic Expenses		95,701		1,330	75,869	30,330			14,475	217,705
Climate Change	9,500	56,152	-185,050	1,640	158,424	38,640			571	79,877
Community Development		67,191		5,100	50,431	12,790			311	135,822
Community Lottery			-3,000		2,958					-42
Community Safety	3,600	977	-15,000		42,158	22,110			345	54,190
Community Wellbeing		283,724	-41,095	14,994	74,739	116,250			31,834	480,446
Corporate Property Management		944,541	-1,176,060	1,366,800	162,964	474,680			14,280	1,787,205
Council and Committee Support		366,772	-260,340		91,837	292,960			6,173	497,401
Democratic Representation		97,481	-107,800		546,607	212,800			6,778	755,865
Elections	1,200	57,309			10,376	20,500			1,391	90,776

Sum of Unapproved B	Column Labels									
	Depreciation and Impairment Losses	Employees	Income	Premises-Related Expenditure	Supplies & Services	Support Services	Third Party Payments	Transfer Payments	Transport-Related Expenditure	Grand Total
Electoral Registration		90,913	-26,808	2,500	159,995	34,120			1,373	262,092
Events		11,939	-9,090		3,691	1,390			51	7,981
Grants to Voluntary Organisations		167			479,544	7,700				487,411
Housing Outside the HRA	62,400		-7,100	1,436	724	2,210				59,670
Industrial Estates	4,600	-78	-3,148,490	350,515	44,267	155,730			71	-2,593,385
Investment Properties	5,100	-106	-5,005,940	91,386	41,900	163,860			10	-4,703,790
Lead Specialist - Information Governance		63,064	-72,610		14,034	7,590			10	12,088
Leisure Grants to Voluntary Organisations					400,921					400,921
Major Projects		531,016			817,333	167,240			10,958	1,526,547
Markets		4,028	-32,000		14,755	6,240			71	-6,906
Other Property	194,520		-1,077,871	137,745	25,022	124,010				-596,575
Planning Policy		748,598	-783	5,715	225,452	180,800			14,356	1,174,139
Public Relations		539,656		1,140	49,141	54,790			1,887	646,614
Tourism & Development		50,871	-138,614	7,282	190,235	106,070			4,070	219,913
Town Centre Management		67,996	-193,130		682	10,550			357	-113,545
<b>Grand Total</b>	<b>8,790,570</b>	<b>27,715,464</b>	<b>-87,661,870</b>	<b>9,185,647</b>	<b>18,443,127</b>	<b>9,188,373</b>	<b>17,090</b>	<b>27,800,000</b>	<b>5,118,473</b>	<b>18,596,875</b>

This page is intentionally left blank

**Guildford BC Budget Movement Summary**

**APPENDIX 3**

	2022/23	2023/24	2024/25	2025/26	TOTAL 2022-23 to 2025-26
	£m	£m	£m	£m	£m
Brought forward budget	10.4	9.1	13.0	14.6	47.0
Inflation and other unavoidable adjustments	0.0	0.3	0.3	0.3	
Pressures (Growth items)	0.4	2.3	0.7	0.0	3.4
Increased borrowing costs of Capital Programme	(0.3)	1.9	1.9	0.8	4.3
Identified Efficiencies	(1.4)	(0.7)	(1.2)	(0.3)	(3.6)
<b>Total budget requirement (CTAX Requirement)</b>	<b>9.1</b>	<b>13.0</b>	<b>14.6</b>	<b>15.3</b>	<b>51.9</b>
Change in net budget requirement	(1.3)	3.9	1.6	0.8	4.9
Change in use of reserves	0.6	(4.0)	0.1	0.1	(2.3)
Funding Reductions	0.7	1.6	(0.3)	(0.4)	1.6
<b>Budget Gap (Reductions still to find)</b>	<b>0.0</b>	<b>1.5</b>	<b>1.3</b>	<b>0.5</b>	<b>3.3</b>

Pressures	Commentary	2022/23	2023/24	2024/25	2025/26	TOTAL 2022-23 to 2025-26
		£m	£m	£m	£m	£m
Pensions backfunding liability	as per Triennial Valuation. GBC made a saving at last valuation by paying a lumpsum upfront funded from reserves and then re-paying the reserves over the following 2 years. From the next valuation the annual backfunding amount will need to go back into the service budgets unless funded from reserves again.	0.000	2.000	0.000	0.000	2.000
ICT Cloud SaaS costs	increase in annual service and licence costs from implementing Cloud SaaS technology across customer services, finance/HR/Payroll and Revenues and Benefits as per Future Guildford Transformation Programme & Business Case	0.176	0.000	0.000	0.000	0.176
Salary increments	growth for salary increments (assume 1% of total pay) as per staff pay scheme and contractual obligations	0.325	0.006	0.000	0.000	0.331
Leisure Partnership Contract	Contract extension formerly agreed in Sept 2021 for 2 years following which contract will need to be retendered for October 2023. Income from contract has been reduced on extension due to on-going Covid impact. Anticipate that income loss will not carry through to retendered contract in 2023.	0.267	0.000	(0.267)	0.000	0.000
National insurance increase	provision for the cost of increased NI contributions as per Government Budget announcement	0.353	0.000	0.000	0.000	0.353
Additional Pay inflation	Executive agreed the budget assumptions at its meeting in June 2021 setting out an anticipation that pay inflation would be 2% per annum over the 4 year period. Following a rise in inflation, this amount has been revised.	0.823	0.000	0.000	0.000	0.823
Less: Removal of one-off budgeted items from 2021-22	Removal of one-off expenditure on projects budgeted for during 2021-22 (eg, Town Centre Masterplan)	(1.083)	0.000	0.000	0.000	(1.083)
SFC Income Loss	Mainly relates to parking. We put a £1.2million central income loss contingency budget in for 2021-22 to make provision for a reduction in fees and charges income during and immediately post-COVID 19. We anticipate that income will gradually return to pre-covid levels during the Medium Term Period. Parking income is only expected to return to 90% capacity in the medium term.	(0.784)	0.000	0.000	0.000	(0.784)
Costs and Income loss from North Street development	Loss of income from car parking resulting from the sale of land for the North Street Development	0.080	0.320	0.000	0.000	0.400
Climate Change strategy	Reduction in energy usage and emissions	0.148	0.000	0.000	0.000	0.148

Agenda item number: 10  
Appendix 5

Planning	Significant increase in householder applications resulting in additional agency spend and removal of pre-app service to cope with demand (loss of income as a result of pre-app service suspension)	0.000	0.000	0.000	0.000	0.000
Guildford Waverley collaboration	provision for implementation costs associated with the joint management team	0.050				
National Waste minimisation strategy	Anticipate significant additional cost of the national waste strategy due to be implemented in 2024-25. Amount is net of possible new burdens funding. Growth bid / Mandate required in due course.	0.000	0.000	1.000	0.000	1.000

Efficiencies	Commentary	2022/23	2023/24	2024/25	2025/26	TOTAL 2022-23 to 2025-26
		£m	£m	£m	£m	£m
Asset Management Strategy	Increase income generation from assets as per strategy	(0.628)	0.000	0.000	0.000	(0.628)
Procurement Strategy	Efficiencies in non-staff costs resulting from more compliant procurement and category management of expenditure in line with procurement strategy	(0.185)	(0.467)	(0.733)	(0.189)	(1.573)
Guildford and Waverley Collaboration	Reduction in Senior management costs as part of greater collaboration and sharing of services with Waverley BC	(0.150)	(0.200)	(0.200)	(0.150)	(0.700)
Public Conveniences	Partial closure of service	(0.065)	0.000	0.000	0.000	(0.065)
Leisure Grants - Classical Music Grant	Removal of grant funding	(0.060)	0.000	0.000	0.000	(0.060)
Leisure Grants - Guildford Book Festival Grant	Reduction of grant funding	(0.010)	(0.005)	(0.003)	0.000	(0.018)
Park and Ride	Reduction or partial closure of Park and Ride services	0.000	0.000	(0.300)	0.000	(0.300)
Fees and Charges Review	Additional income from above inflation increased in various fees and charges	(0.143)	0.000	0.000	0.000	(0.143)
Leisure Services: GLive Contract Extension	3 year contract extension agreed by executive on 24th august 2021	(0.054)	0.000	0.000	0.000	(0.054)
Voluntary grants review	Reduction to CAB grant and Removal of Voluntary Grants Scheme to be replaced with CrowdFunding scheme.	(0.075)	(0.025)	0.000	0.000	(0.100)

Funding assumptions	Commentary	2022/23	2023/24	2024/25	2025/26	TOTAL 2022-23 to 2025-26
		£m	£m	£m	£m	£m
New Homes Bonus Change		(0.6)	0.8	0.0	0.0	0.2
Collection fund deficit change		(0.1)	0.2	(0.0)	0.0	0.0
Business Rates Retention Scheme	Change in net income as a result of the BRRS	1.2	0.5	(0.1)	(0.1)	1.6
Covid grant	grant received in 2021-22 assumed to be one-off	0.6	0.0	0.0	0.0	0.6
Lower tier services & other grants	grant received in 2021-22 assumed to be one-off	0.1	0.0	0.0	0.0	0.1
Fair funding review impact & BRRS reset	assumptions as per advice from LGFutures	0.0	0.5	0.1	0.0	0.7
Income due to increased tax base	increased assumed as per Local Plan Housing Delivery schedule less slippage allowance	(0.2)	(0.2)	(0.2)	(0.1)	(0.6)
Income due to increase Council tax	assumed @ 1.94%	(0.3)	(0.2)	(0.2)	(0.2)	(0.9)

Appendix 4

Medium Term Financial Strategy Theme				Savings Achieved	Expected Profile of Savings still to be achieved						Included in Draft Budget?	EAB Comments
Service Area	Description of suggested action	Rough order of magnitude of savings, £	Progress	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL			
<b>Discretionary Services</b>												
Public Transport – support to bus operators	Explore options to decrease expenditure on park and ride and community transport. This will include review of cost versus use of each site & comparisons with other towns.	340,000	Mandate initially presented to Joint EAB on 7th Jan 2021 as part of savings strategy presentation. Savings included in MTFP for delivery in 2022-23. Updated mandate with further detailed options to be re-presented to EAB in next few months.	40,000			300,000		340,000	yes	general support for review of park and ride services subject to further detail.	
Leisure Services	Look to retender the GLive and Spectrum contracts (Medium term action post covid)	tbc	Mandate being prepared. Give Contract extended until 2024 and freedom leisure contract until 2023. So opportunity for savings is very much in later years. Saving for 2021-22 and 2022-23 related to 2 year contract extension.	26,795	26,795	tbc	tbc		53,590	yes		
Community services	Commission a review of usage of community and day centres with a view to consolidating sites. Review the scale of community development activity.	300,000	Service currently undertaking consultation with users. Will report project madate to EAB in January 2022		170,000				170,000	no	Scheduled for EAB discussion in January 2022	
Public Conveniences	Review of service provision and options for a full or partial closure.	65,000	Mandate initially presented to service delivery EAB 1st April 2021, further consideration of options to be considered by service delivery EAB on 4th November 2021.		65,000				65,000	yes	EAB on 1st April supported further investigation of Options to remove grant funding to Ash and Shere parish Council's and Options 4 to seek limited closure of other toilets aligned with a redistribution of work. Comments from EAB on 4th November tbc.	
Parks and Countryside	Review of Non-staffing expenditure of service post FG Phase B	355,000	Now moved into procurement savings as an additional target by 2025-26		88,750	88,750	88,750	88,750	355,000	yes	N/A; Procurement strategy was reviewed by O&S Committee prior to Executive approval.	
Ways of working	Review of staff benefits and ways of working	150,000	to be progressed with GBC-WBC collaboration project so likely to be later in the medium term plan. Timescales tbc				tbc	tbc	0	no	tbc	
Mayorality	Review provision of car, chauffeur & event costs	45,000	Mandate presented to EAB on 7th Jan 2021. Savings included in 2021-22 budget.	45,000					45,000	yes	EAB were in general support for removing the car and chauffeur	
Review of discretionary grants	Review of grants to voluntary, community and leisure organisations eg, CAB, , various grants to voluntary organisations & Project Aspire	127,000	Mandates presented to Strategy and Resources EAB on 11th october. CAB Mandate proposes a £25k reduction to CAB funding in 2022-23 and a further £25k reduction in 2023-24. Voluntary grants mandate	11,750	75,000	25,000			111,750	yes	CAB - There was no support for options (c) to (e) and the Board was of the view that there was insufficient information to endorse option (b) which was a phased reduction in grant funding. Further benchmarking information has been provided separately to Executive to address some of the questions raised by the EAB. Voluntary grants mandate - the board expressed preference for an option of reducing the budgets for the voluntary grants scheme and the project aspire grants scheme by 50% to £25,000 and £15,000 respectively although this option was not in the mandate. Executive to reconsider both mandates at informal meeting on 3rd November.	
Culture, Heritage and Tourism	Public Entertainment / Cultural grants	83,000	mandate for classical music grant and book festival presented to Service Delivery EAB in July 2021.	35,000	35,000	5,000	3,000		78,000	yes	Classical music grant - following discussion the Board confirmed its agreement to Option B (that the grant be reduced by £30,000 in 2021-22) be pursued subject to review in one year's time. Book festival grant - the EAB agreed option B for a phased reduction in funding to £18k in 2021, £13k in 2022, £8k in 2023 and £5k in 2024 be recommended to Executive.	
	Theatre	310,000	Mandate being prepared.		35000	50000	25000		110,000	no	due for discussion at Executive in January 2022	
	Tourism	200,000	Mandate being prepared	tbc					0	no		

Medium Term Financial Strategy Theme				Savings Achieved	Expected Profile of Savings still to be achieved					Included in Draft Budget?	EAB Comments
Service Area	Description of suggested action	Rough order of magnitude of savings, £	Progress	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL		
	Museum, Galleries and Heritage	407,000	Mandate being prepared								
				tbc						0	no
<b>TOTAL Discretionary Services</b>		<b>2,382,000</b>									
				<b>158,545</b>	<b>495,545</b>	<b>168,750</b>	<b>416,750</b>	<b>88,750</b>	<b>1,328,340</b>		
<b>Operation Assets</b>											
Millmead			Programme level mandate presented to Joint EAB in June 2021. Individual Project Mandate to be presented to EAB in December 2021							0	no
Stoke Park Home Farm			Mandate being prepared							0	no
Staff Accommodation			Mandate being prepared							0	no
<b>Total Operational Assets</b>		<b>1,500,000</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>Capital Programme</b>	reduction in MRP / Interest costs as a result of reducing the capital programme	500,000	<b>work in progress;</b> removal of 3 schemes agreed by Executive in August 2021 (Guildford Gytratory, Stoke park office Accommodation and Stoke Park Home Farm development) totalling £15.5million reduction in capital budget, Resulting MRP / Interest savings to be analysed and further schemes to be reduced identified, £200k saving in 2021-22 due to slippage on programme in 2020-21 and removal of 4 projects from capital programme in Feb 2021 (Museum, public realm, bike share and town centre gateway) totalling £23.863million capital programme reduction.	178,097	1,964,225	1,612,137	617,807	1,250,825	5,623,091	yes	based on latest capital and investment strategy
<b>Collaboration with another Council</b>											
Guildford - Waverley Collaboration	Senior Management team and other staffing restructure	720,000	target as per financial feasibility study but amount to be confirmed. Decision to merge senior management team taken in July 2021.	22,500	127,500	200,000	200,000	150,000	700,000	yes	Report to Council on 5th october confirmed saving for joint chief executive. Part year impact of further staffing restructure to be done in 2022-23
	ICT / Procurement & Property	780,000	target as per financial feasibility study - to be confirmed in detailed business cases						0		
		1,500,000		22,500	127,500	200,000	200,000	150,000	700,000		
<b>TOTAL SAVINGS STRATEGY</b>		<b>5,882,000</b>		<b>359,142</b>	<b>2,587,270</b>	<b>1,980,887</b>	<b>1,234,557</b>	<b>1,489,575</b>	<b>7,651,431</b>		



Appendix 5: Financial Risk Register (to follow for budget council)

This page is intentionally left blank

**GUILDFORD BOROUGH COUNCIL  
GENERAL FUND BUDGET 2022-23**

**FEES AND CHARGES**

	2020-21 from 1 April 2020 £	2021-22 4.1% from 1 April 2021 3.0% £	2022-23 Proposed	Increase %
<b>To be approved by Council</b>				
<b>Gypsy Caravan Sites - Pitch Rental</b>				
Ash Bridge & Cobbetts Close Sites (per week)	82.50	84.00	87.00	3.6%
Calvert Road	85.50	87.00	90.00	3.4%
Home Farm	85.50	85.50	89.00	4.1%
<b>Stray Dogs</b>				
A £25.00 statutory fee is included within the charge.				
1st day or part of day	120.00	120.00	124.00	3.3%
2nd day or part of day	140.00	140.00	144.00	2.9%
3rd day or part of day	161.00	161.00	166.00	3.1%
4th day or part of day	189.00	189.00	195.00	3.2%
5th day or part of day	218.00	218.00	225.00	3.2%
6th day or part of day	247.00	247.00	254.00	2.8%
7th day or part of day	285.00	285.00	294.00	3.2%
<b>Microchipping of Dogs (England) Regulations 2015</b>				
Microchipping of dog - seizure of dog, microchipping by vet and return to owner	Fee no longer applicable	Fee no longer applicable		
<b>Registration – Acupuncture, tattooing, etc.</b>				
Premises and/or One Practitioner	245.00	245.00	252.00	2.9%
Per Additional Practitioner	93.00	93.00	96.00	3.2%
Food Hygiene Revisits	305.00	305.00	314.00	3.0%
<b>Pest Control</b>				
(The charges shown are based on the cost of labour, transport plus materials)				
<b>Domestic Premises</b>				
Wasps (max 1 nest per premise)	70.00 *	70.00 *	72.00	2.9%
Wasps (extra nest at same visit)	38.00 *	38.00 *	39.00	2.6%
Other Treatments	85.00 *	85.00 *	88.00	3.5%
Other Treatments (houses of multiple occupation)	120.00 *	120.00 *	124.00	3.3%
Rodents	Free of Charge	Free of Charge		
<b>Domestic Premises where the main occupier is receiving income support or benefits</b>				
Wasps (max 1 nest per premise)	38.00 *	38.00 *	39.00	2.6%
Wasps (extra nest at same visit)	38.00 *	38.00 *	39.00	2.6%
Other Treatments	55.00 *	55.00 *	57.00	3.6%
Rodents	Free of Charge	Free of Charge		
<b>Services of Environmental Health Officer</b>				
- per hour or part thereof	63.00 *	63.00 *	65.00	3.2%
<b>**Due to the England Local Authority review of fees and charges these may be subject to change**</b>				
<b>Miscellaneous</b>				
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		
<b>Sex Establishments - Fixed by Council</b>				
Application fee	1,522.00	1,522.00	1568.00	3.0%
Fee of Grant	155.00	155.00	160.00	3.2%

\* = includes VAT at 20%

	2020-21 from 1 April 2020 £	2021-22 4.1% from 1 April 2021 3.0% £	2022-23 Proposed	Increase %
<b>Contaminated Land &amp; Air Quality</b>				
Responding to enquiries about contaminated land – report with plan - First hour with administration	86.00	86.00	89.00	3.5%
Each additional hour	82.00	82.00	84.00	2.4%
<i>Note: for more extensive enquiries the fee is based on the hourly rate of the EHO added to the basic fee</i>				
<b>Private water supply</b>				
Private water supply with a distribution network - investigation when a sample fails	Hourly rate £82.00 maximum £100	Hourly rate £82.00 maximum £100		
Large private water supply - risk assessment	Hourly rate £82.00 maximum £500	Hourly rate £82.00 maximum £500		
Large Private water supply - investigation when a sample fails	Hourly rate £82.00 maximum £100	Hourly rate £82.00 maximum £100		
Large Private water supply - analysing a sample taken during check monitoring group A parameters	Hourly rate £82.00 maximum £100	Hourly rate £82.00 maximum £100		
Large Private water supply - analysing a sample taken during check monitoring group B parameters	Hourly rate £82.00 maximum £500	Hourly rate £82.00 maximum £500		
Other private water supply not covered by regulation 8 and 9 supplies - risk assessment	Hourly rate £82.00 maximum £500	Hourly rate £82.00 maximum £500		
Other private water supply not covered by regulation 8 and 9 supplies - investigation when a sample fails	Hourly rate £82.00 maximum £100	Hourly rate £82.00 maximum £100		
Analysing a sample –Taken under regulation 10	Cost as charged by labs not exceeding £25	Cost as charged by labs not exceeding £25		
Analysing a sample –Taken during check monitoring	Cost as charged by labs not exceeding £100	Cost as charged by labs not exceeding £100		
Analysing a sample –Taken during audit monitoring	Cost as charged by labs not exceeding £500	Cost as charged by labs not exceeding £500		
<b>Extracts from Registers</b>				
Environmental Protection Act - per page	Free of Charge	Free of Charge		
<b>Miscellaneous</b>				
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	65.00	3.2%
<b>Animal Activities Licensing</b>				
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.				
<b>Animal Boarding</b>				
Application Fee	672.00	672.00	692.00	3.0%
Fee for Grant	271.00	271.00	279.00	3.0%
<i>Any vet fees will be payable upon application and as required for licence duration</i>				
<b>Home Boarding</b>				
Application Fee	672.00	672.00	692.00	3.0%
Fee for Grant	271.00	271.00	279.00	3.0%
<i>Any vet fees will be payable upon application and as required for licence duration</i>				
<b>Dog Day Care</b>				
Application Fee	672.00	672.00	692.00	3.0%
Fee for Grant	271.00	271.00	279.00	3.0%
<i>Any vet fees will be payable upon application and as required for licence duration</i>				
<b>Dog Breeding</b>				
Application Fee	777.00	777.00	800.00	3.0%
Fee for Grant	213.00	213.00	219.00	2.8%
<i>Any vet fees will be payable upon application and as required for licence duration</i>				
<b>Keeping Animals for Exhibition</b>				
Application Fee	283.00	283.00	291.00	2.8%

\* = includes VAT at 20%

	2020-21 from 1 April 2020 £	2021-22 4.1% from 1 April 2021 3.0% £	2022-23 Proposed	Increase %
Fee for Grant <i>Any vet fees will be payable upon application and as required for licence duration</i>	142.00	142.00	146.00	2.8%
<b>Selling Animals as Pets</b>				
Application Fee	446.00	446.00	459.00	2.9%
Fee for Grant <i>Any vet fees will be payable upon application and as required for licence duration</i>	223.00	223.00	230.00	3.1%
<b>Hiring out Horses</b>				
Application Fee	545.00	545.00	561.00	2.9%
Fee for Grant <i>Any vet fees will be payable upon application and as required for licence duration</i>	273.00	273.00	281.00	2.9%
<b>Dangerous Wild Animals</b>				
-New	408.00	408.00	420.00	2.9%
-Renewal	213.00	213.00	219.00	2.8%
<b>Zoo Licence</b>				
-New	2,375.00	2,375.00	2446.00	3.0%
-Renewal	2,375.00	2,375.00	2446.00	3.0%
<b>Each Additional Licence Activity</b>				
Application Fee	83.00	83.00	85.00	2.4%
Fee for Grant	91.00	91.00	94.00	3.3%
Each Additional Inspection	101.00	101.00	104.00	3.0%
Advisory Visit		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
Variation to Licence	224.00	224.00	231.00	3.1%
Re-evaluation of Rating	224.00	224.00	231.00	3.1%
Variations to reduce the licensable activities or numbers of animals	92.00	92.00	95.00	3.3%
Transfer due to death of Licensee	92.00	92.00	95.00	3.3%
<b>Street Trading</b>				
Street Trading Total Fee	359.00	359.00	370.00	3.1%
Street Trading Community Event	40.00	40.00	41.00	2.5%
Charges for issue of a consent under the provisions of the Local Government (Miscellaneous) Provisions Act 1982				
<b>Day Centres</b>				
Price per meal:				
Member	4.40	4.40	4.60	4.6%
Non member	6.20	6.20	6.40	3.2%
Main course only - member	3.10	3.10	3.20	3.3%
Main course only - non member	4.30	4.30	4.50	4.6%
Dessert only - member	1.40	1.40	1.50	7.3%
Dessert only - non member	2.00	2.00	2.10	5.0%
Theme Meal - member	6.00	6.00	6.20	3.3%
Theme Meal - non member	7.50	7.50	7.70	2.6%

\* = includes VAT at 20%

	2020-21 from 1 April 2020 £	2021-22 4.1% from 1 April 2021 3.0% £	2022-23 Proposed	Increase %
<b>Membership Fees:</b>				
Day Centre only	13.00	13.00	13.40	3.1%
Day Centre and Dial a Ride (50% is for Community Transport)	20.00	20.00	20.60	3.0%
Membership Top Up Transport	6.80	6.80	7.00	3.0%
Membership Top Up Transport	6.80	6.80	7.00	3.0%
Day Centre Activities**	3.40	3.40	3.50	3.0%
Income from other services***e.g. hairdressing and chiropody (% of takings)	20%	20%	21%	3.0%
<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>				
<b>Meals on Wheels Service</b>				
Price per meal	4.40	4.40	4.50	2.3%
<b>Hire of Halls</b>				
Voluntary and Not for Profit Providers per Hour	25.00	25.00	26.00	4.0%
Educational Activities	26.00	26.00	27.00	3.8%
Private hire	35.00	35.00	36.00	2.9%
Half Day	110.00	110.00	113.00	2.7%
Full Day	220.00	220.00	227.00	3.2%
<b>Community Transport Service</b>				
Single Membership Fees:	13.00	13.00	13.50	3.8%
Dial a Ride only	13.00	13.00	13.50	3.8%
Community Transport to Day Centre	13.00	13.00	13.50	3.8%
Day Centre and Dial a Ride (half this fee relates to Day Centres)	20.00	20.00	20.50	2.5%
Group Membership Fees:	60.00	60.00	62.00	3.3%
Vehicle Hire per 1/2 hr	10.00	10.00	10.50	5.0%
Charge per mile	1.00	1.00	1.00	0.0%
Passenger charge (min 5 people)	6.00	6.00	6.50	8.3%
<b>Single Journey</b>				
1 mile	2.90	2.90	3.00	3.3%
2 miles	3.40	3.40	3.50	3.0%
3 miles	3.90	3.90	4.00	2.5%
4 miles	4.40	4.40	4.50	2.3%
5 miles	4.90	4.90	5.00	2.0%
6 miles	5.50	5.50	5.50	-0.1%
7 miles	6.00	6.00	6.00	0.0%
8 miles	6.50	6.50	6.50	-0.1%
9 miles	7.00	7.00	7.00	0.0%
10 miles	7.50	7.50	7.50	-0.1%
11 miles	8.00	8.00	8.00	0.0%
12 miles	8.50	8.50	8.50	-0.1%
13 miles	9.50	9.50	9.50	-0.1%
14 miles	10.00	10.00	10.00	0.0%
15 miles. Journeys above 15 miles are not undertaken.	10.50	10.50	10.50	0.0%
<b>Handyperson Service - Available for the over 60's, disabled and vulnerable</b>				
General Services (per hour incl VAT)	25.00 *	25.00 *	26.00	4.0%
General Services for those on benefits (per hour incl VAT)	15.00 *	15.00 *	15.50	3.3%
Safe and Secure Works for those on benefits	Free of Charge	Free of Charge		

\* = includes VAT at 20%

	2020-21 from 1 April 2020 £	2021-22 4.1% from 1 April 2021 3.0% £	2022-23 Proposed	Increase %
<b>Approved under Delegated Authority</b>				
<b>Private Sector Housing</b>				
HMO Licences (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	885.00	885.00	912.00	3.1%
	No longer applicable	No longer applicable		
<b>Careline</b>				
<b>Weekly Charges</b>				
Sheltered accommodation clients	0.60	0.60	0.65	8.0%
Elderly Persons dwellings clients	3.25	3.25	3.35	3.0%
Private Sector Clients (dispersed alarms)	4.60	4.60	4.75	3.2%
Responder Services (out of hours)	1.40	1.40	1.45	3.7%
<b>Caravan Licence</b>				
<b>New Licence Application</b>				
Number of Pitches 1 - 5	375.00	375.00	387.00	3.2%
Number of Pitches 6 - 15	391.00	391.00	402.00	2.8%
Number of Pitches 16 - 45	516.00	516.00	532.00	3.1%
Number of Pitches 46 and greater	563.00	563.00	580.00	3.0%
<b>Transfer of Existing Licence</b>				
Number of Pitches 1 - 5	136.00	136.00	140.00	2.9%
Number of Pitches 6 - 15	136.00	136.00	140.00	2.9%
Number of Pitches 16 - 45	136.00	136.00	140.00	2.9%
Number of Pitches 46 and greater	136.00	136.00	140.00	2.9%
<b>Application to vary a Site Licence</b>				
Number of Pitches 1 - 5	236.00	236.00	243.00	3.0%
Number of Pitches 6 - 15	252.00	252.00	260.00	3.2%
Number of Pitches 16 - 45	283.00	283.00	292.00	3.2%
Number of Pitches 46 and greater	330.00	330.00	340.00	3.0%
<b>Annual Licence Fee</b>				
Number of Pitches 1 - 5	446.00	446.00	460.00	3.1%
Number of Pitches 6 - 15	514.00	514.00	530.00	3.1%
Number of Pitches 16 - 45	634.00	634.00	653.00	3.0%
Number of Pitches 46 and greater	682.00	682.00	703.00	3.1%
<b>Deposit of Site Rules</b>				
Number of Pitches 1 - 5	35.00	35.00	36.00	2.9%
Number of Pitches 6 - 15	35.00	35.00	36.00	2.9%
Number of Pitches 16 - 45	35.00	35.00	36.00	2.9%
Number of Pitches 46 and greater	35.00	35.00	36.00	2.9%
<b>Scrap Metal</b>				
Site Licence	204.00	204.00	210.00	2.9%
Mobile Collector	187.00	187.00	193.00	3.2%
<b>Local Authority Pollution Protection Control</b>				
Fees are set by Statute and are available on request from the Environmental Control service.				



	2020-21 from 1 April 2020 £	2021-22 4.1% from 1 April 2021 3.0% £	2022-23 Proposed	Increase %
<b>Hackney Carriages and Private Hire Vehicles</b>				
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)	#	#		
<b>Hackney Carriage and Private Hire Drivers</b>				
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	#	#		
<b>Private Hire Operators Licence</b>				
	#	#		
<b># subject of a report to Licensing Committee date tbc, and a further period of statutory consultation.</b>				
<b>Statutory Permits</b>				
Unlicensed Family Entertainment Centre				
- new application	300.00	300.00	309.00	3.0%
- fast track application	100.00	100.00	103.00	3.0%
- renewal	300.00	300.00	309.00	3.0%
- change of name	25.00	25.00	26.00	4.0%
- copy permit	15.00	15.00	15.00	0.0%
<b>Club Gaming Permit</b>				
- new application	200.00	200.00	206.00	3.0%
- fast track application	100.00	100.00	103.00	3.0%
- renewal	200.00	200.00	206.00	3.0%
- vary permit	100.00	100.00	103.00	3.0%
- annual fee	50.00	50.00	52.00	4.0%
- copy permit	15.00	15.00	15.00	0.0%
<b>Club Machine Permit</b>				
- new application	200.00	200.00	206.00	3.0%
- fast track application	100.00	100.00	103.00	3.0%
- renewal	200.00	200.00	206.00	3.0%
- vary permit	100.00	100.00	103.00	3.0%
- annual fee	50.00	50.00	52.00	4.0%
- copy permit	15.00	15.00	15.00	0.0%
<b>Premises licensed to sell alcohol</b>				
- notification (automatic entitlement)	50.00	50.00	52.00	4.0%
- new application	150.00	150.00	155.00	3.3%
- fast track application	100.00	100.00	103.00	3.0%
- change of name	25.00	25.00	26.00	4.0%
- vary permit	100.00	100.00	103.00	3.0%
- annual fee	50.00	50.00	52.00	4.0%
- copy permit	15.00	15.00	15.00	0.0%
- transfer permit	25.00	25.00	26.00	4.0%
<b>Prize Gaming Permit</b>				

\* = includes VAT at 20%

- new application
- fast track application
- renewal
- change of name
- copy permit
- Lotteries**
- registration of society
- renewal (annual fee)

	<b>2020-21</b> from 1 April 2020 £	<b>2021-22</b> 4.1% from 1 April 2021 3.0% £	<b>2022-23</b> <b>Proposed</b>	<b>Increase</b> %
	300.00	300.00	309.00	3.0%
	100.00	100.00	103.00	3.0%
	300.00	300.00	309.00	3.0%
	25.00	25.00	26.00	4.0%
	15.00	15.00	15.00	0.0%
	40.00	40.00	41.00	2.5%
	20.00	20.00	21.00	5.0%

\* = includes VAT at 20%

**Approved by the Government**

Fee to be applied by Guildford Borough Council

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

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 3% £	2022-23 Proposed	Increase %
<b>To be approved by Council</b>				
<b>Off Street Car Park Charges</b>				
<b>Contract Car Parking</b>				
Main car parks - Monday to Friday only - Per year	2,528.19 *	2,528.19 *	2604.00	3.0%
Main car parks - Saturday only - Per year	505.76 *	505.76 *	521.00	3.0%
Main car parks - Monday to Saturday only - Per year	3,033.64 *	3,033.64 *	3125.00	3.0%
Stoke Fields, Stoke Road, and Eagle Road car parks - Resident rate - Per year	607.47 *	607.47 *	626.00	3.1%
<b>Season Ticket Parking</b>				
Farnham Road car park - Monday to Friday only - Per year	1,964.70 *	1,964.70 *	2024.00	3.0%
Farnham Road car park - Monday to Saturday only - Per year	2,357.62 *	2,357.62 *	2428.00	3.0%
York Road car park - Monday to Friday only - Per year	2,166.08 *	2,166.08 *	2231.00	3.0%
York Road car park - Monday to Saturday only - Per year	2,599.27 *	2,599.27 *	2677.00	3.0%
Bedford Road car park - Monday to Friday only - Per year	2,210.65 *	2,210.65 *	2277.00	3.0%
Guildford Park car park - Monday to Friday only - Per year	1,030.00 *	1,030.00 *	1061.00	3.0%
<b>Garages</b>				
Gardner Road, Stoke Fields, Bedford Sheds - Residents only - Per year	764.72 *	764.72 *	788.00	3.0%
Gardner Road, Stoke Fields, Park Road - Non-residents - Per year	1,284.96 *	1,284.96 *	1324.00	3.0%
Bedford Road Sheds - Non-resident - Per year	1,841.03 *	1,841.03 *	1896.00	3.0%
<b>Penalty Fee Notice</b>				
Pay and display space	25.00	25.00	25.00	0.0%
Permit space	35.00	35.00	35.00	0.0%
<b>On Street Car Park Charges</b>				
<b>Parking Meter Charges</b>				
Town centre - charge per 30 minutes	1.00	1.00	1.00	0.0%
Town centre - charge per 30 minutes, 2 hr bays	0.80	0.80	0.80	0.0%
Other on-street parking bays, 3 hr bays	0.60	0.60	0.60	0.0%
<b>Resident Permit</b>				
First permit - per year	50.00	50.00	Price on application	
Second permit - per year	80.00	80.00	Price on application	
Vehicles under 1200cc or powered by an alternative fuel source are entitled to a 20% discount				

\*= includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 3% £	2022-23 Proposed	Increase %
<b>Visitor Permit</b>				
Per permit	2.00	2.00	Price on application	
<b>Business Permit</b>				
First permit - per year	40.00	40.00	Price on application	
Second permit - per year	80.00	80.00	Price on application	
Vehicles under 1200cc or powered by an alternative fuel source are entitled to a 20% discount				
<b>Carers Permit</b>				
Per permit - Per year	5.00	5.00	Price on application	
<b>Penalty Fee Notice</b>				
Pay and display space	25.00	25.00	25.00	0.0%
Permit space	35.00	35.00	35.00	0.0%
<b>Markets</b>				
North Street - Market Stall per day per metre, stall frontage	15.00	15.00	15.50	3.3%
<b>Refuse Collection Service</b>				
Special Collection of Household Refuse	Price on application	Price on application		
For a single item	Price on application	Price on application		
For 2 to 5 items	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)	Price on application	Price on application		
Commercial Waste per hour or part thereof (Minimum 2 hours)	Price on application	Price on application		
Duty of care certificate	28.20 *	28.20 *	29.05	3.0%
<b>Dog Fouling</b>				
Fixed Penalty Charge	not applicable	not applicable		
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				

\*= includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 3% £	2022-23 Proposed	Increase %
<b>Approved under Delegated Authority</b>				
<b>Cleansing</b>				
<b>Provision of bins to housing developments &amp; redevelopments</b>				
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	60.00	0.0%
Initial supply and delivery of 770ltr bins to new properties	290.00	290.00	305.00	5.2%
Initial supply and delivery of 1100ltr bins to new properties	295.00	295.00	310.00	5.1%
<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>				
<b>Recycling - Green Waste Bins</b>				
Per Bin	41.00	41.00	45.00	9.8%
Replacement Bin	30.00	30.00	30.00	0.0%
1 Set of 4 - 60 litre sacks	41.00	41.00	45.00	9.8%
<b>Refuse</b>				
Replacement Bin	30.00	30.00	30.00	0.0%
<b>Miscellaneous for Small Businesses</b>				
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		
<b>Food Waste</b>				
Trade collection (per 120 litre container)	Price on application	Price on application		
School collection (per 120 litre container)	Price on application	Price on application		
<b>Abandoned Vehicles</b>				
Recovery and Release of vehicle	108.00	108.00	111.24	3.0%
Daily Charge (Monday to Friday)	12.00	12.00	12.36	3.0%
<b>Approved by Government</b>				
<b>Public</b>				
MOT	54.80	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	27.40	0.0%
Thereafter full cost				

\*= includes VAT at 20%

	<b>2020-21</b> From 1 April 2020 £	<b>2021-22</b> From 1 April 2021 3% £	<b>2022-23</b> <b>Proposed</b>	<b>Increase</b> %
<b>Taxi</b>				
Vehicle Inspection Fee	58.00	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	27.40	0.0%
For a full list of charges please contact the MOT bay				

\*= includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	3% 2022-23 Proposed	Increase %
<b>To be approved by Council</b>				
<b>Parks and Open Spaces</b>				
<b>Tennis-Stoke Park and Sutherland Memorial Park</b>				
Adult per court, per hour	6.90	6.90	7.11	3.0%
Junior (under 18) & concession price, per court, per hour	5.90	5.90	6.08	3.0%
Coaching	6.90	6.90	7.11	3.0%
Burpham Tennis Club	5.90	5.90	6.08	3.0%
<b>Mini Golf - Stoke Park</b>				
Adults	4.60	4.60	4.74	3.0%
Children	3.10	3.10	3.19	3.0%
Family Ticket (2 adults and 3 under 16's)	12.80	12.80	13.18	3.0%
<b>Cricket: All sites</b>				
Evening 17:00 hrs onwards - Adults (up to 4 hours)	100.00	100.00	103.00	3.0%
Full Day - Adults (22 yrs)	135.00	135.00	139.05	3.0%
Standard Pitch - Under 18's	43.50	43.50	44.81	3.0%
Small Pitch - Junior teams under 15's	33.00	33.00	33.99	3.0%
<b>Football - All sites</b>				
Grass football pitch 3 hours - U18's 11-a-side football	49.00	49.00	50.47	3.0%
Grass football pitch 3 hours - Adult 11-a-side football	89.00	89.00	91.67	3.0%
Grass football pitch 90 minutes - 9v9 football	33.50	33.50	34.51	3.0%
Grass football pitch 90 minutes - 7v7 football	32.50	32.50	33.48	3.0%
Grass football pitch 90 minutes - 5v5 football	30.50	30.50	31.42	3.0%
Grass football training (no pitch use) 2 hours - Football training area	30.50	30.50	31.42	3.0%
<b>Rugby:</b>				
Rugby pitch 2 hours - U18's rugby	49.00	49.00	50.47	3.0%
Rugby pitch 2 hours - Adult rugby	89.00	89.00	91.67	3.0%
Rugby training (no pitch use) 2 hours - Rugby training area	30.50	30.50	31.42	3.0%
Touch rugby 2 hours - U18's touch rugby	49.00	49.00	50.47	3.0%
<b>Netball - Stoke Park (Adult)</b>	35.50	35.50	36.57	3.0%
<b>Netball - Stoke Park (School usage and U18)</b>	17.50	17.50	18.03	3.0%
<b>Softball/Rounders - (Adult)</b>	43.50	43.50	44.81	3.0%
<b>Softball/Rounders - (School and U18)</b>	24.50	24.50	25.24	3.0%



	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	3% 2022-23 Proposed	Increase %
<b>Grass Athletics Track</b> - Stoke Park (Adult groups/Organisations) 2 hours	88.00	88.00	90.64	3.0%
<b>Grass Athletics Track</b> - Stoke Park (Schools and U18 groups) 2 hours	49.00	49.00	50.47	3.0%
<b>Lacrosse:</b>				
Stoke Park - Adults	88.00	88.00	90.64	3.0%
Stoke Park - School usage and youth (Under 18's)	49.00	49.00	50.47	3.0%
<b>Table Tennis - All Per 30 minutes</b>	1.00	1.00	1.03	3.0%
<b>Frisbee pitch 2 hours (All)</b>	34.00	34.00	35.02	3.0%
<b>Event all Sites</b>				
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				
<b>Circuses and Fun Fairs</b>				
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				
<b>Filming all Sites: -</b>				
Per Event - Per Day on Site (Negotiable) Minimum £50 - Maximum £1,000 per day	Price on application	Price on application		
<b>Fitness Sessions</b>				
	Price on application	Price on application		
<b>Forest school use of site - per child per visit</b>	2.00	2.00	2.06	3.0%
<b>Car Parking Only All Sites:</b>				
Per Day on Site (not in conjunction with event hire)	Price on application	Price on application		
<b>Commemorative Benches (All sites)</b>				
	Price on application	Price on application		
<b>Shalford Park:</b>				
Camping and Caravanning (Club Use) - per unit per night	9.70 *	9.70 *	9.99	3.0%
<b>Chantries Camp Site: per person per day/night</b>				
Minimum charge for groups of 3 persons or under	5.00 *	5.00 *	5.15	3.0%
	15.00 *	15.00 *	15.45	3.0%

\* = includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	3% 2022-23 Proposed	Increase %
<b>Sutherland Memorial Park</b>				
<b>Astro Pitch 5-a-side</b>				
All - per court per hour before 4pm (Weekdays and weekend)	11.00	11.00	11.33	3.0%
5-a-side Football per court per hour including floodlights - Adults	50.00	50.00	51.50	3.0%
5-a-side Football per court per hour including floodlights - Youth (Under 18's)	25.50	25.50	26.27	3.0%
<b>Balloon Flights</b>				
Seasonal annual agreement paid in advance for take off rights per site	645.00	645.00	664.35	3.0%
<b>Greenark</b>				
Commercial - Each hour or part	20.00	20.00	20.60	3.0%
Community - Each hour or part	17.00	17.00	17.51	3.0%
For regular users book 10 and receive 10% discount				
<b>Approved under Delegated Authority</b>				
<b>Guildford Crematorium</b>				
<b>Cremation Fees</b>				
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		
For the standard attended cremation of a person whose age at the time of death exceeded 18 years includes 30 minutes in chapel, use of computerised music system, cremation, medical referee fees, ashes container suitable for transportation and storage only , laying to rest of ashes in the Gardens of Remembrance at the crematorium.	925.00	925.00	975.00	5.4%
Saturday cremation (09:00 am - 12 noon)	1,200.00	1,200.00	1250.00	4.2%
Non attended service cremation	495.00	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	145.00	7.4%
Service of double or additional length; per 45 minutes additional fee of:	250.00	250.00	275.00	10.0%
Service which exceeds the allocated timeslot of 30 minutes	285.00	285.00	315.00	10.5%
Cremation of a child on a Saturday (9am - 12 noon)	free of charge	free of charge		
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	115.00	115.00	125.00	8.7%
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.				
<b>Urns and Containers</b>				
Ashes Container	24.00	24.00	25.00	4.2%
Wooden Casket	76.00	76.00	80.00	5.3%
Decorative Urns	122.00	122.00	125.00	2.5%
Decorative keepsake urns	38.00	38.00	40.00	5.3%
Scatter tubes	45.00	45.00	46.00	2.2%
Child Scatter tubes	16.00	16.00	16.50	3.1%
<b>Deposit of Ashes</b>				
For the scattering of ashes in the Garden of Remembrance when cremation has taken place elsewhere	110.00	110.00	115.00	4.5%
Split of ashes to include 2x cremation certificate and 2x ashes containers for separate scattering elsewhere.	50.00	50.00	52.00	4.0%

\*= includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	3% 2022-23 Proposed	Increase %
<b>Memorials and Inscriptions</b>				
<b>Entries in the Book of Remembrance</b>				
2 line entry	105.00 *	105.00 *	110.00	4.8%
5 line entry	140.00 *	140.00 *	145.00	3.6%
5 line entry with motif	220.00 *	220.00 *	230.00	4.5%
8 line entry	170.00 *	170.00 *	180.00	5.9%
8 line entry with motif	250.00 *	250.00 *	260.00	4.0%
Motif	78.00 *	78.00 *	82.00	5.1%
<b>Replicas of entries in Book of Remembrance Memorial Cards</b>				
2 line entry	40.00 *	40.00 *	42.00	5.0%
5 line entry	63.00 *	63.00 *	66.00	4.8%
5 line entry with motif	143.00 *	143.00 *	148.00	3.5%
8 line entry	80.00 *	80.00 *	84.00	5.0%
8 line entry with motif	160.00 *	160.00 *	166.00	3.8%
Motif	78.00 *	78.00 *	82.00	5.1%

	<b>2020-21</b> From 1 April 2020 £	<b>2021-22</b> From 1 April 2021 £	<b>3% 2022-23</b> <b>Proposed</b>	<b>Increase</b> %
<b>Miniature Books of Remembrance</b>				
2 line entry	92.00 *	92.00 *	96.00	4.3%
5 line entry	130.00 *	130.00 *	137.00	5.4%
5 line entry with motif	210.00 *	210.00 *	219.00	4.3%
8 line entry	145.00 *	145.00 *	153.00	5.5%
8 line entry with motif	225.00 *	225.00 *	235.00	4.4%
Motif	78.00 *	78.00 *	82.00	5.1%
<b>Adoption of Rose Trees (including nameplate)</b>				
Standard Roses (5 years) with aluminium plaque	580.00	580.00	615.00	6.0%
Renewals after initial period:				
(a) 5 years	325.00	325.00	355.00	9.2%
(b) 1 year	106.00	106.00	110.00	3.8%
<b>Trees</b> 5 years with aluminium plaque	795.00	795.00	860.00	8.2%
<b>Trees</b> 10 years with aluminium plaque	1,400.00	1,400.00	1530.00	9.3%
Renewals after initial period:				
(a) 5 years	565.00	565.00	595.00	
(b) 1 year	160.00	160.00	170.00	6.3%
<b>Plaques</b>				
Aluminium Plaque with existing memorial	120.00 *	120.00 *	130.00	8.3%
Granite Plaque (6 x 4) with existing memorial	280.00 *	280.00 *	310.00	10.7%
Granite Plaque (7 x 5) with existing memorial	335.00 *	335.00 *	365.00	9.0%
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 *		

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	3% 2022-23 Proposed	Increase %
<b>Seats</b>				
Seats wooden 5 feet length (for a period of 10 years)	Price on application *	Price on application *	1995.00	
Seats Granite Columbaria (for a period of 10 years)	Price on application *	Price on application *		
Replacement or additional seat plaque 6" x 2"	150.00 *	150.00 *	156.00	4.0%
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 *	18.00	5.9%
<b>Memorial Vault - Sanctum including wooden casket</b>				
(a) 10 year adoption	1,450.00	1,450.00	1580.00	9.0%
(b) 20 year adoption	2,075.00	2,075.00	2200.00	6.0%
(c) 30 year adoption	2,800.00	2,800.00	3015.00	7.7%
(d) 40 year adoption	3,450.00	3,450.00	3700.00	7.2%
(e) 50 year adoption	4,200.00	4,200.00	4500.00	7.1%
Per Letter after first 80 letters	3.40	3.40	3.65	7.4%
Standard motif	230.00	230.00	245.00	6.5%
Non standard motif	Price on application	Price on application		
Photo plaque	140.00	140.00	145.00	3.6%
Replacement Vault Tablet - Sanctum 2	385.00	385.00	415.00	7.8%
Sanctum Replacement Vault Tablet (up to 80 letters) Sanctum 2000	385.00	385.00	400.00	3.9%
Memorial Vault - Renewal 5 years	360.00	360.00	375.00	4.2%
Memorial Vault - Renewal 10 years	715.00	715.00	755.00	5.6%
Memorial Vault - Renewal 20 years	1,425.00	1,425.00	1475.00	3.5%
<b>Vase Blocks - 10 years</b>				
Standard motif on a vase block	650.00	650.00	695.00	6.9%
Non standard motif on a vase block	230.00	230.00	245.00	6.5%
Photo plaque on a vase block	Price on application	Price on application		
Renewal of Vase Block for 5 years	100.00	100.00	105.00	5.0%
Replacement of Vase in memorial vaults	300.00	300.00	320.00	6.7%
Replacement of Vase in vase blocks	17.00	17.00	18.00	5.9%
Replacement of Vase in vase blocks	17.00	17.00	18.00	5.9%
Replacement vase for vaseblock vault	17.00	17.00	18.00	5.9%

\* = includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	3% 2022-23 Proposed	Increase %
<b>Sundials</b>				
Sundial Tablets Older style- Lower Tablet (when available)	670.00	670.00	710.00	6.0%
Sundial Tablets Older style- Middle Tablet (when available)	620.00	620.00	670.00	8.1%
Sundial Tablets Older style- Top Tablet (when available)	570.00	570.00	610.00	7.0%
Renewal of a Sundial Tablets Older style- Lower Tablet - 5 years	307.00	307.00	325.00	5.9%
Renewal of a Sundial Tablets Older style- Middle Tablet - 5 years	307.00	307.00	325.00	5.9%
Renewal of a Sundial Tablets Older style- Top Tablet - 5 years	307.00	307.00	325.00	5.9%
Replacement sundial tablet	257.00	257.00	270.00	5.1%
New Sundial Tablet first row for a period of 10 years	570.00	570.00	625.00	9.6%
New Sundial Tablet second row for a period of 10 years	570.00	570.00	625.00	9.6%
New Sundial Tablet third row for a period of 10 years	620.00	620.00	655.00	5.6%
New Sundial Tablet forth row for a period of 10 years	630.00	630.00	665.00	5.6%
New Sundial Tablet fifth row for a period of 10 years	670.00	670.00	710.00	6.0%
Standard motif on a sundial tablet	225.00	225.00	240.00	6.7%
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		
<b>Children's Memorial Garden</b>				
Rockery Boulder for 5 years	240.00	240.00	275.00	14.6%
Memorial mushroom plaque for 5 years	275.00	275.00	275.00	0.0%
Private gardens	870.00	870.00	955.00	9.8%
Use of Chapel for Memorial Service (no cremation)	625.00	625.00	665.00	6.4%
Reproduction of cremation certificate	25.00	25.00	26.00	4.0%
Assistance with bearing of a coffin into the chapel	45.00	45.00	48.00	6.7%
Assistance with bearing of a coffin into the chapel with no notice	60.00	60.00	65.00	8.3%
<b>Cemeteries</b>				
<b>Guildford, Stoke New and Old Cemeteries - Interments</b>				
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	530.40	4.0%
<b>Resident</b>				
For the interment in a grave which has already been purchased - the body of a person exceeding 18 years				
To a single depth (5ft)	900.00	900.00	936.00	4.0%
To a double depth (7ft)	995.00	995.00	1035.00	4.0%
Interment of cremated remains in a grave	385.00	385.00	400.00	3.9%
Interment of cremated remains in cremated remains plots at Stoke Cemetery	385.00	385.00	400.00	3.9%

\*= includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	3% 2022-23 Proposed	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)	free of charge	free of charge		
To a double depth (7ft)	free of charge	free of charge		
Interment of cremated remains in a grave	free of charge	free of charge		
Interment of cremated remains in cremated remains plots at Stoke Cemetery	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	485.00	505.00	4.1%
Exclusive Rights of Burial in Earthen Graves:	105.00	105.00	110.00	4.8%
Traditional and Lawn Section				
In an earthen grave 7ft 6 ins x 3ft 6 ins	2,020.00	2,020.00	2150.00	6.4%
In an earthen grave 6ft x 3ft - Children's section	Free of charge	Free of charge		
Extension of Exclusive Right of Burial for additional five years	340.00	340.00	355.00	4.4%
Garden of Remembrance (Cremated remains)	600.00	600.00	630.00	5.0%
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.				
<b>Memorials</b>				
Permit to erect a memorial	240.00	240.00	250.00	4.2%
Additional inscription on an existing memorial	Free of charge	Free of charge		
Permit to erect a vase with inscription	116.00	116.00	120.00	3.4%
Permit to erect a vase without inscription	Free of charge	Free of charge		
Permit to clean a memorial	15.00	15.00	16.00	6.7%
Permit for added inscription which requires removal of stone	225.00	225.00	235.00	4.4%
Permit for added inscription (done on site)	112.00	112.00	117.00	4.5%
Permit for remedial repair	45.00	45.00	47.00	4.4%
<b>Memorial Vault - Sanctum</b>				
(a) 10 year adoption	1,450.00	1,450.00	1590.00	9.7%
(b) 20 year adoption	2,075.00	2,075.00	2200.00	6.0%
(c) 30 year adoption	2,800.00	2,800.00	3015.00	7.7%
(d) 40 year adoption	3,450.00	3,450.00	3700.00	7.2%
(e) 50 year adoption	4,200.00	4,200.00	4500.00	7.1%
Per Letter after first 80 letters	3.40	3.40	3.65	7.4%
Standard motif	230.00	230.00	245.00	6.5%

\*= includes VAT at 20%

	<b>2020-21</b> From 1 April 2020 £	<b>2021-22</b> From 1 April 2021 £	<b>3% 2022-23</b> <b>Proposed</b>	<b>Increase</b> %
Non standard motif				
Photo plaque	Price on application	Price on application		
Sanctum Replacement Vault Tablet (up to 80 letters) Sanctum 2000	140.00	140.00	145.00	3.6%
Memorial Vault - Renewal 5 years	385.00	385.00	400.00	3.9%
Memorial Vault - Renewal 10 years	360.00	360.00	375.00	4.2%
Memorial Vault - Renewal 20 years	715.00	715.00	755.00	5.6%
	1,425.00	1,425.00	1475.00	3.5%
<b>Miscellaneous Charges</b>				
Exhumation of a coffin or ashes casket: Fees to be assessed by the Registrar:	Price on application	Price on application		
Certified Copy of title deed of burial	24.00	24.00	25.00	4.2%
Transfer of grant of right of burial	98.00	98.00	105.00	7.1%
Addition of grave owners after rights issued/transferred			25.00	
<b>Cemeteries - Non Residents of Guildford Borough Fees</b>				
<b>Guildford, Stoke New and Old Cemeteries - Interments</b>				
For the interment in a grave in respect of which an exclusive right of burial has not been granted:-	free of charge	free of charge		
Unpurchased grave for a child	510.00	510.00	530.40	4.0%
Unpurchased grave for an adult				
For the interment in a grave in which a grave has already been purchased the body of a person exceeding 18 years	1,800.00	1,800.00	1875.00	4.2%
To a single depth (5ft)	1,990.00	1,990.00	2070.00	4.0%
To a double depth (7ft)	770.00	770.00	800.80	4.0%
Interment of cremated remains in a grave	770.00	770.00	800.80	4.0%
Interment of cremated remains in the Garden of Remembrance				
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:	450.00	450.00	470.00	4.4%
For every hour after 5pm	105.00	105.00	110.00	4.8%
<b>Exclusive Rights of Burial in Earthen Graves:</b>				
<b>Traditional and Lawn Section</b>				
In an earthen grave 7ft 6 ins x 3ft 6 ins	4,040.00	4,040.00	4205.00	4.1%
In an earthen grave 6ft x 3ft - Children's section	1,850.00	1,850.00	1925.00	4.1%
Extension of Exclusive Right of Burial for additional five years	680.00	680.00	710.00	4.4%
Garden of Remembrance (Cremated remains)	1,200.00	1,200.00	1250.00	4.2%
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.				
<b>Miscellaneous Charges</b>				
Exhumation of a coffin or ashes casket: Fees to be assessed by the Registrar:	Price on application	Price on application		
Certified Copy of title deed of burial	24.00	24.00	25.00	4.2%
Transfer of grant of right of burial	98.00	98.00	105.00	7.1%

\*= includes VAT at 20%



	2020-21 From 1 April 2020	2021-22 From 1 April 2021	3%	2022-23 Proposed	Increase %
	£	£			%
<b>Guildford Spectrum - To be approved by Council</b>					
<b>Standard Social Charges</b>					
<b>Concessionary Charges</b> - the rates shown below relate to the following groups:-					
Senior Citizens					
Benefit Recipients					
Unemployed					
Students					
Disabled					
<b>Main Pool</b>					
Adult swim (16 years of age and over) - Peak	4.90 *	4.90 *		5.05	3.0%
Adult swim (16 years of age and over) - Off Peak	4.60 *	4.60 *		4.74	3.0%
Junior, concessions	3.50 *	3.50 *		3.61	3.0%
<b>Showers</b>					
Shower (senior citizen)	2.30 *	2.30 *		2.37	3.0%
<b>Special Activities</b>					
Badminton Court per hour - super saver	7.70 *	7.70 *		7.93	3.0%
Group Games per hour - super saver	37.50 *	37.50 *		38.63	3.0%
Squash/Racquetball, per half hour - super saver	5.60 *	5.60 *		5.77	3.0%
Squash/Racquetball, per hour - super saver	8.60 *	8.60 *		8.86	3.0%
Table Tennis	5.70 *	5.70 *		5.87	3.0%
<b>Off Peak Charges - Concessions</b>					
Competition Pool	3.50 *	3.50 *		3.61	3.0%
Leisure Pool	4.90 *	4.90 *		5.05	3.0%
Ice Rink	4.70 *	4.70 *		4.84	3.0%
Ten Pin (single game) - now includes shoe hire	5.60 *	5.60 *		5.77	3.0%
Health Suite: relaxation area	4.60 *	4.60 *		4.74	3.0%
Fitness Area	5.10 *	5.10 *		5.25	3.0%
Athletics	3.90 *	3.90 *		4.02	3.0%

\*= includes VAT at 20%

	2020-21 From 1 April 2020	2021-22 From 1 April 2021	3%	2022-23 Proposed	Increase %
	£	£			%
<b>Guildford Lido - To be approved by Council</b>					
<b>Standard</b>					
Adult	6.90 *	6.90 *		7.11	3.0%
Junior	5.20 *	5.20 *		5.36	3.0%
Concessions	5.20 *	5.20 *		5.36	3.0%
Family	22.00 *	22.00 *		22.66	3.0%
<b>Off Peak</b>					
Adult	5.70 *	5.70 *		5.87	3.0%
Junior	4.10 *	4.10 *		4.22	3.0%
Concessions	4.10 *	4.10 *		4.22	3.0%
Family	17.50 *	17.50 *		18.03	3.0%
<b>Season Tickets</b>					
Adult	150.00 *	150.00 *		154.50	3.0%
Junior	115.00 *	115.00 *		118.45	3.0%
Student	115.00 *	115.00 *		118.45	3.0%
Senior citizen	95.00 *	95.00 *		97.85	3.0%
Concessionary Groups - All Times	4.10 *	4.10 *		4.22	3.0%
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 *		2.06	3.0%
Crazy Golf	1.00 *	1.00 *		1.03	3.0%
<b>Gym</b>					
<b>Pay as You Train - Peak</b>					
Adult Fitness Session	6.50 *	6.50 *		6.70	3.0%
Student/Senior/Concessionary Fitness Session	4.50 *	4.50 *		4.64	3.0%
Enhanced Induction Course	29.50	29.50		30.39	3.0%
Fast Track/Concessionary Induction	17.50	17.50		18.03	3.0%
<b>Pay as You Train - Off Peak</b>					
Adult Fitness Session	5.30 *	5.30 *		5.46	3.0%
Student/Senior/Concessionary Fitness Session	3.30 *	3.30 *		3.40	3.0%
Enhanced Induction Course	29.50	29.50		30.39	3.0%
Fast Track/Concessionary Induction	17.50	17.50		18.03	3.0%

\*= includes VAT at 20%

	2020-21 From 1 April 2020	2021-22 From 1 April 2021	3%	2022-23 Proposed	Increase %
	£	£			%
<b>Membership</b>					
Annual Membership - Concessions	308.00 *	308.00 *		317.24	3.0%
Monthly Membership - Concessions	27.70 *	27.70 *		28.53	3.0%
<b>Ash Manor Sports Centre - To be approved by Council</b>					
<b>Main Sports Hall</b>					
Badminton per hour - peak	9.80 *	9.80 *		10.09	3.0%
Badminton per hour - off-peak	7.80 *	7.80 *		8.03	3.0%
Group Games per hour - peak	44.50 *	44.50 *		45.84	3.0%
Group Games per hour - off-peak	37.50 *	37.50 *		38.63	3.0%
Fitness & Group Exercise Classes (min price)	5.50 *	5.50 *		5.67	3.0%
Badminton - Junior	3.50 *	3.50 *		3.61	3.0%
<b>Gymnasium</b>					
Group Games per hour - peak	28.50 *	28.50 *		29.36	3.0%
Group Games per hour - off-peak	21.00 *	21.00 *		21.63	3.0%
Table tennis - per hour - peak and off peak	6.50 *	6.50 *		6.70	3.0%
<b>Equipment Hire - Adults only (£10.00 deposit)</b>					
Badminton Racquet/Table Tennis bat	2.50 *	2.50 *		2.58	3.0%
Football	4.00 *	4.00 *		4.12	3.0%
<b>Outside Court (Playground) - per hour</b>					
With floodlights	21.00 *	21.00 *		21.63	3.0%
Without floodlights	13.00 *	13.00 *		13.39	3.0%
<b>Artificial Pitch</b>					
1 hour without lights	73.00 *	73.00 *		75.19	3.0%
1 hour with lights	95.00 *	95.00 *		97.85	3.0%
2 hours without lights	144.00 *	144.00 *		148.32	3.0%
2 hours with lights	188.00 *	188.00 *		193.64	3.0%
1/4 with lights, per hour	39.00 *	39.00 *		40.17	3.0%
1/4 without lights, per hour	30.00 *	30.00 *		30.90	3.0%
<b>Health &amp; Fitness</b>					
Annual Membership - Junior	220.00 *	220.00 *		226.60	3.0%
Annual Membership - Concessions	251.00 *	251.00 *		258.53	3.0%
Monthly Membership - Junior	20.00 *	20.00 *		20.60	3.0%
Monthly Membership - Concessions	25.00 *	25.00 *		25.75	3.0%

\*= includes VAT at 20%

	<b>2020-21</b>	<b>2021-22</b>		<b>2022-23</b>	<b>Increase</b>
	From 1 April 2020	From 1 April 2021	3%	<b>Proposed</b>	
	£	£			%
<b>Pay as you Train - Peak</b>					
Adult Fitness Session	6.70 *	6.70 *		6.90	3.0%
Student/Senior/Concessionary Fitness Session	6.70 *	6.70 *		6.90	3.0%
Enhanced Induction Course	30.00	30.00		30.90	3.0%
Concessionary Induction	19.00	19.00		19.57	3.0%
<b>Pay as you Train - Off Peak</b>					
Off Peak Fitness Sessions - Adult	6.00 *	6.00 *		6.18	3.0%
Off Peak Fitness Sessions - Junior & Concessions	4.50 *	4.50 *		4.64	3.0%
Enhanced Induction Course	19.00	19.00		19.57	3.0%
Induction - Juniors & Concessions					
<b>GP Referral</b>					
Off Peak	4.50 *	4.50 *		4.64	3.0%

\*= includes VAT at 20%

	<b>2020-21</b> From 1 April 2020 £	<b>2021-22</b> From 1 April 2021 £	<b>2022-23</b> ## Proposed	<b>Increase</b> %
<b>To be approved by Council</b>				
<b>Education Sessions, 39.5 Castle Street</b>				
Cost per child <sup>1</sup>				
Victorian schoolroom	6.80	6.80	7.00	3.0%
Victorian playroom	6.50	6.50	6.70	3.0%
<sup>1</sup> A minimum charge equivalent to 25 child places is payable for all bookings				
<b>Adult education, History of Guildford class</b>				
Twenty sessions (subject to change depending on course requirements)	112.00	112.00	115.00	2.7%
<b>Exhibition Space Hire, Heritage Buildings</b>				
<b>Guildford House</b>				
Brew House - one week hire	170.00	170.00	175.00	2.9%
Main House - Garden Room - three week hire	370.00	370.00	380.00	2.7%
Main House - First Floor: Pine Room, Study, Landing, Powell Room - three week hire	835.00	835.00	860.00	3.0%
Main House exhibitions are open to the public for a minimum of three weeks (currently 5 days per week) , with the first and last day of the exhibition normally being on a Saturday.				
<b>Private View of Exhibitions</b>				
Main House, Daytime 12.00pm - 2.00pm	200.00	200.00	210.00	5.0%
Main House, Evening 7.00pm - 9.00pm	350.00	350.00	360.50	3.0%
Brew House, Saturdays 12.00pm - 2.00pm	80.00	80.00	82.40	3.0%
Full House - all rooms			1240.00	
<b>Venue Hire, Heritage Buildings</b>				
<b>The Brew House, Guildford House</b>				
Weekdays and Saturdays				
Half Day, 9.00am -12.00pm or 1.00pm - 4.00pm	110.00	110.00	120.00	9.1%
Full Day, 9.00am - 4.00pm	210.00	210.00	225.00	7.1%

\* = includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	2022-23 ## Proposed	Increase %
<b>Guildford Castle</b>				
<u>Day Hire</u>				
(a) Weekdays				
Half day, 9.00am - 1.00pm or 1.00pm - 5.00pm	220.00	220.00	230.00	4.5%
Full day, 9.00am - 5.00pm	395.00	395.00	410.00	3.8%
Evenings, 5.00pm - 9.30pm	420.00	420.00	435.00	3.6%
Available October - March				
(b) Weekends				
Saturday or Sunday, 9am - 1pm or 1pm - 5pm	240.00	240.00	250.00	4.2%
Saturday or Sunday, 9am - 5pm	440.00	440.00	455.00	3.4%
Evenings, 5.00pm - 9.30pm	450.00	450.00	465.00	3.3%
Available November - March				
<b>Guildford Museum</b>				
<u>Daily rates (Museum meeting room+)</u>				
Half Day 9.00am -12.00pm or 1.00pm - 4.00pm	55.00	55.00	60.00	9.1%
Full day 9.00am - 4.00pm	100.00	100.00	110.00	10.0%
<b>Guildhall</b>				
<u>Guildhall whole building</u>				
(a) Weekdays				
Morning, 9.00am - 1.00pm	330.00	330.00	350.00	6.1%
Afternoon, 1.00pm - 5.00pm	330.00	330.00	350.00	6.1%
Whole Day, 9.00am - 5.00pm	550.00	550.00	590.00	7.3%
Evening, 5.00pm - 10.00pm	450.00	450.00	500.00	11.1%
(b) Weekends				
Saturday 9.00am - 5.00pm	590.00	590.00	620.00	5.1%
Saturday 5.00pm - 12.00am	590.00	590.00	620.00	5.1%
Sunday 9.00am - 5.00pm	590.00	590.00	620.00	5.1%
Sunday 5.00pm - 12.00am	590.00	590.00	620.00	5.1%
<u>Guildhall Court Room</u>				
Weekdays				
Morning, 9.00am - 1.00pm	240.00	240.00	250.00	4.2%
Afternoon, 1.00pm - 5.00pm	240.00	240.00	250.00	4.2%
Whole Day, 9.00am - 5.00pm	450.00	450.00	480.00	6.7%
Evening, 5.00pm - 10.00pm	350.00	350.00	400.00	14.3%

\*= includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	2022-23 ## Proposed	Increase %
<b>Guildhall Council Chamber</b>				
<b>Weekdays</b>				
Morning, 9.00am - 1.00pm	240.00	240.00	250.00	4.2%
Afternoon, 1.00pm - 5.00pm	240.00	240.00	250.00	4.2%
Whole Day, 9.00am - 5.00pm	450.00	450.00	480.00	6.7%
Evening, 5.00pm - 10.00pm	350.00	350.00	400.00	14.3%
All rooms excess charge for evening hire after 10.00pm (per hour)	75.00	75.00	80.00	6.7%
<b>Admission Charges, Guildhall</b>				
Adult admission	2.00 *	2.00 *	2.20	10.0%
Child admission (under 5s free)	1.00 *	1.00 *	1.20	20.0%
<b>Admission Charges, Guildford Castle</b>				
Adult admission	3.50 *	3.50 *	3.70	5.7%
Child admission (under 5s free)	2.00 *	2.00 *	2.20	10.0%
<b>Joint admission ticket Guildhall and Guildford Castle</b>				
Adult admission	N/A *	N/A *	N/A	
Child admission	N/A *	N/A *	N/A	
<b>Family ticket Guildford castle</b>				
Family ticket to cover 2 adults and 2 children	10.00 *	10.00 *	11.00	10.0%
<b>Image licensing and reproductions</b>				
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	11.00	10.0%
Commercial publications with print runs up to 1,000 copies, one country / language	30.00	30.00	31.00	3.3%
Commercial publications with print runs up to 10,000 copies, one country / language	50.00	50.00	51.00	2.0%
Commercial publications with print runs over 10,000 copies, one country / language	70.00	70.00	72.00	2.9%
Books and magazine covers	100.00	100.00	103.00	3.0%
Television, one production, one country and one language	100.00	100.00	103.00	3.0%
Digital use for academic use that is not for profit	10.00	10.00	11.00	10.0%
Digital use commercial	10.00	10.00	11.00	10.0%
All requests are subject to a £12 administration fee. 20% discount will be applied where more than five images are used.				

\*= includes VAT at 20%

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
			Mon-Sat incl Bank Holidays 8am-6pm				Mon-Sat 6pm-10pm	Sun 5pm-10pm	Sun 11am-5pm Per Visit
M	Bedford Road	1033	price on application	price on application	price on application	price on application	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
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
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
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
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
			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
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
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
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
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
P	Tunsgate	62	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 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
			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
			Saturday Parking and Bank Holidays 8am -6pm				Mon-Sat 6pm-10pm	Sun 5pm-10pm	Sun 11am-5pm Per Visit
S	Millmead House (Front)	27	Mon-Fri - For Visitors to Council only			price on application	Closed	Closed	price on application
S	Lawn Road	87	Mon-Fri - Contract Car Park (unavailable to public)				Closed	Closed	price on application
S	Robin Hood	23					Closed	Closed	price on application
S	St Josephs	71					Closed	Closed	price on application
S	Portsmouth Road	98					price on application	price on application	price on application
			Mon-Fri incl Bank Holidays 8am- 6pm			Saturday 8am -6pm	Mon-Sat 6pm-10pm	Sun 5pm-10pm	Sun 11am-5pm Per Visit
S	Guildford Park	220	price on application			price on application	Free	Free	Free
S	Shalford Park	66	price on application			Closed	Free	Closed	Closed
S	Walnut Tree Close	17	price on application			Free	Free	Free	Free
S	Ash Vale Station	29	price on application			Free	Free	Free	Free
			Mon-Thurs 8am-6pm			Fri-Sat	Mon-Thurs 6pm - 10pm & Sat 8pm-10pm	Sun 5pm-10pm	Sun 11am-5pm
S	North Street	49	price on application			Closed	price on application	price on application	price on application

All of the above charges include VAT at 20%



	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 3% £	2022-23 Proposed	Increase %
--	-----------------------------------	--------------------------------------	---------------------	---------------

**To be approved by Council**

**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 *	21.50	4.9%
Planning Appeal Decisions - post 2005 on website	20.50 *	20.50 *	21.50	4.9%
Planning Legal agreements (Section 106 etc.) - if available on website (New)	20.50 *	20.50 *	21.50	4.9%
Tree Preservation Orders (if available on website)	20.50 *	20.50 *	21.50	4.9%
BC Completion Certificate pre 2001	20.50 *	20.50 *	21.50	4.9%
BC Completion Letter pre 1991	20.50 *	20.50 *	21.50	4.9%

**Section 106 Agreements monitoring fee**

	750.00	750.00	772.50	3.0%
--	--------	--------	--------	------

**Self-build and Custom Housebuilding Register**

Initial entry on the register	27.00	27.00	28.00	3.7%
Initial entry fee for additional members of an Association	11.00	11.00	11.50	4.5%
Initial entry onto Part 2 of the register	11.00	11.00	11.50	4.5%
Annual fee for remaining on Part 1 and Part 2 the register	11.00	11.00	11.50	4.5%

**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	15.00	7.1%
Photocopying Charges (black and white A4)	0.36 *	0.36 *	0.50	38.9%
Photocopying Charges (black and white A3)	0.36 *	0.36 *	0.50	38.9%
Photocopying Charges (colour A4)	0.62 *	0.62 *	1.00	61.3%
Photocopying Charges (colour A3)	0.62 *	0.62 *	1.00	61.3%

**Supply of information to professional organisations**

General enquiries (one off charge)	74.00 *	74.00 *	77.00	4.1%
------------------------------------	---------	---------	-------	------

**Tables A,B, C, (domestic) D and E (commercial) for Building Control fees are available on the website or from the Building Control office**

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 3% £	2022-23 Proposed	Increase %
<b>Pre Application Advice</b>				
<b>Householder and new dwellings</b>				
<b>Category: BRONZE</b>				
Householder	80.00 *	80.00 *	83.00	3.8%
1-4 dwellings	250.00 *	250.00 *	258.00	3.2%
5-9 dwellings	500.00 *	500.00 *	515.00	3.0%
10-49 dwellings	750.00 *	750.00 *	773.00	3.1%
<b>Category: SILVER</b>				
Householder	180.00 *	180.00 *	186.00	3.3%
1-4 dwellings	450.00 *	450.00 *	464.00	3.1%
5-9 dwellings	700.00 *	700.00 *	721.00	3.0%
10-49 dwellings	1,000.00 *	1,000.00 *	1030.00	3.0%
50+ dwellings	2,500.00 *	2,500.00 *	2575.00	3.0%
<b>Category: GOLD</b>				
Householder				
1-4 dwellings				
5-9 dwellings	1,200.00 *	1,200.00 *	1236.00	3.0%
10-49 dwellings	1,750.00 *	1,750.00 *	1803.00	3.0%
50+ dwellings	5,000.00 *	5,000.00 *	5150.00	3.0%
<b>Category: PLATINUM</b>				
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 *		
<b>Extras</b>				
<b>Additional plans</b>				
Householder	84.00 *	84.00 *		
1-4 dwellings	168.00 *	168.00 *	174.00	3.6%
5-9 dwellings	335.00 *	335.00 *	346.00	3.3%
10-49 dwellings	565.00 *	565.00 *	582.00	3.0%
50+ dwellings	845.00 *	845.00 *	871.00	3.1%
Other (listed building, advertisements, agricultural, telecommunications and trees)	168.00 *	168.00 *	174.00	3.6%

\*= includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 3% £	2022-23 Proposed	Increase %
<b>Additional meetings</b>				
Householder	Not applicable	Not applicable		
1-4 dwellings	335.00 *	335.00 *	346.00	3.3%
5-9 dwellings	450.00 *	450.00 *	464.00	3.1%
10-49 dwellings	675.00 *	675.00 *	696.00	3.1%
50+ dwellings	900.00 *	900.00 *	927.00	3.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	335.00 *	335.00 *	346.00	3.3%
<b>Commercial and other development</b>				
<b>Category: BRONZE</b>				
Commercial up to 250 sq metres	168.00 *	168.00 *	174.00	3.6%
Commercial up to 500 sq metres	280.00 *	280.00 *	289.00	3.2%
Commercial up to 1000 sq metres	450.00 *	450.00 *	464.00	3.1%
Commercial up to 2500 sq metres	565.00 *	565.00 *	582.00	3.0%
Commercial over 2500 sq metres	845.00 *	845.00 *	871.00	3.1%
Other (listed building, advertisements, agricultural, telecommunications and trees)	Not applicable	Not applicable		
<b>Category: SILVER</b>				
Commercial up to 250 sq metres	280.00 *	280.00 *	289.00	3.2%
Commercial up to 500 sq metres	400.00 *	400.00 *	412.00	3.0%
Commercial up to 1000 sq metres	735.00 *	735.00 *	758.00	3.1%
Commercial up to 2500 sq metres	845.00 *	845.00 *	871.00	3.1%
Over 2500 sq metres	1,150.00 *	1,150.00 *	1185.00	3.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	400.00 *	400.00 *	412.00	3.0%
<b>Category: GOLD</b>				
Commercial up to 250 sq metres				
Commercial up to 500 sq metres	845.00 *	845.00 *	871.00	3.1%
Commercial up to 1000 sq metres	965.00 *	965.00 *	994.00	3.0%
Commercial up to 2500 sq metres	1,700.00 *	1,700.00 *	1751.00	3.0%
Over 2500 sq metres	2,250.00 *	2,250.00 *	2318.00	3.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	900.00 *	900.00 *	927.00	3.0%
<b>Category: PLATINUM</b>				
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%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 3% £	2022-23 Proposed	Increase %
<b>Extras</b>				
<b>Additional plans</b>				
Commercial up to 250 sq metres	84.00 *	84.00 *	87.00	3.6%
Commercial up to 500 sq metres	168.00 *	168.00 *	174.00	3.6%
Commercial up to 1000 sq metres	335.00 *	335.00 *	346.00	3.3%
Commercial up to 2500 sq metres	565.00 *	565.00 *	582.00	3.0%
Commercial over 2500 sq metres	845.00 *	845.00 *	871.00	3.1%
Other (listed building, advertisements, agricultural, telecommunications and trees)	168.00 *	168.00 *	174.00	3.6%
<b>Meeting</b>				
Commercial up to 250 sq metres				
Commercial up to 500 sq metres	335.00 *	335.00 *	346.00	3.3%
Commercial up to 1000 sq metres	450.00 *	450.00 *	464.00	3.1%
Commercial up to 2500 sq metres	675.00 *	675.00 *	696.00	3.1%
Commercial over 2500 sq metres	900.00 *	900.00 *	927.00	3.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	335.00 *	335.00 *	346.00	3.3%
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				
<b>Planning performance agreements</b>				
<b>For major applications only ( residential or commercial)</b>				
Deposit	500.00 *	500.00 *	500.00	0.0%
Subsequent costs	Price on application *	Price on application *		
<b>Charges for tree advice- for a site visit and written response</b>				
<b>Pre- application advice on works to trees (TPO and conservation area)</b>				
First hour	88.00 *	88.00 *	88.00	0.0%
Per subsequent hours	58.00 *	58.00 *	58.00	0.0%
<b>General tree advice</b>				
First hour	88.00 *	88.00 *	88.00	0.0%
Per subsequent hours	58.00 *	58.00 *	58.00	0.0%
<b>Tree survey on proposed development site</b>				
Per hour	88.00 *	88.00 *	88.00	0.0%
<b>High Hedges</b>	600.00	600.00	618.00	3.0%

\*= includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 3% £	2022-23 Proposed	Increase %
--	-----------------------------------	--------------------------------------	---------------------	---------------

Conservation Area Character Appraisals and Landscape Character Assessments are available to download for free on our website- price on application for printed copies

**Local Plan Documents**

**Examination Documents**

Guildford borough Local Plan Strategy and Sites Adopted 25th April 2019	47.50	47.50	49.00	3.2%
Submission Local Plan: strategy and sites - Main Modifications (2018)	43.50	43.50	45.00	3.4%
Schedule of Main Modifications to the Plan (2018)	15.00	15.00	15.50	3.3%
Schedule of Minor Modifications to the Plan (2018)	15.00	15.00	15.50	3.3%

**Submission Documents**

Submission Local Plan: strategy and sites (2017)	43.50	43.50	45.00	3.4%
Guildford borough Proposed Submission Local Plan: strategy and sites (2016)	43.50	43.50	45.00	3.4%
Schedule of proposed minor modifications to Submission Local Plan (2017)	15.00	15.00	15.50	3.3%
Track changed version of Submission Local Plan (2017)	43.50	43.50	45.00	3.4%
Sustainability Appraisal (SA) and Non-technical Summary (2017)	26.50	26.50	27.50	3.8%
Habitat Regulations Assessment (HRA) (2017)	16.50	16.50	17.00	3.0%
Equalities Impact Assessment (EIA) Screening (2014)	3.00	3.00	3.25	8.3%
Local Development Scheme (LDS) (2017)	3.00	3.00	3.25	8.3%
Consultation Statement (2017)	135.00	135.00	139.00	3.0%
Community Involvement in Planning (2013)	9.00	9.00	9.25	2.8%
Monitoring Report 2016/17 (2017)	9.00	9.00	9.25	2.8%

**Housing**

West Surrey Strategic Housing Market Assessment (SHMA) (2015)	33.00	33.00	34.00	3.0%
West Surrey SHMA - Guildford Summary Report (2015)	9.00	9.00	9.50	5.6%
West Surrey SHMA: Guildford Addendum Report 2017 (2017)	15.50	15.50	16.00	3.2%
Review of Housing Needs Evidence across West Surrey HMA (2017)	9.00	9.00	9.50	5.6%
Traveller Accommodation Assessment (TAA) (2017)	16.50	16.50	17.00	3.0%
Land Availability Assessment (LAA) (2017)	74.00	74.00	76.00	2.7%
Land Availability Assessment (LAA) (2016)	74.00	74.00	76.00	2.7%

**Employment**

Employment Land Needs Assessment (ELNA) (2017)	16.50	16.50	17.00	3.0%
West Surrey Functional Economic Market Area (FEMA) (2016)	3.00	3.00	3.25	8.3%
Retail and Leisure Update Study (2014)	31.00	31.00	32.00	3.2%
Guildford Retail and Leisure Study Addendum (2017)	9.00	9.00	9.50	5.6%

**Protecting and Design**

Historic Environment Information (2016)	45.00	45.00	46.50	3.3%
Environmental Sustainability and Climate Change Study (2013)	12.00	12.00	12.50	4.2%
Assessment of the Viability of Carbon Emission Targets for New Builds (2017)	26.00	26.00	27.00	3.8%
Guildford Renewable Energy Mapping Study (2015)	15.00	15.00	15.50	3.3%

	2020-21	2021-22	2022-23	Increase
	From 1 April 2020	From 1 April 2021	3% Proposed	
	£	£		%
Green Belt and Countryside Study , Volumes I – VI	345.00	345.00	355.50	3.0%
Green Belt and Countryside Study - volume I	29.00	29.00	30.00	3.4%
Green Belt and Countryside Study - volume II	67.00	67.00	69.00	3.0%
Green Belt and Countryside Study - volume II appendix III	127.50	127.50	131.50	3.1%
Green Belt and Countryside Study - volume III	57.50	57.50	59.00	2.6%
Green Belt and Countryside Study - volume III appendix VI	50.50	50.50	52.00	3.0%
Green Belt and Countryside Study - volume IV	45.50	45.50	47.00	3.3%
Green Belt and Countryside Study - volume V	129.00	129.00	133.00	3.1%
Green Belt and Countryside Study - volume VI	5.00	5.00	5.25	5.0%
Landscape Character Assessment (4 volumes) (2007):				
- Volume 1 - Rural Assessment	26.00	26.00	27.00	3.8%
- Volume 2 - Rural-Urban Fringe Assessment	21.00	21.00	21.50	2.4%
- Volume 3 - Townscape Assessment	21.00	21.00	21.50	2.4%
- Volume 4 - Countryside Character Areas	5.00	5.00	5.25	5.0%
Surrey Hills AONB Areas of Search Natural Beauty Evaluation Report (2013)	10.50	10.50	11.00	4.8%
Thames Basin Heaths Special Protection Area Avoidance Strategy Supplementary Planning Document (2017)	10.50	10.50	11.00	4.8%
Sites of Nature Conservation Importance (SNCI) Surveys 2004-2007	9.00	9.00	9.50	5.6%
SNCI Survey Report – Former Wisley airfield (2016)	10.50	10.50	11.00	4.8%
SNCI Survey Report – Little Flexford (2016)	9.00	9.00	9.25	2.8%
Strategic Flood Risk Assessment (SFRA)				
- Level 1 SFRA: Summary Report (2016)	5.50	5.50	5.75	4.5%
- Level 1 SFRA: Volume 1 - Final Decision Support	12.50	12.50	13.00	4.0%
- Level 1 SFRA: Volume 2 - Technical Report (2016)	11.00	11.00	11.50	4.5%
- Level 1 SFRA: Flood risk Sequential and Exception Test (2017)	9.50	9.50	10.00	5.3%
- Level 2 SFRA (2016)	24.00	24.00	24.50	2.1%
- Level 2 SFRA: 2017 Addendum (2017)	9.00	9.00	9.25	2.8%
Surface Water Management Plan (Six documents)	21.00	21.00	21.50	2.4%
<b>Infrastructure and Delivery</b>				
Guildford borough Infrastructure baseline (Guildford Borough Council, July 2013)	25.00	25.00	26.00	4.0%
Guildford borough Infrastructure Delivery Plan (IDP) (Guildford Borough Council, December 2017)	15.50	15.50	16.00	3.2%
Local Plan and CIL Viability Study (2016)	15.50	15.50	16.00	3.2%
Local Plan Viability Update (2017)	9.00	9.00	9.50	5.6%
Guildford Education Review (2016)	5.50	5.50	5.75	4.5%
Open Space, Sports and Recreation Assessment (2017)	52.00	52.00	53.50	2.9%
Guildford Assessment of Sites for Amenity Value (2017)	19.00	19.00	19.50	2.6%
Settlement Hierarchy Study (2014)	23.00	23.00	23.50	2.2%
Settlement Profiles (2013)	20.00	20.00	20.50	2.5%
Water Quality Assessment (2017)	9.00	9.00	9.25	2.8%

\*= includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	2022-23 Proposed	Increase %
<b>Transport</b>				
Guildford Borough Transport Strategy 2017 (December 2017)	10.50	10.50	11.00	4.8%
Strategic Highway Assessment for the Guildford borough Proposed Submission: strategy and sites (various years)	18.50	18.50	19.00	2.7%
Study of performance of A3 trunk road interchanges in Guildford urban area to 2024 under development s	15.50	15.50	16.00	3.2%
Study of performance of A3 trunk road interchanges in Guildford urban area to 2024 under development s	15.50	15.50	16.00	3.2%
Guildford Town and Approaches Movement Study (2015)	62.00	62.00	64.00	3.2%
Guildford Town Centre Parking Strategic Review (2013)	15.50	15.50	16.00	3.2%
A Sustainable Parking Strategy for Guildford 2016 (Guildford Borough Council, 2016)	10.50	10.50	10.75	2.4%
Parking Business Plan 2017 (Guildford Borough Council, 2017)	10.50	10.50	10.75	2.4%
Draft Guildford Town Centre Vision (Allies and Morrison Urban Practitioners, June 2014)	15.50	15.50	16.00	3.2%
Guildford Town Centre and Hinterland Masterplan Report: Final draft report for consultation (various years)	26.00	26.00	27.00	3.8%
Guildford Town Centre Regeneration Strategy 2017 (Guildford Borough Council, January 2017)	15.50	15.50	16.00	3.2%
Guildford Local Cycling Plan (Surrey County Council, undated circa 2015) [Accessed 6/12/2017]	15.50	15.50	16.00	3.2%
<b>Other Supporting Documents</b>				
Habitat Regulations Assessment (HRA) Screening (2013)	10.00	10.00	10.25	2.5%
Sustainability Appraisal (SA) Scoping Report (2013)	10.50	10.50	10.75	2.4%
SA site assessment criteria	5.00	5.00	5.25	5.0%
Guildford borough Local Plan Strategy and Sites Issues and Options (2013)	31.00	31.00	32.00	3.2%
Community Engagement Statement (Issues and Options) (2014)	10.50	10.50	10.75	2.4%
Initial Sustainability Appraisal (SA) (2013)	25.50	25.50	26.25	2.9%
Statement of Community Engagement (draft Local Plan) (2014)	5.00	5.00	5.25	5.0%
Interim Sustainability Appraisal (SA) Report (2014)	15.50	15.50	16.00	3.2%
Sustainability Appraisal (SA) of the Guildford borough Local Plan (2016)	25.50	25.50	26.25	2.9%
Sustainability Appraisal (SA) non-technical summary (2016)	3.00	3.00	3.25	8.3%
Guildford Local Plan HRA update May 2018	15.50	15.50	16.00	3.2%
<b>Neighbourhood Plans</b>				
Burpham Neighbourhood Plan	15.50	15.50	16.00	3.2%
Effingham Neighbourhood Plan	15.50	15.50	16.00	3.2%
East Horsley Neighbourhood Plan	15.50	15.50	16.00	3.2%
<b>Topic Papers</b>				
Topic paper: Duty to Cooperate (2017)	69.00	69.00	71.00	2.9%
Topic paper: Transport (2017)	22.00	22.00	22.75	3.4%
Topic paper: Green Belt and Countryside (2017)	14.50	14.50	15.00	3.4%
Topic paper: Housing Delivery (2017)	12.00	12.00	12.25	2.1%
Topic paper: Employment (2017)	12.50	12.50	13.00	4.0%
Topic paper: Retail and Town Centre (2017)	4.50	4.50	4.75	5.6%
Topic paper: Leisure and Tourism (2017)	17.00	17.00	17.50	3.0%

\*= includes VAT at 20%

	2020-21	2021-22	2022-23	Increase
	From 1 April 2020	From 1 April 2021 3%	Proposed	
	£	£		%
Topic paper: Housing Type Tenure and Mix (2017)	2.00	2.00	2.00	0.0%
Topic paper: Flood Risk (2017)	14.50	14.50	15.00	3.4%
Topic paper: Environmental Sustainability and Climate Change (2017)	4.00	4.00	4.25	6.3%
Topic paper: Green and Blue Infrastructure (2017)	3.50	3.50	3.75	7.1%
<b>Supplementary Planning Guidance</b>				
Residential Extensions and Alterations SPD	20.00	20.00	20.50	2.5%
Thames Basin Heath Special Protection Area Avoidance Strategy (2017) SPD	10.00	10.00	10.25	2.5%
Guildford Town Centre Views SPD (2019)	23.00	23.00	23.75	3.3%
<b>Development Briefs and Other Strategies</b>				
Thames Basin Heath Special Protection Area Avoidance Strategy (2017)	10.00	10.00	10.25	2.5%
<b>Postage and packing</b>				
Small documents	1.60 *	1.60 *	1.75	9.4%
Large documents	4.00 *	4.00 *	4.25	6.3%
Draft Local Plan- first class	16.75 *	16.75 *	17.25	3.0%
Draft Local Plan- second class	14.75 *	14.75 *	15.25	3.4%
<b>The above Local Plan documents are available to download for free on our website</b>				
<b>Land Charges Search Fees -(VAT introduced on 31st March 2017)</b>				
Basic Fee- domestic	187.00 *	188.00 *	189.20	0.6%
LLC1 Only- domestic	40.00	40.00	40.00	0.0%
Con 29R Only- domestic	147.00 *	148.00 *	149.20	0.8%
Basic Fee- commercial	254.00 *	255.00 *	256.20	0.5%
LLC1 Only- commercial	60.00	60.00	60.00	0.0%
Con 29R Only- commercial	194.00 *	195.00 *	196.20	0.6%
Con29 Additional Questions- Surrey County Council	20.00 *	20.40 *	21.00	2.9%
Con29 Additional Questions- Guildford Borough Council	12.00 *	12.00 *	12.00	0.0%
Assisted Personal Search	32.00	32.00	32.00	0.0%
Assisted Con29R Search (Per Question)	7.20 *	7.20 *	7.20	0.0%
Additional Parcels of Land	16.80 *	16.80 *	16.80	0.0%
Additional Questions	48.00 *	48.00 *	48.00	0.0%

\*= includes VAT at 20%



	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 3% £	2022-23 Proposed	Increase %
<b>To be approved by Council</b>				
<b>Farmers Market</b>				
Stall Charge (per market, per linear metre of frontage)	9.90	9.90	10.20	3.0%
Fee Supplement	4.00	4.00	4.15	3.8%
Car Parking	9.00 *	9.00 *	9.30	3.3%
<b>Standard charges</b>				
<b>Poster Boards</b>				
All poster boards are A4 sheet poster size				
- Rental per space - Rental per week	12.60 *	12.60 *	13.00	3.2%
<b>Banner Boards</b>				
- Rental per space - Rental per week				
Large 9ft banners	70.20 *	70.20 *	72.30	3.0%
A0 & A1- category A (all except Nightingale Rd, Shalford Park (wall mounted), Bedford Rd 1-6)	61.20 *	61.20 *	63.00	2.9%
A0 & A1- category B (Nightingale Rd, Shalford Park (wall mounted), Bedford Rd 1-6)	49.20 *	49.20 *	50.70	3.0%
A2 & A3	24.60 *	24.60 *	25.30	2.8%
<b>Concessionary charges</b>				
<b>Poster Boards</b>				
All poster boards are A4 sheet poster size				
- Rental per space - Rental per week	10.20 *	10.20 *	10.50	2.9%
<b>Banner Boards</b>				
- Rental per space - Rental per week				
Large 9ft banners	57.00 *	57.00 *	58.70	3.0%
A0 & A1- category A (all except Nightingale Rd, Shalford Park (wall mounted), Bedford Rd 1-6)	46.80 *	46.80 *	48.20	3.0%
A0 & A1- category B (Nightingale Rd, Shalford Park (wall mounted), Bedford Rd 1-6)	44.40 *	44.40 *	45.70	2.9%
A2 & A3	19.80 *	19.80 *	20.40	3.1%
<b>High Street Banner</b>				
Upper High Street - Rental per space - Rental per week	390.00 *	390.00 *	401.70	3.0%
Upper High Street - Rental per space - Rental subsequent weeks (maximum rental 3 weeks)	142.80 *	142.80 *	147.10	3.0%
Lower High Street - Rental per space - Rental per week	390.00 *	390.00 *	401.70	3.0%
Lower High Street - Rental per space - Rental subsequent weeks (maximum rental 3 weeks)	142.80 *	142.80 *	147.10	3.0%

\*= includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 3% £	2022-23 Proposed	Increase %
<b>North Street Rotunda</b>				
<b>Standard charges for full day</b>				
-Weekday	125.00	125.00	128.75	3.0%
- Saturday	200.00	200.00	206.00	3.0%
- Sunday	165.00	165.00	169.95	3.0%
<b>Concessionary charges for full day</b>				
-Weekday	60.00	60.00	61.80	3.0%
- Saturday	100.00	100.00	103.00	3.0%
- Sunday	80.00	80.00	82.40	3.0%

\*= includes VAT at 20%

	2020-21 from 1 April 2020 £	2021-22 from 1 April 2021 £	2022-23 Proposed	Increase 3% %
<b>To be approved by Council</b>				
<b>House Purchase Fees</b>				
Right to Buy Engrossment Fee	88.00	88.00	90.64	3.0%
Leasehold Enquires	132.00	132.00	135.96	3.0%
(b) Equity Share Lease Surrender	113.00	113.00	116.39	3.0%
<b>Road Closure Application Fee</b>	150.00	150.00	154.50	3.0%

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)				
Amenity organisations and private individuals				
Parish Councils (first copy free)				
Individual Agendas				
Constitution				
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		

#### Section 106 Agreements

Suitable Access to Natural Green Space (SANGS) Section 106 agreement or Unilateral Undertaking	750.00	750.00	772.50	3.0%
Section 106 agreement or Unilateral Undertaking (development up to 25 dwellings)	1,145.00	1,145.00	1179.35	3.0%
Section 106 agreement or Unilateral Undertaking (development exceeding 25 up to 50 dwellings)	2,275.00	2,275.00	2343.25	3.0%
Section 106 agreement or Unilateral Undertaking (development exceeding 51 up to 100 dwellings)	Minimum of £2,275 **	Minimum of £2,275 **		
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.

\*= includes VAT at 20%

	2020-21 from 1 April 2020 £	2021-22 from 1 April 2021 £	3%	2022-23 Proposed	Increase %
<b>Property Transactions – Legal Charges</b>					
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	2022-23	Increase
	from 1 April 2020	from 1 April 2021	3% <b>Proposed</b>	
	£	£		%

**To be approved by Council**

**Temporary Accommodation Fees**

**Daily Personal Charge Contributions**

Household size	2020-21	2021-22	2022-23	Increase
- Per adult person over 18	2.00	2.00	2.00	0.0%
- Children over 5 (per child)	0.50	0.50	0.50	0.0%

**Rental element charge**

For those who are working and not entitled to legacy Benefits such as Income Support, JSA, ESA; or the equivalent element of Universal Credit, the applicant will be required to pay the daily personal charge, plus a rental charge equivalent to 30% of their net household income, which includes income from employment, private pensions and any Tax Credits or equivalent components of UC. Disability Benefits or equivalent UC elements will be disregarded.

**Savings**

An assessment of the client's accessible savings will be conducted as part of their housing assessment.

If a client has accessible savings in excess of £6,000, they may be required to meet the full cost of the provision of the bed and breakfast placement, less any HB subsidy available.

Each application will be considered on its merits and exceptions may apply in special cases. Examples include access to capital assets and the need to fund any onward accommodation solutions, such as rent in advance costs, rent deposit costs or other reasonable housing costs such as removals and essential white goods that may require purchasing in order to facilitate a move – on from interim accommodation.

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	3% 2022-23 Proposed	Increase %
<b>To be approved by Council</b>				
<b>Local Taxation</b>				
Court Costs - Council Tax*	100.50	100.50	100.50	0.0%
Court Costs - Business Rates*	120.50	120.50	120.50	0.0%
Court Costs - BID Levy*	10.5	10.50	10.50	0.0%
*these amounts includes £20.00 payable for Liability Order				
<b>Letting of Council Accommodation for Meetings</b> (Charges for other uses subject to negotiation)				
Council Chamber				
Morning	252.00	252.00	260.00	3.2%
Afternoon	252.00	252.00	260.00	3.2%
Evening to 9.00 pm	325.00	325.00	335.00	3.1%
Room 1 (Chantries )- previously Committee Room 1				
Morning	175.00	175.00	180.00	2.9%
Afternoon	175.00	175.00	180.00	2.9%
Evening to 9.00 pm	252.00	252.00	260.00	3.2%
Room 2 ( Newlands)- previously Committee Room 2				
Morning	175.00	175.00	180.00	2.9%
Afternoon	175.00	175.00	180.00	2.9%
Evening to 9.00 pm	257.00	257.00	265.00	3.1%
Room 3 ( Sheepleas)				
Morning	125.00	125.00	129.00	3.2%
Afternoon	125.00	125.00	129.00	3.2%
Evening to 9.00 pm	180.00	180.00	186.00	3.3%
Room 4 ( Chinthurst)				
Morning	87.50	87.50	90.00	2.9%
Afternoon	87.50	87.50	90.00	2.9%
Evening to 9.00 pm	128.00	128.00	132.00	3.1%
Room 5 ( Whitmoor)				
Morning	87.50	87.50	90.00	2.9%
Afternoon	87.50	87.50	90.00	2.9%
Evening to 9.00 pm	128.00	128.00	132.00	3.1%
Room 6 ( Hurtmore)				
Morning	175.00	175.00	180.00	2.9%
Afternoon	175.00	175.00	180.00	2.9%
Evening to 9.00 pm	257.00	257.00	265.00	3.1%

	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>Increase</b>
	From 1 April 2020	From 1 April 2021	3% <b>Proposed</b>	
Room 7 ( Loseley)				
Morning	54.50	54.50	56.00	2.7%
Afternoon	54.50	54.50	56.00	2.7%
Evening to 9.00 pm	76.50	76.50	79.00	3.3%
Room 8 ( Hatchlands)				
Morning	105.00	105.00	108.00	2.9%
Afternoon	105.00	105.00	108.00	2.9%
Evening to 9.00 pm	153.50	153.50	158.00	2.9%

**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%

This page is intentionally left blank



Executive Report

Ward(s) affected: N/A

Report of Director of Strategic Services

Author: John Armstrong, Democratic Services and Elections Manager

Tel: 07970 516859

Email: john.armstrong@guildford.gov.uk

Lead Councillor responsible: Joss Bigmore

Tel: 07974 979369

Email: joss.bigmore@guildford.gov.uk

Date: 25 January 2022

## Draft Timetable of Council and Committee Meetings for 2022-23

### Recommendation to Executive:

That full Council (on 9 February 2022) approves the proposed timetable of Council and Committee meetings for the 2022-23 municipal year, as set out in Appendix 1 to this report.

### Reason for Recommendation:

To assist with the preparation of individual committee work programmes.

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

### 1. Purpose of Report

1.1 To adopt a timetable of Council and Committee meetings for the 2022-23 municipal year.

### 2. Strategic Framework

2.1 Adoption of a timetable of meetings will enable key decisions to be programmed that will assist in working towards the delivery of the Council's vision and mission as set out in the revised Corporate Plan.

### 3. Main considerations

3.1 A draft timetable of meetings for the 2022-23 municipal year is attached as **Appendix 1** for the Executive's consideration.

3.2 It is proposed, following consultation with the Leader and Deputy Leader of the Council, political group leaders, and with Waverley Borough Council, to move the regular day for the meeting of the Executive from Tuesday to Thursday in 2022-23 so as to avoid diary conflicts for our Joint Chief Executive given that the Waverley Executive also meets on a Tuesday.

- 3.3 However, we have also identified a number of date clashes in the current municipal year, including Guildford's Executive and Waverley's Budget Council meetings scheduled to take place on 22 February, and there is a further clash of Guildford Executive and Waverley full Council meetings on 26 April.
- 3.4 To address this, the Leader has agreed to move the 22 February Executive meeting to Thursday 24 February and the 26 April Executive meeting to Thursday 28 April 2022. The date of the Executive meeting scheduled for Tuesday 22 March will not be changed as we already have meetings scheduled for 23 and 24 March.
- 3.5 The draft timetable at Appendix 1 also takes into account the arrangements for meetings, which will be set out in a report by the Monitoring Officer on 'Pre-Election Publicity Guidance' to be presented to a future meeting. Under those arrangements, the Monitoring Officer is recommending that only the Planning Committee and Licensing Sub-Committee should meet during the pre-election period.

#### **4. Financial Implications**

- 4.1 There are no significant financial implications arising from the proposals in this report.

#### **5. Legal Implications**

- 5.1 In accordance with the Local Government Act 1972 (as amended), the Council is required to give public notice of meetings of the Council and its committees. Approval of our timetable of meetings for the next municipal year will enable us to publish the dates of these meetings at the Council offices and on the website well in advance.

#### **6. Human Resource Implications**

- 6.1 There are no significant human resource implications arising from this report.

#### **7. Equality and Diversity Implications**

- 7.1 There are no significant equality and diversity implications arising from this report.

#### **8. Climate Change/Sustainability Implications**

- 8.1 There are no significant climate change or sustainability implications arising from this report.

#### **9. Background Papers**

None

#### **10. Appendices**

Appendix 1: Draft timetable of Council and committee meetings for 2022-23

## DRAFT TIMETABLE OF COUNCIL AND COMMITTEE MEETINGS FOR THE 2022-23 MUNICIPAL YEAR

MEETING	PROPOSED DAY AND TIME	2022									2023				
		MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	
<b>Council</b>	Tuesday 7:00 p.m.	11+ 16\$		26			11					8 £ 22(r)		P	10+ 15\$
<b>Executive</b>	<b>Thursday</b> 7:00 p.m.	26	23	21	25	22	27	24			5 26	23	16	P	
<b>Strategy and Resources EAB</b>	Monday 7:00 p.m.		13		8		10		5			6		P	
<b>Service Delivery EAB</b>	Thursday 7:00 p.m.	19		7		8		3			12		9	P	
<b>Joint EAB</b>	7:00pm							10 (Th)			9 (M)			P	
<b>Overview &amp; Scrutiny Committee</b>	Tuesday 7:00 p.m.		7	12		13		8			17	28		P	
<b>Planning Committee</b>	Wednesday 7:00 p.m.	18	15	13	10	7	5	2 30			4	1	1 29	26	
<b>Licensing Committee</b>	Wednesday 7:00 p.m.	25		20		28		23			18		14 (T)	P	
<b>Corporate Governance and Standards Committee</b>	Thursday 7:00 p.m.		16	28		29		17			19		15 (W)	P	
<b>Guildford Joint Committee</b>	Wednesday 7:00 p.m.			tbc				tbc					tbc	P	

**Notes:**

+ Annual Council meeting **at 12 noon** on Wednesday 11 May 2022 and Wednesday 10 May 2023  
 \$ Selection Council meeting on Monday 16 May 2022 and 15 May 2023 to agree terms of reference and composition of, and make appointments to, committees  
 £ Budget Council meeting on Wednesday 8 February 2023  
 (r) Reserve date for Budget Council meeting on Wednesday 22 February 2023 if Surrey Police & Crime Panel vetoes the Police & Crime Commissioner's precept for 2022-23  
 (M) Monday, (T) Tuesday, (W) Wednesday, (Th) Thursday  
 P – Pre-Election Period - no meetings from approximately 20 March 2023 (date to be confirmed by the Returning Officer)  
 School Holidays: Spring half term: 30 May-3 June 2022 / Summer: 22 Jul to 1 Sep 2022 / Autumn half term: 24-28 Oct 2022 / Xmas: 16 Dec 2022 to 3 Jan 2023  
 Half term: 13-17 Feb 2023 / Easter: 31 March 2023 to 17 April 2023

This page is intentionally left blank